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TOGETHER

SMRT CORPORATION LTD  
Summary Financial Statements 2003

## CORPORATE DATA

### Registered Office

251 North Bridge Road  
Singapore 179102  
Telephone: 65 63311000  
Facsimile: 65 63340247  
Website: www.smrtcorp.com

### Place of Incorporation

Singapore

### Date of Incorporation

6 March 2000

### Board of Directors

Chew Choon Seng, *Chairman*  
Saw Phaik Hwa, *President & CEO*  
Cheah Kean Huat  
Choo Chiau Beng  
Daniel Ee Hock Huat  
Koh Kheng Siong  
Victor Loh Kwok Hoong  
Ng Ser Miang  
Niam Chiang Meng  
Nithiah Nandan s/o Arumugam  
Jimmy Phoon Siew Heng  
Engelin Teh Guek Ngor  
Margaret Lui-Chan Ann Soo, *Alternate Director to Jimmy Phoon Siew Heng*

### Company Secretary

April Jacqueline Loh

### Audit Committee

Daniel Ee Hock Huat, *Chairman*  
Koh Kheng Siong  
Victor Loh Kwok Hoong  
Engelin Teh Guek Ngor

### Executive Committee

Chew Choon Seng, *Chairman*  
Ng Ser Miang  
Jimmy Phoon Siew Heng

### Remuneration Committee

Chew Choon Seng, *Chairman*  
Cheah Kean Huat  
Koh Kheng Siong

### Nominating Committee

Engelin Teh Guek Ngor, *Chairman*  
Chew Choon Seng  
Jimmy Phoon Siew Heng

### Auditors

KPMG  
Audit Partner: Chay Fook Yuen  
(With effect from financial year ended 31 March 2003)  
16 Raffles Quay  
#22-00 Hong Leong Building  
Singapore 048581

### Principal Bankers

The Development Bank of Singapore Ltd  
Oversea-Chinese Banking Corporation Limited  
United Overseas Bank Limited

### Share Registrar

Lim Associates (Pte) Ltd  
10 Collyer Quay  
#19-08 Ocean Building  
Singapore 049315

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## CHAIRMAN'S STATEMENT

The year in review saw a slowdown in the growth of ridership on the MRT system as well as on the TIBS buses. This reflected the direct link between the SMRT Group's core business of public transport services and the Singapore economy. The number of passengers on the trains grew by just over 1 per cent from the preceding year while average daily bus ridership declined by 4.9 per cent.

Compared to financial year 2001-2002, the Group's revenue from passenger fares increased 31 percent to \$577.5 million. This increase was largely due to contribution from the TIBS operations for a full twelve months versus four months in the year before. With similarly larger contribution from taxi and vehicle rentals, other revenue doubled to \$108.2 million. Revenue from space rentals and from advertising were stagnant. Consolidation of TIBS' costs for the whole year, and the costs associated with the implementation of the Enhanced Integrated Fare System for the ez-Link Card, caused expenses to rise 46 per cent to \$609.5 million. Consequently, the Group's profit after tax would have been below the previous year's, if not for a write-back of tax amounting to \$20.3 million, arising mainly from the reduction in corporate tax rate from 24.5 per cent to 22 per cent.

In accordance with stated policy, the Board is recommending a final gross dividend of 1.78 cents per share, which, together with the interim gross dividend of 1.30 cents per share, will amount to \$36 million net of tax, and represent approximately half of the net profit of \$72.1 million for the year.

Apart from the tax write-back, the results for the year were aided by the increase in fares effective July 2002 which, even though it came two years after the last general adjustments, was controversial. Public reaction was vocal because the increase took effect amid a weakening local economy. However, the Group had to meet higher cost of electricity and of diesel fuel, and although it is in the

## Chairman's Statement

business of public transport, it has to generate a surplus from operations in order to service and to repay bond borrowings, as well as to fund capital reinvestment such as for replacement, refurbishment and heavy maintenance of the trains, the tracks and the signalling equipment. Such major programmes are needed to maintain high standards of safety and reliability. Furthermore, the Group should compensate the staff competitively and pay a dividend that represents a fair return to shareholders who have provided capital for the business.

Our bus and train operations remain focused on providing safe, reliable, convenient and affordable transportation for 1.8 million commuters everyday, seven days a week. Both operations continue to exceed the performance standards set by the Land Transport Authority, and the MRT system is widely regarded as among the best in the world. Regrettably, the same commendation could not apply to the LRT operations in Bukit Panjang, which after attaining satisfactory service reliability for the first half year, suffered a prolonged shut-down in October 2002. We sincerely apologise to our customers for the inconvenience it caused. We learned many lessons from the experience which will be valuable in our ongoing efforts to improve the LRT operations.

Behind the scenes, the management and the staff have been working diligently on the integration of the support systems in SMRT and TIBS. Operationally, the merger has been quite seamless and transparent to the customers. We made a conscious decision to keep the two brand identities, in consideration of the reserve of customer goodwill that each has earned. This will not hinder the rationalisation of services that can be shared, such as in finance and administration.

