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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

### Integrity and Ethics

We will:

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

### Commitment

We will:

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

# GLOBAL FOOTPRINT



Aberdeen  
Glasgow  
Dublin  
Clifden  
Galway  
Cork  
Edinburgh  
Liverpool  
Birmingham  
London

31  
CITIES

7  
COUNTRIES

21,042  
EMPLOYEES

46,092  
VEHICLES



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

Ho Chi Minh City

Puchong  
Kuala Lumpur

Singapore

Perth

Sydney  
Canberra  
Queanbeyan  
Melbourne

# CHAIRMAN'S STATEMENT



## THE NEW NORMAL

In my mind, the term, 'New Normal', first coined during the 2008 global financial crisis, resurfaced in 2013 amid a landscape of vast political and economic changes.

Politically, 2013 was fraught with uncertainty. Chemical weapons were reportedly employed in Syria, while the United States underwent yet another round of internal political strife. Problems continued to plague Europe while relations between Japan and China worsened over the sovereignty of the Diaoyu/Senkaku Islands.

Economically, the US economy was still unpredictable while the Euro Zone entered its fourth year of recession, with some members still registering very high unemployment rates. China's economy, which has been the engine powering the global economy, started to slow while Japan was trying hard to revive its economy with another form of Quantitative Easing commonly known as Abenomics. India continued to struggle with its modernisation plans while most parts of ASEAN remained in the doldrums. Myanmar, which had hitherto been closed off from the global economy, was slowly opening up its doors.

On the currency front, the US Dollar remained weak for a large part of the year because of its Quantitative Easing activities, strengthening only towards the end of 2013 when an announcement was made on its tapering policy. Similarly, the Sterling Pound weakened against the Singapore Dollar for most of 2013 and gained

ground towards the end of the year. The Australian Dollar continued to weaken as growth slowed while the Chinese Renminbi (RMB), which had strengthened, looks set to be internationalised. All in, the currency situation remains highly unpredictable.

For sure, a new normal that smacked of uncertainty, had indeed taken root.

## CORPORATE GOVERNANCE

Corporate Singapore and issues on Governance continued to evolve in 2013.

### (i) Revised Code of Corporate Governance

The Revised Code of Corporate Governance was put into effect in 2013. Our position on some of the major issues has already been reflected in our 2012 Annual Report. These are also included in this annual report under the section 'Corporate Governance'.

### (ii) The Companies Act

The Singapore Government is seeking further public views on the proposed amendments to the Companies Act with a Draft Companies (Amendment) Bill 2013 comprising 55 consultation questions. As at the end of 2013, the Draft Bill had yet to reach Parliament.

### (iii) Board Diversity

Diversity of board representation is becoming a subject of public interest and debate.

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## REVENUES AT A GLANCE



The 2013 Singapore Board Diversity Report indicated that some companies with meaningful female director participation have enjoyed better returns on assets and returns on equity, although not necessarily on market value. The 2013 Report, which was undertaken by the National University of Singapore Business School's Centre for Governance, Institutions and Organisations and Board Agender, an arm of the Singapore Council of Women's Organisations, found that of the 677 Singapore Stock Exchange (SES) listed companies studied, 7.9% of the total number of board directors were women compared to 7.3% in 2012 and 6.9% in 2011.

Meanwhile, the Singapore National Employers Federation and the Singapore Institute of Directors have embarked on a survey to address gender diversity issues.

A Task Force, initiated by the Speaker of Parliament when she was then the Minister of State for Social and Family Development, and comprising the former Chairman of the SES, its present Chief Executive Officer (CEO) and three prominent women directors, is expected to publish its report on gender diversity in senior management and its impact on corporate performance and governance in 2014.

### (iv) Stock Exchange

In Singapore, where we are listed, there were still a few cases of insider trading with the culprits punished accordingly. In the investment scene, a shortselling research house which cited huge negative cash flows of an SGX-listed company, resulted in a sharp fall of 20% of the market price of the company. This is the first time that such an attack happened in Singapore. In yet another case, an American research house accused another SGX-listed company of fabricating

sales figures. This had also resulted in the company's share price diving by an even higher 50%.

### (v) Audits

We conducted 21 internal audits during the year, eight of which were of our overseas units. The approach is still risk-based. All our three listed companies were covered. The overall outcome is that strong internal control systems are in place within the Group. There were no major issues of concern.

I also continued my practice of meeting the External Auditors and Chairmen of all our three Audit and Risk Committees (ARC) without the presence of Management. This was conducted over and above the meetings which our three ARCs held with our External Auditors and Internal Auditor, also in the absence of Management. All parties were happy with the activities undertaken and the assistance provided by Management in the course of their work.

### (vi) Rankings and Awards

We continued to be one of the 30 component stocks of the Straits Times Index (STI). All our three listed companies ranked highly in the 2013 Business Times Governance and Transparency Index. Of the 663 companies covered, we ranked in the top 10% with ComfortDelGro Corporation Limited ranked 35th, VICOM Ltd 52nd and SBS Transit Ltd 57th.

At the 2013 Singapore Corporate Awards, VICOM won the Best Investor Relations Award (Bronze) for companies with a market capitalisation of between S\$300 million and S\$1 billion. At the 2013 Securities Investors Association of Singapore (SIAS) Investors' Choice Awards, ComfortDelGro won the "Most Transparent Company Award" in the Travel, Leisure and Automobiles and Parts Category while SBS Transit

# CHAIRMAN'S STATEMENT

was the Runner-Up in the "Singapore Corporate Governance Award" in the Mid-Cap category.

## SINGAPORE BUSINESS

Intensive efforts continued to be made by the Singapore Government to improve public land transport services. The rollout of the S\$1.1 billion Bus Service Enhancement Programme (BSEP), which commenced in September 2012, intensified during the year with the introduction of new bus routes and the addition of new buses to existing routes.

More bus lanes, full-day bus lanes and bus bays under the Mandatory Give-Way to Buses Scheme were also added. More City Direct bus services connecting major Housing and Development Board towns to the City were introduced. The Land Transport Authority's two public tenders in this area on this were completed in 2013. Our unscheduled bus subsidiary, ComfortDelGro Bus Pte Ltd, was successful in both tenders. Towards the end of the year, a third tender was announced.

The first stage of Singapore's newest Mass Rapid Transit (MRT) line, the Downtown Line (DTL), commenced operations in late December 2013. Operated by our listed subsidiary, SBS Transit, it began revenue service on six stations serving mainly the Central Business District. Demand on this Line has been encouraging.

As part of the Government's drive to reduce congestion problems and to make public transport travel more conducive, organisations have been encouraged to stagger their operating hours. The Government also gave free travel at selected MRT stations during pre-peak morning hours in an attempt to adjust travel patterns.

The 2008 Land Transport Master Plan (LTMP) was reviewed and a refreshed Plan was released. Under the revised 2013 Plan, the rail network will double to 360km in 2030 from the present 178km. Two new major lines will be introduced – the Cross Island Line (50km) and the Jurong Region Line (20km).

The Fare Review Mechanism Committee released its long-awaited Report during the year and the Government had accepted all its recommendations. The overall emphasis is to keep public transport fares affordable and the public transport system financially sustainable. The New Fare Formula has been slightly modified with the addition of a new energy component. Instead of using the consumer price index for all items, a core consumer price index which excludes accommodation and private transport has been incorporated. The wage index and the productivity extraction have however been retained. Another feature of the New Fare Formula is a flexible mechanism that allows

for the rollover of unused fare adjustments to the following year. Of significance is the mandatory contribution by the operators to the Public Transport Fund. This has been set at between 20% and 50% of the increase in fare revenue. The New Fare Formula is applicable for the period 2013 to 2017.

In the first year of implementation of the New Fare Formula, the Public Transport Council had increased the 2014 fares by 3.2%, a figure lower than the average national wage rise as indicated by the Minister for Transport. It also carried over the remaining 3.4% to the following year in accordance with the New Fare Formula. More details of these appear in SBS Transit's Annual Report.

In the case of taxis, I had mentioned in my last report that a taxi availability standard was introduced in January 2013 in which 70% of taxis were required to be on the roads for a minimum mileage of 250km a day. We had no difficulty in meeting this requirement. In 2014, the target will be increased to 80%. By 2015, the percentage will be further increased to 85%.

Under the new regulations, taxi operators which meet the standard are permitted to expand their fleets by 2%. Our two brands, Comfort Transportation and CityCab, were therefore allowed to expand their fleets in the first half year of 2014. Of the four taxi operators which came into the market place after the deregulation of the taxi industry in 2002, none was able to make the grade and one even bowed out of the scene completely when it was unable to meet the stipulated minimum of a fleet of 800 taxis.

The stated policy of reducing the growth rate of new Certificates of Entitlement (COEs) has pushed up the cost of car ownership in Singapore. This has increased the cost of operation for our taxi operations but has conversely benefitted our vehicle inspection business as more car owners kept their vehicles longer.

In 2013, all our businesses in Singapore continued to perform satisfactorily under an environment of slower growth.

Our scheduled bus operations in Singapore continued to incur losses during the year despite ridership growth as operating costs increased. Preparation for the launch of the DTL Stage One went on full gear in the year under review. The North East Line and the two Light Rail Transits continued to generate increased revenue. Full details of our scheduled bus and rail operations appear in our listed SBS Transit's Annual Report.

Our taxi operations continued to perform well in the competitive environment. It maintained its leadership position. The fleet increased in size during the year to cater to higher demand. Its supporting facilities like the call centre were expanded resulting in a very high rate of

automation use, and improving productivity and efficiency. More cashless transactions in taxi fare payments were done and with more credit and debit cards.

Our testing services business continued to surpass last year's performance. Full details appear in our listed VICOM's Annual Report.

The remaining businesses in the Group – unscheduled bus, car rental and leasing, driving school, automotive engineering, vehicle advertising and insurance broking – continued to perform satisfactorily during the year.

## OVERSEAS BUSINESS

### (i) Divestments and Acquisitions

We constantly review our overseas investments. We will not hesitate to rectify situations which have turned unfavourable and to exit businesses which have poor returns. This is evidenced by our exit from our bus investments in Shenyang. We also sold our car distribution business in Suzhou because of thinning margins.

We continue to expand our taxi fleets in China when opportunities present themselves. In 2013, we were successful in public tenders in two cities. Nanjing secured 82 new taxi licences through a tender, thereby expanding our fleet from 560 to 642. We also rented, with an option to purchase, a 6,667 sq m piece of land to house all our taxi operations under one roof. Nanning also acquired 29 new taxi licences to expand our fleet from 775 to 804. Our Jilin taxi operation also acquired an 18,000 sq m site for the development of an integrated taxi service.

In Melbourne, Australia, we bought five bus routes and 42 buses for S\$26.2 million from Driver Group Pty Ltd. We retained our New South Wales (NSW) Metropolitan Bus service contracts in Region 4 where we are now the sole operator with 500 buses. In Perth, Swan Taxis Pty Ltd benefitted from new taxi plates released by the Government. We increased our taxi fleet from 2,049 to 2,070.

In the United Kingdom (UK), we bought the West London bus operations from the First Group plc for S\$111.1 million. This was a very rare opportunity given how infrequent bus operations in Central London come up for sale. The business operates from five garages and has a fleet of 494 buses with about 1,700 employees. With this acquisition, our market share in London has risen from 14% to about 18%. We now rank third in London.

### (ii) Business Operations

We continue to have investments in 12 cities in China (Beijing, Chengdu, Chongqing, Guangzhou, Hengyang, Jilin, Nanning, Nanjing, Shanghai, Shenyang, Suzhou and Yantai). We continue to have businesses in six areas such as taxi, bus, bus depot, car rental and leasing, vehicle inspection and driving school services.

In the taxi business, we operate in nine cities with a total fleet size of 10,752. This is a net gain of 124 or 1.2% over 2012. The combined fleet size in China is about 65% of our size in Singapore. The increases were confined to four cities: Nanjing (82), Nanning (29), Beijing (25) and Chengdu (20). We are leaders in Nanning (16% market share) and Jilin (14% market share), second in Chengdu (7% market share), third in Beijing (8% market share) and Shenyang (6% market share), fourth in Nanjing (6% market share) and sixth in Suzhou (4% market share).

The taxi sector is still the biggest contributor to revenue amongst our businesses in China. Operating costs in China are on the rise with different incentives for hirers at different locations. Some expect operators to provide wages to the hirers together with paid leave. Some expect operators to provide fuel subsidy.

Our bus depot business in Guangzhou continues to increase its profitability. There are challenges ahead as more high speed rails linking Guangzhou with other cities are introduced. There is also the added problem of a slowdown in passenger and cargo traffic as industries continue to move out of the Pearl Delta area.

We operate scheduled bus, coach, taxi circuit and private vehicle hire businesses in the UK and Ireland. We operate in seven cities: Aberdeen, Birmingham, Dublin, Edinburgh, Glasgow, Liverpool and London. In the scheduled bus business, the most significant event during the year was the acquisition of the five garages and routes previously operated by the First Group in London. The business has been renamed Metroline West Limited to distinguish it from Metroline Travel Limited. We now have 1,702 buses in London. This is about 43% of Singapore's fleet size. The two London operations did well in 2013.

In the coach business, we have an operation in London, an inter-city operation between Scotland and London as well as coach services within Ireland linking Clifden, Cork, Dublin, and Galway. The coach business is doing well.

The taxi circuit business continued to face challenges given the difficult business environment. It has also been competing fiercely with the private vehicle hire

# CHAIRMAN'S STATEMENT

business as a result of austerity measures undertaken by corporations.

In Australia, we continue to operate in three business areas – bus, taxi circuit and vehicle advertising – in five cities namely Canberra, Melbourne, Perth, Queanbeyan and Sydney. The bus operations are in Melbourne, Queanbeyan and Sydney. The combined fleet size in Australia of 1,640 buses is about 41% of Singapore's fleet size. The business is doing well.

Swan Taxis in Perth continued to perform up to our satisfaction, growing about 1.8% in 2013. The vehicle advertising business in Australia is small and still in its infancy stages. The largest contributor among the business operations in Australia is the bus business.

The taxi business in Ho Chi Minh City, Vietnam and the car rental business in Kuala Lumpur, Malaysia, continued to be profitable. Their contributions to total overseas revenue were relatively insignificant.

Of the three major overseas destinations, the UK/Ireland segment accounted for the majority share of 53% in total overseas revenue, followed by Australia at 32% with China at 15%.

In the Group's bus business, overseas revenue accounted for about 62% of total bus revenue while operating profit accounted for close to 92%. It was the reverse in the case of the taxi segment with overseas accounting for 25% of the Group's total taxi revenue and 34% of the Group's total taxi operating profit.

## MANPOWER

Manpower is a very critical issue in our business. In 2013, we had 21,042 staff on our payroll, an increase of 3.8% over 2012. The increase was due primarily to our major bus acquisition in London as well as our build-up for the operation of the DTL in Singapore.

Overall staff profile remains unchanged with Singaporeans taking up 28% of our total workforce. Others are Malaysians (18%), British (14%), PRC nationals (12%) and Australians (10%). 46% of our staff are based outside Singapore.

In Singapore, we continue to face manpower shortages especially in the bus business. An increase in the wages of Bus Captains (BC) helped to alleviate some of the pressure resulting from the rollout of the BSEP programme.

There were three significant manpower developments in Singapore in 2013. The first was the extension of our retirement age from 65 years to 67 years. The second was the introduction of the Personal Data Protection

Act in January 2014. Under the Act, two elements are of importance to us. These are personal data protection which will be enforced in July 2014 and the "Do Not Call" registry which came into effect in January 2014. As required by the Act, respective Data Protection Officers have been appointed by the respective business units. The third development is the push for the unionisation of the PMEs (Professionals, Managers and Executives).

Rising wage bills are expected in all our operations.

## INFORMATION TECHNOLOGY

Besides manpower, information technology (IT) is another issue that is of importance to our business. We invested close to S\$16 million in IT in 2013 for the purposes of revenue growth, customer service quality and operational efficiencies. The amount spent on capital expenditure represented 0.24% of our total revenue. In 2012, it was 0.20%.

In 2013, IT security in the Group was enhanced to provide a multi-tier defence protection for our IT services and applications against a new breed of malware and cyber-attack threats that had emerged globally.

The booking and despatch system of Singapore's taxi business was enhanced to increase the capacity as well as to improve the call centre efficiency and cater rates for customer bookings. Automated bookings now account for 88% of all bookings.

The Intelligent Route Information System or *iris* app reached over one million users in Singapore in 2013. This system is also used to communicate rail and bus service disruption notifications to commuters.

In UK, all the taxi operations outside London are being upgraded with the MT Data taxi booking and despatch systems. This system is also used by Swan Taxis in Perth.

## FINANCE

I am very pleased to report that 2013 was another successful year with total Group revenue growing by 5.7% to S\$3.75 billion. Group operating profit rose slower than revenue but still achieved a respectable 3.4% growth to S\$426.3 million. Both bus and taxi sectors continued to top the revenue figures at 50% and 32% respectively of total Group revenue, with the bus business accounting for a larger chunk of the increase in Group revenue compared to previously. Combined, these two businesses accounted for 82% of total Group revenue.

In Group operating profit, both bus and taxi sectors took top spots with 37% and 34% respectively of total Group

operating profit. Bus business made a bigger contribution compared to 2012, improving by about 2% points.

Our overseas operations accounted for about 41% of total Group revenue, similar to the 2012 contribution, while overseas operating profit accounted for close to 49% of total Group operating profit, compared to 46% previously. In fact, the strong Singapore dollar had brought down these overseas figures.

In the bus business, the combined operations in London and Australia outshone the Singapore numbers in both revenue and operating profit. Overseas revenue in bus was 62% of total Group bus revenue while operating profit was 92% of total Group bus operating profit. These were 1% point each higher than 2012. It was a different phenomenon in the taxi sector in which the overseas segment took up 26% of total Group taxi revenue and operating profit contributed 34% of total Group taxi operating profit. This compared to 27% and 34% respectively in 2012.

Profit before tax in 2013 was S\$414.3 million. This is 4.6% better than 2012. Correspondingly, net profit attributable to shareholders was S\$263.2 million. This is also 5.7% better than 2012. Earnings per share in 2013 was 12.43 cents compared to 11.89 cents in 2012. This is 4.5% better. Net asset value per share reached 101.37 cents in 2013. This is 5.83 cents or 6.1% higher than 2012. Returns on both equity and total assets were 12.64% and 6.64% respectively.

Our Group capital expenditure in 2013 was S\$500.1 million. This is 3.8% lower than 2012. The bulk of the capital expenditure was in Singapore.

Overseas investment in 2013 was higher than 2012 at S\$137.3 million. This is due to the large bus acquisition in London, as well as the smaller bus acquisition in Melbourne, Australia.

The Balance Sheet of the Group continues to be strong. Total assets stood at S\$5.08 billion as at the end of 2013. This is S\$238.9 million or 4.9% higher than 2012. Total shareholders' equity without minority interest had risen by 7.3% to S\$2.15 billion. The Group's total borrowings was S\$807.9 million, 14.8% more than 2012. There was however a net cash position of S\$22.7 million compared to a net debt position of S\$9.0 million a year ago. The Group's gross gearing ratio was 28.9% as at 31 December 2013 compared to 26.7% as at 31 December 2012.

Your Directors have recommended a tax-exempt one-tier final dividend of 4 cents per share. This will be subject to Shareholders' approval at its Annual General Meeting on 25 April 2014. Together with the tax-exempt one-tier interim dividend of 3 cents per share paid earlier, the total dividend for 2013 would be 7 cents per share. This is in line

with our declared policy of paying at least 50% of our profit as dividend. The 2013 figure represents about 56.5% of our payout ratio. Against the year-end price of S\$2.01, this gives a dividend yield of 3.48%.

## INVESTOR RELATIONS

We continue to have an active investor relations programme. Our investor relations unit held 135 meetings with research houses and analysts in 2013. We also participated in seven investor conferences and non-deal roadshows in Singapore, Hong Kong and Tokyo. More than 120 reports were issued by 13 research houses on our Group.

All our Shareholders are kept fully informed of significant activities that have bearings on investment. Our websites are updated regularly and public announcements are made promptly. Our dates of releasing our quarterly results are made in advance. Our annual Shareholders' Meeting is well publicised via the release of our Annual Report. The Shareholders' Meeting is held transparently with the Board of Directors in full attendance. Voting of resolutions is done by polls electronically and in a very transparent manner.

At the end of 2013, our market capitalisation was S\$4.272 billion. This is an increase of 14.2% over 2012. We were placed at 41st position out of over 800 listed companies in Singapore compared to our 47th position in 2012. We outperformed the ST Index and FTSE ST All-Share Index by 12.9% and 13.9% points respectively.

## CORPORATE COMMUNICATIONS AND SOCIAL RESPONSIBILITY

In the nature of our land transport business, we are in contact with commuters and passengers daily. In every one of our locations, be it Singapore or overseas, specific staff are assigned to handle this subject. Whether we are in the right or wrong, we respond to every query and occurrence promptly.

In the area of corporate social responsibility, we continued to focus on extending a helping hand to the community, the poor, the sick, the underprivileged and the aged.

In Singapore, we are now in the fourth year of our five-year partnership with Lions Befrienders Service Association (Singapore). Through it, we continued with the Home Improvement Programme to help the elderly by improving the quality of living. In UK, the Memorandum of Understanding with Brathay Trust entered its second year to help reduce anti-social behaviour amongst vulnerable youths through education and mentorship. Metroline also continued with its Wheel Power! initiative that mobilises and coordinates skills available in the Company to promote volunteerism within the London community.

# CHAIRMAN'S STATEMENT

In China, we pledged to help another school in a remote village to upgrade its facilities including adding air-conditioning, a new library and playground. We also made cash donations in Ya'an, Sichuan, when the earthquake struck earlier in 2013.

In Australia, we worked with the NSW police to promote safety on board buses for children.

We provided free train rides to the elderly residents from Kwong Wai Shui Hospital in Singapore. We also provided free taxi rides to the needy including poor families, chronically-ill children, the disabled and their families. For the Handicaps Welfare Association, we waived booking charges for taxi trips. We provided engineering maintenance services to charitable organisations at subsidised rates. In China, we provided free taxi rides to needy students during the National Education Entrance Examination as well as blood donors and the disabled. Free travel vouchers were provided to charities in Scotland. In Melbourne, free two-way transfers for volunteers of the Salvation Army and the Red Cross Society were provided throughout the year. In Sydney, we provided discounted charters to schools.

In the area of environmentalism, practically all our operations are equipped with vehicles that are of Euro 4 or 5 standards. In China, we continued to care for the trees we planted to offset the carbon footprint of the vehicles bought. In UK, we upped our Green quotient by taking on not just one but two carbon-offsetting projects.

Earth Hour continued to be observed throughout the Group.

## CHALLENGES

Singapore is in a state of change. The land transport business is undergoing unprecedented expansion to cope with the increased population. Manpower shortage is becoming critical. We are therefore faced with the singular problem of balancing wages with the shortfall in headcount. All eyes continue to be glued on any impending changes to the Employment of Foreign Manpower Act, Industrial Relations Act and Employment Act.

As the Authorities began to implement the 2013 Land Transport Master Plan and the New Fare Formula, contestability in bus and rail operations is expected. Contestability trials are ongoing and their eventual outcomes will have consequences on our future business decisions and models.

The global scene is expected to remain uncertain. While overseas expansion continues to be our focus and attention, intense competition is also expected. Rising

costs in developing and developed economies will continue to reign.

The search for vehicles with better emission continues to rank high on our list of priorities as protection of the environment is of paramount importance to us. We are also keeping a keen eye on the commercialisation of driverless vehicles.

We continue to employ technology in all our businesses, with a view to update and improve all the time.

We are only as good as our staff which is why their welfare and well-being is never compromised.

In meeting the high standards laid down by the Authorities, we have to strike a balance with the expectations of our commuters as well as our Shareholders.

## APPRECIATION

I wish to thank Managing Director/Group CEO Kua Hong Pak for his exemplary leadership, extreme perseverance, hard work and determination in managing and guiding the Group under challenging conditions, both locally and abroad. I also wish to thank all our staff for their commitment, sacrifice and hard work in delivering their services.

My appreciation also goes to my fellow Directors for their understanding, cooperation and assistance as we face mammoth challenges in an evolving corporate environment and amidst new business conditions.

My gratitude also goes to the various Governments and Authorities for entrusting us the responsibility of delivering important land transport services to the populations and the communities we serve.

To the Unions in the countries where we operate, thank you for your understanding and continued cooperation as we work together to look after the welfare and well-being of our staff.

To the Customers we serve, thank you for your continued support.

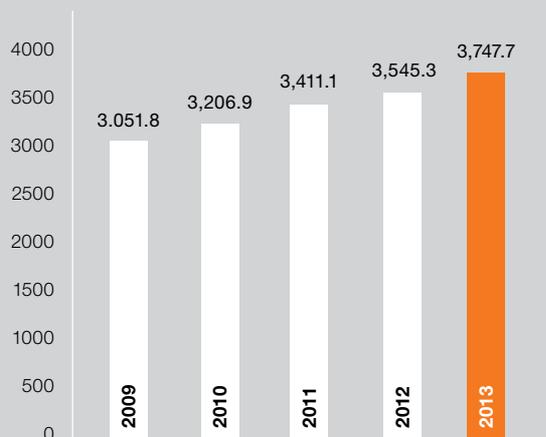
I am very confident that we will continue to grow and overcome the challenges that mark our path.

## LIM JIT POH

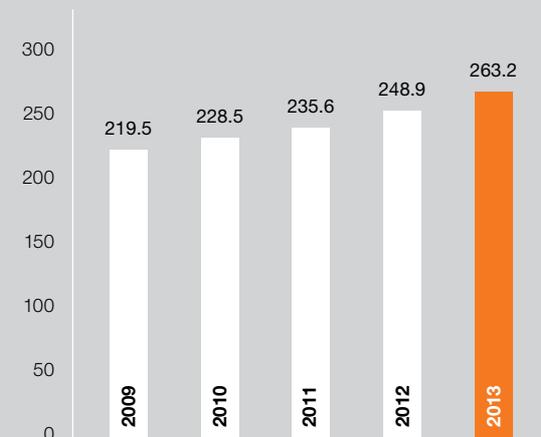
Chairman  
February 2014

# GROUP FINANCIAL HIGHLIGHTS

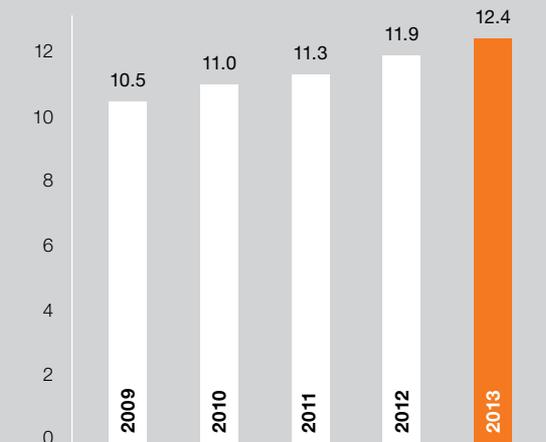
## REVENUE (S\$'mil)



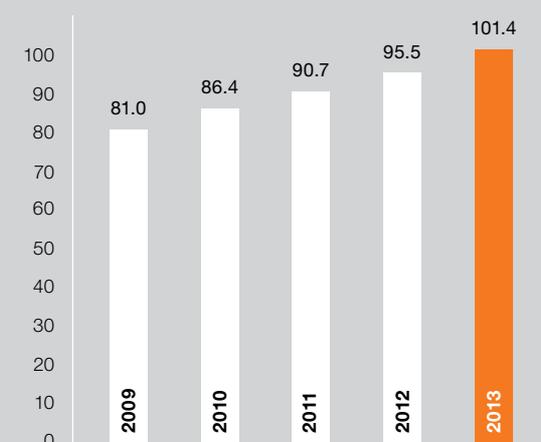
## PROFIT ATTRIBUTABLE TO SHAREHOLDERS (S\$'mil)



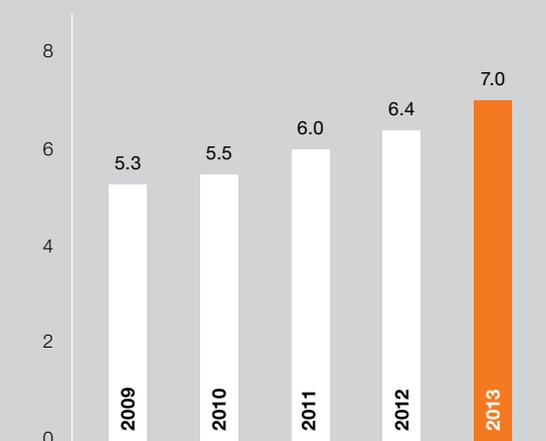
## EARNINGS PER ORDINARY SHARE (cents)



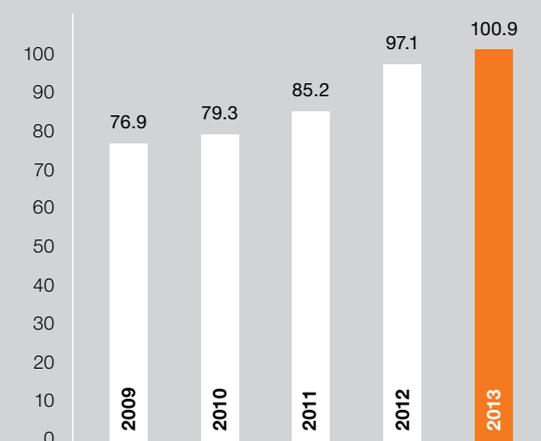
## NET ASSET VALUE PER ORDINARY SHARE (cents)



## TOTAL DIVIDEND PER ORDINARY SHARE (cents)



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



# GROUP FINANCIAL HIGHLIGHTS

## FINANCIAL SUMMARY

	2009	2010	2011	2012	2013
Revenue (S\$'mil)	3,051.8	3,206.9	3,411.1	3,545.3	3,747.7
Operating expenses (S\$'mil)	2,701.9	2,818.5	3,011.9	3,133.0	3,321.4
Profit attributable to shareholders (S\$'mil)	219.5	228.5	235.6	248.9	263.2
EBITDA (S\$'mil)	629.8	679.3	715.8	735.3	763.7
Issued capital (S\$'mil)	561.7	565.5	568.6	585.1	622.7
Capital and reserves (S\$'mil)	1,690.0	1,804.2	1,897.4	2,008.2	2,154.7
Capital disbursement (S\$'mil)	446.7	491.0	560.6	519.6	500.1
Internal funds generated (S\$'mil)	648.5	697.4	723.1	743.4	770.0
Earnings per ordinary share (cents)	10.5	11.0	11.3	11.9	12.4
Net asset value per ordinary share (cents)	81.0	86.4	90.7	95.5	101.4
Return on shareholders' equity (%)	13.5	13.1	12.7	12.7	12.6
Total dividend per ordinary share (cents)	5.3	5.5	6.0	6.4	7.0
Dividend cover (number of times)	2.0	2.0	1.9	1.8	1.8

