REACH

ComfortDelGro
Corporation Limited

Annual Report
2005

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GLOBAL REACH

In 2005, ComfortDelGro's global reach expanded to include a brand new market: Australia. We now operate in seven countries across the globe, giving us the widest footprint amongst our peers.

GLOBAL FOOTPRINT

Seven countries, 19 cities and four time zones – this is the scale of our operations. As we work towards our Vision of becoming world number one, we will continue to seek new opportunities in our core business of land transportation.


CHINA
VIETNAM
MALAYSIA
SINGAPORE
AUSTRALIA
LEGEND
BUS/ COACH
TAXI
RAIL
CAR RENTAL AND LEASING
DRIVING SCHOOL
VEHICLE INSPECTION
VEHICLE ASSESSMENT
TESTING SERVICES
AUTOMOTIVE ENGINEERING
INSURANCE BROKERAGE
OUTDOOR ADVERTISING
BUS STATION
CAR DEALERSHIP

SINGAPORE

1,402.6 S$'mil
TURNOVER

212.7 S$'mil
PROFIT BEFORE TAX

Population approx. 4.4 million *GDP Growth Rate* 6.4%

TOTAL INVESTMENT
S$363.3 million

TOTAL FLEET SIZE
20,387

TOTAL NO. OF EMPLOYEES
9,772

TYPES OF BUSINESSES
- Bus
- Taxi
- Rail
- Car rental & leasing
- Automotive engineering, maintenance services & diesel sales
- Vehicle inspection
- Vehicle assessment
- Testing services
- Learner drivers' instructional services
- Insurance brokerage
- Outdoor advertising

ComfortDelGro is Singapore's premier land transport operator, offering a full range of land transport services comprising bus, taxi, rail, car rental & leasing, automotive engineering, maintenance services & diesel sales, vehicle inspection, assessment & testing services, learner drivers' instructional services, insurance brokerage and outdoor advertising.

Our scheduled bus operations, held under mainboard-listed SBS Transit, is the country's largest with more than 2,700 buses and 204 routes. SBS Transit, which also runs the fully-automated underground heavy rail system called the North East Line, has a daily ridership of over two million. In the private charter bus industry, Comfort Bus is the industry leader serving over 200 local contract customers.

Our taxi business, which operates the Comfort, CityCab and Yellow-Top brands, is also the country's largest with a fleet of over 15,600. The large fleet gives us the necessary size and scale to operate a state-of-the-art call centre, catering to the booking needs of our commuters.

Through VICOM, our third listed company in the Group, we offer vehicle inspection and assessment, as well as testing services. With a 75% share of the vehicle inspection market, VICOM is the industry leader, having been in operation for 25 years now.

The Group's car rental & leasing arm, CityLimo, is also the largest in Singapore with a fleet of 1,447 vehicles.

ComfortDelGro also offers a full range of "back-end" services like driving instruction services for motorcars, motorcycles, bus and taxi vocational licence through Comfort Driving Centre; vehicle repair and maintenance, engineering, design and assembly services through ComfortDelGro Engineering; insurance brokerage services through ComfortDelGro Insurance Brokers; and outdoor advertising services through Moove Media.

Our taxi business, which operates the Comfort, CityCab and Yellow-Top brands, is also the country's largest with a fleet of over 15,600.

CHINA

147.2 S$'mil
TURNOVER

32.9 S$'mil
PROFIT BEFORE TAX

Population approx. 1.3 billion *GDP Growth Rate* 9.9%

TOTAL INVESTMENT
S$266.4 million

TOTAL FLEET SIZE
11,127

TOTAL NO. OF EMPLOYEES
4,068

TYPES OF BUSINESSES

- Bus
- Bus station
- Taxi
- Car rental & leasing
- Automotive engineering & maintenance services
- Vehicle inspection
- Learner drivers' instructional services
- Car dealership

With 23 investments spread across 11 cities in China, ComfortDelGro is the country's single largest foreign land transport investor.

Besides being a major operator in the traditional bus and taxi business, we have also expanded our scope to include driving centre services, bus station operations, car dealership and workshop services.

We now operate in Shenyang, Beijing, Shanghai, Guangzhou, Chengdu, Jilin City, Nanning, Suzhou, Yantai, Xiamen and Hengyang.

One of our most significant investments recently was the acquisition of Shenyang ComfortDelGro Bus which operates 1,218 buses on 50 routes. Together with Shenyang ComfortDelGro An Yun Bus, we will operate 1,763 buses on 68 routes. This will give us a commanding share of 40%, making us the market leader there.

Another recent acquisition was that of Chengdu ComfortDelGro Qing Yang Driving School – our first driving school overseas. With it, we now have a presence in practically every aspect of our business in Chengdu – the gateway to China's western region.

In Guangzhou, the Group also manages an inter-city bus station, which has been consistently winning accolades for its efficiency and customer service.

We also have extensive taxi operations across China namely Beijing, Chengdu, Hengyang, Jilin City, Nanning, Shanghai, Shenyang, Suzhou, Xiamen and Yantai. Beijing Jin Jian Taxi Services, one of the five largest taxi operators in Beijing, has a fleet of 5,029 taxis.

In Suzhou, we offer taxi services as well as a car dealership business.

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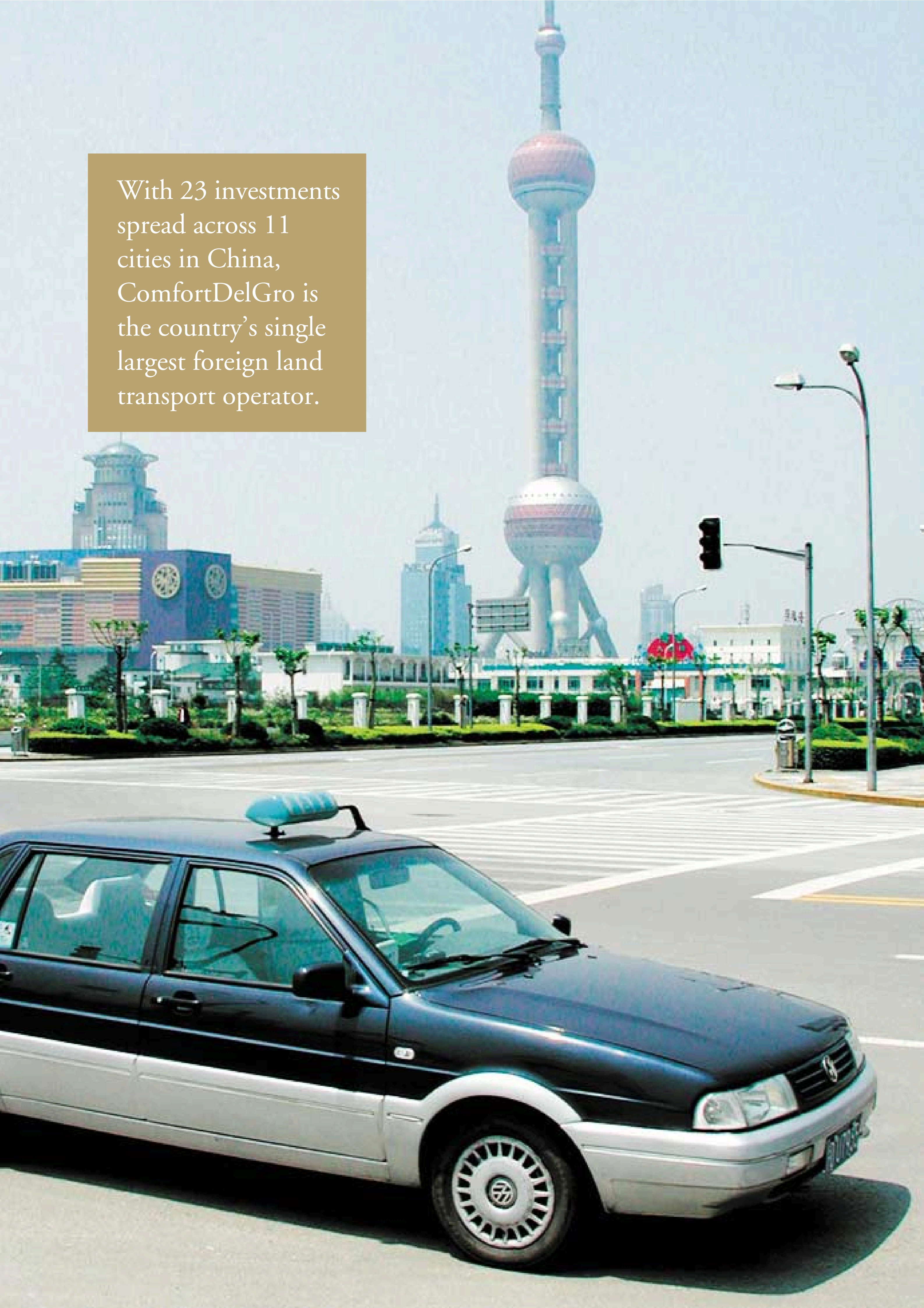

GROUP'S BUSINESS OVERVIEW

UNITED KINGDOM

658.4 S$'mil
TURNOVER

49.0 S$'mil
PROFIT BEFORE TAX

Population approx. 59.8 million *GDP Growth Rate* 1.8%

TOTAL INVESTMENT
S$274.6 million

TOTAL FLEET SIZE
5,526

TOTAL NO. OF EMPLOYEES
4,144

TYPES OF BUSINESSES
- Bus/Coach
- Taxi radio services

Our operations in the United Kingdom continued to be the biggest contributor to Group revenue and profitability in 2005. It is also our single largest investment destination to-date.

The Group's scheduled bus operations under Metroline is one of London's five largest public bus operators with a fleet of 1,196 buses. Together with the operations of F.E. Thorpe & Sons and E.H. Mundy Holdings – both of which were acquired in late-2004 – Metroline now commands 14% of the London scheduled bus market.

Equally impressive are our taxi operations in London. Computer Cab, which provides taxi booking services through five brands – ComCab, DataCab, Call-A-Cab, Zingo and Local Taxis – commands a market share of over 50% of the taxi radio circuit. It has access to 3,735 taxis in London.

Both Metroline and Computer Cab have been consistently winning awards for their contributions to the UK transport industry. Computer Cab won the Taxi/Private Hire Company of the Year in 2005 for the second consecutive year.

In Scotland, our taxi operations are managed through Computer Cab (Aberdeen) and Computer Cab (Edinburgh). Our coach services, held by Scottish Citylink Coaches merged operations with Stagecoach Group in September 2005 and now compete directly with Scotland's rail business.

Our operations in the United Kingdom continued to be the biggest contributor to Group revenue and profitability in 2005.

IRELAND

9.3 S$'mil
TURNOVER

1.6 S$'mil
PROFIT BEFORE TAX

Population approx. 4.1 million *GDP Growth Rate* 5.7%

TOTAL INVESTMENT
S$3.1 million

TOTAL FLEET SIZE
15

TOTAL NO. OF EMPLOYEES
9

TYPE OF BUSINESS
Bus/Coach

Our wholly-owned subsidiaries in Ireland – Cummer Commercials and Aerdart – operate inter-city coach and bus services under the brands Irish Citylink and Aerdart respectively.

Irish Citylink is one of Ireland's main providers of express coach services, having built a reputation for safe and reliable travel. In 2005, turnover at Irish Citylink exceeded €4 million (S$ 9.1 million) for the first time on the back of sustained passenger growth on its core Galway-Dublin and Galway-Shannon services.

The Irish Government's plans to liberalise the public transport sector has yet to bear fruit. We are awaiting news on this.

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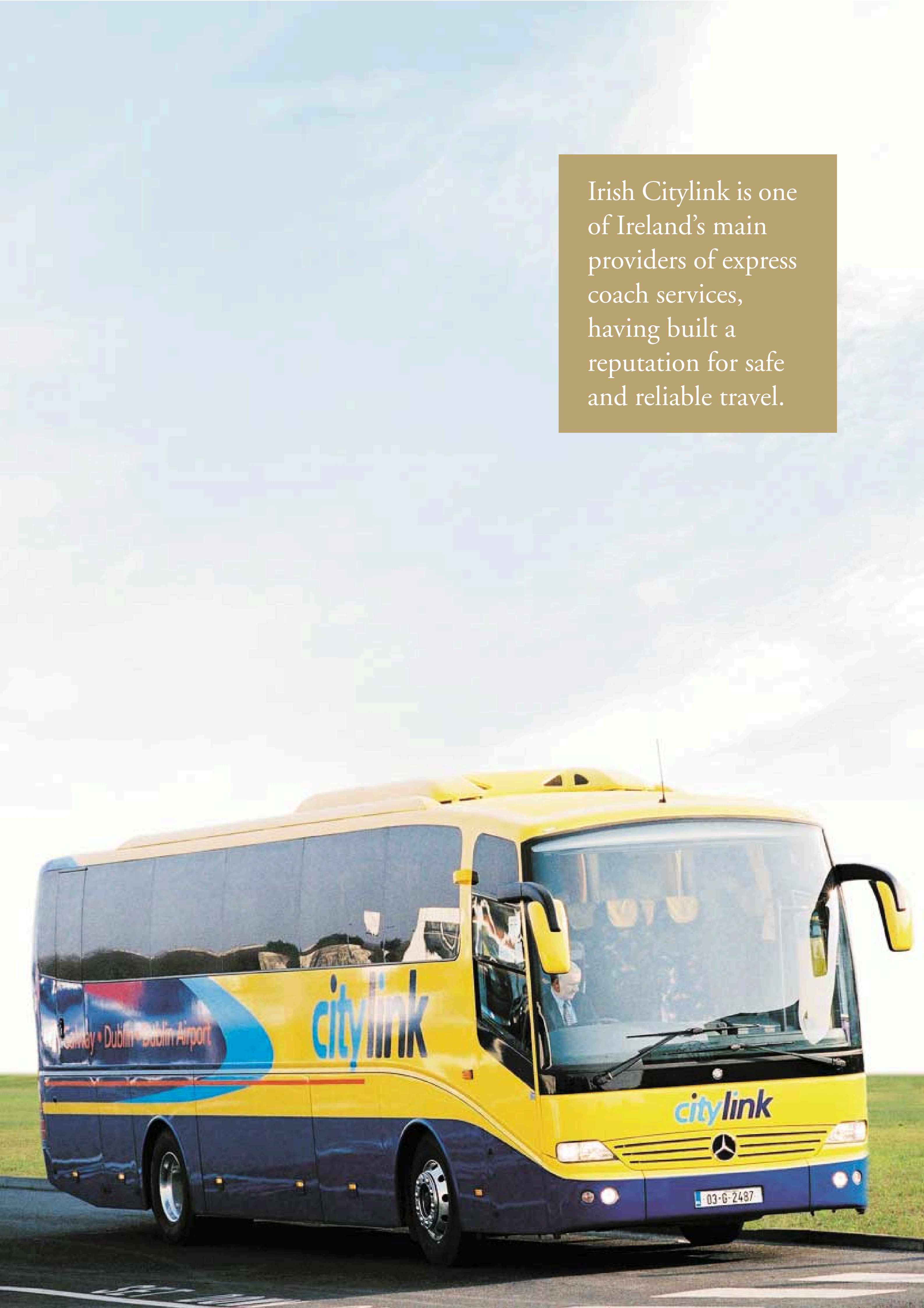


AUSTRALIA

31.9 S$'mil
TURNOVER

2.0 S$'mil
PROFIT BEFORE TAX

Population approx. 20.5 million *GDP Growth Rate* 2.7%

TOTAL INVESTMENT
S$81.5 million

TOTAL FLEET SIZE
642

TOTAL NO. OF EMPLOYEES
959

TYPE OF BUSINESS
Bus/Coach

Australia became the newest addition to the ComfortDelGro family in 2005 through the acquisition of the businesses and assets of the Westbus Group. With a fleet of 642 buses in Metropolitan Sydney and the Hunter Valley, Westbus ranks as the largest private bus operator in New South Wales (NSW) – Australia's most populous state.

Under the NSW Government's reform of the bus industry, Westbus is the main operator in three of the 11 metropolitan regions reserved for private operators. Under the new contracts, operators are paid a contractual amount for running their bus services. These are based on fixed payments for bus assets and overheads along with variable payments for kilometres travelled and passengers carried. The Government, in turn, takes the fare revenue.

ComfortDelGro holds a 51% stake in the newly formed ComfortDelGro Cabcharge while its partner, Cabcharge Australia, holds the remaining 49% stake.

Australia became the newest addition to the ComfortDelGro family in 2005 through the acquisition of the businesses and assets of the Westbus Group.

VIETNAM

8.3 S$'mil
TURNOVER

2.1 S$'mil
PROFIT BEFORE TAX

Population approx. 83.0 million *GDP Growth Rate* 8.4%

TOTAL INVESTMENT
S$8.5 million

TOTAL FLEET SIZE
1,093

TOTAL NO. OF EMPLOYEES
229

TYPE OF BUSINESS
Taxi

ComfortDelGro began operations in Ho Chi Minh City through Vietnam Taxi three years ago with just 400 taxis. The Vinataxi brand under which they are marketed has since grown in size and reputation. The fleet is 817-strong, providing door-to-door taxi services in the city and neighboring provinces. Vinataxi has also garnered several major accolades for the past few years such as the Best Taxi Service Award in Ho Chi Minh City for three consecutive years from 2003 to 2005. In addition, it won the Vietnam Gold Star Award, an award similar to the "Superbrands" award in Singapore. Apart from being well-liked by locals, Vinataxi is also popular with tourists, as evidenced by its winning of the Tourists' Favourite Taxi Company Award in 2005.

To further boost our presence in Vietnam, we announced in February 2005, a joint venture with the former state-owned enterprise, Saigon General Service Corporation (Savico), for the establishment of ComfortDelGro Savico Taxi. The new company operates 276 taxis comprising 129 four-seater and 147 seven-seater cars, a call centre, as well as a workshop which repairs and maintains the taxi fleet.

Vinataxi has garnered several major accolades for the past few years such as the Best Taxi Service Award in Ho Chi Minh City for three consecutive years from 2003 to 2005.

MALAYSIA

4.4 S$'mil
TURNOVER

0.6 S$'mil
PROFIT BEFORE TAX

Population approx. 26.1 million *GDP Growth Rate* 5.0%

TOTAL INVESTMENT
S$272,000

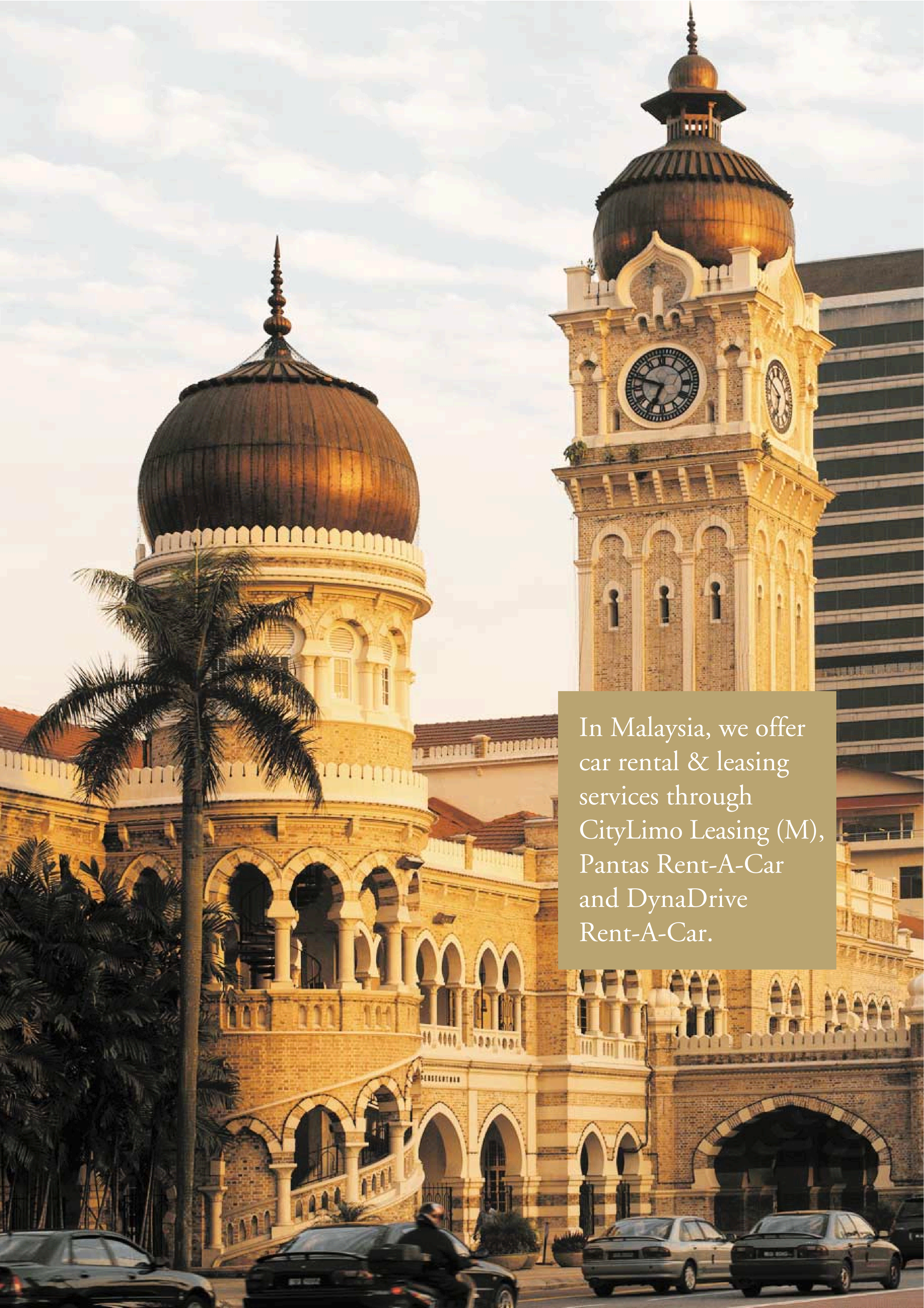
TOTAL FLEET SIZE
360

TOTAL NO. OF EMPLOYEES
31

TYPE OF BUSINESS
Car rental & leasing

In Malaysia, we offer car rental & leasing services through CityLimo Leasing (M), Pantas Rent-A-Car and DynaDrive Rent-A-Car. Our customers, the bulk of whom are corporate clients, can opt for either long-term vehicle leases or short-term car rentals.

The Group currently operates 360 vehicles in the capital of Malaysia.



In Malaysia, we offer car rental & leasing services through CityLimo Leasing (M), Pantas Rent-A-Car and DynaDrive Rent-A-Car.

OUR VISION

To be the undisputed global leader in land transport.

OUR MISSION

To be the world's number one land transport operator in terms of fleet size, profitability and growth within the next four to six years.

OUR STRATEGIES FOR SUCCESS

TO LOOK BEYOND THE HORIZON

Grow within our existing footprint and expand our global footprint

Solve problems which might limit the growth and efficiency of the Group in a prompt manner

Be innovative and open to new ideas and opportunities

TO DO THE RIGHT THINGS – RIGHT

Never take our eyes off the ball

Continuously redeploy people and assets to projects with greater value

Never be afraid to admit and learn from mistakes

TO GROW OUR TALENT BASE

By setting the performance bar above industry norms

By giving credit where credit is due

By not stinting on rewards

OUR CORE VALUES FOR GUIDANCE

RESULTS ORIENTATION

We will:
Set challenging and realistic goals

Focus on output

Identify and solve problems

Have a sense of urgency and ownership

COMMITMENT

We will:
Anticipate our customers' needs and constantly upgrade ourselves to provide them with outstanding value and quality service

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

Care for our staff by providing a challenging environment with ample opportunities for growth and development

Continue to 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 upholding industry standards

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 communities we operate in

Communicate in a factual, honest and prompt manner

Be open and transparent in our dealings

CHAIRMAN'S STATEMENT

In the three years since the merger between Comfort Group Ltd and DelGro Corporation Limited in 2003, we have put in place the necessary building blocks to ensure strong foundations are laid for the Group.

Where 2003 was a groundbreaking year with the merger, 2004 was a year of foundation laying. In that year, we started emerging as a respectable global land transport group. In 2005, we sealed our position in the global landscape and accomplished all our merger objectives. This chapter should now come to a close. Our tasks ahead are to create an influential global land transport group that Singapore can be proud of and the young can look forward to be a part of.

Despite the unexpected appearance of SARS (Severe Acute Respiratory Syndrome) in 2003, rising oil prices in 2004 and their continued uncertainty in 2005, we have delivered and implemented successfully all the proposals and concepts outlined in the Merger Document. I refer to the synergy of business operations, streamlining of business activities and overseas expansion plans. On behalf of the Board of Directors, I wish to thank the management under the capable and exemplary leadership of Mr Kua Hong Pak, Managing Director and Group Chief Executive Officer (MD/Group CEO), for facing such challenges and overcoming the odds to successfully execute all that the Board had laid down.

Today, we operate in seven countries, 19 cities and four time zones. We are very focused on our core land transport businesses. Our major activities are in taxi operations, bus operations (scheduled, unscheduled and long distance), mass and light rapid transit operations (rail), engineering (repairs, maintenance and assembly), vehicle inspections, car rental and leasing, driving training, vehicle advertising, technical testing and consultancy, car dealership and insurance brokering.

We are ranked number two in the world with 39,150 vehicles. We employ 19,212 staff globally. Our total assets are worth S$3.1 billion. Given the capital-intensive nature of our business, our total shareholders' funds stand at S$1.3 billion. We have, at all times, employed our resources efficiently to maximize the returns.

As we have successfully achieved the merger objectives, the Group is now faced with other issues moving forward. This is the nature of business. Locally, the competitive forces in the deregulated taxi industry grew. The three new operators, by virtue of their small fleets, characterised by new vehicles bought with low Certificate of Entitlements (COEs), have been offering very attractive incentives and benefits to potential drivers. Locally and internationally, the volatile high oil prices have created disruption and uncertainty to our daily businesses. We cannot claim that these have no adverse effects on us. As hedging the volatile prices is difficult, we shall therefore have to face the reality of seeing a substantial part of our profits eroded. Our 2004 success in hedging could only be partially repeated in 2005.

"In 2005, we sealed our position in the global landscape and accomplished all our merger objectives. This chapter should now come to a close. Our tasks ahead are to create an influential global land transport group that Singapore can be proud of and the young can look forward to be a part of."

CHAIRMAN'S STATEMENT

OUR FIVE PILLARS

I have outlined in my Statement last year the five pillars that I believe are crucial for us to shine as a global land transport group. I am pleased to report that management is gradually strengthening these. Time, and most important of all, commitment and effort are required to root them into the system.

The Vision and Mission Statements, as reflected elsewhere in this annual report, are our guiding principles. They remain unchanged. Our flat management structure, evolved as a result of the fierce global competition, fast technological advancement and unexpected workforce changes, demands that senior management staff take total ownership of their actions and act responsibly.

We believe very strongly that human capital is crucial to our success. Potential talent pool has to be global rather than local. Our future workforce has to be diverse in terms of nationality, age, qualification, experience and gender. We need to nurture and develop our human capital. It is a continuous undertaking. It is not an easy task. It requires conviction, sincerity, commitment, resources and focus.

Investor relations has become more active as we globalise. More institutional shareholders and fund managers are calling on us with greater frequency to understand and monitor our progress and development. We are also attracting worldwide attention especially from the global funds. As we grow, we are always reminded of our corporate social responsibility which we have discharged with distinction.

CORPORATE GOVERNANCE

Corporate governance featured very prominently not only in Singapore but the world at large in 2005. Since the merger, our Board of Directors has remained unchanged. It continues to map out the Group's strategy and directions. But in the corporate scene in Singapore, we witnessed a year of wrongdoings where unhealthy practices in some listed companies resulted in their financial collapse. There were also incidents of lapses by some Directors resulting in penalties imposed for insider trading and violation of The Companies Act. The issue of governance also featured in the charity sphere. I would like to believe that we have done reasonably well in this area.

Board of Directors continue to receive relevant and useful documents on this subject. Temasek Holdings' Chief Executive Officer Ho Ching's speech at the annual dinner function of The Economics Society of Singapore in 2005 gave a very good analysis of the respective roles of the shareholders, the Board of Directors, the Chief Executive Officer (CEO) and the management. The US Conference Board's publication entitled "Corporate Governance Handbook 2005" is also a very good reference document which has been drawn to the attention of our Directors.

We adhere very closely to the Code of Corporate Governance. The 2005 revision of the Code is now effective. I see no difficulty in us meeting the new and revised amendments. Our MD/Group CEO has already asked to step down from the Remuneration Committee to conform to the Code. We went beyond the Code by establishing an Investment Committee besides the prescribed Audit Committee, the Remuneration Committee and the Nominating Committee.

There is suggestion of a Lead Director if there is an Executive Chairman or if the Chairman and the CEO are related. In our case there is no such necessity as we neither have an Executive Chairman nor does there exist a relationship between the Chairman and the CEO. The Directors are encouraged to surface issues for discussion. We constantly encourage our senior staff to engage the non-executive Directors. We also introduced a whistle-blowing element into our administration.

In my three years as the non-executive Chairman of our merged Group, I have always tried to consciously separate the roles of both the Chairman and the CEO as distinctly as possible without undermining the responsibilities and duties of the Board and the management. Laying down rules and instituting systems and practices form just one aspect of the issue. Personality of the two office holders and their working relationship and style are, in fact, more important. As the saying

CHAIRMAN'S STATEMENT

goes 'the rule is as good as the people implementing it'. A cordial working relationship between the Chairman of the Board and the CEO is crucial to the success of the business. Ours is no exception. It is even more critical since the Chairman is non-executive and has to keep abreast of the Group's operations, which are global in scale and dynamic in nature. In my case, I have the added good fortune of working very closely with the MD/Group CEO with whom I conceptualised and executed the merger proposal. This arrangement has placed us in a very advantaged position.

As we continue to expand aggressively abroad and become more global as a Group, corporate governance has to assume even greater importance. The subject of corporate governance is not static. Its practices will continue to evolve as we progress. But laying down more rules and becoming more rigid in our interpretation of the principles at the expense of generating more business should not be the norm. Just like internal audit, there is a need to strike a balance.

We continue to have one board meeting outside Singapore in a place where we have operations. In 2004, we held it in Shenyang. It is now our largest investment destination in China. In 2005, we had it in Guangzhou – which has a business model we like and want to replicate in other parts of China. We shall continue with this practice as a global Group. We have procedures and practices of convening such meetings so as to derive maximum benefits out of these visits.

The Board is fully informed of events and happenings in the Group. I am very happy to have such an independent, assertive and fair Board to help me in the discharge of my duties as the non-executive Chairman of the Board.

We are transparent in our business policies. We stay focused on our core businesses. We have a declared policy of distributing at least 50% of our yearly profit as ordinary dividends and, on a short-term basis, utilising the section 44 tax credits as special dividends. We have set a target of achieving at least 50% of our turnover from overseas ventures within a time frame of five to seven years after merger. Like all business ventures, it is wise and sensible that the Group may need to reap profits in some of its matured businesses going forward.

UNEXPECTED CHALLENGES

Business is always uncertain. In our case, the uncertainties are magnified since we are operating in many different countries with different sets of challenges brought about by the various economic, political and social systems. We have to work with our partners and staff in overseas joint ventures in which business practices may be different. In all cases, our main role is to protect the interests of our shareholders and the safety and well being of our staff. Management is prepared and committed to face such challenges.

LOCAL BUSINESSES

The major event of the year for our bus and rail operations in Singapore was the adoption of the Report of the Committee on the Fare Review Mechanism by the Government. Yet another important piece of legislation to be passed was the amendment of the Public Transport Council Act. With the amendments, those who cheat on fares will be punished. It is our hope that this will help to improve our fare collections.

Our rail operations continued to perform satisfactorily with increased ridership. We opened the Buangkok Station in January 2006, approximately 2½ years after the official opening of the North East Line. The time frame is within our original forecast.

Prime Minister Lee Hsien Loong spoke at length at the National Day Rally on the importance of delivery in the service industry. As the business of SBS Transit centres on this, we have decided to establish a board level committee called the Service Quality Committee to tackle this subject head on. Our aim is to evolve a service quality culture within the Group.

As SBS Transit is a listed company, there is a separate annual report on its detailed operations.

Taxi competition in Singapore has intensified. As a dominant player, we have borne the brunt of this and seen our market share reduced to about 70% now. This is not unexpected.

The three new taxi operators have fleets of new vehicles, bought with low Certificate of Entitlements (COEs). We have not stood idly and have replaced many of our vehicles before their expiry dates. Our fleet is therefore getting younger and the inherent advantages enjoyed by the new operators will diminish over time.

On the flip side, our established position and large fleet size have given us the upper hand in the area of call centres. We have a state-of-the-art call booking system which places us in a better position than our competitors. This advantage will be further exploited.

The rising fuel prices have, however, created a serious problem for our hirers. We recognise their difficulty and have helped them tremendously by selling them highly discounted fuel at our 17 diesel kiosks islandwide. As a result, our sales of diesel rose by 15.3% in 2005 to an average of 18 million litres of fuel per month. But even though volumes went up, our profits were reduced because of the large discounts we gave our drivers.

On the issue of environmental protection, we continue our search for appropriate types of vehicles to meet the industry's requirements. Together with Shell Eastern Petroleum (Pte) Ltd, we studied the various options and have developed our own strategy to achieve the desired outcomes.

Our engineering division continues to provide good services to our taxis and buses. The vehicles are now able to return to the roads faster than before after they have completed their routine servicing. We also enjoy economies of scale in the purchase of spare parts and ancillary items like tyres.

We also engage in third party repairs and maintenance for large companies. However, our share of private vehicle repairs and maintenance is still low. There is scope for further expansion. A strategy review is being undertaken.

VICOM, another of our listed subsidiary, continues to face challenges. The trend of low COE prices made it cheaper for car owners to replace their old cars with new ones. This resulted in a drop in the number of inspections since new cars only require inspections after three years. But the loss of revenue from inspections was compensated by an increase in our technical testing and consultancy business. A detailed report of VICOM's activities appears in a separate annual report.

The low Certificate of Entitlement environment also affected our car rental and leasing business. To counter this, we scaled down our operations and proceeded to purchase new vehicles only when the leases that we secured were of reasonable length.

The driving school is doing extremely well, training more than 20,000 students in all vehicle classes in 2005. This is 13% more than 2004. During the year, we also conducted overseas training for more than 750 trainees.

Other aspects of our business are doing well too. We have been making inroads into the outdoor advertising business and cross-selling advertisements on our three media – buses, taxis and rail. Our insurance brokerage business is doing extremely well. It is profitable and sustainable. Not only do we enjoy lower rates in premium, we have also enhanced our policies. Our overseas operations also benefitted from our in-house expertise and we secured more outside assignments as an insurance broker.

OVERSEAS BUSINESSES

The expansion overseas continues unabated. In 2005, we made two major transactions. We ventured into Sydney, Australia – a new market for us – with an initial investment of A$54.4 million or S$68.7 million in a scheduled bus operation, Westbus. We also acquired a huge asset base in buses and operating rights in Shenyang worth RMB 350.0 million or S$73.2 million, making it the largest investment destination in China. We also participated in a driving school in Chengdu. This is the first time that we are investing in a driving school abroad. We also acquired a second taxi company, ComfortDelGro Savico Taxi Company, in Ho Chi Minh City, Vietnam.

