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## OUR VISION

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

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## 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

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## 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

## GLOBAL FOOTPRINT

ABERDEEN

GLASGOW

DUBLIN

CLIFDEN

GALWAY

CORK

EDINBURGH

LIVERPOOL

BIRMINGHAM

LONDON

Cities

32

Countries

7

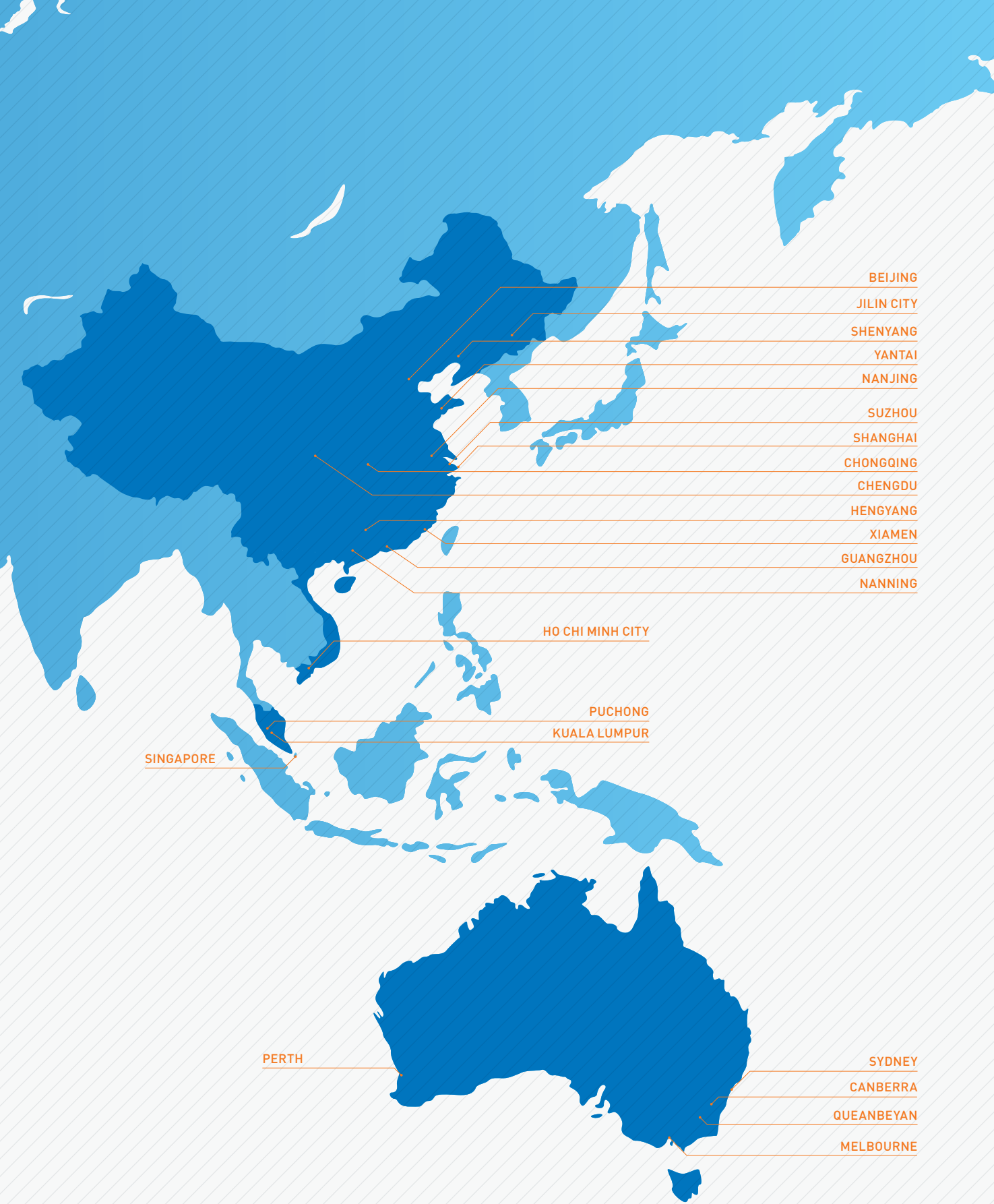
Employees

20,275

Vehicles

45,749





BEIJING

JILIN CITY

SHENYANG

YANTAI

NANJING

SUZHOU

SHANGHAI

CHONGQING

CHENGDU

HENGYANG

XIAMEN

GUANGZHOU

NANNING

HO CHI MINH CITY

PUCHONG

KUALA LUMPUR

SINGAPORE

PERTH

SYDNEY

CANBERRA

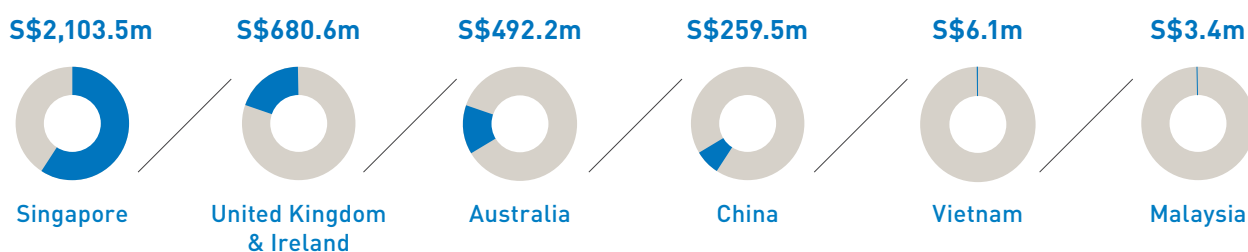
QUEANBEYAN

MELBOURNE

## CHAIRMAN'S STATEMENT



### REVENUES AT A GLANCE



### INTRODUCTION

2012 was a difficult year with many uncertainties. Europe's sovereign debt and banking crises persisted while the economic recovery in the United States (US) – despite the introduction of quantitative easing packages – was a lot slower in coming than earlier hoped. Consequently, China's economy slowed down for the first time, erasing years of double-digit growth. Elsewhere, India continued to undergo economic reforms while Japan continued to stagnate in a low interest environment. Australia, which had been a beacon of strong growth, started showing signs of slowdown. In Singapore, we also witnessed a reduction in growth – albeit resulting from

a different set of reasons – of just 1.3%, a quarter of the 5.2% achieved in 2011.

The only two certainties in 2012 were the US Presidential Election held last November and China's once-in-a-decade leadership transition. The successful re-election of President Barack Obama should provide some continuity in US economic policies. This should pose as good news for the global economy in general and the Asian economy in particular. Additionally, history has shown that smooth leadership transitions in China are usually accompanied by big jumps in government spending. If so, this will be very encouraging.

## CORPORATE GOVERNANCE

### (i) Revised Code of Corporate Governance

In my last Statement, I said that Corporate Singapore was going through the next phase of transformation with practically all relevant authorities issuing consultation papers to effect changes. The Monetary Authority of Singapore (MAS) had on 2 May 2012 approved the bulk of the recommendations submitted by the Corporate Governance Council (CGC). The final Revised Code has included, as originally intended, amendments to the issues of director independence, board composition, directors in training, multiple directorships, alternate directors, remuneration practices and disclosures, risk management and shareholders' rights and roles. These took effect on or after 1 July 2012.

Specifically, the main point of contention between the MAS and the CGC is the definition of 'independent directors' linked to the tenure of office of both non-executive and former executive directors. While the CGC has recommended that non-executive directors with nine or more years of service from their first appointments be regarded as non-independent, the MAS has modified this and shifted it to the responsibility of Nominating Committees. As for former executive directors who become non-executive directors, the restricted period recommended was three years by CGC while MAS has decided to reduce it to just one year for them to be regarded as independent directors.

In connection with this particular issue of the status of independence of directors, the MAS also modified the definition of threshold substantial shareholdings from 5% to 10%. The rationale for all these modifications and new rulings is linked to the accepted recommendation that the percentage of independent directors on the Board has to be 50% instead of the existing one-third if the Chairman is independent.

Our Nominating Committee and the Board have decided that we will deviate from the nine-year rule. We will examine each Director, whose tenure exceeds nine years on a case-by-case basis, taking into consideration his/her views on issues discussed and deliberated. We believe that tenure is not of critical importance but experience, independence and objectivity of views and contributions are far more important.

On the issue of the maximum number of directorships an individual director can assume, we take the position that depending on the employment status of the director, the limit should be six. However, for Directors who wish to exceed this number, a case can be made to the Chairman for consideration, but the Chairman himself will have to observe this ruling strictly. We will also allow Directors to work towards meeting this requirement over a three-year period.

On director training, we have already advised our Directors of the courses available and that they can participate with full payment by the Company. Our Directors have indeed taken advantage of the opportunity. We shall continue with the practice.

On remuneration matters, our position is in line with the Revised Code. Right from the very beginning, the total compensation package of our Managing Director/Group Chief Executive Officer (MD/Group CEO) has been tied to the profitability of the Group, with the bonus subjected to a cap. Additionally, the MD/Group CEO's bonus formula is also tied to the return on the Group's shareholders' funds with the Shareholders taking priority over the MD/Group CEO's bonus. With the discontinuation of the Share Option Scheme this year, there are no longer any long-term benefits tied to the package.

The issue of risk has been dealt fully by the Board and the Audit Committee. The latter, which now has an enlarged terms of reference, has been renamed the Audit and Risk Committee. The bar has been raised for the Board of Directors in the Revised Code and it is now their direct responsibility to ensure that risks are properly identified and managed. Management has also taken measures, especially upgrades in information technology, to aid in this task.

On the issue of shareholders' rights and roles, we have already introduced voting by polls. We also permit Central Provident Fund (CPF) shareholders to attend our Shareholders' Meetings.

### (ii) Amendments to Singapore Companies Act

The Government announced, on 3 October 2012, its decision to accept 192 recommendations and modify 17 put up by the Steering Committee for Review of the Companies Act. Eight recommendations have not been accepted at this point of time. The accepted and modified recommendations represent the largest number of changes to the Act since it was

enacted in 1967. These changes are expected to reduce regulatory burden and compliance costs, provide greater flexibility for companies and improve corporate governance.

Affecting us directly is the fact that directors over 70 years will no longer need to subject themselves to re-elections at Annual General Meetings since the approved amendments do not impose a maximum age limit for directors. On shareholders' rights and meetings, the threshold 10% of total voting rights have been reduced to 5% to encourage demand for a poll at meetings. The cut-off timeline for filing of proxies for Shareholders' Meetings will be extended from 48 hours to 72 hours. A multi-proxies regime will be introduced to allow indirect investors and CPF investors to attend and vote at Shareholders' Meetings.

Major amendments to the Companies Act will have to be undertaken before these changes can come into effect. It is likely that the proposed amendments will come into effect in two phases with revisions expected to be tabled to the Parliament at the end of this year.

#### **(iii) Internal Audit**

I continue my practice of meeting the Chairmen of our three Audit Committees without the presence of Management. I am pleased that nothing of concern has surfaced. The Internal Audit Department conducted 21 internal audits in 2012 based on risk-based approach approved by the Audit Committees. Of these, 13 were confined to entities in Singapore, six in China and two in Australia. The internal audit reports reflect that strong internal control systems are in place within the Group. Besides reviewing internal controls, internal audit also covers operational aspects to evaluate efficiency.

#### **(iv) Rankings and Awards**

We continue to be one of the 30 component stocks of the Straits Times Index (ST Index). Amongst the 674 listed companies covered by the annual Business Times Governance and Transparency Index, all our three listed entities ranked within the top 10%. ComfortDelGro was ranked 22nd while our two listed subsidiaries SBS Transit Ltd and VICOM Ltd were ranked 39th and 41st respectively.

ComfortDelGro clinched Gold in the 'Non-Traditional Annual Report: Transportation and Transport

Leasing' category at the ARC Annual Report Awards. At the Singapore Corporate Awards, organised by the Securities Investors Association of Singapore, all our three listed companies won awards.

### **THIRD FIVE-YEAR STRATEGIC THRUSTS AND PLANS**

On 29 March 2013, we achieved a significant milestone when we crossed our 10-year mark. In formulating the Third Five-Year Cycle (2013–2017) Plans, the Board reviewed the performance of the Group in its first decade. I am very pleased to share that we have been growing at a compound annual growth rate (CAGR) of 6.5% in revenue over the last 10 years. Operating profit clocked in a higher CAGR of 7.9% over the same period, reflecting an effective control of expenses and an attainment of consistent, reliable and valuable productivity gains. Likewise, over the same horizon, total shareholder returns, as measured by dividends paid and rise in share price, had a CAGR of 12.6% – something we worked hard to achieve.

The Group's balance sheet is strong and healthy with total assets increasing at a CAGR of 6.8% over the period 2003–2013. It was S\$4.846 billion at the end of 2012. Our shareholders' funds stood at S\$2.637 billion at the end of 2012. It has a CAGR of 6.4% over the same period. These are indications that while we have provided good dividends to Shareholders over the years we have also built up our financial strength for expansion.

The implementation of the Singapore Land Transport Masterplan announced in 2008 together with the January 2013 announcement on additional MRT lines and extensions will have significant impact on our activities in the Third Five-Year Cycle. The recent White Paper on Population will also have impact on our business. The new focus by the Government on the bus sector is of importance. Our Board of Directors has reaffirmed that we should continue to confine our business area to land transport in the Third Five-Year Cycle. We should continue to invest overseas. We should continue to return to shareholders as dividends at least 50% of our profit.

For overseas ventures, we must continue with our expansion plans and aim to have more than 50% of operating profit from overseas.

### **SINGAPORE BUSINESS**

In Singapore, land transport continues to come under intense focus and scrutiny. This has become more pronounced in the past few years as the population has increased dramatically and existing infrastructure is



not able to cope with it. We shall expect the situation to improve gradually until the Government's Land Transport Masterplan is fully implemented. As a short-term solution, the Government has, for the first time, injected S\$1.1 billion under the Bus Service Enhancement Programme to help commuters in their travel arrangements.

The MRT Downtown Line, won by SBS Transit in an open tender last year, is expected to see the First Stage ready for implementation at the end of 2013. The Land Transport Authority (LTA) also announced plans to increase the number of 'Mandatory Give Way to Buses' Scheme by another 150 bus stops. In a further attempt to increase taxi availability, a new standard requiring taxi drivers to travel at least 250km per day was introduced on 1 January 2013. These measures should help to alleviate commuters' concerns about smooth travel during peak hours.

In the midst of all these happenings, the Government decided to suspend the fare review for 2012. The formula, introduced since 2005, is now under review by a special committee, Fare Review Mechanism Committee, appointed by the Government.

Of the Group's 10 areas of businesses in Singapore in 2012 namely scheduled and unscheduled bus, rail, taxi, car rental and leasing, inspection and testing services, driving school, engineering, vehicle advertising and insurance broking, I am pleased to report that we have continued to fare reasonably well in delivering our services under very trying and challenging conditions.

Our listed subsidiary, SBS Transit, which manages both local bus and rail businesses, had an extremely challenging year with a much greater demand on its services consequent to the population increase and higher tourist arrivals. A fuller write-up appears in its own annual report.

Demand for our taxis continued to grow despite intense competition as drivers were drawn to our technologically advanced call centre and booking apps. Our leadership position in taxi remains. Our car rental and leasing business, which offers customers an alternative form of transport on the roads, continued to do well during the year.

The rapid increase in Certificate of Entitlement (COE) premiums, as well as the new restrictions on car financing as announced in Budget 2013, will slow the

growth of new vehicles on the roads. This will have an impact on several of our businesses. In the area of vehicle inspection and car rental and leasing, demand is expected to increase as people shy away from buying new cars. The high COE premiums will, however, translate to higher operating cost for our taxi and car rental businesses.

In the businesses of engineering, inspection and testing services, vehicle advertising, driving education and insurance broking, we continue to perform well despite keen competition. Notably our listed inspection and testing services subsidiary, VICOM, continued to surpass its past years' performance. A fuller write-up appears in its own annual report.

## OVERSEAS BUSINESS

### (i) Divestments and Acquisitions

We continued to seek opportunities for growth and divested businesses that did not perform to expectations. During the year, we acquired bus operations – Deanes Bus Lines Pty Limited and Transborder Express under the Deane's Transit Group – in Queanbeyan, Australia, and expanded our footprint to four cities in Australia. We also divested our interests in Shenyang ComfortDelGro Bus Co., Ltd and Beijing ComfortDelGro Yin Jian Auto Services Co., Ltd.

### (ii) Business Operations

We continue to operate in 13 cities in China with businesses in taxi, bus depot, bus, car rental and leasing, vehicle testing, engineering workshops, car distribution and driving school operations. Our largest contributor is from the taxi business where we operate a fleet of 10,628 taxis in 11 cities. The China fleet is about 66% the size of the Singapore fleet. We are leaders in six cities namely Jilin and Nanning where we rank number one; Chengdu where we are the second largest operator; Beijing, Nanjing and Shenyang where we are the third largest operators. The bus depot business in Guangzhou continues to improve in both revenue and profitability. Other than the two driving schools in Chengdu and Chongqing which are facing some structural changes, the remaining business areas are performing satisfactorily. China's business contributes about 18% of total overseas revenue.

We continue to operate bus, coach and taxi circuit businesses in the United Kingdom (UK) and Ireland. In 2012, Metroline Limited commenced in-house coachwork and engineering services as part of its

contractual obligations to the Transport for London. Prior to this, it had outsourced all bus refurbishment work. The London bus operator continued to perform well despite austerity measures that were introduced by the Authorities, including a 20% cut in the tax rebate connected with the Bus Service Operator Grant. Our performance during the year was aided by a contract which we won to supply buses and drivers to the Summer Olympics. Our coach businesses in London and Scotland continued to perform satisfactorily despite the weak economy. With adjustments made to the business model, the Irish operation has turned around and delivered an operating profit.

The taxi circuit business in the UK has been affected very badly by the poor business environment. The Summer Olympics also exacerbated the situation as tourists stayed away and many businesses encouraged key staff to work from home. In the past few years, there has been a sea change in the way corporate travel is conducted by many firms, especially those in the financial services sector, reducing their headcount and travel expenditure. Out of our five taxi circuits in Aberdeen, Birmingham, Edinburgh, Liverpool and London, Aberdeen was the star performer during the year. Total UK/Ireland revenue represented 47% of total overseas revenue.

In Australia, we operate buses, taxi circuit and offer vehicle advertising services. The bus operations in Sydney and Melbourne continued to perform well. Our newly-acquired bus business in Queanbeyan shows potential for growth. We started to offer more competitive insurance premiums to our members in the Perth taxi circuit. In the area of vehicle advertising, we have established our presence. Australia contributed about 34% of total overseas revenue.

Our two taxi operations in Ho Chi Minh City, Vietnam, continued to suffer as a result of the weak economy and poor business climate. We have scaled down our combined fleet making us the third largest in the market place. The industry itself has also seen a decline in total fleet and number of taxi operators.

The changed model in the car rental business in Malaysia is working well. It is now operating profitably.

## MANPOWER

Our staff strength currently stands at over 20,200 staff, representing a drop of 1,945 or 8.8% as compared to 2011. The reduction is due to the divestments mentioned earlier. Based on nationality breakdown, we are a truly global workforce with only 29% Singaporeans. The rest is made up of China nationals (18%), Malaysians (17%) and 10% each for British and Australians. About 48% of our total workforce is based out of Singapore. Our daily staff wage is now of the order of S\$2.99 million, an increase of 4.9% from 2011.

Looking ahead, we expect staff costs to keep rising, especially in China as the country moves up the economic ladder.

## FINANCE

I am pleased to report that we have another successful year in 2012. Group revenue increased by S\$134.2 million or 3.9% to S\$3.55 billion. This is expected as Singapore's revenue has increased because of the higher demand created by the increased population. Bus revenue still took the lead with 49% of total revenue. This is followed by taxi with 31%. Engineering, rail as well as inspection and testing services followed closely behind.

In terms of operating profit, there is an increase of 3.3% or S\$13.1 million to S\$412.3 million. Operating profits from bus and taxi took up the bulk of the profit at 35% and 34% respectively of total operating profit. This was followed by engineering, inspection and testing services and rail.

Overseas revenue took up 40.7% of total revenue. This is lower than the 2011 figure of 42.3%. However, overseas operating profit assumed a higher 46.2% compared to 45.9% in 2011. In the bus business, overseas revenue accounted for 62% of total bus revenue. In taxi, overseas revenue was 26% of total taxi revenue.

Profit before tax for 2012 was S\$396 million, representing a growth of 4.4%. Net profit attributable to shareholders increased by 5.6% to S\$248.9 million. Earnings per share in 2012 was 11.89 cents compared to 11.27 cents in 2011, a jump of 5.5%. Net tangible asset per share was 95.54 cents, an improvement of 5.3%. Returns on both equity and total assets remained unchanged at the 2011 levels of 12.7% and 6.6% respectively despite larger bases.

Capital expenditure for 2012 was about S\$520 million compared to about S\$601 million in 2011. The bulk of the expenditure was on the purchase of buses and taxis. Overseas investment was about S\$78 million.

The balance sheet of the Group remains healthy with total assets at S\$4.846 billion compared to S\$4.589 billion a year ago. This is an increase of 5.6% or about S\$257 million. Total shareholders' equity without minority interests stood at S\$2.008 billion compared to S\$1.897 billion in 2011. The Group's total borrowings stood at S\$703.6 million, representing a net gearing ratio of 0.3%. This is an improvement from the 2.2% in 2011.

Your Directors have recommended a tax-exempt one-tier final dividend of 3.5 cents per share. This will be subjected to Shareholders' approval at the Annual General Meeting on 26 April 2013. Together with the tax-exempt one-tier interim dividend of 2.9 cents per share paid earlier, the total dividend for 2012 is 6.4 cents per share, about 7% better than 2011. The total dividend payment is about 54% of our payout ratio, representing a dividend yield of 3.6%.

## INVESTOR RELATIONS

We continue to be very active in our investor relations activities. In the year under review, we conducted 84 sessions with analysts and fund managers. We also participated in seven investor conferences and non-deal roadshows in Singapore, Kuala Lumpur, Hong Kong and Tokyo. We still have 18 houses reporting on us. In all, they produced 90 reports in 2012.

At the end of 2012, our market capitalisation stood at S\$3.74 billion – an increase of 26.5% over the previous year. That placed us at the 47th spot out of the 700 listed companies in Singapore. Significantly, we outperformed all major indexes – the ST Index by 6.1% and the FTSE ST All Share Index by 4%.

## CORPORATE COMMUNICATIONS AND SOCIAL RESPONSIBILITY

We are mindful that the Revised Code of Corporate Governance places greater emphasis on shareholders' rights and roles. Our websites are constantly reviewed and updated. Our means of communicating with Shareholders remain transparent.

As a people-centred business, we are always in contact with our clients, namely commuters and taxi passengers. Our bus captains and taxi drivers are the first line of contact. Training and briefing our front-line staff are therefore important and crucial.

To prepare for the future, we have also increased our student outreach programmes. We started this in 2007 and through it, hope to increase awareness of the intricacies and challenges of operating a land transport system. To-date, we have reached out to close to 47,000 school children, representing about 10% of the total school population in Singapore.

In terms of corporate social responsibility, we continued to contribute financially to deserving cases of need within the community. We entered into the third year of our five-year partnership with Lions Befrienders Association of Singapore through the Home Improvement Programme.

Outside Singapore, our London bus business, Metroline, signed a Memorandum of Understanding with the Brathay Trust in support of its aim to reduce anti-social behaviour through the education and mentorship of abused youths. In Sydney, we work closely with the New South Wales Police in educating youths. In China, our Nanning outfit entered its third year of assistance to Min Le Elementary School. We also started assisting a second school, Guangxi Wangzhuang Elementary School. In Vietnam, we made donations to Dieu Giac Orphanage and Thien Phuoc Orphanage Village.

In the area of environmentalism, we continue to roll out Euro 5 vehicles. We also support research in alternative fuels. In Nanjing, we continue to plant trees with the similar objective of environment protection. In Singapore, besides replacing hard-solvent ink printing machines with environmentally friendly ones, we continue to observe Earth Hour. In another attempt to protect the environment, we organised a plant sale during Eco Action Day to encourage staff to go green.

## CHALLENGES

As we enter the Third Five-Year Cycle (2013–2017) of our journey, we anticipate greater challenges pertaining to issues like the state of the global economy, uncertainties in fuel prices and currency fluctuations. Manpower issues will also figure prominently.

The final outcome of the recent White Paper on Population in Singapore will have significant implications on our business.

The search for environmentally friendly vehicles together with rapid changes in technology affecting vehicles manufacturing and operations – such as driverless cars – are further long-term challenges that the land transport industry will face.

As commuters' expectations continue to rise, there will be greater pressure on operators and service staff.

With rising cost in delivering land transport services, keeping fares affordable is another unending challenge.

The difficult balance among Commuters, Regulators, Unions and Shareholders continues to pose and present challenges.

I am, however, confident that with understanding, cooperation and assistance all round, the Board and the Management will, as usual, be able to meet the challenges as we enter a new chapter of the Group's journey.

## CONCLUSION

The past decade has seen our MD/Group CEO Mr Kua Hong Pak managing and discharging his responsibilities and duties exceptionally well. The Group, the Board and the Management are indeed fortunate to have him at the helm. On behalf of all Stakeholders, I wish to congratulate and thank him for delivering such an excellent set of performance, both financial and non-financial, over the past 10 years and I look forward to his exemplary leadership in the ensuing years.

I am also very grateful to my fellow Directors who have been with me since the inception of the Group. Together as a team, we have worked well to elevate the newly created entity to what she is today. It is an achievement that all of us should be proud of as it is not often that we are given the opportunity to grow a global Group from scratch.

We owe our gratitude to the various Governments, the relevant Authorities, the Labour Unions, our Partners, our Management Staff and Employees, our Customers and our Shareholders. It is with their understanding, trust, cooperation and assistance that the Group has achieved all it has today. I thank all of them wholeheartedly.

As we journey to the next phase of our growth, I seek continued trust and support as we weather against the headwinds ahead.