A dedicated team has been formed to work with the Land Transport Authority and the system consultants and contractors for the development of the Circle

Line. Our deep involvement at this early stage was drawn from lessons learnt from the LRT operations and should prove beneficial when the new line comes into service.

Business in the new financial year has had an unfortunate start. Sars hit ridership severely and with the extended closure of schools, the passenger numbers dropped 15 per cent on the MRT and 10 per cent on the buses in the month of April. Thankfully, there is now evidence of a recovery in the traffic. The prospects for the year ahead depend on how quickly Sars is conquered and on the performance of the Singapore economy. We are hopeful that the advent of the North-East Line will create interline synergies and prove accretive to MRT ridership.

During the past year, Mr Boey Tak Hap resigned for health and personal reasons and was succeeded as President & CEO by Ms Saw Phaik Hwa, who was appointed after a comprehensive selection process in which the entire Board of Directors was involved. Ms Saw has also been appointed to the Board.

At the Annual General Meeting last July, Mr Lye Fei and Mr Tan Yong Soon retired from the Board. Last October, Mrs Margaret Lui-Chan Ann Soo was appointed as alternate director to Mr Jimmy Phoon Siew Heng. In March this year, Mr Niam Chiang Meng and Mr Nithiah Nandan s/o Arumugam were appointed to the Board as independent members.

On behalf of the Board, I express appreciation to Mr Lye, Mr Tan and Mr Boey for their service and valuable contributions as past Directors, and welcome Mrs Lui, Mr Niam, Mr Nithiah Nandan and Ms Saw to the Board.

## Chairman's Statement

I joined the Board of SMRT prior to its public listing and have been a Director for over six years now, during the second half of which I have been privileged to be the Chairman. With a strong management team in place and continuity in service of the majority of a conscientious board, and given other demands on my time, this is an appropriate juncture for me to step down and take my leave. I am happy that, subject to his formal re-election as a Director at the coming Annual General Meeting, I can hand over the Chair to Mr Choo Chiau Beng, who has recently joined the Board. Mr Choo's distinguished career achievements bear testimony to his ability to lead the SMRT Group to greater heights. I shall be cheering him from the sidelines.

In closing, I want to thank all our customers, business associates and shareholders for their continued support and confidence. I must also record my gratitude and appreciation to the management and staff, and to my fellow Directors for their hard work and the assistance and co-operation that they have given me.



**Chew Choon Seng**  
Chairman

## FINANCIAL REVIEW

### Overview

Group revenue rose 38.0 per cent to \$685.6 million due to the consolidation of TIBS' results for the full year as compared to 4 months in the previous year. However, profit before tax of \$72.7 million was 11.7 per cent lower. This was primarily due to higher costs resulting from a scheduled train overhaul programme, and costs related to the implementation of the Enhanced Integrated Fare System ("EIFS"). The decline in profits was also due to interest expenses on the \$500 million bond issue in December 2001 to finance the acquisition of TIBS and the final instalment payment to LTA. After-tax profit increased 27.2 per cent to \$72.2 million due to a write-back of tax amounting to \$20.3 million arising mainly from the reduction in corporate tax rate from 24.5 per cent to 22.0 per cent.

### Revenue

Group revenue rose 38.0 per cent or \$188.8 million due to the consolidation of TIBS' results for the full year.

Fare revenue from MRT operations reflected a fare adjustment in July 2002 and a modest growth in MRT ridership. Growth in daily average ridership of 1.2 per cent was low reflecting the generally weak economic condition.

The increase in revenue from bus and taxi operations reflected full-year contributions as compared to 4 months in the previous year.

Rental revenue was stable. Advertising revenue was adversely affected by the weak economic condition.

The higher revenue from engineering and other services was due mainly to a full-year contribution from TIBS.

### Operating Expenses

The higher operating expenses in FY2003 included those of TIBS for a full-year as compared to 4 months in the previous year.

The increase in staff and related costs was due primarily to the enlarged staff force following the acquisition of TIBS. Excluding this factor, staff costs rose by 2.0 per cent.

Scheduled train overhaul by SMRT accounted for part of the increase in repairs and maintenance costs.

Other operating expenses included fees relating to the operation of the ez-link Card system.

The increase in depreciation reflected the capitalisation of operating assets including Rail Travel Information System, Visual Passenger Information System and EIFS.

### Share of Results of Associates

Share of losses of associates related mainly to our investment in the company that publishes the TODAY newspaper. During the year, the Group accounted for its share of losses to the extent of its cost of investment. Accordingly in line with accounting standards, the Group will no longer recognise further losses, if any.



## Financial Review

**Dividends**

The Board of Directors has proposed a final gross dividend of 17.8 per cent (1.78 cents) per share less tax at 22 per cent (\$20.84 million) for approval by the shareholders at the Annual General Meeting ("AGM") to be held on 17 July 2003.

This, together with the interim dividend, will bring the total gross dividends for FY2003 to 30.8 per cent (3.08 cents) per share less tax at 22 per cent amounting to \$36.05 million.

