



COMFORTDELGRO

COMFORTDELGRO
CORPORATION LIMITED

2009

ANNUAL REPORT

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OUR VISION

TO BE THE WORLD'S LAND TRANSPORT OPERATOR OF CHOICE

OUR STRATEGIES FOR SUCCESS

LOOK BEYOND THE HORIZON

Innovate and be receptive to new ideas and opportunities

Solve problems in a prompt and effective manner

Anticipate and embrace change

DO THE RIGHT THINGS — RIGHT

Never take our eyes off the ball

Deploy people and assets for value enhancement

Admit and learn from mistakes

GROW OUR TALENT BASE

Set the performance bar above industry norms

Give credit where credit is due

Reward equitably

OUR CORE VALUES

RESULTS ORIENTATION

We will:

Set challenging and realistic goals

Focus on results

Identify and solve problems

Have a sense of urgency and ownership

COMMITMENT

We will:

Anticipate our customers' needs and constantly upgrade ourselves to provide them with outstanding service

Foster an environment of trust by engaging the communities we serve

Reward our shareholders by delivering steady and sustainable results through growth in our businesses

Care for our staff by providing a challenging environment with ample opportunities for growth and development. Build on staff capabilities through effective recruitment, training and career planning so as to develop their full potential. Promote teamwork, initiative and creativity

Stay committed to the authorities by complying with regulatory requirements

INTEGRITY AND ETHICS

We will:

Conduct our affairs in a manner consistent with the highest ethical and professional standards

Engage in fair and honest business practices

Show respect for each other, our customers, business partners, suppliers, shareholders, the authorities and the communities we operate in

Communicate in a factual, honest and prompt manner

Be open and transparent in our dealings

Exhibit strong environmental stewardship



GLOBAL
FOOTPRINT

44,100

VEHICLES

22,300

EMPLOYEES

26

CITIES

7

COUNTRIES



CHAIRMAN'S STATEMENT



SUN TZU WROTE THAT ONE SHOULD NEVER REPEAT THE TACTICS THAT RESULTED IN A SINGLE VICTORY. INSTEAD, ONE SHOULD REGULATE ONE'S METHODS TO SUIT THE CHANGING CIRCUMSTANCES.

Such insights resulted in great victories over 2,500 years ago. Today, they remain hugely relevant.

Certainly, 2009 was no ordinary year. The global circumstances changed dramatically. Financial and economic markets came close to a collapse amid a perfect storm. Governments around the world rushed to roll out stimulus packages – a collective effort which looks to have helped the world economy get back on its feet.

And as companies around us announced wage cuts and retrenchments, we continued to work hard at staying committed to our staff. In a bid to avert painful retrenchment, we froze the wages of all senior staff. But we wanted to lend some assistance to our lower waged employees, so we gave out ex-gratia payments during the year.

In Singapore, the Government too amended its tactics in light of the changing circumstances. It set the stage by preparing the business and labour sectors for the challenges, and assisted by drawing down on Reserves for the first time since Independence. Indeed the first-ever generous Resilience Package succeeded in alleviating the deteriorating situation.

Operationally, we saw some impact on our businesses, although China continued to show strong growth. The hardest hit were our taxi operations in the United Kingdom (UK), which were affected by the shrinkage of the financial and legal sectors in London. We, however, took a leaf out

of Sun Tzu's book and regulated our methods – focussing more on the private hire business which was increasingly becoming the transport of choice amongst the British business community.

We continued to look at avenues for investment, but strangely enough, the crisis did not present any such opportunities. There was, nonetheless, some organic growth.

CORPORATE GOVERNANCE

When placed under pressure, cracks will appear in firms with weak foundations. The Accounting and Corporate Regulatory Authority (ACRA) and the Singapore Exchange Limited (SGX) therefore saw it fit to issue statements and reminders to companies to ensure that corporate governance is upheld during these difficult times. SGX convened meetings for Audit Committee personnel to remind them of their responsibilities.

In early 2010, the Monetary Authority of Singapore set up a new Corporate Governance Council with representations from both the public and private sectors.

To make sure that we remained fundamentally strong, I convened a special meeting with the Chairmen of the Audit Committees of the three listed companies in the Group. Management was not included in this meeting. I am very pleased to report that as a Group, we are functioning very well, and that corporate governance has been, and continues to be, firmly upheld.

CHAIRMAN'S STATEMENT

Towards the end of the calendar year, the SGX issued a consultation paper, which proposed revisions to some of the listing rules. In particular, some of the proposed changes focussed on the level of involvement of independent directors of companies with substantial overseas assets. I am pleased to advise that we, as a Group, had long subscribed to this view. Our Independent Directors already sit on the Boards of our overseas subsidiaries. This has been so since we began operations seven years ago.

SINGAPORE OPERATIONS

Singapore was not spared in the global recession and suffered an economic contraction of about 2% in 2009. Had it not been for the huge financial incentives that were provided by the Government to save jobs and help the small and medium enterprises, the situation would have been much worse. The corporate sector and the labour movement also played their parts. It was a case of a sensible and pragmatic tripartite approach to the problem solving process. As a Nation, we have done well under these very exceptional adverse conditions.

Our nine local businesses – taxi, bus (scheduled and unscheduled), rail, car rental and leasing, automotive engineering, vehicle inspection and technical testing, driving school, vehicle advertising and insurance broking, have done commendably under such extraordinary circumstances.

Our listed scheduled bus and train subsidiary, SBS Transit Ltd, continued to grow its business despite foregoing the 2009 fare increase, and even returned to commuters more than the savings it had received from the Government's Resilience Package through a temporary fare reduction and an increase in transfer rebate. The implementation of the new Quality of Standards (QoS) continued to have far-reaching consequences on SBS Transit. We continued to increase the number of buses so as to meet the new standard which required that 80% of our basic bus services operate with a scheduled headway of 10 minutes or less during peak hours.

Together with normal bus replacements, we have in the last few years, bought 1,100 new buses. We have placed an order for another 350 buses to be delivered in 2010. This means that close to half of our total fleet will comprise new buses. Just as we have had to invest in more buses, we have also

had to employ more Bus Captains. The trouble is that it is difficult to attract Singaporeans to this profession. We therefore had no choice but to embark on a recruitment drive in China which was successful.

Our listed vehicle inspection and testing services subsidiary, VICOM Ltd, continued to grow from strength to strength. In 2009, it added on a new income stream by establishing a state-of-the-art vehicle emission test laboratory. Targeted at car dealers and traders, the S\$5.8 million facility is one of a few in Asia. In the established vehicle inspection business, we continued to be the market leader with a 70% share.

We also maintained our leadership position in the taxi business, commanding a 63% share of the pie. Competition in the market place continued to centre on the recruitment of hirers, with operators working hard to attract drivers through their various incentives programmes. Our strengths lie in the significant fuel subsidies we give to our hirers, our large automatic vehicle fleet, as well as our very sophisticated customer contact centre. Our cashless payment option is also a very popular feature and it should place us in good stead when our global payment system is put in place soon.

Going forward, we will look at newer, greener vehicles to complement our fleet of **Euro 4s**. Indeed, environmental conservation is something we hold close to our heart. To this end, we were the first in Singapore to place Compressed Natural Gas taxis on trial in 2002 and the first to roll out **Euro 4** taxis in 2007.

Amidst the challenging conditions, our other businesses continued to show tenacity, with some even bucking the global downtrend. Our unscheduled bus, automotive engineering, driving centre and insurance broking businesses recorded higher earnings during the year. Car rental and leasing and vehicle advertising, however, posted lower profits as demand for their services dropped.

OVERSEAS OPERATIONS

When I wrote my statement last year, I was of the view that the global economic meltdown would present a rare opportunity for acquisitions. Unfortunately, this did not quite pan out as valuations of possible acquisition targets

CHAIRMAN'S STATEMENT

remained high. That, however, did not mean we sat idly by. We continued to pursue opportunities and worked hard at growing our existing businesses. As a result, we saw organic growth in many of our key overseas markets despite the global downturn.

One of our fastest growing markets is Australia. Since we partnered Cabcharge Australia Limited to form ComfortDelGro Cabcharge Pty Ltd in 2005 to acquire the largest private bus operator in New South Wales, we have grown from strength to strength. In February 2009, ComfortDelGro Cabcharge further built on this foundation when it completed the acquisition of the Kefford Group, making us one of the largest private bus operators in the State of Victoria with a market share of 16%.

We continued to grow our eight businesses in China. We currently operate in 14 cities, including first-tier cities like Beijing and Shanghai, as well as far-flung ones like Shenyang and Chengdu. We are the single largest foreign transport operator in China, operating a fleet of 9,670 taxis and 1,338 buses.

In the taxi business, we rank among the top three operators in some of the cities we operate in. For example, we are the largest operators in Jilin City and Nanning, where we command a market share of 15% and 21% respectively. In Beijing, Nanjing and Shenyang, we rank amongst each city's top three. All our taxi operations are profitable.

Our scheduled and unscheduled bus operations in China continue to see ridership growth. Although there is no fixed fare formula in China, the authorities have always ensured that operators receive a reasonable return on investment if they perform up to standards. We are the largest bus operator in Shenyang while in Guangzhou, our bus station business continues to thrive, with the number of passengers handled rising every year.

As our presence in China continues to grow, we will also work towards our long-term goal of consolidating our operations so that we will have several businesses in each city. It is not an easy task, but it is something we will work hard at achieving.

Our scheduled and unscheduled bus operations in the UK continued to perform well.

Unfortunately, the taxi business in the UK and the coach service in Ireland were negatively impacted by the economic slowdown. In London, for example, the decline of business activities in the finance and legal industries reduced the demand for our taxi services. Corporate organisations also changed their mode of travel and shifted from the more expensive taxi service to the cheaper private hire service. Fortunately, we had correctly anticipated this modal shift and acquired two private hire companies, Flightlink International Ltd and Onward Travel Ltd, as early as three years earlier – in 2006.

Our operations in Vietnam and Malaysia were impacted by the global crisis, but we acted swiftly by reducing the number of vehicles in these two locations.

To date, we have invested more than S\$1 billion abroad – the largest being Australia with S\$357 million. This is followed closely by China at S\$345 million, and UK and Ireland at S\$296 million. Our investments in Vietnam and Malaysia are small, at S\$9 million and S\$4 million respectively.

INVESTOR RELATIONS

In 2009, we were promoted from the FTSE-Mid Cap Index to the mainboard FT-STI, which comprises the top 30 stocks by market capitalisation. Although our market capitalisation increased from S\$3.0 billion to S\$3.4 billion, we underperformed the FT-STI, as well as the FTSE-ST All Shares Index, FTSE/ASEAN Index and MSCI Singapore Free Index. This underperformance should not be deemed as unfavourable, given our stock's over-performance in 2008.

In terms of market capitalisation, we were ranked 39th among all the SGX listed companies, compared to our 28th position in 2008. We are still the world's number two in terms of fleet size.

We continued to attract large interest and wide coverage by the investing community. In 2009, we had 73 meetings with 104 teams of analysts, shareholders and interested investors. Eighteen houses covered our stock. Ninety reports were written on us.

CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is not just about giving money to charity; it is about a way of life. At ComfortDelGro,

CHAIRMAN'S STATEMENT

we live by a certain code – of doing the right things always and of doing good. Driven by this creed, we have given back to society in many ways – to the poor and needy, to the environment and the community at large.

In 2009, we gave out S\$1.2 million to a variety of institutions including educational institutions, handicapped and welfare organisations, as well as the sick and the elderly. Our vehicle advertising arm, Moove Media Pte Ltd, held a three-month long charity drive, which raised S\$70,000 for our adopted charity, the Home Nursing Foundation. Elsewhere, our drivers in China and the UK offered free rides to blood donors, students during the national examinations, and participants of a charity run.

We also did more for the environment during the year. Led by our Green Committee, we have upped our recycling efforts whilst cutting down on energy and water consumption. This has garnered us the Singapore Environment Council's Green Office Label – the first such certification to be awarded to a transport company in Singapore. In London, our bus subsidiary Metroline Limited officially opened ComfortDelGro House and Cricklewood Bus Garage – both certified amongst the most environmentally friendly buildings in the city. Our taxi business in London, Computer Cab plc, was also ranked one of the city's "Top 50 Best Green Companies" for the second year running in a survey conducted by the London's Sunday Times.

Across our operations, we continued to invest in Green vehicles, both buses and taxis. Metroline in London went a step further by becoming one of the first operators to introduce hybrid buses which run on both diesel and electricity – thus cutting carbon dioxide emissions by up to 40% compared to diesel-powered buses.

On a community level, we continued to engage our various stakeholders by expounding the importance of safety on the roads and on the tracks. We have, for example, continued to support national safety campaigns like safe driving, road courtesy and anti-drink driving, as well as organised safety and familiarisation talks for schoolchildren and the elderly.

ECONOMIC STRATEGIES COMMITTEE

The Singapore Government has accepted the key thrusts of the Economic Strategies Committee's Report, which



CHAIRMAN'S STATEMENT

S\$4.1b

TOTAL ASSETS

S\$3.05b

REVENUE

5.3 cents

TOTAL DIVIDEND PER
ORDINARY SHARE

calls for a two to three percent annual productivity growth over the next 10 years, translating into a three to five percent annual increase in Gross Domestic Product over the same period. All these point to a slower expanding workforce with a focus on skills, innovation and productivity. While these are areas that we, as a Group, have already focussed on, the Board will meet with Management to discuss how we can further reinforce our commitment to upgrading the skills of our workforce, introducing even more innovation and upping the productivity factor in our workplace.

FINANCE

Despite the challenging climate, Management efforts were commendable. Group revenue was marginally lower at S\$3.05 billion, but operating profit was 25.9% higher at S\$349.9 million, due to lower operating expenses. If not for the negative foreign currency effect of the weaker Sterling Pound and Australian Dollar, revenue would have increased by S\$33.8 million to S\$3.15 billion, and operating profit would have grown by 29.1% to S\$358.9 million.

Revenue and operating profit from our overseas operations accounted for 43.5% and 40% of the Group's total revenue

and operating profit respectively. Overseas bus business' operating profit continued to outstrip that of the Singapore bus business, and accounted for 64.6% of the Group's total bus operating profit.

Net profit for the year was 9.7% higher at S\$219.5 million.

I am pleased to advise that the Board has recommended a final one-tier tax-exempt dividend of 2.67 cents per share. Together with the interim one-tier tax-exempt dividend of 2.63 cents paid in September 2009, the total dividend for 2009 is 5.3 cents per share, which is higher than the 5.0 cents paid out last year.

Capital expenditure during the year was S\$507.7 million compared to S\$406.5 million previously, due to an increase in expenditure on new buses and taxis.

Earnings per share was 10.52 cents compared to 9.59 cents previously, while return on equity was 13.5% compared to 13.2% in 2008. Our gearing ratio in 2009 was 27%, which was higher than the 2008's figure of 20.8%. Unlike many other companies, we did not face a credit crunch in 2009, which is a testimony to our good financial standing and planning. Assets-wise, the Group gained in strength with total assets growing by S\$700.8 million to S\$4.1 billion. Our shareholders' funds also increased by 8.6% to S\$1.7 billion in 2009.

THE YEAR AHEAD

The optimists have been tolling the bells to exhort global economic recovery, but the outlook remains very uncertain.

We will look towards the roll-out of the Land Transport Masterplan, which is aimed at increasing usage of public transport in Singapore. We will also look forward to the tender for the Downtown Line, which is slated for the second half of 2010. We are watching closely the fleet renewal plans of the "newer" taxi operators which joined the industry a few years ago. This is especially since the Land Transport Authority had only recently rejected a new taxi operator application.

Going forward, we will also focus on cleaner and greener vehicles. We are working closely with vehicle manufacturers to see what options are available and best suited to us.

CHAIRMAN'S STATEMENT

Against this backdrop, there is the nagging concern that oil and fuel prices may rise as a result of the recovering global economy. We continue to monitor fuel prices closely and have so far managed a successful hedging strategy.

We will continue with our overseas expansion plans in pursuit of our Second Cycle target of deriving 70% of our revenue from abroad.

We will continue to identify and groom our talent pool, both locally and abroad. More centralisation of administrative procedures and cost control measures will be initiated to improve productivity.

The challenges in 2010 will not be different from 2009, but they may be of a greater intensity. As Sun Tzu has taught, we will tweak our approaches as circumstances dictate.

CONCLUSION

Our Managing Director and Group Chief Executive Officer, Mr Kua Hong Pak, continues to discharge his responsibilities and duties impeccably. His anticipation of events and foresight in dealing with them are commendable. All these had been put to good use during this latest crisis. We have fared well in this uncertain and unpredictable time. Much is expected in 2010 and I have no doubt that he will not fail us. On behalf of the Board of Directors and Shareholders, I wish to thank him wholeheartedly.

I also wish to thank the Management Team and all our Staff for their untiring efforts. To my fellow Directors, I also wish to express my deepest appreciation for their contributions, cooperation, understanding and assistance throughout the year.

To our Unions, let me say that we have enjoyed the privilege of working with you during these exceptional times. We thank you for your understanding, support and co-operation.

To the various Authorities that we have business dealings with, it has been a pleasure and honour to work with you in promoting the transport industry.

To all our Joint Venture Partners, I am pleased that we were able to continuously work together despite the difficult environment.

To our Customers, thank you. We are nothing without you and we will continue to do better in the years ahead.

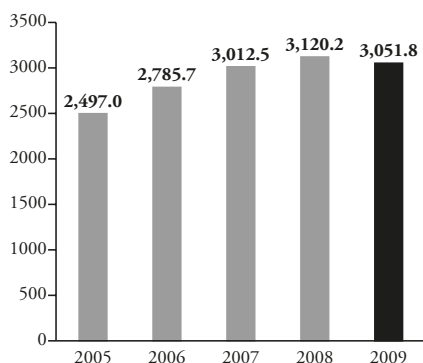
And finally, to all our Shareholders, we hope we have delivered a set of results to your satisfaction and expectations. We also hope that you have realised your investment objectives. We promise to continue to discharge the responsibilities and duties that you have entrusted to us with conviction and diligence. Let's hope 2010 will be a much better year.

Lim Jit Poh

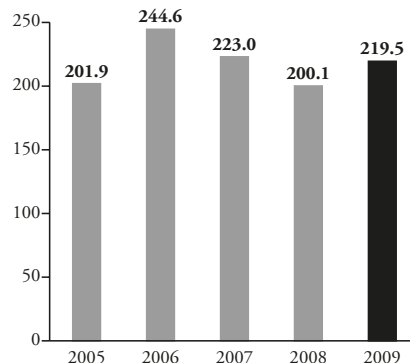
Chairman

GROUP FINANCIAL HIGHLIGHTS

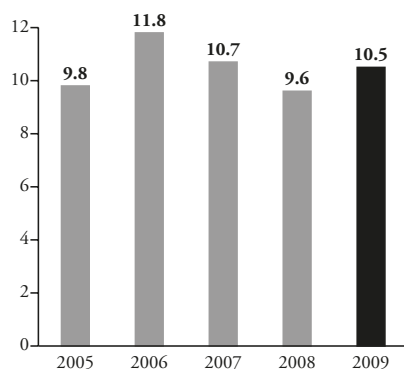
REVENUE (\$\$'mil)



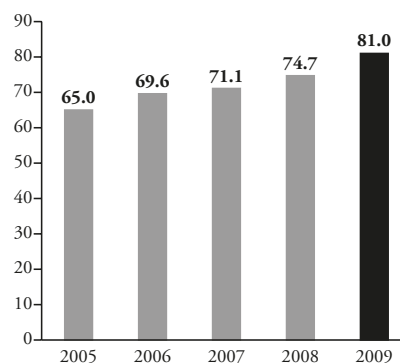
PROFIT ATTRIBUTABLE TO SHAREHOLDERS (\$\$'mil)



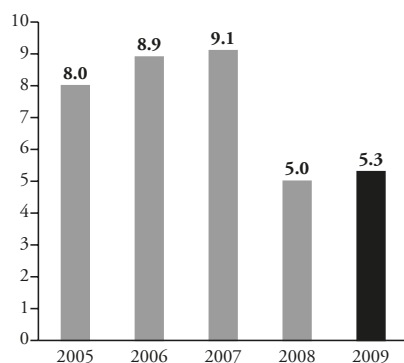
EARNINGS PER ORDINARY SHARE (cents)



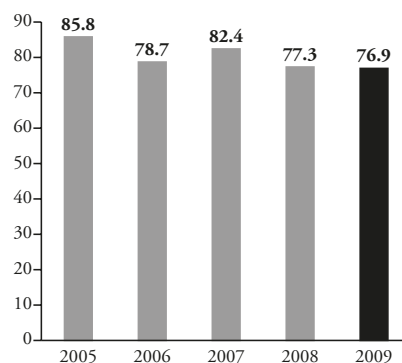
NET ASSET PER ORDINARY SHARE (cents)



TOTAL DIVIDEND PER ORDINARY SHARE (cents)



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



GROUP FINANCIAL HIGHLIGHTS

FINANCIAL SUMMARY

	2005	2006	2007	2008	2009
Revenue (S\$'mil)	2,497.0	2,785.7	3,012.5	3,120.2	3,051.8
Operating expenses (S\$'mil)	2,191.9	2,478.5	2,676.2	2,842.2	2,701.9
Profit attributable to shareholders (S\$'mil)	201.9	244.6	223.0	200.1	219.5
EBITDA (S\$'mil)	559.9	556.7	605.4	541.7	629.8
Issued capital (S\$'mil)	517.0	537.5	559.6	560.9	561.7
Capital and reserves (S\$'mil)	1,345.0	1,441.3	1,482.5	1,556.8	1,690.0
Capital disbursement (S\$'mil)	401.7	386.1	328.2	351.3	446.7
Internal funds generated (S\$'mil)	568.0	574.2	615.2	551.3	648.5
Earnings per ordinary share (cents)	9.8	11.8	10.7	9.6	10.5
Net asset per ordinary share (cents)	65.0	69.6	71.1	74.7	81.0
Return on shareholders' equity (%)	15.4	17.6	15.3	13.2	13.5
Total dividend per ordinary share (cents)	8.0	8.9	9.1	5.0	5.3
Dividend cover (number of times)	1.2	1.3	1.2	1.9	2.0

GROUP REVENUE BY BUSINESS SEGMENT

	2005		2006		2007		2008		2009	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Bus	1,199.2	48.0	1,380.9	49.6	1,552.0	51.5	1,548.2	49.7	1,530.9	50.2
Bus station	16.8	0.7	16.4	0.6	18.6	0.6	19.8	0.6	21.4	0.7
Rail	73.1	2.9	84.1	3.0	99.1	3.3	115.5	3.7	119.7	3.9
Taxi	853.2	34.2	872.2	31.3	922.8	30.7	946.0	30.3	927.6	30.4
Automotive engineering services	247.9	9.9	315.3	11.3	290.2	9.6	346.2	11.1	307.4	10.1
Vehicle inspection and testing	50.4	2.0	55.4	2.0	63.0	2.1	72.9	2.3	77.3	2.5
Car rental and leasing	36.3	1.5	36.5	1.3	36.4	1.2	37.4	1.2	33.3	1.1
Driving centre	20.1	0.8	24.9	0.9	30.4	1.0	34.2	1.1	34.2	1.1
Group	2,497.0	100.0	2,785.7	100.0	3,012.5	100.0	3,120.2	100.0	3,051.8	100.0

GROUP REVENUE BY GEOGRAPHICAL SEGMENT

	2005		2006		2007		2008		2009	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	1,455.0	58.2	1,553.1	55.8	1,609.9	53.4	1,797.6	57.6	1,729.2	56.7
United Kingdom/Ireland	847.5	33.9	890.1	32.0	985.5	32.7	857.5	27.5	749.3	24.5
China	149.0	6.1	194.7	7.0	224.9	7.4	247.4	7.9	285.0	9.3
Australia	32.1	1.3	133.1	4.7	179.6	6.0	204.7	6.6	276.7	9.1
Vietnam	8.7	0.3	9.6	0.3	7.6	0.3	8.5	0.3	7.7	0.3
Malaysia	4.7	0.2	5.1	0.2	5.0	0.2	4.5	0.1	3.9	0.1
Group	2,497.0	100.0	2,785.7	100.0	3,012.5	100.0	3,120.2	100.0	3,051.8	100.0

GROUP FINANCIAL HIGHLIGHTS

OPERATING PROFIT BY BUSINESS SEGMENT

	2005		2006		2007		2008		2009	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Bus	115.6	37.9	128.6	41.9	135.1	40.2	96.3	34.7	123.9	35.4
Bus station	6.5	2.1	7.1	2.3	8.0	2.4	10.1	3.6	10.3	2.9
Rail	(6.3)	(2.1)	0.6	0.2	9.3	2.8	16.7	6.0	20.5	5.8
Taxi	135.8	44.5	107.8	35.1	122.3	36.4	102.1	36.7	105.2	30.1
Automotive engineering services	31.0	10.2	37.1	12.1	31.5	9.3	16.9	6.1	51.2	14.6
Vehicle inspection and testing	11.5	3.8	13.0	4.2	16.0	4.7	19.8	7.1	24.7	7.1
Car rental and leasing	6.2	2.0	7.2	2.3	6.8	2.0	6.9	2.5	4.4	1.3
Driving centre	4.8	1.6	5.8	1.9	7.3	2.2	9.2	3.3	9.7	2.8
Group	305.1	100.0	307.2	100.0	336.3	100.0	278.0	100.0	349.9	100.0

OPERATING PROFIT BY GEOGRAPHICAL SEGMENT

	2005		2006		2007		2008		2009	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	206.6	67.7	178.5	58.1	185.9	55.3	148.2	53.3	212.2	60.6
United Kingdom/Ireland	66.2	21.7	70.5	22.9	83.8	24.9	44.7	16.1	53.5	15.3
China	27.1	8.9	39.6	12.9	39.5	11.8	52.2	18.8	43.2	12.3
Australia	2.0	0.6	16.5	5.4	26.3	7.8	32.0	11.5	39.8	11.4
Vietnam	2.4	0.8	1.4	0.5	(0.2)	(0.1)	0.7	0.2	0.6	0.2
Malaysia	0.8	0.3	0.7	0.2	1.0	0.3	0.2	0.1	0.6	0.2
Group	305.1	100.0	307.2	100.0	336.3	100.0	278.0	100.0	349.9	100.0

VALUE-ADDED FOR THE GROUP

	2005		2006		2007		2008		2009	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Suppliers of capital – loan interest & dividends	187.9	12.9	179.5	11.6	234.0	13.9	136.8	8.5	134.0	7.8
Taxation to the government	186.9	12.8	195.7	12.6	186.2	11.1	178.4	11.0	179.3	10.5
Retained earnings	312.7	21.5	309.3	20.0	309.6	18.4	357.2	22.1	441.6	25.7
Employees - salaries, CPF and other benefits	772.2	52.8	862.9	55.8	950.7	56.6	942.8	58.4	960.3	56.0
Total value-added	1,459.7	100.0	1,547.4	100.0	1,680.5	100.0	1,615.2	100.0	1,715.2	100.0
Value-added per employee (S\$'000)	85.8		78.7		82.4		77.3		76.9	

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 Secretaries

Chan Wan Tak, Wendy
Chew Si Lyn, Cecilia

Share Registrar

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

Auditors

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants
6 Shenton Way #32-00
DBS Building Tower 2
Singapore 068809

Partner-in-Charge:
Cheung Pui Yuen

Date of Appointment:
30 April 2008

BOARD OF DIRECTORS



Lim Jit Poh

Chairman (Non-Executive & Independent)

Mr Lim Jit Poh was appointed non-executive Chairman and Director of ComfortDelGro Corporation Limited in 2003. He is an independent Director of the Company. Mr Lim is the Chairman of both the Remuneration Committee and the Investment Committee, and a member of the Nominating Committee. Mr Lim is also the Chairman of SBS Transit Ltd, VICOM Ltd, Ascott Residence Trust Management Limited, 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 the Friend of Labour Award in 1986, the Meritorious Service Award in 1990 and the Distinguished Service Award in 2000. In 2006, he was also one of the recipients of the Distinguished Science Alumni Award from the National University of Singapore. Mr Lim is a trustee of the Singapore National Employers' Federation.

