ComfortDelGro Corporation Limited Annual Report 2008

Driven

Our Vision

To be the undisputed global leader in land transport.

Contents

Globally we are No.2
with a presence in 7 countries,
26 cities, and a total fleet
of 45,000 vehicles.

33,600 taxis
7,800 buses
41km of rail track

Our Mission

To be the world's number one land transport operator in terms of fleet size, profitability and growth.

Five-Year Compound Annual Growth Rate (CAGR)

+8.9%
Group Turnover
was S$3.1 billion in 2008,
up from S$2.0 billion in 2003

+13.1%
Overseas Turnover
was S$1.3 billion in 2008,
up from S$706.2 million in 2003

+5.8%
Group Operating Profit
was S$278.0 million in 2008,
up from S$209.6 million in 2003

+24.1%
Overseas Operating Profit
was S$129.8 million in 2008,
up from S$44.1 million in 2003

+8.4%
Net Profit
was S$200.1 million in 2008,
up from S$133.9 million in 2003

+1.7%
EBITDA*
was S$541.7 million in 2008,
up from S$498.9 million in 2003

+3.8%
Net Asset Value Per Ordinary Share
was 74.7 cents in 2008, up from 62.0 cents in 2003

+18.5%
Total Shareholder Return

* Refers to earnings before interest, taxation, depreciation and amortisation

We aim to be No.1

**Nothing is impossible.
After all, we got to the No.2 spot in just five years and now operate 45,000 vehicles around the world.**

Close to 50% of our turnover is generated outside Singapore.

With operations in 26 cities spread across seven countries, we have the broadest footprint amongst our global peers.

Global Footprint

Forty-five thousand vehicles, 21,000 employees, spread over 26 cities in seven countries. This is the story that is ComfortDelGro. Going forward, we will continue to look at new opportunities for growth and build on our position as the world's second largest land transport company.

"I continue to see a difficult and challenging year ahead with many countries in recession. Nevertheless, our businesses should be able to weather the storm. We will work at turning adversity into opportunity by seizing the chance to expand."

Annual Turnover
S$3.1 billion

2008 was a memorable, fulfilling, eventful, exciting and nerve-wracking year. We started off the year with a bang – having achieved our initial target of deriving 50% of our turnover from abroad just as we celebrated our fifth anniversary. We also produced a commemorative publication to record our journey thus far.

But even as we achieved one milestone, we were quick to embark on our next phase of growth by setting a new target: To derive 70% of our turnover from overseas by 2015. At the same time, the Ministry of Transport also announced new, bold land transport policies and practices which have far reaching implications on us.

All these happened amidst very volatile global economic and financial conditions with oil prices moving dramatically up and then down, global stock markets diving and a large number of currencies going into free fall.

Corporate Governance

As a global public listed company, corporate governance continues to be a subject of great importance and concern. This is becoming even more critical in light of the global financial crisis. I am very pleased to advise that we continue to do well in this area. As an example of efforts aimed at helping our Directors keep abreast of developments in corporate governance, copies of the Audit Committee Guidance Committee's publication entitled "Guidebook for Audit Committee in Singapore" which provides guidance and recommendations on the best practices for audit committees of companies listed on the Singapore Exchange have been circulated to them. The Board has also encouraged Directors to participate in courses to continually update themselves on corporate governance developments.

Singapore Operations

Singapore's land transport industry is about to undergo a massive revamp following the release of the Land Transport Masterplan. The key initiatives of the Plan are the introduction of distance-based through fares, more bus lanes, improved service times, an expanded Electronic Road Pricing (ERP) network, lower growth in Certificates of Entitlement (COEs), greater contestability in both bus and rail, and substantial investment in rail infrastructure. All these are intended to achieve the Government's declared objective of increasing public land transport usage during the morning peak hours from the present 63% to 70% by 2020. Significantly, they will have a major impact on our operations going forward.

The introduction of greater competition in the rail sector through the concept of contestability will, for example, present significant opportunities to us. We are confident that our years of experience in bus operations and our strong track record in the operation of the North East Line (NEL) will stand us in good stead. We shall meet these challenges just as we had successfully done so in the taxi industry when it was deregulated five years ago. In fact, we are well accustomed to the concept of contestability as this is already well in place in London and Sydney where we operate. What is most important is to have a level playing field, regardless of the size, scale and age of the operations.

The taxi industry in Singapore remains saturated with operators competing for taxi drivers all the time. Our strengths continue to be our large fleet, our use of advanced technology, our sale of highly subsidised fuel in our premises to our taxi drivers as well as our reputation as an established taxi operator. As a result, we continue to reign as the largest operator in Singapore. As the level of competition intensifies, it is possible that marginal players may opt to exit the market. This is part and parcel of open competition.

Amidst the challenging conditions, our other businesses in Singapore have shown great tenacity with some even bucking the general downtrend to post strong growth. For example, our listed vehicle inspection and testing services subsidiary, VICOM Ltd, continued to gain strength in 2008. It posted record revenue and profit for the year thanks to strong demand for its inspection and testing services.

Similarly, our driving school, engineering and insurance broking businesses also continued to exhibit good growth. For businesses which have seen slowing demand as a result of the economic crisis – specifically our car rental and leasing business, our unscheduled bus business and our advertising arm – extra efforts have been put in to try and make their products and services more attractive to customers.

In January 2009, the Singapore Government unveiled new measures aimed at helping businesses tide through current difficult economic conditions. Besides a reduction in corporate tax by one percentage point, the Government has also introduced a Jobs Credit Scheme which will help employers offset wage costs. As a responsible corporate citizen, our scheduled bus and rail subsidiary, SBS Transit Ltd, has written to the Public Transport Council (PTC) to advise that it will not be seeking a fare increase this year. In addition, it has worked with the PTC to reduce bus and train fares for 2009. Our taxi operations will also be passing back the savings it will receive from the Singapore Budget to its drivers.

Overseas Operations

We continued to expand aggressively in 2008 as we worked towards our new target of a 70% overseas turnover by 2015. In all, we invested over S$207.0 million overseas during the year. This certainly marks a very good start for the new cycle.

Our biggest deal during the year was the A$149.2 million (S$147.3 million) acquisition of the Kefford Group, one of the largest bus operators in Victoria, Australia. Together with our bus business in Sydney, which we acquired in 2005, we are now dominant operators in the two largest cities in Australia with a total fleet of 1,222 buses and coaches. We are well positioned to take advantage of any opportunity that may be available in Australia for further expansion. For the year under review, Australia contributed A$169.6 million (S$203.1 million) or 6.6% to total Group turnover.

Our overseas activities in China continued to expand. In Beijing, for example, our subsidiary acquired a taxi operator with 342 vehicles for RMB 76.0 million (S$16.2 million). It also bought the 50 taxis it had been managing in Beijing for RMB 9.8 million (S$1.9 million).

Elsewhere in China we also continued to grow our businesses – organically and inorganically. For example, our bus depot business in Guangzhou handled 10.2 million passengers in 2008, representing an increase of about 10% over the previous year. Our bus operation in Shenyang and taxi fleets in Shanghai and Nanjing also grew organically. Inorganic growth came in the form of acquisitions in several cities including Jilin City. There, we acquired 339 taxi licences for RMB 27.8 million (S$5.6 million), making us the largest operator in the City with 729 vehicles, or a 16% market share. In Nanning, we also expanded our fleet further by another 100, increasing our fleet size to 680 and reinforcing our position as the market leader with our 20% market share. All in, we added about 800 taxis to the Group during the year, increasing the total fleet in China to almost 10,000. We now operate taxi services in 12 cities in China.

In China, our strategy is to scale up the operations that we are already in whilst exploring opportunities in new cities. In 2008, China contributed about RMB 1.2 billion (S$240.9 million) or 7.8% to total Group turnover.

Our businesses in the United Kingdom (UK) faced several challenges in 2008 including high fuel prices in the earlier part of the year, a weaker Sterling Pound in the latter half and a waning economy. Computer Cab plc, for example, had to contend with a drop in demand for its services as London's financial sector underwent tough times. Despite the challenges, our businesses remain fundamentally strong and our bus business in London, Metroline Limited, continued to perform well despite the higher operating costs. The redevelopment of the Cricklewood Garage should place us in a better position to compete for more business. Outside of London, our Scottish Citylink Coaches Limited, which operates between cities in Scotland and London, also did well. In an effort to extract greater cost savings, we have transferred the finance function to the Shared Services Centre of our partner, Stagecoach Group plc. In Ireland, the oft-repeated announcement by the Government of liberalising the bus business has yet to be enacted. Conditions favour the state-run operator.

But even as we worked at overcoming the challenges, we continued to look for opportunities to expand in the UK. Towards the end of the year, we acquired a taxi circuit in Liverpool. Together with our operations in Edinburgh, Aberdeen and Birmingham, we are now well represented in the major cities in the UK with 7,626 vehicles including 3,200 private hires. During the year, Computer Cab completed the development of the new Advantage Booking System in London. We will soon extend this to the other cities where we operate. For the year under review, the UK/Ireland contributed S$852.4 million or 27.5% to total Group turnover.

In June 2008, we exchanged 16% of our stake in CityFleet (UK) Pte Ltd (which owns Computer Cab) for new shares in Cabcharge Australia Limited. Through this transaction and a similar one in 2006, we have reduced our stake in CityFleet to 51% with Cabcharge Australia owning the balance 49%. Concurrently, our stake in Cabcharge Australia has increased to 7.5% making us the single largest shareholder in the A$765.0 million listed company. Our relationship with Cabcharge Australia, which is also our partner in the bus operations in Australia, has strengthened over the years at both the Board and the management levels. I foresee exciting times ahead for both of us.

In Southeast Asia, our two taxi companies in Vietnam and our car rental and leasing business in Malaysia had a difficult year. The taxi industry in Ho Chi Minh City where we operate is not regulated and business was affected by an oversupply of taxis, high fuel prices and a shortage of drivers. This was further exacerbated by high bank interest rates and double-digit inflation. Intense competition in the Malaysian car rental and leasing business also proved a hurdle for our operations there. In both countries, we continue to look at new ways to grow our businesses including introducing new services to attract drivers and customers. In 2008, our Vietnam and Malaysia operations contributed S$12.3 million or 0.4% to total Group turnover.

Investor Relations

As the world's second largest land transport operator with a global fleet of 45,000, we are well covered by the global research community. Over 80 meetings were held with more than 100 teams of analysts and investors during the year. In all, 17 houses tracked us in 2008, producing over 100 analyst reports. In terms of stock price performance, we continued to outperform the market. We outperformed the MSCI Singapore Free Index, FTSE Mid Cap Index and FTSE/ASEAN Index, by 29%, 40% and 28% respectively in 2008. We also outperformed the ST Index by 28% and the FTSE ST All Share Index by 33%. And despite the fact that our market capitalisation has dropped from S$3.8 billion to S$3.0 billion, we have moved up the ranks amongst the 763 listed companies on the Singapore Exchange – from 40th position in 2007 to 28th as at the end of 2008.

Finance

Despite the difficult climate, management efforts were commendable. Group revenue for the year was 3.6% higher than 2007 at S$3.1 billion although net profit fell by 10.3% to S$200.1 million. This was due largely to the high cost of fuel in the first part of the year and the translation effect of the weaker Sterling Pound and Australian Dollar in the latter part.

I am pleased to advise that the Board has recommended a final one-tier tax-exempt dividend of 2.4 cents per share. Together with the ordinary interim one-tier tax-exempt dividend of 2.6 cents per share paid in September 2008, the total one-tier tax-exempt ordinary dividend for 2008 is 5.0 cents per share compared to 5.4 cents (excluding the special net dividend of 3.7 cents, gross 4.15 cents) in 2007. This is in line with our declared policy of paying at least 50% of our profits as ordinary dividends.

Earnings per share in 2008 was 9.59 cents compared to 10.73 cents previously. Return on equity was 13.2% compared to 15.3% in 2007 while our net asset value per share was 74.65 cents compared to 71.11 cents in 2007. Our total assets stood higher at S$3.4 billion while our shareholders' fund was 5% higher at S$1.6 billion. Our gross gearing remains low at 20.8% compared to 25% previously. Indeed, our balance sheet remains strong and we are well positioned to take advantage of new strategic opportunities.

With a weak Sterling Pound and Australian Dollar, our overseas turnover was reduced from 46.8% in 2007 to 42.7%. But overseas operating profit increased to 47.3% from 45.8% in 2007. Despite that, overseas bus turnover remains high at 58.7% of total bus turnover while the overseas taxi turnover is 35% of total taxi turnover.

The Year Ahead

At the time of writing this statement, I continue to see a difficult and challenging year ahead with many countries in recession. Nevertheless, our businesses should be able to weather the storm. We will work at turning adversity into opportunity by seizing the chance to expand. Our emphasis will still be on overseas expansion, cost cutting measures and higher productivity.

We will however not neglect the "softer" aspects of our business – corporate social responsibility and manpower development. We will continue to give back to the community as we always have – in cash and in kind. We will also continue with our Green policies and stay true to our Green Statement which we issued in late-2007. In terms of building up our talent pool, we will continue to invest in training and look at ways to attract new talent into the Group.

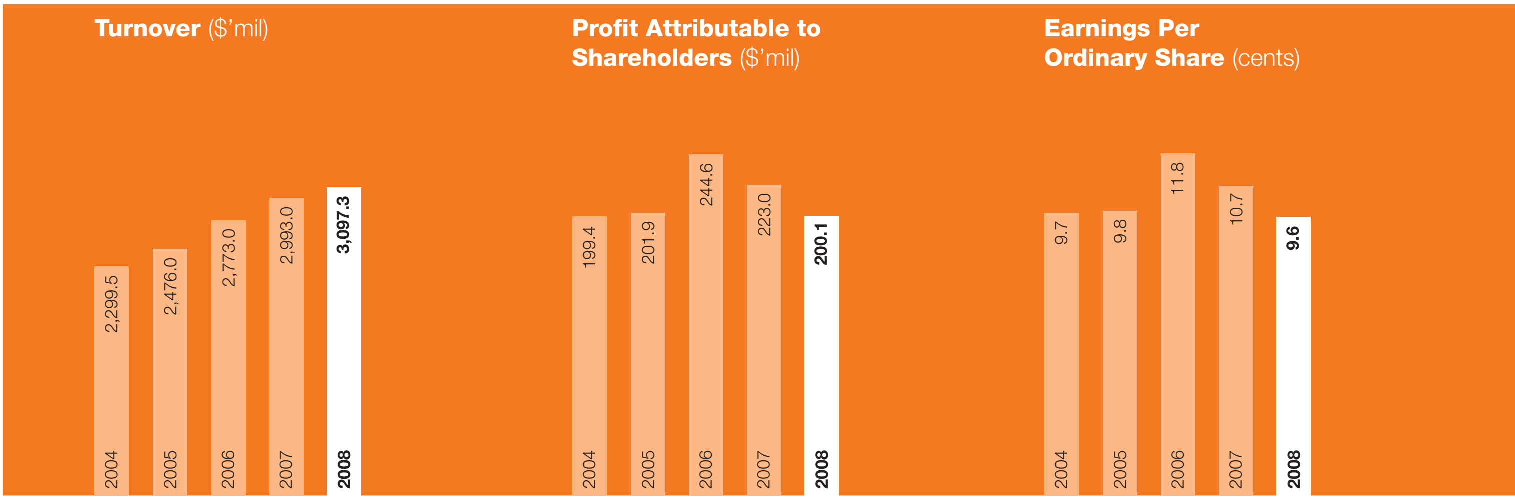
Conclusion

I am very confident that with Managing Director/Group Chief Executive Officer Mr Kua Hong Pak at the helm driving and managing the Group, we will be able to emerge stronger from the current crisis. However, external factors like fuel prices, currency exchange rates and regulatory environments are largely beyond our control. We will continue to work at balancing Commuters' needs, Authorities' expectations and Shareholders' interests.

I thank my fellow Directors for their support, advice and cooperation in the past year. I also wish to thank our management for another year of hard work and commitment resulting in an excellent set of results. I commend their marvellous efforts. In this difficult time, our relationship with the labour movement was also put to the test and I am very pleased to say that we had come out with flying colours, whether in Singapore, UK, Australia or China. I wish to sincerely thank the various Unions for their cooperation, assistance and understanding. To the various Authorities, we are grateful that we have continued to work closely together. I look forward to another year of challenging but fruitful times.

Lim Jit Poh
Chairman

Group Financial Highlights



Financial Summary

	2004	2005	2006	2007	2008
Turnover ($'mil)	2,299.5	2,476.0	2,773.0	2,993.0	**3,097.3**
Operating expenses ($'mil)	2,003.2	2,193.8	2,485.9	2,680.3	**2,847.6**
Profit attributable to shareholders ($'mil)	199.4	201.9	244.6	223.0	**200.1**
EBITDA ($'mil)	578.0	559.9	556.7	605.4	**541.7**
Issued capital ($'mil)	513.8	517.0	537.5	559.6	**560.9**
Capital and reserves ($'mil)	1,274.1	1,345.0	1,441.3	1,482.5	**1,556.8**
Capital disbursement ($'mil)	363.1	401.7	386.1	328.2	**351.3**
Internal funds generated ($'mil)	581.0	568.0	574.2	615.2	**551.3**
Earnings per ordinary share (cents)	9.7	9.8	11.8	10.7	**9.6**
Net asset per ordinary share (cents)	62.0	65.0	69.6	71.1	**74.7**
Return on shareholders' equity (%)	15.7	15.4	17.6	15.3	**13.2**
Net dividend per ordinary share (cents)	7.7	8.0	8.9	9.1	**5.0**
Dividend cover (number of times)	1.3	1.2	1.3	1.2	**1.9**

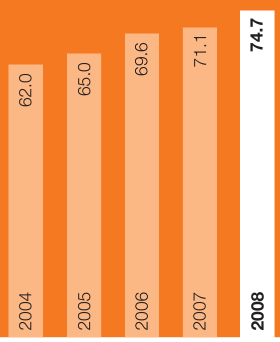
Group Turnover by Business Segment

	2004		2005		2006		2007		2008	
	$'mil	%	$'mil	%	$'mil	%	$'mil	%	**$'mil**	**%**
Bus	1,061.5	46.2	1,192.0	48.1	1,375.5	49.6	1,538.8	51.4	**1,532.8**	**49.5**
Bus station	13.5	0.6	16.1	0.7	15.7	0.6	17.9	0.6	**19.4**	**0.6**
Rail	61.0	2.6	69.1	2.8	80.3	2.9	94.8	3.2	**110.5**	**3.6**
Taxi	859.4	37.4	845.5	34.1	871.1	31.4	922.0	30.8	**945.3**	**30.5**
Diesel sales	117.9	5.1	165.3	6.7	209.8	7.6	192.2	6.4	**253.5**	**8.2**
Automotive engineering	83.6	3.6	81.9	3.3	103.8	3.7	97.9	3.3	**92.6**	**3.0**
Vehicle inspection & testing	47.4	2.1	49.9	2.0	55.7	2.0	63.6	2.1	**72.7**	**2.3**
Car rental & leasing	38.6	1.7	36.5	1.5	36.6	1.3	36.1	1.2	**37.0**	**1.2**
Driving centre	16.6	0.7	19.7	0.8	24.5	0.9	29.7	1.0	**33.5**	**1.1**
Group	**2,299.5**	**100.0**	**2,476.0**	**100.0**	**2,773.0**	**100.0**	**2,993.0**	**100.0**	**3,097.3**	**100.0**

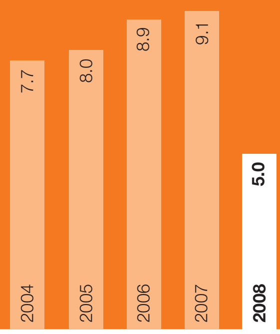
Group Turnover by Geographical Segment

	2004		2005		2006		2007		2008	
	$'mil	%	$'mil	%	$'mil	%	$'mil	%	**$'mil**	**%**
Singapore	1,403.9	61.1	1,441.1	58.2	1,549.6	55.9	1,604.8	53.6	**1,788.6**	**57.7**
United Kingdom/Ireland	752.7	32.7	842.9	34.0	889.5	32.1	981.4	32.8	**852.4**	**27.5**
China	133.4	5.8	147.3	6.0	187.9	6.8	216.0	7.2	**240.9**	**7.8**
Australia	n.a	n.a	32.0	1.3	132.0	4.7	177.8	5.9	**203.1**	**6.6**
Vietnam	5.5	0.2	8.3	0.3	9.0	0.3	8.1	0.3	**8.2**	**0.3**
Malaysia	4.0	0.2	4.4	0.2	5.0	0.2	4.9	0.2	**4.1**	**0.1**
Group	**2,299.5**	**100.0**	**2,476.0**	**100.0**	**2,773.0**	**100.0**	**2,993.0**	**100.0**	**3,097.3**	**100.0**

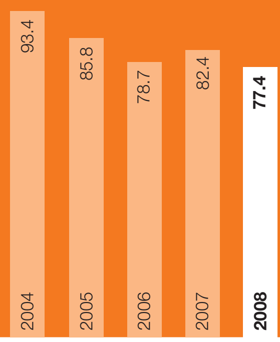
Net Asset Per Ordinary Share (cents)



Net Dividend Per Ordinary Share (cents)



Value-Added Per Employee ($'000)



Operating Profit by Business Segment

	2004		2005		2006		2007		2008	
	$'mil	%	$'mil	%	$'mil	%	$'mil	%	$'mil	%
Bus	115.8	35.6	115.6	37.9	128.6	41.9	135.1	40.2	96.3	34.7
Bus station	5.0	1.5	6.5	2.1	7.1	2.3	8.0	2.4	10.1	3.6
Rail	(17.3)	(5.3)	(6.3)	(2.1)	0.6	0.2	9.3	2.8	16.7	6.0
Taxi	158.9	48.9	135.8	44.5	107.8	35.1	122.3	36.4	102.1	36.7
Diesel sales	15.1	4.6	6.1	2.0	14.1	4.6	9.3	2.7	(10.6)	(3.8)
Automotive engineering	29.6	9.1	24.9	8.2	23.0	7.5	22.2	6.6	27.5	9.9
Vehicle inspection & testing	12.3	3.8	11.5	3.8	13.0	4.2	16.0	4.7	19.8	7.1
Car rental & leasing	2.3	0.7	6.2	2.0	7.2	2.3	6.8	2.0	6.9	2.5
Driving centre	3.5	1.1	4.8	1.6	5.8	1.9	7.3	2.2	9.2	3.3
Group	**325.2**	**100.0**	**305.1**	**100.0**	**307.2**	**100.0**	**336.3**	**100.0**	**278.0**	**100.0**

Operating Profit by Geographical Segment

	2004 (Restated)*		2005		2006		2007		2008	
	$'mil	%	$'mil	%	$'mil	%	$'mil	%	$'mil	%
Singapore	241.3	74.2	206.6	67.7	178.5	58.1	185.9	55.3	148.2	53.3
United Kingdom/Ireland	59.3	18.2	66.2	21.7	70.5	22.9	83.8	24.9	44.7	16.1
China	22.7	7.0	27.1	8.9	39.6	12.9	39.5	11.8	52.2	18.8
Australia	n.a	n.a	2.0	0.6	16.5	5.4	26.3	7.8	32.0	11.5
Vietnam	1.7	0.5	2.4	0.8	1.4	0.5	(0.2)	(0.1)	0.7	0.2
Malaysia	0.2	0.1	0.8	0.3	0.7	0.2	1.0	0.3	0.2	0.1
Group	**325.2**	**100.0**	**305.1**	**100.0**	**307.2**	**100.0**	**336.3**	**100.0**	**278.0**	**100.0**

Value-Added for the Group

	2004		2005		2006		2007		2008	
	$'mil	%	$'mil	%	$'mil	%	$'mil	%	$'mil	%
Suppliers of capital – loan interest & dividends	175.6	12.3	187.9	12.9	179.5	11.6	234.0	13.9	136.8	8.5
Taxation to the government	201.2	14.0	186.9	12.8	195.7	12.6	186.2	11.1	178.4	11.0
Retained earnings*	336.3	23.4	312.7	21.5	309.3	20.0	309.6	18.4	357.2	22.1
Employees - salaries, CPF and other benefits*	720.1	50.3	772.2	52.8	862.9	55.8	950.7	56.6	945.4	58.4
Total value-added	**1,433.2**	**100.0**	**1,459.7**	**100.0**	**1,547.4**	**100.0**	**1,680.5**	**100.0**	**1,617.8**	**100.0**
Value-added per employee ($'000)	93.4		85.8		78.7		82.4		77.4	

* Figures have been adjusted to account for the effect of adoption of FRS 102 in 2004.

Notes:
– Certain restatements and reclassifications have been made to 2004 to enhance comparability with the year under review.
– Throughout this report, all figures are stated in Singapore dollars, unless otherwise stated.
– n.a: not applicable

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, China Printing & Dyeing Holding Limited and Eng Kong Holdings 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 Friend of Labour Award in 1986, Meritorious Service Award in 1990 and 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.

Mr Lim was last re-elected a Director of the Company pursuant to Article 91 of the Company's Articles of Association at the Annual General Meeting held on 27 April 2007.

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 its 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 Public Service Star in 1996 by the President of the Republic of Singapore and re-appointed a Justice of the Peace in 2005. He was awarded a Medal of Commendation by the National Trades Union Congress in 2005.

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.

Pursuant to Article 91 of the Company's Articles of Association, Mr Kua will be due for re-election at the forthcoming Annual General Meeting to be held on 28 April 2009. He is a non-independent Director of the Company.

Ong Ah Heng
Director (Non-Executive & Independent)

Mr Ong Ah Heng was appointed a non-executive Director of ComfortDelGro Corporation Limited 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 the Consultant of Care & Share Secretariat in the National Trades Union Congress (NTUC) and the Honorary Consultant of National Transport Workers' Union (NTWU). Mr Ong was the former Assistant Secretary-General of NTUC and Alignment Director of Care & Share Secretariat in NTUC and was also the former Executive Secretary of NTWU, and a Director of Singapore Post Limited.

Mr Ong had been involved in the trade union movement from 1980 to 16 January 2008 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 30 April 2008.

Oo 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 Director (South East Asia) of Tata Steel Limited. He was the former President & CEO of Natsteel Asia Pte Ltd. He is also a Director of SIA Engineering Company Limited, Tata Steel (Thailand) Public Company Limited, Tata Steel Global Minerals Holdings Pte Ltd and NatSteel Holdings Pte Ltd.

Over the past 30 years, Mr Oo has had experiences handling export development and exports/imports to and from various overseas markets. These include the United States, Europe, Middle East, China, Japan, Australia and the ASEAN region. In addition, he was also involved in negotiations for investments in China and various ASEAN countries, and sat on the boards of companies in China, Hong Kong, Australia and 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 as a Director of the Company pursuant to Article 91 of the Company's Articles of Association at the Annual General Meeting held on 30 April 2008.

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 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 97 of the Company's Articles of Association at the Annual General Meeting held on 27 April 2007. 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.

Mr Tow 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 30 April 2008.

