

2010
ANNUAL REPORT

MODELLED FOR GROWTH



COMFORTDELGRO

Model Performance...

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Our Vision

To be the world's land transport operator of choice

Our strategies for success

LOOK BEYOND THE HORIZON

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

DO THE RIGHT THINGS – RIGHT

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

GROW OUR TALENT BASE

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

Our core values

RESULTS ORIENTATION

We will:

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

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

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

Global Footprint



Aberdeen ■
Glasgow ■ ■ Edinburgh
Dublin ■ ■ Liverpool
Birmingham ■
London ■

27

Cities

7

Countries

22,714

Employees

46,200

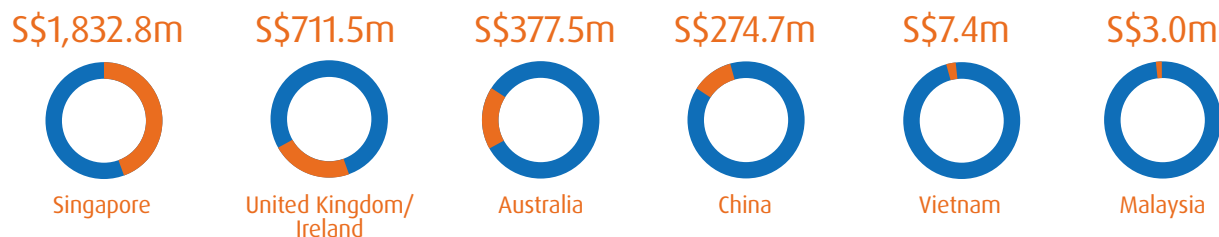
Vehicles



Chairman's Statement

We continued growing our business in the year under review. In addition to top and bottom line growth, we also increased our global fleet and now have about 46,200 vehicles within the Group.

REVENUES AT A GLANCE



Chairman's Statement

INTRODUCTION

At the end of 2009, the concern amongst many was whether the global economy would be able to bounce back quickly. There was widespread uncertainty as scholars and economists postulated all sorts of recoveries ----- U, V, W and L. As it turned out, the global economy did stage a recovery in the earlier part of 2010 but uncertainty once again crept in towards the latter part of the year with indications of a possible double-dip.

In Singapore, things were a lot rosier – going by the official data. We experienced very high double-digit growth in the first half of 2010 but this was not sustainable. There was even talk of a technical recession but this was dismissed when economic data for the third quarter was released in November 2010. At the end of the day, the economy grew a remarkable 14.5% in 2010.

Towards the last quarter of 2010, international currencies were in flux – raising fears of tariff wars and protectionism. The US Federal Reserve Bank's announcement of the quantitative easing (QE2) of US\$600 billion, the Australian Reserve Bank's move to raise interest rates to 4.75% and the People's Bank of China's announcement of higher lending and deposit rates of 5.81% and 2.75% respectively did little to ease the woes.

Meanwhile, the Singapore Dollar continued to gain strength in 2010, placing companies with substantial overseas operations in an unfavourable position. ComfortDelGro was, unfortunately, one of them.

Despite the challenges, the Group did well, growing both the top line and bottom line in the year under review. In fact, if not for the negative foreign currency translation effect and an increase in taxes, net profit would have been significantly higher.

CORPORATE GOVERNANCE

This subject continues to be a focus of the investing public with the issue of multiple directorships taking centre-stage. Views differ on the optimum number with the authorities remaining silent on the matter. The market waits to see if the newly constituted

Council of Corporate Governance will come out with any recommendations to be included in the Code of Corporate Governance.

There have also been suggestions that there should be more female directors on the boards of public listed companies – a practice that is prevalent in some of the European countries. There is also an interesting debate on whether independent directors should be allowed to have alternate directors represent them.

Some investors have also called for listed companies to take an active stand on the issue of environmentalism. This will impact our choice of vehicles and the use of energy in running them.

To ensure that our Directors keep abreast of the latest developments in corporate governance, we regularly circulate the latest publications in this area. For instance, all Directors have been given a copy of the Accounting and Corporate Regulatory Authority's (ACRA) and the Singapore Exchange Limited's (SGX) latest publication called "Guidance to Audit Committees on Evaluation of Quality of Work Performed by External Auditors". They have also been advised to attend courses or participate in seminars relevant to their appointments.

As Chairman of the Board, I continue to meet up with the Chairmen of the Audit Committees of our three listed companies in the absence of Management. I am pleased to advise that as far as the Audit Committees are concerned, the house is in order.

BUSINESS REVIEW

We continued growing our business in the year under review. In addition to top and bottom line growth, we also increased our global fleet and now have about 46,200 vehicles within the Group.

Revenue from the bus business continued to account for the bulk of total Group revenue – clocking in at 50.3%. This was followed by the taxi business at 30.6%.

Revenue and operating profit from our overseas operations accounted for 43.0% and 42.3% of our Group revenue and Group operating profit respectively.

Chairman's Statement

SINGAPORE OPERATIONS

Except for automotive engineering, all our local businesses – bus (scheduled and unscheduled), taxi, rail, vehicle inspection and testing services, driving school, car rental and leasing, insurance broking services and outdoor advertising – grew their top line in the year ended 31 December 2010.

Our listed scheduled bus and train subsidiary, SBS Transit Ltd, continued to see ridership growth in 2010. Average daily bus ridership increased by 4% to 2.36 million while average daily rail ridership rose by 15.9% to 430,417.

During the year, we continued with our fleet replacement exercise. We now have 1,330 new wheelchair friendly buses – representing about 45% of our total fleet. Of these, more than 85% are equipped with Euro 4 or 5 engines. To up the Green quotient, we have embarked on a trial of hybrid and fuel cell buses.

One of the most significant events in the Singapore public transport industry in 2010 was the implementation of Distance Fares, which brings about a fare structure that allows commuters to make transfers without incurring additional cost.

Thanks to our bus tracking system, our unscheduled bus operation was able to clinch the Preferred Event Transport Provider contract for the Singapore Youth Olympics Games, which was held in August 2010.

We have maintained our leadership position in the taxi business with 15,567 taxis, representing 60.6% of the total market. Notably, our unhired rate at 0.48% is significantly lower than industry average. We continue to remain attractive to hirers because of our very technologically advanced call centre and fuel subsidies. In fact, a record 24 million call bookings were made in 2010.

Both the North East Line (NEL) and the Light Rail Transit (LRT) are enjoying increased ridership in Singapore. As demand for train services increases, we have improved our frequencies on NEL and LRT. Average daily ridership on NEL and LRT increased by 16.4% and 12.2% respectively in 2010.

The Land Transport Authority invited the two existing operators to tender for the new Downtown Line. We have submitted our bid and are now awaiting the outcome.

The other listed subsidiary in our Group, VICOM Ltd, had a very good year in 2010 – maintaining its pole position in the vehicle inspection business while growing the top line and bottom line. We are in the midst of constructing a new four-storey building within our present premises at Teban Gardens Crescent to house the expansion of our technical testing division. Both our vehicle inspection and technical testing businesses are doing well.

Our automotive engineering division bucked the general uptrend during the year due to a drop in the number of buses assembled. It is, however, expected to perform better in 2011. It also collaborated with Shanghai Sunlong Co., Ltd of China and Gemilang Coachworks Sdn Bhd of Malaysia to build two hybrid buses for trial by SBS Transit.

Our other businesses in Singapore continued to expand in the year under review as demand for their services increased amidst a growing economy.

OVERSEAS OPERATIONS

The Group broadened its overseas footprint in 2010 with the acquisition of Swan Taxis Pty Ltd in Perth, the city's largest taxi operator with a 91% share of the market. Following the completion of the acquisition in November 2010, Swan Taxis made a maiden contribution of S\$4.5 million to Group revenue.

The Group broadened its overseas footprint in 2010 with the acquisition of Swan Taxis Pty Ltd in Perth, the city's largest taxi operator with a 91% share of the market.

We also managed to increase our fleet size in Chengdu through the award of 800 new taxi licences in the early part of 2011. This brings our total taxi fleet in China to 10,600 taxis, representing close to a third of our global taxi fleet.

Chairman's Statement

In fact, our overseas businesses accounted for 42.3% of Group operating profit in 2010, led by the overseas bus business which significantly crossed the 70%-mark during the year.

The bus business in Australia saw revenue grow by almost 35.0% to S\$373.0 million. Our Sydney operations, which celebrated its fifth anniversary in 2010, now has over 1,000 vehicles. In the five years since its commencement, it has more than doubled its operating profit – quite a feat given the global currency and financial crisis, which marked three of those five years.

Our bus business in the United Kingdom (UK) saw revenue increase by S\$15.1 million on the back of an increase in new routes, more mileages operated and contract price adjustments. Unfortunately, the negative translation effect of the weak Sterling Pound more than erased the gains, resulting in a revenue drop of 5.9% to S\$562.0 million. Despite this drop in revenue, the UK bus business continued to be our largest overseas bus operation, accounting for 56.4% of total overseas bus revenue.

We have 18 taxi and taxi circuit operations abroad – the bulk of which are in China and the UK.

We have, as a Group, some 3,900 taxis in our circuits in the UK. The change in corporate spending habits, brought about by the economic and financial crisis, continues to weigh heavily on the taxi business. Accordingly, we have stepped up our private hire business. Our fleet in this sector was nearly 250, an increase of 8% over 2009. We have started the process of centralising common functions in our UK taxi and car operations to bring about greater synergies and cost efficiencies. A common card payment system is also in the pipeline.

Our bus station in Guangzhou continues to do well. In Singapore, we have bus depots for our own use which, unlike China, are not revenue generating. Because of the vastness of the country, China has bus depots to cater for their inter-city travels. Our revenue stream in Guangzhou is derived from commissions on ticket sales,

parking bay fees, cargo transportation and handling charges. The number of commuters passing through our station in 2010 was 12.2 million, an increase of 17% over 2009.

To-date, we have invested more than S\$1.0 billion abroad – the largest being Australia with S\$399.1 million, followed closely by China with S\$327.4 million. The UK comes in third with S\$299.8 million, followed by Vietnam, Malaysia and Ireland with S\$8.5 million, S\$4.0 million and S\$3.1 million respectively.

FINANCE

Our performance in 2010 could be regarded as excellent under the exceptionally difficult circumstances. If not for the weak Sterling Pound, our performance would have been much better.

Full-year revenue increased by 5.1% to a record S\$3.21 billion on the back of broad-based segmental growth. In line with the growth in revenue, operating profit for the year ended 31 December 2010 was 11.2% higher at S\$388.4 million. If not for the negative foreign currency translation effect of S\$2.6 million, the increase in operating profit would have been 11.7% higher at S\$391.0 million. Full-year net profit attributable to Shareholders increased by 4.1% to S\$228.5 million as taxation for the Group increased by 33.7%. Earnings per share was up 4.1% to 10.95 cents while EBITDA increased by 7.9% to S\$679.3 million.

Your Directors have proposed a tax-exempt one-tier final dividend of 2.80 cents per share. Together with the 2.70 cents per share tax-exempt one-tier interim dividend paid earlier, the total dividend for the year would be 5.50 cents. Based on the closing price of the stock at the end of the financial year, the yield is 3.55%.

Our capital expenditure for 2010 was S\$536.7 million. The bulk of this was on the purchase of new buses and taxis. Despite this, our Balance Sheet remained strong with total assets increasing by 8.1% to S\$4.4 billion and total equity rising by 6.1% to S\$2.3 billion. Our net gearing was 5.1%.

Chairman's Statement

MANPOWER

As at the end of 2010, we had just over 22,700 staff worldwide, bringing our total annual wage bill to just under S\$1.0 billion. About 55% of our staff is located overseas with China accounting for over a quarter of total staff strength. This was followed by UK/Ireland with 4,183 or 18% and Australia with 2,293 or 10%.

As a labour intensive organisation, skills upgrading, re-skilling and staff development are key elements for our continued success. Talent pool review continues to be a critical assignment.

INVESTOR RELATIONS

We continue to enjoy active research coverage with 16 houses tracking our stock. In 2010, we held 55 one-on-one meetings with various analysts and fund managers. In addition, we had four non-deal road shows and group meetings in Singapore involving 21 parties.

CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is, to us, not just a performance indicator. It is a way of life.

In 2010, we embarked on a five-year partnership with a voluntary welfare organisation, Lions Befrienders Association of Singapore, through the Home Improvement Programme. Our staff and taxi drivers carried out extensive home improvement work in 61 homes of the elderly poor. We also donated decommissioned taxis to hospitals and an elderly home for rehabilitation training purposes.

Corporate social responsibility is, to us, not just a performance indicator. It is a way of life.

In UK, we launched Wheel!Power@ Metroline, an initiative that aims to mobilise and coordinate the skills available among the staff to promote volunteerism within the London community.

In China, our taxis provided free trips to convey residents who were on their way to donate blood to the needy. Our staff also raised cash to help victims devastated by the earthquake in the Yushu County, Qinghai Province, as well

as participated in relief work for the areas stricken by the Jilin floods.

On the environment front, we continued to find new ways to do our part. In China, we planted trees on an eco-site after buying environmentally friendly taxis that operate on both petrol and Compressed Natural Gas (CNG). In Australia, we launched three new bus depots, which boast of environmentally friendly features. In Singapore, London and Australia, we put on trial hybrid buses to test the various technologies.

We continued to participate in Earth Hour, switching off our non-essential lights on our premises worldwide. Our efforts did not go unnoticed. In UK, Computer Cab plc was awarded the Sunday Times Best Green Companies for the third year running. In Singapore, we won the Certificate of Merit in the Best Environmental Excellence Award category for the 2010 Global CSR Award. This Award recognises companies that have successfully integrated environment performances in their development strategies and have delivered business benefits from going Green.

CONCLUSION

Regardless of global economic and financial conditions, we have continued, and will continue, to discharge our responsibilities and duties with distinction in providing efficient, affordable and safe land transport trips to our commuters and passengers.

To this end, we have invested millions in new and environmentally friendly vehicles. We continue to provide training to our bus captains and taxi drivers, so that they can in turn deliver good and quality services to our commuters and passengers. We also ensure that our performances in safety, punctuality and cleanliness are met against the standards set by the Authorities.

We continue to care and look after our staff across the seven countries, 27 cities and four time zones where we have our operations.

We continue to have meaningful dialogues with the various authorities and the labour unions so that together, we are able to meet the land transport needs and requirements of the peoples in the countries where we operate.

Chairman's Statement

We continue to participate in activities to benefit the unfortunate, the handicapped and the elderly. We also continue to assist them with cash donations.

We continue to work towards bettering the environment through our investments and deeds.

As we do all these, we have never lost sight of the responsibility we have to our Shareholders – generating respectable earnings and dividends each and every year. We continue to be transparent, objective and fair in our dealings with the investing public, the Regulators and the Authorities.

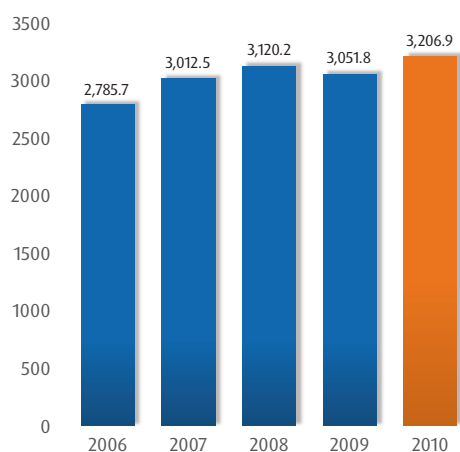
With such a diverse set of responsibilities and duties, I wish to congratulate and thank our Managing Director/ Group Chief Executive Officer Mr Kua Hong Pak, and his management team, for their untiring efforts in carrying out these tasks. They are by no means easy. I also wish to express my sincere appreciation to my fellow Directors for their unstinting support and valuable contributions. Above all, I wish to express my gratitude to the tripartite parties of the Authorities, the Unions and the Commuters for their full understanding, cooperation and assistance in our efforts to deliver services that we are very proud of.

LIM JIT POH

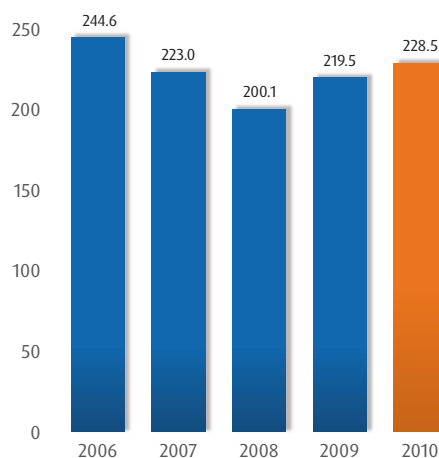
Chairman

Group Financial Highlights

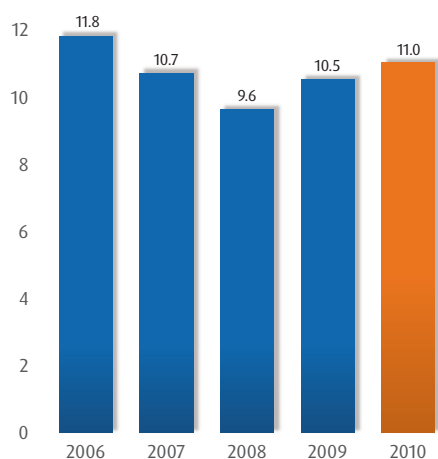
REVENUE
(S\$'mil)



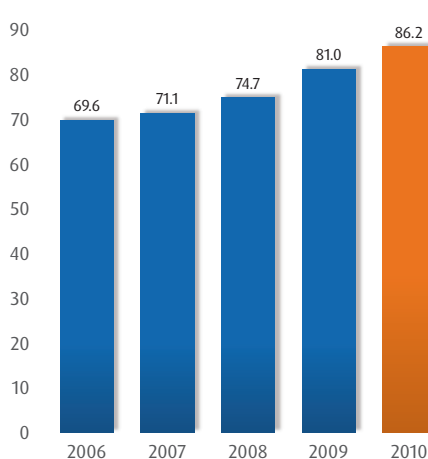
PROFIT ATTRIBUTABLE TO SHAREHOLDERS
(S\$'mil)



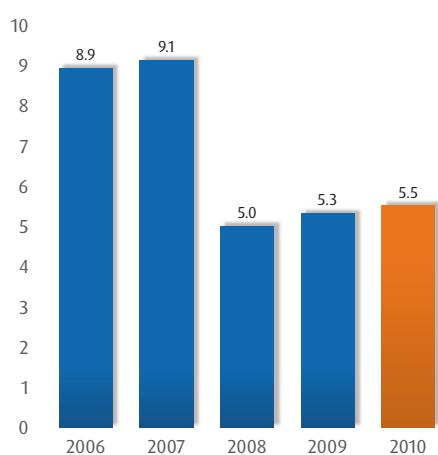
EARNINGS PER ORDINARY SHARE
(cents)



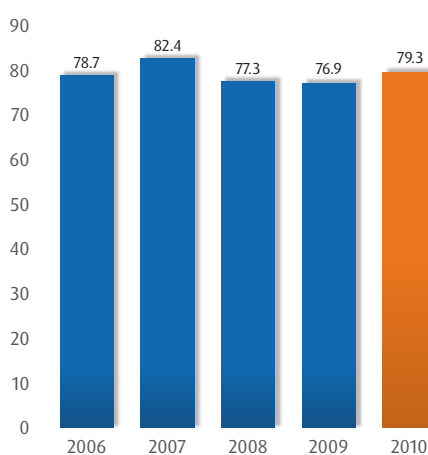
NET ASSET PER ORDINARY SHARE
(cents)



TOTAL DIVIDEND PER ORDINARY SHARE
(cents)



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



Group Financial Highlights

FINANCIAL SUMMARY

	2006	2007	2008	2009	2010
Revenue (S\$'mil)	2,785.7	3,012.5	3,120.2	3,051.8	3,206.9
Operating expenses (S\$'mil)	2,478.5	2,676.2	2,842.2	2,701.9	2,818.5
Profit attributable to shareholders (S\$'mil)	244.6	223.0	200.1	219.5	228.5
EBITDA (S\$'mil)	556.7	605.4	541.7	629.8	679.3
Issued capital (S\$'mil)	537.5	559.6	560.9	561.7	565.5
Capital and reserves (S\$'mil)	1,441.3	1,482.5	1,556.8	1,690.0	1,800.5
Capital disbursement (S\$'mil)	386.1	328.2	351.3	446.7	491.0
Internal funds generated (S\$'mil)	574.2	615.2	551.3	648.5	697.4
Earnings per ordinary share (cents)	11.8	10.7	9.6	10.5	11.0
Net asset per ordinary share (cents)	69.6	71.1	74.7	81.0	86.2
Return on shareholders' equity (%)	17.6	15.3	13.2	13.5	13.1
Total dividend per ordinary share (cents)	8.9	9.1	5.0	5.3	5.5
Dividend cover (number of times)	1.3	1.2	1.9	2.0	2.0

GROUP REVENUE BY BUSINESS SEGMENT

	2006		2007		2008		2009		2010	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Bus	1,380.9	49.6	1,552.0	51.5	1,548.2	49.7	1,530.9	50.2	1,612.2	50.3
Bus station	16.4	0.6	18.6	0.6	19.8	0.6	21.4	0.7	22.7	0.7
Rail	84.1	3.0	99.1	3.3	115.5	3.7	119.7	3.9	134.4	4.2
Taxi	872.2	31.3	922.8	30.7	946.0	30.3	927.6	30.4	981.9	30.6
Automotive engineering services	315.3	11.3	290.2	9.6	346.2	11.1	307.4	10.1	300.1	9.4
Vehicle inspection and testing	55.4	2.0	63.0	2.1	72.9	2.3	77.3	2.5	83.7	2.6
Car rental and leasing	36.5	1.3	36.4	1.2	37.4	1.2	33.3	1.1	33.6	1.0
Driving centre	24.9	0.9	30.4	1.0	34.2	1.1	34.2	1.1	38.3	1.2
Group	2,785.7	100.0	3,012.5	100.0	3,120.2	100.0	3,051.8	100.0	3,206.9	100.0

GROUP REVENUE BY GEOGRAPHICAL SEGMENT

	2006		2007		2008		2009		2010	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	1,553.1	55.8	1,609.9	53.4	1,797.6	57.6	1,729.2	56.7	1,832.8	57.1
United Kingdom/Ireland	890.1	32.0	985.5	32.7	857.5	27.5	749.3	24.5	711.5	22.2
Australia	133.1	4.7	179.6	6.0	204.7	6.6	276.7	9.1	377.5	11.8
China	194.7	7.0	224.9	7.4	247.4	7.9	285.0	9.3	274.7	8.6
Vietnam	9.6	0.3	7.6	0.3	8.5	0.3	7.7	0.3	7.4	0.2
Malaysia	5.1	0.2	5.0	0.2	4.5	0.1	3.9	0.1	3.0	0.1
Group	2,785.7	100.0	3,012.5	100.0	3,120.2	100.0	3,051.8	100.0	3,206.9	100.0

Group Financial Highlights

OPERATING PROFIT BY BUSINESS SEGMENT

	2006		2007		2008		2009		2010	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Bus	128.6	41.9	135.1	40.2	96.3	34.7	123.9	35.4	149.2	38.4
Bus station	7.1	2.3	8.0	2.4	10.1	3.6	10.3	2.9	10.6	2.7
Rail	0.6	0.2	9.3	2.8	16.7	6.0	20.5	5.8	25.6	6.6
Taxi	107.8	35.1	122.3	36.4	102.1	36.7	105.2	30.1	119.3	30.7
Automotive engineering services	37.1	12.1	31.5	9.3	16.9	6.1	51.2	14.6	39.1	10.1
Vehicle inspection and testing	13.0	4.2	16.0	4.7	19.8	7.1	24.7	7.1	27.3	7.0
Car rental and leasing	7.2	2.3	6.8	2.0	6.9	2.5	4.4	1.3	5.9	1.5
Driving centre	5.8	1.9	7.3	2.2	9.2	3.3	9.7	2.8	11.4	3.0
Group	307.2	100.0	336.3	100.0	278.0	100.0	349.9	100.0	388.4	100.0

OPERATING PROFIT BY GEOGRAPHICAL SEGMENT

	2006		2007		2008		2009		2010	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	178.5	58.1	185.9	55.3	148.2	53.3	212.2	60.6	225.5	58.0
United Kingdom/Ireland	70.5	22.9	83.8	24.9	44.7	16.1	53.5	15.3	52.0	13.4
Australia	16.5	5.4	26.3	7.8	32.0	11.5	39.8	11.4	66.7	17.2
China	39.6	12.9	39.5	11.8	52.2	18.8	43.2	12.3	43.2	11.1
Vietnam	1.4	0.5	(0.2)	(0.1)	0.7	0.2	0.6	0.2	0.8	0.2
Malaysia	0.7	0.2	1.0	0.3	0.2	0.1	0.6	0.2	0.2	0.1
Group	307.2	100.0	336.3	100.0	278.0	100.0	349.9	100.0	388.4	100.0

VALUE-ADDED FOR THE GROUP

	2006		2007		2008		2009		2010	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Suppliers of capital										
– loan interest and dividends	208.6	13.5	276.7	16.4	160.9	10.0	155.5	9.0	175.8	9.8
Taxation to the government	195.7	12.6	186.2	11.1	178.4	11.0	179.3	10.5	204.9	11.4
Retained earnings	280.2	18.1	266.9	15.9	333.1	20.6	420.1	24.5	428.7	23.8
Employees										
– salaries, CPF and other benefits	862.9	55.8	950.7	56.6	942.8	58.4	960.3	56.0	991.1	55.0
Total value-added	1,547.4	100.0	1,680.5	100.0	1,615.2	100.0	1,715.2	100.0	1,800.5	100.0
Value-added per employee (S\$'000)	78.7		82.4		77.3		76.9		79.3	

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 COMMITTEE

WANG KAI YUEN

Chairman

ONG AH HENG

WONG CHIN HUAT, DAVID

REMUNERATION COMMITTEE

LIM JIT POH

Chairman

TOW HENG TAN

WANG KAI YUEN

WONG CHIN HUAT, DAVID

NOMINATING COMMITTEE

OO SOON HEE

Chairman

LIM JIT POH

SUM WAI FUN, ADELINE

INVESTMENT COMMITTEE

LIM JIT POH

Chairman

KUA HONG PAK

SUM WAI FUN, ADELINE

TOW HENG TAN

WANG KAI YUEN

CORPORATE DIRECTORY

Registered Office

205 Braddell Road

Singapore 579701

Mainline: (65) 6383 8833

Facsimile: (65) 6287 0311

Email: info@comfortdelgro.com

Website: www.comfortdelgro.com

Company Registration Number:

200300002K

Company Secretary

CHAN WAN TAK, WENDY

Share Registrar

B.A.C.S. Private Limited

63 Cantonment Road

Singapore 089758

Auditors

Deloitte & Touche LLP

Public Accountants and

Certified Public Accountants

6 Shenton Way #32-00

DBS Building Tower 2

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 in 2003. He is an independent Director of the Company. Mr Lim is the Chairman of both the Remuneration Committee and the Investment Committee, and a member of the Nominating Committee. Mr Lim is also the Chairman of SBS Transit Ltd, VICOM Ltd, Ascott Residence Trust Management Limited and China Printing & Dyeing Holding Limited, as well as the Lead Independent Director of Kim Eng Holdings Limited. These are listed companies with business interests in stock broking, property trust, hospitality and manufacturing. Mr Lim is also a Director of several non-listed companies under the ownerships of the Singapore Labour Foundation and Temasek Holdings (Private) Limited.