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

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

Pursuant to Section 153(6) of the Companies Act, Cap 50, Mr Lim will be due for re-appointment as a Director at the forthcoming Annual General Meeting to be held on 28 April 2010.



Kua Hong Pak

Managing Director/Group Chief Executive Officer

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

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

Mr Kua was last re-elected a Director of the Company pursuant to Article 91 of the Company's Articles of Association at the Annual General Meeting held on 28 April 2009. He is a non-independent Director of the Company.

BOARD OF DIRECTORS



Ong Ah Heng

Director (Non-Executive & Independent)

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

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

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

Pursuant to Article 91 of the Company's Articles of Association, Mr Ong will be due for re-election at the forthcoming Annual General Meeting to be held on 28 April 2010.



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 Adviser 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, Natsteel Asia Pte Ltd, Tata Steel Global Minerals Holdings Pte Ltd, NatSteel Holdings Pte Ltd and NSA 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.

Pursuant to Article 91 of the Company's Articles of Association, Mr Oo will be due for re-election at the forthcoming Annual General Meeting to be held on 28 April 2010.

BOARD OF DIRECTORS



Sum Wai Fun, Adeline

Director (Non-Executive & Non-Independent)

Ms Sum Wai Fun, Adeline was appointed a non-executive Director of ComfortDelGro Corporation Limited in January 2007. She is also a member of the Nominating Committee and the Investment Committee. Ms Sum is presently the Chief Executive Officer of 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.

Pursuant to Article 91 of the Company's Articles of Association, Ms Sum will be due for re-election at the forthcoming Annual General Meeting to be held on 28 April 2010. She is a non-independent Director of the Company.



Tow Heng Tan

Director (Non-Executive & Independent)

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

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

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

BOARD OF DIRECTORS



Wang Kai Yuen

Director (Non-Executive & Independent)

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

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

Dr Wang was last re-elected a Director of the Company pursuant to Article 91 of the Company's Articles of Association at the Annual General Meeting held on 28 April 2009.



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.

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



Chan Mui Wah, Daisy
Group Human Resource Officer

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



Chan Wan Tak, Wendy
Joint Company Secretary

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

KEY MANAGEMENT

CORPORATE OFFICE



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



Eng Sok Yong
Group Business Development Officer

Ms Eng Sok Yong, Group Business Development Officer, joined the Group in February 2007. She also holds concurrent position as Senior Vice President of Corporate Development at SBS Transit Ltd, which is a subsidiary of the Group. 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.




Chew Si Lyn, Cecilia
Joint Company Secretary

Ms Chew Si Lyn, Cecilia joined the Group as Vice President, Group Legal in September 2008, taking care of all legal matters. She is also the joint Company Secretary. Ms Chew started her career practising law and was legal counsel in M+W Zander Facility Management Limited prior to joining the Group. She holds a Master of Laws from the National University of Singapore.

KEY MANAGEMENT


BUSINESS UNITS — SINGAPORE



 **Gan Juay Kiat**
Chief Executive Officer
SBS Transit


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



 **Yang Ban Seng**
Chief Executive Officer
Taxi Business, ComfortDelGro


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



 **Sim Wing Yew**
Chief 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.



 **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 of 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 Association in Science (Fashion Merchandising) from Daytona Beach Community College, Florida, USA.



 **Teo Boon Leng, Richard**
Chief Executive Officer
ComfortDelGro Rent-A-Car

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

KEY MANAGEMENT

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 registered 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 the 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.



 **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 (Shandong Province). He was previously the General Manager of Times Publishing JV printing and packaging plant 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.

KEY MANAGEMENT

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 a Senior Vice President in Times Publishing Limited. He has held senior positions in various organisations in his more than 30 years of working life, with extensive experience in manufacturing industries and managed overseas operations, especially in China over the last 10 years. Mr Leong is a registered professional Engineer and was trained in West Germany on Marine Engineering and Special Ship construction. He holds a Bachelor of Engineering from the University of Singapore.



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 Group 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 the 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).

KEY MANAGEMENT

BUSINESS UNITS — UNITED KINGDOM/IRELAND & AUSTRALIA



Jaspal Singh
Chief Executive Officer
UK/Ireland Business Unit

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



Jim Glasson
Chief Executive Officer
ComfortDelGro Cabcharge

Mr Jim Glasson joined the Group in June 2009 and is the Chief Executive Officer of ComfortDelGro Cabcharge Pty Ltd. Prior to joining the Group, he was Director General of the Ministry of Transport (MoT) in New South Wales (NSW) since February 2006. Before his appointment as Director General, Mr Glasson was MoT's Deputy Director General and Executive Director Policy & Strategic Co-ordination Group where he was responsible for the leadership and direction of the Ministry's policy functions and Ministerial support unit. Mr Glasson was previously Acting Chief Executive Officer of the Port Kembla Port Corporation. Mr Glasson holds a Bachelor of Urban and Regional Planning (Hons) from the University of New England, NSW, Australia.



Graeme Davis
General Manager
ComfortDelGro Cabcharge (Victoria)

Mr Graeme Davis was appointed General Manager of ComfortDelGro Cabcharge Pty Ltd (Victoria) when Kefford Corporation was acquired in February 2009. He has held the similar position in Kefford Corporation since 1987. Mr Davis has worked in the bus industry for over 36 years and is actively involved in the Victorian Bus Association as an elected Council member.

BUSINESS UNITS — VIETNAM & MALAYSIA



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

OPERATIONS REVIEW

KEY BUSINESSES

BUS / TAXI / RAIL / CAR RENTAL & LEASING / AUTOMOTIVE ENGINEERING SERVICES /
VEHICLE INSPECTION & TESTING SERVICES / DRIVING CENTRE /
INSURANCE BROKING SERVICES / OUTDOOR ADVERTISING



SINGAPORE



SINGAPORE

1,729.2

REVENUE (S\$'mil)

378.6

EBITDA (S\$'mil)

387.4

TOTAL INVESTMENT (S\$'mil)

20,156

TOTAL OPERATING
FLEET SIZE

10,241

TOTAL NUMBER
OF EMPLOYEES

BUS

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

Public Scheduled Bus

During the year, our public scheduled bus subsidiary, SBS Transit Ltd, maintained its pole position in the industry by adding 400 new buses to its fleet. It also placed an order of another 350 new buses at a cost of S\$159.0 million. With its total fleet of nearly 3,000 buses, SBS Transit continued to command a 75% share of the public scheduled bus market in Singapore, with an average daily ridership of about 2.3 million.

As more new buses were introduced, more wheelchair friendly services were also rolled out. In all, 16 new wheelchair-accessible bus (WAB) routes were launched during the year, bringing the total number of such services to 38. This represented an eight-fold increase in the last four years.

With more buses in our fleet, the pressure to recruit more Bus Captains increased. Given the difficulties SBS Transit had encountered previously in attracting Singaporeans to the profession, it decided to venture to China. It was very successful. As a result of its recruitment efforts in Singapore and China, SBS Transit managed to recruit 973 Bus Captains during the year. With more Bus Captains and

OPERATIONS REVIEW

more buses, it was able to improve on its ability to meet the Public Transport Council's Quality of Service Standards.

As more and more buses are added, the demands on interchanges have also increased. In December 2009, SBS Transit began operations in a new air-conditioned interchange in the western part of Singapore. Integrated with a retail mall, it is the largest interchange to date at 20,000 square metres, and also the busiest with 25 SBS Transit bus services operating from its berths.

SBS Transit continued to tap on technology to add value to its services. For example, it introduced a new information service that provides commuters with departure times of bus services at its interchanges. Currently, this information service is available at seven interchanges. The nine remaining interchanges are expected to offer the service by the end of 2010.

Given the recessionary pressures during the year, SBS Transit lowered the ez-link fares of its basic and non-basic bus and train services to help make public transport more affordable. The temporary fare reduction and the increase in transfer rebates, which will run for 15 months until June 2010, will cost SBS Transit S\$42.7 million.

Private Bus Charter

The Group owns Singapore's largest private bus chartering company, ComfortDelGro Bus Pte Ltd, which manages a fleet of over 330 buses. It offers a wide range of bus charter services, including employee and school bus services. It also offers overland bus services to West Malaysia, and operates premium bus services, complementing those offered by SBS Transit.

Despite the economic slowdown, ComfortDelGro Bus managed to clinch several large contracts, including two major ones – one for the inaugural Asian Youth Games in June 2009 and the other for the Asia-Pacific Economic Cooperation (APEC) Meeting in November 2009. During the Asian Youth Games, ComfortDelGro Bus deployed over 80 buses and 100 drivers to ferry the 2,000-odd youth athletes and sports officials to and from competition sites. Five months later, it deployed 60 buses to ferry the 10,000-odd international delegates who had descended upon Singapore to attend the APEC Meeting.

TAXI

Our Singapore taxi companies, Comfort Transportation Pte Ltd and CityCab Pte Ltd, continued to grow from strength to strength.

With over 15,200 taxis in our fleet, we retained our leadership position with a 63% market share. Significantly, almost all our taxis were hired out during the year as more people turned towards taxi driving amidst the economic downturn.

Cashless transactions registered a 22% increase over the previous year as commuters and taxi drivers became more accustomed to accepting plastic instead of cash. NETS transactions, which debit bank accounts directly, were especially popular, accounting for over half of all cashless transactions.

As part of our ongoing effort to make taxi booking easily accessible to commuters, we introduced our Online Taxi Booking Service via our corporate website to complement the other booking modes that we already have. The response has been positive and bookings made via this mode are gradually increasing. In all, we catered to over 17.5 million call bookings in 2009.

Our **Euro 4** auto-transmission Hyundai Sonata taxis continued to be popular among our drivers. Nearly 2,500 of these taxis were added to the fleet during the year, bringing the average age of our fleet down to a mere 3.2 years.

In a recessionary year, the issue of driver welfare becomes more significant. Last year, we handed out a total of S\$48.5 million in enhanced driver benefits, including S\$7.6 million in "relief packages" to our drivers. The relief packages included the 30% road tax savings of S\$4.6 million that we had passed onto our drivers in the first half of the year. Aside from the financial aid, we also conducted a series of marketing promotions in a bid to drum up taxi ridership. The "Ride & Win" and the "1, 2 Free" promotions saw participation from 109,470 commuters. Nearly S\$119,600 worth of taxi vouchers were given to some 900 lucky commuters.

OPERATIONS REVIEW

RAIL

In 2009, the average daily ridership of our underground driverless rail system, the North East Line (NEL), and our light rail transit systems (LRTs) in Sengkang and Punggol, increased by 5.8% to 371,508. To cater to growing demand for NEL, frequency and capacity were further enhanced with the addition of 60 new trips a week.

To ensure peak performance of our trains, a strict schedule of regular and preventive maintenance has been put in place. In 2009, 150 cars on the NEL system were overhauled after they clocked 480,000 km. This involved major servicing of the brakes system. The air-conditioning system was also serviced as these cars had hit the 600,000 km-mark.

As a result, the Group's rail operations continued to surpass all the operating performance standards set by the Land Transport Authority. For example, it achieved 99.03% schedule adherence for train arrivals at terminal stations – far exceeding the minimum 94% that is required by the Authority.

AUTOMOTIVE ENGINEERING SERVICES

Our automotive engineering subsidiary, ComfortDelGro Engineering Pte Ltd, partnered LTM Performance, one of the leading motorsports players in Singapore, to venture into the speedcar industry last year. The newly set up division, which specialises in motorsports car modifications and repairs, is the authorised performance centre for Cosworth products in Singapore. It operates from a 19,000 square feet facility that houses a dedicated dynamometer room for road simulation, engine mapping and inertia dyna-testing.

ComfortDelGro Engineering isn't just about fast cars and races; its mainstay continued to be in the private car market where demand for its repair and maintenance services increased by 10% during the year. It also continued to service and maintain the Group's fleet of Singapore taxis during the year.

Its vehicle construction unit also did well during the year, securing a new tender to provide trams for the Integrated Resort in Sentosa and completing the assembly of 280 single-deck Scania buses for SBS Transit.

ComfortDelGro Engineering, which continued to keep pump prices low, sold 219.4 million litres of diesel in 2009.

It embarked on a diesel station upgrading programme during the year, which saw better pumps being installed, brighter lighting, an increase in the number of washing points, and the installation of anti-slip floors.

VEHICLE INSPECTION AND TESTING SERVICES

VICOM Ltd inspected 21,320 more vehicles in 2009 compared to the previous year due to the lower deregistration rates of older vehicles and the general growth of the car population. As a result, it reaffirmed its position as leading inspection centre with a market share of 70%.

It also expanded its inspection and testing capabilities by opening the VICOM Emission Test Laboratory (VETL), one of the few in Asia that is able to conduct vehicle exhaust gaseous and particulate matter emission tests in compliance with the **Euro 5+** standards. Located within VICOM's inspection centre in Bukit Batok, the new facility occupies a floor area of about 6,000 square feet and is equipped to test vehicles weighing a maximum of 3.5 tonnes, including passenger cars, light goods vehicles, as well as motorcycles running on diesel, petrol and Compressed Natural Gas (CNG). The laboratory is also able to test hybrid and electric vehicles. This means both parallel importers and car dealers are now able to obtain such certifications without having to send their vehicles to laboratories in the region.

Despite stiff competition, VICOM Assessment Centre Pte Ltd undertook 24,400 accident reporting and damage assessments during the year, making it Singapore's leading Independent Damage Assessment Centre (Idac). It also assisted 2,700 motorists in filing their claims, overseeing repair works and checking repaired vehicles, as well as provided third party claims services for 840 others. To maximise resources and cut back on expenses, VICOM Assessment Centre (Yishun) shuttered in April 2009.

VICOM's non-vehicle testing and inspection subsidiary, Setsco Services Pte Ltd, continued to excel. It conducted testing and inspection works for major projects in the chemical and oil industries, as well as for the two Integrated Resorts in Singapore. It also took on environmental and water testing jobs, inspected major structural steelworks overseas, conducted radiographic inspection of oil equipment for major international clients, carried out environmental baseline studies, as well as performed water sampling tests. Setsco Services continued to conduct non-destructive testing on offshore platforms of local shipyards and testing of new

OPERATIONS REVIEW

construction materials and products for both local and overseas suppliers. Construction of an additional laboratory and office block on Setsco Services' premise has begun and is expected to be completed in the first half of 2011.

DRIVING CENTRE

ComfortDelGro Driving Centre Pte Ltd, which operates a fleet of 227 vehicles, continued to retain its position as one of Singapore's top driving centres with an annual enrolment of about 30,000. It also attained the highest number of first-time passes in the Class 2B, Class 3 and Class 3A categories – a record it has held for the past three years.

CAR RENTAL & LEASING

With a fleet of more than 1,150 cars, our car rental and leasing subsidiary in Singapore, ComfortDelGro Rent-A-Car Pte Ltd, maintained its position as one of the country's leading car rental and leasing operators. It continued to look at new ways to promote its services amidst an increasingly competitive industry.

INSURANCE BROKING SERVICES

ComfortDelGro Insurance Brokers Pte Ltd, our in-house insurance broking arm, ventured into alternative sources of revenue in 2009, including corporate programmes and voluntary schemes. Revenue generated increased to S\$11.8 million on the back of these new businesses.

In the light of rising claims in the motor insurance industry, ComfortDelGro Insurance Brokers has been working closely with insurers to contain the costs. This has been achieved through risk profiling, claims analysis and risk management.

OUTDOOR ADVERTISING

Moove Media Pte Ltd stayed ahead of its competition by being the first to introduce eye-catching customised aluminum billboards fitted onto scooters. These scooters plied the roads alongside our buses, trains and taxis, offering advertisers an integrated platform for their campaigns. As a value-added service, a taxi advertisement tracking system that uses the Global Positioning System (GPS) was developed to track the movement of taxis carrying advertisements. Moove Media's effort to grow its regional advertisement sales also bore fruit during the year when it secured jobs in Thailand and Malaysia.

OPERATIONS REVIEW

KEY BUSINESSES

BUS / BUS STATION / TAXI / CAR RENTAL & LEASING /
AUTOMOTIVE ENGINEERING SERVICES / VEHICLE INSPECTION SERVICES /
DRIVING CENTRE / CAR DEALERSHIP



CHINA



BEIJING / CHENGDU / CHONGQING / DALIAN / GUANGZHOU / HENGYANG / JILIN CITY /
NANJING / NANNING / SHANGHAI / SHENYANG / SUZHOU / XIAMEN / YANTAI

285.0

REVENUE (\$\$mil)

93.3

EBITDA (\$\$mil)

345.3

TOTAL INVESTMENT (\$\$mil)

12,430

TOTAL OPERATING
FLEET SIZE

5,589

TOTAL NUMBER
OF EMPLOYEES

NORTH EAST CHINA

Shenyang, Liaoning Province

BUS

Our investments in the north eastern city of Shenyang in Liaoning Province are our largest in China. Our two bus companies – Shenyang ComfortDelGro Bus Co., Ltd and Shenyang ComfortDelGro Anyun Bus Co., Ltd – operate a combined fleet of over 1,300 buses on 45 routes, making us the market leader in the populous city.

Demand for bus services remained strong in 2009. As a result, the mileage clocked by our buses rose by 7% to 66.9 million km, while ridership increased by 1.5% to 345.3 million. To cater to the increased demand, Shenyang

ComfortDelGro Bus and Shenyang ComfortDelGro Anyun Bus plan to each roll out two more bus routes in 2010.

Both companies continued to excel in the area of service quality, receiving the “Model Unit” Award from the Shenyang Traffic Bureau in March 2009 for good performance during the Spring season. In October 2009, 15 of our Bus Captains were singled out by the Shenyang Civilisation Office, Shenyang Public Security Bureau and Shenyang Traffic Bureau as model transport workers for their complaint- and accident-free records. In December 2009, four of our bus routes earned a spot in the list of “Top 10 Model Bus Routes” in a competition organised by the Shenyang Traffic Bureau, while 27 Bus Captains were listed amongst the “Top 100 Model Bus Captains”. Another 333 Bus Captains

OPERATIONS REVIEW

and front-line operation staff were named “Star Public Transport Staff”.

TAXI

Our two taxi companies – Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Ltd – operate a total of over 1,350 taxis, making us one of the city’s three largest taxi operators.

As part of our upgrading efforts, Shenyang ComfortDelGro Taxi became the first company to introduce a new taxi model – the 1.8-litre Santana Vista – into its fleet. Similarly, plans to equip all taxis with GPS have taken off, and about 910 taxis have since been installed with the system.

Just like its sister bus companies, Shenyang ComfortDelGro Taxi and CityCab (Shenyang) also won several accolades. During the year, Shenyang ComfortDelGro Taxi won the “Civilised and Honest Enterprise” Award from the Shenyang Municipal Government. In January 2009, eight of our taxi drivers were named “Service Ambassadors”, 42 taxis received the “Model Taxi” Award and over 430 of our drivers were named “Star Drivers”. In October 2009, six of our taxi drivers were selected by the Shenyang Civilisation Office, Shenyang Public Security Bureau and Shenyang Traffic Bureau as model transport workers for maintaining clean service records and zero traffic violations.

Jilin City, Jilin Province

TAXI

Jilin ComfortDelGro Taxi Co., Ltd is the largest taxi operator in the city with close to 730 vehicles, or a 15% market share. A vehicle management system, which was developed in late-2009 to better manage its taxi fleet, is expected to roll out in 2010. In December 2009, one of its taxi drivers was named one of China’s “Top 10 Most Courageous Drivers” for heroic acts while on duty.

NORTH CHINA

Beijing

TAXI

Beijing Jin Jian Taxi Services Co., Ltd is the capital city’s third largest taxi operator with over 5,500 taxis. It continued to build on its strong reputation and rolled out several programmes aimed at improving service quality and fleet safety throughout the year.

CAR RENTAL & LEASING

Our car rental and leasing business, Beijing ComfortDelGro Yin Jian Auto Services Co., Ltd, kept a tight lid on costs during the year by maintaining a smaller fleet.

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.

Yantai, Shandong Province

TAXI & CAR LEASING

In 2009, our 76%-owned subsidiary, Yantai ComfortDelGro Automobile Services Co., Ltd, formerly known as Yantai ComfortDelGro Taxi Co., Ltd, expanded into the car leasing business by acquiring 10 vehicles for lease. Of these, six are buses which have been leased to several companies to ferry their workers. Yantai ComfortDelGro Automobile Services also operates 20 taxis and a Grade 1 repair and maintenance company within the Yantai Economic Development Zone.

WEST CHINA

Chengdu, Sichuan Province

TAXI

Our wholly-owned taxi subsidiary, Chengdu ComfortDelGro Taxi Co., Ltd, is the third largest taxi operator in Chengdu with 250 taxis. A new management system was developed during the year to enable operations to manage the fleet of taxis more efficiently. About 100 Sagitar taxis underwent fuel tank modification to enable them to accept both petrol and CNG.

CAR RENTAL & LEASING

In 2009, our wholly-owned subsidiary, ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd, secured several long-term leasing contracts with multinational companies such as Starbucks, CapitaLand, Schlumberger and China Petroleum. As more expatriates began working in Nanba, Chengdu, we set up an office to offer better operational support. We also operate a branch office in the north eastern city of Dalian. To cater to the growing demand, we also increased our rental car fleet size to about 200. Our membership programme, which was introduced in 2008 to offer more competitive rates, has proven popular amongst corporate customers. It has also enabled us to maintain our position in a highly competitive market.

OPERATIONS REVIEW

AUTOMOTIVE ENGINEERING & CAR DEALERSHIP

Despite the economic slowdown and expenditure cuts across the public and private sectors, our 51%-owned subsidiary in Chengdu, Sichuan ComfortDelGro Car Servicing Co., Ltd, sold 186 cars during the year. Our repair and maintenance business surpassed its previous record by repairing over 4,370 vehicles – about 47% more than the year before.

VEHICLE INSPECTION SERVICES

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

DRIVING CENTRE

In 2009, the China Government mandated that all learner drivers go through a minimum of 56 hours in training before they are allowed to sit for tests. This essentially increased the cost to learners. In spite of this, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd continued to draw students through its doors with over 5,130 students enrolled during the year. The company also continued to generate revenue from its non-driving training avenues, such as advertising.

Chongqing

DRIVING CENTRE

Enrolment of our 90%-owned subsidiary, Chongqing ComfortDelGro Driver Training Co., Ltd, fell to 4,084 as a result of the new mandate by the Chinese Government on driver learner lessons. This, however, did not stop the company from achieving the ISO 9001 Certification of Product Quality. The company was also named a “Five-Star Driving School” by the Chongqing Road Transport Authority for its high standards of driver training. It also upgraded its circuit and bought a 42,800 square metres piece of land in the Jiang Bei District with plans to develop it into a new test site.

EAST CHINA

Shanghai

TAXI

With an ISO 9002 certification and a well-structured operational system in place, our 51%-owned subsidiary, Shanghai City Qi Ai Taxi Services Co., Ltd, continued to maintain its position as one of the premium operators in the city with a fleet of about 490 taxis. In 2009, it continued with its fleet renewal programme by replacing the old Santana Pusang taxis with the newer and bigger Santana Vista taxis. These newer taxis are not only widely sought after by taxi hirers, but are also very popular with commuters.

Suzhou, Jiangsu Province

BUS

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

TAXI

Our 70%-owned subsidiary, Suzhou Comfort Taxi Co., Ltd, continued to enjoy a good year with all 50 of its taxis fully hired out.

CAR DEALERSHIP

Despite an increase in the number of authorised Toyota dealers in the city, Suzhou Comfort Toyota Sales & Services Co., Ltd sold a record 1,182 cars during the year, and held its ground as one of the top three Toyota authorised car dealers in the region. Its automotive repair business also performed well, thanks to a strong after-sales team.

OPERATIONS REVIEW

Nanjing, Jiangsu Province

TAXI

During the year, Nanjing ComfortDelGro Dajian Taxi Co., Ltd, our 70%-owned subsidiary, further cemented its position as the city's third largest taxi company by acquiring 100 taxi licences from our joint venture partner, as well as 45 additional licences. This increased its fleet to nearly 550 taxis. Armed with these licences, Nanjing ComfortDelGro Dajian Taxi bought 45 new environmentally friendly taxis, which are equipped with dual-fuel engines that run on both diesel and CNG. To further reduce the carbon footprint, Management planted 500 trees at a Green site earmarked for ecological preservation.

Nanjing ComfortDelGro Dajian Taxi, which achieved the ISO 9001 certification in 2009, continued to place strong emphasis on driver training. As a result, two of its drivers were also named "Best Drivers" by the National Taxi Association during the year.

SOUTH CHINA

Guangzhou, Guangdong Province

BUS STATION

Our Tianhe Bus Station in Guangzhou saw a 1% increase in bus trips to about 680,000. The increase was partly due to the closure of the nearby Tianhe Plaza Bus Station which resulted in several buses switching over to our station. In all, it handled 10.4 million passengers last year, 2.4% more than the previous year. Bus operators have continued to partner Tianhe because of its competitive terminal rental rates and its continuous efforts at weeding out illegal touts. Tianhe Bus Station was awarded the Top 100 China Bus Station Award a second time last year, having won it once in 2007.

Nanning, Guangxi Province

TAXI

Our 80%-owned subsidiary, Nanning Comfort Transportation Co., Ltd, maintained its position as the largest taxi operator in the eastern city of Nanning with 680 taxis or a 21% market share. It was also named the Best Taxi Operator Unit, and 15 of its drivers were named Best Drivers in the industry for the fifth consecutive year.

CAR RENTAL & LEASING

Nanning ComfortDelGro Rent-A-Car Co., Ltd's fleet of 21 cars was fully leased out to multinational companies in the city during the year.

Xiamen, Fujian Province

TAXI

The entire fleet of 49 taxis under our 70%-owned subsidiary, Xiamen Comfort Taxi Co., Ltd, was fully hired out. It also managed to extend its taxi licences for another six years to 2015.

Hengyang, Hunan Province

BUS & TAXI

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

OPERATIONS REVIEW

KEY BUSINESSES

BUS / COACH / TAXI RADIO CIRCUIT / PRIVATE CAR HIRE



UNITED KINGDOM



ABERDEEN / BIRMINGHAM / EDINBURGH / GLASGOW / LIVERPOOL / LONDON

738.0

REVENUE (\$\$'mil)

89.9

EBITDA (\$\$'mil)

292.4

TOTAL INVESTMENT (\$\$'mil)

8,935

TOTAL OPERATING
FLEET SIZE

4,102

TOTAL NUMBER
OF EMPLOYEES

London BUS

Our wholly-owned subsidiary, Metroline Limited, retained its position as one of London's largest scheduled bus operators with a market share of 13%. In all, it plied 81 routes across North, West, Central London and Herfordshire with a fleet of close to 1,280 buses. During the year, it added 10 hybrid buses, which run on both diesel and electric power, to its fleet as part of a trial to test the viability of such buses. The buses, which have now been in service for over a year, have proven to be operationally efficient, and there are plans to bring in more hybrids in future.