The Company intends to continue paying an ordinary dividend of approximately 50 per cent of the consolidated net profit from operations for each financial year, subject to capital expenditure and other investment plans.

## DIRECTORS' REPORT

for the year ended 31 March 2003

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2003.

### Directors

The directors in office at the date of this report are as follows:

Chew Choon Seng	Chairman
Saw Phaik Hwa	(Appointed on 20 March 2003)
Cheah Kean Huat	
Choo Chiau Beng	(Appointed on 1 May 2003)
Daniel Ee Hock Huat	
Koh Kheng Siong	
Victor Loh Kwok Hoong	
Ng Ser Miang	
Niam Chiang Meng	(Appointed on 20 March 2003)
Nithiah Nandan s/o Arumugam	(Appointed on 20 March 2003)
Jimmy Phoon Siew Heng	
Engelin Teh Guek Ngor	
Margaret Lui-Chan Ann Soo	(Alternate to Jimmy Phoon Siew Heng, appointed on 25 October 2002)

### Principal Activities

The principal activities of the Company are those relating to investment holding and provision of engineering consultancy and other engineering services and management services to group companies.

The subsidiaries are involved in five key businesses as follows:

- (i) **Rail Operations** Its principal activities are to provide transport-related businesses in Singapore. It operates both the Mass Rapid Transit System ("MRT") and Bukit Panjang Light Rapid Transit System ("LRT").
- (ii) **Bus Operations** Its principal activities are to provide bus services and charter hire services.
- (iii) **Taxi Operations** Its principal activities are to provide rental of taxis and provision of taxi services.
- (iv) **Rental and Advertising** Its principal activities are the leasing of commercial space, kiosks and advertising panels at the MRT and LRT stations as well as advertising panels in trains, buses and taxis.
- (v) **Engineering Services and Other Services** The business provides consultancy, project management services, leasing of fibre optic cables, leasing of motor vehicles and repair and maintenance services.

There have been no significant changes in activities of the Group or of the Company during the financial year.

## Directors' Report

**Acquisitions and Disposals of Subsidiaries**

The following subsidiaries were dissolved during the financial year:

	Effective Equity Interest Held by the Group
<b>Subsidiaries of subsidiary, TIBS Holdings Ltd:</b>	
Hollycourt Limited	100%
Tonfat Limited	100%

There were no acquisitions or disposals of any other subsidiaries during the financial year.

**Financial Results**

The results of the Group and of the Company for the financial year are as follows:

	The Group \$'000	The Company \$'000
Profit after taxation	72,068	192,900
Accumulated profits brought forward	237,835	77,808
	<u>309,903</u>	<u>270,708</u>
Appropriations:		
Final dividend paid of 1.50 cents per share less tax at 22% in respect of year 2002	(17,444)	(17,550)
Interim dividend paid of 1.30 cents per share less tax at 22% in respect of year 2003	(15,210)	(15,210)
	<u>(32,654)</u>	<u>(32,760)</u>
Accumulated profits carried forward	<u>277,249</u>	<u>237,948</u>

**Transfers to or from Reserves and Provisions**

There were no material transfers to or from reserves during the financial year. Material movements in provisions are as set out in the notes to the accompanying financial statements.

**Issue of Shares and Debentures**

Neither the Company nor its subsidiaries issued any shares or debentures during the financial year.

**Arrangements to Enable Directors to Acquire Shares and Debentures**

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### Directors' Interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50, particulars of interests of directors who held office at the end of the financial year in shares and debentures in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings in the name of the director, spouse or infant children	
	At beginning of the year/ Date of appointment	At end of the year
<b>Chew Choon Seng</b>		
SMRT Corporation Ltd		
– ordinary shares of \$0.10 each	50,000	50,000
Raffles Holdings Limited		
– ordinary shares of \$0.50 each	12,000	12,000
SIA Engineering Company Limited		
– ordinary shares of \$0.10 each	20,000	20,000
Singapore Airlines Limited		
– ordinary shares of \$0.50 each	214,000	214,000
– options to subscribe for ordinary shares of \$0.50 each at:		
– \$15.34 between 28/3/2000 to 27/3/2010	60,000	60,000
– \$16.65 between 3/7/2000 to 2/7/2010	90,000	90,000
– \$11.96 between 2/7/2001 to 1/7/2011	152,000	152,000
– \$12.82 between 2/7/2002 to 1/7/2012	–	152,000
Singapore Airport Terminal Services Limited		
– ordinary shares of \$0.10 each	10,000	10,000
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	11,820	11,880
<b>Saw Phaik Hwa</b>		
SMRT Corporation Ltd		
– ordinary shares of \$0.10 each	80,000	80,000
<b>Cheah Kean Huat</b>		
SMRT Corporation Ltd		
– ordinary shares of \$0.10 each	30,000	30,000
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	–	10,000