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 the National Trades Union Congress, 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 serves as President of Orchid Country Club and a Member of the Board of Management of Pei Chun Public School.

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

Pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Lim will be due for re-appointment as a Director at the forthcoming Annual General Meeting to be held on 27 April 2011.



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 in 2003. He is a member of the Investment Committee. 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, StarHub Ltd, Ringier Print (HK) Limited and Cabcharge Australia Limited. 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 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 28 April 2009. He is a non-independent Director of the Company.

Board of Directors



ONG AH HENG

Director (Non-Executive & Independent)

Mr Ong Ah Heng was appointed a non-executive Director of ComfortDelGro Corporation Limited in 2003. He is an independent Director of the Company. Mr Ong is a member of the Audit Committee. He is a Member of Parliament for Nee Soon Central Single Member Constituency. 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 National Trades Union Congress (NTUC) and Alignment Director of 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 Nanyang University and a Master of Arts (Political Science) from the University of Arkansas.

Mr Ong 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 28 April 2010.



O O SOON HEE

Director (Non-Executive & Independent)

Mr Oo Soon Hee was appointed a non-executive Director of ComfortDelGro Corporation Limited in 2003. He is an independent Director of the Company. He is also the Chairman of the Nominating Committee. Mr Oo is presently the Executive Director of NSL Ltd (formerly known as NatSteel 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, York Transport Equipment (Asia) Pte Ltd and TRF Singapore Pte Ltd.

Over the past 30 years, Mr Oo has had experiences handling export development and exports/imports to and from various overseas markets. These include the United States, Europe, Middle East, China, Japan, Australia and the ASEAN region. In addition, he was also involved in negotiations for investments in China and various ASEAN countries, and sat on the boards of companies in China, Hong Kong, Australia and in 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 28 April 2010.

Board of Directors



SUM WAI FUN, ADELINE

Director (Non-Executive & Non-Independent)

Ms Sum Wai Fun, Adeline was appointed a non-executive Director of ComfortDelGro Corporation Limited in January 2007. She is also a member of the Nominating Committee and the Investment Committee. Ms Sum is presently the Chief Executive Officer of the Singapore Labour Foundation (SLF) and Competency Director (Group Development), National Trades Union Congress (NTUC). She holds directorships in a number of NTUC social enterprises and SLF companies.

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

Ms Sum was last re-elected a Director of the Company pursuant to Article 91 of the Company's Articles of Association at the Annual General Meeting held on 28 April 2010. She is a non-independent Director of the Company.



TOW HENG TAN

Director (Non-Executive & Independent)

Mr Tow Heng Tan was appointed a non-executive Director of ComfortDelGro Corporation Limited in 2003. He is an independent Director of the Company. Mr Tow is a member of the Remuneration Committee and the Investment Committee. Mr Tow is presently the Chief Investment Officer and Senior Managing Director of Investments in 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 27 April 2011.

Board of Directors



WANG KAI YUEN

Director (Non-Executive & Independent)

Dr Wang Kai Yuen was appointed a non-executive Director of ComfortDelGro Corporation Limited in 2003. He is an independent Director of the Company. Dr Wang is the Chairman of the Audit Committee and a member of the Investment Committee and the Remuneration Committee. He was also a former Member of Parliament for Bukit Timah Single Member Constituency. He is the Chairman of Xpress Holdings Ltd, Asian Micro 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 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 (Electrical Engineering) from Stanford University, USA.

Pursuant to Article 91 of the Company's Articles of Association, Dr Wang will be due for re-election at the forthcoming Annual General Meeting to be held on 27 April 2011.



WONG CHIN HUAT, DAVID

Director (Non-Executive & Independent)

Mr Wong Chin Huat, David was appointed a non-executive Director of ComfortDelGro Corporation Limited in 2003. He is an independent Director of the Company. Mr Wong is a member of the Audit Committee and 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 and two other listed companies. He also serves as a Member of the Public Service Commission. 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 the National Trades Union Congress. Mr Wong also received a Certificate of Appreciation from the 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.

Pursuant to Article 91 of the Company's Articles of Association, Mr Wong will be due for re-election at the forthcoming Annual General Meeting to be 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 & policies, treasury & 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 & 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.



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, including promoting the Group's image, overseeing the Group's various publications, coordinating requests for sponsorships and donations, and liaising with the media community. Ms Tan is the Group's Spokesman. Ms Tan 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.



CHAN MUI WAH, DAISY

Group Human Resource Officer

Ms Chan Mui Wah, Daisy is 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.

Key Management

Corporate Office



CHOO PENG YEN

Group Investor Relations and Special Projects Officer

Mr Choo Peng Yen was appointed the 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 Group Internal Audit Officer. She is responsible for the internal audit functions of the Group. She joined the Group in 1981 as Internal Auditor and was subsequently appointed to head the Internal Audit Department. She holds a Bachelor of Accountancy from Nanyang University.



CHAN WAN TAK, WENDY

Company Secretary

Ms Chan Wan Tak, Wendy joined the Group in September 2007 as Vice President of Group Finance. She is also the Company Secretary. Prior to joining the Group, Ms Chan was the Vice President of Finance and Operations of k1 Ventures Limited. Before this, she was with Deloitte & Touche as Senior Audit Manager. Ms Chan holds a Bachelor of Accounting & 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 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
ComfortDelGro Engineering

Mr Sim Wing Yew was appointed Chief Executive Officer of ComfortDelGro Engineering Pte Ltd on 1 March 2011. He 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 Ltd's workshops. He was appointed Chief Operating Officer of ComfortDelGro Engineering in August 2008. 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.



HENG CHYE KIOU

Chief Executive Officer
VICOM

Mr Heng Chye Kiou is the Chief Executive Officer of VICOM Ltd. He joined VICOM in 1981 as a Project Engineer and was promoted to his present position in 2003. Mr Heng is a professional engineer in Singapore and a chartered engineer in the United Kingdom. He is currently a Vice President and Member of the Belgium-based Bureau Permanent of the International Vehicle Inspection Committee and Chairman of the School Advisory Committee of National Junior College. For his contributions to education, he was awarded the Public Service Medal in 2001. Mr Heng holds a Bachelor in Engineering (Mechanical) from the University of Singapore and a Master of Science (Industrial Engineering) from the National University of Singapore.



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, and 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 Nanyang University, a graduate diploma in Training & Development from the Singapore Institute of Management, and a Master of Science in Education & 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 she is currently the Chief Executive Officer of Moove Media Pte Ltd. She is an Executive Member of the Council for 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 Daytona Beach Community College, Florida, USA.



TEO BOON LENG, RICHARD

Chief Executive Officer
ComfortDelGro Rent-A-Car

Mr Teo Boon Leng, Richard joined the Group in 1996 and is the Chief Executive Officer of ComfortDelGro Rent-A-Car Pte Ltd. He has more than 20 years' experience in the auto services industry, and was the Executive Director of Ken-Air Group's Auto Services Division before joining the Group.



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 & Finance from The Association of Chartered Certified Accountants and a Diploma in Management Studies from the Singapore Institute of Management.

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 over the last 10 years. Mr Leong is a registered professional Engineer and was trained in West Germany on Marine Engineering and Special Ship Construction. He holds a Bachelor of Engineering from the University of Singapore.



TAN SEOW BOON, SIMON
Chief Executive Officer
West China Business Unit

Mr Tan Seow Boon, Simon is the Chief Executive Officer of the West China Business Unit and is responsible for the Group's taxi, car rental, vehicle inspection, motor workshop 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 General Manager of Xiamen Comfort Taxi Co., Ltd and Nanning Comfort Transportation 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).

China (cont'd)



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 Singapore Airlines Group and had held senior management positions in many leading service organisations including the Singapore Tourism Board, Intercontinental Hotel Group and The Ascott Group. Mr Tay has a wealth of experience working in China having spent the last 17 years 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.

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 3½-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 the 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

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) since February 2006. Before his appointment as Director General, Mr Glasson was MoT's Deputy Director General and Executive Director Policy & 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 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 36 years and is actively involved in the Victorian Bus Association as an elected Council member.



KEVIN FOLEY

Executive Director
Swan Taxis

Mr Kevin Foley joined Swan Taxis Pty Ltd in 1973 as Operations Manager and was appointed Managing Director in 1989. Under his leadership, Swan Taxis has grown to become the leading taxi despatch company in Western Australia with over 1,700 taxis currently operating through Swan Taxis network. Mr Foley is currently Executive Director of Swan Taxis, Chairman and Life Member of the Taxi Council of Western Australia and Vice President and Life Member of the Australian Taxi Industry Association. Mr Foley is a Fellow of the Australian Institute of Company Directors, a Fellow of the Chartered Institute of Transport and, in 2003, a recipient of the Centenary Medal for services to the community through the taxi industry.

United Kingdom/Ireland



JASPAL SINGH

Chief Executive Officer
United Kingdom/Ireland Business Unit

Mr Jaspal Singh is the Chief Executive Officer of 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.

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 & 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

Key Businesses: Bus, Taxi, Rail, Automotive Engineering Services, Vehicle Inspection & Testing Services, Driving Centre, Car Rental & Leasing, Insurance Broking Services, Outdoor Advertising



Singapore

1,832.8

Revenue (S\$'mil)

399.9

EBITDA (S\$'mil)

387.5

Total Investment (S\$'mil)

20,618

Total Operating Fleet Size

10,189

Total Number Of Employees

BUS

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

PUBLIC SCHEDULED BUS

On the back of strong economic recovery and growth, our publicly-listed scheduled bus subsidiary, SBS Transit Ltd, experienced strong ridership growth in its bus business. In fact, average daily bus ridership during the year increased by 4% to 2.36 million.

To cater to this strong demand, SBS Transit continued to renew its fleet with newer, more efficient, more comfortable and more environmentally friendly vehicles. In 2010, it placed orders for the award-winning Euro

5 Citaro single deck buses from Mercedes Benz – renowned for its through low-floor and ergonomic features. It has also embarked on a trial of hybrid and fuel cell buses as part of its continual efforts to look for greener and more fuel efficient solutions.

In the last six years alone, SBS Transit has invested S\$853.0 million in new buses. It now has a fleet of 3,003 buses.

One of the most significant developments in the public transport industry in Singapore in 2010 was the implementation of Distance Fares, one of the key measures in the Land Transport Authority's (LTA)

Operations Review

Masterplan. Our support towards Distance Fares is costing the Company S\$44.7 million a year.

During the year, SBS Transit also completed the installation of its real-time next bus departure display system at interchanges. Additional investments were also made to improve the security at all interchanges, stations and depots.

As a result of its continual efforts, SBS Transit bagged the “Most Customer-Centric Transport Provider” Award at the Land Transport Authority (LTA) 2010 Excellence Awards.

PRIVATE BUS CHARTER

The Group owns Singapore’s largest private bus-chartering company, ComfortDelGro Bus Pte Ltd, which operates a fleet of about 440 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 2010, ComfortDelGro Bus clinched a S\$7.9 million contract to provide chartered bus services for the Singapore Youth Olympics Games (SYOG). In all, 350 buses and 490 staff and drivers were deployed during the 20-day event to ensure that thousands of international and local athletes and officials were promptly ferried to and from match locations.

TAXI

With a fleet of 15,567 taxis, we maintained our pole position in Singapore’s taxi industry with a market share of 60.6%.

Amidst a recovering economy, taxi bookings soared past the 24 million-mark for the first time in 14 years. Unusually heavy rainfall throughout the year also helped boost taxi demand.

In fact, the highest number of taxi bookings catered in a single day – 97,631 bookings – took place on 17 September, one of the wettest days of the year. The following month, taxi bookings peaked at close to 2.2 million after rainfall hit a record high.

In addition to offering taxi bookings by phone, ComfortDelGro Taxis has also introduced many alternative forms of booking – all of which leverage on improvements in technology. Its iPhone booking application, which was launched in February 2010, has been so popular that one million app bookings were made in just 10 months. Taxi bookings made via SMS have also grown to a daily average of almost 6,000.

In rolling out these new and innovative booking modes, ComfortDelGro Taxis also increased the level of automation in its call centre to about 74%. This has in turn reduced the incidence of human error and improved the level of efficiency and productivity.

In June, it introduced the world’s first Hotel Cabcharge card, which enables hotel guests to pay their taxi fares through their hotel bill at the end of their stay. So far, four major hotels, including the Regent Singapore and the Fullerton Hotel Singapore, have begun offering this service. Besides hotels, the public sector in Singapore will also be using ComfortDelGro Taxis’ Cabcharge card for the next three years as part of a multi-million-dollar contract which was awarded in 2010.

Like ComfortDelGro Bus, our taxi business was also contracted to offer transportation services to the participants of the SYOG. In all, up to 1,000 cabbies and staff as well as 380 limousines were mobilised to cater to 17,840 trips.

ComfortDelGro Taxis continued to extend an extensive range of benefits to its drivers including participating in the Drive and Save scheme which matches, dollar-for-dollar, its hirers’ monthly contributions to their Central Provident Fund Medisave accounts. In all, benefits totalling S\$45.6 million were given to the Group’s drivers in Singapore.

The Group adopted a cautious attitude towards fleet renewal amidst the rising cost of Certificates of Entitlement (COEs). It also added 3,586 Euro 4 Hyundai Sonata taxis in 2010, making two-thirds of the fleet Euro 4-compliant.

Operations Review

RAIL

In 2010, ridership for our underground driverless rail system, the North East Line (NEL), and our Light Rail Transit (LRT) systems in Sengkang and Punggol, increased by 15.9% to 157 million.

To cater to the growing demand, an additional 144 new trips were added to improve the frequency and capacity of the system. Another 621 trips were also added during festive occasions and national events such as National Day and the Formula One race when passenger numbers surged. With demand expected to rise further, the LTA has announced plans to add another 12 new trains to the NEL in the next four to five years.

NEL, which continued to exceed the LTA's Operating Performance Standards in 2010, also put in additional resources to tighten security at stations and depots. These included increasing the number of security guards and the frequency of their patrols, as well as enhancing closed circuit television coverage and perimeter lighting.

As a result of its continual efforts, SBS Transit bagged the "Best Service Partner" Award at the LTA 2010 Excellence Awards.

In December 2010, SBS Transit submitted a bid for the licence to operate the new Downtown Line. Results of that tender are expected in mid-2011.

AUTOMOTIVE ENGINEERING SERVICES

Our automotive engineering subsidiary, ComfortDelGro Engineering Pte Ltd's venture into the motorsports industry boosted revenue by about S\$2.0 million in 2010. Despite being a newcomer, SPARK Motorsports' active participation in race events such as the Sepang Drag Battle and ESPN Formula Drift in Malaysia, as well as the expansion of its flagship product, Cosworth, propelled it to be one of the top players in the industry. In December 2010, a new range of SPARK™ automotive products and accessories that were showcased at a major international auto and parts show in Shanghai, China, successfully paved the way for product distribution beyond Singapore.

To continue leveraging on the new SPARK Motorsports™ brand name, all six car care centres, which handle repairs and maintenance for private cars, were renamed

SPARK Car Care™. An aggressive marketing campaign was launched and demand for its repair and maintenance services subsequently increased. In all, revenue from the private car care business increased by 20.0% to S\$8.3 million.

In addition to servicing private cars, ComfortDelGro Engineering also provides maintenance services for most of the Group's fleet of 15,567 taxis. To enhance productivity, a first-of-its-kind electronic job card system was developed and trialled in Braddell workshop during the year. This system, which calculates average waiting time and creates job cards at the touch of buttons, eliminates the need for manual entries. As a result, cabbies were attended to more promptly and their waiting time shaved by half. Three other workshops are expected to switch to this e-job card system in 2011.

ComfortDelGro Engineering's vehicle assembly unit did well during the year. It not only completed the assembly of 100 single deck Scania buses ahead of schedule, it also delivered the first hybrid bus in collaboration with Shanghai Sunlong Co., Ltd and Gemilang Coachworks Sdn Bhd for SBS Transit.

Diesel sales continued to increase during the year with a total of 225 million litres sold. To better cater to drivers' needs, six diesel kiosks were refurbished during the year with fresh looking payment counters and pumps, brighter lighting and anti-slip floors. Refurbishment works at another three diesel kiosks will be carried out in 2011.

VEHICLE INSPECTION & TESTING SERVICES

Our vehicle inspection and testing subsidiary, VICOM Ltd, achieved record revenue of S\$84.0 million in 2010.

It inspected a total of 438,454 vehicles during the year as fewer old cars were deregistered – a phenomenon not unexpected given the rising costs of COEs. Its fledgling Vehicle Emissions Test Laboratory (VETL) also saw steady demand for its services. As a result, the Company reaffirmed its position as the leading inspection centre with a 70% market share in the industry.

VICOM's non-vehicle testing and inspection subsidiary, Setsco Services Pte Ltd, also had a good year in 2010 –

Operations Review

registering a 9.0% increase in revenue to a record S\$51.4 million. The delay in the completion of both integrated resorts, as well as additional contracts it won in the environmental and petroleum industries contributed to its exceptional results.

Construction of the new four-storey building at Setsco's existing premises will be completed in the third quarter of 2011. When that happens, VICOM plans to centralise its management and backend support team at the new location – a move which is expected to result in improved efficiency.

DRIVING SCHOOL SERVICES

Enrolment at ComfortDelGro Driving Centre Pte Ltd increased by 3.3% during the year to 31,000 – enabling it to retain its position as one of Singapore's top driving schools.

On 1 March 2010, the Authorities mandated that parking poles were no longer allowed during driving tests. ComfortDelGro Driving Centre reacted swiftly by reconfiguring its driving circuit and developing new training methodologies to prepare learners for this new requirement.

ComfortDelGro Driving Centre also developed the Driver-Improvement-Point-System for drivers with poor driving records to improve their driving skills. It also partnered the Traffic Police to introduce customised training solutions to Class 2B motorcycle learners on the expressways.

CAR RENTAL & LEASING

With a fleet of 1,232 cars, our car rental and leasing subsidiary in Singapore, ComfortDelGro Rent-A-Car Pte Ltd, maintained its position as one of the country's largest car rental and leasing operators as demand grew during the year.

INSURANCE BROKING SERVICES

ComfortDelGro Insurance Brokers Pte Ltd, our in-house insurance broking associate, performed above expectations during the year. Besides Singapore, it contributed to our subsidiaries in Australia, China and the United Kingdom (UK), in the areas of insurance coverage, risk management and claims management. This resulted in more competitive insurance premiums and more efficient claims management processes.

OUTDOOR ADVERTISING

Moove Media Pte Ltd saw demand grow as SYOG and World Cup fever came to Singapore. To swing advertisers towards out-of-the-home advertising, Moove Media rolled out a five-sided LED-lit rooftop advertisement called Moove Jewel™ for the Sonata taxis. Its multi-faceted design allowed advertisers to position their products from daily essentials to high-end luxury items.

To further enhance its global footprint, Moove Media formed strategic commercial partnerships with prominent outdoor media owners including those in the United States, UK, Italy, France, Cambodia, Indonesia and the Philippines. Moving forward, it will make its entry into Australia in 2011, having won the contract to provide advertising services to ComfortDelGro Cabcharge Pty Ltd in Sydney.

Operations Review

China

Key Businesses: Bus, Bus Station, Taxi, Car Rental & Leasing, Automotive Engineering Services, Vehicle Inspection Services, Driving Centre, Car Dealership



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

274.7

Revenue (S\$'mil)

90.3

EBITDA (S\$'mil)

327.4

Total Investment (S\$'mil)

12,569

Total Operating Fleet Size

5,814

Total Number Of Employees

NORTH CHINA

Beijing

TAXI

Our 55%-owned Beijing Jin Jian Taxi Services Co., Ltd is the capital City's third largest taxi operator with 5,079 taxis. It continued to build on its strong reputation and rolled out several programmes aimed at improving service quality and fleet safety throughout the year. A programme to renew older taxis in batches started in August 2010 to maximise operational efficiency and enhance revenue earning potential. As a result of its efforts, Beijing Jin Jian won several awards in 2010, including the Beijing Advanced Private Enterprise on Employment and Social Security Award, the Enterprise with Harmonious Labour Relations Award and the Advanced Enterprise on Financial Reporting and Budgeting Award.

Our second taxi company in this populous city, Beijing Jia Run Taxi Co., Ltd, has a fleet of 342 taxis.

CAR RENTAL & LEASING

Our car rental and leasing business, Beijing ComfortDelGro Yin Jian Auto Services Co., Ltd, kept a tight lid on costs during the year by maintaining a smaller fleet. It also stepped up on its marketing efforts and rolled out flexible price schemes to attract and retain customers.

VEHICLE INSPECTION SERVICES

Our 80%-owned subsidiary, Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd, provides vehicle safety and

Operations Review

emission inspection services in the capital. With the rapid growth in vehicle population in China, and better quality services provided, more customers brought their vehicles to the Company for inspection. As a result, the Company did better compared to previous years. The Company also successfully completed the inspection of vehicles for the National People's Congress and Political Consultation Congress, and cooperated with the Police to crack down on illegal vehicle inspection agents that were creating problems for customers.

Jilin City, Jilin Province

TAXI

Jilin ComfortDelGro Taxi Co., Ltd is the City's largest taxi operator with a 15% market share or 725 vehicles. In 2010, the Jilin Province Communications and Transportation Bureau granted the Company a permit to build a taxi service centre to provide repair services for its taxis operating in the city. The Company is working closely with the Authorities in selecting a suitable site for the service centre.

Shenyang, Liaoning Province

BUS

Our investments in the north eastern city of Shenyang in Liaoning Province remain our largest in China to-date. Our two bus companies – Shenyang ComfortDelGro Bus Co., Ltd and Shenyang ComfortDelGro Anyun Bus Co. Ltd – operate a combined fleet of 1,307 buses, making us market leader with a 25.9% share.

Despite the commencement of the new east-west Mass Rapid Transit in October 2010, demand for our bus services remains strong, with ridership exceeding the 100 million-mark for the fourth consecutive year. Both Companies also excelled in the area of service quality – four bus services were voted "Model Services", while 27 bus captains and 30 support staff were voted "Model Bus Captains" and "Model Workers" respectively by members of the public in an event organised by the Shenyang Public Affairs Department and the Shenyang Evening Daily.

TAXI

Our two taxi companies – Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd – operate a total fleet of 1,360 taxis, making us the City's third largest taxi operator.

During the year under review, several new initiatives and services were rolled out. Shenyang ComfortDelGro Taxi and CityCab (Shenyang), for example, introduced the credit card fare payment system, a new initiative among taxi companies in Shenyang. Shenyang ComfortDelGro Taxi also rolled out six taxis that run on Compressed Natural Gas (CNG).

Both Companies spared no efforts to further improve service levels. They engaged their taxi drivers in several dialogue sessions throughout the year and arranged for them to undergo service and driving courses. They also reduced customer service response time and conducted regular spot checks to ensure that the taxis were well maintained.

These efforts had not gone unnoticed with both Shenyang ComfortDelGro Taxi and CityCab (Shenyang) winning several accolades during the year. Shenyang ComfortDelGro Taxi, for example, was awarded "Civilised and Trusted Enterprise" and "Outstanding Organisation Unit" by the Shenyang Transportation Department. Across both Companies, over 350 drivers were named "Star Drivers" and over 70 taxis were named "Model Taxis".

Yantai, Shandong Province

AUTOMOTIVE ENGINEERING SERVICES, CAR LEASING & TAXI

Our 76%-owned subsidiary, Yantai ComfortDelGro Automobile Services Co., Ltd, leased out some of its office space to the only vehicle inspection centre within the Yantai Economic Development Zone in 2010. This resulted in an increase in demand for our subsidiary's services when vehicles that went through the inspection lines stopped at its workshop for repair and maintenance as well.

The Government has since designated the street in front of Yantai ComfortDelGro Automobile Services' premises as one specifically for car dealers to set up shop. This latest development should further enhance the Company's position as a vehicle repair and servicing centre.