Metroline also upped the Green quotient in 2009 when it opened its new headquarters, ComfortDelGro House, and its new bus garage at Cricklewood. Built at a cost of about £8.0 million or \$S16.7 million, the two adjacent buildings boast many environmentally friendly features such as solar panels, a rainwater harvesting system and a ground-source heat pump system.

As revenues are pegged to operated mileage and efficiency of operation, Metroline focussed on maximising its operational performance through various measures, including putting bus drivers through re-training under the Certificate of Driver Competence programme, implementing

OPERATIONS REVIEW

the VigilVanguard monitoring system into the corrective driver training module and introducing a Quality Management System in line with ISO 9001. Metroline achieved positive results in the Transport for London's (TfL) key performance indicators and was consistently ranked in the top half of the league for its good performance.

COACH

Westbus Coach Services Ltd did well during the year. It operates 35 coaches out of Hounslow. In addition to its traditional coach work serving school, commuter, tourist and corporate coach travel demands, Westbus Coach Services also ventured into the long distance contract coach business in 2009 in partnership with the Stagecoach Group. Going forward, it aims to increase its presence in this area.

TAXI RADIO CIRCUIT

Our taxi subsidiary, Computer Cab plc, remained London's largest radio taxi network with a total fleet of more than 6,200 taxis and private hires under four flagship brands ComCab, DataCab, Call-A-Cab and Local Taxis.

Despite a decline in corporate bookings as a result of the economic downturn, Computer Cab continued to see growth in its Taxicard contract. Awarded by the London Councils to provide subsidised personal taxi and private hire transport services to passengers with special mobility needs, the Taxicard contract has proven to be a very lucrative one for the Group. Computer Cab also has a public sector contract with TfL to provide similar services under the London Dial-A-Ride programme.

Computer Cab also successfully rolled out a more advanced booking and despatching system in 2009, allowing for faster and more intelligent vehicle allocation.

Liverpool and Birmingham

TAXI RADIO CIRCUIT

Computer Cab (Liverpool) Limited, formerly known as Merseyside Radio Meter Cabs Ltd, or Merseycabs, is Liverpool's largest taxi circuit operator with a fleet of close to 400 licenced Hackney taxis (or black cabs) catering to both corporate and individual clientele.

Computer Cab (Birmingham) Ltd, with more than 130 taxis under its network, held its ground by retaining major contracts with the Birmingham councils.

Glasgow, Scotland

COACH

Our 65%-owned Scottish inter-city express coach operation, Scottish Citylink Coaches Limited, operates 90 buses, which links all the major towns in Scotland, and offers cross-border services to London via Manchester and Newcastle.

Aberdeen and Edinburgh, Scotland

TAXI RADIO CIRCUIT & PRIVATE CAR HIRE

We run a network of close to 720 taxis and private hire vehicles in Aberdeen and Edinburgh, principally under the ComCab brand. We were successful in winning the concession to manage the supply of taxis at the Aberdeen Airport.

OPERATIONS REVIEW

KEY BUSINESS
COACH



IRELAND



DUBLIN

11.3

REVENUE (\$\$'mil)

18.0

EBITDA (\$\$'000)

3.1

TOTAL INVESTMENT (\$\$'mil)

32

TOTAL OPERATING
FLEET SIZE

62

TOTAL NUMBER
OF EMPLOYEES

Dublin COACH

Irish Citylink ComfortDelGro Limited is a major provider of express coach travel in Ireland. Based in Galway, it runs inter-city routes between Galway, Dublin, Cork, Clifden and Shannon.

Irish Citylink ComfortDelGro operates 32 modern and comfortable coaches in a distinctive livery, all of which are fitted with Wi-Fi facilities.

OPERATIONS REVIEW

KEY BUSINESS

BUS



AUSTRALIA



MELBOURNE / SYDNEY

276.7

REVENUE (\$\$'mil)

62.3

EBITDA (\$\$'mil)

356.7

TOTAL INVESTMENT (\$\$'mil)

1,391

TOTAL OPERATING
FLEET SIZE

2,060

TOTAL NUMBER
OF EMPLOYEES

Sydney, New South Wales

BUS

Our 51%-owned subsidiary, ComfortDelGro Cabcharge Pty Ltd, is the largest private bus operator in New South Wales (NSW) with a market share of 29%. In 2009, it applied for and successfully obtained approval to operate nearly 43% of the 300 growth buses that the NSW Government had introduced as an initiative to improve public transport. As a result, ComfortDelGro Cabcharge now operates a fleet of 1,046 buses.

To accommodate the growth in both fleet and mileage, ComfortDelGro Cabcharge successfully acquired two new sites in 2009. The St Mary's Depot, which is built at a cost of A\$13.3 million, is expected to open its doors in early-2010. This new depot boasts environmentally friendly features, including an undercarriage bus wash pit that is incorporated into a bus wash facility. Our second site, located in Seven Hills, will house the Foundry Road Depot, which will accommodate around 150 buses when it is completed in the second half of 2010.

To make bus scheduling easier, ComfortDelGro Cabcharge rolled out a new bus scheduling system which automatically schedules bus trips, optimises bus usage, maps out routes of services and manages manpower hours. Work also commenced on the development of a new business system that will improve staff efficiency. Integrated network changes that were implemented for bus services in Regions 1 and 4 during the year to improve the frequency and connections between major town centres in Sydney are also expected to boost ridership. Similar changes are expected to be made to bus services in Region 3 in 2010.

Melbourne, Victoria

BUS

ComfortDelGro Cabcharge Pty Ltd in Victoria turned one last year. It is one of the largest private bus operators there with a market share of 16%. Its fleet of 345 buses plies 66 routes. Currently, 90% of its revenue is derived from Government contracts for metropolitan route services, regional route services and school services, with charters and tours making up the remaining 10% of its revenue. It expects 20 new buses to be delivered in 2010.

OPERATIONS REVIEW

KEY BUSINESS

TAXI



VIETNAM



HO CHI MINH CITY

7.7

REVENUE (\$\$'mil)

3.8

EBITDA (\$\$'mil)

8.5

TOTAL INVESTMENT (\$\$'mil)

769

TOTAL OPERATING
FLEET SIZE

205

TOTAL NUMBER
OF EMPLOYEES

Ho Chi Minh City TAXI

Our two Vietnam taxi companies – Vietnam Taxi Co., Ltd (Vinataxi) and ComfortDelGro Savico Taxi Company – continued to push out aggressive marketing programmes during the year to try and increase the hired out rate. These included bonus schemes to encourage existing hirers to introduce new hirers, a day of free rental for hirers who renewed their contracts, as well as a taxi refurbishing programme to attract hirers whose contracts were expiring. ComfortDelGro Savico Taxi also procured good taxi pick-up points, including one at the Eastern Bus Station, to make it easier for drivers to get passengers.

Vinataxi also embarked on its fleet renewal programme. About 100 four-seater Kia Spectra taxis are being replaced by the eight-seater Toyota Innova “G” taxis. These bigger taxis are more popular with tourists and corporate clients. During the year, the GPS dispatch system was fully implemented across the fleet.

Both taxi companies in Ho Chi Minh City continued to rank tops in terms of service quality. Vinataxi, for example, won the Guide Award for “Excellent Performance” in 2009 for the seventh year running.

OPERATIONS REVIEW

KEY BUSINESS
CAR RENTAL & LEASING



MALAYSIA



KUALA LUMPUR

3.9

REVENUE (S\$'mil)

1.9

EBITDA (S\$'mil)

4.0

TOTAL INVESTMENT (S\$'mil)

370

TOTAL OPERATING
FLEET SIZE

40

TOTAL NUMBER
OF EMPLOYEES

Kuala Lumpur

CAR RENTAL & LEASING

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

Having been in Malaysia for over 14 years, the Group has developed a strong customer base which includes corporate and individual clients. The corporate clientele base includes multinational corporations, financial institutions, regional representative offices of foreign businesses and many others.

These customers are attracted to the wide range of automotive services which include long-term auto lease and transient rental services on a daily and monthly basis. The Group also provides self-drive transport services for the inbound tours in Malaysia.

In 2009, Pantas revamped its website to make online bookings easier for its customers. As a result, bookings via the Internet accounted for about 17% of the total revenue generated from international and domestic transient car rentals during the year.

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, but 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.

GREEN STATEMENT



LONGER TERM, OUR ENVIRONMENTAL GOALS ARE:

**TO IMPROVE OUR EMISSIONS PROFILE PER PASSENGER
JOURNEY OR PER PASSENGER KILOMETRE.**

**TO REDUCE THE OUTPUT OF WASTE AND TO INCREASE
THE PROPORTION OF WASTE REUSED/RECYCLED.**

**TO IMPROVE THE ENVIRONMENTAL MANAGEMENT
STANDARDS ACROSS THE GROUP.**

**TO CONTINUE TO ENCOURAGE AND PROMOTE THE USE
OF PUBLIC TRANSPORT SO AS TO ENSURE A MODAL
SHIFT AWAY FROM CAR USE.**

**TO CONTINUE TO SUPPORT INITIATIVES ON RESEARCH
AND TRIAL THE USE OF ALTERNATIVE FUELS.**

SUSTAINABILITY REPORT

THERE CAN BE NO HALF MEASURES WHEN IT COMES TO SUSTAINABILITY.

At ComfortDelGro, we embrace our social responsibilities wholeheartedly – whether it is to the environment, the communities we operate in, or the staff who make us who we are.

We know that sustainability is not just about tomorrow. It is about the decisions we make today. This is why we continue to invest in the future regardless of economic circumstances. Indeed, we do so in many ways, from supporting the educational needs of our youths, to developing our staff so that they can achieve more.

HUMAN SUSTAINABILITY

Helping the Community

The poor, the sick, the aged and the needy have a special place in our hearts, and we continued to care for them in 2009, donating over S\$1.2 million to various welfare and charity organisations.

For example, we made a commitment to provide transportation for needy children in Singapore's special schools over a two-year period – this is a move that has amounted to over S\$170,000 to date.

We also continued to care for the elderly sick, giving S\$120,000 to NTUC Eldercare in Singapore. This brings our total commitment to the elderly caregivers to S\$600,000.

Towards the end of the year, our advertising arm, Moove Media Pte Ltd, also launched a three-month long charity drive to raise funds for our adopted charity, the Home Nursing Foundation. The “Moove Love” campaign raised S\$70,000 through the sale of customised products such as badges, pens and stamps.

Our overseas units were also equally prolific. Australia's ComfortDelGro Cabcharge Pty Ltd, for instance, donated over S\$100,000 to various community causes. It also despatched buses to help victims of the terrible Victoria bushfires in the earlier part of the year.

Similarly, we extended free rides to students in China during the national examination period, and to 2,000 participants of a London charity run, which was held in aid of the Juvenile Diabetes Research Foundation.

Safety First

Safety is not something we compromise with. The safety of our passengers, our staff and other road users is paramount to us and the importance we accord to it is reflected in our policies, procedures and community outreach programmes. Wherever we operate, we always try to implement the best of industry standards to ensure that safety is always upheld. The effective use of penalty and reward schemes to deter and incentivise drivers and staff has helped us maintain the highest in industry standards. This is seen in the 2.9% drop in accident rate for our bus operators – both local and abroad, from 1.685 accidents per 100,000 km in 2008 to 1.637 accidents per 100,000 km in 2009.

To continue driving home the message of safety, we also organised our own safety campaigns. In Australia, for example, ComfortDelGro Cabcharge organised a campaign with the simple message: “Safe Day Everyday”. In Vietnam, Vietnam Taxi Co., Ltd (Vinataxi) launched a “Safety and Efficient Working Environment Week” and sent staff for training to be champions of the “Workplace Safety and Hygiene” programme.

In Singapore, we continued to support national safety campaigns like safe driving, road courtesy and anti-drink driving. ComfortDelGro Driving Centre Pte Ltd, for instance, contributed some 400 hours towards the Traffic Police's Road Safety Park Programme, educating school children on road safety. Similarly, SBS Transit Ltd conducted more than 60 school talks and visits during the year, sharing safety tips with close to 39,000 students.

Drivers throughout our operations around the world also continued to undergo driving training and refresher courses. In Singapore, for instance, close to 5,500 Bus Captains underwent the Driving Skills Enhancement Programme

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(DSEP). In addition to safe driving skills, we also equipped drivers with specialised skills related to the needs of disabled passengers. Our taxi drivers in London, for example, underwent Disability Awareness training as part of their induction so that they are taught the finer details of assisting disabled passengers safely in and out of taxis.

As part of our community outreach efforts, we also conducted familiarisation programmes for our commuters. The rail business in Singapore, for example, conducted four community exercises during the year to brief residents on security measures and practices that are in place at the stations and on board trains. They also participated in an evacuation drill. To date, 1,600 residents have participated in the programme.

This commitment to safety, both to our staff and the public, is best exemplified during the global outbreak of the Influenza A(H1N1) virus last year. As threat levels went up, our Business Continuity Management (BCM) Plans kicked in. Staff, both local and abroad, were sent advisories to avoid or postpone non-essential travel to affected cities and to inform the Human Resource Department about their planned destination and period of travel. They were to also observe personal hygiene, monitor their own health and seek medical attention immediately if they felt ill.

Nothing was left to chance and we made sure we were prepared for a full-fledged outbreak. We readied a stockpile of masks, gloves, thermometers, disinfectants and other cleaning agents. Public and private areas were cleaned and disinfected throughout the day, and posters reminding the public and staff on the importance of hygiene were put up. We also fine-tuned our plans for workforce segregation in the event things got worse. Thankfully, they did not.

TALENT SUSTAINABILITY

Our employees are key to our continued success. We rely on our people to sustain growth and deliver excellent service to our customers. A holistic and robust human capital management programme is therefore crucial to attract, develop and retain a diverse and highly motivated workforce.

To this end, we continue to build on our talent development initiatives to ensure that we are well positioned to generate future growth. A comprehensive ComfortDelGro Succession Management Plan & Process (SMPP) has been institutionalised. The SMPP provides guidelines for business

units, both local and overseas, to identify and groom their talent pools. Those selected under this programme are put through a series of diagnostic tests. Each individual will be committed to a Leadership Development Plan detailing the developmental activities to be undertaken. The SMPP is now being implemented in Singapore and will be gradually extended to our overseas operations.

Several programmes and initiatives dovetailing with the individual's development goals were rolled out last year and these included a Core Leadership Programme which reinforces and brings alive learning through group work. Engagement and enrichment sessions have also been organised for Senior Management to share their leadership experiences with the next generation.

Senior Management have been assigned to act as mentors to selected individuals to impart leadership skills, expose them to higher management activities and assign challenging tasks to accelerate their mentees' learning and growth.

In recognition for our efforts in manpower management, ComfortDelGro and the National Transport Workers' Union (NTWU) were accorded the Model Partnership Award in May last year. This is a new Institutional Partnership team award set up by the National Trades Union Congress (NTUC) to recognise exemplary joint efforts in helping local organisations overcome the economic gloom. The Group was also a finalist in the "Best Mature Workforce Practices" category of the Human Resource Management Awards Singapore 2009.

ENVIRONMENTAL SUSTAINABILITY

With a global fleet of close to 44,100 vehicles, ComfortDelGro is keenly aware of the important role we play in the preservation of the environment. We are committed to the principles of sustainable development and we take proactive steps to incorporate these beliefs into our operations.

This Annual Report is a case in point. Over the years, we have taken proactive action to make it more and more environmentally friendly. We started by using only environmentally friendly paper but soon felt that that was not enough. This year, we have decided to put the entire Annual Report on CD-ROMs, printing only a limited quantity for Shareholders who still feel they need the physical copy. These copies are printed on FSC (Forest Stewardship

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Council) certified paper, which is paper that inflicts the least possible damage on nature. In all, we estimate that our efforts will save 9.6 metric tonnes of paper – the equivalent of 230 trees!

And we have gone even further to give back to Nature what we took from her. In Nanjing, we planted 500 trees at a Green site earmarked for ecological preservation in November 2009 after we purchased 45 new environmentally friendly vehicles.

Our efforts in environmentalism have not gone unnoticed. In June 2009, for example, ComfortDelGro became the first transport-related company to be awarded the Green Office Label by the Singapore Environment Council. The certification came after an extensive independent audit in which the Group's environmental policies, consumption, waste management strategies and recycling practices were examined. Staff were also assessed on their environmental awareness and eco-friendly habits during several one-on-one interviews.

Our taxi company in London, Computer Cab plc, was also honoured in an annual survey by the London Sunday Times when it was named one of the city's "Top 50 Best Green Companies" for the second year running.

As a commitment to the Green movement, we have also included energy and water consumption targets in our Balanced Scorecard – which is, in turn, pegged to staff bonuses.

We also do our best to ensure the buildings we work in are environmentally friendly; our ComfortDelGro House and Metroline Limited's Cricklewood Bus Garage in London are perfect examples. They boast a host of environmentally friendly features including solar panel fittings for hot water provisions, a rainwater harvesting system and a ground-source heat pump system. Not surprisingly, both buildings have been given a BREEAM rating of "Very Good", which is one of the highest environmental ratings for a building of its type in London.

We have continued to invest in environmentally friendly buses, taxis and cars. In London, Metroline became one of the first operators there to trial hybrid buses, which run on electricity and diesel. The trial has proven highly successful and Metroline is exploring the possibility of investing in more of such buses. Compared to diesel-powered buses, hybrids cut carbon dioxide emission by up to 40%.

In Singapore, SBS Transit placed an order for 350 buses at a cost of S\$159.0 million. This means that one in two of its buses will be new by the end of 2010. Similar purchases were made in Australia and China. In addition, Shenyang ComfortDelGro Bus Co., Ltd also spent RMB500,000 to upgrade 310 buses in a bid to reduce smoke emission.

Just as we have tried to reduce harmful emissions through the purchase of environmentally friendly vehicles, we have also lent our support to the research of alternative fuels. SBS Transit has, for example, partnered the Nanyang Technological University to explore the possibility of using fuel cell for buses.

The Group is also committed to ensuring that harmful emissions of all vehicles are kept to a minimum. In October 2009, our vehicle testing arm, VICOM Ltd, opened Singapore's first specialty vehicle emissions test laboratory. Co-funded by the Land Transport Authority, the S\$5.8 million facility can conduct vehicle exhaust gaseous and particulate matter emission tests in compliance with the **Euro 5** or more stringent exhaust emission standards, as well as tests on vehicle fuel efficiency. The laboratory is one of a handful in Asia that is capable of such advanced testing.

In 2009, we successfully reduced the carbon emissions across our operations. For instance, carbon emissions from our public bus operations in Singapore, the United Kingdom, China and Australia fell by 1.4% from 136.5 tonnes of carbon dioxide per 100,000 km in 2008, to 134.6 tonnes per 100,000 km last year. We will continue to look at new ways to reduce harmful emissions to the environment.

Our Green efforts are not just confined to the hardware; we focus on the software as well. All employees are encouraged to reduce, reuse and recycle, and this has resulted in a reduction in the amount of electricity consumed per employee. Concurrently, there has been a significant increase in amount of waste that has been recycled.

Our firm commitment to the Green Movement is not just confined to our operations. SBS Transit has, for example, tried to spread the message of environmentalism to the public by giving away eco-friendly bags bearing Green tips. Complimentary travel vouchers were also handed out to drivers to encourage them to switch to public transport on International Car Free Day. Both initiatives received overwhelming response from the public.

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WE, AT COMFORTDELGRO, REALISE THAT A FUNDAMENTAL MEASURE OF OUR SUCCESS IS THE SHAREHOLDER VALUE WE CREATE OVER THE LONG-TERM.

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

- Focus relentlessly on our customers;
- Make sound investment decisions in light of long-term leadership considerations, rather than short-term profitability considerations;
- Work hard to spend wisely and maintain our lean culture as we understand the importance of continually reinforcing cost-consciousness; and
- Focus on hiring and retaining versatile and talented employees.

CORPORATE GOVERNANCE STATEMENT

ComfortDelGro strongly believes that good corporate governance makes good business. To this end, the Group has taken steps to maintain the highest standards of corporate governance, professionalism and integrity, as we build an organisation that our Shareholders, Employees, Business Partners, the Authorities and other Stakeholders can trust and be proud of. Our adherence to the principles and guidelines of the Code of Corporate Governance 2005 (the Code) is absolute, and we spare no effort in ensuring that they are upheld by each and every one in the Group. We have also adopted a Code of Business Conduct which sets out the principles and policies upon which our businesses are to be conducted, as well as implemented a Whistle Blowing Policy, which serves to prevent the occurrence of unethical or illegal conduct or behaviour, whilst protecting the whistleblowers from reprisal within the limits of the law.

This report sets out the corporate governance practices that were in place during the year, with specific reference to the Code.

1. BOARD MATTERS

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

The Board's Conduct of Its Affairs

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

- (i) Guiding the strategic direction and goals of the Group;
- (ii) Ensuring that appropriate and adequate systems of internal control, risk management processes and financial authority limits are in place;
- (iii) Assessing and approving key business strategies, funding and investment initiatives and other corporate actions, including approval of the Group's Annual Budget and Capital Expenditure, and the release of the Group's quarterly and full-year financial results; and
- (iv) Monitoring management 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 have been formed namely, the Audit

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Committee (AC), the Nominating Committee (NC), the Remuneration Committee (RC) and the Investment Committee (IC). Each Committee is governed and regulated by its own terms of reference, which set out the scope of its duties and responsibilities, regulations and procedures governing the manner in which the committee is to operate and how decisions are to be taken. Ad hoc committees are also formed to look at specific issues from time to time.

A total of five scheduled Board Meetings are held every year for the purpose of approving the release of the Group's financial results every quarter and the approval of the Group's Annual Budget. The quarterly and full-year Board Meetings are held within 45 days after the end of each quarter and the financial year respectively, while the Board Meeting to approve the Group's Annual Budget is held in December, after all the Budgets of the subsidiaries have been approved by their respective Boards. Ad hoc Board and Committee Meetings are also held from time to time, as and when the need arises. Directors, who are unable to attend the Meetings in person, can still participate in the discussions through teleconferencing. Decisions of the Board and Board Committees may also be obtained via circular resolutions. Directors are free to seek clarifications and explanations from Management on the Board papers.

The attendance of the Directors at the Board and Committee Meetings for Financial Year 2009 and the frequency of such Meetings are set out below.

Regular presentations are made by Management to the Board to enable Directors to better familiarise themselves

with the Group's businesses. Site visits for the Board are also organised almost every year to enable Directors to learn more about the Group's overseas operations. During such visits, Directors get together with Management to discuss key strategies and policies pertaining not just to the overseas operation, but also to the Group in general. Such meetings help Directors become better equipped to make informed decisions relating to the future direction of the Group.

Directors are also furnished regularly with analyst reports, updates on corporate governance practices, and articles relating to changes in laws relevant to the Group's businesses and operating environments.

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

The Board periodically reviews the adequacy of 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.

Board Composition and Balance

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

ATTENDANCE OF DIRECTORS AT BOARD AND COMMITTEE MEETINGS

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

* Attended Meetings by invitation of the Committees

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

The NC is responsible for assessing the independence of the Directors on an annual basis. Each Director is required to complete a Confirmation of Independence checklist, which is drawn up in accordance with the guidelines provided by the Code, and requires each Director to assess his/her own independence. The Director is required to declare any circumstances in which he/she may be considered non-independent. The NC will then review the Confirmation of Independence to determine whether a Director is independent. The NC deems a Director who is directly associated with a substantial Shareholder as non-independent. As such, the NC deems Ms Sum Wai Fun, Adeline, who is Chief Executive Officer of Singapore Labour Foundation, a substantial Shareholder of the Group, non-independent.

Chairman and MD/Group CEO

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

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

The MD/Group CEO is given full executive responsibility to ensure the day-to-day running of the Group's businesses and the implementation of the Group's strategies and policies.

Board Membership and Board Performance

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

business environment. The NC is responsible for regularly reviewing the composition of the Board, identifying and proposing suitable candidates for appointment to the Board.

The NC comprises three non-executive Directors, of whom two, including the Chairman, are independent. The Chairman of the NC is not associated with any substantial Shareholder. The Company Secretary is the Secretary to the NC.

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

From time to time, new Directors may be identified for appointment to the Board after the NC evaluates and assesses their suitability based on their qualifications, working experiences and expertise. Upon appointment as a Director, the Board Chairman will send an official letter of appointment to the Director, which clearly explains his or her role, duties and responsibilities. Management will then conduct a comprehensive orientation programme for the Director, where key aspects of the business, including financial and corporate governance policies are discussed. Site visits will also be arranged for new Directors so that they can better familiarise themselves with the Group's operations. When a Director is appointed to a Board Committee, he/she will be provided with its charter.

The NC subscribes to the view that while it is important for Directors to devote sufficient time and attention to the affairs of the Group, the issue of multiple board representations should be left to the judgement and discretion of each Director. To focus on Directors' attendance at Board Meetings per se may not be an adequate evaluation of the contribution of Directors. Instead, their abilities to provide strategic networking to enhance the business of the Group, availability

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for guidance and advice outside the scope of formal Board Meetings and contributions in specialised areas are also factors relevant in assessing the contributions of the Directors. While the NC will not stipulate the maximum number of boards each Director may be involved in, the NC will continue to monitor the contributions and the performance of each Director, and assess whether each Director has devoted sufficient time and attention to the affairs of the Group.

As a policy, the MD/Group CEO, being an executive of the Company, will have to seek the approval of the Chairman before accepting any directorships of companies not within the ComfortDelGro Group. In considering whether or not to grant the approval, the Chairman will consider the time commitment of the MD/Group CEO, and whether the new external directorships will provide strategic fit and networking to the businesses of the Group. The Chairman will also ensure that the MD/Group CEO will not accept appointments to the Boards of competitors.

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

In the last quarter of the year, each Director will fill in a Board Performance Evaluation Form, which includes questions on the Board's composition, the Board's contributions, contributions from Committees and conduct of proceedings and whether these enable Directors to discharge their duties effectively. The answers are collated and the findings then presented by the Chairman to the Board during its meeting.

Access to Information

Prior to each Board meeting, and where needed, Management provides Directors with timely, pertinent and complete information. The Board also receives monthly management accounts, updates on key performance indicators and regular analyst reports.

The Board has full access to the Senior Management team. The Company Secretary has defined roles and responsibilities.

She assists in scheduling Board and Committee Meetings and prepares the agenda in consultation with the Chairman and MD/Group CEO. The Company Secretary will attend the Board and Committee Meetings of the Company and prepare Minutes of Board and Committee proceedings. The Company Secretary will keep the Directors informed of any significant developments, or events relating to the Group and ensures compliance with all relevant rules and regulations.

Should there be a need to obtain independent professional advice on matters relating to the businesses of the Group or issues affecting the duties of the Directors, the Company will arrange for the appointment of relevant professional advisers at its own cost.