## Directors' Report

Name of director and corporation in which interests are held	Holdings in the name of the director, spouse or infant children	
	At beginning of the year/ Date of appointment	At end of the year
<b>Daniel Ee Hock Huat</b>		
CapitaMall Trust Management Limited		
– units in property trust	–	20,000
SMRT Corporation Ltd		
– ordinary shares of \$0.10 each	55,000	55,000
SembCorp Industries Ltd		
– ordinary shares of \$0.25 each	3,709	3,709
Singapore Food Industries Limited		
– ordinary shares of \$0.05 each	60,000	61,000
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	3,640	3,760
Singapore Technologies Engineering Ltd		
– ordinary shares of \$0.10 each	–	20,000
Vertex Venture Holdings Ltd		
– ordinary shares of \$0.20 each	7,120	–
<b>Koh Kheng Siong</b>		
CapitaLand Limited		
– ordinary shares of \$1.00 each	25,000	25,000
SembCorp Industries Ltd		
– ordinary shares of \$0.25 each	20,000	20,000
SembCorp Logistics Ltd		
– ordinary shares of \$0.25 each	24,000	24,000
SIA Engineering Company Limited		
– ordinary shares of \$0.10 each	2,000	2,000
Singapore Airlines Limited		
– ordinary shares of \$0.50 each	15,000	15,000
Singapore Technologies Engineering Ltd		
– ordinary shares of \$0.10 each	34,361	34,361

## Directors' Interests (cont'd)

Name of director and corporation in which interests are held	Holdings in the name of the director, spouse or infant children	
	At beginning of the year/ Date of appointment	At end of the year
<b>Koh Kheng Siong (cont'd)</b>		
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	15,050	15,160
ST Assembly Test Services Ltd		
– ordinary shares of \$0.25 each	1,000	1,000
<b>Victor Loh Kwok Hoong</b>		
SMRT Corporation Ltd		
– ordinary shares of \$0.10 each	51,000	51,000
CapitaLand Limited		
– ordinary shares of \$1.00 each	1,000	1,000
Singapore Technologies Engineering Ltd		
– ordinary shares of \$0.10 each	2,000	92,000
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	9,380	9,480
<b>Ng Ser Miang</b>		
SembCorp Industries Ltd		
– ordinary shares of \$0.25 each	25,000	100,000
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	103,060	4,660
<b>Niam Chiang Meng</b>		
CapitaLand Limited		
– ordinary shares of \$1.00 each	10,000	10,000
CapitaMall Trust Management Limited		
– units in property trust	94,000	94,000
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	15,200	15,200

## Directors' Report

Name of director and corporation in which interests are held	Holdings in the name of the director, spouse or infant children	
	At beginning of the year/ Date of appointment	At end of the year
<b>Jimmy Phoon Siew Heng</b> Singapore Telecommunications Limited – ordinary shares of \$0.15 each	4,440	4,560
<b>Engelin Teh Guek Ngor</b> Finlayson Global Corporation Ltd – 0% bonds maturing in 2004	\$10,000	\$10,000
Singapore Airlines Limited – ordinary shares of \$0.50 each	5,000	5,000
Singapore Telecommunications Limited – ordinary shares of \$0.15 each	1,490	1,540
ST Assembly Test Services Ltd – ordinary shares of \$0.25 each	1,000	1,000
The Ascott Group Limited – ordinary shares of \$0.20 each	10,000	10,000
<b>Margaret Lui-Chan Ann Soo</b> CapitaLand Limited – ordinary shares of \$1.00 each	10,000	10,000
SembCorp Industries Ltd – ordinary shares of \$0.25 each	11,000	11,000
Singapore Telecommunications Limited – ordinary shares of \$0.15 each	3,440	3,440

As at 21 April 2003 (being 21 days after the end of the financial year), the interests of directors who held office at the end of the financial year in shares in the Company and related corporations remained unchanged.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares or debentures of the Company or of related corporations either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

### Dividends

Since the end of the last financial year, the Company paid a net final dividend of \$17,550,000 in respect of the previous financial year as proposed in the directors' report for that year and a net interim dividend of \$15,210,000. The directors now recommend the payment of a net final dividend of \$20,840,000 in respect of the financial year under review.

### Bad and Doubtful Debts

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ascertain what action had been taken in relation to writing off bad debts and providing for doubtful debts of the Company. The directors have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render any amounts written off for bad debts or provided for doubtful debts in the Group inadequate to any substantial extent.

### Current Assets

Before the profit and loss account and the balance sheet of the Company were made out, the directors took reasonable steps to ascertain that current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values and that adequate provision has been made for the diminution in value of such current assets.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report which would render the values attributable to current assets in the Group misleading.

### Charges and Contingent Liabilities

Since the end of the financial year:

- (i) no charge on the assets of the Group or of the Company has arisen which secures the liabilities of any other person; and
- (ii) no contingent liability of the Group or of the Company has arisen.

### Ability to Meet Obligations

No contingent liability or other liability of the Group or of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

### Other Circumstances Affecting the Financial Statements

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group or of the Company misleading.