There was an organic expansion as well. In Ho Chi Minh City, we increased our taxi fleet in Vinataxi. In China, we expanded our taxi and car rental and leasing operations in Chengdu as well as taxi operations in Nanning.

In Scotland, we merged with Stagecoach to become a leading bus operator. The combined entity is now in a better position to compete with its main rival – rail.

CHINA

We continue our growth momentum in China. The market is becoming more difficult as state-owned enterprises are now required to tender out their businesses for competitive bidding. We have not added on new cities to our investment portfolio but we have stepped up our level of activity within each city. We have 23 investments in 11 cities.

Of these, Chengdu has grown to become our most extensive operation in China to-date. With our latest investment of a driving school at RMB 11.7 million or S$2.4 million for a 51% stake, I am proud to report that we have a presence in practically every aspect of our business in this city. This is especially important since Chengdu is the gateway to the western part of China. Our businesses are in taxis, workshops, vehicle inspections, car rental and leasing, and driving school. It is our hope that the scale of these operations will grow as the economy of the city grows.

In the northeastern part of China, in particular, Shenyang, we are a major operator of taxis and buses. We launched our maiden bus route during the cold winter month of January 2005. This was unheard of in the past. The rollout was accelerated in 2005. At the time of writing, we had rolled out 12 routes with 408 buses. The remaining six routes will be introduced in 2006.

CHAIRMAN'S STATEMENT

Performance has been unexpectedly good. We not only achieved breakeven last year – our first year of operation, we also made a small profit. This is better than our expectations. Our investment of RMB 107.6 million, or S$21.3 million, represents an 80% stake.

Our second agreement in Shenyang is one which I mentioned earlier. It is a much bigger enterprise. We own 100% of it with 50 routes and 1,218 buses. We are considering merging the two bus operations. The combined fleet would then be 1,763 vehicles plying 68 routes. Together, our market share would be in the region of 40%, making us the largest operator there.

Our 1,430 taxis in the two entities in Shenyang continue to perform well and there is still room for further increases. The backend operations have been amalgamated.

In Beijing, where we operate our largest fleet of taxis in China, the authorities have finally decided on the types of vehicles for taxi replacements. We are fast purchasing vehicles to put them on the roads to replace the expired vehicles that had been taken off the roads. Presently, we have practically used up all our 5,029 licences.

Further south in Guangzhou, our investment of a bus depot has turned out to be a star performer. Profit was strong in 2005. The business model is turning out to be very viable. We are in the process of renovating and improving the interior of the depot. We also acquired another piece of land nearby for expansion. Our revenue is derived not only from parking charges but also from ticketing and insurance sales commissions, shop rentals and lodging as well as parcel delivery. We are trying to spread this business model to other parts of China.

In Suzhou, our Toyota car dealership business continues to do well with sales of 885 units in 2005 compared to 766 in 2004, an improvement of about 16%. We are presently the leader in the Jiangsu region. To-date, we have sold 1,651 vehicles. We also benefit from the downstream activity in vehicle repairs and maintenance. Because of our reputation, track record and global footprint, other cities and companies are inviting us to invest or partner them. We are looking at a few cities where we are not currently in.

Overall, we invested S$81.5 million in China in 2005 compared to S$48.0 million in 2004, an increase of 70%. To-date, our total investment there is S$266.4 million. Our investment in China continues to find satisfactory returns. Our total investment in China is still lower than that of UK/Ireland but this may soon change especially since China is still at a developing stage while UK/Ireland are already very matured markets.

Shenyang has overtaken Beijing in terms of our investment size in China. The top five cities in order of investment dollars are (1) Shenyang, (2) Beijing, (3) Shanghai, (4) Guangzhou and (5) Chengdu.

UNITED KINGDOM

The transport scene in London is slowly changing with clients, especially large companies, asking for a varied service. We are repositioning ourselves to face the change so as to maintain and hopefully grow our business. Our circuits cater to 3,735 taxis in London, 239 in Edinburgh and 246 in Aberdeen. Computer Cab in London continues to generate good profit. We combined our two call-centres in Scotland into one and based it in Aberdeen instead of Edinburgh.

Over in the bus business, we continue to perform well. Metroline, which commands a 14% share of the London scheduled bus market, operated 1,196 buses on 96 routes. The acquisition of F.E.Thorpe & Sons and E.H. Mundy in late-2004 has resulted in synergies being reaped and as a result, we saw an increase in UK bus profits in 2005.

The acquisition of Armchair in 2004 brought with it 23 coaches. Likewise, we added on a coach operation of 25 coaches in London as part of our acquisition of Westbus in Sydney. Attempts are being made to integrate these two operations but it is still early for us to assess whether this business can expand further in London. The business is profitable.

As I mentioned earlier, we had merged our bus operations in Scotland with Stagecoach. The new entity is a leading operator in Dublin which competes directly with rail.

IRELAND

The widely publicised privatisation of the land transport industry in Ireland is still in limbo. Nevertheless our existing bus operation, Irish Citylink, continues to perform well.

UK/Ireland is still our leading overseas portfolio and produces the largest turnover and profitability. Our investment there is about S$277.7 million. We have been in the UK for eight years now having acquired Computer Cab in 1997.

VIETNAM

Not only did we increase our Vinataxi taxi fleet in Ho Chi Minh City by 16% from 703 to 817, we also made a new acquisition in Savico with an investment of US$3.0 million or S$5.1 million for 276 taxis. Our combined fleet size in Ho Chi Minh City is now 1,093, an increase of 390 vehicles or 55% from 2004. Compared to our initial entry in 2003, we have more than doubled our fleet size.

CHAIRMAN'S STATEMENT

"Overseas turnover in 2005 represented about 38% of the Group's total turnover, an increase of three percentage points from 2004. We are well on our way to meeting our mid-term overseas revenue target of 50% by 2010."

Our investment in Vinataxi has given us very attractive returns on total assets. Vinataxi won the 'Best Taxi Service' award for the third year running, as well as the 'Strong Trademark of the Year' award, the 'Saigon Times Top 40 Award 2005' and the 'Vietnam Gold Star Award'. In Ho Chi Minh City, we are a market leader with a 17% share of the market. We should be able to see further increases once Savico's initial start-up is completed.

MALAYSIA

The Malaysian market is quiet but profitable. We continue with 360 vehicles on rent and lease.

AUSTRALIA

This is our newest market. We have 642 vehicles and 107 scheduled routes representing 26% share of the private sector market in New South Wales. The business model is close to that of the London market. We bear no revenue risk. Instead we are rewarded for efficiency and productivity. Our stake of 51% represents an investment of A$54.4 million or S$68.7 million. Our partner is Cabcharge, the leading taxi company in Australia, who is also our partner in Computer Cab in London.

We commenced operations in October 2005. For the first three months, we were already generating profits. I see greater potential Down Under.

GLOBAL FOOTPRINT

Our accelerated and focused overseas expansion exercise, which commenced in a big way after the merger in April 2003, is beginning to show results. Overseas turnover in 2005 represented about 38% of the Group's total turnover, an increase of three percentage points from 2004. We are well on our way to meeting our mid-term overseas revenue target of 50% by 2010. Overseas profits contributed about 33% in 2005 compared to 26% in 2004.

Interestingly, our overseas bus turnover is now more than that of our local operations for the second year running. For 2005, it was 55% of the total turnover from bus operations. We now have significant parallel bus operations in London, Shenyang, Sydney and Singapore.

In taxi operations, the overseas turnover was about 24% of our total taxi turnover in 2005. This is expected as we have been in the taxi business in Singapore for decades. However, the gap should be narrowed as we move forward with more overseas expansion plans.

In 2005, we invested S$170.7 million abroad compared to S$75.9 million in 2004, an impressive rise of 124.9%. Our total overseas investment of S$634.4 million represents 47% of our total shareholders' fund. Our declared policy to expand overseas is a continuing and unending process. A map of our overseas footprint appears elsewhere in this annual report. We also produced a special annual report in Chinese to help us in our China expansion promotion.

INVESTOR RELATIONS

2005 saw a more active investor relations exercise compared to the previous year. More research houses are writing about us. No less than 63 reports were produced in 2005. During the course of the year, our Group played host to 129 groups of visitors from UK (30%), Hong Kong (21%), USA (20%), Australia (6%), Japan (5%), and Europe (5%) compared to 111 in 2004.

Financial institutions are issuing European style covered warrants on us. During the year, four financial institutions launched six such issues. The institutions were DBS Bank Ltd (two issues), Deutsche Bank AG (two issues), Macquarie Bank Limited and SGA Societe Generate Acceptance N, V.

As we grow, we are also being included in more stock indices. A new stock index, called FTSE/ASEAN, comprising companies in ASEAN was established in 2005 and together with 50 companies from Singapore and 129 from the other countries of ASEAN, we were included as one of the component stocks. We are now included in the ST Index, MSCI and FTSE/ASEAN Index.

CORPORATE SOCIAL RESPONSIBILITY

We are also active in this area as a responsible corporate citizen. We have adopted the Home Nursing Foundation and made many contributions to charitable organisations, educational institutions, elderly care groups, the labour movement and community groups. We continue to take a lead in The President's Challenge, a charity event under the patronage of The President of the Republic of Singapore.

We have not forgotten our own taxi hirers despite the fact that they are not our staff. We have organised many activities for them and their families including regular outings. We also looked after their welfare by subsidising their diesel costs as well as offering them better incentives compared to our competitors.

FINANCIALS

Our revenue for 2005 was 7.4% higher at S$2.3 billion. Our total capital expenditure for 2005 was S$451.3 million compared to S$407.9 million in 2004. This is an increase of 10.6%. Profit before tax for 2005 was S$300.9 million. This is 5.8% lower than 2004. The main culprit for the reduced profit compared to the previous year was the unexpected high fuel prices. Had the levels of fuel prices remained at 2004 levels, our 2005 profit would have been increased by another 12.8%. Net profit rose 1.3% to S$201.9 million due to a lower income tax expense. As a result, basic earnings per share for 2005 was 9.79 cents, an increase of 0.05 cent or 0.5%.

For the first time we are expensing share options as a cost item. In 2005, the figure was S$1.8 million. This is not significant. We continue to utilise the section 44 tax credits to pay special dividends. We also continue with our declared policy of granting at least 50% of our profit as ordinary dividend. These are attractive to our shareholders. We paid an interim dividend and a special dividend of 3.125 cents and 3.875 cents per share respectively in 2005. We are now proposing a final ordinary dividend of three cents per share. If approved at the Annual General Meeting, the total dividend for 2005 would be 10 cents per share and based on the year-end closing price of S$1.60 the yield is 6.25%. The total dividend payout also represented 81.9% of our total profit for the year.

Our total assets as at the end of 2005 were S$3.1 billion, 9.6% more than last year. Our total shareholders' fund was S$1.3 billion, 5.6% higher than in 2004. Despite our aggressive expansion activities, our cash flow remains healthy.

Our market capitalisation as at the end of 2005 was S$3.3 billion, an increase of 3% from the year-end figure of S$3.2 billion in 2004. We closed the year with a price of S$1.60, five cents or 3.2% more than 2004. We were ranked 25th in terms of market capitalisation among 513 companies listed on the Singapore Exchange.

OUTLOOK AND CHALLENGES

Locally the taxi competition is expected to stabilise. We have to put in extra effort to train our drivers to provide quality and safe service. This has to be our top priority. The same philosophy applies to our bus and rail operations.

The high oil prices are likely to be another challenge for the year. We will continue with efforts to manage costs.

We are also looking at ways to further exploit our huge workshop facilities to increase our market share in third party vehicle repairs and maintenance. This is an area which we can tap further.

Overseas expansion will continue as before. Opportunities are hard to come by. But crucial to our success has to be human capital and not financial strength. This is an area which management is concentrating on. We know that our talent pool has to be global. We need to systematically recruit, train, develop and motivate our human resources.

CONCLUSION

The Group's successes would not have been possible without the guidance and cooperation of the Board of Directors. I wish to thank them for their valuable contributions. To the management and staff under the capable leadership of the Managing Director/Group Chief Executive Officer, Mr Kua Hong Pak, I wish to express, on behalf of the Board, our appreciation for their excellent efforts in growing the Group to what it is today.

To the numerous government and relevant authorities, both in Singapore and abroad, we are appreciative and grateful for the trust and confidence that they have had in us. We hope we have not failed them in the discharge of our responsibilities and duties.

To the shareholders, commuters, media and other stakeholders, we hope that they have understood our roles and that we have performed to their expectations. Going forward, we will continue to work at demonstrating our capability and efficiency.

LIM JIT POH
Chairman

GROUP FINANCIAL HIGHLIGHTS

FINANCIAL SUMMARY

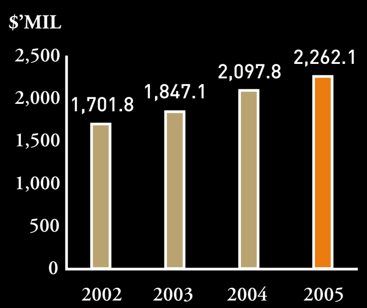
	2002	2003	2004	2005
Turnover ($'mil)	1,701.8	1,847.1	2,097.8	2,262.1
Operating expenses ($'mil)	1,519.8	1,722.3	1,812.6	1,989.4
Profit attributable to shareholders ($'mil)	149.3	133.9	199.4	201.9
Issued capital ($'mil)	505.6	509.6	513.8	517.0
Capital and reserves ($'mil)	1,178.4	1,264.1	1,274.1	1,345.0
Capital disbursement ($'mil)	380.3	246.6	363.1	401.7
Internal funds generated ($'mil)	505.7	555.9	582.8	568.4
Earnings per ordinary share (cents)	7.4	6.6	9.7	9.8
Net asset per ordinary share (cents)	58.3	62.0	62.0	65.0
Return on shareholders' equity (%)	13.2	11.0	15.7	15.4
Dividend per ordinary share (cents)	2.7	4.2	9.6	10.0
Dividend cover (number of times)	3.5	2.0	1.3	1.2

GROUP TURNOVER BY BUSINESS SEGMENT

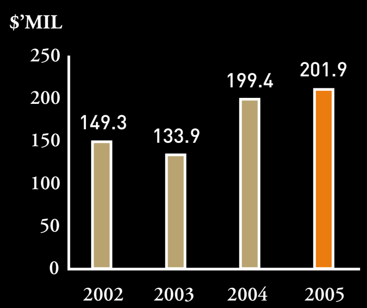
	2002		2003		2004		2005	
	$'MIL	%	$'MIL	%	$'MIL	%	$'MIL	%
Bus	882.6	52.0	952.1	51.5	1,061.1	50.6	1,191.8	52.7
Bus station	10.2	0.6	10.8	0.6	13.5	0.6	16.1	0.7
Rail	n.a	n.a	24.9	1.3	57.3	2.7	65.3	2.9
Taxi	634.5	37.3	626.4	33.9	663.3	31.6	636.4	28.1
Diesel sales	45.9	2.7	71.9	3.9	117.9	5.6	165.3	7.3
Automotive engineering	52.0	3.1	58.9	3.3	59.0	2.8	51.8	2.3
Vehicle inspection & testing	16.6	1.0	43.8	2.4	46.2	2.2	49.4	2.2
Car rental & leasing	37.7	2.2	40.9	2.2	38.6	1.8	36.5	1.6
Car dealership	n.a	n.a	n.a	n.a	24.4	1.2	29.9	1.3
Driving centre	13.9	0.7	15.2	0.8	16.5	0.9	19.6	0.9
Others	8.4	0.4	2.2	0.1	n.a	n.a	n.a	n.a
GROUP	**1,701.8**	**100.0**	**1,847.1**	**100.0**	**2,097.8**	**100.0**	**2,262.1**	**100.0**

GROUP TURNOVER BY GEOGRAPHICAL SEGMENT

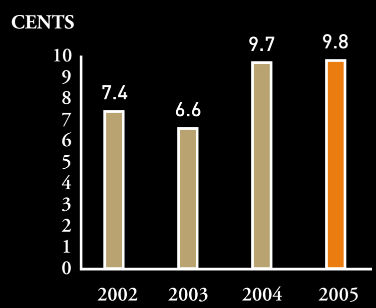
	2002		2003		2004		2005	
	$'MIL	%	$'MIL	%	$'MIL	%	$'MIL	%
Singapore	1,248.5	73.4	1,290.3	69.9	1,370.3	65.3	1,402.6	62.0
United Kingdom/Ireland	367.8	21.6	462.6	25.0	584.7	27.9	667.7	29.5
China	85.5	5.0	88.6	4.8	133.3	6.4	147.2	6.5
Australia	n.a	n.a	n.a	n.a	n.a	n.a	31.9	1.4
Vietnam	n.a	n.a	4.5	0.2	5.5	0.3	8.3	0.4
Malaysia	n.a	n.a	1.1	0.1	4.0	0.1	4.4	0.2
GROUP	**1,701.8**	**100.0**	**1,847.1**	**100.0**	**2,097.8**	**100.0**	**2,262.1**	**100.0**



Turnover



Profit Attributable To Shareholders



Earnings Per Ordinary Share

GROUP FINANCIAL HIGHLIGHTS

PROFIT BEFORE TAX BY BUSINESS SEGMENT

	2002 $'MIL	2002 %	2003 $'MIL	2003 %	2004 $'MIL (Restated)	2004 % (Restated)	2005 $'MIL	2005 %
Bus	51.4	23.5	77.1	37.4	109.2	34.2	106.7	35.5
Bus station	2.9	1.3	2.7	1.3	5.6	1.8	7.1	2.4
Rail	n.a	n.a	(32.9)	(16.0)	(17.3)	(5.4)	(6.3)	(2.1)
Taxi	113.8	51.9	98.9	48.0	171.6	53.7	140.7	46.7
Diesel sales	6.0	2.7	9.2	4.5	16.0	5.0	6.0	2.0
Automotive engineering	22.0	10.0	26.9	13.1	30.7	9.6	25.0	8.3
Vehicle inspection & testing	7.4	3.4	12.0	5.8	11.9	3.7	11.4	3.8
Car rental & leasing	8.1	3.7	7.9	3.8	0.1	n.m	5.2	1.7
Car dealership	n.a	n.a	n.a	n.a	0.7	0.2	1.1	0.4
Driving centre	2.8	1.3	3.3	1.6	3.8	1.2	5.1	1.7
Others	4.8	2.2	0.9	0.5	(13.0)	(4.0)	(1.1)	(0.4)
GROUP	219.2	100.0	206.0	100.0	319.3	100.0	300.9	100.0

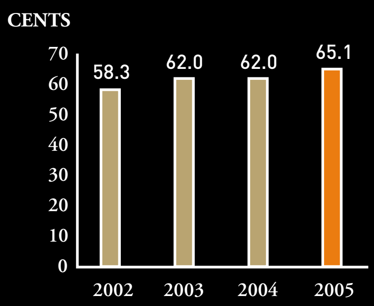
PROFIT BEFORE TAX BY GEOGRAPHICAL SEGMENT

	2002 $'MIL	2002 %	2003 $'MIL	2003 %	2004 $'MIL (Restated)	2004 % (Restated)	2005 $'MIL	2005 %
Singapore	183.8	83.9	176.3	85.6	244.6	76.6	212.7	70.7
United Kingdom/Ireland	13.4	6.1	21.1	10.2	46.4	14.5	50.6	16.8
China	22.0	10.0	7.2	3.5	26.6	8.3	32.9	10.9
Australia	n.a	n.a	n.a	n.a	n.a	n.a	2.0	0.7
Vietnam	n.a	n.a	1.3	0.6	1.7	0.6	2.1	0.7
Malaysia	n.a	n.a	0.1	0.1	n.m	n.m	0.6	0.2
GROUP	219.2	100.0	206.0	100.0	319.3	100.0	300.9	100.0

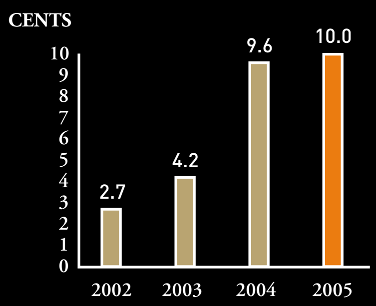
VALUE-ADDED FOR THE GROUP

	2002 $'MIL	2002 %	2003 $'MIL	2003 %	2004 $'MIL	2004 %	2005 $'MIL	2005 %
Suppliers of capital – loan interest & dividends	69.0	5.6	89.3	7.0	175.6	12.3	187.9	12.9
Taxation to the government	158.5	13.0	169.9	13.3	201.2	14.0	187.3	12.8
Retained earnings	401.9	32.9	361.8	28.3	336.7	23.5	313.6	21.5
Employees – salaries, CPF and other benefits	593.5	48.5	656.2	51.4	720.1	50.2	772.2	52.8
TOTAL VALUE-ADDED	1,222.9	100.0	1,277.2	100.0	1,433.6	100.0	1,461.0	100.0
Value-added per employee ($'000)	84.8		87.5		93.4		85.8	

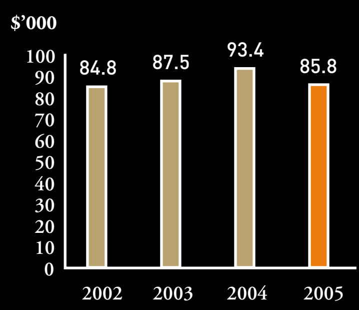
Notes:
- 2004 figures have been restated to reflect the effects on adoption of new or revised Singapore Financial Reporting Standards.
- Throughout this report, all figures are stated in Singapore dollars, unless otherwise stated.
- n.a: not applicable
- n.m: not meaningful



Net Asset Per Ordinary Share



Dividend Per Ordinary Share



Value-added Per Employee

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Jit Poh
Chairman

Kua Hong Pak
Managing Director/Group Chief Executive Officer

Ong Ah Heng

Oo Soon Hee

Teo Geok Har, Nancy

Tow Heng Tan

Wang Kai Yuen

Wong Chin Huat, David

AUDIT COMMITTEE

Oo Soon Hee
Chairman

Ong Ah Heng

Wong Chin Huat, David

REMUNERATION COMMITTEE

Lim Jit Poh
Chairman

Tow Heng Tan

Wong Chin Huat, David

Kua Hong Pak
(Stepped down on 31 August 2005)

NOMINATING COMMITTEE

Wang Kai Yuen
Chairman

Lim Jit Poh

Teo Geok Har, Nancy

INVESTMENT COMMITTEE

Lim Jit Poh
Chairman

Kua Hong Pak

Teo Geok Har, Nancy

Tow Heng Tan

Wang Kai Yuen

CORPORATE DIRECTORY

REGISTERED OFFICE

205 Braddell Road
Singapore 579701

Mainline (65) 6383 8833
Facsimile (65) 6287 0311
Email info@comfortdelgro.com
Website www.comfortdelgro.com
Company Registration No. 200300002K

COMPANY SECRETARY

Tan Cher Chong, Bobby

SHARE REGISTRAR

B.A.C.S. Private Limited

63 Cantonment Road
Singapore 089758

AUDITORS

Deloitte & Touche
Certified Public Accountants

6 Shenton Way #32-00
DBS Building Tower 2
Singapore 068809

Partner-in-Charge:
Mah Chee Kheong, Chaly

Date of appointment:
29 April 2004

BOARD OF DIRECTORS

LIM JIT POH
Chairman
(Non-Executive)

Mr Lim Jit Poh was appointed non-executive Chairman and Director of ComfortDelGro Corporation Limited in 2003. He is the Chairman of the Remuneration Committee and the Investment Committee, and a member of the Nominating Committee. Mr Lim is also the Chairman of SBS Transit Ltd, VICOM Ltd and Ascott Residence Trust Management Limited as well as a Director of several listed companies with business interests in finance (stock broking and factoring), insurance, property trust, hospitality, manufacturing and oil and energy services. Mr Lim is also a Director of several unlisted companies under the ownerships of the Singapore Labour Foundation and Temasek Holdings (Private) Limited.

In 2005, Mr Lim was appointed Chairman of the Corporate Governance Assessment Committee of the China Aviation Oil (S) Corporation Limited to help in the review of the corporate governance practices following the financial crisis of the company. He is earmarked to be its Chairman following the restructuring of the company.

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 and three awards by the National Trades Union Congress, namely Friend of Labour Award in 1986, Meritorious Service Award in 1990 and Distinguished Service Award in 2000. 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 Chambers of Commerce and Industry and the National University of Singapore, and a member of the Singapore British Business Council. He was also very active in community work being Chairman of a community centre management committee. Presently, he serves as Vice President of Orchid Country Club and 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 Masters of Education from the University of Oregon, USA.

Mr Lim was last re-elected a Director of the Company pursuant to Article 91 of the Company's Articles of Association at the Annual General Meeting held on 29 April 2004. He is an independent Director of the Company.

BOARD OF DIRECTORS

KUA HONG PAK
Managing Director/
Group Chief Executive Officer

Mr Kua Hong Pak was appointed Managing Director and Group Chief Executive Officer of ComfortDelGro Corporation Limited in 2003. He is a member of the Investment Committee. Mr Kua joined the DelGro Group in 2002 as the Executive Director of SBS Transit Ltd 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 Ltd. As President/Chief Executive Officer of Times Publishing, Mr Kua spent over a period of 15 years managing its overseas operations in the United States, United Kingdom, China, Japan, Hong Kong and Australia.

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

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

Pursuant to Article 91 of the Company's Articles of Association, Mr Kua will be due for re-election at the forthcoming Annual General Meeting to be held on 28 April 2006. He is a non-independent Director of the Company.

ONG AH HENG
Director
(Non-Executive)

Mr Ong Ah Heng was appointed a non-executive Director of ComfortDelGro Corporation Limited in 2003. He is a member of the Audit Committee. Mr Ong is a Member of Parliament for Nee Soon Central Single Member Constituency. He is presently the Director of the Community Development Department in the National Trades Union Congress (NTUC) and Consultant to the National Transport Workers' Union. He is also a Director of Singapore Post Limited. Mr Ong was the former Assistant Secretary-General of NTUC and Executive Secretary of the National Transport Workers' Union.

Having been involved in the trade union movement since 1980 and having taken care of members in the transport industry, Mr Ong has built cordial relationships with counterparts in foreign unions, such as Chinese Federation of Drivers in the Republic of China, Korea Automobile and Transport Workers' Federation and International Transport Workers' Federation. Besides having exchange programmes with these unions, Mr Ong also represents the Union in attending various international conferences and seminars.

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

Mr Ong was last re-elected a Director of the Company pursuant to Article 91 of the Company's Articles of Association at the Annual General Meeting held on 29 April 2005. He is a non-independent Director of the Company.

BOARD OF DIRECTORS

OO SOON HEE
Director
(Non-Executive)

Mr Oo Soon Hee was appointed a non-executive Director of ComfortDelGro Corporation Limited in 2003. He is also the Chairman of the Audit Committee. Mr Oo is currently the President and Director of NatSteel Asia Pte Ltd. He is also a Director of LKN-Primefield Limited.

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

Mr Oo holds a Bachelor of Science (Hons) from the University of Singapore.

Mr Oo was last re-elected a Director of the Company pursuant to Article 91 of the Company's Articles of Association at the Annual General Meeting held on 29 April 2005. He is an independent Director of the Company.

TEO GEOK HAR, NANCY
Director
(Non-Executive)

Ms Teo Geok Har, Nancy, was appointed a non-executive Director of ComfortDelGro Corporation Limited in 2003. She is also a member of the Nominating Committee and the Investment Committee. Ms Teo is the Chief Executive Officer of the Singapore Labour Foundation and a Director of VICOM Ltd, Pasir Ris Resort Pte Ltd, SLF Leisure Enterprises Pte Ltd, SLF Management Services Pte Ltd, SLF Properties Pte Ltd, NTUC Thrift & Loan Co-operative Ltd and other private companies in the property, leisure and service industries.

Ms Teo is presently a Director of Singapore Suzhou-Township Development Pte Ltd, a joint venture company involved in the development of the Suzhou Industrial Township. She was also a former Director of Chengdu Leisure Planet Company, a company involved in operating of a 20-lane bowling cum entertainment centre in Chengdu, China.

Ms Teo holds a Bachelor of Social Science (Hons) and a Bachelor of Arts, both from the University of Singapore.

Pursuant to Article 91 of the Company's Articles of Association, Ms Teo will be due for re-election at the forthcoming Annual General Meeting to be held on 28 April 2006. She is a non-independent Director of the Company.

BOARD OF DIRECTORS

TOW HENG TAN

Director
(Non-Executive)

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

Mr Tow is also a Director of International Enterprise Singapore, Shangri-La Asia Limited and Keppel Corporation Limited.

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

Pursuant to Article 91 of the Company's Articles of Association, Mr Tow will be due for re-election at the forthcoming Annual General Meeting to be held on 28 April 2006. He is an independent Director of the Company.

WANG KAI YUEN

Director
(Non-Executive)

Dr Wang Kai Yuen was appointed a non-executive Director of ComfortDelGro Corporation Limited in 2003. He is the Chairman of the Nominating Committee and a member of the Investment Committee. Dr Wang is a Member of Parliament for Bukit Timah Single Member Constituency and also the Managing Director of Xerox Singapore Software Centre. He is the Chairman of Xpress Holdings Ltd. He also holds directorships in listed companies including Asian Micro Holdings Ltd, COSCO Corporation (Singapore) Ltd, Hiap Hoe Ltd, Matex International Ltd, Nylect Technology Ltd, SuperBowl Holdings Ltd, Koon Holdings Limited, China Lifestyle Food & Beverages Group Ltd and Airocean Group Ltd. As Managing Director of Xerox Singapore Software Centre, Dr Wang manages a software centre with 100 employees. In that capacity, he interacts with senior managers of business and product development divisions in the United States, China and Japan of the global office equipment company. Dr Wang is familiar with the United States and Asian cultures, international business practices and corporate finance and governance. Dr Wang has also participated in many international meetings of parliamentarians. He has wide business and political contacts in China having led many grassroots delegations to visit numerous city and state governments. In December 2005, he was invited as a guest speaker at the Anti-Corruption Seminar held in Phnom Penh under the auspices of the National Assembly of Cambodia.

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

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 29 April 2005. He is an independent Director of the Company.

BOARD OF DIRECTORS

WONG CHIN HUAT, DAVID
Director
(Non-Executive)

Mr Wong Chin Huat, David was appointed a non-executive Director of ComfortDelGro Corporation Limited in 2003. He is a member of the Audit Committee and the Remuneration Committee.

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

Mr Wong is also a Director of SBS Transit Ltd and several other listed companies. He also serves as a member of the Public Service Commission and the Singapore Labour Foundation as well as Chairman of Bedok Citizens' Consultative Committee.

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

Mr Wong holds a LL.B (Hons) from the University of Singapore and a LL.M from Centre for Commercial Law, Queen Mary College, University of London.

Mr Wong was last re-elected a Director of the Company pursuant to Article 97 of the Company's Articles of Association at the Annual General Meeting held on 29 April 2004. He is an independent Director of the Company.

KEY MANAGEMENT
Corporate Office

LIM HUNG SIANG
Group Business Development & Special Projects Officer

Mr Lim Hung Siang is the Group Business Development & Special Projects Officer. He oversees the Group's business development. Mr Lim joined CityCab Pte Ltd in 1995 as its Chief Executive Officer. In December 1996, Mr Lim was also appointed Chief Executive Officer of the then SBS Engineering Pte Ltd which subsequently changed its name to DelGro Engineering Pte Ltd. Prior to joining the Group, Mr Lim was the General Manager (Commercial) of Singapore Automotive Engineering Ltd, and served as Higher Executive Engineer in the Anti-Pollution Unit of the Prime Minister's Office before starting his career in the private sector. Mr Lim holds a Bachelor of Engineering (Mechanical) (1st Class Hons) and a Masters of Science (Industrial Engineering) both from the University of Singapore.

CHOO CHEK SIEW
Group Financial Officer

Mr Choo Chek Siew is the Group Financial Officer. He is responsible for the Group's Financial and Statutory Reporting, Budgeting, Financial Control & Policies, Treasury & Debt Management and Taxation. Mr Choo joined the Group in July 2003. He started his career with PricewaterhouseCoopers and moved on to become Group Internal Audit Manager of United Engineers Ltd. Mr Choo was the Regional Financial Controller at Citibank N.A and Chief of Staff at Union Bank of Switzerland before joining the Development Bank of Singapore Ltd as Head of Integration. Prior to joining the Group, he was with Oversea-Chinese Banking Corporation Ltd as Group Head of Finance. He holds a Bachelor of Economics (Hons) from the Australia National University and is an Australian Chartered Accountant.

KEY MANAGEMENT

Corporate Office

NG TONG SING

Group Information Officer

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

GAN JUAY KIAT

Group Corporate Planning Officer

Mr Gan Juay Kiat is the Group Corporate Planning Officer. He is responsible for the Group's Strategic and Continuity Planning functions. He joined the Group in February 2006. Mr Gan started his career in the Singapore Armed Forces where he held several senior command and staff appointments. He moved on to join General Electric Company as a Divisional Director. He later joined Times Publishing Limited in business development, corporate planning and was appointed Senior Vice President (Retail & Distribution). Prior to joining the Group, Mr Gan was Chief Corporate Officer at the Ascott Group and Senior Vice President (Corporate Planning) at CapitaLand Limited. He was a President's Scholar and SAF (UK) Scholar. He holds a Bachelor of Arts (Engineering Tripos) from the University of Cambridge.

CHOO PENG YEN

Senior Vice President, Group Business Development

Mr Choo Peng Yen is Senior Vice President (Group Business Development), with responsibilities for the Group's business development. Mr Choo joined the Group in 1978 and has served in various planning, business development, operations and corporate communications positions within the Group. He holds a Bachelor of Business Administration from the University of Singapore and attended the International Executive Programme at INSEAD.

TAN I-LIN, TAMMY

Group Corporate Communications Officer

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

KEY MANAGEMENT

Corporate Office

ONG POH SIM, MAY

Group Internal Audit Officer

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

CHAN MUI WAH, DAISY

Acting Group Human Resource Officer

Ms Chan Mui Wah, Daisy was appointed Acting Group Human Resource Officer in November 2004. She is concurrently the Director of Human Resource of SBS Transit Ltd. Ms Chan started her career with the Ministry of Education before moving on to join the Personnel Department at the then Singapore Bus Service (1978) Ltd in 1985. She has also held appointments in the Queensland Corrective Services Commission (Brisbane/Australia) and the Public Service Division, Prime Minister's Office (Singapore). She was reappointed SBS Transit's Human Resource Manager in 1996. Ms Chan holds a degree in Psychology from the University of Western Australia.

TAN CHER CHONG, BOBBY

Group Legal Officer/ Company Secretary

Mr Tan Cher Chong, Bobby is Group Legal Officer/ Company Secretary. He heads the Legal Department and is the Company Secretary of the ComfortDelGro Group. Mr Tan joined the Group in 1995. Prior to that, he was the Legal Manager at The Hour Glass Ltd. He holds a Bachelor of Law (Hons) from the University of London and is an Associate of the Institute of Chartered Secretaries and Administrators.