Yantai ComfortDelGro Automobile Services' car leasing business continued with long-term servicing contracts with companies operating in the Yantai Development Zone. It is also looking to increase the number of taxis it operates in 2011.

Operations Review

WEST CHINA

Chengdu, Sichuan Province

TAXI

Our wholly-owned taxi subsidiary, Chengdu ComfortDelGro Taxi Co., Ltd, was awarded 800 new licences in January 2011, making it the second largest taxi operator in Chengdu with 1,050 taxis. These licences represent the largest number the Municipal Government has ever awarded to a single operator in recent times. The Company has since placed an order for 800 new Sagitar taxis and will start deploying the new taxis from March 2011 onwards.

Demand for the Company's taxis remained strong as drivers were drawn to the Company's strong track record and operational efficiency.

CAR RENTAL & LEASING

Our wholly-owned subsidiary, ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd, continued to maintain its position in a highly competitive market with 190 vehicles. It has long-term leasing contracts with multi-national organisations such as Chevron, Shell, Smith Drilling Equipment, Cisco Systems, Sony Ericsson and Jacobs Engineering Group.

VEHICLE INSPECTION SERVICES

Our 51%-owned subsidiary, Chengdu Jitong Integrated Vehicle Inspection Co., Ltd, maintained its position as a leading inspection centre in the industry. It operates three inspection lines in all and inspected a total of 13,629 vehicles during the year.

DRIVING SCHOOL SERVICES

Over 4,200 students enrolled in our 51%-owned driving school, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd in 2010 after the Vehicle Administration Department amended its regulations to allow students to take their driving tests 30 days after they passed the theory test.

In April 2010, the Driving School became the first to offer the Class C5 driving licence course which allows handicapped individuals to obtain a driving licence.

Chongqing

DRIVING SCHOOL SERVICES

Enrolment of our 90%-owned subsidiary, Chongqing ComfortDelGro Driver Training Co., Ltd, increased by 43% to 9,660 in 2010. To cater to demand, the Driving School increased its fleet size from 137 to 182 vehicles.

The Driving School also achieved the ISO 9001 Certification of Product Quality for the third time in four years and was named a "Five-Star Driving School" by the Chongqing Road Transport Authority for its high standards of driver training.

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, continued to maintain its position as one of the premium operators in the City with a fleet of 489 taxis. In 2010, it continued with its fleet renewal programme by replacing its old Santana Pusang taxis with the newer and bigger Santana Vista taxis which are popular with both drivers and passengers.

Suzhou, Jiangsu Province

BUS

Our 70%-owned Suzhou Comfort Passenger Transportation Co., Ltd operates a fleet of 31 buses – seven of which operate between Suzhou and Changsu. The remaining fleet is fully leased to companies.

TAXI

Our 70%-owned subsidiary, Suzhou Comfort Taxi Co., Ltd, added 50 new taxis in 2010. It enjoyed a good year with all 100 of its taxis, including the 20 Volkswagen Passat premium taxis, being fully hired out.

Operations Review

CAR DEALERSHIP

Despite an increase in the number of authorised Toyota dealers in the City, Suzhou Comfort Toyota Sales & Services Co., Ltd sold 1,069 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 performed well, thanks to 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 546 taxis. In 2010, it replaced 73 old taxis with new ones. With its strong emphasis on driver training, two of its drivers were named "Best Drivers" by the National Taxi Association during the year.

With the Youth Olympic Games slated to be held in Nanjing in 2014, the Authorities have announced plans to allocate more taxi licences between 2011 and 2014 to improve service quality. Nanjing ComfortDelGro Dajian Taxi intends to compete keenly for these licences.

SOUTH CHINA

Guangzhou, Guangdong Province

BUS STATION

With the completion of additional boarding bays, our 60%-owned Tianhe Bus Station in Guangzhou attracted new buses that were operating on its outskirts. This resulted in a 2.1% increase in bus trips operating out of Tianhe to 695,000 for the year. The Station also worked closely with the Traffic Police to strengthen crowd control and enhance traffic flow during peak periods. As a result of its efforts, a record 12.2 million passengers used the Station in 2010 – 16.8% more than the previous year.

Nanning, Guangxi Province

TAXI

Our 80%-owned subsidiary, Nanning Comfort Transportation Co., Ltd, successfully tendered for an additional 65 licences in 2010, further cementing its position as the largest taxi operator in the City with 745 taxis.

CAR RENTAL & LEASING

Nanning ComfortDelGro Rent-A-Car Company Limited's fleet of 20 cars was fully leased out to multinational companies in the City during the year.

Xiamen, Fujian Province

TAXI

The entire fleet of 49 taxis under our 70%-owned subsidiary, Xiamen Comfort Taxi Co., Ltd, was replaced in 2010 with the high-end Kia Optima taxi, which is extremely popular with our drivers and passengers. Despite the higher rental rates, all the taxis were fully hired out.

Hengyang, Hunan Province

BUS & TAXI

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

Operations Review

Australia

Key Businesses: Bus, Taxi



Melbourne / Perth / Sydney

377.5

Revenue (S\$'mil)

96.5

EBITDA (S\$'mil)

399.1

Total Investment (S\$'mil)

3,184

Total Operating Fleet Size

2,293

Total Number Of Employees

Sydney, New South Wales

BUS

Our 51%-owned subsidiary, ComfortDelGro Cabcharge Pty Ltd, is the largest private bus operator in New South Wales (NSW) with a market share of 29%. As part of the Government's transport expansion programme, ComfortDelGro Cabcharge added 82 new buses, including the high frequency Metrobus service which provides increased service levels to communities across the greater Sydney area. More of such services are expected to be rolled out in 2011 with a resultant increase in fleet by over 30 Euro 5-compliant buses.

To cater to the growing number of buses, ComfortDelGro Cabcharge opened two depots during the year. The St Marys Depot, a 28,000 square metres facility that was built at a cost of A\$14 million, started operations in June

2010. Over 180 drivers, mechanics and support staff are based at St Marys. The second site, Foundry Road Depot, which with 38,000 square metres can accommodate up to 200 buses, commenced operations in Seven Hills about six months later. It also has the capacity to house some 70 buses under shelter. Close to 240 bus drivers, mechanics and support staff ensure the buses operating from the depot run efficiently. Both depots have environmentally friendly features such as timer- and motion-controlled lighting and equipment which are effective in conserving electricity, as well as rainwater harvesting facilities for bus washing. Investments into new business operating systems, including a new Scheduling System and an Enterprise Resource Planning System, are expected to improve efficiency and productivity.

Operations Review

In April 2010, the NSW Government introduced a new integrated MyZone ticketing system in Sydney and Hunter Valley. To ensure a seamless transition to the new system, ComfortDelGro Cabcharge launched a customer communications campaign, conducted driver training and upgraded its ticket machines.

The Hunter Valley integrated network was implemented successfully in November 2010, with an additional 31 buses added to the fleet. To cater to the growing fleet, a bus park adjacent to the existing Edgeworth Depot was developed and became operational in November 2010.

Melbourne, Victoria

BUS

ComfortDelGro Cabcharge Pty Ltd in Victoria is one of the largest private bus operators there with a market share of 16%. Its fleet of 345 buses serves 66 routes. Currently, 90% of its revenue is derived from Government contracts for metropolitan route services, regional route services and school services, with charters and tours making up the remaining 10% of its revenue.

It successfully secured three major contracts to provide chartered services for the Scouting and Guiding movements, as well as the International Cycling Union event held in Geelong.

In April 2010, new and updated services requiring an additional 1.1 million service kilometres were introduced in the Altona and Werribee regions. This resulted in the addition of nine new buses and 29 bus drivers. Six months later, services in Geelong were revamped, resulting in another 530,000 service kilometres, two new buses and 21 extra bus drivers being added.

Perth, Western Australia

TAXI

In November 2010, the Group completed its acquisition of Swan Taxis Pty Ltd, Perth's largest provider of taxi services with 1,718 taxis or a 91% share of the market.

Besides operating in Perth, Swan Taxis also provides bureau despatch services in Karratha, a town located 1,500 kilometres north of Perth and Mandurah, the second largest city in Western Australia located 72 kilometres south of Perth.

In April, Swan Taxis successfully implemented a new vehicle tracking and despatching system to its entire fleet of taxis. It catered a total of about 5.5 million taxi bookings in 2010, an 8.6% increase from previous year.

In January 2011, Swan Taxis launched a taxi booking iPhone application – similar to the one launched by our taxi companies in Singapore – allowing customers to bypass operators by booking a taxi via their internet account. This new offering comes on top of other hassle-free taxi booking services such as eCab automated telephone booking, Cabspot and Personal Mobile Location (PML) booking services.

Operations Review

United Kingdom

Key Businesses: Bus, Coach, Taxi Radio Circuit, Private Car Hire



Aberdeen / Birmingham / Edinburgh / Glasgow / Liverpool / London

698.4

Revenue (\$\$'mil)

88.4

EBITDA (\$\$'mil)

299.8

Total Investment (\$\$'mil)

8,470

Total Operating Fleet Size

4,173

Total Number Of Employees

London

BUS

Our wholly-owned subsidiary, Metroline Limited, is one of London's largest scheduled bus operators with a market share of 13%. In all, it served 80 routes across North, West, Central London and Herfordshire with a fleet of 1,274 buses.

During the year, Metroline upped its Green quotient by adding 10 more hybrid diesel-electric buses to its fleet, bringing the total to 20. It also introduced new energy-saving environmental features to three major garages, Holloway, Potters Bar and Willesden.

As revenues are pegged to operated mileage and efficiency of operation, Metroline focused on maximising its operational performance through driver re-training and

improving the skills of its engineering staff. As a result, Metroline was consistently ranked in the top half of the league for performing above average in most of the Transport for London's key performance indicators.

COACH

In the coach business, Westbus Coach Services Limited operates 34 coaches out of Hounslow. It is one of five major companies to provide not only traditional coach work serving school, commuter, tourist and corporate coach travel demands, but also long distance contract coach business. During the year, it launched a new corporate website whose features include a comprehensive coach fleet from 25-seater mini buses to 84-seater executive double-deckers.

Operations Review

TAXI RADIO CIRCUIT

Our taxi subsidiary, Computer Cab plc, maintained its pole position in London with a total fleet of 2,598 taxis.

Demand for Computer Cab's services grew in 2010 – led by the Taxicard contract, which is awarded by the London Councils to provide subsidised personal taxi transport services to passengers with special mobility needs.

To enhance the customer experience on board its taxis further, the Company focussed on improving the service levels of its call agents, taxi drivers and the conditions of the taxis. For its drivers' convenience, Computer Cab also introduced a one-stop service facility where meters could be installed and vehicles serviced at the same place.

PRIVATE CAR HIRE

Flightlink International Limited specialises in providing hassle-free airport transfers, as well as ground transportation solutions for corporate and personal travel, both nationally and internationally. Despite stiff competition, Flightlink successfully retained its clientele and added 20 Toyota Prius Hybrid vehicles to its fleet of private hire vehicles during the year.

Liverpool and Birmingham

TAXI RADIO CIRCUIT

Computer Cab (Liverpool) Limited is Liverpool's largest taxi circuit operator with a fleet of 385 licenced taxis catering to corporate and individual clientele.

Computer Cab (Birmingham) Limited, which operates 150 taxis under its network, also serves corporate and individual clientele.

Call bookings for both operations were centralised at Computer Cab (Liverpool) to reduce operating costs. A new iPhone booking application, which allows commuters to bypass operators by sending the booking request via electronic mail to the call centre, was also introduced.

Glasgow, Scotland

COACH

Our 65%-owned Scottish inter-city express coach operation, Scottish Citylink Coaches Limited, operates 93 buses, which link all the major towns in Scotland, and offers cross-border services to London via Manchester and Newcastle.

Demand for Scottish Citylink Coaches' services grew during the year, especially in April, when air travel came to a halt in Europe as a result of the Icelandic Ash Cloud. Scottish Citylink Coaches not only added new journeys under the Scottish Government's national concessionary travel scheme, but also achieved passenger growth by providing coach travel to music festivals, concerts and sporting events. One of its most popular direct services was that which it offered in partnership with the Scottish Football Association. This service was well received by Scotland fans heading towards the National Stadium at Hampden Park on international match-days.

In July, it launched new luxury express coach services called Citylink Gold Services. This latest offering provides passengers the chance to enjoy first class rail-style journeys at economy prices between Glasgow, Inverness and Aberdeen. These state-of-the-art air-conditioned coaches not only match journey times by train, but also offer bargain fares, as well as free wi-fi, leather seats, mahogany table trays, at-seat refreshments and toilets. At 14-metres long, they carry up to 54 passengers and feature some of the greenest engines in Europe with low carbon emissions.

Aberdeen and Edinburgh, Scotland

TAXI RADIO CIRCUIT

Our network of 734 taxis and private hire vehicles in Aberdeen and Edinburgh serves corporate and individual clientele.

Operations Review

Ireland

Key Business: Coach



Dublin

13.1

Revenue (S\$'mil)

(0.8)

EBITDA (S\$'mil)

3.1

Total Investment (S\$'mil)

26

Total Operating Fleet Size

10

Total Number Of Employees

Dublin COACH

Irish Citylink ComfortDelGro Limited is our operator of express coach travel in Ireland. It runs inter-city routes between Galway, Dublin, Cork, Shannon and Clifden. Despite stiff competition and a much colder winter in 2010, Irish CityLink ComfortDelGro saw an increase in passenger numbers for its Galway-Dublin coach services. There was also an increase in payments for concessionary travel on our existing routes.

In July, it outsourced its operations, achieving substantial efficiency improvements as a result. The Galway-Dublin direct service was revamped and rebranded as "Citylink Commuter" to cater to people living in a large number of small towns and communities between Galway and Dublin. An extensive marketing campaign, involving radio and newspaper advertisements, successfully created greater awareness, and demand picked up as a result. The discounted fares offered to college students, who register with "My Citylink" at the start of each college term, were also well-received.

Operations Review

Vietnam

Key Business: Taxi



Ho Chi Minh City

7.4

Revenue (\$\$'mil)

3.9

EBITDA (\$\$'mil)

8.5

Total Investment (\$\$'mil)

718

Total Operating Fleet Size

200

Total Number Of Employees

Ho Chi Minh City TAXI

Our two Vietnam taxi companies – Vietnam Taxi Co., Ltd (Vinataxi) and ComfortDelGro Savico Taxi Company – continued to renew their fleets by replacing old taxis with the new eight-seater Toyota Innova “G” taxis. These bigger taxis are proving to be popular not only with customers but with taxi drivers as well.

ComfortDelGro Savico Taxi added a total of 70 Innova “G” taxis, while Vinataxi added another 138 to its fleet of taxis.

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 2010 for the eighth year running.

Operations Review

Malaysia

Key Business: Car Leasing & Rental



Kuala Lumpur

3.0

Revenue (S\$'mil)

1.1

EBITDA (S\$'mil)

4.0

Total Investment (S\$'mil)

188

Total Operating Fleet Size

35

Total Number Of Employees

Kuala Lumpur

CAR LEASING & RENTAL

Our subsidiaries, CityLimo Leasing (M) Sdn Bhd and Pantas Rent-A-Car Sdn Bhd, offer car leasing and rental services in Malaysia through a fleet of 188 vehicles. Utilisation of our vehicles remains high.

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 impacts by reducing resource usage and minimising waste. We will continue to make ongoing investments in new vehicles so as to reduce our emissions profile and we will continue to support research into alternative fuels.

LONGER TERM, OUR ENVIRONMENTAL GOALS ARE:

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

Sustainability Report

At ComfortDelGro, we define sustainability as the capacity to advance as a Group: by renewing assets; creating and delivering better products and services that meet the evolving needs of society; attracting successive generations of employees; contributing to a sustainable environment; and retaining the trust and support of our customers, shareholders and the communities in which we operate.

To us, sustainability is not just a buzzword. It is a way of life.

HUMAN SUSTAINABILITY

Helping the Community

In 2010, we donated close to S\$1.0 million to various welfare and charity organisations worldwide – in line with our commitment to helping the communities we operate in, especially the old, sick, less ambulant and the underprivileged.

In Singapore, we contributed S\$120,000 to NTUC Eldercare – an organisation set up to look after the needs of the elderly poor. This brings our total contribution to-date to S\$720,000. We also donated decommissioned taxis to three hospitals and an elderly home for rehabilitative purposes.

Our staff have also committed time and effort to reach out to our communities through project work and outreach programmes. One of the most memorable was a spring cleaning session we held for the elderly poor living in one-room rental flats. Armed with brooms, mops and paint brushes, about 150 ComfortDelGro staff trooped down to the flats early on a Sunday morning and spent the whole day sprucing up a total of 14 homes. The clean-up session was part of a new five-year partnership the Group had entered into with a voluntary welfare organisation, the Lions Befrienders of Singapore.

During the year, 23 of our most talented musicians and singers came together to form the ComfortDelGro Choir. The Singapore-based songbirds have already raised S\$1,580 for charity through their singing engagements.

Across the seas, our various business units have also been extending a helping hand to the less fortunate. In the United Kingdom (UK), Metroline Limited launched Wheel!Power@ Metroline, a programme aimed at promoting volunteerism within the company. Following the launch, engineering apprentices were deployed to the St Luke's Hospice to repair brickwork and clean up the car park. Another Metroline staff also took part in the Ironman Challenge and raised £5,000 for the hospice.

In Australia, staff of Hillbus, ComfortDelGro Cabcharge Pty Ltd raised A\$26,000 – three times more than expected – for the Children's Hospital at Westmead by collecting donations on board cheerfully decorated buses over Christmas.

Over in China, the Group donated a spanking new library, several computers and sporting equipment to Gu Zhai Min Le Elementary School in Ma Shan County, from which many of our cabbies hail. These new additions to the school were just a part of a RMB 300,000 donation made by the Group to the school. Our Jilin ComfortDelGro Taxi Co., Ltd staff also raised close to RMB 70,000 first for victims stricken by a devastating earthquake in Yushu County in April 2010 and a flood which struck Jilin Province later in July. They also participated in carrying out relief work in the area. Elsewhere, for the sixth year running, Nanning Comfort Transportation Co., Ltd cabbies extended free taxi rides to residents in Guangxi en route to donate blood to the needy for the sixth year running.

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.

Sustainability Report

To this end, we invest heavily in training and retraining courses, ensuring that our people are constantly reminded to keep safe and be aware of safety techniques and practices, and that complacency does not set in. We have leveraged on technology to better aid in our endeavours. For example, Metroline piloted the use of Drive Assist GPS (Global Positioning System) technology in Cricklewood Garage, where in-built accelerometers and dashboard-mounted lights provide drivers with instant information about their driving habits. In Singapore, SBS Transit Ltd Bus Captains undergo the Driving Skills Enhancement Programme (DSEP), where a portable driving training system captures driving speeds and ride comforts.

We also regularly conduct safety campaigns – both internally and externally – to drum home the message that safety always comes first. In Australia, for example, ComfortDelGro Cabcharge has in place the "Safe Day Everyday" campaign. In Singapore, ComfortDelGro Driving Centre Pte Ltd contributed 532 hours towards the Traffic Police's Road Safety Park Programme, teaching school children about safety on the roads. Along the same vein, SBS Transit conducted more than 80 school talks on a variety of issues including safety tips for travel on public transport. An estimated 50,000 students attended these talks. Complementing this, our rail business in Singapore conducted three detrainment and train evacuation exercises in 2010 in collaboration with the local constituency offices along the North East Line.

We left nothing to chance when it came to improving the security of our services and premises. In Singapore, SBS Transit installed additional guard posts and increased the number of security guards and frequency of patrols, while enhancing our closed circuit television coverage and perimeter lightings. It also recruited more than 20 retired Bus Captains as Night Operations Personnel as they will be better equipped to operate our buses if a need arises.

The Group is also a firm believer in providing a conducive and safe environment for our staff and customers. For instance, both VICOM Ltd and Setsco Services Pte Ltd were presented BizSafe Awards in 2010 by the Workplace Safety and Health Council as recognition for their commitment to safety.

TALENT SUSTAINABILITY

Talent development will continue to be one of our key focusses in our continued efforts to maximising our employees' potential. Our ComfortDelGro's Succession Management Plan & Process (SMPP) was launched in 2009 to identify and develop our talent pool at two levels – Tier 1 High Potentials (those who have the potential to succeed as Business Unit Heads and Group Officers), and Tier 2 High Potentials (those who have the potential to succeed as Heads of Departments).

As part of their leadership development, our Tier 1 High Potentials completed their training in several programmes in 2010 to enhance their leadership competencies. To facilitate the transfer of learning, case studies and skills applications were contextualised and shared with participants. A structured talent development training framework aimed at enhancing leadership competencies for the Tier 2 High Potentials has also been developed and will be rolled out in 2011.

Other leadership development courses conducted in 2010 included courses targeted at improving the business dimension of competencies such as "Finance for non-Finance Managers", "Effective Presentation Skills" and "Project Management Skills".

ENVIRONMENTAL SUSTAINABILITY

We are always keenly aware of the effects of our operations and the role we play in preserving our environment. This is why we are fully committed to ensuring that sustainable development takes place.

As advancements are made in the field of Green Engineering, we have also upgraded and reduced the carbon footprint of our global fleet. In Singapore, Australia and the UK, we have invested about S\$1.2 billion over the past six years in Euro 4 and 5 single and double deck buses. In addition, we are also trialling hybrid and electric vehicles to assess their commercial viability and road worthiness.

As a result of our efforts, we successfully reduced the carbon emissions across our operations. In our bus operations, for instance, this was reduced by 1.4% from

Sustainability Report

134.8 tonnes per 100,000 kilometres in 2009, to 133.4 tonnes per 100,000 kilometres in 2010. We will likewise continue to work on this area to reduce our carbon emissions.

We also continued to ensure that our buildings are environmentally friendly. Two of our newest buildings – the 28,000 square metres St Marys Depot and the 38,000 square metres Foundry Road Depot in Sydney boast a host of environmentally friendly features such as lighting and equipment set to timers and motion detectors to conserve electricity. In the UK, Metroline has invested £39,000 in the installation of a voltage reducing device at its Holloway, Willesden and Potters Bar garages, which effectively reduced electricity usage by some 12%.

We know that it is not just important to go Green in our 'hardware' – we have to make sure the 'software' is similarly inclined. Reducing, reusing and recycling is now part and parcel of our lives – as evident by the ever-increasing numbers of products we, as a Group, recycle. For example, we recycled more than three times the

volume of paper in 2010 than we did the previous year. Our Green efforts are not just confined to our Group. In 2010, SBS Transit partnered the Automobile Association of Singapore to give complimentary vouchers to motorists for use on board our buses – so long as they left their vehicles at home and used public transport on Car Free Day, which fell on 27 September 2010.

Our efforts did not go unnoticed. In the UK, Computer Cab plc was presented with the Sunday Times Best Green Companies Award for the third year running while in Singapore, the Group was featured in a book by the Singapore Compact, a branch of the United Nations Global Compact, which champions good corporate social responsibility practices. We were also awarded the Certificate of Merit in the Best Environmental Excellence Award in the 2010 Global CSR Awards, which recognises companies that have successfully integrated environmental performances in their developmental strategies.

2010 Awards Across The Globe

At ComfortDelGro, the pursuit of excellence is never ending. The desire to always do better is borne out of passion – for our work and for our customers. In 2010, our fervour did not go unnoticed. The Group as a whole won several awards and accolades for our outstanding service and contributions to society.



SINGAPORE

ComfortDelGro Corporation

- Managing Director/Group Chief Executive Officer, Mr Kua Hong Pak, received the Medal of Commendation (Gold) from the National Trades Union Congress
- Certificate of Merit in the Best Environmental Excellence Award category for the 2010 Global CSR Award
- Meritorious Home Team Partner Award 2010 by the Ministry of Defence

ComfortDelGro Taxi Business

- Service Excellence Award by SPRING Singapore
- National Courtesy Award-Transport Gold; Comfort Cabby Eddie Soh was one of three Kindness Champions to be honoured for the first time
- Silver Award in the 2010 International Contact Centre Awards for text-to-speech technology

ComfortDelGro Bus

- National Courtesy Award-Transport Gold
- ZERO Lost Time Injury Award by Petrochemical Corporation of Singapore

ComfortDelGro Driving Centre

- Meritorious Home Team Partner Award 2010 and Meritorious Defence Partner Award 2010 by the Ministry of Defence

ComfortDelGro Engineering

- Service Excellence Award by SPRING Singapore
- National Courtesy Award-Transport Gold

ComfortDelGro Insurance

- Made it into the list of Singapore SME 500 List of Companies

Moove Media

- Best Use of Outdoor category at the annual Singapore Media Awards

SBS Transit

- “Most Customer-Centric Transport Provider” Award and “Best Service Partner” Award at the Land Transport Authority 2010 Excellence Awards
- Distinguished Defence Partner Award by the Ministry of Defence

VICOM

- “Best Service Agent” Award at the Land Transport Authority 2010 Excellence Awards
- Meritorious Home Team Partner Award 2010 by the Ministry of Defence



AUSTRALIA

ComfortDelGro Cabcharge

- Mr Raymond Hall was Passion Award Winner 2010
- Mr Geoff Pendlebury won the BusNSW 2010 Coach Driver of the Year

Swan Taxis

- Cabby Shahram Haidari-Gazik won the Golden Wheel Taxi Driver of the Year Award for 2010

2010 Awards Across The Globe



CHINA

Chengdu ComfortDelGro Qing Yang Driving School

- “Chengdu 2009 AAA Grade Driving School for Service Quality” by the Chengdu Transport Commission

Chongqing ComfortDelGro Driver Training

- “Public Satisfaction with Driver Training” by the Chongqing Times Newspaper

Shenyang ComfortDelGro Anyun Bus

- Two Model Bus Services, nine Model Bus Captains and 10 Model Workers by the Shenyang Public Affairs Department and the Shenyang Evening Daily
- Model Unit by the Shenyang Economic and Technology District Union Centre and the Shenyang Tieyi District Government

Shenyang ComfortDelGro Bus

- Two Model Bus Services, 18 Model Bus Captains and 20 Model Workers by the Shenyang Public Affairs Department and the Shenyang Evening Daily

Shenyang ComfortDelGro Taxi

- Named “Honest Enterprise and Excellent Unit” by the Shenyang Municipal Government and the Shenyang Civilisation Office
- Cabby Zhao Yu Hai was voted one of top 10 Model Workers by the Shenyang Municipal Government and Shenyang Municipal Party Committee for National Games; He was also one of two cabbies to be bestowed the title “Excellent Taxi Driver” by the Liaoning Provincial Labour Union and the Liaoning Provincial Traffic Bureau



UNITED KINGDOM

Metroline

- Highly commended for the London Bus Garage of the Year category at the Bus Industry Award
- Mr Luis Pereira, Service Controller of Cricklewood Garage was awarded Bus Service Support at the London Bus Awards 2010

Computer Cab

- Presented with the Sunday Times Best Green Companies Award for the third consecutive year



VIETNAM

VinaTaxi

- Guide Award for "Excellent Performance" by the Vietnam Economic Times for the eighth year running

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 in light of long-term leadership considerations, rather than short-term profitability considerations;
- Spend wisely and maintain our lean culture as we understand the importance of continually reinforcing cost-consciousness; and
- Focus on hiring and retaining versatile and talented employees.