## Directors' Report

**Unusual Items**

In the opinion of the directors, no item, transaction or event of a material and unusual nature has substantially affected the results of the operations of the Group or of the Company during the financial year.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

**Directors' Interests in Contracts**

Since the end of the last financial year, no director has received or become entitled to receive a benefit 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.

**Share Options**

The SMRT Corporation Employee Share Option Plan ("SMRTC ESOP") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 15 July 2000. The SMRTC ESOP is administered by the Remuneration Committee, comprising Mr Chew Choon Seng, Chairman of the Committee, Mr Cheah Kean Huat and Mr Koh Kheng Siong.

The SMRTC ESOP comprises two distinct schemes:

- (i) Management Scheme – Scheme designed for management staff in the positions of Deputy Director and above of the Group.
- (ii) Employee Scheme – Scheme designed for all other employees of the Group.

In exercising its discretion, the Committee must act in accordance with any guidelines that may be provided by the Board of Directors. The Committee shall refer any matter not falling within the scope of its terms of reference to the Board. The Committee shall have the power, from time to time, to make and vary such regulations for the implementation and administration of the SMRTC ESOP as it thinks fit.

The salient features of the SMRTC ESOP are as follows:

- (i) **Eligible participants** At the absolute discretion of the Committee, all confirmed employees of the Group (including any director of the Group who performs an executive function) who are not less than 21 years old and have been in the service of the Group for at least one year prior to the date of which an Option is granted ("Grant Date") are eligible to participate in the SMRTC ESOP.
- (ii) **Maximum allowable allotment** The aggregate number of shares issued under the SMRTC ESOP ("ESOP Shares") shall not exceed fifteen percent of the issued share capital of the Company on the Grant Date.

The number of ESOP Shares to be offered to a participant shall be determined by the Committee at its absolute discretion after taking into account the length of service and performance of the participant and such other general criteria as the Committee may consider appropriate.

- (iii) **Subscription price** The subscription price for each share in respect of which an option is exercisable shall be the average of the last dealt prices of the Shares as published by the Singapore Exchange Securities Trading Limited ("SGX-ST") for the five consecutive market days immediately preceding the Grant Date.
- (iv) **Option period** The Options granted under the Management Scheme will be vested over a 3-year period (that is 33% in the first year, 66% in the second year and 100% in the third year).

The Options granted under the Employee Scheme may be exercised during the period commencing after the second anniversary of the Grant Date but before the tenth anniversary of the Grant Date. The right of the participants to exercise their Options is in all cases subject to such vesting schedule (if any) stipulated by the Committee and any other conditions which may be imposed by the Committee from time to time in its absolute discretion.

At the end of the financial year, details of the options granted under the SMRTC ESOP on the unissued ordinary shares of \$0.10 each of the Company are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1/4/2002	Options granted	Options exercised	Options cancelled/lapsed	Options outstanding at 31/3/2003	Number of option holders at 31/3/2003	Exercise period
16/7/2001	\$0.816	7,309,500	–	–	146,500	7,163,000	2,452	16/7/2002 to 15/7/2011
22/7/2002	\$0.676	–	6,370,200	–	59,000	6,311,200	3,541	22/7/2003 to 21/7/2012
		7,309,500	6,370,200	–	205,500	13,474,200	5,993	

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

Since the commencement of the Scheme, no participant under the Scheme has been granted 5% or more of the total options available under the Scheme.

During the financial year, no options have been granted to the employees of the Company or its related corporations who receive 5% or more of the total options available to the employees of the Company or its related corporations under the SMRTC ESOP.

The options granted by the Company do not entitle the holders of the option, by virtue of such holdings, to any rights to participate in any share issue of any other company.

#### Audit Committee

The Audit Committee (the "Committee") comprises four non-executive directors. The Committee's members during the year and at the date of this report are as follows:

Daniel Ee Hock Huat	(Chairman)
Lye Fei	(Resigned on 17 July 2002)
Koh Kheng Siong	
Victor Loh Kwok Hoong	
Engelin Teh Guek Ngor	

Directors' Report

#### Audit Committee (cont'd)

The principal responsibility of the Committee is to assist the Board of Directors in the identification and monitoring of areas of significant business risks including the following:

- the effectiveness of the management of financial business risks and the reliability of management reporting;
- compliance with laws and regulations, particularly those of the Companies Act, Chapter 50 and the SGX-ST Listing Manual;
- the appropriateness of interim and full year announcements and reports;
- the effectiveness and efficiency of internal and external audits; and
- interested person transactions.

Specific functions of the Committee include reviewing the scope of work of the internal and external auditors and the assistance given by the Group's officers to the auditors, and receiving and considering the reports of the internal and the external auditors and the internal auditors' evaluation of the system of internal controls. The Committee also recommends the appointment of the external auditors.

The Committee has met with the internal and external auditors separately without the presence of Management twice during the year.

The Committee has reviewed all non-audit services provided by the external auditors, KPMG, to the Group and is of the opinion that the provision of such non-audit services has not affected the independence of the external auditors.