KEY MANAGEMENT

Strategic Business Units

SINGAPORE

YANG BAN SENG

Chief Executive Officer, Taxi Business

Mr Yang Ban Seng is the Chief Executive Officer of Taxi Business in Singapore. He oversees the operations of Comfort Transportation Pte Ltd, CityCab Pte Ltd and Yellow-Top Cab 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 NTUC's Secretary for Co-operatives. He holds a Bachelor of Science (Operations Research and Statistics) (Hons) from the University of Manchester and a Masters of Business Administration from the National University of Singapore.

ONG BOON LEONG

Executive Director, SBS Transit

Mr Ong Boon Leong is the Executive Director of SBS Transit Ltd. Mr Ong joined the Group in 1994 as Senior Manager of Corporate Development. Over the years, he held various positions within the Group including Chief Financial Officer and Chief Executive Officer (Europe). Prior to joining the Group, he was an Investment Analyst with Standard Chartered Securities. He also served in the Administrative Service with stints as Deputy Director of the Ministry of Communications and the Ministry of Home Affairs. Mr Ong was a Monbusho Scholar and holds a Bachelor of Economics from Hitotsubashi University in Japan.

HENG CHYE KIOU

Chief Executive Officer, VICOM

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

SOH GUAN BIN, SIMON

Chief Executive Officer, ComfortDelGro Engineering

Mr Soh Guan Bin, Simon is the Chief Executive Officer of ComfortDelGro Engineering Pte Ltd. Mr Soh joined the Group in 1996 and was the Executive Director of General Automotive Services Pte Ltd and Comfort Automotive Services Pte Ltd. Prior to joining the Group, he was an Executive Director with Haw Par Industries and General Manager with Scott and English Ltd. Mr Soh holds a Bachelor of Mechanical Engineering (Hons) from the University of Singapore and is a Fellow of the Institute of Motor Industries, UK.

KEY MANAGEMENT

Strategic Business Units

SINGAPORE

CHUA TECK LEONG, JIMMY

Chief Executive Officer, ComfortDelGro Insurance Brokers

Mr Chua Teck Leong, Jimmy is the Chief Executive Officer of ComfortDelGro Insurance Brokers Pte Ltd. He is responsible for all aspects of the Group's insurance, claims and risk management activities. Mr Chua has been in the insurance industry for more than 30 years. Prior to joining the Group, he was the Chief Executive Officer of Zuellig Insurance Brokers Pte Ltd. Mr Chua graduated from the University of Singapore with a Bachelor of Arts (Hons) and holds a MBA from the University of Hull, UK. In recognition of his contribution to community service, Mr Chua was awarded the Public Service Medal (PBM) in 1997 and the Public Service Star (BBM) in 2001. He was appointed a Justice of the Peace in 2005.

HUAM CHAK KHOON

Chief Executive Officer, Comfort Driving Centre

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

TEO BOON LENG, RICHARD

Chief Executive Officer, CityLimo

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

KEY MANAGEMENT
Strategic Business Units

JAYNE KWEK
Chief Executive Officer, Moove Media

Mrs Jayne Kwek joined the Group in October 2004 and she is currently the Chief Executive Officer of Moove Media Pte Ltd. Mrs Kwek has been actively involved in the local advertising business for many years and is very familiar with the bus and taxi advertising business. She was running her own advertising company for a number of years. She was conferred the Degree of Associate in Science (Fashion Merchandising) by Daytona Beach Community College, Florida, USA and Honorary Doctor of Philosophy (Business Administration) by Kennedy-Western University, Cheyenne, USA.

YIP YUON MENG, MARK
General Manager, Comfort Bus

Mr Yip Yuon Meng, Mark is the General Manager of Comfort Bus Pte Ltd. Mr Yip has more than 10 years experience with the Asia Pacific logistics sector and has held various senior management positions with US multinational companies. Prior to joining the Group in 2002, he was the Executive Director of CircleFreight, Brunei/Eagle Global Logistics Corporation. Concurrently, he was also the Interim General Manager for the Brunei International Air Cargo Centre. He holds a Bachelor of Business (Transport & Logistics Management) and a Masters of Business (Logistics Management) and was recipient of the Logistics Management Group Prize from the Royal Melbourne Institute of Technology University. He is also the Deputy Chairman of the National Association of Travel Agents Singapore (NATAS) Surface Transport Committee and a chartered member of the Chartered Institute of Logistics & Transport, UK.

KEY MANAGEMENT
Strategic Business Units

CHINA

LIEW KOK PUN, MICHAEL
*General Manager,
East China Business Unit*

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

TAN CHEK PING, LAWRENCE
*General Manager,
North-East China*

Mr Tan Chek Ping, Lawrence is the General Manager for North-East China Business Unit. He is responsible for bus and taxi operations in North Eastern China (Liaoning, Jilin and Heilongjiang Provinces) and Yantai (Shangdong Province). Between 1994 and 2001, he was the General Manager of Times Publishing JV printing and packaging plants in Shenyang and Vice President of Business Development in China. Prior to joining the Group, he was the General Manager of China Operations for SEB Corp in Panyu, Guangdong Province. Mr Tan holds a Bachelor of Business Administration degree from the National University of Singapore.

LEONG KWOK SUN
*General Manager,
North China Business Unit*

Mr Leong Kwok Sun is the General Manager of the North China Business Unit. He is responsible for the supervision and development of North China businesses. Prior to joining the Group, Mr Leong was the Senior Vice President in Times Publishing. He has held senior positions in various organisations in his more than 30 years of working life with extensive experience in manufacturing industries and managed overseas operations, especially in China over the last ten years. Mr Leong is a registered Professional Engineer in Mechanical Engineering and he holds a Bachelor of Engineering from the University of Singapore.

TAN SEOW BOON, SIMON
*General Manager,
West China Business Unit*

Mr Tan Seow Boon, Simon is the General Manager of the West China Business Unit and is responsible for the Group’s taxi, car rental, vehicle inspection, motor workshop and driving school joint ventures in Chengdu. 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.

KEY MANAGEMENT

Strategic Business Units

UNITED KINGDOM & IRELAND

JASPAL SINGH

Chief Executive Officer, United Kingdom and Ireland Business Unit

Mr Jaspal Singh was appointed the Chief Executive Officer of the United Kingdom and Ireland Business Unit in October 2004. He was a Colombo Plan Scholar and joined the Administrative Service in 1978. Over the years, he held many senior-level appointments including Deputy Secretary in the Ministries of Finance and Transport. Mr Singh also held various directorships on the boards of Government-linked companies. He holds a Bachelor of Arts (Economics) and a Bachelor of Engineering (Industrial Engineering) (Hons Class One) from the University of Newscastle, Australia and a Masters of Public Administration from the Kennedy School, Harvard University, USA. He has also completed the Advanced Management Programme at the Harvard Business School.

LEE KAH WAH, JOHN

Chief Executive Officer, Computer Cab

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

SEAN O'SHEA

Chief Operating Officer, Metroline

Mr Sean O'Shea is the Chief Operating Officer of Metroline plc. He joined London Buses as a graduate management trainee in 1990 after obtaining a degree in Mathematics and Philosophy from Liverpool University. He went on to undertake a number of roles within Metroline Travel and was appointed Commercial Director for the combined group of Metroline Travel and Metroline London Northern in 2001. Mr O'Shea is a member of the Institute of Logistics and Transport.

CATHY CULLEN

Acting Managing Director, Cummer Commericals and Aerdart

Ms Cathy Cullen is the Acting Managing Director of Cummer Commericals Ltd and Aerdart Limited. She is responsible for the day-to-day management and development of ComfortDelGro's operations in Ireland. Aerdart operates an airport shuttle bus service in Dublin and Cummer Commercials operates intercity Citylink coach services between Galway and Dublin and Shannon Airport. Ms Cullen has 24 years experience in the Travel and Tourism industry servicing both the Corporate and Public sector. She holds a National Diploma in Travel and Tourism.

KEY MANAGEMENT

Strategic Business Units

AUSTRALIA

OWEN ECKFORD

Managing Director, Westbus

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

VIETNAM

CHIA CHUEN HUEI

General Manager, Vietnam Taxi

Mr Chia Chuen Huei is the General Manager of Vietnam Taxi Co., Ltd. He joined the Group in 2002. Prior to joining the Group, he held various positions within the Marine/Shipyard arm of Keppel Corporation Limited and served more than 10 years which included a $3\,^1/_2$-year overseas posting. He was General Manager of Rotary Integrated Maintenance Centre, a subsidiary of Rotary Engineering Limited for two years. Mr Chia is a Keppel Corporation/Foreign and Commonwealth Office (UK) Scholar and holds a Bachelor of Engineering (Mechanical) (1st Class Hons) from the University of Westminster, UK and a Masters of Business Administration from the Nanyang Technological University.

MALAYSIA

TEO BOON LENG, RICHARD

Chief Executive Officer, CityLimo

Mr Teo Boon Leng, Richard joined the Group in 1996 and is the Chief Executive Officer of CityLimo Pte Ltd. He oversees the car rental & leasing operations in Malaysia. He has more than 20 years' experience in the auto services industry, and was the Executive Director of Ken-Air Group's Auto Services Division before joining the Group.

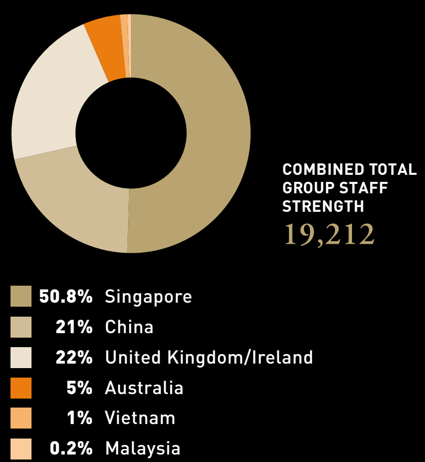
YAP SENG HOCK, FRANCIS

General Director, ComfortDelGro Savico Taxi

Mr Yap Seng Hock, Francis is the General Director of ComfortDelGro Savico Taxi Company. He was formerly the Deputy Chief Executive Officer of CityLimo and was responsible for the Group's car leasing and rental operations in Malaysia. Mr Yap joined the Group in 1996. He holds a Bachelor of Business Administration from Edith Cowan University, Australia.

The key to our continued success lies in OUR PEOPLE. To give us the winning edge and realise our Vision of becoming the undisputed global leader in land transport, we must invest in our human capital to generate organisational excellence, increase profitability and grow our shareholders' value.

STAFF PROFILE BY GEOGRAPHY




Metro


Datacab


comfort

OUR PEOPLE

Our approach towards human capital management is holistic, integrated, long-term and continuous. Attention is given to creating a work environment that identifies, motivates and retains the best and brightest employees who can make a difference to the performance of the Group. Our core values are reinforced constantly for the success of the Group.

We believe that our long-term success lies in developing leadership potential. Our leadership development programme includes job rotations, overseas postings and the assignment of challenging projects to keep our staff motivated. At the same time, this provides them with the opportunity to hone their leadership skills.

With the current focus on expanding our businesses overseas, our talent pipeline for overseas placements has been strengthened so that a ready pool can be fielded whenever a business need arises. To further support our overseas business expansion, career development initiatives have been put in place to develop skills in general management, finance and operations. Key staff are rotated amongst our various business units to understudy their operations so that they can gain relevant skills and knowledge which they can then transfer overseas. At the same time, some of our staff from the overseas business units also travel to Singapore to learn about the relevant best practices which they can leverage on to enhance their own operations.

We are also an ardent supporter of the Yellow Ribbon Project in Singapore as we believe in giving a second chance to ex-offenders who have the requisite skills. Our hiring policy is non-discriminatory where each candidate is treated fairly and equitably regardless of nationality, gender, race or religion.

Other than strengthening our processes for identifying, selecting and developing our people, we reward our employees according to their performance and contributions to motivate and retain them.

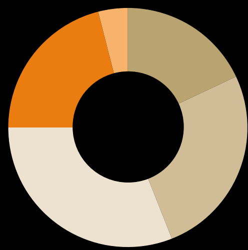
Sustaining a learning environment that drives continuous improvement in performance is also vital for our Group's progress and development. We believe in training and re-training our employees to strengthen their functional skills. Soft skills are also enhanced in key areas such as customer service excellence, team building and problem solving.

To strengthen teamwork and build camaraderie amongst staff, programmes such as team sports, recreational and health promotion activities are organised for all staff to participate as one family.

As at the end of 2005, our global workforce stood at 19,212. The bulk of our staff strength is in Singapore, where we run the country's biggest bus operation. Listed bus subsidiary, SBS Transit, alone employs over 7,000 staff, more than two-thirds of which are Bus Captains.

From Singapore to Ireland, from China to Australia, we employ a broad range of individuals with different skills-sets. Whether they are drivers, engineers, customer service agents or managers, they all work together to contribute to the success that is ComfortDelGro.

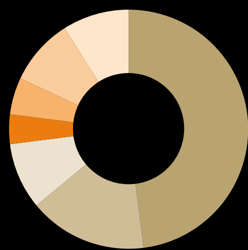
STAFF PROFILE BY AGE



COMBINED TOTAL GROUP STAFF STRENGTH
19,212

- **18%** Less Than 31 Years Old
- **26%** 31 to 40 Years Old
- **31%** 41 to 50 Years Old
- **21%** 51 to 60 Years Old
- **4%** 61 Years Old & Above

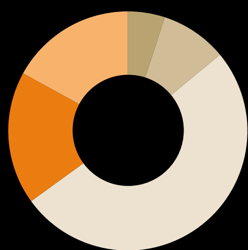
STAFF PROFILE BY LENGTH OF SERVICE



COMBINED TOTAL GROUP STAFF STRENGTH
19,212

- **48%** Less Than 6 Years
- **16%** 6 to 10 Years
- **9%** 11 to 15 Years
- **4%** 16 to 20 Years
- **5%** 21 to 25 Years
- **9%** 26 to 30 Years
- **9%** 31 Years & Above

STAFF PROFILE BY ACADEMIC QUALIFICATIONS



COMBINED TOTAL GROUP STAFF STRENGTH
19,212

- **5%** Professional/Degree & Above
- **9%** Diploma
- **51%** Secondary
- **18%** Vocational Certificates
- **17%** Others

In spite of a difficult global business environment in 2005 marked particularly by high fuel costs, we achieved increases in both revenue and profits. This was made possible through an aggressive strategy of overseas expansion and cost management.

During the year, the Group made several major investments overseas. Of notable significance was our acquisition of Westbus in Australia which marked our entry into a new market. With this, we now operate in seven countries worldwide, giving us the broadest footprint amongst our global peers.

In China, where we continue to grow our presence, we acquired the operating rights and assets of Shenyang's largest public bus operator and our first overseas driving school in Chengdu.

On our home ground in Singapore, we continued to push ahead with innovation, cost management and service improvements.

SINGAPORE

BUS

Our listed bus subsidiary, SBS Transit Ltd, is Singapore's premier operator with a commanding 75% share of the scheduled bus market. It has a fleet of over 2,700 and 204 routes with a daily ridership of over two million.

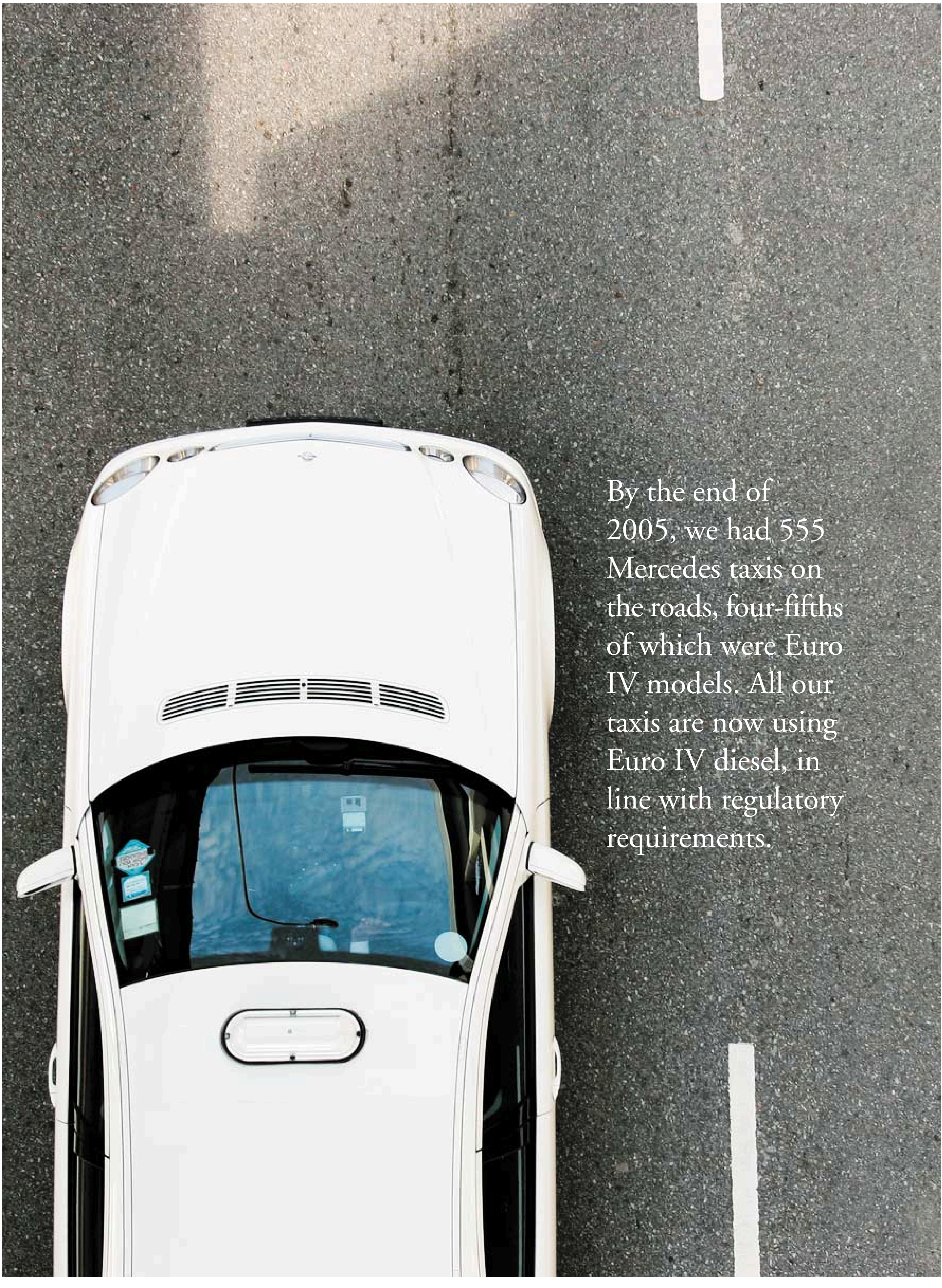
In 2005, SBS Transit stepped up its new service offerings. As a result, an unprecedented 24 new services, many of which were basic plus services, were introduced. This was close to triple the nine services which were introduced in 2004.

One such service was Fast Forward, which caters specifically to peak demand. Fast Forward services operate only during peak periods on weekdays and call only at bus stops which have high passenger volumes. The service, which saves commuters up to 20% in travel time, has proven very popular. As a result, seven Fast Forward services have been introduced since the first was launched in January 2005.

Other basic plus services which have been launched include Chinatown Direct and Stadium Direct Services, targeted at elderly commuters and concert and stadium go-ers respectively.

During the year, the Fare Review Mechanism was refined following the release of a report in February 2005 by the Committee on the Fare Review Mechanism. The Committee, made up of grassroots leaders, Members of Parliament, Consumers Association of Singapore (CASE) and academics, came up with a formula that is based on the state of the country's economy, inflation, wages of the workforce, and the performance of the public transport operators. When fare increases were implemented in July 2005, SBS Transit took it upon itself to extend the concession period for senior citizens from 9am on weekdays and all day on weekends. Fares for children and students were also kept unchanged, and S$1.15

In 2005, SBS Transit stepped up its new service offerings. As a result, an unprecedented 24 new services, many of which were basic plus services, were introduced. This was close to triple the nine services which were introduced in 2004.



By the end of 2005, we had 555 Mercedes taxis on the roads, four-fifths of which were Euro IV models. All our taxis are now using Euro IV diesel, in line with regulatory requirements.

million was donated to the Public Transport Fund to assist the poor and needy.

On the security front, the terrorist attacks on the land transport system in Madrid and London highlighted the need for vigilance and preparedness. About 300 of our bus and rail staff were directly involved in Singapore's first islandwide emergency exercise on 8 January 2006. Called NorthStar V, the Singapore Civil Defence Force-led exercise was a good test of our security and crisis management capabilities.

Our private bus-chartering subsidiary, Comfort Bus Pte Ltd, performed well last year despite strong competition. Already the largest and most established coach operator in Singapore with ISO 9001:2000, Singapore Service Class and Singapore Quality Class certifications, Comfort Bus continued to grow ridership in 2005. It was appointed service provider for several prominent international and local events including the Singapore Caltex Masters 2005, Singapore Samsung Ladies Masters 2005, Imdex Asia 2005 and Lexus Cup 2005. Besides providing overland chartering of buses from Singapore to Western Malaysia for short getaways, Comfort Bus was also contracted to provide a daily shuttle service to Genting Highlands.

TAXI

With a fleet of over 15,600 Comfort, CityCab and Yellow-Top taxis, we continued to be the dominant taxi operator in Singapore with a market share of over 70%.

Amidst intense competition and high fuel costs, we merged the management and operations of our taxi companies to realise cost savings and derive synergies. At the same time, we introduced an enhanced incentives and benefits package to retain existing hirers and attract new drivers. We also continued with our diesel rebates which ensured that our drivers did not have to feel the full impact of high oil prices. In all, we returned some S$38 million to our drivers in 2005. Our efforts resulted in a stabilisation of our driver churn rate and operating fleet.

During the year under review, we also realigned our call booking fees to help smoothen out demand during peak and off-peak periods and encourage commuters to call for a cab instead of trying to hail one by the roadside. Together with our new taxi despatch system, Escalade, our taxi operations saw an improvement in the catered rate for call bookings from 90% to 95%. In all, our call centres catered to a total of 14.2 million taxi bookings, 11% more than the previous year. This translated to an additional S$4.7 million in booking fees to S$36.1 million for our drivers.

Since introducing cashless payment on board our taxis in 2000, there has been an increase in card payments. Revenue from cashless payment increased by S$6 million in 2005 compared to the year before.

In doing our part for the environment, we also put into service the first Euro IV taxis under the brand names of Presido, MaxiCab and Sovereign in May 2005. By the end of 2005, we had 555 Mercedes taxis on the roads, four-fifths of which were Euro IV models. All our taxis are now using Euro IV diesel, in line with regulatory requirements.

RAIL

In Singapore, we have been operating the North East Line (NEL), the world's first driverless, underground heavy rail system, for two years now. Average daily ridership has grown steadily. In October 2005, average daily ridership crossed the 200,000-mark for the first time. For the year, an average of 196,098 passenger trips were made on NEL every day, an increase of 11.6% over 2004.

In addition to the NEL, we also run two light rail transit systems (LRTs) – Sengkang LRT and Punggol LRT. We officially opened Sengkang LRT (West Loop) and Punggol LRT (East Loop) for revenue service in January 2005. For the year, Sengkang and Punggol LRTs averaged riderships of 23,646 and 6,438 respectively.

The operation of the service continued to be reliable. Train service availability averaged 99.94%, better than the regulator's standard of 98% while train peak hour schedule adherence averaged 99.57%, above the regulator's standard of 95%.

CAR RENTAL & LEASING

Despite keen competition and reduced private car hire demand, CityLimo Pte Ltd, our car rental and leasing subsidiary, managed to grow profits in 2005 as a result of cost reduction measures taken in 2004 and increased marketing efforts. In particular, we targeted high yield and corporate customers in growth sectors such as banking & finance, biomedical & pharmaceutical, chemical and logistics & transportation sectors. As at the end of 2005, we had 1,447 cars in Singapore for rental and leasing.

AUTOMOTIVE ENGINEERING, MAINTENANCE SERVICES & DIESEL SALES

Our automotive engineering and diesel sales business enjoyed strong growth last year, led by an increase in diesel sales. Diesel sales volume grew by 15.3% to 213 million litres in 2005, due in large part to the diesel subsidies we offered our taxi drivers and the convenience offered by our network of 17 kiosks. As a result, about 90% of our drivers now pump with us, up from 74% previously.

Besides vehicle maintenance, ComfortDelGro Engineering Pte Ltd (CDGE) also assembles vehicles including 150 double-deck buses for SBS Transit. These ultra-modern buses have special wheelchair-accessible capabilities and are due to begin service in 2006. They will be the first such public buses in Singapore to cater to the disabled.

In April 2005, CDGE was awarded the prestigious Singapore Quality Class award from SPRING Singapore. In July 2005, the company was awarded the Minister for Defence award, the highest accolade conferred to Civil Resource Owners who have accorded their unwavering support to the Singapore Armed Forces.

VEHICLE INSPECTION, ASSESSMENT & TESTING SERVICES

Our listed vehicle inspection subsidiary, VICOM Ltd, continued to lead the industry with a 75% market share. VICOM's domination of the market was further augmented when it increased its shareholding in JIC Inspection Services Pte Ltd from 41.5% to 78% during the year. In addition to the vehicle inspection and assessment business, VICOM has branched out into the non-vehicular testing and inspections business through Setsco Services Pte Ltd which achieved growth in revenue and profits during the year.

Demand for vehicle inspections continued to fall in 2005 as more cars were deregistered. The main reason for this was the low Certificate of Entitlement (COE) prices which prompted car owners to replace their old cars for new. In fact, COE prices hit an all-time low in December 2005 when certificates for Category B cars went for S$9,001 compared to the record high of S$110,500 slightly more than a decade ago.

VICOM's vehicle assessment business faced new challenges in 2005 following the General Insurance Association's decision to liberalise the Independent Damage Assessment Centre (Idac) Scheme in November 2004. Despite this, the VICOM Assessment Centres conducted a total of 27,000 accident reporting and damage assessments during the year, retaining its position as the leading Idac operator with a total of six centres conveniently located islandwide.

VICOM secured several major contracts during the year. In February 2005, the Singapore Civil Defence Force (SCDF) amended its regulations on the transportation of petroleum and flammable materials and authorised VICOM to inspect vehicles transporting such materials. Five months later, we were awarded a two-year contract to conduct audits on the Land Transport Authority's (LTA's) authorised vehicle scrap yards and the Export Processing Zones. In the same month, LTA also renewed the Vehicle Inspection and Type Approval System contract with us for another three years.

VICOM's investment in Setsco has been beneficial. For the year under review, Setsco achieved double-digit revenue growth. Setsco also recently became the first testing and inspection company in Singapore to be accredited under the National Aerospace and Defence Contractors Programme, having met the stringent standards set by the aerospace

VICOM's investment in Setsco has been beneficial. For the year under review, Setsco achieved double-digit revenue growth.

industry. Setsco won several contracts during the year including one for testing materials used in the reclamation of Tuas and Jurong Island and another for the analysis of feedwater for the Tuas Desalination Plant.

LEARNER DRIVERS' INSTRUCTIONAL SERVICES

In 2005, Comfort Driving Centre Pte Ltd (CDC) introduced a series of preparatory courses in tandem with the implementation of the Automatic Transmission Vehicle (ATV) Testing and Computerised Testing for Theory. We launched Class 3A (ATV Licence) Training to cater to the demand for this new category of learners and launched e-learning courses to enable students to "attend" online interactive classes from the comfort of their own homes.

The introduction of these new services contributed to a 13% increase in the total number of learners from 17,702 to more than 20,000.

INSURANCE BROKERAGE

ComfortDelGro Insurance Brokers Pte Ltd (CDGI) had a good year, registering growth in both revenue and profit. Set up to cater to ComfortDelGro's extensive insurance needs, CDGI has performed commendably, saving the Group more than S$2 million in premiums last year. This was done through constant alignment and enhancement of insurance covers – both in Singapore and overseas. Risk and claims management initiatives have also been introduced to better cater to the Group's needs.

In addition, CDGI has started servicing external clients. This new business, which now accounts for up to 20% of its total revenue, is expected to grow. New classes of insurance were also introduced during the year, including terrorism and Directors' and Officers' liabilities covers.

OUTDOOR ADVERTISING

Our new outdoor advertising arm was formed in 2005. Called Moove Media Pte Ltd, it leverages on all four media – bus, taxi, rail and interchange – to provide customers with a total solution. Moove Media has introduced several industry firsts including its award-winning campaign "Cows on the Moove". That campaign, which involved 1,000 two-dimensional cows being placed all over the island overnight, clinched several prestigious media awards including the "Best One-Off Media Idea" by the Singapore Media Awards 2005 and The Singapore Hall of Fame Advertising Awards 2005. Other interesting advertising concepts include three-dimensional rooftop ads for our buses and taxis.

CHINA

With 23 investments spread across 11 cities, ComfortDelGro is the largest foreign land transport operator in China. To-date, we have invested S$266.4 million in China, the bulk of which is in Shenyang, Beijing, Shanghai, Guangzhou and Chengdu.

Shenyang

BUS

Shenyang overtook Beijing in 2005 as the Group's largest investment destination in China with the S$73.2 million (RMB 350 million) investment in Shenyang ComfortDelGro Bus Co., Ltd.

The acquisition of the operating rights of 50 bus routes, 1,218 buses and other operating assets from Shenyang's largest public bus operator, Shenyang Passenger Transport Group, brought to S$123.8 million (RMB 588 million) our total investment in the city so far.

Together with Shenyang ComfortDelGro An Yun Bus Co. Ltd (SCDA), which was set up in 2004, we will operate 1,763 public buses in Shenyang. This will give us a combined 40% share of the market, making us the single largest scheduled public bus operator in Shenyang.

SCDA currently operates 408 buses on 12 scheduled bus routes. An additional six routes will be launched in 2006. The company made headlines in January 2005 when it became the first company ever to launch a bus route in the heart of winter. That move was highly appreciated. In 2005, we served more than 46.2 million passengers and won the Shenyang Transport Bureau's prestigious Meritorious Company Award.

SCDA not only broke even in November 2005, less than a year after commencing operations, it also made a small profit. This is well ahead of our expectations.

TAXI

In 2005, our taxi operations – Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd, achieved growth in revenues and profits.

To achieve synergies and reduce costs, the operations and management of both companies were merged in May 2005. All 1,160 Shenyang ComfortDelGro taxis and 270 CityCab (Shenyang) taxis now operate under distinctive blue and grey colours. In October 2005, we acquired a vehicle repair workshop licence to offer vehicle repair and maintenance services, supplementing the services we offer to our drivers.

At the end of December 2005, our taxi hired out rate in Shenyang averaged 99.5%. Our taxis are also maintained to high standards of cleanliness and our drivers trained to provide good customer service. As a testament to these, Shenyang ComfortDelGro Taxi was named one of the top three taxi companies in Shenyang in 2005.

> With 23 investments spread across 11 cities, ComfortDelGro is the largest foreign land transport operator in China.

Beijing

TAXI

Our biggest taxi fleet in China is held through our 55%-owned subsidiary, Beijing Jin Jian Taxi Services Co., Ltd. We operate a total of 5,029 taxis in the capital city, giving us an 8% share of the market. Following the Government's recent decision on the types of vehicles for taxi replacements, we have embarked on an aggressive vehicle replacement policy.

During the year, we strengthened our presence in Beijing with a S$1 million investment in Beijing ComfortDelGro Ya Tai Intelligence Transportation Technology Co., Ltd. This new subsidiary will develop intelligent transportation systems in the area of vehicle security monitoring and taxi despatching to improve our service offerings there.

VEHICLE INSPECTION

The Group holds an 80% stake in Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd (TLDA), which provides vehicle safety and emission inspection services. In January 2005, TLDA launched its diesel inspection lanes to expand the range of services it offers to motorists. The centre recently inspected a record 400 vehicles for use by delegates to the annual "National People's Congress" and the "Chinese People's Political Consultative Conference".

CAR RENTAL & LEASING

The Group's car rental and leasing operations under Beijing CityLimo Yin Jian Auto Services Co., Ltd became profitable in 2005 with new marketing initiatives and great focus on long-term leases. As at the end of 2005, it had a fleet of 928.

Shanghai

BUS

In Shanghai, our associate Shanghai Shen Xin Bus Service Ltd operates 544 buses on 17 routes in a highly competitive environment where there are four big players and over 40 smaller operators. But we managed to hold our own through effective bus fleet management, route rationalisation and the introduction of more air-conditioned services which are popular with commuters. As a result, close to 90 million passenger trips were made on our buses in 2005.

TAXI

Our 51%-owned subsidiary, Shanghai City Qi Ai Taxi Services Co., Ltd, operates 462 taxis. We have been adding on new Santana 3000 taxis which have proven to be popular with commuters given the spacious passenger cabins. As a result, the Santana 3000 has become widely sought after by taxi hirers despite the fact that it commands a premium rental rate over other taxi models in the city. We will continue to replace our old Santana Pusang taxis with the new Santana 3000 in 2006.

Backed by an ISO 9002 certification, we are known in the market for having well-structured operational and effective cost management systems.

Chengdu

The Group is increasingly making its presence felt in Chengdu, the gateway to China's western region. To-date, we have invested over S$9.4 million (RMB 43.6 million) in taxis, automotive workshop, vehicle inspection, car rental and leasing, and driving school services. Although small in scale at the moment, these investments are strategic and replicate our businesses in Singapore. This is a model we hope to implement in other parts of China.

TAXI

Our 51%-owned subsidiary, Chengdu ComfortDelGro Yiyou Taxi Co., Ltd, increased the number of taxis it operates from 90 to 120 through the acquisition of additional licences during the year. We have become well-known in the market for introducing new technology and services to our customers. For example, we were the first taxi operator to offer electronic payment for taxi rentals, enabling our drivers to spend more time on the roads and less time queuing up to pay their rentals.

CAR RENTAL & LEASING

Chengdu CityLimo Auto Services Co., Ltd, began operations in May 2004 with a fleet of just five cars. The company now has 42 cars on lease with strong demand from foreign companies including Intel, Ericsson and Cisco Systems which are based in Chengdu.

Large local companies like China Petroleum have also signed up long-term leases with us.

AUTOMOTIVE ENGINEERING & MAINTENANCE SERVICES

The Group has partnered Sichuan Yin Xing Car Servicing to form Sichuan ComfortDelGro Car Servicing Co., Ltd. The joint venture company will provide a whole range of vehicle maintenance and repair services targeted at Mitsubishi cars. Construction of the workshop is due for completion in the third quarter of 2006.

VEHICLE INSPECTION

Our 51% subsidiary, Chengdu Jitong Integrated Vehicle Inspection Co., Ltd, which started operations on 1 July 2004, has continued to lead the industry. It was awarded the PRC Metrology Accreditation Certificate in 2005 and has been profitable since its inception.

LEARNER DRIVERS' INSTRUCTIONAL SERVICES

We set up our first driving school outside Singapore in Chengdu in 2005 through a S$2.4 million (RMB 11.7 million) investment in Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd. This 51% subsidiary is Chengdu's largest driving school and conducts driving courses for some 7,000 trainees a year. It offers driving lessons for coaches, cargo trucks, cars and motorcycles. Leveraging on the strengths of ComfortDelGro's driving centre in Singapore, the school has now added on new courses in driver training, professional driver training and driver testing services.