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. Dr Wang is the Managing Director of Fuji Xerox Singapore Software Centre and was formerly a 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 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, China Lifestyle Food & Beverages Group Ltd, EOC Ltd and A-Sonic Aerospace Ltd.

As Managing Director of Fuji Xerox Singapore Software Centre, Dr Wang manages a software centre with 150 employees. In that capacity, he interacts with senior managers of business and product development divisions in the United States, China and Japan of the global office equipment company. Dr Wang is familiar with the United States 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. In December 2005, he was invited as a guest speaker at the Anti-Corruption Seminar held in Phnom Penh under the auspices of the National Assembly of Cambodia.

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.

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 28 April 2009.

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 several other listed companies. He also serves as a member of the Public Service Commission and the Singapore Labour Foundation.

Mr Wong was awarded the Friend of Labour Award in 1989, the Meritorious Service Award in 1995 and the Distinguished Service Award in 2001 by the National Trades Union Congress. Mr Wong also received a Certificate of Appreciation from the Singapore Labour Foundation 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 28 April 2009.

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, UK.

Liew Kok Pun, Michael
Group Special Projects Officer

Mr Liew Kok Pun, Michael is the Group Special Projects Officer. Prior to his appointment on 1 December 2008, he was General Manager of the East China Business Unit, overseeing the bus and taxi operations in Shanghai, Suzhou and Nanjing. Mr Liew joined the Group in December 2002 as Executive Director of Comfort (China) and Vietnam. Prior to joining the Group, Mr Liew was the Senior Vice President of Times Publishing Group Ltd. Mr Liew holds a Bachelor of Science (Physics) (Hons) from the University of Singapore. He was also awarded a Commonwealth Scholarship to pursue a post-graduate degree in management at the University of Leeds, UK. He was conferred the Public Service Medal by the Singapore Government in 1972 and was a former Member of Parliament in Singapore. He was bestowed the National University of Singapore Outstanding Alumni Award in 2005.

Corporate Office

Chan Mui Wah, Daisy
Group Human Resource Officer

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

Tan I-Lin, Tammy
Group Corporate Communications Officer

Ms Tan I-Lin, Tammy was appointed Group Corporate Communications Officer in March 2004. She is responsible for the Group's corporate communications including promoting the Group's image, overseeing the Group's various publications, co-ordinating requests for sponsorships and donations, and liaising with the media and investment community. Ms Tan, who is also in charge of investor relations, 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.

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.

Eng Sok Yong
Senior Vice President,
Group Business Development

Ms Eng Sok Yong joined the Group in February 2007 and is the Senior Vice President (Group Business Development), with responsibilities for the Group's business development. She is also the Senior Vice President, Corporate Development of SBS Transit Ltd, where she oversees the support departments as well as Rental and Premises Department. Prior to joining the Group, Ms Eng was the Group Director of Policy and Planning, Land Transport Authority (LTA). Before this, she was Assistant Director in the Ministry of Trade and Industry, in charge of Singapore's multi-lateral negotiations in the World Trade Organisation. Ms Eng was a Public Service Commission (PSC) scholar and holds a Master of Science from the London School of Economics.

Strategic Business Units – Singapore

Gan Juay Kiat
Executive Director,
SBS Transit

Mr Gan Juay Kiat was appointed Executive Director of SBS Transit Ltd on 1 March 2009. Mr Gan first joined the Group as Group Corporate Planning Officer in February 2006. Subsequently, he was also appointed the Chief Executive Officer and Director of ComfortDelGro Bus Pte Ltd. In April 2007, he assumed the role of Chief Operating Officer of SBS Transit. Prior to joining the Group, Mr Gan was the Chief Corporate Officer at the Ascott Group and Senior Vice President (Corporate Planning) at CapitaLand Limited. Mr Gan started his career in the Singapore Armed Forces and moved on to join General Electric Company as a Divisional Director, and later to Times Publishing Limited where he was appointed Senior Vice President (Retail & Distribution). Mr Gan was a President's scholar and SAF (UK) scholar in 1976. He holds a Bachelor of Arts (Engineering Tripos) from the University of Cambridge, UK.

Yang Ban Seng
Chief Executive Officer,
Taxi Business

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 Operating Officer,
ComfortDelGro Engineering

Mr Sim Wing Yew was appointed Chief Operating Officer of ComfortDelGro Engineering Pte Ltd in August 2008. 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 workshops catering to a fleet of 2,800 public buses. Mr Sim holds a Bachelor of Engineering (Hons) in Mechanical and Production Engineering from the Nanyang Technological University and a Master in Business Administration from the University of Hull, UK.

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.

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.

Tan Chek Ping, Lawrence
Chief Executive Officer,
ComfortDelGro Bus

Mr Tan Chek Ping, Lawrence was appointed the Chief Executive Officer of ComfortDelGro Bus Pte Ltd in July 2007. He joined the Group in 2004 as General Manager of the North-East China Business Unit overseeing the bus and taxi operations in north-eastern China (Liaoning, Jilin and Heilongjiang Provinces) and Yantai (Shangdong Province). He was previously the General Manager of Times Publishing JV printing and packaging plants in Shenyang and Vice President of Business Development in China as well as the General Manager of China Operations for SEB Corp in Panyu, Guangdong Province. Mr Tan holds a Bachelor of Business Administration from the National University of Singapore.

Strategic Business Units – Singapore

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 UK. 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 MBA from the University of Hull, UK. In recognition of his contribution to community service, Mr Chua was awarded the Public Service Medal (PBM) in 1997 and the Public Service Star (BBM) in 2001. He was appointed a Justice of the Peace in 2005.

Huam Chak Khoon
Chief Executive Officer,
ComfortDelGro Driving Centre

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

Strategic Business Units – United Kingdom & Ireland

Lee Kah Wah, John
Chief Executive Officer,
UK Taxis/Coaches

Mr Lee Kah Wah, John is the Chief Executive Officer of UK Taxis/Coaches and Executive Director of Metroline Limited. He was formerly the Chief Executive Officer of Comfort Transportation Pte Ltd and Yellow-Top Cab Pte Ltd. He joined CityCab Pte Ltd in 1996 as General Manager and became Chief Operating Officer in 2000. Prior to joining the Group, Mr Lee held various positions within the logistics and food arm of the Singapore Technologies Group. He served 10 years with the Singapore Technologies Group and spent about seven years in two overseas postings. He holds a Bachelor of Business Administration from the University of Singapore. He attended the Stanford – NUS Executive Programme in 1994.

Jaspal Singh
Chief Executive Officer,
Metroline

Mr Jaspal Singh is the Chief Executive Officer of Metroline Limited. 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 Newscastle, 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.

Cathy Cullen
Managing Director,
Irish Citylink ComfortDelGro

Ms Cathy Cullen is the Managing Director of Irish Citylink ComfortDelGro Limited. She is responsible for the day-to-day management and development of ComfortDelGro operations in Ireland. Irish Citylink ComfortDelGro operates inter-city coach services, linking Galway, Dublin, Limerick and Cork and offers connectivity to Ireland's International Airports. Ms Cullen has more than 25 years of experience in the travel and tourism industry servicing both the corporate and public sectors. She holds International Qualifications in Travel and Tourism and received her International CPC Certificate for Professional Competency in 2008.

Key Management

Strategic Business Units – China

Leong Kwok Sun
General Manager,
North China Business Unit

Mr Leong Kwok Sun is the General Manager 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 in Mechanical Engineering and he holds a Bachelor of Engineering from the University of Singapore.

Choo Peng Yen
General Manager,
North-East China Business Unit

Mr Choo Peng Yen is the General Manager of the North-East China Business Unit. He is responsible for the operation and development of the Group's businesses in the three north-eastern provinces of Liaoning, Jilin and Heilongjiang. Mr Choo joined the Group in 1978 and was the Senior Vice President (Group Business Development) prior to his current appointment. He holds a Bachelor of Business Administration from the University of Singapore and attended the International Executive Programme at INSEAD (France).

Tan Seow Boon, Simon
General Manager,
West China Business Unit

Mr Tan Seow Boon, Simon is the General Manager 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.

Tay Chew Liang, Marc
General Manager,
Guangzhou Xin Tian Wei Transportation Development

Mr Tay Chew Liang, Marc is the General Manager of Guangzhou Xin Tian Wei Transportation Development Company Limited. Mr Tay began his career with Singapore Airlines and has since 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 16 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.

Tang Yew Meng, Richard
General Manager,
East China Business Unit
General Manager,
Xiamen Comfort and Nanning Comfort

Mr Tang Yew Meng, Richard is the General Manager 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 and Nanning Comfort. 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).

Strategic Business Units – Australia, Vietnam & Malaysia

Owen Eckford
Chief Executive Officer,
ComfortDelGro Cabcharge

Mr Owen Eckford is the Chief Executive Officer of ComfortDelGro Cabcharge Pty Ltd. He joined Westbus in early October 2002 as Operations Director. In January 2003, he took on the role of Managing Director. He brings a wealth of transport and corporate experience to the position, having held posts at the State Transit Authority and Sydney Ferries. Mr Eckford holds a Bachelor of Engineering (Naval Architecture) and a Master of Engineering Science (Civil Engineering, Transport) from the University of New South Wales, and a Bachelor of Laws (LLB) from the University of Technology, Sydney.

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 is a Keppel Corporation/Foreign and Commonwealth Office (UK) scholar and holds a Bachelor of Engineering (Mechanical) (1st Class Hons) from the University of Westminster, UK 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.

Chia Wing Too, Eric
General Manager,
Malaysia Business Unit

Mr Chia Wing Too, Eric joined the Group in May 2008 as General Manager of the car rental and leasing business in Malaysia. Mr Chia has more than 30 years of experience in the automotive industry and has held appointments in various organisations, including senior management positions at Inchcape Motors, Champion Motors and Komoco Motors. 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.

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, China, the United Kingdom, Ireland, 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.

Key Businesses > Bus, Taxi, Rail, Car Rental & Leasing, Automotive Engineering, Maintenance Services & Diesel Sales, Vehicle Inspection & Testing Services, Driving School Services, Insurance Broking Services and Outdoor Advertising

Singapore

Singapore

Turnover (S$'mil)

1,788.6

EBITDA (S$'mil)

310.6

Total investment (S$'mil)

398.3

Total operating fleet size

19,975

Total number of employees

9,753

BUS

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

Public Scheduled Bus

With a fleet of 2,885 public buses on about 250 routes, our listed subsidiary, SBS Transit Ltd, continued to maintain pole position in the scheduled bus industry, commanding a 75% share of the market. Average daily bus ridership increased from 2.2 million to 2.3 million due mainly to strong population growth and the introduction of new bus services, including 19 Premium Bus Services which offer commuters a direct link from the suburbs to the business district.

To cater to growing needs, SBS Transit invested S$147.0 million in 400 Euro V or European Enhanced Environmentally Friendly Vehicles (EEV). When these buses are rolled out later in 2009, they will rank as Asia's most environmentally friendly buses.

SBS Transit's Intelligent Route Information System, *iris* NextBus, continued to prove popular amongst commuters. A daily average of close to 14,000 SMSes were made by SBS Transit commuters during the year, more than double the 6,000 logged the year before.

The extension of full-day bus lanes to more locations and the installation of more CCTV cameras in our buses to deter motorists from straying into bus lanes further improved the travel time of our buses. SBS Transit is expected to invest another S$157.0 million in 2009 to further improve its services.

Private Bus Charter

The Group operates Singapore's largest private bus-chartering service through ComfortDelGro Bus Pte Ltd, which manages a fleet of 395 buses. It provides a whole range of charter services including employee transport and school bus services. It also offers overland bus services to West Malaysia and operates seven Premium Bus Services, complementing those offered by SBS Transit.

As a prominent event bus charterer, ComfortDelGro Bus clinched several major contracts during the year. For example, it was appointed the official transport service provider for the 2008 National Day Parade, the opening of the Kallang-Paya Lebar Expressway (KPE), the New Paper Big Walk and various Open House events for the Singapore Armed Forces, National University of Singapore and the Polytechnics.

TAXI

ComfortDelGro's taxi companies, Comfort Transportation Pte Ltd and CityCab Pte Ltd, continued to maintain leadership position with a combined market share of 65%.

Our hired-out rate remained high at 97% due mainly to extensive recruitment efforts, driver recommendation schemes, improved payouts to new taxi vocational licence holders and the continued success of the train-and-place scheme. We also continued to provide drivers with an enhanced benefits package including diesel subsidies totalling S$68.0 million in 2008.

The Electronic Road Pricing (ERP) reimbursement scheme that was introduced in December 2007 and the savings from the 15% reduction in road tax totalling S$2.7 million which were passed to drivers in December 2008 also helped to reduce their operating costs. In addition, another S$4.6 million in road tax savings will be passed to our drivers starting from March 2009. In July 2008, ComfortDelGro introduced a 30 cents diesel surcharge to help cabbies cope with high fuel prices. Four months later, when oil prices eased, the surcharge was removed.

Our hassle-free SMS taxi booking service, the first of its kind in Singapore, has been very popular with over 2,000 such bookings made every day. This service complements our very advanced taxi booking system which catered to a total of 18.2 million call booking jobs during the year.

ComfortDelGro's taxi corporate clientele base also grew during the year thanks largely to extensive marketing efforts including the introduction of the personal corporate charge card. The number of cashless payments made on our taxis also doubled with NETS transactions accounting for more than half of these transactions.

Currently, more than half of the Singapore taxi fleet is less than three years old. The Euro IV-compliant, auto-transmission Hyundai Sonata taxi continues to be well-received by drivers. By end of the year, close to 1,400 Euro II Toyota Crowns had been replaced, bringing the total number of Hyundai Sonatas to nearly 4,000. Together with our Euro IV-compliant limousine taxis, we have close to 5,000 environmentally friendly taxis, representing a third of our entire Singapore fleet.

RAIL

Ridership on our underground driverless rail system, the North East Line (NEL), and light rail transit systems (LRTs) in Punggol and Sengkang increased last year.

NEL clocked a 15.2% increase in average daily ridership to 307,389. The LRTs also experienced a 14.1% growth in average daily ridership to 43,666.

NEL continued to surpass service standards set by the Land Transport Authority (LTA). Our train service availability averaged a high 99.94%, better than the LTA's standard of 98% while our peak hour schedule adherence was 99.09%, better than the 95% target set by the LTA.

AUTOMOTIVE ENGINEERING, MAINTENANCE SERVICES & DIESEL SALES

Our automotive engineering subsidiary, ComfortDelGro Engineering Pte Ltd, secured several new tenders – the largest of which was a S$5.2 million contract with the Singapore Police Force. We also undertook maintenance works for the Ministry of Defence and the Ministry of Home Affairs, as well as assembled over 320 single-deck Scania buses for SBS Transit.

We also upgraded our Ubi workshop in 2008 to include a 5,000 square foot accessory shop. Indeed, demand from the private car market has grown over the years. In 2008, private car repairs and maintenance increased by 9% while the clientele base rose by almost 15%. In all, we handled an average of 4,500 servicing and accident repair jobs every month.

ComfortDelGro Engineering continued to keep pump prices low for the Group's taxi drivers. The volume of diesel sold in 2008 rose marginally to 221 million litres.

VEHICLE INSPECTION AND TESTING SERVICES

Our listed subsidiary, VICOM Ltd, continued to dominate the vehicle inspection industry with a market share of 71%. We further strengthened our position as Singapore's premier vehicle inspection and test operator when we were named 'Best Service Agent' at the inaugural Land Transport Excellence Awards.

A record of more than 376,000 vehicles passed through our inspection lanes during the year, contributing to a 14.1% increase in VICOM's turnover to S$73.7 million. This was due mainly to a combination of two factors – fewer vehicles being deregistered and a large number of cars, which had just turned three, being due for inspection. In May 2008, the Land Transport Authority (LTA) announced that all small buses with seating capacities of less than 15 passengers were to be retrofitted with retractable three-point seat belts. VICOM was appointed one of the agents in charge of ensuring that this new rule was adhered to. In October 2008, the Group also began offering inspection services to cars that had undergone Compressed Natural Gas (CNG) system conversions. With more vehicle owners going green, demand for such services has been strong.

Despite the growth in authorised accident reporting centres in Singapore, VICOM Assessment Centre Pte Ltd continued to reign as market leader by undertaking close to 29,800 accident reports and damage assessments, up from the 28,500 previously.

Our non-vehicular inspection subsidiary, Setsco Services Pte Ltd, continued to grow its business in 2008, led by strong demand from the construction, environmental, aerospace, marine as well as oil and gas sectors. For the construction sector, it played vital roles in the testing of structural steelworks in projects like Resorts World at Sentosa and Marina Bay Sands. It also carried out inspection services and quality control tests for Keppel Bay and ExxonMobil.

DRIVING SCHOOL SERVICES

Enrolment at ComfortDelGro Driving Centre Pte Ltd grew by about 10% to a record 32,000 in 2008, thanks in part to the two additional languages – Malay and Tamil – that were introduced for the e-Trial test.

ComfortDelGro Driving Centre also launched a one-stop service for employers of foreign drivers, offering these drivers specialised training on road regulations in Singapore as they prepared to convert their foreign licences.

CAR RENTAL & LEASING

With a fleet of 1,227 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. We continued to look at new ways to promote our services amidst an increasingly competitive industry.

INSURANCE BROKING SERVICES

ComfortDelGro Insurance Brokers Pte Ltd, our in-house insurance broking arm, continued to realise savings for the Group whilst growing its business. Its turnover grew to about S$10.9 million in 2008 thanks to strong demand both in-house and externally. We also received approval from the Monetary Authority of Singapore for a 10% concessionary tax rate for its offshore fees and commission.

OUTDOOR ADVERTISING

Moove Media Pte Ltd stayed ahead of competition by being one of the first in the world to utilise new mobile digital technologies such as electroluminescent lighting in its outdoor advertising campaigns. Demand for advertising space on our buses, trains, interchanges and taxis continued to stay strong as new innovative ways of advertising were well received by advertisers.

Key Businesses > Bus, Bus Station, Taxi, Car Rental & Leasing, Automotive Engineering & Maintenance Services, Vehicle Inspection Services, Driving School Services and Car Dealership

China

Beijing	Nanjing	Turnover (S$'mil)
Chengdu	Nanning	240.9
Chongqing	Shanghai	
Dalian	Shenyang	EBITDA (S$'mil)
Guangzhou	Suzhou	96.9
Hengyang	Xiamen	
Jilin City	Yantai	

Total investment (S$'mil)

334.3

Total operating fleet size

12,926

Total number of employees

5,369

North-East China

Shenyang, Liaoning Province

BUS

The City of Shenyang in Liaoning Province remains our largest investment in China to-date. Our two bus companies – Shenyang ComfortDelGro Bus Co., Ltd and Shenyang ComfortDelGro Anyun Bus Co., Ltd – operate a fleet of 1,261 buses which ply 45 routes. As the market leader in Shenyang, we had a busy year in 2008, with ridership increasing by 10.5% to 344 million and mileage clocked rising by 6% to 61.7 million km.

To cater to the increased demand, Shenyang ComfortDelGro Anyun Bus extended four routes during the year and plans to add another two in 2009. Shenyang ComfortDelGro Bus extended three routes during the year and rolled out 144 new buses.

Both companies were awarded "Excellent Model" Awards for their contributions to the Beijing Olympics by the Shenyang Traffic Bureau.

TAXI

Our two taxi companies – Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Ltd – operate a total fleet of 1,359 taxis, making us one of the City's three largest taxi operators.

In 2008, we partnered China Mobile for a trial, to equip 100 of our taxis with the Global Positioning System (GPS) to improve our service delivery to our customers. Following the successful trial, the system will be rolled out to the rest of the fleet in 2009.

In recognition of our contributions towards the Beijing Olympics, Shenyang ComfortDelGro Taxi and CityCab (Shenyang) and many of our taxi drivers received several awards from the Shenyang Municipal Government.

Jilin City, Jilin Province

TAXI

Jilin ComfortDelGro Taxi Co., Ltd acquired 239 taxi licences from Jilin Sheng Shi Co., Ltd and another 100 new licences issued by the authority for RMB 27.8 million or S$5.6 million, making us the largest taxi operator in the City with 729 vehicles or a 16% market share.

North China
Beijing
TAXI
ComfortDelGro acquired Jia Run Taxi Co., Ltd, which operates 342 taxis, for RMB 76.0 million or S$16.2 million through its joint venture, Beijing Jin Jian Co., Ltd, in December 2008. We also bought the 50 taxis we had been managing in Beijing for RMB 9.8 million or S$1.9 million. With these two acquisitions, the Group's taxi fleet in Beijing now exceeds 5,500, reinforcing our position as the capital City's third largest taxi operator.

CAR RENTAL & LEASING
Beijing ComfortDelGro Yin Jian Auto Services Co., Ltd had a busy year in 2008 thanks to the Beijing Olympics. Indeed, demand increased during the two Olympics months of July and September. With the Olympics over, demand has slowed down and we are keeping a tighter rein on costs to maintain profitability.

VEHICLE INSPECTION SERVICES
Our 80%-owned subsidiary, Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd, provides vehicle safety and emission inspection services in the capital. During the year, we improved our revenue through the inspection of more vehicles.

Yantai, Shandong Province
TAXI
Our 76%-owned subsidiary, Yantai ComfortDelGro Taxi Co., Ltd, operates 20 taxis, a towing service as well as a vehicle repair workshop. Its EBITDA improved during the year.

West China
Chengdu, Sichuan Province
TAXI
Our wholly-owned taxi subsidiary, Chengdu ComfortDelGro Taxi Co., Ltd, is the third largest taxi operator in Chengdu. Despite the earthquake, we continued to grow turnover by over 61.1%, thanks largely to the popularity of our new Sagitar taxis. During the year, we replaced 90 of our taxis with new ones. Together with the 100 new Sagitar taxis we bought in 2007, our fleet now has an average age of 1.5 years.

CAR RENTAL & LEASING
Our wholly-owned subsidiary, ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd, did well despite facing increased competition from new entrants to the industry. Demand was fuelled by an increase in expatriates working in Chengdu over the year. To cater to the growing demand, we increased our rental car fleet size from 83 to 175. A new membership programme which offered more competitive rates was also successfully rolled out in November 2008 to reward our regular customers.

AUTOMOTIVE ENGINEERING & MAINTENANCE SERVICES
Sichuan ComfortDelGro Car Servicing Co., Ltd, our 51%-owned subsidiary in Chengdu, sold a record 275 cars during the year – almost double what it did in 2007. Our repair and maintenance business also improved, mainly due to new business contracts with private enterprises and two successful tender awards from Gan Zhi and Peng Xi Counties in October 2008.

VEHICLE INSPECTION SERVICES
Although business volume was affected by the Sichuan Earthquake and new government regulations, our 51%-owned subsidiary, Chengdu Jitong Integrated Vehicle Inspection Co., Ltd, maintained its position as a leading operator in the industry.

DRIVING SCHOOL SERVICES
Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd, our first driving school overseas, had a very successful year with enrolment increasing by 63.6% to 7,585.

We were also authorised to become the first Grade One driving school in the Province to build a Driving Test Centre within our circuit. We also received the "Trustworthy and Service Excellence Driving School" Award from the China Land Transportation Association and the "AAA Grade Driving School for Service Quality" Award from the Chengdu Transport Commission. In recognition of our driving school's relief efforts during the Sichuan Earthquake, the Chengdu Qing Yang District Traffic Bureau also awarded us with an "Outstanding Business Entity" Award.

Chongqing
DRIVING SCHOOL SERVICES
ComfortDelGro increased its shareholding in Chongqing ComfortDelGro Driver Training Co., Ltd from 80% to 90% during the year.

A successful outdoor advertising campaign and the Government's announcement of a possible increase in driver training fees fuelled the growth in student enrolment to over 10,800 during the year, 38% more than 2007. The increase in demand was well-catered for with the completion of the driving centre's second circuit in October 2008.

East China
Shanghai
TAXI

Our 51%-owned subsidiary, Shanghai City Qi Ai Taxi Services Co., Ltd, acquired seven additional licences in 2008, bringing the total number of taxis in our fleet to 489. All old Santana Pusang models were replaced by newer and larger Santana 3000 models. As a result, our taxis have become widely sought-after by taxi drivers. These models are also a popular choice with commuters. Our ISO 9002 certification and well-structured operational system continue to set us apart as a premium operator in China's largest City.

Suzhou, Jiangsu Province
BUS

Our 70%-owned inter-city bus operation, Suzhou Comfort Passenger Transportation Co., Ltd, operates a fleet of 29 buses – seven of which ply between Suzhou and Changshu, while the remainder is fully leased to companies.

TAXI

All 50 taxis operated under our 70%-owned subsidiary, Suzhou Comfort Taxi Co., Ltd, continued to be fully hired-out in 2008. Our fleet of taxis is well known for its premium service in a highly competitive market.

CAR DEALERSHIP

Suzhou Comfort Toyota Sales & Service Co., Ltd sold 916 cars during the year despite an increase in the number of authorised Toyota dealers in the City. Our automotive repair business also performed well due to our strong after-sales care.

Nanjing, Jiangsu Province
TAXI

Having acquired four additional licences during the year, Nanjing ComfortDelGro Dajian Taxi Co., Ltd held its position as the third largest taxi company in the City with 501 taxis. Our taxis are fully utilised mainly due to our reputation as a well-managed taxi company and the availability of GPS on board the taxis.

South China
Guangzhou, Guangdong Province
BUS STATION

Our Tianhe Bus Station in Guangzhou had another exceptional year. Its connection to the Guangzhou No.3 MRT Line that links directly to the City made it a pivotal stop for many passengers and bus operators. In all, we handled 10.2 million passengers or about 10% more than the previous year. Bus trips despatched also increased by about 4.6% to about 675,000 trips.

Renovations to the station have entered their final stages and when completed in the first quarter of 2009, will enable us to better cater to customers' needs and better handle new routes from the western Provinces of Hunan and Guangxi. Our continuous efforts to weed out illegal touts have also met with success and this has resulted in more legitimate bus operators making Tianhe their preferred choice.

Nanning, Guangxi Province
TAXI

Having successfully tendered for another 100 new taxi licences in 2008, our 80%-owned subsidiary, Nanning Comfort Transportation Co., Ltd, cemented its position as the largest taxi operator in Nanning with 680 taxis or a 20% market share. We were also named the Best Taxi Operator Unit for the fifth year running and 15 of our drivers were named the best in the industry.

CAR RENTAL & LEASING

Since its establishment in January 2008, Nanning ComfortDelGro Rent-A-Car Company Limited has more than doubled its small fleet to 21. The cars are fully leased out to multinational companies in the City.

Xiamen, Fujian Province
TAXI

Our 70%-owned subsidiary, Xiamen Comfort Taxi Co., Ltd, continued to perform well during the year with its entire fleet of 49 taxis 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 of Hunan Province.

