

DRIVE

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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.

Vision & Mission

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Our Strategies For Success:

1.

**LOOKING 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

2.

**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

3.

**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:

1.

**RESULTS
ORIENTATION**

WE WILL

Set challenging and realistic goals

Focus on output

Identify and solve problems

Have a sense of urgency and ownership

2.

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

3.

**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

Vision & Mission

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REWARD

2004 was a rewarding year,
thanks to strong growth in our
core businesses.

Group Financial Highlights

FINANCIAL SUMMARY

	2002	2003	2004
Turnover (\$'mil)	1,701.8	1,847.1	2,097.8
Operating expenses (\$'mil)	1,519.8	1,722.3	1,816.3
Profit attributable to shareholders (\$'mil)	149.3	133.9	200.6
Issued capital (\$'mil)	505.6	509.6	513.8
Capital & reserves (\$'mil)	1,178.4	1,264.1	1,302.9
Capital disbursement (\$'mil)	380.3	246.6	363.1
Internal funds generated (\$'mil)	505.7	555.9	582.8
Earnings per ordinary share (cents)	7.4	6.6	9.8
Net asset per ordinary share (cents)	58.3	62.0	63.4
Return on shareholders' equity (%)	13.2	11.0	15.6
Dividend per ordinary share (cents)	2.7	4.2	9.6 [#]
Dividend cover (number of times)	3.5	2.0	1.3 [#]

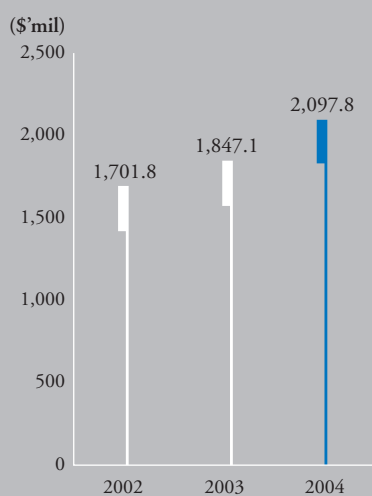
[#] Includes special dividend paid of \$57.5 mil or 3.50 cents per ordinary share less tax.

VALUE - ADDED FOR THE GROUP

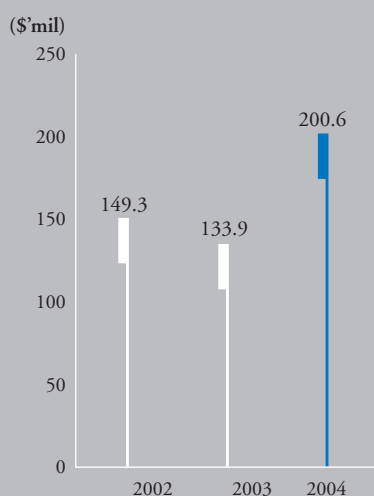
	2002		2003		2004	
	\$'mil	%	\$'mil	%	\$'mil	%
Suppliers of capital – loan interest & dividends	69.0	5.6	89.3	7.0	175.6	12.3
Taxation to the government	158.5	13.0	169.9	13.3	201.2	14.0
Retained earnings	401.9	32.9	361.8	28.3	337.9	23.6
Employees – salaries, CPF and other benefits	593.5	48.5	656.2	51.4	718.9	50.1
Total value-added	1,222.9	100.0	1,277.2	100.0	1,433.6	100.0
Value-added per employee (\$'000)	84.8		87.5		93.4	

GROUP TURNOVER BY BUSINESS SEGMENT

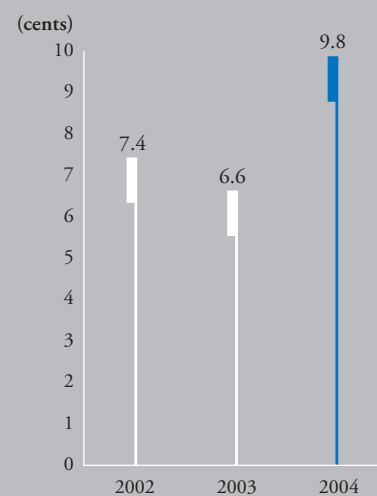
	2002		2003		2004	
	\$'mil	%	\$'mil	%	\$'mil	%
Bus	892.8	52.6	962.9	52.1	1,072.9	51.1
Rail	n.a.	n.a.	24.9	1.3	59.0	2.8
Taxi	634.5	37.3	626.4	33.9	663.8	31.6
Automotive engineering	52.0	3.1	58.9	3.3	58.5	2.8
Diesel sales	45.9	2.7	71.9	3.9	117.9	5.6
Vehicle inspection & testing	16.6	1.0	43.8	2.4	46.2	2.2
Car rental & leasing	37.7	2.2	40.9	2.2	38.6	1.8
Automotive distribution	n.a.	n.a.	n.a.	n.a.	24.4	1.2
Driving centre	13.9	0.7	15.2	0.8	16.5	0.9
Others	8.4	0.4	2.2	0.1	n.a.	n.a.
Group	1,701.8	100.0	1,847.1	100.0	2,097.8	100.0



Turnover



Profit attributable to shareholders



Earnings per ordinary share

GROUP TURNOVER BY GEOGRAPHICAL SEGMENT

	2002		2003		2004	
	\$'mil	%	\$'mil	%	\$'mil	%
Singapore	1,248.5	73.4	1,290.3	69.9	1,370.3	65.3
United Kingdom	367.8	21.6	462.6	25.0	584.7	27.9
China	85.5	5.0	88.6	4.8	133.3	6.4
Vietnam	n.a.	n.a.	4.5	0.2	5.5	0.3
Malaysia	n.a.	n.a.	1.1	0.1	4.0	0.1
Group	1,701.8	100.0	1,847.1	100.0	2,097.8	100.0

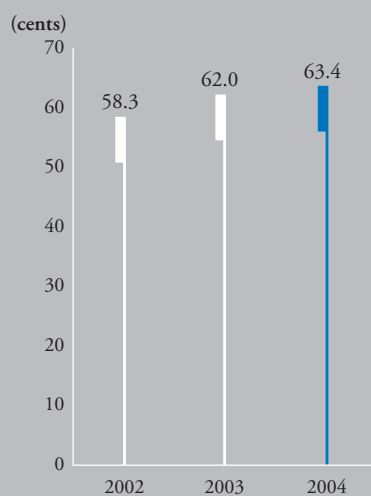
PROFIT BEFORE TAX BY BUSINESS SEGMENT

	2002		2003		2004	
	\$'mil	%	\$'mil	%	\$'mil	%
Bus	54.3	24.8	79.8	38.7	114.8	35.8
Rail	n.a.	n.a.	(32.9)	(16.0)	(17.3)	(5.4)
Taxi	113.8	51.9	98.9	48.0	171.6	53.4
Automotive engineering	22.0	10.0	26.9	13.1	30.7	9.6
Diesel sales	6.0	2.7	9.2	4.5	16.0	5.0
Vehicle inspection & testing	7.4	3.4	12.0	5.8	11.9	3.7
Car rental & leasing	8.1	3.7	7.9	3.8	0.1	n.m.
Automotive distribution	n.a.	n.a.	n.a.	n.a.	0.7	0.2
Driving centre	2.8	1.3	3.3	1.6	3.8	1.2
Others	4.8	2.2	0.9	0.5	(11.8)	(3.5)
Group	219.2	100.0	206.0	100.0	320.5	100.0

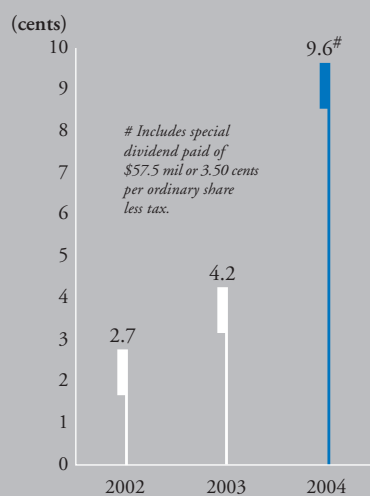
PROFIT BEFORE TAX BY GEOGRAPHICAL SEGMENT

	2002		2003		2004	
	\$'mil	%	\$'mil	%	\$'mil	%
Singapore	183.8	83.9	176.3	85.6	245.8	76.7
United Kingdom	13.4	6.1	21.1	10.2	46.4	14.5
China	22.0	10.0	7.2	3.5	26.6	8.3
Vietnam	n.a.	n.a.	1.3	0.6	1.7	0.5
Malaysia	n.a.	n.a.	0.1	0.1	n.m.	n.m.
Group	219.2	100.0	206.0	100.0	320.5	100.0

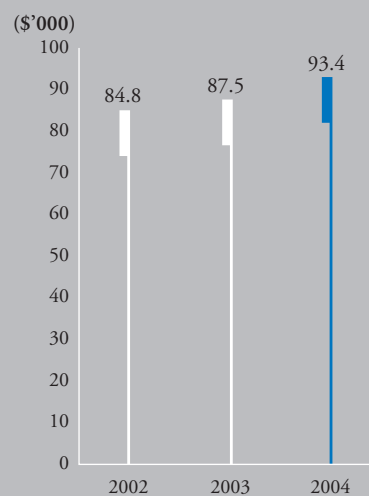
n.a. : not applicable
n.m. : not meaningful



Net asset per ordinary share



Dividend per ordinary share



Value-added per employee

Chairman's Statement

INTRODUCTION

In my first Chairman's Statement last year, I said that the birth of ComfortDelGro in 2003 was a watershed in Singapore's land transport scene. A year later, in 2004, I would venture to say that ComfortDelGro is emerging as a respectable global land transport group. I dare to say this as we have a very attractive footprint compared to our international peers. Let me explain.

In terms of fleet size and shareholders' funds, we are the second largest in the world. Laidlaw International, the largest, in both fleet size and shareholders' funds, is essentially a long-distance, inter-city coach, school bus and an ambulance group based totally in USA. The other large listed global companies like First Group, Arriva and National Express, have, in the main, operations in their home country in the United Kingdom. Likewise, Kowloon Motor Bus has the bulk of its business in Hong Kong. The footprints of these companies are therefore localised compared to ours, which stretches from Singapore to Malaysia, Vietnam, People's Republic of China, Ireland and the UK.

A GLOBAL COMPANY: THE FIVE PILLARS

I believe that at this stage of our evolution into a global company, we need to have five important pillars.

I refer to:

- 1 a clear and realistic vision and mission statement;
- 2 a sound and effective management philosophy;
- 3 a treasured resource of human capital;
- 4 an open and approachable investors' relations programme; and
- 5 a meaningful corporate social responsibility function.

I am pleased to say that we have finalised our Vision and Mission Statement. It appears in Page 1 of this Annual Report for the first time and reflects what we believe in. It is pragmatic, realistic and attainable.

In my last Chairman's Statement, I mentioned that we had deliberately adopted a flat management structure where senior staff take full ownership of their responsibilities and duties. The basic attributes of hard work, commitment, passion, discipline, honesty and integrity, a sense of ownership and responsibility, have also become part and parcel of our management culture.

We strongly believe that the quality of our workforce is crucial to our success. To this end, we subscribe very dearly to the view that our senior management staff should be drawn from the countries in which we operate. We are putting in place a systematic programme to identify, groom and train our staff. Building, developing and nurturing a pool of capable, talented and loyal staff is of

paramount importance to us. As a testimony to how important every one of our overseas operations is, we had, for the first time, convened a board meeting outside Singapore in 2004. We had it in Shenyang to reflect the importance of our expansion into the less developed parts of the People's Republic of China (PRC).

As we have grown in size and stature, we have also grown in market profile. We make it a point to meet up with our institutional shareholders and potential shareholders on a regular basis. On many occasions when the Managing Director/ Group Chief Executive Officer, Mr Kua Hong Pak, conducts briefings to research analysts and media representatives at the release of our financial results, I also join in the meetings. It is therefore no



coincidence that we are on the radar screen of more fund managers and institutions.

Worldwide, the concept of corporate social responsibility is gathering momentum. We have always subscribed to this view. We have always felt it is our responsibility to protect the environment and to show our support, care and concern for the disabled, the disadvantaged and the elderly. We also do our part in supporting worthwhile causes like education, the labour movement and the community at large.

CORPORATE GOVERNANCE

Last year, I said in my Chairman's Statement that the positions of the Non-Executive Chairman and the Group Chief Executive Officer must be distinct and held by two different individuals – each to perform his own role, responsibilities and duties. This remains our first fundamental principle of corporate governance.

To ensure a high level of corporate governance, an Investment Committee, an Audit Committee, a Remuneration Committee and a Nominating Committee have been set up to assist the Group Chief Executive Officer. We have also implemented a flat management structure which can respond to our operational requirements speedily and take

investment decisions promptly. I am very pleased to say that the system that has been put in place is functioning well.

Our Board comprises eight directors with a wide range of expertise and experiences that are well suited to our business and corporate social objectives. The presence of five independent directors far exceeds the one-third stipulation under the Code of Corporate Governance. A full write-up on our Corporate Governance appears in Pages 42 to 49 of this Annual Report.

I also publicly declared that we would confine our business to land transport. Our mid-term target would be to work towards getting half of our total revenue from abroad, while our dividend policy would be a 50% distribution of our profit attributable to shareholders. I am pleased to say that we are keeping to our promises.

UNEXPECTED CHALLENGES

In our first year as a merged entity in 2003, we were confronted by the unexpected SARS phenomenon. That caused a reduction in taxi rentals and subsequently inflated our expenses because of preventive measures that had to be taken. As a result, our 2003 profit fell by as much as \$31 million.

In 2004, the unexpected culprit was the dramatic increase in fuel prices. Huge losses were however averted. We have to thank the Managing Director/Group Chief Executive Officer, Mr Kua Hong Pak, for his ability and foresight in dealing with the problem. He had systematically hedged our oil requirements and saved the Group about \$23 million, representing about 7% of our profit before tax. This is highly commendable.

MARKET CAPITALISATION

It is therefore no surprise that our share price outperformed key market indices during the year. ComfortDelGro stock surged 90% compared to the advancements of The Straits Times Index of 17% and the MSCI Singapore Free Index of 14%.

Our market capitalisation reached \$2 billion on 16 January 2004, about 9 1/2 months after merger. It went on to double to \$2.4 billion against the pre-merger proforma figure on 24 March 2004 – just less than a year after the Comfort Group and DelGro Corporation became one entity. On 29 October 2004, 19 months after merger, we hit \$3 billion. We closed the year with a market capitalisation of \$3.19 billion. These striking statistics are indeed remarkable.

COMFORTDELGRO STOCK SURGED 90% COMPARED TO THE ADVANCEMENTS OF THE STRAITS TIMES INDEX OF 17% AND THE MSCI SINGAPORE FREE INDEX OF 14%.

IN 2004, OUR REVENUE GREW 14% TO **\$2.14 BILLION**

**– MAKING IT THE FIRST TIME THAT WE HAVE
CROSSED THE \$2 BILLION-MARK.**

LOCAL BUSINESSES

TAXIS

Three new taxi operators entered the market in 2004 following the Government's decision to regulate operators rather than taxis per se. As a result, existing taxi operators were allowed to expand and new players were allowed to participate. The obvious and immediate outcome of that move was that our queues, of potential taxi drivers fell dramatically. The new taxi companies started recruiting their drivers from our queues, enticing them with new vehicles. We acted swiftly, replacing our old vehicles with new ones. It is my opinion that the competitive advantage that the new operators have in terms of new fleets will diminish soon given that these vehicles too will age. We have, on our part, added another 200 taxis bringing our total to 17,002. This is about 81% of the taxi population in Singapore.

The rise in fuel prices last year dealt a blow to our taxi drivers who saw their disposable income drop. To ease their load, we gave them substantial discounts on diesel prices. On average, drivers who pumped with us enjoyed a discount of 9 1/2-cents per litre in 2004. We did not stop there. We introduced a one-off special bonus to our drivers in 2004, over and above

existing financial perks that they are already enjoying as a way of showing that we care.

On average, we were selling 15.39 million litres of fuel per month in 2004 compared to 11.76 million litres in 2003, an increase of 30%. The percentage of our taxis coming to our 16 outlets also increased from 55% in 2003 to 74% last year.

BUS AND RAIL

The North-East Line (NEL) was perceived by many to be a thorn in 2003 when it first began operations. Many had expected us to incur massive losses on that Line. We did not. I am pleased to say that we managed to run the Line very efficiently and with high service standards even though we are a first-time rail operator. As a result, our loss in 2004 was trimmed to a manageable level. Meanwhile, ridership continues to be on the rise while running costs continue to be contained. As more homes are built in the North-East corridor, we believe that we will be able to breakeven in the not too distant future.

The commencement of NEL operations meant that we had to rationalise our bus routes. But that did not mean we had forgotten our bus commuters. In

fact, we are constantly improving on our bus service offerings to bring added value to them, including new SMS services which keep commuters informed of bus arrival times. Detailed write-ups on the NEL and scheduled bus operations appear in a separate Annual Report of our listed subsidiary, SBS Transit Ltd.

CAR RENTAL AND LEASING

The car rental and leasing business had a difficult time during the year under review. The decline in the value of the Certificates of Entitlement (COEs) made it worst. Though still profitable, we decided to downsize the operations in 2004 so as to prepare for tougher times ahead.

ENGINEERING

Our engineering workshops continued to service our taxi fleets satisfactorily. They also provided their services to private vehicles. We also built body works for our buses and specialised vehicles. Growth overseas is a good possibility and this is being actively pursued.

VEHICLES INSPECTIONS AND TESTING/LEARNER DRIVING SERVICES

A record number of vehicle deregistrations, prompted by a drop in COE prices, caused our vehicle inspection business to suffer. But, we have started to reap the rewards from our earlier decision to



We have, on our part, added another 200 taxis bringing our total to

17,002.

branch out into vehicle assessment and other technical testing services. Indeed, the combined vehicle assessment and technical testing and inspection business is turning out to be a real revenue churning, accounting for close to 65% of the total revenue from these groups during the year under review.

In 2004 we acquired an additional stake in the JIC Inspection Centre. That venture together with our other testing services, put in a good showing during the year under review. A full write-up of these services appears in a separate Annual Report of another of our listed subsidiary, VICOM Ltd.

Our driving school also performed to our satisfaction in 2004. There is, however, limited scope for growth in vehicles inspections and driving school in Singapore. We are therefore looking to expand overseas. In 2004, we made our first foray into vehicle inspections abroad. We have yet to do so for our driving school despite having looked at a few proposals.

INSURANCE BROKING

Our decision to set up an insurance broking arm after the September 11 attacks caused vehicle insurance policy rates to sky-rocket turned out to be

one of the wisest moves we have made. I am pleased to say that it not only managed to help the Group cut down its premium payments and obtain enhanced coverage, it was also able to make a reasonable profit in its first year of operations. There is future ahead.

VEHICLES ADVERTISING

In line with the improvement in the economy, our advertising business also showed an improvement. We intend to exploit more fully the cross-sales of our different media.

OVERSEAS BUSINESSES

PEOPLE'S REPUBLIC OF CHINA (PRC)

The Group is continuing with its aggressive overseas expansion policy but the window of opportunity is not going to be there indefinitely. We therefore need to act fast. PRC is still an enormous market with its large number of provinces and major cities. The strategy of moving towards inland China is still our emphasis. To-date, we have 22 joint ventures spread across 12 cities.

In Shenyang, the Group acquired more taxi licences through two different methods. The first approach was the acquisition of a state-owned enterprise with 1,021 licences. The second was the acquisition of the minority stake from

Chairman's Statement

our existing partners. In all, the Group now has a total of 1,291 taxi licences in Shenyang. Beyond taxi operations, the Group also ventured into scheduled bus operations in Shenyang. We partnered a local firm, taking an 80% stake in a venture to run 508 buses on 17 routes. In all, the Group committed \$22.1 million worth of investments in Shenyang last year, bringing our total investment commitment in the city to \$47.2 million. We are currently the only foreign taxi-cum-bus operator there.

The Group is also fast becoming a significant player in Chengdu. In 2004, we entered into four joint ventures worth a total of \$7.7 million. We now run taxi, vehicles inspections, vehicles workshops and car rental businesses there. We also announced that we will be offering long-distance bus services soon.

The investments in Shenyang and Chengdu spearheaded our expansion into the less-developed regions of PRC. But we are not neglecting the traditional investment destinations.

In Beijing, we have committed close to \$80 million to-date including a vehicle inspection business in June 2004. We continue to explore opportunities to expand.

In Suzhou, our new Toyota car distribution operation is doing well with 766 cars sold in the first year of business in 2004. The venture marks ComfortDelGro's move into the car distribution business and is timely because PRC is gradually becoming a major car producer and consumer in the world. More strategically, the move enables us to get into the downstream activities of car repairing and servicing. But where car distribution has proven to be a profitable business, restrictions imposed on the sale of diesel negatively impacted upon our fuel-selling business in Suzhou. As a result, a decision was taken to dispose of this operation at the end of the year. The transaction is expected to be completed in early 2005.

We are currently in 12 cities in PRC. The vast geographical spread has made it imperative that we sub-divide our operations into five distinct regions, each headed by a General Manager. The five regions are North China (Beijing), North-East China (Jilin City, Shenyang, Yantai), East China (Shanghai, Suzhou, Zhengzhou), South China (Xiamen, Guangzhou, Nanning, Hengyang) and West China (Chengdu).

Overall, our operations in PRC continued to give us good returns in 2004.

Our committed investments in PRC as at December 2004 amounted to \$201.4 million - lower than that of the \$305.5 million which we have invested in the UK and Ireland but still very significant.

Going forward, we intend to expand upon our businesses in these regions.

UNITED KINGDOM/IRELAND

ComfortDelGro is currently the single largest foreign land transport operator in the UK. During the year, we further expanded our presence there through the acquisition of two bus companies - F. E. Thorpe & Sons Limited and E. H. Mundy Holdings Limited. In all, we invested \$27.9 million for 174 buses and 11 new routes. The purpose of acquiring these companies is two-fold. Firstly, they complemented our existing Metroline operations, and secondly, they helped remove a competitive element. With the new acquisitions, we now operate 1,242 buses on 92 routes, representing a market share of 14% in London. We also improved our performance in Metroline during the year with a profit margin increasing from 5.5% to 8.2%, a vast improvement of about 49%.

Our taxi business in London, held through the Computer Cab Group, continued to improve its performance through better management. Already



London's largest taxi service provider, Computer Cab recently further expanded on its presence through a licensing agreement with Manganese Bronze Holdings to operate its taxi-booking service called Zingo. Developed at a cost of £13 million, Zingo covers a fleet of 1,150 cabs and has access to 100,000 customers in London. This means Zingo will be able to generate additional bookings for the 3,000-odd existing Computer Cab drivers.

The Scottish inter-city coach operation, though profitable, faced stronger competition. Meanwhile, the smallish Irish coach operation did better. We are waiting for the Irish Government to liberalise its land transport industry so that we can have a chance to expand.

VIETNAM

We have expanded our Vinataxi fleet in Ho Chi Minh City by adding on another 142 taxis, bringing our total fleet size to 722. In February 2005, we announced our second taxi venture there – a US\$3 million venture with the former state-owned enterprise, Saigon General Service Corporation (Savico), for the establishment of ComfortDelGro Savico Taxi Company. The new company will operate 276 taxis comprising 224 four-seater and

52 seven-seater cars, a call centre, as well as a workshop which will repair and maintain the taxi fleet. The taxis were previously operated by Savico under the brand name S-Taxi. In all, we have committed about \$7 million worth of investments in Vietnam.

MALAYSIA

We were awarded three Bas Persiaran licences during the year, enabling us to offer tour chartering services to West Malaysia. Our three new Comfort Bus Superliners are now able to offer travel agents and corporate customers chartering services to popular Malaysian destinations such as Johor, Malacca, Port Dickson, Kuala Lumpur, Genting Highlands and Mersing.

Our Malaysian car rental operations remained unchanged in 2004 with a total investment to-date of \$7 million.

GLOBAL FOOTPRINT

In all, the Group committed \$75.9 million overseas in 2004. Together with past projects the Group's total investment overseas now stands at \$516.4 million. This is about 39.6% of our total shareholders' funds. In fact, we are the largest single foreign land transport investor in both the PRC and UK.

What is significant is that our overseas revenue now accounts for 35% of our total revenue. I have previously stated that we should target to have 50% of our revenue from overseas within a time frame of 5 to 7 years after our merger, i.e. between 2008 and 2010. The 2004 figure is only 15 percentage points away from the initial target. We are still on track to meet this target. Strikingly, the turnover of our bus operations abroad is now higher than that of Singapore. Overall, overseas contribution to pre-tax profit in 2004 is 23% as against 14% in 2003. I expect these figures to rise in the years ahead.

A footprint of our overseas operations is reflected in Pages 26 and 27 of this Annual Report.

FINANCIALS

In 2004, our revenue grew 14% to \$2.14 billion – making it the first time that we have crossed the \$2 billion-mark. Profit before tax was \$320.5 million, an improvement of 56% over last year. Likewise, profit after tax rose by 50% to \$200.6 million.

On a per share basis, the earnings is 9.79 cents, 48.6% better than last year. Net asset per share increased marginally from 62 cents to 63.4 cents despite our strong dividend payout policy.

WITH THE NEW ACQUISITIONS, WE NOW OPERATE

1,242 BUSES

ON 92 ROUTES, REPRESENTING A MARKET SHARE OF 14% IN LONDON.

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WE CLOSED THE YEAR WITH A MARKET CAPITALISATION OF **\$3.19 BILLION.**

Total shareholders' funds rose 3% to \$1.303 billion.

As at the end of December 2004, our total assets stood at \$2.78 billion, 4% higher than in 2003.