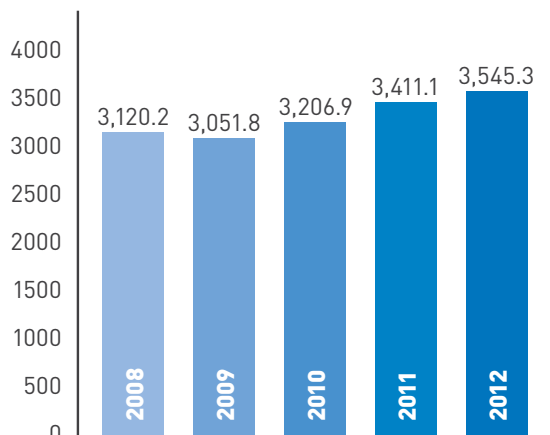
## LIM JIT POH

Chairman

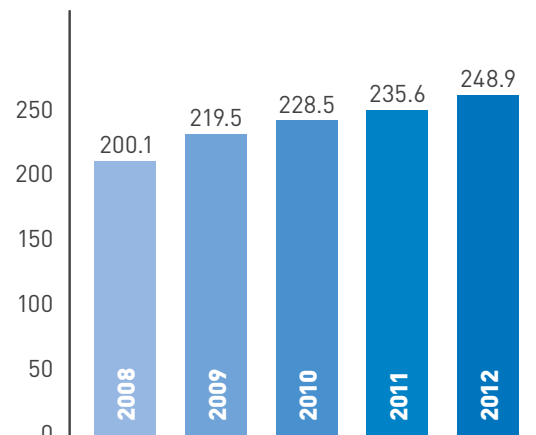


## GROUP FINANCIAL HIGHLIGHTS

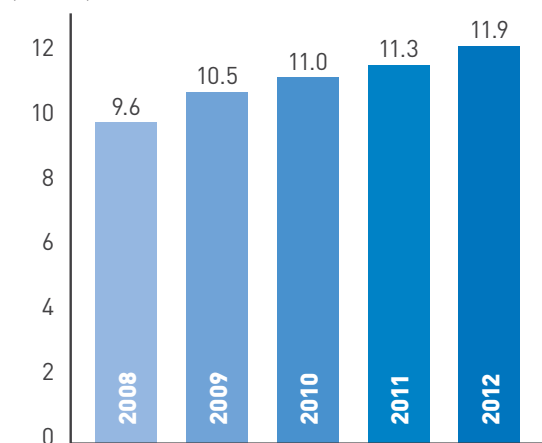
### REVENUE (S\$'mil)



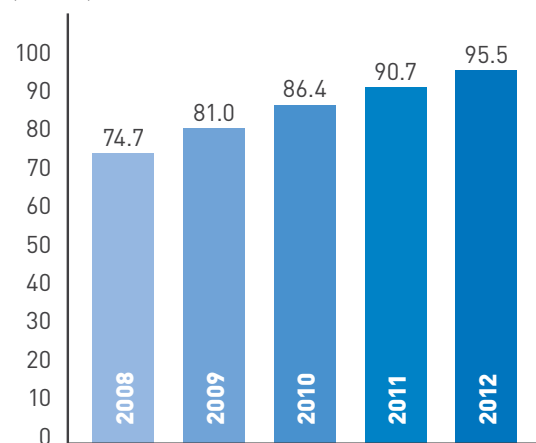
### PROFIT ATTRIBUTABLE TO SHAREHOLDERS (S\$'mil)



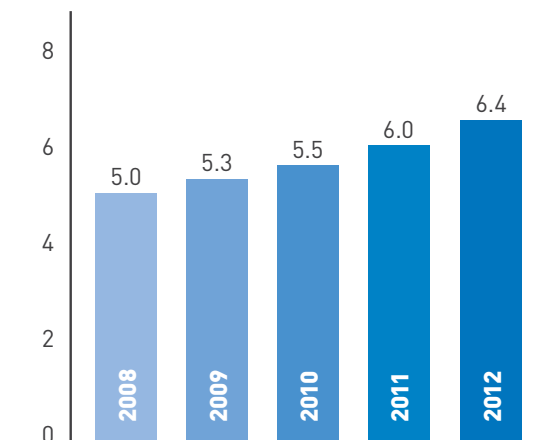
### EARNINGS PER ORDINARY SHARE (cents)



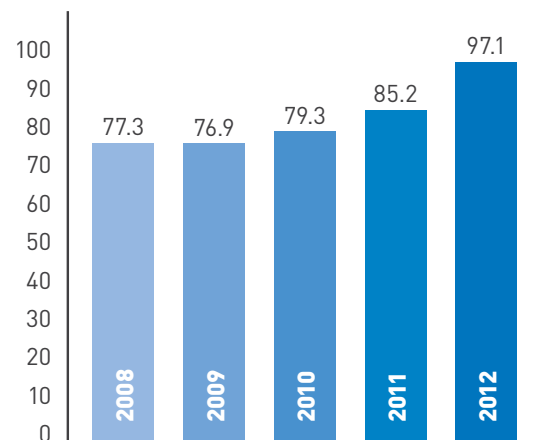
### NET ASSET VALUE PER ORDINARY SHARE (cents)



### TOTAL DIVIDEND PER ORDINARY SHARE (cents)



### VALUE-ADDED PER EMPLOYEE (S\$'000)



## FINANCIAL SUMMARY

	2008	2009	2010	2011	2012
Revenue (S\$'mil)	3,120.2	3,051.8	3,206.9	3,411.1	3,545.3
Operating expenses (S\$'mil)	2,842.2	2,701.9	2,818.5	3,011.9	3,133.0
Profit attributable to shareholders (S\$'mil)	200.1	219.5	228.5	235.6	248.9
EBITDA (S\$'mil)	541.7	629.8	679.3	715.8	735.3
Issued capital (S\$'mil)	560.9	561.7	565.5	568.6	585.1
Capital and reserves (S\$'mil)	1,556.8	1,690.0	1,804.2	1,897.4	2,008.2
Capital disbursement (S\$'mil)	351.3	446.7	491.0	560.6	519.6
Internal funds generated (S\$'mil)	551.3	648.5	697.4	723.1	743.4
Earnings per ordinary share (cents)	9.6	10.5	11.0	11.3	11.9
Net asset value per ordinary share (cents)	74.7	81.0	86.4	90.7	95.5
Return on shareholders' equity (%)	13.2	13.5	13.1	12.7	12.7
Total dividend per ordinary share (cents)	5.0	5.3	5.5	6.0	6.4
Dividend cover (number of times)	1.9	2.0	2.0	1.9	1.9

## GROUP REVENUE BY BUSINESS SEGMENT

	2008		2009		2010		2011		2012	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Bus	1,548.2	49.7	1,530.9	50.2	1,612.2	50.3	1,684.1	49.4	1,719.7	48.5
Bus station	19.8	0.6	21.4	0.7	22.7	0.7	23.9	0.7	25.7	0.7
Rail	115.5	3.7	119.7	3.9	134.4	4.2	147.0	4.3	153.2	4.3
Taxi	946.0	30.3	927.6	30.4	981.9	30.6	1,039.2	30.5	1,120.5	31.6
Automotive engineering services	346.2	11.1	307.4	10.1	300.1	9.4	351.6	10.3	354.9	10.0
Inspection and testing services	72.9	2.3	77.3	2.5	83.7	2.6	90.9	2.7	97.8	2.8
Car rental and leasing	37.4	1.2	33.3	1.1	33.6	1.0	35.4	1.0	35.5	1.0
Driving centre	34.2	1.1	34.2	1.1	38.3	1.2	39.0	1.1	38.0	1.1
Group	3,120.2	100.0	3,051.8	100.0	3,206.9	100.0	3,411.1	100.0	3,545.3	100.0

## GROUP REVENUE BY GEOGRAPHICAL SEGMENT

	2008		2009		2010		2011		2012	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	1,797.6	57.6	1,729.2	56.7	1,832.8	57.1	1,971.1	57.7	2,103.5	59.3
United Kingdom / Ireland	857.5	27.5	749.3	24.5	711.5	22.2	688.1	20.2	680.6	19.2
Australia	204.7	6.6	276.7	9.1	377.5	11.8	465.8	13.7	492.2	13.9
China	247.4	7.9	285.0	9.3	274.7	8.6	276.5	8.1	259.5	7.3
Vietnam	8.5	0.3	7.7	0.3	7.4	0.2	6.8	0.2	6.1	0.2
Malaysia	4.5	0.1	3.9	0.1	3.0	0.1	2.8	0.1	3.4	0.1
Group	3,120.2	100.0	3,051.8	100.0	3,206.9	100.0	3,411.1	100.0	3,545.3	100.0

## OPERATING PROFIT BY BUSINESS SEGMENT

	2008		2009		2010		2011		2012	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Bus	96.3	34.7	123.9	35.4	149.2	38.4	145.0	36.3	145.6	35.3
Bus station	10.1	3.6	10.3	2.9	10.6	2.7	10.8	2.7	11.4	2.8
Rail	16.7	6.0	20.5	5.8	25.6	6.6	27.7	6.9	14.3	3.5
Taxi	102.1	36.7	105.2	30.1	119.3	30.7	129.6	32.5	140.1	34.0
Automotive engineering services	16.9	6.1	51.2	14.6	39.1	10.1	37.5	9.4	51.2	12.4
Inspection and testing services	19.8	7.1	24.7	7.1	27.3	7.0	30.7	7.7	32.6	7.9
Car rental and leasing	6.9	2.5	4.4	1.3	5.9	1.5	7.3	1.8	8.9	2.1
Driving centre	9.2	3.3	9.7	2.8	11.4	3.0	10.6	2.7	8.2	2.0
<b>Group</b>	<b>278.0</b>	<b>100.0</b>	<b>349.9</b>	<b>100.0</b>	<b>388.4</b>	<b>100.0</b>	<b>399.2</b>	<b>100.0</b>	<b>412.3</b>	<b>100.0</b>

## OPERATING PROFIT BY GEOGRAPHICAL SEGMENT

	2008		2009		2010		2011		2012	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	148.2	53.3	212.2	60.6	225.5	58.0	216.3	54.1	221.6	53.8
United Kingdom / Ireland	44.7	16.1	53.5	15.3	52.0	13.4	48.8	12.2	48.1	11.7
Australia	32.0	11.5	39.8	11.4	66.7	17.2	88.5	22.2	96.2	23.3
China	52.2	18.8	43.2	12.3	43.2	11.1	44.2	11.1	44.9	10.9
Vietnam	0.7	0.2	0.6	0.2	0.8	0.2	1.1	0.3	0.9	0.2
Malaysia	0.2	0.1	0.6	0.2	0.2	0.1	0.3	0.1	0.6	0.1
<b>Group</b>	<b>278.0</b>	<b>100.0</b>	<b>349.9</b>	<b>100.0</b>	<b>388.4</b>	<b>100.0</b>	<b>399.2</b>	<b>100.0</b>	<b>412.3</b>	<b>100.0</b>

## VALUE-ADDED FOR THE GROUP

	2008		2009		2010		2011		2012	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Suppliers of capital – loan interest and dividends	160.9	10.0	155.5	9.0	175.8	9.8	176.8	9.3	194.4	9.9
Taxation to the government	178.4	11.0	179.3	10.5	204.9	11.4	215.2	11.4	223.8	11.4
Retained earnings	333.1	20.6	420.1	24.5	428.7	23.8	459.2	24.3	456.9	23.2
Employees – salaries and other staff costs	942.8	58.4	960.3	56.0	991.1	55.0	1,040.5	55.0	1,093.3	55.5
<b>Total value-added</b>	<b>1,615.2</b>	<b>100.0</b>	<b>1,715.2</b>	<b>100.0</b>	<b>1,800.5</b>	<b>100.0</b>	<b>1,891.7</b>	<b>100.0</b>	<b>1,968.4</b>	<b>100.0</b>
<b>Value-added per employee (S\$'000)</b>	<b>77.3</b>		<b>76.9</b>		<b>79.3</b>		<b>85.2</b>		<b>97.1</b>	

## AWARDS AND ACCOLADES

At ComfortDelGro, 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. The following is a list of major awards that we won during the year.

### ComfortDelGro Corporation

1. ComfortDelGro was recertified Eco-Office Label from 2012 to 2014 by the Singapore Environment Council
2. ComfortDelGro's series of Annual Reports clinched Gold in the "Non-Traditional Annual Report: Transportation and Transport Leasing" category at the 2011 ARC Annual Report Awards
3. Bronze Award in the "Best Investor Relations" category for companies with S\$1 billion and above in market capitalisation at the Singapore Corporate Awards 2012
4. Runner-up in the "Travel, Leisure & Automobiles & Parts" category for the Most Transparent Company Award at the SIAS Investors' Choice Award 2012

### Beijing Jin Jian Taxi Services

5. Advanced Unit in Traffic Safety by the Beijing Municipal Traffic Safety Committee
6. Advanced Enterprise on Financial Reporting and Budgeting for Year 2010 by the Finance Bureau of Shijingshan District, Beijing
7. Outstanding Organisation Award at the 7th PetroChina Beijing Cup

### Chengdu ComfortDelGro Taxi

8. 2011 Golden Bull Taxpayer Award

### Chongqing ComfortDelGro Driver Training

9. ISO 9001:2008 Certification

### CityCab (Shenyang)

10. 4 taxi drivers were commended by the Shenyang Transportation Bureau for delivering satisfactory taxi service
11. 57 taxi drivers were awarded "Taxi Star" by the Shenyang Transportation Bureau

### ComfortDelGro Bus

12. Zero Lost Time Injury Award by The Polyolefin Company (S)
13. Safety Performance Award by the Petrochemical Corporation of Singapore
14. 15 National Kindness Award – Transport Gold 2012 winners
15. Meritorious Defence Partner Award by the Ministry of Defence



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### ComfortDelGro Cabcharge

16. Allan Wall named Metropolitan Bus Driver of the Year at the Bus and Coach Driver of the Year Awards by The Bus & Coach Association of New South Wales

### ComfortDelGro Driving Centre

17. Student Affairs Officer, Danny Lek, received the Special Award at the Passion! Award 2012
18. Distinguished Home Team Partner Award 2012 by the Ministry of Home Affairs
19. Distinguished Defence Partner Award 2012 by the Ministry of Defence
20. ISO 9001:2008 Certification
21. Certified On-the-Job Training Centre
22. Recertification of Singapore Quality Class
23. Recertification of People Developer Standard

### ComfortDelGro Engineering

24. 38 National Kindness Award – Transport Gold 2012 winners
25. Automotive Maintenance Supervisor, Liew Yit Tee, was one of two Passion! Award winners for 2012
26. Recertification of Singapore Quality Class
27. Certification of ISO 9001:2008 (Vehicle Fleet Maintenance)

### ComfortDelGro Rent-A-Car (Chengdu)

28. ISO 9001:2008 Certification

### ComfortDelGro Taxis

29. Best Taxi Company at the AsiaOne People's Choice Award 2011/2012
30. Merit Award for the "Most Innovative Use of Infocomm Technology (Private Sector – General)" category at the National Infocomm Awards 2012
31. Comfort Cabby Charles Thomas was one of three Kindness Champions to be honoured alongside 42 staff and cabbies at the National Kindness Award – Transport Gold 2012
32. Comfort Cabby V A Moorthy won the "Customer Service – Transport (Taxi)" category at the Singapore Experience Awards 2012, while Comfort Cabbies Albert Lee and Lim Ee Teh were finalists in the same category
33. 279 Excellent Service Award 2012 winners by SPRING Singapore

### Computer Cab (Birmingham)

34. Nominated for "Excellence in Customer Service" category at the Birmingham Chamber of Commerce's annual dinner and awards ceremony

## Guangzhou Xin Tian Wei Development

35. Model Unit for Road Transport Industry Information Service
36. Model Unit for Civilised and Excellent Customer Service Demonstration Window in Guangzhou area
37. Advanced Unit in Transportation for National Spring Festival 2012
38. Advanced Unit in Bus Station Enforcement and Defence Work
39. Advanced Unit for National Civilised Cities in Guangdong's Transportation Industry
40. Guangdong Outstanding and Trusted Enterprise 2012
41. Guangzhou Advanced Unit in Transportation for 2012 National Spring Festival
42. Guangzhou Civilisation Quality Service Demonstration Window
43. Guangzhou Customer Satisfaction Service Star Enterprise
44. Assistant Operations Manager, Cai Baichuan, was one of two Passion! Award winners for 2012

## Jilin ComfortDelGro Taxi

45. Song Lu Cup for High Quality and Civilised Service Champion Window by the Jilin City Civilisation Office and the Jilin Municipal Transportation Bureau
46. 27 taxis rated as high quality service taxis by the Jilin City Taxi Administrative Office
47. 28 taxi drivers awarded honorary title "Excellent Jilin City Taxi Drivers Who Have Moved People" by the Jilin City Municipal Party Committee and Jilin Municipal Government

## Metroline

48. Engineering Training Manager, Mark Hayward, won in the "Best Vehicle Care" category at the London Bus Awards
49. "Most Improved On-Bus CCTV Unit and Outstanding Contribution" for the use of On-Bus CCTV at the London CCTV Award
50. Bus driver, Tej Pun, received the Special Award for the Passion! Award 2012

## Nanjing ComfortDelGro Dajian Taxi

51. Model Unit for the Blue Angel Route Group

## Nanning Comfort Transportation

52. 10 drivers earned spots in "100 Best Drivers"
53. Best Taxi Operator Unit

## SBS Transit

54. Most Customer-Centric Transport Provider at the Land Transport Authority Excellence Awards 2012
55. Senior Bus Captain See Chip Yew won the "Most Service-Oriented Individual (Public Transport)" category at the Land Transport Authority Excellence Awards 2012
56. Merit Award in the "Mid-Market Capitalisation" category for the Singapore Corporate Governance Award at the SIAS Investors' Choice Awards 2012
57. Runner-up in the "Travel, Leisure & Automobiles & Parts" category for the Most Transparent Company Award at the SIAS Investors' Choice Award 2012



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58. Silver in the "Print" category for Downtown Line Tender Package at the Singapore Design Awards 2012

59. Meritorious Defence Partner Award 2012 by the Ministry of Defence

60. Meritorious Home Team Partner Award 2012 by the Ministry of Home Affairs

61. May Day Model Partnership Award 2012

62. 1,202 Excellent Service Award 2012 winners

63. 100 National Kindness Award – Transport Gold 2012 winners

64. 22 Courteous Motorists Award 2012 winners

65. Recertification of Singapore Quality Class

66. Recertification of People Developer Standard

#### Scottish Citylink Coaches

67. Best Operator of the Year and Most Innovative Transport Project at the Scottish Transport Awards 2012

68. Innovation Award at the Bus Industry Awards 2012 by Route One, the leading transportation weekly journal

#### Setsco Services

69. Occupational Health and Safety Standards ISO 18001:2007 Certification

70. Distinguished Meritorious Defence Partner Award 2012 by the Ministry of Defence

71. BizSAFE Star by the Ministry of Manpower

72. Recertification of Singapore Quality Class

73. Recertification of People Developer Standard

#### Shenyang ComfortDelGro Anyun Bus

74. Bus services 117 and 134 were honoured "Gracious and Trusted" Unit by the Municipal Traffic Industry

75. Bus driver Jiang Shao Rong of bus service 117 won the title "Gracious Service Star"

#### Shenyang ComfortDelGro Taxi

76. Advanced Taxi Enterprise for Service Quality by the Shenyang Transportation Bureau

77. Credible Enterprise in Shenyang City and Liaoning Province

#### VICOM

78. Best Service Agent at the Land Transport Authority Excellence Awards 2012

79. Runner-up in the "Industrials" category for the Most Transparent Company Award at the SIAS Investors' Choice Award 2012

80. Distinguished Meritorious Defence Partner Award 2012 by the Ministry of Defence

81. Recertification of Singapore Quality Class

#### Vietnam Taxi (Vinataxi)

82. Guide Award for Excellence Performance by the Vietnam Economic Times for the 10th year running

83. Excellent Company Award by Upper Trade Union

## 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**

### 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](mailto:info@comfortdelgro.com)  
Website: [www.comfortdelgro.com](http://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 Certified Public Accountants  
6 Shenton Way Tower Two  
#32-00  
Singapore 068809

Partner-in-Charge:  
CHEUNG PUI YUEN

Date of Appointment:  
30 April 2008



## 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 a Director of Maybank Kim Eng Holdings Limited, a wholly-owned subsidiary of Malayan Banking Berhad, Chairman of Surbana Corporation Pte Ltd, a subsidiary of Temasek Holdings (Private) Limited, and 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 three awards by NTUC, namely the Friend of Labour Award in 1986, the Meritorious Service Award in 1990 and the Distinguished Service Award in 2000. In 2006, he was also one of the recipients of the Distinguished Science Alumni Award from the National University of Singapore. Mr Lim is

a Trustee of the Singapore National Employers' Federation. 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 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 26 April 2013.

## BOARD OF DIRECTORS



**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 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.

Mr Kua 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 27 April 2012. He is a non-independent Director of the Company.



**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 till 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 had been involved in the trade union movement from 1980 to 16 January 2010, and had taken care of members in the transport industry.

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

Pursuant to Article 91 of the Company's Articles of Association, Mr Ong will be due for re-election at the forthcoming Annual General Meeting to be held on 26 April 2013.

## BOARD OF DIRECTORS



**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, NatSteel Holdings Pte Ltd, and Bangkok Synthetics Co 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.

Mr Oo 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 27 April 2012.



**SUM WAI FUN, ADELINE**

Director (Non-Executive & Non-Independent)

Ms Sum Wai Fun, Adeline was appointed a non-executive Director of ComfortDelGro Corporation Limited on 1 January 2007. 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 the 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 27 April 2012. She is a non-independent Director of the Company.

## BOARD OF DIRECTORS



**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 Certified Public Accountants of Singapore.

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 26 April 2013.



**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 both the Investment Committee and Remuneration Committee. He was also a former Member of Parliament for Bukit Timah Single Member Constituency. He is the Chairman of Xpress Holdings Ltd, 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, Hiap Hoe Holdings Ltd, Matex International Ltd, Ezion Holdings Ltd, SuperBowl Holdings Ltd, EOC Ltd 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 the 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 26 April 2013.



## BOARD OF DIRECTORS



**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 is the Senior Partner of Ramdas and Wong, a position he has held 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 27 April 2011.

## 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.

## 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 holds concurrent position as 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 the Nanyang University.



#### **THIO LI-PING, LYNN**

##### **Group Legal Officer**

Ms Thio Li-Ping, Lynn joined as Group Legal Officer in August 2012, and takes care of all legal matters. She started her career as an advocate and solicitor. She was also a legal counsel in the Energy Market Authority and held the position of Manager, Legal in SIA Engineering Company Limited prior to joining the Group. She was the Company Secretary and Joint Company Secretary of Jamco Aero Design & Engineering Pte Ltd and Singapore Jamco Private Limited respectively, both of which are companies within the SIA Engineering Group. She is a member of the Singapore Academy of Law and holds a Master and Bachelor of Laws from the National University of Singapore.



#### **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 non-practising Member of the Institute of Certified Public Accountants of Singapore and a Fellow of the Chartered Association of Certified Accountants.

## KEY MANAGEMENT

### 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 CapitaLand 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 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 since 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 the 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.

## KEY MANAGEMENT

### Business Units – Singapore



#### **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 the 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.



#### **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 the 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 Operating Officer, ComfortDelGro Bus**

Mr Pang Weng Heng is the Chief Operating Officer of ComfortDelGro Bus Pte Ltd. He joined the Group in September 1978. Prior to his transfer to ComfortDelGro Bus in 2000, 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 the Nanyang Technological University and a Specialist Diploma in Franchise Management from the Ngee Ann Polytechnic.



#### **ONG BENG TIN, MARY**

##### **Chief Operating Officer, ComfortDelGro Rent-A-Car**

Ms Ong Beng Tin, Mary joined the Group in 1996 and is the Chief Operating Officer of ComfortDelGro Rent-A-Car. Prior to her appointment, she 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.



## KEY MANAGEMENT

### 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 testing 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 bus, taxi and car dealership operations in Shanghai, Suzhou and Nanjing. Mr Tang is also the General Manager of Nanning Comfort Transportation Co., Ltd, Nanning ComfortDelGro Rent-A-Car Co., Ltd and Xiamen Comfort Co., Ltd. Prior to joining the Group, Mr Tang has 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 has 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.



## 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.



#### GRAEME DAVIS

##### General Manager, ComfortDelGro Cabcharge (Victoria)

Mr Graeme Davis was appointed General Manager of ComfortDelGro Cabcharge Pty Ltd (Victoria) when the Kefford Corporation was acquired in February 2009. He has held the similar position in Kefford Corporation since 1987. Mr Davis has worked in the bus industry for over three decades and is actively involved in the Victorian Bus Association as an elected Council Member.



#### TAN KIM HUAT

##### Chief Executive Officer, Swan Taxis

Mr Tan Kim Huat was appointed Chief Executive Office of Swan Taxis Limited on 1 December 2012. Mr Tan was previously the General Manager of Shenyang ComfortDelGro Bus Co., Ltd and Shenyang ComfortDelGro Anyun Bus Co., Ltd. He joined the ComfortDelGro Group in 2010. Prior to joining the Group, he was Vice President of Singapore Technologies Engineering Ltd. He has held numerous management positions within Singapore Technologies Engineering Ltd, and was responsible for operations and business development in the China market. Mr Tan holds a Masters Degree in Engineering from the National University of Singapore, a Bachelor Degree in Engineering (first class honours) from the University of Western Australia and completed a Senior Management Programme from Columbia University.

## KEY MANAGEMENT

### 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.

## KEY MANAGEMENT

### Business Units – Vietnam



**CHIA CHUEN HUEI**  
General Director, Vietnam Taxi

Mr Chia Chuen Huei is the General Director of Vietnam Taxi Co., Ltd. He joined the Group in 2002. Prior to joining the Group, he held various positions within the Marine/Shipyard arm of Keppel Corporation Limited and served more than 10 years, which included a three-and-a-half-year overseas posting. He was General Manager of Rotary Integrated Maintenance Centre, a subsidiary of Rotary Engineering Limited for two years. Mr Chia was a Keppel Corporation/ Foreign and Commonwealth Office (UK) Scholar and holds a Bachelor of Engineering (Mechanical) (1st Class Hons) from the University of Westminster, United Kingdom and a Master of Business Administration from the Nanyang Technological University.



**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.

## KEY MANAGEMENT

### Business Units – Malaysia

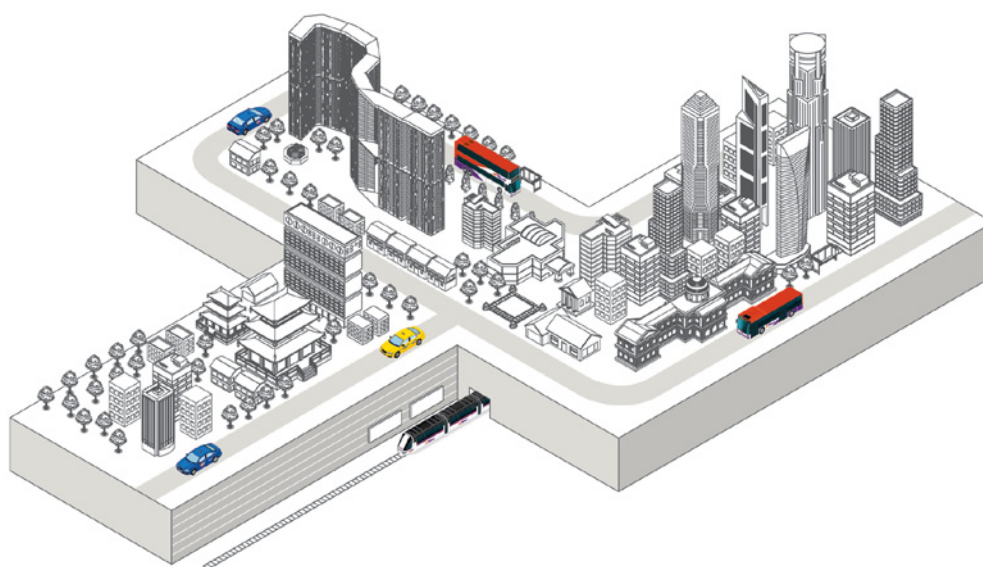


**CHIA WING TOO, ERIC**  
General Manager, Malaysia Business Unit

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 the Macquarie University, Australia.

## OPERATIONS REVIEW

### SINGAPORE



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

Revenue (S\$'mil)	EBITDA (S\$'mil)	Total Investment (S\$'mil)
<b>2,103.5</b>	<b>423.2</b>	<b>388.5</b>
Total Operating Fleet Size	Total Number of Employees	
<b>21,476</b>	<b>10,648</b>	

#### Bus

ComfortDelGro Corporation Limited is the undisputed 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, which operates a fleet of 3,089 buses and 251 bus routes, saw ridership grow by 3.4% during the year to 944 million passengers.

To cater to ridership demand, SBS Transit not only introduced short trips to 12 services, but also added new trips to 13% of its ever-popular premium bus services. It also made improvements to 53 bus services by adding more

bus trips, and deploying double deck buses in place of single deck ones to enhance capacity and frequency. In addition, as part of the Government's S\$1.1 billion Bus Service Enhancement Programme (BSEP), SBS Transit rolled out 72 new buses that were funded by the Authorities to further improve commuters' travel experience.

SBS Transit took delivery of 385 new buses during the year, bringing its new bus fleet to 2,050. As part of its fleet renewal programme, it also placed an order for another 1,000 new buses comprising 450 award-winning, single deck Citaro and 550 double deck Volvo buses at a cost of S\$433 million. When delivery of these buses is completed in 2015, SBS Transit's total bus fleet will be in excess of 3,400.

SBS Transit's Intelligent Route Information System or *iris* NextBus, soared in popularity with the proliferation of smartphones. The *iris* app, which is available for iPhones and Android phones, received an average of three million queries a day for next bus arrival timings – two times more than what was received in 2011.

### Private Bus Charter

The Group owns Singapore's largest private bus chartering company, ComfortDelGro Bus Pte Ltd, which operates a fleet of 358 buses. 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.

In 2012, ComfortDelGro Bus successfully clinched three tenders – worth a total of S\$1.0 million – to provide bus chartering services for the National Day Parade, SAF Day Parade and the Army Open House. An average 120 drivers were deployed each day and a total of 5,682 trips were made during the events.

### Taxi

Our taxi companies in Singapore, Comfort Transportation Pte Ltd and CityCab Pte Ltd, continued to command the lion's share of the market with a combined fleet of about 16,200 taxis. Revenue for ComfortDelGro Taxis reached S\$819.15 million due to a larger fleet, an increase in new replacement taxis and a higher volume of cashless transactions.

The ComfortDelGro Taxi Booking app, which is available on all smartphone devices, grew in popularity during the year, with a total of 745,466 downloads. Taxi bookings made via the app alone climbed to 9.5 million. The SMS-A-Taxi booking service also recorded an increase to 3.3 million booking jobs. All these, together with the other data channel bookings, translated into a record 85% of total taxi bookings being conducted without going through the call centre. Total taxi bookings for the year hit a record 30 million.

The number of taxi commuters opting for cashless payments also increased with 14.6 million cashless transactions made – 20% more than the previous year.