Key Businesses > Bus, Coach, Taxi Radio Circuit and Private Car Hire

United Kingdom

Aberdeen
Birmingham
Edinburgh
Glasgow
Liverpool
London

Turnover (S$'mil)

839.6

EBITDA (S$'mil)

80.8

Total investment (S$'mil)

292.5

Total operating fleet size

8,994

Total number of employees

4,161

England

BUS

Our wholly-owned subsidiary, Metroline Limited, is one of London's largest bus operators with a market share of nearly 14%. In 2008, it plied 96 routes across North, West and Central London as well as Herfordshire with a fleet of 1,256 buses. In 2008, we completed the construction of our new Metroline headquarters, ComfortDelGro House, and the redevelopment of the adjoining Cricklewood Garage at a cost of about £8.0 million or S$16.7 million. The new facilities boast many environmentally friendly features including solar panels, rainwater harvesting and a ground-source heat pump system.

Metroline continued to focus on maximising its operational performance during the year through various measures like reducing staff absenteeism, maximising engineering productivity at the Central Engineering and Logistics Facility (CELF) and introducing iBus, a GPS-driven Vehicle Location System. As a result, we moved up several notches in the Transport for London's (TfL) league table of major London operators.

TAXI

Computer Cab plc is London's largest radio taxi network with a fleet of 3,048 taxis and network of 3,200 private hire vehicles. Our four flagship brands are ComCab, DataCab, Call-A-Cab and Local Taxis. During the year, Computer Cab introduced a pre-booking service to provide customers with an alternative option for long-distance travelling. A more advance booking and despatching system, which allows for faster and more intelligent vehicle allocation, was also rolled out. We also operate in Birmingham with 142 taxis.

In October 2008, we expanded our footprint in the Uinted Kingdom through the acquisition of Liverpool's largest taxi circuit operator, Merseyside Radio Meter Cabs Ltd which operates a radio circuit with a fleet of 391 licenced Hackney taxis catering to both corporate and individual clientele.

Scotland

COACH

Our 65%-owned Scottish inter-city express coach operation, Scottish Citylink Coaches Limited, operates 78 buses which link all the major towns in Scotland and also runs cross-border routes to London via Manchester and Newcastle. Turnover and profitability for the business remained stable in 2008.

TAXI

We run a network of 766 taxis and private hires in Aberdeen and Edinburgh, catering to corporate clientele in the oil & gas industry, financial services, legal and media sectors. We also commenced airport rank services at the Aberdeen airport in May 2008.

Key Business > Bus

Ireland

Dublin

Turnover (S$'mil)

12.8

EBITDA (S$'mil)

1.4

Total investment (S$'mil)

3.1

Total operating fleet size

26

Total number of employees

46

Dublin

BUS

Irish Citylink ComfortDelGro Limited runs inter-city routes between Galway, Dublin, Shannon and Clifden and had a turnover of €6.2 million or S$12.8 million for 2008.

In August 2008, we became the first to occupy two preferred lots at the new Coach Parking Station, which is located strategically across the Office of Tourism in Galway's City Centre.

Key Business > Bus

Australia

Melbourne
Sydney

Turnover (S$'mil)

203.1

EBITDA (S$'mil)

45.8

Total investment (S$'mil)

356.7

Total operating fleet size

1,222

Total number of employees

1,299

Melbourne, Victoria

BUS

We entered a new phase of growth in Australia with the acquisition of Victoria's fourth largest bus operator, the Kefford Group, for A$149.2 million or S$147.3 million. The acquisition, which was through our 51%-owned subsidiary ComfortDelGro Cabcharge Pty Ltd, marked the culmination of a four-month long closed tender which drew keen interest from several international land transport operators. It also cemented ComfortDelGro Cabcharge's position as the largest private bus operator in Australia with a total fleet of 1,222 buses.

Kefford, which operates 66 routes with a fleet of 328 buses and six depots, has a 16% share of the Victorian bus market. Currently, close to 90% of Kefford's revenue is derived from Government contracts for metropolitan route services, regional route services and school services. As the largest provider of bus routes in the western suburbs, Kefford stands to benefit from the Victorian Government's announcement of an A$10.5 billion plan to improve the public transport system over 10 years.

Sydney, New South Wales

BUS

The acquisition of Kefford comes three years after we first entered Australia through the purchase of the Westbus Group in New South Wales (NSW). Since then, we have grown from strength to strength.

Passenger demand for our M2 services buses in Sydney, for example, continued to grow especially during peak hours. To cater to the 15% increase in demand, ComfortDelGro Cabcharge added another 20 new buses to our fleet, in addition to the 113 buses which the NSW Government has allocated to the Hillsbus operation.

To cater to the need for more capacity, ComfortDelGro Cabcharge had acquired two new sites which are expected to be ready before the end of 2009. We also successfully trialled a new bus scheduling system which automatically schedules bus trips, optimises bus usage, maps out routes of services and manages manpower hours.

In 2008, ComfortDelGro Cabcharge made history by becoming the first company to win the annual Bus Award for two consecutive years.

Key Business > Taxi

Vietnam

Ho Chi Minh City

Turnover (S$'mil)

8.2

EBITDA (S$'mil)

4.3

Total investment (S$'mil)

8.5

Total operating fleet size

977

Total number of employees

223

Ho Chi Minh City

TAXI

Our two Vietnam taxi companies – Vietnam Taxi Co., Ltd and ComfortDelGro Savico Taxi Company – embarked on various marketing programmes during the year to attract more drivers and increase the hired-out rate. These included bonus schemes for new and existing drivers and contract renewals. We also worked at improving the quality of services to our drivers including the turnaround time for the repair and maintenance of our taxis. Sales and marketing efforts were also stepped up to enlarge the corporate customer base and help drivers procure good pick-up and telephone points. The upgrading of Vietnam Taxi's call centre to a GPS despatching system, when completed in 2009, is expected to improve vehicle allocation.

Both taxi companies in Ho Chi Minh City continue to rank tops in terms of service quality. Vietnam Taxi, for example, won the Guide Award for "Excellent Performance" in 2008 for the sixth year running.

Key Business > Car Rental & Leasing

Malaysia

Kuala Lumpur

Turnover (S$'mil)

4.1

EBITDA (S$'mil)

1.9

Total Investment (S$'mil)

4.0

Total operating fleet size

436

Total number of employees

46

Kuala Lumpur
CAR RENTAL AND LEASING

We offer car rental and leasing services in Malaysia through CityLimo Leasing (M) Sdn Bhd and Pantas Rent-A-Car Sdn Bhd.

The Malaysian car rental and leasing industry is highly competitive but there is still room for growth. There is increasing use of rental vehicles by inbound business visitors and foreign companies. Using our newly set-up online reservation capability, we intend to target the international as well as the domestic transient car market so as to grow our market share.

The ComfortDelGro Zero Limits Alaska Expedition 2008 raised awareness of environmental preservation through adventure learning.

Sustainability Report

We believe that business should not just be governed by the mind - but by the heart and soul as well.

Driven by this conviction, we strive to leave a positive imprint on society. This means taking care of the communities that we serve, the 21,000 staff who have pledged their loyalty to us, and the natural environment that we operate in.

We do these not just because it is the right thing to do but because we care.

Human Sustainability

Helping the Community

Caring for the poor, the sick, the aged and the needy is something we hold close to our heart. In 2008, we continued to extend assistance to those who needed our help, donating a total of S$1.7 million to various charities and welfare organisations.

In Singapore, for example, we gave S$120,000 to the NTUC Eldercare Fund which offers social day care services to the elderly. This brought our total contribution to the non-profit organisation to S$480,000 thus far. We also donated thousands more to old age homes, community projects and welfare organisations in countries like Australia, China and the United Kingdom (UK) where we operate.

And it wasn't just cash. We also helped in many other ways. In London, for example, two training buses from Metroline Limited were specially decked out as part of a campaign to raise awareness on breast and prostate cancers.

Our Australian subsidiary, ComfortDelGro Cabcharge Pty Ltd, also did its part to spread joy to the community. For example, it despatched one of its buses to ferry a group of students who had travelled for the first time from the remote town of Bulman in the Northern Territory to Sydney – for free. It also decorated three of its buses during Christmas to help raise A$5,000 for the Children's Hospital in Westmead, Sydney.

The year in review was unfortunately one that was plagued by natural disasters. There was, for instance, the Great Sichuan Earthquake which measured 8.0 on the Richter Scale, killing over 69,000 people and the Vietnam floods which affected north and central Vietnam after three days of heavy rainfall. In both cases, our staff and drivers sprang into action, volunteering their services to the rescue effort and donating cash where they could.

In the case of the Sichuan quake, taxis and buses from our driving school in Chengdu were deployed to deliver food and supplies to earthquake-hit areas. On their return trips, the same vehicles were used to ferry the injured to nearby hospitals. The school was also designated as a resource-collection-cum-distribution centre for food items, clothing, medical supplies and other relief items donated by the public. In terms of cash donations, the Group gave a total of S$400,000 towards the relief efforts.

In Vietnam, we not only helped those who were affected by the provincial floods, but also donated S$25,000 towards the resurfacing of the main road leading to The Children II Hospital in central Ho Chi Minh City.

Safety First

The safety of our passengers, our staff and all road users is of paramount importance to us. Wherever we operate, we always try to implement the best of industry standards to ensure that safety is never compromised. Across our operations, penalty and reward schemes are used to deter and incentivise drivers and staff to maintain the highest in industry standards.

In Singapore, we continued to be active supporters of campaigns organised by government agencies like the Traffic Police in promoting causes like safe driving, road courtesy and anti-drink driving. ComfortDelGro Driving Centre Pte Ltd, for example, contributed nearly 8,000 man hours towards the Traffic Police's Road Safety Park Education Programme to educate school children on road safety. Similarly, SBS Transit Ltd conducted more than 100 school talks and visits during the year, sharing safety tips with close to 70,000 students.

Talent Sustainability

Our employees are our greatest asset. They are key to our continued success and form a firm foundation for future growth. It is therefore important that we have in place a holistic, integrated and robust human capital management system where we continually identify, nurture and develop our employees.

To this end, we introduced several new initiatives during the year, including a talent identification exercise to shortlist staff with the potential to be groomed for higher management positions and a more structured Leadership Development Programme. We also rolled out several new human capital management instruments such as the 360-Degree Leadership Development Feedback Instrument and a psychometric leadership profiling tool to enable our potential leaders to have greater self-awareness and leadership effectiveness.

ComfortDelGro also supports the employment of older workers as we believe in harnessing their rich and diverse experience and knowledge to strengthen our workforce capabilities. We have put in place initiatives to ensure that our older workers work in a safe and conducive environment. We have instituted policies to ensure that our re-employment offers follow good practices on pre-retirement planning/counselling, flexible job arrangements and employment terms. During the year, our public scheduled bus subsidiary in Singapore, SBS Transit, took its support for the employment of older workers one step further by raising its retirement age for Bus Captains from 62 to 65 years old.

Environmental Sustainability

With a global fleet of 45,000 vehicles, ComfortDelGro is keenly aware of the important role we play in the preservation of the environment. We are committed to environmental stewardship and are taking proactive steps to mitigate the impact of our operations on the environment.

Across the Group, we also continued to replace older vehicles with environmentally friendly ones.

For example, SBS Transit became the first operator in Asia to purchase European Enhanced Environmentally Friendly Vehicles (EEV) which are able to reduce the emission of unburnt hydrocarbons by 46% as compared to the standard Euro V models. Our subsidiaries in China have also replaced their older fleet with newer environmentally friendly buses. In Shenyang, for example, Shenyang ComfortDelGro Bus Co., Ltd became the second company in China to have purchased new buses that are fully compliant with the Euro III and IV standards. In London, we rolled out five hybrid double-deckers, becoming one of the first companies in the City to operate such environmentally friendly buses.

In line with our Green Statement, we stepped up on efforts to raise staff awareness on environmental conservation and introduced various programmes to encourage staff to reduce, reuse and recycle.

These actions have received recognition. In London, our taxi subsidiary Computer Cab plc was named one of the "Top 50 Best Green Companies" by The Sunday Times for its environmental management and efforts at raising awareness of green issues at the workplace.

Indeed, much effort has gone into trying to spread the message of environmental awareness.

Paper recycling programme was implemented across 26 offices in Singapore. During the year, more than 32,000 kg of paper was collected for recycling. In offices in Singapore, Malaysia and the UK, old computers and cartridges were collected for recycling through vendors. In China, waste engine-oil, old tyres and metal were sent for recycling. Energy-saving initiatives were also introduced including the installation of motion sensors in common areas so that lights are only switched on when these facilities are in use and the tuning of the air-conditioning system to a comfortable 24 degrees Celsius. These moves resulted in a significant reduction in energy wastage. Even simple actions like doing away with plastic disposable cups have helped in our bid to become more green.

In Singapore, two initiatives have resulted in annual savings of more than S$330,000. Firstly, all personal computers were programmed to automatically switch to power standby mode when they were not in use. Secondly, the lighting system was linked to the staff security access control system so that clusters of lights are automatically switched off when staff in that cluster leave the office. There are now plans to integrate the air-conditioning system to the security access system to reap even greater savings.

In London, our newly built ComfortDelGro House and Cricklewood Garage boast a whole host of environmentally friendly features. For example, they are fitted with solar panels to provide hot water to the canteen, kitchen, pantries and toilets. There is also a rainwater harvesting system and a ground-source heat pump system. In fact, the buildings have attained a BREEAM rating of "Very Good" – one of the highest environmental ratings for a building of its type in London.

Our commitment to the Green Movement is also not confined to just our operations.

To spread the message of environmental conservation, ComfortDelGro sponsored the Singapore Management University's Zero Limits Expedition where a team of eight students travelled to Alaska to complete a 2000-km eco-cycling expedition over a period of six weeks. After their return, the team members visited seven schools, sharing all that they had learnt about the harmful effects of global warming on the Alaskan eco-system with some 5,000 students.

Over in Australia, ComfortDelGro Cabcharge became a member of the Greenhouse Challenge Plus Programme – a co-operative partnership between the Australian Government and the industry which aims to reduce greenhouse gas emissions and integrate greenhouse issues into business decision making.

Corporate Governance

Introduction

The ComfortDelGro Group has, in all our dealings, been committed to maintaining and upholding the highest standards of corporate governance to enhance and safeguard the best interest of all our stakeholders. As a further commitment towards enhancing corporate transparency and in promoting good corporate governance practices amongst our employees world-wide, we have adopted a Code of Business Conduct, which sets out the principles and policies upon which our businesses are regulated, taking into account the applicable laws and regulations of the relevant countries in which we have operations. To enhance the effectiveness of the Code of Business Conduct, and to prevent the occurrence of unethical or illegal conduct or behaviour, we have implemented a Whistle Blowing Policy. Here, the aim is to stop any activity that is against the interests of the Group and to effect disciplinary actions against those found guilty of inappropriate or illegal behaviour.

This report sets out the corporate governance practices that were in place during the year with specific reference to the Code of Corporate Governance 2005 ("Code").

Board of Directors
Principle 1
The Board's Conduct of Its Affairs

At the helm in 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) Putting in place appropriate and adequate systems of internal control, risk management process and financial authority limits;
iii) Monitoring financial performance, approving annual budget, major capital and operating expenditures, and acquisition and disposal of significant investments; and
iv) Monitoring managerial performance.

The Board has delegated the day-to-day management of the Group to the 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.

To assist the Board in the detailed consideration of the various issues at hand and to facilitate decision making, four committees had been 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 sets out the scope of its duties and responsibilities, rules and 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.

To tie in with the requirement for quarterly and full-year reporting and the approval of the Group's Annual Budget, a total of five scheduled Board Meetings are held each financial year. 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 Meetings are also held from time to time as and when the need arises.

In order to assist the Directors in planning their attendance at Board and Committee Meetings, meeting dates for each year are scheduled in advance in consultation with the Directors.

The attendance of the Directors at the Board and Committee Meetings for Financial Year 2008 and the frequency of such Meetings are set out below:

Attendance of Directors at Board and Committee Meetings

	Board		Audit Committee		Nominating Committee		Renumeration Committee		Investment Committee	
Name	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	8	8	–	–	1	1	4	4	3	3
Kua Hong Pak	8	8	4	4*	1	1*	4	3**	3	3
Ong Ah Heng	8	8	4	2	–	–	–	–	–	–
Oo Soon Hee	8	8	–	–	1	1	–	–	–	–
Sum Wai Fun, Adeline	8	6	–	–	1	–	–	–	3	3
Tow Heng Tan	8	5	–	–	–	–	4	3	3	3
Wang Kai Yuen	8	8	4	4	–	–	4	4	3	3
Wong Chin Huat, David	8	7	4	4	–	–	4	4	–	–

* Attended Meetings by invitation of the Committees
** Attendance at one of the Meetings was not required

For expediency, Board Meetings are also supplemented by circulated resolutions complete with Board papers. Directors are free to seek clarifications and explanations from Management on the Board papers.

To facilitate the convening of urgent ad-hoc Board Meetings, the Articles of Association of the Company also provide for meetings to be convened via teleconferencing and videoconferencing.

Regular presentations are held to enable Directors to familiarise themselves with the Group's new businesses. Further, to enable Directors to have an insight into the Group's operations abroad and also to have a feel of the pulse of the economy of the countries in which the Group is operating, and to develop a closer rapport with the Group's joint venture partners and the executives managing the operations, one of the scheduled Board Meetings, except for this financial year, is held abroad.

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 reviews the adequacy of the 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.

Principle 2

Board Composition and Balance

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 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 to confirm his independence. The NC then reviews the Confirmation of Independence to determine whether a Director is independent.

The NC is also responsible for examining the size and composition of the Board. The NC, having reviewed the composition of the Board, is satisfied that the present size of the Board is effective for decision making. The NC is also satisfied that the Board comprising Directors with a variety of skills, core competencies, expertise and working experience from various industries, is effective and has the competencies to discharge its duties and responsibilities. In addition, each Board member also has the necessary international exposure, expertise and networking to assist the Group in its growth and expansion abroad. The voicing of different views is common and Management is open in its dealings with the Board.

The profiles of the Directors are found in the write-up on Board of Directors in this Annual Report.

Principle 3

Chairman and MD/Group CEO

The Chairman and MD/Group CEO have separate and distinct roles. 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 locally and abroad. The Chairman and MD/Group CEO are not related.

The proceedings of the Board are conducted by the Chairman who ensures that sufficient time is allocated for consideration of each item on the agenda and equal opportunities are given for each Director to express his/her views. Board agenda is prepared by the Company Secretary in consultation with the Chairman and MD/Group CEO and Board papers are approved by the MD/Group CEO prior to being despatched in advance to the Directors.

Principle 4

Board Membership

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 roles and responsibilities of the NC are, inter alia:

a) Developing and maintaining a formal and transparent process for the nomination of Directors to the Board;
b) Evaluating the effectiveness of the Board as a whole and contributions of each Director;
c) Identifying the skills, expertise and capabilities needed for the effective functioning of the Board;
d) Re-nominating Directors for re-election at Annual General Meetings; and
e) Evaluating and determining the independence of each Director.

The Articles of Association of the Company provide that one third of the Board of Directors, including the Managing Director, are subject to retirement and re-election by rotation at every Annual General Meeting. All Directors are required to retire from office once at least every three years, being those who have been longest in office since their last re-election or appointment. A newly appointed Director is also subject to retirement and re-election at the Annual General Meeting immediately following his appointment. For the forthcoming Annual General Meeting, Mr Kua Hong Pak, Mr Wong Chin Huat, David and Dr Wang Kai Yuen are due for re-election pursuant to Article 91 of the Articles of Association.

From time to time, new directors may be identified for appointment to the Board whereupon the NC will evaluate and assess their suitability, based on their qualifications, working experiences and expertise, to determine if they are able to fit into the overall competency matrix of the Company's Board before recommending them to the Board for its approval.

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 business 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 to 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.

Principle 5

Board Performance

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

As the Company was incorporated at the start of 2003 following the merger of Comfort Group Ltd ("Comfort") and DelGro Corporation Limited ("DelGro"), a meaningful evaluation of the performance of the Board was to consider the increase in the market capitalisation of the combined proforma of Comfort and DelGro prior to the merger, and the market capitalisation of ComfortDelGro as at 31 December 2008. As at the close of business on 24 March 2003, being the last day of trading in the shares of Comfort and DelGro prior to the merger, the combined market capitalisation was about S$1.5 billion. As at 31 December 2008, the market capitalisation of the Company was about S$3.0 billion, an increase of about 100%. As at 31 December 2008, the share price was S$1.45.

In addition, there was also an increase in shareholders' equity and total assets of the Company compared to the proforma combined results of Comfort and DelGro as at 31 December 2002. Shareholders' equity increased by S$378.4 million to S$1.6 billion as at 31 December 2008 due to profits from operations less dividends paid and total assets increased by S$934.1 million to S$3.4 billion due mainly to the increase in fixed assets. Cash and cash equivalents stood at S$408.3 million as at 31 December 2008.

Principle 6

Access to Information

In addition to the Annual Budget which is submitted to the Board for approval, comprehensive quarterly and annual financial statements and reports are also submitted to the Board for approval prior to being released to the Singapore Exchange Securities Trading Limited ("SGX"). Monthly financial statements and reports are submitted to the Board. Agenda for Board Meetings and Board papers are provided to the Directors in advance.

The Board has full access to the Senior Management team. The Company Secretary has defined roles and responsibilities. She administers and attends the Board and Committee Meetings of the Company and prepares Minutes of Board proceedings. She 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.

Remuneration Matters

Principle 7

Procedures for Developing Remuneration Policies

The RC was formed to provide the Board with an independent assessment and review of Directors' remuneration. The RC also reviews from time to time the remuneration framework and strategy for executive compensation.

In accordance with the Code, the RC comprises entirely of four non-executive independent Directors. The 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 include, inter alia:

a) Reviewing and recommending to the Board the remuneration framework for compensation for each Director and ensuring that the level of remuneration offered is appropriate to the level of contribution. The RC also reviews the remuneration of Senior Management to ensuring that the overall remuneration package is attractive to retain and motivate key executives;
b) Recommending a formal and transparent process for determining Directors' fees for non-executive Directors of the Company; and
c) Approving the participants and determining the quantum of options to be granted under the ComfortDelGro Employees' Share Option Scheme and administering the Scheme.

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

Principle 8

Level and Mix of Remuneration

The remuneration packages of the MD/Group CEO and executives of the Group comprise both 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 top management staff. The Group believes that a higher proportion of performance related component will 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 approval of Shareholders at the Annual General Meeting. The MD/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.

Principle 9

Disclosure of Remuneration

The remuneration of the Directors and the key executives of the Group (who are not Directors) for the Financial Year 2008 are found on pages 97 to 98 of this Annual Report.

Further information on the ComfortDelGro Employees' Share Option Scheme can be found on pages 58 to 59 of this Annual Report.

During the Financial Year 2008, no key executive was an immediate family member of any Director of the Company.

Accountability and Audit

Principle 10

Accountability

During Financial Year 2008, the Company released its quarterly and full-year results within 45 days from the end of each quarter and financial year respectively. An accompanying negative assurance statement is also issued by the Board in the Group's quarterly results announcement to confirm that nothing has come to their attention that may render the results to be false or misleading.

Principle 11

Audit Committee

The Company's AC comprises three non-executive 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) Reviewing the effectiveness of the Group's internal audit function, internal controls, including financial, operational, compliance and risk management;
ii) Reviewing 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 recommending to the Board the acceptance of such financial statements;
iii) Reviewing 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) Reviewing interested person transactions;
v) Recommending the appointment, re-appointment or removal of the External Auditors at the Annual General Meeting and reviewing the fees due to them;
vi) Reviewing the audit plans of the Internal and External Auditors; and
vii) Reviewing 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 thereupon to ensure that an independent investigation of such matters and appropriate follow-up actions are taken.

In the performance of its duties, the AC has explicit authority to investigate the affairs falling within its terms of reference, 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.

During the financial year, the AC also meets with the External and Internal Auditors without the presence of Management. 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. 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 the External Auditors are independent.

Principle 12

Internal Controls

The Group has well-established internal controls and compliance functions. These include:

i) 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 MD/Group CEO and the heads of departments, with the Board retaining the ultimate authority. Any expenditure exceeding the highest authority limit is referred to the Board for approval.

ii) Budgetary Control

A robust and challenging Annual Budget is prepared and approved by the Board prior to the commencement of each new financial year. Variations between actual and budgeted performance are reviewed and justifications provided, if material. This is done on a monthly basis. Specific approvals are also required for unbudgeted expenditures exceeding a relevant threshold. In addition, the capital expenditure budget is approved in principle by the Board when the Annual Budget is approved. Each capital expenditure is still subject to rigorous justification and review in accordance with the Group's financial authority limits. Tight control on hiring is also exercised through headcount budgets.

iii) Investment Proposals and Business Opportunities

To ensure that the rate of return on any new investment or business opportunity is commensurate with the risk exposure taken, apart from undertaking a detailed feasibility study, the new investment opportunity is evaluated by Management in terms of (a) return on investment; (b) pay back period; (c) cash flow generation; (d) potential for internal and external growth; (e) investment climate; and (f) political stability.

iv) Financial Risk

The main areas of financial risk faced by the Group are foreign currency 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 shareholder value. It is the Group's policy not to participate in speculative financial instruments. Management oversees financial risk control and regularly reviews its policy governing risk management practices.

Further details of the financial risks and how the Group manages them are set out on pages 115 to 116 of this Annual Report.

v) Operational Risk and Business Continuity Planning

The Group has put in place several Business Continuity Management (BCM) plans to address its business continuity in the event of major disasters affecting its operations. The Business Continuity plans were developed by the various Strategic Business Units under the guidance of the BCM Committee.

The Business Continuity plans form part of the holistic management process to manage risks. Apart from operational risks, the Group is also faced with financial risks, regulatory compliance risks and strategic risks. These four risk categories are used by the Group and, to aid recall, the Group uses the acronym FOCuS; Financial, Operational, Compliance and Strategic.

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

vi) Whistle Blowing Policy

The Whistle Blowing Policy provides a mechanism for employees to raise concerns, through confidential disclosure channels, about possible improprieties in financial reporting or other improper conduct. All cases are investigated and appropriate action taken where required.

In the course of their audit, the Internal and External Auditors also highlight to the Company areas where there are deficiencies or weaknesses of internal controls. Material deficiencies and weaknesses will be highlighted to the AC together with a response from Management as to how these could be overcome.

Principle 13

Internal Audit

The internal audit function of the Group is performed by the Group Internal Audit Department comprising suitably qualified and experienced staff and headed by the Group Internal Audit Officer. She reports functionally to the Chairman of the AC and administratively to the MD/Group CEO. The Company Secretary is the Secretary of the AC.

The Internal Audit Department adopts a risk-based approach that provides an independent and objective evaluation of the internal control systems and corporate governance processes of the Group in accordance with the audit plan as approved by the AC and recommends improvements, where necessary.

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

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

Communications with Shareholders

Principle 14

Regular, Effective and Fair Communications with Shareholders

The Company has in place a framework that regularly communicates pertinent and relevant information to Shareholders, gathers views and addresses Shareholders' concerns. Communication with Shareholders is conducted through announcements to the SGX and press releases, press and analyst briefings after the announcement of the full-year results and the posting of announcements and releases on the Company's regularly updated website at www.comfortdelgro.com. Investors may send in their requests or queries through the feedback form provided in 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 Group Corporate Communications Officer. Specific guidelines have been laid down for compliance in respect of all public communication. In addition, the Company has also put in place operational procedures to respond promptly to queries from the SGX on any unusual trading activities in its securities.