Your directors have recommended a final dividend of 12.028% or 3.007 cents per share. Together with the interim and special dividends paid earlier, the total dividend for the entire year in 2004 would be 38.4% or 9.61 cents per share. This is a very attractive payout and surpasses the 2003 figure by 128%. Based on the year end share price of \$1.55 the dividend yield is a handsome 6.2% compared to prevailing bank interest rates.

These numbers fulfil our earlier commitment to you, our shareholders. We had said that we would distribute at least 50% of our profit as ordinary dividend, and make use of the available Section 44 tax credits. We have made good our promise. Such is our style and approach.

2005 OUTLOOK

Our Singapore economy is expected to grow at a slower pace in 2005. As the market heads towards saturation, the way forward must be through overseas expansion. We have already embarked on an aggressive external campaign and will continue to look at the countries in which we already have a presence, especially the vast PRC market. That said, we do not rule out other destinations should the right opportunities come along.

An aggressive overseas expansion, however, will not be done at the expense of local growth. We will continue to find new and innovative ways to improve land transport services to the travelling public.

The taxi population in Singapore is, however, saturated. As the physical infrastructure is further improved upon, it is my belief that competition in land transport will not be amongst operators per se, but amongst the different modes of transport. In such a situation, the price mechanism should be fully exploited.

Since the Public Transport Council controls fares and schedules of trains and scheduled buses, the only remaining variable is the taxi business. We must strive to organise taxi services more efficiently.

ComfortDelGro's other businesses – including engineering, vehicles inspections and testing services, driving school, car rental and leasing, insurance brokering and vehicles advertising – are expected to continue to perform satisfactorily.

I am confident that management shall continue to deliver a good set of results. We remain optimistic that shareholders will not be disappointed.

APPRECIATION

I would like to take this opportunity to record my appreciation to Managing Director/Group Chief Executive Officer, Mr Kua Hong Pak, for his total commitment and dedication to the Group. He continues to work at the fast, effective and efficient pace that he has set for himself and the Group. His passion for



What is significant is that our overseas revenue now accounts for

35%
of our total revenue.

the job remains undistracted. His cost-cutting measures and efforts at improving efficiency and productivity, coupled with his active drive for overseas expansion, remain very focused.

His concern for our taxi hirers and staff is genuine and sincere. These are well demonstrated during SARS in 2003 and the oil price hike in 2004. We are fortunate to have such a Managing Director/Group Chief Executive Officer at this juncture of our progress and development. My fellow directors and I are very grateful for his many valuable contributions.

Managing a global group with operations in different countries with different time zones, under different types of government and legal systems, while working with different partners and staff of different nationalities and cultures, is not an easy task. But Mr Kua has done remarkably well. The five pillars that I mentioned earlier are the foundation upon which he will continue to build upon in the coming years.

I also wish to congratulate and thank our management, staff and the unions for their unstinting support and cooperation, without which we would not be what we are today.

To the various governments and authorities that regulate and/or supervise our businesses both locally and abroad, my Board of Directors is very appreciative of your trust and confidence in us.

To our worldwide commuters and customers, we are pleased to see you using our facilities and services. We are grateful for your kind patronage, support and understanding.

To our many shareholders, I know that you have had an extremely good year. We are thankful for your continued support and we shall continue to treasure our cordial relationships.

Finally, I am very grateful to my fellow directors for their trust, support and cooperation as we embark on the journey to become a respectable,

significant and influential global group - one that all of us can be proud of. It is our goal to grow ComfortDelGro into a global land transport icon. This is our dream.

Lim Jit Poh
Chairman

Board of Directors



MR LIM JIT POH

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 and VICOM Ltd as well as a Director of The Ascott Group Limited, Inchem Holdings International Limited, International Factors (Singapore) Ltd, SHC Capital Limited, Kim Eng Holdings Limited and China Sun Bio-Chem Technology Group Company Ltd. All these are public companies listed on the Singapore Exchange Securities Trading Limited with business interests in finance (stockbroking and factoring), insurance, hospitality and manufacturing.

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 the People's Republic of China, Hong Kong, United Kingdom, Australia and Mauritius. He was also involved in the management of these operations. Mr Lim was a Council Member of the Singapore Chinese Chamber of Commerce and Industry and the National University of Singapore, and a member of the Singapore British Business Council. He was also very active in community work being Chairman of a community centre management committee. Presently, he serves as Vice President of Orchid Country Club and the Board of Management of Pei Chun Public School.

Mr Lim holds a Bachelor of Science (Hons) 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.



MR KUA HONG PAK

Mr Kua Hong Pak was appointed Managing Director/ Group Chief Executive Officer of ComfortDelGro Corporation Limited in 2003. He is a member of the Remuneration Committee and 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 Ltd, Mr Kua spent over a period of 15 years managing its overseas operations in the United States, United Kingdom, the People's Republic of China, 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, People's Republic of 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 appointed a Justice of the Peace in 2000.

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.

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



MR ONG AH HENG

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 also the Assistant Secretary-General of NTUC and Director, Community Development Department, and Executive Secretary of the National Transport Workers' Union. Mr Ong also serves on the board of Singapore Post Limited.

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 People's 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.

Pursuant to Article 91 of the Company's Articles of Association, Mr Ong will be due for re-election at the forthcoming Annual General Meeting to be held on 29 April 2005. He is a non-independent Director of the Company.



MR OO SOON HEE

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 presently the President/Chief Executive Officer and Director of NatSteel Asia Pte Ltd. He is also a Director of LKN-Primefield Limited and Vertex Venture Holdings Limited.

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

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

Pursuant to Article 91 of the Company's Articles of Association, Mr Oo will be due for re-election at the forthcoming Annual General Meeting to be held on 29 April 2005. He is an independent Director of the Company.

Board of Directors



MS TEO GEOK HAR, NANCY

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 Limited and other private companies in the property, leisure and service industries.

Ms Teo is presently an alternate 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 a 20-lane bowling cum entertainment centre in Chengdu, the People's Republic of China.

Ms Teo holds a Bachelor of Social Science (Hons) and a Bachelor of Arts, both from the University of Singapore. She is a non-independent Director of the Company.



MR TOW HENG TAN

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 Managing Director of Strategic Development (Asean Investments) of Temasek Holdings Pte Ltd. His broader portfolio coverage includes direct investments in North Asia.

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.

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



DR WANG KAI YUEN

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, Mayfran International Ltd, Nylect Technology Ltd, SuperBowl Holdings Ltd, and Koon Holdings Limited. As Managing Director of Xerox Singapore Software Centre, Dr Wang manages a software centre with 90 employees. In that capacity, he interacts with senior managers of business and product development divisions in United States, People's Republic of China and Japan of a 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 the People's Republic of China having led many grassroots delegations to visit numerous cities and state governments. In December 2004, he was invited as a guest speaker at the 2004 Overseas Experts and Scholars Conference held in Chengdu, Sichuan by the State Council of the People's Republic of China.

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.

Pursuant to Article 91 of the Company's Articles of Association, Dr Wang will be due for re-election at the forthcoming Annual General Meeting to be held on 29 April 2005. He is an independent Director of the Company.



MR WONG CHIN HUAT, DAVID

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 currently 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 is currently a member of the Public Service Commission, the Singapore Labour Foundation as well as the 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. In 1991, he was awarded the Public Service Star by the President of the Republic of Singapore for community and social services rendered. 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.

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

MR LIM HUNG SIANG

Mr Lim Hung Siang is the Group Business Development & Special Projects Officer. He oversees the Group's business development and at the same time, covers the duties of GM, North China Business Unit in Beijing. 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.

MR CHOO CHEK SIEW

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.

MS TAMMY TAN I-LIN

Ms Tammy Tan I-Lin 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.

MR NG TONG SING

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.

CORPORATE OFFICE



MS DAISY CHAN MUI WAH

Ms Daisy Chan Mui Wah 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.

MR CHOO PENG YEN

Mr Choo Peng Yen is Senior Vice President (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.

MS MAY ONG POH SIM

Ms May Ong Poh Sim 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.

MR BOBBY TAN CHER CHONG

Mr Bobby Tan Cher Chong 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.

MRS JAYNE KWEK

Mrs Jayne Kwek was appointed Chief Executive Officer (Overseas) of Media & Advertising in October 2004. 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.



Key Management

ASEAN

Singapore

MR JOHN LEE KAH WAH

Mr John Lee Kah Wah is 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.

MR YANG BAN SENG

Mr Yang Ban Seng is the Chief Executive Officer of CityCab Pte Ltd. Mr Yang was previously the Executive Director of Comfort Transportation 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.

MR ONG BOON LEONG

Mr Ong Boon Leong is the Chief Operating Officer of SBS Transit. 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.

MR RICHARD TEO BOON LENG

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 of experience in the auto services industry, and was the Executive Director of Ken-Air Group's Auto Services Division before joining the Group.

STRATEGIC BUSINESS UNITS



MR SIMON SOH GUAN BIN

Mr Simon Soh Guan Bin 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. 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.

MR HENG CHYE KIOU

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. With 26 years of experience in engineering, he is currently a Vice President and Member of the Belgium-based Bureau Permanent of the International Vehicle Inspection Committee (Comite Internationale de l'inspection Technique Automobile) and Chairman of the School Advisory Committee of National Junior College. He has served as Chairman of the Institute of Technical Education's Automotive Training Committee from May 1999 to April 2002. 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.

MR JIMMY CHUA TECK LEONG

Mr Jimmy Chua Teck Leong is the Chief Executive Officer of ComfortDelGro Insurance Brokers Pte Ltd. He is responsible for all aspects of the Group's insurance, and claims and risk management activities. Prior to joining the Group, Mr Chua was the Chief Executive Officer of Zuellig Insurance Brokers Pte Ltd. Mr Chua graduated from the University of Singapore with a Bachelor of Arts (Hons) and holds a MBA from the University of Hull, UK.

MR HUAM CHAK KHOON

Mr Huam Chak Khoon is the Chief Executive Officer of Comfort Driving Centre. He was responsible for the setting-up and operation of the driving centre when he was appointed as 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.

MR MARK YIP YUON MENG

Mr Mark Yip Yuon Meng is the General Manager of Comfort Bus Pte Ltd. Mr Yip has more than 10 years of 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), both 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.



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Key Management

ASEAN

Malaysia

MR FRANCIS YAP SENG HOCK

Mr Francis Yap Seng Hock is the Deputy Chief Executive Officer of CityLimo. He is 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.

Vietnam

MR CHIA CHUEN HUEI

Mr Chia Chuen Hui 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 3¹/₂-year overseas postings. 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.

PEOPLE'S REPUBLIC OF CHINA

MR MICHAEL LIEW KOK PUN

Mr Michael Liew Kok Pun is the General Manager of the East China Business Unit. He is responsible for the bus and taxi operations in Shanghai, Suzhou and Zhengzhou. 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 has recently been appointed adviser to the China Council for Promotion of International Trade, Chengdu.

MR SIMON TAN SEOW BOON

Mr Simon Tan Seow Boon is the General Manager of the West China Business Unit and is responsible for the Group's taxi, bus, car rental, vehicle inspection and motor workshop 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.

MR LAWRENCE TAN CHEK PING

Mr Lawrence Tan Chek Ping 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 (Shandong 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.

STRATEGIC BUSINESS UNITS



UNITED KINGDOM

MR JASPAL SINGH

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 Newcastle, 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.

MR STEPHEN MCALEAVY

Mr Stephen McAleavy was appointed as Managing Director for Metroline plc in 2003. He joined the Group in 2002 as Group Development Director for bus, coach and taxi operations in the UK. Prior to joining the Group, he was a Director of Sales and Customer Service for National Express Coach Division and was previously a Sales and Marketing Director for Airlinks also within the National Express Group. He is a transport professional of 23 years, a Member of the Institute of Travel and Tourism and holds a Higher National Diploma in Tourism, Business Studies and Languages.

MR NEIL WOOD

Mr Neil Wood is the Managing Director of Scottish Citylink Coaches Limited. He is responsible for the financial and operational performance of the company and its sister companies, Cumber Commercials/Irish Citylink, an express coach operation in Ireland and Aerdart, an airport bus service in Dublin. Mr Wood joined the Group in 1998 when Metroline acquired Scottish Citylink after a period of time with National Express. He started his career as a Network Analyst with Scottish Transport Group in the business planning and marketing fields. Mr Wood holds an Honours Degree in Geography from St Andrews University. He completed an MBA from Edinburgh University, a Diploma in Marketing and is also a Member of the Chartered Institute of Marketing.

MR ALLEN PARKER

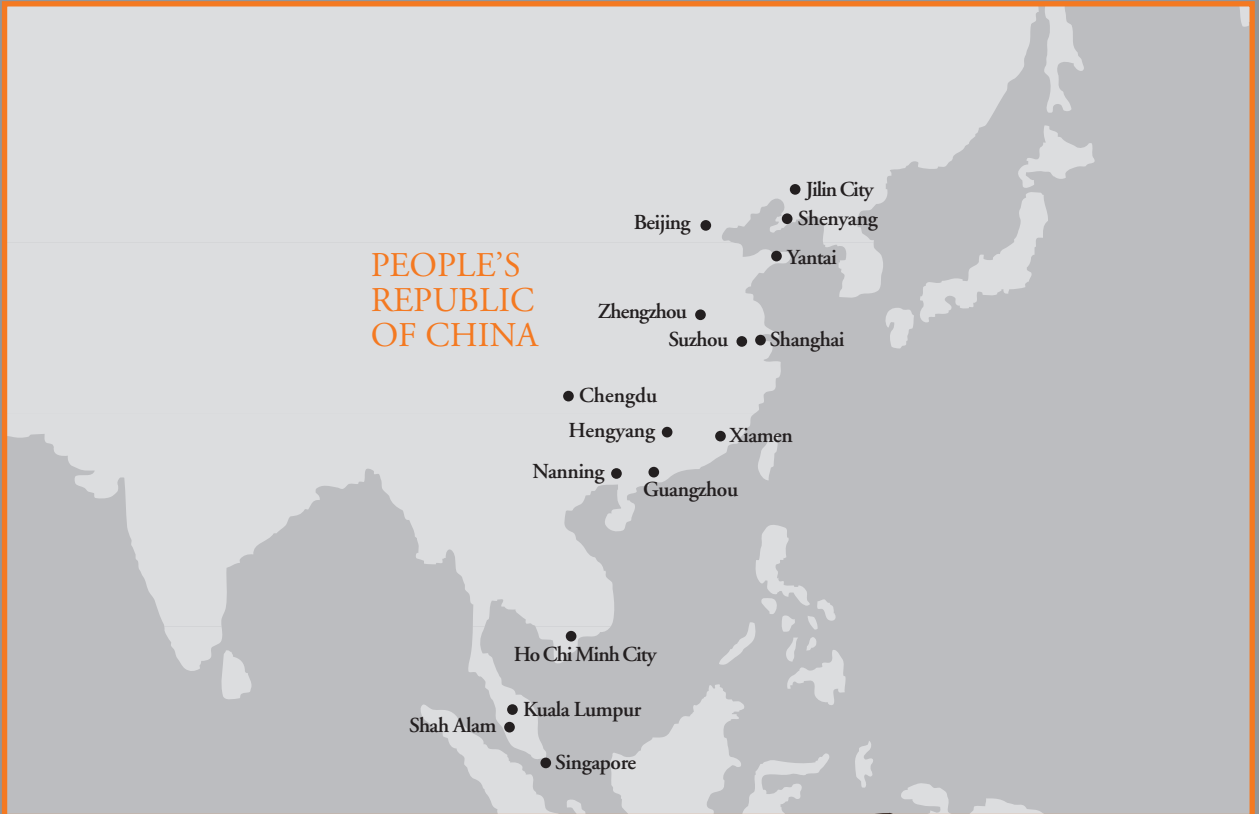
Mr Allen Parker is the Managing Director of Aerdart Limited and Cumber Commercials Limited. He is responsible for the day-to-day management and development of ComfortDelGro's operations in Ireland. Aerdart operates an airport shuttle bus service in Dublin and Cumber Commercials operates intercity Citylink coach services between Galway and Dublin and Shannon Airport. Mr Parker had 10 years of experience in the public transport sector in commercial roles working for Bus Eireann, the state provider of public transport services in Ireland. Mr Parker holds a Bachelor of Science (Hons) in Transport Technology from the University of Ulster, Jordanstown, Northern Ireland. He is also a Member of the Chartered Institute of Transport and Logistics.



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BUS

Singapore

- › Comfort Bus
- › SBS Transit

People's Republic of China

Guangzhou

- › Guangzhou Xin Tian Wei Transportation Development

Hengyang

- › Hengyang CityCab Bus Services

Shanghai

- › Shanghai Shen Xin Bus Service

Shenyang

- › Shenyang ComfortDelGro Anyun Bus

Zhengzhou

- › Zhengzhou Comfort Tour Bus Service

United Kingdom/Ireland

Scotland, UK

- › Scottish Citylink Coaches

London, UK

- › Armchair Passenger Transport
- › F. E. Thorpe & Sons
- › Metroline

Dublin, Ireland

- › Aerdart
- › Cummer Commercials

TAXI

Singapore

- › CityCab
- › Comfort Transportation
- › Yellow-Top Cab

People's Republic of China

Beijing

- › Beijing Jin Jian Taxi Services

Chengdu

- › Chengdu ComfortDelGro Yiyou Taxi

Hengyang

- › Hengyang CityCab Bus Services

Jilin City

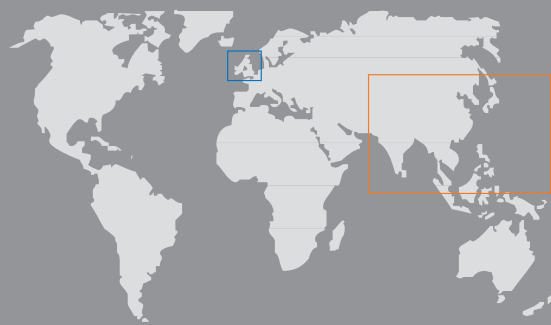
- › Jilin Comfort Transportation

Nanning

- › Nanning Comfort Transportation

Shanghai

- › Shanghai City Qi Ai Taxi Services





Shenyang
 › CityCab (Shenyang)
 › Shenyang ComfortDelGro Taxi

Suzhou
 › Suzhou Comfort Taxi

Xiamen
 › Xiamen Comfort Taxi

Yantai
 › Yantai CityCab Services

United Kingdom
 London, UK
 › Computer Cab

Aberdeen, Scotland
 › Gem Hire Enterprises

Edinburgh, Scotland
 › Computer Cab (Edinburgh)

Vietnam
 Ho Chi Minh City
 › Vietnam Taxi

RAIL
Singapore
 › SBS Transit

CAR RENTAL & LEASING
Singapore
 › CityLimo

People's Republic of China
 Beijing
 › Beijing CityLimo Yin Jian Auto Services

Chengdu
 › Chengdu CityLimo Auto Services

Malaysia
 Kuala Lumpur
 › CityLimo Leasing
 › DynaDrive Rent-A-Car
 › Pantas Rent-A-Car

OTHERS
Singapore
 › Comfort Ads
 › Comfort Driving Centre
 › ComfortDelGro Engineering
 › ComfortDelGro Insurance Brokers
 › JIC Inspection Centre
 › Setsco Services
 › VICOM
 › VICOM Inspection Centre
 › VICOM Assessment Centre

People's Republic of China
 Beijing
 › Beijing Tian Long Da Tian Inspection

Chengdu
 › Chengdu Jitong Integrated Vehicle Inspection
 › Sichuan ComfortDelGro Car Servicing

Suzhou
 › Suzhou Comfort Toyota Sales & Service

Malaysia
 Shah Alam, Selangor
 › Setsco Services (M) Sdn Bhd

Information is correct as at 31 December 2004

Directories

SINGAPORE

POPULATION - APPROXIMATELY
4.2 MILLION PERSONS
GDP GROWTH RATE - 8.4%

CityCab Pte Ltd

Type of Operations: Taxi operations
Fleet Size: 5,220
Geographical Reach: Singapore
Staff Strength: 123

CityLimo Pte Ltd

Type of Operations: Car rental and leasing
Fleet Size: 1,510
Geographical Reach: Singapore
Staff Strength: 68

Comfort Ads Pte Ltd

Type of Operations: Outdoor advertising
Geographical Reach: Singapore
Staff Strength: 23

Comfort Bus Pte Ltd

Type of Operations: Private bus operations
Fleet Size: 401
Geographical Reach: Singapore
Staff Strength: 411

Comfort Driving Centre Pte Ltd

Type of Operations: Learner drivers'
instructional services
Fleet Size: 174
Geographical Reach: Singapore
Staff Strength: 163

Comfort Transportation Pte Ltd

Type of Operations: Taxi operations
Fleet Size: 10,404
Geographical Reach: Singapore
Staff Strength: 296

ComfortDelGro Engineering Pte Ltd

Type of Operations: Automotive
engineering and maintenance services
Fleet Size: 8
Geographical Reach: Singapore
Staff Strength: 911

ComfortDelGro Insurance Brokers Pte Ltd

Type of Operations: Insurance broking
services
Geographical Reach: Singapore
Staff Strength: 12

JIC Inspection Services Pte Ltd

Type of Operations: Vehicle inspection
Geographical Reach: Singapore
Staff Strength: 26

SBS Transit Ltd *

Type of Operations: Bus and rail operations
Fleet Size: 2,766
Geographical Reach: Singapore
Staff Strength: 7,136

Setsco Services Pte Ltd

Type of Operations: Testing and
inspection services
Geographical Reach: Singapore &
Malaysia (*Selangor*)
Staff Strength: 334

VICOM Assessment Centre Pte Ltd

Type of Operations: Vehicle assessment
Geographical Reach: Singapore
Staff Strength: 79

VICOM Inspection Centre Pte Ltd

Type of Operations: Vehicle inspection
Geographical Reach: Singapore
Staff Strength: 105

VICOM Ltd *

Type of Operations: Testing and Vehicle
inspection
Geographical Reach: Singapore
Staff Strength: 27

Yellow-Top Cab Pte Ltd

Type of Operations: Taxi operations
Fleet Size: 1,378
Geographical Reach: Singapore

* listed on the Singapore Exchange

Information is correct as at 31 December 2004

PEOPLE'S REPUBLIC OF CHINA

BEIJING

POPULATION - APPROXIMATELY
14.6 MILLION PERSONS
GDP GROWTH RATE - 13.2%

Beijing CityLimo Yin Jian Auto Services Co., Ltd

Type of Operations: Car rental and leasing
Fleet Size: 928
Geographical Reach: Beijing
Staff Strength: 117

Beijing Jin Jian Taxi Services Co., Ltd

Type of Operations: Taxi operations
Fleet Size: 5,029
Geographical Reach: Beijing
Staff Strength: 186

Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd

Type of Operations: Vehicle inspection
Geographical Reach: Beijing
Staff Strength: 109

CHENGDU

POPULATION - APPROXIMATELY
10.6 MILLION PERSONS
GDP GROWTH RATE - 13.6%

Chengdu CityLimo Auto Services Co., Ltd

Type of Operations: Car rental and leasing
Fleet Size: 16
Geographical Reach: Chengdu
Staff Strength: 18

Chengdu ComfortDelGro Yiyou Taxi Co., Ltd

Type of Operations: Taxi operations
Fleet Size: 120
Geographical Reach: Chengdu
Staff Strength: 7

Chengdu Jitong Integrated Vehicle Inspection Co., Ltd

Type of Operations: Vehicle inspection
Geographical Reach: Chengdu
Staff Strength: 28

Sichuan ComfortDelGro Car Servicing Co., Ltd

Type of Operations: Automotive repair and maintenance services
Geographical Reach: Chengdu
Staff Strength: 4

GUANGZHOU

POPULATION - APPROXIMATELY
12.5 MILLION PERSONS
GDP GROWTH RATE - 13.5%

Guangzhou Xin Tian Wei Transportation Development Co., Ltd

Type of Operations: Bus station and express bus operations
Fleet Size: 10
Geographical Reach: Guangzhou
Staff Strength: 284

HENGYANG

POPULATION - APPROXIMATELY
7.1 MILLION PERSONS
GDP GROWTH RATE - 10.0%

Hengyang CityCab Bus Services Co., Ltd

Type of Operations: Bus and taxi operations
Fleet Size: 103
Geographical Reach: Hengyang
Staff Strength: 268

JILIN CITY

POPULATION - APPROXIMATELY
4.5 MILLION PERSONS
GDP GROWTH RATE - 16.5%

Jilin Comfort Transportation Co., Ltd

Type of Operations: Taxi operations
Fleet Size: 330
Geographical Reach: Jilin City
Staff Strength: 18

NANNING

POPULATION - APPROXIMATELY
1.5 MILLION PERSONS
GDP GROWTH RATE - 10.0%

Nanning Comfort Transportation Co., Ltd

Type of Operations: Taxi operations
Fleet Size: 300
Geographical Reach: Nanning
Staff Strength: 12

SHANGHAI

POPULATION - APPROXIMATELY
17.0 MILLION PERSONS
GDP GROWTH RATE - 11.8%

Shanghai City Qi Ai Taxi Services Co., Ltd

Type of Operations: Taxi operations
Fleet Size: 460
Geographical Reach: Shanghai
Staff Strength: 47

Shanghai Shen Xin Bus Service Ltd

Type of Operations: Bus operations
Fleet Size: 590
Geographical Reach: Shanghai
Staff Strength: 1,998

Directories

PEOPLE'S REPUBLIC OF CHINA

SHENYANG

POPULATION - APPROXIMATELY
6.46 MILLION PERSONS
GDP GROWTH RATE - 18.8%

CityCab (Shenyang) Co., Ltd

Type of Operations: Taxi operations
Fleet Size: 270
Geographical Reach: Shenyang
Staff Strength: 20