In addition, the Committee has, in accordance with Chapter 9 of the SGX-ST Listing Manual, reviewed the requirements for approval and disclosure of interested person transactions, reviewed the internal procedures set up by the Group to identify and report and where necessary, seek approval for interested person transactions and, with the assistance of the internal auditors, reviewed interested person transactions.

The Committee has recommended to the Board of Directors that the auditors, KPMG, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

#### Auditors

The auditors, KPMG, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



**Chew Choon Seng**  
Director



**Saw Phaik Hwa**  
Director

Singapore, 9 May 2003

## AUDITORS' STATEMENT

### **Auditors' Statement to the Members of SMRT Corporation Ltd**

We have examined the Summary Financial Statements set out on pages 20 to 27 which have been prepared by the Directors of the Company. In our opinion, the Summary Financial Statements are consistent with the full financial statements and directors' report of SMRT Corporation Ltd for the year ended 31 March 2003 and complies with Section 203A of the Singapore Companies (Amendment) Act 1995, and regulations made thereunder, applicable to the Summary Financial Statements.

We have issued an unqualified audit report dated 9 May 2003 on the full financial statements of SMRT Corporation Ltd for the year ended 31 March 2003. The auditors' report is as follows:

### **"Report of the Auditors to the Members of SMRT Corporation Ltd**

We have audited the consolidated financial statements of the Group and the financial statements of the Company for the year ended 31 March 2003 as set out on pages 83 to 138. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

## AUDITORS' STATEMENT (CONT'D)

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
  - (i) the state of affairs of the Company and of the Group as at 31 March 2003 and of the results and changes in equity of the Company and of the Group and of the cash flows of the Group for the year ended on that date; and
  - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements;
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by the subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all the subsidiaries of which we have not acted as auditors, being financial statements that have been included in the consolidated financial statements of the Group. The names of these subsidiaries are stated in note 5 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements of the Group and we have received satisfactory information and explanation as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification, and in respect of subsidiaries incorporated in Singapore, did not include any comments made under Section 207 (3) of the Act."



KPMG  
*Certified Public Accountants*

Singapore, 9 May 2003

## BALANCE SHEETS

as at 31 March 2003

	----- The Group -----		----- The Company -----	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	1,346,891	1,385,158	184	249
Investments in subsidiaries	–	–	351,332	353,808
Interests in associates	1,215	3,783	–	–
Finance lease receivables due after 12 months	148	573	–	–
Financial assets	4,050	8,534	–	–
Intangible asset	66,960	68,007	–	–
	<u>1,419,264</u>	<u>1,466,055</u>	<u>351,516</u>	<u>354,057</u>
<b>Current assets</b>				
Inventories	45,456	42,249	–	–
Trade and other receivables	43,098	61,688	586,070	371,266
Financial assets	400	9,163	–	–
Tax recoverable	3,696	7,703	5,365	7,703
Fixed deposits with banks and financial institutions	58,102	305,198	–	–
Cash at banks and in hand	38,168	32,803	473	818
	<u>188,920</u>	<u>458,804</u>	<u>591,908</u>	<u>379,787</u>
<b>Current liabilities</b>				
Trade and other payables	216,269	176,306	55,355	5,883
Amount due to LTA	3,721	254,611	–	–
Interest-bearing borrowings	4,972	96,647	–	–
Employee benefits	4,011	5,611	121	153
Provisions	10,980	10,217	–	–
Current tax payable	2,987	4,009	–	–
	<u>242,940</u>	<u>547,401</u>	<u>55,476</u>	<u>6,036</u>
Net current (liabilities)/assets	<u>(54,020)</u>	<u>(88,597)</u>	<u>536,432</u>	<u>373,751</u>
Balance carried forward	1,365,244	1,377,458	887,948	727,808

## BALANCE SHEETS (CONT'D)

as at 31 March 2003

	----- The Group -----		----- The Company -----	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Balance brought forward	1,365,244	1,377,458	887,948	727,808
<b>Non-current liabilities</b>				
Interest-bearing borrowings	500,000	512,519	500,000	500,000
Employee benefits	6,043	5,196	–	–
Deferred tax liabilities	158,892	156,752	–	–
Fuel equalisation account	17,961	17,961	–	–
	682,896	692,428	500,000	500,000
Minority interests	1,582	1,318	–	–
<b>Net assets</b>	<b>680,766</b>	<b>683,712</b>	<b>387,948</b>	<b>227,808</b>
<b>Share capital</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
<b>Accumulated profits</b>	<b>277,249</b>	<b>237,835</b>	<b>237,948</b>	<b>77,808</b>
<b>Share capital and accumulated profits</b>	<b>427,249</b>	<b>387,835</b>	<b>387,948</b>	<b>227,808</b>
<b>Deferred grant</b>	<b>253,517</b>	<b>295,877</b>	<b>–</b>	<b>–</b>
	<b>680,766</b>	<b>683,712</b>	<b>387,948</b>	<b>227,808</b>