As part of the investor relations programme, the Group's Investor Relations Team, together with Senior Management, meet with major institutional and retail investors on a regular basis.

Principle 15

Shareholders' Participation at Annual General Meeting

The Articles of Association of the Company provide for voting in person and by proxy at the Annual General Meeting of the Company. The Chairman of the various Board Committees as well as the External Auditors are present to address any questions or feedback raised by Shareholders at the Annual General Meeting including those pertaining to the proposed resolutions before the resolutions are voted on.

Issues or matters requiring Shareholders' approval are tabled in the form of separate and distinct resolutions.

Dealings in Securities

The Company has adopted an internal code based on the SGX's guideline to provide guidance to the Directors and executives of the Group in relation to dealings in the securities of the Company. Directors and executives of the Group have to refrain 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 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 considerations and/or while in possession of unpublished material price-sensitive information relating to the relevant securities; and (ii) in the securities of other listed companies while in possession of unpublished material price-sensitive information relating to those securities.

Interested Person Transaction

Listing Manual – Rule 907

There were no interested person transactions of or over $100,000 in value entered into during the financial year under review.

The Company does not have any Shareholders' mandate for interested person transactions.

Directories

Singapore

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DRIVING SCHOOL SERVICES

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OUTDOOR ADVERTISING

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China

East China Business Unit

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Suzhou, Jiangsu Province

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Nanjing, Jiangsu Province

TAXI

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Directories

China

North-East China Business Unit

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Jilin City, Jilin Province

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North China Business Unit

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Chongqing

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China

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Website: www.computercab.co.uk
Email: customerservice@comcab.co.uk

PRIVATE CAR HIRE

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

Liverpool, England

TAXI

Merseyside Radio Meter Cabs Ltd
Abbey House
5-7 Falkland Street
Liverpool
L3 8HB
Mainline: (44) 151 298 2060
Fax: (44) 151 298 2526
Website: www.merseycabs.co.uk
Email: admin@merseycabs.co.uk

Birmingham, England

TAXI

Computer Cab (Birmingham) Ltd
118-122 Charles Henry Street
Birmingham B12 0SJ
Mainline: (44) 121 566 8000
Fax: (44) 121 622 0889
Website: www.comcab-birmingham.co.uk
Email: enquiries@comcab-birmingham.co.uk

Glasgow, Scotland

BUS

Scottish Citylink Coaches Limited
Buchanan Bus Station
Killermont Street
Glasgow G2 3NP
Mainline: (44) 141 332 9644
Fax: (44) 141 332 4488
Website: www.citylink.co.uk
Email: info@citylink.co.uk

Aberdeen, Scotland

TAXI

Computer Cab (Aberdeen) Limited
Burnside Drive
Dyce
Aberdeen AB21 0HW
Mainline: (44) 1224 794 401
Fax: (44) 1224 790 371
Website: www.comcab-aberdeen.co.uk
Email: customerservice@comcab.co.uk

Edinburgh, Scotland

TAXI

Computer Cab (Edinburgh) Limited
2/6 Spitfire House
Turnhouse Road
Edinburgh Airport
Edinburgh EH12 0AZ
Mainline: (44) 131 272 8009
Fax: (44) 131 272 8011
Website: www.comcab-edinburgh.co.uk
Email: customerservice@comcab.co.uk

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

Directories

Ireland

Dublin

BUS

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

Australia

Sydney, New South Wales

BUS

ComfortDelGro Cabcharge Pty Ltd
Level 12, 100 George Street
Parramatta NSW 2150
Mainline: (61) 2 9890 0000
Fax: (61) 2 9891 4871
Website: www.yourbus.com.au
Email: customerservice@yourbus.com.au

Melbourne, Victoria

BUS

ComfortDelGro Victoria Pty Ltd
9-13 Slough Road
Altona, VC 3018
Mainline: (61) 3 9392 9900
Fax: (61) 3 9392 9901
Website: www.yourbus.com.au
Email: customerservice@yourbus.com.au

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 RENTAL & LEASING

CityLimo Leasing (M) Sdn Bhd
c/o Intellectual Assets Services Sdn Bhd
Suite 2.03, 2nd Floor
Wisma Mirama, Jalan Wisma Putra
Kuala Lumpur 50460
Mainline: (60) 3 5638 9898
Fax: (60) 3 5638 9889
Website: www.pantas.com.my
Email: sales@pantas.com.my

Pantas Rent-A-Car Sdn Bhd
c/o Intellectual Assets Services Sdn Bhd
Suite 2.03, 2nd Floor
Wisma Mirama, Jalan Wisma Putra
Kuala Lumpur 50460
Mainline: (60) 3 5638 1818
Fax: (60) 3 5638 1881
Website: www.pantas.com.my
Email: sales@pantas.com.my

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 2008 and the balance sheet of the Company as at 31 December 2008.

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 1 January 2008	At 31 December 2008	At 21 January 2009
Interest in the Company			
a) Ordinary shares			
Lim Jit Poh	44,425	144,425	144,425
Kua Hong Pak	2,824,530	2,824,530	2,824,530
Ong Ah Heng	395,558	395,558	395,558
Oo Soon Hee	300,000	300,000	300,000
Tow Heng Tan	–	250,000	250,000
Wang Kai Yuen	187,500	312,500	312,500
Wong Chin Huat, David	100,000	100,000	100,000
b) Options to subscribe for ordinary shares			
Lim Jit Poh	800,000	940,000	940,000
Kua Hong Pak	3,600,000	4,800,000	4,800,000
Ong Ah Heng	350,000	470,000	470,000
Oo Soon Hee	600,000	750,000	750,000
Sum Wai Fun, Adeline	–	120,000	120,000
Tow Heng Tan	600,000	470,000	470,000
Wang Kai Yuen	250,000	305,000	305,000
Wong Chin Huat, David	350,000	470,000	470,000

3 Directors' Interests in Shares and Debentures (continued)

Names of Directors and Companies in which interests are held	At 1 January 2008	At 31 December 2008	At 21 January 2009
Interest in subsidiary, SBS Transit Ltd			
a) Ordinary shares			
Lim Jit Poh	200,000	200,000	200,000
Wong Chin Huat, David	150,000	150,000	150,000
b) Options to subscribe for ordinary shares			
Lim Jit Poh	200,000	300,000	300,000
Kua Hong Pak	360,000	450,000	450,000
Wong Chin Huat, David	115,000	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
b) Options to subscribe for ordinary shares			
Kua Hong Pak	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") in respect of unissued ordinary shares in the Company 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.

5 Share Options (continued)

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 2008 were as follows:

	Number of options to subscribe for ordinary shares						
Dates of grant	Outstanding at 1 January 2008	Granted	Exercised	Cancelled/ Lapsed	Outstanding at 31 December 2008	Subscription price per share	Expiry date
31 July 2003	280,000	–	–	–	280,000	$0.793	30 July 2013
31 July 2003	100,000	–	(100,000)	–	–	$0.793	30 July 2008
2 January 2004	463,000	–	–	–	463,000	$0.820	1 January 2014
2 January 2004	100,000	–	(100,000)	–	–	$0.820	1 January 2009
19 July 2004	600,000	–	–	–	600,000	$1.217	18 July 2014
19 July 2004	225,000	–	(150,000)	–	75,000	$1.217	18 July 2009
24 February 2005	2,590,000	–	(25,000)	(170,000)	2,395,000	$1.680	23 February 2015
24 February 2005	510,000	–	–	(105,000)	405,000	$1.680	23 February 2010
21 July 2005	1,457,500	–	(30,000)	–	1,427,500	$1.540	20 July 2015
21 July 2005	365,000	–	–	–	365,000	$1.540	20 July 2010
17 November 2005	2,593,500	–	(70,000)	(125,000)	2,398,500	$1.550	16 November 2015
17 November 2005	425,000	–	(30,000)	(70,000)	325,000	$1.550	16 November 2010
13 July 2006	6,965,000	–	(230,000)	(50,000)	6,685,000	$1.500	12 July 2016
13 July 2006	1,125,000	–	(205,000)	(150,000)	770,000	$1.500	12 July 2011
22 June 2007	10,170,000	–	–	(430,000)	9,740,000	$2.260	21 June 2017
22 June 2007	1,115,000	–	–	(140,000)	975,000	$2.260	21 June 2012
25 June 2008	–	11,295,000	–	(610,000)	10,685,000	$1.590	24 June 2018
25 June 2008	–	1,270,000	–	–	1,270,000	$1.590	24 June 2013
Total	29,084,000	12,565,000	(940,000)	(1,850,000)	38,859,000		

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 2008 were as follows:

	Number of options to subscribe for ordinary shares			
Director	Granted during the year ended 31 December 2008	Aggregate options granted since the commencement to 31 December 2008	Aggregate options exercised since the commencement to 31 December 2008	Aggregate options outstanding at 31 December 2008
Lim Jit Poh	240,000	1,813,577	873,577	940,000
Kua Hong Pak	1,200,000	7,500,000	2,700,000	4,800,000
Ong Ah Heng	120,000	1,037,540	567,540	470,000
Oo Soon Hee	150,000	1,050,000	300,000	750,000
Sum Wai Fun, Adeline	120,000	120,000	–	120,000
Tow Heng Tan	120,000	720,000	250,000	470,000
Wang Kai Yuen	180,000	1,278,672	973,672	305,000
Wong Chin Huat, David	120,000	720,000	250,000	470,000

* 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 2008.

5 Share Options (continued)

B) Share options of subsidiaries

a) SBS Transit Ltd ("SBST")

i) The SBS Transit Share Option Scheme (the "SSOS") in respect of unissued ordinary shares in SBST 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. Additionally, in the case of incentive options, depending on the extent to which set performance targets are met, the subscription price of such options may be adjusted by a discount of up to 20% at the end of an incentive period. Such options may also be cancelled if the targets are not met. The consideration for the grant of an option is $1.00. The option may be exercised at any time after the first anniversary of, or in the case of incentive options, after the second 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 2008 were as follows:

	Number of options to subscribe for ordinary shares						
Dates of grant	Outstanding at 1 January 2008	Granted	Exercised	Cancelled/ Lapsed	Outstanding at 31 December 2008	Subscription price per share	Expiry date
26 September 2000	142,000	–	(50,000)	(4,000)	88,000	$1.59	26 September 2010
6 September 2001	185,000	–	(54,000)	(8,000)	123,000	$1.60	6 September 2011
22 August 2003	100,000	–	–	(15,000)	85,000	$1.29	22 August 2013
10 December 2003	50,000	–	–	(15,000)	35,000	$1.22	10 December 2013
19 July 2004	285,000	–	(105,000)	–	180,000	$1.60	19 July 2014
19 July 2004	45,000	–	–	–	45,000	$1.60	19 July 2009
24 February 2005	551,250	–	(30,000)	(15,000)	506,250	$2.29	24 February 2015
24 February 2005	80,000	–	–	–	80,000	$2.29	24 February 2010
28 July 2005	524,000	–	(63,750)	(15,000)	445,250	$2.23	28 July 2015
28 July 2005	77,500	–	–	–	77,500	$2.23	28 July 2010
18 November 2005	457,500	–	(63,750)	(15,000)	378,750	$2.16	18 November 2015
18 November 2005	77,500	–	–	–	77,500	$2.16	18 November 2010
13 July 2006	1,607,500	–	(130,000)	(90,000)	1,387,500	$2.15	13 July 2016
13 July 2006	535,000	–	–	–	535,000	$2.15	13 July 2011
22 June 2007	2,325,000	–	–	(232,500)	2,092,500	$3.40	22 June 2017
22 June 2007	550,000	–	–	–	550,000	$3.40	22 June 2012
25 June 2008	–	2,230,000	–	(90,000)	2,140,000	$2.18	25 June 2018
25 June 2008	–	550,000	–	–	550,000	$2.18	25 June 2013
Total	7,592,250	2,780,000	(496,500)	(499,500)	9,376,250		

The options outstanding as at 31 December 2008 includes 40,000 options granted to former employees of SBST, who have been granted an extension of time from their respective dates of cessation of employment, 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.

5 Share Options (continued)

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 2008 were as follows:

	Number of options to subscribe for ordinary shares			
Director	Granted during the year ended 31 December 2008	Aggregate options granted since the commencement to 31 December 2008	Aggregate options exercised since the commencement to 31 December 2008	Aggregate options outstanding at 31 December 2008
Lim Jit Poh	100,000	680,000	380,000	300,000
Kua Hong Pak	90,000	600,000	150,000	450,000
Wong Chin Huat, David	65,000	410,000	230,000	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 2008.

b) VICOM Ltd ("VICOM")

i) The 2001 VICOM Share Option Scheme (the "2001 VSOS") in respect of unissued ordinary shares in VICOM, 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.

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 2008 were as follows:

	Number of options to subscribe for ordinary shares					
Dates of grant	Outstanding at 1 January 2008	Granted	Exercised	Outstanding at 31 December 2008	Subscription price per share	Expiry date
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	34,000	–	(10,000)	24,000	$0.628	5 April 2012
7 October 2002	52,000	–	(12,000)	40,000	$0.600	6 October 2012
27 June 2003	46,000	–	(46,000)	–	$0.760	26 June 2008
27 June 2003	27,000	–	(15,000)	12,000	$0.760	26 June 2013
20 December 2003	33,000	–	(33,000)	–	$0.865	19 December 2008
20 December 2003	26,000	–	(14,000)	12,000	$0.865	19 December 2013
23 August 2004	23,000	–	(16,500)	6,500	$0.953	22 August 2009
23 August 2004	43,000	–	–	43,000	$0.953	22 August 2014
24 February 2005	23,000	–	(16,500)	6,500	$0.998	23 February 2010
24 February 2005	43,000	–	–	43,000	$0.998	23 February 2015
21 November 2005	86,000	–	–	86,000	$0.933	20 November 2015
7 July 2006	114,000	–	–	114,000	$1.000	6 July 2016
20 June 2007	600,000	–	(28,000)	572,000	$1.657	19 June 2017
25 June 2008	–	659,000	–	659,000	$1.840	24 June 2018
Total	1,202,000	659,000	(191,000)	1,670,000		

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

5 Share Options (continued)

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 2008 were as follows:

	Number of options to subscribe for ordinary shares			
Director	Granted during the year ended 31 December 2008	Aggregate options granted since the commencement to 31 December 2008	Aggregate options exercised since the commencement to 31 December 2008	Aggregate options outstanding at 31 December 2008
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 2008.

C) Except as disclosed above:

a) during the financial year:

i) there were no options granted to any person to take up unissued shares in the Company or any corporation in the Group; and

ii) no shares of the Company or any corporation in the Group were issued by virtue of the exercise of an option to take up unissued shares.

b) at the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

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
12 February 2009

Independent Auditors' Report
to the members of ComfortDelGro Corporation Limited

We have audited the accompanying financial statements of ComfortDelGro Corporation Limited (the Company) and its subsidiaries (the Group) which comprise the balance sheets of the Group and the Company as at 31 December 2008, the profit and loss statement, statement of changes in equity and cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 64 to 137.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: 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 account and balance sheets and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 and fair presentation of the financial statements 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,

a) the consolidated financial statements of the Group and the balance sheet 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 2008 and of the results, changes in equity and cash flows of the Group for the year ended on that date; and

b) 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

Cheung Pui Yuen
Partner
Appointed on 30 April 2008

Singapore
12 February 2009

Balance Sheets
31 December 2008

	Note	The Group		The Company	
		2008 $'mil	2007 $'mil	**2008 $'mil**	2007 $'mil
Assets					
Current assets					
Short-term deposits and bank balances	4	**408.3**	318.4	**152.4**	82.6
Held-for-trading investments	5	**37.0**	78.8	**4.9**	5.0
Available-for-sale investments – current portion	6	**5.0**	15.8	**–**	0.8
Trade receivables	7	**102.3**	133.4	**–**	–
Other receivables and prepayments	8	**180.8**	142.8	**2.6**	3.9
Due from subsidiaries (non-trade)	9	**–**	–	**452.4**	403.6
Finance lease receivables – current portion	10	**22.4**	24.4	**–**	–
Inventories	11	**51.8**	50.5	**–**	–
Total current assets		**807.6**	764.1	**612.3**	495.9
Non-current assets					
Subsidiaries	12	**–**	–	**610.6**	506.3
Associates	13	**121.1**	82.3	**88.9**	56.0
Available-for-sale investments	6	**37.6**	47.1	**22.2**	23.3
Long-term receivables	14	**103.8**	99.0	**–**	1.0
Finance lease receivables	10	**18.3**	20.0	**–**	–
Vehicles, premises and equipment	15	**1,928.0**	1,966.9	**1.9**	1.9
Taxi and other licences	16	**249.1**	235.7	**–**	–
Goodwill	17	**81.0**	94.9	**–**	–
Deferred tax assets	18	**5.1**	6.1	**–**	–
Total non-current assets		**2,544.0**	2,552.0	**723.6**	588.5
Total assets		**3,351.6**	3,316.1	**1,335.9**	1,084.4

See accompanying notes to the financial statements.

		The Group		The Company	
	Note	**2008 $'mil**	2007 $'mil	**2008 $'mil**	2007 $'mil
Liabilities and equity					
Current liabilities					
Short-term loans	19	**92.0**	72.6	**–**	–
Long-term loans – current portion	20	**51.1**	59.9	**–**	–
Finance lease payable – current portion	21	**23.5**	29.4	**–**	–
Trade and other payables	22	**481.3**	440.2	**15.9**	15.4
Due to subsidiaries (non-trade)	23	**–**	–	**438.5**	232.9
Deposits received – current portion	24	**59.8**	52.5	**–**	–
Fuel price equalisation account		**34.1**	34.1	**–**	–
Provision for accident claims	25	**50.5**	68.2	**–**	–
Income tax payable		**35.4**	50.7	**1.7**	0.3
Total current liabilities		**827.7**	807.6	**456.1**	248.6
Non-current liabilities					
Long-term loans	20	**78.2**	130.4	**–**	–
Finance lease payable	21	**167.1**	182.2	**–**	–
Deposits received	24	**47.9**	44.3	**–**	–
Deferred income		**103.2**	92.8	**–**	–
Deferred tax liabilities	18	**121.0**	127.7	**0.2**	0.2
Provision for service benefits and long service awards	26	**16.7**	16.1	**0.1**	0.1
Retirement benefit obligations	30	**13.1**	15.9	**–**	–
Total non-current liabilities		**547.2**	609.4	**0.3**	0.3
Capital, reserves and minority interests					
Share capital	27	**560.9**	559.6	**560.9**	559.6
Other reserves	28	**21.5**	43.9	**15.9**	15.1
Accumulated profits		**974.4**	879.0	**302.7**	260.8
Equity attributable to shareholders of the Company		**1,556.8**	1,482.5	**879.5**	835.5
Minority interests		**419.9**	416.6	**–**	–
Total equity		**1,976.7**	1,899.1	**879.5**	835.5
Total liabilities and equity		**3,351.6**	3,316.1	**1,335.9**	1,084.4

See accompanying notes to the financial statements.

Consolidated Profit and Loss Statement
year ended 31 December 2008

	Note	2008 $'mil	2007 $'mil
Turnover	29	**3,097.3**	2,993.0
Other operating income		**28.3**	23.6
Revenue		**3,125.6**	3,016.6
Staff costs	30	**(945.4)**	(950.7)
Materials and consumables		**(329.4)**	(247.2)
Payments for contract services		**(286.8)**	(266.0)
Fuel and electricity costs		**(285.4)**	(216.5)
Depreciation and amortisation expenses		**(263.7)**	(269.1)
Repair and maintenance		**(172.1)**	(179.7)
Road and diesel taxes		**(115.5)**	(115.5)
Insurance and accident claims		**(105.7)**	(96.1)
Taxi drivers' benefits		**(77.0)**	(66.6)
Premises costs		**(69.3)**	(65.4)
Vehicle leasing charges		**(67.5)**	(79.6)
Other operating expenses		**(129.8)**	(127.9)
Total operating expenses		**(2,847.6)**	(2,680.3)
Operating profit		**278.0**	336.3
Net income from investments		**3.9**	1.7
Interest income		**11.7**	14.6
Finance costs	31	**(27.4)**	(23.1)
Share of profit in associates		**7.6**	5.0
Profit before taxation and exceptional item		**273.8**	334.5
Exceptional item	32	**26.5**	–
Profit before taxation		**300.3**	334.5
Taxation	33	**(51.1)**	(61.2)
Profit after taxation	34	**249.2**	273.3
Attributable to:			
Shareholders of the Company		**200.1**	223.0
Minority interests		**49.1**	50.3
		249.2	273.3
Earnings per share (in cents):			
Basic	35	**9.59**	10.73
Diluted	35	**9.59**	10.71

See accompanying notes to the financial statements.

Consolidated Statement of Changes in Equity

year ended 31 December 2008

	Attributable to shareholders of the Company					
	Share capital $'mil	Other reserves $'mil	Accumulated profits $'mil	Total $'mil	Minority interests $'mil	Total equity $'mil
Balance at 1 January 2007	537.5	37.3	866.5	1,441.3	388.7	1,830.0
Fair value losses on cash flow hedges	–	(0.5)	–	(0.5)	–	(0.5)
Fair value gains on available-for-sale investments	–	1.4	–	1.4	–	1.4
Exchange differences arising on translation of foreign operations	–	3.1	–	3.1	–	3.1
Actuarial gains on defined benefit plans	–	4.7	–	4.7	–	4.7
Net income recognised directly in equity	–	8.7	–	8.7	–	8.7
Realised gain transferred to profit or loss on cash flow hedges	–	(1.0)	–	(1.0)	–	(1.0)
Profit after taxation	–	–	223.0	223.0	50.3	273.3
Total recognised income for the year	–	7.7	223.0	230.7	50.3	281.0
Recognition of share-based payments	–	2.2	–	2.2	–	2.2
Exercise of share options	22.1	(2.7)	–	19.4	–	19.4
Payment of dividends (Note 41)	–	–	(210.9)	(210.9)	–	(210.9)
Other reserves	–	(0.6)	0.4	(0.2)	(22.4)	(22.6)
Balance at 31 December 2007	559.6	43.9	879.0	1,482.5	416.6	1,899.1

Balance at 1 January 2008	**559.6**	**43.9**	**879.0**	**1,482.5**	**416.6**	**1,899.1**
Fair value losses on cash flow hedges	**–**	**(2.5)**	**–**	**(2.5)**	**–**	**(2.5)**
Fair value losses on available-for-sale investments	**–**	**(1.6)**	**–**	**(1.6)**	**–**	**(1.6)**
Exchange differences arising on translation of foreign operations	**–**	**(10.5)**	**–**	**(10.5)**	**–**	**(10.5)**
Actuarial losses on defined benefit plans	**–**	**(3.7)**	**–**	**(3.7)**	**–**	**(3.7)**
Net expense recognised directly in equity	**–**	**(18.3)**	**–**	**(18.3)**	**–**	**(18.3)**
Realised gain transferred to profit or loss on cash flow hedges	**–**	**(0.6)**	**–**	**(0.6)**	**–**	**(0.6)**
Realised gain transferred to profit or loss on disposal of available-for-sale investments	**–**	**(0.8)**	**–**	**(0.8)**	**–**	**(0.8)**
Profit after taxation	**–**	**–**	**200.1**	**200.1**	**49.1**	**249.2**
Total recognised income and expenses for the year	**–**	**(19.7)**	**200.1**	**180.4**	**49.1**	**229.5**
Recognition of share-based payments	**–**	**2.3**	**–**	**2.3**	**–**	**2.3**
Exercise of share options	**1.3**	**(0.3)**	**–**	**1.0**	**–**	**1.0**
Payment of dividends (Note 41)	**–**	**–**	**(109.4)**	**(109.4)**	**–**	**(109.4)**
Other reserves	**–**	**(4.7)**	**4.7**	**–**	**(45.8)**	**(45.8)**
Balance at 31 December 2008	**560.9**	**21.5**	**974.4**	**1,556.8**	**419.9**	**1,976.7**

See accompanying notes to the financial statements.

Consolidated Cash Flow Statement
year ended 31 December 2008

	2008 $'mil	2007 $'mil
Operating activities		
Profit before taxation	**300.3**	334.5
Adjustments for:		
Depreciation and amortisation expenses	**263.7**	269.1
Finance costs	**27.4**	23.1
Interest income	**(11.7)**	(14.6)
Gain on share exchange	**(26.5)**	–
Share-based payment expense	**2.3**	2.2
Net gain on fair value changes and disposal of investments	**(1.0)**	(0.6)
Allowance (Write-back) for doubtful receivables and bad debts written off	**1.6**	(1.9)
Net loss on disposal of vehicles	**6.5**	4.1
(Write-back) Provision for impairment on vehicles	**(2.2)**	4.3
Write-back of impairment on investment in associates	**(2.1)**	–
Provision for impairment of goodwill and goodwill written off	**0.6**	–
Share of profit in associates	**(7.6)**	(5.0)
Operating cash flows before movements in working capital	**551.3**	615.2
Inventories	**(1.3)**	(5.7)
Trade receivables	**30.6**	(3.4)
Other receivables and prepayments	**(37.6)**	(5.2)
Finance lease receivables	**3.7**	3.0
Long-term receivables	**(0.9)**	(6.2)
Held-for-trading investments	**42.0**	79.6
Trade and other payables	**38.7**	45.6
Deposits received	**10.9**	4.6
Deferred income	**6.4**	–
Provision for service benefits, retirement benefits and long service awards	**(0.6)**	(15.5)
Provision for accident claims	**(11.1)**	0.1
Cash generated from operations	**632.1**	712.1
Income tax paid	**(58.1)**	(69.4)
Net cash from operating activities	**574.0**	642.7

	2008 $'mil	2007 $'mil
Investing activities		
Proceeds from disposal of vehicles	**68.1**	99.7
Proceeds from disposal of available-for-sale investments	**18.3**	16.4
Purchases of vehicles, premises and equipment [Note (a)]	**(351.3)**	(328.2)
Purchases of taxi licences and bus routes	**(5.2)**	(4.3)
Increase in investment in subsidiaries	**(1.9)**	(16.3)
Acquisition of subsidiaries/businesses, net of cash acquired [Note (b)]	**(1.2)**	(34.0)
Interest received	**12.3**	14.6
Dividend received	**4.3**	7.5
Net cash used in investing activities	**(256.6)**	(244.6)
Financing activities		
New loans raised	**49.8**	80.7
Repayment of loans	**(56.5)**	(96.4)
Repayment of obligations under finance leases	**(76.2)**	(56.9)
Payment to minority interests	**(29.3)**	(34.9)
Proceeds from exercise of share options of the Company	**1.0**	19.4
Proceeds from exercise of share options of subsidiaries	**1.2**	9.3
Interest paid	**(27.6)**	(23.7)
Proceeds from unclaimed dividends	**0.2**	0.1
Dividend paid to shareholders of the Company	**(109.4)**	(210.9)
Net cash used in financing activities	**(246.8)**	(313.3)
Net effect of exchange rate changes in consolidating subsidiaries	**19.3**	(4.0)
Net increase in cash and cash equivalents	**89.9**	80.8
Cash and cash equivalents at beginning of year	**318.4**	237.6
Cash and cash equivalents at end of year (Note 4)	**408.3**	318.4
Note (a):		
Purchases of vehicles, premises and equipment	**(406.5)**	(474.5)
Less: Vehicles purchased under finance lease arrangements	**55.2**	146.3
Cash payments on purchases of vehicles, premises and equipment	**(351.3)**	(328.2)
Note (b):		
Summary of the effects of acquisition of subsidiaries/businesses:		
Net (assets) liabilities acquired:		
Current assets	**(0.9)**	(3.5)
Non-current assets	**(1.2)**	(46.4)
Current liabilities	**0.6**	4.0
Non-current liabilities	**–**	0.6
Net assets acquired	**(1.5)**	(45.3)
Goodwill on acquisition	**(0.5)**	(7.4)
Total purchase consideration	**(2.0)**	(52.7)
Minority interests	**0.7**	16.2
Less: Cash on acquisition of subsidiaries	**0.1**	2.5
Cash flow on acquisition, net of cash acquired	**(1.2)**	(34.0)

See accompanying notes to the financial statements.