Shenyang ComfortDelGro Anyun Bus Co., Ltd

Type of Operations: Bus operations
Fleet Size: 508
Geographical Reach: Shenyang
Staff Strength: 32

Shenyang ComfortDelGro Taxi Co., Ltd

Type of Operations: Taxi operations
Fleet Size: 1,021
Geographical Reach: Shenyang
Staff Strength: 87

SUZHOU

POPULATION - APPROXIMATELY
2.1 MILLION PERSONS
GDP GROWTH RATE - 15.0%

Suzhou Comfort Taxi Co., Ltd

Type of Operations: Taxi operations
Fleet Size: 50
Geographical Reach: Suzhou
Staff Strength: 5

Suzhou Comfort Toyota Sales & Service Co., Ltd

Type of Operations: Car dealer
Geographical Reach: Suzhou
Staff Strength: 102

XIAMEN

POPULATION - APPROXIMATELY
1.4 MILLION PERSONS
GDP GROWTH RATE - 15.0%

Xiamen Comfort Taxi Co., Ltd

Type of Operations: Taxi operations
Fleet Size: 49
Geographical Reach: Xiamen
Staff Strength: 6

YANTAI

POPULATION - APPROXIMATELY
6.45 MILLION PERSONS
GDP GROWTH RATE - 18.8%

Yantai CityCab Services Co., Ltd

Type of Operations: Taxi operations
Fleet Size: 20
Geographical Reach: Yantai
Staff Strength: 50

ZHENGZHOU

POPULATION - APPROXIMATELY
6.9 MILLION PERSONS
GDP GROWTH RATE - 14.7%

Zhengzhou Comfort Tour Bus Service Co., Ltd

Type of Operations: Tour bus operations
Fleet Size: 12
Geographical Reach: Zhengzhou
Staff Strength: 20

Information is correct as at 31 December 2004

UNITED KINGDOM/IRELAND

SCOTLAND, UK

POPULATION - APPROXIMATELY
5.1 MILLION PERSONS
GDP GROWTH RATE - 2.0%

Scottish Citylink Coaches Limited

Type of Operations: Inter-city coach
express operations
Fleet Size: 85
Geographical Reach: Scotland
Staff Strength: 90

LONDON, UK

POPULATION - APPROXIMATELY
8.0 MILLION PERSONS
GDP GROWTH RATE - 2.5%

Computer Cab plc

Type of Operations: Radio taxi services
Fleet Size: 3,881
Geographical Reach: London
Staff Strength: 211

E. H. Mundy Holdings Limited

Type of Operations: Bus and coach operations
Fleet Size: 106
Geographical Reach: London
Staff Strength: 257

F. E. Thorpe & Sons Limited

Type of Operations: Bus operations
Fleet Size: 79
Geographical Reach: London
Staff Strength: 185

Metroline plc

Type of Operations: Bus operations
Fleet Size: 1,057
Geographical Reach: London
Staff Strength: 3,256

ABERDEEN, SCOTLAND

POPULATION - APPROXIMATELY
209,270 PERSONS
GDP GROWTH RATE - 1.1%

Gem Hire Enterprises Limited

Type of Operations: Radio taxi services
Fleet Size: 208
Geographical Reach: Aberdeen
Staff Strength: 38

EDINBURGH, SCOTLAND

POPULATION - APPROXIMATELY
449,020 PERSONS
GDP GROWTH RATE - 1.2%

Computer Cab (Edinburgh) Limited

Type of Operations: Radio taxi services
Fleet Size: 209
Geographical Reach: Edinburgh
Staff Strength: 26

DUBLIN, IRELAND

POPULATION - APPROXIMATELY
1.1 MILLION PERSONS
GDP GROWTH RATE - 2.1%

Aerdart Limited

Type of Operations: Bus operations
Fleet Size: 7
Geographical Reach: Dublin
Staff Strength: 9

Cummer Commercials Limited

Type of Operations: Inter-city coach
express operations
Fleet Size: 14
Geographical Reach: Dublin
Staff Strength: 9

VIETNAM

HO CHI MINH CITY

POPULATION - APPROXIMATELY
8.0 MILLION PERSONS
GDP GROWTH RATE - 11.6%

Vietnam Taxi Co., Ltd

Type of Operations: Taxi operations
Fleet Size: 722
Geographical Reach: Ho Chi Minh City
Staff Strength: 148

MALAYSIA

KUALA LUMPUR

POPULATION - APPROXIMATELY
1.5 MILLION PERSONS
GDP GROWTH RATE - 7.0%

CityLimo Leasing (M) Sdn Bhd

Type of Operations: Car leasing
Fleet Size: 89
Geographical Reach: Kuala Lumpur
Staff Strength: 11

DynaDrive Rent-A-Car Sdn Bhd

Type of Operations: Car rental
Fleet Size: 179
Geographical Reach: Kuala Lumpur
Staff Strength: 11

Pantas Rent-A-Car Sdn Bhd

Type of Operations: Car rental
Fleet Size: 130
Geographical Reach: Kuala Lumpur
Staff Strength: 11

SHAH ALAM, SELANGOR

POPULATION - APPROXIMATELY
319,612 PERSONS
GDP GROWTH RATE (SELANGOR) - 5.4%

Setsco Services (M) Sdn Bhd

Type of Operations: Testing and inspection
services
Geographical Reach: Shah Alam
Staff Strength: 11





GROW

From Singapore to China, from the United Kingdom to Vietnam, ComfortDelGro has grown from strength to strength.

The Group's core businesses, except for car rental and leasing, experienced steady growth in 2004, aided by a post-SARS recovery, an increase in operational efficiency and aggressive expansion overseas. The bus, taxi and engineering businesses, in particular, achieved strong double-digit growth, helping to boost overall Group profit.

With growth in the Singapore market limited, the drive overseas became more pronounced in 2004. We committed over \$48 million in China alone during the year and plan to continue to take advantage of the window of opportunity there. Our strategy of moving towards inland China remains intact. To-date, we have 22 joint ventures spread across 12 cities in China. Our UK operations continued on their growth path with several acquisitions made during the year. In Vietnam, we increased our taxi fleet.

As at the end of 2004, our global vehicle fleet was 38,700, making us the world's second largest land transport operator.

BUS OPERATIONS **SINGAPORE**

Our listed bus subsidiary, SBS Transit Ltd, commands a 75% share of the scheduled bus market in Singapore, with a fleet of over 2,400 buses.

Faced with bus rationalisation and a drop in ridership, SBS Transit explored new services to offer commuters. As at the end of December 2004, it had a total of 192 services compared to 183 in the previous year. Among the new services offered was CityBuzz, which was launched in December 2004. Targeted at city dwellers and tourists, it is a loop service that provides coverage of major places within the city such as Orchard Road, Chinatown and Little India.

Another service, Chinatown Direct, was introduced in January 2005. It is a faster

service plying between the heartlands Chinatown via the expressways. It has special dialect-speaking bus captains and auspicious service numbers to appeal to the elderly in Singapore. The public's response to both services has been encouraging.

During the year, SBS Transit implemented the Vehicle Location System (VLS), enabling fare stages to be updated automatically through the use of the Global Positioning System. Developed by the Land Transport Authority to enhance the existing ez-link fare system, the introduction of VLS means that our bus captains no longer need to update the fare stages manually, thereby reducing incidences of human error. By the end of 2004, SBS Transit had rolled out the VLS on 85 bus

services covering over 900 buses. Full implementation of the VLS is expected in the first half of 2005.

SBS Transit also kept fares unchanged for the second year running in 2004. This was despite increases in fuel costs and the absorption of 1 percentage-point increase in Goods and Services Tax from 1 January 2004.

During the year under review, our private bus-chartering subsidiary, Comfort Bus Pte Ltd launched its Superliners which offer coach charter services to Malaysia. Comfort Bus, the largest and most established private charter bus operator in Singapore, was also the appointed service provider for several prominent international and local events like Asian Aerospace 2004,

WE COMMITTED OVER
\$48 MILLION
IN CHINA ALONE DURING THE YEAR.

Caltex Masters 2004, Singapore Sacred Buddha Tooth Relic Exhibition and the Army Open House 2004.

CHINA

The Group operates over 1,100 buses in China through its subsidiaries and associates in the different cities there.

In Shanghai, our bus associate Shanghai Shen Xin Bus Service Ltd, launched Service 150 in August 2004 after winning the right to operate the route by outbidding major operators there including DaZhong, BaShi and QiangShen. Shanghai Shen Xin also launched 47 new Volvo buses for its Service 49, bringing to 69 the total number of buses operating on this premium route. In all, Shanghai Shen Xin runs 590 buses on 17 routes.

Shenyang ComfortDelGro Anyun Bus Co., Ltd, the newest, began operations in January 2005 and provides scheduled bus services, tour coach chartering, rental of advertising space on buses, and automotive repair and maintenance. It will operate 17 bus routes and with a fleet of 508 buses by the end of July 2005.

On 30 December 2004, we entered into a joint venture agreement for the establishment of Chengdu ComfortDelGro

Chang Yun Transportation which will operate a fleet of 218 long-distance/tour buses and 45 taxis. Of the 218 buses, 112 will be long-distance buses and 106 will be tour buses. The joint venture company will also operate a Grade 1 workshop, which can undertake not just regular repair and servicing works, but also major repairs and engine overhauls.

Our bus station in Guangzhou known as Guangzhou Xin Tian Wei Transportation Development Co Ltd, achieved an increase of 15% in bus trips operated. Similarly, the number of passengers served grew by 26% to over six million last year. Guangzhou Xin Tian Wei also won the "Guangzhou's Cleanest Bus Station Model" award organised by the Guangzhou Traffic Commission.

UNITED KINGDOM

Our UK bus subsidiary, Metroline plc, performed well last year due to higher scheduled mileages operated at better rates, an increase in routes from the recent acquisition of two bus companies, and the strengthening of the Sterling Pound. Metroline, one of London's leading bus operators with a 14% market share, operates 1,242 buses on 92 routes and carries 230 million passengers every year. It provides bus services under contract to London Buses and operates through an area that extends

from North to West, Central London and the City.

In August 2004, Metroline acquired F. E. Thorpe & Sons Limited, which operates four bus routes and has a fleet of 66 buses, for £3.025 million. Three months later, it paid £6 million to acquire E.H. Mundy Holdings Limited, the parent of Armchair Passenger Transport Company Limited, a bus and coach operation. Armchair operates seven routes in the west of London with a fleet of 86 buses, representing a market share of slightly over 1%. It has two contracts to operate school buses and also runs a high-end coach service with 22 coaches serving tourists. The two acquisitions helped boost Metroline's market share to 14% of the London bus market, up from 12% previously.

During the year, Metroline focused on improving the quality of its services. In March 2004, it was awarded The Technology Award at the inaugural London Transport Awards in recognition of its satellite positioning system, called iRIS (Intelligent Route Information System). This system allows Metroline to regulate the flow of buses on a route, so that they arrive at bus stops at regular intervals and not all at once.



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COMFORTDELGRO CONTINUED TO BE THE DOMINANT OPERATOR IN THE SINGAPORE MARKET WITH A COMBINED FLEET OF OVER 17,000.

TAXI OPERATIONS

SINGAPORE

ComfortDelGro's three taxi brands - Comfort, CityCab and Yellow-Top Cab - continued to be the dominant operator in the Singapore market with a combined fleet of over 17,000 as at the end of 2004, accounting for an 81% share of the total number of taxis in Singapore.

The year under review was challenging for our taxi operations given the arrival of three new players. The new operators succeeded in enticing some of our hirers and would-be-hirers with their new vehicles. As a result, our taxi-driver queues shortened. We continued with the replacement of our older taxis and enhanced the benefits that our drivers had been enjoying.

Comfort introduced a Medisave Top-Up Scheme in March 2004 to help its cabbies build up sufficient savings in their Medisave accounts for hospitalisation expenses. For every \$20 contribution made by the hirer each month, Comfort topped up an equivalent amount. The top-up helped the cabbies since they need to contribute a minimum sum to their Medisave accounts to be able to renew their Vocational Licences. The scheme,

which is being extended for a second year, costs Comfort about \$2.8 million annually.

High oil prices that were prevalent in the second half of the year also affected our taxi hirers. To help offset the higher cost of fuel, we introduced a 2-cents diesel rebate in July 2004 to hirers who pumped at our 16 strategically located dispensing outlets. This was on top of the usual diesel discount of about 9 cents per litre that our drivers already enjoy. Together with other benefits like performance bonuses and hospitalisation benefits, ComfortDelGro's financial schemes for its drivers amounted to more than \$48 million in 2004.

We went one step further by announcing in November 2004 that we would give a special one-time bonus to our 17,000 hirers. This bonus, payable from January to February 2005, ranges from \$240 to \$360 per hirer, depending on their years of service and will cost the Group a total of \$5 million.

Our taxi operations have also distinguished themselves by constantly leveraging on technology. CityCab began trials on its new despatch system, Escalade, in August 2004. Escalade

tracks the locations of empty taxis and despatches jobs to the nearest available driver almost immediately. This cuts down the waiting time for customers and ensures that drivers do not spend time cruising around, looking for customers.

On 27 December 2004, Comfort hit a milestone when it fulfilled its 10th million booking job. It was the only taxi company to ever fulfil that many booking jobs in one year. Comfort's previous record was 8.7 million jobs in 2002. Making this possible in a short span of two years was the implementation of SpeedCall and SpeedCall-Mobile, both automated text-to-speech taxi booking services for fixed line customers and mobile users. As a result, calls which were handled automatically increased from 10% in 2002 to 60%. We will continue to explore the use of new technologies to better serve our customers.

CHINA

We currently operate over 7,700 taxis in China, spread across nine cities - namely Beijing, Shenyang, Shanghai, Chengdu, Nanning, Jilin City, Yantai, Suzhou and Hengyang. This represents about a quarter of our global taxi fleet of close to 30,000 taxis. The biggest



fleet of 5,029 taxis is in Beijing and operates under our Beijing Jin Jian Taxi Services Co., Ltd subsidiary.

In Shanghai, our subsidiary, Shanghai City Qi Ai Taxi Services Co., Ltd replaced 44 taxis with the new model Santana 3000 taxis during the year. The Santana 3000, which has a more ergonomic design and boasts a more spacious passenger cabin compared to other taxi models in Shanghai, is proving to be very popular with customers. Shanghai City Qi Ai currently has a fleet of 460 taxis.

Our strategy in China is to expand beyond the traditional investment cities of Beijing, Shanghai and Guangzhou. Last year, the Group expanded its presence in the city of Shenyang by acquiring more licences through two different methods. The first approach was the acquisition of a state-owned enterprise with 1,021 licences. The second was the acquisition of the remaining stake from our existing partners in another taxi venture. In all, the Group now has a total of 1,291 taxi licences in Shenyang.

The Group is also making its presence felt in Chengdu. Last year, a taxi subsidiary, Chengdu ComfortDelGro Yiyou Taxi Co., Ltd, was formed with a

local entrepreneur with 90 taxis. This has since been increased by another 30 taxis and opportunities to expand further are being explored.

UNITED KINGDOM

ComfortDelGro has a significant presence in the UK through its taxi operation, Computer Cab, which manages five brands - ComCab, DataCab, Call-A-Cab, Zingo and Local Taxis. Computer Cab is London's largest taxi radio circuit operator with access to some 4,150 taxis, representing a market share of more than 50%. Computer Cab won the prestigious "Taxi and Private Hire Company of the Year" award in the first ever London Transport Awards in March 2004.

During the year, Computer Cab also expanded its fleet in London by more than 1,100 cabs through a licensing agreement with Manganese Bronze Holdings' (MBH), which is listed on the London Stock Exchange. Under the agreement, Computer Cab paid £1 for an exclusive licence to take over the operation of MBH's taxi-hiring service, Zingo, which covers a fleet of 1,150 cabs and has access to 100,000 customers. The Zingo service was integrated into Computer Cab's existing infrastructure, benefiting fleets under the Computer Cab brands.

VIETNAM

In early 2003, we took a 70% stake in Ho Chi Minh City's Vinataxi and started off with 400 yellow taxis. That fleet is now 722-strong, providing door to door taxi services in Ho Chi Minh City and neighboring provinces such as Dong Nai, Binh Duong, and Long An. Vinataxi has also garnered several major accolades including the "Strong Trademark of the Year 2004" award which was given by the Trade Promotion Department of Vietnam and the Vietnam Economic Times.

In February 2005, we announced our second taxi investment in Ho Chi Minh City - a US\$3 million joint venture with the former state-owned enterprise, Saigon General Service Corporation, for the establishment of ComfortDelGro Savico Taxi Company. The new company will operate 276 taxis comprising 224 four-seater and 52 seven-seater cars, a call centre, as well as a workshop which will repair and maintain the taxi fleet.

In all, we have committed about \$7 million worth of investments in Vietnam.

RAIL

SINGAPORE

The North-East Line (NEL), the world's first fully-automated underground heavy rail system, turned one on 20 June 2004. It marked a milestone in the history of SBS Transit, which runs the system together with the Sengkang and Punggol Light Rail Transit systems. In the year since its launch, NEL has become the backbone of travel along the North-East corridor, providing commuters with convenience and shorter travel time. NEL's average daily ridership has grown from 155,942 in 2003 to 175,785 in 2004, an increase of 12.7%.

In addition, a service availability of 99.5% was achieved, which was higher than the licence condition of 98%.

On 1 June 2004, uniformed security personnel were deployed at rail stations and bus interchanges as part of ongoing efforts to strengthen the security of our public transport system following the bombings on Madrid's commuter train system in March 2004. Other measures taken include the removal of dustbins from crowded places like platforms in

the rail stations and bus interchanges, and the placement of posters reminding passengers to be on the lookout for suspicious objects or persons.

VEHICLE INSPECTIONS AND ENGINEERING

SINGAPORE

Our vehicle inspection subsidiary, VICOM Ltd, faced a challenging year in 2004. A record number of vehicle deregistrations, prompted by a drop in Certificate of Entitlement prices and Additional Registration Fees, caused our vehicle inspection business to suffer.

On 31 March 2004, VICOM acquired a 41.5% stake in JIC Inspection Services Pte Ltd as part of its long-term strategy to expand its vehicle inspection services islandwide, and to offer value-added services to its customers. It paid about \$3 million for the stake. On 1 April 2004, VICOM took over the management of the two inspection centres of JIC and integrated some of the functions of the JIC inspection centres with those of VICOM. This resulted in synergies, cost savings, and more value-added services for customers. With this acquisition,

Our workshops provide a comprehensive range of automotive repair and maintenance services including automatic transmission, engine diagnostic and car grooming services.



VICOM's vehicle inspection market share has expanded from 62% to 76%.

For the year under review, VICOM Assessment Centre Pte Ltd (VAC) had a higher turnover due to the success of the Independent Damage Assessment Centre (Idac) scheme. Idac is a scheme set up by the General Insurance Association of Singapore in August 2002 for motorists to report accidents and assess the extent of vehicle damage. By locating Idacs within the VACs, accident reporting becomes a hassle-free experience for motorists as they can leave their vehicles for VAC to coordinate repairs immediately after they make their accident reports.

Another VICOM subsidiary, Setsco Services Pte Ltd, did well too. Its environmental and consultancy services have seen greater demand because of the Government's push towards making Singapore a clean and green city. In particular, services like environmental impact assessment, environmental baseline studies and ground and seawater analysis have been increasingly sought after.

Our engineering and diesel business enjoyed strong growth last year, buoyed by increases in diesel sales, taxi maintenance, specialised vehicles construction and parts trading. The addition of two more ComfortDelGro Engineering (CDGE) diesel kiosks – one at Marymount and the other at Sungei Kadut Way - brought to 16 the total number of dispensing outlets for our taxi drivers. Competitive pricing and special diesel rebates meant that 74% of our drivers now pump with us, up from 54% previously.

The opening of a ninth branch in Sungei Kadut Way in the last quarter of 2004 augmented CDGE's position as the biggest private car maintenance operator in Singapore. Our workshops provide a comprehensive range of automotive repair and maintenance services including automatic transmission, engine diagnostic and car grooming services. CDGE is also the authorised workshop of 18 major insurance companies in Singapore.

During the year under review, CDGE delivered 41 units of ambulances to the Hong Kong government.

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THE TAXI BUMPER ADVERTISEMENT CAMPAIGN CALLED PAINT-A-CAB CHARITY DRIVE RAISED **\$40,000.**

The contract, which was awarded through CDGE's Hong Kong agent, Dah Chong Hong, was for the construction of the ambulance body onto a Mercedes chassis. CDGE also built 11 ambulances for the Macau government and 5 ambulances for the Singapore Civil Defence Force.

In addition, CDGE built 13 buses for the Prisons Department of Singapore and the private bus market. Of these, three Superliner buses were for Comfort Bus for its long-haul service to Malaysia.

CHINA

The Group has two vehicle inspection centres in China: Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd and Chengdu Jitong Integrated Vehicle Inspection Co., Ltd.

Of the two, Chengdu Jitong Integrated Vehicle Inspection is the newer, having started operations on 1 July 2004. The centre inspected close to 10,000 vehicles in the second half of the year.

The Group holds an 80% stake in Beijing Tian Long Da Tian Vehicle Inspection which provides vehicle safety and emission inspection businesses. Its new diesel inspection lanes became

operational at the end of January 2005 and will help to generate additional revenue. Currently, less than half of the 43 inspection centres in Beijing operate diesel inspection lanes.

LEARNER DRIVING INSTRUCTIONAL SERVICES

Comfort Driving Centre Pte Ltd (CDC) launched several new courses during the year including the use of the Vigil Vanguard System to correct poor driving habits and preparatory courses for computerised theory tests.

In 2004, the total number of learner drivers in CDC was 17,702, some 15.2% higher than 2003.

CAR RENTAL AND LEASING SINGAPORE

Our car rental and leasing business under CityLimo Pte Ltd had a difficult year in 2004 due to declining rental and leasing rates, falling demand with the drop in Certificate of Entitlement prices and car prices, as well as losses from the disposal of rental vehicles.

To ride through the difficulties, CityLimo trimmed its operations by shutting down two retail outlets and reducing the manpower strength by close to 30%.

MALAYSIA

In Malaysia, we offer car leasing and rental services through CityLimo Leasing (M) Sdn Bhd, Pantas Rent-A-Car Sdn Bhd and DynaDrive Rent-A-Car Sdn Bhd. Our customers, the bulk of whom are corporate clients, can opt for either long-term vehicle leases or short-term car rentals. In line with growth prospects in the country, we grew our Malaysian fleet by 18% to 355 vehicles in 2004 and intend to add more vehicles this year.

CHINA

The Group has two car rental operations in China: Beijing CityLimo Yin Jian Auto Services Co., Ltd and Chengdu CityLimo Auto Services Co., Ltd. The former operates a fleet of 803 vehicles in the Chinese capital, while the latter is a start-up company that commenced operations in June 2004 with an initial fleet of 15 vehicles.

INSURANCE BROKING

During the year, ComfortDelGro Insurance Brokers Pte Ltd achieved savings of close to \$4 million for the Group when it remarketed the latter's insurance programmes - both in Singapore and overseas. In addition, these programmes were enhanced and aligned to avoid duplication. Three



pecially customised insurance schemes for taxi drivers and employees were launched in May and September 2004 respectively. These voluntary schemes accord our drivers and employees value-added coverage at competitive rates.

A comprehensive claims management system named 'CRIS' was put in place at the end of the year. This system is an integral part of the Group's total approach to the building up of claims information, management of third party claims, claims related expenditure and claims recovery.

ADVERTISING

Several interesting and eye-catching advertising campaigns were launched during the year, including the Taxi Bumper Art and the Christmas Festive Hat campaigns. The taxi bumper advertisement campaign started with a charity event called Paint-A-Cab Charity Drive in which \$40,000 was raised for ComfortDelGro's adopted charity, the Home Nursing Foundation, which cares for the aged sick in their homes. Towards the end of the year, some of our buses started sporting Santa Claus caps as part of a new advertising campaign. Advertisers and members of the public were excited by

the creativity and innovation and several wrote in to commend us on the welcome changes to the outdoor advertising scene.

We expect to launch more new and exciting packages to position ComfortDelGro as the most innovative, integrated outdoor medium in the industry.

Corporate Governance

INTRODUCTION

As we aim to be the global leader in land transport, the ComfortDelGro Group abides by the principle of integrity and ethics where:

“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; and
- be open and transparent in our dealings.”

ComfortDelGro is committed and will continuously uphold and maintain the highest standard of corporate governance in enhancing and safeguarding the best interest of its shareholders. In recognition of its efforts, ComfortDelGro was awarded a Merit Award for Singapore Corporate Governance at the Securities Investors Association of Singapore’s Corporate Governance Award 2004.

This report sets out the corporate governance practices and procedures 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. The Board is responsible for:

- (i) setting the overall strategic direction and objectives of the Group;

- (ii) putting in place appropriate and adequate systems of internal control, risk management process, and financial authority limits;
- (iii) monitoring and approving financial performance, annual budgets, major capital and operating expenditures, and acquisition and disposal of significant investments; and
- (iv) overseeing and monitoring managerial performance.

The Board delegates the day to day management and running of the Group to management while reserving certain key issues and policies for its approval.

To assist the Board in the detailed consideration of various issues and to facilitate decision making, the Board has delegated some of its authorities to four committees, namely the Audit Committee, Nominating Committee, Remuneration Committee and Investment Committee. Each committee has its own specific terms of reference setting out the scope of its duties and responsibilities, rules and regulations, and procedures governing the manner in which it is to operate and how decisions are to be taken. Ad-hoc Committees are also formed to look into specific issues as and when the need arises.

