



COMFORTDELGRO

Singapore

Our Vision

To be the world's land transport operator of choice.

Our Strategies For Success

Look Beyond the Horizon

- Innovate and be receptive to new ideas and opportunities
- Solve problems in a prompt and effective manner
- Anticipate and embrace change

Do the Right Things – Right

- Never take our eyes off the ball
- Deploy people and assets for value enhancement
- Admit and learn from mistakes

Grow Our Talent Base

- Set the performance bar above industry norms
- Give credit where credit is due
- Reward equitably

Our Core Values

Results Orientation

We will:

- Set challenging and realistic goals
- Focus on results
- Identify and solve problems
- Have a sense of urgency and ownership

Integrity and Ethics

We will:

- Conduct our affairs in a manner consistent with the highest ethical and professional standards
- Engage in fair and honest business practices
- Show respect for each other, our customers, business partners, suppliers, shareholders, the authorities and the communities we operate in
- Communicate in a factual, honest and prompt manner
- Be open and transparent in our dealings
- Exhibit strong environmental stewardship

Commitment

We will:

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



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Global Footprint

Singapore

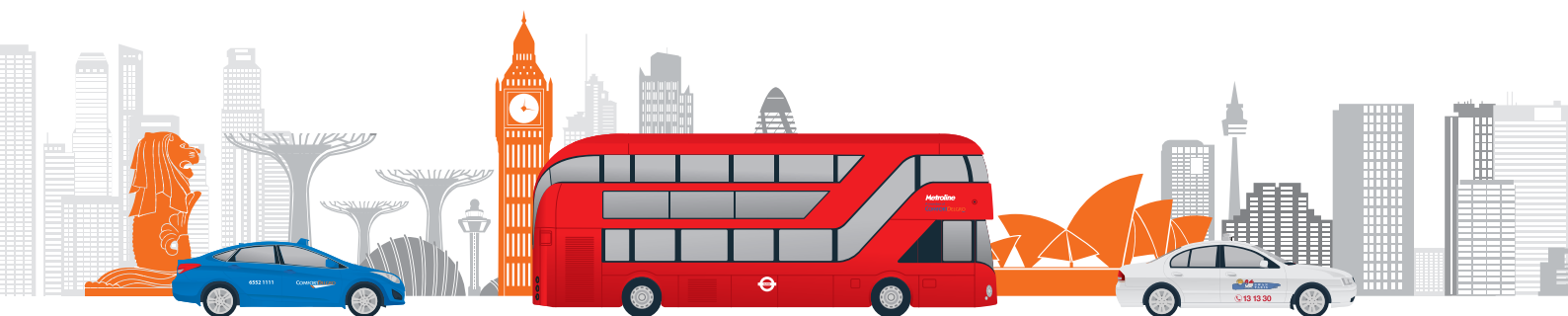
- 1. Singapore

UK

- 2. Aberdeen
- 3. Birmingham
- 4. Edinburgh
- 5. Glasgow
- 6. Liverpool
- 7. London

Australia

- 8. Ballarat
- 9. Blue Mountains
- 10. Canberra
- 11. Geelong
- 12. Lake Macquarie
- 13. Maitland
- 14. Melbourne
- 15. Newcastle
- 16. Parramatta
- 17. Perth
- 18. Queanbeyan
- 19. Sydney



35
Cities

7
Countries

21,646
Employees

46,303
Vehicles

China

- 20. Beijing
- 21. Chengdu
- 22. Chongqing
- 23. Guangzhou
- 24. Jilin City
- 25. Nanjing
- 26. Nanning
- 27. Shanghai
- 28. Shengyang
- 29. Suzhou
- 30. Tianjin

Ireland

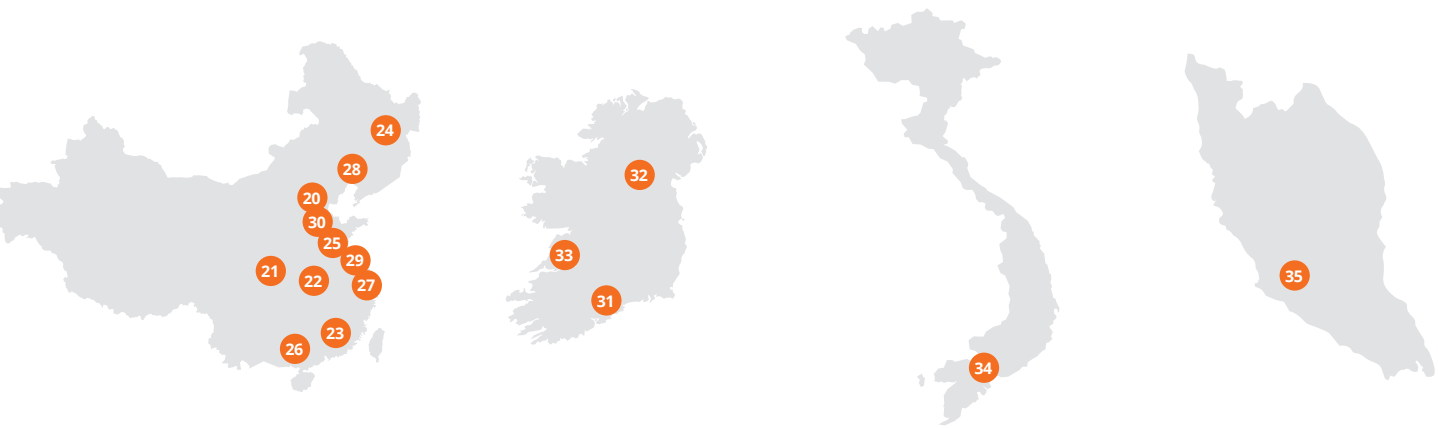
- 31. Cork
- 32. Dublin
- 33. Galway

Vietnam

- 34. Ho Chi Minh City

Malaysia

- 35. Kuala Lumpur



Chairman's Statement

Introduction

2014 was, for all intents and purposes, a very challenging year. Economically, politically and even socially, many countries around the world faced countless obstacles during the year.

Indeed, the New Normal that I reflected in my last Statement continued to take root.

In the aftermath of the 2011 Arab Spring, the world has witnessed the frightening birth of ISIS (Islamic State of Iraq and Syria). Across the Black Sea, the situation in Ukraine escalated during the year resulting in increased tension in the region. In Scotland, attempts to gain independence from the United Kingdom (UK) failed but the referendum has raised the possibility of similar actions elsewhere in the world.

Within Asia, the tussle between China and Japan over the sovereignty of Diaoyu/Senkaku islands continued. The emergence of new leaderships in India and Indonesia could spell changes and shifts in policies in favour of foreign investments. Likewise, the peaceful atmosphere among the 10 ASEAN Member States could also encourage an increase in foreign investments.

Providing a bright spark to the global economy was the United States, which showed signs of recovery in 2014, although it must be noted that the full effects of the conclusion of the Quantitative Easing (QE) exercises in October 2014 have yet to be felt. In Japan, similar QE efforts have not produced the desired outcomes. Elsewhere, the European Central Bank has announced plans to launch its own QE with a €1.1 trillion bond-buying programme to boost its stagnant economy.

China, which has been powering growth in the last few decades, has been experiencing a slowdown. Consequently, the International Monetary Fund and the World Bank have forecast slower growth for the global economy in 2015.

Currency fluctuations continued to prevail in 2014. In our global business, the three major currencies which have a significant influence on our accounts are the Chinese Renminbi (RMB), the Australian Dollar (A\$) and the UK Sterling Pound (£). At the end of December 2014, the A\$ weakened against the Singapore Dollar while the RMB and the Sterling Pound strengthened when compared to the situation a year ago.

Corporate Governance

(i) The Companies Act

Corporate governance continued to feature prominently in 2014. Massive amendments to The Companies Act which I mentioned in my last two reports in 2012 and 2013 were finally adopted in the Parliament in October 2014.

(ii) Board Diversity

The issue of board diversity assumed a tentative conclusion during the year when The Task Force, which was set up in 2013, released its findings and recommendations in April 2014 in a report entitled "Gender Diversity On Boards: A Business Imperative". Its 10 recommendations suggest a soft approach to increase participation of women on the Boards of listed companies. It has deliberately decided against instituting quotas, enacting laws or offering incentives to get companies to appoint more women on the boards.

Meanwhile, the Singapore Board Diversity Report 2014, a joint initiative between the Centre of Governance, Institutions and Organisations at the National University of Singapore and Board Agender, revealed that female representation on Boards had increased from 7.9% to 8.3%. This report, the fourth in the series, had been extended to include diversity in ethnicity and age as well.

The inaugural Singapore Directorship Report 2014, produced by the Singapore Institute of Directors and the Institute of Singapore Chartered Accountants, claimed that it was a definitive study on the state of directorships of listed entities on the Singapore Exchange (SGX).

(iii) Singapore Exchange

As a listed entity, we take a keen interest in all developments involving our listing status. In 2014, the SGX announced that it would make shares more affordable to the investing public by decreasing the board lot of 1,000 shares to 100 shares. This came into effect on 19 January 2015. It also announced plans to consolidate penny stocks so that they would trade with a minimum price of S\$0.20. This measure to curb excessive speculation was launched on 2 March 2015.

Another issue that will have significant impact on us and all listed entities is the recommendation to demarcate the SGX's dual role of regulator and listed entity.

Revenues at a Glance

Singapore
S\$2,399.6m

United Kingdom
S\$998.4m



It is also reported that the SGX will make sustainability reporting mandatory by 2017/18. This sustainability report will cover a company's economic, environmental and social impacts.

(iv) Audits

I continued my practice of meeting the Chairmen of the Audit and Risk Committees (ARC) of our three listed companies during the year. These meetings were conducted in the absence of Management but in the presence of the External Auditors. The meetings were held in addition to those chaired by the Chairman of each ARC with the External Auditors without Management. I am very pleased to report that all parties have reported cordial working relationships and that prompt assistance has been provided by Management to the ARC and the External Auditors. In the year under review, 21 internal audits were conducted including seven confined to overseas entities. The internal audits aim to provide independent and objective evaluation of internal control systems, risk management, corporate governance processes and recommend improvements. No major issues surfaced.

PricewaterhouseCoopers was appointed to conduct a quality assurance review of our internal audit function. This is to assess whether our Internal Audit Department comply with the standards set by the Institute of Internal Auditors.

(v) Investor Relations and Awards

We continued to have an active investor relations (IR) programme, holding regular meetings with fund managers and analysts. We also conducted analysts briefings after each quarterly result. In all, we held 156 IR meetings during the year. As at the end of December 2014, 12 research houses were tracking our stock with about 100 reports issued during the year.

Our shareholders are also kept fully informed of significant activities. Our websites are updated regularly and public announcements are made promptly. The announcement dates of our results every quarter are made well in advance. Our Annual General Meeting is well attended with the full Board in attendance. Voting of resolutions is done by electronic poll and results are tabulated and instantly announced.



Australia
S\$413.5m



China
S\$212.9m



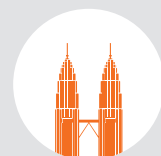
Ireland
S\$15.7m



Vietnam
S\$7.1m



Malaysia
S\$4.1m



Chairman's Statement

A breakdown by nationality shows that the majority of our shareholders come from Singapore (29%), North America (25%) and UK (16%).

ComfortDelGro Corporation Limited and its two listed subsidiaries continued to fare well in the annual Business Times' Governance and Transparency Index with all placed within the top 50 ranking. This translated into the top 7% of the 644 listed companies surveyed. VICOM Ltd was ranked 37th, ComfortDelGro 41st and SBS Transit Ltd 45th.

We also did well at the 2014 Securities Investors Association (Singapore) Investors' Choice Awards. ComfortDelGro was awarded Runner-Up for the "Most Transparent Company" in the Travel, Leisure and Automobiles & Parts category while SBS Transit was awarded Runner-Up for the Singapore Corporate Governance Award in the Mid-Cap category.

ComfortDelGro continued to be one of the 30 component stocks of the Straits Times Index (STI). At the end of December 2014, ComfortDelGro had a market capitalisation of S\$5.56 billion which was 30% more than the December 2013 value of S\$4.27 billion. Significantly, our market capitalisation crossed the S\$5 billion-mark for the first time, pushing us to 33rd position on the SGX, up from 41st previously. This represents a threefold increase from the S\$1.67 billion market capitalisation we started out with when we were listed in 2003.

As a component stock of STI, we outperformed the STI by 23.1 percentage points and the FTSE ST All-Share Index by 24.6 percentage points.

Based on these indicators alone, it was certainly a very good year.

Singapore Business

(i) Developments

Singapore avoided most of the economic problems which plagued many developed and developing countries in 2014. In fact, it continued to record full employment during the year. That enviable position was, however, accompanied by a different set of problems and issues.

One of the main issues that gained traction during the year was the increasing dependency on foreign manpower – both skilled and unskilled. The resultant restriction on

foreign workers being brought into Singapore has made it increasingly difficult for companies like ours to replace and expand our workforce.

In the scheduled bus business in Singapore, a major change in policy was announced by the Land Transport Authority (LTA) in May 2014, marking a paradigm shift in the way the bus business is run in Singapore. Under the new Government Contracting Model, LTA will pay operators to operate bus services through competitive tenders based on gross cost. The Government will take on the revenue risk while successful tenderers will focus on delivering services subject to various standards. Barriers to entry for new entrants of the industry have been lifted with bus assets and infrastructure provided by the Government and arrangements being put in place to transfer staff on present routes to successful tenderers. The purpose of this approach is to make it easier for the further liberalisation of the industry. We are confident that our experience in London and Sydney, which already operate on a contracting system, will stand us in good stead. More details of this appear in the annual report of our listed subsidiary, SBS Transit.

The Bus Service Enhancement Programme (BSEP), which began in September 2012, continued into 2014. To-date, a total of 371 Government funded buses have been rolled out – two years ahead of schedule. The Government plans to add another 296 buses under BSEP 2 from 2015 to 2017 for SBS Transit.

In the unscheduled bus operations, our subsidiary, ComfortDelGro Bus Pte Ltd, has been participating and winning City Direct routes which connect Housing and Development Board towns to the City. We also won a contract to operate a Peak Period Short Service which supplements the Public Bus Feeder Services.

As I mentioned in my last annual report, under the 2013 refreshed Land Transport Master Plan (LTMP), the rail network will double from 178km presently to 360km by 2030. No major rail lines were launched in 2014 but we expect our Downtown Line Stage Two (DTL 2) to be ready for operation in the first quarter of 2016.

On taxi operations, I am pleased to report that we were able to achieve all standards laid down by the LTA. In the area of Taxi Availability, we met all requirements and consequently, became the only operator allowed to expand our fleet in

2015. The LTA raised the standard on Taxi Availability further, requiring 85% of an operator's fleet to be on the roads during weekdays for a minimum of 250km a day, up from 80% previously. I see no difficulty in us meeting the new requirement.

The Certificate of Entitlement mechanism was further reviewed in 2014 and the Authorities have announced that the annual motor vehicle growth rate will be reduced from 0.5% to 0.25% for the period February 2015 to January 2018. This will have implications on our vehicle inspection, taxi and car rental businesses.

(ii) Businesses

We experienced broad-based revenue growth in 2014. Our businesses in Singapore increased their topline during the year, on strong demand and the introduction of new services.

Our taxi operation continued to maintain its pole position with a slight increase in the market share. Despite competition from new booking apps, our app continued to prove attractive to commuters. Since its launch in 2010, it has been downloaded 2.6 million times. In 2014, thanks to increased automation in our booking system, we had 35.6 million successful booking jobs – a 10% increase over 2013.

In the rail business, we continued to grow our operations and are preparing to launch DTL 2 in the first quarter of 2016. After its first year of operation, DTL 1 is experiencing a steady growth in ridership. We expect start up costs to continue to weigh on the DTL for the next few years.

Our testing services, both vehicle and non-vehicle, continue to perform satisfactorily. In the case of the latter, we have ventured into the medical field and are now registered with the Health Promotion Board to provide blood screening services. We also secured a prestigious project in Baku, Azerbaijan, to carry out glass inspection for a commercial building. More details can be found in the annual report of our listed subsidiary, VICOM.

The remaining business units – automotive engineering, car rental, driving school, vehicle advertising and insurance broking – continued to perform satisfactorily. On their own, most remain leaders in their respective fields.

Overseas Business

(i) Divestments and Acquisitions

In our constant review of our overseas investments, we took advantage of the investment climate to divest two small and insignificant operations inherited from our predecessor. These are the 76% stake in Yantai ComfortDelGro Automobile Services Co., Ltd which operates 20 taxis and the 25% shareholding in Hengyang CityCab Bus Services Co., Ltd which owns 98 buses.

We continue to grow our taxi fleets organically in China. In 2014, we added 175 new taxis to our fleets in Nanjing (85 taxis), Nanning (50 taxis), Beijing (25 taxis) and Suzhou (15 taxis). We also extended our 20-year joint venture agreement in Suzhou by another 15 years to 2029.

We made two investments in Australia in 2014 totalling some S\$28.3 million. These are the 100% acquisition of the assets of the Blue Mountains Bus Company and a 49% investment in Phillip Boyle and Associates Pty Ltd. The former comprises three depots and 101 buses and coaches operating in the tourist hotspot, the Blue Mountains. The latter is a niche bus planning and scheduling consultancy firm based in Melbourne.

(ii) Businesses

(a) China

After divesting our investments in Yantai and Hengyang, we now operate in 11 cities in China (Beijing, Chengdu, Chongqing, Guangzhou, Jilin, Nanjing, Nanning, Shanghai, Shenyang, Suzhou and Tianjin). We remain focussed on the five business areas of taxi, bus station, car rental & leasing, vehicle inspection and driving school.

The taxi business continued to be the star performer in 2014, accounting for close to 80% of total revenue from China. We now operate in nine cities with a total of 10,878 taxis, about 1% more than the 10,752 in 2013. The combined fleet size is about 65% of Singapore's fleet. Our fleets in Nanning (17% market share) and Jilin (14% market share) continue to be leaders in their respective cities. Shenyang (6% market share) and Chengdu (7% market share) ranked second in their cities, while Beijing (8% market share) is third. Nanjing (6% market share) and Suzhou (4% market share) ranked fourth where they operate. We continue to experience rising costs especially in the area of social insurance contributions.

Chairman's Statement

The bus station business in Guangzhou continued to perform well. It contributed about 14% of total China revenue. The challenges ahead will come from the implementation of high speed rail network linking Guangzhou to other cities.

(b) UK/Ireland

We continue to operate scheduled bus, coach, taxi circuit and private hire vehicle businesses in the UK and Ireland. We added Killarney in Ireland to our operations and now operate in Aberdeen, Birmingham, Clifden, Cork, Dublin, Edinburgh, Galway, Glasgow, Killarney, Liverpool and London.

In the scheduled bus business, our wholly-owned subsidiary Metroline Limited runs about 1,700 buses out of 14 garages. Our market share is about 18% placing us in third position in London. This sector contributes about 76% of the total UK/Ireland revenue.

Our inter-city coach business in the UK operates throughout Scotland as well as between Scotland and London. We also run coach services in London and Ireland with the latter linking Clifden, Cork, Dublin, Galway and Killarney. The coach business is doing well contributing about 11% of the total UK/Ireland revenue.

The taxi circuit business in five cities: Aberdeen, Birmingham, Edinburgh, Liverpool and London, continues to face stiff competition from the private hire business. Its contribution to the total UK/Ireland revenue is close to that of the coaches at about 13%.

(c) Australia

We operate bus, taxi circuit and vehicle advertising businesses in Australia, where we are present in key cities like Canberra, Melbourne, Perth, Queanbeyan and Sydney.

Accounting for the bulk of about 94% of total Australian revenue is our bus business where the combined operations in Melbourne, Queanbeyan and Sydney translate to a total of 1,697 buses. During the year, we also added to our bus fleet through the acquisition of the bus operations of the Blue Mountains Bus Company.

In the taxi circuit business in Perth, we continue to be the leader in the market.

(d) Vietnam

The Vietnamese economy remains weak and this has affected our taxi business. The combined fleet of our two taxi companies in Ho Chi Minh represents about 7% of the market and ranks third in the industry.

(e) Malaysia

We continue to run auto leasing services in Kuala Lumpur, Malaysia. The operation is doing well with a reasonable fleet size.

Of the overseas operations, our operations in UK/Ireland accounted for about 61% of total overseas revenue, followed by Australia with 25% and China at 13%. Contributions by Vietnam and Malaysia are small and account for the remainder.

Manpower

Our manpower requirements have continued to grow in tandem with the growth of our business. In 2014, we had a staff strength of 21,646 which is about 3% higher than the previous year's figure of 21,042. As a global group, there is a good mix of nationalities among our staff with Singaporeans accounting for 29%. This is followed by Malaysians at 20%, British at 15%, People's Republic of China nationals at 11%, and Australians at 9%. Together these five major nationalities constitute about 84% of our workforce. About 45% of our staff is based outside Singapore.

To meet the critical shortage of manpower in Singapore, we worked closely with the army's combat service units in attracting national servicemen who have been vocationalised as drivers and technicians and who were due to complete their two-year terms. We also worked with the National Trades Union Congress in targeting stay-at-home mothers.

The challenges in the coming years will be to work with the Government to re-balance the workforce, to drive up productivity through the use of suitable technologies and to review our work processes. We also need to focus more robustly on retention strategies to keep our quality employees.

Concurrently, we expect wage bills in all our operations to rise going forward.

Information Technology

We continue to invest in information technology to support the Group's business unit strategies for revenue growth, customer service quality and operational efficiencies.

In Singapore, the taxi booking and despatch system has been enhanced to cater to the huge workload capacity with automation reaching 90%. Likewise, cashless mobile payments further improved by 12% in 2014.

Finance

I am very pleased to report that we had another successful year in 2014 with Group revenue reaching a new high of S\$4.051 billion, a rise of 8.1% over 2013. Group operating profit grew at a slower but respectable rate of 3.7% to S\$442.1 million as a result of rising costs in wages.

As before, the bus and the taxi sectors continued to dominate the revenue figures at 51% and 32% respectively of Group total revenue. Together they accounted for 83% of the Group total revenue. This is 1 percentage point higher than the 2013's figure of 82%.

These two sectors also continued to contribute substantially at the respective 37% and 34% of the Group total operating profit. When combined, their share was a significant 71%, similar to the 2013 position.

Our overseas operations accounted for 41% of the Group total revenue, similar to the 2013 contribution. The overseas operating profit was 49% of the Group total operating profit, similar to 2013.

Combined overseas bus revenue and operating profit accounted for 62% and 91% of the Group bus revenue and operating profit respectively. However, in the taxi business, the reverse is true with overseas revenue and operating profit representing 25% and 34% respectively of the Group figures.

Profit before tax in 2014 was S\$436.3 million. This is 5.3% better than 2013. Profit attributable to shareholders stood at S\$283.5 million which is 7.7% higher than 2013. Earnings per share in 2014 was 13.29 cents compared to 12.43 cents in 2013. Net asset value per share increased from 101.37 cents to 102.36 cents. Returns on both equity and total assets were 13.1% and 6.7% respectively whereas the 2013 respective figures were 12.6% and 6.6%.

Our Group total capital expenditure in 2014 was S\$511.6 million, 2.3% higher than 2013. A high 77% of the expenditure was incurred in Singapore.

Overseas investment in 2014 was about S\$28.3 million mainly in Australia. In 2013, we invested a substantially higher amount in the UK.

Our Group Balance Sheet continues to remain strong and healthy. Total assets reached S\$5.23 billion by the end of December 2014, a 2.9% increase over 2013. Our shareholders' equity without minority interest continued to rise to S\$2.19 billion, an increase of about 1.6% over 2013. We have total borrowings of about S\$737.1 million compared to S\$807.9 million in 2013, a dip of 8.8% from 2013. The gross gearing ratio declined to 26.0% from 28.9% in 2013. Excluding BSEP borrowings, we have a higher net cash position of S\$151.6 million compared to S\$100.3 million in 2013.

Your Directors have recommended a tax-exempt one-tier final dividend of 4.50 cents per share. This will be subject to Shareholders' approval at the Annual General Meeting on 24 April 2015. Together with the tax-exempt one-tier interim dividend of 3.75 cents per share paid on 28 August 2014, the total dividend for 2014 would be 8.25 cents per share. This is 12.2 percentage points higher than our declared policy of distributing at least 50% of our profit. When pitched against our year-end closing price of S\$2.60, this dividend payout represents a yield of 3.2%. Together with the share price increase of 59 cents year-on-year, the total shareholder return for 2014 was approximately 33.5%.

Corporate Social Responsibility

We view corporate social responsibility seriously and believe in Shared Value Creation. We believe in pursuing benefits for both the business and the society concurrently.

In helping the community, our various businesses plan and execute programmes peculiar to the needs of their communities. In Singapore, we ended our five-year partnership with the Lions Befrienders Service Association (Singapore) in 2014 and renewed it for another five years. The assistance rendered included replacing old furniture for seniors living in one-room flats like mattresses and bed frames as well as getting new electrical appliances for them like washing machines, refrigerators, rice cookers, televisions, radios, electric kettles and fans.

For the physically handicapped, we support various charitable causes and community projects. These include travel vouchers, discounted bus charters, free transport transfers, waiver of booking fees for taxi trips and free rides for the disabled.

In the area of safety, we held training and re-training courses for our drivers, and helped the Singapore Road Safety Council in its Road Safety Public Awareness Campaign. We continued to help primary school children by educating them on road safety in addition to conducting school talks and visits on safety and graciousness on board buses and trains. We also conducted train safety and evacuation exercises.

Chairman's Statement

In the area of environmentalism, we are pleased to say that all our vehicles are environmentally friendly, complying with or even exceeding the various regulatory requirements in the countries we operate in. In some locations, Compressed Natural Gas is employed. The Group continuously works with staff to inculcate the concept of Green Culture.

Outlook and Challenges

As Singapore's economy continues to restructure, slower growth is expected. With limited available manpower resources, we expect our costs in human resource to continue rising.

While we continue to work at improving our productivity levels, there is currently still a natural limit to how much we can automate since driverless vehicles are still not a reality. Indeed, there is a limit to human productivity as the bulk of our staff is confined to driving vehicles. Manpower retention at this level is therefore our foremost priority.

Rapid application of technology will continue to be widely used throughout our businesses. We will continue to watch the developments in the area of driverless vehicles. Meanwhile, environmentally friendly vehicles or vehicles with higher standards in terms of emission will be a mid-term substitute.

We have submitted a competitive bid for the first bus contract under the Government Contracting Model in Singapore. Results are expected in the second quarter of 2015 with implementation in 2016. Nevertheless, the remaining existing uncontested routes will continue to be operated by the incumbents under negotiated contracts for about five years after the expiry of the Bus Service Operating Licence in August 2016.

While the refreshed LTMP is being implemented in Singapore, we are confident that commuters will be better served with more buses under the BSEP 2.

We will continue to cooperate with our worker unions to reward our staff fairly and ensure their well being is protected. This is because they are the backbone of our operations.

Our overseas ventures will continue to be challenging. Uncertainty in the economy of the European Union coupled with a general slowdown of the economies in China and Australia will be very challenging to our existing operations in these regions.

We shall continue in our overseas pursuits, both organically and through acquisitions. Competition is expected to be keen.

Appreciation

The continued success of our Group does not come by chance. Dedication, commitment and hard work are crucial. In this respect, I must congratulate and thank our Managing Director/Group Chief Executive Officer Mr Kua Hong Pak for his unstinting efforts, selfless attitude and perseverance in driving and managing the Group. His exemplary leadership has contributed immensely to the Group's success and reputation.

I must also thank Management and staff for the hard work they have put in, day in and day out, rain or shine.

To our Unions, it has been our fortune and pleasure to work with them and we remain grateful for their understanding, assistance and encouragement.

To the Authorities in the countries where we operate, I must express my appreciation for their trust and confidence in us.

To my fellow Directors, I thank them for their valuable contributions and for the confidence and trust they have given me.

Looking forward, I remain very confident that the Group will continue to grow even as we face mounting challenges.

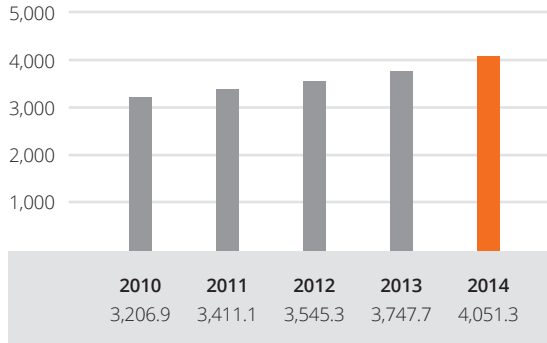
Lim Jit Poh

Chairman
March 2015

Group Financial Highlights

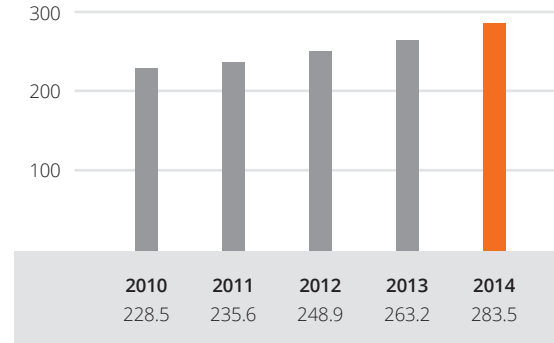
Revenue

(\$'mil)



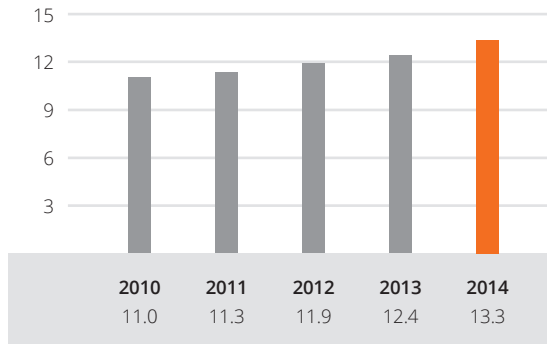
Profit Attributable to Shareholders

(\$'mil)



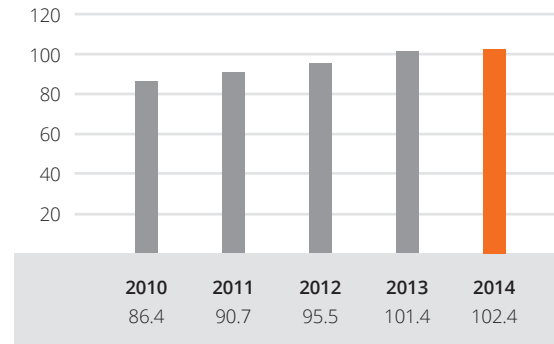
Earnings Per Ordinary Share

(cents)



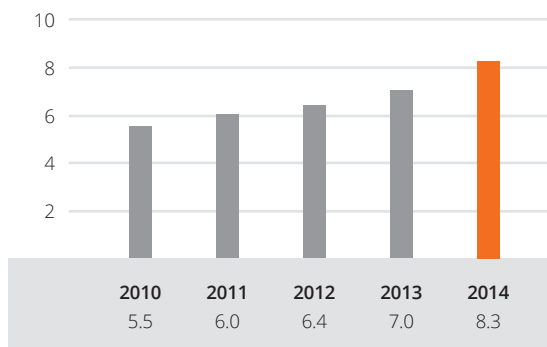
Net Asset Value Per Ordinary Share

(cents)



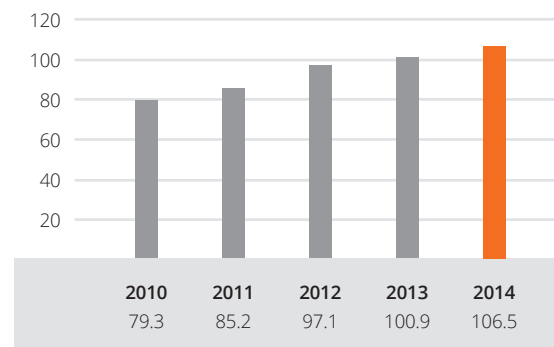
Total Dividend Per Ordinary Share

(cents)



Value-Added Per Employee

(\$'000)



Group Financial Highlights

Financial Summary

	2010	2011	2012	2013	2014
Revenue (S\$'mil)	3,206.9	3,411.1	3,545.3	3,747.7	4,051.3
Operating expenses (S\$'mil)	2,818.5	3,011.9	3,133.0	3,321.4	3,609.2
Profit attributable to shareholders (S\$'mil)	228.5	235.6	248.9	263.2	283.5
EBITDA (S\$'mil)	679.3	715.8	735.3	763.7	795.8
Issued capital (S\$'mil)	565.5	568.6	585.1	622.7	646.4
Capital and reserves (S\$'mil)	1,804.2	1,897.4	2,008.2	2,154.7	2,189.9
Capital disbursement (S\$'mil)	491.0	560.6	519.6	500.1	511.6
Internal funds generated (S\$'mil)	697.4	723.1	743.4	770.0	792.0
Earnings per ordinary share (cents)	11.0	11.3	11.9	12.4	13.3
Net asset value per ordinary share (cents)	86.4	90.7	95.5	101.4	102.4
Return on shareholders' equity (%)	13.1	12.7	12.7	12.6	13.1
Total dividend per ordinary share (cents)	5.5	6.0	6.4	7.0	8.3
Dividend cover (number of times)	2.0	1.9	1.8	1.8	1.6

Group Revenue by Business Segment

	2010		2011		2012		2013		2014	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Bus	1,612.2	50.3	1,684.1	49.4	1,710.4	48.2	1,861.1	49.7	2,054.7	50.7
Bus station	22.7	0.7	23.9	0.7	25.7	0.7	28.6	0.8	29.1	0.7
Rail	134.4	4.2	147.0	4.3	153.2	4.3	164.7	4.4	196.8	4.8
Taxi	981.9	30.6	1,039.2	30.5	1,129.8	31.9	1,197.9	32.0	1,283.7	31.7
Automotive engineering services	300.1	9.4	351.6	10.3	354.9	10.0	316.5	8.4	302.7	7.5
Inspection and testing services	83.7	2.6	90.9	2.7	97.8	2.8	105.7	2.8	109.1	2.7
Car rental and leasing	33.6	1.0	35.4	1.0	35.5	1.0	35.2	0.9	35.9	0.9
Driving centre	38.3	1.2	39.0	1.1	38.0	1.1	38.0	1.0	39.3	1.0
Group	3,206.9	100.0	3,411.1	100.0	3,545.3	100.0	3,747.7	100.0	4,051.3	100.0

Group Revenue by Geographical Segment

	2010		2011		2012		2013		2014	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	1,832.8	57.1	1,971.1	57.7	2,103.5	59.3	2,229.8	59.5	2,399.6	59.2
United Kingdom / Ireland	711.5	22.2	688.1	20.2	680.6	19.2	802.3	21.4	1,014.1	25.0
Australia	377.5	11.8	465.8	13.7	492.2	13.9	485.0	12.9	413.5	10.2
China	274.7	8.6	276.5	8.1	259.5	7.3	220.1	5.9	212.9	5.3
Vietnam	7.4	0.2	6.8	0.2	6.1	0.2	6.3	0.2	7.1	0.2
Malaysia	3.0	0.1	2.8	0.1	3.4	0.1	4.2	0.1	4.1	0.1
Group	3,206.9	100.0	3,411.1	100.0	3,545.3	100.0	3,747.7	100.0	4,051.3	100.0

Operating Profit by Business Segment

	2010		2011		2012		2013		2014	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Bus	149.2	38.4	145.0	36.3	144.6	35.1	157.4	36.9	164.6	37.2
Bus station	10.6	2.7	10.8	2.7	11.4	2.8	12.4	2.9	12.5	2.8
Rail	25.6	6.6	27.7	6.9	14.3	3.5	4.8	1.1	7.6	1.7
Taxi	119.3	30.7	129.6	32.5	141.1	34.2	146.2	34.3	150.9	34.1
Automotive engineering services	39.1	10.1	37.5	9.4	51.2	12.4	52.7	12.4	51.4	11.7
Inspection and testing services	27.3	7.0	30.7	7.7	32.6	7.9	35.2	8.3	36.8	8.3
Car rental and leasing	5.9	1.5	7.3	1.8	8.9	2.1	9.1	2.1	9.1	2.1
Driving centre	11.4	3.0	10.6	2.7	8.2	2.0	8.5	2.0	9.2	2.1
Group	388.4	100.0	399.2	100.0	412.3	100.0	426.3	100.0	442.1	100.0