## GROUP REVENUE BY BUSINESS SEGMENT

	2009		2010		2011		2012		2013	
	S\$'mil	%								
Bus	1,530.9	50.2	1,612.2	50.3	1,684.1	49.4	1,710.4	48.2	1,861.1	49.7
Bus station	21.4	0.7	22.7	0.7	23.9	0.7	25.7	0.7	28.6	0.8
Rail	119.7	3.9	134.4	4.2	147.0	4.3	153.2	4.3	164.7	4.4
Taxi	927.6	30.4	981.9	30.6	1,039.2	30.5	1,129.8	31.9	1,197.9	32.0
Automotive engineering services	307.4	10.1	300.1	9.4	351.6	10.3	354.9	10.0	316.5	8.4
Inspection and testing services	77.3	2.5	83.7	2.6	90.9	2.7	97.8	2.8	105.7	2.8
Car rental and leasing	33.3	1.1	33.6	1.0	35.4	1.0	35.5	1.0	35.2	0.9
Driving centre	34.2	1.1	38.3	1.2	39.0	1.1	38.0	1.1	38.0	1.0
<b>Group</b>	<b>3,051.8</b>	<b>100.0</b>	<b>3,206.9</b>	<b>100.0</b>	<b>3,411.1</b>	<b>100.0</b>	<b>3,545.3</b>	<b>100.0</b>	<b>3,747.7</b>	<b>100.0</b>

## GROUP REVENUE BY GEOGRAPHICAL SEGMENT

	2009		2010		2011		2012		2013	
	S\$'mil	%								
Singapore	1,729.2	56.7	1,832.8	57.1	1,971.1	57.7	2,103.5	59.3	2,229.8	59.5
United Kingdom / Ireland	749.3	24.5	711.5	22.2	688.1	20.2	680.6	19.2	802.3	21.4
Australia	276.7	9.1	377.5	11.8	465.8	13.7	492.2	13.9	485.0	12.9
China	285.0	9.3	274.7	8.6	276.5	8.1	259.5	7.3	220.1	5.9
Vietnam	7.7	0.3	7.4	0.2	6.8	0.2	6.1	0.2	6.3	0.2
Malaysia	3.9	0.1	3.0	0.1	2.8	0.1	3.4	0.1	4.2	0.1
<b>Group</b>	<b>3,051.8</b>	<b>100.0</b>	<b>3,206.9</b>	<b>100.0</b>	<b>3,411.1</b>	<b>100.0</b>	<b>3,545.3</b>	<b>100.0</b>	<b>3,747.7</b>	<b>100.0</b>

## GROUP OPERATING PROFIT BY BUSINESS SEGMENT

	2009		2010		2011		2012		2013	
	S\$'mil	%								
Bus	123.9	35.4	149.2	38.4	145.0	36.3	144.6	35.1	157.4	36.9
Bus station	10.3	2.9	10.6	2.7	10.8	2.7	11.4	2.8	12.4	2.9
Rail	20.5	5.8	25.6	6.6	27.7	6.9	14.3	3.5	4.8	1.1
Taxi	105.2	30.1	119.3	30.7	129.6	32.5	141.1	34.2	146.2	34.3
Automotive engineering services	51.2	14.6	39.1	10.1	37.5	9.4	51.2	12.4	52.7	12.4
Inspection and testing services	24.7	7.1	27.3	7.0	30.7	7.7	32.6	7.9	35.2	8.3
Car rental and leasing	4.4	1.3	5.9	1.5	7.3	1.8	8.9	2.1	9.1	2.1
Driving centre	9.7	2.8	11.4	3.0	10.6	2.7	8.2	2.0	8.5	2.0
<b>Group</b>	<b>349.9</b>	<b>100.0</b>	<b>388.4</b>	<b>100.0</b>	<b>399.2</b>	<b>100.0</b>	<b>412.3</b>	<b>100.0</b>	<b>426.3</b>	<b>100.0</b>

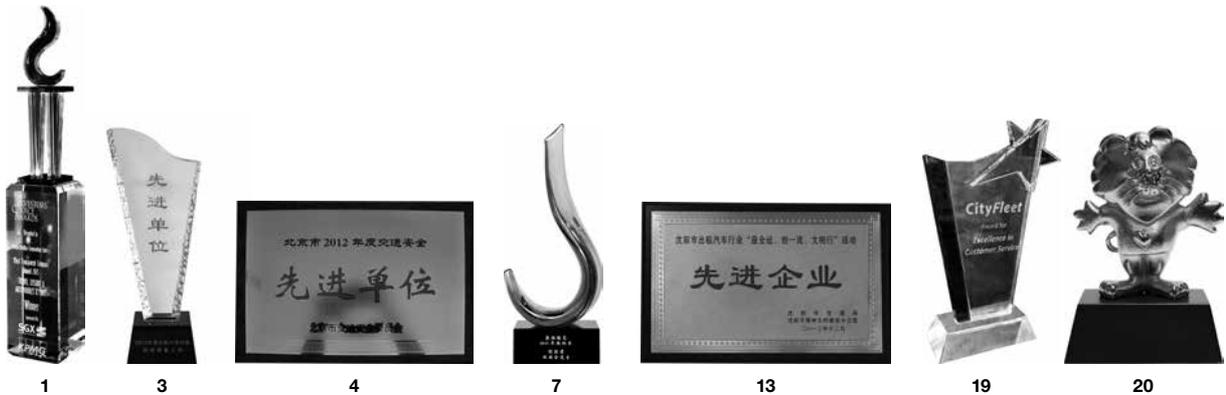
## GROUP OPERATING PROFIT BY GEOGRAPHICAL SEGMENT

	2009		2010		2011		2012		2013	
	S\$'mil	%								
Singapore	212.2	60.6	225.5	58.0	216.3	54.1	221.6	53.8	217.7	51.1
United Kingdom / Ireland	53.5	15.3	52.0	13.4	48.8	12.2	48.1	11.7	62.9	14.8
Australia	39.8	11.4	66.7	17.2	88.5	22.2	96.2	23.3	95.1	22.3
China	43.2	12.3	43.2	11.1	44.2	11.1	44.9	10.9	49.2	11.5
Vietnam	0.6	0.2	0.8	0.2	1.1	0.3	0.9	0.2	0.6	0.1
Malaysia	0.6	0.2	0.2	0.1	0.3	0.1	0.6	0.1	0.8	0.2
<b>Group</b>	<b>349.9</b>	<b>100.0</b>	<b>388.4</b>	<b>100.0</b>	<b>399.2</b>	<b>100.0</b>	<b>412.3</b>	<b>100.0</b>	<b>426.3</b>	<b>100.0</b>

## VALUE-ADDED FOR THE GROUP

	2009		2010		2011		2012		2013	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Suppliers of capital - loan interest and dividends	155.5	9.0	175.8	9.8	176.8	9.3	194.4	9.9	193.5	9.1
Taxation to the government	179.3	10.5	204.9	11.4	215.2	11.4	223.8	11.4	227.9	10.7
Retained earnings	420.1	24.5	428.7	23.8	459.2	24.3	456.9	23.2	484.9	22.9
Employees - salaries and other staff costs	960.3	56.0	991.1	55.0	1,040.5	55.0	1,093.3	55.5	1,216.7	57.3
Total value-added	1,715.2	100.0	1,800.5	100.0	1,891.7	100.0	1,968.4	100.0	2,123.0	100.0
<b>Value-added per employee (S\$'000)</b>	<b>76.9</b>		<b>79.3</b>		<b>85.2</b>		<b>97.1</b>		<b>100.9</b>	

# AWARDS & ACCOLADES



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

## COMFORTDELGRO CORPORATION

1. Winner in the Travel, Leisure & Automobiles & Parts category for the Most Transparent Company Award at the Securities Investors Association (Singapore) (SIAS) Investors' Choice Award 2013

## BEIJING JIN JIAN TAXI SERVICES

2. Advanced Management Staff in District Traffic Security 2012 by Shi Jing Shan District Traffic Safety Committee
3. Advanced Unit on Security Information in the Taxi Industry 2012 by Beijing Municipal Public Security Traffic Management Bureau
4. Advanced Unit on Traffic Safety 2012 by Beijing Municipal Traffic Safety Committee
5. Advanced Worker in Beijing Municipal Taxi Industry Public

Security by Beijing Municipal Public Security Traffic Management Bureau

## CHENGDU COMFORTDELGRO TAXI

6. Caring Company Award by the People's Government of Gao Xin District
7. Hu Anquan won Passion! Award 2013
8. Over RMB1 Million Annual Tax Enterprise Award by the People's Government of Jinniu District
9. Runner-up in the Chengdu Taxi Industry Service Quality Competition

## CHONGQING COMFORTDELGRO DRIVER TRAINING

10. Rated four-star by the Chongqing Administration for Road and Transport

11. Zeng Qi was Champion in the Cart category and Bo Xinlin came in sixth in the Car category at the 2013 Chongqing Vehicle-Training Instructors' Skills Competition

## CITYCAB (SHENYANG)

12. 57 taxi drivers were commended as "Taxi Star" by Shenyang Transportation Bureau
13. AAA Taxi Enterprise for Service Quality in 2013
14. Contract Observing and Trustworthy Company of Liaoning 2012
15. Contract Observing and Trustworthy Company of Shenyang 2012
16. Four taxi drivers were commended as "Satisfied Taxi Driver" by Shenyang Transportation Bureau



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## CITYFLEET NETWORKS

17. ISO 14001 Environmental Management Certification
18. ISO 9001 Quality Management Certification
19. Kerry Riley won the Excellence in Customer Service Award 2013

## COMFORTDELGRO BUS

20. 15 National Kindness Award-Transport Gold 2013 winners
21. Safety Performance Award by Petrochemical Corporation of Singapore
22. Safety Performance Award by The Polyolefin Corporation (S)

## COMFORTDELGRO CABCHARGE

23. Ryan Williams came in third at the Scania Young Australian Bus Driver of the Year Competition 2012

## COMFORTDELGRO DRIVING CENTRE

24. "Premium Status" in the Goods and Service Tax-Assisted Compliance Assurance Programme by the Inland Revenue Authority of Singapore (IRAS)
25. Distinguished Home Team Partner Award 2013 by the Ministry of Defence

26. Meritorious Defence Partner Award 2013 by the Ministry of Home Affairs

## COMFORTDELGRO ENGINEERING

27. 42 National Kindness Award-Transport Gold 2013 winners
28. BizSafe Star by the Ministry of Manpower
29. BS OHSAS 18001:2007 Certification
30. Jimmy Ng received the May Day Model Partnership Award in the individual "Progressive Wage Model" category
31. May Day Model Partnership Award in the institutional "Develop a Resilient & Adaptable Workforce" category
32. May Day Model Partnership Award in the institutional "Progressive Wage Model" category
33. Singapore Quality Class Recertification

## COMFORTDELGRO INSURANCE BROKERS

34. Singapore SME 1000 Company

## COMFORTDELGRO RENT-A-CAR (CHENGDU)

35. 2013 Golden Bull Taxpayer Award
36. ISO 9001 Quality Management Certification

## COMFORTDELGRO SAVICO TAXI

37. Active Participant Award by the Ho Chi Minh City Taxi Association

## COMFORTDELGRO TAXIS

38. 279 Excellent Service Award winners
39. 38 National Kindness Award-Transport Gold 2013 winners
40. Ang Yeow Chuan was one of three Kindness Champions at the National Kindness Award-Transport Gold 2013
41. ISO 22301 Certification for Business Continuity Management by Lloyd's Register Quality Assurance (LRQA)
42. Lim Soon Keng and Thomas Charles were finalists in the Customer Service-Transport (Taxi) category at the Singapore Experience Awards 2013

# AWARDS & ACCOLADES



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- 43. Tan Poh Seng won the Customer Service-Transport (Taxi) category at the Singapore Experience Awards 2013
- 44. Yang Ban Seng, Chief Executive Officer (Taxi Business), received the Medal of Commendation at the NTUC May Day Awards

- 49. Outstanding Unit in Developing Enterprise Culture for the National Traffic and Transportation Industry
- 50. Top 100 Best Bus Stations with Integrity for National Road Transport by the China Road Transport Association

- 56. Integrated Quality System Certification covering ISO 9001:2008 Quality Management Certification, EMS 14001:2004 Environmental Management Certification and OHSAS 18001:2007 Occupational Health & Safety Management Certification

## GUANGZHOU XIN TIAN WEI DEVELOPMENT

- 45. Guangdong Outstanding and Trusted Enterprise 2012
- 46. Guangdong Trusted Model Enterprise by the Guangdong Enterprise Confederation/ Guangdong Entrepreneur Association for the fourth consecutive year
- 47. Guangzhou "March 8th Women's Day Honour" for 2012 by Guangzhou Women's Federation
- 48. Marc Tay, Chief Executive Officer of South China Business Unit, won the Outstanding Station Master Award as well as one of top 10 Best Managers for Innovative Technological Management at the Second National Road Transport and Bus Station Awards by the China Road Transport Association

## JILIN COMFORTDELGRO TAXI

- 51. Advanced Unit in Traffic Safety Management by the Jilin City Traffic Safety Committee

## METROLINE

- 52. Cricklewood Garage was highly commended in the London Garage of the Year category at the 2013 UK Bus Awards
- 53. Euphema Wallace won the Accessibility Champion at the 2013 London Bus Awards
- 54. Leslie Peacock was joint Runner-up for the Top London Bus Driver category at the 2013 London Bus Awards

## MOOVE MEDIA

- 55. Finalist for Best Use of Outdoor at the Singapore Media Awards 2013

## NANJING COMFORTDELGRO DAJIAN TAXI

- 57. Ranked first in the 2012 AAA rating of taxi operators for service quality and trustworthiness

## NANNING COMFORT TRANSPORTATION

- 58. 10 taxi drivers earned spots in "100 Best Drivers"
- 59. 75 drivers awarded "Best Driver" by Nanning Comfort Transportation
- 60. Best Taxi Operator Unit for ninth year

## SBS TRANSIT

- 61. 1,205 Excellent Service Award winners
- 62. 120 National Kindness Award-Transport Gold 2013 winners



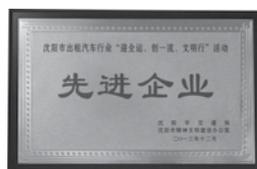
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- 63. Alan Ng, Lee Boon Yee and Philip Koo received the May Day Model Partnership Award in the Individual category
- 64. Bronze for Best Annual Report for Companies with less than S\$1 billion in the Market Capitalisation category at the Singapore Corporate Awards 2013
- 65. ISO 22301:2012 Societal Security-Business Continuity Management System by SGS International Certification Services Singapore
- 66. ISO 9001:2008 Quality Management Recertification
- 67. Plaque of Commendation (Star) Award at the NTUC May Day Awards
- 68. Runner-up for the Singapore Corporate Governance Award in the Mid-Cap category (market capitalisation of S\$300 million to less than S\$1 billion) at the SIAS Investors' Choice Award 2013

### SCOTTISH CITYLINK COACHES

- 69. Operator Excellence Awards Innovation of the Year by Route One

### SETSCO SERVICES

- 70. "Best Contractor" by Jurong Aromatics Corporation and S K Engineering & Construction
- 71. "Premium Status" in the Goods and Service Tax-Assisted Compliance Assurance Programme by IRAS
- 72. BizSafe Star by the Ministry of Manpower
- 73. Meritorious Defence Partner Award 2013 by the Ministry of Defence
- 74. People Developer Standard Recertification
- 75. Safety Performance Award by Petrochemical Corporation of Singapore
- 76. Singapore Quality Class Recertification

### SHENYANG COMFORTDELGRO TAXI

- 77. AAA Taxi Enterprise for Service Quality in 2013
- 78. Contract Observing and Trustworthy Company of Liaoning for 2012

- 79. Contract Observing and Trustworthy Company of Shenyang for 2012

- 80. Tan He Chun and Zhao Yu Hai were named "Five Star Taxi Driver"

### VICOM

- 81. "Premium Status" in the Goods and Service Tax-Assisted Compliance Assurance Programme by IRAS
- 82. Bronze for Best Investor Relations in the Companies with S\$300 million to less than S\$1 billion in the Market Capitalisation category at the Singapore Corporate Awards 2013
- 83. Distinguished Defence Partner Award 2013 by the Ministry of Defence

### VIETNAM TAXI

- 84. Excellent Company Award by Upper Trade Union

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**LIM JIT POH**

Chairman

**KUA HONG PAK**

Managing Director/Group Chief Executive Officer

**ONG AH HENG**

**OO SOON HEE**

**SUM WAI FUN, ADELINE**

**TOW HENG TAN**

**WANG KAI YUEN**

**WONG CHIN HUAT, DAVID**

## AUDIT AND RISK COMMITTEE

**WONG CHIN HUAT, DAVID**

Chairman

**ONG AH HENG**

**OO SOON HEE**

**SUM WAI FUN, ADELINE**

## REMUNERATION COMMITTEE

**TOW HENG TAN**

Chairman

**LIM JIT POH**

**WANG KAI YUEN**

**WONG CHIN HUAT, DAVID**

## NOMINATING COMMITTEE

**LIM JIT POH**

Chairman

**ONG AH HENG**

**OO SOON HEE**

## INVESTMENT COMMITTEE

**LIM JIT POH**

Chairman

**KUA HONG PAK**

**SUM WAI FUN, ADELINE**

**TOW HENG TAN**

**WANG KAI YUEN**

## CORPORATE DIRECTORY

**Registered Office**

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

**Company Secretary**

CHAN WAN TAK, WENDY

**Share Registrar**

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

**Auditors**

Deloitte & Touche LLP  
Public Accountants and Chartered Accountants  
6 Shenton Way, OUE Downtown 2  
#32-00  
Singapore 068809

Partner-in-Charge:  
PHILIP YUEN EWE JIN

Date of Appointment:  
26 April 2013

# BOARD OF DIRECTORS



## LIM JIT POH

### Chairman

### (Non-Executive & Independent)

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

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

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

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

Pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Lim will be due for re-appointment as a Director at the forthcoming Annual General Meeting to be held on 25 April 2014.

# BOARD OF DIRECTORS



## **KUA HONG PAK**

**Managing Director/  
Group Chief Executive Officer**

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

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

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

Pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Kua will be due for re-appointment as a Director at the forthcoming Annual General Meeting to be held on 25 April 2014. He is a non-independent Director of the Company.



## **ONG AH HENG**

**Director  
(Non-Executive & Independent)**

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

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

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

Pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Ong will be due for re-appointment as a Director at the forthcoming Annual General Meeting to be held on 25 April 2014.



## **OO SOON HEE**

**Director  
(Non-Executive & Independent)**

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

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

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

Pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Oo will be due for re-appointment as a Director at the forthcoming Annual General Meeting to be held on 25 April 2014.



## **SUM WAI FUN, ADELINE**

**Director  
(Non-Executive & Non-Independent)**

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

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

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 25 April 2014. She is a non-independent Director of the Company.

# BOARD OF DIRECTORS



## TOW HENG TAN

**Director  
(Non-Executive & Independent)**

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

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

Mr Tow is a Fellow of the Association of Chartered Certified Accountants (UK), a Fellow of the Chartered Institute of Management Accountants (UK) and is a Member of the Institute of Singapore Chartered Accountants (formerly known as 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 26 April 2013.



## WANG KAI YUEN

**Director  
(Non-Executive & Independent)**

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

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

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

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 26 April 2013.



## **WONG CHIN HUAT, DAVID**

### **Director (Non-Executive & Independent)**

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

Mr Wong is the Senior Partner of Ramdas and Wong, a position he has held since June 1974.

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

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

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

Pursuant to Article 91 of the Company's Articles of Association, Mr Wong will be due for re-election at the forthcoming Annual General Meeting to be held on 25 April 2014.

# KEY MANAGEMENT

## CORPORATE OFFICE



### CHOO CHEK SIEW

#### Group Financial Officer

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



### NG TONG SING

#### Group Information Officer

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



### CHAN MUI WAH, DAISY

#### Group Human Resource Officer

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



### TAN I-LIN, TAMMY

#### Group Corporate Communications Officer

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



## **CHOO PENG YEN**

### **Group Investor Relations and Special Projects Officer**

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



## **ENG SOK YONG**

### **Group Business Development Officer**

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



## **ONG POH SIM, MAY**

### **Group Internal Audit Officer**

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



## **CHAN WAN TAK, WENDY**

### **Company Secretary**

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

# KEY MANAGEMENT

## BUSINESS UNITS – SINGAPORE



### GAN JUAY KIAT

#### Chief Executive Officer, SBS Transit

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



### YANG BAN SENG

#### Chief Executive Officer, Taxi Business, ComfortDelGro

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



### SIM WING YEW

#### Chief Executive Officer, VICOM

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



### CHUA TECK LEONG, JIMMY

#### Chief Executive Officer, ComfortDelGro Insurance Brokers

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



## HUAM CHAK KHOON

### Chief Executive Officer, ComfortDelGro Driving Centre

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



## JAYNE KWEK

### Chief Executive Officer, Moove Media

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



## ONG BENG TIN, MARY

### Chief Executive Officer, ComfortDelGro Rent-A-Car

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



## PANG WENG HENG

### Chief Operating Officer, ComfortDelGro Bus

Mr Pang Weng Heng is the Chief Operating Officer of ComfortDelGro Bus Pte Ltd. He joined the Group in September 1978. Prior to his transfer to ComfortDelGro Bus in 2000, he served in the Operations, Finance, and Projects Departments of Comfort Transportation Pte Ltd. Mr Pang holds a Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants and a Diploma in Management Studies from the Singapore Institute of Management.



## ANG SOO HOCK

### Chief Operating Officer, ComfortDelGro Engineering

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

# KEY MANAGEMENT

## BUSINESS UNITS – CHINA



### LEONG KWOK SUN

#### Chief Executive Officer, North China Business Unit

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



### TAN SEOW BOON, SIMON

#### Chief Executive Officer, West China Business Unit

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



### TANG YEW MENG, RICHARD

#### Chief Executive Officer, East China Business Unit

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



### TAY CHEW LIANG, MARC

#### Chief Executive Officer, South China Business Unit

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

# KEY MANAGEMENT

## BUSINESS UNITS – AUSTRALIA



### JIM GLASSON

#### Chief Executive Officer, ComfortDelGro Cabcharge

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



### YAP SOON HUA, NICHOLAS

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

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



### TAN KIM HUAT

#### Chief Executive Officer, Swan Taxis

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

# KEY MANAGEMENT

## BUSINESS UNITS – UNITED KINGDOM / IRELAND



### JASPAL SINGH

#### **Chief Executive Officer, United Kingdom/Ireland Business Unit**

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

## BUSINESS UNITS – VIETNAM



### LIM MENG HOCK, ALAN

#### **General Director, ComfortDelGro Savico Taxi**

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



### LIM CHAI HWEE

#### **General Director, Vietnam Taxi**

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

## BUSINESS UNITS – MALAYSIA



### CHIA WING TOO, ERIC

#### **General Manager, Malaysia Business Unit**

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

# OPERATIONS REVIEW

## SINGAPORE



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

Revenue (S\$'mil)	Total Investment (S\$'mil)	Total Operating Fleet Size	Total Number of Employees
2,229.8	388.5	22,035	11,379

## BUS

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

### PUBLIC SCHEDULED BUS

Our public-listed scheduled bus subsidiary, SBS Transit Ltd, operates a fleet of 3,326 buses and 255 bus services comprising 201 basic services, 31 premium services and 23 niche bus services. During the year, ridership increased by 3.1% to 973.5 million passengers.

To cater to rising demand and to improve comfort levels of bus journeys, 403 new buses were rolled out during the year. With these, SBS Transit's entire fleet became fully air-conditioned in September 2013. With an expanded fleet, the Land Transport Authority (LTA) offered a temporary bus park in Changi which has a capacity for about 260 buses. Buses that serve the Tampines Bus Interchange are parked at this facility.

Buses rolled out under the Government's Bus Service Enhancement Programme (BSEP) were put into service on five new routes and on 39 heavily-utilised services. On its own, SBS Transit also added more buses and deployed

double deck buses to 45 services. It added 112 more peak hour trips per weekday to some of these services. In all, 80 services were improved.

SBS Transit's Intelligent Route Information System or *iris* app continued to rise in popularity. Besides making it available on 11 other smartphone apps, which were developed by private individuals and organisation, SBS Transit also broadened the app on new platforms such as the Blackberry 10 mobile device. During the year, the *iris* app and the other smartphone apps collectively received an average of five million queries a day for the next bus arrival timings – an increase of two million daily hits compared to 2012.

### PRIVATE BUS CHARTER

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

In September 2013, ComfortDelGro Bus became the first private bus operator to clinch the City Direct bus service licence to provide express bus service between Jurong

# OPERATIONS REVIEW

## SINGAPORE

West and the Central Business District (CBD) for two years under the LTA's BSEP. Two months later, it won a second tender to operate another City Direct bus service between Bukit Batok and Hillview to the CBD for two years, starting from January 2014. Both contracts are valued at a combined S\$1.96 million. ComfortDelGro Bus was awarded a third contract in the first quarter of 2014 to operate one of five Peak Period Short Services operating from Bedok MRT station to Chai Chee Drive for two years.

ComfortDelGro Bus also remained the preferred bus chartering provider for the National Day Parade, Singapore Armed Forces Day, the Army Open House, the Singapore F1 Grand Prix night races, as well as the Standard Chartered Marathon.

### TAXI

Our taxi companies in Singapore, Comfort Transportation Pte Ltd and CityCab Pte Ltd, continued to command the lion's share of the market with a combined fleet of about 16,600 taxis.

The ComfortDelGro Taxi Booking app, which is available on all smartphone devices, registered a total of 2.13 million downloads in 2013. Taxi bookings made via the app alone climbed to 13.3 million and accounted for about 41% of all taxi bookings. The SMS-A-Taxi booking service also recorded an increase in taxi bookings to 3.8 million. These, together with the other data channel bookings and Interactive Voice Response channels, translated into 88% of total taxi bookings. Total taxi bookings for 2013 hit a record 32.5 million, an 8.3% increase from 2012. The number of taxi commuters opting for cashless payments also increased with 15.7 million cashless transactions made – 18% more than the previous year.

In December 2013, ComfortDelGro Taxis began installing an extra "eye" in its taxis as an added safety and security measure. The in-vehicle camera is equipped with a 140° focus lens, a 2.7-inch LCD screen and special "low-lighting" recording functions. It serves to establish clearly the liability during accidents, which will, in turn, quicken claims processes. Installation is expected to complete across the entire fleet of taxis by early-2014.

ComfortDelGro Taxis remained committed to the preservation of the environment and continued to add newer and greener vehicles to its growing fleet. During the year, it rolled out 315 Euro 5 Hyundai i-40 taxis. With this addition, about 95% of its fleet are environmentally friendly.

Both taxi companies continued to do well to meet the LTA's Quality of Service standards, as well as the Taxi Availability standards.

### RAIL

Demand for our rail services continued to remain strong in 2013 with more than 204.8 million passenger trips made. This represented an increase of 6.9% over the previous year.

Average daily ridership on the North East Line (NEL) grew by 6.1% to 481,000 while that of the two Light Rail Transit (LRT) systems in Punggol and Sengkang increased by 11.5% to a daily average of 79,000.

Phase One of the Downtown Line (DTL), Singapore's fifth MRT line with 34 stations, opened for revenue service in December 2013. The fully automated, underground rail system operated by SBS Transit recorded a ridership of 674,000 in the first 10 days of its service. By the end of January 2014, a daily average of 52,000 commuter rides was registered.

The first of the 18 new trains ordered for the NEL by the LTA in 2012 is expected to be delivered in the second quarter of 2014, while delivery for the remaining trains is scheduled over the next two years. The new trains will have a more customer-centric interior and a better detrainment door design. In preparation for the arrival of the new trains, the NEL depot at Sengkang has upgraded its various systems including signalling and communications. Expansion of tracks to house these additional trains was completed earlier.

Concurrently, the Sengkang and Punggol LRT systems are being upgraded to prepare for a two-car operation that is scheduled for implementation in 2016. All 16 cars will be modified by August 2015, with another 16 new cars ordered. In all, the LRT fleet will increase to 57. We expect to take delivery of the first car in March 2016.

SBS Transit is also working with the LTA to enhance the signalling and the platform stopping control systems to accommodate the two-car operation. Works are expected to be completed by August 2016.

### AUTOMOTIVE ENGINEERING SERVICES

Our automotive engineering services subsidiary, ComfortDelGro Engineering Pte Ltd, experienced an overall 2% growth, thanks to higher revenue from its engineering business, namely taxi maintenance, crash repair business, parts sales as well as bus assembly.

To cope with the increase in the number of taxis passing through its servicing lanes, ComfortDelGro Engineering reorganised its Loyang workshop and converted one of its car care centres in Senoko into a taxi workshop. Together, these resulted in a 11% increase in the number of work bays. This immediately reduced the amount of wait-time for drivers by more than an hour.

ComfortDelGro Engineering successfully secured 12 new corporate contracts during the year, bringing the total number of external corporate accounts to 81. In addition to servicing external accounts, ComfortDelGro Engineering started providing maintenance for the vehicle fleet belonging to VICOM Ltd and its subsidiary, Setsco Services Pte Ltd.

Several marketing and customer engagement events organised during the year, including vehicle maintenance talks and roadshows, defensive driving courses and short overseas driving trips.

ComfortDelGro Engineering's crash repair unit, which is also the accident reporting centre for 20 insurance companies, repaired 93 more accident vehicles in 2013 after introducing a new programme to include the referral of accident vehicles.

Its vehicle assembly unit also delivered a total of 223 buses to SBS Transit and completed the installation of ticketing and bus location equipment, hand straps, interior and exterior stickers, as well as livery work on 200 Mercedes Benz Euro 5 Citaro buses.

With business volumes going up, ComfortDelGro Engineering moved up the technology ladder with a new bar coding system for its taxi parts warehousing, enabling storekeepers to locate the items simply by scanning the barcode using a wireless handheld device.

## INSPECTION & TESTING SERVICES

Our inspection and testing subsidiary, VICOM, benefitted from an increase in the number of car buyers opting for cheaper second-hand cars as new car prices hit record highs amid rising Certificate of Entitlement (COE) premiums. Its inspection centres experienced brisk business with close to 520,000 passing through its inspection lanes – 2.7% more than 2012. Contributing also to the increase in demand was the Light and Heavy goods vehicle segment that has been the focus of marketing efforts in 2013.

With the increase in demand, new inspection lines were added to both Kaki Bukit vehicle inspection centre and JIC Pioneer inspection centre. Two old inspection lines at the Ang Mo Kio vehicle inspection centre will also be replaced by the first quarter of 2014. Image-capturing devices that complement the vehicle inspection system were also introduced during the year. To further enhance the customer experience, inspection centres were spruced up with bright colours. Informative stickers were also utilised to make the inspection process more inviting and engaging. Vehicle inspectors and cashiers were outfitted with new uniforms and all vehicle inspectors also underwent the Technical Knowledge Evaluation for the ninth time to ensure they kept abreast of industry developments.

Motor insurance and road tax renewal, in-vehicle unit (IU) maintenance, car evaluation, vehicle emission certification, enforcement inspection, and accident vehicle assessment are some of the other services available to motorists who call at its inspection centres. In all, 18,296 accident reports were filed and 1,898 motorists had their vehicles repaired at approved workshops. VICOM also carried out 3,967 surveys on accident vehicles making insurance claims, and entered into arrangements with NTUC Income and ComfortDelGro's Group Claims Unit for claims matters relating to ComfortDelGro taxis and SBS Transit buses. An IU management system, which removes the need for vehicle inspectors to manually fill up multiple forms, was also rolled out during the year, resulting in a shorter turnaround for IU services.

VICOM Emission Test Laboratory (VETL) experienced strong growth in the first half of the year as parallel importers rushed to have their vehicles tested and certified before the LTA's Carbon Emission-based Vehicle Scheme came into effect in July 2013. In all, VETL tested 294 vehicles in 2013, up from 91 previously. VICOM's revamped evaluation service, VICOM Fit™, saw demand increase by 84.3% in 2013, with a total of 3,418 cars evaluated compared to 1,855 cars in 2012.