To strive for full attendance and to assist Directors in planning their attendance at Board and Committee meetings of the Company, meetings are scheduled in advance at the beginning of the year in consultation with the Directors. The attendance of the Directors at the Board and Committee meetings of the Company and the frequency of such meetings are set out below:

Name	BOARD		AUDIT COMMITTEE		NOMINATING COMMITTEE		REMUNERATION COMMITTEE		INVESTMENT COMMITTEE	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Lim Jit Poh	6	6	-	-	1	1	3	3	3	3
Kua Hong Pak	6	6	-	-	-	-	3	3	3	3
Ong Ah Heng	6	2	4	3	-	-	-	-	-	-
Oo Soon Hee	6	6	4	4	-	-	-	-	-	-
Teo Geok Har, Nancy	6	6	-	-	1	1	-	-	3	3
Tow Heng Tan*	6	4	4	3	-	-	3	3	3	2
Wang Kai Yuen	6	6	-	-	1	1	-	-	3	3
Wong Chin Huat, David	6	5	4	4	-	-	3	3	-	-

* Stepped down as member of the Audit Committee on 1 January 2005.

Principle 1 - The Board's Conduct of its Affairs (Cont'd)

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

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

Regular presentations and orientation programmes are held to enable Directors to familiarise and acquaint themselves with the Group's existing and new businesses. During the year, as part of the orientation programme, a Board meeting was held in Shenyang, People's Republic of China, to enable the Directors to view the Group's existing and new taxi operations there. Directors are also furnished regularly with analyst reports, updates on corporate governance practices, and articles relating to changes in laws relevant to the Group's businesses and operating environment.

Directors are free to request 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 regularly 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 Managing Director/Group Chief Executive Officer is an executive Director. Of the remaining seven non-executive Directors, five of them are considered by the Nominating Committee to be independent.

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

PRINCIPLE 3 - CHAIRMAN AND MANAGING DIRECTOR/ GROUP CHIEF EXECUTIVE OFFICER

Mr Lim Jit Poh is presently the non-executive Chairman of the Group while Mr Kua Hong Pak is the Managing Director/Group Chief Executive Officer. The roles of the Chairman and Managing Director/Group Chief Executive Officer are separate.

The Chairman is responsible for the effective functioning of the Board while the Managing Director/Group Chief Executive Officer is responsible for the day-to-day operations and management of the Group's various businesses both locally and abroad. The Managing Director/Group Chief Executive Officer reports to the Board, which is headed by the Chairman. The Chairman and Managing Director/Group Chief Executive Officer 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 to each Director to express his/her views and share his/her concerns. Board agenda are prepared in consultation with the Chairman and Managing Director/Group Chief Executive Officer, and Board papers are vetted and approved by the Managing Director/Group Chief Executive Officer prior to being despatched in advance to the Directors.

PRINCIPLE 4 - BOARD MEMBERSHIP

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

The Nominating Committee is responsible for:

- (i) developing and maintaining a formal and transparent process for the nomination of new Directors to the Board;
- (ii) evaluating the effectiveness of the Board as a whole and contributions of each Director;
- (iii) identifying the skills, expertise and capabilities for the effective functioning of the Board;
- (iv) re-nominating Directors for re-election at Annual General Meetings; and
- (v) evaluating and determining the independence of each Director.

Corporate Governance

Principle 4 - Board Membership (cont'd)

The Articles of Association of the Company provides that all Directors, including the Managing Director, are subject to retirement by rotation at least once every three years and Directors appointed during the year will be subjected to re-election at the Annual General Meeting immediately following his appointment. For the forthcoming Annual General Meeting, Dr Wang Kai Yuen, Mr Oo Soon Hee and Mr Ong Ah Heng are due for re-election pursuant to Article 91 of the Company's Articles of Association.

The Nominating Committee 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 contributions of Directors. Directors' ability to provide strategic networking to enhance the business of the Group, accessibility for guidance and advice outside the scope of a formal Board meeting and contributions in specialised areas are also factors relevant in assessing the contributions of a Director. While the Nominating Committee will not stipulate the number of boards each non-executive Director is to be involved in, the Nominating Committee will continue to monitor the contributions and the performance of each Director and assess whether each Director has devoted sufficient time and attention to the affairs of the Group.

The Managing Director/Group Chief Executive Officer, being an executive of the Company, has to seek approval of the Chairman before accepting any directorships of other companies outside the Group. In deciding whether or not to grant the approval, the Chairman will consider the time commitment of the Managing Director/Group Chief Executive Officer, and whether the new external directorships will provide a strategic fit and networking to the businesses of the Group. The Chairman will also ensure that the Managing Director/Group Chief Executive Officer will not accept appointments on boards of competitors.

PRINCIPLE 5 - BOARD PERFORMANCE

The effectiveness of the Board is monitored by the

Nominating Committee in terms of overall performance, achieving an adequate return for shareholders, preventing conflict of interest and balancing the competing demands of the Group. In evaluating the contributions and performance of each 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 formed following the merger of Comfort Group Ltd (Comfort) and DelGro Corporation Limited (DelGro) some two years ago, a meaningful evaluation of the performance of the Board was also to consider an 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 2004. As at the close of business on 24 March 2003, being the last day of trading in the shares of both Comfort and DelGro prior to the merger, the combined market capitalisation was approximately \$1.51 billion. As at 31 December 2004, some 21 months after the merger, the market capitalisation of the Company was approximately \$3.19 billion, an increase of about 111%, compared to the increase in the Straits Times index of 59% and MSCI Singapore Free Index of 55% over this period. The share price went up to a record high of \$1.59 during intra-day trading on 12 November 2004 and closed at \$1.57. As at 31 December 2004 the share price was \$1.55.

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 \$124.5 million to \$1.3 billion as at 31 December 2004 due to profits from operations, and total assets increased \$173.7 million to \$2.78 billion due mainly to increase in fixed assets. Cash and cash equivalents as at 31 December 2004 stood at \$284.8 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.

Principle 6 - Access to Information (cont'd)

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 meetings of the Company. In addition, the Company Secretary also attends committee meetings where he has been appointed Secretary of the Committee.

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 Remuneration Committee was formed to provide the Board with an independent assessment and review of executive remuneration, and also propose and adopt an appropriate remuneration framework and strategy for executive compensation.

The Remuneration Committee comprises three non-executive Directors and one executive Director. The Chairman of the Remuneration Committee and the non-executive Directors are independent of management and free from any business or other relationships which may materially interfere with the exercise of independent judgment. The Acting Group Human Resource Officer is the Secretary to the Remuneration Committee.

The terms of the Remuneration Committee include the following:

- (i) adopt a remuneration framework for compensation and to 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;
- (ii) recommend a formal and transparent process for determining Directors' fees for non-executive Directors of the Company; and

- (iii) approve the participants and determine the quantum of options to be granted under the ComfortDelGro Employees' Share Option Scheme and to administer the Scheme.

PRINCIPLE 8 - LEVEL AND MIX OF REMUNERATION

The remuneration packages of the Managing Director/ Group Chief Executive Officer and executives of the Group comprised both fixed and variable components. The variable component, in the form of year-end performance bonuses and stock options, forms a significant proportion of the remuneration packages and is dependent upon the performance and 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 and 50:50 for top management. A high proportion of performance related component would ensure greater alignment of the interests of the executives with those of the shareholders.

The remuneration package of the Managing Director/Group Chief Executive Officer and certain key executives are tied to the return on shareholders' funds and the level of profitability achieved. Their packages are based on findings and recommendations submitted by an international human resource group appointed by the Group.

Directors' fees are based on a framework comprising basic fees and additional fees for serving on Board committees and also undertaking additional services for the Group. The fees are subject to approval of shareholders at Annual General Meetings. The Managing Director/Group Chief Executive Officer does not receive any fees from the Company or any of its subsidiaries in his personal capacity. Instead, fees due to him from the subsidiaries are paid to the Company.

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

Corporate Governance

PRINCIPLE 9 - DISCLOSURE OF REMUNERATION

The remuneration of the Directors of the Company and the top five key executives of the Group (who are also not Directors) for the financial year 2004 is as follows:

DIRECTOR Remuneration Band	Salary (%)	Bonuses (%)	Others (%)	Total Compensation (%)
(\$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.

KEY EXECUTIVES Remuneration Band	Salary (%)	Bonuses (%)	Others (%)	Total Compensation (%)
(\$500,000 - \$749,999) No. of executives: 3	50	42	8	100
(\$250,000 - \$499,999) No. of executives: 2	57	34	9	100

Further information on the ComfortDelGro Employees' Share Option Scheme can be found on Pages 67 to 69 of this Annual Report.

During the financial year 2004, no key executive was an immediate family member (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited) of any Director of the Company.

ACCOUNTABILITY AND AUDIT

PRINCIPLE 10 - ACCOUNTABILITY

During the financial year 2004, the Company released its quarterly and full-year results within 45 days from the end of each quarter or financial year as the case may be.

PRINCIPLE 11 - AUDIT COMMITTEE

The Company's present Audit Committee 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 Audit Committee are appropriately qualified to discharge their responsibilities.

The roles of the Audit Committee include the following:

- (i) review the effectiveness of the Group's material 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 audit 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.

In the performance of its duties, the Audit Committee 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 or executive Director to attend its meetings and reasonable resources to enable it to discharge its duties properly.

During the financial year, the Audit Committee also met with the external and internal auditors without the presence of management. The Audit Committee 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 Audit Committee. The non-audit fees for financial year 2004 amounted to \$1.1 million (FY2003: \$0.5 million).

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 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 a 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.

(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 Page 113 of this Annual Report.

Corporate Governance

Principle 12 - Internal Controls (cont'd)

(v) Risk Identification and Management

A Group-wide Control Self-Assessment exercise was embarked on during the year. 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 Audit Committee 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 a team of 10 staff and headed by the Group Internal Audit Officer. She is the Secretary to the Audit Committee and reports functionally to the Chairman of the Audit Committee and administratively to the Managing Director/Group Chief Executive Officer.

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 Audit Committee and to recommend improvements, where necessary.

The activities and organisational structure of the Internal Audit Department are monitored and reviewed by the Audit Committee 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. Communications with shareholders are achieved through announcements to the Singapore Exchange Securities Trading Limited and press releases, press and media briefings after the announcement of full-year or quarterly release 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. Communications with the Singapore Exchange Securities Trading Limited are handled by the Company Secretary, while communications with shareholders, analysts and fund managers are 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 Singapore Exchange Securities Trading Limited on any unusual trading activities in its securities.

As part of a programme of investors relations, the Group's Investors Relation 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 investors relations' activities of the Group are set out on Page 52 of this Annual Report.

PRINCIPLE 15 - SHAREHOLDERS PARTICIPATION AT ANNUAL GENERAL MEETINGS

The Articles of Association of the Company provides for voting in person at Annual General Meetings of the Company.

Principle 15 - Shareholders Participation at Annual General Meetings (cont'd)

The Chairman of the various Board Committees as well as the external auditors, represented by the Audit Partner in charge, are present to address questions raised by shareholders at 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 Singapore Exchange Securities Limited'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 reminded 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	
	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)
Name of Interested Person	\$'mil
Singapore Labour Foundation	0.2

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





EXCITE

It has been an exciting year – one that we hope will be able to bring a smile to all our stakeholders.

Investor Relations

Our investor relations (IR) approach is characterised by our commitment to improving good corporate governance, timely and transparent disclosure, and regular communication with shareholders and the investment community.

During the year under review, we met major institutional fund managers and research analysts. In our meetings, we explained the Group's vision and corporate strategies and updated them on corporate developments.

During the year under review, senior management held a total of 111 one-on-one meetings with various investors and fund managers. Close to 70% of the meetings were with overseas fund managers, with the bulk coming from the United Kingdom/Europe (31%), the United States/Canada (18%), Hong Kong (11%) and Japan/Australia (7%).

Senior management also visited investors in the United Kingdom and Hong Kong through arrangements made by securities houses.

In addition to shareholders and fund managers, we also met with research analysts. Some of the meetings were initiated to introduce senior management to new analysts, as well as to keep them updated on Group developments. We also held group briefings and discussions with analysts when our half-year and full-year results were announced.

Extracts of some of the analysts' reports are reproduced below:

- *ComfortDelGro Corporation Limited - Raising TP to S\$1.70 as Overseas Earnings Grow (Smith Barney Report dated 4 January 2005)*

"We are raising our earnings and target price for ComfortDelGro to account for acquisitions the Group announced in 2H last year, including two in the UK and several new investments in China, ie Shenyang and Chengdu. We maintain our Buy/Low Risk (1L) rating on the stock."

- *ComfortDelGro - Buy (Kim Eng Research dated 3 December 2004)*

"CD's recent share price weakness is a buying opportunity. We believe the stock, while outperforming the market, remains a BUY on steady earnings growth and undemanding valuations relative to its peers. CD's commitment to pay at least 50% of earnings to shareholders and its intention to deploy Section 44 tax credits (S\$125 million) will help maintain interest in the stock."

To improve accessibility to all shareholders, retail and institutional alike, we revamped our corporate website where all major announcements including results, corporate developments and our annual reports are posted. There is also a dedicated Investor Relations section within our corporate website where shareholders and investors can post questions directly to the IR team.

OUR SHAREHOLDERS

The Singapore Labour Foundation (SLF) is the Group's single largest shareholder with an 18.3% stake. Apart from the SLF, no other substantial shareholder holds 5% or more in the company. Consequently, our free float amounts to a high 81.7%, helping us achieve a higher weighting in both the Straits Times Index as well as in the MSCI Singapore Free Index. This has increased the attractiveness of our stock to institutional funds and investors.

From a breakdown of our shareholding in January 2005 provided by the Central Depository (Pte) Ltd, 79% of our shares were held by institutional and corporate shareholders while the remaining 21% was held by individuals. The breakdown for institutional investors is evenly split between local and overseas institutions.



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CARE

We are not just about revenue and profits. We are also about care and concern, and we have shown during the year that we have a heart, not just to those in Singapore, but to those overseas as well.

Corporate Social Responsibility

In the course of doing business, corporations have an impact on a wide spectrum of people, in a variety of areas, all over the world. With that comes an enormous responsibility. ComfortDelGro has a clear policy to ensure that our activities and behaviors are conducted with utmost integrity in many areas, including the following:

COMMUNITY

As a Group, ComfortDelGro donated and/or raised some \$1 million for charity in FY 2004. From Comfort Transportation and SBS Transit in Singapore, to Metroline in the UK and Nanning Comfort Transportation in China, our staff have opened up their hearts and pockets to help the less fortunate.

Educational institutions and unions have also received assistance. During the year, the Group gave scholarships and bursaries as well as donations totalling close to \$900,000 to students. We gave another \$140,000 to workers' unions for their welfare activities.

The Group also adopted the Home Nursing Foundation (HNF) in the third quarter of 2004. A non-profit

organisation, the HNF was set up in 1976, to provide quality and affordable healthcare services to the elderly sick in Singapore. Home nursing, the core and primary service of HNF, is critical to the semi and non-ambulant patients recuperating at home.

To celebrate this new partnership, the Paint-A-Cab Charity Drive was held in September 2004. Members of the public were approached to buy five-inch art squares on which they could paint anything they wanted. The art pieces were then mounted onto the bumpers of 30 Comfort cabs. In all, the exercise raised \$40,000 for the elderly sick in Singapore.

Others too have benefited. SBS Transit's Heart Bus collected more than \$400,000 for charities like the

**“WE MAKE A LIVING BY WHAT WE GET,
BUT WE MAKE A LIFE BY WHAT WE GIVE.”**

-Sir Winston Churchill

During the year, the Group gave scholarships and bursaries as well as donations totalling close to

\$900,000
to students.



Community Chest, Grace Orchard School, Rainbow Centre and The Salvation Army Peacehaven Nursing Home. This is the third time that the Heart Bus has been helping to raise funds.

CityCab's taxi hirers have also done their part. The CityCare Charity Group was initiated and formed in February 2000 by a small group of CityCab cabbies who felt the need to help the less fortunate. From just eight then, there are now about 200 members who have raised over \$150,000 for charity as at end-April. CityCab helps the informal group with all logistical, publicity and coordination work. For example, CityCab helped fifty CityCare members with the logistics and the publicity efforts related to the Bread-On-Wheels project where members distribute unsold bread from Sunshine Bakeries and Delifrance to five charitable organisations, five days a week.

In London, some ComCab drivers also did their bit for charity in October 2004. One of our longest-serving drivers, John Sheen, was part of a convoy of London taxis taking over 200 seriously-ill children to Paris Disneyland. The trip in October was into its 11th year and was organised by the Worshipful Company of Hackney Carriage Drivers, an association of London cabbies. It was the seventh year running that John had ferried children suffering from a range of debilitating illnesses and life threatening conditions to the Magical World of Disneyland Resort Paris.

In China, our bus station subsidiary, Guangzhou Xin Tian Wei Transportation Development, has been an active contributor to social causes, donating funds to the Guangzhou City Employees' Hardship Fund as well as the Guangzhou "Xin Fu Gong Chen" Education Fund to help poor children. Its staff also donated 100 pieces of clothing for the poor in the Guangxi region.



CityCab helped fifty CityCare members with the logistics and the publicity efforts related to the Bread-On-Wheels project.

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 auto-slowng of escalators.

In our workshops, sawdust is used to absorb diesel oil that has spilt onto the ground, making it easier to sweep away. Diesel oil that runs into the drainage is also filtered through an interceptor which has several filters set apart at intervals to sift through the waste water. The oil sludge residue is then removed from the drains to prevent water pollution.

Our taxi subsidiaries, CityCab in Singapore and ComCab in London have also been accredited with ISO 14001 – Environmental Management Systems – resulting in the following benefits:

- Improved perception of the key environmental issues by our employees and a better (greener) public image of the organisation
- A reduction in wastage in the use of energy and raw materials
- Improved ability to comply with environmental regulations
- Dependence on a system rather than just the experience and capabilities of an individual to manage the environmental function of an organisation

Our taxi subsidiaries, CityCab in Singapore and ComCab in London have also been accredited with

ISO 14001.



SAFETY

In the business of transportation, safety is key. Whether on the roads, in the workshops or in the depots, ComfortDelGro puts its entire staff through rigorous safety training courses. Awards and other incentives are given out to those who maintain clean driving records, while penalties imposed on errant drivers.

In our train system, closed-circuit TV cameras are located throughout our stations as well as on our trains to enable our staff to monitor passenger safety. Train doors are also equipped with an automatic safety feature to ensure that passengers are not caught between closing doors.

STAFF WELFARE AND TEAM-BUILDING

Staff welfare matters much to us. Group outings, exercise programmes and retreats are just some of the activities organised to promote employee well-being.

Subscribing to the belief that a healthy body is needed for a healthy mind, the Group has organised numerous health screenings, eye tests, health talks, mass workouts and fruit distributions throughout the year

for staff. Weekly exercise sessions, culminating in mass participation in marathons and cross-country walks like the New Paper Big Walk, the Terry Fox Run and the Singapore Marathon are also part of the ComfortDelGro way of life.

ComfortDelGro is also proponent of equal rights, and is committed to equal employment opportunities. In fact, ComCab in London has recently been awarded the nationally recognised “Positive About Disabled People” accreditation which focuses on actively encouraging disabled people to apply for jobs in the company.



Subscribing to the belief that a healthy body is needed for a healthy mind, the Group has organised numerous health screenings, eye tests, health talks, mass workouts and fruit distributions throughout the year for staff.

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JANUARY

Comfort Transportation and Yellow-Top Cab introduce Comfort Medisave Top-Up Scheme to help its hirers build up sufficient savings in their Medisave accounts for hospitalisation expenses

FEBRUARY

Formation of four joint venture companies in Chengdu – Chengdu ComfortDelGro Yiyou Taxi, Sichuan ComfortDelGro Car Servicing, Chengdu Jitong Integrated Vehicle Inspection and Chengdu CityLimo Auto Services with a total registered capital of RMB 51.5 million (S\$10.4 million) **1**

MARCH

ComfortDelGro acquires 80% stake in Beijing Tian Long Da Tian Vehicle Inspection, a vehicle inspection company in Beijing for RMB 28.0 million (S\$6.0 million) **2**

Computer Cab named the Taxi/Private Hire Company of the Year at the London Transport Awards 2004

Vinataxi awarded the Year 2003 Best Taxi Service in Ho Chi Minh City, Vietnam by the Vietnam Economic Times/The Guide **3**

APRIL

ComfortDelGro's 1st Annual General Meeting

SBS Transit launches "Gracious Movement" to instill a sense of graciousness amongst commuters

JUNE

SBS Transit celebrates 1st anniversary of North-East Line **4**

CityCab offers brand new tour guide service

Comfort Bus attains the Singapore Service Class (S-Class) Award

JULY

ComfortDelGro offers 2-cents rebate for every litre of diesel purchased for all taxi drivers to ease their financial burden

Comfort Driving Centre introduces VigilVanguard System, a new system to improve driving skills

SBS Transit raises more than \$400,000 through its Heart Bus charity exercise **5**

Metroline wins both the National and London Transport Awards for Technology in recognition of its satellite positioning system called iRIS

AUGUST

Metroline acquires F. E. Thorpe & Sons Limited, a bus operator in London, for £3.0 million (S\$9.5 million)

Shanghai Shen Xin Bus Service launches a new Service 150 after winning the right to operate the route by outbidding major operators

Comfort Transportation and Yellow-Top Cab achieve their ISO 9001:2000 certification for provision of fleet management and despatch services for taxis



2



4



1



3



5

SEPTEMBER

ComfortDelGro adopts Home Nursing Foundation as its charity organisation, organises the Paint-A-Cab Charity Drive which raises \$40,000 for the elderly sick 6

Formation of a bus joint venture company, Shenyang ComfortDelGro Anyun Bus in Shenyang, with a registered capital of US\$13.0 million (S\$22.1 million)

Comfort Bus attains the Singapore Quality Class Award

OCTOBER

A total of 93 front-line staff from the ComfortDelGro Group receive the Transport Gold Award organised by public transport operators

NOVEMBER

Some 350 front-line staff from the ComfortDelGro Group receive the EXSA Award 2004 organised by Spring Singapore 7

Metroline acquires E.H. Mundy Holdings, a bus and coach operator in London, for £6.0 million (S\$18.4 million) 8

Computer Cab expands its taxi fleet in London through a licensing agreement with Manganese Bronze Holdings' (MBH). The investment value was £1 for an exclusive licence to take over the operation of MBH's taxi-hiring service called Zingo

Computer Cab attains the ISO 14001 certification for good environment management

Comfort Bus launches its latest series of coaches, the Comfort Bus Superliner 9

Vinataxi wins the Strong Trademark of the Year 2004 Award, jointly organised by Vietnam Economic Times and Vietnam Trade Promotion Bureau

DECEMBER

Formation of a joint venture company, Chengdu ComfortDelGro Chang Yun Transportation, to operate long-distance and inter-province bus service, taxi services and automotive repair services with a registered capital of RMB 100.0 million (S\$20.0 million)

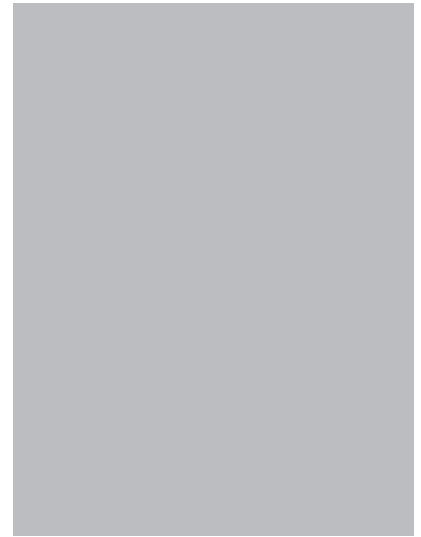
Comfort Transportation hits a milestone when it fulfilled its 10th million booking job, making it the only taxi company to ever fulfil that many booking jobs in one year



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ComfortDelGro's businesses span the gamut of land transport comprising mainly:

- Bus
- Taxi
- Rail
- Car rental and leasing
- Automotive engineering and maintenance services
- Vehicle inspection
- Learner drivers' instructional services
- Insurance brokerage services and
- Outdoor advertising



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BOARD OF DIRECTORS

Chairman	Mr Lim Jit Poh
Managing Director/Group Chief Executive Officer	Mr Kua Hong Pak
Members	Mr Ong Ah Heng Mr Oo Soon Hee Ms Teo Geok Har, Nancy Mr Tow Heng Tan Dr Wang Kai Yuen Mr Wong Chin Huat, David

AUDIT COMMITTEE

Chairman	Mr Oo Soon Hee
Members	Mr Ong Ah Heng Mr Wong Chin Huat, David

REMUNERATION COMMITTEE

Chairman	Mr Lim Jit Poh
Members	Mr Kua Hong Pak Mr Tow Heng Tan Mr Wong Chin Huat, David

NOMINATING COMMITTEE

Chairman	Dr Wang Kai Yuen
Members	Mr Lim Jit Poh Ms Teo Geok Har, Nancy

INVESTMENT COMMITTEE

Chairman	Mr Lim Jit Poh
Members	Mr Kua Hong Pak Ms Teo Geok Har, Nancy Mr Tow Heng Tan Dr Wang Kai Yuen

CORPORATE DIRECTORY

Company Secretary	Mr Tan Cher Chong, Bobby
Registered Office	205 Braddell Road Singapore 579701 Mainline (65) 6383 8833 Facsimile (65) 6287 0311 Email info@comfortdelgro.com Website www.comfortdelgro.com
Company Registration Number	200300002K
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 Date of Appointment	Mr Mah Chee Kheong, Chaly 29 April 2004

Report of the Directors

IMPORTANT

The directors present their annual report together with the audited consolidated financial statements of the Group for the financial year ended December 31, 2004 and the balance sheet of the Company as at December 31, 2004.