ComfortDelGro Taxis remains committed to the preservation of the environment and continued adding newer and greener vehicles to its growing fleet. In September 2012, over 110 Euro 5 Mercedes ComfortDelGro LimoCabs and MaxiCabs were rolled out. Euro 5 Hyundai i40 taxis were also introduced, further upping the green quotient.

### Rail

Demand for our rail operations under SBS Transit Ltd increased by 7.7% with more than 191.5 million passenger

trips made. The average daily rail ridership on the North East Line (NEL) increased by 6% to 452,897. Average daily ridership on the Punggol and Sengkang Light Rail Transit (LRT) increased significantly by 17.8% to 70,471 as more residential developments in the area were completed.

To cater to the increase in rail ridership, SBS Transit added 60 more trips a week to the NEL from March 2012, as well as another 50 trips to its Punggol LRT during the weekday evening peak period. As a result, the waiting time for customers was reduced. SBS Transit also opened Cheng Lim Station on the Sengkang West LRT, and began revenue service on 1 January 2013.

SBS Transit incorporated a fully-owned subsidiary, SBS Transit DTL Pte. Ltd. in February 2012 as work to get Phase One of the 42-km Downtown Line (DTL) ready for revenue service by end-2013 picked up. More than 200 new staff were recruited, and some experienced staff from the NEL were transferred to the new subsidiary. Several teams have also been to ChangChun in China to participate in the integration testing of the trains. Five electric trains have been delivered and are undergoing system integrated testing.

Following a major disruption on the NEL in March 2012, and a prolonged delay in August 2012, both of which were caused by component failures in the Overhead Catenary System (OCS) that provides power to run the trains, SBS Transit carried out immediate precautionary measures, including replacing similar components although they were still in good working condition. SBS Transit stepped up its maintenance regime by increasing the frequency of its inspections not only for the OCS, but also other areas of rail infrastructure. It also embarked on a pre-emptive replacement programme with regards to its critical electronic control equipment in signalling, as well as communications and rolling stock systems even though the recommendation by the systems' manufacturers is to replace them only upon failure. Proactive stocking up of critical spares has been undertaken as a Standard Operating Procedure.

SBS Transit and the Land Transport Authority (LTA) have set up a Joint Team to look into replacing U-bolts with a corrosive-resistant material that is more suitable for the NEL's tunnel environment, while they carry out a study to find new material for the stainless steel Balance Weight Anchor (BWA) wires. The study is expected to be concluded by May 2013 before replacement works are carried out and completed by mid-2014.

Another measure SBS Transit took was to review its incident management procedures. A Rail Emergency Preparedness training programme, which included a core module for all staff as well as special training courses for Goodwill Ambassadors, was developed to equip groups of staff on

their specific responsibilities during similar crises. The Company also participated in a combined table-top exercise conducted by the LTA for better rail incident management. SBS Transit rolled out a Short Message Service (SMS), and a push notification service on the *iris* app to alert commuters to train delays or disruptions on the NEL. To-date, about 28,000 commuters have subscribed to the free SMS alert service, and more than 800,000 iPhone and Android phone users have subscribed to receive the push notification service.

New standard tickets for travel on the rail network were also launched during the year. These new tickets are designed for use of up to six times with a 10 cents discount given on the fare for the last ride. Retrofitting of the ticketing machines is expected to be completed by May 2013.

### Automotive Engineering Services

The SPARK Car Care™ business of our automotive engineering services subsidiary, ComfortDelGro Engineering Pte Ltd, experienced about a 1.3% growth in external business revenue to S\$24.5 million in 2012, thanks to growth in its crash repair business. The SPARK Car Care's membership programmes – SPARK Web and SPARK Kakis – also grew in popularity, with over 3,000 members signed up.

Its luxurious car grooming service, SPARK Glow™, which is currently offered at Braddell car care centre, experienced healthy demand, and plans are in the pipeline to extend it to car care centres at Sin Ming and Ubi.

In October 2012, SPARK Car Care secured a three-year contract to maintain Singapore Post Limited's fleet of close to 600 vehicles. It also clinched a deal to supply lubricants to a company in Myanmar – a deal it secured after participating in the Automechanika, an IES-sanctioned international automotive exhibition in Dubai.

In addition to servicing private cars, ComfortDelGro Engineering manages accident repair for ComfortDelGro Bus Pte Ltd, as well as the maintenance and accident repair of ComfortDelGro Rent-A-Car Pte Ltd's fleet. It also provides maintenance services to most of the Group's taxi fleet in Singapore. Its express service for Hyundai Sonata taxis, which reduces downtime by 25% to just 1.5 hours, has been very popular among taxi drivers. With its growing popularity, this service was extended from Braddell workshop to Sin Ming and Loyang workshops in 2012.

In May 2012, ComfortDelGro Engineering began trialling the Central Oil Management and Dispensing System at its Braddell workshop, which automatically dispenses the right amounts of lubricants needed for every taxi when the technicians scan the bar code on the job card. Technicians no longer need to dispense the lubrication oil, coolant and auto transmission fluid into measuring flasks before transferring

them into vehicle engines and auto transmission gearboxes. This has resulted in higher cost savings, productivity and less wastage. Lubricants are delivered using storage tanks instead of drums or bottles. Workshop space, previously occupied by the drums, has also been freed up, making work bays less congested. Plans are in the pipeline to replicate the same system in the Sin Ming workshop.

ComfortDelGro Engineering's vehicle assembly unit delivered 270 double deck buses to SBS Transit in 2012, and has started work on another 550 double deck buses due for delivery between 2013 and 2015. It also completed installing ticketing and bus location equipment, hand straps, as well as interior and exterior stickers for the second batch of Mercedes Benz Euro 5 Citaro buses.

### Inspection and Testing Services

Our inspection and testing subsidiary, VICOM Ltd, saw the number of vehicles that passed through its inspection lines increase as Certificates of Entitlement (COE) premiums sky-rocketed. With prices of all cars, and even small ones, costing well over S\$100,000, more motorists opted to keep their existing cars instead of scrapping them. As a result, a record 505,123 vehicles were inspected by the vehicle inspection centres – 5% more than 2011.

Following the transfer of the Fuel Economy Labelling Scheme from the National Environment Agency to the Land Transport Authority on 1 July 2012, car dealers, who were required to have their vehicles' emission tested by an accredited emission test laboratory, began sending their vehicles to VICOM Emission Test Laboratory (VETL) given it is the only accredited centre in the region. As a result, VETL conducted 56% more emission tests than the year before. VICOM also revamped its evaluation service package to meet the regulatory requirements brought about by the Lemon Law that came into effect on 1 September 2012. As a result, it conducted 58% more evaluations compared to 2011.

Through the years, VICOM's inspection centres have provided ancillary services, including motor insurance, road tax renewal, in-vehicle unit (IU) maintenance, car evaluation, accident vehicle assessment and vehicle emission certification. It carried out close to 3,200 surveys on accident vehicles making insurance claims. Third party claims assistance was also rendered to 2,121 motorists. As the authorised reporting centre for 11 insurance companies, VICOM recorded 20,335 accident reports during the year.

VICOM's fully-owned subsidiary, Setsco Services Pte Ltd (SETSCO), also experienced growth on the back of a buoyant construction industry. It secured a number of major jobs, including building works testing for Housing & Development Board, the North-South Transmission Cable, Thomson Line, Downtown Line, Jurong Aromatic Complex, Oil Rig Construction and the Singapore Sports Hub. At the same

time, it put in extra effort to pursue new non-destructive testing jobs from shipyards involving oil rig construction as the demand for rig building rises.

To further enhance productivity, the corporate offices of both VICOM and SETSCO were centralised in June 2012. With the Finance, IT and Human Resource/Admin departments relocated from the VICOM Inspection Centre in Sin Ming Drive to SETSCO's new four-storey building in Teban Gardens, Management embarked on an exercise to streamline processes and improve efficiency. One of the projects was the integration of both the finance and human resource systems, which is expected to be completed by the first quarter of 2013.

### **Driving Centre**

Enrolment at our driving school, ComfortDelGro Driving Centre Pte Ltd, remained strong at 32,000 as at 31 December 2012. The Centre also clinched a three-year contract to provide vehicle training for emergency vehicles, mini buses and double-cabin lorries for both the Singapore Police Force and the Singapore Civil Defence Force.

### **Car Rental & Leasing**

Our car rental and leasing subsidiary in Singapore, ComfortDelGro Rent-A-Car Pte Ltd, with its fleet of 1,168 vehicles, maintained its position as one of the country's leading car rental and leasing operators. To keep up its service levels, ComfortDelGro Rent-A-Car continued to provide personalised doorstep maintenance service to its long-term corporate customers and also revamped its website to make it snazzier and more user-friendly.

To contain costs as car prices sky-rocketed, ComfortDelGro Rent-A-Car pre-booked a fleet of 60 Toyota and Mazda vehicles in the first half of the year, and collaborated with its partners to lease 10 new Hyundai Elantra on long-term contracts. ComfortDelGro Rent-A-Car also extended personalised services to expatriate individuals by matching them with used cars within the fleet depending on their budgets.

### **Insurance Broking Services**

ComfortDelGro Insurance Brokers Pte Ltd, our in-house insurance broking associate, continued to provide cost effective insurance and risk management solutions for the Group, and many other leading corporations in Singapore.

During the year, ComfortDelGro Insurance Brokers embarked on an exercise to review potential business interruptions with business units across the Group and assisted them in ensuring appropriate insurance policies are in place. As part of the exercise, a Business Interruption Insurance Workshop was specially organised for senior management staff.

As part of its efforts to manage third party claims in Singapore, ComfortDelGro Insurance Brokers struck an agreement to have appointed taxi insurers co-sponsor the costs of in-vehicle cameras that are sold to ComfortDelGro taxi drivers. A special insurance programme was also designed for the taxi owners and fleet operators of Swan Taxis Pty Ltd.

### **Outdoor Advertising**

Our outdoor advertising subsidiary, Moove Media Pte Ltd, saw advertisement revenue increase by 1.1% to S\$46.3 million as it broadened its advertising capabilities to include multi-sensory media innovations.

During the year, it paid tribute to the Singapore workforce by having 500 of its iconic cows graze the Singapore landscape in different outfits depicting various occupations such as bus captains, chefs, soldiers and even hawkers. These cows were eventually sold with proceeds donated to the ComfortDelGro's Home Improvement Fund which has been set up to improve the living conditions of the elderly one-roomers in Singapore.

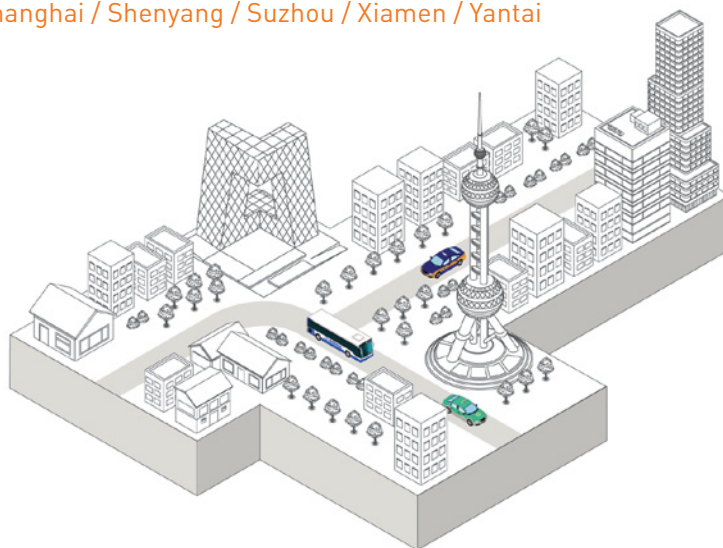
Moove Media also consolidated its operations and supporting departments under one roof as it shifted into its new premises located along Sin Ming Avenue. It also became one of the first media owners to switch its large-format hard-solvent ink printing machines to environmentally friendly ones, thereby emitting about 50% less fumes and odour during printing.



## OPERATIONS REVIEW

### CHINA

Beijing / Chengdu / Chongqing / Guangzhou / Hengyang / Jilin City /  
Nanjing / Nanning / Shanghai / Shenyang / Suzhou / Xiamen / Yantai



Bus / Bus Station / Taxi / Car Rental & Leasing / Automotive Engineering Services /  
Vehicle Testing Services / Driving Centre / Car Dealership

Revenue (S\$'mil)

**259.5**

EBITDA (S\$'mil)

**90.3**

Total Investment (S\$'mil)

**259.7**

Total Operating Fleet Size

**11,803**

Total Number of Employees

**2,785**

## NORTH CHINA

### BEIJING

#### Taxi

Beijing Jin Jian Taxi Services Co., Ltd, the Capital City's third largest operator, operates a total fleet size of 5,451 taxis. Demand for our taxis remained strong during the year with the entire fleet fully 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. It inspected 20% more vehicles in 2012 as a result of rapid growth in vehicle population.

To enhance productivity, a software programme, which links the cashier system and vehicle inspection despatch system together, was developed. This shaved the amount of time needed for vehicles to be inspected and also minimised discrepancies by reconciling inspection fees collected with the total number of vehicles inspected.

To make it even more convenient for customers to book inspection times, the Company introduced online and phone booking services during the year. It also rolled out a scheme in which the vehicle inspection process for priority customers is completed within 45 minutes.

## **JILIN CITY, JILIN PROVINCE**

### **Taxi**

Jilin ComfortDelGro Taxi Co., Ltd, the City's largest taxi operator with a 15% share of the market, had its entire fleet of 729 taxis fully hired out. A total of 114 taxis were replaced during the year, and for the first time, over 80% of these replacement taxis went on double-shifts instead of the usual single-shift.

## **SHENYANG, LIAONING PROVINCE**

### **Bus**

With a fleet of 562 buses, Shenyang ComfortDelGro Anyun Bus Co., Ltd accounted for a 10% market share and operated 18 routes.

To attract more bus drivers, the Company started reimbursing all new drivers the cost of obtaining a Class A3 bus driving licence. It also provided those living outside of Shenyang monthly accommodation allowances. To raise the level of customer service, the top three routes with the least number of complaints were awarded close to S\$200 every month.

### **Taxi**

Our two taxi companies – Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd – operated a total fleet of 1,352 taxis, making us the City's third largest taxi operator. Demand for these taxis remained strong during the year with all taxis fully hired out.

Shenyang ComfortDelGro Taxi and CityCab (Shenyang) put their taxi drivers through customer service and road safety courses during the year. As a result, the number of accidents dropped significantly and taxi services improved. For their continued efforts, Shenyang ComfortDelGro Taxi was named "Advanced Taxi Enterprise for Service Quality" by the Shenyang Transportation Bureau, while 61 CityCab Shenyang's taxi drivers were commended by the Shenyang Transportation Bureau.

## **YANTAI, SHANDONG PROVINCE**

### **Taxi**

Yantai ComfortDelGro Automobile Services Co., Ltd, operates 20 taxis in our 76%-owned subsidiary within the Yantai Economic Development Zone.

## **WEST CHINA**

## **CHENGDU, SICHUAN PROVINCE**

### **Taxi**

Our wholly-owned taxi subsidiary, Chengdu ComfortDelGro Taxi Co., Ltd continued to maintain its position as the second largest taxi operator in Chengdu with 1,050 taxis. To ensure taxis were hired out, the Government provided training to drivers who did not already have certificates to drive in

Chengdu, while the Company continued to reward its taxi drivers with incentives.

## **Car Rental & Leasing**

ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd, with its fleet of 161 vehicles, continued to maintain its long-term leasing contracts with several multi-national organisations such as Chevron, Sony Ericsson, Smith Drilling, ServTech and CBRE. To distinguish itself from the competition, the Company placed greater emphasis on its after-care customer services and revamped its website to make it more user-friendly.

## **Vehicle Testing Services**

Our 51%-owned subsidiary, Chengdu Jitong Integrated Vehicle Inspection Co., Ltd, maintained its position as a leading inspection centre in the industry with a total of 11,425 vehicles inspected during the year.

## **Driving Centre**

Our 51%-owned driving school, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd, saw enrolment increase by about 15% to 1,340 in 2012 as two new test centres began operations. With these, the School was also able to hire out the testing circuits and training vehicles to affiliated driving centres, ensuring that revenue crossed the S\$1.6-million mark for the first time.

## **CHONGQING**

### **Driving Centre**

In 2012, our 90%-owned subsidiary, Chongqing ComfortDelGro Driver Training Co., Ltd, successfully renewed its ISO 9001 Certification of Product Quality for the fifth time. Driving simulators were introduced as part of driver training, further upping the quality of our training programmes.

## **EAST CHINA**

## **SHANGHAI**

### **Taxi**

With an ISO 9002 certification and a well-structured operational system in place, our 51%-owned subsidiary, Shanghai City Qi Ai Taxi Services Co., Ltd, maintained its position as one of the premium operators in the City with a fleet of 485 taxis. In 2012, it continued with its fleet renewal programme by replacing its old Santana Pusang taxis with the newer and bigger Santana Vista taxis.

## **SUZHOU, JIANGSU PROVINCE**

### **Taxi**

Our 70%-owned taxi subsidiary, Suzhou Comfort Taxi Co., Ltd, had its fleet of 150 taxis, including 40 Volkswagen Passat premium taxis, fully hired out during the year.

## **Car Dealership**

Our 70%-owned subsidiary, Suzhou Comfort Toyota Sales & Services Co., Ltd sold 1,000 cars during the year, and held its position as one of the top Toyota authorised car dealers in the region. Its automotive repair business also had a strong showing, aided by a strong after-sales team.

## **NANJING, JIANGSU PROVINCE**

### **Taxi**

Nanjing ComfortDelGro Dajian Taxi Co., Ltd, our 70%-owned subsidiary, is the City's third largest taxi company with 560 Compressed Natural Gas (CNG) taxis. The Company capped a successful year with several accolades – it was accredited with ISO 9001 Certification of Product Quality, and two of its taxi drivers were conferred the "Best Drivers" award by the National Taxi Association.

With the Youth Olympic Games slated to be held in Nanjing in 2014, the Authorities have announced plans to allocate more taxi licences between 2012 and 2014 to improve service quality. Nanjing ComfortDelGro Dajian Taxi intends to compete keenly for these licences.

## **SOUTH CHINA**

## **GUANGZHOU, GUANGDONG PROVINCE**

### **Bus Station**

During the year, our 60%-owned Tianhe Bus Station in Guangzhou served 13 million passengers as services to nine new cities – Guangxi Yulin, Anhui Liuan, Gansu Lanzhou, Chongqing, Shandong Bincheng, Shandong Zibo, Foshan Gaoming, Dongguan Fenggang and Shenzhen Pinghu – were added. It also worked closely with the Guangdong Provincial Transport Group to consolidate routes into Zhao Qing City and Heyuan City. During the year, it designated an area specifically for Yue Yun buses, which led to an improvement in service, as well as an increase in ridership for all Yue Yun routes.

To better handle peak period capacity, eight additional boarding bays were added and space outside the bus station and surrounding bus parks was utilised for bus arrivals. As a result, crowd control was improved and traffic flow enhanced during peak periods.

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

## **NANNING, GUANGXI PROVINCE**

### **Taxi**

Our 80%-owned subsidiary, Nanning Comfort Transportation Co., Ltd, continued to be the largest taxi operator in the City with 775 taxis or a 17% market share. It was named "Best Taxi Operator Unit" for the eighth consecutive year and 10 of its drivers were named "Best Drivers" in the industry.

### **Car Rental & Leasing**

Nanning ComfortDelGro Rent-A-Car Company Limited's fleet of 24 cars was fully leased out to multi-national companies in the City during the year.

## **XIAMEN, FUJIAN PROVINCE**

### **Taxi**

Our 70%-owned subsidiary, Xiamen Comfort Taxi Co., Ltd, operates a fleet of 49 taxis, which was fully hired out during the year.

## **HENGYANG, HUNAN PROVINCE**

### **Bus & Taxi**

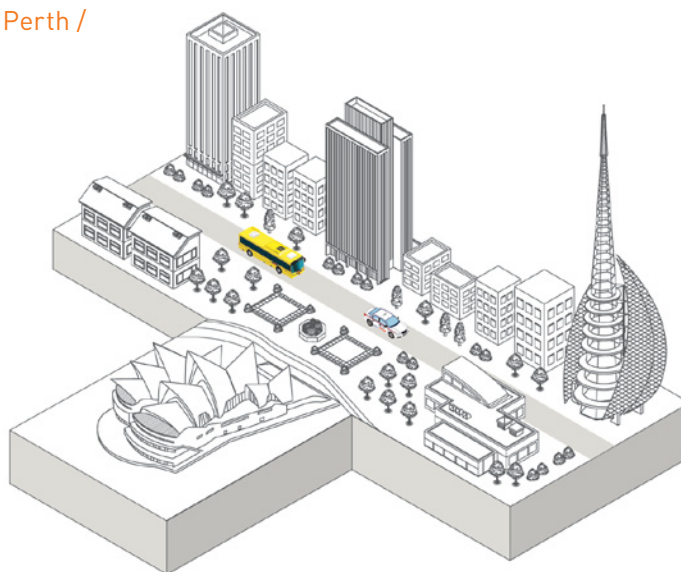
Hengyang CityCab Bus Services Co., Ltd, in which the Group holds a 25% stake, operates 88 buses and 28 taxis in the second largest city in Hunan Province.

*\* On 23 January 2013, ComfortDelGro Corporation Limited announced that it had divested its 70% stake in Xiamen Comfort Taxi Co., Ltd for S\$1.7 million.*

## OPERATIONS REVIEW

### AUSTRALIA

Canberra / Melbourne / Perth /  
Queanbeyan / Sydney



Bus / Taxi / Outdoor Advertising

Revenue (S\$'mil)

**492.2**

EBITDA (S\$'mil)

**133.9**

Total Investment (S\$'mil)

**470.5**

Total Operating Fleet Size

**3,719**

Total Number of Employees

**2,575**

### SYDNEY, NEW SOUTH WALES

#### Bus

Our 51%-owned subsidiary, ComfortDelGro Cabcharge Pty Ltd, expanded its presence in New South Wales (NSW) in 2012 when it acquired Deanes Bus Lines Pty Limited and Transborder Express for S\$68.8 million – both of which are part of Deane's Transit Group that serves Queanbeyan, a regional centre in south-eastern NSW, and the Australian Capital Territory.

It also added 33 new Euro 5 Environmentally Efficient Vehicle buses during the year, of which five are double deck buses that the NSW Government has approved for trial in the Hillsbus contract region.

To cater to growing demand for its Hillsbus and Hunter Valley bus services, three new full-time bus routes in the Hillsbus Region 4 network were introduced, providing improved connections to the Commercial Hubs of Sydney Central Business District (CBD), North Sydney, North Ryde, Norwest Business Park and Rouse Hill. Another full-time bus service also began operating between Rouse Hill and Sydney CBD via Rapid Bus Transitways on a daily basis. As a result of these additional services, Hillsbus services in Region 4 registered a 7% growth in patronage, while Hunter Valley Buses reported a 5% increase in patronage.

To meet the Government's soon-to-be-effected Disability Discrimination Act requirements, ComfortDelGro Cabcharge

increased the frequency of low-floor wheelchair-accessible bus services across all scheduled routes so much so that at least 55% of the services on weekdays are disabled friendly while all services are fully wheelchair-accessible on weekends and public holidays.

The second stage of the Enterprise Resource Planning system for finance, human resource and bus operations was successfully implemented across all depots in Metropolitan Sydney during the year and will begin trials in the Melbourne operations in 2013. A new Operations Control Centre (OCC), the first-of-its-kind for private bus operators in NSW, also became fully operational at Foundry Road depot at the end of the year. Using real-time information systems and operations communications equipment, the OCC is expected to further improve ComfortDelGro Cabcharge's service quality performance and further strengthen its business continuity readiness.

As part of the Company's continuous emphasis on safety, ComfortDelGro Cabcharge implemented an accident prevention programme during the year, which successfully reduced the number of accidents significantly.

### **Outdoor Advertising**

Having won advertising rights to handle all outdoor advertisements for ComfortDelGro Cabcharge Pty Ltd, Moove Media Pte Ltd's fully-owned subsidiary Moove Media Australia Pty Ltd, continued to increase its market presence in Canberra and Newcastle, and made some inroads into Brisbane and Melbourne through its representative offices. As a result, it secured several major contracts from corporations like Optus, Subway and Universal Studios.

## **MELBOURNE, VICTORIA**

### **Bus**

ComfortDelGro Cabcharge Pty Ltd in Victoria is one of the largest private bus operators in the region with a market share of 16%. Its fleet of 375 buses serves 72 routes. Currently, 90% of its revenue is derived from Government contracts for metropolitan routes, regional routes and school services. Private charters and tours make up the remaining 10%.

During the year, the Company commissioned the 8,821-square-metre Oakleigh depot, which was built at a cost of S\$13.2 million and which has replaced its previously overcrowded site. The new depot not only has the ability to house up to 60 buses, it also has many environmentally friendly features such as rainwater harvesting, recycled water for bus washing, and energy-saving lights that are set to motion detectors to reduce consumption of electricity.

One of Oakleigh depot's routes – Service 601 – scored the distinction of being the only service the Government has agreed to fund for the year. Demand for new and improved services remained extremely high and the Company was approached by city planners to work out plans for new services in the Point Cook area which, if approved, will commence in the second quarter of 2013.

During the year, ComfortDelGro Cabcharge took delivery of 17 new Euro 5 buses, bringing its fleet of Green buses to 72. It expects to take delivery of another 14 buses in 2013. There are plans to implement the Enterprise Resource Planning system used by the Sydney operations.

The Company will also be training staff to prepare them for the introduction of the new smart card ticketing system which replaces the Metcard in Metropolitan Melbourne and paper tickets on buses in selected regional towns.

## **PERTH, WESTERN AUSTRALIA**

### **Taxi**

Our fully-owned subsidiary, Swan Taxis Pty Ltd, Perth's largest provider of taxi services with 2,054 taxis or a 91% share of the market, ended the year with an 8% increase in call volume and a 14.4% increase in despatched jobs.

To cater to the increase in call booking demand, Swan Taxis continued to tap on remote operators with access to full answering and messaging facilities. It also leveraged on technological advancements by introducing SpeedCall, which enables customers to bypass operators to book a taxi. About 21,000 bookings are currently made via SpeedCall while another 16,000 are made via the smartphone apps every week.

Besides extending its despatch services to Mandurah Taxis Pty Ltd, which serves the Mandurah and the Peel Region, Swan Taxis also extended its despatch services to Pearl Town Taxis, which serves Broome, about 2,200 km north of Perth.

## OPERATIONS REVIEW

### UNITED KINGDOM

Aberdeen / Birmingham / Edinburgh /  
Glasgow / Liverpool / London



Bus / Coach / Taxi Radio Circuit / Private Car Hire

Revenue (S\$'mil)

**666.8**

EBITDA (S\$'mil)

**82.7**

Total Investment (S\$'mil)

**306.1**

Total Operating Fleet Size

**7,977**

Total Number of Employees

**4,031**

### LONDON, ENGLAND

#### Bus

Our wholly-owned subsidiary, Metroline Limited, is one of London's largest scheduled bus operators with a market share of 12.5%. In 2012, it operated close to 80 routes across North, West, Central London and Hertfordshire with a fleet of about 1,200 buses. It continued to perform well despite austerity measures that were introduced by the Authorities, including a 20% cut in the free tax rebate connected with the Bus Service Operator Grant.

In addition to normal bus services, its 2012 performance was aided by a contract to supply buses and drivers to the Summer Olympics and Paralympics. In all, it deployed some 230 drivers and 80 vehicles in support of the Games.

With driving behaviour showing marked improvement following the implementation of the Drive Assist System at Cricklewood Garage and Harrow Weald Garage, Metroline extended the system across all its garages and completed the roll-out in September 2012.

During the year, Metroline took delivery of 148 buses, comprising 106 double deck and 42 single deck buses. An order for another 79 double deck buses has been made and is expected to be delivered in 2013.

#### Coach

Westbus Coach Services Limited operates a diversified fleet of 36 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 continued



to bolster its position as a leading provider of quality coach services to the tourist market by investing in new vehicles and revamping its website to make it more user-friendly.

### **Taxi Radio Circuit**

Our taxi subsidiary, Computer Cab plc, maintained its pole position in London with a fleet of 2,183 taxis. Despite the poor business environment, Computer Cab successfully secured over 150 new accounts.

Computer Cab also managed to successfully secure a new three-year Taxicard contract, which is awarded by London Councils to provide subsidised personal door-to-door transport services to passengers with special mobility needs. The contract comes with an option for a three-year extension.