2. REMUNERATION MATTERS

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

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

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

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

The terms of reference of the RC are to:

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

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- b) Review the remuneration of Senior Management to ensure that the overall remuneration package is attractive to retain and motivate key executives; and
- c) Approve the participants and determine the quantum of options to be granted under the ComfortDelGro Employees' Share Option Scheme and to administer the Scheme.

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

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

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

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

granted options under the ComfortDelGro Employees' Share Option Scheme.

The remuneration of the Directors and the key executives of the Group (who are not Directors) for the Financial Year 2009 can be found on pages 111 to 112 of this Annual Report. Further information on the ComfortDelGro Employees' Share Option Scheme can be found on pages 61 to 63 of this Annual Report.

During the Financial Year 2009, no key executive was an immediate family member of any Director of the Company.

3. ACCOUNTABILITY AND AUDIT

Accountability

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

ComfortDelGro has adopted an internal code based on the Singapore Exchange Limited's (SGX's) guideline to provide guidance to the Directors and executives of the Group in relation to dealings in the Company's securities. Directors and executives of the Group are prohibited from dealing in the securities of the Company and its listed subsidiaries during the period commencing two weeks before the announcement of the Company's and/or its listed subsidiaries' first, second and third quarter results, and one month before the announcement of the full-year results, and ending on the date of the announcement of the relevant results.

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

Audit Committee

The Company's AC comprises three non-executive and independent Directors. The Board has reviewed and is

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satisfied that the members of the AC are appropriately qualified to discharge their responsibilities.

The roles of the AC include the following:

- (i) Review the effectiveness of the Group's internal audit function, internal controls, including financial, operational, compliance and risk management;
- (ii) Review the quarterly and annual financial statements, and also significant accounting and reporting issues and their impact on financial statements so as to ensure the integrity of the financial statements and any formal announcements relating to the Company's financial performance, and recommend to the Board the acceptance of such financial statements;
- (iii) Review the scope and results of the audits undertaken by the Internal and External Auditors, including non-audit services performed by External Auditors to ensure that there is a balance between maintenance of objectivity and cost effectiveness;
- (iv) Review Interested Person transactions;
- (v) Recommend the appointment, re-appointment or removal of the External Auditors at the AGM and review the fees due to them;
- (vi) Review the audit plans of the Internal and External Auditors; and
- (vii) Review the effectiveness of the Company's Whistle Blowing Policy, which has been put in place for staff to raise concerns in confidence about possible improprieties in matters of financial reporting or other matters, and thereupon ensure that an independent investigation of such matters and appropriate follow-up actions are taken. The Whistle Blowing Policy is described in more detail on page 49 of this Annual Report.

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

During the financial year, the AC also meets with the External and Internal Auditors in the absence of Management. During these Meetings, the auditors may raise issues encountered in the course of their work directly to the AC. Prior to the re-appointment of the External Auditors, the AC assesses their independence based on the guidelines set by the Accounting and Corporate Regulatory Authority. 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.

Internal Controls

The Group has well-established internal controls and compliance functions that have been put in place to manage risks while achieving business objectives. 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, as well as asset disposal and write-off. These authority limits are delegated based on the organisational hierarchy from the Board down to MD/Group CEO and the Heads of Business Units/Departments, with the Board retaining the ultimate authority. Any expenditure exceeding the highest authority limit is referred to the Board for approval.

Financial matters that require the Board's approval are set out in the Group's Financial Procedures Manual (FPM). All policies and procedures on financial matters, including approval limits and authorities, are clearly defined in the FPM. To enhance risk management and to ensure that the Group's funds continue to be managed prudently, the Board regularly reviews and updates the mandate that it delegates to Management.

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

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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 52 of this Annual Report.

v) Operational Risk and Business Continuity Planning

The Group has put in place Business Continuity Management (BCM) Plans to ensure that major disasters or unforeseen outages do not affect operations of the Business Units. The BCM Plans were developed by the various Business Units under the guidance of the BCM Committee.

The BCM 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 is 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.

Further details of the Operational Risks and how the Group manages them are set out on pages 51 to 52 of this Annual Report.

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 staff are given company handbooks detailing how they can go about raising their concerns. Incidents can be reported through a direct link to the AC, MD/Group CEO, the Group Human Resource Officer or the Group Internal Audit Officer, and which is available on the Group's intranet. All reported incidents will be investigated and dealt with promptly and thoroughly.

A committee headed by an officer appointed by the MD/Group CEO will oversee all investigations and appropriate action will be taken where required. In cases where the relevant laws have been infringed, the relevant regulatory authorities will be alerted. The AC will also be informed of the outcome of all investigations.

Where appropriate, rectification and prevention measures, including putting in place additional internal control measures and procedures will be undertaken to ensure that such incidents are not repeated.

In the course of their audit, the Internal and External Auditors also highlight to the AC material deficiencies and weaknesses together with a response from Management as to how these could be overcome.

During this financial year, the AC reviewed the Company's internal control and risk management processes and was satisfied that they were adequate to meet the requirements of the Company.

vii) New Accounting Standards

The Group's Financial Statements are prepared in accordance with the provisions of the Singapore Companies Act and the Singapore Financial Reporting Standards (SFRS). During Financial Year 2009, the Company had adopted all the new and revised SFRS that were relevant to its operations. For subsidiaries operating in jurisdictions outside of Singapore, their Financial Statements were prepared in accordance to the respective Companies Act and Financial Reporting

CORPORATE GOVERNANCE

Standards applicable in that country. The adoption of the new and revised accounting standards did not have any significant impact on its Financial Statements.

Internal Audit

The internal audit function of the Group is performed by the Group Internal Audit Department comprising suitably qualified and experienced staff, and is headed by the Group Internal Audit Officer. 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 in its continuous audit work. It 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. Any material non-compliance or lapses in internal controls are reported to the AC and the MD/Group CEO for improvements to be made.

The 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 and met the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

4. COMMUNICATIONS WITH SHAREHOLDERS

Regular, Effective and Fair Communications with Shareholders

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

Communication with Shareholders is conducted through announcements to the SGX, press releases, press and analyst briefings after the announcement of the full-year results, as well as 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.

Shareholders' Participation at Annual General Meeting

Shareholders are informed of Shareholders' Meetings through notices published in the newspapers and reports sent to all Shareholders. The Notice of AGM will be publicised 28 days before the AGM is held – two weeks earlier than is required by the Companies Act. The Articles of Association of the Company provide for voting in person and by proxy at the AGM 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 AGM, including those pertaining to the proposed resolutions before the resolutions are voted on.

Each issue or matter requiring Shareholders' approval is tabled as a separate and distinct resolution.

INTERESTED PERSON TRANSACTION

Listing Manual – Rule 907

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

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

RISK MANAGEMENT

THE GROUP RECOGNISES THAT RISK IS AN INHERENT PART OF EVERY BUSINESS, AND THE MANAGEMENT OF THESE RISKS IS AN IMPORTANT ASPECT IN ENHANCING SHAREHOLDER VALUE.

The Group's risk management process involves identifying, measuring, monitoring and managing these risks, and in turn, establishing a sound and effective risk management framework in addressing them. The key risks faced by the Group, the relevant mitigating factors and how they are managed are set out below:

ECONOMIC RISKS

Macro economic conditions in the countries we operate may impact our businesses in terms of demand for our services, and the cost of providing these services. To manage these risks, we closely monitor demand trends and operating margins through budgeting and forecasting processes. Expenses are monitored and continuously managed in the light of revenue patterns and changing market environments. Revenue risks are also mitigated by diversifying revenue streams to non-commuter sources.

REGULATORY RISKS

Some of the businesses within the Group operate in regulated environment in different countries. These regulatory risks include that of fare changes, service standards, licences to operate and transport policies. These are stipulated by the relevant regulatory authorities. In managing these risks, the Group works closely with the relevant regulatory authorities in the respective countries it operates in as part of its risk management process to ensure that the views of our commuters, customers and stakeholders are well represented. In Singapore, where fares are concerned, there is a mechanism in place for applications to be made to the regulatory authority for increases. As for service standards,

we manage our operations effectively to ensure that these are met, thereby reducing significantly the risk of licences being withdrawn.

OPERATIONAL RISKS

Safety

A key operating risk is the safety and security of our passengers, our staff and the public. Managing this risk is the cornerstone of the Group's safety and security plan. Safety awareness programmes are promoted to instil a safety and security conscious culture in our staff at all levels. Safety audits are conducted regularly as part of our management and review programme to ensure that safety standards are maintained at a high level. For our Bus and Rail Businesses, the Group also works closely with the relevant authorities to ensure that the security of our bus and train services and facilities are not compromised. Regular exercises are carried out internally, as well as with external agencies. Security guards are also engaged to patrol our facilities and members of the public are encouraged to look out for suspicious objects or persons.

Environmental

Accidents, natural events and deliberate assaults by external parties are all possible ways an organisation can cause pollution or other environmental risks. In order to limit, and hopefully prevent these situations, we engage in active environmental risk management, ensuring that we target the problems that could arise, and implement a system of metrics that help with prevention. For example, we have put in place systems and processes that ensure that fuel

RISK MANAGEMENT

leakage is minimised in all our operations. We also carefully audit the use of dangerous and harmful chemicals in our businesses. Other ways in which we work to protect the environment can be found in the Sustainability Report section of this Annual Report.

BUSINESS CONTINUITY RISKS

Operating in an environment with potential threats of terrorism, epidemic outbreaks and information systems failure, the Management has put in place a Group-wide Business Continuity Management (BCM) Plan to mitigate the risks of interruption and catastrophic loss to its operations and information database arising from such potential threats. The BCM Plans were developed by the various Business Units under the guidance of the BCM Committee.

FINANCIAL RISKS

The Group has well-established internal controls to safeguard its assets. It regularly reviews the effectiveness of the system of internal controls to limit, mitigate and monitor identified risks, and considers the enhancements of these controls as an integral part of its risk management framework. There are systems in place for safeguarding of assets and they include the following:

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 Business Units/Departments, with the Board retaining the ultimate authority. Any expenditure exceeding the highest authority limit is referred to the Board for approval.

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 approval in accordance with the Group's financial authority limits. Tight control on hiring is also exercised through headcount budgets.

Audit Process

The Internal and External Auditors conduct reviews in accordance with their audit plans to assess the effectiveness of the internal controls and risks management. Non-compliance or recommendations for improvement are reported to the Audit Committee, which reviews the effectiveness of the actions taken by Management to mitigate the risks. In the course of their audit, the Internal and External Auditors will also highlight to the Audit Committee and Management, areas where there are material deficiencies and weaknesses, or the occurrence or potential occurrence of significant risk events, and the mitigating measures and treatment plans will be proposed accordingly.

Whistle Blowing Policy

A Whistle Blowing Policy is also put in place to provide 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.

Financial Risk Management

The main areas of financial risks faced by the Group are foreign exchange rate risk, interest rate risk, credit risk, liquidity risk and fuel price risk. It is the Group's policy not to participate in financial derivative instruments, except for use as hedging instruments, where appropriate. Management oversees financial risk management and regularly reviews its policy governing risk management practices.

A detailed description of the financial risks and how the Group manages them are set out in the Notes to the Financial Statements on pages 125 to 131.

INVESTMENT RISKS

Each new investment proposal is objectively evaluated on its fit to the corporate strategy and investment objective. This risk assessment includes macro and project specific

RISK MANAGEMENT

risks analysis encompassing rigorous due diligence, financial modelling and sensitivity analysis on key investment assumptions and variables.

To ensure that the rate of return on any new investment or business opportunity commensurates with the risk exposure taken, 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.

HUMAN RESOURCE RISKS

The Group's ability to operate at full efficiency depends on the quality, motivation and management of its staff. To this end, we have in place a system of risk management, which focuses on several key areas, specifically succession planning, recruitment, performance management, compensation and benefits, training and development, employee conduct and supervision, as well as occupational health and safety. The Group aims to ensure that employees are selected based on merit, understand their responsibilities, and are given access to necessary training. At all times, a positive and constructive working climate based on strong tripartite relations is fostered. All terms and conditions of employment, along with policies and procedures comply with the relevant legislations.

PROPERTY AND LIABILITY RISKS

The Group's exposure to property and liability risks is constantly being monitored and reviewed by the Group's in-house insurance broking arm. Together with external risk management consultants, the Group ensures 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.

DIRECTORIES

SINGAPORE

BUS

SBS Transit Ltd*

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Website: www.sbstransit.com.sg
Email: crc@sbstransit.com.sg

ComfortDelGro Bus Pte Ltd

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

TAXI

Comfort Transportation Pte Ltd

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

CityCab Pte Ltd

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

RAIL

SBS Transit Ltd*

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Email: crc@sbstransit.com.sg

CAR RENTAL & LEASING

ComfortDelGro Rent-A-Car Pte Ltd

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

AUTOMOTIVE ENGINEERING SERVICES

ComfortDelGro Engineering Pte Ltd

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

VEHICLE INSPECTION & TESTING

VICOM Ltd*

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Website: www.vicom.com.sg
Email: customerservice@vicom.com.sg

VICOM Assessment Centre Pte Ltd

385 Sin Ming Drive Singapore 575718
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Fax: (65) 6455 8638
Website: www.vac.com.sg
Email: custsvs@vac.com.sg

VICOM Inspection Centre Pte Ltd

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

Setesco Services Pte Ltd

18 Teban Gardens Crescent Singapore 608925
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Fax: (65) 6566 7718
Website: www.setesco.com
Email: marketing@setesco.com

Setesco Consultancy International Pte Ltd

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

JIC Inspection Services Pte Ltd

53 Pioneer Road Singapore 628505
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Fax: (65) 6863 1838
Website: www.vicom.com.sg
Email: customerservice@vicom.com.sg

DRIVING CENTRE

ComfortDelGro Driving Centre Pte Ltd

205 Ubi Avenue 4 Singapore 408805
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Fax: (65) 6841 8913
Website: www.cdc.com.sg
Email: info@cdc.com.sg

INSURANCE BROKING SERVICES

ComfortDelGro Insurance Brokers Pte Ltd

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

OUTDOOR ADVERTISING

Moove Media Pte Ltd

205 Braddell Road Singapore 579701
Mainline: (65) 6383 7035
Fax: (65) 6288 7112
Website: www.moovemediam.com.sg
Email: advertising@moovemediam.com.sg

CHINA

EAST CHINA BUSINESS UNIT

SHANGHAI

TAXI

Shanghai City Qi Ai Taxi Services Co., Ltd

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

SUZHOU, JIANGSU PROVINCE

BUS

Suzhou Comfort Passenger Transportation Co., Ltd

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Suzhou, Jiangsu
Postal Code 215021
Mainline: (86) 512 6762 0200
Fax: (86) 512 6761 0101
Email: richardtang@comfortdelgro.com

TAXI

Suzhou Comfort Taxi Co., Ltd

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Suzhou, Jiangsu
Postal Code 215021
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Fax: (86) 512 6761 0101
Email: richardtang@comfortdelgro.com

CAR DEALERSHIP

Suzhou Comfort Toyota Sales & Service Co., Ltd

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NANJING, JIANGSU PROVINCE

TAXI

Nanjing ComfortDelGro Dajian Taxi Co., Ltd

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* Listed on the Singapore Exchange

DIRECTORIES

CHINA

NORTH EAST CHINA BUSINESS UNIT

SHENYANG, LIAONING PROVINCE BUS

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Shenyang ComfortDelGro Anyun Bus Co., Ltd

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Shenyang Economic & Technological
Development Area
Shenyang, Liaoning
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Email: choopy@comfordtelgro.com

TAXI

Shenyang ComfortDelGro Taxi Co., Ltd

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CityCab (Shenyang) Ltd

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Dong Ling District
Shenyang, Liaoning
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Fax: (86) 24 2482 3064
Email: choopy@comfordtelgro.com

JILIN CITY, JILIN PROVINCE

TAXI

Jilin ComfortDelGro Taxi Co., Ltd

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Jilin City, Jilin
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NORTH CHINA BUSINESS UNIT

BEIJING

TAXI

Beijing Jin Jian Taxi Services Co., Ltd

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Shi Jing Shan District
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Fax: (86) 10 8895 1678
Email: leongks@comfordtelgro.com

Beijing Jia Run Taxi Co., Ltd

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

CAR RENTAL & LEASING

Beijing ComfortDelGro Yin Jian Auto Services Co., Ltd

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3rd Section Fang Xing Yuan Fang Zhuang
Feng Tai District
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Postal Code 100078
Mainline: (86) 10 8761 1267
Fax: (86) 10 8761 1267
Website: www.yjqczl.com
Email: ronnylee@comfordtelgro.com

VEHICLE INSPECTION SERVICES

Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd

Room 304 Chi Nai Pu Building
No. 8 Cheng Shou Si Road
Jiu Gong Da Xing District
Beijing
Postal Code 100076
Mainline: (86) 10 8760 0856
Fax: (86) 10 8760 2282
Email: ronnylee@comfordtelgro.com

YANTAI, SHANGDONG PROVINCE

TAXI & CAR LEASING

Yantai ComfortDelGro Automobile Services Co., Ltd

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Yantai Development District
Yantai, Shangdong
Postal Code 264006
Mainline: (86) 53 5638 1178
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Email: liuhx@comfordtelgro.com

WEST CHINA BUSINESS UNIT

CHENGDU, SICHUAN PROVINCE

TAXI

Chengdu ComfortDelGro Taxi Co., Ltd

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Fax: (86) 28 8471 5610
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Chengdu ComfortDelGro Sheng Duo Taxi Co., Ltd

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CAR RENTAL & LEASING

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

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Fax: (86) 28 8471 3961
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AUTOMOTIVE ENGINEERING & CAR DEALERSHIP

Sichuan ComfortDelGro Car Servicing Co., Ltd

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VEHICLE INSPECTION SERVICES

Chengdu Jitong Integrated Vehicle Inspection Co., Ltd

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DRIVING CENTRE

Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd

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CHONGQING

DRIVING CENTRE

Chongqing ComfortDelGro Driver Training Co., Ltd

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DIRECTORIES

CHINA

SOUTH CHINA BUSINESS UNIT

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Fax: (86) 20 3708 6782
Website: www.tianhebus.com
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NANNING, GUANGXI PROVINCE TAXI

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CAR RENTAL & LEASING

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HENGYANG, HUNAN PROVINCE BUS & TAXI

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PRIVATE CAR HIRE

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

LIVERPOOL, ENGLAND TAXI RADIO CIRCUIT

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Fax: (44) 151 298 2526
Website: www.mersecabs.co.uk
Email: admin@mersecabs.co.uk

BIRMINGHAM, ENGLAND TAXI RADIO CIRCUIT

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Fax: (44) 121 622 0889
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Email: enquiries@comcab-birmingham.co.uk

GLASGOW, SCOTLAND COACH

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Fax: (44) 141 332 4488
Website: www.citylink.co.uk
Email: info@citylink.co.uk

ABERDEEN, SCOTLAND TAXI RADIO CIRCUIT

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EDINBURGH, SCOTLAND TAXI RADIO CIRCUIT

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Edinburgh EH12 0AZ
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Email: customerservice@comcab.co.uk

PRIVATE CAR HIRE

Onward Travel Ltd
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Edinburgh Airport
Edinburgh EH12 0AL
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Email: admin@onwardtravel.com

DIRECTORIES

IRELAND

DUBLIN COACH

Irish Citylink ComfortDelGro Limited

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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

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Altona VC 3018
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Email: customerservice@yourbus.com.au

VIETNAM

HO CHI MINH CITY TAXI

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Ho Chi Minh City
Mainline: (84) 8 3815 5151
Fax: (84) 8 3815 5158
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Email: enquiry@vinataxis.com

ComfortDelGro Savico Taxi Company

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Email: comfortsavico@vnn.vn

MALAYSIA

KUALA LUMPUR CAR RENTAL & LEASING

CityLimo Leasing (M) Sdn Bhd

No. 10 Jalan SS13/6
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47500 Subang Jaya
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Malaysia
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Website: www.pantas.com.my
Email: sales@pantas.com.my

Pantas Rent-A-Car Sdn Bhd

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FINANCIAL CALENDAR

2009

Announcement of 2008 Full Year Results	12 February 2009
Annual General Meeting	28 April 2009
Announcement of 1st Quarter 2009 Results	14 May 2009
Payment of 2008 final dividend (2.40 cents/share)	18 May 2009
Announcement of 2nd Quarter 2009 Results	13 August 2009
Payment of 2009 interim dividend (2.63 cents/share)	8 September 2009
Announcement of 3rd Quarter 2009 Results	12 November 2009

2010

Announcement of 2009 Full Year Results	10 February 2010
Annual General Meeting	28 April 2010
Announcement of 1st Quarter 2010 Results	14 May 2010*
Payment of 2009 final dividend (2.67 cents/share) <small>(Subject to Shareholders' approval at the forthcoming Annual General Meeting)</small>	18 May 2010
Announcement of 2nd Quarter 2010 Results	13 August 2010*
Announcement of 3rd Quarter 2010 Results	12 November 2010*

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

FINANCIAL STATEMENTS

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REPORT OF THE DIRECTORS

The Directors present their report together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2009 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2009.

1 DIRECTORS

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

Lim Jit Poh	<i>(Chairman)</i>
Kua Hong Pak	<i>(Managing Director/Group Chief Executive Officer)</i>
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 2009	At 31 December 2009	At 21 January 2010
Interest in the Company			
(a) Ordinary shares			
Lim Jit Poh	144,425	844,425	844,425
Kua Hong Pak	2,824,530	2,824,530	2,824,530
Ong Ah Heng	395,558	395,558	395,558
Oo Soon Hee	300,000	375,000	375,000
Tow Heng Tan	250,000	250,000	250,000
Wang Kai Yuen	312,500	312,500	312,500
Wong Chin Huat, David	100,000	100,000	100,000
(b) Options to subscribe for ordinary shares			
Lim Jit Poh	940,000	1,180,000	1,180,000
Kua Hong Pak	4,800,000	6,000,000	6,000,000
Ong Ah Heng	470,000	590,000	590,000
Oo Soon Hee	750,000	825,000	825,000
Sum Wai Fun, Adeline	120,000	240,000	240,000
Tow Heng Tan	470,000	590,000	590,000
Wang Kai Yuen	305,000	485,000	485,000
Wong Chin Huat, David	470,000	590,000	590,000

REPORT OF THE DIRECTORS

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

Names of Directors and Companies in which interests are held	At 1 January 2009	At 31 December 2009	At 21 January 2010
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	300,000	400,000	400,000
Kua Hong Pak	450,000	495,000	495,000
Wong Chin Huat, David	180,000	245,000	245,000
Interest in subsidiary, VICOM Ltd			
(a) Ordinary shares			
Lim Jit Poh	190,000	190,000	190,000
Kua Hong Pak	54,000	54,000	54,000

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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

5 SHARE OPTIONS

(A) Share options of the Company

- (i) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS") was approved by the shareholders of the Company on 18 February 2003. The CDG ESOS is administered by the Remuneration Committee (the "Committee") comprising Messrs Lim Jit Poh, Tow Heng Tan, Wong Chin Huat, David and Wang Kai Yuen.
- (ii) Under the CDG ESOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares at a subscription price determined with reference to the market price of the shares at the time of grant of the option. The subscription price does not include any discount feature. The consideration for the grant of an option is \$1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for non-executive Directors) of the date of grant of that option or such shorter period as determined by the Committee. The option may be exercised in whole or in part on the payment of the relevant subscription price. The participants to whom the options have been granted shall be eligible to participate in other share option schemes implemented by the Company and/or its subsidiaries. Options granted will lapse when the option holder ceases to be a full-time employee or Director of the Company or any company of the Group, subject to certain exceptions at the discretion of the Committee administering the CDG ESOS.

REPORT OF THE DIRECTORS

5 SHARE OPTIONS (CONT'D)

(iii) Particulars of unissued shares under options granted pursuant to the CDG ESOS, options granted, exercised and cancelled/lapsed during the financial year and options outstanding as at 31 December 2009 were as follows:

Date of grant	Number of options to subscribe for ordinary shares					Outstanding at 31 December 2009	Subscription price per share	Expiry date
	Outstanding at 1 January 2009	Granted	Exercised	Cancelled/Lapsed				
31 July 2003	280,000	-	(100,000)	-		180,000	\$0.793	30 July 2013
2 January 2004	463,000	-	(133,000)	-		330,000	\$0.820	1 January 2014
19 July 2004	600,000	-	(17,500)	-		582,500	\$1.217	18 July 2014
19 July 2004	75,000	-	(75,000)	-		-	\$1.217	18 July 2009
24 February 2005	2,395,000	-	-	(150,000)		2,245,000	\$1.680	23 February 2015
24 February 2005	405,000	-	-	-		405,000	\$1.680	23 February 2010
21 July 2005	1,427,500	-	(40,000)	-		1,387,500	\$1.540	20 July 2015
21 July 2005	365,000	-	-	-		365,000	\$1.540	20 July 2010
17 November 2005	2,398,500	-	(40,000)	-		2,358,500	\$1.550	16 November 2015
17 November 2005	325,000	-	-	-		325,000	\$1.550	16 November 2010
13 July 2006	6,685,000	-	(80,000)	(300,000)		6,305,000	\$1.500	12 July 2016
13 July 2006	770,000	-	(90,000)	-		680,000	\$1.500	12 July 2011
22 June 2007	9,740,000	-	-	(300,000)		9,440,000	\$2.260	21 June 2017
22 June 2007	975,000	-	-	-		975,000	\$2.260	21 June 2012
25 June 2008	10,685,000	-	-	(400,000)		10,285,000	\$1.590	24 June 2018
25 June 2008	1,270,000	-	-	-		1,270,000	\$1.590	24 June 2013
25 June 2009	-	11,385,000	-	(360,000)		11,025,000	\$1.273	24 June 2019
25 June 2009	-	1,270,000	-	-		1,270,000	\$1.273	24 June 2014
Total	38,859,000	12,655,000	(575,500)	(1,510,000)		49,428,500		

The options outstanding as at 31 December 2009 include 1,560,000 options granted to former employees of the Group who have been granted an extension of time from their respective dates of retirement, by the Remuneration Committee to exercise their outstanding options.

REPORT OF THE DIRECTORS

5 SHARE OPTIONS (CONT'D)

- (iv) Details of the options granted to Directors during the financial year and since the commencement of the CDG ESOS (including options granted under the Pre-Merger Option Scheme*) up to 31 December 2009 were as follows:

Director	Number of options to subscribe for ordinary shares			
	Granted during the year ended 31 December 2009	Aggregate options granted since the commencement to 31 December 2009	Aggregate options exercised since the commencement to 31 December 2009	Aggregate options outstanding at 31 December 2009
Lim Jit Poh	240,000	2,053,577	873,577	1,180,000
Kua Hong Pak	1,200,000	8,700,000	2,700,000	6,000,000
Ong Ah Heng	120,000	1,157,540	567,540	590,000
Oo Soon Hee	150,000	1,200,000	375,000	825,000
Sum Wai Fun, Adeline	120,000	240,000	-	240,000
Tow Heng Tan	120,000	840,000	250,000	590,000
Wang Kai Yuen	180,000	1,458,672	973,672	485,000
Wong Chin Huat, David	120,000	840,000	250,000	590,000

- * 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 2009.