Operating Profit by Geographical Segment

	2010		2011		2012		2013		2014	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	225.5	58.0	216.3	54.1	221.6	53.8	217.7	51.1	227.2	51.4
United Kingdom / Ireland	52.0	13.4	48.8	12.2	48.1	11.7	62.9	14.8	89.1	20.2
Australia	66.7	17.2	88.5	22.2	96.2	23.3	95.1	22.3	72.2	16.3
China	43.2	11.1	44.2	11.1	44.9	10.9	49.2	11.5	52.2	11.8
Vietnam	0.8	0.2	1.1	0.3	0.9	0.2	0.6	0.1	0.6	0.1
Malaysia	0.2	0.1	0.3	0.1	0.6	0.1	0.8	0.2	0.8	0.2
Group	388.4	100.0	399.2	100.0	412.3	100.0	426.3	100.0	442.1	100.0

Value-added for the Group

	2010		2011		2012		2013		2014	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Suppliers of capital										
- loan interest and dividends	175.8	9.8	176.8	9.3	194.4	9.9	193.5	9.1	220.0	9.5
Taxation to the government	204.9	11.4	215.2	11.4	223.8	11.4	227.9	10.7	240.6	10.4
Retained earnings	428.7	23.8	459.2	24.3	456.9	23.2	484.9	22.9	485.0	21.1
Employees										
- salaries and other staff costs	991.1	55.0	1,040.5	55.0	1,093.3	55.5	1,216.7	57.3	1,359.3	59.0
Total value-added	1,800.5	100.0	1,891.7	100.0	1,968.4	100.0	2,123.0	100.0	2,304.9	100.0
Value-added per employee (S\$'000)	79.3		85.2		97.1		100.9		106.5	

Awards and Accolades

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

ComfortDelGro Corporation

- 1 ComfortDelGro 2013 Annual Report awarded Gold at the International Marcomm Awards 2014 and Silver at the 44th Annual Creativity International Award
- 2 Lim Jit Poh, Chairman of ComfortDelGro, received the Distinguished Service (Star) Award at the NTUC May Day Award 2014
- 3 Daisy Chan, Group Human Resource Officer of ComfortDelGro, awarded the Medal of Commendation at the NTUC May Day Award 2014
- 4 Runner-Up in the Travel, Leisure & Automobiles & Parts category for the Most Transparent Company Award at the Securities Investors Association (Singapore) (SIAS) Investors' Choice Award 2014

Beijing Jin Jian Taxi Services

- 5 Advanced Unit on Security Information in the Taxi Industry by the Beijing Municipal Public Security Traffic Management Bureau
- 6 Advanced Unit on Traffic Safety for Year 2013 by the Beijing Municipal Traffic Safety Committee
- 7 Integrity Service Enterprise in Taxi and Car Rental Industry by the Beijing Municipal Taxi and Car Rental Association

Chengdu ComfortDelGro Taxi

- 8 2013 Major Taxpayer Award by Jin Niu District

Chongqing Liangjiang ComfortDelGro Driver Training

- 9 Chongqing Sunshine Education Institution Award by the Chongqing Morning Paper
- 10 Rated three stars by the Chongqing Administration for Road and Transport

CityCab (Shenyang)

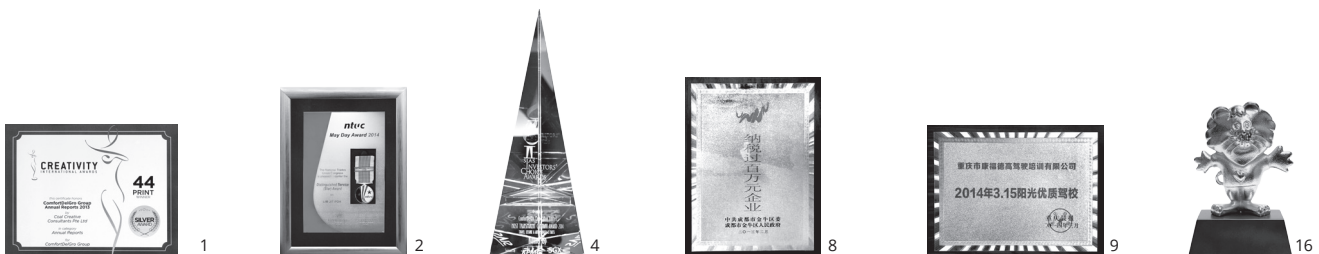
- 11 115 taxi drivers awarded "Taxi Star", four taxi drivers awarded "Satisfactory Taxi Driver" and seven taxis awarded "Pioneer Taxi" by the Shenyang Transportation Bureau
- 12 AAA Taxi Enterprise for Service Quality
- 13 Advanced Enterprise in the National Games by the Shenyang Municipal and Liaoning Provincial Industrial and Commercial Administration Bureau

CityFleet Networks

- 14 ISO 14001 Environmental Management Certification
- 15 ISO 9001 Quality Management Certification

ComfortDelGro Bus

- 16 15 National Kindness Award-Transport Gold 2014 winners
- 17 BizSafe Level 3 Recertification by the Ministry of Manpower
- 18 ISO 9001:2008 Quality Management Recertification



ComfortDelGro Cabcharge

- 19 2013 Premier Partner Award by the Children's Hospital
- 20 Finalist at the 2014 Sydney Hills Business Awards

ComfortDelGro Driving Centre

- 21 May Day Model Partnership Awards 2014 by the National Trades Union Congress

ComfortDelGro Engineering

- 22 22 National Kindness Award-Transport Gold 2014 winners
- 23 BizSafe Star by the Ministry of Manpower
- 24 BS OHSAS 18001:2007 Certification
- 25 Hock Ah Wang received the May Day Model Partnership Awards by the National Trades Union Congress
- 26 ISO 9001:2008 Quality Management Certification

ComfortDelGro Rent-A-Car (Chengdu)

- 27 2013 Major Taxpayer Award by Jin Niu District
- 28 2013 Chevron Chuandongbei Project Health, Safety and Environment (HSE) Award

ComfortDelGro Savico Taxi

- 29 Nguyen Chi Dung, Nguyen Van Vuong and Do Van Tuan received Certificates of Merit by the Ho Chi Minh City Taxi Association

ComfortDelGro Taxis

- 30 276 Excellent Service Award winners by SPRING Singapore
- 31 62 National Kindness Award-Transport Gold 2014 winners
- 32 Lim Keng Seong was one of three Kindness Champions at National Kindness Award-Transport Gold 2014
- 33 Work-Life Achiever Award 2014 by the Tripartite Committee on Work-Life Strategy

Guangzhou Xin Tian Wei Development

- 34 14 female winners of the Heroine Civilisation Post Award
- 35 Advanced Company for Safety for 2013 by the Guangzhou Safety Committee
- 36 Advanced Youth League Branch for 2013-2014 by the Guangzhou Transport Group
- 37 Guangzhou Outstanding Enterprise for 2011-2013



Awards and Accolades

- 38 Honoured by the Guangzhou Public Security Bureau for crime prevention efforts
- 39 Lin Qing Dong awarded "Courageous" title by the Guangzhou Good Samaritan Foundation
- 40 Liu Pengcheng, Tan Linghui and Yang Wei awarded "Outstanding Youth League Member" by the Guangzhou Transport Group
- 41 Operation Department Service Desk awarded "Pioneer Worker" by the Guangzhou Transport Group
- 42 Pioneer Worker Organisation for 2013-2014
- 43 Zhang Junwen awarded "Outstanding Volunteer for 2014" by the Guangzhou Young Volunteer Association
- 44 Zhong Wanzhu awarded "Skilful Worker" by the Guangzhou Transport Group
- 45 Zou Duxiang awarded "Outstanding Service Star" by the Guangzhou Transport Group

Jilin ComfortDelGro Taxi

- 46 "Youth Civilisation Unit of Jilin City" by the Jilin City Civilisation Office

Metroline

- 47 Chris Brown and Martin Tomkins were Runners-up in the Electrical and Mechanical Awards category at the Institute of Road Transport Engineers Skills Challenge Awards
- 48 Jon Marriage awarded Top Scoring Driver and Vehicle Standards Agency (DVSA) Inspection Apprentice at the Institute of Road Transport Engineers Skills Challenge Awards

- 49 Kings Cross and Potters Bar Garages were finalists for the London Bus Garage of the Year category at the UK Bus Awards 2014
- 50 Martin Tomkins received the Highly Commended Mechanical Technician Award at the Institute of Road Transport Engineers Skills Challenge Awards
- 51 Rowland Sterman received a special award for 50 years of service and contribution at the 2014 London Bus Awards

Moove Media

- 52 Finalist for Best Corporate Social Responsibility Campaign and Finalist for Best Use of Outdoor at the Singapore Media Awards 2014
- 53 Finalist for Best Event by a Media Owner at The Spark Awards 2014
- 54 Finalist for Best Media Solution (Out-Of-Home) at The Spark Awards 2014
- 55 Finalist for Best Service Partner (Promotion/Campaign) at the Land Transport Excellence Awards 2014
- 56 Finalist for Best Use of Outdoor at the Marketing Magazine's Agency of the Year Awards 2014

Nanjing ComfortDelGro Dajian Taxi

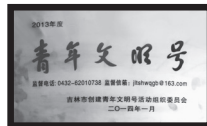
- 57 Blue Angel Route Group named Model Unit by the Jiangsu Province Transport Bureau
- 58 Ranked first in the 2014 AAA rating of taxi operators in Jiangsu Province for the second time



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Nanning Comfort Transportation

- 59 10 taxi drivers earned spots in "100 Best Drivers"
- 60 75 drivers awarded Best Driver by Nanning Comfort Transportation
- 61 Best Taxi Operator Unit for the 11th year

SBS Transit

- 62 1,419 Excellent Service Award winners
- 63 139 National Kindness Award-Transport Gold 2014 winners
- 64 42 Conscientious Motorist Award by the Traffic Police
- 65 BS OHSAS 18001 Recertification
- 66 Elizabeth Lim Poh Suan and William Goh Chunn Gui awarded the Land Transport Excellence Awards 2014 Service Excellence-Individual
- 67 ISO 22301:2012 Societal Security Recertification
- 68 ISO 9001:2008 Quality Management Recertification
- 69 Runner-Up for the Singapore Corporate Governance Award in the Mid-Cap category (market capitalisation of S\$300 million to less than S\$1 billion) at the SIAS Investors' Choice Award 2014

Scottish Citylink Coaches

- 70 Nominated for the Innovation category at the UK Bus Awards 2014

SetSCO Services

- 71 Eco Office Label 2014-2016
- 72 BS OHSAS 18001:2007 Recertification

Shenyang ComfortDelGro Taxi

- 73 296 taxi drivers awarded "Star Driver"
- 74 AAA Taxi Enterprise for Service Quality
- 75 Civilised and Integrity Enterprise Award by the Shenyang Municipal and Liaoning Provincial Industrial and Commercial Administration Bureau

VICOM

- 76 Eco Office Label 2014-2016

Vietnam Taxi (Vinataxi)

- 77 Certificate of Merit by the Ho Chi Minh City Police
- 78 Excellent Company Award by the Upper Trade Union
- 79 Vietnam Top 50 Trademark by the Vietnam Intellectual Property Department



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Corporate Information

Board of Directors

Lim Jit Poh

Chairman

Kua Hong Pak

Managing Director
/Group Chief Executive Officer

Ong Ah Heng

Oo Soon Hee

Sum Wai Fun, Adeline

Tow Heng Tan

Wang Kai Yuen

Wong Chin Huat, David

Audit and Risk Committee

Wong Chin Huat, David

Chairman

Ong Ah Heng

Oo Soon Hee

Sum Wai Fun, Adeline

Remuneration Committee

Tow Heng Tan

Chairman

Lim Jit Poh

Wang Kai Yuen

Wong Chin Huat, David

Nominating Committee

Lim Jit Poh

Chairman

Ong Ah Heng

Oo Soon Hee

Wang Kai Yuen

(Appointed on 1 January 2015)

Investment Committee

Lim Jit Poh

Chairman

Kua Hong Pak

Sum Wai Fun, Adeline

Tow Heng Tan

Wang Kai Yuen

Corporate Directory

Registered Office

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

Company Secretary

Chan Wan Tak, Wendy

Share Registrar

B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

Auditors

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

Partner-in-Charge:
Philip Yuen Ewe Jin

Date of Appointment:
26 April 2013

Board of Directors

Lim Jit Poh

Chairman (Non-Executive & Independent)

Mr Lim Jit Poh was appointed non-executive Chairman and Director of ComfortDelGro Corporation Limited on 1 January 2003. He is an independent Director of the Company. Mr Lim is the Chairman of both the Nominating Committee and Investment Committee, and a member of the Remuneration Committee. Mr Lim is also the Chairman of SBS Transit Ltd, VICOM Ltd and Ascott Residence Trust Management Limited. These are listed companies with business interest in land transport, inspection and testing services and hospitality trust. Mr Lim is also the Chairman of several non-listed companies owned by the Singapore Labour Foundation and the National Trades Union Congress (NTUC).

Mr Lim was a former top civil servant and a Fulbright Scholar. He was awarded the Public Administration Medal by the Government of Singapore in 1972, as well as four awards by NTUC, namely the Friend of Labour Award in 1986, the Meritorious Service Award in 1990, the Distinguished Service Award in 2000 and the Distinguished Service (Star) Award in 2014. In 2006, he was also one of the recipients of the Distinguished Science Alumni Award from the National University of Singapore.

In his previous employment as Executive Director of two public-listed companies, Mr Lim had been directly involved in negotiations with business partners and relevant authorities on various joint venture projects in the ASEAN region, as well as in China, Hong Kong, United Kingdom, Australia and Mauritius. He was also involved in the management of these operations. Mr Lim was a Council Member of the Singapore Chinese Chamber of Commerce and Industry and the National University of Singapore, and a Member of the Singapore British Business Council. He was also very active in community work being Chairman of a community centre management committee. Presently, he is a Trustee of the Singapore National Employers' Federation and a Member of the Board of Management of Pei Chun Public School.

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

Pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Lim will be due for re-appointment as a Director at the forthcoming Annual General Meeting to be held on 24 April 2015.

Kua Hong Pak

Managing Director/Group Chief Executive Officer

Mr Kua Hong Pak was appointed Managing Director/Group Chief Executive Officer of ComfortDelGro Corporation Limited on 1 January 2003. He is a non-independent Director of the Company. He is a member of the Investment Committee. He is also the Deputy Chairman of SBS Transit Ltd and VICOM Ltd. Mr Kua was appointed the Executive Director of SBS Transit Ltd in 2002 and then went on to assume the position of Managing Director/Chief Executive Officer of DelGro Corporation Limited in 2003. Prior to this, he was the President/Chief Executive Officer of Times Publishing Limited, where he managed its Singapore and overseas operations in the United States, United Kingdom, China, Japan, Hong Kong and Australia.

Mr Kua also serves on the boards of Temasek Holdings (Private) Limited, PSA International Pte Ltd, PSA Corporation Limited and StarHub Ltd. He is also an Honorary Citizen of Shenyang City, China. In recognition of his contributions to community service, he was awarded the Public Service Medal in 1991 and the Public Service Star in 1996 by the President of the Republic of Singapore and re-appointed a Justice of the Peace in 2010. He was awarded the Medal of Commendation in 2005 and the Medal of Commendation (Gold) in 2010 by the National Trades Union Congress.

Mr Kua holds a Bachelor of Accountancy from the University of Singapore and is a Fellow of the United Nations Asian Institute. He also attended the Advanced Management Programme at the Harvard Business School.

Pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Kua will be due for re-appointment as a Director at the forthcoming Annual General Meeting to be held on 24 April 2015.



Board of Directors

Ong Ah Heng

Director (Non-Executive & Independent)

Mr Ong Ah Heng was appointed a non-executive Director of ComfortDelGro Corporation Limited on 18 February 2003. He is an independent Director of the Company. Mr Ong is a member of both the Audit and Risk Committee and Nominating Committee. He was the Member of Parliament for Nee Soon Central Single Member Constituency until Parliament dissolved in April 2011. He is presently a Director of ComfortDelGro Engineering Pte Ltd and a Trustee of National Transport Workers' Union (NTWU). Mr Ong was the former Assistant Secretary-General of the National Trades Union Congress (NTUC) and Alignment Director of the Care & Share Secretariat in NTUC. He was also the former Executive Secretary of NTWU.

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

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

Pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Ong will be due for re-appointment as a Director at the forthcoming Annual General Meeting to be held on 24 April 2015.

Oo Soon Hee

Director (Non-Executive & Independent)

Mr Oo Soon Hee was appointed a non-executive Director of ComfortDelGro Corporation Limited on 18 February 2003. He is an independent Director of the Company. He is a member of both the Audit and Risk Committee and Nominating Committee. Mr Oo is presently the Executive Director of NSL Ltd. He was the former President and Chief Executive Officer of Natsteel Asia Pte Ltd. He is also a Director of SIA Engineering Company Limited and NatSteel Holdings Pte Ltd.

Over the past 30 years, Mr Oo has had experiences handling export development and exports/imports to and from various overseas markets. These include the United States, Europe, Middle East, China, Japan, Australia and the ASEAN region. In addition, he was also involved in negotiations for investments in China and various ASEAN countries, and sat on the boards of companies in China, Hong Kong, Australia and the ASEAN region.

Mr Oo holds a Bachelor of Science (Hons) in Applied Chemistry and a Diploma in Business Administration from the University of Singapore.

Pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Oo will be due for re-appointment as a Director at the forthcoming Annual General Meeting to be held on 24 April 2015.



Sum Wai Fun, Adeline

Director (Non-Executive & Independent)

Ms Sum Wai Fun, Adeline was appointed a non-executive Director of ComfortDelGro Corporation Limited on 1 January 2007. She is an independent Director of the Company. She is a member of both the Audit and Risk Committee and Investment Committee. Ms Sum is presently the Chief Executive Officer of the Singapore Labour Foundation (SLF), Chief Executive Officer of NTUC Choice Homes Co-operative Limited and Chief Development Officer of NTUC Enterprise Co-operative Limited. She holds directorships in a number of NTUC social enterprises and SLF companies.

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

Ms Sum was last re-elected a Director of the Company pursuant to Article 91 of the Company's Articles of Association at the Annual General Meeting held on 25 April 2014. She was a non-independent Director of the Company in 2014. She is regarded as an independent Director as of 1 January 2015.

Tow Heng Tan

Director (Non-Executive & Independent)

Mr Tow Heng Tan was appointed a non-executive Director of ComfortDelGro Corporation Limited on 18 February 2003. He is an independent Director of the Company. Mr Tow is the Chairman of the Remuneration Committee and a member of the Investment Committee. Mr Tow is presently the Chief Executive Officer of Pavilion Capital Pte Ltd, an investment holding company, wholly-owned by Temasek Holdings (Private) Limited.

Mr Tow is also a Director of Keppel Corporation Limited, as well as companies in the investment holding and other businesses.

Mr Tow is a Fellow of the Association of Chartered Certified Accountants (UK), a Fellow of the Chartered Institute of Management Accountants (UK) and is a Member of the Institute of Singapore Chartered Accountants.

Pursuant to Article 91 of the Company's Articles of Association, Mr Tow will be due for re-election at the forthcoming Annual General Meeting to be held on 24 April 2015.



Board of Directors

Wang Kai Yuen

Director (Non-Executive & Independent)

Dr Wang Kai Yuen was appointed a non-executive Director of ComfortDelGro Corporation Limited on 18 February 2003. He is an independent Director of the Company. Dr Wang is a member of the Nominating Committee, Investment Committee and Remuneration Committee. He was also a former Member of Parliament for Bukit Timah Single Member Constituency. He is the Chairman of HLH Group Ltd and the Deputy Chairman of China Aviation Oil (Singapore) Corporation Ltd. He also holds directorships in listed companies, including COSCO Corporation (Singapore) Ltd, Matex International Ltd, Ezion Holdings Ltd, Emas Offshore Limited (formerly known as EOC Limited) and A-Sonic Aerospace Ltd.

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

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

Pursuant to Article 91 of the Company's Articles of Association, Dr Wang will be due for re-election at the forthcoming Annual General Meeting to be held on 24 April 2015.

Wong Chin Huat, David

Director (Non-Executive & Independent)

Mr Wong Chin Huat, David was appointed a non-executive Director of ComfortDelGro Corporation Limited on 11 April 2003. He is an independent Director of the Company. Mr Wong is the Chairman of the Audit and Risk Committee and a member of the Remuneration Committee.

Mr Wong has been practising law with Ramdas and Wong since June 1974.

Mr Wong is also a Director of SBS Transit Ltd. He also serves as a Member of the Public Service Commission. He is presently the Chairman of the NTUC-U Care Fund Board of Trustees. He was a Director of the Singapore Labour Foundation (SLF) from 30 November 2001 till 24 September 2010.

Mr Wong was awarded the Friend of Labour Award in 1989, the Meritorious Service Award in 1995, the Distinguished Service Award in 2001 and the Distinguished Service (Star) Award in 2010 by NTUC. Mr Wong also received a Certificate of Appreciation from SLF for services rendered as a Director of Pasir Ris Resort Services Pte Ltd in 1989. In 1991, he was awarded the Public Service Star and in 2005, the Public Service Star (Bar) by the President of the Republic of Singapore for community and social services rendered.

Mr Wong holds a LL.B (Hons) from the University of Singapore and a LL.M from the University of London.

Mr Wong was last re-elected a Director of the Company pursuant to Article 91 of the Company's Articles of Association at the Annual General Meeting held on 25 April 2014.



Key Management

Corporate Office

Choo Chek Siew

Group Financial Officer

Mr Choo Chek Siew is the Group Financial Officer. He is responsible for the Group's financial and statutory reporting, budgeting, financial control and policies, treasury and debt management and taxation. Mr Choo joined the Group in July 2003. He started his career with PricewaterhouseCoopers and moved on to become Group Internal Audit Manager of United Engineers Ltd. Mr Choo was the Regional Financial Controller at Citibank N.A and Chief of Staff at Union Bank of Switzerland before joining the Development Bank of Singapore Ltd as Head of Integration. Prior to joining the Group, he was with Oversea-Chinese Banking Corporation Ltd as Group Head of Finance. He holds a Bachelor of Economics (Hons) from the Australia National University and is an Australian Chartered Accountant.

Ng Tong Sing

Group Information Officer

Mr Ng Tong Sing joined as Group Information Officer in June 2003. He oversees the Group's IT functions and applications, and supports strategic and business needs. Mr Ng started his career at the Systems and Computer Organisation of the Ministry of Defence. He has held senior management positions in several IT services firms catering to the needs of Government agencies, airlines, banks and logistic companies in the region. Prior to joining the Group, he was the Executive Vice President, Operations at Singapore Computer Systems Limited. He holds a Bachelor of Science (Systems Engineering) (1st Class Hons) from the University of Bath, United Kingdom.

Chan Mui Wah, Daisy

Group Human Resource Officer

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

Tan I-Lin, Tammy

Group Corporate Communications Officer

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



Choo Chek Siew



Ng Tong Sing



Chan Mui Wah, Daisy



Tan I-Lin, Tammy

Key Management

Corporate Office

Choo Peng Yen

Group Investor Relations and Special Projects Officer

Mr Choo Peng Yen was appointed Group Investor Relations and Special Projects Officer on 1 November 2010. He was the General Manager of the North East China Business Unit. Mr Choo joined the Group in 1978 and was the Senior Vice President (Group Business Development) prior to his appointment in China. He holds a Bachelor of Business Administration from the University of Singapore and attended the International Executive Programme at INSEAD (France).

Eng Sok Yong

Group Business Development Officer

Ms Eng Sok Yong, Group Business Development Officer, joined the Group in February 2007. She also concurrently holds the position of Senior Vice President of Corporate Development at SBS Transit Ltd, which is a subsidiary of the Group. Prior to this, she was the Group Director of Policy and Planning at the Land Transport Authority, where she was in charge of its corporate communications, policy development, infrastructure and strategic planning departments. She had previously served as Assistant Director in the Ministry of Trade and Industry. Ms Eng, who was a Public Service Commission (PSC) Scholar, holds a Master of Science from the London School of Economics.

Ong Poh Sim, May

Group Internal Audit Officer

Ms Ong Poh Sim, May is the Group Internal Audit Officer. She is responsible for the internal audit functions of the Group. She joined the Group in 1981 as Internal Auditor and was subsequently appointed to head the Internal Audit Department. She holds a Bachelor of Accountancy from Nanyang University.

Chan Wan Tak, Wendy

Company Secretary

Ms Chan Wan Tak, Wendy joined the Group in September 2007 as Vice President of Group Finance. She is also the Company Secretary. Prior to joining the Group, Ms Chan was the Vice President of Finance and Operations of k1 Ventures Limited. Before this, she was with Deloitte & Touche LLP as Senior Audit Manager. Ms Chan holds a Bachelor of Accounting and Finance (Hons) from the University of Glamorgan, United Kingdom. She is a Chartered Accountant of the Institute of Singapore Chartered Accountants and a Fellow of the Chartered Association of Certified Accountants.



Choo Peng Yen



Eng Sok Yong



Ong Poh Sim, May



Chan Wan Tak, Wendy

Business Units Singapore

Gan Juay Kiat

Chief Executive Officer, SBS Transit

Mr Gan Juay Kiat was appointed Chief Executive Officer of SBS Transit Ltd on 1 March 2010. He joined the Group in February 2006 as Group Corporate Planning Officer. He was the Chief Executive Officer and Director of ComfortDelGro Bus Pte Ltd before assuming the role of Chief Operating Officer of SBS Transit in April 2007. He was appointed Executive Director on 1 March 2009. Prior to joining the Group, Mr Gan was Chief Corporate Officer at the Ascott Group, Senior Vice President (Corporate Planning) at CapitalLand Limited, Senior Vice President (Retail & Distribution) at Times Publishing Limited and Divisional Director at General Electric. He started his career in the Singapore Armed Forces (SAF) where he held several senior command and staff appointments. Mr Gan, who was a President's Scholar and an SAF (UK) Scholar, holds a Bachelor of Arts (Engineering Tripos) from the University of Cambridge, United Kingdom.

Yang Ban Seng

Chief Executive Officer, Taxi Business, ComfortDelGro

Mr Yang Ban Seng is the Chief Executive Officer of Taxi Business in Singapore. He oversees the operations of Comfort Transportation Pte Ltd and CityCab Pte Ltd. Prior to joining the Group in 1989, Mr Yang served as Assistant Director of the Ministry of Education, Deputy Director of the Ministry of Home Affairs and the National Trades Union Congress' Secretary for Co-operatives. He holds a Bachelor of Science (Operations Research and Statistics) (Hons) from the University of Manchester, United Kingdom and a Master of Business Administration from the National University of Singapore.

Sim Wing Yew

Chief Executive Officer, VICOM

Mr Sim Wing Yew was appointed Chief Executive Officer of VICOM Ltd on 1 May 2012. Prior to this appointment, he was Chief Operating Officer of ComfortDelGro Engineering Pte Ltd from August 2008 before assuming the role as Chief Executive Officer on 1 March 2011. Mr Sim first joined the Group in September 2002 as a General Manager in charge of two maintenance workshops in SBS Transit Ltd's Fleet Management Department. In June 2006, he assumed responsibility as the General Manager for all five SBS Transit's workshops. Mr Sim holds a Bachelor of Engineering (Hons) in Mechanical and Production Engineering from Nanyang Technological University and a Master of Business Administration from the University of Hull, United Kingdom.

Chua Teck Leong, Jimmy

Chief Executive Officer, ComfortDelGro Insurance Brokers

Mr Chua Teck Leong, Jimmy is the Chief Executive Officer of ComfortDelGro Insurance Brokers Pte Ltd. He is responsible for all aspects of the Group's insurance, claims and risk management activities. Prior to joining the Group, Mr Chua was the Chief Executive Officer of Zuellig Insurance Brokers Pte Ltd. Mr Chua graduated from the University of Singapore with a Bachelor of Arts (Hons) and holds a Master of Business Administration from the University of Hull, United Kingdom. In recognition of his contribution to community service, Mr Chua was awarded the Public Service Medal (PBM) in 1997 and the Public Service Star (BBM) in 2001. He was appointed a Justice of the Peace in 2005.

Huam Chak Khoon

Chief Executive Officer, ComfortDelGro Driving Centre

Mr Huam Chak Khoon is the Chief Executive Officer of ComfortDelGro Driving Centre Pte Ltd. He was responsible for the setting-up and operation of the Driving Centre when he was appointed its Executive Director in 1996. Mr Huam joined the Group in 1984 as a Trainer. Mr Huam holds a Bachelor of Commerce from Nanyang University, a Graduate Diploma in Training and Development from the Singapore Institute of Management, and a Master of Science in Education and Training from the University of Leicester, United Kingdom.



Gan Juay Kiat



Yang Ban Seng



Sim Wing Yew



Chua Teck Leong, Jimmy



Huam Chak Khoon

Key Management

Business Units Singapore

Jayne Kwek

Chief Executive Officer, Moove Media

Mrs Jayne Kwek joined the Group in October 2004 and is currently the Chief Executive Officer of Moove Media Pte Ltd. She is an Executive Council Member of the Institute of Advertising Singapore and has won many prestigious advertising awards, including the Singapore Media Award and Singapore Hall of Fame Advertising Awards. She has also been voted one of Singapore's 20 Most Influential Marketing Personalities. Mrs Kwek graduated with a Degree of Associate in Science (Fashion Merchandising) from the Daytona Beach Community College, Florida, USA.

Pang Weng Heng

Chief Executive Officer, ComfortDelGro Bus

Mr Pang Weng Heng was appointed Chief Executive Officer of ComfortDelGro Bus Pte Ltd on 1 January 2015. Prior to this appointment, he was the Chief Operating Officer. Mr Pang joined the Group in September 1978. Prior to his transfer to ComfortDelGro Bus, he served in the Operations, Finance, and Projects Departments of Comfort Transportation Pte Ltd. Mr Pang holds a Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants and a Diploma in Management Studies from the Singapore Institute of Management.

Ang Soo Hock

Chief Operating Officer, ComfortDelGro Engineering

Mr Ang Soo Hock was appointed Chief Operating Officer of ComfortDelGro Engineering Pte Ltd on 1 May 2012. Mr Ang first joined the Company as Taxi Fleet Maintenance Engineer in July 1998. In 2003, he assumed the responsibility of Branch Manager, Sin Ming, overseeing the maintenance of both the taxi and private car fleets, and the operation of four diesel kiosks. In June 2007, he was tasked to oversee all maintenance workshops for the Group's entire taxi fleet in Singapore, and in September 2009, he took on the added responsibility of managing diesel sale operations as well. Mr Ang holds a Bachelor of Engineering (Hons) in Mechanical and Production Engineering from Nanyang Technological University and a Specialist Diploma in Franchise Management from Ngee Ann Polytechnic.

Ong Beng Tin, Mary

Chief Executive Officer, ComfortDelGro Rent-A-Car

Ms Ong Beng Tin, Mary joined the Group in 1996 and is the Chief Executive Officer of ComfortDelGro Rent-A-Car. Prior to her appointment, she was the Chief Operating Officer and served as the Head of Sales and General Manager in the Company. She has 20 years' experience in the car rental industry, beginning her career as a Sales Manager in Ken-Air's Auto Services Division. Ms Ong holds a Bachelor of Arts from the National University of Singapore.



Jayne Kwek



Pang Weng Heng



Ang Soo Hock



Ong Beng Tin, Mary

Business Units China

Leong Kwok Sun

Chief Executive Officer, North China Business Unit

Mr Leong Kwok Sun is the Chief Executive Officer of the North China Business Unit. He is responsible for the supervision and development of North China businesses. Prior to joining the Group, Mr Leong was the Senior Vice President in Times Publishing Limited. He has held senior positions in various organisations in his more than 30 years of working life with extensive experience in manufacturing industries and managed overseas operations, especially in China. Mr Leong is a registered professional Engineer and was trained in West Germany on Marine Engineering and Special Ship Construction. He holds a Bachelor of Engineering from the University of Singapore.

Tan Seow Boon, Simon

Chief Executive Officer, West China Business Unit

Mr Tan Seow Boon, Simon is the Chief Executive Officer of the West China Business Unit and is responsible for the Group's taxi, car rental, vehicle inspection and driving school joint ventures in Chengdu and Chongqing. Mr Tan joined the Group in 1995 and was one of the first executives to be posted to China in 1997. He was the General Manager of Shanghai Shen Xin Bus Service Ltd and Shanghai City Qi Ai Taxi Services Co., Ltd. Prior to joining the Group, he was an Investigations Officer with the Republic of Singapore Police Force. Mr Tan holds a Bachelor of Science (Hons) from the University of London.

Tang Yew Meng, Richard

Chief Executive Officer, East China Business Unit

Mr Tang Yew Meng, Richard is the Chief Executive Officer of the East China Business Unit. He is responsible for the taxi operations in Shanghai, Suzhou and Nanjing. Mr Tang is also the General Manager of Nanning Comfort Transportation Co., Ltd and Nanning ComfortDelGro Rent-A-Car Co., Ltd. Prior to joining the Group, Mr Tang amassed a wealth of experience in the service industry, having worked in senior management positions in prestigious hotel management companies in Perth, Shanghai, Beijing and Guangzhou. Mr Tang holds a Diploma in Administrative Management (UK).

Tay Chew Liang, Marc

Chief Executive Officer, South China Business Unit

Mr Tay Chew Liang, Marc is the Chief Executive Officer of the South China Business Unit, overseeing the operation of Guangzhou Xin Tian Wei Transportation Development Co., Ltd. Mr Tay began his career with the Singapore Airlines Group and had held senior management positions in many leading service organisations, including the Singapore Tourism Board, Intercontinental Hotel Group and the Ascott Group. Mr Tay has a wealth of experience working in China, having spent nearly two decades there. Mr Tay holds a Bachelor of Business Administration from the National University of Singapore and attended a Senior Management Programme with the University of Hong Kong.



Leong Kwok Sun



Tan Seow Boon, Simon



Tang Yew Meng, Richard



Tay Chew Liang, Marc

Key Management

Business Units Australia

Jim Glasson

Chief Executive Officer, ComfortDelGro Cabcharge

Mr Jim Glasson joined the Group in June 2009 and is the Chief Executive Officer of ComfortDelGro Cabcharge Pty Ltd. Prior to joining the Group, he was Director General of the Ministry of Transport (MoT) in New South Wales (NSW). Before his appointment as Director General, Mr Glasson was MoT's Deputy Director General and Executive Director of the Policy and Strategic Co-ordination Group where he was responsible for the leadership and direction of the Ministry's policy functions and Ministerial support unit. Mr Glasson was previously Acting Chief Executive Officer of the Port Kembla Port Corporation. Mr Glasson holds a Bachelor of Urban and Regional Planning (Hons) from the University of New England, NSW, Australia.

Management from Nanyang Technological University & Chartered Institute of Transport, Singapore.

Yeo See Peng

Chief Executive Officer, Swan Taxis

Mr Yeo See Peng was appointed Chief Executive Officer of Swan Taxis in Perth, Western Australia on 2 January 2015. He joined the Group in December 2013, serving as Senior Vice President, Fleet Services of ComfortDelGro's Taxi Business in Singapore. Prior to this, Mr Yeo served in both the Ministry of Defence and the Singapore Armed Forces (SAF) for about 30 years, where he held several senior command and staff appointments. Mr Yeo, who was an SAF Merit Scholar, holds a Bachelor and Master of Arts from the University of Oxford, United Kingdom, as well as a Master of Public Administration from the University of Harvard, USA.

Yap Soon Hua, Nicholas

General Manager, ComfortDelGro Cabcharge (Victoria)

Mr Yap Soon Hua, Nicholas, was appointed General Manager of CDC Victoria Pty Ltd in January 2014. Concurrently, he also holds the position of Deputy Chief Executive Officer of ComfortDelGro Cabcharge Pty Ltd. Prior to these appointments, he was Chief Operating Officer of ComfortDelGro Cabcharge. Mr Yap joined the Group in 1994 and was Vice President, Group Business Development, before his posting to Australia. He also served as a Manager in the Service Development Department of SBS Transit Ltd. Mr Yap holds a Bachelor of Economic and Social Studies (Hons) from the University of Wales in Accounting and Law. He also completed the Executive Programme in Transportation



Jim Glasson



Yap Soon Hua, Nicholas



Yeo See Peng

Business Units United Kingdom/Ireland

Jaspal Singh

Chief Executive Officer, United Kingdom/Ireland Business Unit

Mr Jaspal Singh is the Chief Executive Officer of the United Kingdom/Ireland Business Unit. He was a Colombo Plan Scholar and joined the Administrative Service in 1978. Over the years, he held many senior-level appointments, including Deputy Secretary in the Ministries of Finance and Transport. Mr Singh also held various directorships on the boards of Government-linked companies. He holds a Bachelor of Arts (Economics) and a Bachelor of Engineering (Industrial Engineering) (Hons Class One) from the University of Newcastle, Australia, and a Master of Public Administration from the Kennedy School, Harvard University, USA. He has also completed the Advanced Management Programme at the Harvard Business School.