Computer Cab continued to explore ways to make bookings of taxis as hassle-free as possible. For example, it developed the ComCab app, a taxi booking application similar to both the ComfortDelGro Taxi Booking app launched by ComfortDelGro Taxis in Singapore. The app's quick booking function allows commuters to book a taxi in just three easy steps and is able to perform real-time tracking of the cab. ComCab also developed a new credit card payment gateway and fit its vehicles with new contactless card reader terminals to make cashless payments more convenient.

### **Private Car Hire**

Flightlink International Limited provides hassle-free airport transfers, as well as ground transportation for corporate entities, including multi-national groups which require business transport round-the-clock and individuals who want a reliable and cost effective executive car and chauffeur-driven service, under its brand names "Comfort Executive" and "Comfort Cars".

## **LIVERPOOL AND BIRMINGHAM, ENGLAND**

### **Taxi Radio Circuit**

Computer Cab (Liverpool) Limited is the City's largest taxi circuit operator with a fleet of 370 licenced taxis, catering to both corporate, public sector and individual clientele. Computer Cab (Liverpool) maintained its competitive edge by installing free-to-use taxi booking telephones in major hotel chains in London, as well as the new Cruise Liner terminal, to drive up its cash bookings.

Computer Cab (Birmingham) Limited, which operates 120 taxis under its network, is the designated taxi provider for the National Exhibition Centre, which boasts over four million visitors annually. Apart from this contract, Computer Cab (Birmingham) also secured a record number of accounts and converted previous accounts to cash bookings.

## **GLASGOW, SCOTLAND**

### **Coach**

ComfortDelGro Corporation Limited's successful partnership with Stagecoach plc, Scottish Citylink Coaches Limited continued to dominate the inter-city coach market in Scotland in 2012. During the year, it carried five million passengers annually on 33 routes that crisscross Scotland. Its routes also connect key Scottish towns with major towns in England such as Manchester, Newcastle, Sheffield, Leeds, Birmingham, London, as well as Belfast in Northern Ireland.

Scottish Citylink Coaches retained its contract for Service 904 that operates from East Kilbride into Edinburgh and also won a tender to operate services from Glasgow Bus Station to Hampden Park football stadium for Olympic football matches during summer.

## **ABERDEEN AND EDINBURGH, SCOTLAND**

### **Taxi Radio Circuit**

Our network of 675 taxis and private hire vehicles in Aberdeen and Edinburgh serves corporate and individual clientele. Demand remained strong during the year.

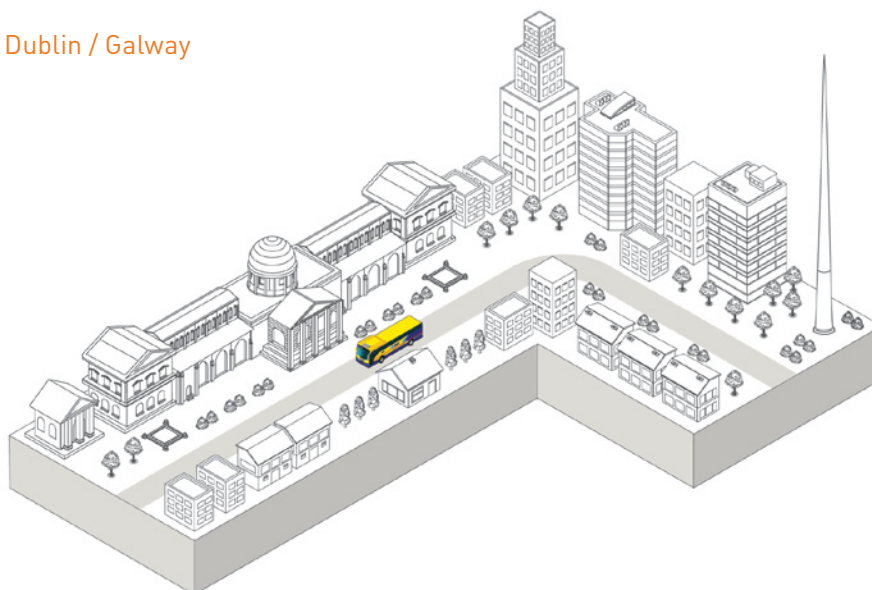
To make bookings even more convenient, Computer Cab (Aberdeen) Limited launched the TaxiApp, which commuters can download to book a taxi anywhere in the City with their iPhones. The TaxiApp registers the commuter's location via the Global Positioning System and despatches a taxi to fulfill the job. The app bypasses the need to contact the call centre, resulting in quicker and fuss-free bookings. The TaxiApp has now been extended to Computer Cab (Edinburgh), and is being considered in other parts of the United Kingdom.

During the year, Computer Cab (Edinburgh) invested in new in-vehicle equipment and re-branded its taxi arrival desk at the airport.

# OPERATIONS REVIEW

## IRELAND

Clifden / Cork / Dublin / Galway



### Inter-City Express Coach

Revenue (S\$'mil)

**13.8**

EBITDA (S\$'mil)

**0.7**

Total Investment (S\$'mil)

**3.1**

Total Operating Fleet Size

**25**

Total Number of Employees

**10**

### DUBLIN

#### Inter-City Express Coach

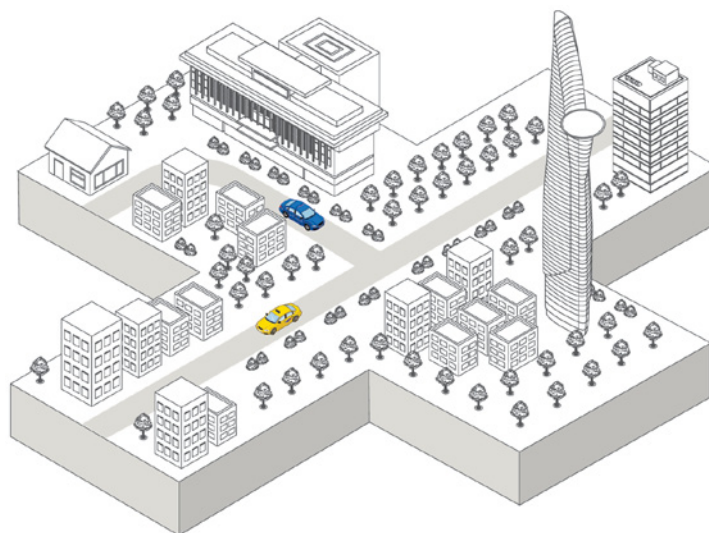
Irish Citylink ComfortDelGro Limited is our fully-owned operator of express coach travel in Ireland. It runs inter-city routes linking Galway to Dublin, Dublin Airport, Cork and Clifden. Despite stiff competition and a weak economy, Irish Citylink ComfortDelGro performed well during the year.

Passenger ridership increased as a result of several measures that were introduced, including deploying new luxury coaches on the Dublin Express route, converting some routes to semi- or fully-express modes and shifting bus stop locations in key towns and cities. It also revamped its website to make it more user-friendly.

## OPERATIONS REVIEW

### VIETNAM

#### Ho Chi Minh City



#### Taxi

Revenue (S\$'mil)

**6.1**

EBITDA (S\$'mil)

**3.2**

Total Investment (S\$'mil)

**8.5**

Total Operating Fleet Size

**558**

Total Number of Employees

**173**

#### 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 despite stiff competition.

During the year, ComfortDelGro Savico Taxi not only managed to secure a new pick-up point at Victory Hotel in District 3 for two years, it also added a third corporate card account from the real estate industry, a move which helped double monthly corporate card taxi fares in this industry to S\$7,660 in 2012.

To ensure service levels are kept at a consistently high standard, both companies continued to be stringent in their selection of taxi drivers. Improvements were further made to the way taxi drivers' performances were monitored and weekly spot checks were conducted on all taxis.

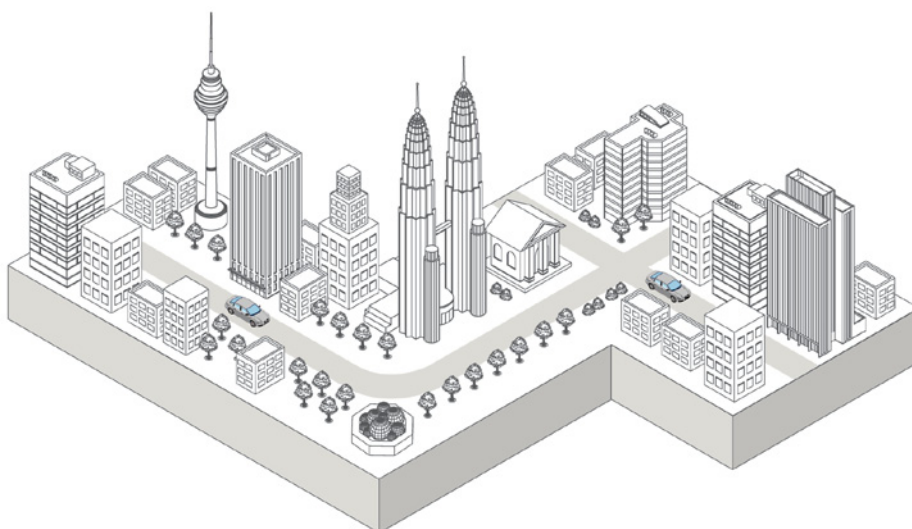
ComfortDelGro Savico Taxi also rolled out 45 new taxis installed with high-quality cushion seat covers and tinted windows as replacements for older, less popular models.

Both taxi companies in Ho Chi Minh City continued to rank tops in terms of service quality. Vinataxi, for example, won the Guide Award for "Excellent Performance" in 2012 for the 10th year running.

## OPERATIONS REVIEW

### MALAYSIA

Kuala Lumpur / Puchong



Car Rental & Leasing / Inspection and Testing Services

Revenue (S\$'mil)

**3.4**

EBITDA (S\$'mil)

**1.3**

Total Investment (S\$'mil)

**3.8**

Total Operating Fleet Size

**191**

Total Number of Employees

**53**

#### KUALA LUMPUR

##### Car Rental & Leasing

Our subsidiary, CityLimo Leasing (M) Sdn Bhd offers car leasing and rental services in Malaysia through a fleet of 139 vehicles. Utilisation of our vehicles remains high. In addition to leasing, the Company also provides a round-the-clock islandwide mobile back-up service that offers assistance to customers in the event of an emergency.

#### PUCHONG

##### Inspection and 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 inspection and testing services. While initially supporting the booming construction industry in Malaysia, it has since expanded its scope to other industries as well.

## 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:

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To improve our emissions profile per passenger journey or per passenger kilometre;

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To reduce the output of waste and to increase the proportion of waste reused/recycled;

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To improve the environmental management standards across the Group;

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To continue to encourage and promote the use of public transport so as to ensure a modal shift away from car use;

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To continue to support initiatives on research and trial the use of alternative fuels.

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## SUSTAINABILITY REPORT

At ComfortDelGro, growing and expanding our business and creating a better, safer and greener world are not conflicting goals. Indeed, firmly entrenched in our psyche is the need to better the welfare of those in need, as well as the desire to protect the environment.

### HUMAN SUSTAINABILITY

#### Helping Our Community

The Group continued to care for the poor, the sick, the aged and the needy, donating close to S\$1 million to various charity and welfare organisations in 2012.

ComfortDelGro Corporation Limited, which embarked on a five-year partnership with voluntary welfare organisation Lions Befrienders Association of Singapore in 2010, continued to help improve the lives and well-being of the elderly one-roomers through the Home Improvement Programme (HIP).

In June, two events were held to lift the spirits of the elderly. The first was a day trip to the National Library involving 40 elderly folks and 20 ComfortDelGro staff. There was fun and laughter as stories were regaled – by both the volunteers and old folks alike. This was soon followed by a cross-country run where 600 ComfortDelGro staff spent their Saturday morning pounding the pavements in a bid to raise funds for the elderly. After a dollar-for-dollar matching by the Group, a total of S\$33,000 was raised.

The Group also partnered CabbyCare Charity Group (CabbyCare), a volunteer group made up of ComfortDelGro cabbies in Singapore, to give away 2,800 battery-operated night lamps to the elderly. Unclaimed monies from the Lost & Found departments of the Singapore taxi and bus businesses were also channelled to the Lions elderly.

Moove Media Pte Ltd, the Group's outdoor advertising arm, paid tribute to the Singapore workforce during the year by having 500 of its iconic cows graze the Singapore landscape in different outfits depicting various occupations such as bus captains, chefs, soldiers and even hawkers. These cows were eventually sold with proceeds donated to the HIP.

Other than reaching out to the elderly under the Lions programme, our subsidiaries also partnered other welfare organisations during the year to help the less fortunate.

SBS Transit Ltd continued to support various charitable causes and community projects during the year. It also offered free travel to the elderly residents of Kwong Wai Shiu Hospital.

SBS Transit also launched 36 Wheelchair Accessible Bus services in 2012, making 70.9% of its buses wheelchair friendly.

For the 13th consecutive year, ComfortDelGro Taxis waived the booking fees of trips made by members of the Handicaps Welfare Association (HWA). CabbyCare also donated 41 new wheelchairs to HWA's "Loan of Mobility Equipment" scheme. Separately, ComfortDelGro Taxis donated S\$50,000 to CabbyCare as fares-in-lieu of trips that were made during the year, delivering unsold bread, meals and library books to the needy.

The children were not forgotten. ComfortDelGro Engineering Pte Ltd staff fulfilled the Christmas wishes of 50 children from Melrose Home and the Movement of the Intellectually Disabled, while VICOM Ltd organised a Christmas party for 40 needy children from the TOUCH Community Club.

In the United Kingdom (UK), Metroline Limited continued to promote volunteerism through its Wheel Power! initiative, including arranging for its engineering apprentices to assist with the restoration and decoration of St Luke's Hospice. Metroline also signed a Memorandum of Understanding with the Brathay Trust to reduce anti-social behaviour of abused youth through education and mentorship. Metroline staff also took part in sporting activities to raise funds for charity including a marathon and a boat rowing competition.

In Australia, ComfortDelGro Cabcharge Pty Ltd worked closely with the New South Wales (NSW) Police to educate both parents and youth about ways to keep safe, including the need to be street smart at all times. In Melbourne, ComfortDelGro Cabcharge provided free two-way transfers for the elderly in Ballarat throughout the year. In Western Australia, Swan Taxis Limited donated funds to various children groups such as the Lions Club District,



Whitfords Catholic Primary School and Police and Citizens Youth Club.

In China, Nanning Comfort Transportation Co., Ltd celebrated Children's Day with the students of Min Le Elementary School for the third consecutive year. As part of celebrations, a total of S\$1,980 in bursaries was given out to five graduating students to help defray the costs of their secondary level education. The Company, has also pledged S\$32,472 to upgrade the facilities of Guangxi Wangzhuang Elementary School and donated 360 goodie bags worth S\$9,900 to the students.

Chengdu ComfortDelGro Taxi Co., Ltd, CityCab (Shenyang) Co., Ltd, Jilin ComfortDelGro Taxi Co., Ltd, Nanjing ComfortDelGro Dajian Taxi Co., Ltd, Shenyang ComfortDelGro Taxi Co., Ltd, as well as Suzhou Comfort Taxi Co., Ltd provided free taxi trips to needy students during the country's National Education Entrance Examination. Nanjing ComfortDelGro Dajian Taxi went one step further by donating 100 goodie bags worth S\$17,820 to Ninghai Secondary School while Beijing Jin Jian Taxi Services Co., Ltd donated S\$10,890 towards the Beijing Warm Foundation, which helps needy workers facing financial difficulties.

In Vietnam, ComfortDelGro Savico Taxi Company donated S\$120 to Dieu Giac Orphanage, while Vietnam Taxi Co., Ltd donated S\$706 to Thien Phuoc Orphanage Village. Vietnam Taxi and its staff also raised funds totalling S\$740 in aid of its taxi drivers suffering from terminal illnesses.

### Safety First

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.

Our taxi subsidiaries in Singapore, Vietnam and China hold regular safety talks with their taxi drivers, put them through defensive driving training courses and carry out regular spot checks on taxis to ensure they are in tip-top condition. In Singapore, mobile data terminals sound an alert to taxi drivers who have exceeded speed limits, reminding them to slow down.

In the UK, Metroline works with Transport for London and the London Metropolitan Police to hold discussions with cyclists to encourage greater road safety awareness. Forums and road shows are also held to engage the visually-impaired and disabled passengers as well as elderly passengers to share more about their concerns while travelling on board buses.

In a similar vein, SBS Transit in Singapore conducted 78 school talks and visits on a variety of issues, including providing safety tips for travel on public transport. About 46,220 students attended these sessions. Complementing this, our rail business held four safety and evacuation programmes for some 800 residents living along the North East Line.

Singapore's Land Transport Authority, through the Public Vigilance, Education and Training Committee, commissioned a new campaign to drive home the message of security in our buses, trains, stations and interchanges. In an environment of heightened global security, passengers were reminded that it is their duty to also keep a keen eye out for suspicious looking items.

### TALENT SUSTAINABILITY

In our continuous effort to stay relevant to the changing needs of our employees, the Group reviewed and further enhanced its talent management plans and processes.

A leadership competency framework, premised on the organisational and job-enabling skills underpinned by leadership, as well as functional competencies was developed to support the development of "High Potentials". This group of staff was given further exposure to the operations of the Group in the form of added portfolios and responsibilities, and participated in key meetings and discussions of other business units.

A cross-business unit and off-line mentoring programme was launched in mid-2012 to allow our talents the opportunity to learn from the senior management team. As part of this programme, Business Unit Heads and Group Officers took on the role of mentors to one or more staff for one year.

### ENVIRONMENTAL SUSTAINABILITY

We continue to be forerunners in the field of environmentalism.

In Singapore, ComfortDelGro Taxis rolled out over 110 Euro 5 Mercedes Benz E220 sedan limousines, and started trialling Euro 5 Hyundai i40 taxis. SBS Transit also upped its Green quotient by placing an order for 1,000 Euro 5 buses, comprising 450 single deck award-winning Mercedes Citaro buses and 550 double deck Volvo B9TL Wright buses.

In the UK, all taxis operating on Computer Cab plc's radio circuits are Euro 4- or Euro 5-compliant. The Company, which reduces its environmental footprint through carbon offsets, also launched EcoDrive, which aims to train taxi drivers on the best way to maximise fuel efficiency. It is estimated that taxi drivers, who put the two-hour training into practice, can reduce average fuel consumption by as

much as 15% a year and cut carbon dioxide emissions by more than half a tonne. In the scheduled bus business, Metroline has started running hybrid buses, which operate partially on electricity – one of the cleanest and greenest options by far.

In Australia, we have started putting Euro 5 Environmentally Efficient vehicles (EEVs) on the roads – both in NSW and Victoria. As for newly acquired Deanes Bus Lines Pty Limited, close to half of its 89-strong vehicle fleet is Euro 4-compliant. Besides Green vehicles, ComfortDelGro Cabcharge in Victoria also commissioned an 8,821-square-metre Oakleigh depot that has many environmentally friendly features such as rainwater harvesting, recycled water for bus washing, and energy-saving lights that are set to motion detectors to reduce consumption of electricity.

In China, vehicle fleets operated by ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd and Chengdu ComfortDelGro Taxi are Euro 4-compliant, while over 80% of the vehicles operated by Chongqing ComfortDelGro Driver Training Co., Ltd and the entire fleet of taxis operated by Nanjing ComfortDelGro Dajian are Compressed Natural Gas (CNG)-driven. Our taxi business in Nanjing has even gone one step further and planted 500 trees to offset its carbon footprint.

Besides investing in Green vehicles, the Group and its subsidiaries support the research of alternative fuels as well. ComfortDelGro Engineering, for example, started work with Shell Petroleum Singapore in June 2012 to test a new form of automatic transmission fluid aimed at extending the fluid change interval of our Hyundai Sonata taxis from 40,000km to 100,000km. If successful, this will significantly reduce our impact on the environment.

ComfortDelGro Engineering also reviewed numerous work processes to minimise the impact of its operations on the environment. The Central Oil Management & Dispensing System was one such redesign. As a result, technicians no longer need to dispense lubrication oil, coolant and auto transmission fluid into measuring flasks before transferring them into vehicle engines and auto transmission gearboxes. All they have to do with the new system is to disengage the hose and let the machines do the rest. The new system also eliminates spillages, resulting in a safer working environment for technicians.

Moove Media Pte Ltd, which has scored many firsts in the field of outdoor media advertising, added another feather to its cap when it became the first transit media owner in Singapore to switch its current large-format hard-solvent ink printing machines to environmentally friendly ones which emit about 50% less fumes and odour during printing.

The Group continuously works at inculcating a Green culture amongst its staff. During Earth Hour, we switched non-essential lighting off and encouraged all staff to also honour the Hour at home. During Eco Action Day, a plant sale was organised in Singapore to encourage staff across the local subsidiaries to go Green. Over 220 potted plants were sold.

Our Green efforts have not gone unnoticed. In 2012, we successfully recertified our headquarters with the Eco-Office Label.

## INVESTOR RELATIONS

ComfortDelGro Corporation Limited has in place an investor relations programme to promote regular, effective and fair communications with Shareholders and the investment community, while balancing commercial sensitivities. Accurate and relevant information is disseminated in a timely manner to help investors make informed investment decisions. The Investor Relations (IR) team works with Senior Management to proactively carry out this engagement programme. We believe a constructive relationship with Shareholders and the investment community is important for good corporate governance and provides valuable feedback to Management on investors' issues and concerns.

### PROACTIVE COMMUNICATIONS

ComfortDelGro attracts active research coverage from sell-side analysts. The stock is now covered by 18 local and international research houses. Through regular interaction, analysts are able to glean a better understanding of our business model, operations and overall strategy. Efforts are not spared to ensure that they are kept up to speed on new corporate developments.

During the year, the IR team had 75 one-on-one office meetings and conference calls with 65 funds and 14 groups of analysts/institutional equity sales personnel.

We also participated in seven investor conferences and non-deal roadshows in Singapore, Kuala Lumpur, Hong Kong and Tokyo. In all, we met 75 funds over 40 meetings. This provided access to a wide cross-section of investors around the world, both existing Shareholders, as well as potential investors.

We organised briefings for the media and analysts for the full-year results and dial-in conference calls with analysts for the other quarterly results. A total of 76 analysts participated during the year. Two post-results luncheons were organised where we met a total of 11 funds.

Shareholders can interact with the Board and Management at our Annual General Meeting at our headquarters. It continues to be well-attended. Voting is by way of electronic poll for greater transparency in the voting process and the detailed results are announced immediately.

At the Singapore Corporate Awards 2012 held in July 2012, ComfortDelGro won the bronze award in the Best Investor

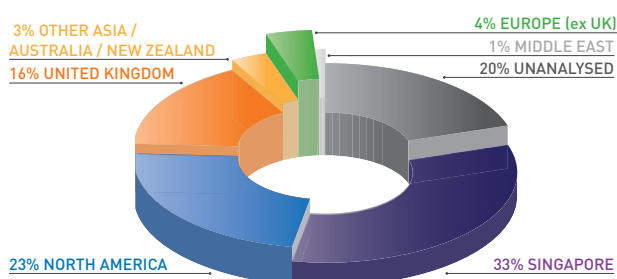
Relations category for companies with S\$1 billion and above in market capitalisation.

At the Securities Investors Association Singapore (SIAS) Investors' Choice Awards 2012 held in October 2012, ComfortDelGro together with its subsidiary SBS Transit Ltd were the runners-up in the "Most Transparent Company Award" in the Travel, Leisure and Automobiles and Parts category. Another subsidiary VICOM Ltd was the runner-up in the Industrials category. SBS Transit was also the merit award winner for the "Singapore Corporate Governance Award" in the Mid-Market Capitalisation category.

### DIVERSE SHAREHOLDER BASE

The Singapore Labour Foundation remains our largest single Shareholder. The other large Shareholders are asset management companies based in the United States, 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 Share Register Analysis as at 31 October 2012*

## CORPORATE GOVERNANCE

We, at ComfortDelGro, realise that a fundamental measure of our success is the shareholder value we create over the long-term.

From the very beginning, our emphasis has been on the long-term and as a result, we may make decisions and weigh trade-offs differently from some other companies. Accordingly, it is important for you, our Shareholder, to understand our fundamental management and decision making approach, so that you may ensure that it is consistent with your own investment philosophy. We will continue to:

- Focus relentlessly on our customers;
- Make sound investment decisions based on long-term value creation, rather than short-term profitability considerations;
- Spend wisely and maintain our lean culture as we understand the importance of continually reinforcing cost-consciousness; and
- Hire and retain versatile and talented employees.

### CORPORATE GOVERNANCE STATEMENT

ComfortDelGro Corporation Limited 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.

On 2 May 2012, the Monetary Authority of Singapore (MAS) issued the revised Code of Corporate Governance (Code). The revised Code is effective for annual reports with financial years commencing from 1 November 2012. Our commitment to upholding the highest standards of corporate governance is evidenced in our proactive approach in ensuring our adherence to the revised Code before its effective date. 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 reference to the updated practices following the revisions in the

Code. For the financial year 2012, we are pleased to report that the Group complied substantially with the revised 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 very high integrity, business savvy, 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:

- (i) Guiding the strategic direction and goals of the Group;
- (ii) Ensuring that appropriate and adequate systems of internal control, risk management processes and financial authority limits are in place;
- (iii) 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
- (iv) 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.

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) previously the Audit Committee (AC), 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 set 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. Considering the importance of risk management to the Group, the AC was renamed the ARC during the financial year to reflect its added scope and responsibility.

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 Board papers.

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 and operating environments.

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.

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.

## Attendance of Directors at Board and Committee Meetings in 2012

Name	Board		Audit and 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	6	6	–	–	1	1	3	3	3	3
Kua Hong Pak	6	6	4	4*	1	1*	3	3*	3	3
Ong Ah Heng	6	6	4	4	1	1	–	–	–	–
Oo Soon Hee	6	6	4	4	1	1	–	–	–	–
Sum Wai Fun, Adeline	6	6	4	4	–	–	–	–	3	2
Tow Heng Tan	6	5	–	–	–	–	3	3	3	3
Wang Kai Yuen	6	6	–	–	–	–	3	3	3	2
Wong Chin Huat, David	6	6	4	4	–	–	3	3	–	–

\* Attended Meetings by invitation of the Committee.

## Board Composition and Balance

There is a strong element of independence in the Board. The Board presently 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. 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 (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, a 10% Shareholder of the Group, non-independent.

As at 31 December 2012, 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 decision into executive action. 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

Board renewal is an ongoing process to ensure good governance and to maintain relevance in the 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.

The NC comprises three 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 Ong Ah Heng, 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 is 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 based on their qualifications, working experiences and expertise. 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 revised 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;
- 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 revised 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 ComfortDelGro 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, thus 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 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 and talented workforce to manage and grow the businesses in an increasingly competitive 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 from time to time, with the purpose of developing talent and building leadership, to ensure the Group's success.

In accordance with the Code, the RC comprises entirely of four non-executive independent Directors. Members of the RC are also independent of Management and 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;

- (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; and
- (iii) Approve the participants and determine the quantum of options to be granted under the ComfortDelGro Employees' Share Option Scheme (Scheme) and to administer the Scheme.

In the discharge of its responsibilities, the RC has sought expert advice from an external international human resource consultancy firm.

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 and stock options, 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. This remuneration framework is based on the findings and recommendations of an international human resource consultancy firm appointed by the Group.

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 70 to 72 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 2012 can be found on pages 118 and 119 of this Annual Report.

During the Financial Year 2012, no key executive was an immediate family member of any Director of the Group.

### Procedures Adopted by RC

In 2012, the RC held three 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. 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/or 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 letters 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/or 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

During the financial year, the Audit Committee has been renamed the 'Audit and Risk Committee' to reflect its added responsibility for the Group's risk management. This includes oversight of risk identification and reviewing the adequacy 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. The Company's ARC comprises four non-executive Directors, of whom three, including the Chairman, are independent. 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 Company'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 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 61 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 Department 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 Department 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 Internal Auditors 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 Auditors' function is ensured as the ARC meets with the GIAO at least once a year without the presence of Management.

The activities and organisational structure of the Group Internal Audit Department are monitored and reviewed by the ARC periodically to ensure that the Group Internal Audit Department 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 Department has adopted and met the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

### **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 59 to 61 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.

Based on these reviews, the Board is of the view, with the concurrence of the ARC, that there are adequate 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 our 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 49 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](http://www.comfortdelgro.com) as well as an SGXNET announcement. Communication with Shareholders 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. Investors 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 participate in 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 investors to meet the Board and senior management staff. Shareholders are informed of Shareholders' Meetings through notices published in the newspapers and reports or 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 the Shareholders' Meetings through proxy forms sent in advance. Investors, 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 ensure that its Notice of AGM is issued to Shareholders at least 28 days before the AGM is held – two weeks earlier than is required by the Companies Act; 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 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 initiative 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 open 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.