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:

	HELD IN THE NAME OF DIRECTOR		
	At January 1, 2004	At December 31, 2004	At January 21, 2005
Interest in the Company			
(a) Ordinary shares of \$0.25 each			
Lim Jit Poh	270,848	457,636	457,636
Kua Hong Pak	124,530	874,530	874,530
Ong Ah Heng	28,018	28,018	28,018
Teo Geok Har, Nancy	-	99,620	99,620
Wang Kai Yuen	121,412	595,084	595,084
(b) Options to subscribe for ordinary shares of \$0.25 each			
Lim Jit Poh	573,577	686,789	686,789
Kua Hong Pak	750,000	1,350,000	1,350,000
Ong Ah Heng	417,540	567,540	567,540
Oo Soon Hee	150,000	375,000	375,000
Teo Geok Har, Nancy	417,540	467,920	467,920
Tow Heng Tan	100,000	250,000	250,000
Wang Kai Yuen	473,672	187,500	187,500
Wong Chin Huat, David	100,000	250,000	250,000

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

	HELD IN THE NAME OF DIRECTOR		
	At January 1, 2004	At December 31, 2004	At January 21, 2005
Interest in subsidiary, SBS Transit Ltd			
Options to subscribe for ordinary shares of \$0.25 each			
Lim Jit Poh	180,000	230,000	230,000
Kua Hong Pak	150,000	195,000	195,000
Wong Chin Huat, David	120,000	150,000	150,000
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	140,000	150,000	150,000
Kua Hong Pak	36,000	45,000	45,000
Teo Geok Har, Nancy	70,000	75,000	75,000

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director of the Company 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 corporations.

5 SHARE OPTIONS

a) Share Options of the Company

- i) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS") was approved by the shareholders of the Company on February 18, 2003. The CDG ESOS is administered by the Remuneration Committee (the "Committee") comprising Messrs Lim Jit Poh, Kua Hong Pak, Tow Heng Tan and David Wong Chin Huat.

- 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 in the share capital of the Company comprised in the option at a subscription price determined with reference to the market price of the shares at the time of grant of the option. The subscription price does not include any discount feature. The consideration for the grant of an option is \$1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for non-executive directors) of the date of grant of that option or such shorter period as determined by the Committee. The option may be exercised in whole or in part on the payment of the relevant subscription price. The participants to whom the options have been granted shall be eligible to participate in other share option schemes implemented by the Company and/or its subsidiaries. Options granted will lapse when the option holder ceases to be a full-time employee or director of the Company or any company of the Group, subject to certain exceptions at the discretion of the Committee administering the CDG ESOS.

Report of the Directors

5 SHARE OPTIONS (CONT'D)

iii) Particulars of unissued shares under options granted pursuant to the CDG ESOS, options exercised and cancelled/lapsed during the financial year and options outstanding as at December 31, 2004 were as follows:

NUMBER OF SHARES UNDER OPTIONS							
Dates of grant	Outstanding at January 1, 2004	Granted	Exercised	Cancelled/ Lapsed	Outstanding at December 31, 2004#	Subscription price per share	Expiry dates
July 20, 1999*	418,406	-	418,406	-	-	\$0.470	July 19, 2004
October 5, 1999*	3,996,801	-	3,996,801	-	-	\$0.774	October 5, 2004
July 7, 2000*	627,609	-	627,609	-	-	\$0.462	July 6, 2005
September 26, 2000*	2,153,037	-	735,959	-	1,417,078	\$0.651	September 26, 2005
November 13, 2000*	826,699	-	732,212	19,772	74,715	\$0.444	November 12, 2010
November 13, 2000*	199,240	-	149,430	-	49,810	\$0.444	November 12, 2005
March 29, 2001*	747,155	-	622,630	-	124,525	\$0.410	March 28, 2011
March 29, 2001*	199,240	-	149,430	-	49,810	\$0.410	March 28, 2006
September 6, 2001*	2,165,480	-	1,049,324	-	1,116,156	\$0.718	September 6, 2006
October 4, 2001*	989,941	-	479,386	19,924	490,631	\$0.464	October 3, 2011
October 4, 2001*	342,446	-	217,920	-	124,526	\$0.464	October 3, 2006
March 25, 2002*	1,557,925	-	922,845	19,924	615,156	\$0.538	March 24, 2012
March 25, 2002*	404,709	-	280,183	-	124,526	\$0.538	March 24, 2007
September 5, 2002*	2,259,051	-	1,343,403	-	915,648	\$0.569	September 5, 2007
October 8, 2002*	2,849,028	-	1,911,636	19,924	917,468	\$0.561	October 7, 2012
October 8, 2002*	684,891	-	311,314	-	373,577	\$0.561	October 7, 2007
July 31, 2003	5,826,000	-	2,669,000	234,000	2,923,000	\$0.793	July 30, 2013
July 31, 2003	875,000	-	125,000	-	750,000	\$0.793	July 30, 2008
January 2, 2004	-	5,785,000	-	368,000	5,417,000	\$0.820	January 1, 2014
January 2, 2004	-	875,000	-	-	875,000	\$0.820	January 1, 2009
July 19, 2004	-	4,726,500	-	20,000	4,706,500	\$1.217	July 18, 2014
July 19, 2004	-	437,500	-	-	437,500	\$1.217	July 18, 2009
Total	27,122,658	11,824,000	16,742,488	701,544	21,502,626		

Includes 422,344 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.

5 SHARE OPTIONS (CONT'D)

iv) Details of the options granted to directors during the financial year and since the commencement of the CDG ESOS (including options granted under the Pre-Merger Option Scheme) up to December 31, 2004 were as follows:

Director	NUMBER OF SHARES UNDER OPTIONS			
	Granted during the year ended December 31, 2004	Granted since the commencement to December 31, 2004	Exercised since the commencement to December 31, 2004	Outstanding at December 31, 2004
Lim Jit Poh	300,000	873,577	186,788	686,789
Kua Hong Pak	1,350,000	2,100,000	750,000	1,350,000
Ong Ah Heng	150,000	567,540	-	567,540
Oo Soon Hee	225,000	375,000	-	375,000
Teo Geok Har, Nancy	150,000	567,540	99,620	467,920
Tow Heng Tan	150,000	250,000	-	250,000
Wang Kai Yuen	187,500	661,172	473,672	187,500
Wong Chin Huat, David	150,000	250,000	-	250,000

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

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 of the Company and their associates; 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.

Report of the Directors

5 SHARE OPTIONS (CONT'D)

b) Share Options of subsidiaries

A. SBS Transit Ltd ("SBST")

- i) The SBS Transit Share Option Scheme (the "SSOS") was approved by the shareholders of SBST on June 9, 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 ordinary shares of \$0.25 each in the share capital of SBST comprised in the option 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 December 31, 2004 were as follows:

NUMBER OF SHARES UNDER OPTIONS							
Dates of grant	Outstanding at January 1, 2004	Granted	Exercised	Cancelled/ Lapsed	Outstanding at December 31, 2004 ⁺	Subscription price per share	Expiry dates
September 26, 2000	1,095,000	-	-	(93,000)	1,002,000	\$1.59	September 26, 2010
September 6, 2001	1,250,000	-	-	(123,000)	1,127,000	\$1.60	September 6, 2011
August 22, 2003	1,600,000	-	(165,000)	(84,000)	1,351,000	\$1.29	August 22, 2013
August 22, 2003	495,000	-	-	-	495,000	\$1.29	August 22, 2008
December 10, 2003	1,520,000	-	(43,000)	(29,000)	1,448,000	\$1.22	December 10, 2013
December 10, 2003	495,000	-	-	-	495,000	\$1.22	December 10, 2008
July 19, 2004	-	1,286,250	-	-	1,286,250	\$1.60	July 19, 2014
July 19, 2004	-	290,000	-	-	290,000	\$1.60	July 19, 2009
	6,455,000	1,576,250	(208,000)	(329,000)	7,494,250		

- * Includes 448,750 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 December 31, 2004 were as follows:

Director	NUMBER OF SHARES UNDER OPTIONS			
	Granted during the year ended December 31, 2004	Granted since the commencement to December 31, 2004	Exercised since the commencement to December 31, 2004	Outstanding at December 31, 2004
Lim Jit Poh	50,000	230,000	-	230,000
Kua Hong Pak	45,000	195,000	-	195,000
Wong Chin Huat, David	30,000	150,000	-	150,000

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) VICOM Executives’ Share Option Scheme (“VSOS”)

a) The VSOS was approved by the shareholders of VICOM on August 20, 1996. The VSOS is administered by the Remuneration Committee of VICOM.

b) Under the VSOS, an option entitles the option holder to subscribe for a specific number of ordinary shares of \$0.25 each in the share capital of VICOM comprised in the option 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 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 fifth anniversary of the date of grant of that option or such shorter period as determined by the Remuneration Committee of VICOM. The shares under option may be exercised in whole or in part on the payment of the relevant subscription price.

Report of the Directors

5 SHARE OPTIONS (CONT'D)

- c) 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 December 31, 2004 were as follows:

NUMBER OF SHARES UNDER OPTIONS						
Date of grant	Outstanding at January 1, 2004	Exercised	Cancelled/ Lapsed	Outstanding at December 31, 2004	Subscription price per share	Expiry date
July 14, 1999	322,000	-	322,000	-	\$0.9950	July 13, 2004

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

The VICOM Share Option Scheme was terminated on April 27, 2001 with the implementation of "The 2001 VICOM Share Option Scheme" on April 27, 2001.

ii) The 2001 VICOM Share Option Scheme ("The 2001 VSOS")

- a) The 2001 VSOS was approved by the shareholders of VICOM on April 27, 2001. The 2001 VSOS is administered by the Remuneration Committee of VICOM.
- b) Under the 2001 VSOS, an option entitles the option holder to subscribe for a specific number of ordinary shares of \$0.25 each in the share capital of VICOM comprised in the option 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)

c) 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 December 31, 2004 were as follows:

NUMBER OF SHARES UNDER OPTIONS							
Dates of grants	Outstanding at January 1, 2004	Granted	Exercised	Cancelled/ Lapsed	Outstanding at December 31, 2004	Subscription price per share	Expiry dates
June 1, 2001	120,000	-	-	(20,000)	100,000	\$0.570	May 30, 2006
June 1, 2001	508,000	-	(364,000)	-	144,000	\$0.570	May 30, 2011
September 26, 2001	60,000	-	-	(10,000)	50,000	\$0.423	September 25, 2006
September 26, 2001	154,000	-	(120,000)	-	34,000	\$0.423	September 25, 2011
April 6, 2002	60,000	-	-	(10,000)	50,000	\$0.628	April 5, 2007
April 6, 2002	298,000	-	(132,000)	-	166,000	\$0.628	April 5, 2012
October 7, 2002	81,000	-	(15,000)	(13,000)	53,000	\$0.600	October 6, 2007
October 7, 2002	368,000	-	(194,000)	-	174,000	\$0.600	October 6, 2012
June 27, 2003	99,000	-	-	-	99,000	\$0.760	June 26, 2008
June 27, 2003	274,000	-	(55,000)	(16,000)	203,000	\$0.760	June 26, 2013
December 20, 2003	99,000	-	-	-	99,000	\$0.865	December 19, 2008
December 20, 2003	254,000	-	(54,000)	-	200,000	\$0.865	December 19, 2013
August 23, 2004	-	49,500	-	-	49,500	\$0.953	August 22, 2009
August 23, 2004	-	271,500	-	-	271,500	\$0.953	August 22, 2014
	2,375,000	321,000	(934,000)	(69,000)	1,693,000		

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

iii) 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 December 31, 2004 were as follows:

NUMBER OF SHARES UNDER OPTIONS				
Director	Granted during the year ended December 31, 2004	Granted since the commencement to December 31, 2004	Exercised since the commencement to December 31, 2004	Outstanding at December 31, 2004
Lim Jit Poh	10,000	150,000	-	150,000
Kua Hong Pak	9,000	45,000	-	45,000
Teo Geok Har, Nancy	5,000	75,000	-	75,000

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

Report of the Directors

5 SHARE OPTIONS (CONT'D)

- iv) None of the options granted under the VSOS and 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 VSOS and the 2001 VSOS.
- c) Except as disclosed in paragraph 5 of this report:
 - i) during the financial year:
 - (a) there were no options granted to any person to take up unissued shares in the Company or any corporation in the Group; and
 - (b) 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.
 - ii) 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 that the auditors are independent. The Board 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 directors of the Company.

The Audit Committee has nominated 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
February 14, 2005

Auditors' Report

to the Members of ComfortDelGro Corporation Limited

We have audited the accompanying financial statements of ComfortDelGro Corporation Limited for the year ended December 31, 2004 set out on pages 76 to 124. 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 December 31, 2004 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

Chaly Mah Chee Kheong

Partner

Singapore

February 14, 2005

Balance Sheets

December 31, 2004

	Note	THE COMPANY		THE GROUP	
		2004 \$'mil	2003 \$'mil	2004 \$'mil	2003 \$'mil
ASSETS					
Current assets:					
Short-term deposits and bank balances	3	93.3	38.5	284.8	330.4
Short-term investments	4	48.0	89.1	281.7	331.6
Trade receivables	5	-	-	142.0	132.3
Other receivables and prepayments	6	291.3	205.6	129.4	161.4
Inventories	7	-	-	36.1	31.3
Total current assets		432.6	333.2	874.0	987.0
Non-current assets:					
Subsidiaries	8	506.3	506.3	-	-
Associates	9	0.2	0.2	2.9	3.0
Joint ventures	10	-	-	25.1	26.9
Other investments	11	21.8	6.0	58.7	30.0
Long-term receivables	12	100.2	-	1.0	0.6
Vehicles, premises and equipment	13	0.8	-	1,602.4	1,453.1
Taxi and other licences	14	-	-	168.1	153.1
Goodwill	15	-	-	43.3	14.7
Deferred tax assets	24	-	-	3.0	2.3
Total non-current assets		629.3	512.5	1,904.5	1,683.7
Total assets		1,061.9	845.7	2,778.5	2,670.7

	Note	THE COMPANY		THE GROUP	
		2004 \$'mil	2003 \$'mil	2004 \$'mil	2003 \$'mil
LIABILITIES AND EQUITY					
Current liabilities:					
Bank overdrafts and short-term bank loans	16	-	-	55.1	47.1
Long-term loans - current portion	17	-	-	90.2	51.1
Finance leases - current portion	18	-	-	34.3	36.3
Trade payables	19	15.5	0.9	364.3	290.7
Due to subsidiaries	20	229.7	-	-	-
Due to an associate - trade		-	-	3.0	1.5
Deposits received - current portion	21	-	-	48.5	45.1
Fuel price equalisation account		-	-	34.1	34.1
Provision for claims	22	-	-	62.4	59.3
Income tax payable		-	-	74.4	60.7
Total current liabilities		245.2	0.9	766.3	625.9
Non-current liabilities:					
Long-term loans	17	-	-	151.9	206.7
Finance leases	18	-	-	100.8	111.0
Deposits received	21	-	-	36.1	49.1
Other payable	23	-	-	-	36.9
Deferred tax liabilities	24	-	-	125.8	123.7
Provision for service benefits and long service awards	25	0.1	-	12.9	11.5
Total non-current liabilities		0.1	-	427.5	538.9
Minority interests		-	-	281.8	241.8
Capital and reserves:					
Issued capital	26	513.8	509.6	513.8	509.6
Capital reserves	27	11.1	4.5	43.3	49.7
Accumulated profits		291.7	330.7	745.8	704.8
Total equity		816.6	844.8	1,302.9	1,264.1
Total liabilities and equity		1,061.9	845.7	2,778.5	2,670.7

See accompanying notes to the financial statements.

Consolidated Profit and Loss Statement

Year Ended December 31, 2004

	Note	2004 \$'mil	2003 \$'mil
Turnover	28	2,097.8	1,847.1
Other operating income	29	42.6	36.4
Revenue		2,140.4	1,883.5
Staff costs	30	(718.9)	(656.2)
Depreciation and amortisation expenses	13,14,15	(252.8)	(289.3)
Raw materials and consumables		(154.7)	(100.6)
Repair and maintenance		(145.1)	(143.0)
Road and diesel taxes		(118.0)	(114.0)
Energy and fuel costs		(101.2)	(77.5)
Insurance and accident compensation		(68.7)	(59.9)
Premise costs		(55.5)	(48.1)
Vehicle leasing charges		(44.6)	(35.1)
Other operating expenses		(156.8)	(198.6)
Total operating expenses		(1,816.3)	(1,722.3)
Exceptional item	31	-	47.2
Profit from operations	32	324.1	208.4
Net income from investments	33	2.8	14.5
Interest income		10.7	11.3
Finance costs	34	(17.6)	(22.3)
Share of profit (loss) in joint ventures		0.1	(6.0)
Share of profit in associates		0.4	0.1
Profit before taxation		320.5	206.0
Taxation	35	(75.2)	(50.4)
Profit after taxation		245.3	155.6
Minority interests		(44.7)	(21.7)
Profit attributable to shareholders		200.6	133.9
Earnings per share (in cents):			
Basic	36	9.79	6.59
Diluted	36	9.77	6.58

See accompanying notes to the financial statements.

Consolidated Statement of Changes in Equity

Year Ended December 31, 2004

	Note	Issued capital \$'mil	Capital reserves \$'mil	Accumulated profits \$'mil	Total \$'mil
Balance at January 1, 2003		505.6	49.2	623.6	1,178.4
Net profit for the year		-	-	133.9	133.9
Exercise of share options		3.9	5.3	-	9.2
Currency translation differences		-	(11.9)	-	(11.9)
Other reserves		0.1	3.5	(3.6)	-
Goodwill written back upon disposal of associates		-	3.6	(3.6)	-
Payment of dividends	42	-	-	(45.5)	(45.5)
Balance at December 31, 2003		509.6	49.7	704.8	1,264.1
Net profit for the year		-	-	200.6	200.6
Exercise of share options		4.2	6.6	-	10.8
Currency translation differences		-	(13.9)	-	(13.9)
Other reserves		-	0.9	(0.9)	-
Payment of dividends	42	-	-	(158.7)	(158.7)
Balance at December 31, 2004		513.8	43.3	745.8	1,302.9

See accompanying notes to the financial statements.

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Consolidated Cash Flow Statement

Year Ended December 31, 2004

	2004 \$'mil	2003 \$'mil
Cash flows from operating activities:		
Profit before taxation	320.5	206.0
Adjustments for:		
Depreciation and amortisation expenses	252.8	289.3
Write-off of taxi licences	6.9	-
Interest expenses	17.6	22.3
Interest income	(10.7)	(11.3)
Gain on disposal of short-term investments	(1.3)	(5.8)
Gain on disposal of subsidiaries	-	(0.9)
Gain on disposal of associates	-	(4.5)
Impairment loss arising from investments	0.3	4.1
(Gain) Loss on disposal of vehicles, premises and equipment	(3.9)	1.2
Development costs written down	-	49.5
Goodwill on consolidation written off	-	1.7
Dividend income	(0.7)	(2.2)
Provision for service benefits and long service awards, net	1.8	0.6
Share of (profit) loss in joint ventures	(0.1)	6.0
Share of profit in associates	(0.4)	(0.1)
	582.8	555.9
Payment of service benefits and long service awards	(0.4)	(1.2)
Operating profit before working capital changes	582.4	554.7
Inventories	(4.3)	2.7
Trade receivables	(5.6)	(3.3)
Other receivables and prepayments	39.8	(47.6)
Long-term receivables	(0.1)	4.9
Short-term investments	49.7	25.6
Trade payables and accrued expenses	30.4	(22.9)
Due to an associate - trade	1.5	(1.3)
Deposits received	(12.4)	(9.3)
Provision for claims	(0.6)	4.9
Cash generated from operations	680.8	508.4
Income tax paid	(61.8)	(45.8)
Net cash flow from operating activities	619.0	462.6

	2004 \$'mil	2003 \$'mil
Cash flows from (used in) investing activities:		
Proceeds from disposal of vehicles, premises and equipment	39.2	22.1
Purchase of equity shares and bonds in corporations	(27.9)	(5.0)
Proceeds from disposal of equity shares and bonds in corporations	1.6	14.5
Purchase of vehicles, premises and equipment [Note (a)]	(363.1)	(246.6)
Purchase of taxi and other licences	(30.5)	(3.1)
Proceeds from disposal of investment in associates and joint ventures	-	14.7
Acquisition of subsidiaries, net of cash acquired [Note (b)]	(39.5)	(15.9)
Share of dividends from joint ventures	-	0.7
Investment in associates, net of allowance for diminution in value	0.5	(0.9)
Interest received	10.6	12.4
Dividends received	0.7	2.2
Others	0.3	0.1
Net cash used in investing activities	(408.1)	(204.8)
Cash flows from (used in) financing activities:		
Short-term bank loans, net	6.1	(52.3)
Long-term loans	(16.6)	24.0
Repayment of obligations under finance lease	(63.4)	(19.0)
Other payable	-	(3.7)
Minority interests	(8.4)	(15.7)
Proceeds from share issue	10.8	9.2
Proceeds from issue of shares to minority shareholders of subsidiaries	0.8	0.4
Increase in shareholders' loan from an investee company	-	0.2
Repayment of loan to minority shareholders of subsidiaries	0.4	(0.5)
Interest paid	(17.8)	(22.7)
Dividends paid	(158.7)	(45.5)
Net cash used in financing activities	(246.8)	(125.6)
Net effect of exchange rate changes in consolidating subsidiaries	(7.9)	(17.9)
Net (decrease) increase in cash and cash equivalents	(43.8)	114.3
Cash and cash equivalents at beginning of year	328.6	214.3
Cash and cash equivalents at end of year (Note 37)	284.8	328.6

Consolidated Cash Flow Statement

Year Ended December 31, 2004

	2004 \$'mil	2003 \$'mil
Note (a):		
Purchase of vehicles, premises and equipment	407.9	281.7
Less: Vehicles, premises and equipment purchased under finance lease arrangements	(44.8)	(35.1)
Cash payments on purchase of vehicles, premises and equipment	363.1	246.6
Note (b):		
Summary of the effects of acquisition of subsidiaries:		
Net assets (liabilities) acquired:		
Current assets	13.3	9.2
Non-current assets	22.7	18.3
Current liabilities	(27.9)	(15.5)
Non-current liabilities	(4.5)	(4.8)
	3.6	7.2
Translation reserves	-	(0.1)
Minority interests	(2.8)	(0.6)
Net assets acquired	0.8	6.5
Goodwill on acquisition	33.4	12.5
Total purchase consideration	34.2	19.0
Less: Portion discharged by non-cash consideration	5.1	-
Portion discharged by cash	39.3	19.0
Add (Less): Overdraft (Cash) on acquisition of subsidiaries	0.2	(3.1)
Cash flow on acquisition, net of cash acquired	39.5	15.9

See accompanying notes to the financial statements.

Notes to the Financial Statements

December 31, 2004

1 GENERAL

The Company (Reg. 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 45.

The financial statements are expressed in Singapore dollars.

The consolidated financial statements of the Group for the financial year ended December 31, 2004 and the balance sheet of the Company as at December 31, 2004 were authorised for issue by the Board of Directors on February 14, 2005.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost convention and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”).

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) made up to December 31 of each financial year. Control is achieved when the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The formation of the Group under a merger in 2003 had been accounted for using the pooling of interest method. Accordingly, comparatives for prior years, are presented as if these entities have always been part of the Group, and the assets and liabilities are brought into the consolidated financial statements at their existing carrying values.

For the acquisition of subsidiaries, the assets and liabilities of the relevant subsidiaries are measured at their fair values

at the date of acquisition. The interest of minority shareholders is stated at the minority’s proportion of the fair values of the assets and liabilities recognised. The results of subsidiaries acquired or disposed during the year are included in the consolidated profit and loss statement from/to the effective date of acquisition or disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group. All significant intercompany transactions and balances between Group enterprises are eliminated on consolidation. Where a Group enterprise transacts with an associate of the Group, unrealised profit and losses are eliminated to the extent of the Group’s interest in the relevant associate.

Associates are entities over which the Group exercises significant influence, through participation in the financial and operating policy decisions of the investee. The equity method of accounting is used.

Joint ventures are those entities whose activities the Group has joint control over by contractual agreement. The equity method of accounting is used.

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.

FINANCIAL ASSETS – The Company’s and Group’s principal financial assets are cash and cash equivalents, investments, trade and other receivables and long-term receivables. Trade and other receivables and long-term receivables are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts.

The accounting policies adopted for finance lease receivables and investments are outlined below.

FINANCIAL LIABILITIES AND EQUITY – Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Notes to the Financial Statements

December 31, 2004

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities include finance lease obligations, interest-bearing loans and overdrafts and trade and other payables.

The accounting policy adopted for finance lease obligations is outlined below.

Interest-bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables are stated at their nominal value.

Equity instruments are recorded at the fair value of consideration received, net of direct issue costs.

INVESTMENTS – Investments are recorded on trade date. Other long-term investments, where the Company and the Group are not in a position to exercise control or significant influence, are stated at cost less impairment losses. Losses are recognised when the investment's carrying amount exceeds its estimated recoverable amount.

Quoted investments held on a short-term basis are carried at the lower of cost and market value on an aggregate portfolio basis.

Unquoted investments held on a short-term basis are stated at cost less impairment loss.

MINORITY INTEREST – Minority interest is stated at the appropriate proportion of the pre-acquisition carrying amounts of fair values of net assets of the subsidiary adjusted for the appropriate share of post-acquisition profit and loss.

GOODWILL – Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised

as an asset and amortised on a straight-line basis over its estimated useful life.