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 43.

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 2008 and the balance sheet of the Company as at 31 December 2008 were authorised for issue by the Board of Directors on 12 February 2009.

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 NEW AND REVISED STANDARDS – In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2008. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRS, INT FRS and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

FRS 1	–	Presentation of Financial Statements (Revised)
FRS 102	–	Shared-based Payment (Amendments relating to Vesting Conditions and Cancellations)
FRS 108	–	Operating Segments
INT FRS 116	–	Hedges of a Net Investment in a Foreign Operation

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRSs in future periods is not expected to have a material impact on the financial statements of the Group and the Company in the period of their initial adoption except for the following:

FRS 1 – Presentation of Financial Statements (Revised)
FRS 1 (Revised) will be effective for annual periods beginning on or after 1 January 2009, and will change the basis for presentation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

FRS 108 – Operating Segments
FRS 108 will be effective for annual financial statements beginning on or after 1 January 2009 and supersedes FRS 14 – Segment Reporting. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Following the adoption of FRS 108, the Group's current basis of segment reporting is not expected to change significantly as the identification of the reportable segments is based on the internal management reports submitted to Management for decision making.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose 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.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

2 Summary of Significant Accounting Policies (continued)

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses.

In the Company's financial statements, 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 purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. 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.

The interest of minority shareholders in the acquiree is initially measured at the minority'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 balance sheet 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 timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

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

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

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

Available-for-sale investments

Certain investments held by the Group are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the investment revaluation reserve 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 the investment revaluation reserve is included in profit or loss for the period.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and 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.

2 Summary of Significant Accounting Policies (continued)

Provision for impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of provision for impairment at each balance sheet date. Financial assets are reduced by the provision for impairment 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.

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

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

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.

Bank borrowings

Interest-bearing bank 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 40).

Hedging instruments are initially recognised at fair value on the contract date, and are subsequently remeasured to their fair value at each balance sheet date. 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 40(b) contains details of the fair values of the hedging instruments.

2 Summary of Significant Accounting Policies (continued)

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 is deferred in equity under hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts deferred 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 balance sheet 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 cost that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average and first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

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

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

2 Summary of Significant Accounting Policies (continued)

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 10
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 has significant influence, but not control or joint control over the financial and operating policy decisions.

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 consolidated balance sheet 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.

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.

2 Summary of Significant Accounting Policies (continued)

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

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL – At each balance sheet date, 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 has been set up to account for diesel price and electricity tariff adjustment charge. In accounting for diesel price and electricity tariff variation, reference is made to the diesel price and electricity tariff (hereafter referred to as "reference diesel price and electricity tariff") as determined by the PTC annually.

In the year when the actual diesel price and electricity tariff are below the reference diesel price and electricity tariff, a fuel price equalisation charge is made in that year's profit or loss to the extent that the outstanding balance in the fuel price equalisation account does not exceed that year's fuel consumption amount calculated at the reference diesel price and electricity tariff.

2 Summary of Significant Accounting Policies (continued)

In the year when the actual diesel price and electricity tariff are above the reference diesel price and electricity tariff, the fuel price equalisation account previously set up can be drawn down in full or in part subject to:

a) the amount to be drawn down is limited to the extent that the balance outstanding in the fuel price equalisation account after draw down, is at or above that year's fuel consumption using the reference diesel price and electricity tariff; or

b) upon an application by the Group and subject to the approval by PTC.

PROVISION FOR ACCIDENT CLAIMS – Claims for accident 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 balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

DEFERRED INCOME – Deferred income comprises:

i) the net present value of the grant receivable from the New South Wales Ministry of Transport ("MOT") for the acquisition of new buses approved by the MOT. Under the terms of the agreement, the Group receives the grant on a monthly basis over the shorter of the length of time the Group retains the contract to operate certain bus routes and 15 years. The Group is of the view that the contract will be retained in excess of 15 years and amortises the deferred income to profit or loss over 15 years on a straight-line method.

ii) Advance receipts from customers is recognised to profit or loss when the services are rendered.

SERVICE BENEFITS – These comprise the following:

i) Retirement Benefits – Under the Collective Agreement entered into by certain subsidiaries in Singapore with their relevant unions, retirement benefit subject to a maximum of $3,000 is payable to a retiring employee on or after attaining the age of sixty-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 balance sheet date.

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 financial year 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 each balance sheet date. Actuarial gains and losses arising over the financial year are recognised immediately outside profit or loss in the statement of changes in equity under retirement benefit reserve, and are reflected in the balance sheet. 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 balance sheet 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.

2 **Summary of Significant Accounting Policies** (continued)

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 balance sheet date.

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 balance sheet date.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation, provision for fuel equalisation and future tax benefits from certain provisions not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 the profit and loss account, except when they relate to items credited or debited to equity, in which case the tax is also recognised 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.

2 Summary of Significant Accounting Policies (continued)

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 balance sheet of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. 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 directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

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 on the balance sheet date. 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 classified as equity and transferred to 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 taken to the currency translation reserve.

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

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Critical judgements in applying the Group's accounting policies

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

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, 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 accidents involving the Group's vehicles 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 is disclosed in Note 25.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

ii) Insurance premium

Certain companies within the Group have undertaken property damage and personal injury insurance to cover liabilities which may arise for injury to third party where claims are in excess of a stated quantum. The insurance premium payable is based on an agreed minimum sum payable in advance and an additional amount payable should the incurred claims per vehicle exceed the minimum amount as stipulated in the insurance policy for that year. The Group had in the previous financial years incurred additional premiums payable as the insurance claims per vehicle had exceeded the minimum stipulated amount. Accordingly, based on the history of incurred claims per vehicle for each of the policy year, an estimate of the liability is made. As at 31 December 2008, the provision for insurance premium for the period from 1999 to 2008 included in trade and other payables (Note 22) is $53.4 million (2007: $45.3 million).

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 balance sheet date 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 balance sheet date.

The total provision for service benefits and long service awards is disclosed in Note 26.

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 each balance sheet date. The retirement benefit obligation recognised in the balance sheet amounting to $13.1 million (2007: $15.9 million) disclosed in Note 30(e) 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 debt securities are obtained from market makers (dealers) of the debt securities. The prices represent the dealers' price of these debt securities at the last market day of the financial year. The fair value of these unquoted debt securities as at 31 December 2008 is disclosed in Notes 5 and 6.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has 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 is recognised in the profit or loss and is not reversed in the subsequent period.

Useful lives of vehicles, premises and equipment

As described in Note 2, the Group reviews the estimated useful lives of vehicles, premises and equipment at the end of each annual reporting period. During the financial year, Management determined that the estimated useful lives of vehicles, premises and equipment are appropriate and no material revision is required.

4 Short-Term Deposits and Bank Balances

	The Group		The Company	
	2008 $'mil	2007 $'mil	**2008 $'mil**	2007 $'mil
Cash and bank balances	**19.0**	13.7	**–**	0.2
Interest bearing bank balances	**52.5**	67.1	**0.6**	0.6
Fixed deposits	**336.8**	237.6	**151.8**	81.8
Total	**408.3**	318.4	**152.4**	82.6

5 Held-for-Trading Investments

	The Group		The Company	
	2008 **$'mil**	2007 $'mil	**2008** **$'mil**	2007 $'mil
Unquoted investments, at fair value:				
Bonds and notes in corporations	**37.0**	78.8	**4.9**	5.0

The basis of the fair values of unquoted investments is disclosed in Note 3. Additional information is presented in Note 40(d).

6 Available-for-Sale Investments

	The Group		The Company	
	2008 **$'mil**	2007 $'mil	**2008** **$'mil**	2007 $'mil
a) Quoted investments, at fair value:				
Equity shares in corporations	**–**	2.6	**–**	–
Bonds in corporations	**41.5**	49.2	**22.0**	23.9
b) Unquoted investments, at fair value:				
Notes in corporations	**–**	10.0	**–**	–
Equity shares in corporations	**0.2**	0.2	**–**	–
Others	**0.9**	0.9	**0.2**	0.2
Total	**42.6**	62.9	**22.2**	24.1
Analysed as:				
Current	**5.0**	15.8	**–**	0.8
Non-current	**37.6**	47.1	**22.2**	23.3
	42.6	62.9	**22.2**	24.1

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 instruments is disclosed in Note 3. Additional information is presented in Note 40(d).

7 Trade Receivables

	The Group	
	2008 $'mil	2007 $'mil
Associates (Note 43)	**2.3**	3.7
Outside parties	**105.6**	136.6
Allowance for doubtful receivables from outside parties	**(5.6)**	(6.9)
Net	**102.3**	133.4

The credit period on sale of goods and rendering of services ranges from 7 days to 90 days (2007: 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.

The credit risk on trade receivables that are neither past due nor 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	
	2008 $'mil	2007 $'mil
Balance at beginning of the year	**6.9**	5.6
Amounts written off during the year	**(2.3)**	(1.0)
Increase in allowance recognised in profit or loss	**1.4**	2.3
Exchange differences	**(0.4)**	–
Balance at end of the year	**5.6**	6.9

8 Other Receivables and Prepayments

	The Group		The Company	
	2008 $'mil	2007 $'mil	**2008 $'mil**	2007 $'mil
Receivables from associates (Note 43)	**0.2**	0.2	**–**	–
Prepayments	**117.6**	95.0	**0.1**	0.1
Interest receivable	**1.1**	1.7	**0.3**	0.3
Staff advances	**1.1**	0.9	**–**	–
Security deposits	**5.2**	2.8	**–**	–
Long-term receivables – Current portion (Note 14)	**9.7**	7.2	**–**	–
Others	**45.9**	35.0	**2.2**	3.5
Total	**180.8**	142.8	**2.6**	3.9

The Group's and the Company's other receivables and prepayments that are not denominated in the functional currencies are insignificant to the Group and the Company.

9 Due from Subsidiaries (Non-Trade)

	The Company	
	2008 **$'mil**	2007 $'mil
Receivables from subsidiaries (Note 43)	**458.1**	409.3
Allowance for doubtful receivables	**(5.7)**	(5.7)
Net	**452.4**	403.6

The receivables from subsidiaries are unsecured, interest-free and repayable on demand.

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

10 Finance Lease Receivables

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2008 **$'mil**	2007 $'mil	**2008** **$'mil**	2007 $'mil
Amounts receivable under finance leases:				
Within one year	**25.3**	27.9	**23.4**	25.9
Within the second to fifth year inclusive	**20.2**	22.1	**19.3**	21.1
	45.5	50.0	**42.7**	47.0
Less: Unearned finance income	**(2.8)**	(3.0)	**NA**	NA
Present value of minimum lease payments receivable	**42.7**	47.0	**42.7**	47.0
Less: Provision for unguaranteed residual values	**(2.0)**	(2.6)	**(2.0)**	(2.6)
Net	**40.7**	44.4	**40.7**	44.4
Analysed as:				
Current finance lease receivables (recoverable within 12 months)	**22.4**	24.4	**22.4**	24.4
Non-current finance lease receivables (recoverable after 12 months)	**18.3**	20.0	**18.3**	20.0
Total	**40.7**	44.4	**40.7**	44.4

The Group enters into finance lease arrangements for some of its motor vehicles. The average term of finance leases entered into is 2.3 years (2007: 2.5 years).

Gross unguaranteed residual values of assets under finance leases at the balance sheet date are estimated at $30.6 million (2007: $34.6 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 2.37% to 9.65% (2007: 2.37% to 9.52%) per annum.

The carrying amount of the Group's finance lease receivables at the balance sheet date approximates its fair value, based on discounting the estimated cash flows at the market rate.

11 Inventories

	The Group	
	2008 $'mil	2007 $'mil
Goods held for sale	**12.2**	15.2
Consumables, materials and supplies	**35.1**	32.4
Work in progress	**4.5**	2.9
	51.8	50.5

12 Subsidiaries

	The Company	
	2008 $'mil	2007 $'mil
Unquoted equity shares – at cost	**610.6**	506.3

Details of significant subsidiaries are included in Note 43.

13 Associates

	The Group		The Company	
	2008 $'mil	2007 $'mil	**2008 $'mil**	2007 $'mil
Quoted equity shares, at cost	**101.1**	68.2	**88.8**	55.9
Unquoted equity shares, at cost	**15.0**	15.0	**0.1**	0.1
Add: Share of post-acquisition reserves	**7.6**	3.8	**–**	–
Provision for impairment	**(2.6)**	(4.7)	**–**	–
Net	**121.1**	82.3	**88.9**	56.0
Advance to associate company	**2.4**	2.4	**–**	–
Allowance for doubtful advance	**(2.4)**	(2.4)	**–**	–
Net	**121.1**	82.3	**88.9**	56.0
Market value of quoted equity shares	**56.9**	78.8	**50.2**	64.5

a) Details of significant associates are included in Note 43.

13 Associates (continued)

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

	The Group	
	2008 $'mil	2007 $'mil
Movement in provision for impairment:		
Balance at beginning of year	**4.7**	4.7
Write-back to profit or loss	**(2.1)**	–
Balance at end of year	**2.6**	4.7

Management is of the view that no provision for impairment is necessary for the investment in quoted associate as the investment is held for long-term purposes. The current lower market value of the quoted equity shares is due to overall poor market sentiments.

	The Group	
	2008 $'mil	2007 $'mil
Movement in allowance for doubtful advances:		
Balance at beginning of year	**2.4**	14.9
Amount written off during the year	**–**	(8.3)
Amount recovered during the year	**–**	(4.2)
Balance at end of year	**2.4**	2.4
Assets and liabilities		
Total assets	**448.1**	528.1
Total liabilities	**(158.7)**	(211.0)
Net assets	**289.4**	317.1
Group's share of associates' net assets	**36.9**	28.7
Revenue	**268.5**	255.7
Profit for the year	**65.3**	105.4
Group's share of associates' profit	**7.6**	5.0

14 Long-Term Receivables

	The Group		The Company	
	2008 $'mil	2007 $'mil	**2008 $'mil**	2007 $'mil
Receivables from:				
a) Minority shareholders of subsidiaries	**11.3**	9.4	**–**	–
b) Subsidiaries (Note 43)	**–**	–	**–**	1.0
c) Others	**102.2**	96.8	**–**	–
Total	**113.5**	106.2	**–**	1.0
Less: Current portion (Note 8)	**(9.7)**	(7.2)	**–**	–
Net	**103.8**	99.0	**–**	1.0

a) The receivables from minority shareholders of subsidiaries include:

i) $0.3 million (2007: $0.2 million) which is secured on the minority shareholder's 3% interest in a subsidiary, interest-free and expected to be repaid within the next 12 months;

ii) $5.0 million (2007: $3.0 million) which is secured on the minority shareholder's 49% interest in a subsidiary, bears interest ranging from 5.54% to 7.23% (2007: 5.51%) per annum and expected to be repaid within the next 12 months; and

iii) $6.0 million (2007: $6.0 million) which is secured on taxi licences, bears fixed interest rate of 7.02% (2007: 7.02%) per annum and not expected to be repaid within the next 12 months.

b) The receivables from subsidiaries in financial year 2007 of $1.0 million bore fixed interest rate at 5.54% per annum, unsecured and was repaid during the year.

c) The receivables from others of $102.2 million (2007: $96.8 million) is unsecured, bears fixed effective interest at rates ranging from 7.19% to 8.23% (2007: 7.41% to 8.38%) per annum and receivable over the useful lives of the related assets. This balance represents the net present value of the grants receivable from the New South Wales Ministry of Transport ("MOT") for the acquisition of new buses approved by the MOT of which $4.4 million (2007: $4.0 million) is expected to be received within the next 12 months.

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

15 Vehicles, Premises and Equipment

	Buses $'mil	Leasehold bus depots $'mil	Leasehold land and buildings $'mil
The Group			
Cost:			
At 1 January 2007	1,298.5	87.2	266.5
Arising from acquisition of subsidiaries/businesses	14.4	–	0.1
Additions	150.7	–	1.8
Disposals	(56.8)	(0.1)	(1.5)
Reclassifications	64.4	(0.3)	2.4
Exchange differences	(8.6)	–	0.1
At 31 December 2007	1,462.6	86.8	269.4
Arising from acquisition of subsidiaries/businesses	–	–	–
Additions	94.6	1.3	0.9
Disposals	(92.6)	–	(0.4)
Reclassifications	132.2	3.0	1.4
Exchange differences	(141.6)	–	2.0
At 31 December 2008	**1,455.2**	**91.1**	**273.3**
Accumulated depreciation:			
At 1 January 2007	814.4	52.0	103.4
Arising from acquisition of subsidiaries/businesses	–	–	0.1
Depreciation	69.3	3.2	10.0
Write-off on disposals	(48.5)	–	(1.1)
Reclassifications	(0.2)	–	–
Exchange differences	(6.0)	–	–
At 31 December 2007	829.0	55.2	112.4
Arising from acquisition of subsidiaries/businesses	–	–	–
Depreciation	68.7	4.0	9.8
Write-off on disposals	(89.1)	–	(0.2)
Reclassifications	(0.3)	–	–
Exchange differences	(50.5)	–	0.4
At 31 December 2008	**757.8**	**59.2**	**122.4**
Provision for impairment:			
At 1 January 2007	–	–	–
Provision (Reversal) for the year	–	–	–
Write-off on disposals	–	–	–
At 31 December 2007	–	–	–
Reversal for the year	–	–	–
Write-off on disposals	–	–	–
At 31 December 2008	**–**	**–**	**–**
Carrying amount:			
At 31 December 2008	**697.4**	**31.9**	**150.9**
At 31 December 2007	633.6	31.6	157.0

Freehold land and buildings $'mil	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
106.4	1,240.4	255.3	89.8	20.6	35.9	80.4	3,481.0
4.8	8.9	0.8	0.2	0.1	0.1	–	29.4
12.7	164.3	11.2	3.9	1.9	1.8	126.2	474.5
–	(235.3)	(32.9)	(2.3)	(1.8)	(1.9)	(0.7)	(333.3)
–	41.0	57.7	0.9	0.4	0.2	(166.7)	–
(0.1)	(0.4)	(2.5)	(0.7)	–	–	(0.3)	(12.5)
123.8	1,218.9	289.6	91.8	21.2	36.1	38.9	3,639.1
1.1	–	0.9	0.3	–	0.2	–	2.5
30.2	112.5	5.1	10.1	1.3	1.3	149.2	406.5
(0.7)	(161.0)	(14.9)	(1.5)	(0.8)	(0.8)	–	(272.7)
–	45.8	(18.7)	2.6	0.6	(2.9)	(164.0)	–
(30.4)	10.0	(19.7)	(6.3)	0.3	–	(2.8)	(188.5)
124.0	**1,226.2**	**242.3**	**97.0**	**22.6**	**33.9**	**21.3**	**3,586.9**
13.1	350.8	197.8	67.3	9.3	23.8	–	1,631.9
–	–	0.5	–	–	–	–	0.6
2.3	139.9	29.1	7.3	2.2	3.7	–	267.0
–	(137.0)	(32.9)	(1.9)	(1.4)	(1.7)	–	(224.5)
–	–	(0.1)	–	0.3	–	–	–
(0.6)	(0.2)	(2.6)	(0.7)	–	–	–	(10.1)
14.8	353.5	191.8	72.0	10.4	25.8	–	1,664.9
0.1	–	0.9	0.2	–	0.1	–	1.3
2.0	141.6	22.5	6.9	2.2	3.0	–	260.7
(0.7)	(89.7)	(14.5)	(1.4)	(0.4)	(0.8)	–	(196.8)
–	17.4	(17.1)	1.6	0.3	(1.9)	–	–
(4.5)	3.6	(18.2)	(5.6)	–	(0.2)	–	(75.0)
11.7	**426.4**	**165.4**	**73.7**	**12.5**	**26.0**	**–**	**1,655.1**
–	7.8	0.1	–	–	0.1	–	8.0
–	4.3	0.1	–	–	(0.1)	–	4.3
–	(5.0)	–	–	–	–	–	(5.0)
–	7.1	0.2	–	–	–	–	7.3
–	(2.2)	–	–	–	–	–	(2.2)
–	(1.1)	(0.2)	–	–	–	–	(1.3)
–	**3.8**	**–**	**–**	**–**	**–**	**–**	**3.8**
112.3	**796.0**	**76.9**	**23.3**	**10.1**	**7.9**	**21.3**	**1,928.0**
109.0	858.3	97.6	19.8	10.8	10.3	38.9	1,966.9

15 Vehicles, Premises and Equipment (continued)
Included under buses are total cost of $105.5 million (2007: $161.6 million) and carrying amount of $19.3 million (2007: $22.3 million) which are the subject of one (2007: four) cross border leasing transaction. The Group's legal obligations under these transactions have been legally defeased (see Note 37).

Buses of the Group with a total carrying amount of $224.2 million (2007: $254.4 million) are under finance lease arrangements (see Note 21).

Taxis and motor vehicles of the Group with a total carrying amount of $6.8 million (2007: $11.5 million) are secured for bank loans (see Note 20).

A property of the Group with a carrying amount of $12.0 million (2007: $Nil) is secured for a short-term loan (see Note 19a).

During the financial year, the Group carried out a review of the recoverable amount of its unhired taxis. The review led to a reversal of provision for impairment of $2.2 million (2007: provision for impairment of $4.3 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.

	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 2007	3.1	0.3	1.3	–	4.7
Additions	0.3	0.3	0.6	–	1.2
Disposals	(0.1)	(0.3)	–	–	(0.4)
At 31 December 2007	3.3	0.3	1.9	–	5.5
Additions	0.5	–	0.1	0.1	0.7
Disposals	(0.1)	–	–	–	(0.1)
Reclassifications	(0.1)	–	0.1	–	–
At 31 December 2008	**3.6**	**0.3**	**2.1**	**0.1**	**6.1**
Accumulated depreciation:					
At 1 January 2007	2.5	0.2	0.6	–	3.3
Depreciation	0.4	–	0.2	–	0.6
Write-off on disposals	(0.1)	(0.2)	–	–	(0.3)
At 31 December 2007	2.8	–	0.8	–	3.6
Depreciation	0.4	0.1	0.2	–	0.7
Write-off on disposals	(0.1)	–	–	–	(0.1)
At 31 December 2008	**3.1**	**0.1**	**1.0**	**–**	**4.2**
Carrying amount:					
At 31 December 2008	**0.5**	**0.2**	**1.1**	**0.1**	**1.9**
At 31 December 2007	0.5	0.3	1.1	–	1.9

16 Taxi and Other Licences

	The Group	
	2008 **$'mil**	2007 $'mil
Cost:		
At beginning of year	**253.4**	231.1
Arising on acquisition of subsidiaries/businesses	**–**	17.5
Additions	**5.2**	4.3
Disposal	**(0.4)**	–
Exchange differences	**12.2**	0.5
At end of year	**270.4**	253.4
Accumulated amortisation:		
At beginning of year	**17.7**	15.6
Amortisation for the year	**3.0**	2.1
Disposal	**(0.4)**	–
Exchange differences	**1.0**	–
At end of year	**21.3**	17.7
Carrying amount:		
At end of year	**249.1**	235.7
At beginning of year	**235.7**	215.5

Taxi and other licences with indefinite useful lives are mainly allocated to China (see Note 17).

Certain taxi licences amounting to $81.1 million (2007: $76.1 million) included above have finite useful lives over which the assets are amortised. The amortisation period for these taxi licences ranges from 2 years to 30 years.

17 Goodwill

	The Group	
	2008 **$'mil**	2007 $'mil
Cost:		
At beginning of year	**95.0**	84.8
Arising on acquisition of subsidiaries/businesses	**0.5**	7.4
Arising from additional interest in subsidiaries	**1.1**	3.9
Write-off to profit or loss	**(0.2)**	–
Adjustment to goodwill provisionally determined	**0.1**	(0.7)
Exchange differences	**(15.0)**	(0.4)
At end of year	**81.5**	95.0
Provision for impairment:		
At beginning of year	**0.1**	0.1
Provision for the year	**0.4**	–
At end of year	**0.5**	0.1
Carrying amount:		
At end of year	**81.0**	94.9
At beginning of year	**94.9**	84.7

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination.

17 Goodwill (continued)

The carrying amount of goodwill had been allocated as follows:

	The Group	
	2008 $'mil	2007 $'mil
Singapore		
Bus	**9.4**	8.9
Vehicle inspection and testing	**10.5**	10.5
Others	**–**	0.1
	19.9	19.5
Malaysia		
Car rental and leasing	**1.4**	1.4
United Kingdom		
Bus	**22.8**	29.8
Taxi	**3.8**	4.5
	26.6	34.3
China		
Bus	**0.1**	0.1
Taxi	**2.8**	2.8
Automotive engineering	**0.1**	0.1
Vehicle inspection and testing	**3.0**	3.0
Car rental and leasing	**0.1**	0.1
Driving centre	**0.5**	0.3
	6.6	6.4
Vietnam		
Taxi	**0.9**	0.9
Australia		
Bus	**25.6**	32.4
Grand total	**81.0**	94.9

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill 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 5 years based on estimated growth rate which ranges from -0.6% to 9.3% (2007: 2.3% to 10.0%). 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 5.9% to 6.8% (2007: 5.9% to 7.3%).