### 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.

## 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 Group's strategic planning and decision making process. While risks cannot be eliminated completely, an effective risk identification and management process reduces the uncertainties surrounding the achievement of the Group's business objectives and allows the Group to take advantage of opportunities that may arise.

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 in line with the changes in the markets.
- 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 promote risk-consciousness across 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.

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 adopted is properly rolled out across the whole Group. Members of the MRC are drawn from senior management staff from the business units and the corporate office.

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. These 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 funds 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 still subject to rigorous justification and review before it is incurred in accordance with the Group's financial authority limits. Tight control on hiring is exercised through headcount budgets.

## 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 rate risk, interest rate risk, credit risk, counter-party risk, liquidity risk and fuel 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 85 to 159.

## Economic cycle

Macroeconomic 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 environments. Revenue risks are also 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 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. Fences and other security features are enhanced 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. 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 continue developing and growing the business internationally depends on the quality of its employees. We have in place various programmes and processes that focus on several key areas, including succession planning, building management bench strength and talent management, recruitment and retention, 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.

## Information Technology

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 and data loss prevention controls to manage Internet security and cyber threats.

## 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

Operating in an environment with potential threats of terrorism, epidemic outbreaks and information system failures, 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.

## COMPLIANCE RISKS

Some of 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. In Singapore, the Land Transport Authority has quality standards for compliance for different modes of transport. We manage our operations well and effectively to ensure that standards are met, thereby reducing significantly the risk of licences being withdrawn.

## 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 WHISTLEBLOWING 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 Whistleblowing 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. A committee, headed by 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 of the outcome of all investigations. 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 internal controls in place within the Group to address its financial, operational, compliance and information technology risks.

# DIRECTORIES

## SINGAPORE

### Bus

#### **SBS Transit Ltd\***

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6284 8866  
Fax: (65) 6287 0311  
Website: [www.sbstransit.com.sg](http://www.sbstransit.com.sg)  
Email: [crc@sbstransit.com.sg](mailto:crc@sbstransit.com.sg)

#### **ComfortDelGro Bus Pte Ltd**

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6553 3838  
Fax: (65) 6456 0922  
Website: [www.comfortdelgrobus.com.sg](http://www.comfortdelgrobus.com.sg)  
Email: [enquiry@comfortdelgrobus.com.sg](mailto:enquiry@comfortdelgrobus.com.sg)

### Taxi

#### **Comfort Transportation Pte Ltd**

383 Sin Ming Drive  
Singapore 575717  
Mainline: (65) 6555 1188  
Fax: (65) 6453 3183  
Website: [www.cdgtaxi.com.sg](http://www.cdgtaxi.com.sg)  
Email: [feedback@cdgtaxi.com.sg](mailto:feedback@cdgtaxi.com.sg)

#### **CityCab Pte Ltd**

383 Sin Ming Drive  
Singapore 575717  
Mainline: (65) 6555 1188  
Fax: (65) 6453 3183  
Website: [www.cdgtaxi.com.sg](http://www.cdgtaxi.com.sg)  
Email: [feedback@cdgtaxi.com.sg](mailto:feedback@cdgtaxi.com.sg)

### Rail

#### **SBS Transit Ltd\***

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6284 8866  
Fax: (65) 6287 0311  
Website: [www.sbstransit.com.sg](http://www.sbstransit.com.sg)  
Email: [crc@sbstransit.com.sg](mailto:crc@sbstransit.com.sg)

### Automotive Engineering Services

#### **ComfortDelGro Engineering Pte Ltd**

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6383 6280  
Fax: (65) 6280 9755  
Website: [www.cdge.com.sg](http://www.cdge.com.sg)  
Email: [enquiries@cdge.com.sg](mailto:enquiries@cdge.com.sg)

### Inspection & Testing Services

#### **VICOM Ltd\***

385 Sin Ming Drive  
Singapore 575718  
Mainline: (65) 6458 4555  
Fax: (65) 6458 1040  
Website: [www.vicom.com.sg](http://www.vicom.com.sg)  
Email: [customerservice@vicom.com.sg](mailto:customerservice@vicom.com.sg)

#### **VICOM Inspection Centre Pte Ltd**

385 Sin Ming Drive  
Singapore 575718  
Mainline: (65) 6458 4555  
Fax: (65) 6458 1040  
Website: [www.vicom.com.sg](http://www.vicom.com.sg)  
Email: [customerservice@vicom.com.sg](mailto:customerservice@vicom.com.sg)

#### **JIC Inspection Services Pte Ltd**

53 Pioneer Road  
Singapore 628505  
Mainline: (65) 6863 9639  
Fax: (65) 6863 1838  
Website: [www.vicom.com.sg](http://www.vicom.com.sg)  
Email: [customerservice@vicom.com.sg](mailto:customerservice@vicom.com.sg)

#### **Setesco Services Pte Ltd**

18 Teban Gardens Crescent  
Singapore 608925  
Mainline: (65) 6566 7777  
Fax: (65) 6566 7718  
Website: [www.setesco.com](http://www.setesco.com)  
Email: [marketing@setesco.com](mailto:marketing@setesco.com)

#### **Setesco Consultancy International Pte Ltd**

18 Teban Gardens Crescent  
Singapore 608925  
Mainline: (65) 6566 7777  
Fax: (65) 6566 7718  
Website: [www.setesco.com](http://www.setesco.com)  
Email: [marketing@setesco.com](mailto:marketing@setesco.com)

### Driving Centre

#### **ComfortDelGro Driving Centre Pte Ltd**

205 Ubi Avenue 4  
Singapore 408805  
Mainline: (65) 6841 8900  
Fax: (65) 6841 8913  
Website: [www.cdc.com.sg](http://www.cdc.com.sg)  
Email: [info@cdc.com.sg](mailto:info@cdc.com.sg)

### Car Rental & Leasing

#### **ComfortDelGro Rent-A-Car Pte Ltd**

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6882 0882  
Fax: (65) 6665 1818  
Website: [www.cdgrentacar.com.sg](http://www.cdgrentacar.com.sg)  
Email: [sales@cdgrentacar.com.sg](mailto:sales@cdgrentacar.com.sg)

### Insurance Broking Services

#### **ComfortDelGro Insurance Brokers Pte Ltd**

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6383 8833  
Fax: (65) 6286 2112  
Email: [insurance@comfortdelgro.com.sg](mailto:insurance@comfortdelgro.com.sg)

### Outdoor Advertising

#### **Moove Media Pte Ltd**

600 Sin Ming Avenue  
Level 2 CityCab Building  
Singapore 575733  
Mainline: (65) 6383 7035  
Fax: (65) 6288 7112  
Website: [www.moovemedias.com.sg](http://www.moovemedias.com.sg)  
Email: [advertising@moovemedias.com.sg](mailto:advertising@moovemedias.com.sg)

## CHINA

### NORTH CHINA BUSINESS UNIT

### Beijing

#### Taxi

##### **Beijing Jin Jian Taxi Services Co., Ltd**

Hei Shi Tou  
Shi Jing Shan District Beijing  
Postal Code 100042  
Mainline: (86) 10 8895 1556  
Fax: (86) 10 8895 1678  
Email: [leongks@comfortdelgro.com](mailto:leongks@comfortdelgro.com)

### Vehicle Testing Services

#### **Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd**

Room 201 Tian Long Da Tian  
Office Building  
No. 8 Sun Tai Shan Road  
Jiu Gong Da Xing District, Beijing  
Postal Code 100076  
Mainline: (86) 10 8760 0856  
Fax: (86) 10 8760 2282  
Email: [liuhx@comfortdelgro.com](mailto:liuhx@comfortdelgro.com)

\* Listed on the Singapore Exchange

## Jilin City, Jilin Province

### **Taxi**

#### **Jilin ComfortDelGro Taxi Co., Ltd**

No. 32 Jilin Main Street  
Jilin City, Jilin  
Postal Code 132013  
Mainline: (86) 432 6456 5605  
Fax: (86) 432 6456 5600  
Email: nixipeng@comfortdelgro.com

## Shenyang, Liaoning Province

### **Bus**

#### **Shenyang ComfortDelGro Anyun Bus Co., Ltd**

No. 8 Hua Hai Road  
Shenyang Economic & Technological Development District  
Shenyang, Liaoning  
Postal Code 110141  
Mainline: (86) 24 2537 6441  
Fax: (86) 24 2537 6536  
Email: tansp@comfortdelgro.com

### **Taxi**

#### **Shenyang ComfortDelGro Taxi Co., Ltd**

No. 52 Wen Hua Dong Road  
Dong Lin District  
Shenyang, Liaoning  
Postal Code 110015  
Mainline: (86) 24 2420 7819  
Fax: (86) 24 2482 3064  
Email: leongks@comfortdelgro.com

#### **CityCab (Shenyang) Ltd**

No. 52 Wen Hua Dong Road  
Dong Lin District  
Shenyang, Liaoning  
Postal Code 110015  
Mainline: (86) 24 2422 2265  
Fax: (86) 24 2482 3064  
Email: leongks@comfortdelgro.com

## Yantai, Shandong Province

### **Automotive Engineering Services, Car Leasing & Taxi**

#### **Yantai ComfortDelGro Automobile Services Co., Ltd**

No. 7 Zhou Shan Road  
Yantai Development District,  
Yantai, Shandong  
Postal Code 264006  
Mainline: (86) 53 5638 1178  
Fax: (86) 53 5638 1178  
Email: jiangguanghua@comfortdelgro.com

## **WEST CHINA BUSINESS UNIT**

## Chengdu, Sichuan Province

### **Taxi**

#### **Chengdu ComfortDelGro Taxi Co., Ltd**

No. 13 Wai Dong Jian Cai Road  
Chenghua District  
Chengdu, Sichuan  
Postal Code 610051  
Mainline: (86) 28 8471 5206  
Fax: (86) 28 8471 5206 614  
Email: simontan@comfortdelgro.com

#### **Chengdu ComfortDelGro Sheng Duo Consulting Co., Ltd**

13 Wai Dong Jian Cai Road  
Chenghua District  
Chengdu Sichuan  
Postal Code 610051  
Mainline: (86) 28 8471 5281  
Fax: (86) 28 8471 5281 610  
Email: simontan@comfortdelgro.com

### **Car Rental & Leasing**

#### **ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd**

No. 13 Wai Dong Jian Cai Road  
Chenghua District  
Chengdu, Sichuan  
Postal Code 610051  
Mainline: (86) 28 8471 8859  
Fax: (86) 28 8471 8859 612  
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 2137  
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 0700 807  
Website: www.cdqyqx.net  
Email: lamkeatkoi@comfortdelgro.com

## Chongqing

### **Driving Centre**

#### **Chongqing ComfortDelGro Driver Training Co., Ltd**

No. 11 Huo Ju Road  
Jiu Long Park  
Jiu Long Po District Chongqing  
Postal Code 400051  
Mainline: (86) 23 8680 1111  
Fax: (86) 23 8906 8500  
Website: www.kfdgjx.com  
Email: johnng@comfortdelgro.com

#### **Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd**

No. 240 Shuang Long West Road  
Shuang Long Lake Street, 2-1-4,  
Yu Bei District, Chongqing  
Postal Code 401120  
Mainline: (86) 23 8680 1111  
Fax: (86) 23 8906 8500  
Email: johnng@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**

No. 188 Jin Ji Hu Road  
Suzhou Industrial Park  
Suzhou, Jiangsu  
Postal Code 215021  
Mainline: (86) 512 6762 0200  
Fax: (86) 512 6761 0101  
Email: richardtang@comfortdelgro.com

### **Car Dealership**

#### **Suzhou Comfort Toyota Sales & Service Co., Ltd**

No. 188 Jin Ji Hu Road  
Suzhou Industrial Park Suzhou, Jiangsu  
Postal Code 215021  
Mainline: (86) 512 6762 0200  
Fax: (86) 512 6761 0101  
Email: richardtang@comfortdelgro.com

## Nanjing, Jiangsu Province

### **Taxi**

#### **Nanjing ComfortDelGro Dajian Taxi Co., Ltd**

211 North Zhongyang Rd  
Xiaguan District  
Nanjing 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**

No. 41 An Ji Avenue, Nanning, Guangxi  
Postal Code 530001  
Mainline: (86) 771 313 8991/771 310 0182  
Fax: (86) 771 310 1533  
Email: richardtang@comfortdelgro.com

## Xiamen, Fujian Province

### **Taxi**

#### **Xiamen Comfort Taxi Co., Ltd**

No. 109 Gu Gong Road  
Xiamen, Fujian  
Postal Code 361004  
Mainline: (86) 592 228 6091  
Fax: (86) 592 228 6091  
Email: richardtang@comfortdelgro.com

## Hengyang, Hunan Province

### **Bus & Taxi**

#### **Hengyang CityCab Bus Services Co., Ltd**

No. 2 Bai Sha Zhou Nan Jiao Avenue  
Hengyang, Hunan  
Postal Code 421007  
Mainline: (86) 734 840 2888  
Fax: (86) 734 840 2296

## **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: customerservice@cdcbus.com.au

### **Outdoor Advertising**

#### **Moove Media Australia Pty Ltd**

Suite 104, 5 Belvoir Street  
Surry Hills NSW 2010  
Mainline: (61) 2 9690 1144  
Fax: (61) 2 9310 5753  
Website: www.moovemediao.com.au  
Email: advertising@moovemedio.com.sg

## Canberra, New South Wales

### **Bus**

#### **Deanes Buslines Transborder Express**

11 Bass Street  
Queanbeyan  
NSW 2620  
Mainline: (61) 2 6299 3722  
Fax: (61) 2 6999 3828  
Website: www.deanesbuslines.com.au  
www.transborder.com.au  
Email: capitalinfo@deanestransitgroup.com.au

## Melbourne, Victoria

### **Bus**

#### **ComfortDelGro Cabcharge Pty Ltd**

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

## Perth, Western Australia

### **Taxi**

#### **Swan Taxis Limited**

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) 208 218 8888  
Fax: (44) 208 218 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) 208 572 6348  
Fax: (44) 208 570 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) 207 908 0286  
Fax: (44) 207 908 0051  
Website: www.computercab.co.uk  
Email: customerservice@comcab.co.uk

### **Private Car Hire**

#### **Flightlink International Limited**

92 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  
Email: admin@merseycabs.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 3NP  
Mainline: (44) 141 332 9644  
Fax: (44) 141 332 4488  
Website: www.citylink.co.uk  
Email: info@citylink.co.uk

## Aberdeen, Scotland

### **Taxi Radio Circuit Computer Cab (Aberdeen) Limited**

Burnside Drive  
Dyce  
Aberdeen AB21 0HW  
Mainline: (44) 1224 353 535  
Fax: (44) 1224 722 727  
Website: www.comcab-aberdeen.co.uk  
Email: customerservice@comcab.co.uk

## Edinburgh, Scotland

### **Taxi Radio Circuit Computer Cab (Edinburgh) Limited**

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

### **Private Car Hire Onward Travel Ltd**

2/6 Spitfire House  
Turnhouse Road  
Edinburgh Airport  
Edinburgh EH12 0AL  
Mainline: (44) 131 333 2255  
Fax: (44) 131 272 8011  
Website: www.onwardtravel.com  
Email: admin@onwardtravel.com

## Dublin, Ireland

### **Coach Irish Citylink ComfortDelGro Limited**

17 Forster Street  
Galway  
Mainline: (353) 91 564 164  
Fax: (353) 91 564 100  
Website: www.citylink.ie  
Email: info@citylink.ie

## **VIETNAM**

### Ho Chi Minh City

**Taxi**  
**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.vinataxis.com  
Email: enquiry@vinataxis.com

### **ComfortDelGro Savico Taxi Company**

325 Ho Van Hue Street  
Ward 2  
Tan Binh District  
Ho Chi Minh City  
Mainline: (84) 8 3842 4400  
Fax: (84) 8 3847 5976  
Website: www.comfortsavico.com.vn  
Email: comfortsavico@vnn.vn

## **MALAYSIA**

### Kuala Lumpur

### **Car Leasing & Rental 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

### Puchong

### **Inspection and Testing Services Setsco Services (M) Sdn Bhd**

31, Jalan Industri Mas 12  
Taman Mas, 47100 Puchong  
Selangor Darul Ehsan, Malaysia  
Mainline: (603) 8052 6822/8052 7822  
Fax: (603) 8052 5822  
Email: marketing@setsco.com

## FINANCIAL CALENDAR

### 2012

Announcement of 2011 Full Year Results	13 February 2012
Annual General Meeting	27 April 2012
Announcement of 1st Quarter 2012 Results	14 May 2012
Payment of 2011 final dividend (3.3 cents/share)	15 May 2012
Announcement of 2nd Quarter 2012 Results	13 August 2012
Payment of 2012 interim dividend (2.9 cents/share)	31 August 2012
Announcement of 3rd Quarter 2012 Results	12 November 2012

### 2013

Announcement of 2012 Full Year Results	8 February 2013
Annual General Meeting	26 April 2013
Announcement of 1st Quarter 2013 Results	14 May 2013*
Payment of 2012 final dividend (3.5 cents/share) <i>[Subject to Shareholders' approval at the forthcoming Annual General Meeting]</i>	15 May 2013
Announcement of 2nd Quarter 2013 Results	14 August 2013*
Announcement of 3rd Quarter 2013 Results	13 November 2013*

\* Provisional – Updates will be posted on [www.comfortdelgro.com](http://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 2012 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2012.

## 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 2012	At 31 December 2012	At 21 January 2013
<b>Interest in the Company</b>			
(a) Ordinary shares			
Lim Jit Poh	1,044,425	1,044,425	1,044,425
Kua Hong Pak	2,824,530	2,824,530	2,824,530
Ong Ah Heng	395,558	395,558	395,558
Oo Soon Hee	525,000	525,000	525,000
Tow Heng Tan	250,000	250,000	250,000
Wang Kai Yuen	312,500	312,500	312,500
Wong Chin Huat, David	100,000	100,000	100,000

# 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 2012	At 31 December 2012	At 21 January 2013
<b>Interest in the Company</b>			
(b) Options to subscribe for ordinary shares			
Lim Jit Poh	1,160,000	1,200,000	1,200,000
Kua Hong Pak	7,200,000	7,200,000	7,200,000
Ong Ah Heng	580,000	600,000	600,000
Oo Soon Hee	750,000	750,000	750,000
Sum Wai Fun, Adeline	480,000	600,000	600,000
Tow Heng Tan	580,000	600,000	600,000
Wang Kai Yuen	845,000	900,000	900,000
Wong Chin Huat, David	580,000	600,000	600,000
<b>Interest in subsidiary, SBS Transit Ltd</b>			
(a) Ordinary shares			
Lim Jit Poh	200,000	200,000	200,000
Wong Chin Huat, David	215,000	215,000	215,000
(b) Options to subscribe for ordinary shares			
Lim Jit Poh	300,000	200,000	200,000
Kua Hong Pak	270,000	180,000	180,000
Wong Chin Huat, David	130,000	65,000	65,000
<b>Interest in subsidiary, VICOM Ltd</b>			
(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.

# REPORT OF THE DIRECTORS

## 5 SHARE OPTIONS

### (A) Share options of the Company

- (i) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS") was approved by the shareholders of the Company on 18 February 2003. 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.
- (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/forfeited during the financial year and options outstanding as at 31 December 2012 were as follows:

Date of grant	Number of options to subscribe for ordinary shares				Outstanding at 31 December 2012	Subscription price per share	Expiry date
	Outstanding at 1 January 2012	Granted	Exercised	Cancelled/ Lapsed/ Forfeited			
31 July 2003	85,000	–	–	–	85,000	\$0.793	30 July 2013
2 January 2004	120,000	–	(35,000)	–	85,000	\$0.820	1 January 2014
19 July 2004	287,500	–	(90,000)	–	197,500	\$1.217	18 July 2014
24 February 2005	2,057,500	–	–	(660,000)	1,397,500	\$1.680	23 February 2015
21 July 2005	1,345,000	–	–	(50,000)	1,295,000	\$1.540	20 July 2015
17 November 2005	2,241,000	–	–	(50,000)	2,191,000	\$1.550	16 November 2015
13 July 2006	5,150,000	–	(425,000)	(140,000)	4,585,000	\$1.500	12 July 2016
22 June 2007	6,780,000	–	–	(170,000)	6,610,000	\$2.260	21 June 2017
22 June 2007	975,000	–	–	(975,000)	–	\$2.260	21 June 2012
25 June 2008	8,845,000	–	(470,000)	(770,000)	7,605,000	\$1.590	24 June 2018
25 June 2008	1,270,000	–	–	–	1,270,000	\$1.590	24 June 2013
25 June 2009	7,152,000	–	(2,825,000)	(100,000)	4,227,000	\$1.273	24 June 2019
25 June 2009	1,175,000	–	–	–	1,175,000	\$1.273	24 June 2014
2 July 2010	13,035,000	–	(2,082,500)	(490,000)	10,462,500	\$1.467	1 July 2020
2 July 2010	1,250,000	–	–	–	1,250,000	\$1.467	1 July 2015
23 June 2011	1,050,000	–	–	–	1,050,000	\$1.373	22 June 2016
23 June 2011	15,615,000	–	(5,057,000)	(750,000)	9,808,000	\$1.373	22 June 2021
20 June 2012	–	1,050,000	–	–	1,050,000	\$1.475	19 June 2017
20 June 2012	–	16,535,000	–	(700,000)	15,835,000	\$1.475	19 June 2022
<b>Total</b>	<b>68,433,000</b>	<b>17,585,000</b>	<b>(10,984,500)</b>	<b>(4,855,000)</b>	<b>70,178,500</b>		

The options outstanding as at 31 December 2012 include 840,000 options granted to former employees of the Group who have been granted an extension from their respective dates of retirement by the Remuneration Committee to exercise their outstanding options.



# 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 2012 were as follows:

Director	Number of options to subscribe for ordinary shares				
	Granted during the year ended 31 December 2012	Aggregate options granted since the commencement to 31 December 2012	Aggregate options exercised since the commencement to 31 December 2012	Aggregate options lapsed/forfeited since the commencement to 31 December 2012	Aggregate options outstanding at 31 December 2012
Lim Jit Poh	240,000	2,773,577	1,073,577	500,000	1,200,000
Kua Hong Pak	1,200,000	12,300,000	2,700,000	2,400,000	7,200,000
Ong Ah Heng	120,000	1,517,540	567,540	350,000	600,000
Oo Soon Hee	150,000	1,650,000	525,000	375,000	750,000
Sum Wai Fun, Adeline	120,000	600,000	–	–	600,000
Tow Heng Tan	120,000	1,200,000	250,000	350,000	600,000
Wang Kai Yuen	180,000	1,998,672	973,672	125,000	900,000
Wong Chin Huat, David	120,000	1,200,000	250,000	350,000	600,000

- \* 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 during the year 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 2012.

# REPORT OF THE DIRECTORS

## 5 SHARE OPTIONS (CONT'D)

### (B) Share options of subsidiaries

#### (a) SBS Transit Ltd ("SBST")

- (i) At the end of the financial year, there were 7,306,250 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.
- (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 2012	Aggregate options exercised since the commencement to 31 December 2012	Aggregate options lapsed since the commencement to 31 December 2012	Aggregate options outstanding at 31 December 2012
Lim Jit Poh	780,000	380,000	200,000	200,000
Kua Hong Pak	690,000	150,000	360,000	180,000
Wong Chin Huat, David	475,000	295,000	115,000	65,000

#### (b) VICOM Ltd ("VICOM")

- (i) At the end of the financial year, there were 415,000 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 2012 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 2012 are not disclosed as there were no movements in options granted and exercised and such details had been disclosed in the prior years.

# REPORT OF THE DIRECTORS

## 6 AUDIT AND RISK COMMITTEE

During the financial year, the Audit Committee has been re-named the "Audit and Risk Committee" to reflect its added responsibility for the Group's risk management. At the date of this report, the Audit and Risk Committee comprises four non-executive Directors, of whom three, including the Chairman, are independent:

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.

## 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  
8 February 2013

## 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 76 to 159 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 2012, 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

8 February 2013

# 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 2012, 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 notes, as set out on pages 76 to 159.

## 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 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 2012 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  
Certified Public Accountants

Singapore  
8 February 2013

# STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2012

		The Group		The Company	
	Note	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
<b>ASSETS</b>					
<b>Current assets</b>					
Short-term deposits and bank balances	4	694.6	576.7	329.2	252.7
Trade receivables	5	128.5	133.2	–	–
Other receivables and prepayments	6	174.4	154.0	1.9	1.0
Grant receivables	7	24.2	22.5	–	–
Due from subsidiaries	8	–	–	34.0	61.8
Finance lease receivables	9	14.7	17.5	–	–
Inventories	10	57.9	56.5	–	–
Total current assets		1,094.3	960.4	365.1	315.5
<b>Non-current assets</b>					
Subsidiaries	11	–	–	1,037.5	1,002.2
Associates	12	5.3	5.7	0.1	0.1
Available-for-sale investments	13	82.5	86.4	55.9	58.7
Other receivables and prepayments	6	41.8	19.0	–	–
Grant receivables	7	333.6	342.8	–	–
Finance lease receivables	9	8.6	11.1	–	–
Vehicles, premises and equipment	14	2,706.6	2,603.8	13.6	15.5
Taxi licences and bus operating rights	15	393.2	407.2	–	–
Goodwill	16	176.0	145.7	–	–
Deferred tax assets	17	3.9	7.1	–	–
Total non-current assets		3,751.5	3,628.8	1,107.1	1,076.5
<b>Total assets</b>		<b>4,845.8</b>	<b>4,589.2</b>	<b>1,472.2</b>	<b>1,392.0</b>

See accompanying notes to the financial statements.



# STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2012

		The Group		The Company	
	Note	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Borrowings	18	95.8	198.3	–	–
Trade and other payables	19	606.9	594.9	22.8	20.8
Trade payables for buses		26.9	20.1	–	–
Deferred grant income	20	20.3	19.7	–	–
Due to subsidiaries	21	–	–	474.9	386.3
Fuel price equalisation account		20.0	20.0	–	–
Insurance premiums payable and provision for accident claims	22	84.6	85.7	–	–
Income tax payable		62.5	57.0	3.3	3.3
<b>Total current liabilities</b>		<b>917.0</b>	<b>995.7</b>	<b>501.0</b>	<b>410.4</b>
<b>Non-current liabilities</b>					
Borrowings	18	607.8	433.6	–	–
Deferred grant income	20	347.9	348.0	–	–
Other liabilities	23	123.0	120.1	0.1	0.1
Fuel price equalisation account		20.0	20.0	–	–
Deferred tax liabilities	17	193.1	191.5	0.3	0.3
<b>Total non-current liabilities</b>		<b>1,291.8</b>	<b>1,113.2</b>	<b>0.4</b>	<b>0.4</b>
<b>Capital, reserves and non-controlling interests</b>					
Share capital	24	585.1	568.6	585.1	568.6
Other reserves	25	14.1	11.6	8.5	11.9
Foreign currency translation reserve		(25.5)	(1.2)	–	–
Accumulated profits		1,434.5	1,318.4	377.2	400.7
Equity attributable to shareholders of the Company		2,008.2	1,897.4	970.8	981.2
Non-controlling interests		628.8	582.9	–	–
<b>Total equity</b>		<b>2,637.0</b>	<b>2,480.3</b>	<b>970.8</b>	<b>981.2</b>
<b>Total liabilities and equity</b>		<b>4,845.8</b>	<b>4,589.2</b>	<b>1,472.2</b>	<b>1,392.0</b>

See accompanying notes to the financial statements.

# GROUP INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$'mil	2011 \$'mil
<b>Revenue</b>	26	3,545.3	3,411.1
Staff costs	27	(1,093.3)	(1,040.5)
Contract services		(451.9)	(400.0)
Materials and consumables		(327.6)	(336.4)
Depreciation and amortisation		(323.0)	(316.6)
Fuel and electricity costs		(276.4)	(280.1)
Repairs and maintenance		(172.3)	(163.4)
Road tax		(123.0)	(121.0)
Insurance premiums and accident claims		(120.9)	(113.3)
Taxi drivers' benefits		(71.0)	(69.7)
Premises costs		(65.9)	(65.2)
Utilities and communication costs		(22.8)	(22.1)
Advertising production and promotion costs		(13.8)	(14.5)
Vehicle leasing charges		(6.6)	(6.4)
Other operating expenses		(64.5)	(62.7)
<b>Total operating expenses</b>		<b>(3,133.0)</b>	<b>(3,011.9)</b>
<b>Operating profit</b>		<b>412.3</b>	<b>399.2</b>
Net income from investments		11.5	10.0
Finance costs	28	(31.4)	(35.3)
Share of profit in associates	12	3.6	5.3
<b>Profit before taxation</b>		<b>396.0</b>	<b>379.2</b>
Taxation	29	(85.5)	(81.7)
<b>Profit after taxation</b>	30	<b>310.5</b>	<b>297.5</b>
Attributable to:			
Shareholders of the Company		248.9	235.6
Non-controlling interests		61.6	61.9
		<b>310.5</b>	<b>297.5</b>
Earnings per share (in cents):			
Basic	31	11.89	11.27
Diluted	31	11.86	11.26

See accompanying notes to the financial statements.