REPORT OF THE DIRECTORS

5 SHARE OPTIONS (CONT'D)

(B) Share options of subsidiaries

(a) SBS Transit Ltd ("SBST")

- (i) The SBS Transit Share Option Scheme (the "SSOS") was approved by the shareholders of SBST on 9 June 2000. The SSOS is administered by the Remuneration Committee of SBST.
- (ii) Under the SSOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares at a subscription price determined with reference to the market price of the shares at the time of the grant of the option. The subscription price and/or number of shares comprised in the option may be adjusted in certain events under the rules of the SSOS. The consideration for the grant of an option is \$1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for options granted to non-executive Directors) of the date of grant of that option or such shorter period as determined by the Remuneration Committee of SBST. The shares under option may be exercised in whole or in part on the payment of the relevant subscription price. Options granted will lapse when the option holder ceases to be a full-time employee or Director of SBST, subject to certain exceptions at the discretion of the Remuneration Committee of SBST.
- (iii) Particulars of unissued shares under options granted pursuant to the SSOS, options exercised and cancelled/lapsed during the financial year, and options outstanding as at 31 December 2009 were as follows:

Date of grant	Number of options to subscribe for ordinary shares					Outstanding at 31 December 2009	Subscription price per share	Expiry date
	Outstanding at 1 January 2009	Granted	Exercised	Cancelled/ Lapsed				
26 September 2000	88,000	-	-	-	-	88,000	\$1.59	26 September 2010
6 September 2001	123,000	-	-	-	-	123,000	\$1.60	6 September 2011
22 August 2003	85,000	-	-	-	-	85,000	\$1.29	22 August 2013
10 December 2003	35,000	-	-	-	-	35,000	\$1.22	10 December 2013
19 July 2004	180,000	-	-	(18,750)	-	161,250	\$1.60	19 July 2014
19 July 2004	45,000	-	-	(45,000)	-	-	\$1.60	19 July 2009
24 February 2005	506,250	-	-	-	-	506,250	\$2.29	24 February 2015
24 February 2005	80,000	-	-	-	-	80,000	\$2.29	24 February 2010
28 July 2005	445,250	-	-	-	-	445,250	\$2.23	28 July 2015
28 July 2005	77,500	-	-	-	-	77,500	\$2.23	28 July 2010
18 November 2005	378,750	-	-	-	-	378,750	\$2.16	18 November 2015
18 November 2005	77,500	-	-	-	-	77,500	\$2.16	18 November 2010
13 July 2006	1,387,500	-	-	-	-	1,387,500	\$2.15	13 July 2016
13 July 2006	535,000	-	-	-	-	535,000	\$2.15	13 July 2011
22 June 2007	2,092,500	-	-	(92,500)	-	2,000,000	\$3.40	22 June 2017
22 June 2007	550,000	-	-	-	-	550,000	\$3.40	22 June 2012
25 June 2008	2,140,000	-	-	(52,500)	-	2,087,500	\$2.18	25 June 2018
25 June 2008	550,000	-	-	-	-	550,000	\$2.18	25 June 2013
25 June 2009	-	2,212,500	-	(52,500)	-	2,160,000	\$1.58	25 June 2019
25 June 2009	-	550,000	-	-	-	550,000	\$1.58	25 June 2014
Total	9,376,250	2,762,500	-	(261,250)	-	11,877,500		

REPORT OF THE DIRECTORS

5 SHARE OPTIONS (CONT'D)

The options outstanding as at 31 December 2009 include 660,000 options granted to former employees of SBST, who have been granted an extension of time from their respective dates of retirement, by the Remuneration Committee of SBST to exercise their outstanding options.

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

- (iv) Details of the SSOS options granted to Directors of the Company during the financial year and since the commencement of the SSOS up to 31 December 2009 were as follows:

Director	Number of options to subscribe for ordinary shares				
	Granted during the year ended 31 December 2009	Aggregate options granted since the commencement to 31 December 2009	Aggregate options exercised since the commencement to 31 December 2009	Aggregate options lapsed since the commencement to 31 December 2009	Aggregate options outstanding at 31 December 2009
Lim Jit Poh	100,000	780,000	380,000	-	400,000
Kua Hong Pak	90,000	690,000	150,000	45,000	495,000
Wong Chin Huat, David	65,000	475,000	230,000	-	245,000

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 2009.

(b) VICOM Ltd (“VICOM”)

- (i) The 2001 VICOM Share Option Scheme (the “2001 VSOS”) was approved by the shareholders of VICOM on 27 April 2001. The 2001 VSOS is administered by the Remuneration Committee of VICOM.
- (ii) Under the 2001 VSOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares at the subscription price determined with reference to the market price of the shares at the time of the grant of the option. The subscription price does not include any discount feature. The consideration for the grant of an option is \$1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for options granted to non-executive Directors) of the date of grant of that option or such shorter period as determined by the Remuneration Committee of VICOM. The shares under option may be exercised in whole or in part on the payment of the relevant subscription price.

REPORT OF THE DIRECTORS

5 SHARE OPTIONS (CONT'D)

- (iii) Particulars of unissued shares under options granted pursuant to the 2001 VSOS, options exercised during the financial year, and options outstanding as at 31 December 2009 were as follows:

Date of grant	Number of options to subscribe for ordinary shares			Outstanding at 31 December 2009	Subscription price per share	Expiry date
	Outstanding at 1 January 2009	Granted	Exercised			
1 June 2001	28,000	-	-	28,000	\$0.570	30 May 2011
26 September 2001	24,000	-	-	24,000	\$0.423	25 September 2011
6 April 2002	24,000	-	-	24,000	\$0.628	5 April 2012
7 October 2002	40,000	-	-	40,000	\$0.600	6 October 2012
27 June 2003	12,000	-	-	12,000	\$0.760	26 June 2013
19 December 2003	12,000	-	-	12,000	\$0.865	18 December 2013
23 August 2004	6,500	-	(6,500)	-	\$0.953	22 August 2009
23 August 2004	43,000	-	(35,000)	8,000	\$0.953	22 August 2014
24 February 2005	6,500	-	-	6,500	\$0.998	23 February 2010
24 February 2005	43,000	-	(35,000)	8,000	\$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	572,000	-	(39,000)	533,000	\$1.657	19 June 2017
25 June 2008	659,000	-	(50,000)	609,000	\$1.840	24 June 2018
1 July 2009	-	677,000	-	677,000	\$1.793	30 June 2019
Total	1,670,000	677,000	(165,500)	2,181,500		

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

- (iv) Details of the 2001 VSOS options granted to Directors of the Company during the financial year and since the commencement of the 2001 VSOS up to 31 December 2009 were as follows:

Director	Number of options to subscribe for ordinary shares			
	Granted during the year ended 31 December 2009	Aggregate options granted since the commencement to 31 December 2009	Aggregate options exercised since the commencement to 31 December 2009	Aggregate options outstanding at 31 December 2009
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).

REPORT OF THE DIRECTORS

5 SHARE OPTIONS (CONT'D)

- (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 2009.

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
10 February 2010

STATEMENT OF DIRECTORS

In the opinion of the Directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 70 to 149 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009, and of the results, changes in equity and the cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh

Chairman

Kua Hong Pak

Managing Director/Group Chief Executive Officer

Singapore

10 February 2010

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 statements of financial position of the Group and the Company as at 31 December 2009, the income statement, comprehensive income statement, statement of changes in equity and cash flow statement of the Group and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 70 to 149.

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 statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; 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

Singapore
10 February 2010

STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2009

	Note	The Group		The Company	
		2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
ASSETS					
Current assets					
Short-term deposits and bank balances	4	485.6	408.3	225.7	152.4
Held-for-trading investments	5	-	37.0	-	4.9
Available-for-sale investments	6	10.1	5.0	10.1	-
Trade receivables	7	98.8	102.3	-	-
Other receivables and prepayments	8	177.1	176.4	1.6	2.6
Grant receivables	9	16.5	4.4	-	-
Due from subsidiaries	10	-	-	84.0	326.5
Finance lease receivables	11	20.7	22.4	-	-
Inventories	12	54.6	51.8	-	-
Total current assets		863.4	807.6	321.4	486.4
Non-current assets					
Subsidiaries	13	-	-	1,328.4	610.6
Associates	14	122.3	121.1	88.9	88.9
Available-for-sale investments	6	29.2	37.6	12.9	22.2
Grant receivables	9	244.1	97.8	-	-
Long-term receivables	15	0.3	6.0	-	-
Finance lease receivables	11	13.2	18.3	-	-
Vehicles, premises and equipment	16	2,236.5	1,928.0	18.2	1.9
Taxi licences and bus operating rights	17	405.7	249.1	-	-
Goodwill	18	129.1	81.0	-	-
Deferred tax assets	19	8.6	5.1	-	-
Total non-current assets		3,189.0	2,544.0	1,448.4	723.6
Total assets		4,052.4	3,351.6	1,769.8	1,210.0

See accompanying notes to the financial statements.

STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2009

	Note	The Group		The Company	
		2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	20	130.4	166.6	-	-
Trade and other payables	21	522.2	422.0	20.1	15.9
Trade payables for buses		43.3	47.9	-	-
Deferred grant income	22	15.7	4.6	-	-
Due to subsidiaries	23	-	-	814.1	312.6
Insurance premiums payable and provision for accident claims	24	98.3	103.9	-	-
Income tax payable		42.5	35.4	3.2	1.7
Total current liabilities		852.4	780.4	837.4	330.2
Non-current liabilities					
Borrowings	20	466.4	245.3	-	-
Deferred grant income	22	244.8	96.9	-	-
Other liabilities	25	116.9	97.2	0.1	0.1
Fuel price equalisation account		34.1	34.1	-	-
Deferred tax liabilities	19	125.6	121.0	0.2	0.2
Total non-current liabilities		987.8	594.5	0.3	0.3
Capital, reserves and minority interests					
Share capital	26	561.7	560.9	561.7	560.9
Other reserves	27	42.8	21.5	18.5	15.9
Accumulated profits		1,085.5	974.4	351.9	302.7
Equity attributable to shareholders of the Company		1,690.0	1,556.8	932.1	879.5
Minority interests		522.2	419.9	-	-
Total equity		2,212.2	1,976.7	932.1	879.5
Total liabilities and equity		4,052.4	3,351.6	1,769.8	1,210.0

See accompanying notes to the financial statements.

GROUP INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2009

	Note	2009 \$'mil	2008 \$'mil
Revenue	28	3,051.8	3,120.2
Staff costs	29	(960.3)	(942.8)
Depreciation and amortisation		(279.9)	(263.7)
Contract services		(263.4)	(286.8)
Materials and consumables		(251.1)	(329.4)
Fuel and electricity costs		(213.3)	(285.4)
Repairs and maintenance		(172.2)	(172.1)
Insurance premiums and accident claims		(119.8)	(108.3)
Road and diesel taxes		(109.8)	(115.5)
Taxi drivers' benefits		(74.2)	(77.0)
Premises costs		(67.6)	(69.3)
Vehicle leasing charges		(61.2)	(67.5)
Other operating expenses		(129.1)	(124.4)
Total operating expenses		(2,701.9)	(2,842.2)
Operating profit		349.9	278.0
Net income from investments		5.6	15.6
Finance costs	30	(29.1)	(27.4)
		326.4	266.2
Share of profit in associates		7.7	7.6
Profit before exceptional item		334.1	273.8
Exceptional item	31	-	26.5
Profit before taxation		334.1	300.3
Taxation	32	(58.4)	(51.1)
Profit after taxation	33	275.7	249.2
Attributable to:			
Shareholders of the Company		219.5	200.1
Minority interests		56.2	49.1
		275.7	249.2
Earnings per share (in cents):			
Basic	34	10.52	9.59
Diluted	34	10.51	9.59

See accompanying notes to the financial statements.

GROUP COMPREHENSIVE INCOME STATEMENT
YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$'mil	\$'mil
Profit after taxation	275.7	249.2
Fair value gain (loss) on cash flow hedges	0.6	(3.1)
Fair value gain (loss) on available-for-sale investments	1.5	(2.4)
Exchange differences on translation of foreign operations	48.5	(33.9)
Actuarial adjustment on defined benefit plans	(9.5)	(3.7)
Other comprehensive income (expense) for the year	41.1	(43.1)
Total comprehensive income for the year	316.8	206.1
Attributable to:		
Shareholders of the company	236.1	180.4
Minority interests	80.7	25.7
	316.8	206.1

See accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2009

	The Group					
	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 2008	559.6	43.9	879.0	1,482.5	416.6	1,899.1
Total comprehensive income (expense) for the year	-	(19.7)	200.1	180.4	25.7	206.1
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 40)	-	-	(109.4)	(109.4)	-	(109.4)
Other reserves	-	(4.7)	4.7	-	(22.4)	(22.4)
Balance at 31 December 2008	560.9	21.5	974.4	1,556.8	419.9	1,976.7
Total comprehensive income for the year	-	16.6	219.5	236.1	80.7	316.8
Recognition of share-based payments	-	2.1	-	2.1	-	2.1
Exercise of share options	0.8	(0.1)	-	0.7	-	0.7
Payment of dividends (Note 40)	-	-	(104.9)	(104.9)	-	(104.9)
Other reserves	-	2.7	(3.5)	(0.8)	21.6	20.8
Balance at 31 December 2009	561.7	42.8	1,085.5	1,690.0	522.2	2,212.2

See accompanying notes to the financial statements.

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2009

	The Company			Total equity \$'mil
	Share capital \$'mil	Other reserves \$'mil	Accumulated profits \$'mil	
Balance at 1 January 2008	559.6	15.1	260.8	835.5
Total comprehensive income (expense) for the year	-	(1.0)	151.3	150.3
Recognition of share-based payments	-	2.1	-	2.1
Exercise of share options	1.3	(0.3)	-	1.0
Payment of dividends (Note 40)	-	-	(109.4)	(109.4)
Balance at 31 December 2008	560.9	15.9	302.7	879.5
Total comprehensive income for the year	-	0.9	154.1	155.0
Recognition of share-based payments	-	1.8	-	1.8
Exercise of share options	0.8	(0.1)	-	0.7
Payment of dividends (Note 40)	-	-	(104.9)	(104.9)
Balance at 31 December 2009	561.7	18.5	351.9	932.1

See accompanying notes to the financial statements.

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$'mil	\$'mil
Operating activities		
Profit before taxation	334.1	300.3
Adjustments for:		
Depreciation and amortisation	279.9	263.7
Finance costs	29.1	27.4
Interest income	(6.4)	(11.7)
Gain on share exchange - exceptional item	-	(26.5)
Share-based payment expense	2.1	2.3
Allowance for doubtful receivables and bad debts written off	2.4	1.6
Net loss on disposal of vehicles	8.8	6.5
Share of profit in associates	(7.7)	(7.6)
Others	6.2	(4.7)
Operating cash flows before movements in working capital	648.5	551.3
Inventories	(2.6)	(1.3)
Trade receivables	3.4	30.6
Other receivables and prepayments	4.4	(37.6)
Grant receivables	(2.2)	(5.1)
Long-term receivables	10.4	4.2
Finance lease receivables	6.8	3.7
Held-for-trading investments	37.0	42.0
Trade and other payables	77.8	49.6
Other liabilities	3.7	5.8
Insurance premiums payable and provision for accident claims	(6.5)	(11.1)
Cash generated from operations	780.7	632.1
Income tax paid	(52.3)	(58.1)
Net cash from operating activities	728.4	574.0

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$'mil	\$'mil
Investing activities		
Proceeds from disposal of vehicles	77.5	68.1
Proceeds from disposal of available-for-sale investments	5.0	18.3
Purchases of vehicles, premises and equipment [Note (a)]	(446.7)	(351.3)
Purchases of taxi licences	(5.3)	(5.2)
Increase in investment in a subsidiary	(0.3)	(1.9)
Acquisition of subsidiaries/businesses, net of cash acquired [Note (b)]	(179.8)	(1.2)
Interest received	6.4	12.3
Dividend received	5.6	4.3
Net cash used in investing activities	(537.6)	(256.6)
Financing activities		
New loans raised	268.5	49.8
Repayment of borrowings	(251.5)	(132.7)
Payment from (to) minority interests	22.1	(29.3)
Proceeds from exercise of share options of the Company	0.7	1.0
Proceeds from exercise of share options of subsidiaries	0.2	1.2
Interest paid	(29.2)	(27.6)
Proceeds from unclaimed dividends	0.2	0.2
Dividends paid to shareholders of the Company	(104.9)	(109.4)
Net cash used in financing activities	(93.9)	(246.8)
Net effect of exchange rate changes in consolidating subsidiaries	(19.6)	19.3
Net increase in cash and cash equivalents	77.3	89.9
Cash and cash equivalents at beginning of year	408.3	318.4
Cash and cash equivalents at end of year (Note 4)	485.6	408.3

See accompanying notes to the financial statements.

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$'mil	\$'mil
Note (a):		
Purchases of vehicles, premises and equipment	(507.7)	(406.5)
Less: Vehicles purchased under finance lease arrangements	61.0	55.2
Cash payments on purchases of vehicles, premises and equipment	(446.7)	(351.3)
Note (b):		
Summary of the effects of acquisition of subsidiaries/businesses:		
Net (assets) liabilities acquired:		
Current assets	(4.0)	(0.9)
Non-current assets	(220.3)	(1.2)
Current liabilities	17.5	0.6
Non-current liabilities	63.0	-
Net assets acquired	(143.8)	(1.5)
Goodwill on acquisition	(33.0)	(0.5)
Total purchase consideration	(176.8)	(2.0)
Minority interests	-	0.7
(Add) Less: (Overdraft) Cash on acquisition of subsidiaries	(3.0)	0.1
Cash flow on acquisition, net of cash acquired	(179.8)	(1.2)

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

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 42.

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 2009 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2009 were authorised for issue by the Board of Directors on 10 February 2010.

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 2009.

The following are the new or amended FRSs that are relevant to the Group:

FRS 1	-	Presentation of Financial Statements (Revised)
Amendments to FRS 107	-	Improving Disclosures about Financial Instruments
FRS 108	-	Operating Segments

The adoption of the above FRSs did not result in any changes to the Group's accounting policies nor any significant impact on the financial statements.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED - The Group has not applied the following accounting standards (including its consequential amendments) that have been issued as at the end of the reporting period but are not yet effective:

FRS 27 (Revised)	-	Consolidated and Separate Financial Statements
FRS 28 (Revised)	-	Investment in Associates
FRS 103 (Revised)	-	Business Combination
FRS 107	-	Financial Instruments: Disclosure regarding Reclassification of Financial Assets
Amendment to FRS 7	-	Statement of Cash Flow
Amendments to FRS 20	-	Accounting for Government Grants and Disclosure of Government Assistance
Amendments to FRS 38	-	Intangible Assets
Amendments to FRS 39	-	Financial Instruments: Recognition and Measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The results of subsidiaries acquired or disposed of during the year are included in the Group comprehensive income 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 consistently used by the Group.

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

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

BUSINESS COMBINATIONS - The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group 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 statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Cash and cash equivalents

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

Investments

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a hedge relationship are also classified at FVTPL. Financial assets that are classified at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Available-for-sale investments

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

Trade and other receivables

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

Provision for impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of provision for impairment at the end of each reporting period. Financial assets are 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.

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 39).

Hedging instruments are initially recognised at fair value on the contract date, and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the hedging instrument is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates its hedging instruments as either fair value hedges or cash flow hedges.

Hedging instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

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

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

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

Note 39(b) contains details of the fair values of the hedging instruments.

Fair value hedge

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash flow hedge

The effective portion of changes in the fair value of hedging instruments that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts recognised in other comprehensive income and accumulated in equity are recognised in profit or loss in the periods when the hedged item is recognised in profit or loss or when hedge accounting is discontinued.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

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

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises cost of purchase and those 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

	Number of years
Buses	8 to 23
Leasehold bus depots	12 to 30
Leasehold land and buildings	4 to 60
Freehold buildings	10 to 50
Taxis and motor vehicles for rental	5 to 8
Computers and automated equipment	1 to 6
Workshop machinery, tools and equipment	2 to 20
Motor vehicles	3 to 15
Furniture, fittings and equipment	2 to 7

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

On disposal of an item of vehicles, premises and equipment, the difference between the sales proceeds and its carrying amount is recognised in profit or loss.

Fully depreciated vehicles, premises and equipment still in use are retained in the financial statements.

Assets held under finance lease arrangements are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessees will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

ASSOCIATES - An associate is an entity over which the Group 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 Group's statements of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INTANGIBLE ASSETS

Intangible assets acquired separately

Taxi and other licences acquired separately are recorded at cost less accumulated amortisation and any accumulated impairment losses. Taxi and other licences with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Taxi and other licences with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Intangible assets acquired in a business combination

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

During the financial year, the fuel price equalisation account has been reclassified from current to non-current liabilities. The comparative figures have been reclassified to conform with the current year's presentation. The same reclassification would apply for 2007.

INSURANCE PREMIUMS PAYABLE AND PROVISION FOR ACCIDENT CLAIMS - Insurance premiums payable are provided in the financial statements based on the estimated additional premium payable. Provision for accident claims 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

DEFERRED INCOME - Deferred income comprises:

- (i) The net present value of the grant receivable from the transport regulators in Australia for the acquisition of new buses. The deferred income is amortised to profit or loss over the useful lives of the assets.
- (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 the end of each reporting period.

- (iii) **Defined Benefit Retirement Plans** - The Group operates two defined benefit pension schemes ("Pension Schemes") for employees of one of its foreign subsidiaries, the assets of which are held in trustee administered funds.

The Pension Schemes were closed to future accruals in 2007 and the remaining employees were transferred to a defined contribution pension scheme.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses arising over the financial year are recognised immediately in other comprehensive income and accumulated in equity under retirement benefit reserve, and are reflected in the statement of financial position. Past service cost is recognised immediately to the extent that the benefits have already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Apart from the Pension Schemes above, the Group makes contribution to pension schemes as defined by the laws of the countries in which it has operations. In particular, Singapore companies make contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contributions to pension schemes are recognised as an expense in the period in which the related service is performed.

(v) **Employee Leave Entitlement** - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

(vi) **Share-Based Payments** - The Group and the Company issue equity-settled share-based payments to certain employees and Directors. Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding adjustment against share option reserve, based on the Group's and the Company's estimate of the number of equity instruments that will eventually vest.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

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

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

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

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

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

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

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

BORROWING COSTS - Borrowing costs are recognised in profit or loss in the period in which they are incurred.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing on the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (please see above for details of the Group's accounting policies in respect of such hedging instruments).

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Group's accounting policies

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

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Provisions

(i) Accident claims

Claims for 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 included in Note 24 is \$60.7 million (2008: \$50.5 million).

(ii) Insurance premiums payable

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 2009, the provision for insurance premium for the period from 1999 to 2009 included in Note 24 is \$37.6 million (2008: \$53.4 million).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

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

(iii) Retirement benefits and long service awards

For certain subsidiaries, retirement benefit subject to a maximum of \$3,000 is payable to a retiring employee on or after attaining the age of sixty-two years and on completion of at least five years of service. Provision for retirement benefits is made based on the number of years service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at the end of each reporting period and after taking into account an estimated attrition rate. The estimated attrition rate used is based on Management's best estimate of the respective subsidiaries' attrition rate, based on past experience.

Provision for long service awards is made based on the number of years of service rendered by qualifying employees of these subsidiaries and discounted to present value using the market yield of Singapore Government Bonds at the end of each reporting period.

The total provision for service benefits and long service awards is disclosed in Note 25(c).

The cost of providing benefits under the two defined benefit pension schemes for employees of one of the foreign subsidiaries is determined using the Projected Unit Credit Method, with actuarial valuations carried out at the end of each reporting period. The retirement benefit obligation recognised in the Group's statement of financial position amounting to \$26.3 million (2008: \$13.1 million) disclosed in Note 25(d) represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets.

Unquoted investments

The fair values of unquoted investments are obtained from market makers (dealers) of the investments. The prices represent the dealers' price of these debt securities at the last market day of the financial year. The fair value of these unquoted investments as at 31 December 2009 is disclosed in Notes 5 and 6.

Impairment of goodwill, taxi licences and bus operating rights

Determining whether goodwill, taxi licences and bus operating rights are impaired requires an estimation of the value in use of the cash-generating units to which goodwill, taxi licences and bus operating rights have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. A provision for impairment loss on goodwill, taxi licences and bus operating rights is recognised in profit or loss and is reversed in the subsequent period except for goodwill.

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

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

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by Management for the next year and extrapolates cash flows for the following 5 years based on estimated growth rate which ranges from -2.5% to 9.0% (2008: -0.6% to 9.3%). The estimated growth rate is based on industry growth forecasts and does not exceed the average long-term growth rate for the relevant markets.

The discount rates applied to the forecast for the Group are assumed to range from 6.1% to 7.68% (2008: 5.9% to 6.8%).

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

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

As at 31 December 2009 and 31 December 2008, any reasonably possible changes to the key assumptions applied are not likely to cause the recoverable amount to be below the carrying amount of the CGU.

Useful lives of vehicles, premises and equipment

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

4 SHORT-TERM DEPOSITS AND BANK BALANCES

	The Group		The Company	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
Cash and bank balances	12.9	19.0	0.1	-
Interest bearing bank balances	68.2	52.5	0.9	0.6
Fixed deposits	404.5	336.8	224.7	151.8
Total	485.6	408.3	225.7	152.4

5 HELD-FOR-TRADING INVESTMENTS

	The Group		The Company	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
Unquoted investments, at fair value:				
Bonds and notes in corporations	-	37.0	-	4.9

The basis of the fair values of unquoted investments is disclosed in Note 3. Additional information is presented in Note 39(d).

6 AVAILABLE-FOR-SALE INVESTMENTS

	The Group		The Company	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
a) Quoted investments, at fair value:				
Bonds in corporations	38.2	41.5	22.9	22.0
b) Unquoted investments, at cost:				
Equity shares in corporations	0.2	0.2	-	-
Others	0.9	0.9	0.1	0.2
Total	39.3	42.6	23.0	22.2
Analysed as:				
Current	10.1	5.0	10.1	-
Non-current	29.2	37.6	12.9	22.2
	39.3	42.6	23.0	22.2

Quoted investments' fair values are based on the closing market prices on the last market day of the financial year. The basis of the fair values of unquoted investments is disclosed in Note 3. Additional information is presented in Note 39(d).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

7 TRADE RECEIVABLES

	The Group	
	2009 \$'mil	2008 \$'mil
Associates	3.2	2.3
Outside parties	101.8	105.6
Allowance for doubtful receivables from outside parties	(6.2)	(5.6)
Net	98.8	102.3

The credit period on sale of goods and rendering of services ranges from 7 days to 90 days (2008: 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 past due but not impaired at the reporting date are insignificant as a majority of receivables is from the transport regulators and insurance companies. The receivables that are past due at the reporting date for which the Group has not provided for are insignificant. The Group does not hold any collateral over these balances.