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

18 Deferred Tax Assets/Liabilities

	The Group		The Company	
	2008 $'mil	2007 $'mil	**2008 $'mil**	2007 $'mil
Deferred tax assets	**5.1**	6.1	**–**	–
Deferred tax liabilities	**(121.0)**	(127.7)	**(0.2)**	(0.2)
Net	**(115.9)**	(121.6)	**(0.2)**	(0.2)
At beginning of year	**(121.6)**	(117.2)	**(0.2)**	(0.2)
Charge to profit or loss (Note 33)	**(10.1)**	(10.9)	**–**	–
Over (Under) provision in prior years (Note 33)	**6.2**	(1.4)	**–**	–
Credit (Charge) to equity	**1.1**	(1.8)	**–**	–
Effect of change in tax rate	**–**	8.8	**–**	–
Exchange differences	**8.5**	0.9	**–**	–
At end of year	**(115.9)**	(121.6)	**(0.2)**	(0.2)

The balances in the accounts comprise the tax effects of:

	The Group		The Company	
	2008 $'mil	2007 $'mil	**2008 $'mil**	2007 $'mil
Deferred tax assets				
Provisions	**3.7**	5.8	**–**	–
Tax losses	**1.4**	0.3	**–**	–
Net	**5.1**	6.1	**–**	–
Deferred tax liabilities				
Accelerated tax depreciation	**(149.1)**	(150.3)	**(0.2)**	(0.2)
Provision for fuel equalisation	**6.1**	6.2	**–**	–
Other items	**22.0**	16.4	**–**	–
	(121.0)	(127.7)	**(0.2)**	(0.2)
Net	**(115.9)**	(121.6)	**(0.2)**	(0.2)

19 Short-Term Loans

	The Group	
	2008 $'mil	2007 $'mil
Bank loan (secured)	**12.0**	–
Bank loans (unsecured)	**76.0**	72.0
Loan from an associate (unsecured)	**0.3**	0.3
Advance from an associate (unsecured)	**3.6**	–
Loan from a minority shareholder of a subsidiary (unsecured)	**0.1**	0.3
	92.0	72.6

a) The secured bank loan was secured on property (Note 15) and bears fixed interest rate of 6.50% (2007: Nil%) per annum;

b) The unsecured bank loans bear fixed interest at rates ranging from 1.93% to 7.84% (2007: 3.05% to 6.57%) per annum; and

c) The advance and loans from an associate and a minority shareholder of a subsidiary are unsecured, interest-free and repayable on demand.

20 Long-Term Loans

	The Group	
	2008 **$'mil**	2007 $'mil
Bank loans – secured	**10.7**	26.3
Bank loans – unsecured	**116.3**	161.4
Loans from minority shareholders of subsidiaries – unsecured	**2.3**	2.6
Total	**129.3**	190.3
Less: Amount due for settlement within 12 months (shown as current liabilities):		
– Bank loans – secured	**(4.9)**	(14.2)
– Bank loans – unsecured	**(46.1)**	(45.6)
– Loans from shareholders of subsidiaries – unsecured	**(0.1)**	(0.1)
Total	**(51.1)**	(59.9)
Amount due for settlement after 12 months	**78.2**	130.4
The borrowings are repayable as follows:		
On demand or within one year	**51.1**	59.9
In the second year	**7.9**	7.3
In the third year	**60.0**	19.0
In the fourth year	**7.0**	90.7
In the fifth year	**1.1**	3.5
After five years	**2.2**	9.9
	129.3	190.3

a) The secured bank loans are secured on taxi and motor vehicles (see Note 15). Bank loans of $5.3 million (2007: $4.4 million) bear fixed interest rates ranging from 4.71% to 8.24% (2007: 8.60% to 8.85%) per annum. A bank loan of $5.4 million (2007: $21.9 million) bears interest rate at 5.67% (2007: 6.31% to 9.15%) per annum.

b) Included in unsecured bank loans are:

   i) $37.6 million (2007: $37.6 million) which bears variable interest rate ranging from of 2.76% to 7.02% (2007: 5.20%) per annum, and is payable from 2009 to 2010 (2007: 2008); and

   ii) $78.7 million (2007: $123.8 million) which bears fixed interest at rates ranging from 4.35% to 7.68% (2007: 4.05% to 7.68%) per annum. The loans are repayable from 2009 to 2013 (2007: 2008 to 2013).

c) Included in unsecured loans from minority shareholders of subsidiaries are:

   i) $0.1 million (2007: $0.1 million) which is interest-free and repayable on demand; and

   ii) $2.2 million (2007: $2.5 million) which is interest-free and is repayable over thirty years from September 1999.

d) The fair value of the Group's long-term loans approximate their carrying amount.

21 Finance Lease Payable

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2008 $'mil	2007 $'mil	**2008 $'mil**	2007 $'mil
Amounts payable under finance leases:				
Within one year	**32.5**	41.7	**23.5**	29.4
Within the second to fifth year inclusive	**107.9**	146.5	**79.0**	110.3
After five years	**114.0**	99.1	**88.1**	71.9
	254.4	287.3	**190.6**	211.6
Less: Future finance charges	**(63.8)**	(75.7)	**NA**	NA
Present value of finance lease obligations	**190.6**	211.6	**190.6**	211.6
Amount due for settlement within 12 months (shown under current liabilities)			**(23.5)**	(29.4)
Amount due for settlement after 12 months			**167.1**	182.2

It is the Group's policy to lease certain of its buses under finance leases. The lease terms range from 3 to 15 years (2007: 3 to 15 years). For the year ended 31 December 2008, the effective borrowing rate varies from 2.38% to 8.23% (2007: 3.38% to 7.71%) per annum. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

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

The Group's obligations under finance leases are secured by the lessors' title to the leased assets (see Note 15).

22 Trade and Other Payables

	The Group		The Company	
	2008 $'mil	2007 $'mil	**2008 $'mil**	2007 $'mil
Outside parties	**222.7**	185.2	**1.5**	0.8
Accruals	**228.1**	228.2	**8.8**	10.7
Deferred income	**20.1**	19.2	**–**	–
Associates (non-trade) (Note 43)	**5.6**	4.3	**5.6**	3.8
Others	**4.8**	3.3	**–**	0.1
Total	**481.3**	440.2	**15.9**	15.4

The credit period on purchases of goods and services ranges from 7 days to 90 days (2007: 7 days to 120 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The Group's and the Company's trade and other payables that are not denominated in the functional currencies of the respective entities are as follows:

	The Group		The Company	
	2008 $'mil	2007 $'mil	**2008 $'mil**	2007 $'mil
USD	**28.5**	30.7	**–**	–
Others	**5.1**	5.3	**–**	–

23 Due to Subsidiaries (Non-Trade)

	The Company	
	2008 **$'mil**	2007 $'mil
Due to subsidiaries (non-trade)	**438.5**	232.9

Amounts due to subsidiaries of $165.2 million (2007: $96.5 million) representing funds under central pooling bear variable interest at rates ranging from 0.36% to 2.4% (2007: 1.25% to 2.69%) per annum are unsecured and repayable on demand. The balance of amounts due to subsidiaries of $273.3 million (2007: $136.4 million) are interest-free, unsecured and repayable on demand.

24 Deposits Received

	The Group	
	2008 **$'mil**	2007 $'mil
Deposits received from taxi hirers	**107.7**	96.8
Less: Due within 12 months	**(59.8)**	(52.5)
Due after 12 months	**47.9**	44.3

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 balance sheet date 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.

25 Provision for Accident Claims

	The Group	
	2008 **$'mil**	2007 $'mil
At beginning of year	**68.2**	69.7
Charges	**21.3**	27.0
Payments	**(32.4)**	(26.8)
Exchange differences	**(6.6)**	(1.7)
At end of year	**50.5**	68.2

The provision for accident claims represents the estimated amount which certain subsidiaries will have to pay to outside parties for accidents involving the Group's vehicles (Note 3).

26 Provision for Service Benefits and Long Service Awards

	The Group		The Company	
	2008 **$'mil**	2007 $'mil	**2008** **$'mil**	2007 $'mil
At beginning of year	**16.1**	16.0	**0.1**	0.1
Charges	**2.3**	1.0	**–**	–
Payments	**(0.6)**	(1.0)	**–**	–
Exchange differences	**(1.1)**	0.1	**–**	–
At end of year	**16.7**	16.1	**0.1**	0.1

27 Share Capital

	The Group and The Company			
	2008	2007	**2008**	2007
	Number of ordinary shares (million)		**$'mil**	$'mil
Issued and paid-up:				
At beginning of year	**2,084.7**	2,070.5	**559.6**	537.5
Exercise of share options	**0.9**	14.2	**1.3**	22.1
At end of year	**2,085.6**	2,084.7	**560.9**	559.6

Details of the outstanding share options of the Company as at the end of the financial year are set out in paragraph 5 of the Report of the Directors and in Note 30(f).

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

28 Other Reserves

	The Group		The Company	
	2008 $'mil	2007 $'mil	**2008 $'mil**	2007 $'mil
Currency translation reserve:				
At beginning of year	**(18.7)**	(21.8)	**–**	–
Exchange differences on translation of foreign operations	**(10.5)**	3.1	**–**	–
At end of year	**(29.2)**	(18.7)	**–**	–
Retirement benefit reserve:				
At beginning of year	**(25.1)**	(29.8)	**–**	–
Actuarial (losses) gains on defined benefit plans	**(3.7)**	4.7	**–**	–
At end of year	**(28.8)**	(25.1)	**–**	–
Merger reserve:				
At beginning of year	**31.4**	32.1	**–**	–
Transfer to other reserve	**–**	(0.7)	**–**	–
At end of year	**31.4**	31.4	**–**	–
Others:				
At beginning of year	**56.3**	56.8	**15.1**	15.5
Fair value losses on cash flow hedges	**(2.5)**	(0.5)	**–**	–
Realised gain transferred to profit or loss on cash flow hedges	**(0.6)**	(1.0)	**–**	–
Fair value (losses) gains on available-for-sale investments	**(2.4)**	1.4	**(1.0)**	0.1
Recognition of share-based payments	**2.3**	2.2	**2.1**	1.9
Exercise of share options	**(0.3)**	(2.7)	**(0.3)**	(2.4)
Transfer from merger reserve	**–**	0.7	**–**	–
Transfer (to) from accumulated profits	**(4.7)**	1.7	**–**	–
Others	**–**	(2.3)	**–**	–
At end of year	**48.1**	56.3	**15.9**	15.1
Net	**21.5**	43.9	**15.9**	15.1

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

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.

29 Turnover

Turnover comprises the following amounts:

	The Group	
	2008 **$'mil**	2007 $'mil
Rendering of services:		
Bus	**1,532.8**	1,538.8
Bus station	**19.4**	17.9
Rail	**110.5**	94.8
Taxi	**945.3**	922.0
Automotive engineering	**92.6**	97.9
Vehicle inspection and testing	**72.7**	63.6
Car rental and leasing	**37.0**	36.1
Driving centre	**33.5**	29.7
Sale of goods:		
Diesel sales	**253.5**	192.2
Total	**3,097.3**	2,993.0

30 Staff Costs/Retirement Benefit Obligations

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:

	The Group			
Remuneration band	Salary %	Bonus %	Others %	Total compensation %
2008				
$1,750,000 – $1,999,999 Kua Hong Pak	**51.0**	**48.1**	**0.9**	**100**
2007				
$1,750,000 – $1,999,999 Kua Hong Pak	43.8	55.5	0.7	100

The remuneration of one (2007: one) non-executive Director is between $250,000 and $500,000 and comprised entirely of Directors' fees (Note 34).

The remuneration of all the other non-executive Directors is below $250,000 and comprised entirely of Directors' fees (Note 34).

30 Staff Costs/Retirement Benefit Obligations (continued)

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:

	The Group			
Remuneration band	Salary %	Bonus %	Others %	Total compensation %
2008				
$750,000 – $999,999 No. of executives: 1	**51.0**	**44.3**	**4.7**	**100**
$500,000 – $749,999 No. of executives: 3	**56.9**	**35.7**	**7.4**	**100**
$250,000 – $499,999 No. of executives: 13	**55.8**	**36.0**	**8.2**	**100**
2007				
$750,000 – $999,999 No. of executives: 1	49.2	46.0	4.8	100
$500,000 – $749,999 No. of executives: 3	57.8	34.8	7.4	100
$250,000 – $499,999 No. of executives: 8	55.8	36.6	7.6	100

c) The remuneration of the Directors and key executives comprises mainly of short-term benefits amounting to $9.7 million (2007: $8.2 million).

	The Group	
	2008 **$'mil**	2007 $'mil
d) Cost of defined contribution plan (included in staff costs)	**95.8**	93.2

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.

30 Staff Costs/Retirement Benefit Obligations (continued)

	The Group	
	2008 $'mil	2007 $'mil
e) i) Cost of defined benefit plans (included in staff costs)	**–**	(10.0)

ii) Retirement benefit obligations:		
Metroline Pension Scheme	**8.0**	10.5
Metroline London Northern Pension Scheme	**5.1**	5.4
Total	**13.1**	15.9

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 the last financial year, the remaining employees of the Pension Schemes were transferred to a defined contribution pension scheme and the Pension Schemes ceased active accrual of benefits. Excess provision in the prior year were credited to profit or loss.

Defined benefit obligations at 31 December 2008 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 at 31 December 2008 by a qualified independent actuary using the projected unit credit method.

1) Metroline Pension Scheme

	The Group	
	2008 $'mil	2007 $'mil
Reconciliation of the assets and liabilities recognised in the balance sheet		
Present value of defined benefit obligations that are wholly or partly funded	**(44.2)**	(71.4)
Fair value of plan assets at end of year	**36.2**	60.9
Net liability recognised in balance sheet at end of year	**(8.0)**	(10.5)

Fair value of plan assets

The fair value of plan assets does not include any amount relating to:

- any of the subsidiary's own financial instruments; or
- any property occupied by, or other assets used by, the subsidiary.

30 Staff Costs/Retirement Benefit Obligations (continued)

	The Group	
	2008 $'mil	2007 $'mil
Movements in net liability recognised in the balance sheet		
Net liability at beginning of year	**(10.5)**	(20.4)
Net (expense) benefit recognised in profit or loss	**(0.1)**	5.2
Employer contributions	**2.3**	3.3
Actuarial (losses) gains	**(2.7)**	0.9
Exchange differences	**3.0**	0.5
Net liability recognised in balance sheet at end of year	**(8.0)**	(10.5)
Expense recognised in profit or loss		
Current service cost	**–**	0.6
Interest cost on obligation	**3.8**	3.9
Expected return on plan assets	**(3.7)**	(4.2)
Write-back of overprovision	**–**	(5.5)
Expense (Benefit) recognised in profit or loss	**0.1**	(5.2)
Actual return on plan assets		
Expected return on plan assets	**3.7**	4.2
Actuarial losses on plan assets	**(13.5)**	(4.0)
Actual return on plan assets	**(9.8)**	0.2
Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	**(71.4)**	(80.9)
Service cost	**–**	(0.6)
Interest cost	**(3.8)**	(3.9)
Actuarial gains	**10.8**	4.9
Member contributions	**–**	(0.2)
Exchange differences	**17.9**	2.9
Write-back of overprovision	**–**	5.5
Benefits paid	**2.3**	0.9
Closing defined benefit obligation	**(44.2)**	(71.4)
Changes in the fair value of plan assets		
Opening fair value of plan assets	**60.9**	60.5
Expected return	**3.7**	4.2
Actuarial losses	**(13.5)**	(4.0)
Employer contributions	**2.3**	3.3
Member contributions	**–**	0.2
Exchange differences	**(14.9)**	(2.4)
Benefits paid	**(2.3)**	(0.9)
Closing fair value of plan assets	**36.2**	60.9

30 Staff Costs/Retirement Benefit Obligations (continued)

	The Group	
	2008 **$'mil**	2007 $'mil
The fair value of plan assets at the balance sheet date is analysed as follows:		
Equity instruments	**24.5**	44.7
Debt instruments	**11.4**	15.2
Cash	**0.3**	1.0
	36.2	60.9
Principal actuarial assumptions at the balance sheet date		
Discount rate	**6.5%**	6.1%
Expected return on plan assets	**5.7%**	6.9%
Future salary increases	**NA**	NA
Future pension increases	**2.7%**	3.3%
Price inflation	**2.7%**	3.3%

The expected rates of return on individual categories plan assets are determined by reference to relevant indices published by the FTSE and taking into account the current market conditions and the expected long-term relationship between the different asset classes.

	2008 $'mil	2007 $'mil
The history of the plan for the current and prior years is as follows:		
Present value of defined benefit obligation	**(44.2)**	(71.4)
Fair value of plan assets	**36.2**	60.9
Deficit	**(8.0)**	(10.5)
Experience adjustments on plan liabilities	**10.8**	4.9
Experience adjustments on plan assets	**(13.5)**	(4.0)

30 Staff Costs/Retirement Benefit Obligations (continued)

2) Metroline London Northern Pension Scheme

	The Group	
	2008	2007
	$'mil	$'mil
Reconciliation of the assets and liabilities recognised in the balance sheet		
Present value of defined benefit obligations that are wholly or partly funded	**(42.5)**	(67.0)
Fair value of plan assets at end of year	**37.4**	61.6
Net liability recognised in balance sheet at end of year	**(5.1)**	(5.4)
Fair value of plan assets		
The fair value of plan assets does not include any amount relating to:		
• any of the subsidiary's own financial instruments; or		
• any property occupied by, or other assets used by, the subsidiary.		
Movements in net liability recognised in the balance sheet		
Net liability at beginning of year	**(5.4)**	(19.0)
Net benefit recognised in profit or loss	**0.1**	4.8
Employer contributions	**1.7**	2.6
Actuarial (losses) gains	**(3.3)**	5.9
Exchange differences	**1.8**	0.3
Net liability recognised in balance sheet at end of year	**(5.1)**	(5.4)
Expense recognised in profit or loss		
Current service cost	**–**	0.5
Interest cost on obligation	**3.6**	3.9
Expected return on plan assets	**(3.7)**	(4.1)
Write-back of overprovision	**–**	(5.1)
Benefit recognised in profit or loss	**(0.1)**	(4.8)
Actual return on plan assets		
Expected return on plan assets	**3.7**	4.1
Actuarial losses on plan assets	**(12.7)**	(3.2)
Actual return on plan assets	**(9.0)**	0.9
Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	**(67.0)**	(80.1)
Service cost	**–**	(0.5)
Interest cost	**(3.6)**	(3.9)
Member contributions	**–**	(0.1)
Actuarial gains	**9.4**	9.1
Exchange differences	**17.1**	2.7
Write-back of overprovision	**–**	5.1
Benefits paid	**1.6**	0.7
Closing defined benefit obligation	**(42.5)**	(67.0)

30 Staff Costs/Retirement Benefit Obligations (continued)

	The Group	
	2008 **$'mil**	2007 $'mil
Changes in the fair value of plan assets		
Opening fair value of plan assets	**61.6**	61.1
Expected return	**3.7**	4.1
Actuarial losses	**(12.7)**	(3.2)
Employer contributions	**1.7**	2.6
Member contributions	**–**	0.1
Exchange differences	**(15.3)**	(2.4)
Benefits paid	**(1.6)**	(0.7)
Closing fair value of plan assets	**37.4**	61.6
The fair value of plan assets at the balance sheet date is analysed as follows:		
Equity instruments	**21.9**	40.8
Debt instruments	**15.3**	20.5
Cash	**0.2**	0.3
	37.4	61.6
Principal actuarial assumptions at the balance sheet date		
Discount rate	**6.5%**	6.1%
Expected return on plan assets	**5.5%**	6.7%
Future salary increases	**NA**	NA
Future pension increases	**2.7%**	3.3%
Price inflation	**2.7%**	3.3%

The expected rates of return on individual categories of plan assets are determined by reference to relevant indices published by the FTSE and taking into account of the current market conditions and the expected long-term relationship between the different asset classes.

The history of the plan for the current and prior years is as follows:		
Present value of defined benefit obligation	**(42.5)**	(67.0)
Fair value of plan assets	**37.4**	61.6
Deficit	**(5.1)**	(5.4)
Experience adjustments on plan liabilities	**9.4**	9.1
Experience adjustments on plan assets	**(12.7)**	(3.2)

30 Staff Costs/Retirement Benefit Obligations (continued)

f) 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.

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

i) The Company

	2008		2007	
	Number of share options	**Weighted average exercise price $**	Number of share options	Weighted average exercise price $
Outstanding at the beginning of the year	**29,084,000**	**1.79**	32,880,334	1.45
Granted during the year	**12,565,000**	**1.59**	11,655,000	2.26
Cancelled/lapsed during the year	**(1,850,000)**	**1.80**	(1,258,468)	1.70
Exercised during the year	**(940,000)**	**1.32**	(14,192,866)	1.37
Outstanding at the end of the year	**38,859,000**	**1.74**	29,084,000	1.79
Exercisable at the end of the year	**26,904,000**	**1.80**	17,799,000	1.49

The weighted average share price at the date of exercise for share options exercised during the year was $1.73 (2007: $2.09). The options outstanding at the end of the year have an average remaining contractual life of 7.6 years (2007: 7.8 years).

In 2008, options were granted on 25 June 2008 (2007: 22 June 2007). The estimated fair value of the options granted on that date was $0.14 (2007: $0.23) each.

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

	2008	2007
Prevailing share price at date of grant ($)	**1.58**	2.24
Exercise price ($)	**1.59**	2.26
Expected volatility (%)	**24.06**	23.56
Expected life (years)	**2.89**	2.93
Risk free rate (%)	**1.60**	2.52
Expected dividend yield (%)	**6.42**	5.69

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 3 years (2007: 3 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.

30 Staff Costs/Retirement Benefit Obligations (continued)

ii) SBS Transit Ltd

	2008		2007	
	Number of share options	**Weighted average exercise price $**	Number of share options	Weighted average exercise price $
Outstanding at the beginning of the year	**7,592,250**	**2.58**	8,677,500	2.05
Granted during the year	**2,780,000**	**2.18**	2,930,000	3.40
Cancelled/lapsed during the year	**(499,500)**	**2.68**	(167,000)	2.56
Exercised during the year	**(496,500)**	**1.94**	(3,848,250)	2.01
Outstanding at the end of the year	**9,376,250**	**2.49**	7,592,250	2.58
Exercisable at the end of the year	**6,686,250**	**2.61**	4,717,250	2.08

The weighted average share price at the date of exercise for share options exercised during the year was $2.53 (2007: $3.08). The options outstanding at the end of the year have a weighted average remaining contractual life of 7.0 years (2007: 7.4 years).

In 2008, options were granted on 25 June 2008 (2007: 22 June 2007). The estimated fair values of the options granted on that date was $0.10 (2007: $0.13) each.

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

	2008	2007
Prevailing share price at date of grant ($)	**2.20**	3.36
Exercise price ($)	**2.18**	3.40
Expected volatility (%)	**17.62**	19.08
Expected life (years)	**2.80**	2.81
Risk free rate (%)	**1.55**	2.51
Expected dividend yield (%)	**7.84**	9.97

Expected volatility was determined by calculating the historical volatility of SBS Transit Ltd's share price over the previous 3 years (2007: 3 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.

30 Staff Costs/Retirement Benefit Obligations (continued)
iii) VICOM Ltd

	2008		2007	
	Number of share options	**Weighted average exercise price $**	Number of share options	Weighted average exercise price $
Outstanding at the beginning of the year	**1,202,000**	**1.25**	2,118,000	0.89
Granted during the year	**659,000**	**1.84**	600,000	1.66
Lapsed during the year	**–**	**–**	(90,000)	0.97
Exercised during the year	**(191,000)**	**0.94**	(1,426,000)	0.91
Outstanding at the end of the year	**1,670,000**	**1.52**	1,202,000	1.25
Exercisable at the end of the year	**1,011,000**	**1.31**	602,000	0.84

The weighted average share price at the date of exercise for share options exercised during the year was $1.76 (2007: $1.66). The options outstanding at the end of the year have an average remaining contractual life of 8.1 years (2007: 8.0 years).

In 2008, options were granted on 25 June 2008 (2007: 20 June 2007). The estimated fair values of the options granted on that date was $0.05 (2007: $0.05) each.

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

	2008	2007
Prevailing share price at date of grant ($)	**1.83**	1.68
Exercise price ($)	**1.84**	1.66
Expected volatility (%)	**17.19**	14.16
Expected life (years)	**3.00**	3.00
Risk free rate (%)	**1.65**	2.51
Expected dividend yield (%)	**10.00**	8.72

Expected volatility was determined by calculating the historical volatility of VICOM Ltd's share price over the previous 3 years (2007: 3 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 (2007: $2.2 million) related to equity-settled share-based payment transactions (included in staff costs) during the year.

31 Finance Costs

	The Group	
	2008 $'mil	2007 $'mil
Interest expense on:		
Borrowings	**14.1**	14.0
Finance leases	**13.9**	10.1
Fair value gains on interest rate swaps designated as cash flow hedges transferred from equity	**(0.6)**	(1.0)
Total	**27.4**	23.1

32 Exceptional Item

The exceptional gain during the financial year resulted from the exchange of the Group's 16% equity interest in CityFleet (UK) Pte Ltd for 2.46% equity interest in Cabcharge Australia Limited.

33 Taxation

	The Group	
	2008 $'mil	2007 $'mil
Taxation charge comprises:		
Taxation charge in respect of profit for the financial year:		
Current taxation	**46.4**	68.7
Deferred taxation relating to the origination and reversal of temporary differences (Note 18)	**10.1**	10.9
	56.5	79.6
Effect of change in tax rate	**–**	(8.8)
Adjustments in respect of under (over) provision in prior years:		
Current taxation	**0.8**	(11.0)
Deferred taxation (Note 18)	**(6.2)**	1.4
	51.1	61.2

Domestic income tax is calculated at 18% (2007: 18%) of the estimated assessable profit for the year. Taxation for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions.

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

	The Group	
	2008 $'mil	2007 $'mil
Profit before taxation	**300.3**	334.5
Income tax expense calculated at 18% (2007: 18%)	**54.1**	60.2
Effect of expenses that are not (taxable) not deductible in determining taxable profit	**(3.1)**	3.7
Effect of change in tax rate	**–**	(8.8)
Effect of previously unrecognised and unused tax benefits	**(0.7)**	0.6
Effect of different tax rates of subsidiaries operating in other jurisdictions	**7.7**	15.6
Tax effect of share of results of associate	**(1.4)**	(0.9)
Tax rebates	**–**	(0.1)
Overprovision in prior years	**(5.4)**	(9.6)
Other items	**(0.1)**	0.5
	51.1	61.2

Subject to agreement with the relevant tax authorities, certain subsidiaries have unutilised tax losses and unabsorbed capital allowance that can be carried forward and resultant deferred tax benefits unrecognised amounting to $5.5 million (2007: $5.6 million) and $1.3 million (2007: $1.4 million) respectively. 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.

34 Profit After Taxation

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

	The Group	
	2008 **$'mil**	2007 $'mil
Amortisation of taxi and other licences	**3.0**	2.1
Depreciation expense	**260.7**	267.0
Foreign exchange loss (gain)	**1.9**	(1.5)
(Write-back) Provision for impairment on vehicles (included in other operating expenses)	**(2.2)**	4.3
Write-off of goodwill	**0.2**	–
Provision for impairment of goodwill	**0.4**	–
Net gain on fair value changes and disposal of investments	**(1.0)**	(0.6)
Net loss on disposal of vehicles	**6.5**	4.1
Directors' fees	**0.9**	0.8
Bad debts written off	**0.2**	0.1
Allowance (Write-back) for doubtful receivables	**1.4**	(1.9)
Write-back of provision for impairment of investment in associates	**(2.1)**	–
Audit fees:		
Auditors of the Company	**1.1**	1.2
Other auditors	**0.2**	0.1
Non-audit fees:		
Auditors of the Company	**0.5**	0.8

Included in profit after taxation is legal fees expense of $77,700 (2007: $69,000) paid to a firm of which a Director is a partner.