VICOM's fully-owned subsidiary, Setsco Services Pte Ltd (SETSCO) experienced growth as it secured several major jobs in the oil and gas, marine and offshore, as well as construction sectors.

Demand for testing services in the construction sector was driven by the increase in the number of public housing developments such as Build-to-Order flats by the Housing Development Board as well as the development of the Singapore Sports Hub. Other large contracts included the provision of heat treatment services for the fabrication of the Jurong Aromatics Complex Plant and the provision of Continual Educational training for construction workers on behalf of the Building & Construction Authority.

Outside Singapore, SETSCO secured a structural monitoring project for Petronas Twin Towers in Kuala Lumpur. Under the contract, SETSCO deployed seismic sensors with the Global Positioning System to monitor both the static and dynamic characteristics of the Twin Towers remotely and in real time. This state-of-the-art technology is now being marketed to building owners as a monitoring device in structural integrity assessment.

## DRIVING CENTRE

Enrolment at our driving centre, ComfortDelGro Driving Centre Pte Ltd, hit 33,000 in 2013, representing a 3.1% increase. The Centre replaced 25 of its vehicles that had reached the

# OPERATIONS REVIEW

## SINGAPORE

statutory lifespan with the sportier Toyota Vios. Plans are in the pipeline to replace motorcycles that have reached the end of their statutory lifespan with newer models as well.

The Centre also successfully launched 20 training courses for the Singapore Police Force and the Singapore Civil Defence Force. Fifteen of these courses are new and involved specialised skid equipment and emergency vehicles such as fire engines, tracked-fire vehicles and ambulances. Over 50 instructors underwent more than 1,100 training hours to equip them with necessary skills for these new courses.

Apart from supporting the Singapore Road Safety Council's Road Safety Public Awareness Campaign by educating about 5,000 primary and secondary school children on road safety habits, the Centre also worked with the Traffic Police to educate 1,000 motorcycle enthusiasts on the importance of safe riding through 'live' demonstrations. In July, together with the Traffic Police, the Centre organised a media engagement programme to showcase the compulsory Expressway Familiarisation Riding course for Class 2B riders.

## CAR RENTAL & LEASING

Our car rental and leasing subsidiary in Singapore, ComfortDelGro Rent-A-Car Pte Ltd, with its fleet of 1,112 vehicles, maintained its position as the country's largest car rental and leasing operator for passenger vehicles.

In the third quarter of 2013, ComfortDelGro Rent-A-Car pre-booked a fleet of 55 Toyota and Mazda vehicles in anticipation of even higher COE premiums.

With the curbs imposed on car loans by the Monetary Authority of Singapore, ComfortDelGro Rent-A-Car saw demand for older vehicles increase. As such, it held onto older, roadworthy cars instead of selling them. It also tied up with motor distributor to provide car rental packages and successfully clinched contracts with new corporate clients. To build brand loyalty, ComfortDelGro Rent-A-Car continued to organise several activities for its customers throughout the year.

To improve efficiency and increase productivity, ComfortDelGro Rent-A-Car enhanced its backend system to track, analyse and improve the downtime for servicing and repair works of its fleet of vehicles by providing ComfortDelGro Engineering workshops, which service the vehicle fleet, Radio Frequency Identification Device cards that capture the time-in and time-out of vehicles.

Plans are also in the pipeline to introduce an accident module in its software to provide its departments and ComfortDelGro Engineering workshops a centralised

platform where they can access and update information directly for greater efficiency.

## INSURANCE BROKING SERVICES

ComfortDelGro Insurance Brokers Pte Ltd, our in-house insurance broking associate, conducted a comprehensive review of expiring insurance coverage against the Group's risk exposure. Concurrently, an extensive marketing exercise was conducted with several insurance companies to negotiate the best rates for the Group's general insurance programme, resulting in savings for premiums and enhancement in insurance coverage.

As part of its efforts to manage rising medical and motor claims in Singapore, ComfortDelGro Insurance Brokers continued to work with the Group, its clients and insurers to analyse claims data, identify loss trends, mitigate risks and to pro-actively manage claims.

In July 2013, a new Claims Recovery programme was implemented for the Group's operations in Australia, resulting in an increase in third party recoveries and substantial savings on costs. Taxi drivers of Swan Taxis Pty Ltd in Perth, Western Australia, also continued to enjoy savings and extensions of policy coverage.

In the United Kingdom, a Business Interruption Insurance Workshop was specially organised for senior management staff.

## OUTDOOR ADVERTISING

Our outdoor advertising subsidiary, Moove Media Pte Ltd, saw demand for advertising on rail and at the bus interchanges increase.

Several technological initiatives were introduced during the year, including augmented reality installations, multi-sensory videos and music travellers at SBS Transit's NEL train stations. Other innovations included Light Emitting Diodes (LEDs) on SBS Transit's double deck buses and electroluminescent light technology on ComfortDelGro taxis.

In May 2013, Moove Media launched the "Happy Cows, Happy Hearts" campaign in partnership with the National Parks Board to not only celebrate Singapore as a City in a Garden, but also to promote graciousness and kindness in the community. A total of 600 colourful Moove cows grazed 50 fields and parks all around the island. Together with 1,000 "red hearts" made of fibreglass, this campaign also included a charity element where cows were sold and proceeds went towards the ComfortDelGro/Lions Befrienders' Home Improvement Programme Fund.

# OPERATIONS REVIEW

## CHINA

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



Bus • Bus Station • Taxi • Car Rental & Leasing  
Vehicle Testing Services • Driving Centre

Revenue  
(S\$'mil)  
**220.1**

Total Investment  
(S\$'mil)  
**24.1**

Total Operating  
Fleet Size  
**11,321**

Total Number  
of Employees  
**1,498**

## NORTH CHINA

### BEIJING

#### Taxi

With a market share of 8.3%, Beijing Jin Jian Taxi Services Co., Ltd, the Capital City's third largest operator, operated a total fleet of 5,476 taxis, including 25 Gua Kao taxis that it took over in November 2013. Over 650 taxis were replaced with new ones during the year. Demand for its taxis remained strong with the entire fleet fully hired out.

#### Vehicle Testing Services

Our 80%-owned subsidiary, Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd, provides vehicle safety and emission testing services in the Capital. In 2013, it inspected 75,000 vehicles, representing a 5% increase over the previous year. With more vehicles lining up to go through the inspection lines, the Company adjusted its inspection process to ensure that all inspection appointments that had been made in advance were completed within 45 minutes. It also updated its

operational software so that vehicle information and data could be inputted electronically. The new software also helped to reduce staff workload, improve business analysis and tighten internal controls.

### JILIN CITY, JILIN PROVINCE

#### Taxi

Jilin ComfortDelGro Taxi Co., Ltd, the City's largest taxi operator with a 14% share of the market, fully hired out its entire fleet of 729 taxis in 2013. A total of 105 taxis were also replaced during the year.

The Jilin Taxi Service Centre, which began construction during the year, will provide administrative management support, maintenance and repair, as well as inspection services to the Company's fleet of taxis when it is completed in mid-2014.

The Company also successfully obtained the licence to operate Jilin ComfortDelGro Driver Training Co., Ltd. It is expected to be completed in mid-2014.

# OPERATIONS REVIEW

## CHINA

### SHENYANG, LIAONING PROVINCE

#### Taxi

Our two taxi companies – Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd – operated a total fleet of 1,347 taxis, making us the City's third largest taxi operator. Demand for these taxis remained strong during the year with all taxis fully hired out.

Customer service and road safety training given to cabbies paid off as accidents during the year dropped significantly and taxi services improved. Apart from providing cabbies with training, management staff were also given training. For their continued efforts, Shenyang ComfortDelGro Taxi and CityCab (Shenyang) were graded "AAA Taxi Enterprise for Service Quality". A total of 65 Shenyang ComfortDelGro Taxi and CityCab (Shenyang) cabbies were commended.

### YANTAI, SHANDONG PROVINCE

#### Taxi

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

### WEST CHINA

### CHENGDU, SICHUAN PROVINCE

#### Taxi

With a fleet of 1,070 taxis, our wholly-owned subsidiary, Chengdu ComfortDelGro Taxi Co., Ltd, continued to rank as the City's second largest operator. To attract more drivers to the profession, the Government provided training specifically to drivers who did not already have certificates, to drive in Chengdu. The Company supplement these efforts by rewarding its drivers with long-term incentives. During the year, a total of 30 taxis were replaced and another 20 new licences were awarded to the Company by the Municipal Government.

#### Car Rental & Leasing

ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd, with its fleet of close to 150 vehicles, continued to maintain long-term leasing contracts with existing multi-national organisations such as Smith Drilling, ServTech, CBRE and Cisco as demand for such services in general slowed. It also clinched contracts with new clients such as OCBC, Turner & Townsend, Sepam and Bank of Thailand.

The Company also stepped up marketing efforts during the year, producing new brochures and targeting large corporations. Work processes were streamlined to improve efficiency and a new fuel card administrative system was introduced so that fuel consumption could be better managed.

#### Vehicle Testing Services

Our 51%-owned subsidiary, Chengdu Jitong Integrated Vehicle Inspection Co., Ltd, which inspected 9,875 vehicles in 2013, continued to attract new customers and improve its service standards.

#### Driving Centre

Our 95%-owned driving subsidiary, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd, continued to experience strong demand as an appointed testing centre. Over 840 students enrolled during the year, with another 2,210 from affiliated driving centres coming over to utilise the testing circuits.

### CHONGQING

#### Driving Centre

Our 90%-owned subsidiary, Chongqing ComfortDelGro Driver Training Co., Ltd, upped the service quotient by intensifying training for both its frontline staff and driving instructors. As a result, our Driving Centre obtained a four-star rating from the Chongqing Administration for Road and Transport, the highest accolade to be given in the District during the year.

### EAST CHINA

### SHANGHAI

#### Taxi

With a strong reputation as an ISO 9002 certified company, our 51%-owned subsidiary, Shanghai City Qi Ai Taxi Services Co., Ltd, continued to maintain its position as one of the premium operators in the City with a fleet of 485 taxis. In 2013, it replaced more old taxis with new Santana Vista taxis, which have proven to be very popular with taxi drivers and commuters given their ergonomic design and spacious interior.

## SUZHOU, JIANGSU PROVINCE

### Taxi

Our 70%-owned taxi subsidiary, Suzhou Comfort Taxi Co., Ltd, enjoyed a 100% hired-out rate for its 150 taxis during the year.

## NANJING, JIANGSU PROVINCE

### Taxi

Nanjing ComfortDelGro Dajian Taxi Co., Ltd, our 70%-owned subsidiary, is the City's third largest taxi company with a total of 642 Compressed Natural Gas (CNG) taxis, including 82 additional licences that it was awarded during the year. A total of 34 high-end 2,000 cc Nissan Teana CNG taxis were deployed as part of the expanded fleet. The Company was also ranked top in the Jiangsu Province's AAA rating of taxi operators for service quality and trustworthiness.

## SOUTH CHINA

## GUANGZHOU, GUANGDONG PROVINCE

### Bus Station

Our 60%-owned Tianhe Bus Station in Guangzhou served a total 13.5 million passengers in 2013 – 3.4% higher than the previous year – as more services were added. The new services to Yun Fu City, Yang Jiang City and Jiangmen City proved very popular amongst travellers, with more calling at the Station. It also worked closely with the Guangdong Provincial Transport Group to consolidate the Heyuan and Shantou routes further.

Better crowd control measures during peak periods, a separate disembarkation point outside the station and a new section set aside for Shenzhen routes have helped improve efficiency and the overall travel experience.

Cargo revenue also registered a 3.9% increase as more cargo pieces were handled during the year.

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

## NANNING, GUANGXI PROVINCE

### Taxi

Our 80%-owned subsidiary, Nanning Comfort Transportation Co., Ltd, continued to be the largest taxi operator in Nanning with a fleet of 804 taxis or a 17% market share. In addition to the 29 licences, which were awarded during the year, another 30 were awarded in January 2014. This brings the total fleet as at January 2014 to 834 taxis. Nanning Comfort Transportation was also named the "Best Taxi Operator Unit" for the ninth consecutive year and 10 of its taxi drivers were named the best in the industry.

### Car Rental & Leasing

Nanning ComfortDelGro Rent-A-Car Co., Ltd's fleet of 26 cars was fully leased out to multi-national companies in the City during the year.

## HENGYANG, HUNAN PROVINCE

### Bus

Hengyang CityCab Bus Services Co., Ltd, in which the Group holds a 25% stake, operates 98 buses in the second largest city in Hunan Province.

# OPERATIONS REVIEW

## AUSTRALIA

Canberra . Melbourne . Perth . Queanbeyan . Sydney



### Bus • Taxi • Outdoor Advertising

Revenue  
(S\$'mil)

485.0

Total Investment  
(S\$'mil)

496.7

Total Operating  
Fleet Size

3,723

Total Number  
of Employees

2,102

## SYDNEY, NEW SOUTH WALES

### Bus

The bus operations under our 51%-owned subsidiary, ComfortDelGro Cabcharge Pty Ltd, successfully tendered for a further five years of operation in Region 4 during the year. Operated by Hillsbus, the contract covers Blacktown, Rouse Hill, Castle Hill, Dural and Parramatta. A total of 27 buses were added during the year, and another 22 buses were rolled out in January 2014 to cater to an increase in passenger demand.

Hillsbus also implemented an Operations and Customer Centre and a Global Positioning tracking system on all its buses, significantly lifting the On Time Running performance of its fleet.

The M2 motorway corridor upgrade, which was 2½ years in the making, was completed in August 2013, allowing for shorter journey times.

In October 2013, the City celebrated the International Navy Fleet Review, marking the centenary since the Royal Australian Navy Fleet first entered Sydney Harbour. As many as one million spectators attended the day of

celebration on 5 October. To cater to the surge in demand, Hillsbus deployed more than 800 additional services with 40 support staff over the six-day period.

ComfortDelGro Cabcharge's outer metro Hunter Valley Buses continued to build on the integrated network changes from previous years. Significant upgrades in the fleet were made with older buses replaced by newer wheelchair-accessible and air-conditioned buses. Hunter Valley buses also successfully implemented a timetable review to coincide with the State Government's railway timetable changes in October. New three-year contracts for these services were successfully negotiated and will commence from mid-2014.

In July 2013, ComfortDelGro Cabcharge renamed Deane's Bus Lines Pty Ltd's brand name to Qcity Transit. This rebranding was well-received by drivers, customers and other local stakeholders.

### Outdoor Advertising

Moove Media Pte Ltd's fully-owned subsidiary, Moove Media Australia Pty Ltd, continued to look at ways to increase its market presence in Canberra, Newcastle as well as Brisbane and Melbourne through its representative

offices. During the year, it clinched several contracts from corporations like Ferrero Rocher, Renault and Mambo for fully-wrapped bus formats.

## MELBOURNE, VICTORIA

### Bus

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

In May 2013, the Group announced the acquisition of 100% of the issued shares of Driver Group Pty Ltd in Melbourne for S\$26.2 million. The acquisition of its five metropolitan bus routes which cover the inner suburban area – from St Kilda to Glen Waverly, Box Hill and Kew to Bentleigh, and its fleet of 42 vehicles, was completed in July 2013.

In all, ComfortDelGro Cabcharge now operates 443 buses serving 80 routes in Victoria.

In April 2013, new services in the suburb of Point Cook and Williams Landing commenced operations with 10 additional growth buses after the Public Transport Victoria (PTV) gave its nod of approval.

During the year, ComfortDelGro Cabcharge replaced its outdated software system with the General Ledger and Fixed Assets package under the Microsoft AX software system. Plans are in the pipeline to switch to a new system consisting of human resource, fleet maintenance and charter modules.

Despite strong competition in the charter market, ComfortDelGro Cabcharge successfully clinched the contract for the Victorian Scott Jamboree movement, which takes place once every three years. The next event to Sydney will take place only in 2016. Demand for school charter remained consistent during the year.

## PERTH, WESTERN AUSTRALIA

### Taxi

Our fully-owned subsidiary Swan Taxis Pty Ltd is Perth's largest provider of taxi services with a market share of 93% comprising 2,070 taxis. Over 30 taxi licence plates, mainly from competitors' network, joined Swan Taxis during the year. Its call centre also provided despatch services to 60 regional taxis across various towns.

Due to upgrades made to its smartphone application and a re-launch in September 2013, the number of automated jobs despatch increased by about 2%.

To improve service levels, Swan Taxis introduced a three-hour customer service training programme for all employees, equipping them with skills to provide better services to passengers and taxi drivers. This has resulted in fewer complaints.

To complement training efforts, a Customer Management System to better manage feedback and complaints was introduced – a move which has resulted in faster response times. A new payroll and rostering system and a new system where taxi vouchers are directly banked into the drivers' accounts, were introduced during the year. These allowed for better manpower management and service to drivers.

# OPERATIONS REVIEW

## UNITED KINGDOM

Aberdeen . Birmingham . Edinburgh . Glasgow . Liverpool . London



Bus • Coach • Taxi Radio Circuit • Private Car Hire

Revenue  
(S\$'mil)  
**788.1**

Total Investment  
(S\$'mil)  
**417.2**

Total Operating  
Fleet Size  
**8,151**

Total Number  
of Employees  
**5,830**

## LONDON, ENGLAND

### Bus

With the acquisition of the bulk of First Group plc's West London operations (subsequently renamed Metroline West Limited) in mid-2013, our wholly-owned subsidiary, Metroline Limited, became London's third largest scheduled bus operator with a market share of over 18% and a fleet of 1,700 buses plying across North, West, Central London and Hertfordshire.

With the maiden contribution from Metroline West, an increase in mileage operated and contract price adjustments, our bus business in the United Kingdom clocked a 27% increase in revenue to S\$585.4 million.

Metroline was also selected by Transport for London (TfL) to be the first operator to operate an entire route (Route 24) made up solely of New Bus for London (NBfL) vehicles. Modelled on the iconic Routemasters of old, the low-floor NBfL double decks, which have three doors and two internal staircases, are powered by hybrid technology, and provide passengers with the option of boarding and alighting via a rear door when a Customer Assistant is present. Metroline recruited and trained 70 Customer

Assistants for the 33 NBfLs that it launched in June 2013. In December 2013, a second Metroline-operated route (Route 390) was also converted by TfL to run entirely with NBfL vehicles, with Metroline becoming the largest operator of this new bus.

### Coach

Westbus Coach Services Limited operates a diversified fleet of 36 coaches out of West London. It provides coach services that meet a broad spectrum of school, commuter, tourist and corporate coach travel needs. The Company continued to grow in all sectors, including the tourism market, school hires and private charter work. As a result, it achieved a record year in terms of demand, revenue and profitability, with an increase of 8% for turnover compared to 2012. It also continued to upgrade its fleet and invest in new coaches to meet the expectation of its customers.

### Taxi Radio Circuit

Our taxi subsidiary Computer Cab plc, maintained its pole position in London with a fleet of 2,093 taxis in London.

Management also proactively reduced the cost of the London Taxicard scheme, which provides subsidised door-to-door transport services to passengers with

special mobility needs – a move which sustained demand despite austerity measures across the public sector. It also successfully opened over 400 new accounts across its taxi and executive car businesses, including JP Morgan, one of the largest corporate clients of ground transport in London.

Computer Cab's iPhone taxi booking application, which was launched in spring, grew in popularity as app downloads and taxi bookings increased.

Computer Cab also replaced its ageing IT infrastructure during the year. A new cashless payment system, which offers contactless card payment terminals, was rolled out to all its radio taxis in London as well as those in Aberdeen, Birmingham, Edinburgh and Liverpool. The same system was also installed in a third-party supplier, the largest taxi fleet in Manchester.

Plans are in the pipeline to upgrade and improve the telephony and Business Continuity systems.

### **Private Car Hire**

Flightlink International Limited provides hassle-free airport transfers, ground transportation for corporate entities and individuals who want a reliable and cost effective chauffeur-driven service under the "Comfort Executive" brand. To keep its competitive edge, the Company invested in a new state-of-the-art booking and despatch system.

## **LIVERPOOL AND BIRMINGHAM, ENGLAND**

### **Taxi Radio Circuit**

Computer Cab (Liverpool) Limited is the City's largest taxi circuit operator with a fleet of 339 licensed taxis. Despite tough trading conditions and stiff competition from private hire car companies, Computer Cab (Liverpool) increased turnover by 5% by clinching 41 new contracts. Other notable new business accounts included one with the Sefton Borough Council and a new trial contract with Fred Olsen Cruise Liners.

Computer Cab (Liverpool) also successfully increased its takings from credit card customers following the roll-out of card payment facilities in all of its taxis. It continued to enjoy diverse revenues with nearly half its demand coming from non-account consumers.

Computer Cab (Birmingham) Limited, which operates 114 taxis under its network, continued to improve, mainly as a result of concerted efforts to grow the top line from corporate and public sector customers. Turnover was up 17% as compared to 2012. In Birmingham, 59 new contracts were secured – the main ones being Birmingham City Council Education Department and the Priory Hospital.

## **GLASGOW, SCOTLAND**

### **Coach**

The Group's successful partnership with Stagecoach plc, Scottish Citylink Coaches Limited continued to increase in popularity in the inter-city coach market in Scotland in 2013. Despite poor weather conditions in the early part of the year, the Glasgow-London megabus route experienced significant growth during summer.

In July 2013, three new routes were added to its sleeper service. New vehicles which offer high-quality seated services during the day and lie-flat beds at night were also deployed on the expanded route network. These 54-seater vehicles, which come with luxury leather seats, power sockets, free Wi-Fi and a toilet, were deployed on an upgraded megabusGold branded service during the day. A new express service, Citylink Air, which provides a direct link between Edinburgh Airport and Glasgow City Centre, was also launched in the same month.

The Company's organisational structure was reviewed and streamlined following the appointment of a new Managing Director. Greater emphasis was also placed on delivery standards and yield management during the year. A new corporate website was also developed and launched.

## **ABERDEEN AND EDINBURGH, SCOTLAND**

### **Taxi Radio Circuit**

Our network of 510 taxis and private hire vehicles in Aberdeen and Edinburgh serves corporate and individual clientele. Demand remained strong during the year, Computer Cab (Aberdeen) Limited successfully won another three-year contract to operate transport at Aberdeen International Airport. It also clinched contracts for another 85 new accounts.

Computer Cab (Edinburgh) Limited secured additional work from Edinburgh City and the National Health Service, as well as new contracts with Air Canada and Latin Travel.

# OPERATIONS REVIEW

## IRELAND

Clifden . Cork . Dublin . Galway



### Inter-City Express Coach

Revenue  
(S\$'mil)

14.2

Total Investment  
(S\$'mil)

3.1

Total Operating  
Fleet Size

22

Total Number  
of Employees

12

## DUBLIN

### Inter-City Express Coach

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

ICCL enjoyed good demand during the year on the back of a growth in tourist traffic.

In May 2013, ICCL introduced 'eireagle.com', a direct express service between Dublin Airport and Galway under a separate, distinctive livery signifying airport express. ICCL also successfully re-tendered for two high profile bus stops at Dublin Airport. It also launched a mobile version of its website and a dedicated application for smartphones.

# OPERATIONS REVIEW

## VIETNAM

Ho Chi Minh City



### Taxi

Revenue  
(S\$'mil)

6.3

Total Investment  
(S\$'mil)

8.5

Total Operating  
Fleet Size

612

Total Number  
of Employees

171

## HO CHI MINH CITY

### Taxi

Our two Vietnam taxi companies – Vietnam Taxi Co., Ltd (Vinataxi) and ComfortDelGro Savico Taxi Company – continued to look at ways to strengthen their operations despite stiff competition and increasing costs.

During the year, ComfortDelGro Savico Taxi successfully secured a new business contract with Viet Travel to provide taxi services for tourists from the airport to various destinations in the City and nearby provinces. This service, which is based on a fixed price, has been well-received by

tourists. Since the service began in July 2013, an average 850 taxi trips are made every month.

Both ComfortDelGro Savico Taxi and Vinataxi also continued with their fleet renewal programme. They also worked hard to ensure service levels are kept at a consistently high standard by being stringent in the selection of taxi drivers and putting them through safety and customer service talks and courses.

To cope with rising costs brought about by the introduction of road maintenance and vehicle usage fees, as well as a fuel price hike in July 2013, ComfortDelGro Savico Taxi adjusted its taxi fares in August 2013.

# OPERATIONS REVIEW

## MALAYSIA

Kuala Lumpur , Puchong



### Car Rental & Leasing • Inspection & Testing Services

Revenue  
(S\$'mil)

4.2

Total Investment  
(S\$'mil)

3.8

Total Operating  
Fleet Size

228

Total Number  
of Employees

50

## KUALA LUMPUR

### Car Rental & Leasing

Our subsidiary, CityLimo Leasing (M) Sdn Bhd offers car leasing and rental services in Malaysia through a fleet of 228 vehicles. Utilisation of our vehicles remains high. In addition to leasing, the Company also provides round-the-clock islandwide mobile back-up service that offers assistance to customers in the event of an emergency.

## PUCHONG

### Inspection and Testing Services

Setesco Services Pte Ltd's wholly-owned subsidiary, Setesco Services (M) Sdn Bhd, which was set up in 1995, provides civil engineering and Non-Destructive Testing services. One of its projects included providing civil engineering testing for the Penang Second Bridge, a 24km long bridge that links Penang Island to the mainland. The tests, which are conducted at an on-site laboratory in Penang, are slated for completion in early-2014. Besides the construction industry, SETSCO has also expanded its scope to other industries as well.

# GREEN STATEMENT



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

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

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

In the longer term, our environmental goals are:

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

# SUSTAINABILITY REPORT

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As one of the world's largest passenger land transport companies with a global fleet of over 46,000 vehicles, an international workforce of over 21,000, and a passenger ridership of over 1.5 billion every year, we at ComfortDelGro Corporation Limited, are fully cognizant of our duty and responsibility not just to our many stakeholders, but to the environment as well. Firmly entrenched in our psyche is the need to better the welfare of the communities we operate in.

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## HUMAN SUSTAINABILITY

### Helping our Community

The Group continued to care for the poor, the sick, the aged and the needy in 2013, donating close to S\$1 million to various charity and welfare organisations.

In Singapore, we completed our fourth year of partnership with the Lions Befrienders Service Association, a voluntary welfare organisation which focusses on improving the quality of life of the elderly in the lower income group. Through the Home Improvement Programme (HIP) Fund, several projects were carried out including replacing the old furniture of elderly residents in one-room flats, as well as getting them new electrical appliances and daily necessities. Excursions to places of interests were also organised for them, giving them a break from their usual routines.

All new executives in Singapore were also encouraged to make a meaningful donation to Community Chest of Singapore through the SHARE Programme – a workplace giving programme.

Our public scheduled bus subsidiary, SBS Transit Ltd, continued with its roll-out of Wheelchair Accessible Bus services during the year as part of its commitment to the physically disabled community.

In the United Kingdom (UK), our bus business continued to do its bit for charity.

Metroline Limited, which signed a Memorandum of Understanding with Brathay Trust in 2012 to help reduce anti-social behaviour amongst vulnerable youths through education and mentorship, participated in the gruelling Brathay Row Runner challenge for the second straight year. It also continued with its Wheel Power! initiative that mobilises and coordinates the skills available in the Company to promote volunteerism. In November, Metroline sponsored about S\$31,500 to decorate two of its buses

in support of the Royal British Legion Poppy Day, an initiative by the Transport for London to honour the Royal British Legion veterans. Garages also participated in other activities, including providing transport to veterans attending the Remembrance Sunday Service at the Cenotaph. Scottish Citylink Coaches Limited donated travel vouchers to various charities including those in aid of cancer patients, the disabled or terminally-ill children.

In Ireland, Irish Citylink ComfortDelGro Limited contributed to various charities including Cancer Care West and the Clifden Lifeboat, Pieta House, which provides much needed help to individuals with suicidal tendencies. In addition, unclaimed lost properties were distributed to applicable charities. For example, reading glasses were donated to Specsavers for their Vision Aim Programme and electronic devices were donated to the Jack and Jill Foundation, which provides care and support for children.

In Sydney, Australia, ComfortDelGro Cabcharge Pty Ltd made numerous donations to schools and worked closely with the New South Wales Police in promoting safety on board buses for children. Its biggest contribution of about S\$18,100 was towards The Hills Shire Council for the Australia Day Celebrations. It also provided discounted charters to over 170 schools located in the Western Sydney Parklands. ComfortDelGro Cabcharge in Melbourne continued to provide free two-way transfers for the elderly in Ballarat and for volunteers of the Salvation Army and the Australia Red Cross.

Our taxi companies and their cabbies were equally philanthropic when it comes to helping their communities.

In Singapore, ComfortDelGro Taxis sponsored S\$60,000 to various community projects. One of its largest beneficiaries was the Handicare Cab Scheme which waives the prevailing booking fees of taxi trips booked by members of the Handicaps Welfare Association (HWA). It also collected about 250kg of clothes in aid of

the Singapore Red Cross Society's humanitarian efforts. Other projects undertaken by the volunteer cabbies from the CabbyCare Charity Group (CabbyCare) comprised the Bread-On-Wheels Programme, the Meals-On-Wheels Programme and the Deliver Me Project.

CabbyCare also supported HWA's car wash fundraising event in August 2013 by buying S\$8,400-worth of vouchers, making it the single largest donor for the event. Apart from its initiatives, CabbyCare also provided free taxi trips to poor families, chronically-ill children, and the disabled.

In China, our taxi companies – CityCab (Shenyang) Co., Ltd, Jilin ComfortDelGro Taxi Co., Ltd, Nanjing ComfortDelGro Dajian Taxi Co., Ltd, Nanning Comfort Transportation Co., Ltd, Shenyang ComfortDelGro Taxi Co., Ltd and Suzhou Comfort Taxi Co., Ltd – provided free taxi trips to needy students during the country's National Education Entrance Examination.

In March 2013, Nanning Comfort Transportation provided 100 free trips to blood donors in celebration of Lei Feng Day, which is held in honour of a patriotic and selfless Chinese soldier. Some cabbies even became donors themselves.

Nanning Comfort Transportation also pledged to donate S\$70,500 to upgrade the facilities of a second school – Guangxi Wangzhuang Elementary School – in Quli Village of Fusui County. To-date, the Company has forked out about S\$16,500 towards the upgrading of the School's infrastructure, including air-conditioning in classrooms, a new library and a playground.

In April 2013, when news of the earthquake in Ya'an, Sichuan, broke, Nanning Comfort Transportation and Guangzhou Xin Tian Wei Transportation Development Co., Ltd sprung into action by organising donation drives. Many staff and cabbies came forward. Nanning Comfort Transportation also made a dollar-for-dollar contribution. Together, both companies raised a total of about S\$85,500.

Other taxi companies in China such as Nanjing ComfortDelGro Dajian Taxi gave free rides to the disabled on Disability Day in May 2013. Shanghai City Qi Ai Taxi Services Co., Ltd, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd and Chengdu Jitong Integrated Vehicle Inspection Co., Ltd contributed a total of about S\$85,500 to the Employment Fund for the Handicapped.

In Vietnam, ComfortDelGro Savico Taxi Company made contributions to the Flood Prevention Fund. Both ComfortDelGro Savico Taxi and Vietnam Taxi Co., Ltd also extended financial assistance to cabbies and family members suffering from illnesses. ComfortDelGro Savico

Taxi staff and cabbies raised funds to pay for the surgical operations of the wives of two of its cabbies, while Vietnam Taxi extended financial aid to one of its staff who had to undergo a skull graft operation as a result of a traffic accident.