Guangzhou

BUS STATION

Tianhe Bus Station, our bus station in Guangzhou, had a very good year with passenger volume increasing by more than 14% to about seven million passengers. In all, 565,338 bus trips were made through the station, recording a growth of 7% over the previous year. Located at the crossroads of major routes, the bus depot has seen strong demand for its services. As a result, we have acquired a nearby piece of land for expansion. We have also started renovations to the interior and exterior of our existing station. We currently offer parking, ticketing, insurance, shop rental, lodging and parcel delivery services at the bus station.

Suzhou

TAXI

Our 70% taxi subsidiary, Suzhou Comfort Taxi Co., Ltd, performed well in 2005. During the year, the company also completed its fleet renewal process, replacing all 50 taxis with new Santana 3000s. As a result, it was able to command higher rentals for its entire fleet.

CAR DEALERSHIP

Suzhou Comfort Toyota Sales & Service Co., Ltd had a good year with car sales growing by 16% in 2005 to 885. We have sold a total of 1,651 cars since it started operations in 2004. The company capped the year by winning Toyota's Number One Dealer award, beating 239 other authorised dealers in China.

Jilin City

TAXI

Our 95%-owned subsidiary, Jilin ComfortDelGro Taxi Co., Ltd operates 330 taxis in the northeastern city of Jilin. We were voted the Best Taxi Company by Jilin City Taxi Management Office and the only one accorded the "Star" status out of 42 taxi companies in Jilin City.

Nanning

TAXI

Our 80% subsidiary, Nanning Comfort Transportation Co., Ltd, ended 2005 on a high note when it was awarded 100 new taxi licences by the municipal government of Nanning. This brings to 400 its total fleet size, making Nanning Comfort Transportation the largest taxi operator in the city.

Nanning Comfort Transportation has also won many awards. The company was recently named the Best Taxi Unit by a committee made up of the Nanning Transport Bureau, Nanning China Asean Expo Bureau and the Guangxi Government Internal Affairs Department; and awarded the Distinguished Roving red flag title in conjunction with the China's Best Civilised City award. Our drivers also did us proud – 10 of them won the Best Taxi Driver Award.

Xiamen, Hengyang and Yantai

Our operations in these three cities are small in scale but of strategic importance. With operations in 11 cities across China, we have built a reputation as a safe, efficient and reliable land transport company that adds value to its investments – regardless of the size.

In the Fujian Province, our 70% taxi subsidiary, Xiamen Comfort Taxi Co., Ltd, continued to perform well with all 49 taxis fully deployed.

To the west of Xiamen, we run taxi operations in Hengyang, the second largest city in Hunan Province. Our 25% associate, Hengyang CityCab Bus Services Co., Ltd, operates 28 taxis and 71 buses.

In the development zone of Yantai City, our 60%-owned subsidiary, Yantai CityCab Services Co., Ltd, operates 20 taxis, a vehicle repair workshop and a vehicle towing service. While the taxi operations remained stable, revenue from the vehicle repair business suffered in 2005 due to construction work on a

Our wholly-owned subsidiary, Metroline plc, is one of the top five London-based bus companies, running 14% of the city's bus services under contract to Transport for London.

new highway which affected operations of the workshop. We are now in the process of relocating to a new location and this should result in a recovery of business.

UNITED KINGDOM

London, England

BUS

Our wholly-owned subsidiary, Metroline plc, is one of the top five London-based bus companies, running 14% of the city's bus services under contract to Transport for London. Its fleet of 1,196 buses carried 250 million passengers in 2005 on 96 routes. It operates in North, West and Central London and South Hertfordshire.

In 2005, Metroline continued to perform well with scheduled mileages operating well above minimum contractual standards all year. Its performance was also boosted by the acquisition of F.E.Thorpe & Sons Limited and E.H. Mundy Holdings Limited in late-2004. With a combined fleet of over 150 buses, the two new companies have contributed positively to Metroline's overall performance.

During the year, Metroline gained recognition as the first major operator in London to complete the Business, Training and Education Council (BTEC) training for all its drivers. The BTEC was founded after London Buses, in conjunction with operators and trade unions, identified a need to make standards of training consistent across all London bus companies. The training provides both new and existing bus drivers with the knowledge and skills they need to respond professionally to incidents on the road. It also provides an understanding of customers' needs and expectations and an awareness of the issues faced by disabled customers.

In the area of safety and security, Metroline continued to highlight the need for vigilance and preparedness. This was put to the test on 7 July 2005 when bombs were detonated in three crowded London subway trains and aboard a London bus. While none of our Metroline buses were directly affected by the blasts, our staff acted selflessly and helped to ferry injured commuters to nearby hospitals.

TAXI

The Group has a significant presence in London through its taxi subsidiary, Computer Cab plc. Operating under five flagship brands – ComCab, DataCab, Call-A-Cab, Zingo and Local Taxis, our taxi operations in London did well in 2005. Demand from our customers, most of whom comprise city traders, bankers and lawyers, was higher last year because of a buoyant stock market. Following the July bombings in London, street demand for taxis grew by as as much as 20% as passengers avoided the subways.

Aberdeen and Edinburgh, Scotland

TAXI

Our Scottish operations, Computer Cab (Aberdeen) Ltd and Computer Cab (Edinburgh) Limited, operate 485 taxis in Aberdeen and Edinburgh and did well on the back of strong economic growth in Scotland during the year.

The booking systems of both companies were aligned in 2005, creating synergies in call taking and system maintenance. The growing confidence in both our Aberdeen and Edinburgh operations will provide the platform for our future expansion in Scotland.

Scotland

BUS

We merged our bus operations, Scottish Citylink Coaches Limited (SCCL), with Stagecoach in 2005. With new revenue streams brought in by Stagecoach's Megabus and Motovator operations, SCCL is performing ahead of expectations with a combined fleet of 85 coaches and is today the leading inter-city bus operator in Scotland.

IRELAND

Dublin

BUS

2005 was a record breaking year for our 100%-owned subsidiary, Irish Citylink, with turnover exceeding €4 million (S$9.1 million) on the back of sustained passenger growth on the core Galway-Dublin and Galway-Shannon services. Sales initiatives included the enhancement of its sales and reservation system and the widening of its agent sales network.

The widely publicised privatisation of the Irish land transport sector has yet to come into fruition and we are awaiting a decision from the Government.

AUSTRALIA

BUS

We partnered Cabcharge Australia Limited to acquire Westbus, Australia's largest private bus company, in August 2005. The new joint venture company, ComfortDelGro Cabcharge Pty Ltd, operates 642 buses in the western and northwestern parts of Sydney and the Hunter Valley region. It commands a 26% share of the private bus market there, making it the industry leader.

Under the New South Wales Government's reform of the bus industry, Westbus is the main operator in three of the 11 metropolitan regions reserved for private operators. Under the new contracts, operators are paid a contractual amount for running their bus services. These are based on fixed payments for bus assets and overheads

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We have not only grown in presence but in reputation as well. Among the many accolades Vinataxi has won are the Best Taxi Service Award for the third consecutive year and Best Performing Foreign Investment as voted by The Saigon Times.

along with variable payments for kilometres travelled and passengers carried. The Government, in turn, takes the fare revenue.

By the end of 2005, the newly-negotiated contracts were in place for the metropolitan areas of Sydney. The new contract principles will be extended to the outer-metropolitan areas and is expected to be in place by the third quarter of 2006. It is expected that ComfortDelGro Cabcharge will operate 163 buses from depots based at Thornton and Singleton.

As part of the bus reform agenda, the Government reduced fares charged by private operators. As a result, demand has increased significantly. In particular, demand for the express services, which we operate from the Hills District to the Sydney Central Business District, grew by 19% in 2005 compared to the previous year. To cater to this surge in demand, we have had to make changes to our schedules to increase the number of services on this route.

VIETNAM

TAXI

Our Vietnam operations saw significant growth in 2005. Not only did we increase our Vinataxi fleet from 703 to 817, we also acquired a new subsidiary, ComfortDelGro Savico Taxi Company. Our combined fleet is now 1,093, representing an increase of 390 vehicles. In other words, we have more than doubled our fleet size in Ho Chi Minh City since 2003, when we first started operations there.

We have not only grown in presence but in reputation as well. Among the many accolades Vinataxi has won are the Best Taxi Service Award for the third consecutive year and Best Performing Foreign Investment as voted by The Saigon Times.

We now have over 1,000 registered corporate accounts and more than 6,000 taxi corporate cards issued.

MALAYSIA

Kuala Lumpur

CAR RENTAL & LEASING

We offer car rental and leasing services in Malaysia through CityLimo Leasing (M) Sdn Bhd, Pantas Rent-A-Car Sdn Bhd and DynaDrive Rent-A-Car Sdn Bhd. In a market still characterised by keen competition and a number of unlicensed operators offering low rental rates, our car rental and leasing unit experienced a challenging year in 2005. To counteract these challenges, CityLimo, Pantas and DynaDrive embarked on a concerted marketing drive to enhance customer relations and attract corporate accounts. These efforts paid off and amongst the contracts we secured is a lucrative, three-year contract with a renowned insurance company in December 2005.

INTRODUCTION

As the world's second largest listed land transport group, the ComfortDelGro Group has always been committed to maintaining and upholding the highest standards of corporate governance to enhance and safeguard the best interest of all its stakeholders. In FY 2005, as a further commitment towards enhancing corporate transparency and in promoting good corporate governance practices amongst its employees world-wide, we put in place a Code of Business Conduct, which sets out the principles and policies upon which our businesses will be regulated taking into account the applicable laws and regulations of the relevant countries in which we have an operation. To enhance the effectiveness of the Code of Business Conduct, and to prevent the occurrence of unethical conduct or behaviour, immediately stopping any such activities that are detected and disciplining employees who engaged in such activities, we have also introduced a policy on Whistle Blowing. In recognition of our efforts towards promoting good corporate governance practices, we have been awarded, for two years running since our incorporation in 2003, the Merit Award for Singapore Corporate Governance by the Securities Investors' Association of Singapore.

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

BOARD OF DIRECTORS

Principle 1 – THE BOARD'S CONDUCT OF ITS AFFAIRS

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

(i) guiding the strategic direction and goals of the Group;
(ii) putting in place appropriate and adequate systems of internal control, risk management process and financial authority limits;
(iii) monitoring financial performance, approving annual budget, major capital and operating expenditures, and acquisition and disposal of significant investments; and
(iv) monitoring managerial performance.

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

To assist the Board in the detailed consideration of the various issues at hand and to facilitate decision making, four committees had been formed namely, the Audit Committee (AC), the Nominating Committee (NC), the Remuneration Committee (RC) and the Investment Committee (IC). Each committee is governed and regulated by its own terms of reference which sets out the scope of its duties and responsibilities, rules and regulations, and procedures governing the manner in which the committee is to operate and how decisions are to be taken. Ad-hoc committees are also formed to look at specific issues from time to time.

To tie in with the requirement for quarterly and final year reporting, and the approval of the Group's Annual Budget, a total of five scheduled Board meetings are held in each financial year. The quarterly and final year Board meetings are held within 45 days after the end of each quarter and the financial year (as the case may be), while the Board meeting to approve the Group's Annual Budget is held in December after all the budgets of the subsidiaries have been approved by their respective Boards. Ad-hoc Board meetings are also held from time to time as and when the need arises.

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

The attendance of the Directors at the Board and Committee meetings for FY 2005 and the frequency of such meetings are set out below:

	BOARD		AUDIT COMMITTEE		NOMINATING COMMITTEE		REMUNERATION COMMITTEE		INVESTMENT COMMITTEE	
NAME	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Lim Jit Poh	7	7	-	-	1	1	3	3	3	3
Kua Hong Pak*	7	7	-	-	-	-	3	2	3	3
Ong Ah Heng	7	6	4	4	-	-	-	-	-	-
Oo Soon Hee	7	7	4	4	-	-	-	-	-	-
Teo Geok Har, Nancy	7	7	-	-	1	1	-	-	3	3
Tow Heng Tan	7	5	-	-	-	-	3	3	3	-
Wang Kai Yuen	7	7	-	-	1	1	-	-	3	3
Wong Chin Huat, David	7	7	4	4	-	-	3	3	-	-

* *Resigned as a member of the Remuneration Committee on 31 August 2005.*

Principle 1 – THE BOARD'S CONDUCT OF ITS AFFAIRS *(cont'd)*

For expediency, Board meetings are also supplemented by Circular Resolutions complete with Board papers. Directors are free to seek clarifications and explanations from management on the Board papers.

To facilitate the convening of urgent ad-hoc Board meetings, the Articles of Association of the Company also provides for the convening of meetings via teleconferencing and videoconferencing.

Regular presentations are held to enable Directors to familarise themselves with the Group's new businesses. Further, to enable Directors to have an insight into the Group's operations abroad and also to have a feel of the pulse of the economy of the countries in which the Group is operating, and to develop a closer rapport with the Group's joint venture partners and the executives managing the operations, one of the scheduled quarterly Board meetings is held abroad. In year 2005, an overseas Board meeting was held in the city of Guangzhou. Directors are also furnished regularly with analyst reports, updates on corporate governance practices, and articles relating to changes in law relevant to the Group's businesses and operating environments.

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

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

Principle 2 – BOARD COMPOSITION AND BALANCE

The Board presently comprises eight Directors, of whom only the MD/Group CEO is an executive Director. Of the seven remaining non-executive Directors, five of them are considered by the NC to be independent.

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

Principle 3 – CHAIRMAN AND MD/GROUP CEO

The Chairman and the MD/Group CEO have separate and distinct roles. The Chairman is responsible for the effective functioning of the Board while the MD/Group CEO is responsible for the operations and management of the Group's various businesses both locally and abroad. The Chairman and the MD/Group CEO are not related to each other.

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

Principle 4 – BOARD MEMBERSHIP

The NC comprises three non-executive Directors, of whom two, including the Chairman are independent. The Company Secretary is the Secretary to the NC.

The roles and responsibilities of the NC are, *inter alia*:

(a) Develop and maintain a formal and transparent process for the nomination of Directors to the Board;
(b) Evaluate the effectiveness of the Board as a whole and contributions of each Director;
(c) Identify the skills, expertise and capabilities needed for the effective functioning of the Board;
(d) Re-nominate Directors for re-election at annual general meeting; and
(e) Evaluate and determine the independence of each Director.

The Articles of Association of the Company provides that one third of the Directors, including the Managing Director, are subject to retirement by rotation every year and Directors appointed during the year will be subject to re-election at the annual general meeting immediately following his appointment. For the forthcoming annual general meeting, Mr Kua Hong Pak, Ms Nancy Teo and Mr Tow Heng Tan are due for re-election pursuant to Article 91 of the Company's Articles of Association.

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

Principle 4 – BOARD MEMBERSHIP *(cont'd)*

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

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

Principle 5 – BOARD PERFORMANCE

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

As the Company was incorporated at the start of year 2003 following the merger of Comfort Group Ltd (Comfort) and DelGro Corporation Limited (DelGro), a meaningful evaluation of the performance of the Board was to consider the increase in the market capitalisation of the combined proforma Comfort and DelGro prior to the merger, and the market capitalisation of ComfortDelGro as at 31 December 2005. As at the close of business on 24 March 2003, being the last day of trading in the shares of Comfort and DelGro prior to the merger, the combined market capitalisation was about $1.5 billion. As at 31 December 2005, the market capitalisation of the Company was about $3.3 billion, an increase of about 119%, compared to the increase in the Straits Times Index of 81% and MSCI Singapore Free Index of 74% over the same period. The share price went up to a record high of $1.81 in intra-day trade on 10 May 2005. As at 31 December 2005, the share price was $1.60.

In addition, there was also an increase in shareholders' equity and total assets of ComfortDelGro compared to the proforma combined results of Comfort and DelGro as at 31 December 2002. Shareholders' equity increased $166.7 million to $1.3 billion as at 31 December 2005 due to profits from operations, and total assets increased $640.0 million to $3.1 billion due mainly to increase in fixed assets. Cash and cash equivalents stood at $262.7 million.

Principle 6 – ACCESS TO INFORMATION

In addition to the Annual Budget which is submitted to the Board for approval, comprehensive quarterly and annual financial statements and reports are also submitted to the Board for approval prior to being released to the Singapore Exchange Securities Trading Limited (SGX).

The Board has full access to the senior management team and the Company Secretary. The Company Secretary has defined roles and responsibilities and attends all Board and Committee meetings of the Company.

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

REMUNERATION MATTERS

Principle 7 – PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

Following the recommendation of the Council on Corporate Disclosure and Governance that the RC should comprise entirely of non-executive Directors, Mr Kua Hong Pak, has stepped down as a member of the RC on 31 August 2005. Consequently, the RC now comprises three non-executive and independent Directors. Members of the RC are also independent of management and free from any business or other relationships which may materially interfere with the exercise of independent judgment. The Company Secretary is the Secretary to the RC.

The terms of reference of the RC include, *inter alia*:

(a) Review the remuneration framework for compensation and ensure that the level of remuneration offered is appropriate to the level of contribution and that the overall remuneration package is attractive to retain and motivate key executives;

Principle 7 – PROCEDURES FOR DEVELOPING REMUNERATION POLICIES *(cont'd)*

(b) Recommend a formal and transparent process for determining Directors' fees for non-executive Directors of the Company; and
(c) Approve the participants and determine the quantum of options to be granted under the ComfortDelGro Employees' Share Option Scheme and to administer the Scheme.

Principle 8 – LEVEL AND MIX OF REMUNERATION

The remuneration packages of the MD/Group CEO and key executives of the Group comprise both fixed and variable components. The variable component, in the form of year-end performance bonuses and stock options, form a significant proportion of the remuneration packages and is dependent upon the profitability of the Group and individual performance. Subject to market conditions and operating environment, the Group is working towards achieving ratios of fixed to variable component of total compensation package of 70:30 for rank and file employees, 60:40 for middle management staff and 50:50 for top management staff. The Group believes that a high proportion of performance related component would ensure greater alignment of interests of the executives with those of the shareholders.

The remuneration of the MD/Group CEO and certain key executives of the Group are also tied to the return on shareholders' funds and the level of profitability achieved. This remuneration framework is based on the findings and recommendations of an international human resource consultancy firm appointed by the Group.

The structure for the payment of Directors' fees for non-executive Directors is based on a framework comprising basic fees and additional fees for serving on Board Committees and also for undertaking additional services for the Group. The fees are subject to approval of shareholders at the annual general meeting. The MD/Group CEO, being an executive of the Company, does not retain any fees paid by the subsidiaries in his personal capacity. Instead, fees due to him are paid by the respective subsidiaries to the Company.

The non-executive Directors of the Company are appointed pursuant to, and hold office in accordance with, the Articles of Association. They are eligible for and have been granted options under the ComfortDelGro Employees' Share Option Scheme.

Principle 9 – DISCLOSURE OF REMUNERATION

The remuneration of the Directors and the key executives of the Group (who are also not Directors) for the financial year 2005 are found on pages 118 to 119 of this Annual Report.

Further information on the ComfortDelGro Employees' Share Option Scheme can be found on pages 75 to 77 of this Annual Report.

During the financial year 2005, no key executive was an immediate family member of any Director of the Company.

ACCOUNTABILITY AND AUDIT

Principle 10 – ACCOUNTABILITY

During financial year 2005, the Company released its quarterly and full-year results within 45 days of the end of each quarter or financial year as the case may be.

Principle 11 – AUDIT COMMITTEE

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

The roles of the AC include the following:

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

(ii) Review the quarterly and annual financial statements, and also significant accounting and reporting issues and their impact on financial statements and recommend to the Board the acceptance of such financial statements;

(iii) Review the scope and results of the audits undertaken by the internal and external auditors, including non-audit services performed by external auditors to ensure that there is a balance between maintenance of objectivity and cost effectiveness;

(iv) Review interested person transactions;

(v) Recommend the re-appointment of the external auditors at the annual general meeting and review the fees due to them; and

(vi) Review the audit plans of the internal and external auditors.

Principle 11 – AUDIT COMMITTEE *(cont'd)*

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

During the financial year, the AC also met with the external and internal auditors without the presence of management. The AC has reviewed the independence of the external auditors, Deloitte & Touche, including the scope of non-audit services performed, and has recommended to the Board that the external auditors are independent. The Board has accepted the recommendation of the AC.

Principle 12 – INTERNAL CONTROLS

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

(i) **Financial Authority Limits**
Comprehensive and specific financial authority limits are put in place for capital expenditure, operating expenses, treasury matters, direct investments, revenue tender participation, and disposal and write-off of assets. These authority limits are delegated based on the organisational hierarchy from the Chairman down to the MD/Group CEO and the heads of departments with the Board retaining the ultimate authority. Any expenditure exceeding the highest authority limit delegated is referred to the Board for approval.

(ii) **Budgetary Control**
A robust and challenging Annual Budget is prepared and approved by the Board prior to the commencement of each new financial year. Variations between actual and budgeted performance are reviewed and justifications provided, if material. The Annual Budget is also reviewed half way through the financial year to ensure that the budget assumptions used remained valid and sustainable. Specific approvals are also required for unbudgeted expenditures exceeding a relevant threshold. In addition, the capital expenditure budget is approved in principle by the Board when the Annual Budget is approved. Each capital expenditure spending is still subject to rigorous justification and review in accordance with the Group's financial authority limits. Also, tight control is implemented on hiring through headcount budgets.

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

(iv) **Financial Risk**
The main areas of financial risk faced by the Group are foreign currency exchange rate risk, interest rate risk, credit risk, liquidity risk and commodity risk. The Group recognises that management of financial risk is an important aspect in its drive towards creating shareholders' value. Management oversees financial risk management and regularly reviews its policy governing risk management practices.

Further details of the financial risks and how the Group manages them are set out on pages 136 to 137 of this Annual Report.

(v) **Operations Risk and Business Continuity Planning**
A Group-wide Control Self-Assessment exercise had previously been carried out. During the exercise, the various strategic business units systematically identified key business objectives of their companies, potential threats and risks involved in achieving those objectives and the appropriate response plans to minimise the impact on each of their businesses.

This exercise was the start of a holistic management process to manage risks. Apart from operational risks, the Group is also faced with financial risks, regulatory compliance risks and strategic risks. These four risk categories are used by the Group and to aid recall the Group uses the acronym FOCuS; Financial, Operational, Compliance and Strategic.

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

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

Principle 13 – INTERNAL AUDIT

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

The Internal Audit Department provides an independent and objective evaluation of the internal control systems and corporate governance processes of the Group in accordance with the audit plan as approved by the AC and to recommend improvements, where necessary.

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

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

COMMUNICATIONS WITH SHAREHOLDERS

Principle 14 – REGULAR, EFFECTIVE AND FAIR COMMUNICATIONS WITH SHAREHOLDERS

The Company has in place a communication framework that regularly communicates pertinent and relevant information to shareholders, gathers views and addresses shareholders' concerns. Communication with shareholders is conducted through announcements to the SGX and press releases, press and media briefings after the announcement of the full-year's results and the posting of announcements and releases on the Company's website.

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

As part of a programme of investor relations, the Group's Investor Relations Team together with senior management meet with major institutional investors on a regular basis and participated in road shows organised by securities houses. Further details of the investor relations' activities of the Group are set out on pages 65 to 66 of this Annual Report.

Principle 15 – SHAREHOLDERS PARTICIPATION AT ANNUAL GENERAL MEETING

The Articles of Association of the Company provides for voting in person at annual general meetings of the Company. The Chairman of the various Board Committees as well as the external auditors are present to address questions raised by shareholders at the annual general meetings.

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

DEALINGS IN SECURITIES

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

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

INTERESTED PERSON TRANSACTION

LISTING MANUAL – RULE 907

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) $'MIL
Singapore Labour Foundation	0.2

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

INVESTOR RELATIONS

As in all we do, ComfortDelGro is committed to cultivating high standards of investor relations (IR) through maintaining transparent, prompt and honest communication with our shareholders and the financial markets. We are open and responsive and believe in proactive, timely and quality communication.

Like many companies in the transport and fuel-related sectors, our share price was affected by concerns over high fuel prices in 2005. Increased competition in the Singapore taxi business also posed a concern amongst many investors. But we have persevered and the share price closed the year at S$1.60, up 3.2% from S$1.55 at the end of 2004. Our shares were actively traded in 2005 with more than a billion shares changing hands. Average daily volume was approximately four million shares.

ComfortDelGro provides timely information to investors through channels such as SGXNet, press releases and regular meetings with interested investors. We interact with investors through forums including results briefings, investor conferences, annual general meetings and non-deal road shows. Ours is a proactive investor relations programme with members of senior management and IR executives being fully accessible to investors. Top management, led by our Managing Director/Group CEO, also held regular meetings with investors and fund managers. Our non-executive Chairman was also present in some of these sessions. In 2005, we held a total of 129 one-on-one meetings with the investment community. This compares to 111 one-on-one investor meetings in 2004. Close to 90% of the meetings in 2005 were with overseas fund managers coming from UK (30%), USA (20%), Hong Kong (21%), Australia (6%), Japan (5%) and Europe (5%).

Besides being a constituent of the STI Index, MSCI Index and the SES Transport Index, ComfortDelGro was also designated one of 51 Singapore constituents of the newly established FTSE/ASEAN Index during the year. The FTSE/ASEAN Index is part of a

Our efforts to communicate with the capital market in a consistent, timely and frank manner have been recognised. ComfortDelGro was accorded the Corporate Governance Award 2005 at the annual SIAS Investors' Choice Awards 2005.

series of indices designed for trading and benchmarking financial products in the South East Asia Region. A barometer for ASEAN performance, the FTSE/ASEAN Index was developed using international standards. It is free-float adjusted and based on recognised standards and methodologies.

As we grow overseas, the profile of our shareholders has also changed. According to statistics provided by Thomson Financial, only 30% of our shareholders are based in Asia today. Approximately 37% of our shareholders are based in Europe and another 33% based in the United States and other parts of the world.

The Singapore Labour Foundation remains our single largest shareholder with a 12.2% stake. Our free float consequently amounts to a high 87.8%, helping us achieve higher weighting on both the Straits Times Index as well as the MSCI Singapore Free Index. This has increased the attractiveness of our stock to institutional funds and investors globally. In 2005, the Capital Group became a substantial shareholder of ComfortDelGro with a shareholding of more than 5% in the Company.

Indeed, institutional investors raised their holdings of ComfortDelGro in 2005. Based on a breakdown of shareholdings provided by the Central Depository (Pte) Ltd, 80% of our shares were held by institutional and corporate shareholders as at the end of 2005, compared to 79% the year before.

Of the total number of shares held by institutional investors, 55% were held by foreign-based investors, the majority of whom were from the USA, UK and Asia. This compares with 50% the year before.

To ensure that retail investors and the interested public have good and regular access to information, important announcements such as quarterly results, presentation slides, Annual Reports, press releases and salient corporate news are posted and easily accessed through a dedicated Investor Relations section within our corporate website (www.comfortdelgro.com).

Our efforts to communicate with the capital market in a consistent, timely and frank manner have been recognised. ComfortDelGro was accorded the Corporate Governance Award 2005 at the annual SIAS Investors' Choice Awards 2005.

ComfortDelGro recognises the importance of investor feedback and suggestions for continuous improvement in our IR policies and disclosure practices. Investors are welcome to send their feedback or post questions to the Group via the following channels:

- E-mail feedback to
  info@comfortdelgro.com
- Share thoughts at the
  Annual General Meeting
- Complete the corporate
  website feedback form at:
  www.comfortdelgro.com
- Fax feedback to (65) 62825583
- Post a feedback letter to:
  Investor Relations Department
  ComfortDelGro Corporation Limited
  205 Braddell Road
  Singapore 579701

In 2005, 15 sell-side analysts actively followed ComfortDelGro's progress and published regular research reports with estimates and forecasts on our Company's performance.

"We continue to believe that CD's healthy overseas growth trajectory plus the yield support it provides preserves the stock's attractiveness. This is despite the softness in the local taxi industry (which is stabilising), and concerns over its unhedged fuel position."

ComfortDelGro – OVERWEIGHT
JP Morgan
22 Aug 2005

"We reiterate our BUY recommendation for ComfortDelGro... with a yield close to 7%, we view CD as a high yield convertible bond with a play on the pullback in oil price and the Group's overseas growth."

ComfortDelGro – BUY
Citigroup
29 Sep 2005

"CD is not content to rest on its laurels despite already being the world's second largest land transport company. The company looks to be on track to derive 50% of its revenue from overseas by 2008-2010. We like that its more significant overseas ventures typically have less risky profiles and are immediately earnings accretive."

ComfortDelGro – BUY
CLSA Asia-Pacific Markets
4 Nov 2005

Work hard, work smart, and work with heart.

Since inception, we have worked hard at building a company with both heart and conscience – one that will continually deliver shareholder value while at the same time, touch people's lives and enrich the human spirit. This is an ideology that we feel passionately about and one that we will not compromise.

The following are just some of the ways in which we have reached out to others.

THE UNDERPRIVILEGED

In 2005, the Group gave out more than S$2.1 million to the poor, the needy, the sick, the aged and the underprivileged. Besides regular donations and sponsorships to charitable causes, we also made several sizeable one-off donations during the year as part of our social responsibility. While we realise that we cannot possibly help everyone, we are committed to helping as many as we can, from delivering unsold bread and food bags to the needy, to setting up stalls at a carnival to raise funds.

One of the biggest and most spontaneous efforts was the reaction to the Tsunami disaster. Just days after the tragedy took place, the Group banded together to raise funds and help with packing and the delivery of urgently needed clothing, medicines, blankets and food aid. Our subsidiaries across the world reached into their hearts and pockets to help. In all, close to S$135,000 was raised.

The elderly also received a helping hand this year as the Group made several significant contributions to organisations catering specifically to their needs. In May 2005, ComfortDelGro provided support to two NTUC Eldercare Centres in Singapore to ensure that proper day care can be given to senior citizens living within their vicinities. Other organisations like our adopted charity, the Home Nursing Foundation, also received warm support – in cash and in-kind.

The safety of our passengers, our staff and all road users are of paramount importance to us.

In May 2005, ComfortDelGro provided support to two NTUC Eldercare Centres in Singapore to ensure that proper day care can be given to senior citizens living within their vicinities.

ComfortDelGro also actively supports many youth programmes. A case in point: the Home United Football Club (HUFC) in Singapore, which is a soccer club with a social mission. Formed in 1997, the HUFC has an active anti-drug abuse campaign which is targeted at youths – something which ComfortDelGro strongly supports.

The physically handicapped also received special attention. In Singapore, our taxi drivers have been providing a special taxi service to handicapped passengers since 1999. In Vietnam, our taxi subsidiary, Vinataxi, lent support to the Thien Phuoc Orphanage which takes care of children who are victims of "Agent Orange", a chemical used in the Vietnam War. Many of these children have disabilities and need intensive care in order to survive. Elsewhere, our China subsidiary, Shenyang ComfortDelGro Anyun Bus, continues to offer the blind or visually-impaired free rides for use on its buses.

SAFETY

The safety of our passengers, our staff and all road users is of paramount importance. Wherever we operate, whatever the conditions, we always try to implement the best of industry standards to ensure that safety is never compromised.

All across the world, our taxi and bus drivers are taught safety driving skills and go for regular training updates. Those who flout safety rules are dealt with severely. The Group uses reward and penalty schemes to incentivise and deter drivers and staff to maintain the highest in standards.

We also strive to ensure the safety of the environment in which we operate in. In London, for example, Metroline has been working with the Brent Police's "Save the Neighbourhood Team" to improve road safety for pedestrians in the Harlesden Town Centre. Its sister company, Computer Cab, is also working hard to promote safety on the streets of London. It launched the "City CabWatch" programme with the City of London Police as part of a scheme where text messages are sent to drivers so that they can look out for missing children, and respond to major incidents around London.

ENVIRONMENT

Environmental stewardship is a core part of our business. As a land transport provider, we are aware that our operations may have an impact on the environment. With this in mind, we have committed to:

1. **Work closely with the regulators and comply with industry standards**
2. **Control the emission of pollutants from our fleets of vehicles**
3. **Reduce, wherever possible, energy consumption in our offices, depots and trains**
4. **Identify recyclable products like papers and batteries for re-use**

Our bus depots in Singapore have also phased out all harmful Halon 1211 (BCF) fire extinguishers and replaced them with powder type extinguishers. Halon BCF has been found to be extremely damaging to the earth's ozone layer while dry powder extinguishers are considered more environmentally friendly. Other energy saving features include the dimming of lights at our train stations as well as the auto-slowing of escalators.

In our depots and workshops, saw dust is used to absorb diesel spills to facilitate cleaning and preventing environmental pollution. Diesel oil that runs into the drainage is also filtered through an interceptor which has several filters set apart to sift through the waste water. The oil sludge residue is then removed from the drains to prevent water pollution.

Our taxi subsidiary in London, Computer Cab, was also accredited with ISO 14001 (Environmental Management Systems) for its management in the reduction in wastage of energy and raw materials.

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DIRECTORIES

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BUS

Guangzhou Xin Tian Wei Transportation Development Co., Ltd
No. 633 Yan Ling Road
Guangzhou, Guangdong 510650
Mainline 86 20 3708 4331
Facsimile 86 20 3708 6782
Website www.tianhebus.com
Email kookw@21cn.com

Suzhou, Jiangsu Province

TAXI

Suzhou Comfort Taxi Co., Ltd
No. 188 Jin Ji Hu Road
Suzhou Industrial Park
Suzhou, Jiangsu 215021
Mainline 86 512 6762 0200
Facsimile 86 512 6761 0101
Email gmnctcl@singnet.com.sg

CAR DISTRIBUTORSHIP

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Jilin City, Jilin Province

TAXI

Jilin ComfortDelGro Taxi Co., Ltd
No. 32 Ji Li Da Street
Jilin City, Jilin 132013
Mainline 86 43 2456 5605
Facsimile 86 43 2456 5600

Nanning, Guangxi Province

TAXI

Nanning Comfort Transportation Co., Ltd
No. 25 Ke Yuan Avenue
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Mainline 86 771 321 2015
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Xiamen, Fujian Province

TAXI

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Yantai, Shangdong Province

TAXI

Yantai CityCab Services Co., Ltd
Jing Ji Ji Shu Kai Fa District
Yantai Kai Fa Qu Gang Yu Chun Xi Mian
Fu Lai Da Dao Pang Ze
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Hengyang, Hunan Province

BUS

Hengyang CityCab Bus Services Co Ltd
No. 2 Bai Sha Zhou Nang Jiao Avenue
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Mainline 86 734 8402 888
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UNITED KINGDOM

London

BUS

Metroline plc
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66-68 College Road
Harrow
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Mainline 44 208 218 8888
Facsimile 44 208 218 8899
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E.H. Mundy Holdings Limited
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Email info@armchair.co.uk

F.E. Thorpe & Sons Limited
Unit 12 Perivale Industrial Park
Horsenden Lane South
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TAXI

Computer Cab plc
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DIRECTORIES

UNITED KINGDOM

Scotland

BUS

Scottish Citylink Coaches Limited
Buchanan Bus Station
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Glasgow G2 3NP
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Facsimile 44 141 332 4488
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Email info@citylink.co.uk

StageCoach UK Bus
10 Dunkeld Road
Perth
PH1 5TW
Mainline 44 173 844 2111
Facsimile 44 173 844 2158
Website www.stagecoachbus.com

Aberdeen

TAXI

Computer Cab (Aberdeen) Limited
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Edinburgh

TAXI

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IRELAND

Dublin

BUS

Cummer Commercials Limited
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Galway, Ireland
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Facsimile 353 91 564 100
Website www.citylink.ie

Aerdart Limited
c/o Citylink
Galway Tourist Office
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AUSTRALIA

Sydney

BUS

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VIETNAM

Ho Chi Minh City

TAXI

Vietnam Taxi Co., Ltd
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Website www.vinataxis.com
Email enquiry@vinataxis.com

ComfortDelGro Savico Taxi Company
325 Ho Van Hue Street
Ward 2, Tan Binh District
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Email francis@comfortdelgro.com

MALAYSIA

Kuala Lumpur

CAR RENTAL & LEASING

CityLimo Leasing (M) Sdn Bhd
c/o Intellectual Assets Services Sdn Bhd
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DynaDrive Rent-A-Car Sdn Bhd
c/o Intellectual Assets Services Sdn Bhd
Suite 2.03, 2nd Floor
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REPORT OF THE DIRECTORS

The Directors present their annual report together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2005 and the balance sheet of the Company as at 31 December 2005.