Business Units Vietnam

Lim Meng Hock, Alan

General Director, ComfortDelGro Savico Taxi

Mr Lim Meng Hock, Alan was appointed General Director of ComfortDelGro Savico Taxi Company in November 2007. He joined the Group in 1981 and has served in various administration, purchasing, planning, operational and business development positions within the Group. Mr Lim holds Diplomas in Chemical Process Technology from the Singapore Polytechnic and Management Studies from the Singapore Institute of Management.

Lim Chai Hwee

General Director, Vietnam Taxi

Mr Lim Chai Hwee is the General Director of Vietnam Taxi Co., Ltd. Mr Lim joined the Group in 2006. He held appointments in Operations, Route Group Development and Safety departments of the bus business area of SBS Transit Ltd. Prior to joining the Group, Mr Lim has had stints in the security and financial industries. Mr Lim holds a Bachelor Degree in Engineering from Nanyang Technological University.

Business Units Malaysia

Chia Wing Too, Eric

General Manager, Malaysia Business Unit

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



Jaspal Singh



Lim Meng Hock, Alan



Lim Chai Hwee



Chia Wing Too, Eric

Operations Review

Singapore

Bus

ComfortDelGro Corporation Limited is the market leader in both the public scheduled bus and private coach service sectors in Singapore.

Public Scheduled Bus

Our public-listed scheduled bus subsidiary, SBS Transit Ltd, operates a fleet of 3,448 buses and 255 bus routes comprising 207 basic bus services, 25 premium bus services and 23 niche bus services. During the year, ridership grew by 3.2% to a daily average of 2.75 million passenger trips. Significantly, the total ridership for 2014 surpassed the one-billionth mark.

In 2014, SBS Transit took delivery of 465 new buses, representing a growth of 3.7% over the previous year. Of its total fleet, 41.5% are double deck buses and 84.7% are wheelchair accessible. The average age of its fully air-conditioned fleet is now 5.7 years, which is 1.1 years younger compared to a year ago. In July 2014, it placed a S\$311 million order for 665 new buses, comprising 415 double deck buses and 250 single deck ones, all of which are wheelchair accessible. When delivery is completed by 2017, SBS Transit's fleet will

be 98% wheelchair-friendly. With more wheelchair-friendly buses joining the fleet, it rolled out 20 more wheelchair-accessible bus (WAB) services during the year, bringing the total number of WAB services to 182.

A total of 371 buses under the Government's Bus Service Enhancement Programme (BSEP) were also rolled out as at 31 December 2014 – two years ahead of schedule. Following the completion of BSEP 1, the Government has announced that it will add another 296 buses to SBS Transit's fleet under BSEP 2, which runs from 2015 to 2017.

The most significant development in the Singapore public scheduled bus industry in 2014 was the Government's move towards a new contracting system. Under the new Bus Contracting Model, operators are invited to bid for routes through a competitive tender process. Successful bidders will then be contracted and paid to operate public bus services.

Under the new operating model, the Government will own all infrastructure and operating assets including buses. It will, in turn, collect all fare revenue.

The first tender, known as the "Bulim Bus Package", was called in October 2014. It drew strong interest with a total of 11 bids, including SBS Transit's. The results of the tender are expected in the second quarter of 2015.

The Authorities will be inviting tenders for two other bus packages with details yet to be released. As for the other nine bus packages, which comprise 80% of the public bus fleet in Singapore, they will continue to be operated by the incumbent bus operators. This means that when SBS Transit's Bus Service Operating Licence expires on 31 August next year, it will negotiate with the Land Transport Authority (LTA) to continue to operate these routes under the contracting model for about five years. Thereafter, when these negotiated contracts expire, these routes will gradually be tendered out.

SBS Transit's popular Intelligent Route Information System or *iris* app was given a facelift in July 2014 to enhance user experience. To-date, this free app has been downloaded more than 1.9 million times.



Bus • Taxi • Rail • Automotive Engineering Services • Inspection & Testing Services • Driving Centre
Car Rental & Leasing • Insurance Broking Services • Outdoor Advertising

Private Bus Charter

The Group's wholly-owned subsidiary, ComfortDelGro Bus Pte Ltd, is Singapore's largest private bus chartering company with a fleet of 350 buses, including buses belonging to sub-contractors. It offers a wide range of bus charter services, including employee and school bus services. It also offers overland bus services to West Malaysia, and operates premium bus services, complementing those offered by SBS Transit.

ComfortDelGro Bus did well during the year, increasing its revenue by 9.1% to S\$22.7 million due to an increase in the number of corporate contracts and scheduled bus routes. In April 2014, it began a new Peak Period Short Service from Bedok MRT Station to Chai Chee Drive, its third scheduled bus route under BSEP.

ComfortDelGro Bus remained the preferred bus chartering provider for the National Day Parade, Singapore Armed Forces Day, the Army Open House, the Singapore F1 Grand Prix night races, Chingay Parade as well as the Standard Chartered Marathon. It also won the contract to provide bus chartering services for the 28th Southeast Asian Games that will be held in Singapore in June 2015.

During the year, ComfortDelGro Bus acquired 49% of the issued shares of Phillip Boyle & Associates Pty Ltd, a niche bus planning and scheduling consultancy firm based in Melbourne, for a consideration of about S\$0.5 million.

Taxi

ComfortDelGro Taxis continued to command the lion's share of the market with a combined fleet of 16,855 Comfort and CityCab taxis.

Despite growing competition from independent third party booking apps, our taxi companies catered a record 35.6 million booking jobs in 2014 – 10% more than 2013. About half of these bookings were conducted through the ComfortDelGro taxi booking app, which has been downloaded 2.6 million times since it was launched in 2010.

The number of cashless payments also increased to 18.8 million in 2014. In March 2014, ComfortDelGro Taxis introduced the "CabRewards Programme" for the first time to reward our passengers with points for every cashless payment they make on board our taxis. Passengers can use these points to redeem goodies such as taxi vouchers or free transfers to the airport. A total of 36,000 passengers have signed up for the programme since it was launched.

In June 2014, ComfortDelGro Taxis partnered the Health Promotion Board to conduct a 10-month health screening and intervention programme for taxi drivers. A special health check centre was set up at the Loyang workshop so that drivers can undergo health screening and health coaching sessions while they wait for their taxis to be serviced. Over 2,000 taxi drivers have since participated in the programme. As part of the healthy lifestyle campaign, drivers have also been given free access on Wednesdays to

ActiveSG facilities such as gymnasiums and swimming pools.

In August 2014, ComfortDelGro Taxis trialled an in-vehicle smart camera – the "Mobileye" – in 30 taxis. The "Mobileye" detects, analyses and monitors different road conditions while the taxi is in motion and provides real-time audio-visual warnings via a display unit to taxi drivers.

With the remaining Toyota Crown taxis scrapped by September 2014, ComfortDelGro Taxis' entire fleet is now Euro 4-compliant or higher.

In terms of regulatory standards which require that 80% of an operator's fleet be on the roads for a minimum of 250km daily, ComfortDelGro Taxis met all requirements and consequently became the only operator allowed to increase its fleet size by 2% in 2015.

Rail

Demand for our rail services remained strong in 2014 with close to 241.5 million passenger trips made. This is an increase of 17.9% over 2013.

Average daily ridership on the North East Line (NEL) grew by 6.7% to 513,266. The Light Rail Transit (LRT) systems in Punggol and Sengkang also experienced strong growth during the year as the estates matured. A record 31.7 million passenger trips were recorded on the LRTs in 2014, representing an increase of 10.5% over the previous year. In its first full year of service in 2014, the six-station Downtown

Revenue
(S\$'mil)
2,399.6

Total
Investment (S\$'mil)
388.5

Total Operating
Fleet Size
22,369

Total Number
of Employees
11,825

Operations Review

Singapore

Line 1 (DTL 1) drew an average daily ridership of 61,503.

During the year, the first pair of 18 new trains built by French manufacturer, Alstom, was delivered to SBS Transit for testing and commissioning. These are expected to be put into service in August 2015 while 10 more trains are scheduled for delivery within the year.

In the last quarter of 2014, SBS Transit also commenced planning for a mid-life refurbishment of 25 NEL trains. The programme, conducted in close consultation with the manufacturer, will involve upgrading or replacing ageing as well as obsolete equipment. It is expected to improve train reliability when it is completed by 2018.

Concurrently, SBS Transit continued to work with LTA to enhance the signaling and platform stopping control systems at the LRT station in preparation for the two-car operation that is scheduled for implementation in 2016. During the year, four of the 16 modified Light Rail Vehicles were handed over to SBS Transit, while the remaining 12 will be completed in 2015.

In June 2014, the Punggol West LRT Loop began revenue service on three stations – Nibong, Sumang and Soo Teck – to cater to the travel needs of commuters moving into the new residential developments there.

Automotive Engineering Services

To cope with the continuous increase in the number of taxis passing through its service lanes and to cut down on taxi drivers' waiting time, ComfortDelGro Engineering Pte Ltd increased the number of repair bays for Hyundai Sonata and i-40 taxis by 14 to 282.

To enhance service levels, a job assignment and tracking system was implemented at all five workshops to

track the status of repairs and assign queuing jobs to available technicians. This system not only keeps drivers abreast of the status of the preventive maintenance checks in real-time, but it also enables the workshop managers and supervisors to better manage resources. Part of the Sin Ming workshop was also converted into a maintenance area as well as an exclusive reception area cum waiting lounge for our limousine taxi fleet and drivers.

ComfortDelGro Engineering increased its tow truck fleet from 21 to 34 to further improve its response time. These tow trucks now come equipped with Mobile Data Terminals, similar to those used in ComfortDelGro taxis, which enable jobs to be despatched automatically via the system. This has improved response times significantly, with 97% of all jobs attended to within an hour.

ComfortDelGro Engineering successfully secured 13 new corporate contracts during the year. This included a three-year contract with the Singapore Airlines Engineering Company to maintain its fleet of airport vehicles.

Several marketing initiatives were carried out throughout the year to retain and attract customers. For example, the SPARK™ Kakis Annual Servicing Programme, which was re-packaged to include three services, attracted 2,000 new customers. Its referral programme, SPARK Web, also saw 600 new customers sign up. Further tweaks were made to the referral programme to incentivise ComfortDelGro taxi drivers to introduce their relatives and friends to the service.

ComfortDelGro Engineering's crash repair unit is also the accident reporting centre for 18 insurance companies. Its vehicle assembly unit delivered a total of 231 buses to SBS Transit, and was awarded a two-year contract to assemble another

415 buses. Its component reconditioning unit replaced the manual washing of automotive parts with a customised automated parts washing machine, increasing productivity and throughput significantly.

Inspection & Testing Services

Demand for VICOM Ltd's inspection and testing services remained strong in 2014, thanks to increased marketing efforts and persistently high Certificate of Entitlement premiums and car prices. In all, about 520,000 vehicles passed through its inspection lanes during the year. Significantly, VICOM celebrated its 8,888,888th vehicle inspection on 26 March 2014 by presenting to the lucky vehicle owner a lifetime's worth of vehicle inspection services.

VICOM continued to build up the resilience of its inspection systems and spruce up its inspection centres. It added motorcycle test lanes to its Sin Ming, Bukit Batok and Changi inspection centres, increasing their capacity to inspect more motorcycles. JIC Ang Mo Kio inspection centre was given a new coat of paint and had two of its inspection lanes replaced.

On top of vehicle inspection services, the centres also offer ancillary services such as motor insurance, road tax renewal, in-vehicle unit (IU) maintenance, car evaluation, accident vehicle assessment and vehicle emission certification. In all, 15,207 accident reports were filed and 1,496 motorists had their vehicles repaired at approved workshops. VICOM also carried out 3,699 surveys on accident vehicles making accident claims. Plans are already in the pipeline to convert an area of its Sin Ming office into a one-stop centre for ancillary services, so that customers are served more quickly and efficiently.

To further ease the queues at its cashier counters, VICOM, put on trial, two

Automated Payment Machines (APMs) that accept both cash and cashless payments at the Sin Ming inspection centre. With the APMs, payments are transacted faster. More APMs will be implemented across the inspection centres in 2015. In May, VICOM started a new road tax express service in the form of a deposit box at Sin Ming, Kaki Bukit and Bukit Batok inspection centres so that motorists who are unable to process their road tax fees during office hours, can still transact their road tax fee simply by dropping a form and the cheque payment into the box.

The VICOM Emission Test Laboratory continued to work towards ensuring all newly-registered diesel vehicles comply with the Euro 5 emission standard, as well as the Japanese emission standards (JPN 2009) that are acceptable in Singapore. To drum up demand for VICOM FIT™, VICOM took up extensive advertisements on popular car re-sale portals. Plans are in the pipeline to roll out a web-based booking system in 2015 to make appointment booking that much easier.

In line with the Government's push to enhance the skills of workers and increase productivity, vehicle inspectors were put through a cross-training programme that enabled them to take on multiple roles and expand their job scope. They also kept abreast of industry developments by undergoing the Technical Knowledge Examination and training courses.

VICOM's wholly-owned subsidiary, Setsco Services Pte Ltd (SETSCO), performed well in 2014 on the back of strong demand in the oil and gas, petrochemical, marine and offshore as well as construction industries.

To-date, it has completed a number of non-destructive testing jobs for offshore oil platforms as well as phase

one of a sustainable water solution contract involving project management, groundwater drilling and water quality monitoring. SETSCO also rolled out Singapore's first automated cube testing system – where robots are used to carry out the testing of concrete cubes, and added a new CNC vision machine that could handle complex calibrations and greater accuracy. Its clinical laboratory, which was registered with the Health Promotion Board to provide health screening services in June 2014, expanded its services to include testing of heavy metals and organics in blood and urine.

Across the Causeway, SETSCO provided surface friction testing services for a helicopter landing deck located at Johor Port in Pasir Gudang, and was appointed to set up and manage a laboratory that monitors the quality of concrete materials used for the construction of the Penang Second Bridge, the longest bridge in Southeast Asia. Further afield, SETSCO conducted an optic scan of approximately 128,000 sq m of glass surfaces for the 39-storey Flame Towers, the tallest skyscraper in Baku, Azerbaijan.

Driving Centre

Enrolment at our driving centre, ComfortDelGro Driving Centre Pte Ltd, hit 35,000 in 2014, representing a 9% increase over the previous year.

The Centre took a deliberate approach to renew its fleet, resulting in a younger fleet with a good mix of manual and auto-transmission models to meet market demand. A total of 42 manual training cars and 66 motorcycles were replaced with newer models during the year.

ComfortDelGro Driving Centre continued to offer non-licensing services such as defensive driving or riding courses to hospitals, nursing homes, insurance, logistics companies, as well as

pre-employment competency driving assessments for companies in the construction as well as oil and gas industries. This area of business, which accounts for about 10% of the overall revenue, experienced growth during the year.

Apart from supporting the Singapore Road Safety Council's Road Safety Public Awareness Campaign, the Centre also collaborated with the Traffic Police to develop and launch a new Driver Improvement Point System training in January 2014.

Car Rental & Leasing

Our car rental and leasing subsidiary, ComfortDelGro Rent-A-Car Pte Ltd, with its fleet of 1,115 vehicles, maintained its position as one of Singapore's largest car rental and leasing companies.

Car loan restrictions and the high cost of vehicle ownership have resulted in an increase in demand for short-term rentals ranging from six months to a year. A car rental tie-up with Groupon Singapore from August to October 2014 also yielded a total sale of 106 vouchers. A second tie-up with ExxonMobil offered corporate clients petrol discounts via the fleet card.

During the year, ComfortDelGro Rent-A-Car placed an order for about 140 cars in anticipation of rising car prices and increased demand for car rental services.

Insurance Broking Services

ComfortDelGro Insurance Brokers Pte Ltd, our in-house insurance broking associate, continued to perform well. Revenue grew by 3.9%.

In Singapore, ComfortDelGro Insurance Brokers successfully renewed the insurance policies of the Group's taxi and bus fleets with a wider coverage at lower premiums.

Operations Review

Singapore

In Australia, ComfortDelGro Insurance Brokers worked with its associate broker to introduce incentive schemes with lower premiums to taxi drivers of Swan Taxis Pty Ltd. A personal accident scheme that benefitted the taxi drivers was also launched.

In the United Kingdom, insurance coverage was also successfully renewed with savings of over 4%.

ComfortDelGro Insurance Brokers continued its good work with the insurance companies in Singapore and its overseas associates in providing proactive risk management and effective claims management for the Group.

Outdoor Advertising

Our outdoor advertising subsidiary, Moove Media Pte Ltd, saw higher demand for rail advertising as a result of the opening of DTL 1.

During the year, Moove Media launched the Nielsen Singapore Outdoor Audience Research system with three other media owners. It is Singapore's first industry-wide outdoor media audience measurement system – enabling advertisers to know the extent of their advertising reach and impact on consumers.

Throughout the year, Moove Media carried out several interesting advertising campaigns that were well-received by consumers. One example was the campaign for Sentosa Development Corporation's latest night show "Wings of Time". Moove Media re-created the main characters of the show using three-dimensional fibre glass structures for display on taxi rooftops.

Another campaign was created for F&N Creameries (S) Pte Ltd's JWEL ice-cream. A wholly-wrapped SBS Transit single deck had its interior fully refurbished to resemble a royal grand hall. Not only do the seats come with digitally embroidered seat covers, but the walls, poles, railings, floor and ceiling were wrapped in teal and gold to create the look and feel of "royalty".

Needless to say, this campaign was also a hit with the crowds.

Operations Review

China

Beijing, Chengdu, Chongqing, Guangzhou, Jilin City, Nanjing, Nanning, Shanghai, Shenyang, Suzhou, Tianjin

NORTH CHINA

Beijing

Taxi

With a fleet of 5,501 taxis, translating into a market share of 8.3%, Beijing Jin Jian Taxi Services Co., Ltd, remains the Capital City's third largest cab operator. During the year, a total of 1,104 taxis were replaced with new ones, resulting in a newer fleet. The demand for the Company's taxis remained strong with the entire fleet hired out.

Vehicle Testing Services

Our 80%-owned subsidiary, Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd, provides vehicle safety and emission testing services in the Capital. As part of its efforts to improve customer experience, it introduced an app to allow customers to make appointments for inspections more conveniently. It also replaced one of its inspection lanes.

Jilin City, Jilin Province

Taxi

Jilin ComfortDelGro Taxi Co., Ltd, the City's largest taxi operator with a 14.2% share of the market, fully hired out its fleet of

729 taxis in 2014. A total of 105 taxis were replaced during the year. The Company also completed the construction of the Jilin Taxi Service Centre in July 2014.

Jilin ComfortDelGro Taxis, had, since 2012, been operating double-shift taxis. As such, not much of a transition was required when the Jilin City Taxi Management Office made it a regulatory requirement for all taxis to be operated by two taxi drivers instead of one. The Company also helped its taxi drivers with their social security contributions.

Shenyang, Liaoning Province

Taxi

Our two taxi companies – Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd – operated a total fleet of 1,335 taxis, making us the City's second largest taxi operator. The demand for these taxis remained strong with our taxis fully hired out.

The two companies replaced a total of 76 taxis during the year. To further strengthen the service level of its taxi drivers, Shenyang ComfortDelGro Taxi not only trained them in the areas of defensive driving, customer service and professional ethics, but also signed an agreement with its branches to improve road safety and the quality of services.

For their continued efforts, Shenyang ComfortDelGro Taxi and CityCab (Shenyang) were given a top grade of "AAA

Taxi Enterprise for Service Quality". A total of 455 Shenyang ComfortDelGro Taxi and CityCab (Shenyang) taxi drivers were also commended.

WEST CHINA

Chengdu, Sichuan Province

Taxi

With a fleet of 1,070 taxis, our wholly-owned subsidiary, Chengdu ComfortDelGro Taxi Co., Ltd, continued to rank as the City's second largest operator. The Government's efforts in attracting and training more drivers to the profession were supplemented by the Company's efforts in rewarding and retaining its taxi drivers with long-term incentives.

Car Rental & Leasing

ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd, with its fleet of 135 vehicles, continued to maintain long-term leasing contracts with multi-national organisations. As the demand slowed during the year, the Company stepped up its marketing efforts by producing new brochures and providing value-added services to better serve its customers and attract new ones. Work processes were also streamlined to improve efficiency. As a result, it successfully clinched contracts with new clients such as Toyota Motor Corporation, ANA, IQAir Group, Apple China and Taiwan's Bureau of Foreign Trade.



Operations Review

China

Vehicle Testing Services

Our 51%-owned subsidiary, Chengdu Jitong Integrated Vehicle Inspection Co., Ltd, inspected a total of 10,273 vehicles in 2014 – 4% more than 2013. During the year, it continued to attract new customers and improve its service standards.

Driving Centre

Revenue for our 95%-owned driving subsidiary, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd, grew in 2014 amidst new regulatory standards that came into effect stipulating ratios between training stations and the number of training cars. About 680 students enrolled during the year, with close to 4,680 from affiliated instructors. To cater to growing demand, 18 training and test vehicles were added during the year, bringing its total fleet to 157. This included 110 “Gua Kao” vehicles.

Chongqing

Driving Centre

In 2014, new regulatory standards came into effect in Chongqing City stipulating ratios between training stations and the number of training cars. Our 90%-owned subsidiary, Chongqing ComfortDelGro Driver Training Co., Ltd, worked towards meeting these new standards.

To distinguish itself from other driving schools, the Centre continued to improve its service levels by intensifying the training of its driving instructors.

During the year, Chongqing ComfortDelGro Driver Training had identified a 10,200 sq m area in the Shui Nian Area as the replacement test site for the existing one in the Jiu Long Bo District which will be acquired by the Government for residential and commercial development. The new site is located within the City Area and is easily accessible by public transportation. There are also

plans to revamp and upgrade the circuit at another of its test site within the Gao Xin Zone to focus solely on car training.

EAST CHINA

Shanghai

Taxi

With a strong reputation as an ISO 9002 certified company, our 51%-owned subsidiary, Shanghai City Qi Ai Taxi Services Co., Ltd, continued to maintain its position as one of the premium operators in the City with a fleet of 492 taxis. The Company brought in Volkswagen Lavida taxis during the year to replace the Volkswagen Santana taxis which are no longer in production. This new taxi model has proven to be equally popular with taxi drivers and commuters given its wide and spacious interior.

Suzhou, Jiangsu Province

Taxi

Our 70%-owned taxi subsidiary, Suzhou Comfort Taxi Co., Ltd, expanded its fleet during the year having won 15 licences through an open tender. Its enlarged fleet of 165 taxis was fully hired out in 2014.

Nanjing, Jiangsu Province

Taxi

Nanjing ComfortDelGro Dajian Taxi Co., Ltd, our 70%-owned subsidiary, is the City's fourth largest taxi company with a total of 679 Compressed Natural Gas (CNG) taxis – including the 85 new taxi licences that were awarded to the Company in April 2014.

During the year, new Peugeot 508 CNG taxis were deployed – much to the delight of commuters who applauded the roomier interior and the smoother ride these new cars offered. The Company was also ranked top in the Jiangsu Province's “AAA rating” of taxi operators for service quality and trustworthiness.

SOUTH CHINA

Guangzhou, Guangdong Province

Bus Station

Our 60%-owned Tianhe Bus Station in Guangzhou served a total of 13.7 million passengers in 2014, 1.2% more than the previous year as a result of an increase in traffic for the Huizhou, Shenzhen, Meizhou, Heyuan and Jiangmen City routes. Ticket revenue also grew as the sale of peak period tickets was extended to give passengers more time to purchase. Cargo demand stayed strong during the year.

As part of efforts to upkeep our 17-year-old bus station, the VIP area for passengers travelling the Huizhou route was upgraded to make it more comfortable. More space was also dedicated to this particular route's operating area. New TV monitors were also installed at ticket gates.

Efforts to rid the bus station of illegal buses and touts also continued with increased patrols conducted around the premises.

Nanning, Guangxi Province

Taxi

With an additional 50 taxi licences awarded during the year, our 80%-owned subsidiary, Nanning Comfort Transportation Co., Ltd, continued to be the largest taxi operator in Nanning with a fleet of 854 taxis, or a 17% market share. Nanning Comfort Transportation was also named the “Best Taxi Operator Unit” for the 11th consecutive year and 10 of its taxi drivers were named the best in the industry.

Car Rental & Leasing

Nanning ComfortDelGro Rent-A-Car Co., Ltd's fleet of 23 cars was fully leased out to multi-national companies in the City during the year.

Revenue
(S\$'mil)

212.9

Total
Investment (S\$'mil)

248.0

Total Operating
Fleet Size

11,322

Total Number
of Employees

1,466

Operations Review

Australia

Ballarat, Blue Mountains, Canberra, Geelong, Lake Macquarie, Maitland, Melbourne, Newcastle, Parramatta, Perth, Queanbeyan, Sydney

Sydney, New South Wales

Bus

Fuelled by population growth and improvements to the on-time running performance of our bus services, bus ridership for our 51%-owned subsidiary, ComfortDelGro Cabcharge Pty Ltd, grew by about 3.5% in 2014.

To cater to the growing demand for its services, ComfortDelGro Cabcharge added 22 buses to its fleet during the year.

In August 2014, ComfortDelGro Cabcharge's Hillbus Co Pty Ltd commenced the Sydney Metropolitan Bus Services Contract to operate scheduled services within Region 4 through a competitive tender.

During the year, the Opal electronic ticketing system was introduced for use on all trains, ferries, buses and light rail in Sydney, Newcastle; and the Blue Mountains, Central Coast, Hunter Region and Illawarra. ComfortDelGro Cabcharge gave its full support during the switch to this new system by assisting the Transport for New South Wales (NSW) with the fit-outs of its buses and

ensuring that all bus drivers underwent a thorough familiarisation programme. The new system, has brought about greater convenience to commuters.

In October 2014, ComfortDelGro Cabcharge consolidated its Hillsbus resources by running all weekend services from two depots – instead of four previously. This resulted in a drop in the number of driving shifts, which in turn translated to manpower savings as well as increased efficiency.

Outdoor Advertising

Moove Media Pte Ltd's fully-owned subsidiary, Moove Media Australia Pty Ltd, produced new maps during the year to keep both clients and media agencies abreast of the new areas it reaches. It also made sure that clients were constantly updated with "progress reports" – making it one of the very few in the industry to do so.

Blue Mountains and Hunter Valley, New South Wales

Bus

In August 2014, ComfortDelGro Cabcharge acquired Blue Mountains Bus Company, which operates an Outer Sydney Metropolitan Bus Services Contract in the tourist region, for S\$27.8 million. The Company, which owns a fleet of 101 buses and coaches as well as three depots located at Emu Plains, Leura and Valley Heights, was rebranded Blue Mountains Transit Pty Ltd in December 2014.

During the year, ComfortDelGro Cabcharge successfully re-negotiated and secured the region contracts for Hunter Valley bus operations for Outer Metropolitan Regions 2 and 4. A total of 12 buses were added to the fleet. The operations were also restructured to sync with the Sydney operations. In June 2014, a review of the timetable covering all Hunter Valley bus operations was conducted to integrate new buses and improve scheduling efficiencies.

Queanbeyan, New South Wales

Bus

In regional NSW, ComfortDelGro Cabcharge offers two bus services – QCity Transit buses which serve the Greater Queanbeyan Area and Transborder buses which serve the Murrumbateman/Yass area. QCity Transit is the largest provider of passenger and school buses in Southern NSW and operates a combined fleet of 120 modern city, school and charter buses and coaches, while Transborder Express runs passenger transport and school bus services in the Canberra Region as well as rail feeder coach services in Southern NSW.

During the year, QCity Transit secured three new rural school bus service contracts, the shuttle bus contract for the Department of Foreign Affairs and Trade, as well as the Roads Maritime Services Queanbeyan night bus contract.



Operations Review

Australia

Transborder Express also had a successful year with the retention of the NSW TrainLink coach service contract between Canberra and Eden/Bombala.

QCity Transit rolled out new bus services in Googong, Queanbeyan's newest suburb that is located about 10km south of the central business district in November 2014. The bus services for Googong are expected to expand further as the population continues to grow and a new school is set to open in 2015.

In December 2014, QCity Transit received four new Volvo buses equipped with seat belts as part of the Transport for NSW Fleet Replacement Programme for rural bus services.

Melbourne, Victoria

Bus

ComfortDelGro Cabcharge in Victoria is one of the largest private bus operators in the region with a market share of 16%. Currently, 95% of its revenue is derived from Government contracts for metropolitan routes, regional routes and school services. School and private charters make up the remaining 5%.

During the year, as part of a rebranding exercise, three of its services were renamed CDC Melbourne, CDC Geelong and CDC Ballarat to reflect not only the communities they serve, but also to retain the heritage of parent companies – ComfortDelGro and Cabcharge. The holding company for these three operational entities was renamed CDC Victoria. In line with the rebranding, CDC Victoria and Public Transport Victoria accelerated the programme to adopt a new livery for the buses. By the end of 2014, about 150 buses or 40% of the contract fleet were donning the new orange livery.

The Company embarked on a range of technology-driven projects including a new digital two-way radio system from Motorola and the Hastus scheduling system. When completed in 2015, the new two-way radio system will enhance driver security and improve operational coordination. Hastus will enable CDC Victoria to better meet the growing demands of scheduling and roster management.

The Company further revamped its corporate website in line with the rebranding, and included more customer friendly features.

During the year, the operations of Driver Group Pty Ltd, which was acquired in May 2013, were fully integrated into a newly-developed bus depot located at North Road in Oakleigh. Timetable changes were also successfully implemented.

The charter market faced strong competition during the year. CDC Victoria therefore redeployed its resources from its tourism unit towards its bus charter services. All tour bus drivers were also redeployed to support bus charter services during the timetable change in July 2014. The Company plans to place stronger emphasis on promoting its bus charter services to the schools in the year ahead.

To clamp down on fare evasion and other anti-social behaviour on board buses, CDC Victoria established a community engagement plan. The focus of the plan was to model right behaviours instead of enforcement. An example was its collaboration with Victoria Maori Wardens Inc in July 2014. Voluntary Maori wardens travelling on CDC Melbourne buses interacted with youths of Pacific Islander or Maori background. As these wardens are elders within their community, the youths responded well to them. As a

result, bus drivers reported a drop in the number of cases of fare evasion and violence on board buses. The use of sports as a medium to reach out to disaffected youth within the community is a central plank of the engagement plan and the journey commenced with the sponsorship of the Australian Football League team, Western Bulldogs.

Perth, Western Australia

Taxi

Our fully-owned subsidiary Swan Taxis Pty Ltd is Perth's largest provider of taxi services with a market share of 93% comprising 2,025 taxis.

During the year, several marketing initiatives were rolled out to increase brand awareness. As a result, Swan Taxis despatched a total of 6.2 million booking jobs, with about 46% of these matched to taxis through automation. Of these, over 820,560 booking jobs were despatched via its taxi booking app. Its corporate business also grew by 14% as more corporate as well as Government and quasi-Government contracts were secured.

To further improve its service offerings to its taxi drivers, Swan Taxis used automation to reimburse drivers from dockets. The credits to their bank accounts not only resulted in faster reimbursements to drivers, but also less manual handling of cash. As at end of December 2014, the automation level stood at 21.7% – 10% higher than the previous year.

In the area of technological efficiency, Swan Taxis completed the migration of the SAN Storage System, which offers greater stability, better performance and a larger storage capacity. The Company also enhanced its network security

Revenue
(S\$'mil)

413.5

Total
Investment (S\$'mil)

525.0

Total Operating
Fleet Size

3,722

Total Number
of Employees

2,305

with the Intrusion Prevention Systems and replaced outdated systems with new ones. One of these included the replacement of its accounts system with one that allows for better user access controls and greater security. Another development server was added to allow for non-disruptive testing of enhancements and new features.

Where driver training is concerned, Swan Taxis successfully re-registered itself as a Registered Training Organisation during the year. Its training services were also certified by the Training Accreditation Council to have adhered to the Australian Quality Training Framework.

Operations Review

United Kingdom

Aberdeen, Birmingham, Edinburgh, Glasgow, Liverpool, London

London, England

Bus

In 2014, Metroline Limited consolidated its position as the second largest operator in London with a fleet of 1,700 buses plying across North, West, Central London and Hertfordshire. This translated into a market share of over 18%.

Metroline’s newest subsidiary, Metroline West Limited, made its maiden full-year contribution to revenue during the year. Its bus operations, which are located across five garages, are being integrated with that of Metroline Travel Limited. The various departments have had their procedures realigned, while managers have been transferred between Metroline Travel and Metroline West garages. The integration is expected to yield greater synergies across the Metroline Group.

Metroline took delivery of 61 new hybrid buses in 2014.

Coach

Westbus Coach Services Limited operates a diversified fleet of 39 coaches out of West London. It provides coach services that meet a broad spectrum of school,

commuter, tourist and corporate coach travel needs.

The Company achieved a record year in terms of demand, revenue and profitability, with an increase of 16% for turnover compared to 2013. This comes as a result of growth in all sectors, particularly the tourism market. School hires also increased as two new local school contracts were secured.

During the year, Westbus also reached out to more Chinese visitors travelling into the United Kingdom by providing them with tour services.

Westbus continued with its vehicle replacement programme during the year, adding to its already high quality, bespoke and younger coach fleet.

Taxi Radio Circuit

Our taxi subsidiary Computer Cab plc, maintained its pole position in London with a fleet of 2,042 taxis. Despite austerity measures taken by companies, Computer Cab was successful in securing several new corporate accounts during the year. A major boost came from winning a tender from a major international investment bank.

Private Car Hire

Flightlink International Limited provides hassle-free airport transfers, as well as

ground transportation for corporate entities and individuals who want a reliable and cost effective chauffeur-driven service under the “Comfort Executive” brand.

In keeping up with technology, the Company made a sizeable investment in the Freedom® System, a leading booking and despatch system that will increase its capacity to manage a larger executive car operation. This system, which includes mobile data solutions, “live” vehicle tracking and web interface is also integrated into the Advantage System that is used by its sister company, Computer Cab.

Liverpool and Birmingham, England

Taxi Radio Circuit

Computer Cab (Liverpool) Limited is the City’s largest taxi circuit operator with a fleet of 312 licensed taxis. Despite tough trading conditions and stiff competition from private hire car companies, Computer Cab (Liverpool) increased turnover by about 19% mainly due to strong demand from the shipping and logistics sectors. It has also been able to extend contracts from the public sector until 2017.

Although austerity measures had reduced job volumes, Computer Cab (Birmingham) Limited, which operates 102 taxis in its



Operations Review

United Kingdom

network, saw an increase in spending from existing corporate accounts. More corporate accounts were also signed on during the year and key accounts were retained.

Glasgow, Scotland

Coach

The Group's partnership with Stagecoach plc, Scottish Citylink Coaches Limited, carries some five million passengers annually on 33 routes that criss-cross Scotland.

Scottish Citylink increased the number of services for many of its routes during the year. Improvements were also made by adding two extra stops in both directions for Citylink Air, the only direct link between Edinburgh Airport and Glasgow city centre. Additional peak services for the route between Inverness and Ullapool were also introduced to cater to growing demand. Scottish Citylink also provided transportation with dedicated services to and from the various venues for the 2014 Ryder Cup.

Aberdeen and Edinburgh, Scotland

Taxi Radio Circuit

Our network of 467 taxis and private hire vehicles in Aberdeen and Edinburgh serves both corporate and individual clientele.

Recognising the need for a solid and sophisticated information technology infrastructure, Computer Cab (Aberdeen) Limited and Computer Cab (Edinburgh) Limited implemented a leading booking and despatch system and installed the latest in-vehicle devices throughout its fleet. The new system, MTData, allows online booking, app booking and enhanced features for improved customer and driver experience. The new system can also be integrated with various other platforms in the Group, such as Advantage and Freedom.

Revenue
(S\$'mil)
998.4

Total
Investment (S\$'mil)
417.2

Total Operating
Fleet Size
8,035

Total Number
of Employees
5,797

Operations Review

Ireland

Cork, Dublin, Galway

Inter-City Express Coach

Irish Citylink ComfortDelGro Limited, or ICCL, is our fully-owned express coach subsidiary in Ireland. It runs a network of inter-city routes linking cities such as Cork, Dublin and Galway.

Demand for ICCL's services grew during the year on the back of an economic revival in Ireland. The 'eireagle.com' direct express service between Dublin Airport and Galway, in particular, did well and experienced growth due to increased tourist traffic.

To complement the Dublin Express and eireagle.com services, four extra daily journeys were introduced in April 2014. With this addition, ICCL now offers the greatest number of daily departures between Galway and Dublin Airport.