Movements in the allowance for doubtful debts:

	The Group	
	2009 \$'mil	2008 \$'mil
Balance at beginning of the year	5.6	6.9
Amounts written off during the year	(1.8)	(2.3)
Increase in allowance recognised in income statement	2.3	1.4
Exchange differences	0.1	(0.4)
Balance at end of the year	6.2	5.6

8 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
Receivable from a minority shareholder of a subsidiary	6.2	-	-	-
Prepayments	87.8	99.6	-	0.1
Interest receivable	0.9	1.1	0.3	0.3
Staff advances	1.2	1.1	-	-
Security deposits	9.8	5.2	-	-
Long-term receivables				
- Current portion (Note 15)	-	5.3	-	-
Accrued income	23.2	18.0	-	-
Others	48.0	46.1	1.3	2.2
Total	177.1	176.4	1.6	2.6

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

8 OTHER RECEIVABLES AND PREPAYMENTS (CONT'D)

The receivable from a minority shareholder of a subsidiary is secured on taxi licences, bears fixed interest at a rate of 4.86% per annum and repayable on demand.

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

	The Group		The Company	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
USD	2.0	-	-	-
Others	0.2	1.0	-	-

9 GRANT RECEIVABLES

	The Group	
	2009 \$'mil	2008 \$'mil
Grant receivables	260.6	102.2
Analysed as:		
Current	16.5	4.4
Non-current	244.1	97.8
Total	260.6	102.2

The grant receivables of \$260.6 million (2008: \$102.2 million) are unsecured, bear fixed effective interest at rates ranging from 6.23% to 8.39% (2008: 7.19% to 8.23%) per annum and receivable over the period that the Group expects to retain the contract to operate the bus routes. This balance represents the net present value of the grants receivable from the transport regulators in Australia for the acquisition of new buses.

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

10 DUE FROM SUBSIDIARIES

	The Company	
	2009 \$'mil	2008 \$'mil
Receivables from subsidiaries	89.7	332.2
Allowance for doubtful receivables	(5.7)	(5.7)
Net	84.0	326.5

The receivables from subsidiaries are unsecured, interest-free and repayable on demand. As a result of the internal restructuring exercise to transfer the subsidiaries from Comfort Group Ltd and DelGro Corporation Limited to the Company, the amount receivable from subsidiaries was reduced as the proceeds from this transfer were used to repay the Company.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

11 FINANCE LEASE RECEIVABLES

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
Amounts receivable under finance leases:				
Within one year	23.1	25.3	21.7	23.4
Within the second to fifth year inclusive	14.6	20.2	13.9	19.3
	37.7	45.5	35.6	42.7
Less: Unearned finance income	(2.1)	(2.8)	NA	NA
Present value of minimum lease payments receivable	35.6	42.7	35.6	42.7
Less: Provision for unguaranteed residual values	(1.7)	(2.0)	(1.7)	(2.0)
Net	33.9	40.7	33.9	40.7
Analysed as:				
Current finance lease receivables (recoverable within 12 months)	20.7	22.4	20.7	22.4
Non-current finance lease receivables (recoverable after 12 months)	13.2	18.3	13.2	18.3
Total	33.9	40.7	33.9	40.7

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 (2008: 2.3 years).

Gross unguaranteed residual values of assets under finance leases at 31 December 2009 are estimated at \$26.3 million (2008: \$30.6 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 9.52% (2008: 2.37% to 9.65%) per annum.

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

12 INVENTORIES

	The Group	
	2009 \$'mil	2008 \$'mil
Goods held for sale	13.4	12.2
Consumables, materials and supplies	38.7	35.1
Work in progress	2.5	4.5
	54.6	51.8

13 SUBSIDIARIES

	The Company	
	2009 \$'mil	2008 \$'mil
Quoted equity shares - at cost	92.7	-
Unquoted equity shares - at cost	1,235.7	610.6
	1,328.4	610.6
Market value of quoted equity shares	535.0	-

The increase of \$717.8 million in quoted and unquoted equity shares is due to the internal restructuring exercise. Details of subsidiaries are included in Note 42(a).

14 ASSOCIATES

	The Group		The Company	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
Quoted equity shares, at cost	101.1	101.1	88.8	88.8
Unquoted equity shares, at cost	15.0	15.0	0.1	0.1
Add: Share of post-acquisition reserves	9.7	7.6	-	-
Provision for impairment	(3.5)	(2.6)	-	-
Net	122.3	121.1	88.9	88.9
Market value of quoted equity shares	67.7	56.9	59.7	50.2

(a) Details of significant associates are included in Note 42(b).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

14 ASSOCIATES (CONT'D)

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

	The Group	
	2009	2008
	\$'mil	\$'mil
Assets and liabilities		
Total assets	645.0	448.1
Total liabilities	(249.2)	(158.7)
Net assets	395.8	289.4
Group's share of associates' net assets	45.8	36.9
Revenue	221.7	268.5
Profit for the year	62.7	65.3
Group's share of associates' profit	7.7	7.6

15 LONG-TERM RECEIVABLES

	The Group	
	2009	2008
	\$'mil	\$'mil
Minority shareholders of subsidiaries	0.3	11.3
Analysed as:		
Current portion (Note 8)	-	5.3
Non-current	0.3	6.0
Total	0.3	11.3

The receivables from minority shareholders of subsidiaries of \$0.3 million (2008: \$0.3 million) is unsecured, interest-free and not expected to be repaid within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

16 VEHICLES, PREMISES AND EQUIPMENT

	Buses \$'mil	Leasehold bus depots \$'mil	Leasehold land and buildings \$'mil	Freehold land and buildings \$'mil
The Group				
Cost:				
At 1 January 2008	1,462.6	86.8	269.4	123.8
Arising from acquisition of subsidiaries/businesses	-	-	-	1.1
Additions	94.6	1.3	0.9	30.2
Disposals	(92.6)	-	(0.4)	(0.7)
Transfers from Capital projects in progress	132.2	3.0	1.4	-
Exchange differences	(141.6)	-	2.0	(30.4)
At 31 December 2008	1,455.2	91.1	273.3	124.0
Arising from acquisition of subsidiaries	61.6	-	0.2	14.5
Additions	144.6	2.2	1.5	19.3
Disposals	(98.6)	-	(4.0)	(2.7)
Transfers from Capital projects in progress	145.4	0.8	0.3	-
Exchange differences	79.3	-	(1.1)	23.4
At 31 December 2009	1,787.5	94.1	270.2	178.5
Accumulated depreciation:				
At 1 January 2008	829.0	55.2	112.4	14.8
Arising from acquisition of subsidiaries	-	-	-	0.1
Depreciation	68.7	4.0	9.8	2.0
Write-off on disposals	(89.1)	-	(0.2)	(0.7)
Reclassifications	(0.3)	-	-	-
Exchange differences	(50.5)	-	0.4	(4.5)
At 31 December 2008	757.8	59.2	122.4	11.7
Depreciation	87.4	3.7	9.9	2.0
Write-off on disposals	(95.3)	-	(3.9)	(2.7)
Exchange differences	14.5	-	(0.5)	0.9
At 31 December 2009	764.4	62.9	127.9	11.9
Provision for impairment:				
At 1 January 2008	-	-	-	-
Reversal for the year	-	-	-	-
Write-off on disposals	-	-	-	-
At 31 December 2008	-	-	-	-
Provision for the year	0.1	-	-	-
Write-off on disposals	-	-	-	-
At 31 December 2009	0.1	-	-	-
Carrying amount:				
At 31 December 2009	1,023.0	31.2	142.3	166.6
At 31 December 2008	697.4	31.9	150.9	112.3

Taxis and motor vehicles for rental \$'mil	Computers and automated equipment \$'mil	Workshop machinery, tools and equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Capital projects in progress \$'mil	Total \$'mil
1,218.9	289.6	91.8	21.2	36.1	38.9	3,639.1
-	0.9	0.3	-	0.2	-	2.5
112.5	5.1	10.1	1.3	1.3	149.2	406.5
(161.0)	(14.9)	(1.5)	(0.8)	(0.8)	-	(272.7)
45.8	(18.7)	2.6	0.6	(2.9)	(164.0)	-
10.0	(19.7)	(6.3)	0.3	-	(2.8)	(188.5)
1,226.2	242.3	97.0	22.6	33.9	21.3	3,586.9
4.0	-	1.5	1.1	0.2	-	83.1
153.6	4.2	13.0	1.9	1.6	165.8	507.7
(192.4)	(14.9)	(2.2)	(1.0)	(1.8)	(0.1)	(317.7)
7.3	11.7	0.6	0.3	0.7	(167.1)	-
(7.2)	3.9	2.4	0.1	0.2	0.7	101.7
1,191.5	247.2	112.3	25.0	34.8	20.6	3,961.7
353.5	191.8	72.0	10.4	25.8	-	1,664.9
-	0.9	0.2	-	0.1	-	1.3
141.6	22.5	6.9	2.2	3.0	-	260.7
(89.7)	(14.5)	(1.4)	(0.4)	(0.8)	-	(196.8)
17.4	(17.1)	1.6	0.3	(1.9)	-	-
3.6	(18.2)	(5.6)	-	(0.2)	-	(75.0)
426.4	165.4	73.7	12.5	26.0	-	1,655.1
141.7	19.7	7.2	2.5	2.3	-	276.4
(106.4)	(14.8)	(2.1)	(0.9)	(1.5)	-	(227.6)
(4.0)	3.6	1.3	-	0.1	-	15.9
457.7	173.9	80.1	14.1	26.9	-	1,719.8
7.1	0.2	-	-	-	-	7.3
(2.2)	-	-	-	-	-	(2.2)
(1.1)	(0.2)	-	-	-	-	(1.3)
3.8	-	-	-	-	-	3.8
5.3	-	-	-	-	-	5.4
(3.8)	-	-	-	-	-	(3.8)
5.3	-	-	-	-	-	5.4
728.5	73.3	32.2	10.9	7.9	20.6	2,236.5
796.0	76.9	23.3	10.1	7.9	21.3	1,928.0

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

16 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

Included under buses are total cost of \$105.5 million (2008: \$105.5 million) and carrying amount of \$17.1 million (2008: \$19.3 million) which are the subject of one (2008: one) cross border leasing transaction. The Group's legal obligations under this transaction has been legally defeased (see Note 36).

Buses of the Group with a total carrying amount of \$288.5 million (2008: \$224.2 million) are under finance lease arrangements in Note 20(c).

Taxis and buses of the Group with a total carrying amount of \$6.7 million (2008: \$12.1 million) are secured for bank loans in Note 20(b).

In 2008, a property of the Group with a carrying amount of \$12.0 million was secured for a short-term loan in Note 20(a).

During the financial year, the Group carried out a review of the recoverable amount of its taxis. The review led to a provision for impairment of \$5.3 million that had been recognised in profit or loss. In 2008, the Group carried out a review of the recoverable amount of its unhired taxis which resulted in a reversal of provision for impairment of \$2.2 million. The recoverable amount of the taxis has been determined on the basis of their fair values by reference to the market value of the taxis to be disposed less estimated selling costs.

	Leasehold bus depots \$'mil	Leasehold buildings \$'mil	Computers and automated equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Capital project in progress \$'mil	Total \$'mil
The Company							
Cost:							
At 1 January 2008	-	-	3.3	0.3	1.9	-	5.5
Additions	-	-	0.5	-	0.1	0.1	0.7
Disposals	-	-	(0.1)	-	-	-	(0.1)
Transfers	-	-	(0.1)	-	0.1	-	-
At 31 December 2008	-	-	3.6	0.3	2.1	0.1	6.1
Additions	-	-	0.2	-	-	0.1	0.3
Transfer from subsidiary	7.6	51.7	-	-	4.4	-	63.7
Transfers from Capital project in progress	-	-	-	-	0.2	(0.2)	-
At 31 December 2009	7.6	51.7	3.8	0.3	6.7	-	70.1

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

16 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

	Leasehold bus depots \$'mil	Leasehold buildings \$'mil	Computers and automated equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Capital project in progress \$'mil	Total \$'mil
Accumulated depreciation:							
At 1 January 2008	-	-	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
Depreciation	-	0.3	0.3	0.1	0.2	-	0.9
Transfer from subsidiary	7.6	34.9	-	-	4.3	-	46.8
At 31 December 2009	7.6	35.2	3.4	0.2	5.5	-	51.9
Carrying amount:							
At 31 December 2009	-	16.5	0.4	0.1	1.2	-	18.2
At 31 December 2008	-	-	0.5	0.2	1.1	0.1	1.9

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

17 TAXI LICENCES AND BUS OPERATING RIGHTS

	The Group	
	2009 \$'mil	2008 \$'mil
Cost:		
At beginning of year	270.4	253.4
Arising from acquisition of subsidiaries	136.6	-
Additions	5.3	5.2
Disposal	-	(0.4)
Exchange differences	17.6	12.2
At end of year	429.9	270.4
Accumulated amortisation:		
At beginning of year	21.3	17.7
Amortisation for the year	3.5	3.0
Disposal	-	(0.4)
Exchange differences	(0.6)	1.0
At end of year	24.2	21.3
Carrying amount:		
At end of year	405.7	249.1
At beginning of year	249.1	235.7

NOTES TO THE FINANCIAL STATEMENTS

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17 TAXI LICENCES AND BUS OPERATING RIGHTS (CONT'D)

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

Of the carrying amount of \$405.7 million (2008: \$249.1 million), \$182.7 million (2008: \$36.2 million) of bus operating rights mainly from Australia and \$142.0 million (2008: \$131.8 million) of taxi licences mainly from China are with indefinite lives. The remaining balance of \$81.0 million (2008: \$81.1 million) relates to the taxi licences in China with finite useful lives over which the assets are amortised. The amortisation period for these taxi licences ranges from 2 years to 30 years.

18 GOODWILL

	The Group	
	2009 \$'mil	2008 \$'mil
Cost:		
At beginning of year	81.0	94.9
Arising from acquisition of subsidiaries	33.0	0.5
Arising from additional interest in a subsidiary	0.3	1.1
Charge to profit or loss	-	(0.2)
Adjustment to goodwill provisionally determined	-	0.1
Exchange differences	14.8	(15.4)
At end of year	129.1	81.0

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

The carrying amount of goodwill is mainly allocated to the bus business in United Kingdom of \$28.6 million (2008: \$26.6 million) and Australia of \$71.7 million (2008: \$25.6 million). In Singapore, the carrying amount of goodwill of \$9.4 million (2008: \$9.4 million) and \$10.5 million (2008: \$10.5 million) is allocated to the bus and vehicle inspection and testing businesses respectively.

19 DEFERRED TAX ASSETS/LIABILITIES

	The Group		The Company	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
Deferred tax assets	8.6	5.1	-	-
Deferred tax liabilities	(125.6)	(121.0)	(0.2)	(0.2)
Net	(117.0)	(115.9)	(0.2)	(0.2)
At beginning of year	(115.9)	(121.6)	(0.2)	(0.2)
Acquisition of subsidiaries	0.6	-	-	-
Charge to profit or loss (Note 32)	(7.5)	(10.1)	-	-
(Under) / Over provision in prior years (Note 32)	(0.7)	6.2	-	-
Arising from movement in defined benefit obligations	3.4	1.1	-	-
Effect of change in tax rate	5.2	-	-	-
Exchange differences	(2.1)	8.5	-	-
At end of year	(117.0)	(115.9)	(0.2)	(0.2)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

19 DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

The balances in the accounts comprise the tax effects of:

	The Group		The Company	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
Deferred tax assets				
Provisions	7.3	3.7	-	-
Tax losses	1.3	1.4	-	-
	8.6	5.1	-	-
Deferred tax liabilities				
Accelerated tax depreciation	(163.7)	(149.1)	(0.2)	(0.2)
Provision for fuel equalisation	5.8	6.1	-	-
Other items	32.3	22.0	-	-
	(125.6)	(121.0)	(0.2)	(0.2)
Net	(117.0)	(115.9)	(0.2)	(0.2)

20 BORROWINGS

	The Group	
	2009 \$'mil	2008 \$'mil
Borrowings comprises of the following:		
(a) Short-term loans	61.9	92.0
(b) Long-term loans	281.6	129.3
(c) Finance lease obligations	253.3	190.6
	596.8	411.9
Analysed as:		
Current	130.4	166.6
Non-current	466.4	245.3
Total	596.8	411.9

(a) Short-term loans

	The Group	
	2009 \$'mil	2008 \$'mil
Bank loan (secured)	8.7	12.0
Bank loans (unsecured)	40.3	76.0
Loans from an associate (unsecured)	12.9	0.3
Advance from an associate (unsecured)	-	3.6
Loan from a minority shareholder of a subsidiary (unsecured)	-	0.1
	61.9	92.0

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

20 BORROWINGS (CONT'D)

- (i) The secured bank loan is secured on a fixed and floating charge over the assets of ComfortDelGro Cabcharge Pty Ltd and its Victorian subsidiaries in Australia and bears a floating interest rate at 5.50% (2008: nil) per annum. The secured bank loan in 2008 was secured on a property and had been repaid during the year.
- (ii) The unsecured bank loans bear floating interest at rates ranging from 4.62% to 5.84% (2008: 1.93% to 7.84%) per annum.
- (iii) The loans from an associate are unsecured, bear fixed interest at rates of 5.68% and 5.79% per annum and repayable on demand.
- (iv) The unsecured and interest free loan from a minority shareholder of a subsidiary and advance from an associate in 2008 had been repaid during the year.

(b) Long-term loans

	The Group	
	2009 \$'mil	2008 \$'mil
Bank loans - secured	203.6	10.7
Bank loans - unsecured	76.2	116.3
Loans from minority shareholders of subsidiaries - unsecured	1.8	2.3
Total	281.6	129.3
Less: Amount due for settlement within 12 months (shown as current liabilities):		
- Bank loans - secured	(19.7)	(4.9)
- Bank loans - unsecured	(18.2)	(46.1)
- Loans from minority shareholders of subsidiaries - unsecured	(0.1)	(0.1)
Total	(38.0)	(51.1)
Amount due for settlement after 12 months	243.6	78.2
The borrowings are repayable as follows:		
On demand or within one year	38.0	51.1
In the second year	77.0	7.9
In the third year	22.6	60.0
In the fourth year	20.6	7.0
In the fifth year	19.1	1.1
After five years	104.3	2.2
Total	281.6	129.3

- (i) Out of the \$203.6 million secured bank loans, \$5.2 million (2008: \$10.7 million) is secured on buses and taxis (see Note 16), \$50.2 million (2008: nil) is secured on a fixed charge on buses and the remaining \$148.2 million is secured on a fixed and floating charge over the assets of ComfortDelGro Cabcharge Pty Ltd and its Victorian subsidiaries in Australia. Bank loans of \$186.7 million (2008: \$5.3 million) bear fixed interest rates ranging from 4.53% to 8.24% (2008: 4.71% to 8.24%) per annum after taking into account interest rate swaps entered into (Note 39(b)). Bank loans of \$16.9 million (2008: \$5.4 million) bear floating interest rates ranging from 4.90% to 9.88% (2008: 5.67%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

20 BORROWINGS (CONT'D)

- (ii) Included in unsecured bank loans are:
- \$73.2 million (2008: \$78.7 million) which bears fixed interest at rates ranging from 4.35% to 8.68% (2008: 4.35% to 7.68%) per annum. The loans are repayable from 2010 to 2014 (2008: 2009 to 2013); and
 - \$3.0 million (2008: \$37.6 million) which bears variable interest rate at 5.10% (2008: 2.76% to 7.02%) per annum, and is payable in 2010 (2008: 2009).
- (iii) Included in unsecured loans from minority shareholders of subsidiaries are:
- \$1.7 million (2008: \$2.2 million) which is interest-free and is repayable over thirty years from September 1999; and
 - \$0.1 million (2008: \$0.1 million) which is interest-free and repayable on demand.
- (iv) The fair value of the Group's long-term loans approximate their carrying amount.

(c) Finance lease obligations

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
Amounts payable under finance leases:				
Within one year	43.2	32.5	30.5	23.5
Within the second to fifth year inclusive	142.2	107.9	102.6	79.0
After five years	154.6	114.0	120.2	88.1
	340.0	254.4	253.3	190.6
Less: Future finance charges	(86.7)	(63.8)	NA	NA
Present value of finance lease obligations	253.3	190.6	253.3	190.6
Amount due for settlement within 12 months (shown under current liabilities)			(30.5)	(23.5)
Amount due for settlement after 12 months			222.8	167.1

It is the Group's policy to lease certain of its buses under finance leases. The lease terms range from 4 to 15 years (2008: 3 to 15 years). For the year ended 31 December 2009, the effective borrowing rate varies from 0.92% to 8.39% (2008: 2.38% to 8.23%) 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 16).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

21 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
Outside parties	198.7	192.9	0.2	1.5
Accruals	232.4	156.6	11.9	8.8
Deposits received - current (Note 25(a))	47.5	46.6	-	-
Deferred income from customers - current (Note 25(b))	26.7	15.5	-	-
Associates (non-trade)	8.3	5.6	7.9	5.6
Others	8.6	4.8	0.1	-
Total	522.2	422.0	20.1	15.9

The credit period on purchases of goods and services ranges from 7 days to 90 days (2008: 7 days to 90 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

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

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

	The Group		The Company	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
USD	23.3	28.5	-	-
Others	4.2	5.1	-	-

22 DEFERRED GRANT INCOME

	The Group	
	2009 \$'mil	2008 \$'mil
Deferred grant income	260.5	101.5
Analysed as:		
Current	15.7	4.6
Non-current	244.8	96.9
Total	260.5	101.5

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

23 DUE TO SUBSIDIARIES

	The Company	
	2009	2008
	\$'mil	\$'mil
Due to subsidiaries	814.1	312.6

Out of the amount of \$814.1 million (2008: \$312.6 million) due to subsidiaries, \$247.8 million (2008: \$165.2 million) represents funds under central pooling which bear variable interest at rates ranging from 0.11% to 0.5% (2008: 0.36% to 2.4%) per annum are unsecured and repayable on demand. The remaining balance of \$566.3 million (2008: \$147.4 million) are interest-free, unsecured and repayable on demand. The increase arose from the internal restructuring exercise.

24 INSURANCE PREMIUMS PAYABLE AND PROVISION FOR ACCIDENT CLAIMS

	The Group	
	2009	2008
	\$'mil	\$'mil
At beginning of year	103.9	113.5
Charges	94.6	80.6
Payments	(101.1)	(81.0)
Exchange differences	0.9	(9.2)
At end of year	98.3	103.9

The insurance premiums payable and provision for accident claims represent the estimated amount which certain subsidiaries will have to pay to outside parties for insurance premium and accidents claim involving the Group's vehicles (Note 3).

25 OTHER LIABILITIES

	The Group	
	2009	2008
	\$'mil	\$'mil
Other liabilities comprised:		
a) Deposits received	62.1	61.1
b) Deferred income from customers	6.9	6.3
c) Provision for service benefits and long service awards	21.6	16.7
d) Retirement benefits obligations	26.3	13.1
	116.9	97.2

A provision for service benefits and long service awards of \$0.1 million (2008: \$0.1 million) had been provided in the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

25 OTHER LIABILITIES (CONT'D)

a) Deposits received

	The Group	
	2009 \$'mil	2008 \$'mil
Deposits received from taxi hirers	109.6	107.7
Less: Due within 12 months (Note 21)	(47.5)	(46.6)
Due after 12 months	62.1	61.1

Deposits received from taxi hirers are repayable on demand upon termination of the taxi hire agreement. Deposits that are not expected to be repaid within the next twelve months after the reporting period based on past trend of termination of taxi hire agreements are presented as a non-current liability. The carrying amount of the deposits approximates their fair value.

b) Deferred income

	The Group	
	2009 \$'mil	2008 \$'mil
Deferred income from customers	33.6	21.8
Analysed as:		
Current (Note 21)	26.7	15.5
Non-current	6.9	6.3
Total	33.6	21.8

c) Provision for service benefits and long service awards

	The Group		The Company	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
At beginning of year	16.7	16.1	0.1	0.1
Acquisition of subsidiaries	2.8	-	-	-
Charges	1.3	2.3	-	-
Payments	(0.7)	(0.6)	-	-
Exchange differences	1.5	(1.1)	-	-
At end of year	21.6	16.7	0.1	0.1

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

25 OTHER LIABILITIES (CONT'D)

d) Retirement benefits obligations

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

Defined benefit obligations as at 31 December 2009 have been valued by projecting forward the most recent actuarial valuation for funding purposes. The present value of the defined benefit obligations and the related current service costs and past service costs, were measured as at 31 December 2009 by a qualified independent actuary using the projected unit credit method.

	The Group	
	2009	2008
	\$'mil	\$'mil
Reconciliation of the assets and liabilities recognised in the statement of financial position		
Present value of defined benefit obligations that are wholly or partly funded	116.1	86.7
Fair value of plan assets at end of year	(89.8)	(73.6)
Net liability recognised at end of year	26.3	13.1

26 SHARE CAPITAL

	The Group and The Company			
	2009	2008	2009	2008
	Number of ordinary shares		\$'mil	\$'mil
	(million)			
Issued and paid-up:				
At beginning of year	2,085.6	2,084.7	560.9	559.6
Exercise of share options	0.6	0.9	0.8	1.3
At end of year	2,086.2	2,085.6	561.7	560.9

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 29(e).

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

NOTES TO THE FINANCIAL STATEMENTS

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27 OTHER RESERVES

	The Group		The Company	
	2009 \$'mil	2008 \$'mil	2009 \$'mil	2008 \$'mil
Currency translation reserve:				
At beginning of year	(29.2)	(18.7)	-	-
Exchange differences on translation of foreign operations	24.0	(10.5)	-	-
At end of year	(5.2)	(29.2)	-	-
Retirement benefit reserve:				
At beginning of year	(28.8)	(25.1)	-	-
Actuarial adjustment on defined benefit plans	(9.5)	(3.7)	-	-
At end of year	(38.3)	(28.8)	-	-
Merger reserve:				
At beginning and end of year	31.4	31.4	-	-
Others:				
At beginning of year	48.1	56.3	15.9	15.1
Fair value gains (losses) on cash flow hedges	0.6	(3.1)	-	-
Fair value gains (losses) on available-for-sale investments	1.5	(2.4)	0.9	(1.0)
Recognition of share-based payments	2.1	2.3	1.8	2.1
Exercise of share options	(0.1)	(0.3)	(0.1)	(0.3)
Transfer from (to) accumulated profits	2.7	(4.7)	-	-
At end of year	54.9	48.1	18.5	15.9
Net	42.8	21.5	18.5	15.9

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.

28 REVENUE

	The Group	
	2009 \$'mil	2008 \$'mil
Rendering of services	2,809.2	2,837.9
Sales of goods	242.6	282.3
Total	3,051.8	3,120.2

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

29 STAFF COSTS

(a) Directors' remuneration (included in staff costs)

The remuneration of the Managing Director/Group Chief Executive Officer is determined by the Remuneration Committee having regard to the performance of the individual and the Group, as follows:

Remuneration band	The Group			Total compensation %
	Salary %	Bonus %	Others %	
2009				
\$1,750,000 – \$1,999,999				
Kua Hong Pak	51.0	48.1	0.9	100
2008				
\$1,750,000 – \$1,999,999				
Kua Hong Pak	51.0	48.1	0.9	100

The remuneration of one (2008: one) non-executive Director is between \$250,000 and \$500,000 and comprised entirely of Directors' fees (Note 33).

The remuneration of all the other non-executive Directors is below \$250,000 and comprised entirely of Directors' fees (Note 33).

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

29 STAFF COSTS (CONT'D)

Remuneration band	The Group			Total
	Salary %	Bonus %	Others %	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

- (c) The remuneration of the Directors and key executives comprises mainly of short-term benefits amounting to \$10.3 million (2008: \$9.7 million).