## PROFIT AND LOSS ACCOUNTS

for the year ended 31 March 2003

	----- The Group -----		----- The Company -----	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Revenue	685,638	496,804	264,249	82,109
Other operating income	19,901	13,992	4	5
Staff and related costs	(261,925)	(183,981)	(6,513)	(7,131)
Depreciation and impairment losses of property, plant and equipment	(186,168)	(149,732)	(90)	(89)
Amortisation of asset-related grant	42,049	46,564	-	-
Repairs and maintenance costs	(59,023)	(37,933)	-	-
Electricity and diesel costs	(51,871)	(40,756)	-	-
Other operating expenses	(92,609)	(52,635)	(4,337)	(8,375)
<b>Profit from operations</b>	<b>95,992</b>	<b>92,323</b>	<b>253,313</b>	<b>66,519</b>
Finance costs	(20,279)	(6,280)	(15,743)	(4,301)
Interest and investment (expense)/ income	(466)	2,508	9,219	796
Share of results of associates	(2,568)	(6,282)	-	-
<b>Profit from ordinary activities before taxation</b>	<b>72,679</b>	<b>82,269</b>	<b>246,789</b>	<b>63,014</b>
Income tax expenses	(483)	(25,490)	(53,889)	(18,142)
<b>Profit from ordinary activities after taxation</b>	<b>72,196</b>	<b>56,779</b>	<b>192,900</b>	<b>44,872</b>
Minority interests	(128)	18	-	-
<b>Net profit for the year</b>	<b>72,068</b>	<b>56,797</b>	<b>192,900</b>	<b>44,872</b>
Basic earnings per share (in cents)	4.80	3.79		



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2003

	Share capital \$'000	Accumulated profits \$'000	Total \$'000
<b>The Group</b>			
At 1 April 2001	150,000	231,435	381,435
Net profit for the year	–	56,797	56,797
Final dividend paid of 1.50 cents per share less tax at 24.5% in respect of year 2001	–	(16,988)	(16,988)
Special dividend paid of 1.65 cents per share less tax at 24.5% in respect of year 2001	–	(18,686)	(18,686)
Interim dividend paid of 1.30 cents per share less tax at 24.5% in respect of year 2002	–	(14,723)	(14,723)
At 31 March 2002	150,000	237,835	387,835
Net profit for the year	–	72,068	72,068
Final dividend paid of 1.50 cents per share less tax at 22% in respect of year 2002	–	(17,444)	(17,444)
Interim dividend paid of 1.30 cents per share less tax at 22% in respect of year 2003	–	(15,210)	(15,210)
At 31 March 2003	150,000	277,249	427,249

## STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2003

	Share capital \$'000	Accumulated profits \$'000	Total \$'000
<b>The Company</b>			
At 1 April 2001	150,000	83,333	233,333
Net profit for the year	–	44,872	44,872
Final dividend paid of 1.50 cents per share less tax at 24.5% in respect of year 2001	–	(16,988)	(16,988)
Special dividend paid of 1.65 cents per share less tax at 24.5% in respect of year 2001	–	(18,686)	(18,686)
Interim dividend paid of 1.30 cents per share less tax at 24.5% in respect of year 2002	–	(14,723)	(14,723)
At 31 March 2002	150,000	77,808	227,808
Net profit for the year	–	192,900	192,900
Final dividend paid of 1.50 cents per share less tax at 22% in respect of year 2002	–	(17,550)	(17,550)
Interim dividend paid of 1.30 cents per share less tax at 22% in respect of year 2003	–	(15,210)	(15,210)
At 31 March 2003	150,000	237,948	387,948

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2003

	2003 \$'000	2002 \$'000
<b>Operating Activities</b>		
Profit from operating activities before taxation	72,679	82,269
Adjustments for items not involving outlay of funds:		
Allowance for obsolete inventories	728	1,024
Amortisation of asset-related grant	(42,049)	(46,564)
Amortisation of goodwill	3,587	1,153
Decrease in employee benefits	(730)	(489)
Depreciation and impairment losses of property, plant and equipment	186,168	149,732
Dividend income	(184)	(123)
Grant released	(311)	(128)
Interest expense	20,279	6,280
Interest income	(768)	(1,708)
Diminution in value of long-term investments	90	-
Loss/(gain) on disposals of:		
–investments	1,418	(677)
–property, plant and equipment	(1,118)	(223)
Property, plant and equipment written off	749	568
Provisions made during the year	5,905	1,618
Share of results of associates	2,568	6,282
<b>Operating profit before working capital changes</b>	<b>249,011</b>	<b>199,014</b>
Changes in working capital:		
Inventories	(3,935)	(14,085)
Finance lease receivables	1,475	823
Trade and other receivables	18,702	2,386
Amounts due from associates and related companies	(403)	3,547
Trade balance due to LTA	51	(994)
Trade and other payables and provisions	(57,372)	(35,436)
	<b>207,529</b>	<b>155,255</b>
Income taxes refunded/(paid)	5,129	(97)
Dividends paid	(32,654)	(50,397)
Interest paid	(20,236)	(1,980)
<b>Cash flows from operating activities</b>	<b>159,768</b>	<b>102,781</b>
<b>Investing Activities</b>		
Investments in associates	-	(8,219)
Dividends received	184	123
Interest received	854	3,293
Purchases of property, plant and equipment	(63,568)	(57,900)
Proceeds from disposals of investments	11,739	41,757
Proceeds from disposals of property, plant and equipment	4,427	3,073
Acquisition of subsidiaries, net of cash acquired	-	(193,960)
<b>Cash flows used in investing activities</b>	<b>(46,364)</b>	<b>(211,833)</b>
<b>Balance carried forward</b>	<b>113,404</b>	<b>(109,052)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