In May 2014, ICCL also launched a new express service between Galway and Killarney. This non-stop express service operates two daily departures in each direction throughout the peak summer period. To better cater to passengers, a dedicated ticket office and passenger waiting facility was opened in Dublin City.



Inter-City Express Coach

Revenue
(S\$'mil)
15.7

Total
Investment (S\$'mil)
3.1

Total Operating
Fleet Size
22

Total Number
of Employees
12

Operations Review

Vietnam

Ho Chi Minh City

Taxi

Our two Vietnam taxi companies – Vietnam Taxi Co., Ltd (Vinataxi) and ComfortDelGro Savico Taxi Company – continued to look at ways to strengthen their operations amid a slowing economy and falling tourist arrivals.

New pick-up points were established to reach out to more customers. ComfortDelGro Savico Taxi, for example, secured three pick-up points – the Western Bus Terminal at Binh Tan District, the Lang Nuong Nam Bo Restaurant at District 10, and Melissa Centre at the Tan Phu District – a move which generated more than 2,500 trips per month for its taxi drivers. Vinataxi, on the other hand, secured pick-up points at the same Bus Terminal as well as nine pick-up points in Phu My Hung ward at District 7, which generated more than 6,000 trips per month.

Both companies consolidated their taxi fleets during the year. ComfortDelGro Savico Taxi extended the contracts of 10 taxis for another six to 12 months, while Vinataxi replaced 75 of its taxis.

In a move which resulted in monthly rental savings of S\$5,000, ComfortDelGro Savico Taxi relocated its operations to a new premise which now houses its office, workshop and call centre under one roof.

To ensure service levels are kept at a consistently high standard, both companies sent their drivers for courses and talks about safety and customer service. These efforts paid off. In 2014, Vinataxi was named one of the top 50 well-known trademarks in the country.



Taxi

Revenue
(S\$'mil)

7.1

Total
Investment (S\$'mil)

8.5

Total Operating
Fleet Size

608

Total Number
of Employees

199

Operations Review

Malaysia

Kuala Lumpur

Auto Leasing

Our subsidiary, CityLimo Leasing (M) Sdn Bhd offers auto leasing services in Malaysia through a fleet of 225 vehicles. Utilisation of our vehicles remains high.

The Company also provides round-the-clock nationwide technical and roadside emergency assistance to customers.

Inspection & Testing Services

Setsco Services Pte Ltd's wholly-owned subsidiary, Setsco Services (M) Sdn Bhd, which was set up in 1995, provides civil engineering and non-destructive testing services. During the year, it was appointed to set up and manage a laboratory that monitors the quality of concrete materials used for the construction of the Penang Second Bridge, which at 24km in length, is the longest bridge in Southeast Asia.



Auto Leasing • Inspection & Testing Services

Revenue
(S\$'mil)

4.1

Total
Investment (S\$'mil)

3.8

Total Operating
Fleet Size

225

Total Number
of Employees

42

Green Statement

The ComfortDelGro Group of Companies aims to minimise the impact of its activities on the Environment by ensuring continuous improvement in environmental performance whilst bearing in mind prevailing technical and operational constraints. The Group is also committed to complying with all statutory and regulatory requirements.

Our overall goal in environmental management is to minimise the harmful effects of our operations across Singapore, United Kingdom, Ireland, China, Australia, Vietnam and Malaysia on the environment. By striving to reduce the environmental footprint of each passenger journey, ComfortDelGro can contribute to reductions in air pollution from road transport and carbon dioxide emissions. A complete elimination of harmful emissions is, however, not possible and we will explore how best we can offset any negative impact we have on the environment.

We endeavour to continue to improve the management of our environmental impact by reducing resource usage and minimising waste. We will continue to make ongoing investments in new vehicles so as to reduce our emissions profile. We will also continue to support research into alternative fuels.

In the longer term, our environmental goals are:

- To improve our emissions profile per passenger journey or per passenger kilometre;
- To reduce the output of waste and to increase the proportion of waste reused/recycled;
- To improve the environmental management standards across the Group;
- To continue to encourage and promote the use of public transport so as to ensure a modal shift away from car use;
- To continue to support initiatives on research and trial the use of alternative fuels.



Sustainability Report

Introduction

At ComfortDelGro Corporation Limited, corporate social responsibility is not just a catchphrase. It is an integral part of our moral fabric – closely intertwined with everything that we do.

Our guiding principle is simple: Pursue benefits for both the business and the society concurrently. This two-pronged approach involves us finding ways to develop our business whilst creating a sustainable environment. In all that we do, we are constantly looking at ways in which we can help the communities we operate in to grow and flourish – in tandem with our business.

Put simply, it is about Shared Value Creation.

Society

In our business, moving people between destinations is central to everything we do. We are constantly looking at new and better ways to do this – and are constantly finding ways to reach out to an even wider range of commuters.

To this end, we have invested substantially in wheelchair-friendly buses which are capable of transporting persons-in-wheelchairs safely and comfortably. In fact, our 75%-owned subsidiary in Singapore,

SBS Transit Ltd, has invested over S\$1.3 billion in such buses since 2005.

In 2014, we placed an order worth S\$311 million for 665 Euro 5 buses, all of which come with wheelchair-friendly features. SBS Transit also rolled out 20 wheelchair accessible bus services during the year as it continued to extend its reach to commuters. To raise awareness amongst the physically-disabled, SBS Transit also conducted tours highlighting its barrier-free facilities at its Downtown Line train stations.

In London, all bus routes operated by Metroline Limited are served by low-floor vehicles with a dedicated wheelchair space and an access ramp. These buses can also 'kneel' to reduce the step-up from the pavement. In Ireland, Irish Citylink ComfortDelGro Limited had, in over two years, introduced three wheelchair-accessible coaches. The Company and Scottish Citylink Coaches Limited also donated travel vouchers to various charity organisations including hospitals to help with the travel needs of patients and their caregivers. Indeed, this is one way in which we, as a Group, have broadened our reach to commuters whilst extending help to those in need.

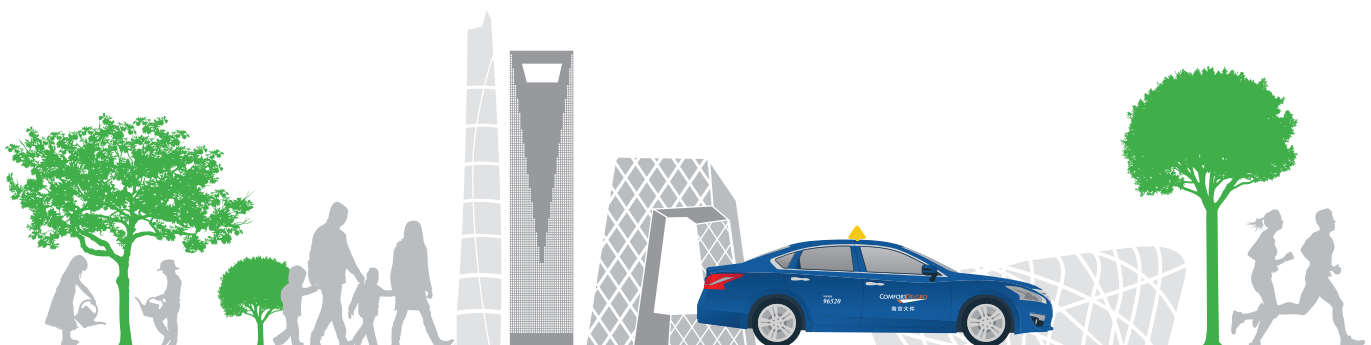
In China, Nanjing ComfortDelGro Dajian Taxi Co. Ltd, gave the disabled free rides on Disability Day. Shanghai City Qi Ai Taxi

Services Co., Ltd, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd and Chengdu Jitong Integrated Vehicle Inspection Co., Ltd also did their part for the disabled by contributing close to S\$87,300 to the Employment Fund for the Handicapped.

In Singapore, ComfortDelGro Taxis contributed another S\$10,000 during the year to the Handicare Cab Scheme, which waives the booking fees of all taxi trips booked by members of the Handicaps Welfare Association. This programme, which has been in place since 1999, aims to not only make commuting easier for the handicapped, but also help our taxi drivers expand their customer base.

Similarly, ComfortDelGro Engineering Pte Ltd in Singapore provided vehicle maintenance services at subsidised rates to 13 charitable organisations under the National Council of Social Services, five more than the previous year.

In Australia, ComfortDelGro Cabcharge Pty Ltd provided discounted charters to 72 schools visiting Western Sydney Parklands, ensuring that buses were fully utilised at all times. Similarly, we provided free transfers to elderly widows visiting the Keilor Cemetery within the Brimbank area in Melbourne.



ComfortDelGro Group
donated close to
\$1 million
to Charity

More than
\$112,500
was donated to our Home
Improvement Fund

West China
Business Unit donated
\$10,285
to build a new water
reserve in Chengdu

Across the Group, there have been many other instances where we have reached out to the communities we operate in.

In Singapore, for example, ComfortDelGro helped improve the quality of living of the elderly through our long-time partnership with voluntary welfare organisation, Lions Befrienders Service Association (Singapore). In all, more than S\$112,500 has been donated to the Home Improvement Programme Fund through which we have been able to carry out several projects. These include the replacement of old mattresses and bed frames, the purchase of new electrical appliances like washing machines, refrigerators, rice cookers, televisions, radios, electric kettles and fans – all aimed at making the lives of the elderly living in one-room rental flats better.

Our taxi drivers have kept up the practice of delivering unsold bread, meals and library books to the less fortunate and giving cancer-stricken children, the visually-impaired and the disabled free rides. The CabbyCare Charity Group also participated in Hair for Hope, an annual fundraising event by the Children’s Cancer Foundation. In all, 50 taxi drivers raised a total of S\$11,300 for the Foundation.

A number of ComfortDelGro Engineering’s clients, or SPARK Ambassadors as they are called, brought needy children out on excursions. Similarly, our testing and inspection services subsidiary, VICOM Ltd, reached out to children and young adults receiving palliative care by donating taxi vouchers for their travel needs – and in so doing, helped our taxi drivers expand their customer base.

In the United Kingdom (UK), as part of the Transport for London’s Year of the Bus Campaign, Metroline opened the doors of Potters Bar and Alperton Garages to about 2,500 visitors from the local communities over two volunteer-led Open Days. Over

S\$10,400 was raised from ticket sales and donated to the British Heart Foundation and St Luke’s Hospice. Metroline also supported Brathay Trust, which aims to reduce anti-social behaviour amongst vulnerable, abused and disengaged young people through education and mentorship. CityFleet Networks Limited also sponsored over S\$5,600 to various charities, including magical taxi tours for terminally-ill children.

In China, six of our taxi companies – CityCab (Shenyang) Co., Ltd, Jilin ComfortDelGro Taxi Co., Ltd, Nanjing ComfortDelGro Dajian Taxi, Nanning Comfort Transportation Co., Ltd, Shenyang ComfortDelGro Taxi Co., Ltd and Suzhou Comfort Taxi Co., Ltd – provided free taxi trips to needy students during the country’s National Education Entrance Examination, while Nanning Comfort Transportation provided free trips to blood donors in celebration of Lei Feng Day.

Our West China Business Unit donated S\$10,285 to the agricultural village of Zhang Dian, located in the remote mountains of Qiong Lai Prefecture, Jin Niu Sub-District in Chengdu, so that it could build a new water reserve facility. Nanning Comfort Transportation also completed upgrading the facilities of Guangxi Wangzhuang Elementary School in Quli Village of Fusui County.

In Vietnam, Vietnam Taxi Co., Ltd helped repair roads surrounding a children’s hospital, while ComfortDelGro Savico Taxi Company donated towards the Flood Prevention Fund.

In all, the Group donated close to S\$1 million during the year to various charity and welfare organisations.

Product Responsibility: Safety

Safety is of paramount importance to us. The safety of our passengers, our staff and

other road users is not something we ever compromise. To this end, we invest heavily in training and re-training courses, ensuring our people constantly uphold safety practices.

Technology is also very much leveraged on in the area of safety. Both ComfortDelGro Taxis and SBS Transit had put “Mobileye” on trial on board 30 taxis and 70 buses respectively. Featuring a smart camera, “Mobileye” is able to detect, analyse and monitor road conditions while the vehicle is moving and provide real-time audio-visual warnings via a display unit to the driver. At our Tianhe Bus Station in Guangzhou, handheld speed meters were introduced to track and ensure that buses travel within speed limits.

The Group, through its subsidiaries, ComfortDelGro Driving Centre Pte Ltd, ComfortDelGro Taxis and VICOM, also contributed to the Singapore Road Safety Council’s Road Safety Public Awareness Campaign. Besides spending a total of 432 hours educating students on the importance of road safety, ComfortDelGro Driving Centre also collaborated with the Traffic Police to develop and launch a new Driver Improvement Point System in January 2014.

Along a similar vein, SBS Transit conducted 73 school talks on safety and graciousness on board buses and trains to some 32,510 students. It also conducted four train safety and evacuation exercises this year for the communities along the North East Line (NEL) in collaboration with the local constituency offices. About 800 residents attended these exercises.

Given the ageing population, SBS Transit launched the “Hold On!” Campaign in September 2014 as a reminder to all passengers, particularly the elderly, to hold onto stanchion poles and hand grips while travelling on board buses. SBS Transit

<p>SBS Transit ordered 665 Euro 5 wheelchair-friendly buses in 2014</p>	<p>Smart camera tried on 100 taxis and buses</p>	<p>ComfortDelGro Driving Centre spent 432 hours educating students on Road Safety</p>
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Sustainability Report

did this in a fun and visually appealing manner by organising an art competition with the safety theme. In all, close to 600 entries from about 70 primary schools were submitted. Commuters were invited to vote for their favourite entry where 17 entries were shortlisted and displayed at bus interchanges. Posters of the winning entry were subsequently displayed on board all SBS Transit's buses. To further drive home the safety message, more than 10,000 shopping bags with the safety message prominently printed on, were also produced and given away as visual reminders to commuters.

Road safety training, road shows, campaigns and spot checks were carried out by different businesses across the Group to improve the knowledge and driving skills of our taxi drivers and bus drivers as well as to weed out bad driving habits. ComfortDelGro Taxis, for example, carried out a familiarisation course for some 4,600 taxi drivers who were handling automatic taxis for the first time. In China, Shenyang ComfortDelGro Taxi continued to send its drivers to training courses including those on defensive driving, road safety and professional ethics. It also worked closely with its branches to strengthen safety and service standards.

In the area of security, SBS Transit worked with the Police to create greater awareness in crime prevention amongst commuters. Publicity efforts included putting up posters and signs on buses and trains to deter crimes such as outrage of modesty on public transport. It is also working with the Police to produce a video on anti-molest for bus commuters.

To clamp down on fare evasion and other anti-social behaviour on board buses, ComfortDelGro Cabcharge established a community engagement plan that focussed on right behaviours. An example was its collaboration with Victoria Maori Wardens

Inc in July 2014. Voluntary Maori wardens travelling on CDC Melbourne buses interact with youths of Pacific Islander or Maori background. As these wardens are elders within their community, the youths responded well to them. As a result, bus drivers reported a drop in the number of cases of fare evasion and violence on board buses.

In the area of workplace safety, VICOM carried out extensive works at its inspection centres, such as extending metal railing barriers and installing additional danger signs alongside inspection pits to further enhance safety at its inspection centres, while Setsco Services Pte Ltd (SETSCO) successfully attained its Occupational Health and Safety Advisory Services (OHSAS) 18001:2007 recertification. SBS Transit's rail operation, on the other hand, obtained its BS OHSAS 18001 recertification. ComfortDelGro Bus Pte Ltd also successfully attained its BizSafe Level 3 recertification.

ComfortDelGro Engineering, which had earlier obtained its OHSAS 18001:2007 and BizSafe Star in 2013, passed its surveillance audit held at its Defu and Loyang workshops. It also sent its staff to work safety courses such as the Singapore Workforce Skills Qualifications' Workplace Safety and Health Policies Procedure course, and the OHSAS 18001 Awareness training.

ComfortDelGro Driving Centre also formed a Workplace Safety & Health Committee during the year to look into compiling and developing workplace safety procedures, as well as ensuring that safety practices are complied with strictly. In Guangzhou, Tianhe Bus Station provided its night-shift staff with light-reflecting vests to ensure that they are visible to all motorists. For its efforts in staying accident-free, it was recognised as an Advanced Company for Safety by the Guangzhou Safety Committee.

Elsewhere in China, ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd received the Chevron Chuandongbei Health, Safety and Environment Award for consistently maintaining a low accident rate.

Social: Human Rights and Labour Practices

ComfortDelGro is guided by strict human rights and labour practices. In all that we do, we abide by the basic tenet of respecting, protecting and fulfilling human rights and fundamental freedoms.

We implement our guiding principles in a non-discriminatory manner, paying particular attention to the rights and needs of, as well as the challenges faced by, individuals within our Group that may be at heightened risk of becoming vulnerable or marginalised. We believe that regardless of race, language, religion, sex or age, all our staff should be treated equitably and given fair opportunities to grow and develop in accordance to their levels of competence.

Indeed, we are keenly aware that the continued performance and future success of ComfortDelGro depends on a strong and sustainable talent pipeline. We therefore remain committed to identifying and developing employees to become high-performing leaders with a strong value system.

As part of our rigorous process to ensure a steady pipeline of quality management staff, our high-performing staff are also subject to a Promotion Board to assess their general management, people and leadership attributes. Besides the psychometric tools used for recruitment, senior Business Unit Heads and Group Officers were also actively involved in the assessment of high potentials that were brought in to complement the talent pipeline.

Provided automatic taxi familiarisation for some

4,600
taxi drivers

Metroline operates more than

170
hybrid buses

43%

of ComfortDelGro Cabcharge's Sydney fleet is environmentally friendly

During the year, the next tier of talents completed the Axle Programme, a cross-business unit and off-line mentoring initiative that was started in mid-2012. As part of our talents' self-directed learning and development, they reviewed and discussed various leadership articles and competencies on the e-learning platforms of C-Suite Connection and Leadership Link. Selected talents continued to be given exposure to our overseas operations through special projects and assignments.

We believe that our holistic approach in managing and engaging our talents will allow us to have a more sustainable pipeline of future leaders who are committed, dedicated and able to achieve greater performances. Their enhanced development will give them the necessary organisational perspectives and adept leadership abilities to deal with the increasingly complex and competitive business environment whilst leading their people to reach greater heights.

As a responsible corporate citizen, we also strongly believe in ensuring compliance in all our operations and businesses.

We do not condone any corrupt practices or anti-competitive behaviour. We have in place a procurement policy which, among other things, conducts supplier assessment for their corporate social responsibility efforts.

Environmental

Our commitment to the environment is unflinching. Whether it is the vehicles we run, or the buildings we operate in, we are committed to ensuring that our Green quotient is kept high.

In Singapore, for example, our 16,855-strong taxi fleet is completely Euro 4 and Euro 5-compliant. In China, all of Nanjing ComfortDelGro Dajian

taxis are Compressed Natural Gas (CNG)-driven, whereas the vehicle fleets operated by CityCab (Shenyang), Chengdu ComfortDelGro Taxi Co., Ltd, ComfortDelGro Rent-A-Car (Chengdu), Chongqing ComfortDelGro Driver Training Co., Ltd, Jilin ComfortDelGro Taxi, Nanjing ComfortDelGro Dajian Taxi and Shenyang ComfortDelGro Taxi are mainly Euro 4-compliant. Nanjing ComfortDelGro Dajian Taxi continues to cultivate the 500 trees it planted in 2012 to offset its carbon footprint.

In the UK, CityFleet Networks piloted an electric taxi which operates on two independent electric motors. Its private hire business has also started offering electric vehicles as another option to customers. All coaches operated by Scottish Citylink and Irish Citylink ComfortDelGro are at least Euro 4-compliant. Scottish Citylink had also, in July 2014, rolled out two of six new state-of-the-art Euro 6 Volvo coaches for its service between Glasgow and Skye. The remaining four will be rolled out in 2015.

Our bus fleets throughout the world are similarly friendly to Mother Nature. SBS Transit, for example, took delivery of another 465 Euro 5 double deck and single deck buses during the year, bringing its total public bus fleet in 2014 to 3,448, of which 79% is Euro 4 or higher. ComfortDelGro Bus presently operates 24 Euro 5 buses in its fleet.

In the UK, Metroline operates more than 170 hybrid buses. During the year, it took delivery of 23 Euro 6 Volvo B5LH hybrid buses and is expecting delivery of another 12, along with 16 Euro 6 Enviro 400 hybrid buses in early-2015. Metroline also placed an order for the Euro 6 Enviro 200 with flywheel energy technology in November 2014. These buses, which are lighter in weight, improve fuel economy by up to

35%. Over 100 Euro 3 buses had SCR/CRT exhaust kits fitted, bringing their emissions up to Euro 5 standards.

As a member of the Roads and Traffic Authority Clean Fleet Programme, ComfortDelGro Cabcharge is committed to providing fleet maintenance that meets regulatory requirements. During the year, ComfortDelGro Cabcharge added 38 Euro 5 Environmentally Efficient Vehicles to its Sydney fleet, making 43% of its entire fleet environmentally friendly vehicles. It also added 11 Euro 5 buses into its operations in Melbourne, making one-third of the vehicles that it operates there environmentally friendly.

In all, carbon dioxide emissions by our bus and coach businesses fell by 4% in 2014, compared to the previous year.

Our other businesses also operate environmentally friendly vehicles in their fleets. For example, ComfortDelGro Driving Centre has 25 vehicles that are Euro-4 compliant, while SETSCO has 36 vehicles that are Euro 4 and Euro 5-compliant.

We also continuously worked at inculcating a Green culture amongst our staff. For Chingay 2015, Singapore's largest street performance which took place in February 2015, we contributed about 1,000 "flowers" made of recycled plastic bags, as part of our commitment to environmentalism. Another 900 "flowers" were also lovingly created by 90 of our staff, who gave up their lunch hours to cut and paint plastic PET bottles.

Our commitment to the environment also involves reducing water and electricity consumption, recycling paper, used tyres, scrapped metals, lubricants and batteries. In Guangzhou, for example, Tianhe Bus Station goes beyond just conserving water and electricity to using recycled boxes for its parcel delivery service. The Station,

4%
reduction in CO₂
emissions for our bus
and coach businesses

500
trees planted
by Nanjing
ComfortDelGro
Dajian Taxi

ComfortDelGro Group
contributed
1,900
recycled "flowers"
for Chingay 2015

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which offers direct parcel delivery services to more than 190 bus terminals located across China, collects about 100 used boxes a month from suppliers as well as its various departments, and then provides them for customers to use.

As a result of our continued efforts, we reduced water consumption by about 10% and contained the increase in electricity consumption to just 6%.

On 5 June 2014, a newspaper recycling competition across the Group was organised in conjunction with Eco Action Day. A total of 530kg of newspapers was collected in just one day – more than eight times what the Group usually collects on average in a day.

And, for the third consecutive year, we observed Earth Hour with headquarters and various subsidiaries in Singapore as well as Australia, China and Vietnam switching non-essential lights on their premises off for an hour.

Conclusion

At ComfortDelGro, we are fully cognizant of the fact that in providing the services that meet the transportation needs of the commuting public, there will invariably be a consequence on the environment and communities. We will however continue to look at the various technologies that we can invest in, as well as new behaviours that we can adopt, to reduce our negative impact.

ComfortDelGro
Group collected
530kg
of newspapers in
one day

10%
reduction in
water consumption

Tianhe Bus
Station recycles
100
used boxes
every month

Investor Relations

At ComfortDelGro, we believe in maintaining a constructive relationship with our stakeholders. To this end, we are committed to disseminating accurate and pertinent information in a timely manner to help investors make informed decisions. Our investor relations programme balances regular, effective and fair communications with Shareholders and the investment community with commercial sensitivities. The Investor Relations (IR) team works with Senior Management to proactively carry out this engagement programme.

Proactive Communications

During the year, the IR team met nearly 300 groups of investors, analysts and equity sales personnel over 160 meetings. These included face-to-face office meetings and conference calls.

We participated in seven investor conferences and non-deal roadshows in Singapore, Kuala Lumpur, Hong Kong and Tokyo. These provided access to a wide cross-section of investors from around the world.

We organised briefings for the media and sell-side analysts for the full-year results and conducted dial-in conference calls with sell-side analysts for other quarterly results. Two post-results luncheons were organised where we met fund managers based in Singapore.

ComfortDelGro attracts active research coverage from sell-side analysts and the stock is now covered by 12 local and international research houses. Close to 100 reports on the Company and the industry were published during the year. The IR team has regular interactions with the analysts to ensure a thorough understanding of our business models and strategies, operations and financial performance.

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

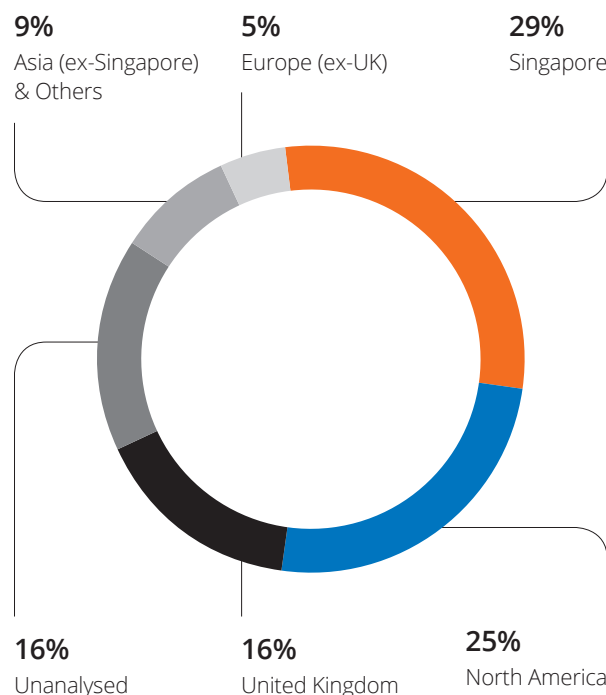
All material announcements are posted in the IR section of the corporate website to ensure equal and timely access to information.

At the Securities Investors Association Singapore (SIAS) Investors' Choice Award 2014 held in October 2014, ComfortDelGro was the runner-up for the "Most Transparent Company Award" in the Travel, Leisure and Automobiles & Parts category. The subsidiary SBS Transit was the runner-up for the "Singapore Corporate Governance Award" in the Mid-cap category.

Diverse Shareholder Base

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

Investors based in Singapore form the largest group of shareholders, followed by North America and the UK, as shown in the chart below.



Note: Approximate figures based on analysis of Share Register as at 31 October 2014.

Corporate Governance

We, at ComfortDelGro Corporation Limited, believe that a fundamental measure of our success is the shareholder value we create over the long-term. We will continue to:

- Focus relentlessly on our customers;
- Make sound investment decisions based on long-term value creation, rather than short-term considerations;
- Spend wisely and maintain our lean culture as we understand the importance of being cost-conscious;
- Hire and retain versatile and talented employees; and
- Look for sustainable ways to protect the environment.

Corporate Governance Statement

ComfortDelGro strongly believes that good corporate governance makes good business. To this end, the Group has taken steps to maintain the highest standards of corporate governance, professionalism and integrity, as we build an organisation that our Shareholders, Employees, Business Partners, the Authorities and other Stakeholders can trust and be proud of.

Our commitment to upholding the highest standards of corporate governance is evidenced in our approach in ensuring our adherence to the revised Code of Corporate Governance issued by the Monetary Authority of Singapore on 2 May 2012 (Code). We spare no effort in ensuring that these are upheld by each and every one in the Group. We have also adopted a Code of Business Conduct, which sets out the principles and policies upon which our businesses are to be conducted, and implemented

a Whistleblowing Policy which serves to prevent the occurrence of unethical or illegal conduct or behaviour, whilst protecting the whistleblowers from reprisal within the limits of the law.

This report sets out the Corporate Governance practices that were in place during the year, with specific references to the Code. For the Financial Year 2014, we are pleased to report that the Group complied substantially with the key principles and supporting guidelines set out in the Code except where specifically identified and disclosed in this report.

1. Board Matters

In choosing directors, the Group seeks individuals who have high integrity, expertise, business acumen, shareholder orientation, and a genuine interest in the Group.

The Board's Conduct of Its Affairs

At the helm of the decision-making process of the Group is the Board of Directors. The Board is headed by the non-executive Chairman, Mr Lim Jit Poh, and is responsible for:

- Guiding the strategic direction and goals of the Group;
- Ensuring that appropriate and adequate systems of internal control, risk management processes and financial authority limits are in place;
- Assessing and approving key business strategies, funding and investment initiatives and other corporate actions, including approval of the Group's Annual Budget and Capital Expenditure, and the release of the Group's quarterly and full-year Financial Results; and

- Monitoring Management performance.

The Board has delegated the day-to-day management of the Group to Management headed by the Managing Director/Group Chief Executive Officer (MD/Group CEO), Mr Kua Hong Pak, while reserving certain strategic issues and policies for its approval.

ComfortDelGro has adopted internal guidelines setting forth matters that require the Board's approval. Under these guidelines, acquisitions of businesses, disposals or changes in equity interests in existing subsidiaries/associates, capital expenditure, investment in financial instruments and tender for businesses above the prescribed limits require approval from the Board. In addition, the acceptance of credit facilities from banks, the establishment of capital market programmes and the issuance of debt instruments require the approval of the Board.

The Board periodically reviews the adequacy of internal controls and financial authority limits to ensure that while there is delegation of authority, there are sufficient checks and balances in place to monitor such delegation.

To assist the Board in the detailed consideration of the various issues at hand and to facilitate decision-making, four committees are formed, namely, the Audit and Risk Committee (ARC), the Nominating Committee (NC), the Remuneration Committee (RC) and the Investment Committee (IC). Each Committee is governed and regulated by its own terms of reference, which sets out the scope of its duties and responsibilities, regulations and procedures governing the manner in which the Committee is to operate and how decisions are to be taken.

Ad hoc committees are also formed to look at specific issues from time to time.

At least five scheduled Board Meetings are held every year for the purpose of approving the release of the Group's Financial Results every quarter and the Group's Annual Budget. The quarterly and full-year Board Meetings are held within 45 days after the end of each quarter and the financial year respectively, while the Board Meeting to approve the Group's Annual Budget is held in December, after all the Budgets of the subsidiaries have been approved by their respective Boards. Ad hoc Board and Committee Meetings are also held from time to time, as and when the need arises. Directors, who are unable to attend the Meetings in person,

can still participate in the discussions through teleconferencing. Decisions of the Board and Board Committees may also be obtained via circular resolutions. Directors are free to seek clarifications and explanations from Management on the reports and papers submitted to the Board.

Regular presentations are made by Management to the Board to enable Directors to better familiarise themselves with the Group's businesses. Site visits for the Board are also organised to enable Directors to learn more about the Group's overseas operations. During such visits, Directors spend time with Management to discuss key strategies and policies pertaining not just to the

overseas operation, but also to the Group in general. Such meetings help Directors become better equipped to make informed decisions relating to the future direction of the Group.

Directors are also furnished regularly with investor relations reports which summarise analysts' views and provide updates on investor relations activities, updates on corporate governance practices, and articles relating to changes in laws relevant to the Group's businesses.

Directors are free to request for sponsorship from the Company to attend courses to update their knowledge and better equip themselves to discharge their duties as Directors.

Attendance of Directors at Board and Committee Meetings in 2014

Name	Board		Audit & Risk Committee		Nominating Committee		Remuneration Committee		Investment Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Lim Jit Poh	5	5	-	-	1	1	2	2	3	3
Kua Hong Pak	5	5	4	4*	1	1*	2	2*	3	3
Ong Ah Heng	5	5	4	4	1	1	-	-	-	-
Oo Soon Hee	5	5	4	4	1	1	-	-	-	-
Sum Wai Fun, Adeline	5	5	4	3	-	-	-	-	3	3
Tow Heng Tan	5	5	-	-	-	-	2	2	3	2
Wang Kai Yuen	5	5	-	-	-	-	2	2	3	3
Wong Chin Huat, David	5	5	4	4	-	-	2	2	-	-

* Attended Meetings by invitation of the Committee.

Corporate Governance

Board Composition and Balance

There is a strong element of independence in the Board. The Board comprises eight Directors, of whom only the MD/Group CEO is an executive Director. Of the seven remaining non-executive Directors, six of them are considered by the NC to be independent during the Financial Year 2014. This composition exceeds the Code's requirement of at least one-third of the Board of Directors to comprise independent Directors.

The Directors are individuals with a broad diversity of expertise and experience, both domestically and internationally. For details on the Board, please refer to the profiles of the Directors at the start of this Annual Report.

The NC is responsible for assessing the independence of the Directors on an annual basis. Each Director is required to complete a Confirmation of Independence checklist, which is drawn up in accordance with the guidelines provided by the Code, and requires each Director to assess his/her own independence. The Director is required to declare any circumstances in which he/she may be considered non-independent. The NC will then review the Confirmation of Independence to determine whether a Director is independent. The NC deems a Director who is directly associated with a 10% Shareholder in the current and immediate past financial year (as defined in the Code) as non-independent. The NC accordingly deems Ms Sum Wai Fun, Adeline, who is Chief Executive Officer of the Singapore Labour Foundation (SLF), a 10% Shareholder of the Company in the immediate past financial year (Financial Year 2013), non-independent in Financial Year 2014 as SLF had at least 10% Shareholding till 28 May 2013. On 29 May 2013, SLF disposed part of its stake in the Company to below 10%. In accordance

with the Code, a Director who has been associated with a 10% Shareholder in the current or the immediate past financial year shall be deemed non-independent. Ms Sum is regarded independent as of 1 January 2015.

As at 31 December 2014, six independent Directors have served on the Board for more than nine years. They are Mr Lim Jit Poh, Mr Ong Ah Heng, Mr Oo Soon Hee, Mr Tow Heng Tan, Dr Wang Kai Yuen and Mr Wong Chin Huat, David. The NC takes the view that a Director's independence cannot be determined solely and arbitrarily on the basis of the length of time. A Director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging Management in the best interests of the Group as he/she performs his/her duties in good faith, are more critical measures in ascertaining his/her independence than the number of years served on the Board. Hence, the Board does not impose a limit on the length of service of the independent Directors. However, the Board and the NC will exercise due and careful review, taking into consideration other factors, in assessing the independence of a Director. These factors include, inter alia, if the Director has any interest, business, relationship and/or any other material contractual relationship with the Group which could reasonably be perceived to compromise his/her independence and interfere with the exercise of his/her independent business judgement with a view to the best interests of the Group. After due and careful rigorous review, the Board is of the view that all independent Directors remain independent in their exercise of judgement and objectivity in Board matters.

The Board and its Committees provide a diversity of skills and experiences

including financial, legal, regulatory and business management. Each Director provides a valuable network of industry contacts which are considered essential to the Group.

Chairman and MD/Group CEO

The roles of the Chairman and the MD/Group CEO have been kept separate and distinct. This is a deliberate policy and one that is strictly adhered to. This ensures Management accountability and Board independence. The Chairman is responsible for the effective functioning of the Board, while the MD/Group CEO is responsible for the operations and management of the Group's various businesses – both in Singapore and abroad. The Chairman and the MD/Group CEO are not related.

The Chairman leads the Board and facilitates effective and comprehensive Board discussions and decision making on strategic issues. The Chairman oversees the translation of the Board's decisions into executive actions. With the assistance of the Company Secretary, the Chairman ensures the accuracy and timeliness of information flow between the Board and Management, effective shareholder communication and high standards of corporate transparency.

The MD/Group CEO is given full executive responsibility for the management of the Group's businesses and the implementation of the Group's strategies and policies.

Board Membership and Board Performance

The renewal of Board membership is an ongoing process to ensure good governance and to maintain relevance in a changing business environment. The NC is responsible for regularly reviewing the composition of the Board, identifying

and proposing suitable candidates for appointment to the Board and ensuring succession plans are in place.

The NC comprises four non-executive independent Directors. The Chairman of the NC is not associated with any substantial Shareholder. The Company Secretary is the Secretary to the NC.

The Articles of Association of the Company provide that one-third of the Board of Directors, including the MD/ Group CEO, are subject to retirement and re-election by rotation at every Annual General Meeting (AGM). All Directors are required to retire from office at least once every three years. Re-election is, however, not automatic, and all Directors are assessed by the NC on their past performance and contributions before being recommended for re-election. Newly appointed Directors are also subject to retirement and re-election at the AGM immediately following their appointments. For the forthcoming AGM, Mr Tow Heng Tan and Dr Wang Kai Yuen, are due for re-election pursuant to Article 91 of the Articles of Association, while Mr Lim Jit Poh, Mr Ong Ah Heng, Mr Kua Hong Pak and Mr Oo Soon Hee are due for re-appointment pursuant to Section 153(6) of the Companies Act, Cap. 50.