In the UK, CityFleet Networks Limited sponsored over S\$14,000 to various charities, including the Magical Taxi Tour for terminally-ill children.

In Australia, Swan Taxis Pty Ltd donated to the Royal Life Saving Society-Australia that aims to prevent drowning and facilitate healthy, active lifestyles by equipping all Australians with water safety skills.

Our other businesses also extended a helping hand to the less fortunate. ComfortDelGro Engineering Pte Ltd in Singapore brought the elderly from the Singapore Cheshire Home to the Singapore Flyer and also provided maintenance services to eight charitable organisations under the National Council of Social Services at subsidised rates, while ComfortDelGro Insurance Brokers Pte Ltd contributed S\$14,500 to various non-profit organisations including the Gospel Mission to the Blind.

VICOM Ltd pledged taxi vouchers every month to Star PALS, a new palliative home care service for children and youth with life-threatening or life-limiting conditions. Its staff also organised fun activities for various charities, including the Thye Hua Kuan Indus Charities and TOUCH Community Services, throughout the year. Setsco Services Pte Ltd conducted two blood donation drives, contributing about 60 units of blood in all to the Singapore Red Cross Society.

## Safety First

Safety is of paramount importance to us. The safety of our passengers, our staff and other road users is not something we ever compromise. To this end, we invest heavily in training and re-training courses, ensuring our people constantly uphold safety practices.

In line with this, the Group through its subsidiaries, ComfortDelGro Driving Centre Pte Ltd, ComfortDelGro Taxis and VICOM, sponsored S\$40,000 towards the Singapore Road Safety Council for its Road Safety Public Awareness Campaign during the year. As part of this campaign, ComfortDelGro Driving Centre collaborated with the Traffic Police to educate about 5,000 primary and secondary school children about road safety habits. In a similar vein, SBS Transit conducted 98 school talks and visits on safety and graciousness on board buses and trains to some 42,410 students.

# SUSTAINABILITY REPORT

Road safety training, road shows and campaigns were also carried out by different businesses across the Group. In Singapore, ComfortDelGro Bus Pte Ltd engaged sister company, ComfortDelGro Driving Centre, to conduct a defensive driving course for its bus drivers to weed out bad driving habits.

In the UK, Metroline launched its "Think Safety" campaign to increase bus drivers' awareness of road safety. It launched another campaign to equip its drivers with the knowledge of how they could better assist older and disabled passengers. It also conducted open forums where special needs passengers such as the visually-impaired were invited to speak, so that its bus drivers could better understand their needs. Taxi and private hire subsidiary, CityFleet Networks, provided mandatory training covering customer care, disability awareness, safer driving and eco-driving tips to all its drivers

Technology plays a central role in the area of safety. SBS Transit, for example, developed an in-house Traffic Black Spots System which Route Groups use to brief Bus Captains on hazardous junctions before they take to the roads. ComfortDelGro Taxis embarked on the installation of a new in-vehicle camera in its taxis in December 2013. The installation of the cameras, which comes at no cost to the cabby, is expected to be completed by the first quarter of 2014.

In the area of security, SBS Transit conducted four train safety and evacuation exercises during the year. About 800 residents along the North East Line attended these exercises.

On workplace safety, SETSCO successfully attained the re-certification of its Occupational Health and Safety Advisory Services (OHSAS) 18001:2007 Requirements. ComfortDelGro Engineering, which sent its staff to work safety courses such as the Singapore Workforce Skills Qualifications (WSQ)'s Workplace Safety and Health Policies Procedure course and the OHSAS 18001 Awareness training, not only attained the OHSAS 18001 certification but was also awarded the BizSafe Star. Safety enhancement works to minimise slip and fall incidents at three diesel kiosks – Marymount, Sin Ming Drive and Ang Mo Kio – were also carried out. Similarly, Swan Taxis had its office stairwell painted and its steps fixed with nonslip tape to reduce the risk of falls.

## TALENT SUSTAINABILITY

We believe that the sustained performance and future success of ComfortDelGro depends on a strong talent management system, where employees are groomed to become high performing leaders with a strong value system.

The upstream processes of recruitment, placement, talent development programmes and subsequent promotions to assume senior positions have been made more stringent and robust to ensure that we have a pipeline of consistently high quality management staff. Besides the functional competencies, the talents are considered for their general management attributes and leadership abilities to contribute at the more senior level.

As part of their development, selected talents attended Executive Development Programmes to hone their leadership abilities and were exposed to our overseas and local business units to better understand our diverse operating requirements. To further complement our talents' self-directed learning, a C-Suite Connection, where leadership articles were reviewed and discussed on an e-learning platform, has been put in place. With a good measure of success achieved in our Axle Programme, our mentoring programme, with our Business Unit Heads and Group Officers, was completed in mid-2013. We have since embarked on the next chapter of the Axle Programme in late-2013 for our next tier of talents.

Taken together, we believe that we will benefit from having a more sustainable pipeline of future leaders with broader organisational perspectives, better leadership abilities and be more equipped to deal with the increasingly competitive environment whilst leading their teams to greater performances.

## ENVIRONMENTAL SUSTAINABILITY

We continue to be forerunners in the field of environmentalism.

Taking the lead this year is CityFleet Networks in the UK, which upped its Green quotient by taking on not just one, but two, carbon-offsetting projects.

The first – the Diaobingshan Wind Power project, which is based in northern China – provides sustainable local development by reducing carbon emissions and air pollutants. Fully validated and verified by the Verified Carbon Standard, this renewable wind farm project also helps to address the frequent power shortages in the area and increases the possibility of local infrastructure development whilst creating temporary and permanent employment opportunities for the local community.

The second initiative – the Fuel Switch project – which has been awarded the Social Carbon Standard for its broader social and environmental commitment, aims to reduce carbon emissions by converting the way factories in Brazil are powered to renewable biomass and waste products.

Factories involved employ full-time staff, who are given employment benefits such as health insurance and food staples. Developers of this project have also invested in education and capacity learning such as computer literacy lessons for both employees and their relatives.

In Singapore, ComfortDelGro Taxis rolled out 315 Euro 5 Hyundai i-40 taxis by the end of 2013, making 95% of its fleet environmentally friendly. These i-40 taxis, which emit only 159g of carbon dioxide per 100km, qualify for rebates under the Land Transport Authority Carbon Emissions-Based Vehicle Scheme.

SBS Transit took delivery of 403 Euro 5 buses. Slightly over 10% of ComfortDelGro Bus vehicles are also Euro 5-compliant, while 25 vehicles in ComfortDelGro Driving Centre are Euro 4-compliant.

All taxis under our radio circuits in UK and all coaches operated by Scottish Citylink Coaches and Irish Citylink ComfortDelGro are Euro 4- and Euro 5-compliant. Metroline also added 168 Euro 5 buses and 10 hybrid buses to its fleet, making 73% of its vehicles environmentally friendly. Besides rolling out Greener vehicles, Metroline fitted two of its garages with energy-saving lights and its Central Engineering and Logistics Facility with a new heating system that comes with energy-saving fans and door blowers.

As a member of the Roads and Traffic Authority's Clean Fleet Programme, ComfortDelGro Cabcharge is committed to providing fleet maintenance that meets regulatory requirements. During the year, it introduced over 40 Euro 5 Environmentally Efficient Vehicles (EEV), including five double decks in Sydney, and 28 Euro 5 buses in Melbourne. ComfortDelGro Cabcharge has plans to introduce similar EEVs in Melbourne. Presently, about one-third of the vehicles that both companies operate are environmentally friendly.

In China, vehicle fleets operated by CityCab (Shenyang), Chengdu ComfortDelGro Taxi Co., Ltd, ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd, Chongqing ComfortDelGro Driver Training Co., Ltd, Jilin ComfortDelGro Taxi, Nanjing ComfortDelGro Dajian Taxi and Shenyang ComfortDelGro Taxi are mainly Euro 4-compliant or Compressed Natural Gas-driven.

Nanjing ComfortDelGro Dajian Taxi continued to cultivate the 500 trees it planted in 2012 to offset the carbon footprint of 45 environmentally friendly vehicles it had bought then. In a similar vein, our outdoor advertising arm, Moove Media Pte Ltd, planted about 50 mangrove plants at the West Coast Park as part of the National Parks Board's "50 Years of Greening Singapore" celebrations.

The Group continuously works at inculcating a Green culture amongst our staff.

For the second year running, the Group observed Earth Hour with headquarters and various subsidiaries in Singapore as well as Australia, China and Vietnam switching non-essential lights in their premises off for an hour. One subsidiary – VICOM – took it one step further by turning lights off during the lunch hour for two weeks leading up to Earth hour. It went on to organise a four-week competition to see which department collected the most number of recyclable items, including plastics and aluminum cans.

During Eco Action Day, the Group's Green Committee organised a garage sale with items going as little as 50 cents to as much as S\$5. All proceeds from the garage sale were then donated to the HIP Fund.

We continued to send used tyres, scrapped metals, lubricants and batteries from our workshops to the recycling plants.

# INVESTOR RELATIONS

ComfortDelGro Corporation Limited has in place an investor relations programme which balances regular, effective and fair communications with Shareholders and the investment community with commercial sensitivities. We believe in always maintaining a constructive relationship with our stakeholders and aim to disseminate accurate and pertinent information in a timely manner to help our investors make informed decisions. The Investor Relations (IR) team works with Senior Management to proactively carry out this engagement programme.

## PROACTIVE COMMUNICATIONS

ComfortDelGro attracts active research coverage from sell-side analysts with more than 120 reports published by the 13 local and international research houses that cover us. The IR team has regular interactions with the analysts to ensure a thorough understanding of our business models, operations and strategies with regular updates given on all corporate developments. These analysts play an important role in educating the investment community.

During the year, the IR team met more than 250 groups of investors, analysts and equity sales personnel in 135 meetings. These included face-to-face office meetings and conference calls.

We also participated in seven investor conferences and non-deal roadshows in Singapore, Hong Kong and Tokyo. These provided access to a wide cross-section of investors around the world, both existing as well as potential.

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

Every year, Shareholders have the opportunity to interact with the Board and Senior Management at our Annual General Meeting. Held in our headquarters, it continues to be well-attended. Voting is conducted by way of electronic poll for greater transparency and detailed results are announced immediately and subsequently released to the Singapore Exchange.

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

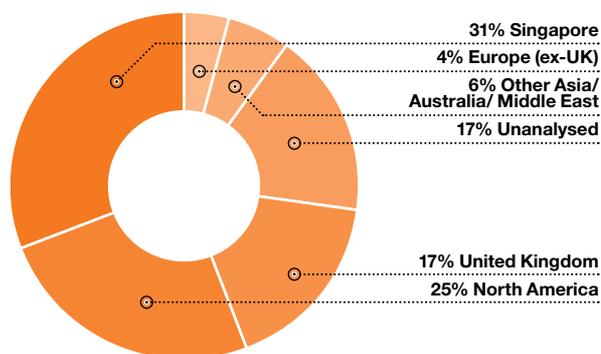
At the Singapore Corporate Awards 2013 held in August 2013, our subsidiary VICOM Ltd won the Best Investor Relations Award (Bronze) for companies with a market capitalisation of S\$300 million to S\$1 billion.

At the Securities Investors Association Singapore (SIAS) Investors' Choice Award 2013 held in November 2013, ComfortDelGro won the "Most Transparent Company Award" in the Travel, Leisure and Automobiles & Parts category. Another subsidiary SBS Transit Ltd was the Runner-up in the "Singapore Corporate Governance Award" in the Mid-Cap category.

## DIVERSE SHAREHOLDER BASE

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

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



*Note: Approximate figures based on analysis of Share Register as at 31 October 2013.*

# CORPORATE GOVERNANCE

We, at ComfortDelGro Corporation Limited, 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 make decisions and weigh trade-offs differently from some other companies. Accordingly, it is important for you, our Shareholder, to understand our fundamental management and decision making approach, so that you may ensure that it is consistent with your own investment philosophy. We will continue to:

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

## CORPORATE GOVERNANCE STATEMENT

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

Our commitment to upholding the highest standards of corporate governance is evidenced in our approach in ensuring our adherence to the revised Code of Corporate Governance issued by the Monetary Authority of Singapore on 2 May 2012 (Code). We spare no effort in ensuring that these are upheld by each and every one in the Group. We have also adopted a Code of Business Conduct, which sets out the principles and policies upon which our businesses are to be conducted, and implemented a Whistleblowing Policy which serves to prevent the occurrence of unethical or illegal conduct or behaviour, whilst protecting the whistleblowers from reprisal within the limits of the law.

This report sets out the Corporate Governance practices that were in place during the year, with specific references to the Code. For the Financial Year 2013, we are pleased to report that the Group complied substantially with the key principles and supporting guidelines set out in the Code except where specifically identified and disclosed in this report.

## I. BOARD MATTERS

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

### The Board's Conduct of Its Affairs

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

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

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

To assist the Board in the detailed consideration of the various issues at hand and to facilitate decision making, four committees are formed namely, the Audit and Risk Committee (ARC), 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

# CORPORATE GOVERNANCE

procedures governing the manner in which the Committee is to operate and how decisions are to be taken. Ad hoc committees are also formed to look at specific issues from time to time.

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

Regular presentations are made by Management to the Board to enable Directors to better familiarise themselves with the Group's businesses. Site visits for the Board are

also organised to enable Directors to learn more about the Group's overseas operations. During such visits, Directors spend time with Management to discuss key strategies and policies pertaining not just to the overseas operation, but also to the Group in general. Such meetings help Directors become better equipped to make informed decisions relating to the future direction of the Group.

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

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

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

## Attendance of Directors at Board and Committee Meetings in 2013

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

\* Attended Meetings by invitation of the Committee.

## **Board Composition and Balance**

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

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

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

As at 31 December 2013, six independent Directors have served on the Board for more than nine years. They are Mr Lim Jit Poh, Mr Ong Ah Heng, Mr Oo Soon Hee, Mr Tow Heng Tan, Dr Wang Kai Yuen and Mr Wong Chin Huat, David. The NC takes the view that a Director's independence cannot be determined solely and arbitrarily on the basis of the length of time. A Director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging Management in the best interests of the Group as he/she performs his/her duties in good faith, are more critical measures in ascertaining his/her independence than the number of years served on the Board. Hence, the Board does not impose a limit on the length of service of the independent Directors. However, the Board and the NC will exercise due and careful review, taking into consideration other factors, in assessing the

independence of a Director. These factors include, inter alia, if the Director has any interest, business, relationship and/or any other material contractual relationship with the Group which could reasonably be perceived to compromise his/her independence and interfere with the exercise of his/her independent business judgement with a view to the best interests of the Group. After due and careful rigorous review, the Board is of the view that all independent Directors remain independent in their exercise of judgement and objectivity in Board matters.

The Board and its Committees provide a diversity of skills and experiences including financial, legal, regulatory and business management. Each Director provides a valuable network of industry contacts which are considered essential to the Group.

## **Chairman and MD/Group CEO**

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

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

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

## **Board Membership and Board Performance**

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

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

# CORPORATE GOVERNANCE

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

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

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

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

The NC prescribes that Directors who are affected by the guidelines on multiple board representations shall be given up to three years to comply. As the number of board representations should not be the only measure of a Director's commitment and ability to contribute effectively, the NC takes the view that if a Director wishes

to hold board representations in more than the maximum stated per the guidelines, the request must be made to the Chairman of the Board for approval. As a policy, the Chairman himself should not hold more than six directorships in listed companies.

In assessing a Director's contribution, the NC takes a holistic approach. Focussing solely on Directors' attendance at Board Meetings per se may not be an adequate evaluation of the contribution of Directors. Instead, their abilities to provide valuable insights and strategic networking to enhance the businesses of the Group, availability for guidance and advice outside the scope of formal Board Meetings and contributions in specialised areas are also factors relevant in assessing the contributions of the Directors.

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

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

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

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

## Access to Information

Prior to each Board Meeting, and where needed,

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

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

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

## 2. REMUNERATION MATTERS

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

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

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

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

interfere with the exercise of independent judgement. The Company Secretary is the Secretary to the RC.

The terms of reference of the RC are to:

- (i) Review and recommend to the Board the remuneration framework for compensation to each Director, and ensure that the level of remuneration offered is appropriate to the level of contribution; and
- (ii) Review and approve the remuneration of senior management staff to ensure that the overall remuneration package is attractive to retain and motivate key executives.

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

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

The non-executive Directors of the Company are appointed pursuant to, and hold office in accordance with, the Articles of Association. They were eligible for and had been granted options under the Scheme. Further information on the Scheme can be found from pages 71 to 74 of this Annual Report. The last grant of share options was on 20 June 2012 and the Scheme expired on 17 February 2013.

The remuneration of the Directors and the key executives of the Group (who are not Directors) for the Financial Year 2013 can be found on pages 117 and 118 of this Annual Report.

# CORPORATE GOVERNANCE

During the Financial Year 2013, no key executive was an immediate family member of any Director of the Company.

## Procedures Adopted by RC

In 2013, the RC held two meetings. All decisions by the RC are made by a majority of votes of the RC members who are present and voting. The RC's decisions also exclude the vote, approval or recommendation of any members with a conflict of interest in relation to the subject matter under consideration. The MD/Group CEO is not present at any RC discussions relating to his own compensation, terms and conditions of service and the review of his performance. He is, however, in attendance when the compensation and incentive policies of senior management staff are discussed.

## 3. ACCOUNTABILITY AND AUDIT

### Accountability

The Board has overall accountability to the Shareholders of the Company, and ensures that the Group is well-managed and guided by strategic objectives. The Group's Operating Performance and Financial Results are reported each quarter via SGXNET with an accompanying negative assurance by the Board to confirm that nothing has come to its attention that may render the results false or misleading. The Company believes that prompt and full compliance with statutory reporting requirements is fundamental to maintaining shareholder confidence and trust.

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

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

### Audit and Risk Committee

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

The roles of the ARC include the following:

- (i) Risk identification and reviewing the adequacy and effectiveness of financial, operational, compliance and information technology controls and risk management systems to ensure effectiveness in the management of risks and compliance with internal policies and external regulations;
- (ii) Review the effectiveness of the Group's internal audit function;
- (iii) Review the quarterly and annual financial statements, and also significant accounting and reporting issues and their impact on financial statements so as to ensure the integrity of the financial statements and any formal announcements relating to the Group's financial performance, and recommend to the Board the acceptance of such financial statements;
- (iv) Review the scope and results of the audits undertaken by the Internal and External Auditors, including non-audit services performed by External Auditors to ensure that there is a balance between maintenance of objectivity and cost effectiveness;
- (v) Review Interested Person transactions;
- (vi) Recommend the appointment, re-appointment or removal of the External Auditors at the AGM and review the fees due to them;
- (vii) Review the audit plans of the Internal and External Auditors; and
- (viii) Review the effectiveness of the Group's Whistleblowing Policy, which has been put in place for staff to raise concerns in confidence about possible improprieties in matters of financial reporting or other matters, and ensure that an independent investigation and appropriate follow-up actions are taken. The Whistleblowing Policy is described in more detail on page 62 of this Annual Report.

In the performance of its duties, the ARC has explicit authority to investigate the affairs falling within its terms of reference, with full access to and cooperation from Management, discretion to invite any Director to attend

its meetings, and reasonable resources to enable it to discharge its duties properly. The Company Secretary is the Secretary of the ARC.

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

### **Internal Audit**

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

The Group Internal Audit Department adopts a risk-based approach in its continuous audit work. Based on the audit plan, it provides an independent and objective evaluation of the internal control systems and corporate governance processes of the Group. The audit plan is developed by the Internal Auditors in consultation with, but independent of Management, and is subject to the ARC's approval before the start of each financial year. Quarterly internal audit summary reports are also prepared and submitted to the ARC on the status of audits carried out. Any material non-compliance or lapses in internal controls are reported to the ARC and the MD/Group CEO for improvements to be made. The independence of the Internal Auditors' function is ensured as the ARC meets with the GIAO at least once a year without the presence of Management.

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

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

### **Internal Controls and Risk Management**

Risk management is an important and integral part of ComfortDelGro's strategic planning and decision making process. Key risks are identified and presented to the Board annually. Ownership of the risk management process is clearly defined and cascaded to the executive and functional level, with stewardship retained at Senior Management. Plans that are necessary to manage and mitigate the risks are in place and closely monitored. The adequacy of the internal controls in place is also assessed as part of the process. A detailed description of the Group's approach to internal controls and risk management is set out on pages 60 to 62 of this Annual Report.

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

For the Financial Year 2013, the Board has received assurance from the MD/Group CEO and the Group Financial Officer that the financial records have been properly maintained and the financial statements are prepared in compliance with the Singapore Financial Reporting Standards and are correct in all material aspects.

Based on these reviews, the Board is of the view, with the concurrence of the ARC, that there are adequate internal controls in place within the Group to address its financial, operational, compliance and information technology risks and to provide reasonable assurance against material financial misstatements or loss.

## **4. COMMUNICATIONS WITH SHAREHOLDERS**

### **Regular, Effective and Fair Communications with Shareholders**

ComfortDelGro is committed to actively engaging its Shareholders and have put in place an Investor Relations (IR) programme to promote regular, effective and fair communications with Shareholders and the investment community. The IR team works with Senior Management to

# CORPORATE GOVERNANCE

proactively carry out this engagement programme, which is described in more detail on page 50 of this Annual Report.

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

The Company does not participate in selective disclosure in the communication of material information. Communication with the SGX is handled by the Company Secretary, while communication with Shareholders, analysts and fund managers is handled by the GIRSPPO. Specific guidelines have been laid down for compliance in respect of all public communication. In addition, the Company has also put in place operational procedures to respond promptly to queries from the SGX on any unusual trading activities in its securities.

## Greater Shareholders' Participation at AGM

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

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

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

in 2009, decided to remove and stop seeking the general authority to issue shares to address concerns from the Shareholders that if this general authority to share issue were mandated, the Company could subsequently issue shares pursuant to this mandate, which would dilute their shareholding percentages and affect their voting rights.

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

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

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

- (i) The Company has taken steps to advertise the Notice of AGM at least 28 days before the AGM is held; and
- (ii) The Company sends electronic annual reports (by way of a CD-ROM) to all Shareholders (including foreign Shareholders) at least 21 days before the AGM to ensure that all Shareholders have adequate time to review the annual reports before the AGM. The move to electronic documentation demonstrates the Group's commitment towards Green and sustainable efforts. Upon request, hard copies are also provided to Shareholders.

## Voting by Poll

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

demonstrates ComfortDelGro's commitment to high standards of corporate governance and transparency.

## 5. ADDITIONAL MEASURES TO ENHANCE CORPORATE GOVERNANCE

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

### **Corporate Gifts/Entertainment Policy**

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

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

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

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

### **Block Leave Policy**

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

### **Information Protection Policy**

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

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

## INTERESTED PERSON TRANSACTIONS

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### **Listing Manual – Rule 907**

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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.

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# RISK MANAGEMENT

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Risk management is an important and integral part of the Group's strategic planning and decision making process. The Group's Risk Management Framework continues to provide an effective management process for the business units to identify and review risks and prioritise resources to manage the risks that arise.

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

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

The Management Risk Committee (MRC) works closely with the business units to ensure that risk management is taken actively and seriously and the Risk Management Framework is properly rolled out across the whole Group. Members of the MRC are drawn from senior management staff from the business units and the corporate office.

The Group's business has significant everyday interactions with many passengers, customers and members of the public. Nearly half of the Group's business is outside Singapore. The different business units have different risk profiles and they have different programmes to manage the risks. These programmes are tested and stressed periodically to ensure that they remain relevant and meet changing business requirements. Some of the key risks faced by the Group, the relevant mitigating factors and how they are managed are set out below.

## FINANCIAL RISKS

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

### Financial Authority Limits

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

### Budgetary Control

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

### Financial Risk Management

The Group recognises that prudent management of financial risks is an important aspect in the creation of shareholder value. The main areas of financial risks faced

by the Group are foreign exchange/currency risk, interest rate risk, credit/counter-party risk, liquidity risk and fuel and electricity price risk. It is the Group's policy not to participate in financial derivative instruments, except for use as hedging instruments, where appropriate. Sensitivity analysis and reviews of the Group's exposure to financial risks under changing market conditions are carried out regularly.

A detailed description of the financial risks and how the Group manages them are set out in the Notes to the Financial Statements on pages 87 to 151.

### **Economic cycle**

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

## **OPERATIONAL RISKS**

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

### **Safety**

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

### **Environmental**

Accidents and natural events can cause pollution or other environmental risks. To limit these risks, we engage in active environmental risk management, ensuring that we target the problems that could arise and implement preventive measures. For example, systems and processes are put in place to ensure that fuel leakage is minimised

and the use of dangerous and harmful chemicals is carefully audited. Other ways in which the Group works to protect the environment can be found in the Sustainability Report section of this Annual Report.

### **Human Resource**

The Group's ability to continue to develop and grow the business internationally depends on the quality of its employees. We have in place various programmes and processes that focus on several key areas, including building management bench strength, talent management, succession planning, performance management, compensation and benefits, training and development, employee conduct and supervision, as well as occupational health and safety. We ensure that employees are selected based on merit, they understand their responsibilities and are given access to necessary training. At all times, a positive, constructive and productive working climate based on strong tripartite relations is fostered. All terms and conditions of employment, along with policies and procedures, comply with the relevant regulations.

### **Property and Liability**

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

### **Business Continuity**

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

## **INFORMATION TECHNOLOGY RISKS**

Information technology system failures are key risks for the Group since almost all the businesses rely heavily on information technology. This can take the form of a major system failure which can result in disruption of the business, loss of data or a security breach of our information technology systems. Information security means protecting information and information systems from unauthorised access, use, disclosure, disruption,

# RISK MANAGEMENT

modification or destruction. The Group's information technology security management framework complies with current industry standards. We have put in place various controls and data recovery measures to mitigate the risks, including the use of intrusion prevention systems, multi-level firewalls, server protection, software code hardening and data loss prevention controls to manage Internet security and Cyber threats. Penetration tests are carried out regularly to test the systems and allow us to improve the security hardening of our websites.

## COMPLIANCE RISKS

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

## STRATEGIC RISKS

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

## AUDIT PROCESS

The Internal and External Auditors conduct reviews in accordance with their audit plans to assess the adequacy

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

## CODE OF BUSINESS CONDUCT AND WHISTLEBLOWING POLICY

The Group has adopted a Code of Business Conduct, which sets out the principles and policies upon which our businesses are conducted, as well as implemented a Whistleblowing Policy to provide a mechanism for employees to raise concerns, through well-defined and accessible confidential disclosure channels about possible improprieties in financial reporting or other improper business conduct. Employees are given a Company handbook detailing how they can go about raising their concerns. Incidents can also be reported through a direct link to the MD/Group CEO, the Group Human Resource Officer or the Group Internal Audit Officer on the Group's Intranet.

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

## OPINION OF THE BOARD

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

# DIRECTORIES

## SINGAPORE

### Bus

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

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

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

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

### Taxi

#### **CityCab Pte Ltd**

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

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

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

### Rail

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

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

### Automotive Engineering Services

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

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

### Inspection & Testing Services

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

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

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

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

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

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

#### **Setsco Services Pte Ltd**

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

#### **Setsco Consultancy International Pte Ltd**

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

### Driving Centre

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

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

### Car Rental & Leasing

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

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6882 0888  
Fax: (65) 6665 1818  
Website: [www.cdgrentacar.com.sg](http://www.cdgrentacar.com.sg)  
Email: [sales@cdgrentacar.com.sg](mailto:sales@cdgrentacar.com.sg)

### Insurance Broking Services

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

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

### Outdoor Advertising

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

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

\* Listed on the Singapore Exchange

# DIRECTORIES

## CHINA NORTH CHINA BUSINESS UNIT

### Beijing

#### Taxi

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

Room 101 on the 3rd Floor  
BLK 1 Shifu Road A2  
Shi Jing Shan District  
Beijing  
Postal Code 100042  
Mainline: (86) 10 8760 9860  
Fax: (86) 10 8760 4530  
Email: leongks@comfortdelgro.com

#### Vehicle Testing Services

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

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

### Jilin City, Jilin Province

#### Taxi

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

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

#### Driving Centre

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

No. 32 Jilin Main Street  
Jilin Hi-Tech Zone  
Jilin City, Jilin  
Postal Code 132013  
Mainline: (86) 432 6456 5618  
Fax: (86) 432 6456 5618  
Email: jilincomfortdelgro@163.com

### Shenyang, Liaoning Province

#### Taxi

##### **CityCab (Shenyang) Co., Ltd**

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

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

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

### Yantai, Shandong Province

#### Taxi

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

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

## WEST CHINA BUSINESS UNIT

### Chengdu, Sichuan Province

#### Taxi

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

No. 13 Wai Dong Jian Cai Road  
Chenghua District  
Chengdu, Sichuan  
Postal Code 610051  
Mainline: (86) 28 8471 5206  
Fax: (86) 28 8471 5206 618  
Email: simontan@comfortdelgro.com

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

No. 13 Wai Dong Jian Cai Road  
Chenghua District  
Chengdu, Sichuan  
Postal Code 610051  
Mainline: (86) 28 8471 5281  
Fax: (86) 28 8471 5206 618  
Email: simontan@comfortdelgro.com

#### Car Rental & Leasing

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

No. 13 Wai Dong Jian Cai Road  
Chenghua District  
Chengdu, Sichuan  
Postal Code 610051  
Mainline: (86) 28 8471 8859  
Fax: (86) 28 8471 8859 612  
Email: simontan@comfortdelgro.com

#### Vehicle Testing Services

##### **Chengdu Jitong Integrated Vehicle Inspection Co., Ltd**

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

#### Driving Centre

##### **Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd**

Wen Jia Hong Nian Zi  
Qing Yang Zone  
Chengdu, Sichuan  
Postal Code 610091  
Mainline: (86) 28 8707 0700  
Fax: (86) 28 8707 1730  
Email: glkhaw@comfortdelgro.com

## **Chongqing**

### **Driving Centre**

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

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

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

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

## **EAST CHINA BUSINESS UNIT**

### **Shanghai**

#### **Taxi**

#### **Shanghai City Qi Ai Taxi Services Co., Ltd**

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

### **Suzhou, Jiangsu Province**

#### **Taxi**

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

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

## **Nanjing, Jiangsu Province**

### **Taxi**

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

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

## **SOUTH CHINA BUSINESS UNIT**

### **Guangzhou, Guangdong Province**

#### **Bus Station**

#### **Guangzhou Xin Tian Wei Transportation Development Co., Ltd**

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

### **Nanning, Guangxi Province**

#### **Taxi**

#### **Nanning Comfort Transportation Co., Ltd**

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

## **Car Rental & Leasing**

### **Nanning ComfortDelGro Rent-A-Car Co., Ltd**

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

## **Hengyang, Hunan Province**

### **Bus**

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

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

## **AUSTRALIA**

### **Sydney, New South Wales**

#### **Bus**

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

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

### **Outdoor Advertising**

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

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

# DIRECTORIES

## Canberra, New South Wales

### Bus

#### **QCity Transit Transborder Express**

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

## Melbourne, Victoria

### Bus

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

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

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

1340-1344 North Road  
Oakleigh South, VIC 3167  
Mainline: (61) 3 8545 6000  
Fax: (61) 3 9543 4330  
Email: eastransoakleigh@  
cdcvtorioria.com.au

## Perth, West Australia

### Taxi

#### **Swan Taxis Pty Ltd**

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

## UNITED KINGDOM

## London, England

### Bus

#### **Metroline Limited**

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

### Coach

#### **Westbus Coach Services Limited**

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

### Taxi Radio Circuit

#### **Computer Cab plc**

Advantage House, Unit 7-8  
Mitre Bridge Industrial Park  
Mitre Way  
London W10 6AU  
Mainline: (44) 20 7908 0286  
Fax (44) 20 7908 0051  
Website: www.computercab.co.uk  
Email: customerservice@comcab.co.uk

### Private Car Hire

#### **Flightlink International Limited**

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

## Liverpool, England

### Taxi Radio Circuit

#### **Computer Cab (Liverpool) Limited**

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

## Birmingham, England

### Taxi Radio Circuit

#### **Computer Cab (Birmingham) Limited**

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

## Glasgow, Scotland

### Coach

#### **Scottish Citylink Coaches Limited**

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

## Aberdeen, Scotland

### Taxi Radio Circuit

#### **Computer Cab (Aberdeen) Limited**

Burnside Drive  
Dyce  
Aberdeen AB21 0HW  
Mainline (44) 1224 353535  
Fax: (44) 1224 722727  
Website: www.comcab-aberdeen.co.uk  
Email: customerservice@comcab.co.uk

## **Edinburgh, Scotland**

### **Taxi Radio Circuit**

#### **Computer Cab (Edinburgh) Limited**

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

### **Private Car Hire**

#### **Onward Travel Ltd**

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

## **Dublin, Ireland**

### **Inter-City Express Coach**

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

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

## **VIETNAM**

### **Ho Chi Minh City**

#### **Taxi**

#### **ComfortDelGro Savico Taxi Company**

104 Pho Quang Street Ward 2  
Tan Binh District  
Ho Chi Minh City  
Mainline: (84) 8 3842 4400  
Fax: (84) 8 3847 5976  
Website: [www.comfortsavico.com.vn](http://www.comfortsavico.com.vn)  
Email: [comfortsavico@vnn.vn](mailto:comfortsavico@vnn.vn)

#### **Vietnam Taxi Co., Ltd**

Tan Binh Industrial Park  
Lot IV-15B Road 4  
Tay Thanh Ward  
Tan Phu District  
Ho Chi Minh City  
Mainline: (84) 8 3815 5151  
Fax: (84) 8 3815 5158  
Website: [www.vinataxis.com](http://www.vinataxis.com)  
Email: [enquiry@vinataxis.com](mailto:enquiry@vinataxis.com)

## **MALAYSIA**

### **Kuala Lumpur**

#### **Car Leasing & Rental**

#### **CityLimo Leasing (M) Sdn Bhd**

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

#### **Inspection & Testing Services**

#### **Setsco Services (M) Sdn Bhd**

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

# FINANCIAL CALENDAR

## 2013

Announcement of 2012 Full Year Results	8 February 2013
Annual General Meeting	26 April 2013
Announcement of 1st Quarter 2013 Results	14 May 2013
Payment of 2012 final dividend (3.5 cents/share)	15 May 2013
Announcement of 2nd Quarter 2013 Results	14 August 2013
Payment of 2013 interim dividend (3.0 cents/share)	30 August 2013
Announcement of 3rd Quarter 2013 Results	13 November 2013

## 2014

Announcement of 2013 Full Year Results	13 February 2014
Annual General Meeting	25 April 2014
Announcement of 1st Quarter 2014 Results	12 May 2014*
Payment of 2013 final dividend (4 cents/share) <i>(Subject to Shareholders' approval at the forthcoming Annual General Meeting)</i>	14 May 2014
Announcement of 2nd Quarter 2014 Results	13 August 2014*
Announcement of 3rd Quarter 2014 Results	13 November 2014*

\* Provisional – Updates will be posted on [www.comfortdelgro.com](http://www.comfortdelgro.com)

# FINANCIAL STATEMENTS

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# REPORT OF THE DIRECTORS

The Directors present their report together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2013 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2013.