## GROUP COMPREHENSIVE INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$'mil	2011 \$'mil
<b>Profit after taxation</b>	30	310.5	297.5
Fair value adjustment on cash flow hedges		1.0	3.4
Fair value adjustment on available-for-sale investments		(3.1)	(32.3)
Exchange differences on translation of foreign operations		(38.5)	24.5
Actuarial adjustment on defined benefit plans		2.6	(2.7)
<b>Other comprehensive expense for the year</b>		(38.0)	(7.1)
<b>Total comprehensive income for the year</b>		272.5	290.4
<b>Attributable to:</b>			
Shareholders of the Company		224.5	222.1
Non-controlling interests		48.0	68.3
		272.5	290.4

See accompanying notes to the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2012

	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		
<b>Balance at 1 January 2011</b>	<b>565.5</b>	<b>58.3</b>	<b>(18.9)</b>	<b>1,199.3</b>	<b>1,804.2</b>	<b>547.5</b>	<b>2,351.7</b>
Total comprehensive income (expense) for the year	–	(31.2)	17.7	235.6	222.1	68.3	290.4
Recognition of share-based payments (Note 25)	–	2.0	–	–	2.0	–	2.0
Exercise of share options (Notes 24 and 25)	3.1	(0.3)	–	–	2.8	–	2.8
Payment of dividends (Note 36)	–	–	–	(115.0)	(115.0)	–	(115.0)
Other reserves	–	(17.2)	–	(1.5)	(18.7)	(32.9)	(51.6)
<b>Balance at 31 December 2011</b>	<b>568.6</b>	<b>11.6</b>	<b>(1.2)</b>	<b>1,318.4</b>	<b>1,897.4</b>	<b>582.9</b>	<b>2,480.3</b>
Total comprehensive income (expense) for the year	–	(0.1)	(24.3)	248.9	224.5	48.0	272.5
Recognition of share-based payments (Note 25)	–	1.3	–	–	1.3	–	1.3
Exercise of share options (Notes 24 and 25)	16.5	(1.4)	–	–	15.1	–	15.1
Payment of dividends (Note 36)	–	–	–	(129.8)	(129.8)	–	(129.8)
Other reserves	–	2.7	–	(3.0)	(0.3)	(2.1)	(2.4)
<b>Balance at 31 December 2012</b>	<b>585.1</b>	<b>14.1</b>	<b>(25.5)</b>	<b>1,434.5</b>	<b>2,008.2</b>	<b>628.8</b>	<b>2,637.0</b>

See accompanying notes to the financial statements.

## STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2012

	The Company			
	Share capital \$'mil	Other reserves \$'mil	Accumulated profits \$'mil	Total equity \$'mil
<b>Balance at 1 January 2011</b>	<b>565.5</b>	<b>19.7</b>	<b>405.5</b>	<b>990.7</b>
Total comprehensive income (expense) for the year	–	(29.8)	108.7	78.9
Recognition of share-based payments (Note 25)	–	2.0	–	2.0
Exercise of share options (Notes 24 and 25)	3.1	(0.3)	–	2.8
Payment of dividends (Note 36)	–	–	(115.0)	(115.0)
Other reserves	–	20.3	1.5	21.8
<b>Balance at 31 December 2011</b>	<b>568.6</b>	<b>11.9</b>	<b>400.7</b>	<b>981.2</b>
Total comprehensive income (expense) for the year	–	(2.8)	105.6	102.8
Recognition of share-based payments (Note 25)	–	1.3	–	1.3
Exercise of share options (Notes 24 and 25)	16.5	(1.4)	–	15.1
Payment of dividends (Note 36)	–	–	(129.8)	(129.8)
Other reserves	–	(0.5)	0.7	0.2
<b>Balance at 31 December 2012</b>	<b>585.1</b>	<b>8.5</b>	<b>377.2</b>	<b>970.8</b>

See accompanying notes to the financial statements.

# GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2012

	2012 \$'mil	2011 \$'mil
<b>Operating activities</b>		
Profit before taxation	396.0	379.2
Adjustments for:		
Depreciation and amortisation	323.0	316.6
Finance costs	31.4	35.3
Interest income	(8.7)	(7.7)
Dividend income	(5.2)	(3.0)
Share-based payment expense	1.3	2.0
Net loss on disposal of vehicles	0.3	1.0
Share of profit in associates	(3.6)	(5.3)
Others	8.9	5.0
Operating cash flows before movements in working capital	743.4	723.1
Inventories	(2.4)	2.4
Trade receivables	6.8	(0.1)
Other receivables and prepayments	(47.6)	56.0
Grant receivables, net of deferred grant income	8.2	2.4
Finance lease receivables	5.3	3.5
Trade and other payables	50.0	32.9
Other liabilities	0.5	1.3
Insurance premiums payable and provision for accident claims	(0.7)	0.1
Cash generated from operations	763.5	821.6
Income tax paid	(76.3)	(44.1)
Net cash from operating activities	687.2	777.5

See accompanying notes to the financial statements.



# GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2012

	2012 \$'mil	2011 \$'mil
<b>Investing activities</b>		
Purchases of vehicles, premises and equipment	(519.6)	(600.5)
Less: Vehicles purchased under finance lease arrangements	–	39.9
Proceeds from disposal of vehicles	35.6	70.7
Cash payments on purchase of vehicles, premises and equipment	(484.0)	(489.9)
Proceeds from disposal of available-for-sale investments	–	7.3
Payment for taxi licences	(7.5)	(13.5)
Increase in investment in subsidiaries	–	(7.1)
Acquisition of a subsidiary, net of cash [Note (a)]	(68.8)	–
Proceeds from divestment [Note (b)]	52.7	0.6
Less: Non-controlling interests	(2.6)	–
Cash adjustment upon deconsolidation of subsidiaries	(17.5)	–
Divestment of subsidiaries, net of cash	32.6	0.6
Interest received	8.2	7.6
Dividends received from an associate	3.9	5.5
Dividends received from available-for-sale investment	5.2	3.0
Net cash used in investing activities	(510.4)	(486.5)
<b>Financing activities</b>		
New loans raised	377.4	79.0
Repayment of borrowings	(290.6)	(198.9)
Capital contributions from non-controlling shareholders of subsidiaries	34.7	–
Proceeds from exercise of share options of the Company	15.1	2.8
Proceeds from exercise of share options of subsidiaries	0.8	3.4
Interest paid	(30.6)	(35.3)
Proceeds from unclaimed dividends	0.2	1.0
Dividends paid to shareholders of the Company	(129.8)	(115.0)
Dividends paid to non-controlling shareholders of subsidiaries	(33.3)	(26.5)
Net cash used in financing activities	(56.1)	(289.5)
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	(2.8)	8.5
Net increase in cash and cash equivalents	117.9	10.0
Cash and cash equivalents at beginning of year	576.7	566.7
<b>Cash and cash equivalents at end of year (Note 4)</b>	<b>694.6</b>	<b>576.7</b>

See accompanying notes to the financial statements.

# GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2012

## Note (a):

### Summary of the effects of acquisition of a subsidiary:

	2012 \$'mil	2011 \$'mil
Net (assets) liabilities acquired:		
Current assets	(0.1)	–
Non-current assets	(36.3)	–
Current liabilities	0.8	–
Net assets acquired	(35.6)	–
Goodwill on acquisition	(33.2)	–
Total purchase consideration, representing cash flow on acquisition	(68.8)	–

## Note (b):

### Summary of the effects of divestment of subsidiaries:

	2012 \$'mil	2011 \$'mil
Net assets (liabilities) on divestment:		
Current assets	25.2	–
Non-current assets	48.6	0.9
Current liabilities	(16.8)	(0.1)
Non-current liabilities	(4.3)	–
Net assets divested	52.7	0.8
Loss on divestment	–	(0.2)
Proceeds from divestment	52.7	0.6

See accompanying notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 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 2012 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2012 were authorised for issue by the Board of Directors on 8 February 2013.

## 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").

**ADOPTION OF REVISED FINANCIAL STANDARDS** – In the current financial year, the Group has adopted the Amendments to FRS 107 – Financial Instruments: Disclosures (Transfer of Financial Assets) that is relevant to its operations and effective for annual periods beginning on 1 January 2012.

The adoption of this revised FRS 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:

FRS 27 (Revised)	–	Separate Financial Statements
FRS 28 (Revised)	–	Investments in Associates and Joint Ventures
FRS 110	–	Consolidated Financial Statements
FRS 112	–	Disclosure of Interests in Other Entities
FRS 113	–	Fair Value Measurement
Amendments to FRS 1	–	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)
Amendments to FRS 16	–	Property, Plant and Equipment
Amendments to FRS 19	–	Employee Benefits
Amendments to FRS 32	–	Financial Instruments: Presentation
Amendments to FRS 107	–	Financial Instruments: Disclosures (Offsetting Financial Assets and Financial Liabilities)

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**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 the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Any changes in the Group's interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. The difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity of the Company.

The results of subsidiaries acquired or divested during the year are included in the Group comprehensive income statement from the effective date of acquisition or up to the effective date of divestment, as appropriate.

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

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 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### **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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

### **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.

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.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

### ***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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**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

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 does not have control but has met the requirements for equity accounting under FRS 28 Investments in Associates.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the Group's statements of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of 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) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 and other licences acquired separately are recorded at cost less accumulated amortisation and any accumulated impairment losses. Taxi and other 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 and other licences with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

#### Intangible assets acquired in a business combination

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**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.

**DEFERRED INCOME** – Deferred income comprises of:

- (i) The deferred grant income 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**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-five 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 2012

## 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.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

**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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

### ***Critical judgements in applying the Group's accounting policies***

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

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

### ***Critical accounting judgements and key sources of estimation uncertainty***

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting 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 \$62.6 million (2011: \$61.4 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 \$22.0 million (2011: \$24.3 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-five 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).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

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 \$15.4 million (2011: \$22.0 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, taxi licences and bus operating rights**

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

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

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 1.1% to 8.2% (2011 : 1.5% to 9.0%). 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 5.41% to 7.20% (2011 : 4.74% to 8.50%).

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

As at 31 December 2012 and 31 December 2011, 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 4 SHORT-TERM DEPOSITS AND BANK BALANCES

	The Group		The Company	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
Cash and bank balances	14.2	19.3	–	–
Interest bearing bank balances	96.5	102.2	2.3	1.0
Fixed deposits	583.9	455.2	326.9	251.7
Total	694.6	576.7	329.2	252.7

## 5 TRADE RECEIVABLES

	The Group	
	2012 \$'mil	2011 \$'mil
Due from a non-controlling shareholder of a subsidiary	–	0.3
Outside parties	130.3	135.2
	130.3	135.5
Allowance for doubtful receivables from outside parties	(1.8)	(2.3)
Net	128.5	133.2

The credit period on sale of goods and rendering of services ranges from 7 days to 60 days (2011 : 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.

Movements in the allowance for doubtful debts:

	The Group	
	2012 \$'mil	2011 \$'mil
Balance at beginning of the year	2.3	3.4
Amounts written off during the year	(1.0)	(1.9)
Increase in allowance recognised in income statement	0.5	0.8
Balance at end of the year	1.8	2.3

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 6 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
Receivable from a non-controlling shareholder of a subsidiary	5.9	6.2	–	–
Prepayments	59.9	70.1	0.2	0.2
Downpayments for the purchase of vehicles, premises and equipment	41.5	17.9	–	–
Interest receivable	1.4	1.0	0.2	0.1
Staff advances	0.7	1.8	–	–
Security and tender deposits	2.1	2.7	–	–
Accrued income	27.8	21.5	–	–
Others	76.9	51.8	1.5	0.7
<b>Total</b>	<b>216.2</b>	<b>173.0</b>	<b>1.9</b>	<b>1.0</b>

Analysed as:

Current	174.4	154.0	1.9	1.0
Non-current	41.8	19.0	–	–
<b>Total</b>	<b>216.2</b>	<b>173.0</b>	<b>1.9</b>	<b>1.0</b>

The receivable from a non-controlling shareholder of a subsidiary is secured on taxi licences, bears interest at fixed rate of 6.1% (2011 : 6.1%) per annum and is repayable on demand.

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.

## 7 GRANT RECEIVABLES

	The Group	
	2012 \$'mil	2011 \$'mil
Grant receivables	357.8	365.3
Analysed as:		
Current	24.2	22.5
Non-current	333.6	342.8
<b>Total</b>	<b>357.8</b>	<b>365.3</b>

The grant receivables of \$357.8 million (2011 : \$365.3 million) are unsecured, bear effective interest at rates ranging from 4.93% to 8.44% (2011 : 6.05% to 8.44%) 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 8 DUE FROM SUBSIDIARIES

	The Company	
	2012 \$'mil	2011 \$'mil
Receivables from subsidiaries	34.0	61.8

Of the amount of \$34.0 million (2011 : \$61.8 million) due from subsidiaries, \$23.2 million (2011 : \$37.9 million) relates to loans which bear variable interest at 4.8% (2011 : 1.0% to 6.3%) per annum are unsecured and repayable on demand. The remaining balances of \$10.8 million (2011 : \$23.9 million) are unsecured, interest-free and repayable on demand.

## 9 FINANCE LEASE RECEIVABLES

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
Amounts receivable under finance leases:				
Within one year	16.2	19.2	15.3	18.0
Within the second to fifth year inclusive	9.5	12.0	9.0	11.4
	25.7	31.2	24.3	29.4
Less: Unearned finance income	(1.4)	(1.8)	NA	NA
Present value of minimum lease payments receivable	24.3	29.4	24.3	29.4
Less: Provision for unguaranteed residual values	(1.0)	(0.8)	(1.0)	(0.8)
Net	23.3	28.6	23.3	28.6

Analysed as:

Current finance lease receivables (recoverable within 12 months)	14.7	17.5
Non-current finance lease receivables (recoverable after 12 months)	8.6	11.1
Total	23.3	28.6

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 9 FINANCE LEASE RECEIVABLES (CONT'D)

The Group enters into finance lease arrangements for some of its motor vehicles. The average term of finance leases entered into is 1.5 years (2011 : 2.2 years).

Gross unguaranteed residual values of assets under finance leases at the end of the reporting period are estimated at \$18.1 million (2011 : \$21.8 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 2.45% to 6.58% (2011 : 2.45% to 8.51%) 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.

## 10 INVENTORIES

	The Group	
	2012 \$'mil	2011 \$'mil
Goods held for sale	14.3	14.8
Consumables, materials and supplies	41.2	38.2
Work in progress	2.4	3.5
	57.9	56.5

## 11 SUBSIDIARIES

	The Company	
	2012 \$'mil	2011 \$'mil
Quoted equity shares, at cost	93.6	93.6
Unquoted equity shares, at cost	943.9	908.6
Net	1,037.5	1,002.2
Market value of quoted equity shares	637.7	613.8

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



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 12 ASSOCIATES

	The Group		The Company	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
Unquoted equity shares, at cost	1.2	1.3	0.1	0.1
Add: Share of post-acquisition reserves	4.1	4.4	–	–
Net	5.3	5.7	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	
	2012 \$'mil	2011 \$'mil
Total assets	13.6	20.4
Total liabilities	(5.2)	(9.9)
Net assets	8.4	10.5
Group's share of associates' net assets	4.0	5.0
Revenue	13.8	93.0
Profit for the year	7.6	27.0
Group's share of associates' profit	3.6	5.3

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 13 AVAILABLE-FOR-SALE INVESTMENTS

	The Group		The Company	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
(a) Quoted investments, at fair value:				
Bonds in corporations	16.8	16.9	5.8	5.7
Equity shares in corporations	64.6	68.4	50.0	52.9
(b) Unquoted investments, at cost:				
Equity shares in corporations	0.2	0.2	–	–
Others	0.9	0.9	0.1	0.1
Total	82.5	86.4	55.9	58.7

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 14 VEHICLES, PREMISES AND EQUIPMENT

	Buses \$'mil	Leasehold bus depots \$'mil	Leasehold land and buildings \$'mil	Freehold land and buildings \$'mil
<b>The Group</b>				
Cost:				
At 1 January 2011	1,918.7	94.1	277.9	179.0
Additions	101.5	0.2	15.1	10.0
Disposals	(113.6)	–	(0.5)	–
Transfers from capital projects in progress	149.9	0.1	17.5	(0.5)
Exchange differences	4.4	–	3.3	–
At 31 December 2011	2,060.9	94.4	313.3	188.5
Arising from acquisition of a subsidiary	0.3	–	–	–
Arising from disposal of subsidiaries	(47.0)	–	(0.4)	–
Additions	97.9	–	1.3	5.5
Disposals	(135.1)	(0.9)	(4.5)	–
Transfers from capital projects in progress	164.9	0.4	1.1	0.4
Exchange differences	(29.7)	–	(3.4)	(5.8)
At 31 December 2012	2,112.2	93.9	307.4	188.6
Accumulated depreciation:				
At 1 January 2011	797.7	66.0	139.8	8.5
Depreciation	105.0	3.1	10.9	1.6
Write-off on disposals	(108.0)	–	(0.5)	–
Exchange differences	2.6	–	1.1	–
At 31 December 2011	797.3	69.1	151.3	10.1
Depreciation	110.0	3.1	10.7	1.6
Arising from disposal of subsidiaries	(22.5)	–	(0.3)	–
Write-off on disposals	(130.2)	(0.9)	(4.3)	–
Exchange differences	(8.7)	–	(1.1)	(0.3)
At 31 December 2012	745.9	71.3	156.3	11.4
Provision for impairment:				
At 1 January 2011	0.1	–	–	–
Provision for the year	–	–	–	–
Write-off on disposals	–	–	–	–
At 31 December 2011	0.1	–	–	–
Provision for the year	–	–	–	–
Write-off on disposals	–	–	–	–
At 31 December 2012	0.1	–	–	–
Carrying amount:				
At 31 December 2012	1,366.2	22.6	151.1	177.2
At 31 December 2011	1,263.5	25.3	162.0	178.4

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
1,231.5	254.8	116.5	25.9	38.9	31.6	4,168.9
264.6	7.5	6.7	4.3	1.2	189.4	600.5
(201.3)	(9.7)	(2.1)	(2.8)	(0.8)	–	(330.8)
4.9	5.6	1.3	0.9	(0.5)	(179.2)	–
10.0	0.3	0.3	0.4	0.3	–	19.0
1,309.7	258.5	122.7	28.7	39.1	41.8	4,457.6
–	–	17.5	–	–	–	17.8
(12.9)	(0.3)	(0.4)	(0.6)	(0.6)	–	(62.2)
175.1	7.4	10.4	4.3	1.9	215.8	519.6
(126.7)	(8.2)	(2.9)	(2.6)	(1.2)	–	(282.1)
34.1	5.3	0.3	0.1	1.8	(208.4)	–
(11.8)	(1.7)	(1.4)	(0.6)	(0.5)	(0.1)	(55.0)
1,367.5	261.0	146.2	29.3	40.5	49.1	4,595.7
455.4	187.5	81.1	14.9	28.7	–	1,779.6
150.7	27.5	8.5	2.9	2.0	–	312.2
(129.9)	(9.2)	(1.9)	(2.1)	(0.7)	–	(252.3)
4.4	0.2	0.3	0.2	0.2	–	9.0
480.6	206.0	88.0	15.9	30.2	–	1,848.5
157.9	21.2	9.0	2.9	2.3	–	318.7
(8.7)	(0.2)	(0.3)	(0.4)	(0.5)	–	(32.9)
(89.5)	(6.6)	(2.7)	(2.3)	(1.2)	–	(237.7)
(5.3)	(1.1)	(0.8)	(0.2)	(0.3)	–	(17.8)
535.0	219.3	93.2	15.9	30.5	–	1,878.8
6.3	1.5	–	–	–	–	7.9
3.7	–	–	–	–	–	3.7
(6.3)	–	–	–	–	–	(6.3)
3.7	1.5	–	–	–	–	5.3
6.1	–	–	–	–	–	6.1
(1.1)	–	–	–	–	–	(1.1)
8.7	1.5	–	–	–	–	10.3
823.8	40.2	53.0	13.4	10.0	49.1	2,706.6
825.4	51.0	34.7	12.8	8.9	41.8	2,603.8

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 14 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

Buses and taxis of the Group with a total carrying amount of \$435.5 million (2011 : \$480.6 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 \$6.1 million (2011 : \$3.7 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 or by reference to the market value of the taxis to be disposed less estimated selling costs.

	Leasehold bus depots \$'mil	Leasehold buildings \$'mil	Computers and automated equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Total \$'mil
<b>The Company</b>						
Cost:						
At 1 January 2011	7.6	51.7	3.8	0.3	7.1	70.5
Additions	–	0.4	0.8	–	0.2	1.4
Disposals	–	–	(0.3)	–	–	(0.3)
At 31 December 2011	7.6	52.1	4.3	0.3	7.3	71.6
Additions	–	0.1	0.2	–	0.1	0.4
Disposals	–	–	(0.4)	–	–	(0.4)
At 31 December 2012	7.6	52.2	4.1	0.3	7.4	71.6
Accumulated depreciation:						
At 1 January 2011	7.6	36.9	3.6	0.2	5.8	54.1
Depreciation	–	1.7	0.3	–	0.3	2.3
Disposals	–	–	(0.3)	–	–	(0.3)
At 31 December 2011	7.6	38.6	3.6	0.2	6.1	56.1
Depreciation	–	1.7	0.3	–	0.3	2.3
Disposals	–	–	(0.4)	–	–	(0.4)
At 31 December 2012	7.6	40.3	3.5	0.2	6.4	58.0
Carrying amount:						
At 31 December 2012	–	11.9	0.6	0.1	1.0	13.6
At 31 December 2011	–	13.5	0.7	0.1	1.2	15.5

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 15 TAXI LICENCES AND BUS OPERATING RIGHTS

	The Group	
	2012 \$'mil	2011 \$'mil
Cost:		
At beginning of year	439.3	413.6
Additions	7.5	13.5
Arising from acquisition of a subsidiary	18.9	–
Arising from disposal of a subsidiary	(19.1)	(0.5)
Exchange differences	(17.4)	12.7
At end of year	429.2	439.3
Accumulated amortisation:		
At beginning of year	32.1	26.2
Amortisation for the year	4.3	4.4
Disposal	–	(0.1)
Exchange differences	(0.4)	1.6
At end of year	36.0	32.1
Carrying amount:		
At end of year	393.2	407.2
At beginning of year	407.2	387.4

Of the carrying amount of \$393.2 million (2011 : \$407.2 million) is \$177.2 million (2011 : \$163.7 million) of bus operating rights and \$161.6 million (2011 : \$169.6 million) of taxi licences with indefinite lives as follows:

	The Group	
	2012 \$'mil	2011 \$'mil
Bus operating rights:		
Australia	168.1	154.5
United Kingdom	9.1	9.2
	177.2	163.7
Taxi licences:		
China	161.6	169.6
Total	338.8	333.3

The remaining balance of \$54.4 million (2011 : \$73.9 million) relates to the taxi licences in China with finite useful lives over which the assets are amortised. The amortisation period for these taxi licences ranges from 2 years to 30 years.

# NOTES TO THE FINANCIAL STATEMENTS

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## 16 GOODWILL

	The Group	
	2012 \$'mil	2011 \$'mil
Cost:		
At beginning of year	145.7	145.8
Arising from acquisition of a subsidiary	33.2	–
Exchange differences	(2.9)	(0.1)
At end of year	176.0	145.7

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 \$176.0 million (2011 : \$145.7 million) is allocated to the bus business in Australia of \$105.6 million (2011 : \$75.1 million) and the United Kingdom of \$23.2 million (2011 : \$23.3 million); taxi business in Australia of \$14.2 million (2011 : \$14.2 million), China of \$6.0 million (2011 : \$6.0 million) and the United Kingdom of \$5.1 million (2011 : \$5.2 million). In Singapore, the carrying amount of goodwill of \$9.4 million (2011 : \$9.4 million) and \$10.5 million (2011 : \$10.5 million) is allocated to the bus and inspection and testing businesses respectively. The remaining balance of \$2.0 million (2011 : \$2.0 million) is allocated to vehicle leasing business in Malaysia of \$1.4 million (2011 : \$1.4 million) and driving centre business in China of \$0.6 million (2011 : \$0.6 million).

## 17 DEFERRED TAX ASSETS/LIABILITIES

	The Group		The Company	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
Deferred tax assets	3.9	7.1	–	–
Deferred tax liabilities	(193.1)	(191.5)	(0.3)	(0.3)
Net	(189.2)	(184.4)	(0.3)	(0.3)
At beginning of year	(184.4)	(173.3)	(0.3)	(0.2)
Disposal of subsidiaries	(1.3)	–	–	–
Charge to profit or loss (Note 29)	(2.4)	(14.6)	–	(0.1)
(Under) Over provision in prior years (Note 29)	(1.5)	1.4	–	–
Changes in tax rate	0.5	1.0	–	–
Arising from movement in other comprehensive income statement	(1.6)	1.2	–	–
Exchange differences	1.5	(0.1)	–	–
At end of year	(189.2)	(184.4)	(0.3)	(0.3)



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 17 DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

The balances in the accounts comprise the tax effects of:

	The Group		The Company	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
<b>Deferred tax assets</b>				
Excess of book over tax depreciation	0.1	–	–	–
Provisions	3.7	5.8	–	–
Tax losses	0.1	1.3	–	–
	3.9	7.1	–	–
<b>Deferred tax liabilities</b>				
Accelerated tax depreciation	(224.1)	(210.6)	(0.3)	(0.3)
Other items	31.0	19.1	–	–
	(193.1)	(191.5)	(0.3)	(0.3)
<b>Net</b>	<b>(189.2)</b>	<b>(184.4)</b>	<b>(0.3)</b>	<b>(0.3)</b>

## 18 BORROWINGS

	The Group	
	2012 \$'mil	2011 \$'mil
Borrowings comprise of the following:		
(a) Short-term loans	27.8	60.0
(b) Long-term loans	197.3	200.5
(c) Medium Term Notes	250.0	100.0
(d) Finance lease obligations	228.5	271.4
	703.6	631.9
Analysed as:		
Current	95.8	198.3
Non-current	607.8	433.6
<b>Total</b>	<b>703.6</b>	<b>631.9</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 18 BORROWINGS (CONT'D)

### (a) Short-term loans

	The Group	
	2012 \$'mil	2011 \$'mil
Bank loans – unsecured	8.5	38.8
Loans from non-controlling shareholders of subsidiaries – unsecured	19.3	21.2
	27.8	60.0

(i) The \$8.5 million (2011 : \$10.3 million) unsecured bank loans bear fixed interest rates of 5.07%, 5.10%, 5.65%, 6.00% and 6.89% (2011 : 5.12%, 6.35% and 6.89%) per annum. In 2011, \$28.5 million unsecured bank loans bearing floating interest at rates ranging from 0.34% to 0.39% per annum, had been repaid.

(ii) Of the \$19.3 million (2011 : \$21.2 million) loans from non-controlling shareholders of some subsidiaries, \$19.2 million (2011 : \$19.9 million) bear floating interest at rates of 4.97% and 5.00% (2011 : 6.36%) per annum and the remaining \$0.1 million (2011 : \$0.1 million) is interest-free. In 2011, \$1.2 million loan from a non-controlling shareholder of a subsidiary, bearing fixed interest at rate of 6.71% per annum, had been repaid.