1 DIRECTORS

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

Lim Jit Poh
Chairman

Kua Hong Pak
Managing Director/Group Chief Executive Officer

Ong Ah Heng

Oo Soon Hee

Teo Geok Har, Nancy

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 below.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

NAME OF DIRECTORS AND COMPANIES IN WHICH INTERESTS ARE HELD	AT 1 JAN 2005	AT 31 DEC 2005	AT 21 JAN 2006
Interest in the Company			
(a) Ordinary shares of $0.25 each			
Lim Jit Poh	457,636	44,425	44,425
Kua Hong Pak	874,530	1,624,530	1,624,530
Ong Ah Heng	28,018	395,558	395,558
Oo Soon Hee	-	300,000	300,000
Teo Geok Har, Nancy	99,620	6,540	6,540
Wang Kai Yuen	595,084	657,584	657,584
Wong Chin Huat, David	-	200,000	200,000
(b) Options to subscribe for ordinary shares of $0.25 each			
Lim Jit Poh	686,789	400,000	400,000
Kua Hong Pak	1,350,000	2,400,000	2,400,000
Ong Ah Heng	567,540	150,000	150,000
Oo Soon Hee	375,000	300,000	300,000
Teo Geok Har, Nancy	467,920	400,000	400,000
Tow Heng Tan	250,000	400,000	400,000
Wang Kai Yuen	187,500	187,500	187,500
Wong Chin Huat, David	250,000	200,000	200,000

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES *(cont'd)*

NAME OF DIRECTORS AND COMPANIES IN WHICH INTERESTS ARE HELD	AT 1 JAN 2005	AT 31 DEC 2005	AT 21 JAN 2006
Interest in subsidiary, SBS Transit Ltd			
(a) Ordinary shares of $0.25 each			
Kua Hong Pak	-	150,000	150,000
Wong Chin Huat, David	-	120,000	120,000
(b) Options to subscribe for ordinary shares of $0.25 each			
Lim Jit Poh	230,000	200,000	200,000
Kua Hong Pak	195,000	180,000	180,000
Wong Chin Huat, David	150,000	110,000	110,000
Interest in subsidiary, VICOM Ltd			
(a) Ordinary shares of $0.25 each			
Lim Jit Poh	30,000	30,000	30,000
Ong Ah Heng	20,000	20,000	20,000
Wang Kai Yuen	20,000	20,000	20,000
(b) Options to subscribe for ordinary shares of $0.25 each			
Lim Jit Poh	150,000	160,000	160,000
Kua Hong Pak	45,000	54,000	54,000
Teo Geok Har, Nancy	75,000	80,000	80,000

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

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

5 SHARE OPTIONS

(A) Share Options of the Company

(i) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS") in respect of unissued ordinary shares of $0.25 each in the Company was approved by the shareholders of the Company on 18 February 2003. The CDG ESOS is administered by the Remuneration Committee (the "Committee") comprising Messrs Lim Jit Poh, Tow Heng Tan and Wong Chin Huat, David.

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 of $0.25 each 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/adjustment during the financial year and options outstanding as at 31 December 2005 were as follows:

	NUMBER OF OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES OF $0.25 EACH						
DATES OF GRANT	OUTSTANDING AT 1 JAN 2005	GRANTED	EXERCISED	CANCELLED/ LAPSED/ ADJUSTMENT	OUTSTANDING AT 31 DEC 2005#	SUBSCRIPTION PRICE PER SHARE	EXPIRY DATES
26 September 2000*	1,417,078	-	1,417,078	-	-	$0.651	26 September 2005
13 November 2000*	74,715	-	74,715	-	-	$0.444	12 November 2010
13 November 2000*	49,810	-	49,810	-	-	$0.444	12 November 2005
29 March 2001*	124,525	-	124,525	-	-	$0.410	28 March 2011
29 March 2001*	49,810	-	49,810	-	-	$0.410	28 March 2006
6 September 2001*	1,116,156	-	568,102	-	548,054	$0.718	6 September 2006
4 October 2001*	490,631	-	490,631	-	-	$0.464	3 October 2011
4 October 2001*	124,526	-	124,526	-	-	$0.464	3 October 2006
25 March 2002*	615,156	-	540,441	-	74,715	$0.538	24 March 2012
25 March 2002*	124,526	-	124,526	-	-	$0.538	24 March 2007
5 September 2002*	915,648	-	634,938	-	280,710	$0.569	5 September 2007
8 October 2002*	917,468	-	382,008	-	535,460	$0.561	7 October 2012
8 October 2002*	373,577	-	373,577	-	-	$0.561	7 October 2007
31 July 2003	2,923,000	-	1,537,000	-	1,386,000	$0.793	30 July 2013
31 July 2003	750,000	-	550,000	-	200,000	$0.793	30 July 2008
2 January 2004	5,417,000	-	3,473,000	(25,000)	1,969,000	$0.820	1 January 2014
2 January 2004	875,000	-	675,000	-	200,000	$0.820	1 January 2009
19 July 2004	4,706,500	-	1,390,000	149,000	3,167,500	$1.217	18 July 2014
19 July 2004	437,500	-	112,500	-	325,000	$1.217	18 July 2009
24 February 2005	-	4,477,500	-	135,000	4,342,500	$1.680	23 February 2015
24 February 2005	-	647,500	-	-	647,500	$1.680	23 February 2010
21 July 2005	-	4,702,500	-	115,000	4,587,500	$1.540	20 July 2015
21 July 2005	-	647,500	-	-	647,500	$1.540	20 July 2010
17 November 2005	-	5,052,500	-	-	5,052,500	$1.550	16 November 2015
17 November 2005	-	647,500	-	-	647,500	$1.550	16 November 2010
Total	21,502,626	16,175,000	12,692,187	374,000	24,611,439		

5 SHARE OPTIONS *(cont'd)*

\# Includes 271,000 options granted to former employees of the Group who have been granted an extension of time from their respective dates of cessation of employment by the Committee to exercise their outstanding options.

* Following the merger of Comfort Group Ltd and DelGro Corporation Limited, the number of shares comprised in 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.

(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 2005 were as follows:

	NUMBER OF OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES OF $0.25 EACH			
	GRANTED DURING THE YEAR ENDED 31 DEC 2005	AGGREGATE OPTIONS GRANTED SINCE THE COMMENCEMENT TO 31 DEC 2005	AGGREGATE OPTIONS EXERCISED SINCE THE COMMENCEMENT TO 31 DEC 2005	AGGREGATE OPTIONS OUTSTANDING AT 31 DEC 2005
Director				
Lim Jit Poh	300,000	1,173,577	773,577	400,000
Kua Hong Pak	1,800,000	3,900,000	1,500,000	2,400,000
Ong Ah Heng	150,000	717,540	567,540	150,000
Oo Soon Hee	225,000	600,000	300,000	300,000
Teo Geok Har, Nancy	150,000	717,540	317,540	400,000
Tow Heng Tan	150,000	400,000	-	400,000
Wang Kai Yuen	187,500	848,672	661,172	187,500
Wong Chin Huat, David	150,000	400,000	200,000	200,000

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

(v) No participant received 5% or more of the total number of options available under the CDG ESOS during the financial year and none of the options granted included a discount feature to the market price at the time of the grant.

(vi) There were:

- no participants to the CDG ESOS who are controlling shareholders and their associates (as defined in the Singapore Exchange Securities Trading Listing Manual); and

- no participants (other than Directors) to the CDG ESOS, who received options (inclusive of adjustments made under the CDG ESOS and options exercised) which in aggregate represent 5% or more of the total number of shares available under the CDG ESOS.

5 SHARE OPTIONS *(cont'd)*

(B) Share Options of subsidiaries

(a) SBS Transit Ltd ("SBST")

(i) The SBS Transit Share Option Scheme (the "SSOS") in respect of unissued ordinary shares of $0.25 each in the company was approved by the shareholders of SBST on 9 June 2000. The SSOS is administered by the Remuneration Committee of SBST.

(ii) Under the SSOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares of $0.25 each at a subscription price determined with reference to the market price of the shares at the time of the grant of the option. The subscription price and/or number of shares comprised in the option may be adjusted in certain events under the rules of the SSOS. Additionally, in the case of incentive options, depending on the extent to which set performance targets are met, the subscription price of such options may be adjusted by a discount of up to 20% at the end of an incentive period. Such options may also be cancelled if the targets are not met. The consideration for the grant of an option is $1.00. The option may be exercised at any time after the first anniversary of, or in the case of incentive options, after the second anniversary of, the date of grant but before the tenth anniversary (fifth anniversary for options granted to non-executive Directors) of the date of grant of that option or such shorter period as determined by the Remuneration Committee of SBST. The shares under option may be exercised in whole or in part on the payment of the relevant subscription price. Options granted will lapse when the option holder ceases to be a full-time employee or Director of SBST, subject to certain exceptions at the discretion of the Remuneration Committee of SBST.

(iii) Particulars of unissued shares under options granted pursuant to the SSOS, options exercised and cancelled/lapsed during the financial year, and options outstanding as at 31 December 2005 were as follows:

	NUMBER OF OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES OF $0.25 EACH						
DATES OF GRANT	OUTSTANDING AT 1 JAN 2005	GRANTED	EXERCISED	CANCELLED/ LAPSED	OUTSTANDING AT 31 DEC 2005+	SUBSCRIPTION PRICE PER SHARE	EXPIRY DATES
26 September 2000	1,002,000	-	688,000	41,000	273,000	$1.59	26 September 2010
6 September 2001	1,127,000	-	723,000	48,000	356,000	$1.60	6 September 2011
22 August 2003	1,351,000	-	913,000	15,000	423,000	$1.29	22 August 2013
22 August 2003	495,000	-	495,000	-	-	$1.29	22 August 2008
10 December 2003	1,448,000	-	1,043,000	35,000	370,000	$1.22	10 December 2013
10 December 2003	495,000	-	495,000	-	-	$1.22	10 December 2008
19 July 2004	1,286,250	-	162,500	90,000	1,033,750	$1.60	19 July 2014
19 July 2004	290,000	-	100,000	-	190,000	$1.60	19 July 2009
24 February 2005	-	1,215,000	-	168,750	1,046,250	$2.29	24 February 2015
24 February 2005	-	290,000	-	-	290,000	$2.29	24 February 2010
28 July 2005	-	1,258,750	-	106,250	1,152,500	$2.23	28 July 2015
28 July 2005	-	267,500	-	-	267,500	$2.23	28 July 2010
18 November 2005	-	1,141,250	-	-	1,141,250	$2.16	18 November 2015
18 November 2005	-	267,500	-	-	267,500	$2.16	18 November 2010
	7,494,250	4,440,000	4,619,500	504,000	6,810,750		

\+ Includes 125,750 options granted to former employees of SBST who have been granted an extension of time from their respective dates of cessation of employment, by the Remuneration Committee of SBST to exercise their outstanding options.

Participants of the SSOS are not restricted from participating in other share option or share incentive schemes of the Company.

5 SHARE OPTIONS *(cont'd)*

(iv) Details of the SSOS options granted to Directors of the Company during the financial year and since the commencement of the SSOS up to 31 December 2005 were as follows:

	NUMBER OF OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES OF $0.25 EACH			
	GRANTED DURING THE YEAR ENDED 31 DEC 2005	AGGREGATE OPTIONS GRANTED SINCE THE COMMENCEMENT TO 31 DEC 2005	AGGREGATE OPTIONS EXERCISED SINCE THE COMMENCEMENT TO 31 DEC 2005	AGGREGATE OPTIONS OUTSTANDING AT 31 DEC 2005
Director				
Lim Jit Poh	150,000	380,000	180,000	200,000
Kua Hong Pak	135,000	330,000	150,000	180,000
Wong Chin Huat, David	80,000	230,000	120,000	110,000

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

(v) None of the options granted under the SSOS included a discount feature to the market price of the shares at the time of grant. None of the options granted were incentive options. No participant has received options which in aggregate represent 5% of the total number of shares available under SSOS.

(b) VICOM Ltd ("VICOM")

(i) The 2001 VICOM Share Option Scheme ("The 2001 VSOS") in respect of unissued ordinary share of $0.25 each in the company, was approved by the shareholders of VICOM on 27 April 2001. The 2001 VSOS is administered by the Remuneration Committee of VICOM.

(ii) Under the 2001 VSOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares of $0.25 each at the subscription price determined with reference to the market price of the shares at the time of the grant of the option. The subscription price does not include any discount feature. The consideration for the grant of an option is $1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for options granted to non-executive Directors) of the date of grant of that option or such shorter period as determined by the Remuneration Committee of VICOM. The shares under option may be exercised in whole or in part on the payment of the relevant subscription price.

5 SHARE OPTIONS *(cont'd)*

(iii) Particulars of unissued shares under options granted pursuant to the VSOS, options exercised and cancelled/ lapsed during the financial year, and options outstanding as at 31 December 2005 were as follows:

	NUMBER OF OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES OF $0.25 EACH					
DATES OF GRANT	OUTSTANDING AT 1 JAN 2005	GRANTED	EXERCISED	OUTSTANDING AT 31 DEC 2005#	SUBSCRIPTION PRICE PER SHARE	EXPIRY DATES
1 June 2001	100,000	-	40,000	60,000	$0.570	30 May 2006
1 June 2001	144,000	-	100,000	44,000	$0.570	30 May 2011
26 September 2001	50,000	-	20,000	30,000	$0.423	25 September 2006
26 September 2001	34,000	-	-	34,000	$0.423	25 September 2011
6 April 2002	50,000	-	10,000	40,000	$0.628	5 April 2007
6 April 2002	166,000	-	8,000	158,000	$0.628	5 April 2012
7 October 2002	53,000	-	10,000	43,000	$0.600	6 October 2007
7 October 2002	174,000	-	97,000	77,000	$0.600	6 October 2012
27 June 2003	99,000	-	10,000	89,000	$0.760	26 June 2008
27 June 2003	203,000	-	12,000	191,000	$0.760	26 June 2013
20 December 2003	99,000	-	23,000	76,000	$0.865	19 December 2008
20 December 2003	200,000	-	12,000	188,000	$0.865	19 December 2013
23 August 2004	49,500	-	-	49,500	$0.953	22 August 2009
23 August 2004	271,500	-	-	271,500	$0.953	22 August 2014
24 February 2005	-	49,500	-	49,500	$0.998	23 February 2010
24 February 2005	-	295,500	-	295,500	$0.998	23 February 2015
21 November 2005	-	540,000	-	540,000	$0.933	20 November 2015
	1,693,000	885,000	342,000	2,236,000		

\# Includes 39,000 options granted to former employee of VICOM who has been granted an extension of time from the date of cessation of employment, by the Remuneration Committee of VICOM to exercise their outstanding options.

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

(iv) Details of the 2001 VSOS options granted to Directors of the Company during the financial year and since the commencement of the 2001 VSOS up to 31 December 2005 were as follows:

	NUMBER OF SHARES UNDER OPTIONS			
	GRANTED DURING THE YEAR ENDED 31 DEC 2005	AGGREGATE OPTIONS GRANTED SINCE THE COMMENCEMENT TO 31 DEC 2005	AGGREGATE OPTIONS EXERCISED SINCE THE COMMENCEMENT TO 31 DEC 2005	AGGREGATE OPTIONS OUTSTANDING AT 31 DEC 2005
Director				
Lim Jit Poh	10,000	160,000	-	160,000
Kua Hong Pak	9,000	54,000	-	54,000
Teo Geok Har, Nancy	5,000	80,000	-	80,000

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

5 SHARE OPTIONS *(cont'd)*

(v) None of the options granted under the 2001 VSOS included a discount feature of the market price of the shares at the time of grant. None of the options granted were incentive options. No participant has received options which in aggregate represent 5% of the total number of shares available under the 2001 VSOS.

(C) Except as disclosed above:

(a) during the financial year:

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

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

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

6 AUDIT COMMITTEE

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

Oo Soon Hee
Chairman

Ong Ah Heng

Wong Chin Huat, David

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

In performing its functions, the Audit Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the scope and results of their respective audits. The Audit Committee has reviewed the independence of the auditors, Messrs Deloitte & Touche, including the scope of the non-audit services performed and has recommended to the Board of Directors that the auditors are independent. The Board of Directors has accepted the recommendation of the Audit Committee.

In addition, the Audit Committee reviewed the financial statements of the Group and of the Company before their submission to the Board of Directors of the Company.

The Audit Committee has recommended to the Board of Directors, the nomination of Deloitte & Touche for re-appointment as auditors of the Company at the forthcoming annual general meeting.

7 AUDITORS

The auditors, Deloitte & Touche, 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 2006

AUDITORS' REPORT

to the Members of ComfortDelGro Corporation Limited

We have audited the balance sheet of ComfortDelGro Corporation Limited and the consolidated financial statements of the Group for the financial year ended 31 December 2005 set out on pages 83 to 150. These financial statements are the responsibility of the Company's Directors. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

(a) the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (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 2005 and of the results, changes in equity and cash flows of the Group for the financial year ended on that date; and

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

DELOITTE & TOUCHE
Certified Public Accountants

MAH CHEE KHEONG, CHALY
Partner
(Appointed on 29 April 2004)

Singapore
13 February 2006

BALANCE SHEETS

31 December 2005

		THE GROUP		THE COMPANY	
	NOTE	2005 $'MIL	2004 $'MIL (Restated)	2005 $'MIL	2004 $'MIL (Restated)
ASSETS					
CURRENT ASSETS:					
Short-term deposits and bank balances	4	262.7	284.8	37.5	93.3
Held-for-trading investments	5	215.6	266.0	5.0	40.7
Available-for-sale investments – current portion	6	3.0	-	-	-
Trade receivables	7	153.3	142.0	-	-
Other receivables and prepayments	8	174.8	129.4	435.6	291.3
Inventories	9	39.1	36.1	-	-
Total current assets		848.5	858.3	478.1	425.3
NON-CURRENT ASSETS:					
Subsidiaries	10	-	-	506.3	506.3
Associates	11	29.2	28.0	0.2	0.2
Available-for-sale investments	6	90.0	74.4	25.4	29.1
Long-term receivables	12	0.3	1.0	1.9	100.2
Vehicles, premises and equipment	13	1,774.5	1,602.4	1.7	0.8
Taxi and other licences	14	218.4	168.1	-	-
Goodwill	15	79.5	43.3	-	-
Hedging instruments	16	0.9	-	-	-
Deferred tax assets	17	17.1	15.3	-	-
Total non-current assets		2,209.9	1,932.5	535.5	636.6
Total assets		3,058.4	2,790.8	1,013.6	1,061.9

BALANCE SHEETS

31 December 2005

	NOTE	THE GROUP 2005 $'MIL	THE GROUP 2004 $'MIL (Restated)	THE COMPANY 2005 $'MIL	THE COMPANY 2004 $'MIL (Restated)
LIABILITIES AND EQUITY					
CURRENT LIABILITIES:					
Short-term bank loans	18	193.4	55.1	-	-
Long-term loans – current portion	19	181.5	90.2	-	-
Finance lease payable – current portion	20	33.8	34.3	-	-
Hedging instruments	16	12.3	-	-	-
Trade and other payables	21	371.0	367.3	272.3	245.2
Deposits received – current portion	22	48.5	48.5	-	-
Fuel price equalisation account		34.1	34.1	-	-
Provision for claims	23	62.6	62.4	-	-
Income tax payable		61.3	74.4	0.5	-
Total current liabilities		998.5	766.3	272.8	245.2
NON-CURRENT LIABILITIES:					
Long-term loans	19	20.4	151.9	-	-
Finance lease payable	20	88.6	100.8	-	-
Deposits received	22	37.7	36.1	-	-
Deferred tax liabilities	17	139.7	125.8	-	-
Provision for service benefits and long service awards	24	12.0	12.9	0.1	0.1
Retirement benefit obligations	29	44.3	41.1	-	-
Total non-current liabilities		342.7	468.6	0.1	0.1
CAPITAL, RESERVES AND MINORITY INTERESTS:					
Share capital	25	517.0	513.8	517.0	513.8
Other reserves	26	47.9	15.7	20.5	12.3
Accumulated profits		780.1	744.6	203.2	290.5
Equity attributable to shareholders of the Company		1,345.0	1,274.1	740.7	816.6
Minority interests		372.2	281.8	-	-
Total equity		1,717.2	1,555.9	740.7	816.6
Total liabilities and equity		3,058.4	2,790.8	1,013.6	1,061.9

See accompanying notes to the financial statements.

CONSOLIDATED PROFIT AND LOSS STATEMENT

Year Ended 31 December 2005

	NOTE	2005 $'MIL	2004 $'MIL (Restated)
Turnover	27	2,262.1	2,097.8
Other operating income	28	32.3	37.7
Revenue		2,294.4	2,135.5
Staff costs	29	(772.2)	(720.1)
Depreciation and amortisation expenses		(254.8)	(252.8)
Raw materials and consumables		(212.6)	(154.7)
Energy and fuel costs		(156.5)	(101.2)
Repair and maintenance		(147.5)	(145.1)
Road and diesel taxes		(117.2)	(118.0)
Insurance and accident compensation		(65.2)	(68.7)
Premises costs		(55.3)	(55.5)
Vehicle leasing charges		(55.0)	(44.6)
Other operating expenses		(153.1)	(151.9)
Total operating expenses		(1,989.4)	(1,812.6)
Operating profit	30	305.0	322.9
Net income from investments	31	3.4	2.8
Interest income		13.3	10.7
Finance costs	32	(22.7)	(17.6)
Share of profit in associates		1.9	0.5
Profit before taxation		300.9	319.3
Taxation	33	(61.8)	(75.2)
Profit after taxation		239.1	244.1
Attributable to:			
Shareholders of the Company		201.9	199.4
Minority interests		37.2	44.7
		239.1	244.1
Earnings per share (in cents):			
Basic	34	9.79	9.74
Diluted	34	9.77	9.72

See accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year Ended 31 December 2005

	ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY					
	SHARE CAPITAL $'MIL	OTHER RESERVES $'MIL	ACCUMULATED PROFITS $'MIL	TOTAL $'MIL	MINORITY INTERESTS $'MIL	TOTAL EQUITY $'MIL
Balance at 1 January 2004, as previously stated	509.6	49.7	704.8	1,264.1	241.8	1,505.9
Effect of adoption of amendments to FRS 19	-	(29.1)	-	(29.1)	-	(29.1)
As restated	509.6	20.6	704.8	1,235.0	241.8	1,476.8
Actuarial gains on defined benefit plans	-	0.3	-	0.3	-	0.3
Exchange differences arising on translation of foreign operations	-	(13.9)	-	(13.9)	-	(13.9)
Net expense recognised directly in equity	-	(13.6)	-	(13.6)	-	(13.6)
Profit after taxation	-	-	199.4	199.4	44.7	244.1
Total recognised income and expense for the year	-	(13.6)	199.4	185.8	44.7	230.5
Exercise of share options	4.2	6.6	-	10.8	-	10.8
Recognition of share-based payments	-	1.2	-	1.2	-	1.2
Other reserves	-	0.9	(0.9)	-	(4.7)	(4.7)
Payment of dividends (Note 40)	-	-	(158.7)	(158.7)	-	(158.7)
Balance at 31 December 2004	513.8	15.7	744.6	1,274.1	281.8	1,555.9
Balance at 1 January 2005, as previously stated	513.8	43.3	745.8	1,302.9	281.8	1,584.7
Effect of adoption of FRS 102	-	1.2	(1.2)	-	-	-
Effect of adoption of amendments to FRS 19	-	(28.8)	-	(28.8)	-	(28.8)
	513.8	15.7	744.6	1,274.1	281.8	1,555.9
Effect of adoption of FRS 39	-	5.0	0.3	5.3	-	5.3
As restated	513.8	20.7	744.9	1,279.4	281.8	1,561.2
Gains on cash flows hedges	-	0.8	-	0.8	-	0.8
Gains on available-for-sale investments	-	0.3	-	0.3	-	0.3
Exchange differences arising on translation of foreign operations	-	10.9	-	10.9	-	10.9
Actuarial losses on defined benefit plans	-	(2.5)	-	(2.5)	-	(2.5)
Reserves arising from the dilution of interest in a subsidiary	-	7.9	-	7.9	-	7.9
Net income recognised directly in equity	-	17.4	-	17.4	-	17.4
Transfer to profit or loss on sale of available-for-sale investments	-	(0.1)	-	(0.1)	-	(0.1)
Profit after taxation	-	-	201.9	201.9	37.2	239.1
Total recognised income and expense for the year	-	17.3	201.9	219.2	37.2	256.4
Capital contribution	-	-	-	-	66.0	66.0
Exercise of share options	3.2	6.6	-	9.8	-	9.8
Recognition of share-based payments	-	1.8	-	1.8	-	1.8
Other reserves	-	1.5	(1.5)	-	(12.8)	(12.8)
Payment of dividends (Note 40)	-	-	(165.2)	(165.2)	-	(165.2)
Balance at 31 December 2005	517.0	47.9	780.1	1,345.0	372.2	1,717.2

See accompanying notes to the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year Ended 31 December 2005

	2005 $'MIL	2004 $'MIL (Restated)
OPERATING ACTIVITIES:		
Profit before taxation	300.9	319.3
Adjustments for:		
Depreciation and amortisation expenses	254.8	252.8
Write-off of taxi licences	-	6.9
Finance costs	22.7	17.6
Interest income	(13.3)	(10.7)
Share-based payment expense	1.8	1.2
Loss (Gain) on disposal of vehicles, premises and equipment	6.5	(3.9)
Write-back of impairment loss from investment in a joint venture	(1.0)	-
Net loss (gain) on fair value changes and disposal of investments	0.3	(1.0)
Gain on disposal of investment in subsidiaries	(2.1)	-
Dividend income	(0.7)	(0.7)
Provision for service benefits and long service awards, net	0.4	1.8
Share of profit in associates	(1.9)	(0.5)
	568.4	582.8
Payment of service benefits and long service awards	(1.3)	(0.4)
Operating profit before working capital changes	567.1	582.4
Inventories	(2.0)	(4.3)
Trade receivables	(8.8)	(5.6)
Other receivables and prepayments	(38.5)	39.8
Long-term receivables	0.5	(0.1)
Held-for-trading investments	50.4	49.7
Trade and other payables	4.6	31.9
Deposits received	1.6	(12.4)
Provision for claims	0.2	(0.6)
Cash generated from operations	575.1	680.8
Income tax paid	(59.8)	(61.8)
Net cash from operating activities	515.3	619.0

CONSOLIDATED CASH FLOW STATEMENT

Year Ended 31 December 2005

	2005 $'MIL	2004 $'MIL (Restated)
INVESTING ACTIVITIES:		
Proceeds from disposal of vehicles, premises and equipment	122.7	39.2
Purchases of available-for-sale investments	(18.8)	(27.9)
Proceeds from disposal of available-for-sale investments	5.1	1.6
Purchase of vehicles, premises and equipment [Note (a)]	(401.7)	(363.1)
Purchase of taxi licences and bus routes	(6.7)	(30.5)
Proceeds from liquidation of investment in a joint venture	1.0	-
Disposal of subsidiaries, net of cash disposed [Note (b)]	3.0	-
Acquisition of subsidiaries, net of cash acquired [Note (c)]	(105.0)	(39.5)
Proceeds from disposal of investment in associates, net	-	0.5
Interest received	13.2	10.6
Dividend received	0.7	0.7
Increase in investment in subsidiaries	(14.8)	-
Others	-	0.3
Net cash used in investing activities	(401.3)	(408.1)
FINANCING ACTIVITIES:		
Short-term bank loans, net	144.6	6.5
Long-term loans, net	(46.5)	(16.6)
Repayment of obligations under finance lease	(68.5)	(63.4)
Payment to minority interest	(17.3)	(8.4)
Proceeds from share issue	9.8	10.8
Proceeds from exercise of share options	6.6	0.8
Interest paid	(21.4)	(17.8)
Dividend paid	(165.2)	(158.7)
Net cash used in financing activities	(157.9)	(246.8)
Net effect of exchange rate changes in consolidating subsidiaries	21.8	(7.9)
Net decrease in cash and cash equivalents	(22.1)	(43.8)
Cash and cash equivalents at beginning of year	284.8	328.6
Cash and cash equivalents at end of year (Note 4)	262.7	284.8
NOTE (a):		
Purchase of vehicles, premises and equipment	451.3	407.9
Less: Vehicles, premises and equipment purchased under finance lease arrangements	(49.6)	(44.8)
Cash payments on purchase of vehicles, premises and equipment	401.7	363.1

CONSOLIDATED CASH FLOW STATEMENT

Year Ended 31 December 2005

	2005 $'MIL	2004 $'MIL (Restated)
NOTE (b):		
Summary of the effects of disposal of subsidiaries:		
Net (assets) liabilities disposed:		
Current assets	(0.2)	-
Non-current assets	(1.1)	-
Current liabilities	0.1	-
	(1.2)	-
Minority interests	0.1	-
Net assets disposed	(1.1)	-
Gain on disposal of investment in subsidiaries	(2.1)	-
Total sale consideration	(3.2)	-
Add: Portion discharged by non-cash consideration	0.1	-
Portion discharged by cash	(3.1)	-
Add: Cash on disposal of subsidiaries	0.1	-
Cash flow on disposal, net of cash disposed	(3.0)	-
NOTE (c):		
Summary of the effects of acquisition of subsidiaries:		
Net assets (liabilities) acquired:		
Current assets	58.0	13.3
Non-current assets	152.3	22.7
Current liabilities	(14.7)	(27.9)
Non-current liabilities	-	(4.5)
	195.6	3.6
Translation reserves	1.6	-
Minority interests	(71.9)	(2.8)
Net assets acquired	125.3	0.8
Goodwill on acquisition	27.5	33.4
Total purchase consideration	152.8	34.2
Add: Portion discharged by non-cash consideration	-	5.1
Portion discharged by cash	152.8	39.3
(Less) Add: (Cash) Overdraft on acquisition of subsidiaries	(47.8)	0.2
Cash flow on acquisition, net of cash acquired	105.0	39.5

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2005

1 GENERAL

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

The principal activities of the Company are those of investment holding and the provision of management services. The principal activities of the subsidiaries are described in Note 43.

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

The consolidated financial statements of the Group for the financial year ended 31 December 2005 and the balance sheet of the Company as at 31 December 2005 were authorised for issue by the Board of Directors on 13 February 2006.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements, are prepared in accordance with the historical cost convention except for hedging instruments, held-for-trading investments and available-for-sale investments that have been measured at fair values. The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") issued by the Council on Corporate Disclosure and Governance that are relevant to its operations and effective for annual periods beginning on or after 1 January 2005. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements except as disclosed below and in the notes to financial statements.

(a) **FRS 39 – Financial Instruments: Recognition and Measurement**

FRS 39 requires the recognition, measurement and disclosure of financial assets and liabilities. The new accounting standard moves measurement from a cost base to a fair value base for certain categories of financial assets and liabilities. The change in accounting policy has been accounted in accordance with the transitional provisions of FRS 39. The adoption of FRS 39 has resulted in certain investments being carried at their respective fair values with the corresponding adjustments being taken to the revaluation reserves or the profit and loss statement.

Consequently, fair value adjustments of available-for-sale securities amounting to $5.0 million (assets) as at 1 January 2005 were recognised on the balance sheet and the resulting adjustments transferred to equity. Fair value adjustments of held-for-trading investments amounting to $0.1 million (liabilities) as at 1 January 2005, were recognised on the balance sheet and the resulting adjustments transferred to the accumulated profits.

Hedging instruments which were not designated as accounting hedges, with fair values of $0.4 million (assets) as at 1 January 2005, were recognised on the balance sheet and the resulting adjustments transferred to the accumulated profits.

Hedging instruments were carried at fair value at the balance sheet date. At 31 December 2005, the hedging instruments were fair valued at $0.9 million (assets) and $12.3 million (liabilities). Fair value changes of designated cashflow hedges that were determined to be effective were recognised in the hedging reserve in equity.

As the revised accounting policy has been applied in accordance with the transitional provisions of FRS 39, the change has had no impact on amounts reported for 2004 or prior periods.

2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(cont'd)*

(b) FRS 102 – Share-Based Payment

FRS 102 *Share-based Payment* requires the recognition of equity-settled share-based payments at fair value at the date of grant and the recognition of liabilities for cash-settled share-based payments at the current fair value at each balance sheet date. Prior to the adoption of FRS 102, the Group did not recognise the financial effect of share-based payments until such payments were settled.

In accordance with the transitional provisions of FRS 102, the accounting standard has been applied retrospectively to all grants of equity instruments after 22 November 2002 that were unvested as of 1 January 2005, and to liabilities for share-based transactions existing at 1 January 2005. The accounting standard therefore applies to share options of the Company granted in 2004 and 2005.

For 2004, the change in accounting policy has resulted in a net decrease in profit for the year of the Group of $1.2 million (share-based payments expense). The balance sheet of the Group and the Company at 31 December 2004 has been restated to reflect a share options reserve of $1.2 million.

For 2005, the impact of share-based payments is a net charge to income of the Group of $1.8 million. At 31 December 2005, the share options reserve of the Group and the Company amounted to $3.0 million.

The share-based payments expense of $1.8 million (2004: $1.2 million) has been included as staff costs in the consolidated profit and loss statement.

(c) FRS 103 – Business Combinations

Goodwill

FRS 103 has been adopted for financial years beginning 1 July 2004. The option of limited retrospective application of the accounting standard has not been taken up, thus avoiding the need to restate past business combinations.