## I DIRECTORS

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

Lim Jit Poh	(Chairman)
Kua Hong Pak	(Managing Director/Group Chief Executive Officer)
Ong Ah Heng	
Oo Soon Hee	
Sum Wai Fun, Adeline	
Tow Heng Tan	
Wang Kai Yuen	
Wong Chin Huat, David	

## 2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraphs 3 and 5 of the Report of the Directors.

## 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and its related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50, except as follows:

Name of Directors and Companies in which interests are held	At	At	At
	1 January 2013	31 December 2013	21 January 2014
<b>Interest in the Company</b>			
(a) Ordinary shares			
Lim Jit Poh	1,044,425	284,425	284,425
Kua Hong Pak	2,824,530	324,530	324,530
Ong Ah Heng	395,558	515,558	395,558
Oo Soon Hee	525,000	475,000	475,000
Sum Wai Fun, Adeline	-	120,000	120,000
Tow Heng Tan	250,000	370,000	370,000
Wang Kai Yuen	312,500	1,032,500	1,032,500
Wong Chin Huat, David	100,000	220,000	220,000

# REPORT OF THE DIRECTORS

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

Name of Directors and Companies in which interests are held	At 1 January 2013	At 31 December 2013	At 21 January 2014
<b>Interest in the Company</b>			
(b) Options to subscribe for ordinary shares			
Lim Jit Poh	1,200,000	960,000	960,000
Kua Hong Pak	7,200,000	7,200,000	7,200,000
Ong Ah Heng	600,000	480,000	480,000
Oo Soon Hee	750,000	600,000	600,000
Sum Wai Fun, Adeline	600,000	480,000	480,000
Tow Heng Tan	600,000	480,000	480,000
Wang Kai Yuen	900,000	180,000	180,000
Wong Chin Huat, David	600,000	480,000	480,000
<b>Interest in subsidiary, SBS Transit Ltd</b>			
(a) Ordinary shares			
Lim Jit Poh	200,000	200,000	200,000
Wong Chin Huat, David	215,000	215,000	215,000
(b) Options to subscribe for ordinary shares			
Lim Jit Poh	200,000	100,000	100,000
Kua Hong Pak	180,000	90,000	90,000
Wong Chin Huat, David	65,000	-	-
<b>Interest in subsidiary, VICOM Ltd</b>			
(a) Ordinary shares			
Lim Jit Poh	190,000	190,000	190,000
Kua Hong Pak	54,000	54,000	54,000

## 4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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

## 5 SHARE OPTIONS

### (A) Share options of the Company

- (i) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS") for a period of 10 years was approved by the shareholders of the Company on 18 February 2003. It expired on 17 February 2013 and hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the CDG ESOS. The CDG ESOS is administered by the Remuneration Committee (the "Committee") comprising Messrs Tow Heng Tan (Chairman), Lim Jit Poh, Wong Chin Huat, David and Wang Kai Yuen.

# REPORT OF THE DIRECTORS

## 5 SHARE OPTIONS (CONT'D)

- (ii) Under the CDG ESOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares at a subscription price determined with reference to the market price of the shares at the time of grant of the option. The subscription price does not include any discount feature. The consideration for the grant of an option is \$1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for non-executive Directors) of the date of grant of that option or such shorter period as determined by the Committee. The option may be exercised in whole or in part on the payment of the relevant subscription price. The participants to whom the options have been granted shall be eligible to participate in other share option schemes implemented by the Company and/or its subsidiaries. Options granted will lapse when the option holder ceases to be a full-time employee or Director of the Company or any company of the Group, subject to certain exceptions at the discretion of the Committee administering the CDG ESOS.
- (iii) Particulars of unissued shares under options granted pursuant to the CDG ESOS, options granted, exercised and cancelled/lapsed during the financial year and options outstanding as at 31 December 2013 were as follows:

Date of grant	Number of options to subscribe for ordinary shares			Outstanding at 31 December 2013	Subscription price per share	Expiry date
	Outstanding at 1 January 2013	Exercised	Cancelled/ Lapsed			
31 July 2003	85,000	(85,000)	-	-	\$0.793	30 July 2013
2 January 2004	85,000	(85,000)	-	-	\$0.820	1 January 2014
19 July 2004	197,500	(162,500)	-	35,000	\$1.217	18 July 2014
24 February 2005	1,397,500	(650,000)	-	747,500	\$1.680	23 February 2015
21 July 2005	1,295,000	(570,000)	-	725,000	\$1.540	20 July 2015
17 November 2005	2,191,000	(640,000)	-	1,551,000	\$1.550	16 November 2015
13 July 2006	4,585,000	(1,270,000)	-	3,315,000	\$1.500	12 July 2016
22 June 2007	6,610,000	-	(580,000)	6,030,000	\$2.260	21 June 2017
25 June 2008	7,605,000	(3,165,000)	(60,000)	4,380,000	\$1.590	24 June 2018
25 June 2008	1,270,000	(1,270,000)	-	-	\$1.590	24 June 2013
25 June 2009	4,227,000	(1,280,000)	-	2,947,000	\$1.273	24 June 2019
25 June 2009	1,175,000	(305,000)	-	870,000	\$1.273	24 June 2014
2 July 2010	10,462,500	(4,735,000)	(220,000)	5,507,500	\$1.467	1 July 2020
2 July 2010	1,250,000	(180,000)	-	1,070,000	\$1.467	1 July 2015
23 June 2011	1,050,000	(180,000)	-	870,000	\$1.373	22 June 2016
23 June 2011	9,808,000	(4,226,000)	(100,000)	5,482,000	\$1.373	22 June 2021
20 June 2012	1,050,000	-	-	1,050,000	\$1.475	19 June 2017
20 June 2012	15,835,000	(4,710,000)	(220,000)	10,905,000	\$1.475	19 June 2022
<b>Total</b>	<b>70,178,500</b>	<b>(23,513,500)</b>	<b>(1,180,000)</b>	<b>45,485,000</b>		

The options outstanding as at 31 December 2013 include 200,000 options granted to former employees of the Group who have been granted an extension from their respective dates of retirement by the Remuneration Committee to exercise their outstanding options.

- (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 2013 were as follows:

# REPORT OF THE DIRECTORS

## 5 SHARE OPTIONS (CONT'D)

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2013	Aggregate options exercised since the commencement to 31 December 2013	Aggregate options lapsed/forfeited since the commencement to 31 December 2013	Aggregate options outstanding at 31 December 2013
Lim Jit Poh	2,773,577	1,313,577	500,000	960,000
Kua Hong Pak	12,300,000	2,700,000	2,400,000	7,200,000
Ong Ah Heng	1,517,540	687,540	350,000	480,000
Oo Soon Hee	1,650,000	675,000	375,000	600,000
Sum Wai Fun, Adeline	600,000	120,000	-	480,000
Tow Heng Tan	1,200,000	370,000	350,000	480,000
Wang Kai Yuen	1,998,672	1,693,672	125,000	180,000
Wong Chin Huat, David	1,200,000	370,000	350,000	480,000

\* Following the merger of Comfort Group Ltd and DelGro Corporation Limited, the outstanding options under the Comfort Executives' Share Option Scheme, the 2000 Comfort Share Option Scheme and the DelGro Executives' Share Option Scheme (collectively, the "Pre-Merger Option Scheme"), were exchanged for options under the CDG ESOS based on the then option exchange ratios.

The terms of the options granted to the Directors are disclosed in paragraph 5(A)(ii).

- (v) None of the options granted under the CDG ESOS include a discount feature to the market price of the shares at the time of grant. No participants to the CDG ESOS are controlling shareholders of the Company and their associates.
- (vi) None of the Directors or employees of the Company and its subsidiaries received 5% or more of the total number of options available under the CDG ESOS for the financial year ended 31 December 2013.

### (B) Share options of subsidiaries

- (a) SBS Transit Ltd ("SBST")
  - (i) At the end of the financial year, there were 6,173,750 unissued shares of SBS Transit Ltd under option relating to the SBS Transit Share Option Scheme (the "SSOS"). The SSOS expired on 8 June 2010 and hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the SSOS and the respective grants. Details and terms of the share options and SSOS have been disclosed in the Directors' Report of SBS Transit Ltd.
  - (ii) There were no share options granted to Directors of the Company during the financial year. Details of the SSOS options since the commencement of the SSOS were as follows:

# REPORT OF THE DIRECTORS

## 5 SHARE OPTIONS (CONT'D)

<b>Director</b>	<b>Number of options to subscribe for ordinary shares</b>			
	<b>Aggregate options granted since the commencement to 31 December 2013</b>	<b>Aggregate options exercised since the commencement to 31 December 2013</b>	<b>Aggregate options lapsed since the commencement to 31 December 2013</b>	<b>Aggregate options outstanding at 31 December 2013</b>
Lim Jit Poh	780,000	380,000	300,000	100,000
Kua Hong Pak	690,000	150,000	450,000	90,000
Wong Chin Huat, David	475,000	295,000	180,000	-

(b) VICOM Ltd (“VICOM”)

- (i) At the end of the financial year, there were 143,000 unissued shares of VICOM Ltd under option relating to the 2001 VICOM Share Option Scheme (the “2001 VSOS”). The VSOS expired on 26 April 2011 and hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the 2001 VSOS and the respective grants. Details and terms of the share options and the 2001 VSOS have been disclosed in the Directors’ Report of VICOM Ltd.
- (ii) There were no share options granted to the Directors of the Company during the financial year and no outstanding share options held by the Directors as at 31 December 2013 as the last grant of share options was issued to the Directors in 2005 and expired in 2010. Details of the options granted and exercised by the Directors since the commencement of the 2001 VSOS up to 31 December 2013 are not disclosed as there were no movements in options granted and exercised and such details had been disclosed in the prior years.

## 6 AUDIT AND RISK COMMITTEE

At the date of this report, the Audit and Risk Committee comprises four non-executive Directors, of whom three, including the Chairman, are independent:

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

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50 and the Code of Corporate Governance 2012.

In performing its functions, the Audit and Risk Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company’s officers to the auditors. It met with the Company’s internal and external auditors four times during the year to discuss the scope and results of their respective audits, and at least once annually without the presence of Management. The Audit and Risk Committee has reviewed the independence of the external auditors, Messrs Deloitte & Touche LLP, including the scope of the non-audit services performed and confirmed that the auditors are independent.

In addition, the Audit and Risk Committee reviewed the financial statements of the Group before their submission to the Board of Directors of the Company and provided assurance to the Board on the adequacy of financial, operational, compliance and information technology controls.

The Audit and Risk Committee has recommended to the Board of Directors, the nomination of Deloitte & Touche LLP for re-appointment as auditors of the Company at the forthcoming Annual General Meeting.

# REPORT OF THE DIRECTORS

## 7 AUDITORS

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

ON BEHALF OF THE DIRECTORS

**LIM JIT POH**

Chairman

**KUA HONG PAK**

Managing Director/Group Chief Executive Officer

Singapore  
13 February 2014

# 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 78 to 151 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 2013, 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

13 February 2014

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED

## **Report on the Financial Statements**

We have audited the accompanying financial statements of ComfortDelGro Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at 31 December 2013, and the income statement, comprehensive income statement, statement of changes in equity and cash flow statement of the Group and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 78 to 151.

## **Management's Responsibility for the Financial Statements**

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

## **Auditors' Responsibility**

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

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

## **Opinion**

In our opinion, the consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

## **DELOITTE & TOUCHE LLP**

Public Accountants and  
Chartered Accountants

Singapore  
13 February 2014

# STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2013

	Note	The Group		The Company	
		2013 \$'mil	2012 \$'mil	2013 \$'mil	2012 \$'mil
<b>ASSETS</b>					
<b>Current assets</b>					
Short-term deposits and bank balances	4	830.6	694.6	402.0	329.2
Available-for-sale investments	5	5.0	-	-	-
Trade receivables	6	111.3	128.5	-	-
Other receivables and prepayments	7	191.8	174.4	1.9	1.9
Grant receivables	8	22.1	24.2	-	-
Due from subsidiaries	9	-	-	6.5	10.8
Finance lease receivables	10	8.3	14.7	-	-
Inventories	11	70.6	57.9	-	-
<b>Total current assets</b>		<b>1,239.7</b>	<b>1,094.3</b>	<b>410.4</b>	<b>341.9</b>
<b>Non-current assets</b>					
Subsidiaries	12	-	-	1,037.5	1,037.5
Associates	13	6.2	5.3	0.1	0.1
Available-for-sale investments	5	64.3	82.5	46.1	55.9
Other receivables and prepayments	7	27.9	41.8	-	-
Grant receivables	8	269.3	333.6	-	-
Due from subsidiaries	9	-	-	21.4	23.2
Finance lease receivables	10	4.4	8.6	-	-
Vehicles, premises and equipment	14	2,777.4	2,706.6	12.7	13.6
Taxi licences and bus operating rights	15	413.3	393.2	-	-
Goodwill	16	273.8	176.0	-	-
Deferred tax assets	17	8.4	3.9	-	-
<b>Total non-current assets</b>		<b>3,845.0</b>	<b>3,751.5</b>	<b>1,117.8</b>	<b>1,130.3</b>
<b>Total assets</b>		<b>5,084.7</b>	<b>4,845.8</b>	<b>1,528.2</b>	<b>1,472.2</b>

See accompanying notes to the financial statements.

# STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2013

	Note	The Group		The Company	
		2013 \$'mil	2012 \$'mil	2013 \$'mil	2012 \$'mil
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Borrowings	18	218.4	76.6	-	-
Trade and other payables	19	649.3	614.5	37.7	22.8
Trade payables for buses		15.7	26.9	-	-
Deferred grants	20	17.7	20.3	-	-
Due to subsidiaries	21	-	-	476.3	474.9
Fuel price equalisation account		20.0	20.0	-	-
Insurance premiums payable and provision for accident claims	22	84.5	84.6	-	-
Income tax payable		56.9	62.5	1.4	3.3
<b>Total current liabilities</b>		<b>1,062.5</b>	<b>905.4</b>	<b>515.4</b>	<b>501.0</b>
<b>Non-current liabilities</b>					
Borrowings	18	589.5	627.0	-	-
Deferred grants	20	288.5	347.9	-	-
Other liabilities	23	125.6	115.4	0.1	0.1
Fuel price equalisation account		20.0	20.0	-	-
Deferred tax liabilities	17	204.1	193.1	2.8	0.3
<b>Total non-current liabilities</b>		<b>1,227.7</b>	<b>1,303.4</b>	<b>2.9</b>	<b>0.4</b>
<b>Total liabilities</b>		<b>2,290.2</b>	<b>2,208.8</b>	<b>518.3</b>	<b>501.4</b>
<b>Capital, reserves and non-controlling interests</b>					
Share capital	24	622.7	585.1	622.7	585.1
Other reserves	25	10.5	14.1	(4.2)	8.5
Foreign currency translation reserve		(35.3)	(25.5)	-	-
Accumulated profits		1,556.8	1,434.5	391.4	377.2
Equity attributable to shareholders of the Company		2,154.7	2,008.2	1,009.9	970.8
Non-controlling interests		639.8	628.8	-	-
<b>Total equity</b>		<b>2,794.5</b>	<b>2,637.0</b>	<b>1,009.9</b>	<b>970.8</b>
<b>Total liabilities and equity</b>		<b>5,084.7</b>	<b>4,845.8</b>	<b>1,528.2</b>	<b>1,472.2</b>

See accompanying notes to the financial statements.

# GROUP INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$'mil	2012 \$'mil
<b>Revenue</b>	26	3,747.7	3,545.3
Staff costs	27	(1,216.7)	(1,093.3)
Contract services		(499.7)	(468.9)
Depreciation and amortisation		(337.4)	(323.0)
Fuel and electricity costs		(287.4)	(276.4)
Materials and consumables		(247.0)	(286.6)
Repairs and maintenance		(232.1)	(213.3)
Insurance premiums and accident claims		(127.8)	(120.9)
Road tax		(125.2)	(123.0)
Premises costs		(70.6)	(65.9)
Taxi drivers' benefits		(56.9)	(54.0)
Utilities and communication costs		(22.9)	(22.8)
Vehicle leasing charges		(14.3)	(6.6)
Advertising production and promotion costs		(13.7)	(13.8)
Other operating expenses		(69.7)	(64.5)
<b>Total operating expenses</b>		<b>(3,321.4)</b>	<b>(3,133.0)</b>
<b>Operating profit</b>		<b>426.3</b>	<b>412.3</b>
Net income from investments		11.4	11.5
Finance costs	28	(27.4)	(31.4)
Share of profit in associates	13	4.0	3.6
<b>Profit before taxation</b>		<b>414.3</b>	<b>396.0</b>
Taxation	29	(87.0)	(85.5)
<b>Profit after taxation</b>	<b>30</b>	<b>327.3</b>	<b>310.5</b>
Attributable to:			
Shareholders of the Company		263.2	248.9
Non-controlling interests		64.1	61.6
		<b>327.3</b>	<b>310.5</b>
Earnings per share (in cents):			
Basic	31	12.43	11.89
Diluted	31	12.38	11.86

See accompanying notes to the financial statements.

# GROUP COMPREHENSIVE INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$'mil	2012 \$'mil
<b>Profit after taxation</b>	30	327.3	310.5
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value adjustment on cash flow hedges		1.2	1.0
Fair value adjustment on available-for-sale investments		0.8	(3.1)
Exchange differences on translation of foreign operations		(25.8)	(38.5)
		(23.8)	(40.6)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial adjustment on defined benefit plans		(3.4)	2.6
<b>Other comprehensive expense for the year</b>		(27.2)	(38.0)
<b>Total comprehensive income for the year</b>		300.1	272.5
<b>Attributable to:</b>			
Shareholders of the Company		252.3	224.5
Non-controlling interests		47.8	48.0
		300.1	272.5

See accompanying notes to the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2013

	The Group						
	Attributable to shareholders of the Company						
	Share capital \$'mil	Other reserves \$'mil	Foreign currency translation reserve \$'mil	Accumulated profits \$'mil	Total \$'mil	Non-controlling interests \$'mil	Total equity \$'mil
<b>Balance at 1 January 2012</b>	<b>568.6</b>	<b>11.6</b>	<b>(1.2)</b>	<b>1,318.4</b>	<b>1,897.4</b>	<b>582.9</b>	<b>2,480.3</b>
<b>Total comprehensive income (expense) for the year</b>							
Profit for the year	-	-	-	248.9	248.9	61.6	310.5
Other comprehensive expense for the year	-	(0.1)	(24.3)	-	(24.4)	(13.6)	(38.0)
Total	-	(0.1)	(24.3)	248.9	224.5	48.0	272.5
<b>Transactions recognised directly in equity</b>							
Recognition of share-based payments (Note 25)	-	1.3	-	-	1.3	-	1.3
Exercise of share options (Notes 24 and 25)	16.5	(1.4)	-	-	15.1	-	15.1
Payment of dividends (Note 36)	-	-	-	(129.8)	(129.8)	-	(129.8)
Other reserves	-	2.7	-	(3.0)	(0.3)	(2.1)	(2.4)
Total	16.5	2.6	-	(132.8)	(113.7)	(2.1)	(115.8)
<b>Balance at 31 December 2012</b>	<b>585.1</b>	<b>14.1</b>	<b>(25.5)</b>	<b>1,434.5</b>	<b>2,008.2</b>	<b>628.8</b>	<b>2,637.0</b>
<b>Total comprehensive income (expense) for the year</b>							
Profit for the year	-	-	-	263.2	263.2	64.1	327.3
Other comprehensive expense for the year	-	(1.1)	(9.8)	-	(10.9)	(16.3)	(27.2)
Total	-	(1.1)	(9.8)	263.2	252.3	47.8	300.1
<b>Transactions recognised directly in equity</b>							
Recognition of share-based payments (Note 25)	-	0.6	-	-	0.6	-	0.6
Exercise of share options (Notes 24 and 25)	37.6	(3.1)	-	-	34.5	-	34.5
Payment of dividends (Note 36)	-	-	-	(137.8)	(137.8)	-	(137.8)
Other reserves	-	-	-	(3.1)	(3.1)	(36.8)	(39.9)
Total	37.6	(2.5)	-	(140.9)	(105.8)	(36.8)	(142.6)
<b>Balance at 31 December 2013</b>	<b>622.7</b>	<b>10.5</b>	<b>(35.3)</b>	<b>1,556.8</b>	<b>2,154.7</b>	<b>639.8</b>	<b>2,794.5</b>

See accompanying notes to the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2013

	The Company			Total equity \$'mil
	Share capital \$'mil	Other reserves \$'mil	Accumulated profits \$'mil	
<b>Balance at 1 January 2012</b>	<b>568.6</b>	<b>11.9</b>	<b>400.7</b>	<b>981.2</b>
<b>Total comprehensive income (expense) for the year</b>				
Profit for the year	-	-	105.6	105.6
Other comprehensive expense for the year	-	(2.8)	-	(2.8)
Total	-	(2.8)	105.6	102.8
<b>Transactions recognised directly in equity</b>				
Recognition of share-based payments (Note 25)	-	1.3	-	1.3
Exercise of share options (Notes 24 and 25)	16.5	(1.4)	-	15.1
Payment of dividends (Note 36)	-	-	(129.8)	(129.8)
Other reserves	-	(0.5)	0.7	0.2
Total	16.5	(0.6)	(129.1)	(113.2)
<b>Balance at 31 December 2012</b>	<b>585.1</b>	<b>8.5</b>	<b>377.2</b>	<b>970.8</b>
<b>Total comprehensive income (expense) for the year</b>				
Profit for the year	-	-	151.5	151.5
Other comprehensive expense for the year	-	(9.8)	-	(9.8)
Total	-	(9.8)	151.5	141.7
<b>Transactions recognised directly in equity</b>				
Recognition of share-based payments (Note 25)	-	0.6	-	0.6
Exercise of share options (Notes 24 and 25)	37.6	(3.1)	-	34.5
Payment of dividends (Note 36)	-	-	(137.8)	(137.8)
Other reserves	-	(0.4)	0.5	0.1
Total	37.6	(2.9)	(137.3)	(102.6)
<b>Balance at 31 December 2013</b>	<b>622.7</b>	<b>(4.2)</b>	<b>391.4</b>	<b>1,009.9</b>

See accompanying notes to the financial statements.

# GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2013

	<b>2013</b>	<b>2012</b>
	<b>\$'mil</b>	<b>\$'mil</b>
<b>Operating activities</b>		
Profit before taxation	414.3	396.0
Adjustments for:		
Depreciation and amortisation	337.4	323.0
Finance costs	27.4	31.4
Interest income	(9.6)	(8.7)
Dividend income	(4.3)	(5.2)
Share-based payment expense	0.6	1.3
Net (gain) loss on disposal of vehicles	(2.7)	0.3
Share of profit in associates	(4.0)	(3.6)
Others	10.9	8.9
Operating cash flows before movements in working capital	770.0	743.4
Inventories	(10.6)	(2.4)
Trade receivables	(11.0)	6.8
Other receivables and prepayments	(8.8)	(47.6)
Grant receivables, net of deferred grants	5.2	8.2
Finance lease receivables	10.6	5.3
Trade and other payables	37.2	50.0
Other liabilities	(15.5)	0.5
Insurance premiums payable and provision for accident claims	(1.3)	(0.7)
Cash generated from operations	775.8	763.5
Income tax paid	(78.1)	(76.3)
Net cash from operating activities	697.7	687.2

See accompanying notes to the financial statements.

# GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2013

	<b>2013</b>	<b>2012</b>
	<b>\$'mil</b>	<b>\$'mil</b>
<b>Investing activities</b>		
Purchases of vehicles, premises and equipment	(500.1)	(519.6)
Less: Proceeds from disposal of vehicles	84.7	35.6
Cash payments on purchase of vehicles, premises and equipment	(415.4)	(484.0)
Payment for taxi licences	(2.2)	(7.5)
Increase in investment in a subsidiary	(1.4)	-
Acquisition of subsidiaries, net of cash [Note (a)]	(137.3)	(68.8)
Divestment of subsidiaries, net of cash [Note (b)]	8.5	32.6
Interest received	9.3	8.2
Dividend received from an associate	2.4	3.9
Dividend received from available-for-sale investments	4.3	5.2
<b>Net cash used in investing activities</b>	<b>(531.8)</b>	<b>(510.4)</b>
<b>Financing activities</b>		
New loans raised	385.1	377.4
Repayment of borrowings	(265.4)	(290.6)
Capital contributions from non-controlling shareholder of a subsidiary	-	34.7
Dividends paid to shareholders of the Company	(137.8)	(129.8)
Dividends paid to non-controlling shareholders of subsidiaries	(28.2)	(33.3)
Proceeds from exercise of share options of the Company	34.5	15.1
Proceeds from exercise of share options of subsidiaries	0.7	0.8
Interest paid	(27.4)	(30.6)
Proceeds from unclaimed dividends	0.2	0.2
<b>Net cash used in financing activities</b>	<b>(38.3)</b>	<b>(56.1)</b>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<b>8.4</b>	<b>(2.8)</b>
Net increase in cash and cash equivalents	136.0	117.9
Cash and cash equivalents at beginning of year	694.6	576.7
<b>Cash and cash equivalents at end of year (Note 4)</b>	<b>830.6</b>	<b>694.6</b>

See accompanying notes to the financial statements.

# GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2013

## Note (a):

### Summary of the effects of acquisition of subsidiaries:

	2013	2012
	\$'mil	\$'mil
Net (assets) liabilities acquired:		
Current assets	(2.6)	(0.1)
Non-current assets	(76.6)	(36.3)
Current liabilities	10.9	0.8
Non-current liabilities	19.9	-
Net assets acquired	(48.4)	(35.6)
Goodwill on acquisition	(88.9)	(33.2)
Total purchase consideration, representing cash flow on acquisition	(137.3)	(68.8)

## Note (b):

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

	2013	2012
	\$'mil	\$'mil
Net assets (liabilities) on divestment:		
Current assets	25.7	25.2
Non-current assets	13.4	48.6
Current liabilities	(3.6)	(16.8)
Non-current liabilities	(1.6)	(4.3)
Net assets divested	33.9	52.7
Non-controlling interests	(8.3)	(2.6)
Proceeds from divestment	25.6	50.1
Less: Cash adjustment upon deconsolidation of subsidiaries	(17.1)	(17.5)
Cash flow from divestment, net of cash	8.5	32.6

See accompanying notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## I GENERAL

The Company (Registration No. 200300002K) is incorporated in the Republic of Singapore with its registered office and principal place of business at 205 Braddell Road, Singapore 579701. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are those of investment holding and the provision of management services. The principal activities of the subsidiaries and associates are described in Note 38.

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

The consolidated financial statements of the Group for the financial year ended 31 December 2013 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2013 were authorised for issue by the Board of Directors on 13 February 2014.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

**ADOPTION OF REVISED FINANCIAL STANDARDS** - In the current financial year, the Group has adopted all the new and revised FRSs that are relevant to its operations and effective for annual periods beginning on 1 January 2013.

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

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

FRS 27 (Revised)	- Separate Financial Statements
FRS 28 (Revised)	- Investments in Associates and Joint Ventures
FRS 110	- Consolidated Financial Statements
FRS 111	- Joint Arrangements
FRS 112	- Disclosure of Interests in Other Entities
Amendments to FRS 110	- Consolidation Financial Statements-- Investment Entities
FRS 110, FRS 111, FRS 112	- Transition Guidance
Amendments to FRS 32	- Financial Instruments: Presentation
Amendments to FRS 36	- Impairment of Assets
INT FRS 121	- Levies
Amendments to FRS 39	- Novation of Derivatives and Continuation of Hedge Accounting

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

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

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

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

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

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

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

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

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

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

**FINANCIAL INSTRUMENTS** - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

### **Financial assets**

#### ***Cash and cash equivalents***

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

#### ***Investments***

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

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

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

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

### ***Available-for-sale investments***

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

### ***Trade and other receivables***

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

### ***Provision for impairment of financial assets***

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

### **Financial liabilities and equity instruments**

#### ***Classification as debt or equity***

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### ***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### ***Borrowings***

Interest-bearing loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised in profit or loss over the term of the borrowings.