From time to time, new Directors may be identified for appointment to the Board after the NC evaluates and assesses their suitability in strengthening the diversity of skills, knowledge and experience of the Board relevant to the business of the Group. Upon appointment as a Director, the Board Chairman will send an official letter of appointment to the Director, which clearly explains his/ her role, duties and responsibilities. Management will then conduct a comprehensive orientation programme for the Director, where key aspects of the businesses, including financial

and corporate governance policies are discussed. Site visits will also be arranged for new Directors so that they can better familiarise themselves with the Group's operations. When a Director is appointed to a Board Committee, he/she is provided with its charter.

The NC subscribes to the view that it is important for Directors to devote sufficient time and attention to the affairs of the Group. Consistent with the guidelines in the Code, the NC and the Board adopt the following as a proactive step in ensuring that Directors devote sufficient time and attention to the affairs of the Group:

- A Director who is in full-time employment should not serve as a director on the board of more than three listed companies; and
- A Director who is not in full-time employment should not serve as a director on the board of more than six listed companies.

The NC prescribes that Directors who are affected by the guidelines on multiple board representations shall be given up to three years to comply. As the number of board representations should not be the only measure of a Director's commitment and ability to contribute effectively, the NC takes the view that if a Director wishes to hold board representations in more than the maximum stated per the guidelines, the request must be made to the Chairman of the Board for approval. As a policy, the Chairman himself should not hold more than six directorships in listed companies.

In assessing a Director's contribution, the NC takes a holistic approach. Focussing solely on Directors' attendance at Board Meetings per se may not be an adequate evaluation of the contribution

of Directors. Instead, their abilities to provide valuable insights and strategic networking to enhance the businesses of the Group, availability for guidance and advice outside the scope of formal Board Meetings and contributions in specialised areas are also factors relevant in assessing the contributions of the Directors.

As a policy, the MD/Group CEO, being an executive of the Company, besides adhering to the guidelines set on the maximum number of board representations on listed companies, will also have to seek the approval of the Chairman before accepting any directorships of companies not within the Group. In considering whether or not to grant the approval, the Chairman will consider the time commitment of the MD/Group CEO, and whether the new external directorships will provide strategic fit and networking to the businesses of the Group. The Chairman will also ensure that the MD/Group CEO will not accept appointments to the boards of competitors.

The effectiveness of the Board is monitored by the NC annually in terms of overall performance and growth of the Group, achieving an adequate return for Shareholders, preventing conflicts of interest and balancing the competing demands of the Group. In evaluating the contributions and performance of each individual Director, factors taken into consideration include attendance at Board Meetings and activities, contributions in specialist areas and maintenance of independence.

In the last quarter of the year, each Director fills in a Board Performance Evaluation Form, which includes questions on the Board's composition, the Board's contributions, contributions from Committees and conduct of proceedings

Corporate Governance

and whether these enable Directors to discharge their duties effectively. The answers are collated and the findings then presented by the Chairman to the Board during its Meeting.

Consistent with the Code, the Board does not have any alternate Director.

Access to Information

Prior to each Board Meeting, and where needed, Management provides Directors with timely, pertinent and complete information. The Board also receives monthly management accounts, updates on key performance indicators and regular investor relations reports covering investor relations activities and updates of analysts' views and comments. This enables the Board to make informed and sound decisions and be kept abreast of key challenges and opportunities, as well as developments for the Group.

The Board has full access to the Senior Management team. The Company Secretary assists in scheduling Board and Committee Meetings and prepares the agenda in consultation with the Chairman and MD/Group CEO. The Company Secretary attends the Board and Committee Meetings of the Group and prepares Minutes of Board and Committee proceedings. She keeps the Directors informed of any significant developments or events relating to the Group and ensures compliance with all relevant rules and regulations. She assists in professional development and training by regularly disseminating details of suitable training courses and arranging for the Directors to attend such courses when requested.

Should there be a need to obtain independent professional advice on matters relating to the businesses of the Group or issues affecting the duties of the Directors, the Group will arrange for

the appointment of relevant professional advisers at its own cost.

2. Remuneration Matters

Procedures for Developing Remuneration Policies, Level and Mix of Remuneration and Disclosure of Remuneration

ComfortDelGro recognises the importance of having a committed, versatile and talented workforce to manage and grow the businesses in an increasingly competitive and challenging environment. The Group therefore places great emphasis on motivating staff through engagement, recognition and a proper alignment of reward to performance.

The RC plays a key role in the Group's remuneration policies. Besides providing the Board with an independent assessment and review of Directors' remuneration, it also reviews the remuneration framework and strategy for executive compensation, with the purpose of developing talent and building leadership bench strength to ensure the Group's continued success.

In accordance with the Code, the RC comprises entirely of four non-executive independent Directors. Members of the RC are independent of Management and also free from any business or other relationships, which may materially interfere with the exercise of independent judgement. The Company Secretary is the Secretary to the RC.

The terms of reference of the RC are to:

- (i) Review and recommend to the Board the remuneration framework for compensation to each Director, and ensure that the level of remuneration offered is appropriate to the level of contribution; and

- (ii) Review and approve the remuneration of senior management staff to ensure that the overall remuneration package is attractive to retain and motivate key executives.

The remuneration packages of the MD/Group CEO and executives of the Group comprise fixed and variable components. The variable component in the form of year-end performance bonuses, forms a significant proportion of the remuneration packages and is dependent on the profitability of the Group and individual performance. Subject to market conditions and the operating environment, the Group targets a total compensation package with fixed to variable component ratios of 70:30 for rank and file employees, 60:40 for middle management staff and 50:50 for senior management staff. The Group believes that a higher proportion of performance related component would ensure greater alignment of interests of the executives with those of Shareholders. The remuneration of the MD/Group CEO is also tied to the return on shareholders' funds and the level of profitability achieved.

The structure for the payment of Directors' fees for non-executive Directors is based on a framework comprising basic fees and additional fees for serving on Board Committees, and also for undertaking additional services for the Group. The fees are subject to the approval of Shareholders at the AGM. The MD/Group CEO, being an executive of the Group, does not retain any fees paid by the subsidiaries. Instead, fees due to him are paid by the subsidiaries to the Group. The MD/Group CEO does not receive Director's fees for his Board Directorship with the Company.

The non-executive Directors of the Company are appointed pursuant to, and hold office in accordance with, the Articles of Association. They were eligible

for and had been granted options under the Scheme. Further information on the Scheme can be found from pages 72 to 75 of this Annual Report. The last grant of share options was on 20 June 2012 and the Scheme expired on 17 February 2013.

The remuneration of the Directors and the key executives of the Group (who are not Directors) for the Financial Year 2014 can be found on pages 118 and 119 of this Annual Report.

During the Financial Year 2014, no key executive was an immediate family member of any Director of the Company.

Procedures Adopted by RC

In 2014, the RC held two meetings. All decisions by the RC are made by a majority of votes of the RC members who are present and voting. The RC's decisions also exclude the vote, approval or recommendation of any members with a conflict of interest in relation to the subject matter under consideration. The MD/Group CEO is not present at any RC discussions relating to his own compensation, terms and conditions of service and the review of his performance. He is, however, in attendance when the compensation and incentive policies of senior management staff are discussed.

3. Accountability and Audit Accountability

The Board has overall accountability to the Shareholders of the Company, and ensures that the Group is well-managed and guided by strategic objectives. The Group's Operating Performance and Financial results are reported each quarter via SGXNET with an accompanying negative assurance by the Board to confirm that nothing has come to its attention that may render the results false

or misleading in any material aspects. The Company believes that prompt and full compliance with statutory reporting requirements is fundamental to maintaining shareholder confidence and trust.

ComfortDelGro has adopted an internal code based on the SGX's guideline to provide guidance to the Directors and executives of the Group in relation to dealings in the Company's securities. Directors and executives of the Group are prohibited from dealing in the securities of the Company and its listed subsidiaries during the period commencing two weeks before the announcement of the Company's and its listed subsidiaries' first, second and third quarter results, and one month before the announcement of the full-year results, and ending on the date of the announcement of the relevant results. All Directors and executives are notified by e-mails of the trading blackout periods before the start of the financial year.

All Directors and executives of the Group are also told that they must not deal in (i) the securities of the Company and its listed subsidiaries on short-term consideration and/or while in possession of unpublished material price-sensitive information relating to the relevant securities; and (ii) the securities of other listed companies while in possession of unpublished material price-sensitive information relating to those securities.

Audit and Risk Committee

The Company's ARC comprises four non-executive independent Directors. The Board has reviewed and is satisfied that the members of the ARC are appropriately qualified to discharge their responsibilities.

The roles of the ARC include the following:

- (i) Risk identification and reviewing the adequacy and effectiveness of financial, operational, compliance and information technology controls and risk management systems to ensure effectiveness in the management of risks and compliance with internal policies and external regulations;
- (ii) Review the effectiveness of the Group's internal audit function;
- (iii) Review the quarterly and annual financial statements, and also significant accounting and reporting issues and their impact on financial statements so as to ensure the integrity of the financial statements and any formal announcements relating to the Group's financial performance, and recommend to the Board the acceptance of such financial statements;
- (iv) Review the scope and results of the audits undertaken by the Internal and External Auditors, including non-audit services performed by External Auditors to ensure that there is a balance between maintenance of objectivity and cost effectiveness;
- (v) Review Interested Person transactions;
- (vi) Recommend the appointment, re-appointment or removal of the External Auditors at the AGM and review the fees due to them;
- (vii) Review the audit plans of the Internal and External Auditors; and
- (viii) Review the effectiveness of the Group's Whistleblowing Policy, which has been put in place for staff to raise concerns in confidence about

Corporate Governance

possible improprieties in matters of financial reporting or other matters, and ensure that an independent investigation and appropriate follow-up actions are taken. The Whistleblowing Policy is described in more detail on page 63 of this Annual Report.

In the performance of its duties, the ARC has explicit authority to investigate the affairs falling within its terms of reference, with full access to and cooperation from Management, discretion to invite any Director to attend its meetings, and reasonable resources to enable it to discharge its duties properly. The Company Secretary is the Secretary of the ARC.

The ARC also meets with the Internal and External Auditors in the absence of Management. During these meetings, the Auditors may raise issues encountered in the course of their work directly to the ARC. Prior to the re-appointment of the External Auditors, the ARC assesses their independence based on the guidelines set by the Accounting and Corporate Regulatory Authority. Having satisfied itself that the independence of the External Auditors, Deloitte & Touche LLP, is not impaired by their provision of non-audit services to the Group and that Rules 712, 715 and 716 of the SGX-ST Listing Manual have been complied with, the ARC has recommended to the Board that Deloitte & Touche LLP be nominated for re-appointment as the Group's External Auditors at the next AGM. As a further safeguard of Deloitte & Touche LLP's independence, the Deloitte & Touche LLP's partner-in-charge of auditing the Group is changed every five years.

Internal Audit

The internal audit function of the Group is performed by the Group Internal Audit

Division comprising suitably qualified and experienced staff and is headed by the Group Internal Audit Officer (GIAO). She reports functionally to the Chairman of the ARC and administratively to the MD/Group CEO.

The Group Internal Audit Division adopts a risk-based approach in its continuous audit work. Based on the audit plan, it provides an independent and objective evaluation of the internal control systems and corporate governance processes of the Group. The audit plan is developed by the GIAO in consultation with, but independent of, Management and is subject to the ARC's approval before the start of each financial year. Quarterly internal audit summary reports are also prepared and submitted to the ARC on the status of audits carried out. Any material non-compliance or lapses in internal controls are reported to the ARC and the MD/Group CEO for improvements to be made. The independence of the internal audit function is ensured as the ARC meets with the GIAO at least once a year in the absence of Management.

The activities and organisational structure of the Group Internal Audit Division are monitored and reviewed by the ARC periodically to ensure that it has the necessary resources to adequately perform its functions, and that there are no unjustified restrictions and limitations placed on the performance of its duties.

The Group Internal Audit Division has adopted the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors (IIA Standards). The Group Internal Audit Division successfully completed its external Quality Assurance Review in 2014 and continues to meet or exceed the IIA Standards in all key aspects.

Internal Controls and Risk Management

Risk management is an important and integral part of ComfortDelGro's strategic planning and decision-making process. Key risks are identified and presented to the Board annually. Ownership of the risk management process is clearly defined and cascaded to the executive and functional level, with stewardship retained at Senior Management. Plans that are necessary to manage and mitigate the risks are in place and closely monitored. The adequacy of the internal controls in place is also assessed as part of the process. A detailed description of the Group's approach to internal controls and risk management is set out on pages 61 to 63 of this Annual Report.

The Internal and External Auditors conduct reviews in accordance with their audit plans to assess the adequacy of the internal controls that are in place. Any material non-compliance and recommendations for improvements are reported to the ARC. The ARC also reviews the effectiveness of the actions taken by Management on the recommendations made by the Internal and External Auditors. The recommendations are followed up as part of the Group's continuous review of the system of internal controls.

For the Financial Year 2014, the Board has received assurance from the MD/Group CEO and the Group Financial Officer that the financial records have been properly maintained and the financial statements are prepared in compliance with the Singapore Financial Reporting Standards and are correct in all material aspects and give a true and fair view of the operations and finances of the Group.

Based on these reviews, the Board is of the view, with the concurrence of the ARC, that there are adequate and effective

internal controls in place within the Group to address its financial, operational, compliance and information technology risks and to provide reasonable assurance against material financial misstatements or loss.

4. Communications with Shareholders

Regular, Effective and Fair Communications with Shareholders

ComfortDelGro is committed to actively engaging its Shareholders and have put in place an Investor Relations (IR) programme to promote regular, effective and fair communications with Shareholders and the investment community. The IR team works with Senior Management to proactively carry out this engagement programme, which is described in more detail on page 51 of this Annual Report.

The Company notifies Shareholders in advance of the date of release of its Financial Results through the Company's regularly updated website at www.comfortdelgro.com as well as an SGXNET announcement. Communication with Stakeholders is conducted through announcements to the SGX and press releases, media and analyst briefings after the announcement of the full-year results, as well as the posting of announcements and releases on the Company's website. Shareholders may send in their requests or queries through the feedback channel provided on the website. The Company's IR team is accessible throughout the year to address Shareholders' queries. The contact details of the Group Investor Relations & Special Projects Officer (GIRSPO) can be found on the website.

The Company does not practise selective disclosure in the communication of material information. Communication

with the SGX is handled by the Company Secretary, while communication with Shareholders, analysts and fund managers is handled by the GIRSPO. Specific guidelines have been laid down for compliance in respect of all public communication. In addition, the Company has also put in place operational procedures to respond promptly to queries from the SGX on any unusual trading activities in its securities.

Greater Shareholders' Participation at AGM

The Company views the AGM as a good opportunity for Shareholders to meet the Board and senior management staff. Shareholders are informed of Shareholders' Meetings through notices published in the newspapers and circulars sent to all Shareholders. All registered Shareholders are invited to attend and participate actively in the AGM and are given the opportunity to seek clarification or question the Group's strategic direction, business, operations, performance and proposed resolutions.

The Chairman of the various Board Committees, as well as the External Auditors are present to address any question or feedback raised by the Shareholders at the AGM, including those pertaining to the proposed resolutions before the resolutions are voted on.

The Board had, since 2008, voluntarily lowered its general authority to issue shares pursuant to Section 161 of the Companies Act, Cap. 50 by reducing the limit for non-pro rata shares issues from 20% to 10% of the issued shares in the capital of the Company. As this general authority to issue shares was a routine resolution which had been sought by the Company since its incorporation and no issue of shares had as yet been exercised, the Board had, in 2009, decided to remove and stop seeking the general

authority to issue shares to address concerns from the Shareholders that if this general authority to share issue were mandated, the Company could subsequently issue shares pursuant to this mandate, which would dilute their shareholding percentages and affect their voting rights.

The Articles of Association of the Company provide for voting in person and by proxy at the AGM of the Company. Each Shareholder is allowed to appoint up to two proxies to vote on his behalf at Shareholders' Meetings through proxy forms sent in advance. Shareholders, who hold shares through nominees such as the Central Provident Fund and custodian banks, are allowed to attend the AGM as observers subject to availability of seats. Each issue or matter requiring Shareholders' approval is tabled as a separate and distinct resolution.

The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

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

- (i) The Company has taken steps to advertise the Notice of AGM at least 28 days before the AGM is held; and
- (ii) The Company sends electronic annual reports (by way of a CD-ROM) to all Shareholders (including foreign Shareholders) at least 21 days before the AGM to ensure that all Shareholders have adequate time to review the annual reports before the AGM. The move to electronic

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documentation demonstrates the Group's commitment towards Green and sustainable efforts. Upon request, hard copies are also provided to Shareholders.

Voting by Poll

The Company has adopted electronic poll voting for general meetings since 2011 to ensure greater transparency and efficiency in the voting process and results. Shareholders are invited to vote on each of the resolutions by poll, using an electronic voting system. The voting results of all votes cast for or against each resolution are screened at the meeting and announced via the SGXNET after the meeting. Voting by poll is the most accurate means of tabulating Shareholders' votes according to the number of shares owned. We believe that this will encourage greater Shareholders' participation at the Company's general meetings and demonstrates ComfortDelGro's commitment to high standards of corporate governance and transparency.

5. Additional Measures to Enhance Corporate Governance

The Company has also undertaken various additional measures to enhance corporate governance as follows:

Corporate Gifts/Entertainment Policy

Whilst business gifts and entertainment are courtesies that build goodwill and sound working relationships among business partners, the Group does not tolerate the improper use of gifts or entertainment to gain any special advantage in a business relationship.

The Group discourages the receipt of gifts or acceptance of entertainment, loans or

other favours as these may compromise an employee's ability to make objective, independent and fair business decisions. Offering excessive gifts in whatever form or entertainment to others can also be opened to misinterpretation. Employees are therefore not permitted to offer or accept any gifts or entertainment without first seeking their supervisor's authorisation. Where business entertainment is deemed appropriate, they will be moderately scaled to facilitate the achievement of business goals and objectives.

Employees, who receive gifts directly or indirectly in relation to their course of employment with the Group, are expected to notify their supervisors and declare such gifts to the Group Human Resource Department. All gifts declared are processed through structured corporate procedures to ensure proper accountability.

Business gifts and entertainment presented on the Group's behalf are consistent with generally accepted business practices and ethical standards, and do not violate any applicable laws, regulations or policies of any country we operate in or company in which we have dealings with.

Block Leave Policy

As a further risk mitigation measure and to enhance governance, the Group has a Block Leave Policy in place which applies to employees holding key functions. This arrangement allows covering officers to fully step into the duties of the employees on leave, as an additional check and balance against any breaches.

Information Protection Policy

The Group has also implemented an information protection policy to ensure that all documents and data information of the Group are properly safeguarded.

Information is classified into secret, confidential, restricted and unrestricted use based on its nature, contents and implications. Processes and systems used to store, process or communicate the information provide protection from unauthorised disclosure and use.

Data Protection Policy

Business units in Singapore have implemented data protection policies and practices to ensure compliance with the obligations under the Personal Data Protection Act and Do Not Call provisions that came into force in 2014.

Interested Person Transactions

Listing Manual – Rule 907

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

There is no Shareholder's mandate for Interested Person transactions pursuant to Rule 920 of the Listing Manual.

Risk Management

Risk management is an important and integral part of the ComfortDelGro Group's strategic planning and decision-making process. The Group's Risk Management Framework enables the business units to understand the nature and complexity of the risks involved in their business operations and provides a systematic process for the business units to identify and review the risks and prioritise resources to manage them.

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

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

Risk tolerance ranges for inherent risks are established and monitored. The Group is committed to enhance shareholder value through growth that is sustainable and profitable and taking measured risks to achieve it. The identification

and management of risks reduce the uncertainties that are associated with the execution of the Group's business plans and allow the Group to take advantage of opportunities that may arise.

The Management Risk Committee (MRC) works closely with the business units to ensure that risk management is taken actively and seriously and the Risk Management Framework is properly rolled out across the whole Group. Members of the MRC are drawn from senior management staff from the major business units and key business functions. Key risks for the Group are identified and presented to the Audit and Risk Committee and the Board annually.

The Group's risk management structure is built on three lines of defence with oversight by the MRC. The business managers are responsible for establishing effective controls and risk management at the business units. The overview corporate functions such as Group IT ensures that adequate risk management systems and processes are in place throughout the Group and that these are properly implemented and are reviewed regularly. The independent audit function provides assurance and comfort that internal controls and risk management measures are effective and complied with.

The Group's business has significant everyday interactions with many passengers, customers and members of the public. Nearly half of the Group's business is outside Singapore. The different business units have different risk profiles and they have different programmes to manage the risks. The risk management programmes are tested and stressed periodically to ensure that they remain relevant and meet changing business requirements.

Some of the key risks faced by the Group, the relevant mitigating factors and how they are managed are set out below.

Financial Risks

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

Financial Authority Limits

Comprehensive and specific financial authority limits are put in place for capital expenditure, operating expenses, treasury matters, direct investments, revenue tender participation and disposal and write-off of assets. These authority limits are delegated based on the organisational hierarchy from the Board down to the Managing Director/Group Chief Executive Officer (MD/Group CEO) and the Heads of Business Units/Departments, with the Board retaining the ultimate authority. Any expenditure exceeding the highest authority limit is referred to the Board for approval. To ensure that the Group's assets continue to be managed prudently, the Board periodically reviews the mandate that it delegates to Management.

Budgetary Control

A robust and challenging Annual Budget is prepared and approved by the Board prior to the commencement of each new financial year. Material variations between actual and budgeted performance are reviewed on a monthly basis and explanations provided. Specific approvals are required for unbudgeted expenditures exceeding a relevant threshold. The capital expenditure budget is approved in principle by the Board as part of the Annual Budget. Each capital expenditure is subjected to rigorous justification and review before it is incurred in accordance with the Group's financial authority limits. Tight control on manpower is exercised through headcount budgets.

Risk Management

Financial Risk Management

The Group recognises that prudent management of financial risks is an important aspect in the creation of shareholder value. The main areas of financial risks faced by the Group are foreign exchange/currency risk, interest rate risk, credit/counter-party risk, liquidity risk and fuel and electricity price risk. It is the Group's policy not to participate in financial derivative instruments, except for use as hedging instruments, where appropriate. Sensitivity analysis and reviews of the Group's exposure to financial risks under changing market conditions are carried out regularly.

A detailed description of the financial risks and how the Group manages them are set out in the Notes to the Financial Statements on pages 88 to 149.

Economic Cycle

Changes in economic conditions in the countries that the Group operates in may impact the businesses in terms of customer demand and the cost of providing the services. We manage these risks by continuously scanning and monitoring political and economic issues. We monitor demand trends and operating margins closely. Expenses are managed in the light of revenue patterns and changing market conditions and to drive improvements in cost structures. Where possible, revenue risks are mitigated by diversifying revenue streams to non-fare sources.

Operational Risks

Operational risks may arise from failures in internal controls, operational processes or the supporting systems. The Group has put in place operating manuals, standard operating procedures, authority guidelines and a regular reporting framework to manage these risks.

Safety

Managing the safety and security of our customers, our staff and the public is the

cornerstone of the Group's safety and security plan. We run safety awareness and training programmes to instil a safety and security conscious culture in employees at all levels. Safety audits are conducted regularly as part of the management and review process to ensure that safety standards are maintained. The Group works closely with the relevant authorities to ensure that the security of our bus and train services and facilities are not compromised. We regularly carry out drills and exercises internally, as well as with external agencies. Fence intrusion detection systems and other security features are installed at operating facilities and security guards deployed to patrol the facilities. Members of the public are encouraged to look out for suspicious objects or persons.

Environmental

Accidents and natural events can cause pollution or other environmental risks. To limit these risks, we engage in active environmental risk management, ensuring that we target the problems that could arise and implement preventive measures. For example, systems and processes are put in place to ensure that fuel leakage is minimised and the use of dangerous and harmful chemicals is carefully audited. Other ways in which the Group works to protect the environment can be found in the Sustainability Report section of this Annual Report.

Human Resource

The Group's ability to develop and grow the business internationally depends on the quality of its employees and it continues to invest in building up a resource pool to support this growth. We have in place various programmes and processes that focus on several key areas, including building management bench strength, talent management, succession planning, performance management, compensation and benefits, training and development, employee conduct and supervision, as well as

occupational health and safety. We ensure that employees are selected based on merit, they understand their responsibilities and are given access to necessary training. At all times, a positive, constructive and productive working climate based on strong tripartite relations is fostered. All terms and conditions of employment, along with policies and procedures, comply with the relevant regulations.

Property and Liability

The Group's exposure to property damage, business interruption and other liability risks is constantly monitored and reviewed with the Group's in-house insurance broking associate. Together with external risk management consultants, we ensure sufficiency of insurance coverage and maintain an optimal balance between risks that are retained internally and risks that are placed out with underwriters.

Business Continuity

We have put in place Business Continuity Plans (BCPs) to mitigate the risks of disruption and catastrophic loss to our operations, people, information database and other assets. The BCPs include identification and planning of alternate recovery centres, operational procedures to maintain communication, measures to ensure continuity of critical business functions and recovery of information database. We update and test the BCPs regularly. Drills and emergency response exercises are conducted to familiarise employees with the various incident management plans. The BCPs enhance the Group's operational readiness and resilience to potential business disruptions.

Information Technology Risks

Information technology system failures are key risks for the Group since almost all the businesses rely heavily on information technology. This can take the form of a major system failure which can result in disruption of the business, loss of data

or a security breach of our information technology systems. Information security means protecting information and information systems from unauthorised access, use, disclosure, disruption, modification or destruction. The Group's information technology security management framework complies with current industry standards. We have put in place various controls and data recovery measures to mitigate the risks, including the use of intrusion prevention systems, multi-level firewalls, server protection, software code hardening and data loss prevention controls to manage Internet security and cyber threats. Penetration tests are carried out regularly to test the systems and identify potential security vulnerabilities and allow us to improve the security hardening of our websites. Information security policies and procedures, including security education for all staff, are enhanced to ensure continual security awareness among staff.

Compliance Risks

The Group keeps abreast and complies with all laws and regulations governing the conduct of business in the countries that it operates in. The businesses within the Group operate in regulated environment in different countries. These regulations include pricing, service standards, licences to operate and transport policies, which are stipulated by the relevant regulatory authorities. We work closely with the regulatory authorities in the respective countries as part of our risk management process to keep abreast of developments and policies that may affect our businesses and the competitive landscape. We manage our operations well and effectively to ensure that standards are met, thereby reducing significantly the risk of licences being withdrawn. In Singapore, the business units have implemented data protection policies and practices to ensure compliance with the obligations under the Personal Data Protection Act and Do Not Call provisions which came into force in 2014.

Strategic Risks

We evaluate each new investment proposal to ensure that it is in line with the Group's strategy and investment objective and it can meet the relevant hurdle rates of return. This assessment includes macro and project specific risks analysis covering feasibility study, due diligence, financial modelling and sensitivity analysis of key investment assumptions and variables. To ensure that the rate of return on any new investment or business opportunity commensurate with the risk exposure taken, the new investment opportunity is evaluated in terms of (a) profitability; (b) return on investment; (c) pay back period; (d) cash flow generation; (e) potential for internal and external growth; and (f) investment climate and political stability of the country. The investment proposal has to be approved according to the financial authority limits approved by the Board.

Audit Process

The Internal and External Auditors conduct reviews in accordance with their audit plans to assess the adequacy of the internal controls that are in place. Non-compliance and recommendations for improvements are reported to the Audit and Risk Committee, which reviews the effectiveness of the actions taken to mitigate the risks. In the course of their audits, the Internal and External Auditors highlight to the Audit and Risk Committee and Management areas where there are material deficiencies and weaknesses or the occurrence or potential occurrence of significant risk events and propose mitigating measures and treatment plans. The recommendations are followed up as part of the Group's continuous review of the system of internal controls.

Code of Business Conduct and Whistle Blowing Policy

The Group has adopted a Code of Business Conduct which sets out the principles and policies upon which our

businesses are conducted, as well as implemented a Whistle Blowing Policy to provide a mechanism for employees to raise concerns, through well-defined and accessible confidential disclosure channels about possible improprieties in financial reporting or other improper business conduct. Employees are given a Company handbook detailing how they can go about raising their concerns. Incidents can also be reported through a direct link to the MD/Group CEO, the Group Human Resource Officer or the Group Internal Audit Officer on the Group's Intranet.

All cases are investigated and dealt with promptly and thoroughly. An officer appointed by the MD/Group CEO will oversee all investigations. In cases where the laws have been infringed, the relevant regulatory authorities will be informed. The Audit and Risk Committee will also be informed. Where appropriate, internal control measures are improved or additional measures put in place to prevent recurrence of the incidents.

Opinion of the Board

Risk management is an important and integral part of ComfortDelGro's strategic planning and decision-making process. Key risks are identified and presented to the Board annually. Ownership of the risk management process is clearly defined and cascaded to the executive and functional level, with stewardship retained at Senior Management. Action plans that are necessary to manage the risks are in place and closely monitored. The adequacy of the internal controls in place is also assessed as part of the process. Based on these reviews, the Board is of the view, with the concurrence of the Audit and Risk Committee, that there are adequate and effective internal controls in place within the Group to address its financial, operational, compliance and information technology risks.

Directories

Singapore

Bus

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Rail

SBS Transit Ltd*

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Automotive Engineering Services

ComfortDelGro Engineering Pte Ltd

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Inspection & Testing Services

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ComfortDelGro Driving Centre Pte Ltd

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Car Rental & Leasing

ComfortDelGro Rent-A-Car Pte Ltd

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Fax: (65) 6665 1818
Website: www.cdgrentacar.com.sg
Email: sales@cdgrentacar.com.sg

Insurance Broking Services

ComfortDelGro Insurance Brokers Pte Ltd

205 Braddell Road
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Fax: (65) 6286 2112
Email: insurance@comfortdelgro.com.sg

Outdoor Advertising

Moove Media Pte Ltd

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Fax: (65) 6288 7112
Website: www.moovemediacom.sg
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* Listed on the Singapore Exchange

China

NORTH CHINA BUSINESS UNIT

Beijing

Taxi

Beijing Jin Jian Taxi Services Co., Ltd

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Vehicle Testing Services

Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd

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Jilin City, Jilin Province

Taxi

Jilin ComfortDelGro Taxi Co., Ltd

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Mainline: (86) 432 6456 5609
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Shenyang, Liaoning Province

Taxi

CityCab (Shenyang) Co., Ltd

No. 52 Wen Hua East Road
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Fax: (86) 24 2482 3064
Email: leongks@comfortdelgro.com

Shenyang ComfortDelGro Taxi Co., Ltd

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WEST CHINA BUSINESS UNIT

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Car Rental & Leasing

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Email: simontan@comfortdelgro.com

Vehicle Testing Services

Chengdu Jitong Integrated Vehicle Inspection Co., Ltd

No. 13 Wai Dong Jian Cai Road
Chenghua District
Chengdu, Sichuan
Postal Code 610051
Mainline: (86) 28 8471 6997
Fax: (86) 28 8471 2137
Email: simontan@comfortdelgro.com

Driving Centre

Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd

Wen Jia Hong Nian Zi
Qing Yang Zone
Chengdu, Sichuan
Postal Code 610091
Mainline: (86) 28 8707 0700
Fax: (86) 28 8707 1725
Email: glkhaw@comfortdelgro.com

Directories

Chongqing

Driving Centre

Chongqing ComfortDelGro Driver Training Co., Ltd

Huo Ju Road
Jiu Long Park
Jiu Long Po District
Chongqing
Postal Code 400051
Mainline: (86) 23 8906 8502
Fax: (86) 23 8906 8504
Website: www.kfdgjx.com
Email: simontan@comfortdelgro.com

EAST CHINA BUSINESS UNIT

Shanghai

Taxi

Shanghai City Qi Ai Taxi Services Co., Ltd

10F, No. 285, Lu Jia Bang Road
Shanghai
Postal Code 200011
Mainline: (86) 21 6313 5248
Fax: (86) 21 6313 1717
Email: richardtang@comfortdelgro.com

Suzhou, Jiangsu Province

Taxi

Suzhou Comfort Taxi Co., Ltd

Room A505, No. 199 Dong Xing Road
Suzhou Industrial Park
Postal Code 215000
Mainline: (86) 512 6762 0203
Fax: (86) 512 6588 3991
Email: richardtang@comfortdelgro.com

Nanjing, Jiangsu Province

Taxi

Nanjing ComfortDelGro Dajian Taxi Co., Ltd

205 East Mufu Road
Xia Guan District
Nanjing, Jiangsu
Postal Code 210015
Mainline: (86) 25 5872 1710
Fax: (86) 25 5872 1712
Email: michaelhuang@comfortdelgro.com

SOUTH CHINA BUSINESS UNIT

Guangzhou, Guangdong Province

Bus Station

Guangzhou Xin Tian Wei Transportation Development Co., Ltd

No. 633 Yan Ling Road
Guangzhou, Guangdong
Postal Code 510650
Mainline: (86) 20 6683 5088
Fax: (86) 20 6683 5008
Website: www.tianhebus.com
Email: marctay@comfortdelgro.com

Nanning, Guangxi Province

Taxi

Nanning Comfort Transportation Co., Ltd

68 Ke Yuan Avenue
Building No. 15, Block A
2nd Floor, Room 202
Nanning, Guangxi
Postal Code 530003
Mainline: (86) 771 581 6783
Fax: (86) 771 339 3629
Email: richardtang@comfortdelgro.com

Car Rental & Leasing

Nanning ComfortDelGro Rent-A-Car Co., Ltd

41 An Ji Avenue
Nanning, Guangxi
Postal Code 530001
Mainline: (86) 771 313 8991
or 771 310 0182
Fax: (86) 771 310 1533
Email: richardtang@comfortdelgro.com

Australia

Sydney, New South Wales

Bus

ComfortDelGro Cabcharge Pty Ltd

29 Foundry Road
Seven Hills
NSW 2147
Mainline: (61) 2 8889 7000
Fax: (61) 2 8889 7009
Website: www.cdcbus.com.au
Email: customer.service@cdcbus.com.au

Blue Mountains Transit Pty Ltd

25 Great Western Highway
Valley Heights
NSW 2777
Mainline: (61) 2 4751 1077
Fax: (61) 2 4751 1079
Email: customerservice@bmbc.com.au

Outdoor Advertising

Moove Media Australia Pty Ltd

Suite 104, 15 Belvoir Street
Surry Hills
NSW 2010
Mainline: (61) 2 9690 1144
Fax: (61) 2 9310 5753
Email: advertising@moovemediamedia.com.sg

Queanbeyan, New South Wales**Bus****QCity Transit
Transborder Express**

11 Bass Street
Queanbeyan, NSW 2620
Mainline: (61) 2 6299 3722
Fax: (61) 2 6999 3828
Email: capitalinfo@cdcbus.com.au

Melbourne, Victoria**Bus****ComfortDelGro Cabcharge Pty Ltd**

9-13 Slough Road
Altona, VIC 3018
Mainline: (61) 3 9392 9900
Fax: (61) 3 9392 9901
Email: info@cdcvictoria.com.au

Perth, Western Australia**Taxi****Swan Taxis Pty Ltd**

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

United Kingdom**London, England****Bus****Metroline Limited**

ComfortDelGro House
329 Edgware Road
London NW2 6JP
Mainline: (44) 20 8218 8888
Fax: (44) 20 8218 8899
Website: www.metroline.co.uk
Email: info@metroline.co.uk

Coach**Westbus Coach Services Limited**

27A Spring Grove Road
Hounslow
London TW3 4BE
Mainline: (44) 20 8572 6348
Fax: (44) 20 8570 2234
Website: www.westbus.co.uk
Email: reservations@westbus.co.uk

Taxi Radio Circuit**Computer Cab plc**

Advantage House, Unit 7-8
Mitre Bridge Industrial Park
Mitre Way
London W10 6AU
Mainline: (44) 20 7908 0271
Fax: (44) 20 7908 0053
Website: www.comcablondon.com
Email: info@comcab.co.uk

Private Car Hire**Flightlink International Limited**

Cannon Workshops
Cannon Drive
London E14 4AS
Mainline: (44) 20 7537 4777
Fax: (44) 20 7987 2117
Website: www.flchauffeurs.com
Email: admin@flchauffeurs.com

Liverpool, England**Taxi Radio Circuit****Computer Cab (Liverpool) Limited**

Abbey House
5-7 Falkland Street
Liverpool L3 8HB
Mainline: (44) 151 298 2060
Fax: (44) 151 298 2526
Website: www.comcab-liverpool.co.uk
Email: admin@comcab-liverpool.co.uk

Birmingham, England**Taxi Radio Circuit****Computer Cab (Birmingham) Limited**

118-122 Charles Henry Street
Birmingham, B12 0SJ
Mainline: (44) 121 622 0888
Fax: (44) 121 622 0889
Website: www.comcab-birmingham.co.uk
Email: enquiries@comcab-birmingham.co.uk

Glasgow, Scotland**Coach****Scottish Citylink Coaches Limited**

Buchanan Bus Station
Killermont Street
Glasgow, G2 3NW
Mainline: (44) 141 332 9644
Fax: (44) 141 332 4488
Website: www.citylink.co.uk
Email: info@citylink.co.uk

Directories

Aberdeen, Scotland

Taxi Radio Circuit

Computer Cab (Aberdeen) Limited

Burnside Drive
Aberdeen AB21 0HW
Mainline: (44) 1224 794 416
Fax: (44) 1224 722 727
Website: www.comcab-aberdeen.co.uk
Email: enquiries@comcab-aberdeen.co.uk

Edinburgh, Scotland

Taxi Radio Circuit

Computer Cab (Edinburgh) Limited

Suite 2/6 Spitfire House
Turnhouse Road
Edinburgh EH12 0AL
Mainline: (44) 131 272 8001
Fax: (44) 131 272 8011
Website: www.comcab-edinburgh.co.uk
Email: enquiries@comcab-edinburgh.co.uk

Private Car Hire

Onward Travel Ltd

Suite 2/6 Spitfire House
Turnhouse Road
Edinburgh EH12 0AL
Mainline: (44) 131 272 8001
Fax: (44) 131 272 8011
Website: www.onwardtravel.com
Email: admin@onwardtravel.com

Dublin, Ireland

Inter-City Express Coach

Irish Citylink ComfortDelGro Limited

17 Forster Street
Galway
Mainline: (353) 91 564164
Fax: (353) 91 564100
Website: www.citylink.ie
Email: info@citylink.ie

Vietnam

Ho Chi Minh City

Taxi

ComfortDelGro Savico Taxi Company

384A/2 Kha Van Can
Hiep Binh Chanh Ward
Thu Duc District
Ho Chi Minh City
Mainline: (84) 8 3726 9816
Fax: (84) 8 3726 3407
Website: www.comfortsavico.com.vn
Email: comfortsavico@vnn.vn

Vietnam Taxi Co., Ltd

Tan Binh Industrial Park
Lot IV-15B Road 4
Tay Thanh Ward
Tan Phu District
Ho Chi Minh City
Mainline: (84) 8 3815 5151
Fax: (84) 8 3815 5158
Website: www.vinataxi.vn
Email: info@vinataxi.vn

Malaysia

Kuala Lumpur

Auto Leasing

CityLimo Leasing (M) Sdn Bhd

No. 10 Jalan SS13/6
Subang Jaya Industrial Estate
47500 Subang Jaya
Selangor Darul Ehsan
Mainline: (60) 3 5638 1818
Fax: (60) 3 5638 1881
Website: www.citylimo.com.my
Email: sales@citylimo.com.my

Inspection & Testing Services

Setsco Services (M) Sdn Bhd

31, Jalan Industri Mas 12
Taman Mas, 47100 Puchong
Selangor Darul Ehsan
Mainline: (60) 3 8052 6822 / 8052 7822
Fax: (60) 3 8052 5822
Email: marketing@setsco.com

Financial Calendar

2014

Announcement of 2013 Full Year Results	13 February 2014
Annual General Meeting	25 April 2014
Announcement of 1st Quarter 2014 Results	12 May 2014
Payment of 2013 final dividend (4.0 cents/share)	14 May 2014
Announcement of 2nd Quarter 2014 Results	13 August 2014
Payment of 2014 interim dividend (3.75 cents/share)	28 August 2014
Announcement of 3rd Quarter 2014 Results	13 November 2014

2015

Announcement of 2014 Full Year Results	11 February 2015
Annual General Meeting	24 April 2015
Announcement of 1st Quarter 2015 Results	13 May 2015*
Payment of 2014 final dividend (4.5 cents/share) (Subject to Shareholders' approval at the forthcoming Annual General Meeting)	12 May 2015
Announcement of 2nd Quarter 2015 Results	13 August 2015*
Announcement of 3rd Quarter 2015 Results	13 November 2015*

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

Financial Statements

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Report of the Directors

The Directors present their report together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2014.