After initial recognition, FRS 103 requires goodwill acquired in a business combination to be carried at cost less any accumulated impairment losses. Under FRS 36 *Impairment of Assets* (as revised in 2004), impairment reviews are required annually, or more frequently if there are indications that goodwill might be impaired. FRS 103 prohibits the amortisation of goodwill. Previously, under FRS 22, the Group carried goodwill in its balance sheet at cost less accumulated amortisation and accumulated impairment losses. Amortisation was charged over the estimated useful life of the goodwill, subject to the rebuttable presumption that the maximum useful life of goodwill was 20 years.

In accordance with the transitional provisions of FRS 103, the Group has applied the revised accounting policy for goodwill prospectively from the beginning of its first annual period beginning on or after 1 July 2004, to goodwill acquired in business combinations. Therefore, from 1 January 2005, the Group has discontinued amortising such goodwill and has tested the goodwill for impairment in accordance with FRS 36. At 1 January 2005, the accumulated amortisation of the Group as at 31 December 2004 of $5.9 million has been eliminated, with a corresponding decrease in the gross carrying amount of goodwill leaving the net carrying amount of goodwill unchanged.

Because the revised accounting policy has been applied prospectively, the change has had no impact on amounts reported for 2004 or prior periods.

No amortisation has been charged in 2005. The charge for the Group in 2004 was $1.6 million.

(d) FRS 17 – Leases

Initial direct costs incurred in relation to operating lease receivables

FRS 17 requires initial direct costs incurred by a lessor in negotiating and arranging an operating lease to be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. Prior to the adoption of the revised standard, the Group recognised such costs as an expense in the profit and loss statement in the period in which they were incurred. This change in accounting policy has been applied retrospectively.

In general, the Group does not incur significant initial direct costs on negotiating and arranging leases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

(e) **FRS 19 – Employee Benefits**

The Group has elected to adopt the amendments to FRS 19 Employee Benefits.

The adoption of the amendments to FRS 19 has been applied retrospectively as required. As a result, the Group's balance sheet as at 31 December 2005 recorded retirement benefit obligations of $44.3 million, decrease in other reserves of $31.3 million and additional deferred tax assets of $13.0 million. The balance sheet at 31 December 2004 was restated to reflect the recognition of retirement benefit obligations of $41.1 million, decrease in other reserves of $28.8 million and additional deferred tax assets of $12.3 million.

At the date of authorisation of these financial statements, the following FRSs and INT FRSs were issued but not effective:

FRS 40	– Investment Property
FRS 106	– Exploration for and Evaluation of Mineral Resources
FRS 107	– Financial Instruments: Disclosures
INT FRS 104	– Determining whether an Arrangement contains a Lease
INT FRS 105	– Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
INT FRS 106	– Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment
INT FRS 107	– Applying the Restatement Approach under FRS 29 Financial Reporting in Hyperinflationary Economies

Amendments to FRS 1 Presentation of Financial Statements on Capital Disclosures

Amendments to FRS 21 The Effects of Changes in Foreign Exchange Rates on net investment in a foreign operation.

Amendments to FRS 39 Financial Instruments: Recognition and Measurement on cash flow hedge accounting of forecast intragroup transactions, fair value option and financial guarantee contracts.

Amendments to FRS 101 First-time Adoption of Financial Reporting Standards on comparative disclosures for FRS 106 Exploration for and Evaluation of Mineral Resources.

Amendments to FRS 104 Insurance Contracts on financial guarantee contracts.

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

The Directors anticipate that the adoption of the above mentioned FRSs and INT FRSs that were issued but not yet effective until future periods will not have a material impact on the financial statements of the Group and the Company.

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.

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

BUSINESS COMBINATIONS – The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. 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 business combination, the excess is recognised immediately in the consolidated profit and loss statement.

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

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Cash And Cash Equivalents

Cash and bank balances 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 changes in value.

Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs.

Investments are classified as either investments held-for-trading or as available-for-sale, based on the intention at the point of purchase, and are measured at subsequent reporting dates at fair value. Where securities are held-for-trading purposes, gains and losses arising from changes in fair value are included in profit and loss statement for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit and loss statement for the period. Impairment losses recognised in profit and loss statement for equity investments classified as available-for-sale are not subsequently reversed through profit and loss statement. Impairment losses recognised in profit and loss statement for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Trade Receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Financial Liabilities And 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. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

Trade Payables
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity Instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Hedging Instruments And Hedge Accounting
The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates, fuel price and interest rates.

The Group uses hedging instruments, primarily forwards and options, to manage these 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.

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

Hedging instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. Changes in the fair value of hedging instruments that are not designated as accounting hedges and/or do not qualify for hedge accounting are recognised in profit or loss as they arise.

Fair value changes of hedging instruments that are designated and effective as hedges of future cash flow are recognised directly in equity and the ineffective portion is recognised immediately in profit or loss.

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

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

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

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

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

Rentals payable under operating leases are charged to profit and loss statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises cost of purchase and those cost that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

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

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

The gain or loss arising on disposal or retirement of an item of vehicle, premises and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit and loss statement.

Capital projects in progress consist of development and construction costs incurred during the period of construction. Depreciation is not provided on capital projects in progress until such assets are completed.

Transfers of vehicles, premises and equipment within the Group are stated at cost less accumulated depreciation of the vehicles, premises and equipment transferred.

Fully depreciated vehicles, premises and equipment are retained in the financial statements until they are no longer in use.

Assets held under finance lease arrangements are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

TAXI AND OTHER LICENCES – Taxi and other licences are carried at cost less any accumulated amortisation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Amortisation is charged so as to write off the cost of asset, less residual value, over the estimated useful life on a straight-line method, where such licences have fixed tenures.

Taxi and other licences with indefinite useful lives are tested for impairment annually and are not amortised.

ASSOCIATES – An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised.

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 the consolidated profit and loss statement.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

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 impairment loss 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. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

The Group's policy for goodwill arising on the acquisition of an associate is as described above.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL – At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (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.

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. An impairment loss is recognised immediately in the profit and loss statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss statement.

FUEL PRICE EQUALISATION ACCOUNT – At the direction of the Public Transport Council ("PTC"), a fuel price equalisation account has been set up to account for diesel price and electricity tariff adjustment charge. In accounting for diesel price and electricity tariff variation, reference is made to the diesel price and electricity tariff (hereafter referred to as "standard diesel price and electricity tariff") as determined by the PTC annually.

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

In the year when the actual diesel price and electricity tariff are above the standard diesel price and electricity tariff, the fuel price equalisation account previously set up can be released to that year's profit and loss statement upon an application by the Group and subject to the approval of PTC. However, the amounts to be released is limited to the extent that the balance outstanding in the fuel price equalisation account after draw down, is at or above that year's fuel consumption using the standard diesel price and electricity tariff.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

PROVISION FOR 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 and the Company have a present obligation as a result of a past event and it is probable that the Group and the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at balance sheet date, and are discounted to present value where the effect is material.

SERVICE BENEFITS

These comprise the following:

(i) Retirement Benefits – Under the Collective Agreement entered into by certain subsidiaries in Singapore with their relevant unions, retirement benefit subject to a maximum of $3,000 is payable to a retiring employee on or after attaining the age of sixty-two years and on completion of at least five years of service. Provision is made in the financial statements based on the number of years of service rendered by qualifying employees.

(ii) Long Service Awards – Staff of certain subsidiaries in Singapore serving more than 15 years are entitled to long service awards of $250 for 15 years of service; $350 for 20 years; $500 for 25 years and $700 for 30 years.

Provision is made in the financial statements based on the number of years of service rendered by qualifying employees.

The provision for retirement benefits and long service awards is discounted using the market yield of Singapore Government Bonds at balance sheet date.

(iii) Apart from the Retirement Benefits described in (i) above, the Company and its Singapore-incorporated subsidiaries participate in a defined contribution retirement benefit plan managed by the Singapore Government ("Singapore Central Provident Fund"). Payments made to the plan are charged as an expense as they fall due.

(iv) Defined Benefit Retirement Benefit Plans – The Group operates two defined benefit pension schemes ("Pension Schemes") for employees of two of its foreign subsidiaries.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses arising over the financial year are recognised immediately outside the profit and loss statement in the statement of recognised income and expenditure, and are reflected in the balance sheet. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

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

(v) Employee Leave Entitlement – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(vi) Share-Based Payments – The Group and the Company issue equity-settled share-based payments to certain employees and Directors. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's and the Company's estimate of shares 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 Directors' best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

BORROWING COSTS – Borrowing costs are recognised in the profit and loss statement in the period in which they are incurred.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted in countries where the subsidiaries operate by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit and loss statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

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

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

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

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit and loss statement in the period in which the foreign operation is disposed of.

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

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, 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).

Key sources of estimation uncertainty

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

Provisions

(i) 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 trend are used as a basis to estimate the amounts in which the Company will have to pay to third parties for such claims. As at 31 December 2005, the provision for claims is $62.6 million (Note 23).

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(cont'd)*

(ii) Insurance premium

Certain companies within the Group have undertaken personal injury insurance to cover its liability for injury to third party where claims are in excess of a stated quantum. The insurance premium payable is based on an agreed minimum sum payable in advance and an additional amount payable should the incurred claims per vehicle exceed the minimum amount as stipulated in the insurance policy for that year. The Group and the Company had in the previous financial years incurred additional premium payable as the insurance claims per vehicle had exceeded the minimum stipulated amount. Accordingly, based on the past history of incurred claims per vehicle for each of the policy year, an estimate of the liability is made. As at 31 December 2005, the provision for insurance premium for the period from 1999 to 2005 included in trade payables (Note 21) is $17.3 million.

(iii) Retirement benefits and long service awards

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

In addition, staff with more than 15 years is entitled to long service awards of $250 for 15 years of services; $350 for 20 years; $500 for 25 years and $700 for 30 years. Provision is made based on the number of years of service rendered by qualifying employees of these subsidiaries and discounted to present value using the market yield of Singapore Government Bonds at balance sheet date. As at 31 December 2005, the total provision for service benefits and long service awards is $12.0 million (Note 24).

Unquoted investments

The fair values of unquoted debt securities are obtained from market makers (dealers) of the debt securities. The prices represent the dealers' price of these debt securities at the last market day of the financial year. As at 31 December 2005, the fair value of these unquoted debt securities is $219.3 million.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. No impairment loss has been recognised during the financial year.

4 SHORT-TERM DEPOSITS AND BANK BALANCES

	THE GROUP		THE COMPANY	
	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL
Cash and bank balances	16.6	12.8	0.5	0.4
Interest-bearing bank balances	41.4	22.5	-	-
Time deposits	204.7	249.5	37.0	92.9
Total	262.7	284.8	37.5	93.3

5 HELD-FOR-TRADING INVESTMENTS

	THE GROUP		THE COMPANY	
	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL
(a) Quoted investments, at fair value (2004: at cost):				
Equity shares in corporation	2.3	7.4	-	-
Loan stocks and bonds in corporations	9.9	13.7	-	2.1
Notes in corporations	-	10.0	-	-
(b) Unquoted investments, at fair value (2004: at cost):				
Bonds in corporations	14.9	14.9	-	8.6
Notes in corporations	188.5	220.0	5.0	30.0
Total	215.6	266.0	5.0	40.7

Quoted investments' fair values are based on closing market prices on the last market day of the financial year. The basis of which the fair values of unquoted investments are determined is disclosed in Note 3.

6 AVAILABLE-FOR-SALE INVESTMENTS

	THE GROUP		THE COMPANY	
	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL
(a) Quoted investments, at fair value (2004: at cost):				
Equity shares in corporations	9.6	4.5	-	-
Loan stocks and bonds in corporations	66.5	61.1	25.2	24.4
Preference shares	-	4.0	-	4.0
(b) Unquoted investments, at fair value (2004: at cost):				
Bonds and notes in corporations	15.9	3.7	-	0.6
Equity shares in corporations	0.2	0.3	-	-
Others	0.8	0.8	0.2	0.1
Total	93.0	74.4	25.4	29.1
Analysed as:				
Current	3.0	-	-	-
Non-current	90.0	74.4	25.4	29.1
	93.0	74.4	25.4	29.1

Quoted investments' fair values are based on the closing market prices on the last market day of the financial year. The basis of which the fair values of unquoted instruments are determined is disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2005

7 TRADE RECEIVABLES

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Outside parties	160.1	153.1
Provision for doubtful trade receivables	(6.8)	(11.1)
Net	153.3	142.0
The carrying amount of the Group's trade receivables include the following:		
Unguaranteed residual values	37.0	37.9
Provision for unguaranteed residual values	(2.7)	(2.5)
Net	34.3	35.4

Realisation of the unguaranteed residual values under the lease agreements is contingent upon the lessees executing the option to purchase the leased assets or upon early termination of lease agreements.

An allowance has been made for estimated irrecoverable amounts which has been determined by reference to past default experience.

The Group's trade receivables that are not denominated in the functional currencies of the respective entities are as follows:

	THE GROUP	
	2005 $'MIL	2004 $'MIL
SEK	1.0	0.9
USD	0.1	0.2
MYR	0.2	0.2

8 OTHER RECEIVABLES AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL
Receivables from:				
Subsidiaries (Note 43)	-	-	440.5	289.9
Associates (Note 43)	34.4	34.6	0.2	0.4
Total	34.4	34.6	440.7	290.3
Provision for doubtful receivables	(10.1)	(10.0)	(5.7)	-
Net	24.3	24.6	435.0	290.3
Prepayments	86.4	71.1	-	-
Interest receivable	2.0	1.8	0.3	0.6
Staff advances	0.6	0.7	-	-
Security deposits	4.2	3.4	-	-
Long-term receivables - current portion (Note 12)	0.4	0.2	-	-
Others	56.9	27.6	0.3	0.4
Net	174.8	129.4	435.6	291.3

8 OTHER RECEIVABLES AND PREPAYMENTS *(cont'd)*

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

	THE GROUP		THE COMPANY	
	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL
USD	0.2	0.1	0.2	0.1
RMB	0.2	0.1	0.2	0.1
GBP	0.4	0.3	-	0.3
JPY	0.2	-	-	-

$437.1 million of the receivables from subsidiaries is interest-free and repayable on demand. The remaining $3.6 million of amount receivable from subsidiaries and associates bear interest at rates ranging from 1.50% to 2.0% (2004: 1.50% to 4.25%) per annum, are unsecured and are repayable within the next twelve months.

9 INVENTORIES

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Goods held for sale	38.5	32.7
Roof-top advertisement panels	1.9	4.8
Less: Provision for inventory obsolescence	(1.3)	(1.4)
	39.1	36.1
Inventories:		
At cost	39.1	26.9
At net realisable value	-	9.2
	39.1	36.1

10 SUBSIDIARIES

	THE COMPANY	
	2005 $'MIL	2004 $'MIL
Unquoted equity shares - at cost	506.3	506.3

Details of significant subsidiaries are included in Note 43.

11 ASSOCIATES

	THE GROUP		THE COMPANY	
	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL
Unquoted equity shares, at cost	17.4	18.4	0.2	0.2
Less: Share of post-acquisition reserves	(48.5)	(49.3)	-	-
Goodwill	(1.9)	(1.9)	-	-
Total	(33.0)	(32.8)	0.2	0.2
Impairment loss	(4.8)	(6.2)	-	-
Advances (Note b)	102.4	102.4	-	-
Allowance for doubtful advances	(35.4)	(35.4)	-	-
Net	29.2	28.0	0.2	0.2

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

(b) Advances mainly represent the Group's proportionate share of the consideration for the purchase of a property. The Group intended to participate in the financial and operating activities of property development by subscribing for 48% of a class of preference shares to be issued.

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

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Assets and liabilities		
Total assets	220.4	152.7
Total liabilities	(291.5)	(264.4)
Net assets	(71.1)	(111.7)
Group's share of associates' net assets	(33.0)	(32.8)
Revenue	43.3	38.5
Profit for the year	3.5	0.8
Group's share of associates' profit	1.9	0.5

12 LONG-TERM RECEIVABLES

	THE GROUP		THE COMPANY	
	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL
Receivables from:				
(a) Minority shareholders of subsidiaries	0.5	0.6	-	-
(b) Subsidiaries	-	-	1.9	105.9
(c) Others	0.2	0.6	-	-
Total	0.7	1.2	1.9	105.9
Less: Current portion (Note 8)	(0.4)	(0.2)	-	-
Less: Provision for doubtful loan receivables	-	-	-	(5.7)
Net	0.3	1.0	1.9	100.2

(a) The receivables from minority shareholders of subsidiaries include:

(i) $0.2 million (2004: $0.2 million) which is secured on the minority shareholder's 5% interest in a subsidiary, interest-free and not expected to be repaid within the next 12 months;

(ii) $0.3 million (2004: $0.1 million) which is unsecured, interest-free and not expected to be repaid within the next 12 months; and

(iii) In 2004, $0.3 million which was secured on the minority shareholder's 20% interest in a subsidiary, bore fixed interest rate of 3.65% per annum. The amount was repaid in 2005.

(b) The receivables from subsidiaries bear fixed interest at rates ranging from 3.46% to 3.88% (2004: 0.50% to 3.23%) per annum, is unsecured and with no fixed terms of repayment.

(c) The receivables from others include:

(i) $0.1 million (2004: $0.6 million) which is unsecured, interest-free and without fixed terms of repayment. The receivable is not expected to be repaid within the next 12 months; and

(ii) $0.1 million (2004: $Nil) which is unsecured, bears fixed interest rate of 2% per annum and without fixed terms of repayment. The receivable is not expected to be repaid within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2005

13 VEHICLES, PREMISES AND EQUIPMENT

	BUSES $'MIL	LEASEHOLD BUS DEPOTS $'MIL	LEASEHOLD LAND AND BUILDINGS $'MIL	FREEHOLD LAND AND BUILDINGS $'MIL
GROUP				
2005				
Cost:				
At beginning of year	1,086.8	85.0	254.2	57.2
Arising on disposal of subsidiaries	(1.6)	-	(0.4)	-
Arising from acquisition of subsidiaries/businesses	80.4	-	-	37.0
Additions	32.4	0.2	4.4	-
Disposals/Transfer	(31.3)	-	(1.8)	-
Reclassifications	24.7	1.3	(0.7)	-
Exchange differences	(30.9)	-	1.6	(5.0)
At end of year	1,160.5	86.5	257.3	89.2
Accumulated depreciation:				
At beginning of year	765.8	45.6	88.2	10.4
Arising on disposal of subsidiaries	(1.1)	-	-	-
Depreciation	46.4	3.1	9.8	1.5
Eliminated on disposals	(28.2)	-	(0.9)	-
Reclassifications	-	0.1	(0.3)	-
Exchange differences	(11.3)	-	0.3	(1.0)
At end of year	771.6	48.8	97.1	10.9
Carrying amount:				
At end of year	388.9	37.7	160.2	78.3
2004				
Cost:				
At beginning of year	1,028.7	84.5	244.4	54.1
Arising on acquisition of subsidiaries	9.3	-	9.5	-
Additions	45.5	0.5	1.9	1.0
Disposals	(7.9)	-	(1.4)	-
Reclassifications	-	-	0.9	-
Write-down	-	-	-	-
Exchange differences	11.2	-	(1.1)	2.1
At end of year	1,086.8	85.0	254.2	57.2
Accumulated depreciation:				
At beginning of year	722.3	42.7	77.4	5.8
Arising on acquisition of subsidiaries	-	-	1.8	-
Charges	45.0	2.9	10.7	4.3
Eliminated on disposals	(5.4)	-	(1.4)	-
Reclassifications	-	-	-	-
Exchange differences	3.9	-	(0.3)	0.3
At end of year	765.8	45.6	88.2	10.4
Carrying amount:				
At end of year	321.0	39.4	166.0	46.8

NOTES TO THE FINANCIAL STATEMENTS

31 December 2005

TAXIS AND MOTOR VEHICLES FOR RENTAL $'MIL	COMPUTERS AND AUTOMATED EQUIPMENT $'MIL	WORKSHOP MACHINERY, TOOLS AND EQUIPMENT $'MIL	MOTOR VEHICLES $'MIL	FURNITURE, FITTINGS AND EQUIPMENT $'MIL	CAPITAL PROJECTS IN PROGRESS $'MIL	TOTAL $'MIL
1,392.1	255.1	84.4	17.1	34.5	38.1	3,304.5
-	-	-	-	-	-	(2.0)
5.7	-	1.9	-	0.2	-	125.2
272.6	20.3	4.5	3.5	2.2	111.2	451.3
(402.0)	(7.4)	(2.7)	(2.9)	(2.1)	(11.2)	(461.4)
67.4	5.3	(0.2)	-	0.5	(98.3)	-
7.2	(6.1)	(2.1)	-	0.3	0.3	(34.7)
1,343.0	267.2	85.8	17.7	35.6	40.1	3,382.9
520.9	183.9	57.9	9.6	19.8	-	1,702.1
-	-	-	-	-	-	(1.1)
154.2	24.4	8.9	1.8	3.5	-	253.6
(289.8)	(6.7)	(2.9)	(1.9)	(1.8)	-	(332.2)
1.3	(1.3)	(0.2)	-	0.4	-	-
4.4	(4.9)	(1.6)	-	0.1	-	(14.0)
391.0	195.4	62.1	9.5	22.0	-	1,608.4
952.0	71.8	23.7	8.2	13.6	40.1	1,774.5
1,413.1	254.6	73.7	15.4	34.4	30.0	3,232.9
4.5	0.3	6.2	0.3	0.2	-	30.3
313.1	18.2	7.5	2.3	1.4	16.5	407.9
(337.4)	(19.8)	(4.0)	(0.9)	(1.5)	-	(372.9)
5.8	(0.3)	0.3	-	0.4	(7.1)	-
(0.7)	(0.3)	-	-	-	(1.3)	(2.3)
(6.3)	2.4	0.7	-	(0.4)	-	8.6
1,392.1	255.1	84.4	17.1	34.5	38.1	3,304.5
678.1	178.2	49.9	8.2	17.2	-	1,779.8
3.0	0.3	2.4	-	0.1	-	7.6
150.3	23.3	8.0	2.0	3.5	-	250.0
(306.6)	(19.3)	(3.0)	(0.6)	(1.3)	-	(337.6)
-	(0.4)	0.1	-	0.3	-	-
(3.9)	1.8	0.5	-	-	-	2.3
520.9	183.9	57.9	9.6	19.8	-	1,702.1
871.2	71.2	26.5	7.5	14.7	38.1	1,602.4

13 VEHICLES, PREMISES AND EQUIPMENT *(cont'd)*

Included under Buses are total cost of $221.5 million (2004: $221.3 million) and carrying amount of $34.9 million (2004: $40.9 million) which are the subject of five cross border leasing transactions. The Group's legal obligations under these transactions have been legally defeased (see Note 37).

Buses and motor vehicles of the Group with a total carrying amount of $164.3 million (2004: $185.6 million) and $0.2 million (2004: $6.3 million) respectively are under finance lease arrangements (see Note 20).

Taxis of the Group with a total carrying amount of $37.0 million (2004: $7.4 million) are secured for bank loans (see Notes 18 and 19).

	COMPUTERS AND AUTOMATED EQUIPMENT $'MIL	MOTOR VEHICLES $'MIL	FURNITURE, FITTINGS AND EQUIPMENT $'MIL	TOTAL $'MIL
COMPANY				
2005				
Cost:				
At beginning of year	2.3	0.3	0.4	3.0
Additions	0.7	-	0.7	1.4
At end of year	3.0	0.3	1.1	4.4
Accumulated depreciation:				
At beginning of year	1.8	0.1	0.3	2.2
Depreciation	0.3	0.1	0.1	0.5
At end of year	2.1	0.2	0.4	2.7
Carrying amount:				
At end of year	0.9	0.1	0.7	1.7
2004				
Cost:				
Additions	0.6	-	-	0.6
Transfer from subsidiary	1.7	0.3	0.4	2.4
At end of year	2.3	0.3	0.4	3.0
Accumulated depreciation:				
Charges	0.2	-	-	0.2
Transfer from subsidiary	1.6	0.1	0.3	2.0
At end of year	1.8	0.1	0.3	2.2
Carrying amount:				
At end of year	0.5	0.2	0.1	0.8

14 TAXI AND OTHER LICENCES

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Cost:		
At beginning of year	181.3	169.2
Arising on acquisition of subsidiaries	25.4	-
Additions	18.3	30.5
Write-off	-	(10.5)
Exchange differences	8.2	(7.9)
At end of year	233.2	181.3
Accumulated amortisation:		
At beginning of year	13.2	16.1
Charges	1.2	1.2
Write-off	-	(3.6)
Exchange differences	0.4	(0.5)
At end of year	14.8	13.2
Carrying amount:		
At end of year	218.4	168.1
At beginning of year	168.1	153.1

Certain taxi licences included above have finite useful lives over which the assets are amortised. The amortisation period for these taxi licences ranges from 8 years to 20 years.

15 GOODWILL

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Cost:		
At beginning of year	49.2	19.0
Elimination of amortisation accumulated prior to adopting of FRS 103 (Note 2)	(5.9)	-
Arising on acquisition of subsidiaries	27.5	33.4
Arising from additional interest in subsidiaries	7.9	-
Exchange differences	0.8	(3.2)
At end of year	79.5	49.2
Accumulated amortisation:		
At beginning of year	5.9	4.3
Elimination of amortisation accumulated prior to adopting of FRS 103 (Note 2)	(5.9)	-
Charges	-	1.6
At end of year	-	5.9
Carrying amount:		
At end of year	79.5	43.3
At beginning of year	43.3	14.7

15 GOODWILL *(cont'd)*

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 Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

16 HEDGING INSTRUMENTS

	THE GROUP			
	2005		2004	
	ASSETS $'MIL	LIABILITIES $'MIL	ASSETS $'MIL	LIABILITIES $'MIL
Currency swap	-	12.3	-	-
Interest rate swaps	0.9	-	-	-
	0.9	12.3	-	-
Analysed as:				
Current	-	12.3	-	-
Non-current	0.9	-	-	-
	0.9	12.3	-	-

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

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

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Currency swap	GBP 39.1	GBP39.1
Foreign currency exchange options	USD 18.0	-
Interest rate swaps	$46.4	-
Energy swap	-	USD 9.1
Forward foreign exchange contracts	-	USD 4.1

The Group had options to purchase up to USD18 million as a hedge against exchange risks on future purchases of goods. These arrangements are designed to address significant exchange exposures in 2006, and are renewed on a revolving basis as required.

At 31 December 2005, the fair value of the Group's hedging instruments is estimated to be approximately $11.4 million (2004: $22.0 million). These amounts are based on market prices for equivalent instruments at the balance sheet date, comprising $0.9 million assets (2004: $0.9 million) and $12.3 million liabilities (2004: $22.9 million). The fair value of currency swap that is designated and effective as a fair value hedge amounted to $12.3 million.

As the Group had not adopted FRS 39 for the preceding year, the hedging instruments and the respective hedges amounting to a net of $22.0 million were not recognised on the balance sheet as at 31 December 2004. Adjustments were made to the opening balances as at 1 January 2005 in accordance with the transitional provisions of FRS 39.

16 HEDGING INSTRUMENTS *(cont'd)*

The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rates to fixed rates. The Group entered into contracts with nominal values of $36.4 million which swap payments of fixed interest at an average rate of 2.31% per annum for floating interest receipts at 6-month SGD Swap Offer Rate for periods up until 2008.

In addition, the Group uses interest rate swaps to manage its exposure by swapping a proportion of its investments from fixed rates to floating rates. The Group entered into two contracts with nominal value of $5 million each which swap payments of fixed interest at rates of 2.72% and 3.18% per annum respectively for floating interest receipts at 3 basis points plus 3-month SGD Swap Offer Rate and 4 basis points plus 6-month SGD Swap Offer Rate respectively for periods up until 2008.

The fair value of interest rate swaps entered into at 31 December 2005 is estimated at $0.9 million (2004: $Nil million). These amounts are based on market prices for equivalent instruments at the balance sheet date. Fair value gain of $0.8 million for interest rate swaps designated and effective as cash flow hedges has been deferred in equity. The remaining fair value gain of $0.1 million for interest rate swaps not designated as accounting hedges are taken to the profit and loss statement.

17 DEFERRED TAX ASSETS/LIABILITIES

	THE GROUP	
	2005 $'MIL	2004 $'MIL (Restated)
Deferred tax assets	17.1	15.3
Deferred tax liabilities	(139.7)	(125.8)
Net	(122.6)	(110.5)
At beginning of year	(110.5)	(108.9)
Arising from acquisition of subsidiaries	1.6	(0.4)
Transfer to profit and loss	(8.9)	(7.2)
Underprovision in prior years	(8.9)	-
Charge to equity	0.7	(0.2)
Changes in tax rates	-	7.3
Exchange differences	3.4	(1.1)
At end of year	(122.6)	(110.5)

17 DEFERRED TAX ASSETS/LIABILITIES *(cont'd)*

The balances in the accounts comprise the tax effects of:

	THE GROUP	
	2005 $'MIL	2004 $'MIL (Restated)
Deferred tax assets		
Provisions	17.1	15.3
Deferred tax liabilities		
Accelerated tax depreciation	(150.7)	(141.2)
Provision for fuel equalisation	6.8	6.8
Other items	4.2	8.6
	(139.7)	(125.8)
Net	(122.6)	(110.5)

18 SHORT-TERM BANK LOANS

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Bank loans (secured)	7.8	4.2
Bank loans (unsecured)	185.6	50.9
	193.4	55.1

(a) The secured bank loans are secured on vehicles (see Note 13) and bear fixed interest at rates ranging from 8.64% to 9.00% (2004: 8.52% to 8.76%) per annum; and

(b) The unsecured bank loans bear fixed interest at rates ranging from 1.97% to 5.02% (2004: 1.53% to 5.02%) per annum.

19 LONG-TERM LOANS

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Bank loans – secured	15.3	-
Bank loans – unsecured	54.2	48.8
Loans from shareholders of subsidiaries – unsecured	10.7	5.7
Loan notes issued to outside parties	121.7	187.6
Total	201.9	242.1

19 LONG-TERM LOANS *(cont'd)*

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Less: Amount due for settlement within 12 months (shown as current liabilities):		
– Bank loans – secured	(4.9)	-
– Bank loans – unsecured	(48.1)	(1.7)
– Loans from shareholders of subsidiaries – unsecured	(6.8)	(0.9)
– Loan notes issued to outside parties	(121.7)	(87.6)
Total	(181.5)	(90.2)
Net	20.4	151.9
The borrowings are repayable as follows:		
On demand or within one year	181.5	90.2
In the second year	11.0	149.3
In the third year	5.5	0.6
In the fourth year	-	-
In the fifth year	-	-
After five years	3.9	2.0
	201.9	242.1

(a) The secured bank loans are secured on vehicles (see Note 13). Bank loans of $12.3 million (2004: $Nil) bears fixed interest at rates ranging from 5.18% to 5.76% (2004: Nil%) per annum. The balance of $3.0 million (2004: $Nil) bears variable interest at rates ranging from 8.65% to 8.90% (2004: Nil%) per annum.

(b) Included in unsecured bank loans:
   (i) $41.6 million (2004: $45.6 million) bears variable interest rates of 5.11% (2004: 5.21%) per annum payable in 2006; and
   (ii) $12.6 million (2004: $3.2 million) bears fixed interest at rates ranging from 4.0% to 5.76% (2004: 4.00% to 5.15%) per annum. The loans are repayable in two tranches of $6.5 million and $6.1 million in 2006 and 2007 respectively.

(c) Included in unsecured loans from shareholders of subsidiaries are:
   (i) $8.1 million (2004: $3.2 million) which is interest-free, with no fixed repayment terms; and
   (ii) $2.6 million (2004: $2.5 million) which is interest-free and is repayable over thirty years from September 1999.

(d) Included in loan notes issued to outside parties are:
   (i) $21.7 million (2004: $37.6 million) loan notes issued by a subsidiary which are guaranteed by a bank and redeemable on demand on 15 April and 15 October each year until 15 April 2007 and bear variable interest rate of 3.55% (2004: 3.96%) per annum;
   (ii) $100.0 million (2004: $100.0 million) 5-year fixed rate notes due in 2006 issued by a subsidiary. The notes bear interest at 3.80% (2004: 3.80%) per annum payable on a semi-annual basis; and
   (iii) $50.0 million 3-year fixed rate notes issued by a subsidiary which were unsecured and bore interest at 2.45% per annum. The fixed rate notes were fully redeemed in August 2005.

20 FINANCE LEASE PAYABLE

	THE GROUP			
	MINIMUM LEASE PAYMENTS		PRESENT VALUE OF MINIMUM LEASE PAYMENTS	
	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL
Amounts payable under finance leases:				
Within one year	38.7	40.9	33.8	34.3
Within the second to fifth year inclusive	98.3	93.0	88.6	81.3
After five years	-	20.6	-	19.5
	137.0	154.5	122.4	135.1
Less: Future finance charges	(14.6)	(19.4)		
Present value of finance lease obligations	122.4	135.1		
Amount due for settlement within 12 months (shown under current liabilities)	(33.8)	(34.3)		
Amount due for settlement after 12 months	88.6	100.8		

It is the Group's policy to lease certain of its vehicle and equipment under finance leases. The average lease term is 8 years. For the year ended 31 December 2005, the effective borrowing rate varies from 3.38% to 8.40% (2004: 3.30% to 8.20%) per annum. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. 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 13).

21 TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL
Outside parties	151.0	162.9	0.2	0.3
Accruals	199.2	184.5	9.1	15.2
Deferred income	10.6	10.9	-	-
Subsidiaries	-	-	262.5	229.7
Associates (trade)	2.5	3.0	0.5	-
Others	7.7	6.0	-	-
Total	371.0	367.3	272.3	245.2

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

21 TRADE AND OTHER PAYABLES *(cont'd)*

Included in the balance due to outside parties for the Group is an amount of $8.4 million (2004: $8.4 million) representing the current amount due to LTA arising from the acquisition of certain on-board bus equipment in 2002.

Amounts due to subsidiaries of $45.0 million (2004: $96.3 million) bear variable interest at rates ranging from 2.52% to 3.28% (2004: 1.03% to 1.60%) per annum, are unsecured and repayable on demand. The balance amounts due to subsidiaries of $217.5 million (2004: $133.4 million) are interest-free, unsecured and repayable on demand.

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

	THE GROUP		THE COMPANY	
	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL
USD	13.3	0.8	-	-
SEK	1.5	2.0	-	-
EURO	0.5	2.0	-	-
GBP	1.2	1.7	-	0.1
MYR	0.2	0.1	-	-
RMB	4.4	1.4	-	-

22 DEPOSITS RECEIVED

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Deposits received from taxi hirers	86.2	84.6
Less: Due within 12 months	(48.5)	(48.5)
Due after 12 months	37.7	36.1

Deposits received from taxi hirers are repayable on demand upon termination of the taxi hire agreement. Deposits that are not expected to be repaid within the next twelve months after the balance sheet date based on past trend of termination of taxi hire agreement are presented as a non-current liability. As the deposits are repayable on demand, the Directors of the Company are satisfied that the carrying amount of the deposits approximates their fair value.