#### ***Trade and other payables***

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost.

#### ***Hedging instruments and hedge accounting***

The Group uses hedging instruments to manage its exposure to fuel price fluctuation, interest rate and foreign exchange rate risks. The use of hedging instruments is governed by the Group's policies which provide written principles on the use of financial instruments consistent with the Group's risk management strategy (see Note 35).

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

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

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

The Group designates any interest rate swap for hedging of interest rate risk arising from borrowings as cash flow hedges. Hedges of foreign currency risk for future purchases of goods are designated as cash flow hedges. Hedges of fuel price risk for future purchases of goods are also designated as cash flow hedges.

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

Note 35(b) contains details of the fair values of the hedging instruments.

#### ***Fair value hedge***

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

### **Cash flow hedge**

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

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

### **The Group as lessor**

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

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

### **The Group as lessee**

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

Rentals payable under operating leases (net of any incentive received from lessor) are charged to profit or loss on a straight-line basis over the term of the relevant lease.

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

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

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

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

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

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

**ASSOCIATES** - An associate is an entity over which the Group does not have control but has met the requirements for equity accounting under FRS 28 Investments in Associates.

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

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

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

### **INTANGIBLE ASSETS**

#### **Intangible assets acquired separately**

Bus operating rights, 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. Bus operating rights, 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

### **Intangible assets acquired in a business combination**

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

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

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

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

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

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

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

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

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

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

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

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

- (i) The deferred grants relating to the net present value of the grant income from the transport regulators in Australia for the acquisition of new buses that is amortised to profit or loss over the useful lives of the assets.
- (ii) Advance receipts from customers that are recognised to profit or loss when the services are rendered.

**SERVICE BENEFITS** - These comprise the following:

- (i) **Retirement Benefits** - Under the Collective Agreement entered into by certain subsidiaries in Singapore with their relevant unions, retirement benefit subject to a maximum of \$3,000 is payable to a retiring employee on or after attaining the age of sixty-seven years and on completion of at least five years of service. Provision is made in the financial statements based on the number of years of service rendered by qualifying employees.
- (ii) **Long Service Awards** - Staff of certain subsidiaries in Singapore serving more than 5 years and up to 25 years are entitled to long service awards. Provision is made in the financial statements based on the number of years of service rendered by qualifying employees.

The provision for retirement benefits and long service awards is discounted using the market yield of Singapore Government Bonds at the end of each reporting period.

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

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

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses arising over the financial year are recognised immediately in other comprehensive income and accumulated in equity under retirement benefit reserve and are reflected in the statement of financial position as a pension asset or liability as appropriate. The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation net of fair value of plan assets.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

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

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

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

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

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

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

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 rates prevailing at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulate in the Group's currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

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

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

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

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

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

#### **Provisions**

##### **(i) Accident claims**

Claims for property damage and personal injury are provided in the financial statements based on the claims outstanding as of the end of the financial year and estimated amounts payable. The past claims history and payment trends are used as a basis to estimate the amounts in which the Group will have to pay to third parties for such claims. The provision for accident claims included in Note 22 is \$65.8 million (2012 : \$62.6 million).

##### **(ii) Insurance premium payable**

With effect from 2008, the Group has undertaken property damage and personal injury insurance with a fixed annual premium per vehicle. However, the Group had in the previous financial years incurred additional premiums payable as the insurance claims per vehicle had exceeded the minimum amount as stipulated in the insurance policy for those years. An estimate of the liability for the period from 2002 to 2009 of \$18.7 million (2012 : \$22.0 million) had been made based on the history of incurred claims per vehicle for each of the policy year (Note 22).

##### **(iii) Retirement benefits and long service awards**

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

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

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

The cost of providing benefits under the two defined benefit pension schemes for employees of one of the foreign subsidiaries is determined using the Projected Unit Credit Method, with actuarial valuations carried out at the end of each reporting period. The retirement benefit obligation recognised in the Group's statement of financial position amounting to \$17.6 million (2012 : \$15.4 million) disclosed in Note 23(d) represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

### Impairment review of goodwill, taxi licences and bus operating rights

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

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

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

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by Management for the next year and extrapolates cash flows for the following 4 years based on estimated growth rate which ranges from 1.8% to 7.3% (2012 : 1.1% to 8.2%). The estimated growth rate is based on industry growth forecasts and does not exceed the average long-term growth rate for the relevant markets.

The discount rates applied to the forecast for the Group are assumed to range from 5.08% to 7.75% (2012 : 5.41% to 7.20%).

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

As at 31 December 2013 and 31 December 2012, any reasonably possible changes to the key assumptions applied are not likely to cause the recoverable amount to be below the carrying amount of the CGU.

### Impairment review of quoted available-for-sale equity investment

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

### Useful lives of vehicles, premises and equipment

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

## 4 SHORT-TERM DEPOSITS AND BANK BALANCES

	The Group		The Company	
	2013 \$'mil	2012 \$'mil	2013 \$'mil	2012 \$'mil
Cash and bank balances	16.6	14.2	-	-
Interest bearing bank balances	110.8	96.5	0.9	2.3
Fixed deposits	703.2	583.9	401.1	326.9
Total	830.6	694.6	402.0	329.2

Interest bearing bank balances bear effective interest rates ranging from 0% to 2.5% (2012: 0% to 3.5%).

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 4 SHORT-TERM DEPOSITS AND BANK BALANCES (CONT'D)

Fixed deposits are placed on a staggered basis based on the Group's cashflow projections, bear effective interest rates ranging from 0.3% to 6.9% (2012: 0.3% to 9.0%). These deposits are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

## 5 AVAILABLE-FOR-SALE INVESTMENTS

	The Group		The Company	
	2013 \$'mil	2012 \$'mil	2013 \$'mil	2012 \$'mil
a) Quoted investments, at fair value:				
Bonds in corporations	16.1	16.8	5.6	5.8
Equity shares in corporations	52.3	64.6	40.4	50.0
b) Unquoted investments, at cost:				
Equity shares in corporations	0.2	0.2	-	-
Others	0.7	0.9	0.1	0.1
<b>Total</b>	<b>69.3</b>	<b>82.5</b>	<b>46.1</b>	<b>55.9</b>
Analysed as:				
Current	5.0	-	-	-
Non-current	64.3	82.5	46.1	55.9
<b>Total</b>	<b>69.3</b>	<b>82.5</b>	<b>46.1</b>	<b>55.9</b>

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

## 6 TRADE RECEIVABLES

	The Group	
	2013 \$'mil	2012 \$'mil
Outside parties	113.0	130.3
Allowance for doubtful receivables	(1.7)	(1.8)
<b>Net</b>	<b>111.3</b>	<b>128.5</b>

The credit period on sale of goods and rendering of services ranges from 7 days to 60 days (2012 : 7 days to 60 days) except for insurance claims against third parties which have no credit period due to their nature.

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

The credit risk on trade receivables that are past due but not impaired at the reporting date are insignificant as a majority of receivables is from the transport regulators and insurance companies. The receivables that are past due at the reporting date for which the Group has not provided for are insignificant. The Group does not hold any collateral over these balances.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 6 TRADE RECEIVABLES (CONT'D)

Movements in the allowance for doubtful debts:

	The Group	
	2013 \$'mil	2012 \$'mil
Balance at beginning of the year	1.8	2.3
Amounts written off during the year	(0.7)	(1.0)
Increase in allowance recognised in income statement	0.6	0.5
Balance at end of the year	1.7	1.8

## 7 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2013 \$'mil	2012 \$'mil	2013 \$'mil	2012 \$'mil
Prepayments	62.0	59.9	0.2	0.2
Downpayments for the purchase of vehicles, premises and equipment	27.3	41.5	-	-
Interest receivable	1.8	1.4	0.3	0.2
Staff advances	0.5	0.7	-	-
Security and tender deposits	1.9	2.1	-	-
Accrued income	30.9	27.8	-	-
Receivable from a non-controlling shareholder of a subsidiary	-	5.9	-	-
Others	95.3	76.9	1.4	1.5
Total	219.7	216.2	1.9	1.9
Analysed as:				
Current	191.8	174.4	1.9	1.9
Non-current	27.9	41.8	-	-
Total	219.7	216.2	1.9	1.9

In 2012, the receivable from a non-controlling shareholder of a subsidiary was secured on taxi licences, bore interest at fixed rate of 6.1% per annum and was received during the year.

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

## 8 GRANT RECEIVABLES

	The Group	
	2013 \$'mil	2012 \$'mil
Grant receivables	291.4	357.8
Analysed as:		
Current	22.1	24.2
Non-current	269.3	333.6
Total	291.4	357.8

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 8 GRANT RECEIVABLES (CONT'D)

The grant receivables of \$291.4 million (2012 : \$357.8 million) are unsecured, bear effective interest at rates ranging from 4.36% to 8.14% (2012 : 4.93% to 8.44%) per annum and receivable over the period that the Group expects to retain the contract to operate the bus routes. This balance represents the net present value of the grants receivable from the transport regulators in Australia for the acquisition of new buses.

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

## 9 DUE FROM SUBSIDIARIES

	The Company	
	2013	2012
	\$'mil	\$'mil
Receivables from subsidiaries	27.9	34.0
Analysed as:		
Current	6.5	10.8
Non-current	21.4	23.2
Total	27.9	34.0

Of the amount of \$27.9 million (2012 : \$34.0 million) due from subsidiaries, \$21.4 million (2012 : \$23.2 million) relates to a loan which bears variable interest at rate of 4.21% (2012 : 4.8%) per annum and is unsecured. The remaining balances of \$6.5 million (2012 : \$10.8 million) are unsecured and interest-free.

## 10 FINANCE LEASE RECEIVABLES

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2013	2012	2013	2012
	\$'mil	\$'mil	\$'mil	\$'mil
Amounts receivable under finance leases:				
Within one year	9.3	16.2	8.8	15.3
Within the second to fifth year inclusive	4.9	9.5	4.7	9.0
	14.2	25.7	13.5	24.3
Less: Unearned finance income	(0.7)	(1.4)	NA	NA
Present value of minimum lease payments receivable	13.5	24.3	13.5	24.3
Less: Provision for unguaranteed residual values	(0.8)	(1.0)	(0.8)	(1.0)
Net	12.7	23.3	12.7	23.3
Analysed as:				
Current finance lease receivables (recoverable within 12 months)			8.3	14.7
Non-current finance lease receivables (recoverable after 12 months)			4.4	8.6
Total			12.7	23.3

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 10 FINANCE LEASE RECEIVABLES (CONT'D)

The Group enters into finance lease arrangements for some of its motor vehicles. The average term of finance leases entered into is 2.1 years (2012 : 1.5 years).

Gross unguaranteed residual values of assets under finance leases at the end of the reporting period are estimated at \$10.3 million (2012 : \$18.1 million).

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

The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest rate contracted ranges from 3.26% to 6.01% (2012 : 2.45% to 6.58%) 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.

## 11 INVENTORIES

	The Group	
	2013	2012
	\$'mil	\$'mil
Goods held for sale	15.7	14.3
Consumables, materials and supplies	51.8	41.2
Work in progress	3.1	2.4
	70.6	57.9

## 12 SUBSIDIARIES

	The Company	
	2013	2012
	\$'mil	\$'mil
Quoted equity shares, at cost	93.6	93.6
Unquoted equity shares, at cost	943.9	943.9
	1,037.5	1,037.5
Market value of quoted equity shares	596.5	637.7

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

## 13 ASSOCIATES

	The Group		The Company	
	2013	2012	2013	2012
	\$'mil	\$'mil	\$'mil	\$'mil
Unquoted equity shares, at cost	1.2	1.2	0.1	0.1
Add: Share of post-acquisition reserves	5.7	4.1	-	-
Provision for impairment	(0.7)	-	-	-
Net	6.2	5.3	0.1	0.1

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 13 ASSOCIATES (CONT'D)

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

	<b>The Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'mil</b>	<b>\$'mil</b>
Total assets	18.0	13.6
Total liabilities	(6.3)	(5.2)
Net assets	11.7	8.4
Group's share of associates' net assets	5.7	4.0
Revenue	14.4	13.8
Profit for the year	8.2	7.6
Group's share of associates' profit	4.0	3.6

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 14 VEHICLES, PREMISES AND EQUIPMENT

	Buses \$'mil	Leasehold bus depots \$'mil	Leasehold land and buildings \$'mil	Freehold land and buildings \$'mil
<b>The Group</b>				
Cost:				
At 1 January 2012	2,060.9	94.4	313.3	188.5
Arising from acquisition of a subsidiary	0.3	-	-	-
Arising from disposal of subsidiaries	(47.0)	-	(0.4)	-
Additions	97.9	-	1.3	5.5
Disposals	(135.1)	(0.9)	(4.5)	-
Transfers from capital projects in progress	164.9	0.4	1.1	0.4
Exchange differences	(29.7)	-	(3.4)	(5.8)
At 31 December 2012	2,112.2	93.9	307.4	188.6
Arising from acquisition of subsidiaries	17.9	-	14.2	8.4
Arising from disposal of subsidiaries	(31.7)	-	(4.0)	-
Additions	80.1	-	1.8	0.2
Disposals	(149.8)	-	(13.3)	-
Reclassification	-	-	(2.4)	-
Transfers from capital projects in progress	176.1	1.6	-	-
Exchange differences	(24.5)	-	7.2	(12.4)
At 31 December 2013	2,180.3	95.5	310.9	184.8
Accumulated depreciation:				
At 1 January 2012	797.3	69.1	151.3	10.1
Depreciation	110.0	3.1	10.7	1.6
Arising from disposal of subsidiaries	(22.5)	-	(0.3)	-
Write-off on disposals	(130.2)	(0.9)	(4.3)	-
Exchange differences	(8.7)	-	(1.1)	(0.3)
At 31 December 2012	745.9	71.3	156.3	11.4
Depreciation	118.9	1.8	10.8	1.6
Arising from disposal of subsidiaries	(23.5)	-	(2.3)	-
Reclassification	-	-	0.5	(0.5)
Write-off on disposals	(96.1)	-	(4.6)	-
Exchange differences	(7.2)	-	1.9	0.3
At 31 December 2013	738.0	73.1	162.6	12.8
Provision for impairment:				
At 1 January 2012	0.1	-	-	-
Provision for the year	-	-	-	-
Write-off on disposals	-	-	-	-
At 31 December 2012	0.1	-	-	-
Provision for the year	-	-	-	-
At 31 December 2013	0.1	-	-	-
Carrying amount:				
At 31 December 2013	1,442.2	22.4	148.3	172.0
At 31 December 2012	1,366.2	22.6	151.1	177.2

<b>Taxis and motor vehicles for rental</b>	<b>Computers and automated equipment</b>	<b>Workshop machinery, tools and equipment</b>	<b>Motor vehicles</b>	<b>Furniture, fittings and equipment</b>	<b>Capital projects in progress</b>	<b>Total</b>
<b>\$'mil</b>	<b>\$'mil</b>	<b>\$'mil</b>	<b>\$'mil</b>	<b>\$'mil</b>	<b>\$'mil</b>	<b>\$'mil</b>
1,309.7	258.5	122.7	28.7	39.1	41.8	4,457.6
-	-	17.5	-	-	-	17.8
(12.9)	(0.3)	(0.4)	(0.6)	(0.6)	-	(62.2)
175.1	7.4	10.4	4.3	1.9	215.8	519.6
(126.7)	(8.2)	(2.9)	(2.6)	(1.2)	-	(282.1)
34.1	5.3	0.3	0.1	1.8	(208.4)	-
(11.8)	(1.7)	(1.4)	(0.6)	(0.5)	(0.1)	(55.0)
1,367.5	261.0	146.2	29.3	40.5	49.1	4,595.7
-	-	0.2	-	-	-	40.7
(1.3)	(0.3)	(0.7)	(1.0)	(3.4)	-	(42.4)
203.4	8.1	11.2	6.0	3.4	185.9	500.1
(110.4)	(53.7)	(2.9)	(4.4)	(1.5)	-	(336.0)
-	-	(0.8)	-	-	3.2	-
9.3	6.0	1.8	-	0.9	(195.7)	-
13.7	1.9	(17.2)	-	(0.3)	0.3	(31.3)
1,482.2	223.0	137.8	29.9	39.6	42.8	4,726.8
480.6	206.0	88.0	15.9	30.2	-	1,848.5
157.9	21.2	9.0	2.9	2.3	-	318.7
(8.7)	(0.2)	(0.3)	(0.4)	(0.5)	-	(32.9)
(89.5)	(6.6)	(2.7)	(2.3)	(1.2)	-	(237.7)
(5.3)	(1.1)	(0.8)	(0.2)	(0.3)	-	(17.8)
535.0	219.3	93.2	15.9	30.5	-	1,878.8
167.4	16.4	10.7	2.8	2.7	-	333.1
(0.6)	(0.2)	(0.7)	(0.5)	(1.5)	-	(29.3)
-	0.3	-	(0.1)	(0.2)	-	-
(93.0)	(52.5)	(2.5)	(3.2)	(1.6)	-	(253.5)
6.5	1.9	0.3	-	(0.3)	-	3.4
615.3	185.2	101.0	14.9	29.6	-	1,932.5
3.7	1.5	-	-	-	-	5.3
6.1	-	-	-	-	-	6.1
(1.1)	-	-	-	-	-	(1.1)
8.7	1.5	-	-	-	-	10.3
6.6	-	-	-	-	-	6.6
15.3	1.5	-	-	-	-	16.9
851.6	36.3	36.8	15.0	10.0	42.8	2,777.4
823.8	40.2	53.0	13.4	10.0	49.1	2,706.6

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

Buses of the Group with a total carrying amount of \$373.8 million (2012 : \$435.5 million) are either under finance lease arrangements or secured for bank loans as disclosed in Note 18.

During the financial year, the Group carried out a review of the recoverable amount of its taxis. The review led to a provision for impairment of \$6.6 million (2012 : \$6.1 million) that had been recognised in profit or loss. The recoverable amount of the taxis has been determined on the basis of their value in use.

	Leasehold bus depots \$'mil	Leasehold buildings \$'mil	Computers and automated equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Total \$'mil
<b>The Company</b>						
Cost:						
At 1 January 2012	7.6	52.1	4.3	0.3	7.3	71.6
Additions	-	0.1	0.2	-	0.1	0.4
Disposal	-	-	(0.4)	-	-	(0.4)
At 31 December 2012	7.6	52.2	4.1	0.3	7.4	71.6
Additions	-	0.1	0.6	0.4	0.5	1.6
Disposal	-	-	-	(0.3)	(0.1)	(0.4)
At 31 December 2013	7.6	52.3	4.7	0.4	7.8	72.8
Accumulated depreciation:						
At 1 January 2012	7.6	38.6	3.6	0.2	6.1	56.1
Depreciation	-	1.7	0.3	-	0.3	2.3
Disposal	-	-	(0.4)	-	-	(0.4)
At 31 December 2012	7.6	40.3	3.5	0.2	6.4	58.0
Depreciation	-	1.7	0.3	0.1	0.3	2.4
Disposal	-	-	-	(0.3)	-	(0.3)
At 31 December 2013	7.6	42.0	3.8	-	6.7	60.1
Carrying amount:						
At 31 December 2013	-	10.3	0.9	0.4	1.1	12.7
At 31 December 2012	-	11.9	0.6	0.1	1.0	13.6

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 15 TAXI LICENCES AND BUS OPERATING RIGHTS

	<b>The Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'mil</b>	<b>\$'mil</b>
<b>Cost:</b>		
At beginning of year	429.2	439.3
Additions	2.2	7.5
Arising from acquisition of a subsidiary	35.5	18.9
Arising from disposal of a subsidiary	(6.5)	(19.1)
Exchange differences	(4.0)	(17.4)
At end of year	456.4	429.2
<b>Accumulated amortisation:</b>		
At beginning of year	36.0	32.1
Amortisation for the year	4.3	4.3
Disposal	(0.6)	-
Exchange differences	3.4	(0.4)
At end of year	43.1	36.0
<b>Carrying amount:</b>		
At end of year	413.3	393.2
At beginning of year	393.2	407.2

Of the carrying amount of \$413.3 million (2012 : \$393.2 million) is \$194.1 million (2012 : \$177.2 million) of bus operating rights and \$174.2 million (2012 : \$161.6 million) of taxi licences with indefinite lives as follows:

	<b>The Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'mil</b>	<b>\$'mil</b>
<b>Bus operating rights:</b>		
Australia	184.5	168.1
United Kingdom	9.6	9.1
	194.1	177.2
<b>Taxi licences:</b>		
China	174.2	161.6
<b>Total</b>	<b>368.3</b>	<b>338.8</b>

The remaining balance of \$45.0 million (2012 : \$54.4 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 8 years to 30 years.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 16 GOODWILL

	The Group	
	2013 \$'mil	2012 \$'mil
Cost:		
At beginning of year	176.0	145.7
Adjustment/Arising from acquisition of subsidiaries	100.7	33.2
Exchange differences	(2.9)	(2.9)
At end of year	273.8	176.0

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 of \$273.8 million (2012 : \$176.0 million) is allocated to the bus business in Australia of \$95.2 million (2012 : \$105.6 million) and the United Kingdom of \$119.4 million (2012 : \$23.2 million); taxi business in Australia of \$26.0 million (2012 : \$14.2 million), China of \$2.9 million (2012 : \$2.9 million), the United Kingdom of \$4.5 million (2012 : \$4.3 million) and Vietnam of \$0.9 million (2012 : \$0.9 million). In Singapore, the carrying amount of goodwill of \$9.4 million (2012 : \$9.4 million) and \$10.5 million (2012 : \$10.5 million) is allocated to the bus and inspection and testing businesses respectively. The remaining balance of \$5.0 million (2012 : \$5.0 million) is allocated to vehicle leasing business in Malaysia of \$1.4 million (2012 : \$1.4 million), inspection and testing business in China of \$3.0 million (2012 : \$3.0 million) and driving centre business in China of \$0.6 million (2012 : \$0.6 million).

## 17 DEFERRED TAX ASSETS/LIABILITIES

	The Group		The Company	
	2013 \$'mil	2012 \$'mil	2013 \$'mil	2012 \$'mil
Deferred tax assets	8.4	3.9	-	-
Deferred tax liabilities	(204.1)	(193.1)	(2.8)	(0.3)
Net	(195.7)	(189.2)	(2.8)	(0.3)
At beginning of year	(189.2)	(184.4)	(0.3)	(0.3)
Acquisition of subsidiaries	0.1	-	-	-
Disposal of subsidiaries	1.3	(1.3)	-	-
Charge to profit or loss (Note 29)	(13.4)	(2.4)	(2.5)	-
Over (Under) provision in prior years (Note 29)	0.4	(1.5)	-	-
Changes in tax rate	1.4	0.5	-	-
Arising from movement in other comprehensive income statement	(0.2)	(1.6)	-	-
Exchange differences	3.9	1.5	-	-
At end of year	(195.7)	(189.2)	(2.8)	(0.3)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

The balances in the accounts comprise the tax effects of:

	The Group		The Company	
	2013 \$'mil	2012 \$'mil	2013 \$'mil	2012 \$'mil
<b>Deferred tax assets</b>				
Excess of book over tax depreciation	0.1	0.1	-	-
Provisions	3.8	3.7	-	-
Tax losses	4.5	0.1	-	-
	8.4	3.9	-	-
<b>Deferred tax liabilities</b>				
Accelerated tax depreciation	(236.9)	(224.1)	(1.8)	(0.3)
Other items	32.8	31.0	(1.0)	-
	(204.1)	(193.1)	(2.8)	(0.3)
Net	(195.7)	(189.2)	(2.8)	(0.3)

## 18 BORROWINGS

	The Group	
	2013 \$'mil	2012 \$'mil
Borrowings comprise of the following:		
(a) Short-term loans	150.2	8.6
(b) Long-term loans	241.3	216.5
(c) Medium Term Notes	250.0	250.0
(d) Finance lease obligations	166.4	228.5
	807.9	703.6
Analysed as:		
Current	218.4	76.6
Non-current	589.5	627.0
Total	807.9	703.6

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 18 BORROWINGS (CONT'D)

### (a) Short-term loans

	The Group	
	2013 \$'mil	2012 \$'mil
Bank loans - unsecured	150.1	8.5
Loan from a non-controlling shareholder of a subsidiary - unsecured	0.1	0.1
	150.2	8.6

- (i) Of the \$150.1 million (2012 : \$8.5 million) unsecured bank loans, \$147.9 million (2012 : nil) bear floating interest at rates ranging from 0.40% to 9.60% (2012 : nil) per annum and the remaining \$2.2 million (2012 : \$8.5 million) bear fixed interest at rates ranging from 5.45% to 6.00% (2012 : 5.07% to 6.89%) per annum.
- (ii) The \$0.1 million (2012 : \$0.1 million) loan from a non-controlling shareholder of a subsidiary is interest-free (2012 : interest-free).

### (b) Long-term loans

	The Group	
	2013 \$'mil	2012 \$'mil
Bank loans - secured	142.2	166.3
Bank loans - unsecured	0.3	2.2
Loan from a non-controlling shareholder of a subsidiary - unsecured	21.2	19.8
Loan from an external party - secured	77.6	28.2
Total	241.3	216.5

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

Bank loans - secured	(34.6)	(33.5)
Bank loans - unsecured	-	(1.5)
Loan from an external party - secured	(5.0)	(1.2)
Total	(39.6)	(36.2)

Amount due for settlement after 12 months	201.7	180.3
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	The Group	
	2013 \$'mil	2012 \$'mil

The borrowings are repayable as follows:

On demand or within one year	39.6	36.2
In the second year	85.8	35.7
In the third year	9.2	88.5
In the fourth year	14.0	1.7
In the fifth year	19.5	14.2
After five years	73.2	40.2
	241.3	216.5

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 18 BORROWINGS (CONT'D)

- (i) The \$142.2 million (2012 : \$166.3 million) secured bank loans are secured on buses, taxis and motor vehicles (see Note 14). Of the \$142.2 million secured bank loans, \$76.5 million (2012 : \$90.7 million) bear fixed interest at rates ranging from 6.88% to 7.62% (2012 : 6.88% to 7.62%) per annum and the remaining \$65.7 million (2012 : \$75.6 million) bear floating interest at rates ranging from 1.95% to 3.95% (2012 : 1.96% to 5.11%) per annum.
- (ii) The \$0.3 million (2012 : \$2.2 million) unsecured bank loan bears fixed interest at rate of 6.65% (2012 : 6.65% to 8.68%) per annum. In 2013, a \$1.5 million unsecured bank loan has been fully repaid.
- (iii) The \$21.2 million (2012 : \$19.8 million) unsecured loan from a non-controlling shareholder of a subsidiary bears floating interest at rate of 4.21% (2012 : 4.97%, 5.00% and interest-free) per annum. In 2013, a \$0.6 million unsecured and interest-free loan from a non-controlling shareholder of a subsidiary has been fully repaid.
- (iv) The \$77.6 million (2012 : \$28.2 million) loan from an external party is secured over buses and related accessories acquired by a subsidiary under the Bus Service Enhancement Program. As at the end of the reporting period, the carrying amounts of the vehicles pledged amounted to \$70.1 million (2012 : \$17.1 million). The loan bears an interest rate of 6% per annum for the first 5 years and is payable to the extent of the financing subsidy made available to the subsidiary.
- (v) The fair values of the Group's long term loans approximate their carrying amount.

### (c) Medium Term Notes

	<b>The Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'mil</b>	<b>\$'mil</b>
Medium Term Notes - unsecured	250.0	250.0

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 18 BORROWINGS (CONT'D)

### (d) Finance lease obligations

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2013 \$'mil	2012 \$'mil	2013 \$'mil	2012 \$'mil
Amounts payable under finance leases:				
Within one year	36.4	41.4	28.6	31.8
Within the second to fifth year inclusive	110.1	146.0	88.7	109.1
After five years	57.7	97.8	49.1	87.6
	204.2	285.2	166.4	228.5
Less: Future finance charges	(37.8)	(56.7)	NA	NA
Present value of finance lease obligations	166.4	228.5	166.4	228.5
Amount due for settlement within 12 months (shown under current liabilities)			(28.6)	(31.8)
Amount due for settlement after 12 months			137.8	196.7

It is the Group's policy to lease certain of its buses under finance leases. The lease terms range from 8 to 15 years (2012 : 8 to 15 years). For the year ended 31 December 2013, the effective borrowing rate varies from 0.92% to 8.44% (2012 : 0.92% to 8.44%) per annum. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

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

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

## 19 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2013 \$'mil	2012 \$'mil	2013 \$'mil	2012 \$'mil
Outside parties	208.3	200.7	0.9	2.7
Accruals	338.5	288.7	28.8	16.5
Deposits received - current [Note 23(a)]	58.6	56.2	1.0	0.9
Deferred income from customers - current [Note 23(b)]	32.5	58.4	-	-
Associates (non-trade)	6.9	2.5	6.9	2.5
Others	4.5	8.0	0.1	0.2
Total	649.3	614.5	37.7	22.8

The credit period on purchases of goods and services ranges from 7 days to 120 days (2012 : 7 days to 120 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 19 TRADE AND OTHER PAYABLES (CONT'D)

	The Group		The Company	
	2013	2012	2013	2012
	\$'mil	\$'mil	\$'mil	\$'mil
USD	33.7	31.2	-	-
Others	3.1	3.6	-	-

## 20 DEFERRED GRANTS

	The Group	
	2013	2012
	\$'mil	\$'mil
Deferred grants	306.2	368.2
Analysed as:		
Current	17.7	20.3
Non-current	288.5	347.9
Total	306.2	368.2

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

## 21 DUE TO SUBSIDIARIES

	The Company	
	2013	2012
	\$'mil	\$'mil
Due to subsidiaries	476.3	474.9

Of the amount of \$476.3 million (2012 : \$474.9 million) due to subsidiaries, \$370.0 million (2012 : \$368.6 million) represent funds under central pooling which bear variable interest at rates ranging from 0.24% to 0.86% (2012 : 0.3% to 2.7%) per annum are unsecured and repayable on demand. The remaining balance of \$106.3 million (2012 : \$106.3 million) is interest-free, unsecured and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 22 INSURANCE PREMIUMS PAYABLE AND PROVISION FOR ACCIDENT CLAIMS

	The Group	
	2013 \$'mil	2012 \$'mil
At beginning of year	84.6	85.7
Charges	77.7	72.7
Payments	(79.0)	(73.5)
Exchange differences	1.2	(0.3)
At end of year	84.5	84.6

The balance comprises provision for:

Insurance premiums	18.7	22.0
Accident claims	65.8	62.6
	84.5	84.6

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

## 23 OTHER LIABILITIES

	The Group		The Company	
	2013 \$'mil	2012 \$'mil	2013 \$'mil	2012 \$'mil
Other liabilities comprised:				
a) Deposits received	91.2	80.8	-	-
b) Deferred income from customers	1.0	1.3	-	-
c) Provision for service benefits and long service awards	15.8	17.9	0.1	0.1
d) Retirement benefits obligations	17.6	15.4	-	-
	125.6	115.4	0.1	0.1

### (a) Deposits received

	The Group	
	2013 \$'mil	2012 \$'mil
Deposits received from taxi hirers	149.8	137.0
Less: Due within 12 months (Note 19)	(58.6)	(56.2)
Due after 12 months	91.2	80.8

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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 23 OTHER LIABILITIES (CONT'D)

### (b) Deferred income

	The Group	
	2013 \$'mil	2012 \$'mil
Deferred income received from customers	33.5	59.7
Less: Due within 12 months (Note 19)	(32.5)	(58.4)
Due after 12 months	1.0	1.3

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

	The Group		The Company	
	2013 \$'mil	2012 \$'mil	2013 \$'mil	2012 \$'mil
At beginning of year	17.9	16.0	0.1	0.1
(Reversal) Charges	(1.1)	3.4	-	-
Payments	(0.5)	(1.1)	-	-
Exchange differences	(0.5)	(0.4)	-	-
At end of year	15.8	17.9	0.1	0.1

### (d) Retirement benefits obligations

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

	The Group	
	2013 \$'mil	2012 \$'mil
<b>Reconciliation of the assets and liabilities recognised in the statement of financial position</b>		
Present value of defined benefit obligations that are wholly or partly funded	131.2	111.6
Fair value of plan assets at end of year	(113.6)	(96.2)
Net liability recognised at end of year	17.6	15.4

# NOTES TO THE FINANCIAL STATEMENTS

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## 24 SHARE CAPITAL

	The Group and The Company			
	2013	2012	2013	2012
	Number of ordinary shares (million)		\$'mil	\$'mil
Issued and paid-up:				
At beginning of year	2,102.0	2,091.0	585.1	568.6
Exercise of share options	23.5	11.0	37.6	16.5
At end of year	2,125.5	2,102.0	622.7	585.1

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

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

## 25 OTHER RESERVES

	The Group		The Company	
	2013	2012	2013	2012
	\$'mil	\$'mil	\$'mil	\$'mil
Retirement benefit reserve:				
At beginning of year	(37.5)	(40.1)	-	-
Actuarial adjustment on defined benefit plans	(3.4)	2.6	-	-
At end of year	(40.9)	(37.5)	-	-
Merger reserve:				
At beginning and end of year	31.4	31.4	31.4	31.4
Others:				
At beginning of year	20.2	20.3	(22.9)	(19.5)
Fair value gain on cash flow hedges	1.4	0.4	-	-
Fair value loss on available-for-sale investments	0.9	(3.1)	(9.8)	(2.8)
Recognition of share-based payments	0.6	1.3	0.6	1.3
Exercise of share options	(3.1)	(1.4)	(3.1)	(1.4)
Transfer from (to) accumulated profits	1.6	2.8	(0.4)	(0.5)
Others	(1.6)	(0.1)	-	-
At end of year	20.0	20.2	(35.6)	(22.9)
Net	10.5	14.1	(4.2)	8.5

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 26 REVENUE

	The Group	
	2013 \$'mil	2012 \$'mil
Rendering of services	3,747.7	3,545.3

## 27 STAFF COSTS

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

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

Remuneration band	The Group			Total compensation %
	Salary %	Bonus %	Others %	
<b>2013</b>				
\$1,750,000 - \$1,999,999				
Kua Hong Pak	55.4	43.6	1.0	100
<b>2012</b>				
\$1,750,000 - \$1,999,999				
Kua Hong Pak	55.4	43.7	0.9	100

The remuneration of one (2012 : one) non-executive Director is between \$250,000 and \$500,000 and comprised entirely of Directors' fees (Note 30).