Goodwill arising from an acquisition of an associate or a jointly controlled entity is included in the carrying value of the investment. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

Prior to January 1, 2001, goodwill arising from acquisition of subsidiaries, associates or joint ventures was directly adjusted against shareholders' equity. With effect from January 1, 2001, the Group has adopted FRS 22 – Business Combinations and amortises goodwill over periods not exceeding 20 years. Goodwill on acquisition arising prior to January 1, 2001 has been charged in full to the revenue reserve brought forward; such goodwill had not been retrospectively capitalised and amortised, as allowed under FRS 22 – Business Combinations.

VEHICLES, PREMISES AND EQUIPMENT – Vehicles, premises and equipment are carried at cost, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

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, as follows:

	Number of years
Buses	5 to 15
Leasehold bus depots	12 to 30
Leasehold land and buildings	8 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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

During the financial year, the Group changed the estimate of useful life of certain buses from 8 years to 12 years. In addition, the useful life of certain taxis was changed from 6 years to 7.5 years. These changes were made to reflect more appropriately the useful lives of those assets. As a result of these changes, depreciation expense was lower and consequently, profit after tax was higher by \$21.4 million for the Group for the financial year ended December 31, 2004.

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 and put into operational use.

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 leases.

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, where such licences have fixed tenures.

IMPAIRMENT OF ASSETS – At each balance sheet date, the Company and the Group review the carrying amounts of their 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). When it is not possible to estimate the recoverable amount of an individual asset, the Company and Group estimate the

recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset/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. Impairment losses are recognised as an expense immediately.

When 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 only to the extent 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 as income immediately.

INVENTORIES – Inventories, consisting mainly of parts, accessories, cars, Preferential Additional Registration Fees (“PARF”) benefits and consumable spares required for the operation and maintenance of vehicles and certain plant and equipment, are measured at the lower of cost (weighted average method) and net realisable value.

Cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

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.

Assets held under finance leases are recognised as assets of the Group at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the profit and loss statement over the term of the relevant lease using the effective interest rate method.

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

Notes to the Financial Statements

December 31, 2004

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

FUEL PRICE EQUALISATION ACCOUNT – At the direction of the Public Transport Council (“PTC”), the 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 is below the standard diesel price and electricity tariff, a fuel price equalisation reserve is set up as a charge to 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 is above the standard diesel price and electricity tariff, the fuel price equalisation account previously set up is released to that year’s profit and loss statement 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.

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 – A provision is recognised when the Company and the Group have a present obligation as a result of a past event where it is probable that the obligation will result in an outflow of economic benefits that can be reasonably estimated.

SERVICE BENEFITS:

These comprise the following:

- i) Retirement Benefits - Under the Collective Agreement entered into by certain subsidiaries in Singapore with their relevant unions, a retirement benefit of \$3,000 is payable to a retiring employee on or after attaining the age of sixty 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 when incurred.
- iv) Defined benefit scheme - The Group operates two defined benefit pension schemes (“Pension Schemes”) for employees of two of its foreign subsidiaries. The expected cost of contribution by the subsidiaries to the Pension Schemes is calculated periodically by professionally qualified actuaries. The expected cost is charged to the profit and loss statement in a manner such that it is spread over the service lives of the participating employees.

The Group recognises a portion of its actuarial gains or losses as income or expense if the net cumulative unrecognised actuarial gains or losses at the end of the previous reporting period exceeded the greater of:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- 10% of the present value of the defined benefit obligation at that date (before deducting plan assets); and
- 10% of the fair value of any plan assets at the date.

The portion of actuarial gains or losses recognised is the excess determined above, divided by the expected average remaining working lives of the employees participating in the plan.

- v) 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 options are not recorded as an expense. When exercised, the exercise price is allocated between issued capital and share premium accordingly.

REVENUE RECOGNITION – Revenue from rendering of services that are of short duration is recognised when services are completed. Revenue from sales of goods is recognised when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and the costs of the transaction can be measured reliably.

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

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

INCOME TAX – Tax expense is determined on the basis of tax-effect accounting, using the liability method, and it is applied to all significant temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, except that a debit to the deferred tax

balance is not carried forward unless there is a reasonable expectation of realisation in the foreseeable future.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited to the 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 they relate to income taxes levied by the same tax authority.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – Transactions in foreign currencies are recorded using the rates ruling on the dates of the transactions. At each balance sheet date, recorded monetary balances that are denominated in foreign currencies, except for those which have been hedged with foreign exchange derivative instruments, are reported at the rates ruling at the balance sheet date. All realised and unrealised exchange adjustment profits and losses are dealt with in the profit and loss statement. Foreign exchange forward and swap contracts entered into for hedging purposes are accounted for in a manner consistent with the underlying hedged items.

For inclusion in the consolidated financial statements, assets and liabilities of the foreign entities (subsidiary, associate and jointly controlled entity) are translated at the rates of exchange approximating those ruling at the balance sheet date. The profit and loss statements are translated at the average rates of exchange for the year, and the opening net investment in the foreign entities is translated at the historical rates. The resulting currency translation differences are taken to the currency translation reserve. On disposal of a foreign entity, the currency translation reserve are recognised in the profit and loss statement as part of the profit or loss on disposal.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents for the cash flow statement include short-term deposits and bank balances less bank overdrafts.

Notes to the Financial Statements

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3 SHORT-TERM DEPOSITS AND BANK BALANCES

	THE COMPANY		THE GROUP	
	2004 \$'mil	2003 \$'mil	2004 \$'mil	2003 \$'mil
Cash and bank balances	0.4	3.3	13.0	44.6
Interest-bearing bank balances	-	-	24.3	58.8
Time deposits:				
Placed with financial institutions and are unencumbered	92.9	35.2	247.5	181.4
Pledged to a bank as security for the issuance of a bank guarantee	-	-	-	45.6
Total	93.3	38.5	284.8	330.4

4 SHORT-TERM INVESTMENTS

a) Quoted investments, at cost:				
Equity shares in corporations	-	-	9.5	11.3
Loan stocks and bonds in corporations	5.7	3.0	22.2	40.0
Notes in corporations	-	5.0	10.0	15.1
Preference shares in corporations	4.0	-	4.0	3.1
b) Unquoted investments, at cost:				
Bonds in corporations	8.4	-	16.1	23.6
Notes in corporations	30.0	81.1	220.0	238.5
Total	48.1	89.1	281.8	331.6
Impairment loss	(0.1)	-	(0.1)	-
Net	48.0	89.1	281.7	331.6
c) Market value of quoted investments:				
Equity shares in corporations	-	-	12.5	12.6
Loan stocks and bonds in corporations	5.7	3.0	23.3	41.9
Notes in corporations	-	5.0	10.0	15.0
Preference shares in corporations	4.0	-	4.0	3.1

5 TRADE RECEIVABLES

	THE GROUP	
	2004 \$'mil	2003 \$'mil
Outside parties	153.1	142.2
Provision for doubtful trade receivables	(11.1)	(9.9)
Net	142.0	132.3

The Group's trade receivables include the following:

Unguaranteed residual values	37.9	38.0
Provision for unguaranteed residual values	(2.5)	(1.5)
Net	35.4	36.5

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.

6 OTHER RECEIVABLES AND PREPAYMENTS

	THE COMPANY		THE GROUP	
	2004 \$'mil	2003 \$'mil	2004 \$'mil	2003 \$'mil
Receivables from:				
Subsidiaries	289.9	199.9	-	-
Joint ventures	-	-	33.9	32.9
Associates	0.4	0.2	0.5	0.4
Total	290.3	200.1	34.4	33.3
Provision for doubtful receivables	-	-	(10.0)	(10.0)
Net	290.3	200.1	24.4	23.3
Receivable from the Land Transport Authority of Singapore ("LTA") (Note 31)	-	-	-	47.2
Prepayments	-	-	71.1	60.0
Interest receivable	0.6	0.3	1.8	1.7
Staff advances	-	-	0.7	1.1
Security deposits	-	-	3.4	2.6
Long-term receivables – current portion (Note 12)	-	-	0.2	0.2
Others	0.4	5.2	27.8	25.3
Net	291.3	205.6	129.4	161.4

The receivables from subsidiaries, joint ventures and associates bear interest at rates ranging from 1.50% to 4.25% (2003: 1.50% to 3.10%) per annum, unsecured and with no fixed repayment terms.

7 INVENTORIES

	THE GROUP	
	2004 \$'mil	2003 \$'mil
Goods held for sale	32.7	33.1
Roof-top advertisement panels	4.8	0.1
Less: Provision for inventory obsolescence	(1.4)	(1.9)
	36.1	31.3
Inventories:		
- at cost	26.9	28.4
- at net realisable value	9.2	2.9
	36.1	31.3

8 SUBSIDIARIES

	THE COMPANY	
	2004 \$'mil	2003 \$'mil
Unquoted equity shares - at cost	506.3	506.3

Details of significant subsidiaries are included in Note 45.

Notes to the Financial Statements

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9 ASSOCIATES

	THE COMPANY		THE GROUP	
	2004 \$'mil	2003 \$'mil	2004 \$'mil	2003 \$'mil
Unquoted equity shares, at cost	0.2	0.2	1.3	1.2
Add: Share of post-acquisition reserves	-	-	2.2	1.8
Total	0.2	0.2	3.5	3.0
Impairment loss	-	-	(0.6)	-
Net	0.2	0.2	2.9	3.0

Details of significant associates are included in Note 45.

10 JOINT VENTURES

	THE GROUP	
	2004 \$'mil	2003 \$'mil
Unquoted equities, at cost	17.1	18.3
Add: Share of currency translation reserve	-	0.5
Share of capital reserves	-	0.2
Less: Share of post acquisition loss	(51.5)	(51.6)
Goodwill	(1.9)	(1.9)
	(36.3)	(34.5)
Advances	102.4	102.4
Impairment loss	(5.6)	(5.6)
Provision for doubtful advances	(35.4)	(35.4)
Net	25.1	26.9

Details of significant joint ventures are included in Note 45.

The Group's proportionate share of the assets, liabilities and operating results of the joint ventures is as follows:

	THE GROUP	
	2004 \$'mil	2003 \$'mil
Assets and liabilities		
Current assets	53.1	52.4
Non-current assets	17.9	19.2
Less: Current liabilities	(4.5)	(3.8)
Non-current liabilities	(102.8)	(102.3)
Net investment	(36.3)	(34.5)
Net results		
Income	15.3	16.2
Expense	(15.2)	(22.2)
Share of profit (loss) before income tax	0.1	(6.0)

The advances to joint ventures are unsecured, interest-free and not expected to be repaid within the next 12 months.

11 OTHER INVESTMENTS

	THE COMPANY		THE GROUP	
	2004 \$'mil	2003 \$'mil	2004 \$'mil	2003 \$'mil
a) Quoted investments, at cost:				
Equity shares in corporations	-	-	2.4	4.7
Loan stocks and bonds in corporations	20.7	5.0	52.6	25.0
b) Unquoted investments, at cost:				
Bonds in corporations	1.0	1.0	2.5	1.0
Equity shares in corporations	-	-	0.3	2.9
Others	0.1	-	1.5	1.6
Total	21.8	6.0	59.3	35.2
Impairment loss	-	-	(0.6)	(5.2)
Net	21.8	6.0	58.7	30.0
c) Market value of quoted investments:				
Equity shares in corporations	-	-	1.0	1.4
Loan stocks and bonds in corporations	21.6	5.0	55.0	25.0

12 LONG-TERM RECEIVABLES

	THE COMPANY		THE GROUP	
	2004 \$'mil	2003 \$'mil	2004 \$'mil	2003 \$'mil
Receivables from:				
(a) Minority shareholders of subsidiaries	-	-	0.6	0.6
(b) Subsidiaries	105.9	-	-	-
(c) Others	-	-	0.6	0.2
Total	105.9	-	1.2	0.8
Less: Current portion (Note 6)	-	-	(0.2)	(0.2)
Less: Provision for doubtful loan receivables	(5.7)	-	-	-
Net	100.2	-	1.0	0.6

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

- (i) \$0.3 million (2003: \$0.3 million) secured on the minority shareholder's 20% interest in a subsidiary, bears interest at 3.65% (2003: 3.65%) per annum and not expected to be repaid within the next 12 months;
- (ii) \$0.2 million (2003: \$0.2 million) secured on the minority shareholder's 5% interest in a subsidiary, interest-free and not expected to be repaid within the next 12 months; and
- (iii) \$0.1 million (2003: \$0.1 million) unsecured, interest-free and not expected to be repaid within the next 12 months.

(b) The receivables from subsidiaries bear interest at rates ranging from 0.50% to 3.23% (2003: Nil) per annum, unsecured and with no fixed terms of repayment.

(c) The other receivables of \$0.6 million (2003: \$0.2 million) are unsecured, interest-free and not expected to be repaid within the next 12 months.

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13 VEHICLES, PREMISES AND EQUIPMENT

	Buses \$'mil	Leasehold bus depots \$'mil	Leasehold land and buildings \$'mil	Freehold land and buildings \$'mil
Group				
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 (Note a)	-	-	-	-
Exchange differences	11.2	-	(1.1)	2.1
At end of years	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
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
Depreciation for 2003	55.1	1.7	11.3	1.1
Net carrying amount:				
At end of year	321.0	39.4	166.0	46.8
At beginning of year	306.4	41.8	167.0	48.3

Note a: This pertains to write-down of certain taxis, automated equipment and development costs.

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
1,413.1	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
166.0	22.7	3.9	1.5	18.4	-	281.7
871.2	71.2	26.5	7.5	14.7	38.1	1,602.4
735.0	76.4	23.8	7.2	17.2	30.0	1,453.1

Notes to the Financial Statements

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13 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

	Computers and automated equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Total \$'mil
Company				
Cost:				
Additions	0.6	-	-	0.6
Transfers 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
Transfers from subsidiary	1.6	0.1	0.3	2.0
At end of year	1.8	0.1	0.3	2.2
Net carrying amount:				
At end of year	0.5	0.2	0.1	0.8

Included under Buses are total cost of \$221.3 million (2003: \$221.3 million) and net carrying amount of \$40.9 million (2003: \$47.0 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 39).

Buses and Motor vehicles of the Group with a total net carrying amount of \$185.6 million (2003: \$182.7 million) and \$6.3 million (2003: \$0.8 million) respectively are under finance lease arrangements.

14 TAXI AND OTHER LICENCES

	THE GROUP 2004 \$'mil
Cost:	
At beginning of year	169.2
Additions	30.5
Write-off	(10.5)
Exchange differences	(7.9)
At end of year	181.3
Accumulated amortisation:	
At beginning of year	16.1
Charges	1.2
Write-off	(3.6)
Exchange differences	(0.5)
At end of year	13.2
Amortisation for 2003	6.6
Net carrying amount:	
At end of year	168.1
At beginning of year	153.1

Taxi and other licences amortisation of \$1.2 million (2003: \$6.6 million) has been included under depreciation and amortisation in the consolidated profit and loss statement.

15 GOODWILL

	THE GROUP	
	2004	
	\$'mil	
Cost:		
At beginning of year	19.0	
Arising on acquisition of subsidiaries	33.4	
Exchange differences	(3.2)	
At end of year	49.2	
Accumulated amortisation:		
At beginning of year	4.3	
Charges	1.6	
At end of year	5.9	
Amortisation for 2003	1.0	
Net carrying amount:		
At end of year	43.3	
At beginning of year	14.7	

Goodwill amortisation of \$1.6 million (2003: \$1.0 million) has been included under depreciation and amortisation in the consolidated profit and loss statement.

16 BANK OVERDRAFTS AND SHORT-TERM BANK LOANS

	THE GROUP	
	2004	2003
	\$'mil	
Bank overdraft (secured)	-	1.3
Bank overdraft (unsecured)	-	0.5
	-	1.8
Bank loans (secured)	4.2	0.2
Bank loans (unsecured)	50.9	45.1
	55.1	45.3
Total	55.1	47.1

(a) The overdrafts in 2003 bore interests at rates ranging from 1.00% to 5.04% per annum. The bank overdraft relating to a subsidiary of \$1.3 million was secured by a pledge of its leasehold property with net carrying amount of \$1.3 million;

(b) The secured bank loans in Vietnam (2003: Malaysia) are secured on vehicles and bear interest at 8.52% to 8.76% (2003: 5.00%) per annum; and

(c) The unsecured bank loans bear interest at rates ranging from 1.53% to 5.02% (2003: 0.92% to 5.04%) per annum.

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17 LONG-TERM LOANS

	THE GROUP	
	2004 \$'mil	2003 \$'mil
Bank loans - secured	-	1.5
Bank loans - unsecured	48.8	50.7
Loans from shareholders of subsidiaries - unsecured	5.7	5.2
Loan notes issued to outside parties	187.6	200.4
Total	242.1	257.8
Less:		
Current portion		
- Bank loans - secured	-	(0.7)
- Bank loans - unsecured	(1.7)	-
- Loans from shareholders of subsidiaries - unsecured	(0.9)	-
- Loan notes issued to outside parties	(87.6)	(50.4)
Total	(90.2)	(51.1)
Net	151.9	206.7

(a) The secured bank loans of \$1.5 million in 2003 were secured on vehicles, bore interest at rates ranging from 7.80% to 10.80% per annum. The loans were repaid during the financial year.

(b) Included in unsecured bank loans:

- i) \$45.6 million (2003: \$43.9 million) bears interest at 5.21% (2003: 4.50%) per annum payable in 2007; and
- ii) \$3.2 million (2003: \$6.8 million) bears interest at rates ranging from 4.00% to 5.15% (2003: 1.37% to 4.10%) per annum. The loans are repayable in two tranches of \$1.4 million and \$1.8 million in 2005 and 2007 respectively.

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

- i) \$3.2 million (2003: \$2.6 million) which is interest-free, with no fixed repayment terms; and
- ii) \$2.5 million (2003: \$2.6 million) which is interest-free and is repayable over thirty years.

(d) Included in loan notes issued to outside parties are:

- i) \$37.6 million loan notes in 2004 issued by a subsidiary which are guaranteed by a bank and redeemable on demand on April 15 and October 15 each year until April 15, 2007 and bear interest at 3.96% (2003: 2.63%) per annum;
- ii) \$45.4 million loan notes in 2003 issued by a subsidiary which bore interest at 2.63% per annum was guaranteed by a bank and secured against a fixed deposit;
- iii) \$100.0 million (2003: \$100.0 million) 5-year fixed rate notes due in 2006 issued by a subsidiary. The notes bear interest at 3.80% (2003: 3.80%) per annum payable on a semi-annual basis;
- iv) \$50.0 million (2003: \$50.0 million) 3-year fixed rate notes due in 2005 issued by a subsidiary. The notes are unsecured and bear interest at 2.45% (2003: 2.45%) per annum payable on a semi-annual basis; and
- v) \$5.0 million unsecured medium term notes in 2003 which bore interest at 2.80% per annum and was redeemed at par on maturity in 2004.

18 FINANCE OBLIGATIONS UNDER LEASES

	THE GROUP			
	Minimum lease payments		Present value of minimum lease payments	
	2004 \$'mil	2003 \$'mil	2004 \$'mil	2003 \$'mil
Amounts payable under finance leases:				
Within one year	40.9	42.7	34.3	36.3
Within the second to fifth year inclusive	93.0	104.3	81.3	93.4
After five years	20.6	18.4	19.5	17.6
	154.5	165.4	135.1	147.3
Less: Future finance charges	(19.4)	(18.1)		
Present value of finance lease obligations	135.1	147.3		
Amount due for settlement within 12 months (shown under current liabilities)	(34.3)	(36.3)		
Amount due for settlement after 12 months	100.8	111.0		

The effective borrowing rates vary from 3.30 % to 8.20 % (2003: 3.50% to 9.95%) per annum.

19 TRADE PAYABLES

	THE COMPANY		THE GROUP	
	2004 \$'mil	2003 \$'mil	2004 \$'mil	2003 \$'mil
Outside parties	0.3	-	162.9	119.1
Accruals	15.2	0.9	184.5	121.2
Deferred income	-	-	10.9	10.1
Deposit and advance payments received from customers	-	-	-	3.3
Others	-	-	6.0	37.0
Total	15.5	0.9	364.3	290.7

Included in the balance due to outside parties for the Group is an amount of \$8.4 million (2003: \$2.0 million) representing the current amount due to LTA arising from the acquisition of bus equipment as further elaborated in Note 23 below.

20 DUE TO SUBSIDIARIES

Amounts due to subsidiaries of \$96.3 million bear interest at rates ranging from 1.03% to 1.60% per annum, unsecured and with no fixed repayment terms. The balance of \$133.4 million are interest-free, unsecured and with no fixed repayment terms.

21 DEPOSITS RECEIVED

	THE GROUP	
	2004 \$'mil	2003 \$'mil
Deposits received from taxi hirers	84.6	94.2
Less: Due within 12 months	(48.5)	(45.1)
Due after 12 months	36.1	49.1

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22 PROVISION FOR CLAIMS

	THE GROUP	
	2004	2003
	\$'mil	\$'mil
At beginning of year	59.3	
Arising from acquisition of subsidiaries	2.6	
Charges	26.8	
Write-back	(1.9)	
Payments	(25.5)	
Exchange differences	1.1	
At end of year	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.

23 OTHER PAYABLE

	THE GROUP	
	2004	2003
	\$'mil	\$'mil
Amount due to LTA	8.4	38.9
Less: Due within 12 months (Note 19)	(8.4)	(2.0)
Due after 12 months	-	36.9

The amount due to LTA pertains to a subsidiary's acquisition of bus equipment relating to the Enhanced Integrated Fare System in 2002.

After discussion with LTA, an amount of \$30.3 million was paid to LTA during the year and the balance of \$8.4 million is included as part of trade payables. No interest will be chargeable on the amount due to LTA. Accordingly, a write-back of interest previously accrued for amounting to \$3.6 million was made, as disclosed in Note 34.

For prior year, the repayment amount for the first two years was based on a percentage of net revenue earned from bus operations adjusted for certain variables such as fare leakage savings.

24 DEFERRED TAX ASSETS/LIABILITIES

	THE GROUP	
	2004	2003
	\$'mil	\$'mil
Deferred tax assets	(3.0)	(2.3)
Deferred tax liabilities	125.8	123.7
Net	122.8	121.4
At beginning of year	121.4	121.7
Arising from acquisition of subsidiaries	0.4	0.3
Transfer to profit and loss	7.2	6.2
Overprovision in prior years	-	(8.6)
Changes in tax rates	(7.3)	-
Exchange differences	1.1	1.8
At end of year	122.8	121.4

24 DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

The balances in the accounts comprise the tax effects of:

	THE GROUP	
	2004	2003
	\$'mil	\$'mil
Deferred tax assets		
Provisions	3.0	1.5
Tax losses	-	0.8
	3.0	2.3
Deferred tax liabilities		
Accelerated tax depreciation	141.2	149.4
Provision for fuel equalisation	(6.8)	(7.5)
Other items	(8.6)	(18.2)
	125.8	123.7
Net	122.8	121.4

25 PROVISION FOR SERVICE BENEFITS AND LONG SERVICE AWARDS

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

26 ISSUED CAPITAL

	THE COMPANY			
	2004	2003	2004	2003
	Number of ordinary shares of \$0.25 each (million)		\$'mil	\$'mil
Authorised	4,000.0	4,000.0	1,000.0	1,000.0
Issued and fully paid:				
At beginning of year or on incorporation	2,038.4	*	509.6	*
Issued pursuant to the merger of Comfort Group Ltd and DelGro Corporation Limited	-	2,025.4	-	506.3
Issued pursuant to the ComfortDelGro Employees' Share Option Scheme	16.7	13.0	4.2	3.3
At end of year	2,055.1	2,038.4	513.8	509.6

* 2 ordinary subscriber shares of \$1.00 each was initially issued on incorporation and were subsequently split into 8 ordinary shares of \$0.25 each during 2003.

The merger between Comfort Group Ltd and DelGro Corporation Limited by way of separate schemes of arrangement under Section 210 of the Companies Act, Cap. 50, was effected on March 29, 2003 (the "Merger"). Had the Merger took place on January 1, 2003, the nominal value of the issued share capital at that date would have been \$505.6 million comprising 2,022.4 million shares of \$0.25 each.

Details of the outstanding share options of the Company as at the end of the year are set out in paragraph 5 of the Report of the Directors.

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27 CAPITAL RESERVES

	THE COMPANY		THE GROUP	
	2004 \$'mil	2003 \$'mil	2004 \$'mil	2003 \$'mil
Share premium:				
At beginning of year	4.5	-	36.7	31.4
Arising during the year	6.6	4.5	6.6	5.3
At end of year	11.1	4.5	43.3	36.7
Currency translation reserve:				
At beginning of year	-	-	(5.6)	6.3
Arising during the year	-	-	(13.9)	(11.9)
At end of year	-	-	(19.5)	(5.6)
Other reserves:				
At beginning of year	-	-	18.6	11.5
Arising from Merger	-	-	-	(0.1)
Arising during the year	-	-	-	3.6
Transfer from accumulated profits	-	-	0.9	3.6
At end of year	-	-	19.5	18.6
Net	11.1	4.5	43.3	49.7

Other reserves comprise mainly of statutory reserves in compliance with local regulations, capital redemption reserve and negative goodwill arising from consolidation.