CORPORATE GOVERNANCE STATEMENT

ComfortDelGro strongly believes that good corporate governance makes good business. To this end, the Group has taken steps to maintain the highest standards of corporate governance, professionalism and integrity, as we build an organisation that our Shareholders, Employees, Business Partners, the Authorities and other Stakeholders can trust and be proud of. Our adherence to the principles and guidelines of the Code of Corporate Governance 2005 (the Code) is absolute, and 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, as well as implemented a Whistle Blowing 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 Code.

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 managerial 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 key issues and policies for its approval.

Corporate Governance

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 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.

A total of 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 approval of 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 almost every year 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.

ATTENDANCE OF DIRECTORS AT BOARD AND COMMITTEE MEETINGS

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

* Attended Meetings by invitation of the Committee.

Corporate Governance

Directors are also furnished regularly with analyst reports, 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.

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 substantial Shareholder as non-independent. The NC accordingly deems Ms Sum Wai Fun, Adeline, who is Chief Executive Officer of the Singapore Labour Foundation, a substantial Shareholder of the Group, non-independent.

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 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 Directors, of whom two, including the Chairman, are independent. 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

Corporate Governance

automatic, and all Directors are assessed by the NC on their past performance and contributions before being recommended for re-election. Newly appointed Directors are also subject to retirement and re-election at the AGM immediately following their appointments. For the forthcoming AGM, Mr Tow Heng Tan, Dr Wang Kai Yuen and Mr Wong Chin Huat, David, 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 while it is important for Directors to devote sufficient time and attention to the affairs of the Group, the issue of multiple board representations should be left to the judgement and discretion of each Director. To focus on Directors' attendance at Board Meetings per se may not be an adequate evaluation of the contribution of Directors. Instead, their abilities to provide 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. While the NC will not stipulate the maximum number of boards each Director may be involved in, the NC will continue to monitor the contributions and the performance of each Director, and assess whether each Director has devoted sufficient time and attention to the affairs of the Group.

As a policy, the MD/Group CEO, being an executive of the Company, will 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.

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 analyst reports. This enables the Board to make informed and sound decisions, and keep 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 has defined roles and responsibilities. She assists in scheduling Board and Committee Meetings and prepares the agenda in consultation with the Chairman and MD/Group

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CEO. The Company Secretary attends the Board and Committee Meetings of the Company and prepares Minutes of Board and Committee proceedings. The Company Secretary keeps the Directors informed of any significant developments, or events relating to the Group and ensures compliance with all relevant rules and regulations.

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 Company 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 and 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 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 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, form 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/

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Group CEO, being an executive of the Company, does not retain any fees paid by the subsidiaries. Instead, fees due to him are paid by the subsidiaries to the Company. 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 are eligible for and have been granted options under the ComfortDelGro Employees' Share Option Scheme.

The remuneration of the Directors and the key executives of the Group (who are not Directors) for the Financial Year 2010 can be found on pages 115 to 116 of this Annual Report. Further information on the ComfortDelGro Employees' Share Option Scheme can be found on pages 65 to 67 of this Annual Report.

During the Financial Year 2010, no key executive was an immediate family member of any Director of the Company.

Procedures Adopted by RC

In 2010, 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 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 Group, 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 Singapore Exchange Limited's (SGX) guidelines 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 Committee

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

The roles of the AC include the following:

- (i) Review the effectiveness of the Group's internal audit function, internal controls, including financial, operational, compliance and risk management;

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- (ii) 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;
- (iii) 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;
- (iv) Review Interested Person transactions;
- (v) Recommend the appointment, re-appointment or removal of the External Auditors at the AGM and review the fees due to them;
- (vi) Review the audit plans of the Internal and External Auditors; and
- (vii) Review the effectiveness of the Company's Whistle Blowing 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 Whistle Blowing Policy is described in more detail on page 57 of this Annual Report.

In the performance of its duties, the AC 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 AC.

The AC also meets with the External and Internal Auditors in the absence of Management. During these meetings, the Auditors may raise issues encountered in

the course of their work directly to the AC. Prior to the re-appointment of the External Auditors, the AC assesses their independence based on the guidelines set by the Accounting and Corporate Regulatory Authority (ACRA). The AC has reviewed the independence of the External Auditors, Deloitte & Touche LLP, including the scope of non-audit services performed, and has confirmed that they are independent. The AC 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 Company requires that the Deloitte & Touche LLP's partner-in-charge of auditing the Group be changed every five years in compliance with the Code.

During the financial year, the ACRA and the SGX jointly issued the Guidance to Audit Committees on Evaluation of Quality of Work Performed by External Auditors (AC Guide) to strengthen audit quality in Singapore, by providing practical guidance to audit committees to assist them in the evaluation of the quality of work performed by their external auditors. The AC Guide was circulated to the AC members of the Company and its listed subsidiaries. The AC had reviewed the responses from the External Auditors to the sample guidance questions appended to the AC Guide and was satisfied with the quality of the audit work performed by the External Auditors.

Internal Controls and Risk Management

The Group has well-established internal controls and risk management processes that have been put in place to manage risks while achieving business objectives. A detailed description of the Company's approach to internal controls and risk management is set out on pages 55 to 57 of this Annual Report.

The Company's Internal Auditors conduct an annual review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management. Any material non-compliance and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken by Management on the recommendations made by the Internal and External Auditors.

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During this financial year, the AC reviewed the Group's internal control and risk management processes, and is satisfied that they are adequate to meet the requirements of the Group. The AC is also satisfied that material internal control deficiencies, if any, have been identified on a timely basis and remedy processes are put in place promptly to minimise unnecessary lapses and business risks.

Based on the work performed by the Internal and External Auditors, the Board is of the opinion that the Group's system of internal controls is adequate in meeting the needs of the Group and provides reasonable assurance against material financial misstatements or loss. The controls safeguard the Group's assets and ensure the reliability of financial and critical information. There is proper maintenance of accounting records. The Group complies with applicable regulations and best practices, and implements timely identification and containment of financial, operational and compliance risks.

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 AC 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 AC's approval before the start of each financial year. Quarterly internal audit summary reports are also prepared and submitted to the AC on the status of audits carried out. Any material non-compliance or lapses in internal controls are reported to the AC and the MD/Group CEO for improvements to be made. The independence of the Internal Auditors' function is ensured as the AC 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 AC periodically to ensure that it has the necessary resources to adequately perform its functions, and that there are no unjustified restrictions and limitations placed on the performance of its duties.

The Group Internal Audit Department has adopted and met the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

4. COMMUNICATIONS WITH SHAREHOLDERS

Regular, Effective and Fair Communications with Shareholders

The Company's Investor Relations team, together with the MD/Group CEO and other members of the Senior Management, regularly engages Shareholders and Investors, keeping them informed of key corporate developments, as well as trends within the industry.

The Company notifies Shareholders in advance of the date of release of its financial results through the Company's regularly updated website at www.comfortdelgro.com, as well as an SGXNET announcement. Communication with 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 form provided on the website. The Company's Investor Relations team is accessible throughout the year to address Shareholders' queries. The contact details of the Group Investor Relations & Special Projects Officer (GIRSPPO) 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 GIRSPPO. Specific guidelines have been laid down for compliance in respect of all public

Corporate Governance

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 questions 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 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 issued 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 decided in 2009 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/her behalf at the

Shareholders' Meetings through proxy forms sent in advance. Investors, who hold shares through nominees such as the Central Provident Fund (CPF) and custodian banks, are allowed to attend the AGM as observers, subject to the 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 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.
- (ii) The Company sends electronic annual reports (by way of a CD-ROM) to all Shareholders at least 21 days before the AGM to ensure that all Shareholders have adequate time to review the annual reports. Upon request, printed copies will also be sent to Shareholders.

Voting by Poll

Voting at general meetings of Shareholders was conducted by show of hands in the past. To have greater transparency in the voting process and allow all Shareholders, present or represented at the general meetings, to vote on a one share, one vote basis, the Company will move from show of hands to voting by poll. This move is supported by many institutional investors.

Voting by poll at general meetings will be introduced from the 2011 AGM onwards. The Chairman of the meeting will be exercising his right under Article 61(i) of the Articles of Association of the Company

Corporate Governance

to demand a poll in respect of the resolutions to be put to the vote of members at the AGM and at any adjournment thereof. Accordingly, Shareholders will be 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 will be 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, and its adoption demonstrates the Company's commitment to high standards of corporate governance and transparency.

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. Although risks cannot be completely eliminated, an effective risk identification and management process will reduce the uncertainties surrounding the achievement of the Group's business objectives and allow 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. We review and update risk mapping and risk management practices regularly to manage risks proactively in line with the changes in the markets.
- We promote and inculcate risk awareness among all our employees by integrating 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 a risk-conscious workforce across the Group and a risk management discipline.
- 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.

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

ECONOMIC RISKS

Macro economic conditions in the countries that the Group operates in may impact the businesses in terms of customer demand and the cost of providing the services. We manage these risks by continuously scanning and monitoring political and economic issues. We monitor demand trends and operating margins closely through

the budgeting and forecasting process. 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.

REGULATORY RISKS

Some of the businesses within the Group operate in regulated environment in different countries. These regulatory risks 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 ensure that the views of all stakeholders are represented. In Singapore, where public bus fares are concerned, there is a mechanism in place for applications to be made to the regulatory authority for any adjustments. As for service standards, we manage our operations well and effectively to ensure that standards are met, thereby reducing significantly the risk of licences being withdrawn.

OPERATIONAL RISKS

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

Safety

A key operating risk is the safety and security of our customers, our staff and the public. Managing this risk 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 also conducted regularly as

Risk Management

part of the management and review process to ensure that safety standards are maintained. For the Bus and Rail Businesses, the Group also 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 have been 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, natural events and deliberate assaults are all possible ways for an organisation to 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.

BUSINESS CONTINUITY RISKS

Operating in an environment with potential threats of terrorism, epidemic outbreaks and information systems failure, we have put in place a Group-wide Business Continuity Plan (BCP) to mitigate the risks of disruption and catastrophic loss to our operations, people and assets arising from such potential threats. The BCP is developed by the various business units and corporate functions under the guidance of the Business Continuity Management Committee, whose members comprise Senior Management and Heads of Business Units.

The BCP includes 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 BCP regularly. Drills and emergency response exercises are conducted to familiarise employees with the crisis management plans. The BCP enhances the Group's operational readiness and resilience to potential business disruptions.

INVESTMENT 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 encompassing feasibility study, due diligence, financial modelling and sensitivity analysis on key investment assumptions and variables.

To ensure that the rate of return on any new investment or business opportunity commensurates 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.

HUMAN RESOURCE RISKS

The Group's ability to continue to develop and grow the business internationally depends on the quality of its employees. We have in place a system of risk management that focusses on several key areas, including succession planning, 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, that 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 legislations.

PROPERTY AND LIABILITY RISKS

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

Risk Management

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 regularly reviews and updates 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 and justifications provided. This is done on a monthly basis. Specific approvals are required for unbudgeted expenditures exceeding a relevant threshold. In addition, 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 also 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, 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 129 to 136.

Audit Process

The Internal and External Auditors conduct reviews in accordance with their audit plans to assess the adequacy and effectiveness of the risk management and internal controls that are in place. Non-compliance and recommendations for improvements are reported to the Audit Committee, which reviews the effectiveness of the actions taken to mitigate the risks. In the course of their audit, the Internal and External Auditors highlight to the Audit 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 risk management process and system of internal controls.

WHISTLE BLOWING POLICY

The Group has put in place a Whistle Blowing Policy to provide a mechanism for employees to raise concerns, through well-defined and accessible confidential disclosure channels about possible improprieties in financial reporting or other improper business conduct. Staff 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 are informed. The Audit Committee is also 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.

Directories

SINGAPORE

BUS

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Email crc@sbstransit.com.sg

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TAXI

Comfort Transportation Pte Ltd

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CityCab Pte Ltd

383 Sin Ming Drive
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Fax (65) 6453 3183
Website www.cdgtaxi.com.sg
Email feedback@cdgtaxi.com.sg

RAIL

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AUTOMOTIVE ENGINEERING SERVICES

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Email enquiries@cdge.com.sg

VEHICLE INSPECTION & TESTING SERVICES

VICOM Ltd*

385 Sin Ming Drive
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VEHICLE INSPECTION & TESTING SERVICES

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Website www.setsco.com
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Setsco Consultancy International Pte Ltd

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DRIVING CENTRE

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Email info@cdc.com.sg

CAR RENTAL & LEASING

ComfortDelGro Rent-A-Car Pte Ltd

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

INSURANCE BROKING SERVICES

ComfortDelGro Insurance Brokers Pte Ltd

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Fax (65) 6286 2112
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OUTDOOR ADVERTISING

Moove Media Pte Ltd

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Fax (65) 6281 3267
Website www.moovemediam.com.sg
Email advertising@moovemediam.com.sg

CHINA NORTH CHINA BUSINESS UNIT

Beijing TAXI

Beijing Jin Jian Taxi Services Co., Ltd

Hei Shi Tou
Shi Jing Shan District
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Fax (86) 10 8895 1678
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Beijing Jia Run Taxi Co., Ltd

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Shi Jing Shan District
Beijing
Postal Code 100042
Mainline (86) 10 8895 1556
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CAR RENTAL & LEASING

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Website www.yjqczl.com
Email leongks@comfortdelgro.com

VEHICLE INSPECTION SERVICES

Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd

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Mainline (86) 10 8760 0856
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*Listed on the Singapore Exchange

Directories

CHINA NORTH CHINA BUSINESS UNIT

Jilin City, Jilin Province TAXI

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Shenyang, Liaoning Province BUS

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Yantai, Shangdong Province AUTOMOTIVE ENGINEERING SERVICES, CAR LEASING & TAXI

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WEST CHINA BUSINESS UNIT

Chengdu, Sichuan Province TAXI

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CAR RENTAL & LEASING

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Chongqing DRIVING CENTRE

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EAST CHINA BUSINESS UNIT

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TAXI

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Directories

CHINA

EAST CHINA BUSINESS UNIT

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Nanjing, Jiangsu Province TAXI

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SOUTH CHINA BUSINESS UNIT

Guangzhou, Guangdong Province BUS STATION

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Hengyang, Hunan Province BUS & TAXI

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Fax (61) 3 9392 9901
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Fax (61) 8 9422 2224
Website www.swantaxis.com.au
Email admin@swantaxis.com.au

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COACH

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Email customerservices@comcab.co.uk

PRIVATE CAR HIRE

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Fax (44) 20 7987 2117
Website www.flchauffeurs.com
Email admin@flchauffeurs.com

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Liverpool L3 8HB
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Fax (44) 151 298 2526
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Glasgow, Scotland COACH

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Fax (44) 141 332 4488
Website www.citylink.co.uk
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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

IRELAND

Dublin COACH

Irish Citylink ComfortDelGro Limited
Galway Tourist Office
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

Pantas Rent-A-Car 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.pantas.com.my
Email sales@pantas.com.my

Financial Calendar

2010

Announcement of 2009 Full Year Results	10 February 2010
Annual General Meeting	28 April 2010
Announcement of 1st Quarter 2010 Results	14 May 2010
Payment of 2009 final dividend (2.67 cents/share)	18 May 2010
Announcement of 2nd Quarter 2010 Results	13 August 2010
Payment of 2010 interim dividend (2.70 cents/share)	7 September 2010
Announcement of 3rd Quarter 2010 Results	12 November 2010

2011

Announcement of 2010 Full Year Results	14 February 2011
Annual General Meeting	27 April 2011
Announcement of 1st Quarter 2011 Results	13 May 2011*
Payment of 2010 final dividend (2.80 cents/share) (Subject to Shareholders' approval at the forthcoming Annual General Meeting)	16 May 2011
Announcement of 2nd Quarter 2011 Results	12 August 2011*
Announcement of 3rd Quarter 2011 Results	14 November 2011*

*Provisional - Updates will be posted on www.comfordelgro.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 2010 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2010.

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:

Names of Directors and Companies in which interests are held	At	At	At
	1 January 2010	31 December 2010	21 January 2011
Interest in the Company			
(a) Ordinary shares			
Lim Jit Poh	844,425	844,425	844,425
Kua Hong Pak	2,824,530	2,824,530	2,824,530
Ong Ah Heng	395,558	395,558	395,558
Oo Soon Hee	375,000	375,000	375,000
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
(b) Options to subscribe for ordinary shares			
Lim Jit Poh	1,180,000	1,120,000	1,120,000
Kua Hong Pak	6,000,000	7,200,000	7,200,000
Ong Ah Heng	590,000	560,000	560,000
Oo Soon Hee	825,000	750,000	750,000
Sum Wai Fun, Adeline	240,000	360,000	360,000
Tow Heng Tan	590,000	560,000	560,000
Wang Kai Yuen	485,000	665,000	665,000
Wong Chin Huat, David	590,000	560,000	560,000

Report Of The Directors

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Names of Directors and Companies in which interests are held	At 1 January 2010	At 31 December 2010	At 21 January 2011
Interest in subsidiary, SBS Transit Ltd			
(a) Ordinary shares			
Lim Jit Poh	200,000	200,000	200,000
Wong Chin Huat, David	150,000	215,000	215,000
(b) Options to subscribe for ordinary shares			
Lim Jit Poh	400,000	400,000	400,000
Kua Hong Pak	495,000	360,000	360,000
Wong Chin Huat, David	245,000	180,000	180,000
Interest in subsidiary, VICOM Ltd			
(a) Ordinary shares			
Lim Jit Poh	190,000	190,000	190,000
Kua Hong Pak	54,000	54,000	54,000

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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 except as disclosed in the financial statements. Certain Directors received Directors' fees from related corporations in their capacities as Directors of those related corporations.

5 SHARE OPTIONS

(A) Share options of the Company

- (i) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS") 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 Lim Jit Poh, Tow Heng Tan, 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.

Report Of The Directors

5 SHARE OPTIONS (CONT'D)

(iii) Particulars of unissued shares under options granted pursuant to the CDG ESOS, options granted, exercised and cancelled/lapsed during the financial year and options outstanding as at 31 December 2010 were as follows:

Date of grant	Number of options to subscribe for ordinary shares				Outstanding at 31 December 2010	Subscription price per share	Expiry date
	Outstanding at 1 January 2010	Granted	Exercised	Cancelled/Lapsed			
31 July 2003	180,000	-	(10,000)	-	170,000	\$0.793	30 July 2013
2 January 2004	330,000	-	(75,000)	(50,000)	205,000	\$0.820	1 January 2014
19 July 2004	582,500	-	(30,000)	(40,000)	512,500	\$1.217	18 July 2014
24 February 2005	2,245,000	-	-	(97,500)	2,147,500	\$1.680	23 February 2015
24 February 2005	405,000	-	-	(405,000)	-	\$1.680	23 February 2010
21 July 2005	1,387,500	-	-	(42,500)	1,345,000	\$1.540	20 July 2015
21 July 2005	365,000	-	-	(365,000)	-	\$1.540	20 July 2010
17 November 2005	2,358,500	-	-	(42,500)	2,316,000	\$1.550	16 November 2015
17 November 2005	325,000	-	-	(325,000)	-	\$1.550	16 November 2010
13 July 2006	6,305,000	-	(60,000)	(235,000)	6,010,000	\$1.500	12 July 2016
13 July 2006	680,000	-	(30,000)	-	650,000	\$1.500	12 July 2011
22 June 2007	9,440,000	-	-	(890,000)	8,550,000	\$2.260	21 June 2017
22 June 2007	975,000	-	-	-	975,000	\$2.260	21 June 2012
25 June 2008	10,285,000	-	-	(950,000)	9,335,000	\$1.590	24 June 2018
25 June 2008	1,270,000	-	-	-	1,270,000	\$1.590	24 June 2013
25 June 2009	11,025,000	-	(2,375,000)	(400,000)	8,250,000	\$1.273	24 June 2019
25 June 2009	1,270,000	-	(65,000)	-	1,205,000	\$1.273	24 June 2014
2 July 2010	-	13,660,000	-	(240,000)	13,420,000	\$1.467	1 July 2020
2 July 2010	-	1,250,000	-	-	1,250,000	\$1.467	1 July 2015
Total	49,428,500	14,910,000	(2,645,000)	(4,082,500)	57,611,000		

The options outstanding as at 31 December 2010 include 1,065,000 options granted to former employees of the Group who have been granted an extension of time 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 2010 were as follows:

Director	Number of options to subscribe for ordinary shares				
	Granted during the year ended 31 December 2010	Aggregate options granted since the commencement to 31 December 2010	Aggregate options exercised since the commencement to 31 December 2010	Aggregate options lapsed since the commencement to 31 December 2010	Aggregate options outstanding at 31 December 2010
Lim Jit Poh	240,000	2,293,577	873,577	300,000	1,120,000
Kua Hong Pak	1,200,000	9,900,000	2,700,000	-	7,200,000
Ong Ah Heng	120,000	1,277,540	567,540	150,000	560,000
Oo Soon Hee	150,000	1,350,000	375,000	225,000	750,000
Sum Wai Fun, Adeline	120,000	360,000	-	-	360,000
Tow Heng Tan	120,000	960,000	250,000	150,000	560,000
Wang Kai Yuen	180,000	1,638,672	973,672	-	665,000
Wong Chin Huat, David	120,000	960,000	250,000	150,000	560,000

* 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 2010.

Report Of The Directors

5 SHARE OPTIONS (CONT'D)

(B) Share options of subsidiaries

(a) SBS Transit Ltd ("SBST")

- (i) The SBS Transit Share Option Scheme (the "SSOS") was approved by the shareholders of SBST on 9 June 2000. The SSOS is administered by the Remuneration Committee of SBST.
- (ii) Under the SSOS, 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 the grant of the option. The subscription price and/or number of shares comprised in the option may be adjusted in certain events under the rules of the SSOS. 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 options granted to non-executive Directors) of the date of grant of that option or such shorter period as determined by the Remuneration Committee of SBST. The shares under option may be exercised in whole or in part on the payment of the relevant subscription price. Options granted will lapse when the option holder ceases to be a full-time employee or Director of SBST, subject to certain exceptions at the discretion of the Remuneration Committee of SBST.
- (iii) Particulars of unissued shares under options granted pursuant to the SSOS, options exercised and cancelled/lapsed during the financial year, and options outstanding as at 31 December 2010 were as follows:

Date of grant	Number of options to subscribe for ordinary shares			Outstanding at 31 December 2010	Subscription price per share	Expiry date
	Outstanding at 1 January 2010	Exercised	Cancelled/Lapsed			
26 September 2000	88,000	(8,000)	(80,000)	-	\$1.59	26 September 2010
6 September 2001	123,000	-	(4,000)	119,000	\$1.60	6 September 2011
22 August 2003	85,000	-	-	85,000	\$1.29	22 August 2013
10 December 2003	35,000	-	-	35,000	\$1.22	10 December 2013
19 July 2004	161,250	-	-	161,250	\$1.60	19 July 2014
24 February 2005	506,250	-	(172,500)	333,750	\$2.29	24 February 2015
24 February 2005	80,000	-	(80,000)	-	\$2.29	24 February 2010
28 July 2005	445,250	-	(99,000)	346,250	\$2.23	28 July 2015
28 July 2005	77,500	-	(77,500)	-	\$2.23	28 July 2010
18 November 2005	378,750	-	(60,000)	318,750	\$2.16	18 November 2015
18 November 2005	77,500	-	(77,500)	-	\$2.16	18 November 2010
13 July 2006	1,387,500	-	(227,500)	1,160,000	\$2.15	13 July 2016
13 July 2006	535,000	-	-	535,000	\$2.15	13 July 2011
22 June 2007	2,000,000	-	(300,000)	1,700,000	\$3.40	22 June 2017
22 June 2007	550,000	-	-	550,000	\$3.40	22 June 2012
25 June 2008	2,087,500	-	(172,500)	1,915,000	\$2.18	25 June 2018
25 June 2008	550,000	-	-	550,000	\$2.18	25 June 2013
25 June 2009	2,160,000	(312,500)	(17,500)	1,830,000	\$1.58	25 June 2019
25 June 2009	550,000	(65,000)	-	485,000	\$1.58	25 June 2014
Total	11,877,500	(385,500)	(1,368,000)	10,124,000		

Report Of The Directors

5 SHARE OPTIONS (CONT'D)

The options outstanding as at 31 December 2010 include 136,250 options granted to former employees of SBST, who have been granted an extension of time from their respective dates of retirement, by the Remuneration Committee of SBST to exercise their outstanding options.