35 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:

	2008	2007
Net profit attributable to shareholders of the Company ($'mil)	**200.1**	223.0
Weighted average number of ordinary shares in issue (million)	**2,085.3**	2,077.5
Basic earnings per share (in cents)	**9.59**	10.73

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares which are the share options granted to employees and Directors. A calculation is done to determine the number of shares that could have been acquired at market price (determined as the average share price of the Company's shares for the financial year) based on the monetary value of the subscription rights attached to outstanding share options. This calculation serves to determine the 'unpurchased' shares to be added to the ordinary shares outstanding for the purpose of computing the dilution.

	2008	2007
Net profit attributable to shareholders of the Company ($'mil)	**200.1**	223.0
Weighted average number of ordinary shares in issue (million)	**2,085.3**	2,077.5
Adjustments for share options (million)	**0.7**	4.5
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	**2,086.0**	2,082.0
Diluted earnings per share (in cents)	**9.59**	10.71

36 Business and Geographical Segments Information

For management purposes, the Group is organised on a world-wide basis into 9 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: Income is generated through provision of vehicular maintenance and repair services, construction of specialised vehicles, assembly of bus bodies, crash repair services and engineering services and sale of motor vehicles.

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) Diesel sales: Income is generated through sales of diesel to the Group's taxi hirers.

h) Car rental and leasing: Income is generated through renting and leasing of cars.

i) Driving centre: Income is generated through operating driving schools.

The divisions are the basis on which the Group reports its primary segment information.

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the Group's profit and loss 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, hedging instruments, operating receivables, inventories, taxi and other licences, goodwill, and vehicles, premises and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire vehicles, premises and equipment, and intangible assets directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of accounts payable, accruals, 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.

36 Business and Geographical Segments Information (continued)
i) Business Segments

	Bus $'mil	Bus station $'mil	Rail $'mil	Taxi $'mil
FY 2008				
Turnover				
External sales	**1,532.8**	**19.4**	**110.5**	**945.3**
Inter-segment sales	**–**	**–**	**–**	**–**
Total	**1,532.8**	**19.4**	**110.5**	**945.3**
Result				
Operating profit	**96.3**	**10.1**	**16.7**	**102.1**
Net income from investments				
Interest income				
Finance costs				
Share of profit in associates				
Profit before taxation and exceptional item				
Exceptional item				
Profit before taxation				
Taxation				
Profit after taxation				
Minority interests				
Profit attributable to shareholders of the Company				
Other information				
Additions to vehicles, premises and equipment	**265.0**	**0.4**	**1.2**	**109.9**
Additions to taxi and other licences	**–**	**–**	**–**	**4.9**
Additions to goodwill, net	**0.6**	**–**	**–**	**0.9**
Depreciation expense	**90.4**	**1.4**	**0.9**	**140.1**
Amortisation expense	**0.1**	**–**	**–**	**2.9**
Write-back of provision for impairment loss recognised in profit or loss	**–**	**–**	**–**	**1.8**
Balance sheet				
Assets				
Segment assets	**1,205.3**	**21.9**	**24.1**	**1,104.8**
Associates	**12.5**	**–**	**–**	**102.4**
Goodwill	**57.9**	**–**	**–**	**7.5**
Cash, fixed deposits, equities and bonds				
Deferred tax assets				
Consolidated total assets				
Liabilities				
Segment liabilities	**459.7**	**15.2**	**23.0**	**206.1**
Borrowings				
Income tax payable				
Deferred tax liabilities				
Consolidated total liabilities				

	Automotive engineering $'mil	Vehicle inspection and testing $'mil	Diesel sales $'mil	Car rental and leasing $'mil	Driving centre $'mil	Others $'mil	Elimination $'mil	Total $'mil
	92.6	72.7	253.5	37.0	33.5	–	–	3,097.3
	94.8	2.4	–	0.1	–	–	(97.3)	–
	187.4	75.1	253.5	37.1	33.5	–	(97.3)	3,097.3
	27.5	19.8	(10.6)	6.9	9.2	–	–	278.0
								3.9
								11.7
								(27.4)
								7.6
								273.8
								26.5
								300.3
								(51.1)
								249.2
								(49.1)
								200.1
	1.8	4.5	–	21.8	2.2	0.9	–	407.7
	–	–	–	0.3	–	–	–	5.2
	–	–	–	–	0.2	–	–	1.7
	2.6	5.5	0.4	14.3	2.0	3.1	–	260.7
	–	–	–	–	–	–	–	3.0
	–	–	–	–	–	2.1	–	3.9
	81.6	54.5	1.5	117.7	21.5	24.5	–	2,657.4
	–	–	–	–	–	6.2	–	121.1
	0.1	13.5	–	1.5	0.5	–	–	81.0
								487.0
								5.1
								3,351.6
	35.4	16.2	12.5	11.4	10.5	16.6	–	806.6
								411.9
								35.4
								121.0
								1,374.9

Notes to the Financial Statements

31 December 2008

36 Business and Geographical Segments Information (continued)

	Bus $'mil	Bus station $'mil	Rail $'mil	Taxi $'mil
FY 2007				
Turnover				
External sales	1,538.8	17.9	94.8	922.0
Inter-segment sales	–	–	–	–
Total	1,538.8	17.9	94.8	922.0
Result				
Operating profit	133.6	7.9	9.3	120.4
Net income from investments				
Interest income				
Finance costs				
Share of profit in associates				
Profit before taxation				
Taxation				
Profit after taxation				
Minority interests				
Profit attributable to shareholders of the Company				
Other information				
Additions to vehicles, premises and equipment	247.0	0.5	0.4	229.5
Additions to taxi and other licences	1.9	–	–	19.9
Additions to goodwill, net	9.1	–	–	1.5
Depreciation expense	96.8	1.8	0.9	138.7
Amortisation expense	0.1	–	–	2.0
Impairment loss recognised in profit or loss	–	–	–	4.3
Balance sheet				
Assets				
Segment assets	1,147.5	20.6	17.2	1,168.0
Associates	11.2	–	–	68.5
Goodwill	71.2	–	–	8.2
Cash, fixed deposits, equities and bonds				
Deferred tax assets				
Consolidated total assets				
Liabilities				
Segment liabilities	404.0	13.8	21.9	243.8
Borrowings				
Income tax payable				
Deferred tax liabilities				
Consolidated total liabilities				

Automotive engineering $'mil	Vehicle inspection and testing $'mil	Diesel sales $'mil	Car rental and leasing $'mil	Driving centre $'mil	Others $'mil	Elimination $'mil	Total $'mil
97.9	63.6	192.2	36.1	29.7	–	–	2,993.0
90.1	2.4	–	0.2	–	–	(92.7)	–
188.0	66.0	192.2	36.3	29.7	–	(92.7)	2,993.0
21.8	16.0	9.2	6.7	7.2	4.2	–	336.3
							1.7
							14.6
							(23.1)
							5.0
							334.5
							(61.2)
							273.3
							(50.3)
							223.0
1.6	2.4	–	19.6	1.1	1.2	–	503.3
–	–	–	–	–	–	–	21.8
–	–	–	–	–	–	–	10.6
2.9	5.1	0.5	14.8	2.0	3.5	–	267.0
–	–	–	–	–	–	–	2.1
–	–	–	–	–	–	–	4.3
82.4	56.0	2.2	130.9	20.6	28.2	–	2,673.6
–	–	–	–	–	2.6	–	82.3
0.1	13.5	–	1.5	0.3	0.1	–	94.9
							459.2
							6.1
							3,316.1
15.2	13.6	20.3	4.6	9.7	17.2	–	764.1
							474.5
							50.7
							127.7
							1,417.0

36 Business and Geographical Segments Information (continued)
ii) Geographical Segments

	Turnover		Carrying amount of total assets		Additions to vehicles, premises and equipment, taxi and other licences and goodwill	
	2008 $'mil	2007 $'mil	**2008 $'mil**	2007 $'mil	**2008 $'mil**	2007 $'mil
Geographical Location						
Singapore	**1,788.6**	1,604.8	**1,823.7**	1,747.2	**242.6**	250.4
United Kingdom/Ireland	**852.4**	981.4	**382.1**	481.2	**52.7**	79.7
China	**240.9**	216.0	**703.5**	629.1	**64.8**	80.1
Australia	**203.1**	177.8	**416.0**	425.7	**51.5**	121.7
Vietnam	**8.2**	8.1	**15.6**	19.2	**1.2**	2.4
Malaysia	**4.1**	4.9	**10.7**	13.7	**1.8**	1.4
Total	**3,097.3**	2,993.0	**3,351.6**	3,316.1	**414.6**	535.7

37 Contingent liabilities
The Company
As at 31 December 2008, the Company has contingent liabilities in respect of letters of financial support provided to certain subsidiaries with capital deficiencies amounting to $97.5 million (2007: $100.7 million) to enable these subsidiaries to continue operating as going concerns.

The Group
i) As at 31 December 2008, a subsidiary has contingent liabilities totalling $4.5 million (2007: $7.9 million) in respect of cross border leasing transactions, under which it has legally defeased all its liabilities under the leases except for the risk of having to pay off this amount to counterparties should it cause the collapse of these leasing arrangements. Management is not aware of any conditions that will cause the subsidiary to initiate the collapse of the leasing arrangements.

ii) As at 31 December 2008, a subsidiary has contingent liability in respect of a letter of indemnity to a shareholder of an associate to indemnify them for 15% (2007: 15%) of a guarantee amounting to $0.3 million (2007: $0.4 million).

38 Commitments
As at 31 December 2008, the Group has the following commitments:

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

	The Group	
	2008 $'mil	2007 $'mil
Purchase of equipment	**4.9**	5.0
Purchase of buses, taxis and motor vehicles	**197.4**	204.9
Purchase of computer systems	**2.7**	0.9
Development of bus depots and properties	**14.1**	18.0
Investment commitments	**144.3**	–

39 Operating Lease Arrangements
The Group as lessee

	The Group	
	2008 **$'mil**	2007 $'mil
Minimum lease payments under operating leases recognised as an expense in the year	**27.4**	27.2

At balance sheet date, commitments in respect of non-cancellable operating leases for the rental of premises were as follows:

	The Group	
	2008 **$'mil**	2007 $'mil
Within one year	**21.6**	23.8
In the second to fifth year inclusive	**57.8**	64.3
After five years	**117.2**	116.3
Total	**196.6**	204.4

Leases are negotiated for terms ranging from monthly basis to 60 years and rental is fixed ranging from one month to 29 years.

The Group as lessor
The Group rents out certain properties and vehicles in Singapore, United Kingdom and China under operating leases. Rental income earned during the year was $78.4 million (2007: $61.9 million).

At balance sheet date, the Group has contracted with counter-parties for the following future minimum lease payments:

	The Group	
	2008 **$'mil**	2007 $'mil
Within one year	**68.8**	50.6
In the second to fifth year inclusive	**138.4**	101.8
After five years	**9.4**	2.9
Total	**216.6**	155.3

40 Financial Instruments, Financial Risks and Capital Risks Management
a) Financial risk management policies and objectives
The main areas of financial risk faced by the Group are foreign exchange rate risk, interest rate risk, credit risk, liquidity risk and fuel price risk. The Group recognises that management of financial risk is an important aspect in its drive towards creating shareholders' value. It is the Group's policy not to participate in speculative financial instruments. Management oversees financial risk management and regularly reviews its policy governing risk management practices.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures these risks.

i) Foreign exchange risk management
The Group manages its foreign exchange exposure by matching revenue and costs in the relevant currencies to create a natural hedge and also through active currency management using hedging instruments such as forwards and options where necessary. The Group's revenue is mainly denominated in Singapore Dollar ("SGD") with the remaining in Great British Pound ("GBP"), Renminbi ("RMB"), Australian Dollar ("AUD"), Euro ("EUR"), Malaysian Ringgit ("MYR") and Vietnamese Dong ("VND"). On the cost side, its foreign currency exposures include United States Dollar ("USD"), GBP, RMB, AUD, Swedish Kroner ("SEK"), EUR, MYR and VND. The Group has investments in the United Kingdom, China, Australia, Ireland, Malaysia and Vietnam. Net translation risks are regularly monitored and the Group currently does not seek to hedge this exposure as it does not impact cash flows.

Foreign currency sensitivity
The bulk of the Group's foreign currency exposures are in the functional currencies of its respective operations. Exposures to foreign currencies that are non-functional are actively managed as part of the overall foreign exchange risk management. Based on sensitivity analysis performed, Management has assessed that the exposure to changes in foreign exchange rates is minimal and hence the resulting impact on profit and loss or equity of the Group is insignificant.

40 Financial Instruments, Financial Risks and Capital Risks Management (continued)

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 40(b). Summary quantitative data of the Group's interest-bearing financial instruments are disclosed in Note 40(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 balance sheet date, Management has assessed that the exposure to changes in interest rates is minimal and hence the resulting impact on the profit and loss or equity 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. It seeks to invest in quality investee companies and almost all of its fixed income investments are above investment grade of at least BBB-rated as assigned by international credit-rating agencies. In its management of credit risk, the Group practises stringent credit review and sets counterparty credit limits. There is no significant concentration of credit risk. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The carrying amount of financial assets represents the maximum credit risk exposure of the Group.

iv) Liquidity risk management

The Group funds its operations through a mix of internal funds and bank borrowings. It regularly reviews its liquidity position comprising free cash flows from its operations and credit lines from banks to ensure its ability to access funding at any time with the best possible rates.

v) Fuel price risk management

Fuel, comprising diesel and electricity, is part of the operating costs of the Group. Other than its bus and rail operations, the Group is also exposed to fluctuations in fuel price in its 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 balance sheet date, every one percentage point change in the rates of diesel and electricity using the closing rates as at the balance sheet date as a basis will impact the Group's annual fuel and electricity costs by $0.6 million. The sensitivity analysis assumes that consumption is held constant at the same level as in 2008.

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.

40 Financial Instruments, Financial Risks and Capital Risks Management (continued)

b) Hedging instruments

	2008		2007	
	Assets $'mil	**Liabilities $'mil**	Assets $'mil	Liabilities $'mil
The Group				
At fair values:				
Interest rate swaps	**–**	**3.0**	0.1	0.1
Foreign exchange	**0.2**	**–**	–	–
Fuel hedges	**–**	**34.7**	–	–
	0.2	**37.7**	0.1	0.1
Analysed as:				
Current (Notes 8 and 22)	**0.2**	**37.7**	0.1	0.1
The Company				
At fair values:				
Foreign exchange	**0.2**	**–**	–	–
Analysed as:				
Current (Note 8)	**0.2**	**–**	–	–

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

At the balance sheet date, the total notional amounts of outstanding hedging instruments to which the Group is committed are as follows:

	The Group	
	2008 $'mil	2007 $'mil
Interest rate swaps	**63.8**	134.7
Foreign exchange	**20.4**	–
Fuel hedges	**116.5**	–

As at 31 December 2008, the fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the balance sheet date, comprises $0.2 million asset (2007: $0.1 million) and $37.7 million liabilities (2007: $0.1 million).

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 2008, the fair value of the Group's and Company's foreign exchange hedging instruments comprising $0.2 million (2007: $Nil) is included in the other receivable and prepayment (Note 8) and is matched by an equivalent fair value adjustment on the hedged item in the trade and other payables (Note 22).

The Group uses fuel hedges to hedge against fuel price risks on future purchases of goods. These arrangements are designed to address fuel price exposure. The fuel hedges are accounted for as fair value hedges. As at 31 December 2008, the fair value of the Group's fuel hedging instruments comprising $34.7 million of liabilities (2007: $Nil) is matched by an equivalent fair value adjustment on the hedged item and both of these are included in the trade and other payables (Note 22).

40 Financial Instruments, Financial Risks and Capital Risks Management (continued)

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 $63.8 million (2007: $124.7 million). Out of the $63.8 million (2007: $124.7 million), $62.8 million (2007: $86.7 million) involved swapping payments of fixed interest at an average rate of 5.135% (2007: 5.135%) per annum for floating rate receipts at 6-month GBP LIBOR for periods up until 2011 (2007: 2011), $1.0 million (2007: $1.6 million) involved swapping payments of fixed interest at an average of 7.29% (2007: 7.29%) per annum for floating rate receipts at 3-month VNIBOR for periods up to 2010. In 2007, $36.4 million involved swapping payments of fixed interest at an average rate of 2.31% per annum for floating interest receipts at 6-month SGD Swap Offer Rate for periods up until 2008.

In addition, the Group used interest rate swaps to manage its exposure by swapping a portion of its investments from fixed rates to floating rates. As at 31 December 2007, the Group had two contracts with nominal value of $5 million each which swap payments of fixed interest at rates of 2.72% and 3.18% per annum respectively for floating interest receipts at 3 basis points plus 3-month SGD Swap Offer Rate and 4 basis points plus 6-month SGD Swap Offer Rate respectively.

The fair value of outstanding interest rate swaps entered into at 31 December 2008 is estimated at $3.0 million loss (2007: $0.1 million gain). These amounts are based on market prices for equivalent instruments at the balance sheet date. Fair value loss of $ 3.0 million (2007: Fair value gain of $0.1 million) for interest rate swaps designated and effective as cash flow hedges has been deferred in equity.

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. The objectives and policies determine the Group's decisions on the amount of dividend payment to shareholders as well as the sources of capital, be it equity or debt. The Group's debt capital refers to borrowings comprising loans under Notes 19 and 20 and finance lease payable under Note 21 while equity refers to total equity.

40 Financial Instruments, Financial Risks and Capital Risks Management (continued)

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					
2008					
Financial assets					
Cash and bank balances:					
In functional currencies					
Interest-bearing	**50.6**	**–**	**–**	**50.6**	**0.4% – 15.8%**
Non-interest bearing	**19.0**	**–**	**–**	**19.0**	**–**
In non-functional currencies					
Interest-bearing	**1.9**	**–**	**–**	**1.9**	**0.1% – 5.0%**
Time deposits:					
In functional currencies	**324.8**	**–**	**–**	**324.8**	**0.2% – 5.0%**
In non-functional currencies	**12.0**	**–**	**–**	**12.0**	**0.4% – 4.5%**
Total cash balances and time deposits	**408.3**	**–**	**–**	**408.3**	

The carrying amounts of these financial assets approximate their fair values. The average remaining tenure for bank deposits is 2.5 months.

	Within 1 year $'mil	Within 2 to 5 years $'mil	Beyond 5 years $'mil	Total $'mil	Effective interest rate %
Held-for-trading investments:					
Bonds and notes in functional currencies	**37.0**	**–**	**–**	**37.0**	**1.7% – 2.4%**
Available-for-sale investments:					
Bonds and notes in functional currencies	**5.0**	**15.5**	**21.0**	**41.5**	**3.0% – 4.8%**
Financial liabilities					
Loans in functional currencies:					
Interest-bearing	**139.0**	**76.0**	**–**	**215.0**	**1.9% – 8.2%**
Non-interest bearing	**4.1**	**–**	**2.2**	**6.3**	**–**
Finance obligations under leases in functional currencies	**23.5**	**79.0**	**88.1**	**190.6**	**2.4% – 8.2%**
Total	**166.6**	**155.0**	**90.3**	**411.9**	
Hedging instruments:					
In functional currencies	**3.0**	**–**	**–**	**3.0**	

40 Financial Instruments, Financial Risks and Capital Risks Management (continued)

	Within 1 year $'mil	Within 2 to 5 years $'mil	Beyond 5 years $'mil	Total $'mil	Effective interest rate %
The Group					
2007					
Financial assets					
Cash and bank balances:					
In functional currencies					
Interest-bearing	65.8	–	–	65.8	0.1% – 7.3%
Non-interest bearing	13.3	–	–	13.3	–
In non-functional currencies					
Interest-bearing	1.3	–	–	1.3	0.8% – 4.5%
Non-interest-bearing	0.4	–	–	0.4	–
Time deposits:					
In functional currencies	236.2	–	–	236.2	1.3% – 6.8%
In non-functional currencies	1.4	–	–	1.4	3.1% – 6.3%
Total cash balances and time deposits	318.4	–	–	318.4	

The carrying amounts of these financial assets approximate their fair values. The average remaining tenure for bank deposits is 2.0 months.

	Within 1 year $'mil	Within 2 to 5 years $'mil	Beyond 5 years $'mil	Total $'mil	Effective interest rate %
Held-for-trading investments:					
Bonds and notes in functional currencies	78.8	–	–	78.8	2.6% – 3.9%
Available-for-sale investments:					
Bonds and notes in functional currencies	15.8	21.0	22.4	59.2	2.0% – 4.8%
Hedging instruments:					
In functional currencies	0.1	–	–	0.1	
Financial liabilities					
Loans in functional currencies:					
Interest-bearing	132.4	120.6	7.3	260.3	3.1% – 9.2%
Non-interest bearing	0.1	–	2.5	2.6	–
Finance obligations under leases in functional currencies	29.4	110.3	71.9	211.6	3.4% – 7.7%
Total	161.9	230.9	81.7	474.5	
Hedging instruments:					
In functional currencies	0.1	–	–	0.1	

40 Financial Instruments, Financial Risks and Capital Risks Management (continued)

	Within 1 year $'mil	Within 2 to 5 years $'mil	Beyond 5 years $'mil	Total $'mil	Effective interest rate %
The Company					
2008					
Financial assets					
Cash and bank balances:					
In functional currencies	**0.5**	**–**	**–**	**0.5**	**0.0%**
In non-functional currencies	**0.1**	**–**	**–**	**0.1**	**0.0%**
Time deposits:					
In functional currency	**143.4**	**–**	**–**	**143.4**	**0.4% – 1.0%**
In non-functional currencies	**8.4**	**–**	**–**	**8.4**	**0.4% – 4.5%**
Total cash balances and time deposits	**152.4**	**–**	**–**	**152.4**	

The carrying amounts of these financial assets approximate their fair values. The average remaining tenure for bank deposits is 0.7 month.

	Within 1 year $'mil	Within 2 to 5 years $'mil	Beyond 5 years $'mil	Total $'mil	Effective interest rate %
Held-for-trading investments:					
Bonds and notes in functional currencies	**4.9**	**–**	**–**	**4.9**	**2.4%**
Available-for-sale investments:					
Bonds and notes in functional currencies	**–**	**15.5**	**6.5**	**22.0**	**3.5% – 4.2%**
2007					
Financial assets					
Cash and bank balances:					
In functional currencies	0.6	–	–	0.6	0.1% – 0.3%
In non-functional currencies	0.2	–	–	0.2	2.5%
Time deposits:					
In functional currency	81.3	–	–	81.3	1.3% – 2.2%
In non-functional currencies	0.5	–	–	0.5	3.1% – 6.3%
Total cash balances and time deposits	82.6	–	–	82.6	

The carrying amounts of these financial assets approximate their fair values. The average remaining tenure for bank deposits is 0.6 month.

	Within 1 year $'mil	Within 2 to 5 years $'mil	Beyond 5 years $'mil	Total $'mil	Effective interest rate %
Held-for-trading investments:					
Bonds and notes in functional currencies	5.0	–	–	5.0	2.9%
Available-for-sale investments:					
Bonds and notes in functional currencies	0.8	16.1	7.0	23.9	2.9% – 4.2%

41 Dividends

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

	2008 $'mil	2007 $'mil
Final		
Normal dividend less tax in respect of the previous financial year:		
– 2.65 cents per ordinary share tax-exempt (one-tier)	**55.2**	–
– 3.00 cents per ordinary share less tax at 18%	**–**	51.1
Special dividend less tax in respect of the previous financial year:		
– 1.50 cents per ordinary share less tax at 18%	**–**	25.5
Interim		
Normal dividend less tax in respect of the current financial year:		
– 2.60 cents per ordinary share tax-exempt (one-tier)	**54.2**	–
– 3.35 cents per ordinary share less tax at 18%	**–**	57.2
Special dividend less tax in respect of the previous financial year:		
– 2.50 cents per ordinary share less tax at 18%	**–**	42.7
– 1.65 cents per ordinary share tax-exempt (one-tier)	**–**	34.4
Total	**109.4**	210.9

b) Subsequent to the balance sheet date, the Directors of the Company recommended that a final one-tier tax-exempt dividend be paid at 2.4 cents per ordinary share totalling $50.1 million for the financial year ended 31 December 2008. 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.

42 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 had 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.