1 Directors

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

Lim Jit Poh (Chairman)
 Kua Hong Pak (Managing Director/Group Chief Executive Officer)
 Ong Ah Heng
 Oo Soon Hee
 Sum Wai Fun, Adeline
 Tow Heng Tan
 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 5 of the Report of the Directors.

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:

Name of Directors and Companies in which interests are held	At 1 January 2014	At 31 December 2014	At 21 January 2015
Interest in the Company			
(a) Ordinary shares			
Lim Jit Poh	284,425	24,425	264,425
Kua Hong Pak	324,530	324,530	324,530
Ong Ah Heng	515,558	515,558	515,558
Oo Soon Hee	475,000	625,000	625,000
Sum Wai Fun, Adeline	120,000	120,000	120,000
Tow Heng Tan	370,000	490,000	490,000
Wang Kai Yuen	1,032,500	1,032,500	1,032,500
Wong Chin Huat, David	220,000	340,000	340,000

Report of the Directors

3 Directors' Interests in Shares and Debentures (Cont'd)

Name of Directors and Companies in which interests are held	At 1 January 2014	At 31 December 2014	At 21 January 2015
Interest in the Company			
(b) Options to subscribe for ordinary shares			
Lim Jit Poh	960,000	720,000	480,000
Kua Hong Pak	7,200,000	7,200,000	7,200,000
Ong Ah Heng	480,000	360,000	360,000
Oo Soon Hee	600,000	450,000	450,000
Sum Wai Fun, Adeline	480,000	360,000	360,000
Tow Heng Tan	480,000	360,000	360,000
Wang Kai Yuen	180,000	180,000	180,000
Wong Chin Huat, David	480,000	360,000	360,000
Interest in subsidiary, SBS Transit Ltd			
(a) Ordinary shares			
Lim Jit Poh	200,000	-	-
Kua Hong Pak	-	90,000	90,000
Wong Chin Huat, David	215,000	215,000	215,000
(b) Options to subscribe for ordinary shares			
Lim Jit Poh	100,000	-	-
Kua Hong Pak	90,000	-	-
Interest in subsidiary, VICOM Ltd			
(a) Ordinary shares			
Lim Jit Poh	190,000	190,000	190,000
Kua Hong Pak	54,000	54,000	54,000

4 Directors' Receipt and Entitlement to Contractual Benefits

Except as disclosed in this report and in Note 27(a) to the financial statements, since the beginning of the financial year, no Director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, Cap. 50, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest. Certain Directors received Directors' fees from related corporations in their capacities as Directors of those related corporations.

5 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 Tow Heng Tan (Chairman), Lim Jit Poh, Wong Chin Huat, David and Wang Kai Yuen.

Report of the Directors

5 Share Options (Cont'd)

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

- (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 granted, exercised and cancelled/lapsed during the financial year and options outstanding as at 31 December 2014 were as follows:

Date of grant	Number of options to subscribe for ordinary shares			Outstanding at 31 December 2014	Subscription price per share	Expiry date
	Outstanding at 1 January 2014	Exercised	Cancelled/ Lapsed			
19 July 2004	35,000	(35,000)	-	-	\$1.217	18 July 2014
24 February 2005	747,500	(550,000)	-	197,500	\$1.680	23 February 2015
21 July 2005	725,000	(375,000)	-	350,000	\$1.540	20 July 2015
17 November 2005	1,551,000	(395,000)	(90,000)	1,066,000	\$1.550	16 November 2015
13 July 2006	3,315,000	(1,125,000)	(150,000)	2,040,000	\$1.500	12 July 2016
22 June 2007	6,030,000	(1,540,000)	(460,000)	4,030,000	\$2.260	21 June 2017
25 June 2008	4,380,000	(1,545,000)	(50,000)	2,785,000	\$1.590	24 June 2018
25 June 2009	2,947,000	(480,000)	-	2,467,000	\$1.273	24 June 2019
25 June 2009	870,000	(870,000)	-	-	\$1.273	24 June 2014
2 July 2010	5,507,500	(1,585,000)	(75,000)	3,847,500	\$1.467	1 July 2020
2 July 2010	1,070,000	(200,000)	-	870,000	\$1.467	1 July 2015
23 June 2011	870,000	-	-	870,000	\$1.373	22 June 2016
23 June 2011	5,482,000	(1,417,000)	(125,000)	3,940,000	\$1.373	22 June 2021
20 June 2012	1,050,000	-	-	1,050,000	\$1.475	19 June 2017
20 June 2012	10,905,000	(3,783,900)	(120,000)	7,001,100	\$1.475	19 June 2022
Total	45,485,000	(13,900,900)	(1,070,000)	30,514,100		

Report of the Directors

5 Share Options (Cont'd)

- (iv) Details of the options granted to Directors during the financial year and since the commencement of the CDG ESOS (including options granted under the Pre-Merger Option Scheme*) up to 31 December 2014 were as follows:

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2014	Aggregate options exercised since the commencement to 31 December 2014	Aggregate options lapsed/forfeited since the commencement to 31 December 2014	Aggregate options outstanding at 31 December 2014
Lim Jit Poh	2,773,577	1,553,577	500,000	720,000
Kua Hong Pak	12,300,000	2,700,000	2,400,000	7,200,000
Ong Ah Heng	1,517,540	807,540	350,000	360,000
Oo Soon Hee	1,650,000	825,000	375,000	450,000
Sum Wai Fun, Adeline	600,000	240,000	-	360,000
Tow Heng Tan	1,200,000	490,000	350,000	360,000
Wang Kai Yuen	1,998,672	1,693,672	125,000	180,000
Wong Chin Huat, David	1,200,000	490,000	350,000	360,000

- * 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 5(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 2014.

(B) Share options of subsidiaries

(a) SBS Transit Ltd ("SBST")

- (i) At the end of the financial year, there were 5,418,750 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' Report of SBS Transit Ltd.

Report of the Directors

5 Share Options (Cont'd)

(B) Share options of subsidiaries

- (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 2014	Aggregate options exercised since the commencement to 31 December 2014	Aggregate options lapsed since the commencement to 31 December 2014	Aggregate options outstanding at 31 December 2014
Lim Jit Poh	780,000	480,000	300,000	-
Kua Hong Pak	690,000	240,000	450,000	-
Wong Chin Huat, David	475,000	295,000	180,000	-

(b) VICOM Ltd ("VICOM")

- (i) At the end of the financial year, there were 20,000 unissued shares of VICOM Ltd under option relating to the 2001 VICOM Share Option Scheme (the "2001 VSOS"). The VSOS expired on 26 April 2011 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 2001 VSOS and the respective grants. Details and terms of the share options and the 2001 VSOS have been disclosed in the Directors' Report of VICOM Ltd.
- (ii) There were no share options granted to the Directors of the Company during the financial year and no outstanding share options held by the Directors as at 31 December 2014 as the last grant of share options was issued to the Directors in 2005 and expired in 2010. Details of the options granted and exercised by the Directors since the commencement of the 2001 VSOS up to 31 December 2014 are not disclosed as there were no movements in options granted and exercised and such details had been disclosed in the prior years.

6 Audit and Risk Committee

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

Wong Chin Huat, David (Chairman)
 Ong Ah Heng
 Oo Soon Hee
 Sum Wai Fun, Adeline

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 Company at the forthcoming Annual General Meeting.

Report of the Directors

7 Auditors

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

On behalf of the Directors

Lim Jit Poh
Chairman

Kua Hong Pak
Managing Director/Group Chief Executive Officer

Singapore
11 February 2015

Statement of Directors

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 79 to 149 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and the 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.

On behalf of the Directors

Lim Jit Poh
Chairman

Kua Hong Pak
Managing Director/Group Chief Executive Officer

Singapore
11 February 2015

Independent Auditors' Report

To the Members of ComfortDelGro Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of ComfortDelGro Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at 31 December 2014, and the income statement, comprehensive income statement, statement of changes in equity and cash flow statement of the Group and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 79 to 149.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

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 subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants

Singapore
11 February 2015

Statements of Financial Position

31 December 2014

	Note	The Group		The Company	
		2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
ASSETS					
Current assets					
Short-term deposits and bank balances	4	825.8	830.6	422.0	402.0
Available-for-sale investments	5	-	5.0	-	-
Trade receivables	6	117.3	111.3	-	-
Other receivables and prepayments	7	197.1	191.8	2.1	1.9
Grant receivables	8	23.9	22.1	-	-
Due from subsidiaries	9	-	-	12.8	6.5
Finance lease receivables	10	2.9	8.3	-	-
Inventories	11	72.3	70.6	-	-
Total current assets		1,239.3	1,239.7	436.9	410.4
Non-current assets					
Subsidiaries	12	-	-	1,121.5	1,037.5
Associates	13	8.0	6.2	0.1	0.1
Available-for-sale investments	5	73.7	64.3	50.0	46.1
Other receivables and prepayments	7	40.5	27.9	-	-
Grant receivables	8	265.4	269.3	-	-
Due from subsidiaries	9	-	-	20.5	21.4
Finance lease receivables	10	1.1	4.4	-	-
Vehicles, premises and equipment	14	2,895.1	2,777.4	11.3	12.7
Taxi licences	15	232.1	228.8	-	-
Goodwill	16	453.7	458.3	-	-
Deferred tax assets	17	21.8	8.4	-	-
Total non-current assets		3,991.4	3,845.0	1,203.4	1,117.8
Total assets		5,230.7	5,084.7	1,640.3	1,528.2

Statements of Financial Position

31 December 2014

	Note	The Group		The Company	
		2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	18	243.4	218.4	-	-
Trade and other payables	19	828.5	649.3	60.1	37.7
Trade payables for buses		8.3	15.7	-	-
Deferred grants	20	17.4	17.7	-	-
Due to subsidiaries	21	-	-	528.8	476.3
Fuel price equalisation account		20.0	20.0	-	-
Insurance premiums payable and provision for accident claims	22	84.0	84.5	-	-
Income tax payable		56.7	56.9	2.0	1.4
Total current liabilities		1,258.3	1,062.5	590.9	515.4
Non-current liabilities					
Borrowings	18	493.7	589.5	-	-
Deferred grants	20	292.3	288.5	-	-
Other liabilities	23	123.3	125.6	0.1	0.1
Fuel price equalisation account		20.0	20.0	-	-
Deferred tax liabilities	17	204.3	204.1	2.8	2.8
Total non-current liabilities		1,133.6	1,227.7	2.9	2.9
Total liabilities		2,391.9	2,290.2	593.8	518.3
Capital, reserves and non-controlling interests					
Share capital	24	646.4	622.7	646.4	622.7
Other reserves	25	(77.4)	10.5	(2.5)	(4.2)
Foreign currency translation reserve		(50.4)	(35.3)	-	-
Accumulated profits		1,671.3	1,556.8	402.6	391.4
Equity attributable to shareholders of the Company		2,189.9	2,154.7	1,046.5	1,009.9
Non-controlling interests		648.9	639.8	-	-
Total equity		2,838.8	2,794.5	1,046.5	1,009.9
Total liabilities and equity		5,230.7	5,084.7	1,640.3	1,528.2

Group Income Statement

Year Ended 31 December 2014

	Note	2014 \$'mil	2013 \$'mil
Revenue	26	4,051.3	3,747.7
Staff costs	27	(1,359.3)	(1,216.7)
Contract services		(549.5)	(499.7)
Depreciation and amortisation		(353.7)	(337.4)
Fuel and electricity costs		(329.8)	(287.4)
Repairs and maintenance costs		(245.6)	(232.1)
Materials and consumables		(238.9)	(247.0)
Road tax		(131.2)	(125.2)
Insurance premiums and accident claims		(129.8)	(127.8)
Premises costs		(81.1)	(70.6)
Taxi drivers' benefits		(58.5)	(56.9)
Utilities and communication costs		(23.2)	(22.9)
Vehicle leasing charges		(22.7)	(14.3)
Advertising production and promotion costs		(15.6)	(13.7)
Other operating costs		(70.3)	(69.7)
Total operating expenses		(3,609.2)	(3,321.4)
Operating profit		442.1	426.3
Net income from investments		11.9	11.4
Finance costs	28	(22.0)	(27.4)
Share of profit in associates	13	4.3	4.0
Profit before taxation		436.3	414.3
Taxation	29	(92.3)	(87.0)
Profit after taxation	30	344.0	327.3
Attributable to:			
Shareholders of the Company		283.5	263.2
Non-controlling interests		60.5	64.1
		344.0	327.3
Earnings per share (in cents):			
Basic	31	13.29	12.43
Diluted	31	13.23	12.38

Group Comprehensive Income Statement

Year ended 31 December 2014

	Note	2014 \$'mil	2013 \$'mil
Profit after taxation	30	344.0	327.3
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value adjustment on cash flow hedges		(100.7)	1.2
Fair value adjustment on available-for-sale investments		5.0	0.8
Exchange differences on translation of foreign operations		(22.8)	(25.8)
		(118.5)	(23.8)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial adjustment on defined benefit plans		(3.3)	(3.4)
Other comprehensive income for the year		(121.8)	(27.2)
Total comprehensive income for the year		222.2	300.1
Attributable to:			
Shareholders of the Company		180.0	252.3
Non-controlling interests		42.2	47.8
		222.2	300.1

Statements of Changes in Equity

Year ended 31 December 2014

	The Group						
	Attributable to shareholders of the Company					Non-controlling interests \$'mil	Total equity \$'mil
	Share capital \$'mil	Other reserves \$'mil	Foreign currency translation reserve \$'mil	Accumulated profits \$'mil	Total \$'mil		
Balance at 1 January 2013	585.1	14.1	(25.5)	1,434.5	2,008.2	628.8	2,637.0
Total comprehensive income for the year							
Profit for the year	-	-	-	263.2	263.2	64.1	327.3
Other comprehensive income for the year	-	(1.1)	(9.8)	-	(10.9)	(16.3)	(27.2)
Total	-	(1.1)	(9.8)	263.2	252.3	47.8	300.1
Transactions recognised directly in equity							
Recognition of share-based payments (Note 25)	-	0.6	-	-	0.6	-	0.6
Exercise of share options (Notes 24 and 25)	37.6	(3.1)	-	-	34.5	-	34.5
Payment of dividends (Note 36)	-	-	-	(137.8)	(137.8)	-	(137.8)
Other reserves	-	-	-	(3.1)	(3.1)	(36.8)	(39.9)
Total	37.6	(2.5)	-	(140.9)	(105.8)	(36.8)	(142.6)
Balance at 31 December 2013	622.7	10.5	(35.3)	1,556.8	2,154.7	639.8	2,794.5
Total comprehensive income for the year							
Profit for the year	-	-	-	283.5	283.5	60.5	344.0
Other comprehensive income for the year	-	(88.4)	(15.1)	-	(103.5)	(18.3)	(121.8)
Total	-	(88.4)	(15.1)	283.5	180.0	42.2	222.2
Transactions recognised directly in equity							
Exercise of share options (Notes 24 and 25)	23.7	(2.1)	-	-	21.6	-	21.6
Payment of dividends (Note 36)	-	-	-	(165.4)	(165.4)	-	(165.4)
Other reserves	-	2.6	-	(3.6)	(1.0)	(33.1)	(34.1)
Total	23.7	0.5	-	(169.0)	(144.8)	(33.1)	(177.9)
Balance at 31 December 2014	646.4	(77.4)	(50.4)	1,671.3	2,189.9	648.9	2,838.8

Statements of Changes in Equity

Year ended 31 December 2014

	The Company			
	Share capital \$'mil	Other reserves \$'mil	Accumulated profits \$'mil	Total equity \$'mil
Balance at 1 January 2013	585.1	8.5	377.2	970.8
Total comprehensive income for the year				
Profit for the year	-	-	151.5	151.5
Other comprehensive income for the year	-	(9.8)	-	(9.8)
Total	-	(9.8)	151.5	141.7
Transactions recognised directly in equity				
Recognition of share-based payments (Note 25)	-	0.6	-	0.6
Exercise of share options (Notes 24 and 25)	37.6	(3.1)	-	34.5
Payment of dividends (Note 36)	-	-	(137.8)	(137.8)
Other reserves	-	(0.4)	0.5	0.1
Total	37.6	(2.9)	(137.3)	(102.6)
Balance at 31 December 2013	622.7	(4.2)	391.4	1,009.9
Total comprehensive income for the year				
Profit for the year	-	-	176.2	176.2
Other comprehensive income for the year	-	4.0	-	4.0
Total	-	4.0	176.2	180.2
Transactions recognised directly in equity				
Exercise of share options (Notes 24 and 25)	23.7	(2.1)	-	21.6
Payment of dividends (Note 36)	-	-	(165.4)	(165.4)
Other reserves	-	(0.2)	0.4	0.2
Total	23.7	(2.3)	(165.0)	(143.6)
Balance at 31 December 2014	646.4	(2.5)	402.6	1,046.5

Group Cash Flow Statement

Year ended 31 December 2014

	2014 \$'mil	2013 \$'mil
Operating activities		
Profit before taxation	436.3	414.3
Adjustments for:		
Depreciation and amortisation	353.7	337.4
Finance costs	22.0	27.4
Interest income	(10.3)	(9.6)
Dividend income	(3.3)	(4.3)
Share-based payment expense	-	0.6
Net gain on disposal of vehicles	(6.1)	(2.7)
Share of profit in associates	(4.3)	(4.0)
Others	4.0	10.9
Operating cash flows before movements in working capital	792.0	770.0
Inventories	(1.9)	(10.6)
Trade receivables	(8.8)	(11.0)
Other receivables and prepayments	(18.0)	(8.8)
Grant receivables, net of deferred grants	6.2	5.2
Finance lease receivables	8.7	10.6
Trade and other payables	45.9	37.2
Other liabilities	(6.0)	(15.5)
Insurance premiums payable and provision for accident claims	(0.1)	(1.3)
Cash generated from operations	818.0	775.8
Income tax paid	(83.1)	(78.1)
Net cash from operating activities	734.9	697.7

Group Cash Flow Statement

Year ended 31 December 2014

	2014 \$'mil	2013 \$'mil
Investing activities		
Purchases of vehicles, premises and equipment	(511.6)	(500.1)
Less: Proceeds from disposal of vehicles	40.7	84.7
Cash payments on purchase of vehicles, premises and equipment	(470.9)	(415.4)
Proceeds from disposal of available-for-sale investments	5.4	-
Payment for taxi licences	(4.9)	(2.2)
Increase in available-for-sale investments	(4.9)	-
Increase in investment in a subsidiary	-	(1.4)
Acquisition of subsidiaries, net of cash [Note (a)]	(27.8)	(137.3)
Divestment of subsidiaries, net of cash [Note (b)]	3.5	8.5
Acquisition of investment in an associate	(0.5)	-
Interest received	9.2	9.3
Dividend received from an associate	3.0	2.4
Dividend received from available-for-sale investments	3.3	4.3
Net cash used in investing activities	(484.6)	(531.8)
Financing activities		
New loans raised	422.0	385.1
Repayment of borrowings	(483.5)	(265.4)
Dividends paid to shareholders of the Company	(165.4)	(137.8)
Dividends paid to non-controlling shareholders of subsidiaries	(32.6)	(28.2)
Proceeds from exercise of share options of the Company	21.6	34.5
Proceeds from exercise of share options of subsidiaries	1.0	0.7
Interest paid	(21.9)	(27.4)
Proceeds from unclaimed dividends	0.3	0.2
Net cash used in financing activities	(258.5)	(38.3)
Net effect of exchange rate changes in consolidating subsidiaries	3.4	8.4
Net (decrease) increase in cash and cash equivalents	(4.8)	136.0
Cash and cash equivalents at beginning of year	830.6	694.6
Cash and cash equivalents at end of year (Note 4)	825.8	830.6

Group Cash Flow Statement

Year ended 31 December 2014

Note (a):

Summary of the effects of acquisition of subsidiaries:

	2014	2013
	\$'mil	\$'mil
Net (assets) liabilities acquired:		
Current assets	-	(2.6)
Non-current assets	(20.3)	(41.1)
Current liabilities	1.5	10.9
Non-current liabilities	-	19.9
Net assets acquired	(18.8)	(12.9)
Goodwill on acquisition	(9.0)	(124.4)
Total purchase consideration, representing cash flow on acquisition	(27.8)	(137.3)

Note (b):

Summary of the effects of divestment of subsidiaries:

	2014	2013
	\$'mil	\$'mil
Net assets (liabilities) on divestment:		
Current assets	0.5	25.7
Non-current assets	4.4	13.4
Current liabilities	(0.3)	(3.6)
Non-current liabilities	-	(1.6)
Net assets divested	4.6	33.9
Non-controlling interests	(0.6)	(8.3)
Proceeds from divestment	4.0	25.6
Less: Cash adjustment upon deconsolidation of subsidiaries	(0.5)	(17.1)
Cash flow from divestment, net of cash	3.5	8.5

Notes to the Financial Statements

31 December 2014

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 38.

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

The consolidated financial statements of the Group for the financial year ended 31 December 2014 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2014 were authorised for issue by the Board of Directors on 11 February 2015.

2 Summary of Significant Accounting Policies

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

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

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

ADOPTION OF REVISED FINANCIAL STANDARDS - In the current financial year, the Group has adopted all the new and revised FRSs that are relevant to its operations and effective for annual periods beginning on 1 January 2014.

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

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

Amendments to FRS 19 (2011)	- Defined Benefits Plans: Employee Contributions
Improvements to Financial Reporting Standard (January 2014)	
FRS 109	- Financial Instruments
FRS 115	- Revenue from Contracts with Customers.

These standards are not expected to have any material impact on the Group's financial statements when they are adopted.

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.

Notes to the Financial Statements

31 December 2014

2 Summary of Significant Accounting Policies (Cont'd)

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

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

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

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

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

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

In the statement of financial position of the Company, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

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

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

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

Cash and cash equivalents

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

Investments

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

Notes to the Financial Statements

31 December 2014

2 Summary of Significant Accounting Policies (Cont'd)

Investments are classified into the following specified categories: held-for-trading investments at fair value through profit or loss ("FVTPL") and available-for-sale investments. The classification depends on the nature and purpose of investment and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Held-for-trading investments are classified at FVTPL where they have been acquired principally for the purpose of selling in the near future. Hedging instruments that are not designated for a hedge relationship and/or are ineffective in a hedge relationship are also classified at FVTPL. Financial assets that are classified at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Available-for-sale investments

Certain investments held by the Group are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in investment revaluation reserve is reclassified to profit or loss for the period.

Trade and other receivables

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

Provision for impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of provision for impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

The carrying amount of the financial asset is reduced by the provision for impairment directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the provision for impairment decreases and the decrease can be related objectively to an event occurring after the provision for impairment was recognised, the previously recognised provision for impairment is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the provision for impairment is reversed does not exceed what the amortised cost would have been had the provision for impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after a provision for impairment, is recognised in other comprehensive income.

Notes to the Financial Statements

31 December 2014

2 Summary of Significant Accounting Policies (Cont'd)

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.

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 35).

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 period. The resulting gain or loss is recognised in profit or loss immediately unless the hedging instrument is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates its hedging instruments as either fair value hedges or cash flow hedges.

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

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

The Group designates any interest rate swap for hedging of interest rate risk arising from borrowings as cash flow hedges. Hedges of foreign currency risk for future purchases of goods are designated as cash flow hedges. Hedges of fuel price risk for future purchases of goods are also 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 35(b) contains details of the fair values of the hedging instruments.

Fair value hedge

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

Notes to the Financial Statements

31 December 2014

2 Summary of Significant Accounting Policies (Cont'd)

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.

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.

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

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

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

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

	Number of years
Buses	8 to 23
Leasehold bus depots	Over the period of the lease
Leasehold land and buildings	Over the period of the lease
Freehold buildings	50
Taxis and motor vehicles for rental	5 to 8
Computers and automated equipment	1 to 6
Workshop machinery, tools and equipment	2 to 20
Motor vehicles	3 to 15
Furniture, fittings and equipment	2 to 7

Notes to the Financial Statements

31 December 2014

2 Summary of Significant Accounting Policies (Cont'd)

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.

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

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

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

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

INTANGIBLE ASSETS

Intangible assets acquired separately

Taxi licences acquired separately are recorded at cost less accumulated amortisation and any accumulated impairment losses. Taxi licences with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, 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.

Notes to the Financial Statements

31 December 2014

2 Summary of Significant Accounting Policies (Cont'd)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

31 December 2014

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, retirement benefit subject to a maximum of \$3,000 is payable to a retiring employee on or after attaining the age of sixty-seven years 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.
- (ii) **Long Service Awards** - Staff of certain subsidiaries in Singapore serving more than 5 years and up to 25 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 period.

- (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 period. 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 period.
- (vi) **Share-Based Payments** - The Group and the Company issue 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 2014

2 Summary of Significant Accounting Policies (Cont'd)

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

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

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

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

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

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

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

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

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

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, and interests in joint ventures, 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 period 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 2014

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 period, monetary items denominated in foreign currencies are translated at rates prevailing at the end of each reporting period. 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 period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulate in the Group's currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

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

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

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Critical judgements in applying the Group's accounting policies

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

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

Notes to the Financial Statements

31 December 2014

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Cont'd)

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 period, 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 22 is \$70.0 million (2013 : \$65.8 million).

(ii) Insurance premium payable

With effect from 2008, the Group has undertaken property damage and personal injury insurance with a fixed annual premium per vehicle. However, the Group had in the previous financial years incurred additional premiums payable as the insurance claims per vehicle had exceeded the minimum amount as stipulated in the insurance policy for those years. An estimate of the liability for the period from 2002 to 2009 of \$14.0 million (2013 : \$18.7 million) had been made based on the history of incurred claims per vehicle for each of the policy year (Note 22).

(iii) Retirement benefits and long service awards

For certain subsidiaries, retirement benefit subject to a maximum of \$3,000 is payable to a retiring employee on or after attaining the age of sixty-seven years 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 period 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 period.

The total provision for service benefits and long service awards is disclosed in Note 23(c).

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 period. The retirement benefit obligation recognised in the Group's statement of financial position amounting to \$17.5 million (2013 : \$17.6 million) disclosed in Note 23(d) represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets.

Impairment review of goodwill and taxi licences

The Group tests goodwill and taxi licences annually for impairment, or more frequently if there are indications that they might be impaired.

Determining whether goodwill and taxi licences are impaired requires an estimation of the value in use of the cash-generating units ("CGUs") to which goodwill and taxi licences have been allocated. 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 goodwill and taxi licences is recognised in profit or loss and is reversed in the subsequent period except for goodwill.

Notes to the Financial Statements

31 December 2014

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Cont'd)

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 for the following 4 years based on estimated growth rate which ranges from 2.7% to 7.1% (2013 : 1.8% to 7.3%). The estimated growth rate is based on industry growth forecasts and does not exceed the average long-term growth rate for the relevant markets.

The discount rates applied to the forecast for the Group are assumed to range from 5.83% to 7.43% (2013 : 5.08% to 7.75%).

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

As at 31 December 2014 and 31 December 2013, any reasonably possible changes to the key assumptions applied are not likely to cause the recoverable amount to be below the carrying amount of the CGU.

Impairment review of quoted available-for-sale equity investment

The Group reviews the available-for-sale equity investment for impairment annually, or more frequently if there are indications of a significant or prolonged decline in the fair value of the investment below its cost. During the financial year, Management determined that no provision for impairment is required.

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 period. During the financial year, Management determined that the estimated useful lives of vehicles, premises and equipment are appropriate and no material revision is required.

4 Short-Term Deposits and Bank Balances

	The Group		The Company	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
Cash and bank balances	11.4	16.6	-	-
Interest bearing bank balances	95.2	110.8	1.1	0.9
Fixed deposits	719.2	703.2	420.9	401.1
Total	825.8	830.6	422.0	402.0

Interest bearing bank balances bear effective interest rates ranging from 0% to 3.4% (2013 : 0% to 2.5%) per annum.

Fixed deposits are placed on a staggered basis based on the Group's cashflow projections, bear effective interest rates ranging from 0.1% to 5.3% (2013 : 0.3% to 6.9%) per annum. These deposits are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

31 December 2014

5 Available-For-Sale Investments

	The Group		The Company	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
a) Quoted investments, at fair value:				
Bonds in corporations	11.0	16.1	5.5	5.6
Equity shares in corporations	57.4	52.3	44.4	40.4
b) Unquoted investments, at cost:				
Equity shares in corporations	4.9	0.2	-	-
Others	0.4	0.7	0.1	0.1
Total	73.7	69.3	50.0	46.1
Analysed as:				
Current	-	5.0	-	-
Non-current	73.7	64.3	50.0	46.1
Total	73.7	69.3	50.0	46.1

Quoted investments' fair values are based on the closing market prices on the last market day of the financial year.

6 Trade Receivables

	The Group	
	2014 \$'mil	2013 \$'mil
Outside parties	119.1	113.0
Allowance for doubtful receivables	(1.8)	(1.7)
Net	117.3	111.3

The credit period on sale of goods and rendering of services ranges from 7 days to 60 days (2013 : 7 days to 60 days) except for insurance claims against third parties which have no credit period due to their nature.

An allowance has been made for estimated irrecoverable amounts which has been determined by reference to past default experience.

The credit risk on trade receivables that are past due but not impaired at the reporting date are insignificant as a majority of receivables is 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.

Notes to the Financial Statements

31 December 2014

6 Trade Receivables (Cont'd)

Movements in the allowance for doubtful debts:

	The Group	
	2014 \$'mil	2013 \$'mil
Balance at beginning of the year	1.7	1.8
Amounts written off during the year	(0.9)	(0.7)
Increase in allowance recognised in income statement	1.0	0.6
Balance at end of the year	1.8	1.7

7 Other Receivables and Prepayments

	The Group		The Company	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
Prepayments	67.0	62.0	0.2	0.2
Downpayments for the purchase of vehicles, premises and equipment	40.5	27.3	-	-
Interest receivable	2.9	1.8	0.5	0.3
Staff advances	0.5	0.5	-	-
Security and tender deposits	1.6	1.9	-	-
Accrued income	50.6	30.9	-	-
Others	74.5	95.3	1.4	1.4
Total	237.6	219.7	2.1	1.9
Analysed as:				
Current	197.1	191.8	2.1	1.9
Non-current	40.5	27.9	-	-
Total	237.6	219.7	2.1	1.9

The Group's and the Company's other receivables and prepayments that are not denominated in the functional currencies of the respective entities are not significant.

Notes to the Financial Statements

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8 Grant Receivables

	The Group	
	2014	2013
	\$'mil	\$'mil
Grant receivables	289.3	291.4
Analysed as:		
Current	23.9	22.1
Non-current	265.4	269.3
Total	289.3	291.4

The grant receivables of \$289.3 million (2013 : \$291.4 million) are unsecured, bear effective interest at rates ranging from 4.36% to 8.14% (2013 : 4.36% to 8.14%) per annum and receivable over the period that the Group expects to retain the contract to operate the bus routes. This balance represents the net present value of the grants receivable from the transport regulators in Australia for the acquisition of new buses.

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

9 Due From Subsidiaries

	The Company	
	2014	2013
	\$'mil	\$'mil
Receivables from subsidiaries	33.3	27.9
Analysed as:		
Current	12.8	6.5
Non-current	20.5	21.4
Total	33.3	27.9

Of the amount of \$33.3 million (2013 : \$27.9 million) due from subsidiaries, \$29.3 million (2013 : \$21.4 million) relates to a loan which bears variable interest at rate of 4.28% (2013 : 4.21%) per annum and is unsecured. The remaining balance of \$4.0 million (2013 : \$6.5 million) is unsecured and interest-free.

Notes to the Financial Statements

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10 Finance Lease Receivables

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
Amounts receivable under finance leases:				
Within one year	3.2	9.3	3.0	8.8
Within the second to fifth year inclusive	1.3	4.9	1.3	4.7
	4.5	14.2	4.3	13.5
Less: Unearned finance income	(0.2)	(0.7)	NA	NA
Present value of minimum lease payments receivable	4.3	13.5	4.3	13.5
Less: Provision for unguaranteed residual values	(0.3)	(0.8)	(0.3)	(0.8)
Net	4.0	12.7	4.0	12.7

	The Group Present value of minimum lease payments	
	2014 \$'mil	2013 \$'mil
	Analysed as:	
Current finance lease receivables (recoverable within 12 months)	2.9	8.3
Non-current finance lease receivables (recoverable after 12 months)	1.1	4.4
Total	4.0	12.7

The Group enters into finance lease arrangements for some of its motor vehicles. The average term of finance leases entered into is 2.9 years (2013 : 2.1 years).

Gross unguaranteed residual values of assets under finance leases at the end of the reporting period are estimated at \$3.3 million (2013 : \$10.3 million).