Participants of the SSOS are not restricted from participating in other share option or share incentive schemes, whether implemented by SBST or its subsidiary or otherwise.

- (iv) Details of the SSOS options granted to Directors of the Company during the financial year and since the commencement of the SSOS up to 31 December 2010 were as follows:

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2010	Aggregate options exercised since the commencement to 31 December 2010	Aggregate options lapsed since the commencement to 31 December 2010	Aggregate options outstanding at 31 December 2010
Lim Jit Poh	780,000	380,000	–	400,000
Kua Hong Pak	690,000	150,000	180,000	360,000
Wong Chin Huat, David	475,000	295,000	–	180,000

The terms of the options granted to the Directors during the year are disclosed in paragraph 5(B)(a)(ii).

- (v) None of the options granted under the SSOS include a discount feature to the market price of the shares at the time of grant. None of the options granted were incentive options. No participant has received options which in aggregate represent 5% of the total number of options available under SSOS, for the financial year ended 31 December 2010.
- (vi) 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.

(b) VICOM Ltd (“VICOM”)

- (i) The 2001 VICOM Share Option Scheme (the “2001 VSOS”) was approved by the shareholders of VICOM on 27 April 2001. The 2001 VSOS is administered by the Remuneration Committee of VICOM.
- (ii) Under the 2001 VSOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares at the subscription price determined with reference to the market price of the shares at the time of the 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 options granted to non-executive Directors) of the date of grant of that option or such shorter period as determined by the Remuneration Committee of VICOM. The shares under option may be exercised in whole or in part on the payment of the relevant subscription price.

Report Of The Directors

5 SHARE OPTIONS (CONT'D)

(iii) Particulars of unissued shares under options granted pursuant to the 2001 VSOS, options exercised during the financial year, and options outstanding as at 31 December 2010 were as follows:

Date of grant	Number of options to subscribe for ordinary shares			Outstanding at 31 December 2010	Subscription price per share	Expiry date
	Outstanding at 1 January 2010	Granted	Exercised			
1 June 2001	28,000	-	(28,000)	-	\$0.570	30 May 2011
26 September 2001	24,000	-	(24,000)	-	\$0.423	25 September 2011
6 April 2002	24,000	-	(6,000)	18,000	\$0.628	5 April 2012
7 October 2002	40,000	-	(7,000)	33,000	\$0.600	6 October 2012
27 June 2003	12,000	-	-	12,000	\$0.760	26 June 2013
19 December 2003	12,000	-	-	12,000	\$0.865	18 December 2013
23 August 2004	8,000	-	-	8,000	\$0.953	22 August 2014
24 February 2005	6,500	-	(6,500)	-	\$0.998	23 February 2010
24 February 2005	8,000	-	-	8,000	\$0.998	23 February 2015
21 November 2005	86,000	-	(70,000)	16,000	\$0.933	20 November 2015
7 July 2006	114,000	-	(70,000)	44,000	\$1.000	6 July 2016
20 June 2007	533,000	-	(183,000)	350,000	\$1.657	19 June 2017
25 June 2008	609,000	-	(235,000)	374,000	\$1.840	24 June 2018
1 July 2009	677,000	-	(65,000)	612,000	\$1.793	30 June 2019
13 July 2010	-	823,000	-	823,000	\$2.680	12 July 2020
Total	2,181,500	823,000	(694,500)	2,310,000		

Participants of the 2001 VSOS are not restricted from participating in other share option schemes, whether implemented by VICOM, its subsidiaries or otherwise.

(iv) Details of the 2001 VSOS options granted to Directors of the Company during the financial year and since the commencement of the 2001 VSOS up to 31 December 2010 were as follows:

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2010	Aggregate options exercised since the commencement to 31 December 2010	Aggregate options lapsed since the commencement to 31 December 2010	Aggregate options outstanding at 31 December 2010
Lim Jit Poh	-	160,000	160,000	-
Kua Hong Pak	-	54,000	54,000	-

The terms of the options granted to the Directors during the year are disclosed in paragraph 5(B)(b)(ii).

(v) None of the options granted under the 2001 VSOS include a discount feature of the market price of the shares at the time of grant. No participant has received options which in aggregate represent 5% of the total number of options available under the 2001 VSOS, for the financial year ended 31 December 2010.

Report Of The Directors

6 AUDIT COMMITTEE

At the date of this report, the Audit Committee comprises three non-executive and independent Directors:

Wang Kai Yuen (*Chairman*)

Ong Ah Heng

Wong Chin Huat, David

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

In performing its functions, the Audit 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 to discuss the scope and results of their respective audits. The Audit Committee has reviewed the independence of the 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 Committee reviewed the financial statements of the Group and of the Company before their submission to the Board of Directors of the Company.

The Audit 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

14 February 2011

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 74 to 153 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 2010, 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
14 February 2011

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 2010, 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 74 to 153.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 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
14 February 2011

Statements Of Financial Position

31 December 2010

	Note	The Group		The Company	
		2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
ASSETS					
Current assets					
Short-term deposits and bank balances	4	566.7	485.6	219.9	225.7
Available-for-sale investments	5	5.8	10.1	5.8	10.1
Trade receivables	6	103.3	98.8	-	-
Other receivables and prepayments	7	228.8	177.1	0.8	1.6
Grant receivables	8	18.9	16.5	-	-
Due from subsidiaries	9	-	-	55.1	84.0
Finance lease receivables	10	18.3	20.7	-	-
Inventories	11	58.7	54.6	-	-
Total current assets		1,000.5	863.4	281.6	321.4
Non-current assets					
Subsidiaries	12	-	-	1,273.2	1,328.4
Associates	13	125.9	122.3	88.9	88.9
Available-for-sale investments	5	18.9	29.2	7.2	12.9
Grant receivables	8	300.0	244.1	-	-
Finance lease receivables	10	13.9	13.2	-	-
Vehicles, premises and equipment	14	2,381.4	2,236.5	16.4	18.2
Taxi licences and bus operating rights	15	387.4	405.7	-	-
Goodwill	16	145.8	129.1	-	-
Deferred tax assets	17	7.6	8.6	-	-
Total non-current assets		3,380.9	3,188.7	1,385.7	1,448.4
Total assets		4,381.4	4,052.1	1,667.3	1,769.8

See accompanying notes to the financial statements.

Statements Of Financial Position

31 December 2010

	Note	The Group		The Company	
		2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	18	188.2	130.4	-	-
Trade and other payables	19	543.8	522.2	23.5	20.1
Trade payables for buses		16.6	43.3	-	-
Deferred grant income	20	17.1	15.7	-	-
Due to subsidiaries	21	-	-	649.2	814.1
Fuel price equalisation account		20.0	-	-	-
Insurance premiums payable and provision for accident claims	22	85.5	98.3	-	-
Income tax payable		27.0	42.5	3.6	3.2
Total current liabilities		898.2	852.4	676.3	837.4
Non-current liabilities					
Borrowings	18	523.1	466.4	-	-
Deferred grant income	20	301.9	244.8	-	-
Other liabilities	23	109.7	116.9	0.1	0.1
Fuel price equalisation account		20.0	34.1	-	-
Deferred tax liabilities	17	180.9	125.6	0.2	0.2
Total non-current liabilities		1,135.6	987.8	0.3	0.3
Capital, reserves and non-controlling interests					
Share capital	24	565.5	561.7	565.5	561.7
Other reserves	25	54.6	48.0	19.7	18.5
Foreign currency translation reserve		(18.9)	(5.2)	-	-
Accumulated profits		1,199.3	1,085.5	405.5	351.9
Equity attributable to					
shareholders of the Company		1,800.5	1,690.0	990.7	932.1
Non-controlling interests		547.1	521.9	-	-
Total equity		2,347.6	2,211.9	990.7	932.1
Total liabilities and equity		4,381.4	4,052.1	1,667.3	1,769.8

See accompanying notes to the financial statements.

Group Income Statement

Year Ended 31 December 2010

	Note	2010 \$'mil	2009 \$'mil
Revenue	26	3,206.9	3,051.8
Staff costs	27	(991.1)	(960.3)
Contract services		(378.7)	(334.0)
Depreciation and amortisation		(290.9)	(279.9)
Materials and consumables		(263.4)	(255.6)
Fuel and electricity costs		(234.8)	(213.3)
Repairs and maintenance		(167.2)	(174.2)
Road and diesel taxes		(113.7)	(109.8)
Insurance premiums and accident claims		(110.1)	(119.8)
Taxi drivers' benefits		(77.8)	(74.2)
Premises costs		(70.8)	(67.6)
Utilities and communication costs		(21.0)	(20.8)
Vehicle leasing charges		(18.4)	(16.5)
Advertising production costs		(14.9)	(11.7)
Other operating expenses		(65.7)	(64.2)
Total operating expenses		(2,818.5)	(2,701.9)
Operating profit		388.4	349.9
Net income from investments		7.2	5.6
Finance costs	28	(35.7)	(29.1)
		359.9	326.4
Share of profit in associates		6.4	7.7
Profit before taxation		366.3	334.1
Taxation	29	(78.1)	(58.4)
Profit after taxation	30	288.2	275.7
Attributable to:			
Shareholders of the Company		228.5	219.5
Non-controlling interests		59.7	56.2
		288.2	275.7
Earnings per share (in cents):			
Basic	31	10.95	10.52
Diluted	31	10.93	10.51

See accompanying notes to the financial statements.

Group Comprehensive Income Statement

Year Ended 31 December 2010

	2010 \$'mil	2009 \$'mil
Profit after taxation	288.2	275.7
Fair value gain on cash flow hedges	2.1	0.6
Fair value gain on available-for-sale investments	0.6	1.5
Exchange differences on translation of foreign operations	(16.4)	52.0
Actuarial adjustment on defined benefit plans	0.9	(9.5)
Other comprehensive income (expense) for the year	(12.8)	44.6
Total comprehensive income for the year	275.4	320.3
Attributable to:		
Shareholders of the Company	217.5	236.1
Non-controlling interests	57.9	84.2
	275.4	320.3

See accompanying notes to the financial statements.

Statements Of Changes In Equity

Year Ended 31 December 2010

	The Group						
	Attributable to shareholders of the Company						
	Share capital \$'mil	Other reserves \$'mil	Foreign currency translation reserve \$'mil	Accumulated profits \$'mil	Total \$'mil	Non-controlling interests \$'mil	Total equity \$'mil
Balance at 1 January 2009	560.9	50.7	(29.2)	974.4	1,556.8	419.9	1,976.7
Total comprehensive income (expense) for the year	-	(7.4)	24.0	219.5	236.1	84.2	320.3
Recognition of share-based payments	-	2.1	-	-	2.1	-	2.1
Exercise of share options (Note 24)	0.8	(0.1)	-	-	0.7	-	0.7
Payment of dividends (Note 36)	-	-	-	(104.9)	(104.9)	-	(104.9)
Other reserves	-	2.7	-	(3.5)	(0.8)	17.8	17.0
Balance at 31 December 2009	561.7	48.0	(5.2)	1,085.5	1,690.0	521.9	2,211.9
Total comprehensive income (expense) for the year	-	2.7	(13.7)	228.5	217.5	57.9	275.4
Recognition of share-based payments	-	2.3	-	-	2.3	-	2.3
Exercise of share options (Note 24)	3.8	(0.3)	-	-	3.5	-	3.5
Payment of dividends (Note 36)	-	-	-	(112.1)	(112.1)	-	(112.1)
Other reserves	-	1.9	-	(2.6)	(0.7)	(32.7)	(33.4)
Balance at 31 December 2010	565.5	54.6	(18.9)	1,199.3	1,800.5	547.1	2,347.6

See accompanying notes to the financial statements.

Statements Of Changes In Equity

Year Ended 31 December 2010

	The Company			
	Share capital \$'mil	Other reserves \$'mil	Accumulated profits \$'mil	Total equity \$'mil
Balance at 1 January 2009	560.9	15.9	302.7	879.5
Total comprehensive income for the year	-	0.9	154.1	155.0
Recognition of share-based payments	-	1.8	-	1.8
Exercise of share options (Note 24)	0.8	(0.1)	-	0.7
Payment of dividends (Note 36)	-	-	(104.9)	(104.9)
Balance at 31 December 2009	561.7	18.5	351.9	932.1
Total comprehensive income for the year	-	-	164.9	164.9
Recognition of share-based payments	-	2.1	-	2.1
Exercise of share options (Note 24)	3.8	(0.3)	-	3.5
Payment of dividends (Note 36)	-	-	(112.1)	(112.1)
Other reserves	-	(0.6)	0.8	0.2
Balance at 31 December 2010	565.5	19.7	405.5	990.7

See accompanying notes to the financial statements.

Group Cash Flow Statement

Year Ended 31 December 2010

	2010 \$'mil	2009 \$'mil
Operating activities		
Profit before taxation	366.3	334.1
Adjustments for:		
Depreciation and amortisation	290.9	279.9
Finance costs	35.7	29.1
Interest income	(6.4)	(6.4)
Share-based payment expense	2.3	2.1
Net loss on disposal of vehicles	6.5	8.8
Share of profit in associates	(6.4)	(7.7)
Others	8.5	8.6
Operating cash flows before movements in working capital	697.4	648.5
Inventories	(3.8)	(2.6)
Trade receivables	(4.9)	3.4
Other receivables and prepayments	(51.4)	4.4
Grant receivables, net of deferred grant income	(0.6)	(2.2)
Long-term receivables	-	10.4
Fuel price equalisation account	5.9	-
Finance lease receivables	1.8	6.8
Held-for-trading investments	-	37.0
Trade and other payables	1.5	77.8
Other liabilities	0.8	3.7
Insurance premiums payable and provision for accident claims	(10.3)	(6.5)
Cash generated from operations	636.4	780.7
Income tax paid	(43.8)	(52.3)
Net cash from operating activities	592.6	728.4

Group Cash Flow Statement

Year Ended 31 December 2010

	2010 \$'mil	2009 \$'mil
Investing activities		
Purchases of vehicles, premises and equipment	(536.7)	(507.7)
Less: Vehicles purchased under finance lease arrangements	45.7	61.0
Proceeds from disposal of vehicles	96.1	77.5
Cash payments on purchase of vehicles, premises and equipment	(394.9)	(369.2)
Proceeds from disposal of available-for-sale investments	15.3	5.0
Purchases of taxi licences	(0.8)	(5.3)
Increase in investment in a subsidiary	(0.3)	(0.3)
Acquisition of subsidiaries, net of cash [Note (a)]	(46.8)	(179.8)
Divestment of a subsidiary, net of cash [Note (b)]	0.7	-
Proceeds from divestment of associates	12.1	-
Interest received	6.7	6.4
Dividends received	8.3	5.6
Net cash used in investing activities	(399.7)	(537.6)
Financing activities		
New loans raised	220.2	268.5
Repayment of borrowings	(150.7)	(251.5)
Capital contributions (to) from non-controlling shareholders of subsidiaries	(4.4)	40.1
Proceeds from exercise of share options of the Company	3.5	0.7
Proceeds from exercise of share options of subsidiaries	1.7	0.2
Interest paid	(35.3)	(29.2)
Proceeds from unclaimed dividends	0.2	0.2
Dividends paid to shareholders of the Company	(112.1)	(104.9)
Dividends paid to non-controlling shareholders of subsidiaries	(28.0)	(21.5)
Net cash used in financing activities	(104.9)	(97.4)
Net effect of exchange rate changes in consolidating subsidiaries	(6.9)	(16.1)
Net increase in cash and cash equivalents	81.1	77.3
Cash and cash equivalents at beginning of year	485.6	408.3
Cash and cash equivalents at end of year (Note 4)	566.7	485.6

See accompanying notes to the financial statements.

Group Cash Flow Statement

Year Ended 31 December 2010

Note (a):

Summary of the effects of acquisition of subsidiaries:

	2010	2009
	\$'mil	\$'mil
Net (assets) liabilities acquired:		
Current assets	(4.6)	(4.0)
Non-current assets	(38.1)	(220.3)
Current liabilities	1.0	17.5
Non-current liabilities	6.6	63.0
Net assets acquired	(35.1)	(143.8)
Goodwill on acquisition	(14.2)	(33.0)
Total purchase consideration	(49.3)	(176.8)
Less (add): Cash (overdraft) on acquisition of subsidiaries	2.5	(3.0)
Cash flow on acquisition, net of cash	(46.8)	(179.8)

Note (b):

Summary of the effects of divestment of a subsidiary:

	2010	2009
	\$'mil	\$'mil
Net assets (liabilities) on divestment:		
Current assets	0.9	-
Non-current assets	2.6	-
Current liabilities	(2.3)	-
Net assets divested	1.2	-
Gain on divestment	0.5	-
Proceed from divestment	1.7	-
Non-controlling interests	(0.6)	-
Less: Cash on divestment of a subsidiary	(0.4)	-
Cash flow on divestment, net of cash	0.7	-

See accompanying notes to the financial statements.

Notes To The Financial Statements

31 December 2010

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 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 2010 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2010 were authorised for issue by the Board of Directors on 14 February 2011.

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 all the revised FRSs that are relevant to its operations and effective for annual periods beginning on 1 January 2010.

The following are the revised FRSs that are relevant to the Group:

FRS 27 (Revised)	-	Consolidated and Separate Financial Statements
FRS 103 (Revised)	-	Business Combinations

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

REVISED STANDARDS AND IMPROVEMENTS TO THE STANDARDS NOT YET ADOPTED – The Group has not applied the following accounting standards (including improvements to FRSs issued in October 2010) that have been issued as at the end of the reporting period but are not yet effective:

FRS 24 (Revised)	-	Related Party Disclosures
Improvements to FRS 1	-	Presentation of Financial Statements
Improvements to FRS 27	-	Consolidated and Separate Financial Statements
Improvements to FRS 103	-	Business Combinations
Improvements to FRS 107	-	Financial Instruments: Disclosures

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

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Notes To The Financial Statements

31 December 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Investments

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

Notes To The Financial Statements

31 December 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

Available-for-sale investments

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

Trade and other receivables

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

Provision for impairment of financial assets

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

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

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

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

Notes To The Financial Statements

31 December 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

The Group designates any interest rate swap for hedging of interest rate risk arising from borrowings as cash flow hedges. Hedges of fuel price risk are designated as fair value hedges. Hedges of foreign currency risk of a firm commitment exceeding one year are designated as fair value 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.

Notes To The Financial Statements

31 December 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 and accumulated in equity are recognised in profit or loss in the periods when the hedged item is recognised in profit or loss or when hedge accounting is discontinued.

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 are charged to profit or loss on a straight-line basis over the term of the relevant lease.

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

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

Notes To The Financial Statements

31 December 2010

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	12 to 30
Leasehold land and buildings	4 to 60
Freehold buildings	10 to 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 2010

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 2010

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 is recognised to profit or loss when the services are rendered.

Notes To The Financial Statements

31 December 2010

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-two 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 the remaining 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. Past service cost is recognised immediately to the extent that the benefits have already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the statement of financial position 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. Any asset resulting from this calculation is limited to unrecognised past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

- (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.

Notes To The Financial Statements

31 December 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(vi) Share-Based Payments – The Group and the Company issue equity-settled share-based payments to certain employees and Directors. Equity-settled share-based payments 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 equity-settled share-based payments 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.

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 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.

Notes To The Financial Statements

31 December 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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 at 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.

Notes To The Financial Statements

31 December 2010

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Group's accounting policies

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

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

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 \$58.7 million (2009: \$60.7 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 2000 to 2008 of \$26.8 million (2009: \$37.6 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-two years and on completion of at least five years of service. Provision for retirement benefits is made based on the number of years 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.

Notes To The Financial Statements

31 December 2010

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

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

The cost of providing benefits under the two defined benefit pension schemes for employees of one of the foreign subsidiaries is determined using the Projected Unit Credit Method, with actuarial valuations carried out at the end of each reporting period. The retirement benefit obligation recognised in the Group's statement of financial position amounting to \$21.0 million (2009: \$26.3 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.

Unquoted investments

The fair values of unquoted investments are obtained from market makers (dealers) of the investments. The prices represent the dealers' price of these debt securities at the last market day of the financial year. The fair values of these unquoted investments as at 31 December 2010 is disclosed in Note 5.

Impairment review of goodwill, taxi licences and bus operating rights

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

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

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by Management for the next year and extrapolates cash flows for the following 4 years based on estimated growth rate which ranges from 2.0% to 9.6% (2009: -2.5% 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 5.44% to 6.62% (2009: 6.1% to 7.68%).

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

As at 31 December 2010 and 31 December 2009, 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.

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 2010

4 SHORT-TERM DEPOSITS AND BANK BALANCES

	The Group		The Company	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
Cash and bank balances	16.1	12.9	–	0.1
Interest bearing bank balances	58.3	68.2	1.5	0.9
Fixed deposits	492.3	404.5	218.4	224.7
Total	566.7	485.6	219.9	225.7

5 AVAILABLE-FOR-SALE INVESTMENTS

	The Group		The Company	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
a) Quoted investments, at fair value:				
Bonds in corporations	23.6	38.2	12.9	22.9
b) Unquoted investments, at cost:				
Equity shares in corporations	0.2	0.2	–	–
Others	0.9	0.9	0.1	0.1
Total	24.7	39.3	13.0	23.0
Analysed as:				
Current	5.8	10.1	5.8	10.1
Non-current	18.9	29.2	7.2	12.9
Total	24.7	39.3	13.0	23.0

Quoted investments' fair values are based on the closing market prices on the last market day of the financial year. The basis of the fair values of unquoted investments is disclosed in Note 3. Additional information is presented in Note 35(d).

6 TRADE RECEIVABLES

	The Group	
	2010 \$'mil	2009 \$'mil
Associates	1.1	3.2
Outside parties	105.6	101.8
Allowance for doubtful receivables from outside parties	(3.4)	(6.2)
Net	103.3	98.8

The credit period on sale of goods and rendering of services ranges from 7 days to 90 days (2009: 7 days to 90 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.

Notes To The Financial Statements

31 December 2010

6 TRADE RECEIVABLES (CONT'D)

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	
	2010 \$'mil	2009 \$'mil
Balance at beginning of the year	6.2	5.6
Amounts written off during the year	(3.7)	(1.8)
Increase in allowance recognised in income statement	0.8	2.3
Exchange differences	0.1	0.1
Balance at end of the year	3.4	6.2

7 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
Receivables from non-controlling shareholders of subsidiaries	7.5	6.2	-	-
Prepayments	107.7	87.8	0.2	-
Interest receivable	0.8	0.9	0.2	0.3
Staff advances	1.5	1.2	-	-
Security and tender deposits	33.9	9.8	-	-
Accrued income	28.9	23.2	-	-
Others	48.5	48.0	0.4	1.3
Total	228.8	177.1	0.8	1.6

The receivables from non-controlling shareholders of subsidiaries are secured on taxi licences and shares of a non-controlling shareholder, bear fixed interest at rates ranging from 4.37% to 4.86% (2009: 4.86%) per annum and 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.

Notes To The Financial Statements

31 December 2010

8 GRANT RECEIVABLES

	The Group	
	2010 \$'mil	2009 \$'mil
Grant receivables	318.9	260.6
Analysed as:		
Current	18.9	16.5
Non-current	300.0	244.1
Total	318.9	260.6

The grant receivables of \$318.9 million (2009: \$260.6 million) are unsecured, bear effective interest at rates ranging from 7.83% to 8.44% (2009: 6.23% to 8.39%) per annum and receivable over the period that the Group expects to retain the contract to operate the bus routes. This balance represents the net present value of the grants receivable from the transport regulators in Australia for the acquisition of new buses.

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

9 DUE FROM SUBSIDIARIES

	The Company	
	2010 \$'mil	2009 \$'mil
Receivables from subsidiaries	55.1	89.7
Allowance for doubtful receivables	-	(5.7)
Net	55.1	84.0

Of the amount of \$55.1 million (2009: \$84.0 million) due from subsidiaries, \$25.8 million (2009: \$13.5 million) relates to loans which bear variable interest at rates ranging from 1.3% to 6.6% (2009: 5.7% to 5.8%) per annum are unsecured and repayable on demand. The remaining balance of \$29.3 million (2009: \$70.5 million) are unsecured, interest-free and repayable on demand.

Allowance for doubtful receivables was based on Management's assessment of the recoverability of the receivables.

Notes To The Financial Statements

31 December 2010

10 FINANCE LEASE RECEIVABLES

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
Amounts receivable under finance leases:				
Within one year	20.6	23.1	19.2	21.7
Within the second to fifth year inclusive	15.2	14.6	14.5	13.9
	35.8	37.7	33.7	35.6
Less: Unearned finance income	(2.1)	(2.1)	NA	NA
Present value of minimum lease payments receivable	33.7	35.6	33.7	35.6
Less: Provision for unguaranteed residual values	(1.5)	(1.7)	(1.5)	(1.7)
Net	32.2	33.9	32.2	33.9
Analysed as:				
Current finance lease receivables (recoverable within 12 months)	18.3	20.7	18.3	20.7
Non-current finance lease receivables (recoverable after 12 months)	13.9	13.2	13.9	13.2
Total	32.2	33.9	32.2	33.9

The Group enters into finance lease arrangements for some of its motor vehicles. The average term of finance leases entered into is 2.2 years (2009: 2.3 years).

Gross unguaranteed residual values of assets under finance leases at the end of the reporting period are estimated at \$24.7million (2009: \$26.3 million).