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 27 STAFF COSTS (CONT'D)

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

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

Remuneration band	The Group			Total
	Salary %	Bonus %	Others %	compensation %
<b>2013</b>				
\$750,000 - \$999,999 No. of executives: 4	48.4	47.5	4.1	100
\$500,000 - \$749,999 No. of executives: 2	48.3	46.3	5.4	100
\$250,000 - \$499,999 No. of executives: 10	54.1	39.3	6.6	100
<b>2012</b>				
\$750,000 - \$999,999 No. of executives: 2	48.6	46.4	5.0	100
\$500,000 - \$749,999 No. of executives: 4	49.1	46.2	4.7	100
\$250,000 - \$499,999 No. of executives: 13	54.0	38.3	7.7	100

The Code of Corporate Governance 2012 recommends the disclosure of the remuneration of Directors and the Group's top five key executives. The Board had considered this matter carefully and has decided against such disclosure. Given the wage disparities in the industry and the likely competitive pressures resulting from such disclosures, it is felt that the disadvantages of disclosure will outweigh the benefits.

- (c) The remuneration of the Directors and key executives comprises mainly of short-term benefits amounting to \$11.5 million (2012 : \$12.0 million).

	The Group	
	2013 \$'mil	2012 \$'mil
(d) Cost of defined contribution plan (included in staff costs)	117.6	107.0

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 27 STAFF COSTS (CONT'D)

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

#### Share option scheme

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

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

#### (i) The Company

	2013		2012	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	70,178,500	1.54	68,433,000	1.54
Granted during the year	-	-	17,585,000	1.48
Cancelled/Lapsed during the year	(1,180,000)	1.86	(4,855,000)	1.69
Exercised during the year	(23,513,500)	1.47	(10,984,500)	1.38
Outstanding at the end of the year	45,485,000	1.57	70,178,500	1.54
Exercisable at the end of the year	45,485,000	1.57	53,293,500	1.56

The weighted average share price at the date of exercise for share options exercised during the year was \$1.91 (2012 : \$1.67). The options outstanding at the end of the year have an average remaining contractual life of 5.4 years (2012 : 6.4 years).

No share options were granted during the year. In 2012, the estimated fair value of the options granted on 20 June 2012 was \$0.075 each.

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

	2013	2012
Prevailing share price at date of grant (\$)	-	1.48
Exercise price (\$)	-	1.48
Expected volatility (%)	-	15.29
Expected life (years)	-	2.94
Risk free rate (%)	-	0.62
Expected dividend yield (%)	-	5.70

In 2012, expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 5 years. The expected life used in the model has been adjusted, based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

# NOTES TO THE FINANCIAL STATEMENTS

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## 27 STAFF COSTS (CONT'D)

### (ii) SBS Transit Ltd

	2013		2012	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	7,306,250	2.27	8,723,750	2.34
Cancelled/Lapsed during the year	(1,132,500)	2.18	(1,417,500)	2.70
Outstanding at the end of the year	6,173,750	2.29	7,306,250	2.27
Exercisable at the end of the year	6,173,750	2.29	7,306,250	2.27

No options were exercised in 2013 and 2012.

The options outstanding at the end of the year have a weighted average remaining contractual life of 3.5 years (2012 : 4.2 years).

### (iii) VICOM Ltd

	2013		2012	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	415,000	2.42	779,000	2.25
Exercised during the year	(272,000)	2.42	(364,000)	2.06
Outstanding at the end of the year	143,000	2.41	415,000	2.42
Exercisable at the end of the year	143,000	2.41	415,000	2.42

The weighted average share price at the date of exercise for share options exercised during the year was \$4.95 (2012 : \$4.15). The options outstanding at the end of the year have an average remaining contractual life of 6.0 years (2012 : 6.9 years).

- (iv) The Group recognised total expense of \$0.6 million (2012 : \$1.3 million) related to share-based payment transactions (included in staff costs) during the year.

## 28 FINANCE COSTS

	The Group	
	2013 \$'mil	2012 \$'mil
Interest expense on:		
Loans and Medium Term Notes	17.2	18.7
Finance leases	10.2	12.7
Total	27.4	31.4

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 29 TAXATION

	<b>The Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'mil</b>	<b>\$'mil</b>
Taxation charge comprises:		
Taxation charge in respect of profit for the financial year:		
Current taxation	78.1	84.8
Deferred taxation relating to the origination and reversal of temporary differences (Note 17)	13.4	2.4
	91.5	87.2
Effect of change in tax rate	(1.4)	(0.5)
Adjustments in respect of (over) under provision in prior years:		
Current taxation	(2.7)	(2.7)
Deferred taxation (Note 17)	(0.4)	1.5
	87.0	85.5

Domestic income tax is calculated at 17% (2012 : 17%) of the estimated assessable profit for the year. Taxation for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions.

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

	<b>The Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'mil</b>	<b>\$'mil</b>
Profit before taxation	414.3	396.0
Income tax expense calculated at 17% (2012 : 17%)	70.4	67.3
Effect of expenses that are not deductible in determining taxable profit	3.6	2.4
Effect of change in tax rate	(1.4)	(0.5)
Effect of previously unrecognised and unused tax benefits	0.2	(0.2)
Effect of different tax rates of subsidiaries operating in other jurisdictions	18.6	17.6
Tax rebates	(0.1)	-
Tax effect of share of results of associate	(0.7)	(0.7)
Over provision in prior years	(3.1)	(1.2)
Other items	(0.5)	0.8
	87.0	85.5

Subject to agreement with the relevant tax authorities, certain subsidiaries have tax losses that are not recognised amounting to \$3.1 million (2012 : \$2.0 million) and the resultant deferred tax benefits of \$0.8 million (2012 : \$0.5 million). These future income tax benefits in respect of unutilised tax losses are available for an unlimited future period only if the respective subsidiaries derive future assessable income of a nature and of sufficient amounts to enable the benefits to be realised and the conditions for deductibility imposed by law, including the retention of majority shareholders, as defined, are complied with. No deferred tax asset has been recognised due to the unpredictability of future profit streams of these subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 30 PROFIT AFTER TAXATION

Profit after taxation is arrived at after charging:

	The Group	
	2013 \$'mil	2012 \$'mil
Amortisation of taxi and other licences	4.3	4.3
Depreciation expense	333.1	318.7
Provision for impairment on vehicles and automated equipment (included in other operating expenses)	6.6	6.1
Net (gain) loss on disposal of vehicles	(2.7)	0.3
Directors' fees	1.0	1.0
Equipment written off	0.5	-
Audit fees:		
Auditors of the Company	0.5	0.5
Other auditors	0.7	0.7
Non-audit fees:		
Auditors of the Company	0.3	0.3

Included in profit after taxation is legal fees of \$26,000 (2012 : \$16,000) paid to a firm of which a Director is a partner.

## 31 EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's net profit attributable to shareholders of the Company for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	2013	2012
Net profit attributable to shareholders of the Company (\$'mil)	263.2	248.9
Weighted average number of ordinary shares in issue (million)	2,116.7	2,093.8
Basic earnings per share (in cents)	12.43	11.89

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.

	2013	2012
Net profit attributable to shareholders of the Company (\$'mil)	263.2	248.9
Weighted average number of ordinary shares in issue (million)	2,116.7	2,093.8
Adjustments for share options (million)	9.3	4.8
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	2,126.0	2,098.6
Diluted earnings per share (in cents)	12.38	11.86

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 32 SEGMENT INFORMATION

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

- a) Bus : Income is generated through bus fare collections, contracted revenue for operation of scheduled services, provision of coach rental services and ancillary advertisement income.
- b) Bus station : Income is generated mainly through commission income from fare collection.
- c) Rail : Income is generated through rail fare collection and ancillary advertisement income.
- d) Taxi : Income is generated through renting out taxis, operating taxi bureau services and ancillary advertisement income.
- e) Automotive engineering services : Income is generated through provision of vehicular maintenance and repair services, construction of specialised vehicles, assembly of bus bodies, crash repair services, engineering services, sales of diesel and sale of motor vehicles.
- f) Inspection and testing services : Income is generated through the provision of motor vehicle inspection services and provision of non-vehicle testing, inspection and consultancy services.
- g) Car rental and leasing : Income is generated through renting and leasing of cars.
- h) Driving centre : Income is generated through operating driving schools.

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 32 SEGMENT INFORMATION (CONT'D)

### (i) Business Segments

	Bus \$'mil	Bus station \$'mil	Rail \$'mil
<b>Financial Year 2013</b>			
<b>REVENUE</b>			
External sales	1,861.1	28.6	164.7
Inter-segment sales	2.4	-	-
<b>TOTAL</b>	<b>1,863.5</b>	<b>28.6</b>	<b>164.7</b>
<b>RESULT</b>			
Operating profit	157.4	12.4	4.8
Net income from investments			
Finance costs			
Share of profit in associates			
Profit before taxation			
Taxation			
Profit after taxation			
Non-controlling interests			
Profit attributable to shareholders of the Company			
<b>OTHER INFORMATION</b>			
Additions to vehicles, premises and equipment	308.1	1.1	8.6
Additions to taxi and other licences	35.5	-	-
Additions to goodwill	88.9	-	-
Depreciation expense	135.4	1.8	1.8
Amortisation expense	-	-	-
Provision for impairment loss recognised in income statement	-	-	-
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
Segment assets	2,379.8	20.9	58.0
Goodwill	223.6	-	-
Associates			
Cash, fixed deposits, equities and bonds			
Deferred tax assets			
Consolidated total assets			
<b>LIABILITIES</b>			
Segment liabilities	742.9	24.0	43.9
Borrowings			
Income tax payable			
Deferred tax liabilities			
Consolidated total liabilities			

Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Elimination \$'mil	Total \$'mil
1,197.9	316.5	105.7	35.2	38.0	-	3,747.7
-	109.0	2.9	0.2	0.1	(114.6)	-
1,197.9	425.5	108.6	35.4	38.1	(114.6)	3,747.7
146.2	52.7	35.2	9.1	8.5	-	426.3
						11.4
						(27.4)
						4.0
						414.3
						(87.0)
						327.3
						(64.1)
						263.2
205.5	1.5	4.2	17.0	3.9	-	549.9
2.2	-	-	-	-	-	37.7
-	-	-	-	-	-	88.9
173.7	2.4	6.1	9.7	2.2	-	333.1
4.3	-	-	-	-	-	4.3
6.6	-	-	-	-	-	6.6
1,188.7	75.2	69.7	74.1	30.0	-	3,896.4
34.6	0.1	13.5	1.5	0.5	-	273.8
						6.2
						899.9
						8.4
						5,084.7
315.7	51.3	20.9	9.6	13.0	-	1,221.3
						807.9
						56.9
						204.1
						2,290.2

# NOTES TO THE FINANCIAL STATEMENTS

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## 32 SEGMENT INFORMATION (CONT'D)

	Bus \$'mil	Bus station \$'mil	Rail \$'mil
<b>Financial Year 2012</b>			
<b>REVENUE</b>			
External sales	1,710.4	25.7	153.2
Inter-segment sales	2.1	-	-
<b>TOTAL</b>	<b>1,712.5</b>	<b>25.7</b>	<b>153.2</b>
<b>RESULT</b>			
Operating profit	144.6	11.4	14.3
Net income from investments			
Finance costs			
Share of profit in associates			
Profit before taxation			
Taxation			
Profit after taxation			
Non-controlling interests			
Profit attributable to shareholders of the Company			
<b>OTHER INFORMATION</b>			
Additions to vehicles, premises and equipment	301.5	0.6	0.3
Additions to taxi and other licences	18.9	-	-
Additions to goodwill	33.2	-	-
Depreciation expense	130.5	1.9	1.4
Amortisation expense	0.1	-	-
Provision for impairment loss recognised in income statement	-	-	-
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
Segment assets	2,414.0	21.0	38.2
Goodwill	137.9	-	-
Associates			
Cash, fixed deposits, equities and bonds			
Deferred tax assets			
<b>Consolidated total assets</b>			
<b>LIABILITIES</b>			
Segment liabilities	808.2	22.4	28.7
Borrowings			
Income tax payable			
Deferred tax liabilities			
<b>Consolidated total liabilities</b>			

Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Elimination \$'mil	Total \$'mil
1,129.8	354.9	97.8	35.5	38.0	-	3,545.3
-	98.7	2.6	0.2	0.2	(103.8)	-
1,129.8	453.6	100.4	35.7	38.2	(103.8)	3,545.3
141.1	51.2	32.6	8.9	8.2	-	412.3
						11.5
						(31.4)
						3.6
						396.0
						(85.5)
						310.5
						(61.6)
						248.9
211.4	1.4	4.8	14.4	3.0	-	537.4
7.5	-	-	-	-	-	26.4
-	-	-	-	-	-	33.2
164.7	2.5	6.1	9.3	2.3	-	318.7
4.2	-	-	-	-	-	4.3
6.1	-	-	-	-	-	6.1
1,160.2	68.7	69.0	80.1	32.3	-	3,883.5
22.5	0.1	13.5	1.5	0.5	-	176.0
						5.3
						777.1
						3.9
						4,845.8
295.2	51.5	20.7	9.2	13.7	-	1,249.6
						703.6
						62.5
						193.1
						2,208.8

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 32 SEGMENT INFORMATION (CONT'D)

### (ii) Geographical Segments

Geographical Location	Revenue		Non-current assets*		Additions to non-current assets*	
	2013	2012	2013	2012	2013	2012
	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil
Singapore	2,229.8	2,103.5	1,791.3	1,649.8	375.8	364.8
United Kingdom/Ireland	802.3	680.6	459.2	308.9	166.6	67.7
Australia	485.0	492.2	816.9	903.7	94.9	109.0
China	220.1	259.5	377.6	398.3	32.0	51.1
Vietnam	6.3	6.1	13.1	9.3	5.4	2.2
Malaysia	4.2	3.4	6.4	5.8	1.8	2.2
Total	3,747.7	3,545.3	3,464.5	3,275.8	676.5	597.0

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

## 33 COMMITMENTS

As at 31 December 2013, the Group has the following commitments:

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

	The Group	
	2013	2012
	\$'mil	\$'mil
Purchase of equipment	11.3	6.3
Purchase of buses, taxis and motor vehicles	306.2	487.8
Purchase of computer systems	5.0	3.7
Development of bus depots and properties	0.6	0.4
	323.1	498.2

## 34 OPERATING LEASE ARRANGEMENTS

### The Group as lessee

	The Group	
	2013	2012
	\$'mil	\$'mil
Minimum lease payment under operating leases recognised as expense in the year	27.8	27.9

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 34 OPERATING LEASE ARRANGEMENTS (CONT'D)

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

	The Group		The Company	
	2013 \$'mil	2012 \$'mil	2013 \$'mil	2012 \$'mil
Within one year	24.5	20.3	2.8	2.6
In the second to fifth year inclusive	61.0	51.5	11.4	12.8
After five years	95.8	86.7	2.4	2.1
Total	181.3	158.5	16.6	17.5

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

### The Group as lessor

The Group rents out certain of its properties and vehicles in Singapore, United Kingdom and China under operating leases. Rental income earned during the year was \$206.6 million (2012 : \$184.8 million).

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

	The Group	
	2013 \$'mil	2012 \$'mil
Within one year	193.7	172.6
In the second to fifth year inclusive	507.3	459.3
After five years	52.7	39.6
Total	753.7	671.5

## 35 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

### (a) Financial risk management policies and objectives

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

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

### (i) Foreign exchange risk management

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

### ***Foreign currency sensitivity***

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

### **(ii) Interest rate risk management**

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

Further details of the interest rate hedges can be found in Note 35(b). Summary quantitative data of the Group's interest-bearing financial instruments are disclosed in Note 35(d).

### ***Interest rate sensitivity***

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

### **(iii) Credit risk management**

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

### **(iv) Liquidity risk management**

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

### **(v) Fuel price risk management**

Fuel, comprising diesel and electricity, is part of the operating costs of the Group. The Group is also exposed to fluctuations in fuel price in its bus and rail operations and diesel sales business. The Group seeks to hedge the price risk associated with its fuel needs and uses hedging instruments, where necessary, to achieve the desired hedge outcome.

Based on sensitivity analysis performed and taking into account the fuel hedges in place, as at the end of the reporting period, every one percentage point change in the rates of diesel and electricity using the closing rates as at the end of the reporting period as a basis will impact the Group's annual fuel and electricity costs by \$1.4 million (2012 : \$0.8 million). The sensitivity analysis assumes that consumption is held constant at the same level as in 2013.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

### (vi) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a. quoted prices in active markets for identical assets or liabilities (Level 1);
- b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- c. inputs for the asset or liability that are not based on observable market data (Level 3).

The majority of the fair value of the Group's hedging instruments and available-for-sale investments are classified into Level 1. None of the fair value of the financial instrument is classified in Level 3. There are also no transfers between Levels 1 and 2 of the fair value hierarchy during the financial year.

### (b) Hedging instruments

	2013		2012	
	Assets \$'mil	Liabilities \$'mil	Assets \$'mil	Liabilities \$'mil
<b>The Group</b>				
At fair values:				
Interest rate hedges	0.2	-	0.1	-
Foreign exchange hedges	2.6	2.0	0.2	0.1
Fuel hedges	11.2	-	9.7	-
	14.0	2.0	10.0	0.1
Analysed as:				
Current	13.8	2.0	10.0	0.1
Non-current	0.2	-	-	-
Total	14.0	2.0	10.0	0.1

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

The Group's hedging instruments are measured at fair value whereby future cash flows are estimated based on contracted rates and observable forward rates at the end of the reporting period, discounted at a rate that reflects the credit risk of the various counterparties.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 35 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	
	2013 \$'mil	2012 \$'mil
Interest rate hedges	41.8	39.6
Foreign exchange hedges	193.8	201.3
Fuel hedges	148.7	157.8

As at 31 December 2013, the fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the end of the reporting period, comprised \$14.0 million assets (2012 : \$10.0 million assets) and \$2.0 million liabilities (2012 : \$0.1 million liabilities).

The Group uses forward contracts and options to manage its exposure to foreign exchange risks. These arrangements are designed to address foreign exchange risk on future purchases of goods and are accounted for as cash flow hedges. As at 31 December 2013, the fair value of the Group's foreign exchange hedging instruments comprising \$2.6 million of assets (2012 : \$0.2 million of assets) was matched by an equivalent fair value adjustment on cash flow hedges in other comprehensive income. As at 31 December 2013, the fair value of the Group's foreign exchange hedging instruments comprising \$2.0 million of liabilities (2012 : \$0.1 million liabilities) was matched by an equivalent fair value adjustment on cash flow hedges in other comprehensive income.

The Group uses fuel hedges to hedge against fuel price risks. These arrangements are designed to address fuel price exposure. The fuel hedges are accounted for as cash flow hedges. As at 31 December 2013, the fair value of the Group's fuel hedging instruments comprised \$11.2 million of assets (2012 : \$9.7 million of assets) on cash flow hedges in other comprehensive income.

The Group uses interest rate hedges, involving a combination of swaps and caps, to manage its exposure to interest rate movements on its bank borrowings. The Group entered into contracts with nominal values of \$41.8 million (2012 : \$39.6 million), which involved capping the UK base rates of hire purchase at 2%.

### (c) Capital risk management policies and objectives

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

The Group's capital management objectives are to safeguard its ability to continue as a going concern and to maximise shareholder value. Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt. The Group's debt capital refers to borrowings comprising loans under Notes 18(a) and 18(b), Medium Term Notes under Note 18(c) and finance lease payable under Note 18(d) while equity refers to total equity.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

- (d) The following are the expected contractual undiscounted cash outflows (including interest payments) of the Group's and the Company's financial liabilities:

	Carrying amount \$'mil	Contractual cash flows			Beyond 5 years \$'mil	Effective interest rate %
		Total \$'mil	Within 1 year \$'mil	Within 2 to 5 years \$'mil		
<b>2013</b>						
<b>Financial liabilities</b>						
<b>Loans:</b>						
In functional currencies	641.5	672.3	203.3	394.9	74.1	0.4% - 9.6%
<b>Finance leases:</b>						
In functional currencies	166.4	204.2	36.4	110.1	57.7	0.9% - 8.4%
<b>Total</b>	<b>807.9</b>	<b>876.5</b>	<b>239.7</b>	<b>505.0</b>	<b>131.8</b>	
<b>2012</b>						
<b>Financial liabilities</b>						
<b>Loans:</b>						
In functional currencies	475.1	513.6	80.0	413.2	20.4	1.8% - 8.7%
<b>Finance leases:</b>						
In functional currencies	228.5	285.2	41.4	146.0	97.8	0.9% - 8.4%
<b>Total</b>	<b>703.6</b>	<b>798.8</b>	<b>121.4</b>	<b>559.2</b>	<b>118.2</b>	

## 36 DIVIDENDS

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

	2013 \$'mil	2012 \$'mil
Final dividend in respect of the previous financial year:		
- 3.50 cents per ordinary share tax-exempt one-tier	74.1	-
- 3.30 cents per ordinary share tax-exempt one-tier	-	69.0
Interim dividend in respect of the current financial year:		
- 3.00 cents per ordinary share tax-exempt one-tier	63.7	-
- 2.90 cents per ordinary share tax-exempt one-tier	-	60.8
<b>Total</b>	<b>137.8</b>	<b>129.8</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 36 DIVIDENDS (CONT'D)

- (b) Subsequent to the end of the financial year, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 4.00 cents (2012 : 3.50 cents) per ordinary share totalling \$85.0 million (2012 : \$74.1 million) be paid for the financial year ended 31 December 2013. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividend has not been accrued as a liability for the current financial year.

## 37 LICENCE CONDITION FOR RAIL SERVICES

### **North-East Line MRT System, Punggol LRT System and Sengkang LRT System**

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

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

- (a) The licence is for an initial period of 30 years commencing 15 January 2003. SBST may apply to LTA to renew the licence for a further 30 years or any other period and upon terms and conditions as LTA may impose.
- (b) The licence fee payable to LTA is prescribed under the subsidiary legislation of the Rapid Transit Systems ("RTS") Act during the Licence Term.
- (c) SBST and LTA shall jointly review the viability on the 5th anniversary of the date of the LC or such other period as may be agreed in writing between SBST and LTA. In this review, LTA shall determine the dates and time of SBST's purchase of the operating assets of the Licensed Systems and the amount is based on the net book value as recorded in the latest audited accounts of LTA. As at the date of this report, SBST and LTA have not commenced the review.
- (d) SBST may apply in writing to LTA for a grant to replace any eligible operating assets computed based on the difference between the purchase cost of the new assets and the purchase cost of the operating assets to be replaced.

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

### **Downtown Line MRT System**

A LC dated 19 December 2013 was issued by LTA to the subsidiary of SBST under which the subsidiary of SBST is licensed to operate the Downtown Line MRT system.

The LC sets out the conditions governing the operation of the Downtown Line MRT system and includes, among others, the following:

- (a) The licence is for a period of 19 years commencing from 20 December 2013. LTA may, if it deems fit, renew the licence for such further period with revised terms and conditions of the renewed licence.
- (b) The licence fee payable to LTA is prescribed under the subsidiary legislation of the RTS Act during the Licence Term.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

- (c) The subsidiary of SBST shall pay LTA a licence charge which consists of Fixed Charge and Revenue Share Charge. A yearly Fixed Charge is payable from financial year 2019 to end of licence period. If the Operating Surplus minus the Fixed Charge for a financial year is more than the Threshold Profit, the subsidiary of SBST shall pay Revenue Share Charge.
- (d) After the commencement of revenue service of the last stage, the subsidiary of SBST shall pay LTA a Cash-Bid Amount if the Net Operating Surplus for a financial year is more than the Threshold Profit.
- (e) All Operating Assets shall remain the property of LTA except for Spares, Special Tools, Non-Proprietary Items and End Devices purchased by the subsidiary of SBST during the Licence Term.