### (b) Long-term loans

	The Group	
	2012 \$'mil	2011 \$'mil
Bank loans – secured	166.3	193.7
Bank loans – unsecured	2.2	6.2
Loan from a non-controlling shareholder of a subsidiary – unsecured	0.6	0.6
Loan from an external party – unsecured	28.2	–
Total	197.3	200.5

Less: Amount due for settlement within 12 months (shown as current liabilities):

Bank loans – secured	(33.5)	(99.3)
Bank loans – unsecured	(1.5)	(3.7)
Loan from an external party – unsecured	(1.2)	–
Total	(36.2)	(103.0)

Amount due for settlement after 12 months	161.1	97.5
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# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 18 BORROWINGS (CONT'D)

	The Group	
	2012 \$'mil	2011 \$'mil
The borrowings are repayable as follows:		
On demand or within one year	36.2	103.0
In the second year	35.7	6.4
In the third year	88.5	5.4
In the fourth year	1.7	85.1
In the fifth year	14.2	–
After five years	21.0	0.6
	197.3	200.5

- (i) The \$166.3 million (2011 : \$193.7 million) secured bank loans are secured on buses, taxis and motor vehicles (see Note 14). Of the \$166.3 million secured bank loans, \$90.7 million (2011 : \$174.5 million) bear fixed interest rates ranging from 6.88% to 7.62% (2011 : 5.13% to 7.62%) per annum and the remaining \$75.6 million (2011 : \$19.2 million) bear floating interest rates ranging from 1.96% to 5.11% (2011 : 5.88% to 16.53%) per annum.
- (ii) The \$2.2 million (2011 : \$6.2 million) unsecured bank loans bear fixed interest rates ranging from 6.65% to 8.68% (2011 : 6.65% to 8.68%) per annum. The loans are repayable from 2013 to 2014 (2011 : 2012 to 2014).
- (iii) The \$0.6 million (2011 : \$0.6 million) unsecured loan from a non-controlling shareholder of a subsidiary is interest-free and is repayable over thirty years from September 1999.
- (iv) The \$28.2 million (2011 : \$Nil) unsecured loan from an external party is intended to be secured over buses and related accessories acquired by a subsidiary under the Bus Service Enhancement Programme. Subsequent to the year end, the terms of the security were finalised and the carrying amounts of the vehicles pledged amounted to \$17.1 million. The loan bears an interest rate of 6% 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 18 BORROWINGS (CONT'D)

### (c) Medium Term Notes

	The Group	
	2012 \$'mil	2011 \$'mil
Medium Term Notes – unsecured	250.0	100.0

(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.

### (d) Finance lease obligations

	The Group			
	Minimum lease payments		Present values of minimum lease payments	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
Amounts payable under finance leases:				
Within one year	41.4	45.9	31.8	35.3
Within the second to fifth year inclusive	146.0	155.7	109.1	120.6
After five years	97.8	139.1	87.6	115.5
	285.2	340.7	228.5	271.4
Less: Future finance charges	(56.7)	(69.3)	NA	NA
Present value of finance lease obligations	228.5	271.4	228.5	271.4
Amount due for settlement within 12 months (shown under current liabilities)			(31.8)	(35.3)
Amount due for settlement after 12 months			196.7	236.1

It is the Group's policy to lease certain of its buses under finance leases. The lease terms range from 8 to 15 years (2011 : 6 to 15 years). For the year ended 31 December 2012, the effective borrowing rate varies from 0.92% to 8.44% (2011 : 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).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 19 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
Outside parties	200.7	195.3	2.7	1.3
Accruals	281.1	279.9	16.5	14.6
Deposits received – current [Note 23(a)]	56.2	55.3	0.9	1.1
Deferred income from customers – current [Note 23(b)]	58.4	54.7	–	–
Associates (non-trade)	2.5	3.7	2.5	3.7
Others	8.0	6.0	0.2	0.1
<b>Total</b>	<b>606.9</b>	<b>594.9</b>	<b>22.8</b>	<b>20.8</b>

The credit period on purchases of goods and services ranges from 7 days to 120 days (2011 : 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.

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	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
USD	31.2	33.2	–	–
Others	3.6	1.6	–	–

## 20 DEFERRED GRANT INCOME

	The Group	
	2012 \$'mil	2011 \$'mil
Deferred grant income	368.2	367.7
Analysed as:		
Current	20.3	19.7
Non-current	347.9	348.0
<b>Total</b>	<b>368.2</b>	<b>367.7</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 21 DUE TO SUBSIDIARIES

	The Company	
	2012 \$'mil	2011 \$'mil
Due to subsidiaries	474.9	386.3

Of the amount of \$474.9 million (2011 : \$386.3 million) due to subsidiaries, \$368.6 million (2011 : \$280.0 million) represent funds under central pooling which bear variable interest at rates ranging from 0.3% to 2.7% (2011 : 0.2% to 1.7%) per annum are unsecured and repayable on demand. The remaining balance of \$106.3 million (2011 : \$106.3 million) is interest-free, unsecured and repayable on demand.

## 22 INSURANCE PREMIUMS PAYABLE AND PROVISION FOR ACCIDENT CLAIMS

	The Group	
	2012 \$'mil	2011 \$'mil
At beginning of year	85.7	85.5
Charges	72.7	84.0
Payments	(73.5)	(83.9)
Exchange differences	(0.3)	0.1
At end of year	84.6	85.7

The balance comprises provision for:

Insurance premiums	22.0	24.3
Accident claims	62.6	61.4
	84.6	85.7

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	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
Other liabilities comprised:				
(a) Deposits received	80.8	69.6	–	–
(b) Deferred income from customers	1.3	4.9	–	–
(c) Provision for service benefits and long service awards	25.5	23.6	0.1	0.1
(d) Retirement benefits obligations	15.4	22.0	–	–
	123.0	120.1	0.1	0.1

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 23 OTHER LIABILITIES (CONT'D)

### (a) Deposits received

	The Group	
	2012 \$'mil	2011 \$'mil
Deposits received from taxi hirers	137.0	124.9
Less: Due within 12 months (Note 19)	(56.2)	(55.3)
Due after 12 months	80.8	69.6

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.

### (b) Deferred income

	The Group	
	2012 \$'mil	2011 \$'mil
Deferred income received from customers	59.7	59.6
Less: Due within 12 months (Note 19)	(58.4)	(54.7)
Due after 12 months	1.3	4.9

### (c) Provision for service benefits and long service awards

	The Group		The Company	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
At beginning of year	23.6	22.8	0.1	0.1
Charges	3.4	1.9	–	–
Payments	(1.1)	(1.0)	–	–
Exchange differences	(0.4)	(0.1)	–	–
At end of year	25.5	23.6	0.1	0.1



# NOTES TO THE FINANCIAL STATEMENTS

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## 23 OTHER LIABILITIES (CONT'D)

### (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	
	2012 \$'mil	2011 \$'mil
<b>Reconciliation of the assets and liabilities recognised in the statement of financial position</b>		
Present value of defined benefit obligations that are wholly or partly funded	111.6	113.4
Fair value of plan assets at end of year	(96.2)	(91.4)
Net liability recognised at end of year	15.4	22.0

## 24 SHARE CAPITAL

	The Group and The Company			
	2012	2011	2012	2011
	Number of ordinary shares (million)		\$'mil	\$'mil
Issued and paid-up:				
At beginning of year	2,091.0	2,088.9	568.6	565.5
Exercise of share options	11.0	2.1	16.5	3.1
At end of year	2,102.0	2,091.0	585.1	568.6

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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 25 OTHER RESERVES

	The Group		The Company	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
Retirement benefit reserve:				
At beginning of year	(40.1)	(37.4)	–	–
Actuarial adjustment on defined benefit plans	2.6	(2.7)	–	–
At end of year	(37.5)	(40.1)	–	–
Merger reserve:				
At beginning of year	31.4	31.4	31.4	–
Arising from restructuring during the year	–	–	–	31.4
At end of year	31.4	31.4	31.4	31.4
Others:				
At beginning of year	20.3	64.3	(19.5)	19.7
Fair value gain on cash flow hedges	0.4	3.9	–	–
Fair value loss on available-for-sale investments	(3.1)	(32.4)	(2.8)	(29.8)
Recognition of share-based payments	1.3	2.0	1.3	2.0
Exercise of share options	(1.4)	(0.3)	(1.4)	(0.3)
Transfer from (to) accumulated profits	2.8	1.6	(0.5)	(0.8)
Others	(0.1)	(18.8)	–	(10.3)
At end of year	20.2	20.3	(22.9)	(19.5)
Net	14.1	11.6	8.5	11.9

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 26 REVENUE

	The Group	
	2012 \$'mil	2011 \$'mil
Rendering of services	3,252.9	3,122.6
Sales of goods	292.4	288.5
Total	3,545.3	3,411.1

## 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 %	
2012				
\$1,750,000 – \$1,999,999 Kua Hong Pak	55.4	43.7	0.9	100
2011				
\$1,750,000 – \$1,999,999 Kua Hong Pak	55.4	43.7	0.9	100

The remuneration of one (2011 : 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).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 27 STAFF COSTS (CONT'D)

### (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 %	
2012				
\$750,000 – \$999,999 No. of executives: 2	48.6	46.4	5.0	100
\$500,000 – \$749,999 No. of executives: 4	49.1	46.2	4.7	100
\$250,000 – \$499,999 No. of executives: 13	54.0	38.3	7.7	100
2011				
\$750,000 – \$999,999 No. of executives: 1	50.9	44.6	4.5	100
\$500,000 – \$749,999 No. of executives: 5	49.2	45.9	4.9	100
\$250,000 – \$499,999 No. of executives: 14	52.7	39.9	7.4	100

The Code of Corporate Governance 2012 recommends the disclosure of the remuneration of 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 \$12.0 million (2011 : \$11.9 million).

	The Group	
	2012 \$'mil	2011 \$'mil
(d) Cost of defined contribution plan (included in staff costs)	107.0	100.9

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 27 STAFF COSTS (CONT'D)

### (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.

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

#### (i) The Company

	2012		2011	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	68,433,000	1.54	57,611,000	1.60
Granted during the year	17,585,000	1.48	16,865,000	1.37
Cancelled/Lapsed/Forfeited during the year	(4,855,000)	1.69	(3,900,000)	1.85
Exercised during the year	(10,984,500)	1.38	(2,143,000)	1.31
Outstanding at the end of the year	<u>70,178,500</u>	1.54	<u>68,433,000</u>	1.54
Exercisable at the end of the year	<u>53,293,500</u>	1.56	<u>51,768,000</u>	1.59

The weighted average share price at the date of exercise for share options exercised during the year was \$1.67 (2011 : \$1.53). The options outstanding at the end of the year have an average remaining contractual life of 6.4 years (2011 : 6.8 years).

In 2012, options were granted on 20 June 2012 (2011 : 23 June 2011). The estimated fair value of the options granted on that date was \$0.075 (2011 : \$0.075) each.

# NOTES TO THE FINANCIAL STATEMENTS

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## 27 STAFF COSTS (CONT'D)

These fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

	2012	2011
Prevailing share price at date of grant (\$)	1.48	1.37
Exercise price (\$)	1.48	1.37
Expected volatility (%)	15.29	16.89
Expected life (years)	2.94	2.94
Risk free rate (%)	0.62	0.93
Expected dividend yield (%)	5.70	6.00

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 5 years (2011 : 5 years). 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.

### (ii) SBS Transit Ltd

	2012		2011	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	8,723,750	2.34	10,124,000	2.29
Cancelled/Lapsed during the year	(1,417,500)	2.70	(876,500)	2.16
Exercised during the year	–	–	(523,750)	1.58
Outstanding at the end of the year	<u>7,306,250</u>	2.27	<u>8,723,750</u>	2.34
Exercisable at the end of the year	<u>7,306,250</u>	2.27	<u>8,723,750</u>	2.34

No options were exercised during the year. The weighted average share price at the date of exercise for share options exercised in 2011 was \$2.

The options outstanding at the end of the year have a weighted average remaining contractual life of 4.2 years (2011 : 4.8 years).

# NOTES TO THE FINANCIAL STATEMENTS

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## 27 STAFF COSTS (CONT'D)

(iii) VICOM Ltd

	2012		2011	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	779,000	2.25	2,310,000	2.03
Lapsed during the year	–	–	(26,000)	2.68
Exercised during the year	(364,000)	2.06	(1,505,000)	1.91
Outstanding at the end of the year	<u>415,000</u>	2.42	<u>779,000</u>	2.25
Exercisable at the end of the year	<u>415,000</u>	2.42	<u>779,000</u>	2.25

The weighted average share price at the date of exercise for share options exercised during the year was \$4.15 (2011 : \$3.18). The options outstanding at the end of the year have an average remaining contractual life of 6.9 years (2011 : 7.4 years).

(iv) The Group recognised total expense of \$1.3 million (2011 : \$2.0 million) related to share-based payment transactions (included in staff costs) during the year.

## 28 FINANCE COSTS

	The Group	
	2012 \$'mil	2011 \$'mil
Interest expense on:		
Loans and Medium Term Notes	18.7	22.0
Finance leases	12.7	13.3
Total	<u>31.4</u>	<u>35.3</u>



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 29 TAXATION

	The Group	
	2012 \$'mil	2011 \$'mil
Taxation charge comprises:		
Taxation charge in respect of profit for the financial year:		
Current taxation	84.8	68.6
Deferred taxation relating to the origination and reversal of temporary differences (Note 17)	2.4	14.6
	87.2	83.2
Effect of change in tax rate	(0.5)	(1.0)
Adjustments in respect of (over) under provision in prior years:		
Current taxation	(2.7)	0.9
Deferred taxation (Note 17)	1.5	(1.4)
	85.5	81.7

Domestic income tax is calculated at 17% (2011 : 17%) of the estimated assessable profit for the year. Taxation for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions.

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

	The Group	
	2012 \$'mil	2011 \$'mil
Profit before taxation	396.0	379.2
Income tax expense calculated at 17% (2011 : 17%)	67.3	64.5
Effect of expenses that are not deductible in determining taxable profit	2.4	1.0
Effect of change in tax rate	(0.5)	(1.0)
Effect of previously unrecognised and unused tax benefits	(0.2)	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	17.6	17.8
Tax effect of share of results of associate	(0.7)	(1.4)
Over provision in prior years	(1.2)	(0.5)
Other items	0.8	1.3
	85.5	81.7

Subject to agreement with the relevant tax authorities, certain subsidiaries have tax losses that are not recognised amounting to \$2.0 million (2011 : \$13.1 million) and the resultant deferred tax benefits of \$0.5 million (2011 : \$3.3 million). These future income tax benefits in respect of unutilised tax losses are available for an unlimited future period only if the respective subsidiaries derive future assessable income of a nature and of sufficient amounts to enable the benefits to be realised and the conditions for deductibility imposed by law, including the retention of majority shareholders, as defined, are complied with. No deferred tax asset has been recognised due to the unpredictability of future profit streams of these subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 30 PROFIT AFTER TAXATION

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

	The Group	
	2012 \$'mil	2011 \$'mil
Amortisation of taxi and other licences	4.3	4.4
Depreciation expense	318.7	312.2
Provision for impairment on vehicles and automated equipment (included in other operating expenses)	6.1	3.7
Net loss on divestment of investments and fair value changes	–	0.8
Net loss on disposal of vehicles	0.3	1.0
Directors' fees	1.0	1.0
Bad debts written off	–	0.1
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	0.4

Included in profit after taxation is legal fees of \$16,000 (2011 : \$42,200) paid to a firm of which a Director is a partner.

## 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:

	2012	2011
Net profit attributable to shareholders of the Company (\$'mil)	248.9	235.6
Weighted average number of ordinary shares in issue (million)	2,093.8	2,090.2
Basic earnings per share (in cents)	11.89	11.27

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 31 EARNINGS PER SHARE (CONT'D)

	2012	2011
Net profit attributable to shareholders of the Company (\$'mil)	248.9	235.6
Weighted average number of ordinary shares in issue (million)	2,093.8	2,090.2
Adjustments for share options (million)	4.8	2.0
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	2,098.6	2,092.2
Diluted earnings per share (in cents)	11.86	11.26

## 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, sales of diesel and sale of motor vehicles.
- (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.

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 and bus operating rights, 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 grant income, deposits, provisions and borrowings.

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 32 SEGMENT INFORMATION (CONT'D)

### (i) Business Segments

	Buses \$'mil	Bus station \$'mil	Rail \$'mil
<b>FY 2012</b>			
<b>REVENUE</b>			
External sales	1,719.7	25.7	153.2
Inter-segment sales	2.1	–	–
<b>TOTAL</b>	<b>1,721.8</b>	<b>25.7</b>	<b>153.2</b>
<b>RESULT</b>			
Operating profit	145.6	11.4	14.3
Net income from investments			
Finance costs			
Share of profit in associates			
Profit before taxation			
Taxation			
Profit after taxation			
Non-controlling interests			
Profit attributable to shareholders of the Company			
<b>OTHER INFORMATION</b>			
Additions to vehicles, premises and equipment	304.1	0.6	0.3
Additions to taxi and other licences	18.9	–	–
Additions to goodwill	33.2	–	–
Depreciation expense	131.5	1.9	1.4
Amortisation expense	0.1	–	–
Provision for impairment loss recognised in income statement	–	–	–
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
Segment assets	2,423.2	21.0	38.2
Goodwill	138.2	–	–
Associates			
Cash, fixed deposits, equities and bonds			
Deferred tax assets			
Consolidated total assets			
<b>LIABILITIES</b>			
Segment liabilities	808.5	22.4	28.7
Borrowings			
Income tax payable			
Deferred tax liabilities			
Consolidated total liabilities			

Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Elimination \$'mil	Total \$'mil
1,120.5	354.9	97.8	35.5	38.0	–	3,545.3
–	98.7	2.6	0.2	0.2	(103.8)	–
1,120.5	453.6	100.4	35.7	38.2	(103.8)	3,545.3
140.1	51.2	32.6	8.9	8.2	–	412.3
						11.5
						(31.4)
						3.6
						396.0
						(85.5)
						310.5
						(61.6)
						248.9
208.8	1.4	4.8	14.4	3.0	–	537.4
7.5	–	–	–	–	–	26.4
–	–	–	–	–	–	33.2
163.7	2.5	6.1	9.3	2.3	–	318.7
4.2	–	–	–	–	–	4.3
6.1	–	–	–	–	–	6.1
1,151.0	68.7	69.0	80.1	32.3	–	3,883.5
22.2	0.1	13.5	1.5	0.5	–	176.0
						5.3
						777.1
						3.9
						4,845.8
294.9	51.5	20.7	9.2	13.7	–	1,249.6
						703.6
						62.5
						193.1
						2,208.8

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 32 SEGMENT INFORMATION (CONT'D)

	Buses \$'mil	Bus station \$'mil	Rail \$'mil
<b>FY 2011</b>			
<b>REVENUE</b>			
External sales	1,684.1	23.9	147.0
Inter-segment sales	2.2	–	–
<b>TOTAL</b>	<b>1,686.3</b>	<b>23.9</b>	<b>147.0</b>
<b>RESULT</b>			
Operating profit	145.0	10.8	27.7
Net income from investments			
Finance costs			
Share of profit in associates			
Profit before taxation			
Taxation			
Profit after taxation			
Non-controlling interests			
Profit attributable to shareholders of the Company			
<b>OTHER INFORMATION</b>			
Additions to vehicles, premises and equipment	282.4	5.3	1.8
Additions to taxi and other licences	–	–	–
Depreciation expense	127.1	1.8	1.2
Amortisation expense	0.1	–	–
Provision for impairment loss recognised in income statement	–	–	–
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
Segment assets	2,290.1	23.4	30.8
Goodwill	107.8	–	–
Associates			
Cash, fixed deposits, equities and bonds			
Deferred tax assets			
Consolidated total assets			
<b>LIABILITIES</b>			
Segment liabilities	806.7	21.8	29.9
Borrowings			
Income tax payable			
Deferred tax liabilities			
Consolidated total liabilities			

Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Elimination \$'mil	Total \$'mil
1,039.2	351.6	90.9	35.4	39.0	–	3,411.1
–	98.1	2.6	0.1	–	(103.0)	–
1,039.2	449.7	93.5	35.5	39.0	(103.0)	3,411.1
129.6	37.5	30.7	7.3	10.6	–	399.2
						10.0
						(35.3)
						5.3
						379.2
						(81.7)
						297.5
						(61.9)
						235.6
265.4	1.2	12.3	20.2	11.9	–	600.5
13.5	–	–	–	–	–	13.5
161.3	2.5	5.6	10.5	2.2	–	312.2
4.3	–	–	–	–	–	4.4
3.7	–	–	–	–	–	3.7
1,154.7	75.2	69.4	91.6	32.4	–	3,767.6
22.3	0.1	13.5	1.5	0.5	–	145.7
						5.7
						663.1
						7.1
						4,589.2
276.0	50.4	20.8	10.9	12.0	–	1,228.5
						631.9
						57.0
						191.5
						2,108.9

# NOTES TO THE FINANCIAL STATEMENTS

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## 32 SEGMENT INFORMATION (CONT'D)

### (ii) Geographical Segments

	Revenue		Non-current assets*		Additions to non-current assets*	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
<b>Geographical Location</b>						
Singapore	2,103.5	1,971.1	1,649.8	1,522.0	364.8	403.6
United Kingdom/Ireland	680.6	688.1	308.9	283.5	67.7	39.7
Australia	492.2	465.8	903.7	861.8	109.0	77.3
China	259.5	276.5	398.3	474.0	51.1	90.8
Vietnam	6.1	6.8	9.3	10.7	2.2	1.1
Malaysia	3.4	2.8	5.8	4.7	2.2	1.5
<b>Total</b>	<b>3,545.3</b>	<b>3,411.1</b>	<b>3,275.8</b>	<b>3,156.7</b>	<b>597.0</b>	<b>614.0</b>

\* Comprising vehicles, premises, equipment, taxi licences, bus operating rights and goodwill.

## 33 COMMITMENTS

As at 31 December 2012, the Group has the following commitments:

Capital commitments contracted for but not provided for in the financial statements:

	The Group	
	2012 \$'mil	2011 \$'mil
Purchase of equipment	6.3	7.7
Purchase of buses, taxis and motor vehicles	487.8	251.8
Purchase of computer systems	3.7	1.9
Development of bus depots and properties	0.4	1.3
	<b>498.2</b>	<b>262.7</b>

## 34 OPERATING LEASE ARRANGEMENTS

### The Group as lessee

	The Group	
	2012 \$'mil	2011 \$'mil
Minimum lease payment under operating leases recognised as expense in the year	27.9	28.5



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 34 OPERATING LEASE ARRANGEMENTS (CONT'D)

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	
	2012 \$'mil	2011 \$'mil	2012 \$'mil	2011 \$'mil
Within one year	20.3	24.8	2.6	2.6
In the second to fifth year inclusive	51.5	46.7	12.8	10.2
After five years	86.7	107.0	2.1	7.3
Total	158.5	178.5	17.5	20.1

Leases are negotiated for average terms ranging from 1 year to 30 years and rental is fixed ranging from 1 year to 30 years.

### The Group as lessor

The Group rents out certain of its properties and vehicles in Singapore, United Kingdom and China under operating leases. Rental income earned during the year was \$104.1 million (2011 : \$99.5 million).

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

	The Group	
	2012 \$'mil	2011 \$'mil
Within one year	89.5	96.0
In the second to fifth year inclusive	151.3	233.1
After five years	30.9	37.2
Total	271.7	366.3

## 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 35 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

### (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.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 35 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

### (iv) Liquidity risk management

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

### (v) Fuel price risk management

Fuel, comprising diesel and electricity, is part of the operating costs of the Group. The Group is also exposed to fluctuations in fuel price in its bus and rail operations and diesel sales business. The Group seeks to hedge the price risk associated with its fuel needs 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 \$0.8 million (2011 : \$1.7 million). The sensitivity analysis assumes that consumption is held constant at the same level as in 2012.

### (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 financial instruments are classified into Level 1. 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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 35 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

### (b) Hedging instruments

	2012		2011	
	Assets \$'mil	Liabilities \$'mil	Assets \$'mil	Liabilities \$'mil
<b>The Group</b>				
At fair values:				
Interest rate hedges	0.1	–	0.8	–
Foreign exchange hedges	0.2	0.1	0.5	–
Fuel hedges	9.7	–	6.1	–
	10.0	0.1	7.4	–
Analysed as:				
Current	10.0	0.1	6.8	–
Non-current	–	–	0.6	–
Total	10.0	0.1	7.4	–

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

At the end of the reporting period, the total notional amounts of outstanding hedging instruments to which the Group is committed are as follows:

	The Group	
	2012 \$'mil	2011 \$'mil
Interest rate hedges	39.6	117.8
Foreign exchange hedges	201.3	61.7
Fuel hedges	157.8	74.0

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 35 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

As at 31 December 2012, the fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the end of the reporting period, comprised \$10.0 million assets (2011 : \$7.4 million assets) and \$0.1 million liabilities (2011 : \$Nil 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 2012, the fair value of the Group's foreign exchange hedging instruments comprising \$0.2 million of assets (2011 : \$0.5 million of assets) was matched by an equivalent fair value adjustment on cash flow hedges in other comprehensive income. As at 31 December 2012, the fair value of the Group's foreign exchange hedging instruments comprising \$0.1 million of liabilities (2011 : \$Nil liabilities) was matched by an equivalent fair value adjustment on cash flow hedges in other comprehensive income. Certain reclassifications arising from foreign exchange hedges have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. The effects of the reclassification are not significant to the financial statements and accordingly, no separate disclosure is made.

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 2012, the fair value of the Group's fuel hedging instruments comprised \$9.7 million of assets (2011 : \$6.1 million of assets) on cash flow hedges in other comprehensive income. Certain reclassifications arising from fuel hedges have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. The effects of the reclassification are not significant to the financial statements and accordingly, no separate disclosure is made.

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 \$39.6 million (2011 : \$40.3 million), which involved capping the UK base rates of hire purchase at 2%. In 2011, contracts with nominal value of \$77.5 million which involved swapping payments of fixed interest rates for floating rate receipts at 1-month BBSY expired in 2012.

### (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 shareholder 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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 35 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(d) The tables below summarise the Group's and the Company's financial instruments, categorised by the earlier of contractual repricing or maturity dates and depicts the Group's and the Company's exposure to interest rate risk as at year end.

	Within 1 year \$'mil	Within 2 to 5 years \$'mil	Beyond 5 years \$'mil	Total \$'mil	Effective interest rate
<b>The Group</b>					
<b>2012</b>					
<b>Financial assets</b>					
<b>Cash and bank balances:</b>					
In functional currencies	107.9	–	–	107.9	0% – 3.5%
In non-functional currencies	2.8	–	–	2.8	0% – 3.0%
<b>Time deposits:</b>					
In functional currencies	533.4	10.4	–	543.8	0.3% – 9.0%
In non-functional currencies	40.1	–	–	40.1	1.0% – 2.7%
Total cash balances and time deposits	684.2	10.4	–	694.6	
<b>Available-for-sale investments:</b>					
Bonds in functional currencies	–	5.2	11.6	16.8	4.0% – 4.8%
<b>Hedging instruments:</b>					
In functional currencies	0.1	–	–	0.1	NA
<b>Financial liabilities</b>					
<b>Loans:</b>					
In functional currencies	64.0	390.1	21.0	475.1	0% – 8.7%
<b>Finance leases:</b>					
In functional currencies	31.8	109.1	87.6	228.5	0.9% – 8.4%
Total	95.8	499.2	108.6	703.6	

# NOTES TO THE FINANCIAL STATEMENTS

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## 35 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

	Within 1 year \$'mil	Within 2 to 5 years \$'mil	Beyond 5 years \$'mil	Total \$'mil	Effective interest rate
<b>The Group</b>					
<b>2011</b>					
<b>Financial assets</b>					
<b>Cash and bank balances:</b>					
In functional currencies	120.8	–	–	120.8	0% – 4.3%
In non-functional currencies	0.7	–	–	0.7	0% – 0.4%
<b>Time deposits:</b>					
In functional currencies	452.1	–	–	452.1	0.1% – 14.0%
In non-functional currencies	3.1	–	–	3.1	0.5% – 1.7%
Total cash balances and time deposits	576.7	–	–	576.7	
<b>Available-for-sale investments:</b>					
Bonds in functional currencies	–	5.4	11.5	16.9	4.0% – 4.8%
<b>Hedging instruments:</b>					
In functional currencies	0.2	0.6	–	0.8	NA
<b>Financial liabilities</b>					
<b>Loans:</b>					
In functional currencies	163.0	196.9	0.6	360.5	0% – 16.5%
<b>Finance leases:</b>					
In functional currencies	35.3	120.6	115.5	271.4	0.9% – 8.4%
Total	198.3	317.5	116.1	631.9	

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 35 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

	Within 1 year \$'mil	Within 2 to 5 years \$'mil	Beyond 5 years \$'mil	Total \$'mil	Effective interest rate
<b>The Company</b>					
<b>2012</b>					
<b>Financial assets</b>					
<b>Cash and bank balances:</b>					
In functional currencies	1.6	–	–	1.6	0%
In non-functional currencies	0.7	–	–	0.7	0% – 3.0%
<b>Time deposits:</b>					
In functional currencies	286.8	–	–	286.8	0.4% – 0.8%
In non-functional currencies	40.1	–	–	40.1	1.0% – 2.7%
Total cash balances and time deposits	329.2	–	–	329.2	
<b>Available-for-sale investments:</b>					
Bonds in functional currencies	–	–	5.8	5.8	4.2%
<b>2011</b>					
<b>Financial assets</b>					
<b>Cash and bank balances:</b>					
In functional currencies	0.9	–	–	0.9	0%
In non-functional currencies	0.1	–	–	0.1	0%
<b>Time deposits:</b>					
In functional currencies	248.6	–	–	248.6	0.3% – 0.8%
In non-functional currencies	3.1	–	–	3.1	0.5% – 1.7%
Total cash balances and time deposits	252.7	–	–	252.7	
<b>Available-for-sale investments:</b>					
Bonds in functional currencies	–	–	5.7	5.7	4.2%



# NOTES TO THE FINANCIAL STATEMENTS

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## 36 DIVIDENDS

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

	2012 \$'mil	2011 \$'mil
Final dividend in respect of the previous financial year:		
– 3.30 cents per ordinary share tax-exempt one-tier	69.0	–
– 2.80 cents per ordinary share tax-exempt one-tier	–	58.5
Interim dividend in respect of the current financial year:		
– 2.90 cents per ordinary share tax-exempt one-tier	60.8	–
– 2.70 cents per ordinary share tax-exempt one-tier	–	56.5
Total	129.8	115.0

(b) Subsequent to the statement of financial position, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 3.50 cents per ordinary share totalling \$73.6 million be paid for the financial year ended 31 December 2012. 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

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").