	The Group	
	2009 \$'mil	2008 \$'mil
(d) Cost of defined contribution plan (included in staff costs)	97.3	95.8

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

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

Equity-settled share option scheme

The Company and certain subsidiaries have share option schemes for certain employees and Directors of the respective companies. The scheme is administered by the Remuneration Committees of the respective companies. Information on the share option plans is disclosed in paragraph 5 to the Report of the Directors. Options are exercisable at a subscription price determined with reference to the market price of the shares at the time of grant of the options. The vesting period is 1 year. If the options remain unexercised after a period of 10 years (5 years for non-executive Directors) from the date of the grant, the options expire. Options granted will lapse when the option holder ceases to be a full-time employee or a Director of the Group, subject to certain exceptions at the discretion of the Remuneration Committee.

NOTES TO THE FINANCIAL STATEMENTS

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29 STAFF COSTS (CONT'D)

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

(i) The Company

	2009		2008	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	38,859,000	1.74	29,084,000	1.79
Granted during the year	12,655,000	1.27	12,565,000	1.59
Cancelled/lapsed during the year	(1,510,000)	1.64	(1,850,000)	1.80
Exercised during the year	(575,500)	1.18	(940,000)	1.32
Outstanding at the end of the year	49,428,500	1.63	38,859,000	1.74
Exercisable at the end of the year	37,133,500	1.75	26,904,000	1.80

The weighted average share price at the date of exercise for share options exercised during the year was \$1.54 (2008: \$1.73). The options outstanding at the end of the year have an average remaining contractual life of 7.2 years (2008: 7.6 years).

In 2009, options were granted on 25 June 2009 (2008: 25 June 2008). The estimated fair value of the options granted on that date was \$0.18 (2008: \$0.14) each.

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

	2009	2008
Prevailing share price at date of grant (\$)	1.28	1.58
Exercise price (\$)	1.27	1.59
Expected volatility (%)	27.32	24.06
Expected life (years)	2.90	2.89
Risk free rate (%)	2.10	1.60
Expected dividend yield (%)	4.77	6.42

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 5 years (2008: 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

29 STAFF COSTS (CONT'D)

(ii) SBS Transit Ltd

	2009		2008	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	9,376,250	2.49	7,592,250	2.58
Granted during the year	2,762,500	1.58	2,780,000	2.18
Cancelled/lapsed during the year	(261,250)	2.35	(499,500)	2.68
Exercised during the year	-		(496,500)	1.94
Outstanding at the end of the year	11,877,500	2.28	9,376,250	2.49
Exercisable at the end of the year	9,167,500	2.49	6,686,250	2.61

No options were exercised during the year. The weighted average share price at the date of exercise for share options exercised in 2008 was \$2.53. The options outstanding at the end of the year have a weighted average remaining contractual life of 6.5 years (2008: 7.0 years).

In 2009, options were granted on 25 June 2009 (2008: 25 June 2008). The estimated fair values of the options granted on that date was \$0.14 (2008: \$0.10) each.

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

	2009	2008
Prevailing share price at date of grant (\$)	1.60	2.20
Exercise price (\$)	1.58	2.18
Expected volatility (%)	18.89	17.62
Expected life (years)	2.80	2.80
Risk free rate (%)	2.06	1.55
Expected dividend yield (%)	5.06	7.84

Expected volatility was determined by calculating the historical volatility of SBS Transit Ltd's share price over the previous 5 years (2008: 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.

NOTES TO THE FINANCIAL STATEMENTS

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29 STAFF COSTS (CONT'D)

(iii) VICOM Ltd

	2009		2008	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	1,670,000	1.52	1,202,000	1.25
Granted during the year	677,000	1.79	659,000	1.84
Exercised during the year	(165,500)	1.40	(191,000)	0.94
Outstanding at the end of the year	2,181,500	1.61	1,670,000	1.52
Exercisable at the end of the year	1,504,500	1.53	1,011,000	1.31

The weighted average share price at the date of exercise for share options exercised during the year was \$1.84 (2008: \$1.76). The options outstanding at the end of the year have an average remaining contractual life of 7.9 years (2008: 8.1 years).

In 2009, options were granted on 1 July 2009 (2008: 25 June 2008). The estimated fair values of the options granted on that date was \$0.12 (2008: \$0.05) each.

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

	2009	2008
Prevailing share price at date of grant (\$)	1.80	1.83
Exercise price (\$)	1.79	1.84
Expected volatility (%)	17.93	17.19
Expected life (years)	3.00	3.00
Risk free rate (%)	2.05	1.65
Expected dividend yield (%)	6.28	10.00

Expected volatility was determined by calculating the historical volatility of VICOM Ltd's share price over the previous 5 years (2008: 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 \$2.1 million (2008: \$2.3 million) related to equity-settled share-based payment transactions (included in staff costs) during the year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

30 FINANCE COSTS

	The Group	
	2009	2008
	\$'mil	\$'mil
<hr/>		
Interest expense on:		
Borrowings	17.4	13.5
Finance leases	11.7	13.9
Total	29.1	27.4

31 EXCEPTIONAL ITEM

The exceptional gain in 2008 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.

32 TAXATION

	The Group	
	2009	2008
	\$'mil	\$'mil
<hr/>		
Taxation charge comprises:		
Taxation charge in respect of profit for the financial year:		
Current taxation	54.7	46.4
Deferred taxation relating to the origination and reversal of temporary differences (Note 19)	7.5	10.1
	62.2	56.5
Effect of change in tax rate	(5.2)	-
Adjustments in respect of under (over) provision in prior years:		
Current taxation	0.7	0.8
Deferred taxation (Note 19)	0.7	(6.2)
	58.4	51.1

Domestic income tax is calculated at 17% (2008: 18%) of the estimated assessable profit for the year. Taxation for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

32 TAXATION (CONT'D)

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

	The Group	
	2009	2008
	\$'mil	\$'mil
Profit before taxation	334.1	300.3
Income tax expense calculated at 17% (2008: 18%)	56.8	54.1
Effect of expenses that are not deductible (taxable) in determining taxable profit	0.3	(3.1)
Effect of change in tax rate	(5.2)	-
Effect of previously unrecognised and unused tax benefits	(1.7)	(0.7)
Effect of different tax rates of subsidiaries operating in other jurisdictions	11.6	7.7
Tax effect of share of results of associate	(1.3)	(1.4)
Investment allowance	(6.6)	-
Under (Over) provision in prior years	1.4	(5.4)
Other items	3.1	(0.1)
	58.4	51.1

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 \$12.1 million (2008: \$6.5 million) and \$3.1 million (2008: \$1.7 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.

33 PROFIT AFTER TAXATION

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

	The Group	
	2009	2008
	\$'mil	\$'mil
Amortisation of taxi and other licences	3.5	3.0
Depreciation expense	276.4	260.7
Foreign exchange loss	1.2	1.9
Provision for (Write-back of) impairment on vehicles (included in other operating expenses)	5.4	(2.2)
Net gain on fair value changes and disposal of investments	(0.1)	(1.0)
Net loss on disposal of vehicles	8.8	6.5
Directors' fees	0.9	0.9
Bad debts written off	0.1	0.2
Allowance for doubtful receivables	2.3	1.4
Allowance for stock obsolescence	1.2	-
Provision for (Write-back of) impairment of investment in associates	0.9	(2.1)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

33 PROFIT AFTER TAXATION (CONT'D)

	The Group	
	2009	2008
	\$'mil	\$'mil
Audit fees:		
Auditors of the Company	1.1	1.1
Other auditors	0.2	0.2
Non-audit fees:		
Auditors of the Company	0.4	0.5

Included in profit after taxation is legal fees of \$43,900 (2008: \$35,900) paid to a firm of which a Director is a partner.

34 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:

	2009	2008
Net profit attributable to shareholders of the Company (\$'mil)	219.5	200.1
Weighted average number of ordinary shares in issue (million)	2,085.9	2,085.3
Basic earnings per share (in cents)	10.52	9.59

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from share options.

	2009	2008
Net profit attributable to shareholders of the Company (\$'mil)	219.5	200.1
Weighted average number of ordinary shares in issue (million)	2,085.9	2,085.3
Adjustments for share options (million)	1.7	0.7
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	2,087.6	2,086.0
Diluted earnings per share (in cents)	10.51	9.59

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

35 SEGMENT INFORMATION

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is organised on a world-wide basis into 8 major operating divisions:

- a) Bus: Income is generated through bus fare collections, contracted revenue for operation of scheduled services, provision of coach rental services and ancillary advertisement income.
- b) Bus station: Income is generated mainly through commission income from fare collection.
- c) Rail: Income is generated through rail fare collection and ancillary advertisement income.
- d) Taxi: Income is generated through renting out taxis, operating taxi bureau services and ancillary advertisement income.
- e) Automotive engineering services: Income is generated through provision of vehicular maintenance and repair services, construction of specialised vehicles, assembly of bus bodies, crash repair services, engineering services, sales of diesel and sale of motor vehicles. During the year, diesel sales was included in this segment to be consistent with the reporting to the Group's chief decision maker. The comparative for 2008 has also been restated to conform with the requirements of FRS 108.
- f) Vehicle inspection and testing: Income is generated through the provision of mandatory car inspection service, motor vehicle assessment, evaluation and testing, inspection and consultancy services.
- g) Car rental and leasing: Income is generated through renting and leasing of cars.
- h) Driving centre: Income is generated through operating driving schools.

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the Group's income statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of short-term deposits and bank balances, investments, operating receivables, finance lease receivables, inventories, taxi licences and bus operating rights, goodwill, and vehicles, premises and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire vehicles, premises and equipment, and intangible assets directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payables, accruals, deposits, provisions and borrowings.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

35 SEGMENT INFORMATION (CONT'D)

(i) Business Segments

	Bus \$'mil	Bus station \$'mil	Rail \$'mil	Taxi \$'mil
FY 2009				
REVENUE				
External sales	1,530.9	21.4	119.7	927.6
Inter-segment sales	2.2	-	-	-
TOTAL	1,533.1	21.4	119.7	927.6
RESULT				
Operating profit	123.9	10.3	20.5	105.2
Net income from investments				
Finance costs				
Share of profit in associates				
Profit before taxation				
Taxation				
Profit after taxation				
Minority interests				
Profit attributable to shareholders of the Company				
OTHER INFORMATION				
Additions to vehicles, premises and equipment	407.8	0.3	3.8	154.8
Additions to taxi and other licences	123.2	-	-	18.7
Additions to goodwill, net	33.0	-	-	0.3
Depreciation expense	107.3	1.4	1.2	140.4
Amortisation expense	0.1	-	-	3.3
Provision for impairment loss recognised in income statement	0.1	-	-	5.3
STATEMENT OF FINANCIAL POSITION				
ASSETS				
Segment assets	1,899.8	22.8	28.9	1,045.9
Associates	12.6	-	-	103.1
Goodwill	105.2	-	-	8.3
Cash, fixed deposits, equities and bonds				
Deferred tax assets				
Consolidated total assets				
LIABILITIES				
Segment liabilities	698.4	16.2	27.1	221.5
Borrowings				
Income tax payable				
Deferred tax liabilities				
Consolidated total liabilities				

Automotive engineering services \$'mil	Vehicle inspection and testing \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Others \$'mil	Elimination \$'mil	Total \$'mil
307.4	77.3	33.3	34.2	-	-	3,051.8
98.9	2.2	0.1	-	-	(103.4)	-
406.3	79.5	33.4	34.2	-	(103.4)	3,051.8
51.2	24.7	4.4	9.7	-	-	349.9
						5.6
						(29.1)
						326.4
						7.7
						334.1
						(58.4)
						275.7
						(56.2)
						219.5
1.9	6.1	12.8	3.0	0.3	-	590.8
-	-	-	-	-	-	141.9
-	-	-	-	-	-	33.3
2.9	5.6	13.4	1.9	2.3	-	276.4
0.1	-	-	-	-	-	3.5
-	-	-	-	0.9	-	6.3
74.3	53.6	96.7	26.0	20.4	-	3,268.4
-	-	-	-	6.6	-	122.3
0.1	13.5	1.5	0.5	-	-	129.1
						524.0
						8.6
						4,052.4
52.2	18.6	9.9	11.3	20.1	-	1,075.3
						596.8
						42.5
						125.6
						1,840.2

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

35 SEGMENT INFORMATION (CONT'D)

	Bus \$'mil	Bus station \$'mil	Rail \$'mil	Taxi \$'mil
FY 2008				
REVENUE				
External sales	1,548.2	19.8	115.5	946.0
Inter-segment sales	2.2	-	-	-
TOTAL	1,550.4	19.8	115.5	946.0
RESULT				
Operating profit	96.3	10.1	16.7	102.1
Net income from investments				
Finance costs				
Share of profit in associates				
Profit before 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, net	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 income statement	-	-	-	1.8
STATEMENT OF FINANCIAL POSITION				
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 services \$'mil	Vehicle inspection and testing \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Others \$'mil	Elimination \$'mil	Total \$'mil
346.2	72.9	37.4	34.2	-	-	3,120.2
94.8	2.4	0.1	-	-	(99.5)	-
441.0	75.3	37.5	34.2	-	(99.5)	3,120.2
16.9	19.8	6.9	9.2	-		278.0
						15.6
						(27.4)
						266.2
						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	5.9	14.3	2.0	3.1	-	260.7
-	-	-	-	-	-	3.0
-	-	-	-	2.1	-	3.9
81.6	56.0	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	28.7	11.4	10.5	16.6	-	806.6
						411.9
						35.4
						121.0
						1,374.9

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

35 SEGMENT INFORMATION (CONT'D)

(ii) Geographical Segments

Geographical Location	Revenue		Carrying amount of total assets		Additions to vehicles, premises and equipment, taxi licences and goodwill	
	2009	2008	2009	2008	2009	2008
	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil
Singapore	1,729.2	1,797.6	1,898.1	1,823.7	319.7	242.6
United Kingdom/Ireland	749.3	857.5	417.2	382.1	44.2	52.7
China	285.0	247.4	695.3	703.5	43.0	64.8
Australia	276.7	204.7	1,016.4	416.0	354.5	51.5
Vietnam	7.7	8.5	16.6	15.6	2.6	1.2
Malaysia	3.9	4.5	8.8	10.7	2.0	1.8
Total	3,051.8	3,120.2	4,052.4	3,351.6	766.0	414.6

36 CONTINGENT LIABILITIES

The Company

As at 31 December 2009, the Company has contingent liabilities in respect of letters of financial support provided to certain subsidiaries with capital deficiencies amounting to \$97.7 million (2008: \$97.5 million) to enable these subsidiaries to continue operating as going concerns.

The Group

As at 31 December 2009, a subsidiary has contingent liabilities totalling \$3.1 million (2008: \$4.5 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.

37 COMMITMENTS

As at 31 December 2009, the Group has the following commitments:

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

	The Group	
	2009	2008
	\$'mil	\$'mil
Purchase of equipment	7.3	4.9
Purchase of buses, taxis and motor vehicles	236.9	197.4
Purchase of computer systems	1.7	2.7
Development of bus depots and properties	2.8	14.1
Investment commitments	-	144.3
	248.7	363.4

NOTES TO THE FINANCIAL STATEMENTS

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38 OPERATING LEASE ARRANGEMENTS

The Group as lessee

	The Group	
	2009	2008
	\$'mil	\$'mil
Minimum lease payments under operating leases recognised as an expense in the year	27.0	27.4

At the end of the reporting period, commitments in respect of non-cancellable operating leases for the rental of premises were as follows:

	The Group		The Company	
	2009	2008	2009	2008
	\$'mil	\$'mil	\$'mil	\$'mil
Within one year	23.1	21.6	3.4	-
In the second to fifth year inclusive	54.5	57.8	9.8	-
After five years	118.9	117.2	11.9	-
Total	196.5	196.6	25.1	-

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

During the year, the commitments in respect of non-cancellable operating leases for the rental of premises were transferred from a subsidiary to the Company pursuant to an internal restructuring exercise.

The Group as lessor

The Group rents out certain of its properties and vehicles in Singapore, United Kingdom and China under operating leases. Rental income earned during the year was \$87.3 million (2008: \$78.4 million).

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

	The Group	
	2009	2008
	\$'mil	\$'mil
Within one year	72.4	68.8
In the second to fifth year inclusive	138.0	138.4
After five years	27.9	9.4
Total	238.3	216.6

39 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Financial risk management policies and objectives

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

(i) Foreign exchange risk management

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

Foreign currency sensitivity

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

(ii) Interest rate risk management

The Group's primary interest rate risk relates to its borrowings, investments in fixed income securities and deposits. The Group uses hedging instruments such as interest rate swaps and caps, where necessary, to achieve the desired interest rate profile in its effort to manage interest rate risk. The Group sometimes borrows at variable rates and uses interest rate swaps as cash flow hedges of future interest payments which have the economic effect of converting borrowings from floating rates to fixed rates.

Further details of the interest rate swaps can be found in Note 39(b). Summary quantitative data of the Group's interest-bearing financial instruments are disclosed in Note 39(d).

Interest rate sensitivity

The Group has interest-bearing assets such as fixed income securities and deposits as well as interest-bearing liabilities. Any change in interest rate affecting the interest-bearing assets shall have an offsetting impact from the interest-bearing liabilities. Based on sensitivity analysis performed at the end of the reporting period, Management has assessed that the exposure to changes in interest rates is minimal and hence the resulting impact on the profit or other comprehensive income of the Group is insignificant.

(iii) Credit risk management

The Group has minimal credit risk arising from its commuter transport operations as the majority of revenue is collected in cash upfront or from the transport regulator in the case of United Kingdom and Australia. For the other operations, credit risk is also minimised via upfront deposits, strict credit terms and regular monitoring of debtors' financial standing. The Group enters into treasury transactions only with creditworthy institutions. It seeks to invest in quality investee companies and almost all of its fixed income investments are above investment grade as assigned by international credit-rating agencies. In its management of credit risk, the Group practises stringent credit review and sets counterparty credit limits. There is no significant concentration of credit risk. In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The carrying amount of financial assets represents the maximum credit risk exposure of the Group.

NOTES TO THE FINANCIAL STATEMENTS

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

(iv) Liquidity risk management

The Group funds its operations through a mix of internal funds 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. The Group is also exposed to fluctuations in fuel price in its bus and rail operations and diesel sales business. The Group seeks to hedge the price risk associated with its fuel needs and uses hedging instruments, where necessary, to achieve the desired hedge outcome.

Based on sensitivity analysis performed and taking into account the fuel hedges in place, as at the end of the reporting period, every one percentage point change in the rates of diesel and electricity using the closing rates as at the end of the reporting period as a basis will impact the Group's annual fuel and electricity costs by \$1.3 million (2008: \$0.6 million). The sensitivity analysis assumes that consumption is held constant at the same level as in 2009.

(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.

(b) Hedging instruments

	2009		2008	
	Assets \$'mil	Liabilities \$'mil	Assets \$'mil	Liabilities \$'mil
The Group				
At fair values:				
Interest rate swaps	2.6	2.6	-	3.0
Foreign exchange	0.3	-	0.2	-
Fuel hedges	4.5	-	-	34.7
	7.4	2.6	0.2	37.7
Analysed as:				
Current	6.1	1.8	0.2	36.0
Non-current	1.3	0.8	-	1.7
Total	7.4	2.6	0.2	37.7

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

	The Group	
	2009	2008
	\$'mil	\$'mil
Interest rate swaps	193.5	63.8
Foreign exchange	52.3	20.4
Fuel hedges	30.9	116.5

As at 31 December 2009, the fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the end of the reporting period, comprises \$7.4 million asset (2008: \$0.2 million) and \$2.6 million liabilities (2008: \$37.7 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 2009, the fair value of the Group's foreign exchange hedging instruments comprising \$0.3 million (2008: \$0.2 million) is matched by an equivalent fair value adjustment on the hedged item in the trade and other payables (Note 20).

The Group uses fuel hedges to hedge against fuel price risks. These arrangements are designed to address fuel price exposure. The fuel hedges are accounted for as fair value hedges. As at 31 December 2009, the fair value of the Group's fuel hedging instruments comprising \$4.5 million of assets (2008: \$34.7 million of liabilities) is matched by an equivalent fair value adjustment on the hedged item in the trade and other payables (Note 20).

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 \$193.5 million (2008: \$63.8 million). Out of the \$193.5 million (2008: \$63.8 million), \$58.1 million (2008: \$62.8 million) involved swapping payments of fixed interest rate of 5.135% (2008: 5.135%) per annum for floating rate receipts at 6-month British Pound London InterBank Offer Rate for periods up until 2011 (2008: 2011), \$0.3 million (2008: \$1.0 million) involved swapping payments of fixed interest of 7.29% (2008: 7.29%) per annum for floating rate receipts at 3-month Vietnam InterBank Offer Rate for periods up to 2010, \$30.0 million (2008: nil) involved swapping payments of fixed interest rates of 2.93% for floating rate receipts at 1-month Australian Dollar Bank Bill Swap Reference Rate ("AUD BBSY") for periods up to 2010, and \$105.1 million (2008: nil) involved swapping payments of fixed interest rates of 3.73% per annum for floating rate receipts at 1-month AUD BBSY for periods up to 2012.

(c) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group's capital management objectives are to safeguard its ability to continue as a going concern and to maximise shareholder value. Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt. The Group's debt capital refers to borrowings comprising loans under Notes 20(a) and 20(b) and finance lease payable under Note 20(c) while equity refers to total equity.

NOTES TO THE FINANCIAL STATEMENTS

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

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

	Within 1 year \$'mil	Within 2 to 5 years \$'mil	Beyond 5 years \$'mil	Total \$'mil	Effective interest rate %
The Group					
2009					
Financial assets					
Cash and bank balances:					
In functional currencies	71.1	-	-	71.1	0.1% - 10.5%
In non-functional currencies	10.0	-	-	10.0	0.1% - 2.8%
Time deposits:					
In functional currencies	395.0	-	-	395.0	0.1% - 9.1%
In non-functional currencies	9.5	-	-	9.5	0.1% - 3.2%
Total cash balances and time deposits	485.6	-	-	485.6	
The carrying amounts of these financial assets approximate their fair values. The average remaining tenure for bank deposits is 2.3 months.					
Available-for-sale investments:					
Bonds and notes in functional currencies	10.1	15.8	12.3	38.2	3.8% - 4.8%
Financial liabilities					
Loans in functional currencies:					
Interest-bearing	99.8	241.9	-	341.7	4.4% - 9.9%
Non-interest bearing	0.1	-	1.7	1.8	-
Finance obligations under leases in functional currencies	30.5	102.6	120.2	253.3	0.9% - 8.4%
Total	130.4	344.5	121.9	596.8	
Hedging instruments:					
In functional currencies	2.6	-	-	2.6	

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

	Within 1 year \$'mil	Within 2 to 5 years \$'mil	Beyond 5 years \$'mil	Total \$'mil	Effective interest rate %
The Group					
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	
<p>The carrying amounts of these financial assets approximate their fair values. The average remaining tenure for bank deposits is 2.5 months.</p>					
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	

NOTES TO THE FINANCIAL STATEMENTS

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

	Within 1 year \$'mil	Within 2 to 5 years \$'mil	Beyond 5 years \$'mil	Total \$'mil	Effective interest rate %
The Company					
2009					
Financial assets					
Cash and bank balances:					
In functional currencies	0.9	-	-	0.9	0.0%
In non-functional currencies	0.1	-	-	0.1	0.0%
Time deposits:					
In functional currency	215.5	-	-	215.5	0.1% - 0.9%
In non-functional currencies	9.2	-	-	9.2	0.1% - 3.2%
Total cash balances and time deposits	225.7	-	-	225.7	

The carrying amounts of these financial assets approximate their fair values. The average remaining tenure for bank deposits is 1 month.

Available-for-sale investments:

Bonds and notes in functional currencies	10.1	5.9	6.9	22.9	3.9% - 4.2%
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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	
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The carrying amounts of these financial assets approximate their fair values. The average remaining tenure for bank deposits is 0.7 month.

Held-for-trading investments:

Bonds and notes in functional currencies	4.9	-	-	4.9	2.4%
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Available-for-sale investments:

Bonds and notes in functional currencies	-	15.5	6.5	22.0	3.5% - 4.2%
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NOTES TO THE FINANCIAL STATEMENTS

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40 DIVIDENDS

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

	2009	2008
	\$'mil	\$'mil
Final dividend in respect of the previous financial year:		
- 2.65 cents per ordinary share tax-exempt one-tier	-	55.2
- 2.40 cents per ordinary share tax-exempt one-tier	50.1	-
Interim dividend in respect of the current financial year:		
- 2.60 cents per ordinary share tax-exempt one-tier	-	54.2
- 2.63 cents per ordinary share tax-exempt one-tier	54.8	-
Total	104.9	109.4

(b) Subsequent to the statement of financial position, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 2.67 cents per ordinary share totalling \$55.7 million be paid for the financial year ended 31 December 2009. 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.

41 LICENCE CONDITION FOR RAIL SERVICES

A licence condition ("LC") dated 15 January 2003 was issued by Land Transport Authority ("LTA") to a subsidiary, SBS Transit Ltd ("SBST") under which SBST is licensed to operate the North-East MRT System, Punggol LRT System and the Sengkang LRT System (collectively referred to as the "Licensed Systems").

The LC sets out the conditions governing the operation of the Licensed Systems and includes, among others, the following:

- (a) The licence is for an initial period of 30 years commencing 15 January 2003. SBST may apply to LTA to renew the licence for a further 30 years or any other period and upon terms and conditions as LTA may impose.
- (b) An annual licence fee computed based on 0.5% of the total annual fare and non-fare revenue, net of goods and services tax, is payable to LTA for the first 10 years. LTA may retain or modify the basis for the purpose of calculating the licence fee thereafter.
- (c) SBST and LTA shall jointly review the viability on the 5th anniversary of the date of the LC or such other period as may be agreed in writing between SBST and LTA. In this review, LTA shall determine the dates and time of SBST's purchase of the operating assets of the Licensed Systems and the amount is based on the net book value as recorded in the latest audited accounts of LTA. As at the date of this report, SBST and LTA have not commenced the review.
- (d) SBST may apply in writing to LTA for a grant to replace any eligible operating assets computed based on the difference between the purchase cost of the new assets and the purchase cost of the operating assets to be replaced.

The main categories of eligible operating assets are trains, maintenance vehicles, power supply equipment, supervisory control system, escalators and lifts, platform screen doors, environmental control system, tunnel ventilation system, electrical service and fire protection system, signalling system, communication system, automatic fare collection system, depot workshop equipment, access management system and maintenance management system.