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

The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted ranges from 2.45% to 6.66% (2009: 2.37% to 9.52%) 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.

Notes To The Financial Statements

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11 INVENTORIES

	The Group	
	2010 \$'mil	2009 \$'mil
Goods held for sale	15.8	13.4
Consumables, materials and supplies	36.5	38.7
Work in progress	6.4	2.5
	58.7	54.6

12 SUBSIDIARIES

	The Company	
	2010 \$'mil	2009 \$'mil
Quoted equity shares - at cost	92.7	92.7
Unquoted equity shares - at cost	1,180.5	1,235.7
	1,273.2	1,328.4
Market value of quoted equity shares	651.4	535.0

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

13 ASSOCIATES

	The Group		The Company	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
Quoted equity shares, at cost	119.7	101.1	88.8	88.8
Unquoted equity shares, at cost	4.8	15.0	0.1	0.1
Add: Share of post-acquisition reserves	4.9	9.7	-	-
Provision for impairment	(3.5)	(3.5)	-	-
Net	125.9	122.3	88.9	88.9
Market value of quoted equity shares	89.3	67.7	60.9	59.7

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

Notes To The Financial Statements

31 December 2010

13 ASSOCIATES (CONT'D)

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

	The Group	
	2010 \$'mil	2009 \$'mil
Total assets	610.0	645.0
Total liabilities	(226.5)	(249.2)
Net assets	383.5	395.8
Group's share of associates' net assets	41.4	45.8
Revenue	236.9	221.7
Profit for the year	45.4	62.7
Group's share of associates' profit	6.4	7.7

Notes To The Financial Statements

31 December 2010

14 VEHICLES, PREMISES AND EQUIPMENT

	Buses \$'mil	Leasehold bus depots \$'mil	Leasehold land and buildings \$'mil	Freehold land and buildings \$'mil
The Group				
Cost:				
At 1 January 2009	1,455.2	91.1	281.8	115.5
Arising from acquisition of subsidiaries	61.6	-	0.2	14.5
Additions	144.6	2.2	1.5	19.3
Disposals	(98.6)	-	(4.0)	(2.7)
Transfers from Capital projects in progress	145.4	0.8	0.3	-
Exchange differences	79.3	-	(1.1)	23.4
At 31 December 2009	1,787.5	94.1	278.7	170.0
Arising from acquisition of a subsidiary	-	-	-	9.2
Additions	121.3	-	2.1	8.0
Disposals	(54.0)	-	(2.8)	(7.9)
Transfers from Capital projects in progress	82.1	-	2.7	0.1
Exchange differences	(18.2)	-	(2.8)	(0.4)
At 31 December 2010	1,918.7	94.1	277.9	179.0
Accumulated depreciation:				
At 1 January 2009	757.8	59.2	126.0	8.1
Depreciation	87.4	3.7	9.9	2.0
Write-off on disposals	(95.3)	-	(3.9)	(2.7)
Exchange differences	14.5	-	(0.5)	0.9
At 31 December 2009	764.4	62.9	131.5	8.3
Arising from acquisition of a subsidiary	-	-	-	-
Depreciation	100.9	3.1	10.5	1.4
Write-off on disposals	(52.5)	-	(1.0)	-
Exchange differences	(15.1)	-	(1.2)	(1.2)
At 31 December 2010	797.7	66.0	139.8	8.5
Provision for impairment:				
At 1 January 2009	-	-	-	-
Provision for the year	0.1	-	-	-
Write-off on disposals	-	-	-	-
At 31 December 2009	0.1	-	-	-
Provision for the year	-	-	-	-
Write-off on disposals	-	-	-	-
At 31 December 2010	0.1	-	-	-
Carrying amount:				
At 31 December 2010	1,120.9	28.1	138.1	170.5
At 31 December 2009	1,023.0	31.2	147.2	161.7

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
1,226.2	242.3	97.0	22.6	33.9	21.3	3,586.9
4.0	-	1.5	1.1	0.2	-	83.1
153.6	4.2	13.0	1.9	1.6	165.8	507.7
(192.4)	(14.9)	(2.2)	(1.0)	(1.8)	(0.1)	(317.7)
7.3	11.7	0.6	0.3	0.7	(167.1)	-
(7.2)	3.9	2.4	0.1	0.2	0.7	101.7
1,191.5	247.2	112.3	25.0	34.8	20.6	3,961.7
-	13.1	0.2	0.3	1.7	-	24.5
277.4	3.8	10.2	3.1	3.0	107.8	536.7
(233.5)	(4.3)	(4.8)	(2.8)	(1.3)	(0.2)	(311.6)
9.0	0.5	0.5	0.6	0.9	(96.4)	-
(12.9)	(5.5)	(1.9)	(0.3)	(0.2)	(0.2)	(42.4)
1,231.5	254.8	116.5	25.9	38.9	31.6	4,168.9
426.4	165.4	73.7	12.5	26.0	-	1,655.1
141.7	19.7	7.2	2.5	2.3	-	276.4
(106.4)	(14.8)	(2.1)	(0.9)	(1.5)	-	(227.6)
(4.0)	3.6	1.3	-	0.1	-	15.9
457.7	173.9	80.1	14.1	26.9	-	1,719.8
-	3.6	0.1	0.1	1.2	-	5.0
140.7	18.7	7.2	2.9	2.0	-	287.4
(136.1)	(4.2)	(4.5)	(2.1)	(1.3)	-	(201.7)
(6.9)	(4.5)	(1.8)	(0.1)	(0.1)	-	(30.9)
455.4	187.5	81.1	14.9	28.7	-	1,779.6
3.8	-	-	-	-	-	3.8
5.3	-	-	-	-	-	5.4
(3.8)	-	-	-	-	-	(3.8)
5.3	-	-	-	-	-	5.4
6.3	1.5	-	-	-	-	7.8
(5.3)	-	-	-	-	-	(5.3)
6.3	1.5	-	-	-	-	7.9
769.8	65.8	35.4	11.0	10.2	31.6	2,381.4
728.5	73.3	32.2	10.9	7.9	20.6	2,236.5

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14 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

Included under buses are total cost of \$48.2 million (2009: \$105.5 million) and carrying amount of \$11.8 million (2009: \$17.1 million) which are the subject of one (2009: two) cross border leasing transaction. The Group's legal obligations under this transaction has been legally defeased.

Buses and taxis of the Group with a total carrying amount of \$305.8 million (2009: \$295.2 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 \$7.8 million (2009: \$5.3 million) that had been recognised in profit or loss. The recoverable amount of the taxis has been determined on the basis of their fair values 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	Capital project in progress \$'mil	Total \$'mil
The Company							
Cost:							
At 1 January 2009	-	-	3.6	0.3	2.1	0.1	6.1
Additions	-	-	0.2	-	-	0.1	0.3
Transfer from a subsidiary	7.6	51.7	-	-	4.4	-	63.7
Transfer from Capital project in progress	-	-	-	-	0.2	(0.2)	-
At 31 December 2009	7.6	51.7	3.8	0.3	6.7	-	70.1
Additions	-	-	0.1	-	0.4	-	0.5
Disposal	-	-	(0.1)	-	-	-	(0.1)
At 31 December 2010	7.6	51.7	3.8	0.3	7.1	-	70.5
Accumulated depreciation:							
At 1 January 2009	-	-	3.1	0.1	1.0	-	4.2
Depreciation	-	0.3	0.3	0.1	0.2	-	0.9
Transfer from a subsidiary	7.6	34.9	-	-	4.3	-	46.8
At 31 December 2009	7.6	35.2	3.4	0.2	5.5	-	51.9
Depreciation	-	1.7	0.3	-	0.3	-	2.3
Disposal	-	-	(0.1)	-	-	-	(0.1)
At 31 December 2010	7.6	36.9	3.6	0.2	5.8	-	54.1
Carrying amount:							
At 31 December 2010	-	14.8	0.2	0.1	1.3	-	16.4
At 31 December 2009	-	16.5	0.4	0.1	1.2	-	18.2

In 2009, the leasehold bus depot and leasehold building were transferred at carrying amount from a subsidiary to the Company pursuant to an internal restructuring exercise.

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15 TAXI LICENCES AND BUS OPERATING RIGHTS

	The Group	
	2010 \$'mil	2009 \$'mil
Cost:		
At beginning of year	429.9	270.4
Arising from acquisition of subsidiaries	-	136.6
Additions	0.8	5.3
Disposal/Adjustment	(10.1)	-
Exchange differences	(7.0)	17.6
At end of year	413.6	429.9
Accumulated amortisation:		
At beginning of year	24.2	21.3
Amortisation for the year	3.5	3.5
Exchange differences	(1.5)	(0.6)
At end of year	26.2	24.2
Carrying amount:		
At end of year	387.4	405.7
At beginning of year	405.7	249.1

Of the carrying amount of \$387.4 million (2009: \$405.7 million) is \$164.4 million (2009: \$158.0 million) of bus operating rights and \$158.6 million (2009: \$166.7 million) of taxi licences with indefinite lives as follows:

	The Group	
	2010 \$'mil	2009 \$'mil
Bus operating rights:		
Australia	154.8	147.4
United Kingdom	9.6	10.6
	164.4	158.0
Taxi licences:		
China	158.6	166.7
Total	323.0	324.7

The remaining balance of \$64.4 million (2009: \$81.0 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.

In 2009, of the \$136.6 million arising from acquisition of subsidiaries, \$123.2 million was from the acquisition of bus operating rights in Australia and the remaining \$13.4 million was from the acquisition of taxi licences in China.

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16 GOODWILL

	The Group	
	2010 \$'mil	2009 \$'mil
Cost:		
At beginning of year	129.1	81.0
Arising from acquisition of subsidiaries	14.2	33.0
Arising from additional interest in a subsidiary	-	0.3
Exchange differences	2.5	14.8
At end of year	145.8	129.1

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 \$145.8 million (2009: \$129.1 million) is allocated to the bus business in Australia of \$75.2 million (2009: \$71.7 million) and the United Kingdom of \$23.2 million (2009: \$24.0 million); taxi business in Australia of \$14.2 million (2009: nil), China of \$6.0 million (2009: \$6.0 million), the United Kingdom of \$4.4 million (2009: \$4.6 million) and Vietnam of \$0.9 million (2009: \$0.9 million). In Singapore, the carrying amount of goodwill of \$9.4 million (2009: \$9.4 million) and \$10.5 million (2009: \$10.5 million) is allocated to the bus and vehicle inspection and testing businesses respectively. The remaining balance of \$2.0 million (2009: \$2.0 million) is allocated to vehicle leasing business in Malaysia of \$1.4 million (2009: \$1.4 million) and driving centre business in China of \$0.6 million (2009: \$0.6 million).

The \$14.2 million arising from acquisition of a subsidiary is allocated to taxi business in Australia.

17 DEFERRED TAX ASSETS/LIABILITIES

	The Group		The Company	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
Deferred tax assets	7.6	8.6	-	-
Deferred tax liabilities	(180.9)	(125.6)	(0.2)	(0.2)
Net	(173.3)	(117.0)	(0.2)	(0.2)
At beginning of year	(117.0)	(115.9)	(0.2)	(0.2)
Acquisition of subsidiaries	(6.4)	0.6	-	-
Charge to profit or loss (Note 29)	(38.8)	(7.5)	-	-
Under provision in prior years (Note 29)	(10.9)	(0.7)	-	-
Arising from movement in defined benefit obligations	(0.7)	3.4	-	-
Effect of change in tax rate	-	5.2	-	-
Exchange differences	0.5	(2.1)	-	-
At end of year	(173.3)	(117.0)	(0.2)	(0.2)

Notes To The Financial Statements

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17 DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

The balances in the accounts comprise the tax effects of:

	The Group		The Company	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
Deferred tax assets				
Provisions	6.3	7.3	-	-
Tax losses	1.3	1.3	-	-
	7.6	8.6	-	-
Deferred tax liabilities				
Accelerated tax depreciation	(205.9)	(163.7)	(0.2)	(0.2)
Other items	25.0	38.1	-	-
	(180.9)	(125.6)	(0.2)	(0.2)
Net	(173.3)	(117.0)	(0.2)	(0.2)

18 BORROWINGS

	The Group	
	2010 \$'mil	2009 \$'mil
Borrowings comprises of the following:		
(a) Short-term loans	78.1	61.9
(b) Long-term loans	268.5	281.6
(c) Medium Term Notes	100.0	-
(d) Finance lease obligations	264.7	253.3
	711.3	596.8
Analysed as:		
Current	188.2	130.4
Non-current	523.1	466.4
Total	711.3	596.8

(a) Short-term loans

	The Group	
	2010 \$'mil	2009 \$'mil
Bank loan (secured)	-	8.7
Bank loans (unsecured)	59.9	40.3
Loans from an associate (unsecured)	16.7	12.9
Loans from non-controlling shareholders of subsidiaries (unsecured)	1.5	-
	78.1	61.9

Notes To The Financial Statements

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18 BORROWINGS (CONT'D)

- (i) The secured bank loan in 2009 was secured on a fixed and floating charge over the assets of ComfortDelGro Cabcharge Pty Ltd and its Victorian subsidiaries in Australia and had been repaid during the year.
- (ii) Of the \$59.9 million unsecured bank loans, \$1.8 million (2009: nil) bears a fixed interest rate of 5.12% (2009: nil) per annum and the remaining \$58.1 million (2009: \$40.3 million) bear floating interest at rates ranging from 4.59% to 5.23% (2009: 4.62% to 5.84%) per annum.
- (iii) The loans from an associate are unsecured, bear a floating interest rate of 6.66% (2009: 5.68% and 5.79%) per annum and repayable on demand.
- (iv) The loans from non-controlling shareholders of some subsidiaries are unsecured, bear fixed interest at rates of 0% and 4.59% (2009: nil) per annum and repayable on demand.

(b) Long-term loans

	The Group	
	2010 \$'mil	2009 \$'mil
Bank loans – secured	213.9	203.6
Bank loans – unsecured	53.5	76.2
Loan from a non-controlling shareholder of a subsidiary – unsecured	1.1	1.8
Total	268.5	281.6
Less: Amount due for settlement within 12 months (shown as current liabilities):		
Bank loans – secured	(29.0)	(19.7)
Bank loans – unsecured	(48.3)	(18.2)
Loan from a non-controlling shareholder of a subsidiary – unsecured	–	(0.1)
Total	(77.3)	(38.0)
Amount due for settlement after 12 months	191.2	243.6
The borrowings are repayable as follows:		
On demand or within one year	77.3	38.0
In the second year	117.6	86.7
In the third year	5.5	109.2
In the fourth year	45.8	3.6
In the fifth year	21.2	42.4
After five years	1.1	1.7
Total	268.5	281.6

Notes To The Financial Statements

31 December 2010

18 BORROWINGS (CONT'D)

- (i) Of the \$213.9 million (2009: \$203.6 million) secured bank loans, \$81.6 million (2009: \$55.4 million) is secured on buses, taxis and motor vehicles (see Note 14) and the remaining \$132.3 million (2009: \$148.2 million) is secured on a fixed and floating charge on ComfortDelGro Cabcharge Pty Ltd and its Victorian subsidiaries in Australia. Bank loans of \$170.4 million (2009: \$186.7 million) bear fixed interest rates ranging from 4.71% to 7.62% (2009: 4.53% to 8.24%) per annum after taking into account interest rate swaps entered into (Note 35(b)). Bank loans of \$39.7 million (2009: \$14.8 million) bear a floating interest rate of 6.46% (2009: 4.90%) per annum and \$3.8 million (2009: \$2.1 million) bear floating interest rates ranging from 12.61% to 15.36% (2009: 9.61% to 9.88%) per annum.
- (ii) The \$53.5 million (2009: \$76.2 million) unsecured bank loans bear fixed interest rates ranging from 5.54% to 8.68% (2009: 4.35% to 8.68%) per annum. The loans are repayable from 2011 to 2013 (2009: 2010 to 2013).
- (iii) The \$1.1 million (2009: \$1.7 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 fair value of the Group's long term loans approximate their carrying amount.

(c) Medium Term Notes

	The Group	
	2010 \$'mil	2009 \$'mil
Medium Term Notes – unsecured	100.0	–

During the financial year, a subsidiary issued \$100.0 million (2009: nil) 5-year fixed rate unsecured notes due in October 2015. The notes bear an interest rate of 1.95% (2009: nil) per annum payable on a semi-annual basis.

(d) Finance lease obligations

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
Amounts payable under finance leases:				
Within one year	45.9	43.2	32.8	30.5
Within the second to fifth year inclusive	151.7	142.2	110.5	102.6
After five years	150.1	154.6	121.4	120.2
	347.7	340.0	264.7	253.3
Less: Future finance charges	(83.0)	(86.7)	NA	NA
Present value of finance lease obligations	264.7	253.3	264.7	253.3
Amount due for settlement within 12 months (shown under current liabilities)			(32.8)	(30.5)
Amount due for settlement after 12 months			231.9	222.8

It is the Group's policy to lease certain of its buses under finance leases. The lease terms range from 5 to 15 years (2009: 4 to 15 years). For the year ended 31 December 2010, the effective borrowing rate varies from 0.92% to 8.44% (2009: 0.92% to 8.39%) per annum. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Notes To The Financial Statements

31 December 2010

18 BORROWINGS (CONT'D)

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

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

The Group's obligations under finance leases are secured by the lessors' title to the leased assets (see Note 14).

19 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
Outside parties	190.0	198.7	1.4	0.2
Accruals	266.1	232.4	15.2	11.9
Deposits received – current (Note 23(a))	49.4	47.5	0.8	–
Deferred income from customers – current (Note 23(b))	24.0	26.7	–	–
Associates (non-trade)	7.4	8.3	6.0	7.9
Others	6.9	8.6	0.1	0.1
Total	543.8	522.2	23.5	20.1

The credit period on purchases of goods and services ranges from 7 days to 120 days (2009: 7 days to 90 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	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
USD	26.8	23.3	–	–
Others	3.2	4.2	–	–

20 DEFERRED GRANT INCOME

	The Group	
	2010 \$'mil	2009 \$'mil
Deferred grant income	319.0	260.5
Analysed as:		
Current	17.1	15.7
Non-current	301.9	244.8
Total	319.0	260.5

The deferred grant income relates 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

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21 DUE TO SUBSIDIARIES

	The Company	
	2010 \$'mil	2009 \$'mil
Due to subsidiaries	649.2	814.1

Of the amount of \$649.2 million (2009: \$814.1 million) due to subsidiaries, \$231.5 million (2009: \$247.8 million) represents funds under central pooling which bear variable interest at rates ranging from 0.2% to 1.2% (2009: 0.1% to 0.5%) per annum are unsecured and repayable on demand. The remaining balance of \$417.7 million (2009: \$566.3 million) are interest-free, unsecured and repayable on demand.

22 INSURANCE PREMIUMS PAYABLE AND PROVISION FOR ACCIDENT CLAIMS

	The Group	
	2010 \$'mil	2009 \$'mil
At beginning of year	98.3	103.9
Charges	81.2	94.6
Payments	(91.5)	(101.1)
Exchange differences	(2.5)	0.9
At end of year	85.5	98.3

The balance comprises provision for:

Insurance premiums	26.8	37.6
Accident claims	58.7	60.7
	85.5	98.3

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	
	2010 \$'mil	2009 \$'mil
Other liabilities comprised:		
(a) Deposits received	60.6	62.1
(b) Deferred income from customers	5.3	6.9
(c) Provision for service benefits and long service awards	22.8	21.6
(d) Retirement benefits obligations	21.0	26.3
	109.7	116.9

A provision for service benefits and long service awards of \$0.1 million (2009: \$0.1 million) had been provided in the Company.

Notes To The Financial Statements

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23 OTHER LIABILITIES (CONT'D)

(a) Deposits received

	The Group	
	2010 \$'mil	2009 \$'mil
Deposits received from taxi hirers	110.0	109.6
Less: Due within 12 months (Note 19)	(49.4)	(47.5)
Due after 12 months	60.6	62.1

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	
	2010 \$'mil	2009 \$'mil
Deferred income from customers	29.3	33.6
Analysed as:		
Current (Note 19)	24.0	26.7
Non-current	5.3	6.9
Total	29.3	33.6

(c) Provision for service benefits and long service awards

	The Group		The Company	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
At beginning of year	21.6	16.7	0.1	0.1
Acquisition of subsidiaries	0.3	2.8	-	-
Charges	1.4	1.3	-	-
Payments	(1.0)	(0.7)	-	-
Exchange differences	0.5	1.5	-	-
At end of year	22.8	21.6	0.1	0.1

(d) Retirement benefits obligations

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

Defined benefit obligations as at 31 December 2010 have been valued by projecting forward the most recent actuarial valuation for funding purposes. The present value of the defined benefit obligations and the related current service costs and past service costs, were measured as at 31 December 2010 by a qualified independent actuary using the projected unit credit method.

Notes To The Financial Statements

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23 OTHER LIABILITIES (CONT'D)

	The Group	
	2010 \$'mil	2009 \$'mil
Reconciliation of the assets and liabilities recognised in the statement of financial position		
Present value of defined benefit obligations that are wholly or partly funded	108.6	116.1
Fair value of plan assets at end of year	(87.6)	(89.8)
Net liability recognised at end of year	21.0	26.3

24 SHARE CAPITAL

	The Group and The Company			
	2010 Number of ordinary shares (million)	2009	2010 \$'mil	2009 \$'mil
Issued and paid-up:				
At beginning of year	2,086.2	2,085.6	561.7	560.9
Exercise of share options	2.7	0.6	3.8	0.8
At end of year	2,088.9	2,086.2	565.5	561.7

Details of the outstanding share options of the Company as at the end of the financial year are set out in paragraph 5 of the Report of the Directors and in Note 27(e).

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends.

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25 OTHER RESERVES

	The Group		The Company	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
Retirement benefit reserve:				
At beginning of year	(38.3)	(28.8)	-	-
Actuarial adjustment on defined benefit plans	0.9	(9.5)	-	-
At end of year	(37.4)	(38.3)	-	-
Merger reserve:				
At beginning and end of year	31.4	31.4	-	-
Others:				
At beginning of year	54.9	48.1	18.5	15.9
Fair value gain on cash flow hedges	1.4	0.6	-	-
Fair value gain on available-for-sale investments	0.4	1.5	-	0.9
Recognition of share-based payments	2.3	2.1	2.1	1.8
Exercise of share options	(0.3)	(0.1)	(0.3)	(0.1)
Transfer from (to) accumulated profits	1.4	2.7	(0.6)	-
Others	0.5	-	-	-
At end of year	60.6	54.9	19.7	18.5
Net	54.6	48.0	19.7	18.5

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

Others comprise mainly statutory reserves in compliance with local regulations, investment revaluation reserve, hedging reserve and share option reserve.

26 REVENUE

	The Group	
	2010 \$'mil	2009 \$'mil
Rendering of services	2,967.5	2,809.2
Sales of goods	239.4	242.6
Total	3,206.9	3,051.8

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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 %	
2010				
\$1,750,000 – \$1,999,999				
Kua Hong Pak	57.0	42.2	0.8	100
2009				
\$1,750,000 – \$1,999,999				
Kua Hong Pak	51.0	48.1	0.9	100

The remuneration of one (2009: one) non-executive Director is between \$250,000 and \$500,000 and comprised entirely of Directors' fees (Note 30).

The remuneration of all the other non-executive Directors is below \$250,000 and comprised entirely of Directors' fees (Note 30).

(b) Key executives' remuneration (included in staff costs)

The remuneration of the key executives are determined by the Remuneration Committee having regard to the performance of the individuals and the Group, as follows:

Remuneration band	The Group			Total compensation %
	Salary %	Bonus %	Others %	
2010				
\$750,000 – \$999,999				
No. of executives : 1	52.1	43.3	4.6	100
\$500,000 – \$749,999				
No. of executives : 3	49.3	46.1	4.6	100
\$250,000 – \$499,999				
No. of executives : 13	52.4	40.2	7.4	100

Notes To The Financial Statements

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27 STAFF COSTS (CONT'D)

Remuneration band	The Group			Total compensation %
	Salary %	Bonus %	Others %	
2009				
\$750,000 – \$999,999				
No. of executives: 1	51.9	43.3	4.8	100
\$500,000 – \$749,999				
No. of executives: 3	49.0	45.9	5.1	100
\$250,000 – \$499,999				
No. of executives: 14	53.6	38.9	7.5	100

- (c) The remuneration of the Directors and key executives comprises mainly of short-term benefits amounting to \$10.5 million (2009: \$10.3 million).

	The Group	
	2010 \$'mil	2009 \$'mil
(d) Cost of defined contribution plan (included in staff costs)	94.4	97.3

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

(e) Share-based payments (included in staff costs)

Equity-settled 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.

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27 STAFF COSTS (CONT'D)

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

(i) The Company

	2010		2009	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	49,428,500	1.63	38,859,000	1.74
Granted during the year	14,910,000	1.47	12,655,000	1.27
Cancelled/lapsed during the year	(4,082,500)	1.68	(1,510,000)	1.64
Exercised during the year	(2,645,000)	1.27	(575,500)	1.18
Outstanding at the end of the year	<u>57,611,000</u>	1.60	<u>49,428,500</u>	1.63
Exercisable at the end of the year	<u>42,941,000</u>	1.64	<u>37,133,500</u>	1.75

The weighted average share price at the date of exercise for share options exercised during the year was \$1.50 (2009: \$1.54). The options outstanding at the end of the year have an average remaining contractual life of 6.9 years (2009: 7.2 years).

In 2010, options were granted on 2 July 2010 (2009: 25 June 2009). The estimated fair value of the options granted on that date was \$0.17 (2009: \$0.18) each.