Provision for unguaranteed residual values has been determined by reference to past loss experience.

The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted ranges from 3.26% to 5.80% (2013 : 3.26% to 6.01%) per annum.

The carrying amount of the Group's finance lease receivables at the end of each reporting period approximates its fair value, based on discounting the estimated cash flows at the market rate.

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11 Inventories

	The Group	
	2014	2013
	\$'mil	\$'mil
Goods held for sale	16.7	15.7
Consumables, materials and supplies	52.8	51.8
Work in progress	2.8	3.1
	72.3	70.6

12 Subsidiaries

	The Company	
	2014	2013
	\$'mil	\$'mil
Quoted equity shares, at cost	93.6	93.6
Unquoted equity shares, at cost	1,027.9	943.9
	1,121.5	1,037.5
Market value of quoted equity shares	767.9	596.5

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	
		2014	2013
Investment holding	Singapore	4	4
Investment holding	United Kingdom	2	2
Investment holding	Malaysia	1	1
Bus	Singapore	1	1
Bus	United Kingdom	2	2
Bus	Ireland	1	1
Advertising	Singapore	1	1
Advertising	Australia	1	1
Automotive engineering services	Singapore	1	1
Taxi	Singapore	1	1
Taxi	Australia	1	1
Taxi	China	3	3
Car rental and leasing	Singapore	1	1
Car rental and leasing	China	1	1
Car rental and leasing	Malaysia	1	1

Notes to the Financial Statements

31 December 2014

12 Subsidiaries (Cont'd)

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		2014	2013
Investment holding	Australia	1	1
Bus and rail	Singapore	1	1
Bus	United Kingdom	2	2
Bus	Australia	16	15
Rail	Singapore	1	1
Bus station	China	1	1
Driving centre	Singapore	1	1
Driving centre	China	4	4
Car rental and leasing	China	1	1
Inspection and testing services	Singapore	5	5
Inspection and testing services	Malaysia	1	1
Inspection and testing services	China	2	2
Taxi	Singapore	2	2
Taxi	China	7	8
Taxi	United Kingdom	11	11
Taxi	Vietnam	2	2

Details of subsidiaries are included in Note 38(a).

13 Associates

	The Group		The Company	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
Unquoted equity shares	1.0	0.5	0.1	0.1
Add: Share of post-acquisition reserves	7.0	5.7	-	-
Total	8.0	6.2	0.1	0.1

(a) Details of significant associates are included in Note 38(b).

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

	The Group	
	2014 \$'mil	2013 \$'mil
Total assets	21.2	18.0
Total liabilities	(6.8)	(6.3)
Net assets	14.4	11.7
Group's share of associates' net assets	7.0	5.7
Revenue	15.9	14.4
Profit for the year	8.7	8.2
Group's share of associates' profit	4.3	4.0

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14 Vehicles, Premises and Equipment

	Buses \$'mil	Leasehold bus depots \$'mil	Leasehold land and buildings \$'mil	Freehold land and buildings \$'mil
The Group				
Cost:				
At 1 January 2013	2,112.2	93.9	307.4	188.6
Arising from acquisition of subsidiaries	17.9	-	14.2	8.4
Arising from disposal of subsidiaries	(31.7)	-	(4.0)	-
Additions	80.1	-	1.8	0.2
Disposals	(149.8)	-	(13.3)	-
Reclassification	-	-	(2.4)	-
Transfers from capital projects in progress	176.1	1.6	-	-
Exchange differences	(24.5)	-	7.2	(12.4)
At 31 December 2013	2,180.3	95.5	310.9	184.8
Arising from acquisition of a subsidiary	15.2	-	-	5.0
Arising from disposal of a subsidiary	-	-	(2.2)	-
Additions	64.4	-	4.7	3.2
Disposals	(113.1)	-	(3.2)	(9.1)
Transfers from capital projects in progress	196.1	-	7.2	-
Exchange differences	(29.4)	-	0.5	(5.9)
At 31 December 2014	2,313.5	95.5	317.9	178.0
Accumulated depreciation:				
At 1 January 2013	745.9	71.3	156.3	11.4
Depreciation	118.9	1.8	10.8	1.6
Arising from disposal of subsidiaries	(23.5)	-	(2.3)	-
Reclassification	-	-	0.5	(0.5)
Disposals	(96.1)	-	(4.6)	-
Exchange differences	(7.2)	-	1.9	0.3
At 31 December 2013	738.0	73.1	162.6	12.8
Depreciation	124.2	1.6	10.8	1.7
Arising from disposal of a subsidiary	-	-	(0.3)	-
Disposals	(107.6)	-	(3.2)	(0.1)
Exchange differences	(10.2)	-	0.3	(0.3)
At 31 December 2014	744.4	74.7	170.2	14.1
Provision for impairment:				
At 1 January 2013	0.1	-	-	-
Provision for the year	-	-	-	-
At 31 December 2013	0.1	-	-	-
Provision for the year	-	-	-	-
At 31 December 2014	0.1	-	-	-
Carrying amount:				
At 31 December 2014	1,569.0	20.8	147.7	163.9
At 31 December 2013	1,442.2	22.4	148.3	172.0

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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
1,367.5	261.0	146.2	29.3	40.5	49.1	4,595.7
-	-	0.2	-	-	-	40.7
(1.3)	(0.3)	(0.7)	(1.0)	(3.4)	-	(42.4)
203.4	8.1	11.2	6.0	3.4	185.9	500.1
(110.4)	(53.7)	(2.9)	(4.4)	(1.5)	-	(336.0)
-	-	(0.8)	-	-	3.2	-
9.3	6.0	1.8	-	0.9	(195.7)	-
13.7	1.9	(17.2)	-	(0.3)	0.3	(31.3)
1,482.2	223.0	137.8	29.9	39.6	42.8	4,726.8
-	-	-	0.1	-	-	20.3
(0.5)	-	(0.4)	-	(0.1)	-	(3.2)
208.4	6.6	18.8	1.8	1.5	202.2	511.6
(108.2)	(4.9)	(6.4)	(1.5)	(1.2)	(0.2)	(247.8)
6.6	3.2	0.5	0.1	0.3	(214.0)	-
4.6	(4.4)	(1.9)	(0.1)	(0.9)	(2.6)	(40.1)
1,593.1	223.5	148.4	30.3	39.2	28.2	4,967.6
535.0	219.3	93.2	15.9	30.5	-	1,878.8
167.4	16.4	10.7	2.8	2.7	-	333.1
(0.6)	(0.2)	(0.7)	(0.5)	(1.5)	-	(29.3)
-	0.3	-	(0.1)	(0.2)	-	-
(93.0)	(52.5)	(2.5)	(3.2)	(1.6)	-	(253.5)
6.5	1.9	0.3	-	(0.3)	-	3.4
615.3	185.2	101.0	14.9	29.6	-	1,932.5
181.9	12.0	11.6	3.1	2.3	-	349.2
(0.1)	-	(0.3)	-	(0.1)	-	(0.8)
(88.9)	(4.6)	(6.1)	(1.3)	(1.3)	-	(213.1)
2.4	(4.1)	(1.4)	-	(0.9)	-	(14.2)
710.6	188.5	104.8	16.7	29.6	-	2,053.6
10.0	0.2	-	-	-	-	10.3
6.6	-	-	-	-	-	6.6
16.6	0.2	-	-	-	-	16.9
2.0	-	-	-	-	-	2.0
18.6	0.2	-	-	-	-	18.9
863.9	34.8	43.6	13.6	9.6	28.2	2,895.1
850.3	37.6	36.8	15.0	10.0	42.8	2,777.4

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14 Vehicles, Premises and Equipment (Cont'd)

Buses of the Group with a total carrying amount of \$296.4 million (2013 : \$373.8 million) are either under finance lease arrangements or secured for bank loans as disclosed in Note 18.

During the financial year, the Group carried out a review of the recoverable amount of its taxis. The review led to a provision for impairment of \$2.0 million (2013 : \$6.6 million) that had been recognised in profit or loss. The recoverable amount of the taxis has been determined on the basis of their value in use.

	Leasehold bus depots \$'mil	Leasehold buildings \$'mil	Computers and automated equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Total \$'mil
The Company						
Cost:						
At 1 January 2013	7.6	52.2	4.1	0.3	7.4	71.6
Additions	-	0.1	0.6	0.4	0.5	1.6
Disposals	-	-	-	(0.3)	(0.1)	(0.4)
At 31 December 2013	7.6	52.3	4.7	0.4	7.8	72.8
Additions	-	0.7	0.2	-	0.2	1.1
Disposal	-	-	(0.5)	-	(0.1)	(0.6)
At 31 December 2014	7.6	53.0	4.4	0.4	7.9	73.3
Accumulated depreciation:						
At 1 January 2013	7.6	40.3	3.5	0.2	6.4	58.0
Depreciation	-	1.7	0.3	0.1	0.3	2.4
Disposal	-	-	-	(0.3)	-	(0.3)
At 31 December 2013	7.6	42.0	3.8	-	6.7	60.1
Depreciation	-	1.7	0.4	0.1	0.3	2.5
Disposals	-	-	(0.5)	-	(0.1)	(0.6)
At 31 December 2014	7.6	43.7	3.7	0.1	6.9	62.0
Carrying amount:						
At 31 December 2014	-	9.3	0.7	0.3	1.0	11.3
At 31 December 2013	-	10.3	0.9	0.4	1.1	12.7

Notes to the Financial Statements

31 December 2014

15 Taxi Licences

	The Group	
	2014 \$'mil	2013 \$'mil
Cost:		
At beginning of year	271.9	261.1
Additions	4.9	2.2
Arising from disposal of a subsidiary	-	(6.5)
Exchange differences	4.7	15.1
At end of year	281.5	271.9
Accumulated amortisation:		
At beginning of year	43.1	36.0
Amortisation for the year	4.5	4.3
Disposal	-	(0.6)
Exchange differences	1.8	3.4
At end of year	49.4	43.1
Carrying amount:		
At end of year	232.1	228.8
At beginning of year	228.8	225.1

Of the carrying amount of \$232.1 million (2013 : \$228.8 million) is \$179.8 million (2013 : \$174.2 million) of taxi licences in China and \$9.3 million (2013 : \$9.6 million) of bus operating rights in the United Kingdom with indefinite lives.

The remaining balance of \$43.0 million (2013 : \$45.0 million) relates to the taxi licences in China with finite useful lives over which the assets are amortised.

16 Goodwill

	The Group	
	2014 \$'mil	2013 \$'mil
Cost:		
At beginning of year	458.3	344.1
Adjustment/Arising from acquisition of subsidiaries	9.0	136.2
Arising from disposal of a subsidiary	(0.1)	-
Exchange differences	(13.5)	(22.0)
At end of year	453.7	458.3

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 \$453.7 million (2013 : \$458.3 million) is allocated to the bus business in Australia of \$277.0 million (2013 : \$279.7 million) and the United Kingdom of \$117.2 million (2013 : \$119.0 million); taxi business in Australia of \$26.0 million (2013 : \$26.0 million), China of \$2.9 million (2013 : \$2.9 million), the United Kingdom of \$4.8 million (2013 : \$4.8 million) and Vietnam of \$0.9 million (2013 : \$0.9 million). In Singapore, the carrying amount of goodwill of \$9.4 million (2013 : \$9.4 million) and \$10.5 million (2013 : \$10.5 million) is allocated to the bus and inspection and testing businesses respectively. The remaining balance of \$5.0 million (2013 : \$5.0 million) is allocated to vehicle leasing business in Malaysia of \$1.5 million (2013 : \$1.5 million), inspection and testing business in China of \$3.0 million (2013 : \$3.0 million), and driving centre business in China of \$0.5 million (2013 : \$0.5 million).

Notes to the Financial Statements

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17 Deferred Tax Assets/Liabilities

	The Group		The Company	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
Deferred tax assets	21.8	8.4	-	-
Deferred tax liabilities	(204.3)	(204.1)	(2.8)	(2.8)
Net	(182.5)	(195.7)	(2.8)	(2.8)
At beginning of year	(195.7)	(189.2)	(2.8)	(0.3)
Acquisition of subsidiaries	-	0.1	-	-
Disposal of subsidiaries	-	1.3	-	-
Charge to profit or loss (Note 29)	(11.4)	(13.4)	-	(2.5)
Over provision in prior years (Note 29)	1.6	0.4	-	-
Changes in tax rate	0.6	1.4	-	-
Arising from movement in other comprehensive income statement	20.3	(0.2)	-	-
Exchange differences	2.1	3.9	-	-
At end of year	(182.5)	(195.7)	(2.8)	(2.8)

The balances in the accounts comprise the tax effects of:

	The Group		The Company	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
Deferred tax assets				
Excess of book over tax depreciation	0.2	0.1	-	-
Provisions	13.4	3.8	-	-
Tax losses	8.2	4.5	-	-
	21.8	8.4	-	-
Deferred tax liabilities				
Accelerated tax depreciation	(236.8)	(236.9)	(1.8)	(1.8)
Other items	32.5	32.8	(1.0)	(1.0)
	(204.3)	(204.1)	(2.8)	(2.8)

18 Borrowings

	The Group	
	2014 \$'mil	2013 \$'mil
Borrowings comprise of the following:		
(a) Short-term loans	96.3	150.2
(b) Long-term loans	257.4	241.3
(c) Medium Term Notes	250.0	250.0
(d) Finance lease obligations	133.4	166.4
	737.1	807.9
Analysed as:		
Current	243.4	218.4
Non-current	493.7	589.5
Total	737.1	807.9

Notes to the Financial Statements

31 December 2014

18 Borrowings (Cont'd)

(a) Short-term loans

	The Group	
	2014 \$'mil	2013 \$'mil
Bank loans - unsecured	92.0	150.1
Loan from a non-controlling shareholder of subsidiaries - unsecured	4.3	0.1
	96.3	150.2

- (i) The unsecured bank loans comprise of \$92.0 million (2013 : \$147.9 million) at floating interest ranging from 0.46% to 0.62% (2013 : 0.40% to 9.60%) per annum and \$Nil (2013 : \$2.2 million) at fixed interest rates ranging from 5.45% to 6.00% per annum. The fixed interest bank loans have been fully repaid during the year.
- (ii) The \$4.3 million (2013 : \$0.1 million) loan from the non-controlling shareholder of subsidiaries are at floating interest rates ranging from 0% to 4.28% (2013 : interest-free) per annum.

(b) Long-term loans

	The Group	
	2014 \$'mil	2013 \$'mil
Bank loans - secured	94.4	142.2
Bank loans - unsecured	2.1	0.3
Loan from a non-controlling shareholder of a subsidiary - unsecured	20.4	21.2
Loan from an external party - secured	140.5	77.6
Total	257.4	241.3
Less: Amount due for settlement within 12 months (shown as current liabilities):		
Bank loans - secured	(11.4)	(34.6)
Bank loans - unsecured	(0.5)	-
Loan from an external party - secured	(9.0)	(5.0)
Total	(20.9)	(39.6)
Amount due for settlement after 12 months	236.5	201.7

The borrowings are repayable as follows:

On demand or within one year	20.9	39.6
In the second year	21.3	85.8
In the third year	21.2	9.2
In the fourth year	30.4	14.0
In the fifth year	49.6	19.5
After five years	114.0	73.2
	257.4	241.3

Notes to the Financial Statements

31 December 2014

18 Borrowings (Cont'd)

- (i) The \$94.4 million (2013 : \$142.2 million) secured bank loans are secured on buses (see Note 14). Of the \$94.4 million secured bank loans, \$35.1 million (2013 : \$76.5 million) bear fixed interest at rates ranging from 6.88% to 7.50% (2013 : 6.88% to 7.62%) per annum and the remaining \$59.3 million (2013 : \$65.7 million) bear floating interest at rates ranging from 4.00% to 4.09% (2013 : 1.95% to 3.95%) per annum.
- (ii) The \$2.1 million (2013 : \$0.3 million) unsecured bank loan bears fixed interest at rate of 6.15% (2013 : 6.65%) per annum.
- (iii) The \$20.4 million (2013 : \$21.2 million) unsecured loan from a non-controlling shareholder of a subsidiary bears floating interest at rate of 4.28% (2013 : 4.21%) per annum.
- (iv) The \$140.5 million (2013 : \$77.6 million) loan from an external party is secured over buses and related accessories acquired by a subsidiary under the Bus Service Enhancement Program. As at the end of the reporting period, the carrying amounts of the vehicles pledged amounted to \$125.6 million (2013 : \$70.1 million). The loan bears an interest rate of 6.00% (2013 : 6.00%) per annum for the first 5 years and is payable to the extent of the financing subsidy made available to the subsidiary.
- (v) The fair values of the Group's long term loans approximate their carrying amount.

(c) Medium Term Notes

	The Group	
	2014 \$'mil	2013 \$'mil
Medium Term Notes - unsecured	250.0	250.0
The Medium Term Notes are repayable as follows:		
Within one year	100.0	-
In the second year	-	100.0
In the third year	150.0	-
In the fourth year	-	150.0
	250.0	250.0

- (i) In 2012, a subsidiary issued \$150.0 million 5-year fixed rate unsecured Series 002 notes due in September 2017. The notes bear an interest rate of 1.80% per annum payable on a semi-annual basis. The same subsidiary issued \$100.0 million 5-year fixed rate unsecured Series 001 notes due in October 2015 in 2010. The notes bear an interest rate of 1.95% per annum payable on a semi-annual basis.
- (ii) The fair value of the Group's Medium Term Notes approximate their carrying amount.

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18 Borrowings (Cont'd)

(d) Finance lease obligations

	<u>The Group</u>			
	<u>Minimum lease payments</u>		<u>Present value of minimum lease payments</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'mil</u>	<u>\$'mil</u>	<u>\$'mil</u>	<u>\$'mil</u>
Amounts payable under finance leases:				
Within one year	32.6	36.4	26.2	28.6
Within the second to fifth year inclusive	89.6	110.1	72.5	88.7
After five years	39.8	57.7	34.7	49.1
	162.0	204.2	133.4	166.4
Less: Future finance charges	(28.6)	(37.8)	NA	NA
Present value of finance lease obligations	133.4	166.4	133.4	166.4
Amount due for settlement within 12 months (shown under current liabilities)			(26.2)	(28.6)
Amount due for settlement after 12 months			107.2	137.8

It is the Group's policy to lease certain of its buses under finance leases. The lease terms range from 8 to 15 years (2013 : 8 to 15 years). For the year ended 31 December 2014, the effective borrowing rate varies from 0.92% to 8.44% (2013 : 0.92% 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 14).

19 Trade And Other Payables

	<u>The Group</u>		<u>The Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>\$'mil</u>	<u>\$'mil</u>	<u>\$'mil</u>	<u>\$'mil</u>
Outside parties	340.9	208.3	0.6	0.9
Accruals	386.2	338.5	52.5	28.8
Deposits received - current [Note 23(a)]	58.3	58.6	0.8	1.0
Deferred income from customers - current [Note 23(b)]	32.5	32.5	-	-
Associates (non-trade)	5.8	6.9	5.8	6.9
Others	4.8	4.5	0.4	0.1
Total	828.5	649.3	60.1	37.7

The credit period on purchases of goods and services ranges from 7 days to 120 days (2013 : 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.

Notes to the Financial Statements

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19 Trade and Other Payables (Cont'd)

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	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
USD	16.8	20.7	-	-
Others	0.5	0.7	-	-

20 Deferred Grants

	The Group	
	2014 \$'mil	2013 \$'mil
Deferred grants	309.7	306.2
Analysed as:		
Current	17.4	17.7
Non-current	292.3	288.5
Total	309.7	306.2

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

21 Due to Subsidiaries

	The Company	
	2014 \$'mil	2013 \$'mil
Due to subsidiaries	528.8	476.3

Of the amount of \$528.8 million (2013 : \$476.3 million) due to subsidiaries, \$422.5 million (2013 : \$370.0 million) represent funds under central pooling which bear variable interest at rates ranging from 0.05% to 1.30% (2013 : 0.24% to 0.86%) per annum are unsecured and repayable on demand. The remaining balance of \$106.3 million (2013 : \$106.3 million) is interest-free, unsecured and repayable on demand.

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22 Insurance Premiums Payable and Provision for Accident Claims

	The Group	
	2014 \$'mil	2013 \$'mil
At beginning of year	84.5	84.6
Charges	79.5	77.7
Payments	(79.6)	(79.0)
Exchange differences	(0.4)	1.2
At end of year	84.0	84.5
The balance comprises provision for:		
Insurance premiums	14.0	18.7
Accident claims	70.0	65.8
	84.0	84.5

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 premium and accidents claim involving the Group's vehicles (Note 3).

23 Other Liabilities

	The Group		The Company	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
Other liabilities comprised:				
a) Deposits received	90.1	91.2	-	-
b) Deferred income from customers	-	1.0	-	-
c) Provision for service benefits and long service awards	15.7	15.8	0.1	0.1
d) Retirement benefits obligations	17.5	17.6	-	-
	123.3	125.6	0.1	0.1

a) Deposits received

	The Group	
	2014 \$'mil	2013 \$'mil
Deposits received from taxi hirers	148.4	149.8
Less: Due within 12 months (Note 19)	(58.3)	(58.6)
Due after 12 months	90.1	91.2

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 period 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.

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23 Other Liabilities (Cont'd)

b) Deferred income

	The Group	
	2014 \$'mil	2013 \$'mil
Deferred income received from customers	32.5	33.5
Less: Due within 12 months (Note 19)	(32.5)	(32.5)
Due after 12 months	-	1.0

c) Provision for service benefits and long service awards

	The Group		The Company	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
At beginning of year	15.8	17.9	0.1	0.1
Charges (Reversal)	1.5	(1.1)	-	-
Payments	(1.4)	(0.5)	-	-
Exchange differences	(0.2)	(0.5)	-	-
At end of year	15.7	15.8	0.1	0.1

d) 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	
	2014 \$'mil	2013 \$'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	146.1	131.2
Fair value of plan assets at end of year	(128.6)	(113.6)
Net liability recognised at end of year	17.5	17.6

24 Share Capital

	The Group and The Company			
	2014 Number of ordinary shares (million)	2013 Number of ordinary shares (million)	2014 \$'mil	2013 \$'mil
Issued and paid-up:				
At beginning of year	2,125.5	2,102.0	622.7	585.1
Exercise of share options	13.9	23.5	23.7	37.6
At end of year	2,139.4	2,125.5	646.4	622.7

Details of the outstanding share options of the Company as at the end of the financial year are set out in paragraph 5 of the Report of the Directors and in Note 27(e).

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

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25 Other Reserves

	The Group		The Company	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
Retirement benefit reserve:				
At beginning of year	(40.9)	(37.5)	-	-
Actuarial adjustment on defined benefit plans	(3.3)	(3.4)	-	-
At end of year	(44.2)	(40.9)	-	-
Merger reserve:				
At beginning and end of year	31.4	31.4	31.4	31.4
Others:				
At beginning of year	20.0	20.2	(35.6)	(22.9)
Fair value (loss) gain on cash flow hedges	(90.1)	1.4	-	-
Fair value gain (loss) on available-for-sale investments	5.0	0.9	4.0	(9.8)
Recognition of share-based payments	-	0.6	-	0.6
Exercise of share options	(2.1)	(3.1)	(2.1)	(3.1)
Transfer from (to) accumulated profits	2.5	1.6	(0.2)	(0.4)
Others	0.1	(1.6)	-	-
At end of year	(64.6)	20.0	(33.9)	(35.6)
Net	(77.4)	10.5	(2.5)	(4.2)

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.

Others comprise mainly statutory reserves in compliance with local regulations, investment revaluation reserve, hedging reserve and share option reserve.

26 Revenue

	The Group	
	2014 \$'mil	2013 \$'mil
Rendering of services	4,051.3	3,747.7

Notes to the Financial Statements

31 December 2014

27 Staff Costs

(a) Directors' remuneration (included in staff costs)

The remuneration of the Managing Director/Group Chief Executive Officer is determined by the Remuneration Committee having regard to the performance of the individual and the Group, as follows:

Remuneration band	The Group			Total compensation %
	Salary %	Bonus %	Others %	
2014				
\$1,750,000 - \$1,999,999 Kua Hong Pak	55.4	43.6	1.0	100
2013				
\$1,750,000 - \$1,999,999 Kua Hong Pak	55.4	43.6	1.0	100

The remuneration of one (2013 : one) non-executive Director is between \$250,000 and \$500,000 and comprised entirely of Directors' fees (Note 30).

The remuneration of all the other non-executive Directors is below \$250,000 and comprised entirely of Directors' fees (Note 30).

(b) Key executives' remuneration (included in staff costs)

The remuneration of the key executives are determined by the Remuneration Committee having regard to the performance of the individuals and the Group, as follows:

Remuneration band	The Group			Total compensation %
	Salary %	Bonus %	Others %	
2014				
\$750,000 - \$999,999 No. of executives: 4	47.6	48.6	3.8	100
\$500,000 - \$749,999 No. of executives: 2	48.6	46.6	4.8	100
\$250,000 - \$499,999 No. of executives: 12	53.5	39.7	6.8	100

Notes to the Financial Statements

31 December 2014

27 Staff Costs (Cont'd)

Remuneration band	The Group			Total compensation %
	Salary %	Bonus %	Others %	
2013				
\$750,000 - \$999,999 No. of executives: 4	48.4	47.5	4.1	100
\$500,000 - \$749,999 No. of executives: 2	48.3	46.3	5.4	100
\$250,000 - \$499,999 No. of executives: 10	54.1	39.3	6.6	100

The Code of Corporate Governance 2012 recommends the disclosure of the remuneration of Directors and the Group's top five key executives. The Board had considered this matter carefully and has decided against such disclosure. Given the wage disparities in the industry and the likely competitive pressures resulting from such disclosures, it is felt that the disadvantages of disclosure will outweigh the benefits.

- (c) The remuneration of the Directors and key executives comprises mainly of short-term benefits amounting to \$12.8 million (2013 : \$11.5 million).

	The Group	
	2014 \$'mil	2013 \$'mil
(d) Cost of defined contribution plan (included in staff costs)	126.8	117.6

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.

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

Share option scheme

The Company and certain subsidiaries have share option schemes for certain employees and Directors of the respective companies. The scheme is administered by the Remuneration Committees of the respective companies. Information on the share option plans is disclosed in paragraph 5 to the Report of the Directors. 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. The vesting period is 1 year. 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 2014

27 Staff Costs (Cont'd)

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

(i) The Company

	2014		2013	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	45,485,000	1.57	70,178,500	1.54
Cancelled/Lapsed during the year	(1,070,000)	1.82	(1,180,000)	1.86
Exercised during the year	(13,900,900)	1.56	(23,513,500)	1.47
Outstanding at the end of the year	30,514,100	1.56	45,485,000	1.57
Exercisable at the end of the year	30,514,100	1.56	45,485,000	1.57

The weighted average share price at the date of exercise for share options exercised during the year was \$2.29 (2013 : \$1.91). The options outstanding at the end of the year have an average remaining contractual life of 4.5 years (2013 : 5.4 years).

(ii) SBS Transit Ltd

	2014		2013	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	6,173,750	2.29	7,306,250	2.27
Cancelled/Lapsed during the year	(340,000)	2.22	(1,132,500)	2.18
Exercised during the year	(415,000)	1.58	-	-
Outstanding at the end of the year	5,418,750	2.35	6,173,750	2.29
Exercisable at the end of the year	5,418,750	2.35	6,173,750	2.29

The weighted average share price at the date of exercise for share options exercised during the year was \$1.70 (2013 : NA). The options outstanding at the end of the year have a weighted average remaining contractual life of 2.8 years (2013 : 3.5 years).

Notes to the Financial Statements

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27 Staff Costs (Cont'd)

(iii) VICOM Ltd

	2014		2013	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	143,000	2.41	415,000	2.42
Exercised during the year	(123,000)	2.37	(272,000)	2.42
Outstanding at the end of the year	20,000	2.68	143,000	2.41
Exercisable at the end of the year	20,000	2.68	143,000	2.41

The weighted average share price at the date of exercise for share options exercised during the year was \$5.66 (2013 : \$4.95). The options outstanding at the end of the year have an average remaining contractual life of 5.5 years (2013 : 6.0 years).

- (iv) The Group recognised total expense of \$Nil (2013 : \$0.6 million) related to share-based payment transactions (included in staff costs) during the year.

28 Finance Costs

	The Group	
	2014 \$'mil	2013 \$'mil
Interest expense on:		
Loans and Medium Term Notes	14.3	17.2
Finance leases	7.7	10.2
Total	22.0	27.4

29 Taxation

	The Group	
	2014 \$'mil	2013 \$'mil
Taxation charge comprises:		
Taxation charge in respect of profit for the financial year:		
Current taxation	83.0	78.1
Deferred taxation relating to the origination and reversal of temporary differences (Note 17)	11.4	13.4
Effect of change in tax rate	94.4	91.5
Adjustments in respect of under (over) provision in prior years:	(0.6)	(1.4)
Current taxation	0.1	(2.7)
Deferred taxation (Note 17)	(1.6)	(0.4)
	92.3	87.0

Domestic income tax is calculated at 17% (2013 : 17%) of the estimated assessable profit for the year. Taxation for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions.

Notes to the Financial Statements

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29 Taxation (Cont'd)

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

	The Group	
	2014 \$'mil	2013 \$'mil
Profit before taxation	436.3	414.3
Income tax expense calculated at 17% (2013 : 17%)	74.2	70.4
Effect of items that are not (taxable) deductible in determining taxable profit	(1.1)	3.6
Effect of change in tax rate	(0.6)	(1.4)
Effect of previously unrecognised and unused tax benefits	-	0.2
Effect of different tax rates of subsidiaries operating in other jurisdictions	21.8	18.6
Tax rebates	(0.2)	(0.1)
Tax effect of share of results of associate	(0.8)	(0.7)
Overprovision in prior years	(1.5)	(3.1)
Other items	0.5	(0.5)
	92.3	87.0

Subject to agreement with the relevant tax authorities, certain subsidiaries have tax losses that are not recognised amounting to \$4.6 million (2013 : \$3.1 million) and the resultant deferred tax benefits of \$1.1 million (2013 : \$0.8 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.

30 Profit After Taxation

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

	The Group	
	2014 \$'mil	2013 \$'mil
Amortisation of taxi and other licences	4.5	4.3
Depreciation expense	349.2	333.1
Provision for impairment on vehicles and automated equipment (included in other operating costs)	2.0	6.6
Net gain on disposal of vehicles	(6.1)	(2.7)
Directors' fees	1.1	1.0
Equipment written off	0.1	0.5
Audit fees:		
Auditors of the Company	0.5	0.5
Other auditors	0.7	0.7
Non-audit fees:		
Auditors of the Company	0.3	0.3

Included in profit after taxation is legal fees of \$19,000 (2013 : \$26,000) paid to a firm of which a Director is a partner.

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31 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:

	2014	2013
Net profit attributable to shareholders of the Company (\$'mil)	283.5	263.2
Weighted average number of ordinary shares in issue (million)	2,133.1	2,116.7
Basic earnings per share (in cents)	13.29	12.43

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.

	2014	2013
Net profit attributable to shareholders of the Company (\$'mil)	283.5	263.2
Weighted average number of ordinary shares in issue (million)	2,133.1	2,116.7
Adjustments for share options (million)	10.0	9.3
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	2,143.1	2,126.0
Diluted earnings per share (in cents)	13.23	12.38

32 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 8 major operating divisions:

- a) Bus : Income is generated through bus fare collections, contracted revenue for operation of scheduled services, provision of coach rental services and ancillary advertisement income.
- b) Bus station : Income is generated mainly through commission income from fare collection.
- c) Rail : Income is generated through rail fare collection and ancillary advertisement income.
- d) Taxi : Income is generated through renting out taxis, operating taxi bureau services and ancillary advertisement income.
- e) 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 sales of diesel.
- f) 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.
- g) Car rental and leasing : Income is generated through renting and leasing of cars.
- h) Driving centre : Income is generated through operating driving schools.

Notes to the Financial Statements

31 December 2014

32 Segment Information (Cont'd)

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the Group's income statement that are directly attributable to a segment and the relevant portion of such revenue and expense 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, finance lease 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.

(i) Business Segments

	Bus \$'mil	Bus station \$'mil	Rail \$'mil	Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Elimination \$'mil	Total \$'mil
Financial Year 2014										
REVENUE										
External sales	2,054.7	29.1	196.8	1,283.7	302.7	109.1	35.9	39.3	-	4,051.3
Inter-segment sales	2.8	-	-	-	127.0	2.9	0.2	0.3	(133.2)	-
TOTAL	2,057.5	29.1	196.8	1,283.7	429.7	112.0	36.1	39.6	(133.2)	4,051.3
RESULT										
Operating profit	164.6	12.5	7.6	150.9	51.4	36.8	9.1	9.2	-	442.1
Net income from investments										11.9
Finance costs										(22.0)
Share of profit in associates										4.3
Profit before taxation										436.3
Taxation										(92.3)
Profit after taxation										344.0
Non-controlling interests										(60.5)
Profit attributable to shareholders of the Company										283.5
OTHER INFORMATION										
Additions to vehicles, premises and equipment	292.2	0.9	1.2	203.0	1.6	5.4	26.8	0.8	-	531.9
Additions to taxi licences	-	-	-	4.9	-	-	-	-	-	4.9
Additions to goodwill	9.0	-	-	-	-	-	-	-	-	9.0
Depreciation expense	138.5	1.7	2.7	184.9	2.3	6.3	10.6	2.2	-	349.2
Amortisation expense	-	-	-	4.5	-	-	-	-	-	4.5
Provision for impairment loss recognised in income statement	-	-	-	2.0	-	-	-	-	-	2.0

Notes to the Financial Statements

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32 Segment Information (Cont'd)

	Bus \$'mil	Bus station \$'mil	Rail \$'mil	Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Elimination \$'mil	Total \$'mil
OTHER INFORMATION										
Additions to vehicles, premises and equipment	299.0	1.1	8.6	205.5	1.5	4.2	17.0	3.9	-	540.8
Additions to taxi licences	-	-	-	2.2	-	-	-	-	-	2.2
Additions to goodwill	124.4	-	-	-	-	-	-	-	-	124.4
Depreciation expense	135.4	1.8	1.8	173.7	2.4	6.1	9.7	2.2	-	333.1
Amortisation expense	-	-	-	4.3	-	-	-	-	-	4.3
Provision for impairment loss recognised in income statement	-	-	-	6.6	-	-	-	-	-	6.6
STATEMENT OF FINANCIAL POSITION										
ASSETS										
Segment assets	2,195.3	20.9	58.0	1,188.7	75.2	69.7	74.1	30.0	-	3,711.9
Goodwill	408.1	-	-	34.6	0.1	13.5	1.5	0.5	-	458.3
Associates										6.2
Cash, fixed deposits, equities and bonds										899.9
Deferred tax assets										8.4
Consolidated total assets										5,084.7
LIABILITIES										
Segment liabilities	742.9	24.0	43.9	315.7	51.3	20.9	9.6	13.0	-	1,221.3
Borrowings										807.9
Income tax payable										56.9
Deferred tax liabilities										204.1
Consolidated total liabilities										2,290.2

(ii) Geographical Segments

	Revenue		Non-current assets *		Additions to non-current assets*	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
Geographical Location						
Singapore	2,399.6	2,229.8	1,929.8	1,791.3	393.3	375.8
United Kingdom/Ireland	1,014.1	802.3	454.1	459.2	45.0	166.6
Australia	413.5	485.0	799.8	816.9	59.7	85.8
China	212.9	220.1	378.1	377.6	43.5	32.0
Vietnam	7.1	6.3	12.8	13.1	3.0	5.4
Malaysia	4.1	4.2	6.3	6.4	1.3	1.8
Total	4,051.3	3,747.7	3,580.9	3,464.5	545.8	667.4

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

Notes to the Financial Statements

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33 Commitments

As at 31 December 2014, the Group has the following commitments:

Capital commitments contracted for but not provided for in the financial statements:

	The Group	
	2014 \$'mil	2013 \$'mil
Purchase of equipment	9.0	11.3
Purchase of buses, taxis and motor vehicles	514.4	306.2
Purchase of computer systems	6.2	5.0
Development of bus depots and properties	12.9	0.6
	542.5	323.1

34 Operating Lease Arrangements

The Group as lessee

	The Group	
	2014 \$'mil	2013 \$'mil
Minimum lease payment under operating leases recognised as expense in the year	29.6	28.1

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

	The Group		The Company	
	2014 \$'mil	2013 \$'mil	2014 \$'mil	2013 \$'mil
Within one year	27.7	25.0	3.0	2.8
In the second to fifth year inclusive	61.3	63.1	11.5	11.4
After five years	84.6	97.7	-	2.4
Total	173.6	185.8	14.5	16.6

Leases are negotiated for average terms ranging from 1 year to 30 years and rental is fixed ranging from 1 year to 30 years.