NOTES TO THE FINANCIAL STATEMENTS

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42 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	
			2009 %	2008 %
Quoted equity shares				
SBS Transit Ltd ^{(1) (20)}	Provision of public bus and rail services	Singapore	75.29	75.29
VICOM Ltd ^{(1) (21)}	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	69.39	69.52
Unquoted equity shares				
Braddell Limited ^{(5) (20)}	Investment holding	United Kingdom	100	100
CityCab Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	53.50	53.50
CityFleet (UK) Pte Ltd ⁽²⁰⁾	Investment holding	Singapore	54.66	54.66
Comfort (China) Pte Ltd ⁽²¹⁾	Investment holding	Singapore	100	100
ComfortDelGro Bus Pte Ltd ⁽²¹⁾	Provision of charter bus services, rental of buses to hirers and other related services	Singapore	100	100
ComfortDelGro (China) Pte Ltd ⁽²⁰⁾	Investment holding	Singapore	100	100
ComfortDelGro Driving Centre Pte Ltd ⁽²¹⁾	Operation of a driving school	Singapore	90	90
ComfortDelGro Engineering Pte Ltd ⁽²¹⁾	Operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel for motor vehicles	Singapore	100	100
ComfortDelGro Rent-A-Car Pte Ltd ⁽²²⁾	Provision of car rental, car care and leasing services	Singapore	100	100
ComfortDelGro (S.E. Asia) Pte Ltd ⁽²⁰⁾	Investment holding	Singapore	100	100

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2009 %	2008 %
Comfort Group Ltd	Investment holding	Singapore	100	100
Comfort Transportation Pte Ltd ⁽²¹⁾	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100
DelGro Corporation Limited	Investment holding	Singapore	100	100
DelGro (Guangzhou) Pte Ltd ⁽²⁰⁾	Inactive	Singapore	100	100
Moove Media Pte Ltd ⁽²¹⁾	Provision of advertising services	Singapore	100	100
Subsidiary of Comfort Group Ltd:				
Yellow-Top Cab Pte Ltd	Inactive	Singapore	100	100
Subsidiaries of VICOM Ltd:				
JIC Inspection Services Pte Ltd	Vehicle inspection and other related services	Singapore	54.12	54.23
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	69.39	69.52
VICOM Assessment Centre Pte Ltd	Provision of vehicle assessment services	Singapore	35.39	35.46
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	69.39	69.52
VICOM Unichamps Pte Ltd	Investment in environment technology related business	Singapore	41.63	41.71
Subsidiaries of Setsco Services Pte Ltd:				
Setsco Services (M) Sdn Bhd ⁽²⁾	Provision of testing, inspection and consultancy services	Malaysia	69.39	69.52
Setsco Consultancy International Pte Ltd	Provision of professional inspection and engineering services	Singapore	69.39	69.52

NOTES TO THE FINANCIAL STATEMENTS

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2009 %	2008 %
Subsidiaries of Comfort (China) Pte Ltd:				
Suzhou Comfort Taxi Co., Ltd ⁽³⁾	Provision of taxi and land transport-related services in the Suzhou municipality, operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel for motor vehicles	China	70	70
Xiamen Comfort Taxi Co., Ltd ⁽⁴⁾	Provision of taxi and land transport-related services in the Xiamen municipality	China	70	70
Subsidiaries of Suzhou Comfort Taxi Co., Ltd:				
Suzhou Comfort Toyota Sales & Service Co., Ltd ⁽³⁾	Distribution of motor vehicles and trading of automotive parts in the Suzhou municipality	China	70	70
Suzhou Comfort Passenger Transportation Co., Ltd ⁽³⁾	Provision of inter-city bus services	China	70	70
Subsidiary of DelGro Corporation Limited:				
Waterbank Properties (S) Pte Ltd	Inactive	Singapore	100	100
Subsidiary of SBS Transit Ltd:				
Monteria Pte Ltd	Inactive	Singapore	75.29	75.29
Subsidiaries of Braddell Limited:				
Aerdart Limited ⁽⁵⁾	Inactive	Ireland	100	100
Irish Citylink ComfortDelGro Limited ⁽⁵⁾	Provision of coach services	Ireland	100	100
Metroline Limited ⁽⁵⁾	Investment holding	United Kingdom	100	100
Scottish Citylink Coaches Limited ⁽⁵⁾	Provision of long distance coach services	United Kingdom	65	65

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2009 %	2008 %
Subsidiaries of Metroline Limited:				
E.H. Mundy Holdings Limited ⁽⁵⁾	Inactive	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	Provision of charge card facilities	Singapore	46.59	46.59
Subsidiaries of CityFleet (UK) Pte Ltd:				
CityFleet Networks Limited ⁽⁶⁾	Provision and management of taxi booking services	United Kingdom	54.66	54.66
Computer Cab (Edinburgh) Limited ⁽⁷⁾	Provision of taxi services	United Kingdom	54.66	54.66
Computer Cab plc ⁽⁵⁾	Provision of taxi services	United Kingdom	43.73	43.73
Computer Cab (Aberdeen) Limited ⁽⁷⁾	Provision of taxi services	United Kingdom	54.66	54.66

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2009 %	2008 %
Subsidiaries of CityFleet Networks Limited:				
Flightlink International Limited ⁽⁶⁾	Provision of private hire services	United Kingdom	38.26	38.26
Computer Cab (Birmingham) Limited ⁽⁶⁾	Provision of taxi services	United Kingdom	54.66	38.26
Central Dispatch Limited ⁽⁶⁾	Provision and management of taxi booking services	United Kingdom	54.66	54.66
Computer Cab (Liverpool) Limited ⁽⁷⁾ (formerly known as Merseyside Radio Meter Cabs Limited)	Provision of taxi services	United Kingdom	54.66	54.66
Subsidiary of Computer Cab (Edinburgh) Limited:				
Onward Travel Limited ⁽⁷⁾	Provision of taxi services	United Kingdom	54.66	54.66
Subsidiary of Computer Cab plc:				
Cabcharge Limited ⁽⁵⁾	Provision and management of taxi booking card facilities	United Kingdom	43.73	43.73
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 ⁽¹⁹⁾	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

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2009 %	2008 %
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd ⁽⁹⁾	Provision of motor vehicle evaluation and other related services	China	51	51
Chongqing ComfortDelGro Driver Training Co., Ltd ⁽¹⁰⁾	Operation of a driving school	China	90	90
CityCab (Shenyang) Co., Ltd ⁽¹¹⁾	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	100	100
ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd ⁽⁹⁾	Provision of cars for hire	China	100	100
Guangzhou Xin Tian Wei Transportation Development Co., Ltd ⁽¹²⁾	Provision of bus station services	China	60	60
Jilin ComfortDelGro Taxi Co., Ltd ⁽¹³⁾	Provision of taxi and land transport-related services in the Jilin municipality	China	97	97
Nanjing ComfortDelGro Dajian Taxi Co., Ltd ⁽¹⁸⁾	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	70	70
Nanning Comfort Transportation Co., Ltd ⁽¹⁴⁾	Provision of taxi and land transport-related services in the Nanning municipality	China	80	80
Nanning ComfortDelGro Rent-A-Car Company Limited ⁽¹⁴⁾	Provision of cars for hire	China	90	90
Shanghai City Qi Ai Taxi Services Co., Ltd ^{(17) (23)}	Provision of public taxi services through the rental of taxis to hirers	China	51	51
Shenyang ComfortDelGro Bus Co., Ltd ⁽¹¹⁾	Provision of public bus and charter bus services	China	100	100
Shenyang ComfortDelGro Anyun Bus Co., Ltd ⁽¹¹⁾	Provision of public bus and charter bus services	China	80	80
Shenyang ComfortDelGro Taxi Co., Ltd ⁽¹¹⁾	Provision of public taxi services through the rental of taxis to hirers	China	80	80

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2009 %	2008 %
Sichuan ComfortDelGro Car Servicing Co., Ltd ⁽⁹⁾	Distribution of motor vehicle and operation of workshops for repairing, servicing and general maintenance of motor vehicles	China	51	51
Yantai ComfortDelGro Automobile Services Co., Ltd ⁽¹⁵⁾ (formerly known as Yantai ComfortDelGro Taxi Co., Ltd)	Rental of taxis, vehicle inspection and repair	China	76	76
Subsidiary of Beijing Jin Jian Taxi Services Co., Ltd:				
Beijing Jia Run Taxi Co., Ltd ^{(8) (25)}	Provision of public taxi services through the rental of taxis to hirers	China	55	-
Subsidiary of Chengdu ComfortDelGro Taxi Co., Ltd:				
Chengdu ComfortDelGro Sheng Duo Taxi Co., Ltd ⁽⁹⁾	Provision of public taxi services through the rental of taxis to hirers	China	100	100
Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:				
CityLimo Leasing (M) Sdn Bhd ⁽¹⁶⁾	Provision of car leasing services	Malaysia	100	100
Pantas Rent-A-Car Holdings Sdn Bhd ⁽¹⁶⁾	Investment holding	Malaysia	100	100
Vietnam Taxi Co., Ltd ⁽⁵⁾	Provision of taxi services	Vietnam	70	70
ComfortDelGro Savico Taxi Company ⁽⁵⁾	Provision of taxi services	Vietnam	60	60
ComfortDelGro Cabcharge Pty Ltd ⁽⁵⁾	Investment holding and provision of management services	Australia	54.66	54.66
Subsidiaries of Pantas Rent-A-Car Holdings Sdn Bhd:				
Pantas Rent-A-Car Sdn Bhd ⁽¹⁶⁾	Provision of cars for hire	Malaysia	100	100
DynaDrive Rent-A-Car Sdn Bhd ⁽¹⁶⁾	Provision of cars for hire	Malaysia	100	100

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2009 %	2008 %
Subsidiaries of ComfortDelGro Cabcharge Pty Ltd:				
Westbus Region 1 Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	54.66	54.66
Westbus Region 3 Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	54.66	54.66
Hillsbus Co Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	54.66	54.66
Hunter Valley Buses Pty Ltd ⁽⁵⁾	Provision of public bus services	Australia	54.66	54.66
Westbus Coach Services Ltd ⁽⁶⁾	Provision of coach services	United Kingdom	54.66	54.66
Charterplus Pty Ltd ⁽⁵⁾	Provision of charter, coach and terminal services	Australia	54.66	54.66
Pivot Bus Services Pty Ltd ^{(5) (24)}	Provision of public bus services	Australia	54.66	-
CDC Victoria 1 Pty Ltd ^{(5) (24)}	Investment holding	Australia	54.66	-
Subsidiary of CDC Victoria 1 Pty Ltd:				
CDC Victoria 2 Pty Ltd ^{(5) (24)}	Provision of public bus services	Australia	54.66	-
Subsidiaries of CDC Victoria 2 Pty Ltd:				
CDC Victoria 3 Pty Ltd ^{(5) (24)}	Investment holding	Australia	54.66	-
CDC Victoria 4 Pty Ltd ^{(5) (24)}	Provision of public bus services	Australia	54.66	-
Western Coach Services Pty Ltd ^{(5) (24)}	Provision of public bus services	Australia	54.66	-
St. Albans Bus Service Pty Ltd ^{(5) (24)}	Provision of public bus services	Australia	54.66	-
North Sunshine Bus Service Pty Ltd ^{(5) (24)}	Provision of public bus services	Australia	54.66	-
Altona Bus Lines Pty Ltd ^{(5) (24)}	Provision of public bus services	Australia	54.66	-
W Sinclair & Sons Pty Ltd ^{(5) (24)}	Provision of public bus services	Australia	54.66	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2009 %	2008 %
Subsidiaries of CDC Victoria 3 Pty Ltd:				
Point Cook Werribee Passenger Service Pty Ltd ^{(5) (24)}	Provision of public bus services	Australia	54.66	-
Subsidiary of W Sinclair & Sons Pty Ltd:				
Eastern Suburbs Omnibus Services Pty Ltd ^{(5) (24)}	Provision of public bus services	Australia	54.66	-
Subsidiaries of Point Cook Werribee Passenger Service Pty Ltd:				
H.A. Davis Motor Service Pty Ltd ^{(5) (24)}	Provision of public bus services	Australia	54.66	-
West Transit Bus Lines Pty Ltd ^{(5) (24)}	Provision of public bus services	Australia	54.66	-

Note:

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

- (1) Listed on the Singapore Exchange Securities Trading Limited.
- (2) Audited by WT & Ng Co, Malaysia.
- (3) Audited by Jiangsu Gong Zheng Certified Public Accountants, China.
- (4) Audited by Xiamen Xin Zhou Certified Public Accountants Co., Ltd, China.
- (5) Audited by overseas practices of Deloitte & Touche Tohmatsu.
- (6) Audited by Charles Stuart LLP, United Kingdom.
- (7) Audited by Johnston Carmichael, United Kingdom.
- (8) Audited by Chong Zheng Tian Tong Certified Public Accountants Co., Ltd, China.
- (9) Audited by Sichuan Yi Yong Zheng Qun 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 Certified Public Accountants Co., Ltd, China.
- (15) Audited by Shan Dong Heng Feng Zheng Tai Certified Public Accountants Co., Ltd, China.
- (16) Audited by SH Tan and Partner, Malaysia.
- (17) Audited by Shanghai Zhong Xin Gong Nan Certified Public Accountants, China.
- (18) Audited by Jiangsu Tianhua Dapeng Certified Public Accountants Co., Ltd, China.
- (19) Audited by Beijing Lehman Certified Public Accountants Co., Ltd, China.
- (20) Previously held as a subsidiary by DelGro Corporation Limited. During the year, the subsidiary was transferred to the Company pursuant to an internal restructuring exercise.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

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

- (21) Previously held as a subsidiary by Comfort Group Ltd. During the year, the subsidiary was transferred to the Company pursuant to an internal restructuring exercise.
- (22) Previously held as a subsidiary of ComfortDelGro (S. E. Asia) Pte. Ltd. During the year, the subsidiary was transferred to the Company pursuant to an internal restructuring exercise.
- (23) Previously held as a subsidiary of ComfortDelGro (S. E. Asia) Pte. Ltd. During the year, the subsidiary was transferred to ComfortDelGro (China) Pte Ltd pursuant to an internal restructuring exercise.
- (24) Acquired on 23 February 2009.
- (25) Acquired on 25 December 2008 and consolidated in 2009.

In accordance to Rule 716 of The Singapore Exchange Securities Trading Limited – Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

(b) Associates

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2009 %	2008 %
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	7.46
Unquoted equity shares				
ComfortDelGro Insurance Brokers Pte Ltd ⁽²⁾	Insurance broking, risk management, claims management and related activities	Singapore	49	49
Shanghai Shen Xin Bus Service Ltd ⁽³⁾	Provision of bus services	China	49	49
Transit Link Pte Ltd ⁽⁴⁾	Provision of support services to transport operators	Singapore	37.65	37.65

Note:

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

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

⁽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 2009 have been used and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2009.

(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 36.

(d) Acquisition of subsidiaries/businesses

The acquisition of subsidiary and business has 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 except for the bus operating rights at the date of acquisitions.

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

43 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:

	2009 \$’mil	2008 \$’mil
Revenue	2.2	2.2
Expenses	20.8	21.5

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

44 GROUP PROPERTIES

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE					
ComfortDelGro Corporation Limited	-	Braddell Road	67,148 sq m	30 years 10 years unexpired	Head office, bus depot, vehicle workshop
ComfortDelGro Corporation Limited	-	Kim Chuan	10,784 sq m	2 years 1 year unexpired	Vehicle assembly workshop
SBS Transit Ltd	75.29	Soon Lee Road	26,670 sq m	30 years 20 years unexpired	Bus depot
SBS Transit Ltd	75.29	Defu Avenue 1	74,236 sq m	30 years 3 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 3 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	19 years 3 years unexpired	Bus depot
VICOM Ltd	69.39	Sin Ming Drive	10,853 sq m	30 years from January 1981 with option to renew another 30 years	Inspection, assessment services
VICOM Ltd	69.39	Kaki Bukit Avenue 4	9,797 sq m	30 years from January 1997 with option to renew another 30 years	Inspection, assessment services
VICOM Ltd	69.39	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	69.39	Changi North Crescent	6,015 sq m	30 years from May 1995 16 years unexpired	Inspection services
VICOM Ltd	69.39	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 34 years unexpired	Inspection, assessment services
VICOM Ltd	69.39	Yishun Industrial Park A	1,105 sq m	30 years from July 1983 with option to renew another 30 years	Inspection, assessment services
Setesco Services Pte Ltd	69.39	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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

44 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
JIC Inspection Services Pte Ltd	54.12	Pioneer Road	9,190 sq m	30 years from December 1994 15 years unexpired	Inspection services
JIC Inspection Services Pte Ltd	54.12	Ang Mo Kio Street 63	2,145 sq m	22 months from March 2009	Inspection services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	11,129 sq m	60 years 26 years unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	25,087 sq m	30 years 13 years unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 42 years unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,500 sq m	23 years 16 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	11 years 2 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 39 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	30 years 13 years unexpired	Workshop, diesel kiosk
CHINA					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 18 years unexpired	Office, bus station
Shanghai City Qi Ai Services Co., Ltd	51	Lujiabang Road Shanghai	689 sq m	50 years 39 years unexpired	Office
Suzhou Comfort Taxi Co., Ltd	70	Jin Ji Hu Road Suzhou Industrial Park	10,516 sq m	50 years 37 years unexpired	Office, workshop
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 33 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 14 years unexpired	Office, workshop
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	No. 13 Jian Cai Road Chengdu	6,000 sq m	30 years 24 years unexpired	Vehicle inspection workshop

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

44 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
Yantai ComfortDelGro Automobile Service Co., Ltd (formerly known as Yantai ComfortDelGro Taxi Co., Ltd)	76	No. 7 Zhou Shan Road Yantai Development Zone	20,000 sq m	50 years 47 years unexpired	Office, workshop
Sichuan ComfortDelGro Car Servicing Co., Ltd	51	Tu Long Road Jin Niu District Chengdu	8,000 sq m	20 years 17 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 40 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 4 years unexpired	Driving test centre
UNITED KINGDOM					
Computer Cab plc	43.73	Woodfield Road London W9 2BA	537 sq m	Freehold	Office
Computer Cab plc	43.73	Advantage House Mitre Bridge Ind Mitre Way London W10 6AU	995 sq m	3 years 5 months unexpired	Office, fitting bay
Computer Cab (Aberdeen) Limited	54.66	Farburn House Burnside Drive Dyce Aberdeen AB21 0HW	1,000 sq m	12 years 3 years unexpired	Office
Computer Cab (Edinburgh) Limited	54.66	Spitfire House Turnhouse Road Edinburgh	186 sq m	3 years 3 months unexpired	Office, fitting bay
Computer Cab (Liverpool) Limited (formerly known as Merseyside Radio Meter Cabs Limited)	54.66	5-7 Falkland Street Liverpool L3 8HB	610 sq m	99 years 88 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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

44 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
Metroline Limited	100	High Street Potters Bar Herts EN6 5BE	11,614 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Willesden London NW10 2JY	9,874 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Harrow Weald HA3 6EJ	5,706 sq m	Freehold	Bus depot
Metroline Limited	100	College Road Harrow Middlesex HA1 1BE	1,617 sq m	10 years 3 years unexpired	Office
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 CI Edgeworth NSW	5,817 sq m	Freehold	Bus depot

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2009

44 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
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
Hunter Valley Buses Pty Ltd	54.66	Magpie Street Singleton NSW	7,806 sq m	Freehold	Bus 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
ComfortDelGro Cabcharge Pty Ltd	54.66	40 Industrial Avenue Hoppers Crossing Victoria	6,635 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	54.66	41 Industrial Avenue Hoppers Crossing Victoria	4,285 sq m	Freehold	Bus and car park
ComfortDelGro Cabcharge Pty Ltd	54.66	9-13 Slough Road Altona Victoria	8,095 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	54.66	14/16 Carrington Drive Sunshine Victoria	9,804 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	54.66	89-93 Atherton Road Oakleigh Victoria	2,567 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	54.66	65 Edols Street Geelong Victoria	26,000 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	54.66	50 & 52 Industrial Avenue Hoppers Crossing Victoria	2,438 sq m	Freehold	Bus park

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

44 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
CDC Victoria 1 Pty Ltd	54.66	45 Dalgety Street Oakleigh Victoria	700 sq m	3 years plus 3 years option 2 years 8 months unexpired	Bus park
CDC Victoria 2 Pty Ltd	54.66	10 & 12 Carrington Drive Sunshine Victoria	9,804 sq m	5 years plus 5 years option 2 years 9 months unexpired	Bus park
HA Davis Motor Service Pty Ltd	54.66	804 Norman Street Ballarat	47,750 sq m	Freehold	Bus depot
HA Davis Motor Service Pty Ltd	54.66	24 Clunes Road Creswick Victoria	614 sq m	Freehold	Bus park
VIETNAM					
Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh - TP Ho Chi Minh City	6,438 sq m	20 years 11 years unexpired	Office, workshop

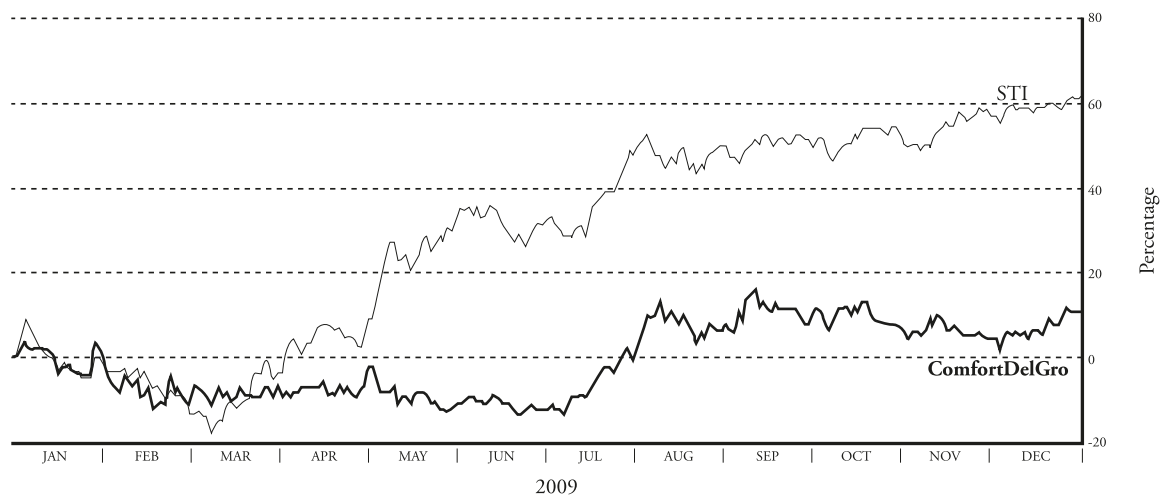
SHARE PRICE MOVEMENT CHART

COMFORTDELGRO'S SHARE PRICE MOVEMENT AND VOLUME TURNOVER



Source: Bloomberg Finance L.P.

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



Source: Bloomberg Finance L.P.

SHAREHOLDING STATISTICS AS AT 2 MARCH 2010

No. of shares issued : 2,086,280,663
 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	1,741	4.67	671,908	0.03
1,000 – 10,000	18,604	49.89	84,326,305	4.04
10,001 – 1,000,000	16,907	45.34	380,255,786	18.23
1,000,001 & Above	35	0.10	1,621,026,664	77.70
Total	37,287	100.00	2,086,280,663	100.00

Top Twenty Shareholders	No. of Shares	%
DBS Nominees Pte Ltd	472,360,774	22.64
Citibank Nominees Singapore Pte Ltd	301,564,364	14.45
Singapore Labour Foundation	252,616,594	12.11
DBSN Services Pte Ltd	236,316,772	11.32
United Overseas Bank Nominees Pte Ltd	95,457,611	4.57
HSBC (Singapore) Nominees Pte Ltd	88,732,294	4.25
Raffles Nominees (Pte) Ltd	61,836,215	2.96
OCBC Nominees Singapore Pte Ltd	23,820,349	1.14
BNP Paribas Securities Services Singapore Pte Ltd	19,443,021	0.93
Changi Bus Company (Private) Limited	9,244,095	0.44
DB Nominees (S) Pte Ltd	6,350,842	0.30
Low Kim Hong	4,432,000	0.21
Yim Chee Chong	4,310,000	0.21
Peh Kwee Chim	4,154,062	0.20
HL Bank Nominees (S) Pte Ltd	3,751,960	0.18
Morgan Stanley Asia (Singapore) Securities Pte Ltd	3,285,422	0.16
DBS Vickers Securities (S) Pte Ltd	2,963,418	0.14
Kua Hong Pak	2,824,530	0.13
Oversea Chinese Bank Nominees Pte Ltd	2,806,180	0.13
Merrill Lynch (S'pore) Pte Ltd	2,667,817	0.13
Total	1,598,938,320	76.60

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

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Singapore Labour Foundation	252,616,594	12.11	-	-
Silchester International Investors Limited	-	-	242,704,000	11.63
The Capital Group Companies, Inc.	-	-	135,100,000	6.47

As at 2 March 2010, approximately 68.95% 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 Seventh Annual General Meeting of the Company will be held at the Auditorium, ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 on Wednesday, 28 April 2010 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 2009 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 2.67 cents per ordinary share in respect of the Financial Year ended 31 December 2009. **(Resolution 2)**
3. To approve the payment of Directors' fees of S\$537,500 for the Financial Year ended 31 December 2009. (FY 2008: S\$505,000) **(Resolution 3)**
4. To re-elect Mr Oo Soon Hee, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 4)**
5. To re-elect Mr Ong Ah Heng, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 5)**
6. To re-elect Ms Sum Wai Fun, Adeline, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 6)**
7. To re-appoint Mr Lim Jit Poh as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50 to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **(Resolution 7)**
8. To re-appoint Messrs Deloitte & Touche LLP as Auditors and authorise the Directors to fix their remuneration. **(Resolution 8)**

SPECIAL BUSINESS:

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

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

NOTICE OF ANNUAL GENERAL MEETING

BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 6 May 2010 for the purposes of determining Shareholders' entitlements to the proposed tax-exempt one-tier final dividend of 2.67 cents per ordinary share for the Financial Year ended 31 December 2009.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 5 May 2010 will be registered before Shareholders' entitlements to the final dividend are 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 5 May 2010 will rank for the proposed final dividend.

The final dividend, if approved by the Shareholders at the Seventh Annual General Meeting of the Company, will be paid on 18 May 2010.

By Order of the Board

Chan Wan Tak, Wendy/Chew Si Lyn, Cecilia
Joint Company Secretaries

Singapore

30 March 2010

Notes:

1. A member entitled to attend and vote at the Annual General Meeting may appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be lodged at the Company's registered office at 205 Braddell Road, Singapore 579701 not less than 48 hours before the time appointed for the Annual General Meeting.

ADDITIONAL INFORMATION ON ORDINARY BUSINESS

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

***EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED**

Resolution 9 is to authorise the Directors to issue shares upon the exercise of options in accordance with the ComfortDelGro Employees' Share Option Scheme. This scheme was approved by Shareholders at the Extraordinary General Meeting held on 18 February 2003 and has a maximum duration of 10 years. The aggregate number of shares over which the Committee may grant options under the scheme for its entire duration is limited to 15% of the issued ordinary shares in the capital of the Company excluding treasury shares, from time to time.

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COMFORTDELGRO CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 200300002K)

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT

1. For investors who have used their CPF monies to buy ComfortDelGro Corporation Limited shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who intend to exercise the voting rights attached to their ComfortDelGro Corporation Limited shares purchased using their CPF monies are requested to contact their respective CPF Approved Nominees.

I/We _____ (Name)

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)

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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 Wednesday, 28 April 2010 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 Oo Soon Hee as Director		
5.	Re-election of Mr Ong Ah Heng as Director		
6.	Re-election of Ms Sum Wai Fun, Adeline as Director		
7.	Re-appointment of Mr Lim Jit Poh as Director		
8.	Re-appointment of Auditors and authorising Directors to fix their remuneration		
9.	Authority to issue shares pursuant to exercise of options		

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

Dated this _____ day of _____ 2010

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

Total Number of Shares Held

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

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