43 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 2008 %	Group's effective interest 2007 %
Unquoted equity shares				
Comfort Group Ltd	Investment holding	Singapore	**100**	100
DelGro Corporation Limited	Investment holding	Singapore	**100**	100
CityCab Pte Ltd (19)	Provision of public taxi services through the rental of taxis to hirers	Singapore	**53.50**	53.50
Subsidiaries of Comfort Group Ltd:				
Quoted equity shares				
VICOM Ltd (1)	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	**69.52**	69.68
Unquoted equity shares				
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 Driving Centre Pte Ltd	Operation of a driving school	Singapore	**90**	90
Comfort Transportation Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	**100**	100
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
Moove Media Pte Ltd	Provision of advertising services	Singapore	**100**	100
Yellow-Top Cab Pte Ltd	Inactive (formerly provision of public taxi services through the rental of taxis to hirers)	Singapore	**100**	100

43 Corporate Information and Related Company Transactions (continued)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2008 %	Group's effective interest 2007 %
Subsidiaries of VICOM Ltd:				
JIC Inspection Services Pte Ltd	Vehicle inspection and other related services	Singapore	**54.23**	54.35
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	**69.52**	69.68
VICOM Assessment Centre Pte Ltd	Provision of vehicle assessment services	Singapore	**35.46**	35.54
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	**69.52**	69.68
VICOM Unichamps Pte Ltd	Investment in environment technology related business	Singapore	**41.71**	41.81
Subsidiaries of Setsco Services Pte Ltd:				
Setsco Services (M) Sdn Bhd (2)	Provision of testing, inspection and consultancy services	Malaysia	**69.52**	69.68
Setsco Consultancy International Pte Ltd (20)	Provision of professional inspection and engineering services	Singapore	**69.52**	N.A.
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

43 Corporate Information and Related Company Transactions (continued)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2008 %	2007 %
Subsidiaries of DelGro Corporation Limited:				
Quoted equity shares				
SBS Transit Ltd [1]	Provision of public bus and rail services	Singapore	**75.29**	75.24
Unquoted equity shares				
Braddell Limited [5]	Investment holding	United Kingdom	**100**	100
CityFleet (UK) Pte Ltd [21]	Investment holding	Singapore	**54.66**	68.63
ComfortDelGro (China) Pte Ltd	Investment holding	Singapore	**100**	100
ComfortDelGro (S.E. Asia) Pte Ltd	Investment holding	Singapore	**100**	100
DelGro (Guangzhou) Pte Ltd	Inactive	Singapore	**100**	100
Singapore Airport Bus Services Ltd	Investment holding	Singapore	**100**	100
Waterbank Properties (S) Pte Ltd	Inactive (formerly property development)	Singapore	**100**	100
Subsidiary of SBS Transit Ltd:				
Monteria Pte Ltd	Inactive	Singapore	**75.29**	75.24
Subsidiaries of Braddell Limited:				
Aerdart Limited [5]	Inactive	Ireland	**100**	100
Irish Citylink ComfortDelGro Limited (formerly known as Cummer Commercials 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

43 Corporate Information and Related Company Transactions (continued)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2008 %	2007 %
Subsidiaries of Metroline Limited:				
E.H. Mundy Holdings Limited [5]	Inactive (formerly investment holding)	United Kingdom	**100**	100
F.E. Thorpe & Sons Limited [5]	Inactive	United Kingdom	**100**	100
Metroline London Northern Limited [5]	Inactive	United Kingdom	**100**	100
Metroline Travel Limited [5]	Provision of public bus services	United Kingdom	**100**	100
Subsidiary of Scottish Citylink Coaches Limited:				
Megacity Limited [5]	Inactive	United Kingdom	**65**	65
Subsidiary of E.H. Mundy Holdings Limited:				
Armchair Passenger Transport Company Limited [5]	Inactive	United Kingdom	**100**	100
Subsidiary of CityCab Pte Ltd:				
Cabcharge Asia Pte Ltd [21]	Provision of charge card facilities	Singapore	**46.59**	46.21
Subsidiaries of CityFleet (UK) Pte Ltd:				
CityFleet Networks Limited [6]	Provision and management of taxi booking services	United Kingdom	**54.66**	68.63
Computer Cab (Edinburgh) Limited [7]	Provision of taxi services	United Kingdom	**54.66**	68.63
Computer Cab plc [5]	Provision of taxi services	United Kingdom	**43.73**	54.90
Computer Cab (Aberdeen) Limited [7]	Provision of taxi services	United Kingdom	**54.66**	68.63
Subsidiaries of CityFleet Networks Limited:				
Flightlink International Limited [6]	Provision of private hire services	United Kingdom	**38.26**	48.05
Computer Cab (Birmingham) Limited [6]	Provision of taxi services	United Kingdom	**38.26**	48.05
Central Dispatch Limited [6]	Provision and management of taxi booking services	United Kingdom	**54.66**	68.63
Merseyside Radio Meter Cabs Limited [7] [22]	Provision of taxi services	United Kingdom	**54.66**	–

43 Corporate Information and Related Company Transactions (continued)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2008 %	Group's effective interest 2007 %
Subsidiary of Computer Cab (Edinburgh) Limited:				
Onward Travel Limited (7)	Provision of taxi services	United Kingdom	**54.66**	68.63
Subsidiary of Computer Cab plc:				
Cabcharge Limited (5)	Provision and management of taxi booking card facilities	United Kingdom	**43.73**	54.90
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 (8)	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) (23)	Operation of a driving school	China	**90**	80
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

43 Corporate Information and Related Company Transactions (continued)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2008 %	Group's effective interest 2007 %
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
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
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 (9)	Operation of workshops for repairing, servicing and general maintenance of motor vehicles	China	**51**	51
Yantai ComfortDelGro Taxi Co., Ltd (15)	Rental of taxis, vehicle inspection and repair	China	**76**	76
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

43 Corporate Information and Related Company Transactions (continued)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2008 %	2007 %
Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:				
ComfortDelGro Rent-A-Car Pte Ltd	Provision of car rental, car care and leasing services	Singapore	**100**	100
CityLimo Leasing (M) Sdn Bhd (16)	Provision of car leasing services	Malaysia	**100**	100
DynaDrive Rent-A-Car Sdn Bhd (16)	Provision of cars for hire	Malaysia	**100**	100
Pantas Rent-A-Car Sdn Bhd (16)	Provision of cars for hire	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
ComfortDelGro Cabcharge Pty Ltd (5) (21)	Investment holding and provision of management services	Australia	**54.66**	53.41
Shanghai City Qi Ai Taxi Services Co., Ltd (17)	Provision of public taxi services through the rental of taxis to hirers	China	**51**	51

43 Corporate Information and Related Company Transactions (continued)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2008 %	Group's effective interest 2007 %
Subsidiaries of ComfortDelGro Cabcharge Pty Ltd:				
Westbus Region 1 Pty Ltd (5)	Provision of public bus services	Australia	**54.66**	53.41
Westbus Region 3 Pty Ltd (5)	Provision of public bus services	Australia	**54.66**	53.41
Hillsbus Co Pty Ltd (5)	Provision of public bus services	Australia	**54.66**	53.41
Hunter Valley Buses Pty Ltd (5)	Provision of public bus services	Australia	**54.66**	53.41
Westbus Coach Services Ltd (6)	Provision of coach services	United Kingdom	**54.66**	53.41
Charterplus Pty Ltd (formerly known as Coach Services Pty Ltd) (5)	Provision of charter, coach and terminal services	Australia	**54.66**	53.41

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 LLP.
(6) Audited by Charles Stuart LLP, United Kingdom.
(7) Audited by Johnston Carmichael, United Kingdom.
(8) Audited by Beijing Hua Tong Jian Certified Public Accountants Co., Ltd, China.
(9) Audited by Sichuan Yi Yong Zheng Jun 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 Beijing Yong Tuo CPA 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 Gong Xin Zhong Nan Certified Public Accountants, China.
(18) Audited by Jiangsu Tianhua Dapeng Certified Public Accountants Co., Ltd, China.
(19) Previously held as a subsidiary by DelGro Corporation Limited. During the year, this subsidiary was transferred at net book value to ComfortDelGro Corporation Limited. The Group's effective interest in the subsidiary remained at 53.5%.
(20) Incorporated in September 2008.
(21) During the financial year, the Group disposed off 16% equity interest in CityFleet (UK) Pte Ltd in exchange for 2.46% equity interest in Cabcharge Australia Limited resulting in an exceptional gain of $26.5 million (Note 32). This share exchange has a corresponding dilutive effect on the subsidiaries of CityFleet (UK) Pte Ltd. As Cabcharge Australia Limited owns 49% and 15% of the equity interest in ComfortDelGro Cabcharge Pty Ltd and Cabcharge Asia Pte Ltd respectively, the Group's effective interest in ComfortDelGro Cabcharge Pty Ltd and its subsidiaries and Cabcharge Asia Pte Ltd increased accordingly.
(22) Acquired on 30 September 2008.
(23) The Group's effective interest increased to 90% consequent to the purchase of 10% shareholding from a minority shareholder during the financial year.

43 Corporate Information and Related Company Transactions (continued)

b) Associates

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2008 %	2007 %
Quoted equity shares				
Cabcharge Australia Limited (1)	Provision of a taxi charge account service business and related services to the taxi industry	Australia	**7.46**	4.92
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**	49
Transit Link Pte Ltd (4)	Provision of support services to transport operators	Singapore	**37.65**	37.62

(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) Audited by Shu Lun Pan Certified Public Accountants Co., Ltd, China.

(4) Audited by PricewaterhouseCoopers, Singapore. The financial statements of Transit Link Pte Ltd ("Transit Link") are made up to 31 March each year, to be coterminous with that of its holding company. For the purpose of applying the equity method, the financial statements of Transit Link for the year ended 31 March 2008 have been used and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2008.

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 except guarantees as disclosed in Note 37.

d) Acquisition of subsidiaries/businesses

The acquisition of subsidiaries and business have been accounted for by the purchase method of accounting during the financial year. The net assets acquired in the transactions, and the goodwill arising, are disclosed in Note (b) of the consolidated cash flow statement.

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

These acquisitions have no significant effects on the Group's financial position or results for the year.

44 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:

	2008 $'mil	2007 $'mil
Revenue	**2.2**	2.1
Expenses	**21.6**	19.2

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.

45 Group Properties

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
Singapore					
DelGro Corporation Limited	100	Braddell Road	67,148 sq m	30 years 11 years unexpired	Head office, bus depot, vehicle workshop
DelGro Corporation Limited	100	Kim Chuan	10,784 sq m	Under Temporary Occupation Licence	Vehicle assembly workshop
SBS Transit Ltd	75.29	Soon Lee Road	26,670 sq m	30 years 21 years unexpired	Bus depot
SBS Transit Ltd	75.29	Defu Avenue 1	74,236 sq m	30 years 4 years unexpired	Bus depot
SBS Transit Ltd	75.29	Bedok North Avenue 4	62,220 sq m	Under Temporary Occupation Licence	Bus depot
SBS Transit Ltd	75.29	Bukit Batok Street 23	52,187 sq m	30 years 4 years unexpired	Bus depot
SBS Transit Ltd	75.29	Ayer Rajah Crescent	17,939 sq m	Under Temporary Occupation Licence	Bus park
SBS Transit Ltd	75.29	Ang Mo Kio Street 63	63,953 sq m	15 years 2 months unexpired	Bus depot
VICOM Ltd	69.52	Sin Ming Drive	10,853 sq m	30 years from January 1981 with option to renew another 30 years	Inspection, assessment services
VICOM Ltd	69.52	Kaki Bukit Avenue 4	9,797 sq m	30 years from January 1997 with option to renew another 30 years	Inspection, assessment services

45 Group Properties (continued)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
VICOM Ltd	69.52	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	69.52	Changi North Crescent	6,015 sq m	30 years from May 1995 17 years unexpired	Inspection services
VICOM Ltd	69.52	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 35 years unexpired	Inspection, assessment services
VICOM Ltd	69.52	Yishun Industrial Park A	1,105 sq m	30 years from July 1983 with option to renew another 30 years	Inspection, assessment services
Setsco Services Pte Ltd	69.52	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	54.23	Pioneer Road	9,190 sq m	30 years from December 1994 16 years unexpired	Inspection services
JIC Inspection Services Pte Ltd	54.23	Ang Mo Kio Street 63	2,145 sq m	14 months from 1 January 2008 and extended for a further 22 months	Inspection services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	11,129 sq m	60 years 27 years unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	25,087 sq m	30 years 14 years unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 43 years unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,500 sq m	23 years 17 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	11 years 3 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 40 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	30 years 14 years unexpired	Workshop, diesel kiosk

45 Group Properties (continued)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
China					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 19 years unexpired	Office, bus station
Shanghai City Qi Ai Services Co., Ltd	51	Lujiabang Road Shanghai	689 sq m	50 years 40 years unexpired	Office
Suzhou Comfort Taxi Co., Ltd	70	Jin Ji Hu Road Suzhou Industrial Park	10,516 sq m	50 years 38 years unexpired	Office, workshop
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 34 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 15 years unexpired	Office, workshop
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	No.17 Wai Dong Jian Cai Road Chengdu	6,000 sq m	30 years 25 years unexpired	Vehicle inspection workshop
Yantai ComfortDelGro Taxi Co., Ltd	76	No.7 Zhou Shan Road Yantai Development Zone	20,000 sq m	50 years 48 years unexpired	Office, workshop
Sichuan ComfortDelGro Car Servicing Co., Ltd	51	Tu Long Road Jin Niu District Chengdu	8,000 sq m	20 years 18 years unexpired	Car repair workshop, exhibition hall
Chongqing ComfortDelGro Driver Training Co., Ltd	90	Jiu Long Po Jiu Long Industrial Park Chongqing	25,170 sq m	46 years 41 years unexpired	Office, driving test and training centre
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd	51	Wen Jia Red Mill Village Chengdu	36,667 sq m	5 years 5 years unexpired	Driving test centre

45 Group Properties (continued)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
United Kingdom					
Computer Cab plc	43.73	Woodfield Road London W9 2BA	537 sq m	Freehold	Office
Computer Cab plc	43.73	Norbiton Kingston upon Thames London KT2 7AZ	93 sq m	24 years 5 years unexpired	Office
Computer Cab plc	43.73	Advantage House Mitre Bridge Ind Mitre Way London W10 6AU	995 sq m	3 years 1 year unexpired	Office, fitting bay
Computer Cab (Aberdeen) Limited	54.66	Farburn House Burnside Drive Dyce Aberdeen AB21 OHW	1,000 sq m	12 years 4 years unexpired	Office
Computer Cab (Edinburgh) Limited	54.66	Spitfire House Turnhouse Road Edinburgh	186 sq m	3 years 1 year unexpired	Office, fitting bay
Merseyside Radio Meter Cabs Limited	54.66	5-7 Falkland Street Liverpool 13 8HB	704 sq m	99 years 89 years unexpired	Office, Fleet Dept
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
Metroline Limited	100	College Road Harrow Middlesex HA1 1BE	1,617 sq m	10 years 4 years unexpired	Office

45 Group Properties (continued)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
Australia					
Westbus Region 3 Pty Ltd	54.66	Bonnyrigg Avenue NSW	22,166 sq m	Freehold	Bus depot
Westbus Region 1 Pty Ltd	54.66	Thorley Street Windsor South NSW	22,130 sq m	Freehold	Bus depot
Westbus Region 1 Pty Ltd	54.66	Mulgoa Road Penrith NSW	10,641 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	54.66	Boundary Road Northmead NSW	31,669 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	54.66	Hartley Road Seven Hills NSW	2,725 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	54.66	New Line Road Dural NSW	19,460 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	54.66	Glenwood Drive Thornton NSW	8,688 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	54.66	High Street Toronto NSW	2,442 sq m	Freehold	Office building
Hunter Valley Buses Pty Ltd	54.66	Arnott St & Aluminium Cl Edgeworth NSW	5,817 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	54.66	Burleigh Street Toronto NSW	5,372 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	54.66	Ettalong Road Morisset NSW	14,865 sq m	Freehold	Bus depot

45 Group Properties (continued)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
Hunter Valley Buses Pty Ltd	54.66	Magpie Street Singleton (formerly known as Corner of Longworth & Ellsmere Ave) NSW	7,806 sq m	Freehold	Site for new Singleton depot
ComfortDelGro Cabcharge Pty Ltd	54.66	Pacific Highway Heatherbrae NSW	32,403 sq m	Freehold	Site for bus building plant
ComfortDelGro Cabcharge Pty Ltd	54.66	Foundry Road Seven Hills NSW	36,810 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	54.66	Lee Holm Drive St Mary's NSW	27,960 sq m	Freehold	Bus depot
Vietnam					
Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh – TP Ho Chi Minh City	6,438 sq m	20 years 12 years unexpired	Office, workshop

Statement of Directors

In the opinion of the Directors, the consolidated financial statements of the Group and the balance sheet of the Company as set out on pages 64 to 137 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 2008, and of the results, changes in equity and the cash flows of the Group 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.

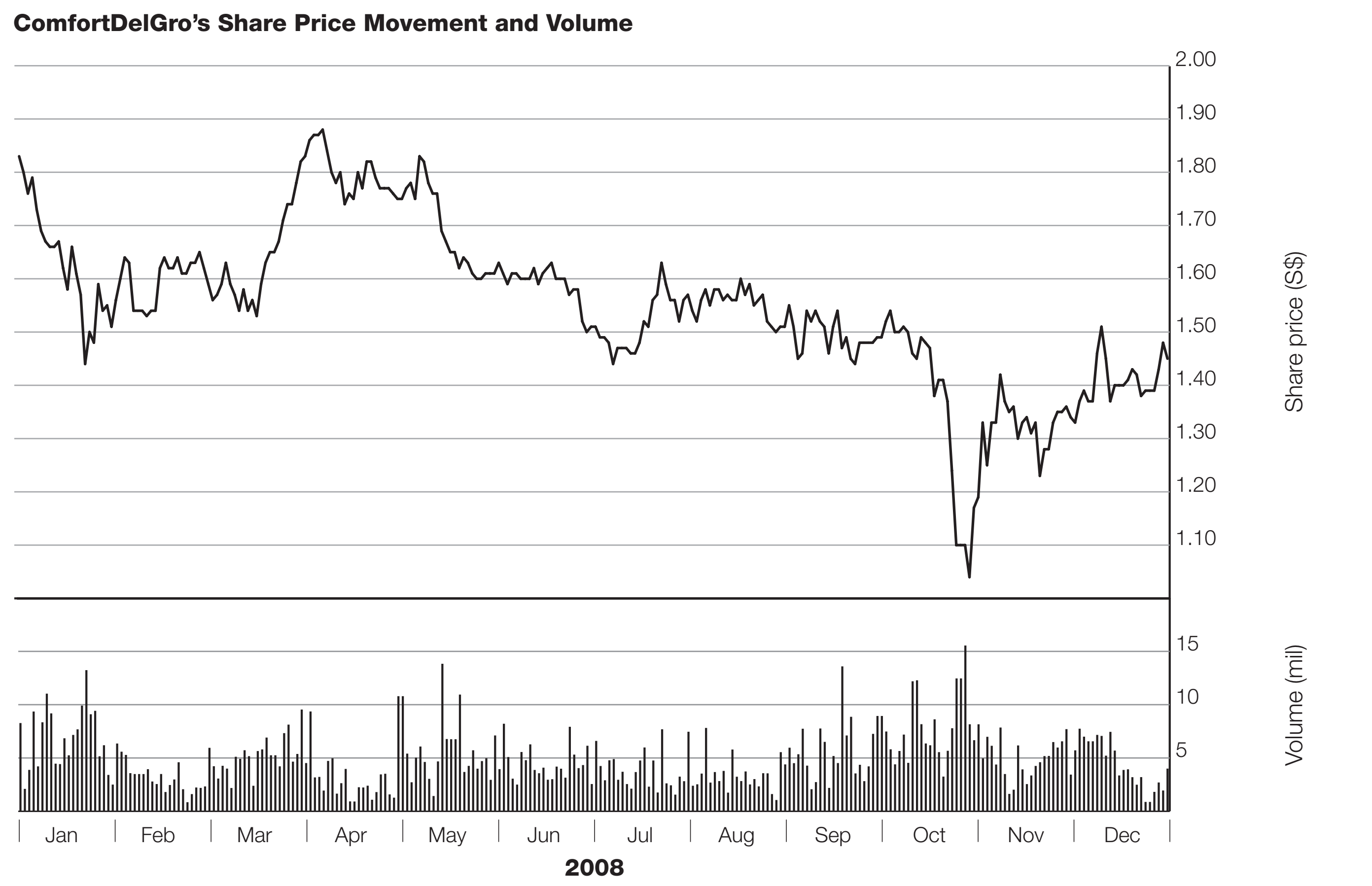
On behalf of the Directors

Lim Jit Poh
Chairman

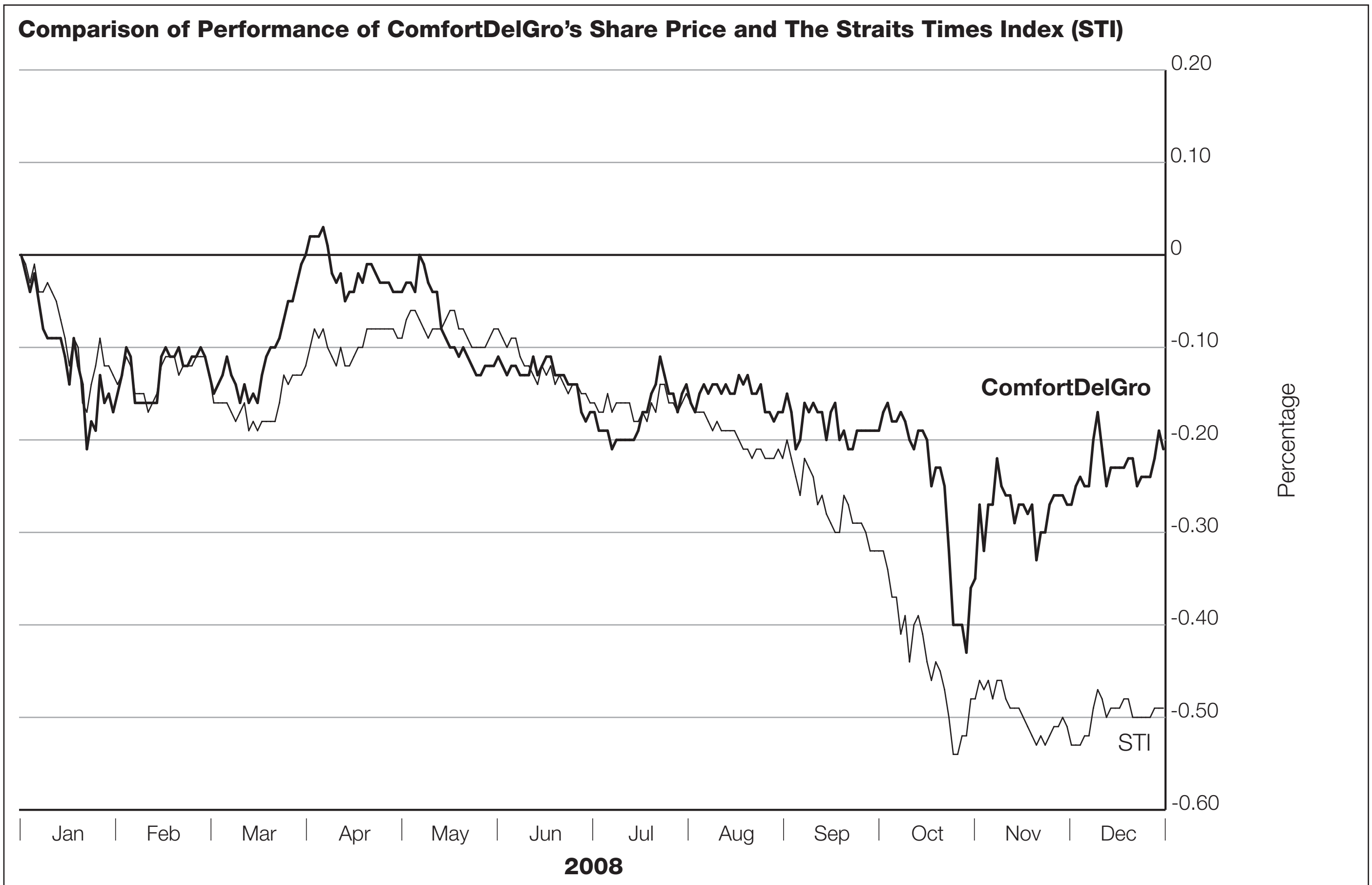
Kua Hong Pak
Managing Director/Group Chief Executive Officer

Singapore
12 February 2009

Share Price Movement Chart



Source: Bloomberg L.P.



Source: Bloomberg L.P.

Shareholding Statistics
as at 2 March 2009

No. of shares issued : 2,085,662,663
Class of shares : Ordinary shares with equal voting rights
Voting rights : One vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	1,707	4.67	663,625	0.03
1,000 – 10,000	17,954	49.14	80,457,682	3.86
10,001 – 1,000,000	16,842	46.10	374,377,493	17.95
1,000,001 & Above	33	0.09	1,630,163,863	78.16
Total	36,536	100.00	2,085,662,663	100.00

Top Twenty Shareholders	No. of Shares	%
DBS Nominees Pte Ltd	593,004,564	28.43
Singapore Labour Foundation	252,616,594	12.11
DBSN Services Pte Ltd	250,085,923	11.99
Citibank Nominees Singapore Pte Ltd	164,172,717	7.87
HSBC (Singapore) Nominees Pte Ltd	118,656,366	5.69
United Overseas Bank Nominees (Pte) Ltd	84,565,699	4.06
Raffles Nominees Pte Ltd	56,012,383	2.69
OCBC Nominees Singapore Pte Ltd	24,605,527	1.18
DB Nominees (S) Pte Ltd	19,765,938	0.95
TM Asia Life Singapore Ltd – Par Fund	9,686,852	0.46
Changi Bus Company (Private) Limited	9,244,095	0.44
Morgan Stanley Asia (Singapore) Securities Pte Ltd	5,089,392	0.24
Low Kim Hong	4,432,000	0.21
Yim Chee Chong	3,910,000	0.19
Oversea-Chinese Bank Nominees Pte Ltd	3,724,072	0.18
DBS Vickers Securities (S) Pte Ltd	3,141,812	0.15
Kua Hong Pak	2,824,530	0.14
BNP Paribas Nominees Singapore Pte Ltd	2,717,363	0.13
HL Bank Nominees (S) Pte Ltd	2,321,960	0.11
Royal Bank of Canada (Asia) Ltd	2,288,341	0.11
Total	1,612,866,128	77.33

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

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
1) Singapore Labour Foundation	252,616,594	12.11	–	–
2) Silchester International Investors Limited	–	–	179,874,000	8.62
3) The Capital Group Companies, Inc.	–	–	135,100,000	6.45

As at 2 March 2009, approximately 71.85% 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 Sixth Annual General Meeting of the Company will be held at the Auditorium, ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 on Tuesday, 28 April 2009 at 2.30 p.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 2008 together with the Auditors' Report thereon. **(Resolution 1)**

2 To declare a final one-tier tax-exempt dividend of 2.4 cents per ordinary share in respect of the Financial Year ended 31 December 2008. **(Resolution 2)**

3 To approve the payment of Directors' fees of $505,000 for the Financial Year ended 31 December 2008. (FY 2007: $505,000) **(Resolution 3)**

4 To re-elect Mr Kua Hong Pak, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 4)**

5 To re-elect Mr Wong Chin Huat, David, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 5)**

6 To re-elect Dr Wang Kai Yuen, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 6)**

7 To re-appoint Messrs Deloitte & Touche LLP as Auditors and authorise the Directors to fix their remuneration. **(Resolution 7)**

Special Business:

8 To consider and, if thought fit, to pass the following resolution with or without modifications as an Ordinary Resolution:

"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." **(Resolution 8)**

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 7 May 2009 for the purposes of determining Shareholders' entitlements to the proposed final one-tier tax-exempt dividend of 2.4 cents per ordinary share for the Financial Year ended 31 December 2008.

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 6 May 2009 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 6 May 2009 will rank for the proposed final dividend.

The final dividend, if approved by the Shareholders at the Sixth Annual General Meeting of the Company, will be paid on 18 May 2009.

By Order of the Board

Chan Wan Tak, Wendy
Company Secretary
Singapore
27 March 2009

Notes:

1 A member entitled to attend and vote at the Annual General Meeting may appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2 The instrument appointing a proxy must be lodged at the Company's registered office at 205 Braddell Road, Singapore 579701 not less than 48 hours before the time appointed for the Annual General Meeting.

Additional Information on Ordinary Business

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

***Explanatory Notes on Special Business to be Transacted**

Resolution 8 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.

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 Summary Report/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)

of ______________________________ (Address)

being a member/members of ComfortDelGro Corporation Limited hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held on Tuesday, 28 April 2009 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Meeting.

No.	Resolutions	For*	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 Kua Hong Pak as Director		
5	Re-election of Mr Wong Chin Huat, David as Director		
6	Re-election of Dr Wang Kai Yuen as Director		
7	Re-appointment of Auditors and authorising Directors to fix their remuneration		
8	Authority to issue shares pursuant to exercise of options		

* If you wish to exercise all your votes "For" or "Against", please tick [✓] within the box provided.

Dated this ____________ day of ______________ 2009

Total number of shares held

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

Important: Please read notes overleaf

Notes:

1 A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2 Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

3 Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Annual General Meeting.

4 A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

5 The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701 not less than 48 hours before the time set for the Annual General Meeting.

6 The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7 Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8 The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject the instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

Affix postage stamp

The Company Secretary
ComfortDelGro Corporation Limited
205 Braddell Road
Singapore 579701

This flap for sealing

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

strategic communicator and visual creator
greymatter williams and phoa (asia)

This Annual Report is printed on environmentally friendly paper.