23 PROVISION FOR CLAIMS

	THE GROUP	
	2005 $'MIL	2004 $'MIL
At beginning of year	62.4	59.3
Arising from acquisition of subsidiaries	-	2.6
Charges	46.1	26.8
Write-back	(4.9)	(1.9)
Payments	(37.9)	(25.5)
Exchange differences	(3.1)	1.1
At end of year	62.6	62.4

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

24 PROVISION FOR SERVICE BENEFITS AND LONG SERVICE AWARDS

	THE GROUP		THE COMPANY	
	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL
At beginning of year	12.9	11.5	0.1	-
Charge to profit and loss	0.4	2.0	-	0.1
Payments	(1.3)	(0.4)	-	-
Write back	-	(0.2)	-	-
At end of year	12.0	12.9	0.1	0.1

25 SHARE CAPITAL

	THE COMPANY			
	2005 NUMBER OF ORDINARY SHARES OF $0.25 EACH (MILLION)	2004	2005 $'MIL	2004 $'MIL
Authorised	4,000.0	4,000.0	1,000.0	1,000.0
Issued and paid-up:				
At beginning of year	2,055.1	2,038.4	513.8	509.6
Exercise of share options	12.6	16.7	3.2	4.2
At end of year	2,067.7	2,055.1	517.0	513.8

Details of the outstanding share options of the Company as at the end of the financial year are set out paragraph 5 of the Report of Directors and in Note 29 (e).

The Company has one class of ordinary shares which carry no rights to fixed income.

26 OTHER RESERVES

	THE GROUP		THE COMPANY	
	2005 $'MIL	2004 $'MIL (Restated)	2005 $'MIL	2004 $'MIL
Share premium:				
At beginning of year	43.3	36.7	11.1	4.5
Arising during the year	6.6	6.6	6.6	6.6
At end of year	49.9	43.3	17.7	11.1
Currency translation reserve:				
At beginning of year	(19.5)	(5.6)	-	-
Arising during the year	10.9	(13.9)	-	-
At end of year	(8.6)	(19.5)	-	-
Retirement benefit reserve:				
At beginning of year	-	-	-	-
Effect of adoption of amendments to FRS 19	(28.8)	(29.1)	-	-
As restated	(28.8)	(29.1)	-	-
Actuarial (losses) gains on defined benefit plans	(2.5)	0.3	-	-
At end of year	(31.3)	(28.8)	-	-
Others:				
At beginning of year	19.5	18.6	-	-
Effect of adoption of FRS 102	1.2	-	1.2	-
	20.7	18.6	1.2	-
Effect of adoption of FRS 39	5.0	-	1.0	-
As restated	25.7	18.6	2.2	-
Gains on cash flow hedges	0.8	-	-	-
Gains (losses) on available-for-sale investments	0.3	-	(1.1)	-
Transfer to profit or loss on sale of available-for-sale investments	(0.1)	-	-	-
Dilution of interest in a subsidiary	7.9	-	-	-
Recognition of share-based payments	1.8	1.2	1.7	1.2
Transfer from accumulated profits	1.5	0.9	-	-
At end of year	37.9	20.7	2.8	1.2
Net	47.9	15.7	20.5	12.3

(a) Included in the share premium of the Group are merger reserves of $32.2 million (2004:$32.2 million).

(b) Others comprise mainly of statutory reserves in compliance with local regulations, capital redemption reserve, investment revaluation reserve, hedging reserve, share option reserve and negative goodwill arising from consolidation.

(c) Details of the changes in accounting polices in the year are set out in Note 2.

27 TURNOVER

Turnover comprises the following amounts:

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Rendering of services:		
Bus	1,191.8	1,061.1
Bus station	16.1	13.5
Rail	65.3	57.3
Taxi	636.4	663.3
Automotive engineering	51.8	59.0
Vehicle inspection and testing	49.4	46.2
Car rental and leasing	36.5	38.6
Driving centre	19.6	16.5
Sale of goods:		
Car dealership	29.9	24.4
Diesel sales	165.3	117.9
Total	2,262.1	2,097.8

28 OTHER OPERATING INCOME

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Rental income	10.2	9.6
Accident claims recovered	3.3	4.0
Other operating income	18.8	24.1
Total	32.3	37.7

29 STAFF COSTS/RETIREMENT BENEFIT OBLIGATIONS

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

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

	THE GROUP			
REMUNERATION BAND	SALARY %	BONUS %	OTHERS %	TOTAL COMPENSATION %
2005				
$1,750,000 – 1,999,999				
Kua Hong Pak	41	58	1	100
2004				
$1,750,000 - $1,999,999				
Kua Hong Pak	37	62	1	100

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

29 STAFF COSTS/RETIREMENT BENEFIT OBLIGATIONS *(cont'd)*

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

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

	THE GROUP			
REMUNERATION BAND	SALARY %	BONUS %	OTHERS %	TOTAL COMPENSATION %
2005				
($500,000 - $749,999) No. of executives: 4	56	38	6	100
($250,000 - $499,999) No. of executives: 1	57	34	9	100
2004				
($500,000 - $749,999) No. of executives: 3	50	42	8	100
($250,000 - $499,999) No. of executives: 2	57	34	9	100

	THE GROUP	
	2005 $'MIL	2004 $'MIL
(c) Cost of defined contribution plan (included in staff costs)	65.2	61.1

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.

	THE GROUP	
	2005 $'MIL	2004 $'MIL
(d) (i) Cost of defined benefit plans (included in staff costs)	7.0	9.7

	THE GROUP	
	2005 $'MIL	2004 $'MIL (Restated)
(ii) Retirement benefit obligations:		
Metroline Pension Scheme	22.7	20.6
Metroline London Northern Pension Scheme	21.6	20.5
Total	44.3	41.1

The Group operates two defined benefit pension schemes that provide pensions linked to final salaries and are funded in advance. The schemes are called the Metroline Pension Scheme and the Metroline London Northern Pension Scheme. Both schemes are closed to new entrants.

29 STAFF COSTS/RETIREMENT BENEFIT OBLIGATIONS *(cont'd)*

Defined benefit obligations at 31 December 2005 have been valued by projecting forward the most recent actuarial valuation for funding purposes. The present value of the defined benefit obligations, and the related current service costs and past service costs, were measured by a qualified independent actuary using the projected unit credit method.

(A) METROLINE PENSION SCHEME

Reconciliation of the assets and liabilities recognised in the balance sheet

	THE GROUP	
	2005 $'MIL	2004 $'MIL (Restated)
Present value of defined benefit obligations that are wholly or partly funded	(67.7)	(57.9)
Fair value of plan assets at end of year	45.0	37.3
Net liability recognised in balance sheet at end of year	(22.7)	(20.6)

Fair value of plan assets

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

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

Movements in net liability recognised in the balance sheet

	THE GROUP	
	2005 $'MIL	2004 $'MIL (Restated)
Net liability at beginning of year	(20.6)	(1.1)
Effect of adopting amendments to FRS 19	-	(19.8)
Net expense recognised in the income statement	(3.7)	(5.4)
Employer contributions	2.8	3.0
Actuarial (loss) gain	(3.3)	2.8
Exchange differences	2.1	(0.1)
Net liability recognised in balance sheet at end of year	(22.7)	(20.6)

Expense recognised in profit and loss statement

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Current service cost	3.1	3.3
Interest cost on obligation	3.0	2.8
Expected return on plan assets	(2.4)	(2.1)
Amortisation of actuarial loss	-	1.4
Expense recognised in income statement	3.7	5.4

29 STAFF COSTS/RETIREMENT BENEFIT OBLIGATIONS *(cont'd)*

Actual return on plan assets

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Expected return on plan assets	2.4	2.1
Actuarial gain on plan assets	5.9	1.0
Actual return on plan assets	8.3	3.1

Changes in the present value of the defined benefit obligation

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Opening defined benefit obligation	(57.9)	(49.7)
Service cost	(3.1)	(3.3)
Interest cost	(3.0)	(2.8)
Actuarial (losses) gains	(9.2)	0.1
Member contributions	(0.9)	(0.9)
Exchange differences	5.8	(2.0)
Benefits paid	0.6	0.7
Closing defined benefit obligation	(67.7)	(57.9)

Changes in the fair value of plan assets

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Opening fair value of plan assets	37.3	29.8
Expected return	2.4	2.1
Actuarial gains	5.9	1.0
Employer contributions	2.8	3.0
Member contributions	0.9	0.9
Exchange difference	(3.7)	1.2
Benefits paid	(0.6)	(0.7)
Closing fair value of plan assets	45.0	37.3

The fair value of plan assets at the balance sheet date is analysed as follows:

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Equity instruments	39.4	34.8
Debt instruments	5.6	2.5
	45.0	37.3

29 STAFF COSTS/RETIREMENT BENEFIT OBLIGATIONS *(cont'd)*

Principal actuarial assumptions at the balance sheet date

	THE GROUP	
	2005	2004
Discount rate	5.0%	5.4%
Expected return on plan assets	6.8%	6.5%
Future salary increases	3.6%	3.6%
Future pension increases	2.6%	2.6%

The expected rates of return on individual categories of plan assets are determined by reference to relevant indices published by the FTSE. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

The history of the plan for the current and prior years is as follows:

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Present value of defined benefit obligation	(67.7)	(57.9)
Fair value of plan assets	45.0	37.3
Deficit	(22.7)	(20.6)
Experience adjustments on plan liabilities	(9.2)	0.1
Experience adjustments on plan assets	5.9	1.0

In accordance with the transitional provisions relating to the amendments to FRS 19 *Employee Benefit* in December 2004, the disclosures above are determined prospectively from the preceding financial year.

(B) METROLINE LONDON NORTHERN PENSION SCHEME

Reconciliation of the assets and liabilities recognised in the balance sheet

	THE GROUP	
	2005 $'MIL	2004 $'MIL (Restated)
Present value of defined benefit obligations that are wholly or partly funded	(68.5)	(63.4)
Fair value of plan assets at end of year	46.9	42.9
Net liability recognised in balance sheet at end of year	(21.6)	(20.5)

Fair value of plan assets

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

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

29 STAFF COSTS/RETIREMENT BENEFIT OBLIGATIONS *(cont'd)*

Movements in net (liability) asset recognised in the balance sheet

	THE GROUP	
	2005 $'MIL	2004 $'MIL (Restated)
Net (liability) asset at beginning of year	(20.5)	1.7
Effect of adoption of amendments to FRS 19	-	(23.5)
Net expense recognised in the income statement	(3.3)	(4.3)
Employer contributions	2.4	2.5
Actuarial (loss) gain	(2.2)	3.0
Exchange differences	2.0	0.1
Net liability recognised in balance sheet at end of year	(21.6)	(20.5)

Expense recognised in profit and loss statement

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Current service cost	2.6	2.7
Interest cost on obligation	3.3	3.1
Expected return on plan assets	(2.6)	(2.4)
Amortisation:		
Transition amount	-	(0.7)
Actuarial loss	-	1.6
Expense recognised in income statement	3.3	4.3

Actual return on plan assets

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Expected return on plan assets	2.6	2.4
Actuarial gain on plan assets	2.8	2.9
Actual return on plan assets	5.4	5.3

29 STAFF COSTS/RETIREMENT BENEFIT OBLIGATIONS *(cont'd)*

Changes in the present value of the defined benefit obligation

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Opening defined benefit obligation	(63.4)	(55.3)
Service cost	(2.6)	(2.7)
Interest cost	(3.3)	(3.1)
Member contributions	(0.8)	(0.8)
Actuarial (losses) gains	(5.0)	0.2
Exchange differences	6.1	(2.2)
Benefits paid	0.5	0.5
Closing defined benefit obligation	(68.5)	(63.4)

Changes in the fair value of plan assets

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Opening fair value of plan assets	42.9	33.5
Expected return	2.6	2.4
Actuarial gains	2.8	2.9
Employer contributions	2.4	2.5
Member contributions	0.8	0.8
Exchange difference	(4.1)	1.3
Benefits paid	(0.5)	(0.5)
Closing fair value of plan assets	46.9	42.9

The fair value of plan assets at the balance sheet date is analysed as follows:

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Equity instruments	35.3	31.2
Debt instruments	11.6	11.0
Property	-	0.7
	46.9	42.9

Principal actuarial assumptions at the balance sheet date

	THE GROUP	
	2005	2004
Discount rate	5.0%	5.4%
Expected return on plan assets	6.8%	6.5%
Future salary increases	3.6%	3.6%
Future pension increases	2.6%	2.6%

29 STAFF COSTS/RETIREMENT BENEFIT OBLIGATIONS *(cont'd)*

The expected rates of return on individual categories of plan assets are determined by reference to relevant indices published by the FTSE. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

The history of the plan for the current and prior years is as follows:

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Present value of defined benefit obligation	(68.5)	(63.4)
Fair value of plan assets	46.9	42.9
Deficit	(21.6)	(20.5)
Experience adjustments on plan liabilities	(5.0)	0.2
Experience adjustments on plan assets	2.8	2.9

In accordance with the transitional provisions relating to the amendments to FRS 19 *Employee Benefit* in December 2004, the disclosures above are determined prospectively from the preceding financial year.

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

Equity-settled share option scheme

The Company and certain subsidiaries have share option schemes for certain employees and Directors of the respective companies. The scheme is administered by the remuneration committees of the respective companies. Information on the share option plans are 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

	2005		2004	
	NUMBER OF SHARE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE $	NUMBER OF SHARE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE $
Outstanding at the beginning of the year	21,502,626	0.84	27,122,658	0.65
Granted during the year	16,175,000	1.59	11,824,000	0.99
Cancelled/lapsed/adjustment during the year	(374,000)	1.51	(701,544)	0.79
Exercised during the year	(12,692,187)	0.77	(16,742,488)	0.64
Outstanding at the end of the year	24,611,439	1.36	21,502,626	0.84
Exercisable at the end of the year	8,686,439	0.94	10,066,626	0.67

29 STAFF COSTS/RETIREMENT BENEFIT OBLIGATIONS *(cont'd)*

The weighted average share price at the date of exercise for share options exercised during the year was $1.60. The options outstanding at the end of the year have an average remaining contractual life of 7.5 years (2004: 7.1 years).

In 2005, options were granted on 24 February, 21 July and 17 November. The estimated fair values of the options granted on those dates are $0.27, $0.26 and $0.13 respectively. In 2004, options were granted on 2 January and 14 July. The estimated fair values of the options granted on those dates were $0.05 and $0.16 respectively.

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

	2005	2004
Weighted average share price ($)	1.59	1.01
Weighted average exercise price ($)	1.59	0.99
Expected volatility (%)	28.5	29.1
Expected life (years)	4.76	4.77
Risk free rate (%)	2.65	2.50
Expected dividend yield (%)	6.13	9.52

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 1 1/2 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

(ii) SBS Transit Ltd

	2005		2004	
	NUMBER OF SHARE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE $	NUMBER OF SHARE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE $
Outstanding at the beginning of the year	7,494,250	1.42	6,455,000	1.38
Granted during the year	4,440,000	2.23	1,576,250	1.60
Cancelled/lapsed during the year	(504,000)	1.93	(329,000)	1.48
Exercised during the year	(4,619,500)	1.38	(208,000)	1.28
Outstanding at the end of the year	6,810,750	1.94	7,494,250	1.42
Exercisable at the end of the year	2,645,750	1.50	5,918,000	1.38

The weighted average share price at the date of exercise for share options exercised during the year was $2.25. The options outstanding at the end of the year have a weighted average remaining contractual life of 8.02 years (2004: 7.38 years).

In 2005, options were granted on 24 February, 28 July and 18 November. The estimated fair values of the options granted on those dates are $0.09, $0.06 and $0.05 each respectively. In 2004, options were granted on 19 July. The estimated fair value of the options granted on that date is $0.01 each.

29 STAFF COSTS/RETIREMENT BENEFIT OBLIGATIONS *(cont'd)*

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

	2005	2004
Weighted average share price ($)	2.24	1.60
Weighted average exercise price ($)	2.23	1.60
Expected volatility (%)	20.1	19.8
Expected life (years)	4.63	4.63
Risk free rate (%)	2.52	2.24
Expected dividend yield (%)	11.35	15.63

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 1½ 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.

(iii) VICOM Ltd

	2005		2004	
	NUMBER OF SHARE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE $	NUMBER OF SHARE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE $
Outstanding at the beginning of the year	1,693,000	0.73	2,375,000	0.64
Granted during the year	885,000	0.96	321,000	0.95
Cancelled/lapsed during the year	-	-	(69,000)	0.61
Exercised during the year	(342,000)	0.62	(934,000)	0.59
Outstanding at the end of the year	2,236,000	0.84	1,693,000	0.73
Exercisable at the end of the year	1,351,000	0.76	1,372,000	0.68

The weighted average share price at the date of exercise for share options exercised during the year was $0.97. The options outstanding at the end of the year have an average remaining contractual life of 7.4 years (2004: 6.7 years).

In 2005, options were granted on 24 February and 21 November. The estimated fair values of the options granted on those dates are $0.03 and $0.02 respectively. In 2004, options were granted on 23 August. The estimated fair values of the options granted on those dates are $0.07.

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

	2005	2004
Weighted average share price ($)	0.95	0.97
Weighted average exercise price ($)	0.96	0.95
Expected volatility (%)	10.7	18.8
Expected life (years)	9.72	9.22
Risk free rate (%)	2.85	2.36
Expected dividend yield (%)	6.04	6.44

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 1 year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

30 OPERATING PROFIT

In addition to the charges and credits disclosed elsewhere in the notes to the profit and loss statement, this item includes the following charges (credits):

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Amortisation of goodwill	-	1.6
Amortisation of taxi and other licences	1.2	1.2
Depreciation expense	253.6	250.0
Development costs written down	-	1.2
Foreign currency exchange adjustment gain, arising from operations	-	(0.9)
Net loss (gain) on fair value changes and disposal of investments	0.3	(1.0)
Loss (Gain) on disposal of vehicles, premises and equipment	6.5	(3.9)
Proposed Directors' fees	0.6	0.6
Provision for doubtful debts and bad debts written off	0.7	3.8
Write-back of impairment loss arising from investments	(1.0)	-
Write-off of taxi licences	-	6.9
Audit fees:		
Auditors of the company	1.2	1.0
Other auditors	0.1	-
Non-audit fees:		
Auditors of the company	0.8	0.6

Included in operating profit is legal fees expense of $21,000 (2004: $21,000) paid to a firm of which a Director is a partner.

31 NET INCOME FROM INVESTMENTS

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Gross dividend income	0.7	0.7
Other investment income	2.0	1.0
Others	0.7	1.1
Total	3.4	2.8

32 FINANCE COSTS

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Interest expense on:		
Borrowings	15.9	13.3
Finance leases	6.8	7.9
Write-back of interest expense	-	(3.6)
Total	22.7	17.6

33 TAXATION

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Taxation charge in respect of profit for the financial year:		
Current taxation	57.9	71.3
Deferred tax (Note 17)	8.9	7.2
Changes in tax rates (Note 17)	-	(7.3)
	66.8	71.2
Adjustment in respect of under (over) provision in prior years:		
Current taxation	(13.9)	4.0
Deferred tax (Note 17)	8.9	-
	61.8	75.2

The taxation charge varied from the amount of taxation charge determined by applying the Singapore income tax rate of 20% (2004: 20%) to profit before taxation as a result of the following differences:

	THE GROUP	
	2005 $'MIL	2004 $'MIL (Restated)
Profit before taxation	300.9	319.3
Taxation charge at statutory rate	60.2	64.0
Non-allowable items	2.1	9.0
Utilisation of deferred tax benefits previously not recognised	-	(0.4)
Tax effect of different tax rates of overseas subsidiaries	7.1	6.6
Effect of changes in tax rates	-	(7.3)
Tax rebates	(0.4)	(0.1)
(Over) Under provision in prior years	(5.0)	4.0
Other items	(2.2)	(0.6)
	61.8	75.2

Taxation for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions.

Subject to agreement with the Comptroller of Income Tax, certain subsidiaries have unutilised tax loss and unabsorbed capital allowance carryforwards and resultant deferred tax benefits unrecognised amounting to $145 million (2004: $174 million) and $29 million (2004: $35 million) respectively. These future income tax benefits in respect of unutilised tax losses are available for an unlimited future period only if the respective subsidiaries derive future assessable income of a nature and of sufficient amounts to enable the benefits to be realised and the conditions for deductibility imposed by law, including the retention of majority shareholders, as defined, are complied with. No deferred tax asset has been recognised due to the unpredictability of future profit streams of these subsidiaries.

34 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:

	2005	2004 (Restated)
Net profit attributable to shareholders of the Company ($'mil)	201.9	199.4
Weighted average number of ordinary shares in issue (million)	2,062.5	2,047.8
Basic earnings per share (in cents)	9.79	9.74

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

	2005	2004 (Restated)
Net profit attributable to shareholders of the Company ($'mil)	201.9	199.4
Weighted average number of ordinary shares in issue (million)	2,062.5	2,047.8
Adjustments for share options (million)	3.5	4.6
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	2,066.0	2,052.4
Diluted earnings per share (in cents)	9.77	9.72

35 ACQUISITION OF SUBSIDIARIES/BUSINESSES

The following transactions have been accounted for by the purchase method of accounting during the financial year. The net assets acquired in the transactions, and the goodwill arising, are as follows:

	FAIR VALUE AT DATE OF ACQUISITION $'MIL
Net assets acquired:	
Current assets	58.0
Non-current assets	152.3
Current liabilities	(14.7)
Translation reserve	1.6
Minority interests	(71.9)
Goodwill on acquisition	27.5
Total consideration, satisfied by cash	152.8
Cash and cash equivalent acquired	(47.8)
Net cash outflow arising on acquisition:	105.0

(i) The Group acquired 51% of the issued share capital of ComfortDelGro Cabcharge Pty Ltd. The subsidiary thereafter acquired a bus operation in Sydney, Australia, which was completed in September 2005.

The goodwill arising on the acquisition of $27.5 million is attributable to the anticipated profitability of the Group's services in the new markets and the anticipated future operating synergies from the combination.

As at the end of the financial year, the subsidiary recognised in its financial statements, a provisional fair value for the vehicles, premises and equipment acquired of $114.7 million and a provisional value for acquired goodwill of $27.5 million. The provisional fair value is recognised pending a fair value assessment which is expected to be completed within twelve months of the acquisition date. Should the provisional values recognised differ from those subsequently determined, adjustments to the provisional fair values as a result of completing the initial accounting will be made in the following financial year and the comparative information would be restated accordingly;

(ii) In June 2005, the Group acquired 60% of the issued share capital of ComfortDelGro Savico Taxi Company. The subsidiary thereafter acquired a taxi operation in Vietnam; and

(iii) In November 2005, the Group incorporated Shenyang ComfortDelGro Bus Co., Ltd. The subsidiary thereafter acquired a bus operation in Shenyang, China.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2005

36 BUSINESS AND GEOGRAPHICAL SEGMENTS INFORMATION

(i) Business Segments

	BUS $'MIL	BUS STATION $'MIL	RAIL $'MIL	TAXI $'MIL	AUTOMOTIVE ENGINEERING $'MIL	VEHICLE INSPECTION AND TESTING $'MIL	DIESEL SALES $'MIL	CAR RENTAL AND LEASING $'MIL	DRIVING CENTRE $'MIL	CAR DEALERSHIP $'MIL	OTHERS $'MIL	ELIMINATION $'MIL	TOTAL $'MIL
GROUP													
2005													
TURNOVER													
External sales	1,191.8	16.1	65.3	636.4	51.8	49.4	165.3	36.5	19.6	29.9	-	-	2,262.1
Inter-segment sales	-	-	-	-	87.4	2.3	-	-	-	-	-	(89.7)	-
	1,191.8	16.1	65.3	636.4	139.2	51.7	165.3	36.5	19.6	29.9	-	(89.7)	2,262.1
RESULT													
Segment result	114.9	6.5	(6.3)	136.1	23.9	11.3	6.1	6.2	4.8	1.2	-	-	304.7
Other expenses													0.3
Profit from operations													305.0
Net income from investments													3.4
Interest income													13.3
Finance costs													(22.7)
Share of profit in associates													1.9
Profit before taxation													300.9
Taxation													(61.8)
Profit after taxation													239.1
Minority interests													(37.2)
Profit attributable to shareholders of the company													201.9
OTHER INFORMATION													
Additions to vehicles, premises and equipment	186.7	0.5	0.5	355.5	5.9	3.4	-	19.7	2.5	0.3	1.5	-	576.5
Additions to taxi and other licences	40.5	0.1	-	3.1	-	-	-	-	-	-	-	-	43.7
Additions to goodwill	33.1	-	-	2.0	-	0.2	-	-	-	-	0.1	-	35.4
Depreciation expense	67.3	2.2	1.0	153.9	3.4	4.9	0.7	15.3	1.5	0.1	3.3	-	253.6
Amortisation expense	-	0.1	-	1.1	-	-	-	-	-	-	-	-	1.2
BALANCE SHEET													
ASSETS													
Segment assets	742.8	24.1	8.1	1,217.5	64.1	57.3	2.8	146.3	5.3	0.5	93.3	-	2,362.1
Associates	13.2	-	-	-	-	0.5	-	-	-	-	15.5	-	29.2
Goodwill	61.6	-	-	2.9	-	13.6	-	1.4	-	-	-	-	79.5
Cash, fixed deposits, equities and bonds													570.5
Deferred tax assets													17.1
Consolidated total assets													3,058.4
LIABILITIES													
Segment liabilities	322.5	13.4	15.4	185.2	34.4	9.4	12.0	12.3	3.8	0.2	13.9	-	622.5
Borrowings													517.7
Income tax payable													61.3
Deferred tax liabilities													139.7
Consolidated total liabilities													1,341.2

36 BUSINESS AND GEOGRAPHICAL SEGMENTS INFORMATION *(cont'd)*

	BUS $'MIL	BUS STATION $'MIL	RAIL $'MIL	TAXI $'MIL	AUTOMOTIVE ENGINEERING $'MIL	VEHICLE INSPECTION AND TESTING $'MIL	DIESEL SALES $'MIL	CAR RENTAL AND LEASING $'MIL	DRIVING CENTRE $'MIL	CAR DEALERSHIP $'MIL	OTHERS $'MIL	ELIMINATION $'MIL	TOTAL $'MIL
GROUP													
2004 (Restated)													
TURNOVER													
External sales	1,061.1	13.5	57.3	663.3	59.0	46.2	117.9	38.6	16.5	24.4	-	-	2,097.8
Inter-segment sales	-	-	-	-	94.9	2.3	-	-	-	-	-	(97.2)	-
	1,061.1	13.5	57.3	663.3	153.9	48.5	117.9	38.6	16.5	24.4	-	(97.2)	2,097.8
RESULT													
Segment result	112.0	5.1	(17.3)	159.6	29.0	11.6	15.2	2.6	3.5	0.8	-	-	322.1
Other expenses													0.8
Profit from operations													322.9
Net income from investments													2.8
Interest income													10.7
Finance costs													(17.6)
Share of profit in associates													0.5
Profit before taxation													319.3
Taxation													(75.2)
Profit after taxation													244.1
Minority interests													(44.7)
Profit attributable to shareholders of the company													199.4
OTHER INFORMATION													
Additions to vehicles, premises and equipment	63.6	0.1	0.5	318.9	1.3	2.8	0.8	16.5	2.4	-	1.0	-	407.9
Additions to taxi and other licences	2.0	-	-	28.5	-	-	-	-	-	-	-	-	30.5
Additions to goodwill	28.4	-	-	-	-	5.0	-	-	-	-	-	-	33.4
Depreciation expense	65.5	2.2	1.3	147.9	3.1	4.7	0.7	16.5	0.8	-	7.3	-	250.0
Amortisation expense	0.7	0.1	-	1.3	0.1	0.5	-	0.1	-	-	-	-	2.8
BALANCE SHEET													
ASSETS													
Segment assets	579.9	24.6	7.0	1,089.4	77.7	59.1	7.8	148.5	4.6	-	81.3	-	2,079.9
Associates	12.2	-	-	-	-	0.4	-	-	-	-	15.4	-	28.0
Goodwill	27.1	-	-	0.9	-	13.9	-	1.4	-	-	-	-	43.3
Cash, fixed deposits, equities and bonds													624.3
Deferred tax assets													15.3
Consolidated total assets													2,790.8
LIABILITIES													
Segment liabilities	311.5	8.3	13.3	190.5	19.5	10.2	9.6	11.1	2.8	0.2	25.4	-	602.4
Borrowings													432.3
Income tax payable													74.4
Deferred tax liabilities													125.8
Consolidated total liabilities													1,234.9

36 BUSINESS AND GEOGRAPHICAL SEGMENTS INFORMATION *(cont'd)*

(ii) Geographical Segments

	TURNOVER		CARRYING AMOUNT OF TOTAL ASSETS		ADDITIONS TO VEHICLES, PREMISES AND EQUIPMENT, TAXI AND OTHER LICENCES AND GOODWILL	
	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL	2005 $'MIL	2004 $'MIL
Geographical Location						
Singapore	1,402.6	1,370.3	1,863.3	1,938.6	335.0	316.6
United Kingdom/Ireland	667.7	584.7	475.8	471.8	48.3	82.9
China	147.2	133.3	508.8	357.6	111.4	63.2
Australia	31.9	-	170.0	-	142.9	-
Vietnam	8.3	5.5	27.9	10.5	15.7	5.0
Malaysia	4.4	4.0	12.6	12.3	2.3	4.1
Total	2,262.1	2,097.8	3,058.4	2,790.8	655.6	471.8

For management purposes, the Group is organised on a world-wide basis into 10 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 through commission income from fare collection.

(c) Rail: Income is generated through rail fare collection and ancillary advertisement income.

(d) Taxi: Income is generated through renting out taxis, operating taxi bureau services and ancillary advertisement income.

(e) Automotive engineering: Income is generated through provision of vehicular maintenance and repair services, construction of specialised vehicles, crash repair services and engineering services.

(f) Vehicle inspection and testing: Income is generated through the provision of mandatory car inspection service, motor vehicle assessment, evaluation and other related services.

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

(h) Car rental and leasing: Income is generated through renting out cars, leasing and financing of cars.

(i) Driving centre: Income is generated through operating a driving school.

(j) Car dealership: Income is generated through sales of motor vehicles.

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

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

36 BUSINESS AND GEOGRAPHICAL SEGMENTS INFORMATION *(cont'd)*

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and vehicle, premises and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire vehicles, premises and equipment, and intangible assets directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of accounts payable and accruals.

Associates: Income from associates are allocated as they are specifically attributable to business segments, and correspondingly the investments in associates are included as segment assets of the Group.

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

37 CONTINGENT LIABILITIES

Company

As at 31 December 2005, the Company has contingent liabilities in respect of letters of financial support provided to certain subsidiaries with capital deficiencies amounting to $122.1 million (2004: $230.6 million) to enable these subsidiaries to continue operating as going concerns.

Group

(i) As at 31 December 2005, two subsidiaries have contingent liabilities totalling $12.1 million (2004: $14.1 million) in respect of five cross border leasing transactions, under which they have legally defeased all their liabilities under the leases except for the risk of having to pay off this amount to counterparties should they cause the collapse of these leasing arrangements. The management is not aware of any conditions that will cause the subsidiaries to initiate the collapse of these leasing arrangements; and

(ii) As at 31 December 2005, a subsidiary has contingent liability in respect of a letter of indemnity to a shareholder of an associate to indemnify them for 15% of a guarantee amounting to $0.35 million (2004: $0.33 million).

38 COMMITMENTS

As at 31 December 2005, the Group has the following commitments:

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

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Purchase of equipment	-	1.5
Purchase of buses, taxis and motor vehicles	158.3	159.7
Buses under assembly	-	4.2
Purchase of computer systems	12.0	33.9
Development of bus depots and properties	0.4	3.2
Investment commitments	3.4	29.3

38 COMMITMENTS *(cont'd)*

(b) Operating lease commitments

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Minimum lease payments under operating leases included in the profit and loss statement	21.8	17.8

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

	THE GROUP	
	2005 $'MIL	2004 $'MIL
Within one year	19.5	16.3
In the second to fifth year inclusive	60.2	75.2
After five years	109.5	121.9
Total	189.2	213.4

Leases are negotiated for an average term of 16 years and rental is fixed for an average of 6 years.

39 ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

(a) FINANCIAL RISKS AND MANAGEMENT

The main areas of financial risk faced by the Group are foreign currency exchange rate risk, interest rate risk, credit risk, liquidity risk and commodity risk. The Group recognises that management of financial risk is an important aspect in its drive towards creating shareholders' value. Management oversees financial risk management and regularly reviews its policy governing risk management practices.

Foreign exchange risk

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 SGD with the remaining in GBP, RMB, AUD, MYR and VND. On the cost side, its foreign currency exposures include USD, GBP, RMB, AUD, SEK, EURO, MYR and VND. The Group has investments in the United Kingdom, China, Australia, 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.

Interest rate risk

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.

Credit risk

The Group has minimal credit risk arising from its commuter transport operations as the majority of revenue is collected in cash upfront or from the transport regulator in the case of United Kingdom and Australia. For the other operations, credit risk is also minimised via upfront deposits, strict credit terms and regular monitoring of debtors' financial standing. The Group enters into treasury transactions only with creditworthy institutions. It seeks to invest in quality investee companies and almost all of its fixed income investments are above investment grade of at least BBB-rated as assigned by international credit-rating agencies. In its management of credit risk, the Group practises stringent credit review and sets counterparty credit limits. There is no significant concentration of credit risk.

39 ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND LIABILITIES *(cont'd)*

Liquidity risk

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

Commodity risk

Fuel, comprising diesel and electricity, is a significant operating cost of the Group. Other than its bus and rail operations, the Group is also exposed to fluctuations in fuel price in its diesel sales business. The Group seeks to hedge its fuel needs and uses hedging instruments, where necessary, to achieve the desired hedge outcome.

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 and amounts payable approximate the 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 financial statements.

(b) The table below summarises the Group's cash deposits, investments, borrowings and financial instruments, categorised by the earlier of contractual repricing or maturity dates and depicts the Group's exposure to interest rate risk at year end.

	WITHIN 1 YEAR $'MIL	WITHIN 2 TO 5 YEARS $'MIL	BEYOND 5 YEARS $'MIL	TOTAL $'MIL	EFFECTIVE INTEREST RATE %
2005					
Financial assets					
Cash and Bank Balances:					
In functional currencies:					
Interest-bearing	40.9	-	-	40.9	0.72% - 4.90%
Non-interest bearing	15.8	-	-	15.8	-
In non-functional currencies:					
Interest-bearing: USD	0.5	-	-	0.5	0.75% - 1.15%
Non-interest-bearing					
JPY	0.3	-	-	0.3	-
USD	0.1	-	-	0.1	-
AUD	0.1	-	-	0.1	-
EURO	0.1	-	-	0.1	-
SEK	0.1	-	-	0.1	-
GBP	0.1	-	-	0.1	-
	0.8	-	-	0.8	

39 ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND LIABILITIES *(cont'd)*

	WITHIN 1 YEAR $'MIL	WITHIN 2 TO 5 YEARS $'MIL	BEYOND 5 YEARS $'MIL	TOTAL $'MIL	EFFECTIVE INTEREST RATE %
Time Deposits:					
In functional currencies	190.2	-	-	190.2	1.44% - 4.49%
In non-functional currencies:					
USD	14.5	-	-	14.5	0.88% - 4.30%
Total cash balances and time deposits	262.7	-	-	262.7	

The carrying amounts of these financial assets approximate their fair value. The average remaining tenor for bank deposits is 1.6 months.