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

	2010	2009
Prevailing share price at date of grant (\$)	1.47	1.28
Exercise price (\$)	1.47	1.27
Expected volatility (%)	24.23	27.32
Expected life (years)	2.92	2.90
Risk free rate (%)	1.34	2.10
Expected dividend yield (%)	4.37	4.77

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 5 years (2009: 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.

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27 STAFF COSTS (CONT'D) (ii) SBS Transit Ltd

	2010		2009	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	11,877,500	2.28	9,376,250	2.49
Granted during the year	-	-	2,762,500	1.58
Cancelled/lapsed during the year	(1,368,000)	2.42	(261,250)	2.35
Exercised during the year	(385,500)	1.58	-	
Outstanding at the end of the year	<u>10,124,000</u>	2.29	<u>11,877,500</u>	2.28
Exercisable at the end of the year	<u>10,124,000</u>	2.29	<u>9,167,500</u>	2.49

The weighted average share price at the date of exercise for share options during the year was \$1.87 (2009: nil). The options outstanding at the end of the year have a weighted average remaining contractual life of 5.6 years (2009: 6.5 years).

The SBS Transit Share Option Scheme (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. In 2009, options were granted on 25 June 2009. The estimated fair value of the options granted on that date was \$0.14 each.

The fair values for share options granted in 2009 were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

	2009
Prevailing share price at date of grant (\$)	1.60
Exercise price (\$)	1.58
Expected volatility (%)	18.89
Expected life (years)	2.80
Risk free rate (%)	2.06
Expected dividend yield (%)	5.06

In 2009, the expected volatility was determined by calculating the historical volatility of SBS Transit Ltd's share price over the previous 5 years. The expected life used in the model had been adjusted based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

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27 STAFF COSTS (CONT'D)

(iii) VICOM Ltd

	2010		2009	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	2,181,500	1.61	1,670,000	1.52
Granted during the year	823,000	2.68	677,000	1.79
Exercised during the year	(694,500)	1.48	(165,500)	1.40
Outstanding at the end of the year	<u>2,310,000</u>	2.03	<u>2,181,500</u>	1.61
Exercisable at the end of the year	<u>1,487,000</u>	1.67	<u>1,504,500</u>	1.53

The weighted average share price at the date of exercise for share options exercised during the year was \$2.72 (2009: \$1.84). The options outstanding at the end of the year have an average remaining contractual life of 8.1 years (2009: 7.9 years).

In 2010, options were granted on 13 July 2010 (2009: 1 July 2009). The estimated fair values of the options granted on that date was \$0.24 (2009: \$0.12) each.

From 2006 onwards, no options would be granted to non-executive Directors.

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

	2010	2009
Prevailing share price at date of grant (\$)	2.77	1.80
Exercise price (\$)	2.68	1.79
Expected volatility (%)	19.49	17.93
Expected life (years)	3.00	3.00
Risk free rate (%)	1.34	2.05
Expected dividend yield (%)	5.16	6.28

Expected volatility was determined by calculating the historical volatility of VICOM Ltd's share price over the previous 5 years (2009: 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.

(iv) The Group recognised total expense of \$2.3 million (2009: \$2.1 million) related to equity-settled share-based payment transactions (included in staff costs) during the year.

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28 FINANCE COSTS

	The Group	
	2010 \$'mil	2009 \$'mil
Interest expense on:		
Borrowings	22.5	17.4
Finance leases	13.2	11.7
Total	35.7	29.1

29 TAXATION

	The Group	
	2010 \$'mil	2009 \$'mil
Taxation charge comprises:		
Taxation charge in respect of profit for the financial year:		
Current taxation	39.0	54.7
Deferred taxation relating to the origination and reversal of temporary differences (Note 17)	38.8	7.5
	77.8	62.2
Effect of change in tax rate	-	(5.2)
Adjustments in respect of (over) under provision in prior years:		
Current taxation	(10.6)	0.7
Deferred taxation (Note 17)	10.9	0.7
	78.1	58.4

Domestic income tax is calculated at 17% (2009: 17%) of the estimated assessable profit for the year. Taxation for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions.

Notes To The Financial Statements

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29 TAXATION (CONT'D)

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

	The Group	
	2010 \$'mil	2009 \$'mil
Profit before taxation	366.3	334.1
Income tax expense calculated at 17% (2009: 17%)	62.3	56.8
Effect of expenses that are not deductible (taxable) in determining taxable profit	1.4	0.3
Effect of change in tax rate	-	(5.2)
Effect of previously unrecognised and unused tax benefits	(0.3)	(1.7)
Effect of different tax rates of subsidiaries operating in other jurisdictions	13.7	11.6
Tax effect of share of results of associate	(1.5)	(1.3)
Investment allowance	(0.5)	(6.6)
Under provision in prior years	0.3	1.4
Other items	2.7	3.1
	78.1	58.4

Subject to agreement with the relevant tax authorities, certain subsidiaries have tax losses that are not recognised amounting to \$11.1 million (2009: \$12.1 million) and the resultant deferred tax benefits of \$2.8 million (2009: \$3.1 million). These future income tax benefits in respect of unutilised tax losses are available for an unlimited future period only if the respective subsidiaries derive future assessable income of a nature and of sufficient amounts to enable the benefits to be realised and the conditions for deductibility imposed by law, including the retention of majority shareholders, as defined, are complied with. No deferred tax asset has been recognised due to the unpredictability of future profit streams of these subsidiaries.

30 PROFIT AFTER TAXATION

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

	The Group	
	2010 \$'mil	2009 \$'mil
Amortisation of taxi and other licences	3.5	3.5
Depreciation expense	287.4	276.4
Foreign exchange loss	0.1	1.2
Provision for impairment on vehicles and automated equipment (included in other operating expenses)	7.8	5.4
Net gain on divestment of investments and fair value changes	(0.7)	(0.1)
Net loss on disposal of vehicles	6.5	8.8
Directors' fees	1.0	0.9
Bad debts written off	1.5	0.1
Allowance for doubtful receivables	0.8	2.3
(Write-back) Allowance for stock obsolescence	(0.2)	1.2
Provision for impairment of investment in associates	-	0.9

Notes To The Financial Statements

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30 PROFIT AFTER TAXATION (CONT'D)

	The Group	
	2010	2009
	\$'mil	\$'mil
Audit fees:		
Auditors of the Company	1.1	1.1
Other auditors	0.2	0.2
Non-audit fees:		
Auditors of the Company	0.4	0.4

Included in profit after taxation is legal fees of \$91,500 (2009: \$43,900) 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:

	2010	2009
Net profit attributable to shareholders of the Company (\$'mil)	228.5	219.5
Weighted average number of ordinary shares in issue (million)	2,087.3	2,085.9
Basic earnings per share (in cents)	10.95	10.52

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.

	2010	2009
Net profit attributable to shareholders of the Company (\$'mil)	228.5	219.5
Weighted average number of ordinary shares in issue (million)	2,087.3	2,085.9
Adjustments for share options (million)	2.6	1.7
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	2,089.9	2,087.6
Diluted earnings per share (in cents)	10.93	10.51

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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. During the year, diesel sales was included in this segment to be consistent with the reporting to the Group's chief decision maker.
- (f) Vehicle inspection and testing: Income is generated through the provision of mandatory car inspection service, motor vehicle assessment, evaluation and 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.

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32 SEGMENT INFORMATION

(i) Business Segments

	Bus \$'mil	Bus station \$'mil	Rail \$'mil	Taxi \$'mil
FY 2010				
REVENUE				
External sales	1,612.2	22.7	134.4	981.9
Inter-segment sales	2.2	-	-	-
TOTAL	1,614.4	22.7	134.4	981.9
RESULT				
Operating profit	149.2	10.6	25.6	119.3
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				
OTHER INFORMATION				
Additions to vehicles, premises and equipment	225.8	1.5	1.0	300.8
Additions to taxi and other licences	-	-	-	0.8
Additions to goodwill, net	-	-	-	14.2
Depreciation expense	121.1	1.5	1.1	141.7
Amortisation expense	0.1	-	-	3.4
Provision for impairment loss recognised in income statement	-	-	-	7.8
STATEMENT OF FINANCIAL POSITION				
ASSETS				
Segment assets	2,074.7	22.5	29.1	1,131.8
Associates	-	-	-	125.9
Goodwill	107.8	-	-	22.4
Cash, fixed deposits, equities and bonds				
Deferred tax assets				
Consolidated total assets				
LIABILITIES				
Segment liabilities	723.1	18.1	32.3	249.4
Borrowings				
Income tax payable				
Deferred tax liabilities				
Consolidated total liabilities				

Automotive engineering services \$'mil	Vehicle inspection and testing \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Elimination \$'mil	Total \$'mil
300.1	83.7	33.6	38.3	-	3,206.9
95.0	2.3	0.1	-	(99.6)	-
395.1	86.0	33.7	38.3	(99.6)	3,206.9
39.1	27.3	5.9	11.4	-	388.4
					7.2
					(35.7)
					359.9
					6.4
					366.3
					(78.1)
					288.2
					(59.7)
					228.5
1.7	11.1	11.8	2.5	-	556.2
-	-	-	-	-	0.8
-	-	-	-	-	14.2
2.8	5.8	11.3	2.1	-	287.4
-	-	-	-	-	3.5
-	-	-	-	-	7.8
77.1	59.8	88.0	28.5	-	3,511.5
-	-	-	-	-	125.9
0.1	13.5	1.5	0.5	-	145.8
					590.6
					7.6
					4,381.4
51.5	18.7	9.5	12.0	-	1,114.6
					711.3
					27.0
					180.9
					2,033.8

Notes To The Financial Statements

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32 SEGMENT INFORMATION (CONT'D)

	Bus \$'mil	Bus station \$'mil	Rail \$'mil	Taxi \$'mil
FY 2009				
REVENUE				
External sales	1,530.9	21.4	119.7	927.6
Inter-segment sales	2.2	-	-	-
TOTAL	1,533.1	21.4	119.7	927.6
RESULT				
Operating profit	123.9	10.3	20.5	105.2
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				
OTHER INFORMATION				
Additions to vehicles, premises and equipment	408.0	0.3	3.8	154.9
Additions to taxi and other licences	123.2	-	-	18.7
Additions to goodwill, net	33.0	-	-	0.3
Depreciation expense	108.7	1.4	1.2	141.3
Amortisation expense	0.1	-	-	3.3
Provision for impairment loss recognised in income statement	0.7	-	-	5.6
STATEMENT OF FINANCIAL POSITION				
ASSETS				
Segment assets	1,912.5	22.8	28.9	1,053.3
Associates	12.6	-	-	109.7
Goodwill	105.2	-	-	8.3
Cash, fixed deposits, equities and bonds				
Deferred tax assets				
Consolidated total assets				
LIABILITIES				
Segment liabilities	710.9	16.2	27.1	229.1
Borrowings				
Income tax payable				
Deferred tax liabilities				
Consolidated total liabilities				

Automotive engineering services \$'mil	Vehicle inspection and testing \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Elimination \$'mil	Total \$'mil
307.4	77.3	33.3	34.2	-	3,051.8
98.9	2.2	0.1	-	(103.4)	-
406.3	79.5	33.4	34.2	(103.4)	3,051.8
51.2	24.7	4.4	9.7	-	349.9
					5.6
					(29.1)
					326.4
					7.7
					334.1
					(58.4)
					275.7
					(56.2)
					219.5
1.9	6.1	12.8	3.0	-	590.8
-	-	-	-	-	141.9
-	-	-	-	-	33.3
2.9	5.6	13.4	1.9	-	276.4
0.1	-	-	-	-	3.5
-	-	-	-	-	6.3
74.3	53.6	96.7	26.0	-	3,268.1
-	-	-	-	-	122.3
0.1	13.5	1.5	0.5	-	129.1
					524.0
					8.6
					4,052.1
52.2	18.6	9.9	11.3	-	1,075.3
					596.8
					42.5
					125.6
					1,840.2

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*	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
Geographical Location						
Singapore	1,832.8	1,729.2	1,374.7	1,268.7	372.2	319.7
United Kingdom/Ireland	711.5	749.3	282.3	292.5	46.2	44.2
Australia	377.5	276.7	823.6	716.5	117.0	354.5
China	274.7	285.0	417.2	479.2	25.3	43.0
Vietnam	7.4	7.7	12.5	9.2	8.8	2.6
Malaysia	3.0	3.9	4.3	5.2	1.7	2.0
Total	3,206.9	3,051.8	2,914.6	2,771.3	571.2	766.0

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

33 COMMITMENTS

As at 31 December 2010, the Group has the following commitments:

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

	The Group	
	2010 \$'mil	2009 \$'mil
Purchase of equipment	6.1	7.3
Purchase of buses, taxis and motor vehicles	369.0	236.9
Purchase of computer systems	1.7	1.7
Development of bus depots and properties	9.0	2.8
	385.8	248.7

34 OPERATING LEASE ARRANGEMENTS

The Group as lessee

	The Group	
	2010 \$'mil	2009 \$'mil
Minimum lease payment under operating leases recognised as expense in the year	29.0	27.0

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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	
	2010 \$'mil	2009 \$'mil	2010 \$'mil	2009 \$'mil
Within one year	25.7	26.3	2.4	3.4
In the second to fifth year inclusive	54.1	63.8	9.7	9.8
After five years	121.4	130.8	9.7	11.9
Total	201.2	220.9	21.8	25.1

Leases are negotiated for 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 \$86.8 million (2009: \$87.3 million).

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

	The Group	
	2010 \$'mil	2009 \$'mil
Within one year	72.2	72.4
In the second to fifth year inclusive	144.2	138.0
After five years	22.7	27.9
Total	239.1	238.3

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.

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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 sometimes borrows 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 swaps 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.

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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 \$1.4 million (2009: \$1.3 million). The sensitivity analysis assumes that consumption is held constant at the same level as in 2010.

(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

	2010		2009	
	Assets \$'mil	Liabilities \$'mil	Assets \$'mil	Liabilities \$'mil
The Group				
At fair values:				
Interest rate swaps	1.5	1.7	2.6	2.6
Foreign exchange	-	2.6	0.3	-
Fuel hedges	6.3	-	4.5	-
	7.8	4.3	7.4	2.6
Analysed as:				
Current	7.6	4.3	6.1	1.8
Non-current	0.2	-	1.3	0.8
Total	7.8	4.3	7.4	2.6

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	
	2010 \$'mil	2009 \$'mil
Interest rate swaps	138.2	193.5
Foreign exchange	66.2	52.3
Fuel hedges	47.4	30.9

As at 31 December 2010, the fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the end of the reporting period, comprises \$7.8 million assets (2009: \$7.4 million assets) and \$4.3 million liabilities (2009: \$2.6 million liabilities).

The Group uses forward contracts and options to manage its exposure to foreign exchange risks. These arrangements are designed to address foreign exchange risk on future purchases of goods and are accounted for as fair value hedges. As at 31 December 2010, the fair value of the Group's foreign exchange hedging instruments comprising \$2.6 million liabilities (2009: \$0.3 million assets) is matched by an equivalent fair value adjustment on the hedged item in the trade and other payables (Note 19).

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 fair value hedges. As at 31 December 2010, the fair value of the Group's fuel hedging instruments comprising \$6.3 million assets (2009: \$4.5 million assets) is matched by an equivalent fair value adjustment on the hedged item in the trade and other payables (Note 19).

Notes To The Financial Statements

31 December 2010

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

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a portion of those borrowings from floating rates to fixed rates. The Group entered into contracts with nominal values of \$138.2 million (2009: \$193.5 million). Of the \$138.2 million (2009: \$193.5 million), \$44.2 million (2009: \$58.1 million) involved swapping payments of fixed interest rate of 5.14% (2009: 5.14%) per annum for floating rate receipts at 6-month British Pound London InterBank Offer Rate for periods up until 2011 (2009: 2011) and \$94.0 million (2009: \$105.1 million) involved swapping payments of fixed interest rates of 3.73% per annum for floating rate receipts at 1-month AUD BBSY for periods up to 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) and finance lease payable under Note 18(d) while equity refers to total equity.

Notes To The Financial Statements

31 December 2010

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

(d) The tables below summarise the Group's and the Company's interest-bearing 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 %
The Group					
2010					
Financial assets					
Cash and bank balances:					
In functional currencies	73.8	-	-	73.8	0.1% - 4.8%
In non-functional currencies	0.6	-	-	0.6	-
Time deposits:					
In functional currencies	489.8	-	-	489.8	0.1% - 13.5%
In non-functional currencies	2.5	-	-	2.5	0.5% - 1.2%
Total cash balances and time deposits	566.7	-	-	566.7	
The carrying amounts of these financial assets approximate their fair values. The average remaining tenure for bank deposits is 2.4 months.					
Available-for-sale investments:					
Bonds and notes in functional currencies	5.8	5.2	12.6	23.6	3.9% - 4.8%
Hedging instruments:					
In functional currencies	1.5	-	-	1.5	
Financial liabilities					
Loans in functional currencies:					
Interest-bearing	155.3	290.1	-	445.4	2.0% - 15.4%
Non-interest bearing	0.1	-	1.1	1.2	-
Finance obligations under leases in functional currencies	32.8	110.5	121.4	264.7	0.9% - 8.4%
Total	188.2	400.6	122.5	711.3	
Hedging instruments:					
In functional currencies	1.7	-	-	1.7	

Notes To The Financial Statements

31 December 2010

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 %
The Group					
2009					
Financial assets					
Cash and bank balances:					
In functional currencies	79.6	-	-	79.6	0.1% – 10.5%
In non-functional currencies	1.5	-	-	1.5	0.1% – 2.8%
Time deposits:					
In functional currencies	395.0	-	-	395.0	0.1% – 0.5%
In non-functional currencies	9.5	-	-	9.5	0.1% – 3.2%
Total cash balances and time deposits	485.6	-	-	485.6	
The carrying amounts of these financial assets approximate their fair values. The average remaining tenure for bank deposits is 2.3 months.					
Available-for-sale investments:					
Bonds and notes in functional currencies	10.1	15.8	12.3	38.2	3.8% – 4.8%
Hedging instruments:					
In functional currencies	2.6	-	-	2.6	
Financial liabilities					
Loans in functional currencies:					
Interest-bearing	99.8	241.9	-	341.7	4.4% – 9.9%
Non-interest bearing	0.1	-	1.7	1.8	-
Finance obligations under leases in functional currencies	30.5	102.6	120.2	253.3	0.9% – 8.4%
Total	130.4	344.5	121.9	596.8	
Hedging instruments:					
In functional currencies	2.6	-	-	2.6	

Notes To The Financial Statements

31 December 2010

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 %
The Company					
2010					
Financial assets					
Cash and bank balances:					
In functional currencies	1.2	-	-	1.2	-
In non-functional currencies	0.3	-	-	0.3	-
Time deposits:					
In functional currency	215.9	-	-	215.9	0.1% – 0.5%
In non-functional currencies	2.5	-	-	2.5	0.5% – 1.2%
Total cash balances and time deposits	219.9	-	-	219.9	

The carrying amounts of these financial assets approximate their fair values. The average remaining tenure for bank deposits is 1.1 month.

Available-for-sale investments:

Bonds and notes in functional currencies	5.8	-	7.1	12.9	3.9% – 4.2%
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2009

Financial assets

Cash and bank balances:

In functional currencies	0.9	-	-	0.9	-
In non-functional currencies	0.1	-	-	0.1	-

Time deposits:

In functional currency	215.5	-	-	215.5	0.1% – 0.9%
In non-functional currencies	9.2	-	-	9.2	0.1% – 3.2%

Total cash balances and a time deposits	225.7	-	-	225.7	
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The carrying amounts of these financial assets approximate their fair values. The average remaining tenure for bank deposits is 1 month.

Available-for-sale investments:

Bonds and notes in functional currencies	10.1	5.9	6.9	22.9	3.9% – 4.2%
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36 DIVIDENDS

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

	2010 \$'mil	2009 \$'mil
Final dividend in respect of the previous financial year:		
- 2.40 cents per ordinary share tax-exempt one-tier	-	50.1
- 2.67 cents per ordinary share tax-exempt one-tier	55.7	-
Interim dividend in respect of the current financial year:		
- 2.63 cents per ordinary share tax-exempt one-tier	-	54.8
- 2.70 cents per ordinary share tax-exempt one-tier	56.4	-
Total	112.1	104.9

(b) Subsequent to the statement of financial position, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 2.80 cents per ordinary share totalling \$58.5 million be paid for the financial year ended 31 December 2010. 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) An annual licence fee computed based on 0.5% of the total annual fare and non-fare revenue, net of goods and services tax, is payable to LTA for the first 10 years. LTA may retain or modify the basis for the purpose of calculating the licence 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.

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.

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38 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS

Details of subsidiaries and associates are as follows:

(a) Subsidiaries

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2010 %	2009 %
Quoted equity shares				
SBS Transit Ltd ⁽¹⁾	Provision of public bus and rail services	Singapore	75.19	75.29
VICOM Ltd ⁽¹⁾	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	68.83	69.39
Unquoted equity shares				
Braddell Limited ⁽⁵⁾	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
CityFleet (UK) Pte Ltd ⁽²⁷⁾	Investment holding	Singapore	–	54.66
Comfort (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Bus Pte Ltd	Provision of charter bus services, rental of buses to hirers and other related services	Singapore	100	100
ComfortDelGro (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Driving Centre Pte Ltd	Operation of a driving school	Singapore	90	90
ComfortDelGro Engineering Pte Ltd	Operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel for motor vehicles	Singapore	100	100
ComfortDelGro Rent-A-Car Pte Ltd	Provision of car rental, car care and leasing services	Singapore	100	100
ComfortDelGro (S.E. Asia) Pte Ltd	Investment holding	Singapore	100	100
Comfort Group Ltd ⁽²⁷⁾	Investment holding	Singapore	–	100
Comfort Transportation Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2010 %	2009 %
DelGro Corporation Limited	Investment holding	Singapore	100	100
DelGro (Guangzhou) Pte Ltd	Inactive	Singapore	100	100
Moove Media Pte Ltd	Provision of advertising services	Singapore	100	100
CityFleet Networks Limited ⁽⁵⁾ ⁽²²⁾	Provision and management of taxi booking services	United Kingdom	55.72	54.66
Swan Taxis Pty Ltd ⁽⁵⁾ ⁽²⁴⁾	Provision of taxi services	Australia	100	-
ComfortDelGro Cabcharge Pty Ltd ⁽⁵⁾ ⁽²⁸⁾	Investment holding and provision of management services	Australia	55.72	54.66
Subsidiaries of VICOM Ltd:				
JIC Inspection Services Pte Ltd	Vehicle inspection and other related services	Singapore	53.69	54.12
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	68.83	69.39
VICOM Assessment Centre Pte Ltd	Provision of vehicle assessment services	Singapore	35.10	35.39
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	68.83	69.39
Subsidiaries of Setsco Services Pte Ltd:				
Setsco Services (M) Sdn Bhd ⁽²⁾	Provision of testing, inspection and consultancy services	Malaysia	68.83	69.39
Setsco Consultancy International Pte Ltd	Provision of professional inspection and engineering services	Singapore	68.83	69.39

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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	
			2010 %	2009 %
Subsidiaries of Comfort (China) Pte Ltd:				
Suzhou Comfort Taxi Co., Ltd ⁽³⁾	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 ⁽⁴⁾	Provision of taxi and land transport-related services in the Xiamen municipality	China	70	70
Subsidiaries of Suzhou Comfort Taxi Co., Ltd:				
Suzhou Comfort Toyota Sales & Service Co., Ltd ⁽³⁾	Distribution of motor vehicles and trading of automotive parts in the Suzhou municipality	China	70	70
Suzhou Comfort Passenger Transportation Co., Ltd ⁽³⁾	Provision of inter-city bus services	China	70	70
Subsidiary of DelGro Corporation Limited:				
Waterbank Properties (S) Pte Ltd	Inactive	Singapore	100	100
Subsidiary of SBS Transit Ltd:				
Monteria Pte Ltd ⁽²⁷⁾	Inactive	Singapore	–	75.29
Subsidiaries of Braddell Limited:				
Irish Citylink ComfortDelGro Limited ⁽⁵⁾	Provision of coach services	Ireland	100	100
Metroline Limited ⁽⁵⁾	Investment holding	United Kingdom	100	100
Scottish Citylink Coaches Limited ⁽⁵⁾	Provision of long distance coach services	United Kingdom	65	65
Subsidiaries of Metroline Limited:				
Metroline Travel Limited ⁽⁵⁾	Provision of public bus services	United Kingdom	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	
			2010 %	2009 %
Subsidiary of Scottish Citylink Coaches Limited:				
Megacity Limited ⁽⁵⁾	Inactive	United Kingdom	65	65
Subsidiary of CityCab Pte Ltd:				
Cabcharge Asia Pte Ltd	Provision of charge card facilities	Singapore	46.92	46.59
Subsidiary of Moove Media Pte Ltd:				
Moove Media Australia Pty Ltd ⁽²⁵⁾	Provision of advertising services	Australia	100	-
Subsidiaries of CityFleet Networks Limited:				
Computer Cab (Edinburgh) Limited ⁽⁷⁾	Provision of taxi services	United Kingdom	55.72	54.66
Computer Cab plc ⁽⁵⁾	Provision of taxi services	United Kingdom	44.58	43.73
Computer Cab (Aberdeen) Limited ⁽⁷⁾	Provision of taxi services	United Kingdom	55.72	54.66
Flightlink International Limited ⁽⁶⁾	Provision of private hire services	United Kingdom	55.72	38.26
Computer Cab (Birmingham) Limited ⁽⁶⁾	Provision of taxi services	United Kingdom	55.72	54.66
Central Dispatch Limited ⁽⁶⁾	Provision and management of taxi booking services	United Kingdom	55.72	54.66
Computer Cab (Liverpool) Limited ⁽⁷⁾	Provision of taxi services	United Kingdom	55.72	54.66
Westbus Coach Services Limited ^{(6) (23)}	Provision of coach services	United Kingdom	55.72	54.66
Subsidiary of Computer Cab (Edinburgh) Limited:				
Onward Travel Limited ⁽⁷⁾	Provision of taxi services	United Kingdom	55.72	54.66
Subsidiary of Computer Cab plc:				
Cabcharge Limited ⁽⁵⁾	Provision and management of taxi booking card facilities	United Kingdom	44.58	43.73