28 TURNOVER

Turnover comprises the following amounts:

	THE GROUP	
	2004 \$'mil	2003 \$'mil
Rendering of services:		
Bus	1,072.9	962.9
Rail	59.0	24.9
Taxi	663.8	626.4
Automotive engineering	58.5	58.9
Vehicle inspection and testing	46.2	43.8
Car leasing and rental	38.6	40.9
Driving centre	16.5	15.2
Sale of goods:		
Automotive distribution	24.4	-
Diesel sales	117.9	71.9
Others	-	2.2
Total	2,097.8	1,847.1

29 OTHER OPERATING INCOME

	THE GROUP	
	2004	2003
	\$'mil	\$'mil
Rental income	9.6	5.8
Accident claims received	4.0	4.4
Other operating income	29.0	26.2
Total	42.6	36.4

30 STAFF COSTS

	THE GROUP	
	2004	2003
(a) Number of employees at end of year	15,346	14,590

(b) Included in staff costs are:

i) Director's remuneration

Band	Salary	Bonus	Others	Total
	%	%	%	compensation
				%
2004				
\$1,750,000 - \$1,999,999				
Kua Hong Pak	37	62	1	100
2003				
\$1,000,000 - \$1,249,999				
Kua Hong Pak	54	42	4	100

	THE GROUP	
	2004	2003
	\$'mil	\$'mil
ii) Cost of defined contribution plan	61.1	58.8

The employees of the Company and some of the subsidiaries are members of a retirement defined contribution 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.

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30 STAFF COSTS (CONT'D)

	THE GROUP	
	2004	2003
	\$'mil	\$'mil
iii) Cost of defined benefit plans	9.7	7.1

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.

A) METROLINE PENSION SCHEME

Reconciliation of the assets and liabilities recognised in the balance sheet

	2004	2003
	\$'mil	\$'mil
Present value of defined benefit obligations that are wholly or partly funded	57.9	49.8
Fair value of plan assets at end of year	37.3	29.8
Funded status	(20.6)	(20.0)
Less:		
Unrecognised transition amount	-	0.1
Unrecognised net loss	17.0	18.8
Net liability recognised in balance sheet at end of year	(3.6)	(1.1)

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) asset recognised in the balance sheet

	2004	2003
	\$'mil	\$'mil
Net (liability) asset at beginning of year	(1.1)	0.2
Net expense recognised in the income statement	(5.4)	(4.2)
Employer contributions	3.0	3.0
Exchange differences	(0.1)	(0.1)
Net liability recognised in balance sheet at end of year	(3.6)	(1.1)

30 STAFF COSTS (CONT'D)

Expense recognised in profit and loss statement

	2004	2003
	\$'mil	\$'mil
Current service cost	3.3	2.6
Interest cost on obligation	2.8	1.9
Expected return on plan assets	(2.1)	(1.4)
Amortisation of actuarial loss	1.4	1.1
Expense recognised in income statement	5.4	4.2

Actual return on plan assets

	2004	2003
	\$'mil	\$'mil
Expected return on plan assets	2.1	1.4
Actuarial gain on plan assets	1.0	3.6
Actual return on plan assets	3.1	5.0

Principal actuarial assumptions at the balance sheet date

	2004	2003
Discount rate	5.4%	5.4%
Expected return on plan assets	6.5%	6.5%
Future salary increases*	3.6%	3.6%
Future pension increases	2.6%	2.6%

* Allowance has been made for salary growth of 7% per annum for 3 years from April 2003.

B) METROLINE LONDON NORTHERN PENSION SCHEME

Reconciliation of the assets and liabilities recognised in the balance sheet

	2004	2003
	\$'mil	\$'mil
Present value of defined benefit obligations that are wholly or partly funded	63.4	55.3
Fair value of plan assets at end of year	42.9	33.5
Funded status	(20.5)	(21.8)
Less:		
Unrecognised transition amount	(0.7)	(1.4)
Unrecognised net loss	21.2	24.9
Net asset recognised in balance sheet at end of year	-	1.7

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.

Notes to the Financial Statements

December 31, 2004

30 STAFF COSTS (CONT'D)

Movements in net asset recognised in the balance sheet

	2004	2003
	\$'mil	\$'mil
Net asset at beginning of year	1.7	1.6
Net expense recognised in the income statement	(4.3)	(2.9)
Employer contributions	2.5	2.9
Exchange differences	0.1	0.1
Net asset recognised in balance sheet at end of year	-	1.7

Expense recognised in profit and loss statement

Current service cost	2.7	2.1
Interest cost on obligation	3.1	2.1
Expected return on plan assets	(2.4)	(1.7)
Amortisation:		
Transition amount	(0.7)	(0.7)
Actuarial loss	1.6	1.1
Expense recognised in income statement	4.3	2.9

Actual return on plan assets

	2004	2003
	\$'mil	\$'mil
Expected return on plan assets	2.4	1.7
Actuarial gain on plan assets	2.9	2.1
Actual return on plan assets	5.3	3.8

Principal actuarial assumptions at the balance sheet date

	2004	2003
Discount rate	5.4%	5.4%
Expected return on plan assets	6.5%	6.5%
Future salary increases*	3.6%	3.6%
Future pension increases	2.6%	2.6%

* Allowance has been made for salary growth of 7% per annum for 3 years from April 2003.

iv) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS")

The CDG ESOS entitles the option holder to subscribe for a specific number of ordinary shares of \$0.25 each in the share capital of the Company. Details of the CDG ESOS are set out in paragraph 5 of the Report of the Directors.

31 EXCEPTIONAL ITEM

This relates to a receipt for assisting LTA in commissioning the North-East MRT System and the Sengkang LRT System in 2003.

32 PROFIT FROM OPERATIONS

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

	THE GROUP	
	2004 \$'mil	2003 \$'mil
Amortisation of goodwill	1.6	1.0
Amortisation of taxi and other licences	1.2	6.6
Depreciation expense	250.0	281.7
Development costs written down	1.2	49.5
Directors' fees	0.6	0.6
Foreign currency exchange adjustment (gain) loss, arising from operations	(0.9)	0.6
Impairment loss arising from investments	0.3	4.1
Restructuring expenses	-	18.5
Write-off of taxi licence	6.9	-

Included in profit from operations is legal fees expense of \$21,000 (2003: \$Nil) paid to a firm of which a director is a partner.

33 NET INCOME FROM INVESTMENTS

	THE GROUP	
	2004 \$'mil	2003 \$'mil
Gross dividend income	0.7	2.2
Other investment income	1.0	11.1
Foreign currency exchange adjustment gain	1.1	1.2
Total	2.8	14.5

34 FINANCE COSTS

Interest expense on:		
Borrowings	13.3	15.5
Finance leases	7.9	6.8
Write-back of interest expense to LTA (Note 23)	(3.6)	-
Total	17.6	22.3

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35 TAXATION

	THE GROUP	
	2004 \$'mil	2003 \$'mil
Taxation charge in respect of profit for the financial year:		
Current taxation	71.3	44.3
Deferred tax (Note 24)	7.2	6.2
Joint ventures	-	0.1
Associates	-	0.1
Changes in tax rates (Note 24)	(7.3)	-
	71.2	50.7
Adjustment in respect of under (over) provision in prior years:		
Current taxation	4.0	8.3
Deferred tax (Note 24)	-	(8.6)
	75.2	50.4

The taxation charge varied from the amount of taxation charge determined by applying the Singapore income tax rate of 20% (2003: 22%) to profit before taxation as a result of the following differences:

	THE GROUP	
	2004 \$'mil	2003 \$'mil
Profit before share of profits in joint ventures and associates and taxation	320.0	211.9
Taxation charge at statutory rate	64.0	46.6
Non-allowable items	9.0	5.6
Utilisation of deferred tax benefits previously not recognised	(0.4)	(2.3)
Share of joint ventures' income tax	-	0.1
Share of associates' income tax	-	0.1
Tax effect of different tax rates of overseas subsidiaries	6.6	1.5
Effect of changes in tax rates	(7.3)	-
Tax rebates	(0.1)	(0.8)
Under (Over) provision in prior years	4.0	(0.3)
Other items	(0.6)	(0.1)
	75.2	50.4

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 carryforwards and resultant deferred tax benefits unrecognised amounting to \$99.4 million (2003: \$96.6 million) and \$19.9 million (2003: \$21.3 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.

36 EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's net profit for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	2004	2003
Profit attributable to shareholders (\$'mil)	200.6	133.9
Weighted average number of ordinary shares in issue (million)	2,047.8	2,030.4
Basic earnings per share (in cents)	9.79	6.59

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.

	2004	2003
Profit attributable to shareholders (\$'mil)	200.6	133.9
Weighted average number of ordinary shares in issue (million)	2,047.8	2,030.4
Adjustments for share options (million)	4.6	4.8
Weighted average number of ordinary shares for diluted earnings per share (million)	2,052.4	2,035.2
Diluted earnings per share (in cents)	9.77	6.58

37 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated cash flow statement comprises the following amounts:

	THE GROUP	
	2004	2003
	\$'mil	\$'mil
Short-term deposits and bank balances (Note 3)	284.8	330.4
Bank overdrafts (Note 16)	-	(1.8)
Net	284.8	328.6

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38 BUSINESS SEGMENT INFORMATION

Group	Vehicle												Total \$'mil
	Bus \$'mil	Rail \$'mil	Taxi \$'mil	Automotive engineering \$'mil	inspection and testing \$'mil	Diesel sales \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Automotive distribution \$'mil	Others \$'mil	Elimination \$'mil		
2004													
TURNOVER													
External sales	1,072.9	59.0	663.8	58.5	46.2	117.9	38.6	16.5	24.4	-	-	2,097.8	
Inter-segment sales	0.1	-	3.4	95.0	2.3	-	0.2	-	-	-	(101.0)	-	
	1,073.0	59.0	667.2	153.5	48.5	117.9	38.8	16.5	24.4	-	(101.0)	2,097.8	
RESULT													
Segment result	131.6	(17.3)	166.1	30.7	12.7	16.0	3.3	3.7	0.8	-	-	347.6	
Other expenses												(23.5)	
Profit from operations												324.1	
Net income from investments											2.8		
Interest income												10.7	
Finance costs												(17.6)	
Share of profit in joint ventures												0.1	
Share of profit in associates												0.4	
Profit before income tax												320.5	
Income tax expense												(75.2)	
Profit before minority interests												245.3	
Minority interests												(44.7)	
Profit attributable to shareholders												200.6	
OTHER INFORMATION													
Additions to vehicles, premises and equipment	63.7	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 on consolidation	28.4	-	-	-	5.0	-	-	-	-	-		33.4	
Depreciation expense	67.7	1.3	147.9	3.1	4.7	0.7	16.5	0.8	-	7.3		250.0	
Amortisation expense	0.8	-	1.3	0.1	0.5	-	0.1	-	-	-		2.8	
BALANCE SHEET													
ASSETS													
Segment assets	574.2	37.3	1,089.4	77.7	59.1	7.8	148.5	4.6	-	81.3		2,079.9	
Investment in associates	2.2	-	-	-	0.4	-	-	-	-	0.3		2.9	
Investment in joint ventures	10.0	-	-	-	-	-	-	-	-	15.1		25.1	
Goodwill	27.1	-	0.9	-	13.9	-	1.4	-	-	-		43.3	
Cash, fixed deposits, equities and bonds												624.3	
Deferred tax assets												3.0	
Consolidated total assets												2,778.5	
LIABILITIES													
Segment liabilities	243.1	48.9	190.5	19.5	10.2	9.6	11.1	2.8	0.2	25.4		561.3	
Borrowings												432.3	
Income tax payable												74.4	
Deferred tax liabilities												125.8	
Consolidated total liabilities												1,193.8	

38 BUSINESS SEGMENT INFORMATION (CONT'D)

Group	Vehicle										Total
	Bus	Rail	Taxi	Automotive engineering	inspection and testing	Diesel sales	Car rental and leasing	Driving centre	Others	Elimination	
	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil
2003											
TURNOVER											
External sales	962.9	24.9	626.4	58.9	43.8	71.9	40.9	15.2	2.2	-	1,847.1
Inter-segment sales	0.7	-	8.4	96.0	1.9	1.1	0.7	-	-	(108.8)	-
	963.6	24.9	634.8	154.9	45.7	73.0	41.6	15.2	2.2	(108.8)	1,847.1
RESULT											
Segment result	93.1	(32.9)	103.9	29.4	12.1	7.1	8.3	3.2	(1.0)	-	223.2
Other expenses											(14.8)
Profit from operations											208.4
Net income from investments											14.5
Interest income											11.3
Finance costs											(22.3)
Share of loss in joint ventures											(6.0)
Share of profit in associates											0.1
Profit before income tax											206.0
Income tax expense											(50.4)
Profit before minority interests											155.6
Minority interests											(21.7)
Profit attributable to shareholders											133.9
OTHER INFORMATION											
Additions to vehicles, premises and equipment	56.3	20.8	169.3	5.7	1.1	2.4	23.7	1.6	0.8		281.7
Additions to taxi and other licences	-	-	3.1	-	-	-	-	-	-		3.1
Additions to goodwill on consolidation	-	-	1.0	-	10.0	-	1.6	-	-		12.6
Depreciation expense	77.1	1.5	175.1	4.6	4.2	0.6	16.1	1.4	1.1		281.7
Amortisation expense	0.4	-	6.7	-	0.5	-	-	-	-		7.6
BALANCE SHEET											
ASSETS											
Segment assets	538.3	84.0	941.5	66.5	50.0	7.6	165.2	5.7	74.5		1,933.3
Investment in associates	2.2	-	-	-	0.8	-	-	-	-		3.0
Investment in joint ventures	10.3	-	-	1.5	-	-	-	-	15.1		26.9
Goodwill	2.6	-	1.0	-	9.5	-	1.6	-	-		14.7
Cash, fixed deposits, equities and bonds											690.5
Deferred tax assets											2.3
Consolidated total assets											2,670.7
LIABILITIES											
Segment liabilities	157.3	84.6	182.5	17.2	9.1	6.7	12.4	4.2	15.4		489.4
Borrowings											491.0
Income tax payable											60.7
Deferred tax liabilities											123.7
Consolidated total liabilities											1,164.8

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38 BUSINESS SEGMENT INFORMATION (CONT'D)

	Turnover		Carrying amount of total assets		Additions to vehicles, premises and equipment, taxi licences and goodwill	
	2004	2003	2004	2003	2004	2003
	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil
Geographical Location						
Singapore	1,370.3	1,290.3	1,938.6	1,913.0	316.6	208.4
United Kingdom	584.7	462.6	459.5	401.0	82.9	54.9
China	133.3	88.6	357.6	341.0	63.2	30.8
Vietnam	5.5	4.5	10.5	6.4	5.0	2.8
Malaysia	4.0	1.1	12.3	9.3	4.1	0.5
Total	2,097.8	1,847.1	2,778.5	2,670.7	471.8	297.4

For management purposes, the Group is organised on a world-wide basis into 9 major operating divisions:

- a) Bus: Income is generated through bus fare collections, contracted revenue for operation of scheduled services, provision of coach rental services and ancillary advertisement income.
- b) Rail: Income is generated through rail fare collection and ancillary advertisement income.
- c) Taxi: Income is generated through renting out taxis, operating taxi bureau services and ancillary advertisement income.
- d) Automotive engineering: Income is generated through provision of vehicular maintenance and repair services, construction of specialised vehicles, crash repair services and engineering services.
- e) Vehicle inspection and testing: Income is generated through the provision of mandatory car inspection service, motor vehicle assessment, evaluation and other related services.
- f) Diesel sales: Income is generated through sales of diesel to the Group's taxi hirers.
- g) Car rental and leasing: Income is generated through renting out cars, leasing and financing of cars.
- h) Driving centre: Income is generated through operating a driving school.
- i) Automotive distribution: Income is generated through sales of motor vehicles.

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

Identifiable assets by business segment are those assets that are used in the operations of each segment.

39 CONTINGENT LIABILITIES

Company

As at December 31, 2004, the Company has contingent liabilities in respect of letters of financial support provided to certain subsidiaries with capital deficiencies amounting to \$230.6 million to enable these subsidiaries to continue operating as going concerns.

Group

- (i) As at December 31, 2004, two subsidiaries have contingent liabilities totalling \$14.1 million (2003: \$14.7 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;
- (ii) During the financial year, a subsidiary has contingent liability in respect of a letter of indemnity to a joint venture partner to indemnify them for 15% of a guarantee amounting to \$0.33 million (2003: \$0.35 million) which the joint venture partner had given to a bank for a loan extended to the joint venture's associated company; and
- (iii) In 2003, a subsidiary had contingent liability in respect of a letter of financial support to a joint venture company with capital deficiency amounting to \$33.9 million. The letter stipulated that the subsidiary would continue to provide financial support to enable the joint venture to meet its financial obligations as and when they fell due.

40 COMMITMENTS

As at December 31, 2004, the Group has the following commitments:

- (a) Capital commitments contracted for but not provided for in the financial statements:

	THE GROUP	
	2004 \$'mil	2003 \$'mil
Purchase of equipment	1.5	0.1
Purchase of buses, taxis and motor vehicles	159.7	23.4
Buses under assembly	4.2	30.5
Purchase of computer systems	33.9	34.8
Development of bus depots and properties	3.2	7.3
Investment commitments	29.3	0.7

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40 COMMITMENTS (CONT'D)

(b) Operating lease commitments

	THE GROUP	
	2004	2003
	\$'mil	\$'mil
Minimum lease payments under operating leases included in the profit and loss statement	29.3	22.7

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

	THE GROUP	
	2004	2003
	\$'mil	\$'mil
Future minimum lease payments payable:		
Within one year	38.8	32.1
In the second to fifth year inclusive	111.1	107.0
After five years	129.1	161.0
Total	279.0	300.1

(c) Derivative financial instruments

	THE GROUP					
	2004			2003		
	Notional amount	Fair value asset (liability)	Term to maturity	Notional amount	Fair value asset (liability)	Term to maturity
	'mil	\$'mil		'mil	\$'mil	
Forward foreign exchange contracts	US\$4.1	0.4	Oct 05	US\$16.8	*	Jan 04 – Oct 05
Foreign exchange option contracts	-	-	-	US\$2.5	*	Jan – Mar 04
Currency swaps	£39.1	(22.9)	Jul 06	£39.1	(16.2)	Jul 06
Energy swaps	US\$9.1	0.5	Jan – Mar 05	US\$14.3	2.2	Jan – Dec 04

* Items below \$100,000

The fair values of derivative financial instruments represent the unrealised gains or losses of open contracts, all of which were entered into for hedging purposes. Accordingly, the net loss of approximately \$22.0 million (2003: \$14.0 million) arising from these outstanding derivative financial instruments have not been recognised in the profit and loss statement.

The forward foreign exchange contracts were entered into by the Company to hedge the currency risks arising from operations and treasury transactions.

The currency swap was entered into by the subsidiary, Braddell plc, to hedge the currency risk in relation to the issuance of the S\$100 million 5-year fixed rate Medium Term Note.

The energy swaps were entered into by subsidiaries, SBS Transit Ltd and ComfortDelGro Engineering Pte Ltd to hedge commodity risk arising from fuel usage or diesel sales.

41 ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND LIABILITIES

A. FINANCIAL RISK 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 currency exchange rate 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 derivatives such as forwards and currency swaps where necessary. The Group's revenue is mainly denominated in SGD with the remaining in GBP, RMB, MYR and VND. On the cost side, its foreign currency exposures include USD, GBP, RMB, SEK, Euro, MYR and VND. The Group has investments in the United Kingdom, China, 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 derivative financial 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. 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. 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.

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 part of the 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 derivative instruments, where necessary, to achieve the desired hedge outcome.

Fair values of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities reported in the balance sheets, except for short-term investments and other investments which comprise quoted and unquoted investments, approximate the fair values of those assets and liabilities.

The fair values of quoted investments are disclosed in Notes 4 and 11. It is not practicable within the constraint of cost to reliably determine the fair value of unquoted investments. These investments are shown at cost, less any impairment in value.

The aggregate fair value of derivative financial instruments outstanding at end of the financial year is disclosed in Note 40(c).

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41 ADDITIONAL INFORMATION ON FINANCIAL ASSETS AND LIABILITIES (CONT'D)

B. The table below summarises the Group's assets, liabilities and interest rate sensitive 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 at year end
2004					
Financial Assets					
Bank balances in foreign currencies	24.3	-	-	24.3	0.23% - 4.25%
Time deposits:					
SGD deposits	182.6	-	-	182.6	0.67% - 1.40%
Foreign currency deposits	64.9	-	-	64.9	1.17% - 4.60%
Total	271.8	-	-	271.8	
Investments:					
Bonds in SGD	25.9	29.5	38.0	93.4	0.85% - 9.28%
Notes in SGD	230.0	-	-	230.0	1.34% - 2.50%
Total	255.9	29.5	38.0	323.4	
Financial Liabilities					
Bank loans in SGD	44.0	-	-	44.0	1.53% - 1.98%
Bank loans in foreign currencies	12.8	47.1	-	59.9	4.00% - 8.76%
Debt instruments in SGD	50.0	-	-	50.0	2.45%
Debt instruments in foreign currencies	37.6	100.0	-	137.6	3.80% - 3.96%
Finance obligations under leases in foreign currencies	34.3	81.3	19.5	135.1	3.30% - 8.20%
Total	178.7	228.4	19.5	426.6	
2003					
Financial Assets					
Bank balances in foreign currencies	58.8	-	-	58.8	0.23% - 3.25%
Time deposits:					
SGD deposits	165.3	-	-	165.3	0.40% - 0.75%
Foreign currency deposits	61.7	-	-	61.7	0.50% - 4.00%
Total	285.8	-	-	285.8	
Investments:					
Bonds in SGD	22.2	39.3	28.1	89.6	1.69% - 9.28%
Notes in SGD	253.6	-	-	253.6	0.89% - 2.61%
Total	275.8	39.3	28.1	343.2	

41 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 at year end
Financial Liabilities					
Bank overdrafts in foreign currencies	1.8	-	-	1.8	1.00% - 5.04%
Bank loans in SGD	19.5	5.4	-	24.9	0.92% - 1.37%
Bank loans in foreign currencies	26.5	46.1	-	72.6	4.10% - 10.80%
Debt instruments in SGD	5.0	50.0	-	55.0	2.45% - 2.80%
Debt instruments in foreign currencies	45.4	100.0	-	145.4	2.63% - 3.80%
Finance obligations under leases in foreign currencies	36.3	93.4	17.6	147.3	3.50% - 9.95%
Other payable in SGD	2.0	36.9	-	38.9	5.00% - 6.00%
Total	136.5	331.8	17.6	485.9	

42 DIVIDENDS

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

	2004 \$'mil	2003 \$'mil
Final dividend less tax in respect of the previous financial year:		
- 3.06 cents per ordinary share less tax	50.2	-
- 2.25 cents per ordinary share less tax ^(a)	-	14.3
- 5.50 cents per ordinary share less tax ^(b)	-	13.0
Interim dividend less tax in respect of the current financial year:		
- 3.10 cents per ordinary share less tax	51.0	-
- 1.15 cents per ordinary share less tax	-	18.2
Special dividend less tax in respect of the current financial year:		
- 3.50 cents per ordinary share less tax	57.5	-
Total	158.7	45.5

^(a) Based on Comfort Group Ltd's ordinary shares of \$0.25 each

^(b) Based on DelGro Corporation Limited's ordinary shares of \$1.00 each

(b) Subsequent to the balance sheet date, the directors of the Company recommended that a final dividend be paid at 3.01 cents per ordinary share less tax totalling \$49.5 million for the financial year ended December 31, 2004. The proposed dividends are not accrued as a liability for the current financial year in accordance with FRS 10 - Events After the Balance Sheet Date.

43 LICENCE CONDITION FOR RAIL SERVICES

A licence condition ("LC") dated January 15, 2003 was issued by 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 January 15, 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.

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43 LICENCE CONDITION FOR RAIL SERVICES (CONT'D)

- (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 system 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.

44 COMPARATIVE FIGURES

Certain comparatives have been restated to conform with current year's presentation.