	WITHIN 1 YEAR $'MIL	WITHIN 2 TO 5 YEARS $'MIL	BEYOND 5 YEARS $'MIL	TOTAL $'MIL	EFFECTIVE INTEREST RATE %
Held-for-trading investments:					
Bonds in functional currencies	24.8	-	-	24.8	2.29% - 3.11%
Notes in functional currencies	188.5	-	-	188.5	1.85% - 3.55%
Total	213.3	-	-	213.3	
Available-for-sale investments:					
Bonds in functional currencies	3.0	37.8	28.8	69.6	2.28% - 4.84%
Notes in functional currencies	-	12.8	-	12.8	2.77% - 3.27%
Total	3.0	50.6	28.8	82.4	
Hedging instruments:					
In functional currencies	(12.3)	0.9	-	(11.4)	-
Financial liabilities					
Loans in functional currencies:					
– Interest-bearing	246.4	16.5	-	262.9	1.97% - 9.0%
– Non-interest bearing	6.8	-	3.9	10.7	-
Debt instruments in functional currencies	121.7	-	-	121.7	3.55% - 3.80%
Finance obligations under leases in functional currencies	33.8	88.6	-	122.4	3.38% - 8.40%
Other liabilities in functional currencies	1.0	-	-	1.0	3.60% - 3.80%
Total	409.7	105.1	3.9	518.7	

39 ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND LIABILITIES *(cont'd)*

	WITHIN 1 YEAR $'MIL	WITHIN 2 TO 5 YEARS $'MIL	BEYOND 5 YEARS $'MIL	TOTAL $'MIL	EFFECTIVE INTEREST RATE %
2004					
Financial assets					
Cash and bank balances:					
In functional currencies:					
Interest-bearing	21.3	-	-	21.3	0.25% - 6.00%
Non-interest bearing	12.6	-	-	12.6	-
In non-functional currencies:					
Interest-bearing					
USD	1.2	-	-	1.2	0.75% - 1.32%
Non-interest-bearing					
USD	0.1	-	-	0.1	-
JPY	0.1	-	-	0.1	-
	0.2	-	-	0.2	
Time deposits:					
In functional currencies	247.3	-	-	247.3	1.10% - 4.60%
Others:					
USD	2.2	-	-	2.2	0.38% - 0.88%
Total bank balances and time deposits	284.8	-	-	284.8	
Held-for-trading investments:					
Bonds in functional currencies	28.6	-	-	28.6	0.85% - 9.28%
Notes in functional currencies	230.0	-	-	230.0	1.34% - 2.50%
Total	258.6	-	-	258.6	
Available-for-sale investments:					
Preference shares in functional currencies	-	-	4.0	4.0	-
Bonds in functional currencies	-	26.8	38.0	64.8	2.28% - 4.84%
Total	-	26.8	42.0	68.8	
Financial liabilities					
Loans in functional currencies					
Interest-bearing	56.8	47.2	-	104.0	1.53% - 8.76%
Non-interest bearing	0.9	2.8	1.9	5.6	-
Debt instruments in functional currencies	87.6	100.0	-	187.6	2.45% - 3.80%
Finance obligations under leases in functional currencies	34.3	81.3	19.5	135.1	3.30% - 8.20%
Total	179.6	231.3	21.4	432.3	

40 DIVIDENDS

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

	2005 $'MIL	2004 $'MIL
Final dividend less tax in respect of the previous financial year:		
– 3.01 cents (2004: 3.06 cents) per ordinary share less tax	49.6	50.2
Interim dividend less tax in respect of the current financial year:		
– 3.13 cents (2004: 3.10 cents) per ordinary share less tax	51.6	51.0
Special dividend less tax in respect of the current financial year:		
– 3.88 cents (2004: 3.50 cents) per ordinary share less tax	64.0	57.5
Total	165.2	158.7

(b) Subsequent to the balance sheet date, the Directors of the Company recommended that a final dividend be paid at 3.00 cents per ordinary share less tax totalling $49.6 million for the financial year ended 31 December 2005. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividend has not been accrued as a liability for the current financial year.

41 LICENCE CONDITION FOR RAIL SERVICES

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

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

(a) The licence is for an initial period of 30 years commencing 15 January 2003. SBST may apply to LTA to renew the licence for a further 30 years or any other period and upon terms and conditions as LTA may impose.

(b) An annual licence fee computed based on 0.5% of the total annual fare and non-fare revenue, net of goods and services tax, is payable to LTA for the first 10 years. LTA may retain or modify the basis for the purpose of calculating the licence fee thereafter.

(c) SBST and LTA shall jointly review the viability on the 5th anniversary of the date of the LC or such other period as may be agreed in writing between SBST and LTA. In such 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.

(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.

42 COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current year's financial statements and following the Group and Company's adoption of the FRSs that became effective during the financial year. As a result, certain line items have been amended on the face of the balance sheet, profit and loss statement, statement of changes in equity and cash flow statement, and the related notes to the financial statements. Apart from those already disclosed elsewhere in the financial statements, the following comparative figures have been adjusted to conform with current year's presentation:

(i) Arising from adoption of FRS 39:

	THE GROUP		THE COMPANY	
	PREVIOUSLY REPORTED $'MIL	AFTER RECLASSIFICATION $'MIL	PREVIOUSLY REPORTED $'MIL	AFTER RECLASSIFICATION $'MIL
Balance Sheet				
Current assets:				
Short-term investments	281.7	-	48.0	-
Held-for-trading investments	-	266.0	-	40.7
Non-current assets:				
Other investments	58.7	-	21.8	-
Available-for-sale investments	-	74.4	-	29.1

(ii) Arising from adoption of FRS 102:

	THE GROUP	
	PREVIOUSLY REPORTED $'MIL	AFTER RECLASSIFICATION $'MIL
Profit and Loss		
Staff costs	718.9	720.1
Profit for the year	245.3	244.1

(iii) Arising from adoption of amendments to FRS 19:

	THE GROUP	
	PREVIOUSLY REPORTED $'MIL	AFTER RECLASSIFICATION $'MIL
Balance Sheet		
Non-current asset:		
Deferred tax asset	3.0	15.3
Non-current liabilities:		
Retirement benefit obligations	-	41.1
Capital and reserves:		
Other reserves	43.3	15.7

42 COMPARATIVE FIGURES *(cont'd)*

(iv) The items reclassified were as follows:

	THE GROUP	
	PREVIOUSLY REPORTED $'MIL	AFTER RECLASSIFICATION $'MIL
Profit and Loss		
Other operating income	42.6	37.7
Other operating expenses	156.8	151.9

43 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS

Details of significant subsidiaries and associates are as follows:

(a) **Subsidiaries**

NAME OF ENTITY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION/ OPERATIONS	GROUP'S EFFECTIVE INTEREST 2005 %	2004 %
Unquoted equity shares				
Comfort Group Ltd	Investment holding	Singapore	100	100
DelGro Corporation Limited	Investment holding	Singapore	100	100
Subsidiaries of Comfort Group Ltd:				
Quoted equity shares				
VICOM Ltd[1]	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	71.44	71.72
Unquoted equity shares				
Barcelona Motors Pte Ltd	Inactive	Singapore	100	100
Comfort (China) Pte Ltd	Investment holding	Singapore	100	100
Comfort Bus Pte Ltd	Provision of charter bus services, rental of buses to hirers and other related services	Singapore	100	100
Comfort Driving Centre Pte Ltd	Operation of a driving school	Singapore	90	90
Comfort Transportation Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100

43 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS *(cont'd)*

NAME OF ENTITY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION/ OPERATIONS	GROUP'S EFFECTIVE INTEREST 2005 %	2004 %
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
General Automotive Services Pte Ltd	Inactive	Singapore	100	100
Moove Media Pte Ltd (formerly known as Comfort Ads Pte Ltd)	Provision of advertising services	Singapore	100	100
Yellow-Top Cab Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100
Subsidiaries of VICOM Ltd:				
JIC Inspection Services Pte Ltd(2)	Vehicle inspection and other related services	Singapore	55.72	66.26
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	71.44	71.72
VICOM Assessment Centre Pte Ltd	Provision of vehicle assessment services	Singapore	36.43	36.58
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	71.44	71.72
VICOM Unichamps Pte Ltd	Investment in environment technology related business	Singapore	42.86	43.03
Subsidiary of Setsco Services Pte Ltd:				
Setsco Services (M) Sdn Bhd(3)	Provision of testing, inspection and consultancy services	Malaysia	71.44	71.72
Subsidiaries of Comfort (China) Pte Ltd:				
Jilin ComfortDelGro Taxi Co., Ltd (formerly known as Jilin Comfort Transportation Co., Ltd)(4)	Provision of taxi and land transport-related services in the Jilin municipality	China	95	95

43 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS *(cont'd)*

NAME OF ENTITY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION/ OPERATIONS	GROUP'S EFFECTIVE INTEREST 2005 %	GROUP'S EFFECTIVE INTEREST 2004 %
Suzhou Comfort Taxi Co., Ltd(5)	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(6)	Provision of taxi and land transport-related services in the Xiamen municipality	China	70	70
Subsidiary of Suzhou Comfort Taxi Co., Ltd:				
Suzhou Comfort Toyota Sales & Service Co., Ltd(5)(7)	Distribution of motor vehicles and trading of automotive parts in the Suzhou municipality	China	17.5	17.5
Subsidiaries of DelGro Corporation Ltd:				
Quoted equity shares				
SBS Transit Ltd(1)	Provision of public bus and rail services	Singapore	75.34	75.06
Unquoted equity shares				
Braddell plc(8)	Investment holding	United Kingdom	100	100
CityCab Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	53.50	53.34
CityFleet (UK) Pte Ltd	Investment holding	Singapore	85	85
ComfortDelGro (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro (S.E. Asia) Pte Ltd	Investment holding	Singapore	100	100
DelGro (Guangzhou) Pte Ltd	Investment holding	Singapore	100	100
DelGro Investments Pte Ltd	Inactive	Singapore	100	100

NOTES TO THE FINANCIAL STATEMENTS
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43 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS *(cont'd)*

NAME OF ENTITY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION/ OPERATIONS	GROUP'S EFFECTIVE INTEREST 2005 %	2004 %
SBS Leisure Pte Ltd	Inactive	Singapore	100	100
Singapore Airport Bus Services Ltd(9)	Investment holding	Singapore	100	99.41
Waterbank Properties (S) Pte Ltd	Property development	Singapore	100	100
Subsidiary of SBS Transit Ltd:				
Monteria Pte Ltd	Inactive	Singapore	75.34	75.06
Subsidiaries of Braddell plc:				
Aerdart Limited(8)(10)	Provision of bus services	Ireland	100	100
Cummers Commercial Limited(8)(11)	Provision of coach services	United Kingdom	100	100
Metroline plc(8)	Investment holding	United Kingdom	100	100
Scottish Citylink Coaches Limited(11)(12)	Provision of long distance coach services	United Kingdom	65	100
Subsidiaries of Metroline plc:				
Citylink Holdings Limited(8)	Investment holding	United Kingdom	100	100
E.H. Mundy Holdings Limited(8)	Investment holding	United Kingdom	100	100
F.E. Thorpe & Sons Limited(8)	Provision of public bus services	United Kingdom	100	100
Metroline London Northern Limited(8)	Provision of public bus services	United Kingdom	100	100
Metroline Travel Limited(8)	Provision of public bus services	United Kingdom	100	100
Subsidiary of Scottish Citylink Coaches Limited:				
Megacity Limited(13)	Provision of long distance coach services	United Kingdom	65	-
Subsidiary of E.H. Mundy Holdings Limited:				
Armchair Passenger Transport Company Limited(8)	Provision of bus and coach services	United Kingdom	100	100

NOTES TO THE FINANCIAL STATEMENTS
31 December 2005

43 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS *(cont'd)*

NAME OF ENTITY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION/ OPERATIONS	GROUP'S EFFECTIVE INTEREST 2005 %	GROUP'S EFFECTIVE INTEREST 2004 %
Subsidiary of CityCab Pte Ltd:				
Cabcharge Asia Pte Ltd	Provision of charge card facilities	Singapore	45.48	45.30
Subsidiaries of CityFleet (UK) Pte Ltd:				
CityFleet Networks Limited[8]	Provision and management of taxi booking services	United Kingdom	85	85
Computer Cab (Edinburgh) Limited[8]	Provision of taxi services	United Kingdom	63.75	63.75
Computer Cab plc[8]	Provision of taxi services	United Kingdom	68	68
Gem Hire Enterprises Limited[8]	Provision of taxi services	United Kingdom	85	85
Subsidiary of Computer Cab plc:				
Cabcharge Limited[8]	Provision and management of taxi booking card facilities	United Kingdom	68	68
Subsidiaries of ComfortDelGro (China) Pte Ltd:				
Beijing CityLimo Yin Jian Auto Services Co., Ltd[8]	Provision of car rental services	China	55	55
Beijing ComfortDelGro Ya Tai Intelligence Transportation Technology Co., Ltd[14]	Development of intelligent transportation systems and provision of the related services	China	60	-
Beijing Jin Jian Taxi Services Co., Ltd[15]	Provision of public taxi services through the rental of taxis to hirers	China	55	55
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd[15]	Provision of motor vehicle evaluation and other related services	China	80	80
Chengdu CityLimo Auto Services Co., Ltd[16][17]	Provision of cars for hire	China	98.13	97
Chengdu ComfortDelGro Yiyou Taxi Co., Ltd[16]	Provision of public taxi services through the rental of taxis to hirers	China	51	51

43 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS *(cont'd)*

NAME OF ENTITY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION/ OPERATIONS	GROUP'S EFFECTIVE INTEREST 2005 %	GROUP'S EFFECTIVE INTEREST 2004 %
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd(16)	Provision of motor vehicle evaluation and other related services	China	51	51
CityCab (Shenyang) Co., Ltd(18)(19)	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	100	60
Nanning Comfort Transportation Co., Ltd(20)(21)	Provision of taxi and land transport-related services in the Nanning municipality	China	80	80
Shenyang ComfortDelGro Bus Co., Ltd(22)	Provision of public bus and charter bus services	China	100	-
Shenyang ComfortDelGro Anyun Bus Co., Ltd(18)	Provision of public bus and charter bus services	China	80	80
Shenyang ComfortDelGro Taxi Co., Ltd(18)	Provision of public taxi services through the rental of taxis to hirers	China	80	80
Sichuan ComfortDelGro Car Servicing Co., Ltd(23)	Operation of workshops for repairing, servicing and general maintenance of motor vehicles	China	51	51
Yantai CityCab Services Co., Ltd(24)	Rental of taxis, vehicle inspection and repair	China	60	60
Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:				
CityLimo Pte Ltd	Provision of cars for hire, car leasing and financing and other related services	Singapore	100	100
CityLimo Leasing (M) Sdn Bhd(25)	Car leasing	Malaysia	100	100
DynaDrive Rent-A-Car Sdn Bhd(25)	Provision of cars for hire	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS
31 December 2005

43 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS *(cont'd)*

NAME OF ENTITY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION/ OPERATIONS	GROUP'S EFFECTIVE INTEREST 2005 %	2004 %
Pantas Rent-A-Car Sdn Bhd(25)	Provision of cars for hire	Malaysia	100	100
Pantas Rent-A-Car Holdings Sdn Bhd(25)	Investment holding	Malaysia	100	100
Vietnam Taxi Co. Ltd(8)	Provision of taxi services	Vietnam	70	70
ComfortDelGro Savico Taxi Company(8)(26)	Provision of taxi services	Vietnam	60	-
ComfortDelGro Cabcharge Pty Ltd(8)(13)	Investment holding	Australia	51	-
Shanghai City Qi Ai Taxi Services Co., Ltd(27)	Provision of public taxi services through the rental of taxis to hirers	China	51	51
Subsidiaries of ComfortDelGro Cabcharge Pty Ltd:				
Westbus Region 1 Pty Ltd(8)(13)	Provision of public bus services	Australia	51	-
Westbus Region 3 Pty Ltd(8)(13)	Provision of public bus services	Australia	51	-
Hillsbus Co Pty Ltd(8)(13)	Provision of public bus services	Australia	51	-
Hunter Valley Buses Pty Ltd(8)(13)	Provision of public bus services	Australia	51	-
Westbus Coaches Services Ltd(8)(13)	Provision of coach services	United Kingdom	51	-
Subsidiary of DelGro (Guangzhou) Pte Ltd:				
Guangzhou Xin Tian Wei Transportation Development Co., Ltd(28)	Provision of bus station services	China	60	60
Subsidiaries of Waterbank Properties (S) Pte Ltd:				
Eukay Properties Pte Ltd	Inactive	Singapore	100	100
Waterdale Development Pte Ltd	Inactive	Singapore	100	100

43 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS *(cont'd)*

Note:

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

(1) Listed on the Singapore Exchange Securities Trading Limited.

(2) Previously held as a subsidiary of ComfortDelGro Corporation Limited. The company was transferred to VICOM Ltd, a subsidiary of which the Group has a 71.44% interest during the financial year. As a result, the Group's effective interest in the company was reduced from 66.26% to 55.72%.

(3) Audited by WT & Ng Co, Malaysia.

(4) Audited by Jilin Hua Tai Certified Public Accountants, China.

(5) Audited by Jiangsu Gong Zheng Certified Public Accountants, China.

(6) Audited by Xiamen ZhongZhou Certified Public Accountants Corporation, China.

(7) The company is deemed to be a subsidiary of the Group as the Group holds a majority control over the composition of the Board of Directors and has control over the operations of the company.

(8) Audited by overseas practices of Deloitte Touche Tohmatsu.

(9) Additional interest was acquired for $0.6 million consideration during the financial year, thereby increasing the Group's effective interest from 99.41% to 100%.

(10) Previously held as a subsidiary by Metroline plc. At end of 2004, the subsidiary was transferred at net book value to Braddell plc. The Group's interest in the Company remained the same after the transfer.

(11) Previously held as subsidiaries by Citylink Holdings Limited. At end of 2004, the subsidiaries were transferred at net book value to Braddell plc. The Group's interest in these subsidiaries remained the same after the transfer.

(12) In September 2005, the company issued shares to a third party in exchange for interest in a company resulting in dilution of the Group's interest from 100% to 65%.

(13) Acquired in September 2005.

(14) Incorporated in October 2005.

(15) Audited by Beijing Hua Tong Jian Certified Public Accountants, China.

(16) Audited by Sichuan Jianke Certified Public Accountants, China.

(17) Additional interest was acquired for $3.0 million consideration during the financial year, thereby increasing the Group's effective interest from 97% to 98.13%.

(18) Audited by Liao Ning Sheng Da Certified Public Accountants, China.

(19) Additional interest was acquired for $3.8 million consideration during the financial year, thereby increasing the Group's effective interest from 60% to 100%.

(20) Audited by Guangxi Xingrui United Certified Public Accountants, China.

(21) Previously held as a subsidiary by Comfort (China) Pte Ltd. During the year, the subsidiary was transferred at net book value to ComfortDelGro (China) Pte Ltd. The Group's interest in the company remained at 80%.

(22) Incorporated in November 2005.

(23) Audited by Sichuan Xing Jing Cheng Certified Public Accountants, China.

(24) Audited by Shan Dong Guo Xin Certified Public Accountants, China.

(25) Audited by SH Tan and Partner, Malaysia.

(26) Incorporated in March 2005.

(27) Audited by Shanghai Gong Xin Zhong Nan Certified Public Accountants, China.

(28) Audited by Guangzhou Orient Certified Public Accountants, China.

43 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS *(cont'd)*

(b) Associates

NAME OF ENTITY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION/ OPERATIONS	GROUP'S EFFECTIVE INTEREST 2005 %	GROUP'S EFFECTIVE INTEREST 2004 %
Unquoted equity shares				
ComfortDelGro Insurance Brokers Pte Ltd[1]	Insurance broking, risk management, claims management and related activities	Singapore	49	49
Mansfield Developments Pte Ltd[2]	Property development	Singapore	48	48
Shanghai Jing Hong Lan Xian Environment Technology Pte Ltd[3]	Vehicle inspection, emission and other vehicle and environmental related activities	China	17.15	17.21
Shanghai Shen Xin Bus Service Ltd[4]	Provision of bus services	China	49	49
TransitLink Pte Ltd[5][6]	Provision of support services to transport operators	Singapore	25	25

(1) Audited by Deloitte & Touche, Singapore.

(2) The Group made an advance representing its proportionate share of consideration for the purchase of a property. The Group's intention is to participate in the financial and operational activities of the property development by subscribing for 48% of a class of preference shares to be issued.

(3) The results of the associate have not been equity accounted in 2005 as management has plans to withdraw from the investment.

(4) Audited by Shanghai Li Xin Chang Jiang Certified Public Accountants, China.

(5) Audited by PricewaterhouseCoopers, Singapore. The financial statements of TransitLink Pte Ltd ("TransitLink") are made up to 31 March each year, to be coterminous with that of its holding company.

For the purpose of applying the equity method, the financial statements of TransitLink for the year ended 31 March 2005 have been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 December 2005.

(6) During the financial year, TransitLink Pte Ltd earned a service fee of $10.9 million (2004: $11.5 million) from a subsidiary.

(c) Related Company Transactions

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

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received except guarantees as disclosed in Note 37.

STATEMENT OF DIRECTORS

In the opinion of the Directors, the consolidated financial statements of the Group and the balance sheet of the Company set out on pages 83 to 150 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 2005, and of the results, changes in equity and the cash flows of the Group for the financial year ended on that date 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 2006

GROUP PROPERTIES

HELD BY	GROUP'S EFFECTIVE INTEREST %	LOCATION	APPROXIMATE LAND AREA	TENURE	USAGE
SINGAPORE					
DelGro Corporation Limited	100	Braddell Road	67,148 sq m	30 years 13 years unexpired	Head office, bus depot, vehicle workshop
DelGro Corporation Limited	100	Kim Chuan	10,784 sq m	15 years 2 years unexpired	Vehicle workshop
SBS Transit Ltd	75.34	Soon Lee Road	26,670 sq m	30 years 24 years unexpired	Bus depot
SBS Transit Ltd	75.34	Defu Avenue 1	74,236 sq m	30 years 7 years unexpired	Bus depot
SBS Transit Ltd	75.34	Bedok North Avenue 4	62,220 sq m	Under Temporary Occupation Licence issued by Land Authority of Singapore	Bus depot
SBS Transit Ltd	75.34	Bukit Batok Street 23	52,187 sq m	30 years 7 years unexpired	Bus depot
SBS Transit Ltd	75.34	Ayer Rajah Crescent	17,939 sq m	Under Temporary Occupation Licence issued by Land Authority of Singapore	Bus park
SBS Transit Ltd	75.34	Ang Mo Kio Street 63	63,953 sq m	15 years 3 years unexpired	Bus depot

GROUP PROPERTIES

HELD BY	GROUP'S EFFECTIVE INTEREST %	LOCATION	APPROXIMATE LAND AREA	TENURE	USAGE
VICOM Ltd	71.44	Sin Ming Drive	10,853 sq m	30 years from January 1981 with option to renew another 30 years	Inspection, assessment services
VICOM Ltd	71.44	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	71.44	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	71.44	Changi North Crescent	6,015 sq m	30 years from May 1995 20 years unexpired	Inspection, assessment services
VICOM Ltd	71.44	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 38 years unexpired	Inspection, assessment services
VICOM Ltd	71.44	Yishun Industrial Park A	1,105 sq m	30 years from July 1983 with option to renew another 30 years	Inspection, assessment services
Setsco Services Pte Ltd	71.44	Teban Gardens Crescent	9,819 sq m	30 years from February 1979 with option to renew another 30 years	Testing, inspection, consultancy services

GROUP PROPERTIES

HELD BY	GROUP'S EFFECTIVE INTEREST %	LOCATION	APPROXIMATE LAND AREA	TENURE	USAGE
JIC Inspection Services Pte Ltd	55.72	Pioneer Road	9,190 sq m	30 years 19 years unexpired	Inspection, assessment services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	11,129 sq m	60 years 30 years unexpired	Office, workshop
CityCab Pte Ltd	53.5	Sin Ming Avenue	25,087 sq m	30 years 17 years unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 46 years unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,500 sq m	23 years 20 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	11 years 6 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 43 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	30 years 17 years unexpired	Workshop, diesel kiosk

GROUP PROPERTIES

HELD BY	GROUP'S EFFECTIVE INTEREST %	LOCATION	APPROXIMATE LAND AREA	TENURE	USAGE
CHINA					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Guangzhou City Tianhe District	40,116 sq m	30 years 22 years unexpired	Office, bus station
Shanghai City Qi Ai Services Co., Ltd	51	Shanghai Lujiabang Road	689 sq m	50 years 43 years unexpired	Office
Suzhou Comfort Taxi Co., Ltd	70	Jin Ji Hu Road Suzhou Industrial Park	10,516 sq m	50 years 41 years unexpired	Office, workshop
Comfort (China) Pte Ltd	100	Suzhou Garden Villa Jin Hua Tower	149 sq m	30 years 19 years unexpired	Housing for expatriates
ComfortDelGro (China) Pte Ltd	100	Shenyang Shen He Qu Qing Nian Da Jie	115 sq m	50 years 37 years unexpired	Housing for expatriates
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd	80	Cheng Shou Si Road Jiu Gong Da Xing District Beijing	5,574 sq m	20 years 18 years unexpired	Office, workshop
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	Jian Cai Lu Chengdu	6,000 sq m	30 years 28 years unexpired	Vehicle inspection
Yantai CityCab Services Co., Ltd	60	Yantai Development Zone Gang Yu Cun Xi Fu Lai Da Dao Pang CE	10,000 sq m	25 years 5 years unexpired	Office, workshop

GROUP PROPERTIES

HELD BY	GROUP'S EFFECTIVE INTEREST %	LOCATION	APPROXIMATE LAND AREA	TENURE	USAGE
UNITED KINGDOM					
Computer Cab plc	68	Woodfield Road London W9 2BA	537 sq m	Freehold	Office
Computer Cab plc	68	Norbiton Kingston upon Thames London KT2 7AZ	93 sq m	24 years 8 years unexpired	Office
Gem Hire Enterprises Limited	85	Farburn House Burnside Drive Dyce Aberdeen AB21 OHW	1,000 sq m	12 years 7 years unexpired	Office
Metroline plc	100	Pemberton Garden Bus Depot London N19 5RR	17,968 sq m	Freehold	Bus depot
Metroline plc	100	Edgware Road London NW2 6JP	13,800 sq m	Freehold	Bus depot
Metroline plc	100	High Street Potters Bar Herts EN6 5BE	11,614 sq m	Freehold	Bus depot
Metroline plc	100	High Road Willesden London NW10 2JY	9,874 sq m	Freehold	Bus depot
Metroline plc	100	High Road Harrow Weald HA3 6EJ	5,706 sq m	Freehold	Bus depot
Metroline plc	100	College Road Harrow, Middlesex HA1 1BE	1,617 sq m	10 years 7 years unexpired	Office

GROUP PROPERTIES

HELD BY	GROUP'S EFFECTIVE INTEREST %	LOCATION	APPROXIMATE LAND AREA	TENURE	USAGE
AUSTRALIA					
Westbus Region 3 Pty Ltd	51	Bonnyrigg Avenue NSW	22,166 sq m	Freehold	Bus depot
Westbus Region 1 Pty Ltd	51	Thorley Street Windsor South NSW	22,130 sq m	Freehold	Bus depot
Westbus Region 1 Pty Ltd	51	Mulgoa Road Penrith NSW	10,641 sq m	Freehold	Bus depot
Hills Bus Co Pty Ltd	51	Boundary Road Northmead NSW	31,669 sq m	Freehold	Bus depot
Hills Bus Co Pty Ltd	51	Hartley Road Seven Hills NSW	2,725 sq m	Freehold	Bus depot
Hills Bus Co Pty Ltd	51	New Line Road Dural NSW	19,460 sq m	Freehold	Bus depot
VIETNAM					
Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh - TP Ho Chi Minh City	6,438 sq m	20 years 15 years unexpired	Office, workshop

SHARE PRICE MOVEMENT CHART

COMFORTDELGRO'S SHARE PRICE MOVEMENT AND VOLUME TURNOVER

Source: Bloomberg L.P.

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

Source: Bloomberg L.P.

SHAREHOLDING STATISTICS

as at 6 March 2006

SHARE CAPITAL	:	S$535,069,162.4450
NUMBER OF SHARES	:	2,068,377,920
CLASS OF SHARES	:	Ordinary shares with equal voting rights
VOTING RIGHTS	:	1 vote per ordinary share

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	1,450	4.19	596,385	0.03
1,000 - 10,000	15,903	45.94	70,583,704	3.41
10,001 - 1,000,000	17,226	49.77	372,132,389	17.99
1,000,001 & ABOVE	36	0.10	1,625,065,442	78.57
Total	34,615	100.00	2,068,377,920	100.00

TOP TWENTY SHAREHOLDERS	NO. OF SHARES	%
DBS Nominees Pte Ltd	356,826,730	17.25
DBSN Services Pte Ltd	328,449,004	15.88
Singapore Labour Foundation	252,616,594	12.21
Raffles Nominees Pte Ltd	174,747,162	8.45
Citibank Nominees Singapore Pte Ltd	138,601,414	6.70
United Overseas Bank Nominees Pte Ltd	120,948,380	5.85
HSBC (Singapore) Nominees Pte Ltd	117,624,927	5.69
OCBC Nominees Singapore Pte Ltd	30,703,135	1.48
DB Nominees (S) Pte Ltd	16,002,289	0.77
The Asia Life Assurance Society Ltd — Par Fund	14,080,852	0.68
Merrill Lynch (Singapore) Pte Ltd	9,428,763	0.46
Morgan Stanley Asia (Singapore) Pte Ltd	9,330,405	0.45
Changi Bus Company (Private) Limited	9,244,095	0.45
Yim Chee Chong	6,500,000	0.31
The Asia Life Assurance Society Ltd — Non-Par Fund	4,373,000	0.21
National University Of Singapore	4,235,373	0.20
Societe Generale S pore Branch	3,397,675	0.16
UOB Kay Hian Pte Ltd	3,067,386	0.15
DBS Vickers Securities (S) Pte Ltd	2,255,811	0.11
Cabcharge Australia Limited	2,005,087	0.10
Total	1,604,438,082	77.56

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

	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Singapore Labour Foundation	252,616,594	12.21		
The Capital Group Companies, Inc			145,773,451	7.05

As at 6 March 2006, approximately 79.69% of the issued ordinary shares of ComfortDelGro Corporation Limited is in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

COMFORTDELGRO CORPORATION LIMITED
(INCORPORATED IN THE REPUBLIC OF SINGAPORE)
(CO. REG. NO.: 200300002K)

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting of the Company will be held at the Auditorium, ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 on Friday, 28 April 2006 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 2005 together with the Auditors Report thereon. (Resolution 1)

2. To declare a final dividend of 3 cents per ordinary share less income tax in respect of the financial year ended 31 December 2005. (Resolution 2)

3. To approve the payment of Directors fees of S$456,000 for the financial year ended 31 December 2005. (FY2004: $433,500) (Resolution 3)

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

5. To re-elect Ms Nancy Teo Geok Har, a Director retiring pursuant to Article 91 of the Company s Articles of Association. (Resolution 5)

6. To re-elect Mr Tow Heng Tan, a Director retiring pursuant to Article 91 of the Company s Articles of Association. (Resolution 6)

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

SPECIAL BUSINESS:

8. To consider and, if thought fit, to pass the following resolutions with or without modifications as Ordinary Resolutions:

A. THAT pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue shares in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit, provided that:

(a) the aggregate number of shares to be issued pursuant to this resolution does not exceed 50% of the issued shares in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed 20% of the issued shares in the capital of the Company;

(b) for the purpose of determining the aggregate number of shares that may be issued under paragraph (a) above, the percentage of issued shares shall be based on the number of issued shares in the capital of the Company at the time this Resolution is passed, after adjusting for (i) new shares arising from the conversion or exercise of any convertible securities or share options which are outstanding at the time this Resolution is passed, and (ii) any subsequent consolidation or subdivision of shares; and

(c) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or when it is required by law to be held, whichever is the earlier. (Resolution 8)

B. THAT the Directors of the Company be and are hereby authorised to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of options under the ComfortDelGro Employees Share Option Scheme, provided that the aggregate number of shares to be issued pursuant to the ComfortDelGro Employees Share Option Scheme shall not exceed 15% of the total issued shares in the capital of the Company from time to time. (Resolution 9)

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 from 16 May 2006 to 17 May 2006 (both dates inclusive) for the purposes of determining shareholders entitlements to the proposed final dividend of 3 cents per ordinary share less income tax for the financial year ended 31 December 2005.

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 15 May 2006 will be registered before shareholders entitlements to the final dividend are determined. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares as at 5.00 p.m. on 15 May 2006 will be entitled to the proposed final dividend.

The dividend, if approved by the shareholders at the Third Annual General Meeting of the Company, will be paid on 30 May 2006.

By Order of the Board

TAN CHER CHONG, BOBBY
Company Secretary
Singapore
28 March 2006

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.

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED

Resolution 8 is to empower the Directors (from the passing of Resolution 8 until the next Annual General Meeting) to issue shares in the capital of the Company up to a˚number not exceeding in aggregate 50% of the issued shares in the capital of the Company, of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders does not exceed 20% of the issued shares in the capital of the Company. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the number of issued shares in the capital of the Company when Resolution 8 is passed, after adjusting for the conversion or exercise of any convertible securities and share options that have been issued or granted and which are outstanding when Resolution 8 is˚passed and any subsequent consolidation or subdivision of shares.

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

COMFORTDELGRO CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 200300002K)

PROXY FORM
ANNUAL GENERAL MEETING

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

I/We ______________________________ (Name)

of ______________________________ (Address)

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

NAME	ADDRESS	NRIC/PASSPORT NUMBER	PROPORTION OF SHAREHOLDINGS (%)

and/or (delete as appropriate)

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held on Friday, 28 April 2006 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the meeting.

NO.	RESOLUTIONS	FOR*	AGAINST*
1.	Adoption of Directors Report and Financial Statements		
2.	Declaration of Final Dividend		
3.	Approval of Directors fees		
4.	Re-election of Mr Kua Hong Pak as Director		
5.	Re-election of Ms Nancy Teo Geok Har as Director		
6.	Re-election of Mr Tow Heng Tan as Director		
7.	Re-appointment of Auditors and authorising Directors to fix their remuneration		
8.	General authority to issue shares		
9.	Authority to issue shares pursuant to exercise of options		

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

Dated this ____________ day of ________________ 2006

Total Number of Shares Held

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES

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

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

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

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

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

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

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

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

Fold along this line

Affix
postage
stamp

The Company Secretary
ComfortDelGro Corporation Limited
205 Braddell Road
Singapore 579701

Fold along this line

Designed & Produced by
RAINDANCE

ComfortDelGro Corporation Limited
205 Braddell Road
Singapore 579701

Mainline (65) 6383 8833
Facsimile (65) 6287 0311
Email info@comfortdelgro.com
Website www.comfortdelgro.com
Company Registration No. 200300002K