## 38 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS

Details of subsidiaries and associates are as follows:

### (a) Subsidiaries

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2013 %	2012 %
<b>Quoted equity shares</b>				
SBS Transit Ltd <sup>(17)</sup>	Provision of public bus and rail services	Singapore	75.21	75.21
VICOM Ltd <sup>(17)</sup>	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	67.16	67.37
<b>Unquoted equity shares</b>				
Braddell Limited <sup>(3)</sup>	Investment holding	United Kingdom	100	100
CityCab Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	53.50	53.50
Comfort (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Bus Pte Ltd	Provision of charter bus services, rental of buses to hirers and other related services	Singapore	100	100
ComfortDelGro (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Driving Centre Pte Ltd	Operation of a driving school	Singapore	90	90

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2013 %	2012 %
<b>Unquoted equity shares</b>				
ComfortDelGro Engineering Pte Ltd	Operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel for motor vehicles	Singapore	100	100
ComfortDelGro Rent-A-Car Pte Ltd	Provision of car rental, car care and leasing services	Singapore	100	100
ComfortDelGro (S.E. Asia) Pte Ltd	Investment holding	Singapore	100	100
Comfort Transportation Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100
SBS (Guangzhou) Pte Ltd	Inactive	Singapore	100	100
Moove Media Pte Ltd	Provision of advertising services	Singapore	100	100
CityFleet Networks Limited <sup>(3)</sup>	Provision and management of taxi booking services	United Kingdom	55.72	55.72
Swan Taxis Pty Ltd <sup>(3)</sup>	Provision of taxi services	Australia	100	100
ComfortDelGro Cabcharge Pty Ltd <sup>(3)</sup>	Investment holding and provision of management services	Australia	55.72	55.72
<b>Subsidiary of SBS Transit Ltd:</b>				
SBS Transit DTL Pte Ltd	Provision of public rail	Singapore	75.21	75.21
<b>Subsidiaries of VICOM Ltd:</b>				
JIC Inspection Services Pte Ltd	Vehicle inspection and other related services	Singapore	52.39	52.55
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	67.16	67.37

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2013 %	2012 %
<b>Subsidiaries of VICOM Ltd:</b>				
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	67.16	67.37
<b>Subsidiaries of Setsco Services Pte Ltd:</b>				
Setsco Services (M) Sdn Bhd <sup>(1)</sup>	Provision of testing, inspection and consultancy services	Malaysia	67.16	67.37
Setsco Consultancy International Pte Ltd	Provision of professional inspection and engineering services	Singapore	67.16	67.37
<b>Subsidiaries of Comfort (China) Pte Ltd:</b>				
Suzhou Comfort Taxi Co., Ltd <sup>(2)</sup>	Provision of taxi and land transport-related services in the Suzhou municipality, operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel for motor vehicles	China	70	70
Xiamen Comfort Taxi Co., Ltd <sup>(18)</sup>	Provision of taxi and land transport-related services in the Xiamen municipality	China	-	70
<b>Subsidiary of Suzhou Comfort Taxi Co., Ltd:</b>				
Suzhou Comfort Toyota Sales & Service Co., Ltd <sup>(19)</sup>	Distribution of motor vehicles and trading of automotive parts in the Suzhou municipality	China	-	70
<b>Subsidiaries of Braddell Limited:</b>				
Irish Citylink ComfortDelGro Limited <sup>(3)</sup>	Provision of coach services	Ireland	100	100
Metroline Limited <sup>(3)</sup>	Investment holding	United Kingdom	100	100
Scottish Citylink Coaches Limited <sup>(3)</sup>	Provision of long distance coach services	United Kingdom	65	65

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2013 %	2012 %
<b>Subsidiary of Metroline Limited:</b>				
Metroline Travel Limited <sup>(3)</sup>	Provision of public bus services	United Kingdom	100	100
Metroline West Limited <sup>(3) (20)</sup>	Provision of public bus services	United Kingdom	100	-
<b>Subsidiary of Scottish Citylink Coaches Limited:</b>				
Megacity Limited <sup>(3)</sup>	Inactive	United Kingdom	65	65
<b>Subsidiary of CityCab Pte Ltd:</b>				
Cabcharge Asia Pte Ltd	Provision of charge card facilities	Singapore	46.92	46.92
<b>Subsidiary of Moove Media Pte Ltd:</b>				
Moove Media Australia Pty Ltd <sup>(16)</sup>	Provision of advertising services	Australia	100	100
<b>Subsidiaries of CityFleet Networks Limited:</b>				
Computer Cab (Edinburgh) Limited <sup>(3)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Computer Cab plc <sup>(3)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Computer Cab (Aberdeen) Limited <sup>(3)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Flightlink International Limited <sup>(3)</sup>	Provision of private hire services	United Kingdom	55.72	55.72
Computer Cab (Birmingham) Limited <sup>(3)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Central Dispatch Limited <sup>(3)</sup>	Provision and management of taxi booking services	United Kingdom	55.72	55.72

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2013 %	2012 %
Computer Cab (Liverpool) Limited <sup>(3)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Westbus Coach Services Limited <sup>(3)</sup>	Provision of coach services	United Kingdom	55.72	55.72
<b>Subsidiary of Computer Cab (Edinburgh) Limited:</b>				
Onward Travel Limited <sup>(3)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
<b>Subsidiary of Computer Cab plc:</b>				
Cabcharge Limited <sup>(3)</sup>	Provision and management of taxi booking card facilities	United Kingdom	55.72	55.72
<b>Subsidiaries of ComfortDelGro (China) Pte Ltd:</b>				
Beijing Jin Jian Taxi Services Co., Ltd <sup>(6)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	55	55
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd <sup>(5)</sup>	Provision of motor vehicle evaluation and other related services	China	80	80
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd <sup>(7)</sup>	Operation of a driving school	China	95	51
Chengdu ComfortDelGro Taxi Co., Ltd <sup>(7)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	100	100
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd <sup>(7)</sup>	Provision of motor vehicle evaluation and other related services	China	51	51
Chongqing ComfortDelGro Driver Training Co., Ltd <sup>(8)</sup>	Operation of a driving school	China	90	90
CityCab (Shenyang) Co., Ltd <sup>(4)</sup>	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	100	100

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2013 %	2012 %
ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd <sup>(7)</sup>	Provision of cars for hire	China	100	100
Guangzhou Xin Tian Wei Transportation Development Co., Ltd <sup>(9)</sup>	Provision of bus station services	China	60	60
Jilin ComfortDelGro Taxi Co., Ltd <sup>(10)</sup>	Provision of taxi and land transport-related services in the Jilin municipality	China	97	97
Nanjing ComfortDelGro Dajian Taxi Co., Ltd <sup>(15)</sup>	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	70	70
Nanning Comfort Transportation Co., Ltd <sup>(11)</sup>	Provision of taxi and land transport-related services in the Nanning municipality	China	80	80
Shanghai City Qi Ai Taxi Services Co., Ltd <sup>(14)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	51	51
Shenyang ComfortDelGro Anyun Bus Co., Ltd <sup>(19)</sup>	Provision of public bus and charter bus services	China	-	80
Shenyang ComfortDelGro Taxi Co., Ltd <sup>(4)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	80	80
Yantai ComfortDelGro Automobile Services Co., Ltd <sup>(12)</sup>	Rental of taxis, vehicle inspection and repair	China	76	76
<b>Subsidiaries of Chengdu ComfortDelGro Taxi Co., Ltd:</b>				
Chengdu ComfortDelGro Shengduo Consulting Co., Ltd <sup>(7)</sup>	Provision of consulting services	China	100	100
Guangzhou Transportation ComfortDelGro Taxi Co Ltd <sup>(19)</sup>	Provision of public taxi services through the rental of taxi to hirers	China	-	50
<b>Subsidiary of Jilin ComfortDelGro Taxi Co., Ltd:</b>				
Jilin ComfortDelGro Driver Training Co., Ltd <sup>(21)</sup>	Operation of a driving school	China	97	-

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2013 %	2012 %
<b>Subsidiary of Chongqing ComfortDelGro Driver Training Co., Ltd:</b>				
Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd <sup>(6)</sup>	Operation of a driving school	China	90	90
<b>Subsidiary of Nanning Comfort Transportation Co., Ltd:</b>				
Nanning ComfortDelGro Rent-A-Car Co., Ltd <sup>(11)</sup>	Provision of cars for hire	China	80	80
<b>Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:</b>				
CityLimo Leasing (M) Sdn Bhd <sup>(13)</sup>	Provision of car leasing services	Malaysia	100	100
Pantas Rent-A-Car Holdings Sdn Bhd <sup>(13)</sup>	Investment holding	Malaysia	100	100
Vietnam Taxi Co., Ltd <sup>(3)</sup>	Provision of taxi services	Vietnam	70	70
ComfortDelGro Savico Taxi Company <sup>(3)</sup>	Provision of taxi services	Vietnam	60	60
<b>Subsidiaries of ComfortDelGro Cabcharge Pty Ltd:</b>				
Westbus Region 1 Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
Westbus Region 3 Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
Hillsbus Co Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
Hunter Valley Buses Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
Charterplus Pty Ltd <sup>(3)</sup>	Provision of charter, coach and terminal services	Australia	55.72	55.72

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2013 %	2012 %
CDC Victoria Pty Ltd <sup>(3)</sup>	Investment holding	Australia	55.72	55.72
Baypalm Pty Limited <sup>(3)</sup>	Investment holding	Australia	55.72	55.72
<b>Subsidiaries of CDC Victoria Pty Ltd:</b>				
CDC Sunshine Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Geelong Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Oakleigh Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Werribee Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Altona Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Ballarat Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Eastrans Pty Ltd <sup>(3) (20)</sup> (formerly known as Driver Group Pty Ltd)	Provision of public bus services	Australia	55.72	-
<b>Subsidiary of Baypalm Pty Limited:</b>				
Deanes Bus Lines Pty Limited <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72

### Note:

All Singapore companies (except for SBS Guangzhou Pte Ltd) are audited by Deloitte & Touche LLP, Singapore except for certain subsidiaries as indicated below.

<sup>(1)</sup> Audited by WT Ng & Co, Malaysia.

<sup>(2)</sup> Audited by Jiangsu Gong Zheng Certified Public Accountants, China.

<sup>(3)</sup> Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

<sup>(4)</sup> Audited by Wei Shixin Certified Public Accountants Co Ltd.

<sup>(5)</sup> Audited by Beijing Lehman Certified Public Accountants Co., Ltd, China.

<sup>(6)</sup> Audited by Chong Zheng Tian Tong Certified Public Accountants Co., Ltd, China.

<sup>(7)</sup> Audited by Sichuan Wanfang Certified Public Accountants Co., Ltd, China.

<sup>(8)</sup> Audited by Sichuan Zhizhong Certified Public Accountants Co., Ltd, China.

<sup>(9)</sup> Audited by Guangzhou Orient Certified Public Accountants Co., Ltd, China.

<sup>(10)</sup> Audited by Jilin Hua Tai Certified Public Accountants, China.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

<sup>(11)</sup> Audited by Guangxi Bo Hua San He Certified Public Accountants Co., Ltd, China.

<sup>(12)</sup> Audited by Shan Dong Heng Feng Zheng Tai Certified Public Accountants Co., Ltd, China.

<sup>(13)</sup> Audited by SH Tan and Partner, Malaysia.

<sup>(14)</sup> Audited by Shanghai Gong Xin Zhong Nan Certified Public Accountants Co., Ltd, China.

<sup>(15)</sup> Audited by Jiangsu Tianhua Dapeng Certified Public Accountants Co., Ltd, China.

<sup>(16)</sup> Audited by Mattock & Associates, Australia.

### Other information

<sup>(17)</sup> Listed on the Singapore Exchange Securities Trading Limited.

<sup>(18)</sup> Disposed during the financial year.

<sup>(19)</sup> Deconsolidated during the financial year due to loss of control.

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

<sup>(21)</sup> Incorporated on 19 September 2013 and not audited.

### Compliance with Listing Rules:

The Group is in compliance with Listing Rules 712 and 715 of The Singapore Exchange Securities Trading Limited as suitable auditing firms have been appointed to meet the Group's audit obligations. In accordance to Rule 716, the Audit and Risk Committee and Board of Directors of the Company confirm that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

### (b) Associates

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2013 %	2012 %
<b>Unquoted equity shares</b>				
ComfortDelGro Insurance Brokers Pte Ltd <sup>(1)</sup>	Insurance broking, risk management, claims management and related activities	Singapore	49	49
Gobbler Pte Ltd <sup>(2)</sup>	Provision of sales promotion relating to discount coupons and rebates, and trading activities	Singapore	40	40

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

<sup>(2)</sup> Audited by N. F. Lee & Co, Singapore. The associate is insignificant.

### (c) Related company transactions

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

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

### (d) Acquisition of subsidiaries

In 2013, the acquisition of Metroline West Limited and CDC Easttrans Pty Ltd for cash consideration of \$111.1 million and \$26.2 million respectively had been accounted for by the acquisition method of accounting. The net assets acquired in the transactions, and the goodwill arising, were disclosed in Note (a) of the consolidated cash flow statement.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

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

In 2012, the acquisition of Deanes Bus Lines Pty Limited for cash consideration of \$68.8 million had been accounted for by the acquisition method of accounting. The net assets acquired in the transactions, and the goodwill arising, were disclosed in Note (a) of the consolidated cash flow statement.

## 39 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, Group entities entered into the following trading transactions with related parties:

	2013	2012
	\$'mil	\$'mil
Expenses	0.5	0.5

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

## 40 GROUP PROPERTIES

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>SINGAPORE</b>					
ComfortDelGro Corporation Limited	-	Braddell Road	66,445 sq m	30 years 5 years 10 months unexpired	Head office, bus depot, vehicle workshop
ComfortDelGro Corporation Limited	-	Kim Chuan	10,784 sq m	3 years 2 years unexpired	Vehicle assembly workshop
SBS Transit Ltd	75.21	Soon Lee Road	26,670 sq m	30 years 16 years 3 months unexpired	Bus depot
SBS Transit Ltd	75.21	Defu Avenue 1	74,236 sq m	33 years 2 years unexpired	Bus depot
SBS Transit Ltd	75.21	Bedok North Avenue 4	62,220 sq m	Under Temporary Occupation Licence	Bus depot

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 40 GROUP PROPERTIES (CONT'D)

<b>Held by</b>	<b>Group's effective interest %</b>	<b>Location</b>	<b>Approximate land area</b>	<b>Tenure</b>	<b>Usage</b>
SBS Transit Ltd	75.21	Bukit Batok Street 23	52,187 sq m	43 years 12 years unexpired	Bus depot
SBS Transit Ltd	75.21	Ayer Rajah Crescent	17,939 sq m	Under Temporary Occupation Licence	Bus park
SBS Transit Ltd	75.21	Ang Mo Kio Street 63	63,953 sq m	26 years 6 years 2 months unexpired	Bus depot
VICOM Ltd	67.16	Sin Ming Drive	10,853 sq m	30 years 28 years unexpired	Inspection, assessment services
VICOM Ltd	67.16	Kaki Bukit Avenue 4	9,797 sq m	30 years from January 1997 with option to renew another 30 years	Inspection, assessment services
VICOM Ltd	67.16	Bukit Batok Street 23	9,625 sq m	30 years from October 1995 with option to renew another 30 years	Inspection, assessment services
VICOM Ltd	67.16	Changi North Crescent	6,015 sq m	30 years from May 1995 12 years unexpired	Inspection services
VICOM Ltd	67.16	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 30 years unexpired	Inspection, assessment services
VICOM Ltd	67.16	Yishun Industrial Park A	1,105 sq m	30 years 30 years unexpired	Inspection, assessment services
Setsco Services Pte Ltd	67.16	Teban Gardens Crescent	9,830 sq m	30 years from February 2009 26 years unexpired	Testing, inspection, consultancy services
JIC Inspection Services Pte Ltd	52.39	Pioneer Road	9,190 sq m	30 years from December 1994 12 years unexpired	Inspection services

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
JIC Inspection Services Pte Ltd	52.39	Ang Mo Kio Street 63	2,145 sq m	12 months from March 2013 2 months unexpired	Inspection services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	11,129 sq m	60 years 22 years unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	25,087 sq m	30 years 9 years unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 38 years unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,500 sq m	22 years 12 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	26 years 13 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 35 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	30 years 9 years unexpired	Workshop, diesel kiosk
<b>CHINA</b>					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 14 years unexpired	Office, bus station
Shanghai City Qi Ai Taxi Services Co., Ltd	51	Lujiazang Road Shanghai	689 sq m	50 years 35 years unexpired	Office
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 29 years unexpired	Staff residence
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd	80	Cheng Shou Si Road Jiu Gong Da Xing District Beijing	6,120 sq m	20 years 10 years unexpired	Office, workshop

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 40 GROUP PROPERTIES (CONT'D)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	Jian Cai Road Chengdu	5,057 sq m	30 years 20 years unexpired	Vehicle inspection workshop
Yantai ComfortDelGro Automobile Services Co., Ltd	76	Zhou Shan Road Yantai Development Zone	20,000 sq m	50 years 42 years 8 months unexpired	Office, workshop
Nanning Comfort Transportation Co., Ltd	80	Ke Yuan Ave Nanning	938 sq m	45 years 42 years 8 months unexpired	Office
Chongqing ComfortDelGro Driver Training Co., Ltd	90	Jiu Long Po Jiu Long Industrial Park Chongqing	27,522 sq m	20 years 19 years unexpired	Office, driving test, training centre
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd	95	Wen Jia Red Mill Village Chengdu	113,334 sq m	10 years 9 years unexpired	Driving test centre
Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd	90	Yu Bei District Liang Lu Zu Tuan Chongqing	37,344 sq m	50 years 47 years unexpired	Office, driving test, training centre
Jilin ComfortDelGro Taxi Co., Ltd	97	Cheng Nan Street Jilin City High-tech Zone	18,013.55 sq m	50 years 49 years unexpired	Office

### UNITED KINGDOM

Computer Cab plc	55.72	Woodfield Road London W9 2BA	537 sq m	Freehold	Office
Computer Cab plc	55.72	Mitre Bridge Ind Mitre Way London W10 6AU	10,707 sq m	10 years 8 years and 5 months unexpired	Office, fitting bay
Computer Cab (Liverpool) Limited	55.72	Falkland Street Liverpool 13 8HB	610 sq m	99 years 84 years 7 months unexpired	Office, fleet dept
Metroline Limited	100	Pemberton Garden Holloway London N19 5RR	17,968 sq m	Freehold	Bus depot

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 40 GROUP PROPERTIES (CONT'D)

<b>Held by</b>	<b>Group's effective interest %</b>	<b>Location</b>	<b>Approximate land area</b>	<b>Tenure</b>	<b>Usage</b>
Metroline Limited	100	Edgware Road Cricklewood London NW2 6JP	13,800 sq m	Freehold	Bus depot
Metroline Limited	100	High Street Potters Bar Herts EN6 5BE	11,614 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Willesden London NW10 2JY	9,874 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Harrow Weald London HA3 6EJ	5,706 sq m	Freehold	Bus depot
Metroline West Limited	100	Ealing Road Wembley HA0 4LL	4,996 sq m	Freehold	Bus depot
Westbus Coach Services Limited	100	Spring Grove Road Hounslow London TW3 4BE	352 sq m	5 years	Office, fitting bay

### AUSTRALIA

Westbus Region 3 Pty Ltd	55.72	Bonnyrigg Avenue NSW	22,166 sq m	Freehold	Bus depot
Westbus Region 1 Pty Ltd	55.72	Thorley Street Windsor South NSW	22,130 sq m	Freehold	Bus depot
Westbus Region 1 Pty Ltd	55.72	Mulgoa Road Penrith NSW	10,641 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	55.72	Boundary Road Northmead NSW	31,669 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	55.72	Hartley Road Seven Hills NSW	2,725 sq m	Freehold	Bus depot

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 40 GROUP PROPERTIES (CONT'D)

<b>Held by</b>	<b>Group's effective interest %</b>	<b>Location</b>	<b>Approximate land area</b>	<b>Tenure</b>	<b>Usage</b>
Hillsbus Co Pty Ltd	55.72	New Line Road Dural NSW	19,460 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	Glenwood Drive Thornton NSW	8,688 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	High Street Toronto NSW	2,442 sq m	Freehold	Office building
Hunter Valley Buses Pty Ltd	55.72	Arnott St & Aluminium Cl Edgeworth NSW	5,817 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	Burleigh Street Toronto NSW	5,372 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	Ettalong Road Morisset NSW	14,865 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	Magpie Street Singleton NSW	7,806 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Pacific Highway Heatherbrae NSW	32,403 sq m	Freehold	Site for bus building plant
ComfortDelGro Cabcharge Pty Ltd	55.72	Foundry Road Seven Hills NSW	36,810 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Lee Holm Drive St Mary's NSW	27,960 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Industrial Avenue Hoppers Crossing Victoria	4,285 sq m	Freehold	Bus, car park

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

## 40 GROUP PROPERTIES (CONT'D)

<b>Held by</b>	<b>Group's effective interest %</b>	<b>Location</b>	<b>Approximate land area</b>	<b>Tenure</b>	<b>Usage</b>
ComfortDelGro Cabcharge Pty Ltd	55.72	Industrial Avenue Hoppers Crossing Victoria	6,635 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Industrial Avenue Hoppers Crossing Victoria	2,438 sq m	Freehold	Bus park
ComfortDelGro Cabcharge Pty Ltd	55.72	Slough Road Altona Victoria	7,995 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Slough Road Altona Victoria	8,095 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Carrington Drive Sunshine Victoria	9,804 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Atherton Road Oakleigh Victoria	2,567 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	North Road Oakleigh Victoria	6,527 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Edols Street Geelong Victoria	26,000 sq m	Freehold	Bus depot
CDC Ballarat Pty Ltd	55.72	Norman Street Ballarat	47,750 sq m	Freehold	Bus depot
CDC Ballarat Pty Ltd	55.72	Clunes Road Creswick Victoria	614 sq m	Freehold	Bus park
Swan Taxis Pty Ltd	100	Harvey Street Victoria Park WA	2,278 sq m	Freehold	Office, call centre, workshop

# NOTES TO THE FINANCIAL STATEMENTS

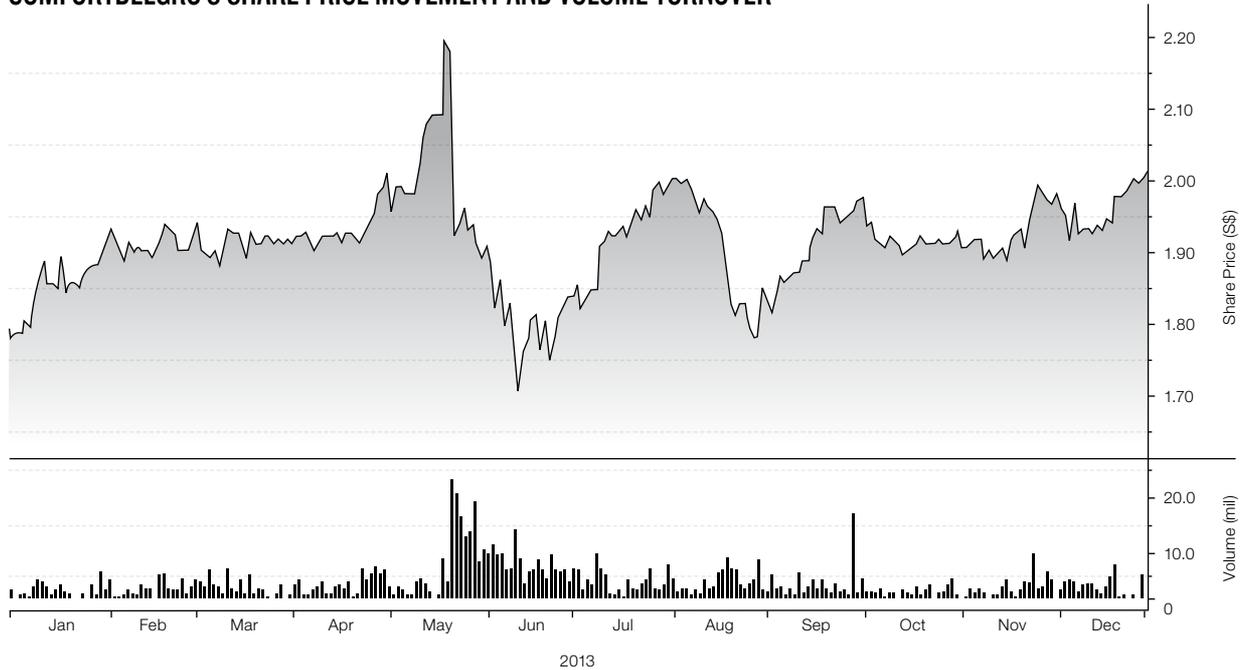
31 DECEMBER 2013

## 40 GROUP PROPERTIES (CONT'D)

<b>Held by</b>	<b>Group's effective interest %</b>	<b>Location</b>	<b>Approximate land area</b>	<b>Tenure</b>	<b>Usage</b>
<b>VIETNAM</b>					
Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh - TP Ho Chi Minh City	6,438 sq m	20 years 7 years unexpired	Office, workshop
<b>MALAYSIA</b>					
Setsco Services (M) Pte Ltd	67.16	47100 Puchong Selangor Darul Ehsan	792 sq m	99 years from December 2009 95 years unexpired	Testing, inspection, consultancy services

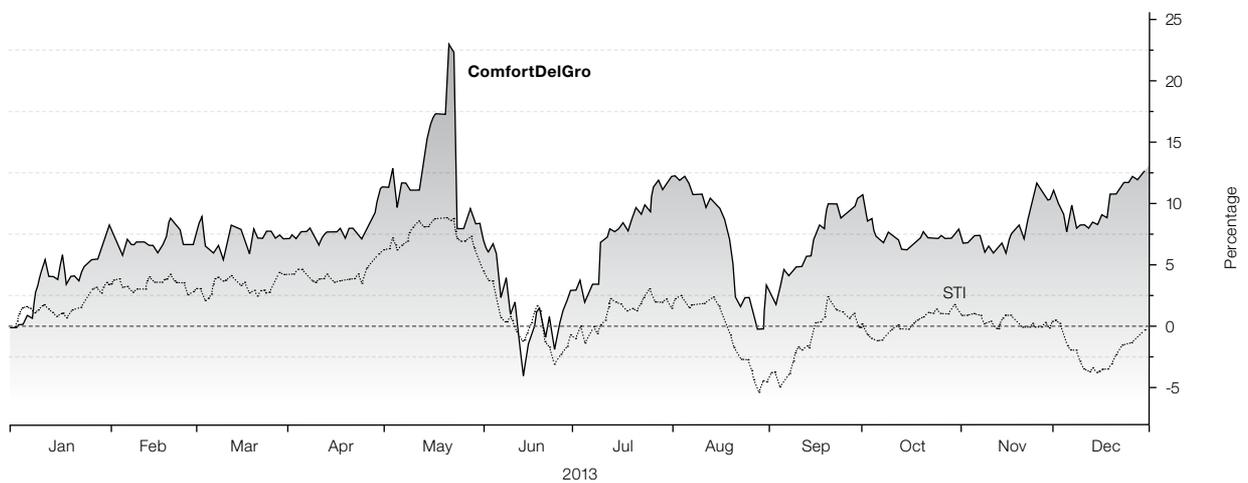
# SHARE PRICE MOVEMENT CHART

## COMFORTDELGRO'S SHARE PRICE MOVEMENT AND VOLUME TURNOVER



Source: Bloomberg Finance L.P.

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



Source: Bloomberg Finance L.P.

# SHAREHOLDING STATISTICS

AS AT 3 MARCH 2014

No. of shares issued	:	2,126,096,663
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

<b>Size of Shareholdings</b>	<b>No. of Shareholders</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
1 – 999	1,918	5.26	722,729	0.03
1,000 – 10,000	18,558	50.91	82,757,293	3.89
10,001 – 1,000,000	15,947	43.74	360,920,851	16.98
1,000,001 & Above	32	0.09	1,681,695,790	79.10
<b>Total</b>	<b>36,455</b>	<b>100.00</b>	<b>2,126,096,663</b>	<b>100.00</b>

<b>Top Twenty Shareholders</b>	<b>No. of Shares</b>	<b>%</b>
Citibank Nominees Singapore Pte Ltd	495,057,389	23.28
DBS Nominees Pte Ltd	362,736,973	17.06
DBSN Services Pte Ltd	296,390,400	13.94
HSBC (Singapore) Nominees Pte Ltd	153,177,873	7.20
United Overseas Bank Nominees Pte Ltd	135,498,048	6.37
BNP Paribas Securities Services Singapore	73,077,196	3.44
Singapore Labour Foundation	52,432,594	2.47
Raffles Nominees (Pte) Ltd	29,050,591	1.37
OCBC Nominees Singapore Private Limited	20,171,216	0.95
DB Nominees (S) Pte Ltd	14,346,901	0.67
Changi Bus Company (Private) Limited	9,244,095	0.43
Yim Chee Chong	5,000,000	0.24
Bank of Singapore Nominees Pte Ltd	2,787,789	0.13
Chan Kam Fai	2,700,443	0.13
Choo Chek Siew	2,660,000	0.13
Dawn Kua Su-Wen	2,350,000	0.11
DBS Vickers Securities (S) Pte Ltd	2,275,698	0.11
Morgan Stanley Asia (S) Securities Pte Ltd	2,273,337	0.11
Phillip Securities Pte Ltd	2,157,618	0.10
Certis Cisco Security Pte Ltd	2,090,000	0.10
<b>Total</b>	<b>1,665,478,161</b>	<b>78.34</b>

# SHAREHOLDING STATISTICS

AS AT 3 MARCH 2014

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

Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
The Capital Group Companies, Inc.	-	-	135,100,000 <sup>1</sup>	6.35
BlackRock, Inc.	-	-	127,502,801 <sup>2</sup>	6.00
The PNC Financial Services Group, Inc.	-	-	127,502,801 <sup>2</sup>	6.00

As at 3 March 2014, approximately 86.84% of the issued ordinary shares of ComfortDelGro Corporation Limited is in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

Notes:

- <sup>1</sup> The Capital Group of Companies, Inc. (as the parent company of Capital Research and Management Company (“CRMC”)) is deemed to have an interest in 135,100,000 shares of ComfortDelGro Corporation Limited held by Capital World Growth and Income Fund, Inc. (“WGI”) (a mutual fund managed by CRMC). CRMC, as the fund manager of WGI, is deemed to have interest in the 135,100,000 shares of ComfortDelGro Corporation Limited held by WGI.
- <sup>2</sup> BlackRock, Inc. is deemed to have an interest in 127,502,801 shares of ComfortDelGro Corporation Limited held by its subsidiaries. The PNC Financial Services Group, Inc. through its ownership of more than 10% of BlackRock, Inc. is deemed to have an interest in 127,502,801 shares of ComfortDelGro Corporation Limited held by the subsidiaries of BlackRock, Inc.

# NOTICE OF ANNUAL GENERAL MEETING

## COMFORTDELGRO CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 200300002K)

NOTICE IS HEREBY GIVEN that the Eleventh Annual General Meeting of the Company will be held at the Auditorium, ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 on Friday, 25 April 2014 at 10.00 a.m. for the purpose of transacting the following business:

### ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and Audited Financial Statements for the Financial Year ended 31 December 2013 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 4 cents per ordinary share in respect of the Financial Year ended 31 December 2013. **(Resolution 2)**
3. To approve the payment of Directors' fees of \$608,338 for the Financial Year ended 31 December 2013. (FY2012: \$586,000) **(Resolution 3)**
4. To re-elect Ms Sum Wai Fun, Adeline, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 4)**
5. To re-elect Mr Wong Chin Huat, David, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 5)**
6. To re-appoint Mr Lim Jit Poh as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50 to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **(Resolution 6)**
7. To re-appoint Mr Ong Ah Heng as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50 to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **(Resolution 7)**
8. To re-appoint Mr Kua Hong Pak as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50 to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **(Resolution 8)**
9. To re-appoint Mr Oo Soon Hee as a Director pursuant to Section 153(6) of the Companies Act, Cap. 50 to hold office from the date of this Annual General Meeting until the next Annual General Meeting. **(Resolution 9)**
10. To re-appoint Messrs Deloitte & Touche LLP as Auditors and authorise the Directors to fix their remuneration. **(Resolution 10)**

# NOTICE OF ANNUAL GENERAL MEETING

## BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 7 May 2014 for the purposes of determining Shareholders' entitlements to the proposed tax-exempt one-tier final dividend of 4 cents per ordinary share for the Financial Year ended 31 December 2013.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 6 May 2014 will be registered to determine Shareholders' entitlements to the final dividend. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 6 May 2014 will be entitled for the proposed final dividend.

The final dividend, if approved by the Shareholders at the Eleventh Annual General Meeting of the Company, will be paid on 14 May 2014.

By Order of the Board

Chan Wan Tak, Wendy  
Company Secretary  
Singapore  
27 March 2014

Notes:

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

## ADDITIONAL INFORMATION ON ORDINARY BUSINESS

Mr Wong Chin Huat, David, is the Chairman of the Audit and Risk Committee while Mr Ong Ah Heng, Mr Oo Soon Hee and Ms Sum Wai Fun, Adeline, are Members of the Audit and Risk Committee. Mr Wong Chin Huat, David, Mr Ong Ah Heng and Mr Oo Soon Hee are considered independent Directors of the Company. If re-elected or re-appointed, Mr Wong Chin Huat, David, will continue as Chairman of the Audit and Risk Committee while Mr Ong Ah Heng, Mr Oo Soon Hee and Ms Sum Wai Fun, Adeline, will continue as Members of the Audit and Risk Committee respectively.

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# ComfortDelGro Corporation Limited

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 200300002K)

## PROXY FORM ANNUAL GENERAL MEETING

### IMPORTANT

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

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport Number)  
of \_\_\_\_\_ (Address)

being a member/members of ComfortDelGro Corporation Limited (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholding (%) (Note 2)

and/or (delete as appropriate)

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or failing him/them, the Chairman of the Annual General Meeting ("AGM"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the AGM of the Company to be held on Friday, 25 April 2014 and at any adjournment thereof. I/ We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/ they may on any other matter arising at the AGM.

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

No.	Resolutions	No. of Votes For*	No. of Votes Against*
1.	Adoption of Directors' Report and Audited Financial Statements		
2.	Declaration of Final Dividend		
3.	Approval of Directors' Fees		
4.	Re-election of Ms Sum Wai Fun, Adeline, as Director		
5.	Re-election of Mr Wong Chin Huat, David, as Director		
6.	Re-appointment of Mr Lim Jit Poh as Director		
7.	Re-appointment of Mr Ong Ah Heng as Director		
8.	Re-appointment of Mr Kua Hong Pak as Director		
9.	Re-appointment of Mr Oo Soon Hee as Director		
10.	Re-appointment of Auditors and authorising Directors to fix their remuneration		

\* If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant Resolution, please indicate the number of shares in the boxes provided.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014

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

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

### IMPORTANT: PLEASE READ NOTES OVERLEAF

Should a member wish to receive acknowledgement of receipt of the Proxy Form from the Company, please provide your email address and/or mobile phone number.

Email Address: \_\_\_\_\_ Mobile Phone No. \_\_\_\_\_

NOTES

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.
3. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Annual General Meeting.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701 not less than 48 hours before the time set for the Annual General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject the instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

Affix  
postage  
stamp

**THE COMPANY SECRETARY**  
ComfortDelGro Corporation Limited  
205 Braddell Road  
Singapore 579701

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

This flap is for sealing. Glue all sides firmly. Stapling and spot sealing are disallowed.

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

Designed and Produced by  
Coal Creative Consultants



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Company Registration No. 200300002K