45 CORPORATE INFORMATION

Details of significant subsidiaries, associates and joint ventures are as follows:

A. Subsidiaries

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2004 %	2003 %
Unquoted equity shares				
Comfort Group Ltd	Investment holding	Singapore	100	100
DelGro Corporation Limited	Investment holding	Singapore	100	100
JIC Inspection Services Pte Ltd ⁽¹⁾	Provision of vehicle inspection services	Singapore	66.26	-
Subsidiaries of Comfort Group Ltd:				
Quoted equity shares				
VICOM Ltd ⁽²⁾	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	71.72	72.55

45 CORPORATE INFORMATION (CONT'D)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2004 %	2003 %
Unquoted equity shares				
Barcelona Motors Pte Ltd	Inactive	Singapore	100	100
Comfort (China) Pte Ltd	Investment holding	Singapore	100	100
Comfort Ads Pte Ltd	Provision of advertising services	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 Courier Services Pte Ltd	Inactive	Singapore	100	100
Comfort Driving Centre Pte Ltd	Operation of a driving school	Singapore	90	90
Comfort Group Investments Pte Ltd	Inactive	Singapore	100	100
Comfort Myanmar Pte Ltd	Inactive	Singapore	94.34	94.51
Comfort Nominees Pte Ltd	Inactive	Singapore	100	100
Comfort Transportation Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100
ComfortDelGro Engineering Pte Ltd	Operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel for motor vehicles	Singapore	100	100
ComTrucks Pte Ltd	Inactive	Singapore	74	74
Eurocom Motors Pte Ltd	Inactive	Singapore	100	100
General Automotive Services Pte Ltd	Inactive	Singapore	100	100
Perocom Motors Pte Ltd	Inactive	Singapore	74	74
Tecobest Investment Limited ⁽³⁾	Investment holding	Hong Kong	100	100
Yellow-Top Cab Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100

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45 CORPORATE INFORMATION (CONT'D)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2004 %	2003 %
Subsidiaries of VICOM Ltd:				
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	71.72	72.55
VICOM Assessment Centre Pte Ltd	Provision of vehicle assessment services	Singapore	36.58	37
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	71.72	72.55
VICOM Nominee Investment Pte Ltd	Inactive	Singapore	71.72	72.55
VICOM Unichamps Pte Ltd	Investment in environment technology related business	Singapore	43.03	43.53
Subsidiary of Setsco Services Pte Ltd:				
Setsco Services (M) Sdn Bhd ⁽⁴⁾	Provision of testing, inspection and consultancy services	Malaysia	71.72	72.55
Subsidiaries of Comfort (China) Pte Ltd:				
Jilin Comfort Transportation Co., Ltd ⁽⁵⁾	Provision of taxi and land transport-related services in the Jilin municipality	People's Republic of China	95	95
Nanning Comfort Transportation Co., Ltd ⁽⁶⁾	Provision of taxi and land transport-related services in the Nanning municipality	People's Republic of China	80	80
Suzhou Comfort Taxi Co., Ltd ⁽⁷⁾	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	People's Republic of China	70	70
Xiamen Comfort Taxi Co., Ltd ⁽⁸⁾	Provision of taxi and land transport-related services in the Xiamen municipality	People's Republic of China	70	70
Zhengzhou Comfort Tour Bus Service Co., Ltd ⁽⁹⁾	Provision of tour bus and related services in the Zhengzhou municipality	People's Republic of China	80	80

45 CORPORATE INFORMATION (CONT'D)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2004 %	2003 %
Subsidiaries of Suzhou Comfort Taxi Co., Ltd:				
Suzhou Comfort Toyota Sales & Service Co., Ltd (formerly known as Suzhou Industrial Park Comfort Trading Co., Ltd) ^{(7) (10)}	Distribution of motor vehicles and trading of automotive parts in the Suzhou municipality	People's Republic of China	17.5	17.5
Suzhou Industrial Park Zhong Xing Comfort Petrol Service Station Co., Ltd ⁽⁷⁾	Operation of a petrol station in the Suzhou municipality	People's Republic of China	63	63
Subsidiary of Tecobest Investment Limited:				
Vietnam Taxi Co., Ltd ⁽¹¹⁾	Provision of taxi services	Vietnam	70	70
Subsidiaries of DelGro Corporation Limited:				
Quoted equity shares				
SBS Transit Ltd ⁽²⁾	Provision of public bus and rail services	Singapore	75.06	75
Unquoted equity shares				
Braddell plc ⁽¹¹⁾	Investment holding	United Kingdom	100	100
CityCab Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	53.34	53.29
CityFleet (UK) Pte Ltd	Investment holding	Singapore	85	85
ComfortDelGro (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro (S.E. Asia) Pte Ltd (formerly known as SBS Taxi (Pte) Ltd)	Investment holding	Singapore	100	100
DelGro (Guangzhou) Pte Ltd	Investment holding	Singapore	100	100
DelGro Engineering Pte Ltd	Investment holding	Singapore	100	100
DelGro Investments Pte Ltd	Inactive	Singapore	100	100
SBS Leisure Pte Ltd	Inactive	Singapore	100	100
Singapore Airport Bus Services Ltd	Investment holding	Singapore	99.41	99.21
Waterbank Properties (S) Pte Ltd	Property development	Singapore	100	100

Notes to the Financial Statements

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45 CORPORATE INFORMATION (CONT'D)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2004 %	2003 %
Subsidiary of SBS Transit Ltd:				
Monteria Pte Ltd	Inactive	Singapore	100	100
Subsidiary of Braddell plc:				
Metroline plc ⁽¹¹⁾	Investment holding	United Kingdom	100	100
Subsidiaries of Metroline plc:				
Aerdart Limited ⁽¹¹⁾	Provision of bus services	Ireland	100	100
Citylink Holdings Limited ⁽¹¹⁾	Investment holding	United Kingdom	100	100
E.H. Mundy Holdings Limited ⁽¹¹⁾⁽¹²⁾	Investment holding	United Kingdom	100	-
F.E. Thorpe & Sons Limited ⁽¹¹⁾⁽¹³⁾	Provision of public bus services	United Kingdom	100	-
Metroline London Northern Limited ⁽¹¹⁾	Provision of public bus services	United Kingdom	100	100
Metroline Travel Limited ⁽¹¹⁾	Provision of public bus services	United Kingdom	100	100
Subsidiaries of Citylink Holdings Limited:				
Cummer Commercials Limited ⁽¹¹⁾	Provision of coach services	Ireland	100	100
Scottish Citylink Coaches Limited ⁽¹¹⁾	Provision of long distance coach services	United Kingdom	100	100
Subsidiary of E.H. Mundy Holdings Limited:				
Armchair Passenger Transport Company Limited ⁽¹¹⁾⁽¹²⁾	Provision of bus and coach services	United Kingdom	100	-
Subsidiary of CityCab Pte Ltd:				
Cabcharge Asia Pte Ltd	Provision of charge card facilities	Singapore	45.30	45.30
Subsidiaries of CityFleet (UK) Pte Ltd:				
CityFleet Networks Limited ⁽¹¹⁾	Provision and management of taxi booking services	United Kingdom	85	85
Computer Cab (Edinburgh) Limited ⁽¹¹⁾	Provision of taxi services	United Kingdom	63.75	63.75
Computer Cab plc ⁽¹¹⁾	Provision of taxi services	United Kingdom	68	68
Gem Hire Enterprises Limited ⁽¹¹⁾	Provision of taxi services	United Kingdom	85	63.75

45 CORPORATE INFORMATION (CONT'D)

Name of entity	Principal activity	Country of incorporation/ operati ons	Group's effective interest	
			2004 %	2003 %
Subsidiaries of Computer Cab plc:				
Cabcharge Limited ⁽¹¹⁾	Provision and management of taxi booking card facilities	United Kingdom	68	68
Datacab Limited ⁽¹¹⁾	Provision of taxi services	United Kingdom	68	68
Subsidiaries of ComfortDelGro (China) Pte Ltd:				
Beijing CityLimo Yin Jian Auto Services Co., Ltd ⁽¹¹⁾	Provision of car rental services	People's Republic of China	55	55
Beijing Jin Jian Taxi Services Co., Ltd ⁽¹⁴⁾	Provision of public taxi services through the rental of taxis to hirers	People's Republic of China	55	55
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd ^{(14) (15)}	Provision of motor vehicle evaluation and other related services	People's Republic of China	80	-
Chengdu CityLimo Auto Services Co., Ltd ^{(16) (17)}	Provision of cars for hire	People's Republic of China	97	-
Chengdu ComfortDelGro Yiyou Taxi Co., Ltd ^{(16) (17)}	Provision of public taxi services through the rental of taxis to hirers	People's Republic of China	51	-
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd ^{(16) (18)}	Provision of motor vehicle evaluation and other related services	People's Republic of China	51	-
CityCab (Shenyang) Co., Ltd ^{(19) (20)}	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	People's Republic of China	60	31.97
Shenyang ComfortDelGro Anyun Bus Co., Ltd ⁽²¹⁾	Provision of public bus and charter bus services	People's Republic of China	80	-
Shenyang ComfortDelGro Taxi Co., Ltd ⁽²²⁾	Provision of public taxi services through the rental of taxis to hirers	People's Republic of China	80	-
Sichuan ComfortDelGro Car Servicing Co., Ltd ^{(16) (17)}	Operation of workshops for repairing, servicing and general maintenance of motor vehicles	People's Republic of China	51	-
Yantai CityCab Services Co., Ltd ^{(20) (23)}	Rental of taxis, vehicle inspection and repair	People's Republic of China	60	31.97

Notes to the Financial Statements

December 31, 2004

45 CORPORATE INFORMATION (CONT'D)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2004 %	2003 %
Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd (formerly known as SBS Taxi (Pte) Ltd):				
CityDrive Rent-A-Car Pte Ltd	Inactive	Singapore	100	100
CityLimo Auto Credit Pte Ltd	Inactive	Singapore	100	100
CityLimo Car Care Pte Ltd	Inactive	Singapore	100	100
CityLimo Leasing Pte Ltd	Inactive	Singapore	100	100
CityLimo Pte Ltd (formerly known as CityLimo Rent-A-Car Pte Ltd)	Provision of cars for hire, car leasing and financing and other related services	Singapore	100	100
CityLimo Leasing (M) Sdn Bhd ⁽¹¹⁾	Car leasing	Malaysia	100	100
DynaDrive Rent-A-Car Sdn Bhd ⁽¹¹⁾	Provision of cars for hire	Malaysia	100	100
Pantas Rent-A-Car Sdn Bhd ⁽¹¹⁾	Provision of cars for hire	Malaysia	100	100
Pantas Rent-A-Car Holdings Sdn Bhd ⁽¹¹⁾	Investment holding	Malaysia	100	100
Shanghai City Qi Ai Taxi Services Co., Ltd ⁽²⁴⁾	Provision of public taxi services through the rental of taxis to hirers	People's Republic of China	51	51
Subsidiary of DelGro (Guangzhou) Pte Ltd:				
Guangzhou Xin Tian Wei Transportation Development Co., Ltd ⁽²⁵⁾	Provision of bus station services	People's Republic of China	60	60
Subsidiary of DelGro Engineering Pte Ltd:				
DelGro Assessment Centre Pte Ltd	Inactive	Singapore	100	100
Subsidiary of SBS Leisure Pte Ltd:				
Singapore Sightseeing Tour East Pte Ltd	Inactive	Singapore	100	100
Subsidiaries of Waterbank Properties (S) Pte Ltd:				
Eukay Properties Pte Ltd	Inactive	Singapore	100	100
Waterdale Development Pte Ltd	Inactive	Singapore	100	100

45 CORPORATE INFORMATION (CONT'D)

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

- (1) Additional interest was acquired in March 2004 for a consideration of \$3.0 million thereby increasing the Group's effective interest from 36.5% to 66.26%. Accordingly, it was reclassified from a joint venture to a subsidiary.
- (2) Listed on the Singapore Exchange Securities Trading Limited.
- (3) Audited by Ernst and Young, Hong Kong.
- (4) Audited by WT & Ng Co, Malaysia.
- (5) Audited by Jilin Hua Tai Certified Public Accountants, People's Republic of China.
- (6) Audited by Guangxi Xingrui United Certified Public Accountants, People's Republic of China.
- (7) Audited by Jiangsu Gong Zheng Certified Public Accountants, People's Republic of China.
- (8) Audited by Xiamen Zhong Zhou Certified Public Accountants, People's Republic of China.
- (9) Audited by Henan Zhong Da Xin Certified Public Accountants, People's Republic of China.
- (10) 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.
- (11) Audited by overseas practices of Deloitte Touche Tohmatsu.
- (12) Acquired in November 2004.
- (13) Acquired in August 2004.
- (14) Audited by Beijing Zhong Run Ze Certified Public Accountants, People's Republic of China.
- (15) Acquired in March 2004.
- (16) Audited by Sichuan Zhong Hen Certified Public Accountants, People's Republic of China.
- (17) Incorporated in February 2004.
- (18) Acquired in February 2004.
- (19) Audited by Shenyang Heng Xin Da Certified Public Accountants, People's Republic of China.
- (20) Previously held as subsidiaries by CityCab Pte Ltd. During the year, these subsidiaries were transferred at net book value to ComfortDelGro (China) Pte Ltd, resulting in an increase in the Group's effective interest from 31.97% to 60%.
- (21) Incorporated in September 2004.
- (22) Audited by Liao Ning Sheng Da Certified Public Accountants, People's Republic of China.
- (23) Audited by Shan Dong Guo Xin Certified Public Accountants, People's Republic of China.
- (24) Audited by Shanghai Gong Xin Zhong Nan Certified Public Accountants, People's Republic of China.
- (25) Audited by Guangzhou Orient Certified Public Accountants, People's Republic of China.

Notes to the Financial Statements

December 31, 2004

45 CORPORATE INFORMATION (CONT'D)

B. Associates

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2004 %	2003 %
ComfortDelGro Insurance Brokers Pte Ltd ^{(1) (2)}	Insurance broking, risk management, claims management and related activities	Singapore	49	49
TransitLink Pte Ltd ^{(3) (4)}	Provision of support services to transport operators	Singapore	25	25
Shanghai Jing Hong Lan Xian Environment Technology Pte Ltd ⁽⁵⁾	Vehicle inspection, emission and other vehicle and environmental related activities	People's Republic of China	17.21	17.41

⁽¹⁾ Audited by Deloitte & Touche, Singapore.

⁽²⁾ During the financial year, ComfortDelGro Insurance Brokers Pte Ltd collected insurance premiums of \$3.5 million (2003: \$Nil) from certain subsidiaries.

⁽³⁾ Audited by PricewaterhouseCoopers, Singapore.

⁽⁴⁾ During the financial year, TransitLink Pte Ltd earned a service fee of \$11.5 million (2003: \$13.3 million) from a subsidiary.

⁽⁵⁾ The results of the associate have not been equity accounted in 2004 as management has plans to withdraw from the investment.

C. Joint Ventures

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2004 %	2003 %
Mansfield Developments Pte Ltd ^{(1) (2)}	Property development	Singapore	48	48
Shanghai Shen Xin Bus Service Ltd ⁽³⁾	Provision of bus services	People's Republic of China	49	49
JIC Inspection Services Pte Ltd ⁽⁴⁾	Inspection of vehicles	Singapore	-	36.5

⁽¹⁾ Audited by Ernst & Young, 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⁾ Audited by Shu Lun Pan Certified Public Accountants, People's Republic of China.

⁽⁴⁾ Additional interest was acquired in March 2004 for \$3.0 million consideration during the financial year thereby increasing the Group's effective interest from 36.5% to 66.26%. Accordingly, it was reclassified from a joint venture to a subsidiary.

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 76 to 124 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 December 31, 2004, 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
February 14, 2005

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 14 years unexpired	Head office, central warehouses
DelGro Corporation Limited	100	Ang Mo Kio	63,953 sq m	15 years 4 years unexpired	Bus depot
DelGro Corporation Limited	100	Kim Chuan	10,784 sq m	15 years 3 years unexpired	Vehicle workshop
SBS Transit Ltd	75.06	Soon Lee Road	26,670 sq m	30 years 25 years unexpired	Bus depot
SBS Transit Ltd	75.06	Hougang	74,236 sq m	30 years 8 years unexpired	Bus depot
SBS Transit Ltd	75.06	Bedok North	62,220 sq m	4 years 3 years unexpired	Bus depot
SBS Transit Ltd	75.06	Bukit Batok	52,187 sq m	30 years 8 years unexpired	Bus depot
SBS Transit Ltd	75.06	Ayer Rajah	17,939 sq m	3 years 3 years unexpired	Bus park
VICOM Ltd	71.72	Sin Ming Drive	10,853 sq m	30 years from January 1981 with option to renew another 30 years	Inspection, assessment services
VICOM Ltd	71.72	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	71.72	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	71.72	Changi North Crescent	6,015 sq m	30 years from May 1995 21 years unexpired	Inspection, assessment services
VICOM Ltd	71.72	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 39 years unexpired	Inspection, assessment services

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
VICOM Ltd	71.72	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	71.72	Teban Gardens Crescent	9,819 sq m	30 years from February 1979 with option to renew another 30 years	Testing, inspection and consultancy services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	11,129 sq m	60 years 31 years unexpired	Office, workshop
CityCab Pte Ltd	53.34	Sin Ming Avenue	25,087 sq m	30 years 18 years unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,500 sq m	23 years 21 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	11 years 7 years unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 47 years unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 44 years unexpired	Workshop
Comfort Driving Centre Pte Ltd	90	Ubi Avenue 4	28,466 sq m	3 years 2.5 years unexpired	Office, training circuit
JIC Inspection Services Pte Ltd	66.26	Pioneer Road	3,218 sq m	30 years 20 years unexpired	Vehicle inspection
PEOPLE'S REPUBLIC OF CHINA					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Guangzhou City Tianhe District	40,116 sq m	30 years 23 years unexpired	Office, bus station
Shanghai City Qi Ai Taxi Services Co., Ltd	51	Shanghai Lujiazui Road	689 sq m	Freehold	Office
Suzhou Comfort Taxi Co., Ltd	70	Jin Ji Hu Road Suzhou Industrial Park	12,541 sq m	50 years 42 years unexpired	Office, workshop and petrol station
Comfort (China) Pte Ltd	100	Suzhou Garden Villa Jin Hua Tower	149 sq m	30 years 20 years unexpired	Housing for expatriates

Group Properties

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
ComfortDelGro (China) Pte Ltd	60	Shenyang Shen He Qu Qing Nian Da Jie	115 sq m	50 years 38 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	2,268 sq m	20 years 19 years unexpired	Office, workshop
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	Jian Cai Lu Chengdu	6,000 sq m	30 years 29 years unexpired	Vehicle inspection
CityCab (Shenyang) Co., Ltd	60	Shenyang Huang Gu District Kun Shan Lu	1,229 sq m	15 years 7 years unexpired	Office, workshop
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 6 years unexpired	Office, workshop
UNITED KINGDOM					
Computer Cab plc	68	Silver Road Hammersmith London W12 7SG	6,000 sq m	5 years 3 years unexpired	Office
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 9 years unexpired	Office
Gem Hire Enterprises Limited	85	Farburn House Burnside Drive Dyce Aberdeen AB21 OHW	1,000 sq m	12 years 8 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	Atlas Road Harlesden North Acton London NW10 6DD	12,141 sq m	10 years 6 years unexpired	Bus depot
Metroline plc	100	Station Road Edgware Middlesex HA8 7AU	12,141 sq m	10 years 6 years unexpired	Bus depot

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
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	Alperton Lane Western Avenue Greenford UB6 8AA	5,868 sq m	15 years 14 years unexpired	Bus depot
Metroline plc	100	High Road Harrow Weald HA3 6EJ	5,706 sq m	Freehold	Bus depot
Metroline plc	100	York Way Kings Cross London N1 0AU	2,023 sq m	5 years 3 years unexpired	Bus depot
Metroline plc	100	College Road Harrow, Middlesex HA1 1BE	1,617 sq m	10 years 8 years unexpired	Office
Metroline plc	100	STAR Centre Fulton Road Wembley, Middlesex HA9 0ND	930 sq m	5 years 3 years unexpired	Training centre
Metroline plc	100	Archway Station Junction Road London N19 5RQ	66 sq m	5 years 3 years unexpired	Café
Metroline plc	100	Perivale Business Park Horsenden Lane South Greenford, Middlesex UB6 7RL	9,500 sq m	1 year	Bus depot, office
Metroline plc	100	Fourth Way Wembley, Middlesex HA9 0LH	1,231 sq m	21 years 5 years unexpired	Bus parking, engineering facility
Metroline plc	100	Armchair House Commerce Road Brentford, Middlesex TW8 8LZ	12,949 sq m	3 years 2 years unexpired	Bus/coach parking, engineering facility
VIETNAM Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh - TP Ho Chi Minh City	6,438 sq m	20 years 16 years unexpired	Office, workshop

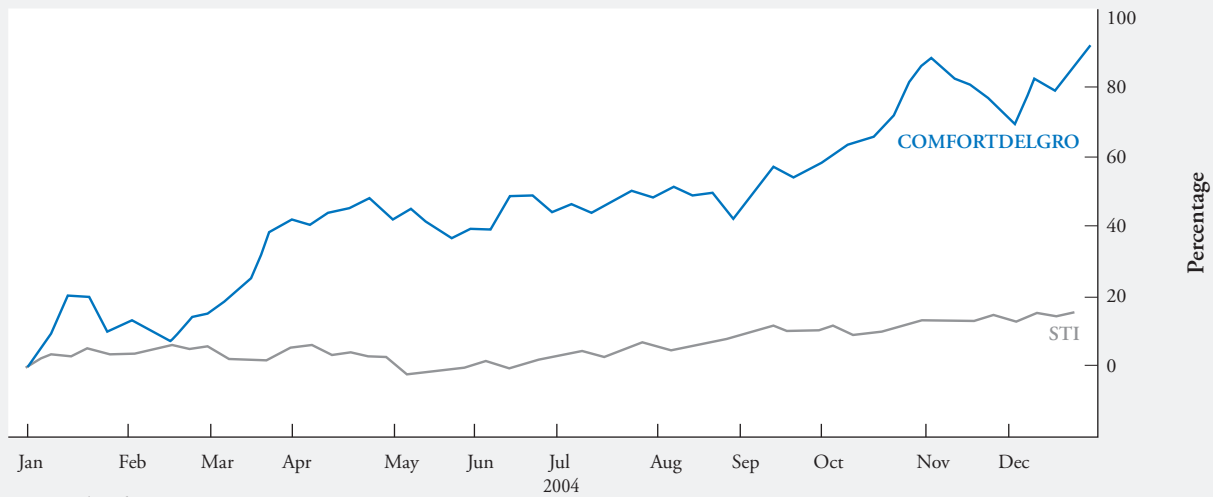
Share Price Movement Chart

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 25 February 2005

Authorised Share Capital	:	S\$1,000,000,000
Issued And Fully Paid-up Capital	:	S\$514,496,041.75
Class Of Shares	:	Ordinary shares of S\$0.25 each with equal voting rights
Voting Rights	:	1 vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 999	1,387	4.12	588,666	0.03
1,000 – 10,000	14,961	44.44	64,796,252	3.15
10,001 – 1,000,000	17,291	51.35	368,187,260	17.89
1,000,001 & above	31	0.09	1,624,411,989	78.93
Total	33,670	100.00	2,057,984,167	100.00

Top Twenty Shareholders	No. of Shares	%
Raffles Nominees Pte Ltd	381,994,472	18.56
Singapore Labour Foundation	376,616,594	18.30
DBS Nominees Pte Ltd	313,819,515	15.25
Citibank Nominees S'pore Pte Ltd	144,837,329	7.04
United Overseas Bank Nominees Pte Ltd	144,572,465	7.02
HSBC (Singapore) Nominees Pte Ltd	125,142,427	6.08
OCBC Nominees Singapore Pte Ltd	33,091,586	1.61
Morgan Stanley Asia (S'pore) Pte Ltd	28,260,338	1.37
The Asia Life Assurance Society Ltd - Par Fund	14,969,852	0.73
Changi Bus Company (Private) Limited	9,244,095	0.45
Merrill Lynch (S'pore) Pte Ltd	6,602,585	0.32
Yim Chee Chong	6,450,000	0.31
The Asia Life Assurance Society Ltd - Non-par Fund	4,724,000	0.23
National University Of Singapore	4,235,373	0.20
Overseas Union Enterprise Limited	3,341,812	0.16
Societe Generale S'pore Branch	3,335,898	0.16
UOB Kay Hian Pte Ltd	2,904,593	0.14
DBS Vickers Securities (S) Pte Ltd	2,422,639	0.12
Cabcharge Australia Limited	2,005,087	0.10
DB Nominees (S) Pte Ltd	2,004,429	0.10
Total	1,610,575,089	78.25

SUBSTANTIAL SHAREHOLDER

SHAREHOLDING IN WHICH THE SUBSTANTIAL SHAREHOLDER HAS A DIRECT INTEREST

	No. of Shares	%
Singapore Labour Foundatioin	376,616,594	18.30

As at 25 February 2005, approximately 81.6% 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 Second Annual General Meeting of the Company will be held at the Auditorium, ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 on Friday, 29 April 2005 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 2004 together with the Auditors' Report thereon. (Resolution 1)
2. To declare a final dividend of 12.028% (3.007 cents) per share less income tax in respect of the financial year ended 31 December 2004. (Resolution 2)
3. To approve the payment of Directors' fees of S\$433,500 for the financial year ended 31 December 2004. (FY 2003: \$377,891) (Resolution 3)
4. To re-elect Dr Wang Kai Yuen, a Director retiring pursuant to Article 91 of the Company's Articles of Association. (Resolution 4)
5. To re-elect Mr Oo Soon Hee, a Director retiring pursuant to Article 91 of the Company's Articles of Association. (Resolution 5)
6. To re-elect Mr Ong Ah Heng, 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 share 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 share 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 share capital shall be based on the issued share 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 share capital of the Company from time to time.”

(Resolution 9)

Notice of Annual General Meeting

BOOKS CLOSURE AND DIVIDEND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 12 May 2005 to 13 May 2005 (both dates inclusive) for the purposes of determining shareholders' entitlements to the proposed final dividend of 12.028% (3.007 cents) per ordinary share less income tax for the financial year ended 31 December 2004.

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 11 May 2005 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 11 May 2005 will be entitled to the proposed final dividend.

The dividend, if approved by the shareholders at the Second Annual General Meeting of the Company, will be paid on 26 May 2005.

By Order of the Board

Tan Cher Chong, Bobby
Company Secretary
Singapore
18 March, 2005

Notes:

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

ADDITIONAL INFORMATION ON ORDINARY BUSINESS

Mr Oo Soon Hee is the Chairman of the Audit Committee. He is considered an independent Director of the Company.

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 an amount not exceeding in aggregate 50% of the issued share 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 share capital of the Company. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued share capital will be calculated based on the Company's issued share capital 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.

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's 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's shares purchased using their CPF monies are requested to contact their respective CPF Approved Nominees.

I/We _____ (Name)

of _____ (Address)

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

NAME	ADDRESS	NRIC/PASSPORT NUMBER	PROPORTION OF SHAREHOLDINGS (%)

and/or (delete as appropriate)

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as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the Annual General Meeting of the Company to be held on Friday, 29 April 2005 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 Dr Wang Kai Yuen as Director		
5.	Re-election of Mr Oo Soon Hee as Director		
6.	Re-election of Mr Ong Ah Heng 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 _____ 2005

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.
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. A proxy need not be a member of the Company.
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



ComfortDelGro Corporation Limited
205 Braddell Road Singapore 579701

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Email › info@comfortdelgro.com

Website › www.comfortdelgro.com

Company Registration No. › 200300002K