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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	
			2010 %	2009 %
Subsidiaries of ComfortDelGro (China) Pte Ltd:				
Beijing ComfortDelGro Yin Jian Auto Services Co., Ltd ⁽⁵⁾	Provision of car rental services	China	55	55
Beijing Jin Jian Taxi Services Co., Ltd ⁽⁸⁾	Provision of public taxi services through the rental of taxis to hirers	China	55	55
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd ⁽²¹⁾	Provision of motor vehicle evaluation and other related services	China	80	80
Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd ⁽⁹⁾	Operation of a driving school	China	51	51
Chengdu ComfortDelGro Taxi Co., Ltd ⁽⁹⁾	Provision of public taxi services through the rental of taxis to hirers	China	100	100
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd ⁽⁹⁾	Provision of motor vehicle evaluation and other related services	China	51	51
Chongqing ComfortDelGro Driver Training Co., Ltd ⁽¹⁰⁾	Operation of a driving school	China	90	90
CityCab (Shenyang) Co., Ltd ⁽¹¹⁾	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 ⁽⁹⁾	Provision of cars for hire	China	100	100
Guangzhou Xin Tian Wei Transportation Development Co., Ltd ⁽¹²⁾	Provision of bus station services	China	60	60
Jilin ComfortDelGro Taxi Co., Ltd ⁽¹³⁾	Provision of taxi and land transport-related services in the Jilin municipality	China	97	97
Nanjing ComfortDelGro Dajian Taxi Co., Ltd ⁽¹⁸⁾	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	70	70

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2010 %	2009 %
Subsidiaries of ComfortDelGro (China) Pte Ltd:				
Nanning Comfort Transportation Co., Ltd ⁽¹⁴⁾	Provision of taxi and land transport-related services in the Nanning municipality	China	80	80
Nanning ComfortDelGro Rent-A-Car Company Limited ⁽¹⁴⁾	Provision of cars for hire	China	90	90
Shanghai City Qi Ai Taxi Services Co., Ltd ⁽¹⁷⁾	Provision of public taxi services through the rental of taxis to hirers	China	51	51
Shenyang ComfortDelGro Bus Co., Ltd ⁽¹¹⁾	Provision of public bus and charter bus services	China	100	100
Shenyang ComfortDelGro Anyun Bus Co., Ltd ⁽¹¹⁾	Provision of public bus and charter bus services	China	80	80
Shenyang ComfortDelGro Taxi Co., Ltd ⁽¹¹⁾	Provision of public taxi services through the rental of taxis to hirers	China	80	80
Sichuan ComfortDelGro Car Servicing Co., Ltd ⁽²⁶⁾	Distribution of motor vehicle and operation of workshops for repairing, servicing and general maintenance of motor vehicles	China	-	51
Yantai ComfortDelGro Automobile Services Co., Ltd ⁽¹⁵⁾	Rental of taxis, vehicle inspection and repair	China	76	76
Subsidiary of Beijing Jin Jian Taxi Services Co., Ltd:				
Beijing Jia Run Co., Ltd ⁽⁸⁾	Provision of public taxi services through the rental of taxis to hirers	China	55	55
Subsidiary of Chengdu ComfortDelGro Taxi Co., Ltd:				
Chengdu ComfortDelGro Sheng Duo Taxi Co., Ltd ⁽⁹⁾	Provision of public taxi services through the rental of taxis to hirers	China	100	100
Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:				
CityLimo Leasing (M) Sdn Bhd ⁽¹⁶⁾	Provision of car leasing services	Malaysia	100	100
Pantas Rent-A-Car Holdings Sdn Bhd ⁽¹⁶⁾	Investment holding	Malaysia	100	100
Vietnam Taxi Co., Ltd ⁽⁵⁾	Provision of taxi services	Vietnam	70	70
ComfortDelGro Savico Taxi Company ⁽⁵⁾	Provision of taxi services	Vietnam	60	60

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2010 %	2009 %
Subsidiaries of Pantas Rent-A-Car Holdings Sdn Bhd:				
Pantas Rent-A-Car Sdn Bhd ⁽¹⁶⁾	Provision of cars for hire	Malaysia	100	100
DynaDrive Rent-A-Car Sdn Bhd ⁽¹⁶⁾	Provision of cars for hire	Malaysia	100	100
Subsidiaries of ComfortDelGro Cabcharge Pty Ltd:				
Westbus Region 1 Pty Ltd ⁽²⁰⁾	Provision of public bus services	Australia	55.72	54.66
Westbus Region 3 Pty Ltd ⁽¹⁹⁾	Provision of public bus services	Australia	55.72	54.66
Hillsbus Co Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
Hunter Valley Buses Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
Charterplus Pty Ltd ⁽⁵⁾	Provision of charter, coach and terminal services	Australia	55.72	54.66
Pivot Bus Services Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
CDC Victoria 1 Pty Ltd ⁽⁵⁾	Investment holding	Australia	55.72	54.66
Subsidiary of CDC Victoria 1 Pty Ltd:				
CDC Victoria 2 Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
Subsidiaries of CDC Victoria 2 Pty Ltd:				
CDC Victoria 3 Pty Ltd ⁽⁵⁾	Investment holding	Australia	55.72	54.66
CDC Victoria 4 Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
Western Coach Services Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
St. Albans Bus Service Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
North Sunshine Bus Service Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
Altona Bus Lines Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
W Sinclair & Sons Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
Subsidiary of CDC Victoria 3 Pty Ltd:				
Point Cook Werribee Passenger Service Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66

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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	
			2010 %	2009 %
Subsidiary of W Sinclair & Sons Pty Ltd:				
Eastern Suburbs Omnibus Services Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
Subsidiaries of Point Cook Werribee Passenger Service Pty Ltd:				
H.A. Davis Motor Service Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
West Transit Bus Lines Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	55.72	54.66
Subsidiaries of Swan Taxis Pty Ltd:				
S.W.N Pty Ltd ^{(5) (24) (27)}	Inactive	Australia	100	–
Tricolor Taxis Pty Ltd ^{(5) (24)}	Inactive	Australia	100	–
TIAIB (Western Australia) Pty Ltd ^{(5) (24)}	Provision of taxi insurance	Australia	70	–

Note:

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

- (1) Listed on the Singapore Exchange Securities Trading Limited.
- (2) Audited by WT & Ng Co, Malaysia.
- (3) Audited by Jiangsu Gong Zheng Certified Public Accountants, China.
- (4) Audited by Xiamen Xin Zhou Certified Public Accountants Co., Ltd, China.
- (5) Audited by overseas practices of Deloitte Touche Tohmatsu.
- (6) Audited by Wilkins Kennedy, United Kingdom.
- (7) Audited by Johnston Carmichael, United Kingdom.
- (8) Audited by Chong Zheng Tian Tong Certified Public Accountants Co., Ltd, China.
- (9) Audited by Sichuan Jun Yi Certified Public Accountants Co., Ltd, China.
- (10) Audited by Chong Qing Wan Long Fang Zheng Certified Public Accountants Co., Ltd, China.
- (11) Audited by Liao Ning Sheng Da Certified Public Accountants, China.
- (12) Audited by Guangzhou Orient Certified Public Accountants Co., Ltd, China.
- (13) Audited by Jilin Hua Tai Certified Public Accountants, China.
- (14) Audited by Guangxi Bo Hua San He Certified Public Accountants Co., Ltd, China.
- (15) Audited by Shan Dong Heng Feng Zheng Tai Certified Public Accountants Co., Ltd, China.
- (16) Audited by SH Tan and Partner, Malaysia.
- (17) Audited by Shanghai Zhong Xin Zhong Nan Certified Public Accountants, China.
- (18) Audited by Jiangsu Tianhua Dapeng Certified Public Accountants Co., Ltd, China.
- (19) Audited by Moore Stephens Chartered Accountants, Australia.

Notes To The Financial Statements

31 December 2010

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

- ⁽²⁰⁾ Audited by Spry Roghley Chartered Accountants, Australia.
- ⁽²¹⁾ Audited by Beijing Lehman Certified Public Accountants Co., Ltd, China.
- ⁽²²⁾ Previously held as a subsidiary by Cityfleet (UK) Pte Ltd. During the year, Computer Cab plc, Computer Cab (Edinburgh) Limited and Computer Cab (Aberdeen) Limited were transferred to CityFleet Networks Limited pursuant to an internal restructuring exercise.
- ⁽²³⁾ Previously held as a subsidiary of ComfortDelGro Cabcharge Pty Ltd. During the year, the subsidiary was transferred to CityFleet Networks Limited pursuant to an internal restructuring exercise.
- ⁽²⁴⁾ Acquired on 1 October 2010.
- ⁽²⁵⁾ Incorporated on 1 December 2010.
- ⁽²⁶⁾ Disposed during the financial year
- ⁽²⁷⁾ In the process of being struck-off.
- ⁽²⁸⁾ Previously held as a subsidiary of ComfortDelGro (S.E. Asia) Pte Ltd. During the year, the subsidiary was transferred to the Company pursuant to an internal restructuring exercise.

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed 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	
			2010 %	2009 %
Quoted equity shares				
Cabcharge Australia Limited ⁽¹⁾	Provision of a taxi charge account service business and related services to the taxi industry	Australia	9.64	7.46
Unquoted equity shares				
ComfortDelGro Insurance Brokers Pte Ltd ⁽²⁾	Insurance broking, risk management, claims management and related activities	Singapore	49	49
Shanghai Shen Xin Bus Service Ltd ⁽³⁾	Provision of bus services	China	-	49
Transit Link Pte Ltd ⁽³⁾	Provision of support services to transport operators	Singapore	-	37.65
Setsco Middle East Laboratory LLC ⁽⁴⁾	Provision of testing, inspection, training, certification and consultancy services	United Arab Emirates	49	-

Notes To The Financial Statements

31 December 2010

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

- (1) Audited by KPMG, Australia.
Although the Group holds less than 20% of the voting power in Cabcharge Australia Limited, the Group exercises significant influence by virtue of a board representation and its strategic relationship with Cabcharge Australia Limited through which it participates in the financial and operating policy decisions of Cabcharge Australia Limited.
- (2) Audited by Deloitte & Touche LLP, Singapore.
- (3) Disposed during the financial year.
- (4) Incorporated on 30 November 2010 and not audited.

(c) Related company transactions

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

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

(d) Acquisition of subsidiaries/businesses

The acquisition of Swan Taxis Pty Ltd for cash consideration of \$49.3 million has been accounted for by the acquisition method of accounting during the financial year. The net assets acquired in the transactions, and the goodwill arising, are disclosed in Note (a) of the consolidated cash flow statement.

The carrying amounts of net assets acquired approximate their fair values at the dates of acquisitions.

Acquisition-related costs have been excluded from the purchase consideration and recognised as an expense in the Income Statement of the Company and the Group.

This acquisition has no significant effects on the Group's financial position or results for the year.

39 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or Directors. 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:

	2010 \$'mil	2009 \$'mil
Revenue	2.7	2.2
Expenses	9.8	20.8

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 2010

40 GROUP PROPERTIES

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE					
ComfortDelGro Corporation Limited	-	Braddell Road	67,148 sq m	30 years 9 years unexpired	Head office, bus depot, vehicle workshop
ComfortDelGro Corporation Limited	-	Kim Chuan	10,784 sq m	2 years 1 year unexpired	Vehicle assembly workshop
SBS Transit Ltd	75.19	Soon Lee Road	26,670 sq m	30 years 19 years unexpired	Bus depot
SBS Transit Ltd	75.19	Defu Avenue 1	74,236 sq m	30 years 2 years unexpired	Bus depot
SBS Transit Ltd	75.19	Bedok North Avenue 4	62,220 sq m	Under Temporary Occupation Licence	Bus depot
SBS Transit Ltd	75.19	Bukit Batok Street 23	52,187 sq m	30 years 2 years unexpired	Bus depot
SBS Transit Ltd	75.19	Ayer Rajah Crescent	17,939 sq m	Under Temporary Occupation Licence	Bus park
SBS Transit Ltd	75.19	Ang Mo Kio Street 63	63,953 sq m	19 years 2 years unexpired	Bus depot
VICOM Ltd	68.83	Sin Ming Drive	10,853 sq m	30 years from January 1981 with option to renew another 30 years	Inspection, assessment services
VICOM Ltd	68.83	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	68.83	Bukit Batok Street 23	9,625 sq m	30 years from October 1995 with option to renew another 30 years	Inspection, assessment services
VICOM Ltd	68.83	Changi North Crescent	6,015 sq m	30 years from May 1995 15 years unexpired	Inspection services
VICOM Ltd	68.83	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 33 years unexpired	Inspection, assessment services

Notes To The Financial Statements

31 December 2010

40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
VICOM Ltd	68.83	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	68.83	Teban Gardens Crescent	9,830 sq m	JTC Corporation granted an extension of lease for 30 years from 1 February 2009	Testing, inspection, consultancy services
JIC Inspection Services Pte Ltd	53.69	Pioneer Road	9,190 sq m	30 years from December 1994 14 years unexpired	Inspection services
JIC Inspection Services Pte Ltd	53.69	Ang Mo Kio Street 63	2,145 sq m	12 months from January 2011 1 year unexpired	Inspection services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	11,129 sq m	60 years 25 years unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	25,087 sq m	30 years 12 years unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 41 years unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,500 sq m	22 years 15 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	26 years 16 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 38 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	30 years 12 years unexpired	Workshop, diesel kiosk
CHINA					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 17 years unexpired	Office, bus station
Shanghai City Qi Ai Taxi Services Co., Ltd	51	Lujiazang Road Shanghai	689 sq m	50 years 38 years unexpired	Office

Notes To The Financial Statements

31 December 2010

40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
Suzhou Comfort Taxi Co., Ltd	70	Jin Ji Hu Road Suzhou Industrial Park	10,516 sq m	50 years 36 years unexpired	Office, workshop
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 32 years unexpired	Staff residence
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd	80	Cheng Shou Si Road Jiu Gong Da Xing District Beijing	5,574 sq m	20 years 13 years unexpired	Office, workshop
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	No. 13 Jian Cai Road Chengdu	6,000 sq m	30 years 23 years unexpired	Vehicle inspection workshop
Yantai ComfortDelGro Automobile Services Co., Ltd	76	No. 7 Zhou Shan Road Yantai Development Zone	20,000 sq m	50 years 46 years unexpired	Office, workshop
Chongqing ComfortDelGro Driver Training Co., Ltd	90	Jiu Long Po Jiu Long Industrial Park Chongqing	25,170 sq m	46 years 39 years unexpired	Office, driving test, training centre
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd	51	Wen Jia Red Mill Village Chengdu	36,667 sq m	5 years 4 years unexpired	Driving test centre

UNITED KINGDOM

Computer Cab plc	44.58	Woodfield Road London W9 2BA	537 sq m	Freehold	Office
Computer Cab plc	44.58	Advantage House Mitre Bridge Ind Mitre Way London W10 6AU	995 sq m	10 years 9 years and 5 months unexpired	Office, fitting bay
Computer Cab (Aberdeen) Limited	55.72	Farburn House Burnside Drive Dyce Aberdeen AB21 OHW	1,000 sq m	12 years 2 years unexpired	Office
Computer Cab (Liverpool) Limited	55.72	Falkland Street Liverpool L3 8HB	610 sq m	99 years 87 years unexpired	Office, fleet dept

Notes To The Financial Statements

31 December 2010

40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
Metroline Limited	100	Pemberton Garden Bus Depot London N19 5RR	17,968 sq m	Freehold	Bus depot
Metroline Limited	100	Edgware Road London NW2 6JP	13,800 sq m	Freehold	Bus depot
Metroline Limited	100	High Street Potters Bar Herts EN6 5BE	11,614 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Willesden London NW10 2JY	9,874 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Harrow Weald HA3 6EJ	5,706 sq m	Freehold	Bus depot

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
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

Notes To The Financial Statements

31 December 2010

40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
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	40 Industrial Avenue Hoppers Crossing Victoria	6,635 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	41 Industrial Avenue Hoppers Crossing Victoria	4,285 sq m	Freehold	Bus, car park
ComfortDelGro Cabcharge Pty Ltd	55.72	9-13 Slough Road Altona Victoria	8,095 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	14/16 Carrington Drive Sunshine Victoria	9,804 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	89-93 Atherton Road Oakleigh Victoria	2,567 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	65 Edols Street Geelong Victoria	26,000 sq m	Freehold	Bus depot

Notes To The Financial Statements

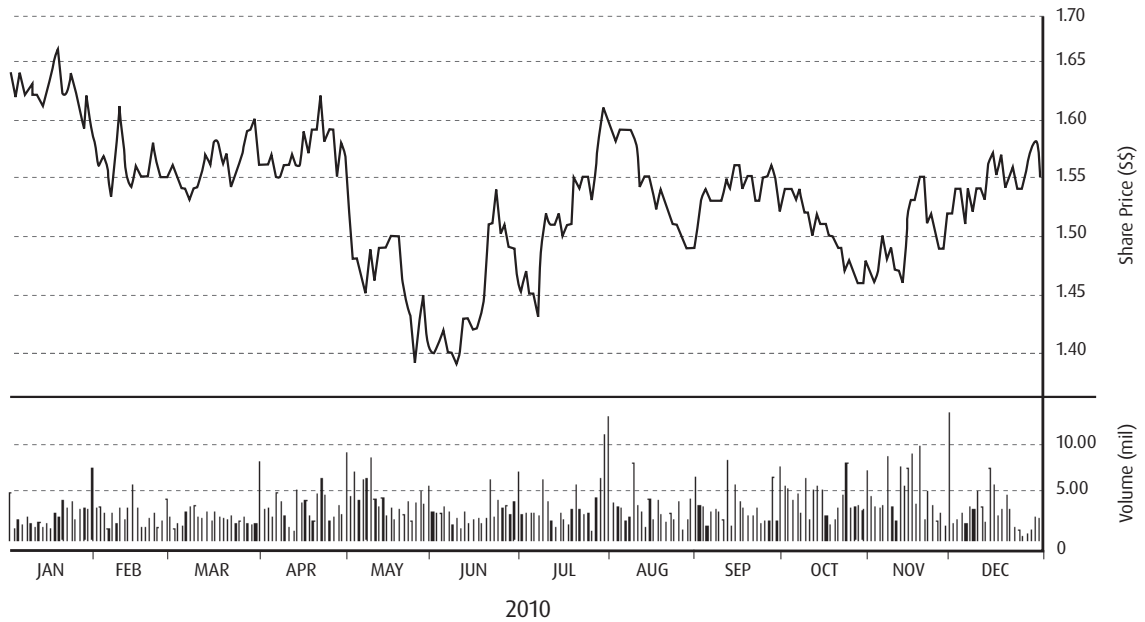
31 December 2010

40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
ComfortDelGro Cabcharge Pty Ltd	55.72	50 & 52 Industrial Avenue Hoppers Crossing Victoria	2,438 sq m	Freehold	Bus park
HA Davis Motor Service Pty Ltd	55.72	804 Norman Street Ballarat	47,750 sq m	Freehold	Bus depot
HA Davis Motor Service Pty Ltd	55.72	24 Clunes Road Creswick Victoria	614 sq m	Freehold	Bus park
Swan Taxis Pty Ltd	100	7 Harvey Street Victoria Park WA	2,278 sq m	Freehold	Office, call centre, workshop
VIETNAM					
Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh – TP Ho Chi Minh City	6,438 sq m	20 years 10 years unexpired	Office, workshop

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 2 March 2011

Number of shares issued : 2,089,560,663
 Class of shares : Ordinary shares
 Voting rights : One vote per share

Size of Shareholdings	No. of Shareholders		No. of Shares	
		%		%
1 – 999	1,770	4.60	680,562	0.03
1,000 – 10,000	19,506	50.71	89,454,870	4.28
10,001 – 1,000,000	17,153	44.60	393,926,689	18.85
1,000,001 & Above	35	0.09	1,605,498,542	76.84
Total	38,464	100.00	2,089,560,663	100.00

Top Twenty Shareholders	No. of Shares	%
DBS Nominees Pte Ltd	421,736,382	20.18
Citibank Nominees Singapore Pte Ltd	308,495,870	14.76
Singapore Labour Foundation	252,616,594	12.09
DBSN Services Pte Ltd	226,382,923	10.83
United Overseas Bank Nominees Pte Ltd	110,551,684	5.29
HSBC (Singapore) Nominees Pte Ltd	108,318,470	5.18
BNP Paribas Securities Services Singapore	42,150,047	2.02
Raffles Nominees (Pte) Ltd	31,003,867	1.50
OCBC Nominees Singapore Pte Ltd	23,179,766	1.11
DB Nominees (S) Pte Ltd	14,235,978	0.68
Changi Bus Company (Private) Limited	9,244,095	0.44
HL Bank Nominees (S) Pte Ltd	5,530,603	0.26
Yim Chee Chong	5,140,000	0.25
BNP Paribas Nominees Singapore Pte Ltd	4,919,938	0.24
Low Kim Hong	4,432,000	0.21
DBS Vickers Securities (S) Pte Ltd	3,375,458	0.16
Merrill Lynch (Singapore) Pte Ltd	3,005,110	0.14
Kua Hong Pak	2,824,530	0.14
Phillip Securities Pte Ltd	2,314,629	0.11
Chan Kam Fai	2,303,443	0.11
Total	1,581,761,387	75.70

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

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Singapore Labour Foundation	252,616,594	12.09	-	-
Silchester International Investors Limited	-	-	186,039,000	8.90
The Capital Group Companies, Inc.	-	-	135,100,000	6.46

As at 2 March 2011, approximately 71.68% 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.

Notice Of Annual General Meeting

COMFORTDELGRO CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 200300002K)

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of the Company will be held at the Auditorium, ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 on Wednesday, 27 April 2011 at 11.00 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 2010 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 2.80 cents per ordinary share in respect of the Financial Year ended 31 December 2010. **(Resolution 2)**
3. To approve the payment of Directors' fees of \$548,334 for the Financial Year ended 31 December 2010. (FY 2009: \$537,500) **(Resolution 3)**
4. To re-elect Mr Tow Heng Tan, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 4)**
5. To re-elect Dr Wang Kai Yuen, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 5)**
6. To re-elect Mr Wong Chin Huat, David, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 6)**
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. **(Resolution 7)**
8. To re-appoint Messrs Deloitte & Touche LLP as Auditors and authorise the Directors to fix their remuneration. **(Resolution 8)**

SPECIAL BUSINESS:

9. To consider and, if thought fit, to pass the following resolution with or without modifications as an Ordinary Resolution: **(Resolution 9)**

"THAT the Directors of the Company be and are hereby authorised to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of options under the ComfortDelGro Employees' Share Option Scheme, provided that the aggregate number of shares to be issued pursuant to the ComfortDelGro Employees' Share Option Scheme shall not exceed 15% of the total number of issued shares in the capital of the Company excluding treasury shares, from time to time." *

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 5 May 2011 for the purposes of determining Shareholders' entitlements to the proposed tax-exempt one-tier final dividend of 2.80 cents per ordinary share for the Financial Year ended 31 December 2010.

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 4 May 2011 will be registered before Shareholders' entitlements to the final dividend is determined. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 4 May 2011 will rank for the proposed final dividend.

The final dividend, if approved by the Shareholders at the Eighth Annual General Meeting of the Company, will be paid on 16 May 2011.

By Order of the Board

Chan Wan Tak, Wendy
Company Secretary
Singapore
29 March 2011

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

Dr Wang Kai Yuen is the Chairman of the Audit Committee and Mr Wong Chin Huat, David is a Member of the Audit Committee. They are considered independent Directors of the Company. If re-elected, Dr Wang Kai Yuen will continue as Chairman and Mr Wong Chin Huat, David will continue as a Member of the Audit Committee.

***EXPLANATORY NOTES 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 has a maximum duration of 10 years. The aggregate number of shares over which the Committee may grant options under the scheme for its entire duration is limited to 15% of the issued ordinary shares in the capital of the Company excluding treasury shares, from time to time.

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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 Shareholdings (Note 2)	
			No. of Shares	%

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 Wednesday, 27 April 2011 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AGM.

NOTE: The Chairman of the AGM will be exercising his right under Article 61(i) of the Articles of Association of the Company to demand a poll in respect of the Resolutions to be put to the vote of the Members at the AGM and at any adjournment thereof. Accordingly, such Resolutions at the AGM will be voted on by way of poll.

No.	Resolutions	No. of Votes For*	No. of Votes Against*
1.	Adoption of Directors' Report and Audited Financial Statements		
2.	Declaration of Final Dividend		
3.	Approval of Directors' fees		
4.	Re-election of Mr Tow Heng Tan as Director		
5.	Re-election of Dr Wang Kai Yuen as Director		
6.	Re-election of Mr Wong Chin Huat, David 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 _____ 2011.

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Total Number of Shares Held (Note 4)

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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 this 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

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All rights reserved. Some of the information in this report constitute 'forward looking statements' which reflect ComfortDelGro's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which may be outside ComfortDelGro's control. You are urged to view all forward looking statements with caution. No information herein should be reproduced without the express written permission of ComfortDelGro Corporation Limited. All information herein are correct at the time of publication. For updated information, please contact our Corporate Office.

SEDGWICK RICHARDSON DESIGN & PRODUCTION





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Company Registration No. 200300002K