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) A fixed annual licence fee is payable to LTA from 1 April 2011 to 31 March 2014 and LTA will review the fee thereafter.
- (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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 37 LICENCE CONDITION FOR RAIL SERVICES (CONT'D)

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.

## 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	
			2012 %	2011 %
Quoted equity shares				
SBS Transit Ltd <sup>(1)</sup>	Provision of public bus and rail services	Singapore	75.21	75.21
VICOM Ltd <sup>(1)</sup>	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	67.37	67.65
Unquoted equity shares				
Braddell Limited <sup>(5)</sup>	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

# NOTES TO THE FINANCIAL STATEMENTS

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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	
			2012 %	2011 %
Unquoted equity shares				
ComfortDelGro Rent-A-Car Pte Ltd	Provision of car rental, car care and leasing services	Singapore	100	100
ComfortDelGro (S.E. Asia) Pte Ltd	Investment holding	Singapore	100	100
Comfort Transportation Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100
SBS (Guangzhou) Pte Ltd (formerly known as DelGro (Guangzhou) Pte Ltd)	Inactive	Singapore	100	100
Moove Media Pte Ltd	Provision of advertising services	Singapore	100	100
CityFleet Networks Limited <sup>(5)</sup>	Provision and management of taxi booking services	United Kingdom	55.72	55.72
Swan Taxis Pty Ltd <sup>(5)</sup>	Provision of taxi services	Australia	100	100
ComfortDelGro Cabcharge Pty Ltd <sup>(5)</sup>	Investment holding and provision of management services	Australia	55.72	55.72
Subsidiary of SBS Transit Ltd:				
SBS Transit DTL Pte Ltd <sup>(25)</sup>	Provision of public rail	Singapore	75.21	–
Subsidiaries of VICOM Ltd:				
JIC Inspection Services Pte Ltd	Vehicle inspection and other related services	Singapore	52.55	52.77
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	67.37	67.65

# NOTES TO THE FINANCIAL STATEMENTS

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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	
			2012 %	2011 %
Subsidiaries of VICOM Ltd:				
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	67.37	67.65
Subsidiaries of Setsco Services Pte Ltd:				
Setsco Services (M) Sdn Bhd <sup>(2)</sup>	Provision of testing, inspection and consultancy services	Malaysia	67.37	67.65
Setsco Consultancy International Pte Ltd	Provision of professional inspection and engineering services	Singapore	67.37	67.65
Subsidiaries of Comfort (China) Pte Ltd:				
Suzhou Comfort Taxi Co., Ltd <sup>(3)</sup>	Provision of taxi and land transport-related services in the Suzhou municipality, operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel for motor vehicles	China	70	70
Xiamen Comfort Taxi Co., Ltd <sup>(4)</sup>	Provision of taxi and land transport-related services in the Xiamen municipality	China	70	70
Subsidiary of Suzhou Comfort Taxi Co., Ltd:				
Suzhou Comfort Toyota Sales & Service Co., Ltd <sup>(3)</sup>	Distribution of motor vehicles and trading of automotive parts in the Suzhou municipality	China	70	70
Subsidiaries of Braddell Limited:				
Irish Citylink ComfortDelGro Limited <sup>(5)</sup>	Provision of coach services	Ireland	100	100

# NOTES TO THE FINANCIAL STATEMENTS

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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	
			2012 %	2011 %
Metroline Limited <sup>(5)</sup>	Investment holding	United Kingdom	100	100
Scottish Citylink Coaches Limited <sup>(5)</sup>	Provision of long distance coach services	United Kingdom	65	65
<b>Subsidiary of Metroline Limited:</b>				
Metroline Travel Limited <sup>(5)</sup>	Provision of public bus services	United Kingdom	100	100
<b>Subsidiary of Scottish Citylink Coaches Limited:</b>				
Megacity Limited <sup>(5)</sup>	Inactive	United Kingdom	65	65
<b>Subsidiary of CityCab Pte Ltd:</b>				
Cabcharge Asia Pte Ltd	Provision of charge card facilities	Singapore	46.92	46.92
<b>Subsidiary of Moove Media Pte Ltd:</b>				
Moove Media Australia Pty Ltd <sup>(19)</sup>	Provision of advertising services	Australia	100	100
<b>Subsidiaries of CityFleet Networks Limited:</b>				
Computer Cab (Edinburgh) Limited <sup>(5)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Computer Cab plc <sup>(5)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Computer Cab (Aberdeen) Limited <sup>(5)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Flightlink International Limited <sup>(5)</sup>	Provision of private hire services	United Kingdom	55.72	55.72
Computer Cab (Birmingham) Limited <sup>(5)</sup>	Provision of taxi services	United Kingdom	55.72	55.72

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 38 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2012 %	2011 %
Central Dispatch Limited <sup>(5)</sup>	Provision and management of taxi booking services	United Kingdom	55.72	55.72
Computer Cab (Liverpool) Limited <sup>(5)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Westbus Coach Services Limited <sup>(5)</sup>	Provision of coach services	United Kingdom	55.72	55.72
<b>Subsidiary of Computer Cab (Edinburgh) Limited:</b>				
Onward Travel Limited <sup>(5)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
<b>Subsidiary of Computer Cab plc:</b>				
Cabcharge Limited <sup>(5)</sup>	Provision and management of taxi booking card facilities	United Kingdom	55.72	55.72
<b>Subsidiaries of ComfortDelGro (China) Pte Ltd:</b>				
Beijing ComfortDelGro Yin Jian Auto Services Co., Ltd <sup>(20)</sup>	Provision of car rental services	China	–	55
Beijing Jin Jian Taxi Services Co., Ltd <sup>(8)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	55	55
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd <sup>(7)</sup>	Provision of motor vehicle evaluation and other related services	China	80	80
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd <sup>(9)</sup>	Operation of a driving school	China	51	51
Chengdu ComfortDelGro Taxi Co., Ltd <sup>(9)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	100	100

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 38 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2012 %	2011 %
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd <sup>(9)</sup>	Provision of motor vehicle evaluation and other related services	China	51	51
Chongqing ComfortDelGro Driver Training Co., Ltd <sup>(10)</sup>	Operation of a driving school	China	90	90
CityCab (Shenyang) Co., Ltd <sup>(6)</sup>	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 <sup>(9)</sup>	Provision of cars for hire	China	100	100
Guangzhou Xin Tian Wei Transportation Development Co., Ltd <sup>(12)</sup>	Provision of bus station services	China	60	60
Jilin ComfortDelGro Taxi Co., Ltd <sup>(13)</sup>	Provision of taxi and land transport-related services in the Jilin municipality	China	97	97
Nanjing ComfortDelGro Dajian Taxi Co., Ltd <sup>(18)</sup>	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	70	70
Nanning Comfort Transportation Co., Ltd <sup>(14)</sup>	Provision of taxi and land transport-related services in the Nanning municipality	China	80	80
Shanghai City Qi Ai Taxi Services Co., Ltd <sup>(17)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	51	51
Shenyang ComfortDelGro Bus Co., Ltd <sup>(20)</sup>	Provision of public bus and charter bus services	China	–	100

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 38 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2012 %	2011 %
Shenyang ComfortDelGro Anyun Bus Co., Ltd <sup>(11)</sup>	Provision of public bus and charter bus services	China	80	80
Shenyang ComfortDelGro Taxi Co., Ltd <sup>(6)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	80	80
Yantai ComfortDelGro Automobile Services Co., Ltd <sup>(15)</sup>	Rental of taxis, vehicle inspection and repair	China	76	76
<b>Subsidiary of Beijing Jin Jian Taxi Services Co., Ltd:</b>				
Beijing Jia Run Taxi Co., Ltd <sup>(24)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	–	55
<b>Subsidiaries of Chengdu ComfortDelGro Taxi Co., Ltd:</b>				
Chengdu ComfortDelGro Shengduo Consulting Co., Ltd <sup>(9)</sup> (formerly known as Chengdu ComfortDelGro Sheng Duo Taxi Co., Ltd)	Provision of consulting services	China	100	100
Guangzhou Transportation ComfortDelGro Taxi Co Ltd <sup>(22)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	50	–
<b>Subsidiary of Chongqing ComfortDelGro Driver Training Co., Ltd:</b>				
Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd <sup>(10)</sup>	Operation of a driving school	China	90	90
<b>Subsidiary of Nanning Comfort Transportation Co., Ltd:</b>				
Nanning ComfortDelGro Rent-A-Car Co., Ltd <sup>(14) (26)</sup>	Provision of cars for hire	China	80	90



# NOTES TO THE FINANCIAL STATEMENTS

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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	
			2012 %	2011 %
Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:				
CityLimo Leasing (M) Sdn Bhd <sup>(16)</sup>	Provision of car leasing services	Malaysia	100	100
Pantas Rent-A-Car Holdings Sdn Bhd <sup>(16)</sup>	Investment holding	Malaysia	100	100
Vietnam Taxi Co., Ltd <sup>(5)</sup>	Provision of taxi services	Vietnam	70	70
ComfortDelGro Savico Taxi Company <sup>(5)</sup>	Provision of taxi services	Vietnam	60	60
Subsidiary of Pantas Rent-A-Car Holdings Sdn Bhd:				
Pantas Rent-A-Car Sdn Bhd <sup>(16) (23)</sup>	Provision of cars for hire	Malaysia	–	100
Subsidiaries of ComfortDelGro Cabcharge Pty Ltd:				
Westbus Region 1 Pty Ltd <sup>(5)</sup>	Provision of public bus services	Australia	55.72	55.72
Westbus Region 3 Pty Ltd <sup>(5)</sup>	Provision of public bus services	Australia	55.72	55.72
Hillsbus Co Pty Ltd <sup>(5)</sup>	Provision of public bus services	Australia	55.72	55.72
Hunter Valley Buses Pty Ltd <sup>(5)</sup>	Provision of public bus services	Australia	55.72	55.72
Charterplus Pty Ltd <sup>(5)</sup>	Provision of charter, coach and terminal services	Australia	55.72	55.72
CDC Victoria Pty Ltd <sup>(5)</sup>	Investment holding	Australia	55.72	55.72
Baypalm Pty Limited <sup>(5)(21)</sup>	Investment holding	Australia	55.72	

# NOTES TO THE FINANCIAL STATEMENTS

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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	
			2012 %	2011 %
Subsidiaries of CDC Victoria Pty Ltd:				
CDC Victoria 2 Pty Ltd <sup>[24]</sup>	Inactive	Australia	–	55.72
CDC Sunshine Pty Ltd <sup>[5]</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Geelong Pty Ltd <sup>[5]</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Oakleigh Pty Ltd <sup>[5]</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Werribee Pty Ltd <sup>[5]</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Altona Pty Ltd <sup>[5]</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Ballarat Pty Ltd <sup>[5]</sup>	Provision of public bus services	Australia	55.72	55.72
Subsidiaries of CDC Victoria 2 Pty Ltd:				
CDC Victoria 3 Pty Ltd <sup>[24]</sup>	Inactive	Australia	–	55.72
Western Coach Services Pty Ltd <sup>[24]</sup>	Inactive	Australia	–	55.72
St. Albans Bus Service Pty Ltd <sup>[24]</sup>	Inactive	Australia	–	55.72
North Sunshine Bus Service Pty Ltd <sup>[24]</sup>	Inactive	Australia	–	55.72
Subsidiary of CDC Oakleigh Pty Ltd:				
Eastern Suburbs Omnibus Services Pty Ltd <sup>[24]</sup>	Inactive	Australia	–	55.72

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 38 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2012 %	2011 %
Subsidiary of CDC Werribee Pty Ltd:				
West Transit Bus Lines Pty Ltd <sup>[24]</sup>	Inactive	Australia	–	55.72
Subsidiary of Baypalm Pty Limited:				
Deanes Bus Lines Pty Limited <sup>[5][21]</sup>	Provision of public bus services	Australia	55.72	–
Subsidiary of Swan Taxis Pty Ltd:				
TIAIB (Western Australia) Pty Ltd <sup>[20]</sup>	Provision of taxi insurance	Australia	–	70

### Note:

All companies are audited by Deloitte & Touche LLP, Singapore except for certain subsidiaries as indicated below.

- <sup>(1)</sup> Listed on the Singapore Exchange Securities Trading Limited.
- <sup>(2)</sup> Audited by WT & Ng Co, Malaysia.
- <sup>(3)</sup> Audited by Jiangsu Gong Zheng Certified Public Accountants, China.
- <sup>(4)</sup> Audited by Xiamen Xin Zhou Certified Public Accountants Co., Ltd, China.
- <sup>(5)</sup> Audited by overseas practices of Deloitte Touche Tohmatsu Limited.
- <sup>(6)</sup> Audited by Wei Shixin Certified Public Accountants Co Ltd.
- <sup>(7)</sup> Audited by Beijing Lehman Certified Public Accountants Co., Ltd, China.
- <sup>(8)</sup> Audited by Chong Zheng Tian Tong Certified Public Accountants Co., Ltd, China.
- <sup>(9)</sup> Audited by Sichuan Wanfang Certified Public Accountants Co., Ltd, China.
- <sup>(10)</sup> Audited by Sichuan Zhizhong Certified Public Accountants Co., Ltd, China.
- <sup>(11)</sup> Audited by Liao Ning Sheng Da Certified Public Accountants, China.
- <sup>(12)</sup> Audited by Guangzhou Orient Certified Public Accountants Co., Ltd, China.
- <sup>(13)</sup> Audited by Jilin Hua Tai Certified Public Accountants, China.
- <sup>(14)</sup> Audited by Guangxi Bo Hua San He Certified Public Accountants Co., Ltd, China.
- <sup>(15)</sup> Audited by Shan Dong Heng Feng Zheng Tai Certified Public Accountants Co., Ltd, China.
- <sup>(16)</sup> Audited by SH Tan and Partner, Malaysia.
- <sup>(17)</sup> Audited by Shanghai Gong Xin Zhong Nan Certified Public Accountants Co., Ltd, China.
- <sup>(18)</sup> Audited by Jiangsu Tianhua Dapeng Certified Public Accountants Co., Ltd, China.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 38 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

<sup>(19)</sup> Audited by Mattock & Associates, Australia.

<sup>(20)</sup> Disposed during the financial year.

<sup>(21)</sup> Became a subsidiary on 1 September 2012.

<sup>(22)</sup> Incorporated on 1 December 2012 and not audited.

<sup>(23)</sup> In the process of being struck-off.

<sup>(24)</sup> Struck-off during the financial year.

<sup>(25)</sup> Incorporated on 6 February 2012.

<sup>(26)</sup> Transfer of subsidiary from ComfortDelGro (China) Pte Ltd to Nanning Comfort Transportation Co., Ltd during the year.

### 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	
			2012 %	2011 %
Unquoted equity shares				
ComfortDelGro Insurance Brokers Pte Ltd <sup>(1)</sup>	Insurance broking, risk management, claims management and related activities	Singapore	49	49
Gobbler Pte Ltd <sup>(2)</sup>	Provision of sales promotion relating to discount coupons and rebates, and trading activities	Singapore	40	40

<sup>(1)</sup> Audited by Deloitte & Touche LLP, Singapore.

<sup>(2)</sup> 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 38 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (CONT'D)

### (d) Acquisition of subsidiaries/businesses

In 2012, the acquisition of Deanes Bus Lines Pty Limited for cash consideration of \$68.8 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.

## 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:

	2012 \$'mil	2011 \$'mil
Expenses	0.8	0.8

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 40 GROUP PROPERTIES

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>SINGAPORE</b>					
ComfortDelGro Corporation Limited	–	Braddell Road	66,445 sq m	30 years 6 years 6 months unexpired	Head office, bus depot, vehicle workshop
ComfortDelGro Corporation Limited	–	Kim Chuan	10,784 sq m	3 years 3 years unexpired	Vehicle assembly workshop
SBS Transit Ltd	75.21	Soon Lee Road	26,670 sq m	30 years 17 years 3 months unexpired	Bus depot
SBS Transit Ltd	75.21	Defu Avenue 1	74,236 sq m	33 years 3 years unexpired	Bus depot
SBS Transit Ltd	75.21	Bedok North Avenue 4	62,220 sq m	Under Temporary Occupation Licence	Bus depot
SBS Transit Ltd	75.21	Bukit Batok Street 23	52,187 sq m	43 years 13 years unexpired	Bus depot
SBS Transit Ltd	75.21	Ayer Rajah Crescent	17,939 sq m	Under Temporary Occupation Licence	Bus park
SBS Transit Ltd	75.21	Ang Mo Kio Street 63	63,953 sq m	19 years 2 months unexpired	Bus depot
VICOM Ltd	67.37	Sin Ming Drive	10,853 sq m	30 years 29 years unexpired	Inspection, assessment services
VICOM Ltd	67.37	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	67.37	Bukit Batok Street 23	9,625 sq m	30 years from October 1995 with option to renew another 30 years	Inspection, assessment services

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
VICOM Ltd	67.37	Changi North Crescent	6,015 sq m	30 years from May 1995 13 years unexpired	Inspection services
VICOM Ltd	67.37	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 31 years unexpired	Inspection, assessment services
VICOM Ltd	67.37	Yishun Industrial Park A	1,105 sq m	24 years from July 1989 with option to renew another 30 years	Inspection, assessment services
Setsco Services Pte Ltd	67.37	Teban Gardens Crescent	9,830 sq m	30 years from February 2009 27 years unexpired	Testing, inspection, consultancy services
JIC Inspection Services Pte Ltd	52.55	Pioneer Road	9,190 sq m	30 years from December 1994 12 years unexpired	Inspection services
JIC Inspection Services Pte Ltd	52.55	Ang Mo Kio Street 63	2,145 sq m	14 months from January 2012 2 months unexpired	Inspection services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	11,129 sq m	60 years 23 years unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	25,087 sq m	30 years 10 years unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 39 years unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,500 sq m	22 years 13 years unexpired	Workshop, diesel kiosk

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	26 years 14 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 36 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	30 years 10 years unexpired	Workshop, diesel kiosk

## CHINA

Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 15 years unexpired	Office, bus station
Shanghai City Qi Ai Taxi Services Co., Ltd	51	Lujiabang Road Shanghai	689 sq m	50 years 36 years unexpired	Office
Suzhou Comfort Taxi Co., Ltd	70	Jin Ji Hu Road Suzhou Industrial Park	10,516 sq m	50 years 34 years unexpired	Office, workshop
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 30 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 11 years unexpired	Office, workshop
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	Jian Cai Road Chengdu	5,057 sq m	30 years 21 years unexpired	Vehicle inspection workshop
Yantai ComfortDelGro Automobile Services Co., Ltd	76	Zhou Shan Road Yantai Development Zone	20,000 sq m	50 years 43 years 8 months unexpired	Office, workshop



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
Nanning Comfort Transportation Co., Ltd	80	Ke Yuan Ave Nanning	938 sq m	45 years 43 years 8 months unexpired	Office
Chongqing ComfortDelGro Driver Training Co., Ltd	90	Jiu Long Po Jiu Long Industrial Park Chongqing	25,170 sq m	46 years 37 years unexpired	Office, driving test, training centre
Chengdu ComfortDelGro Qinyang Driving School Co., Ltd	51	Wen Jia Red Mill Village Chengdu	36,667 sq m	5 years 2 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 48 years unexpired	Office, driving test, training centre

## 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 9 years and 5 months unexpired	Office, fitting bay
Computer Cab (Liverpool) Limited	55.72	Falkland Street Liverpool L3 8HB	610 sq m	99 years 85 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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
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
Westbus Coach Services Limited	100	Spring Grove Road Hounslow London TW3 4BE	352 sq m	6 years	Office, fitting bay

## AUSTRALIA

Westbus Region 3 Pty Ltd	55.72	Bonnyrigg Avenue NSW	22,166 sq m	Freehold	Bus depot
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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
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
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	Industrial Avenue Hoppers Crossing Victoria	4,285 sq m	Freehold	Bus, car park

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
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
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
HA Davis Motor Service Pty Ltd	55.72	Norman Street Ballarat	47,750 sq m	Freehold	Bus depot
HA Davis Motor Service 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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

## 40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>VIETNAM</b>					
Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh - TP Ho Chi Minh City	6,438 sq m	20 years 8 years unexpired	Office, workshop
<b>MALAYSIA</b>					
Setsco Services (M) Pte Ltd	67.37	47100 Puchong Selangor Darul Ehsan	792 sq m	99 years from December 2009 96 years unexpired	Testing, inspection, consultancy services

# SHARE PRICE MOVEMENT CHART

COMFORTDELGRO'S SHARE PRICE MOVEMENT AND VOLUME TURNOVER



Source: Bloomberg Finance L.P.

COMPARISON OF PERFORMANCE OF COMFORTDELGRO'S SHARE PRICE AND THE STRAITS TIMES INDEX (STI)



Source: Bloomberg Finance L.P.

## SHAREHOLDING STATISTICS

AS AT 5 MARCH 2013

No. of shares issued : 2,108,517,163  
 Class of shares : Ordinary shares  
 Voting rights : One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	1,878	5.30	710,586	0.03
1,000 – 10,000	17,506	49.40	78,420,371	3.72
10,001 – 1,000,000	16,023	45.22	356,292,508	16.90
1,000,001 & Above	30	0.08	1,673,093,698	79.35
Total	35,437	100.00	2,108,517,163	100.00

Top Twenty Shareholders	No. of Shares	%
Citibank Nominees Singapore Pte Ltd	392,771,988	18.63
DBS Nominees Pte Ltd	311,702,933	14.78
DBSN Services Pte Ltd	274,407,132	13.01
Singapore Labour Foundation	252,616,594	11.98
HSBC (Singapore) Nominees Pte Ltd	124,308,240	5.90
United Overseas Bank Nominees Pte Ltd	120,865,532	5.73
BNP Paribas Securities Services Singapore	72,714,196	3.45
Raffles Nominees (Pte) Ltd	49,405,693	2.34
OCBC Nominees Singapore Private Limited	20,662,365	0.98
Changi Bus Company (Private) Limited	9,244,095	0.44
DB Nominees (S) Pte Ltd	5,774,529	0.27
Yim Chee Chong	4,926,000	0.23
DBS Vickers Securities (S) Pte Ltd	2,873,156	0.14
Chan Kam Fai	2,858,443	0.14
Kua Hong Pak	2,824,530	0.13
Bank of Singapore Nominees Pte Ltd	2,554,269	0.12
Societe Generale Spore Branch	2,319,353	0.11
Macquarie Capital Securities (Singapore) Pte Ltd	2,149,145	0.10
Cabcharge Australia Limited	2,005,087	0.10
BNP Paribas Nominees Singapore Pte Ltd	1,965,415	0.09
Total	1,658,948,695	78.67

# SHAREHOLDING STATISTICS

AS AT 5 MARCH 2013

## Substantial Shareholders (as shown in the Register of Substantial Shareholders)

Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Singapore Labour Foundation	252,616,594	11.98	–	–
The Capital Group Companies, Inc	–	–	135,100,000 <sup>1</sup>	6.41
BlackRock, Inc.	–	–	107,497,187 <sup>2</sup>	5.10
The PNC Financial Services Group, Inc	–	–	107,497,187 <sup>2</sup>	5.10

As at 5 March 2013, approximately 75.65% 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:

<sup>1</sup> The Capital Group Companies, Inc. (as the parent company of Capital Research and Management Company ("CRMC")) is deemed to have an interest in 135,100,000 shares of ComfortDelGro Corporation Limited held by Capital World Growth and Income Fund, Inc. ("WGI") (a mutual fund managed by CRMC). CRMC, as the fund manager of WGI, is deemed to have an interest in the 135,100,000 shares of ComfortDelGro Corporation Limited held by WGI.

<sup>2</sup> BlackRock, Inc. is deemed to have an interest in 107,497,187 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 107,497,187 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 Tenth Annual General Meeting of the Company will be held at the Auditorium, ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 on Friday, 26 April 2013 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 2012 together with the Auditors' Report thereon.                                  | <b>(Resolution 1)</b> |
| 2. To declare a tax-exempt one-tier final dividend of 3.5 cents per ordinary share in respect of the Financial Year ended 31 December 2012.   | <b>(Resolution 2)</b> |
| 3. To approve the payment of Directors' fees of \$586,000 for the Financial Year ended 31 December 2012. (FY2011: \$559,171)  | <b>(Resolution 3)</b> |
| 4. To re-elect Mr Ong Ah Heng, a Director retiring pursuant to Article 91 of the Company's Articles of Association.   | <b>(Resolution 4)</b> |
| 5. To re-elect Mr Tow Heng Tan, a Director retiring pursuant to Article 91 of the Company's Articles of Association.  | <b>(Resolution 5)</b> |
| 6. To re-elect Dr Wang Kai Yuen, a Director retiring pursuant to Article 91 of the Company's Articles of Association.   | <b>(Resolution 6)</b> |
| 7. 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. | <b>(Resolution 7)</b> |
| 8. To re-appoint Messrs Deloitte & Touche LLP as Auditors and authorise the Directors to fix their remuneration.  | <b>(Resolution 8)</b> |

### SPECIAL BUSINESS:

- |   |                       |
|---|-----------------------|
| 9. To consider and, if thought fit, to pass the following resolution with or without modifications as an Ordinary Resolution: | <b>(Resolution 9)</b> |
|---|-----------------------|

"THAT the Directors of the Company be and are hereby authorised to allot and issue up to 70,178,500 shares pursuant to the exercise of the remaining share options under the ComfortDelGro Employee's Share Option Scheme." \*

# 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 8 May 2013 for the purposes of determining Shareholders' entitlements to the proposed tax-exempt one-tier final dividend of 3.5 cents per ordinary share for the Financial Year ended 31 December 2012.

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 7 May 2013 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 7 May 2013 will be entitled for the proposed final dividend.

The final dividend, if approved by the Shareholders at the Tenth Annual General Meeting of the Company, will be paid on 15 May 2013.

By Order of the Board

Chan Wan Tak, Wendy  
Company Secretary  
Singapore  
28 March 2013

### 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.

## ADDITIONAL INFORMATION ON ORDINARY BUSINESS

Mr Ong Ah Heng is a Member of the Audit and Risk Committee and considered an independent Director of the Company. If re-elected, Mr Ong Ah Heng will continue as a Member of the Audit and Risk Committee.

### \* EXPLANATORY NOTE ON SPECIAL BUSINESS TO BE TRANSACTED

Resolution 9 is to authorise the Directors to issue shares upon the exercise of options in accordance with the ComfortDelGro Employees' Share Option Scheme. This scheme was approved by Shareholders at the Extraordinary General Meeting held on 18 February 2003 and had a maximum duration of 10 years. This scheme expired on 17 February 2013 and the Company did not seek a renewal of the scheme. While the scheme has expired, the provisions of the scheme shall, in relation to the options granted and accepted and whether such options have been exercised (whether fully or partially) or not, remain in full force and effect.

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# ComfortDelGro Corporation Limited

[Incorporated in the Republic of Singapore]

[Co. Reg. No.: 200300002K]

## PROXY FORM ANNUAL GENERAL MEETING

### IMPORTANT

1. 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**.
2. 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.
3. 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.

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)

--	--	--	--

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, 26 April 2013 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 Ong Ah Heng as Director		
5.	Re-election of Mr Tow Heng Tan as Director		
6.	Re-election of Dr Wang Kai Yuen as Director		
7.	Re-appointment of Mr Lim Jit Poh as Director		
8.	Re-appointment of Auditors and authorising Directors to fix their remuneration		
9.	Authority to issue shares pursuant to exercise of options		

\* 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 \_\_\_\_\_ 2013

\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal

**Total Number of Shares Held (Note 4)**

### 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

*This flap is for sealing*

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Designed and Produced by  
Silicon+





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