Notes to the Financial Statements

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34 Operating Lease Arrangements (Cont'd)

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 \$221.2 million (2013 : \$209.7 million).

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

	The Group	
	2014	2013
	\$'mil	\$'mil
Within one year	203.6	196.6
In the second to fifth year inclusive	359.5	510.6
After five years	49.8	52.8
Total	612.9	760.0

35 Financial Instruments, Financial Risks and Capital Risks Management

(a) Financial risk management policies and objectives

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

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

(i) Foreign exchange risk management

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

Foreign currency sensitivity

The bulk of the Group's foreign currency exposures are in the functional currencies of its respective operations. Exposures to foreign currencies that are non-functional are actively managed as part of the overall foreign exchange risk management. Based on sensitivity analysis performed, Management has assessed that the exposure to changes in foreign exchange rates is minimal and hence the resulting impact on profit or other comprehensive income of the Group is insignificant.

Notes to the Financial Statements

31 December 2014

35 Financial Instruments, Financial Risks and Capital Risks Management (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.

Further details of the interest rate hedges can be found in Note 35(b). Summary quantitative data of the Group's interest-bearing financial instruments are disclosed in Note 35(d).

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 period, 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 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. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The carrying amount of financial assets represents the maximum credit risk exposure of the Group.

(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 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 period, every one percentage point change in the rates of diesel and electricity using the closing rates as at the end of the reporting period as a basis will impact the Group's annual fuel and electricity costs by \$0.4 million (2013 : \$1.4 million). The sensitivity analysis assumes that consumption is held constant at the same level as in 2014.

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35 Financial Instruments, Financial Risks and Capital Risks Management (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 available-for-sale investments are classified into Level 1. The Group's hedging instruments are classified into Level 2. None of the fair value of the financial instrument is classified in Level 3. There are also no transfers between Levels 1 and 2 of the fair value hierarchy during the financial year.

(b) Hedging instruments

	2014		2013	
	Assets \$'mil	Liabilities \$'mil	Assets \$'mil	Liabilities \$'mil
The Group				
At fair values:				
Interest rate hedges	-	-	0.2	-
Foreign exchange hedges	14.8	-	2.6	2.0
Fuel hedges	-	123.6	11.2	-
	14.8	123.6	14.0	2.0
Analysed as:				
Current	14.8	123.6	13.8	2.0
Non-current	-	-	0.2	-
Total	14.8	123.6	14.0	2.0

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 period, discounted at a rate that reflects the credit risk of the various counterparties.

Notes to the Financial Statements

31 December 2014

35 Financial Instruments, Financial Risks and Capital Risks Management (Cont'd)

At the end of the reporting period, the Group has outstanding fuel and foreign exchange hedges with notional amounts totalling \$345.7 million (2013: \$191.6 million).

As at 31 December 2014, the fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the end of the reporting period, comprised \$14.8 million assets (2013 : \$14.0 million assets) and \$123.6 million liabilities (2013 : \$2.0 million liabilities).

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. As at 31 December 2014, the fair value of the Group's foreign exchange hedging instruments comprising \$14.8 million of assets (2013 : \$2.6 million of assets) was matched by an equivalent fair value adjustment on cash flow hedges in other comprehensive income. As at 31 December 2014, the fair value of the Group's foreign exchange hedging instruments comprising \$Nil of liabilities (2013 : \$2.0 million liabilities) was matched by an equivalent fair value adjustment on cash flow hedges in other comprehensive income.

The Group uses fuel hedges to hedge against fuel price risks. These arrangements are designed to address fuel price exposure. The fuel hedges are accounted for as cash flow hedges. As at 31 December 2014, the fair value of the Group's fuel hedging instruments comprised \$Nil of assets (2013 : \$11.2 million of assets) on cash flow hedges in other comprehensive income. As at 31 December 2014, the fair value of the Group's fuel hedging instruments comprising \$123.6 million of liabilities (2013 : \$Nil of liabilities) was matched by an equivalent fair value adjustment on cash flow hedges in other comprehensive income.

The Group uses interest rate hedges, involving a combination of swaps and caps, to manage its exposure to interest rate movements on its bank borrowings. The Group entered into contracts with nominal values of \$41.1 million (2013 : \$41.8 million), which involved capping the UK base rates of hire purchase at 2% (2013 : 2%).

(c) Capital risk 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.

The Group's capital management objectives are to safeguard its ability to continue as a going concern and to maximise shareholders value. Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt. The Group's debt capital refers to borrowings comprising loans under Notes 18(a) and 18(b), Medium Term Notes under Note 18(c) and finance lease payable under Note 18(d) while equity refers to total equity.

- (d) 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
2014						
Financial liabilities						
Loans:						
In functional currencies	603.7	627.7	225.8	287.0	114.9	0.5% to 7.5%
Finance leases:						
In functional currencies	133.4	162.0	32.6	89.6	39.8	0.9% to 8.4%
Total	737.1	789.7	258.4	376.6	154.7	

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35 Financial Instruments, Financial Risks and Capital Risks Management (Cont'd)

	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
2013						
Financial liabilities						
Loans:						
In functional currencies	641.5	672.3	203.3	394.9	74.1	0.4% to 9.6%
Finance leases:						
In functional currencies	166.4	204.2	36.4	110.1	57.7	0.9% to 8.4%
Total	807.9	876.5	239.7	505.0	131.8	

36 Dividends

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

	2014 \$'mil	2013 \$'mil
Final dividend in respect of the previous financial year:		
- 4.00 cents per ordinary share tax-exempt one-tier	85.3	-
- 3.50 cents per ordinary share tax-exempt one-tier	-	74.1
Interim dividend in respect of the current financial year:		
- 3.75 cents per ordinary share tax-exempt one-tier	80.1	-
- 3.00 cents per ordinary share tax-exempt one-tier	-	63.7
Total	165.4	137.8

(b) Subsequent to the end of the financial year, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 4.50 cents (2013 : 4.00 cents) per ordinary share totalling \$96.3 million (2013 : \$85.3 million) be paid for the financial year ended 31 December 2014. 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.

37 Licence Condition for Rail Services

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

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

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37 Licence Condition for Rail Services (Cont'd)

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

- (a) The licence is for an initial period of 30 years commencing 15 January 2003. SBST may apply to LTA to renew the licence for a further 30 years or any other period and upon terms and conditions as LTA may impose.
- (b) The licence fee payable to LTA is prescribed under the subsidiary legislation of the Rapid Transit Systems ("RTS") Act during the Licence Term.
- (c) SBST and LTA shall jointly review the viability on the 5th anniversary of the date of the LC or such other period as may be agreed in writing between SBST and LTA. In this review, LTA shall determine the dates and time of SBST's purchase of the operating assets of the Licensed Systems and the amount is based on the net book value as recorded in the latest audited accounts of LTA. As at the date of this report, SBST and LTA have not commenced the review.
- (d) SBST may apply in writing to LTA for a grant to replace any eligible operating assets computed based on the difference between the purchase cost of the new assets and the purchase cost of the operating assets to be replaced.

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

Downtown Line MRT System

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

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

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

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38 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	
			2014 %	2013 %
Quoted equity shares				
SBS Transit Ltd ⁽¹⁷⁾	Provision of public bus and rail services	Singapore	75.11	75.21
VICOM Ltd ⁽¹⁷⁾	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	67.07	67.16
Unquoted equity shares				
Braddell Limited ⁽³⁾	Investment holding	United Kingdom	100	100
CityCab Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	53.50	53.50
Comfort (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Bus Pte Ltd	Provision of charter bus services, rental of buses to hirers and other related services	Singapore	100	100
ComfortDelGro (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Driving Centre Pte Ltd	Operation of a driving school	Singapore	90	90
ComfortDelGro Engineering Pte Ltd	Operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel for motor vehicles	Singapore	100	100
ComfortDelGro Rent-A-Car Pte Ltd	Provision of car rental, car care and leasing services	Singapore	100	100
ComfortDelGro (S.E. Asia) Pte Ltd	Investment holding	Singapore	100	100
Comfort Transportation Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100

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38 Corporate Information and Related Company Transactions (Cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2014 %	2013 %
Unquoted equity shares				
SBS (Guangzhou) Pte Ltd	Inactive	Singapore	100	100
Moove Media Pte Ltd	Provision of advertising services	Singapore	100	100
CityFleet Networks Limited ⁽³⁾	Provision and management of taxi booking services	United Kingdom	55.72	55.72
Swan Taxis Pty Ltd ⁽³⁾	Provision of taxi services	Australia	100	100
ComfortDelGro Cabcharge Pty Ltd ⁽³⁾	Investment holding and provision of management services	Australia	55.72	55.72
Subsidiary of SBS Transit Ltd:				
SBS Transit DTL Pte Ltd	Provision of public rail services	Singapore	75.11	75.21
Subsidiaries of VICOM Ltd:				
JIC Inspection Services Pte Ltd	Vehicle inspection and other related services	Singapore	52.32	52.39
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	67.07	67.16
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	67.07	67.16
Subsidiaries of Setsco Services Pte Ltd:				
Setsco Services (M) Sdn Bhd ⁽¹⁾	Provision of testing, inspection and consultancy services	Malaysia	67.07	67.16
Setsco Consultancy International Pte Ltd	Provision of professional inspection and engineering services	Singapore	67.07	67.16
Subsidiary of Comfort (China) Pte Ltd:				
Suzhou Comfort Taxi Co., Ltd ⁽²⁾	Provision of taxi services	China	70	70

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38 Corporate Information and Related Company Transactions (Cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2014 %	2013 %
Subsidiaries of Braddell Limited:				
Irish Citylink ComfortDelGro Limited ⁽³⁾	Provision of coach services	Ireland	100	100
Metroline Limited ⁽³⁾	Investment holding	United Kingdom	100	100
Scottish Citylink Coaches Limited ⁽³⁾	Provision of long distance coach services	United Kingdom	65	65
Subsidiaries of Metroline Limited:				
Metroline Travel Limited ⁽³⁾	Provision of public bus services	United Kingdom	100	100
Metroline West Limited ⁽³⁾	Provision of public bus services	United Kingdom	100	100
Subsidiary of Scottish Citylink Coaches Limited:				
Megacity Limited ⁽³⁾	Inactive	United Kingdom	65	65
Subsidiary of CityCab Pte Ltd:				
Cabcharge Asia Pte Ltd	Provision of charge card facilities	Singapore	46.92	46.92
Subsidiary of Moove Media Pte Ltd:				
Moove Media Australia Pty Ltd ⁽¹⁶⁾	Provision of advertising services	Australia	100	100
Subsidiaries of CityFleet Networks Limited:				
Computer Cab (Edinburgh) Limited ⁽³⁾	Provision of taxi services	United Kingdom	55.72	55.72
Computer Cab plc ⁽³⁾	Provision of taxi services	United Kingdom	55.72	55.72
Computer Cab (Aberdeen) Limited ⁽³⁾	Provision of taxi services	United Kingdom	55.72	55.72
Flightlink International Limited ⁽³⁾	Provision of private hire services	United Kingdom	55.72	55.72
Computer Cab (Birmingham) Limited ⁽³⁾	Provision of taxi services	United Kingdom	55.72	55.72

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38 Corporate Information and Related Company Transactions (Cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2014 %	2013 %
Central Dispatch Limited ⁽³⁾	Provision and management of taxi booking services	United Kingdom	55.72	55.72
Computer Cab (Liverpool) Limited ⁽³⁾	Provision of taxi services	United Kingdom	55.72	55.72
Westbus Coach Services Limited ⁽³⁾	Provision of coach services	United Kingdom	55.72	55.72
Subsidiary of Computer Cab (Edinburgh) Limited:				
Onward Travel Limited ⁽³⁾	Provision of taxi services	United Kingdom	55.72	55.72
Subsidiary of Computer Cab plc:				
Cabcharge Limited ⁽³⁾	Provision and management of taxi booking card facilities	United Kingdom	55.72	55.72
Subsidiaries of ComfortDelGro (China) Pte Ltd:				
Beijing Jin Jian Taxi Services Co., Ltd ⁽⁶⁾	Provision of public taxi services through the rental of taxis to hirers	China	55	55
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd ⁽⁶⁾	Provision of motor vehicle evaluation and other related services	China	80	80
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd ⁽⁷⁾	Operation of a driving school	China	95	95
Chengdu ComfortDelGro Taxi Co., Ltd ⁽⁸⁾	Provision of public taxi services through the rental of taxis to hirers	China	100	100

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38 Corporate Information and Related Company Transactions (Cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2014 %	2013 %
Subsidiaries of ComfortDelGro (China) Pte Ltd:				
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd ⁽⁸⁾	Provision of motor vehicle evaluation and other related services	China	51	51
Chongqing ComfortDelGro Driver Training Co., Ltd ⁽⁹⁾	Operation of a driving school	China	90	90
CityCab (Shenyang) Co., Ltd ⁽⁴⁾	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	100	100
ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd ⁽⁸⁾	Provision of cars for hire	China	100	100
Guangzhou Xin Tian Wei Transportation Development Co., Ltd ⁽¹⁰⁾	Provision of bus station services	China	60	60
Jilin ComfortDelGro Taxi Co., Ltd ⁽¹¹⁾	Provision of taxi and land transport-related services in the Jilin municipality	China	97	97
Nanjing ComfortDelGro Dajian Taxi Co., Ltd ⁽¹⁵⁾	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	70	70
Nanning Comfort Transportation Co., Ltd ⁽¹²⁾	Provision of taxi and land transport-related services in the Nanning municipality	China	80	80
Shanghai City Qi Ai Taxi Services Co., Ltd ⁽¹⁴⁾	Provision of public taxi services through the rental of taxis to hirers	China	51	51
Shenyang ComfortDelGro Taxi Co., Ltd ⁽⁴⁾	Provision of public taxi services through the rental of taxis to hirers	China	80	80
Yantai ComfortDelGro Automobile Services Co., Ltd ⁽¹⁸⁾	Rental of taxis, vehicle inspection and repair	China	-	76

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38 Corporate Information and Related Company Transactions (Cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2014 %	2013 %
Subsidiary of Chengdu ComfortDelGro Taxi Co., Ltd:				
Chengdu ComfortDelGro Shengduo Consulting Co., Ltd ⁽⁸⁾	Provision of consulting services	China	100	100
Subsidiary of Jilin ComfortDelGro Taxi Co., Ltd:				
Jilin ComfortDelGro Driver Training Co., Ltd ⁽¹⁹⁾	Inactive	China	97	97
Subsidiary of Chongqing ComfortDelGro Driver Training Co., Ltd:				
Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd ⁽⁹⁾	Inactive	China	90	90
Subsidiary of Nanning Comfort Transportation Co., Ltd:				
Nanning ComfortDelGro Rent-A-Car Co., Ltd ⁽¹²⁾	Provision of cars for hire	China	80	80
Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:				
CityLimo Leasing (M) Sdn Bhd ⁽¹³⁾	Provision of car leasing services	Malaysia	100	100
Pantas Rent-A-Car Holdings Sdn Bhd ⁽¹³⁾	Investment holding	Malaysia	100	100
Vietnam Taxi Co., Ltd ⁽³⁾	Provision of taxi services	Vietnam	70	70
ComfortDelGro Savico Taxi Company ⁽³⁾	Provision of taxi services	Vietnam	60	60

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38 Corporate Information and Related Company Transactions (Cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2014 %	2013 %
Subsidiaries of ComfortDelGro Cabcharge Pty Ltd:				
Westbus Region 1 Pty Ltd ⁽³⁾	Provision of public bus services	Australia	55.72	55.72
Westbus Region 3 Pty Ltd ⁽³⁾	Provision of public bus services	Australia	55.72	55.72
Hillsbus Co Pty Ltd ⁽³⁾	Provision of public bus services	Australia	55.72	55.72
Hunter Valley Buses Pty Ltd ⁽³⁾	Provision of public bus services	Australia	55.72	55.72
Charterplus Pty Ltd ⁽³⁾	Provision of charter, coach and terminal services	Australia	55.72	55.72
CDC Victoria Pty Ltd ⁽³⁾	Investment holding	Australia	55.72	55.72
Baypalm Pty Limited ⁽³⁾	Investment holding	Australia	55.72	55.72
Blue Mountains Transit Pty Ltd ⁽³⁾⁽²⁰⁾	Provision of public bus and charter services	Australia	55.72	-
Subsidiaries of CDC Victoria Pty Ltd:				
CDC Sunshine Pty Ltd ⁽³⁾	Provision of public bus services	Australia	55.72	55.72
CDC Geelong Pty Ltd ⁽³⁾	Provision of public bus services	Australia	55.72	55.72

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38 Corporate Information and Related Company Transactions (Cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2014 %	2013 %
Subsidiaries of CDC Victoria Pty Ltd:				
CDC Oakleigh Pty Ltd ⁽³⁾	Provision of public bus services	Australia	55.72	55.72
CDC Werribee Pty Ltd ⁽³⁾	Provision of public bus services	Australia	55.72	55.72
CDC Altona Pty Ltd ⁽³⁾	Provision of public bus services	Australia	55.72	55.72
CDC Ballarat Pty Ltd ⁽³⁾	Provision of public bus services	Australia	55.72	55.72
CDC Eastrans Pty Ltd ⁽³⁾	Provision of public bus services	Australia	55.72	55.72
Subsidiary of Baypalm Pty Limited:				
Deanes Bus Lines Pty Limited ⁽³⁾	Provision of public bus services	Australia	55.72	55.72

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 Gong Zheng Certified Public Accountants Co., Ltd, China.
- (3) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.
- (4) Audited by Liao Ning Wishing Certified Public Accountants Co., Ltd, 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 Sichuan Jun Yi Certified Public Accountants Co., Ltd, China.
- (8) Audited by Sichuan Dejian Certified Public Accountants Co., Ltd, China.
- (9) Audited by Chongqing Tian Hua Certified Public Accountants Co., Ltd, China.
- (10) Audited by Guangzhou Orient Certified Public Accountants Co., Ltd, China.
- (11) Audited by Jilin Hua Tai Certified Public Accountants Co., Ltd, China.
- (12) Audited by Guangxi Bo Hua San He Certified Public Accountants Co., Ltd, China.
- (13) Audited by Bahudin & Associates, Malaysia.
- (14) Audited by Shanghai Gong Xin Zhong Nan Certified Public Accountants Co., Ltd, China.
- (15) Audited by Ruihua Certified Public Accountants Co., Ltd, China.
- (16) Audited by Mattock & Associates, Australia.

Other information

- (17) Listed on the Singapore Exchange Securities Trading Limited.
- (18) Disposed during the financial year.
- (19) Not audited.
- (20) Acquired during the financial year.

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38 Corporate Information and Related Company Transactions (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	
			2014 %	2013 %
Unquoted equity shares				
ComfortDelGro Insurance Brokers Pte Ltd ⁽¹⁾	Insurance broking, risk management, claims management and related activities	Singapore	49	49
Phillip Boyle & Associates Pty Ltd ⁽²⁾	Provision of consultancy services for bus planning and scheduling activities	Australia	49	-
Gobbler Pte Ltd ⁽³⁾	Provision of sales promotion relating to discount coupons and rebates, and trading activities	Singapore	40	40

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

⁽²⁾ Acquired during the financial year and audited by Lewis & Coble. The associate is insignificant.

⁽³⁾ Audited by N. F. Lee & Co, Singapore. The associate is insignificant.

(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.

(d) Acquisition of subsidiaries

In 2014, the acquisition of Blue Mountains Transit Pty Ltd for cash consideration of \$27.8 million had been accounted for by the acquisition method of accounting. The net assets acquired in the transactions, and the goodwill arising, were disclosed in Note (a) of the consolidated cash flow statement.

In 2013, the acquisition of Metroline West Limited and CDC Eastrans Pty Ltd for cash consideration of \$111.1 million and \$26.2 million respectively had been accounted for by the acquisition method of accounting. The net assets acquired in the transactions, and the goodwill arising, were disclosed in Note (a) of the consolidated cash flow statement.

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39 Related Party Transactions

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

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

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

	2014 \$'mil	2013 \$'mil
Expenses	0.4	0.5

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.

40 Group Properties

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE					
ComfortDelGro Corporation Limited	-	Braddell Road	66,445 sq m	30 years 4 years 10 months unexpired	Head office, bus depot, vehicle workshop
ComfortDelGro Corporation Limited	-	Kim Chuan	10,784 sq m	3 years 1 year unexpired	Vehicle assembly workshop
SBS Transit Ltd	75.11	Soon Lee Road	26,670 sq m	30 years 15 years 3 months unexpired	Bus depot
SBS Transit Ltd	75.11	Defu Avenue 1	74,236 sq m	33 years 1 year unexpired	Bus depot
SBS Transit Ltd	75.11	Bedok North Avenue 4	62,220 sq m	Under Temporary Occupation Licence	Bus depot
SBS Transit Ltd	75.11	Bukit Batok Street 23	52,187 sq m	43 years 11 years unexpired	Bus depot
SBS Transit Ltd	75.11	Ayer Rajah Crescent	17,939 sq m	Under Temporary Occupation Licence	Bus park
SBS Transit Ltd	75.11	Ang Mo Kio Street 63	63,953 sq m	26 years 5 years 2 months unexpired	Bus depot

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40 Group Properties (Cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE					
VICOM Ltd	67.07	Sin Ming Drive	10,853 sq m	30 years 27 years unexpired	Inspection, assessment services
VICOM Ltd	67.07	Kaki Bukit Avenue 4	9,797 sq m	30 years from January 1997 with option to renew another 30 years	Inspection, assessment services
VICOM Ltd	67.07	Bukit Batok Street 23	9,625 sq m	30 years from October 1995 with option to renew another 30 years	Inspection, assessment services
VICOM Ltd	67.07	Changi North Crescent	6,015 sq m	30 years from May 1995 11 years unexpired	Inspection services
VICOM Ltd	67.07	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 29 years unexpired	Inspection, assessment services
VICOM Ltd	67.07	Yishun Industrial Park A	1,105 sq m	30 years 29 years unexpired	Inspection, assessment services
Setsco Services Pte Ltd	67.07	Teban Gardens Crescent	9,830 sq m	30 years from February 2009 25 years unexpired	Testing, inspection, consultancy services
JIC Inspection Services Pte Ltd	52.32	Pioneer Road	9,190 sq m	30 years from December 1994 11 years unexpired	Inspection services
JIC Inspection Services Pte Ltd	52.32	Ang Mo Kio Street 63	2,145 sq m	3 years from March 2014 2 years 2 months unexpired	Inspection services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	11,129 sq m	60 years 21 years unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	25,087 sq m	30 years 8 years unexpired	Office, workshop

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40 Group Properties (Cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE					
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 37 years unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,500 sq m	22 years 11 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	26 years 12 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 34 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	30 years 8 years unexpired	Workshop, diesel kiosk
CHINA					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 13 years unexpired	Office, bus station
Shanghai City Qi Ai Taxi Services Co., Ltd	51	Lujiabang Road Shanghai	689 sq m	50 years 34 years unexpired	Office
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 28 years unexpired	Staff residence
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd	80	Cheng Shou Si Road Jiu Gong Da Xing District Beijing	6,120 sq m	20 years 9 years unexpired	Office, workshop
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	Jian Cai Road Chengdu	5,057 sq m	30 years 19 years unexpired	Vehicle inspection workshop
Nanning Comfort Transportation Co., Ltd	80	Ke Yuan Ave Nanning	943 sq m	45 years 41 years 8 months unexpired	Office
Chongqing ComfortDelGro Driver Training Co., Ltd	90	Jiu Long Po Jiu Long Industrial Park Chongqing	27,522 sq m	20 years 18 years unexpired	Office, driving test, training centre

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31 December 2014

40 Group Properties (Cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
CHINA					
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd	95	Wen Jia Red Mill Village Chengdu	113,334 sq m	10 years 8 years unexpired	Driving test centre
Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd	90	Yu Bei District Liang Lu Zu Tuan Chongqing	37,344 sq m	50 years 46 years unexpired	Office, driving test, training centre
Jilin ComfortDelGro Taxi Co., Ltd	97	Cheng Nan Street Jilin City High-tech Zone	18,013.55 sq m	50 years 48 years unexpired	Office
UNITED KINGDOM					
Computer Cab plc	55.72	Woodfield Road London W9 2BA	537 sq m	Freehold	Office
Computer Cab plc	55.72	Mitre Bridge Ind Mitre Way London W10 6AU	10,707 sq m	10 years 5 years and 5 months unexpired	Office, fitting bay
Computer Cab (Liverpool) Limited	55.72	Falkland Street Liverpool L3 8HB	610 sq m	99 years 83 years 7 months unexpired	Office, fleet dept
Metroline Limited	100	Pemberton Garden 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
Westbus Coach Services Limited	100	Spring Grove Road Hounslow London TW3 4BE	352 sq m	6 years 3 years 1 month unexpired	Office, fitting bay

Notes to the Financial Statements

31 December 2014

40 Group Properties (Cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA					
Westbus Region 1 Pty Ltd	55.72	Thorley Street Windsor South NSW	22,130 sq m	Freehold	Bus depot
Westbus Region 1 Pty Ltd	55.72	Mulgoa Road Penrith NSW	10,641 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	55.72	Boundary Road Northmead NSW	31,669 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	55.72	Hartley Road Seven Hills NSW	2,725 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	55.72	New Line Road Dural NSW	19,460 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	Glenwood Drive Thornton NSW	8,688 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	High Street Toronto NSW	2,442 sq m	Freehold	Office building
Hunter Valley Buses Pty Ltd	55.72	Arnott St & Aluminium Cl Edgeworth NSW	5,817 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	Burleigh Street Toronto NSW	5,372 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	Ettalong Road Morisset NSW	14,865 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	Magpie Street Singleton NSW	7,806 sq m	Freehold	Bus depot

Notes to the Financial Statements

31 December 2014

40 Group Properties (Cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA					
Hunter Valley Buses Pty Ltd	55.72	Arnott Street Edgeworth NSW	16,600 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Pacific Highway Heatherbrae NSW	32,403 sq m	Freehold	Site for bus building plant
ComfortDelGro Cabcharge Pty Ltd	55.72	Foundry Road Seven Hills NSW	36,810 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Lee Holm Drive St Mary's NSW	27,960 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Old Bathurst Road Emu Heights NSW	5,599 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Megalong Street Katoomba NSW	3,780 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Great Western Highway Valley Heights NSW	10,102 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Industrial Avenue Hoppers Crossing Victoria	4,285 sq m	Freehold	Bus, car park
ComfortDelGro Cabcharge Pty Ltd	55.72	Industrial Avenue Hoppers Crossing Victoria	6,635 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Industrial Avenue Hoppers Crossing Victoria	2,438 sq m	Freehold	Bus park
ComfortDelGro Cabcharge Pty Ltd	55.72	Slough Road Altona Victoria	7,995 sq m	Freehold	Bus depot

Notes to the Financial Statements

31 December 2014

40 Group Properties (Cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA					
ComfortDelGro Cabcharge Pty Ltd	55.72	Slough Road Altona Victoria	8,095 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Carrington Drive Sunshine Victoria	9,804 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Atherton Road Oakleigh Victoria	2,567 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	North Road Oakleigh Victoria	6,527 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Edols Street Geelong Victoria	26,000 sq m	Freehold	Bus depot
CDC Ballarat Pty Ltd	55.72	Norman Street Ballarat	47,750 sq m	Freehold	Bus depot
CDC Ballarat Pty Ltd	55.72	Clunes Road Creswick Victoria	614 sq m	Freehold	Bus park
Swan Taxis Pty Ltd	100	Harvey Street Victoria Park WA	2,278 sq m	Freehold	Office, call centre, workshop
VIETNAM					
Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh - TP Ho Chi Minh City	6,438 sq m	20 years 6 years unexpired	Office, workshop
MALAYSIA					
Setsco Services (M) Pte Ltd	67.07	47100 Puchong Selangor Darul Ehsan	792 sq m	99 years from December 2009 94 years unexpired	Testing, inspection, consultancy services

Share Price Movement Chart

ComfortDelGro's Share Price Movement and Volume Turnover



Comparison of Performance of ComfortDelGro's Share Price and the Straits Times Index (STI)



Shareholdings Statistics

As at 4 March 2015

No. of shares issued : 2,141,151,663
 Class of shares : Ordinary shares
 Voting rights : One vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	734	2.14	25,348	0.00
100 - 1,000	2,392	6.96	1,806,374	0.08
1,001 - 10,000	16,228	47.26	74,580,958	3.48
10,001 - 1,000,000	14,950	43.54	327,281,341	15.29
1,000,001 & above	34	0.10	1,737,457,642	81.15
Total	34,338	100.00	2,141,151,663	100.00

Top Twenty Shareholders	No. of Shares	%
Citibank Nominees Singapore Pte Ltd	506,710,536	23.67
DBS Nominees Pte Ltd	433,488,967	20.25
DBSN Services Pte Ltd	260,161,010	12.15
HSBC (Singapore) Nominees Pte Ltd	162,095,975	7.57
United Overseas Bank Nominees Pte Ltd	134,895,704	6.30
Raffles Nominees (Pte) Ltd	66,477,607	3.10
BNP Paribas Securities Services Singapore	64,347,312	3.01
Singapore Labour Foundation	23,000,000	1.07
OCBC Nominees Singapore Private Limited	18,592,521	0.87
Changi Bus Company (Private) Limited	9,244,095	0.43
Morgan Stanley Asia (S) Securities Pte Ltd	8,885,927	0.42
DB Nominees (S) Pte Ltd	8,242,331	0.39
Yim Chee Chong	5,000,000	0.23
DBS Vickers Securities (S) Pte Ltd	3,623,242	0.17
Choo Chek Siew	3,260,000	0.15
Bank of Singapore Nominees Pte Ltd	2,682,497	0.13
Chan Kam Fai	2,445,443	0.11
Dawn Kua Su-Wen	2,350,000	0.11
Merrill Lynch (Singapore) Pte Ltd	2,199,121	0.10
Cabcharge Australia Limited	2,005,087	0.09
Total	1,719,707,375	80.32

Shareholdings Statistics

As at 4 March 2015

Substantial Shareholders (as shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed interest	
	No. of Shares	\$%	No. of Shares	\$%
The Capital Group Companies, Inc.	-	-	107,837,500 ¹	5.04
Capital Research and Management Company	-	-	107,837,500 ¹	5.04
Capital World Growth and Income Fund	107,837,500	5.04	-	-
BlackRock, Inc.	-	-	128,857,141 ²	6.02
The PNC Financial Services Group, Inc.	-	-	128,857,141 ²	6.02

As at 4 March 2015, approximately 88.52% of the issued ordinary shares of ComfortDelGro Corporation Limited is in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

Notes:

1. The Capital Group of Companies, Inc. ("CGC") is the parent company of Capital Research and Management Company ("CRMC"). CGC is deemed to have an interest in 107,837,500 shares of ComfortDelGro Corporation Limited held by Capital World Growth and Income Fund, Inc. ("WGI"), a mutual fund managed by CRMC. CRMC, as the investment adviser of WGI, is deemed to have an interest in the 107,837,500 shares of ComfortDelGro Corporation Limited held by WGI. WGI's shares in ComfortDelGro Corporation Limited are held through nominees.
2. BlackRock, Inc. is deemed to have an interest in 128,857,141 shares of ComfortDelGro Corporation Limited held by its subsidiaries. The PNC Financial Services Group, Inc. through its ownership of more than 10% of BlackRock, Inc. is deemed to have an interest in 128,857,141 shares of ComfortDelGro Corporation Limited held by the subsidiaries of BlackRock, Inc.

Notice of Annual General Meeting

ComfortDelGro Corporation Limited

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 200300002K)

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of the Company will be held at the Auditorium, ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 on Friday, 24 April 2015 at 10.00 a.m. for the purpose of transacting the following business:

Ordinary Business:

1. To receive and adopt the Directors' Report and Audited Financial Statements for the Financial Year ended 31 December 2014 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 4.5 cents per ordinary share in respect of the Financial Year ended 31 December 2014. **(Resolution 2)**
3. To approve the payment of Directors' fees of \$641,838 for the Financial Year ended 31 December 2014. (FY2013: \$608,338) **(Resolution 3)**
4. To re-elect Mr Tow Heng Tan, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 4)**
5. To re-elect Dr Wang Kai Yuen, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 5)**
6. To re-appoint Mr Lim Jit Poh as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50 to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **(Resolution 6)**
7. To re-appoint Mr Ong Ah Heng as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50 to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **(Resolution 7)**
8. To re-appoint Mr Kua Hong Pak as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50 to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **(Resolution 8)**
9. To re-appoint Mr Oo Soon Hee as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50 to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **(Resolution 9)**
10. To re-appoint Messrs Deloitte & Touche LLP as Auditors and authorise the Directors to fix their remuneration. **(Resolution 10)**

Notice of Annual General Meeting

Books Closure and Dividend Payment Dates

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 6 May 2015 for the purposes of determining Shareholders' entitlements to the proposed tax-exempt one-tier final dividend of 4.5 cents per ordinary share for the Financial Year ended 31 December 2014.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 5 May 2015 will be registered to determine Shareholders' entitlements to the final dividend. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 5 May 2015 will be entitled for the proposed final dividend.

The final dividend, if approved by the Shareholders at the Twelfth Annual General Meeting of the Company, will be paid on 12 May 2015.

By Order of the Board

Chan Wan Tak, Wendy
Company Secretary
Singapore
26 March 2015

Notes:

1. A member entitled to attend and vote at the Annual General Meeting may appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be lodged at the Company's registered office at 205 Braddell Road, Singapore 579701 not less than 48 hours before the time appointed for the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Additional Information on Ordinary Business

Mr Ong Ah Heng and Mr Oo Soon Hee are Members of the Audit and Risk Committee. Mr Ong Ah Heng and Mr Oo Soon Hee are considered independent Directors of the Company. If re-appointed, Mr Ong Ah Heng and Mr Oo Soon Hee will continue as Members of the Audit and Risk Committee respectively.

ComfortDelGro Corporation Limited

(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 200300002K)

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT

- For investors who have used their CPF monies to buy ComfortDelGro Corporation Limited shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
- This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF investors who intend to exercise the voting rights attached to their ComfortDelGro Corporation Limited shares purchased using their CPF monies are requested to contact their respective CPF Approved Nominees.
- By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 26 March 2015.

I/We _____ (Name) _____ (NRIC/Passport Number)

of _____ (Address)

being a member/members of ComfortDelGro Corporation Limited (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholding (%) (Note 2)

and/or (delete as appropriate)

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or failing him/them, the Chairman of the Annual General Meeting ("AGM"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the AGM of the Company to be held on Friday, 24 April 2015 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/ they may on any other matter arising at the AGM.

NOTE: The Chairman of the AGM will be exercising his right under Article 61(i) of the Articles of Association of the Company to demand a poll in respect of the Resolutions to be put to the vote of the members at the AGM and at any adjournment thereof. Accordingly, such Resolutions at the AGM will be voted on by way of poll.

No.	Resolutions	No. of Votes For*	No. of Votes Against*
1.	Adoption of Directors' Report and Audited Financial Statements		
2.	Declaration of Final Dividend		
3.	Approval of Directors' Fees		
4.	Re-election of Mr Tow Heng Tan as Director		
5.	Re-election of Dr Wang Kai Yuen as Director		
6.	Re-appointment of Mr Lim Jit Poh as Director		
7.	Re-appointment of Mr Ong Ah Heng as Director		
8.	Re-appointment of Mr Kua Hong Pak as Director		
9.	Re-appointment of Mr Oo Soon Hee as Director		
10.	Re-appointment of Auditors and authorising Directors to fix their remuneration		

* If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant Resolution, please indicate the number of shares in the boxes provided.

Dated this _____ day of _____ 2015

Total Number of Shares Held (Note 4)

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Should a member wish to receive acknowledgement of receipt of the Proxy Form from the Company, please provide your email address and/or mobile phone number.

Email Address: _____ Mobile Phone No. _____

NOTES

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Annual General Meeting.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701 not less than 48 hours before the time set for the Annual General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject the instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

Affix
postage
stamp

THE COMPANY SECRETARY
ComfortDelGro Corporation Limited
205 Braddell Road
Singapore 579701

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

This flap is for sealing. Glue all sides firmly. Stapling and spot sealing are disallowed.

All rights reserved. Some information in this Annual Report constitute 'forward looking statements', which reflect ComfortDelGro's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which may be outside ComfortDelGro's control. You are urged to view all forward looking statements with caution. No information herein should be reproduced without the express written permission of ComfortDelGro Corporation Limited. All information herein is correct at the time of publication. For updated information, please contact our Corporate Office.

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Oculus Design





**ComfortDelGro
Corporation Limited**

Company Registration No. 200300002K

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