for the year ended 31 March 2003

	2003 \$'000	2002 \$'000
Balance brought forward	113,404	(109,052)
<b>Financing Activities</b>		
Decrease in non-trade balance due to LTA	(250,941)	(271,456)
Proceeds from unsecured bonds	–	500,000
Repayment of bank loans	(24,216)	(50,365)
Redemption of unsecured bonds	(80,000)	–
Loan from minority shareholder of a subsidiary	22	–
<b>Cash flows from financing activities</b>	(355,135)	178,179
<b>Net (Decrease)/Increase in cash and cash equivalents</b>	(241,731)	69,127
Cash and cash equivalents at beginning of year	338,001	243,298
Adjustment due to business combination	–	25,576
<b>Cash and cash equivalents at end of year</b>	96,270	338,001
Cash and cash equivalents at end of the year comprise:		
Fixed deposits with banks and financial institutions	58,102	305,198
Cash at banks and in hand	38,168	32,803
	96,270	338,001
The attributable net assets of subsidiaries acquired during the year are as follows:		
Acquisition:		
Property, plant and equipment	–	343,490
Investments	–	9,487
Other non-current assets	–	1,006
Current assets	–	40,578
Current liabilities	–	(144,732)
Non-current liabilities	–	(120,352)
Goodwill	–	69,160
	–	198,637
Purchase consideration	–	198,637
Less:		
Net cash at bank of subsidiaries acquired	–	(4,677)
Cash outflow on acquisition	–	193,960

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

### Significant Related Party Transactions – The Group

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the financial year, the Group had the following related party transactions on terms agreed between the parties:

	2003 \$'000	2002 \$'000
Rental income received/receivable	2,350	1,998
Maintenance income received/receivable	420	475
Commission and distribution fee received/receivable	1,101	1,299
Purchases of goods and services	<u>42,470</u>	<u>37,355</u>

### Changes in Accounting Policies

The adoption of the limited revisions to SAS 17 (2001) – Employee Benefits did not give rise to any adjustments to the opening balances of accumulated profits of the prior and current years or to changes in comparatives.

### Comparative Information

Certain items in the comparative figures have been reclassified to conform with the current year's presentation.

## STATISTICS OF SHAREHOLDERS

as at 26 May 2003

Authorised Share Capital:	\$500,000,000
Issued and fully paid capital:	\$150,000,003
Class of shares:	ordinary shares of \$0.10 each
Voting rights:	one vote per share

## Distribution of Shareholders

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	5	0.01	1,682	0.00
1,000 - 10,000	53,021	93.03	128,641,600	8.58
10,001 - 1,000,000	3,952	6.93	160,881,368	10.72
1,000,001 and above	16	0.03	1,210,475,380	80.70
<b>Total</b>	<b>56,994</b>	<b>100.00</b>	<b>1,500,000,030</b>	<b>100.00</b>

## Twenty Largest Shareholders

No.	Name	No. of Shares	%
1	Temasek Holdings (Pte) Ltd	934,400,030	62.29
2	Raffles Nominees Pte Ltd	125,437,535	8.36
3	DBS Nominees Pte Ltd	41,194,074	2.75
4	HSBC (Singapore) Nominees Pte Ltd	39,340,367	2.62
5	United Overseas Bank Nominees Pte Ltd	31,985,000	2.13
6	Citibank Nominees Singapore Pte Ltd	11,925,165	0.80
7	Oversea-Chinese Bank Nominees Pte Ltd	11,256,000	0.75
8	DB Nominees (S) Pte Ltd	3,269,209	0.22
9	Choo Si Sen	2,000,000	0.13
10	The Asia Life Assurance Society Ltd – Singapore Life Fund	1,769,000	0.12
11	Meadowspring Pte Ltd	1,500,000	0.10
12	OCBC Securities Private Ltd	1,474,000	0.10
13	Phillip Securities Pte Ltd	1,437,000	0.10
14	Ko Teck Siang	1,300,000	0.09
15	Chen Siong Seng	1,170,000	0.08
16	Leong Khuen Nyeon	1,018,000	0.07
17	Lee Pineapple Company Pte Ltd	1,000,000	0.07
18	Ng Chuen Huay	1,000,000	0.07
19	Overseas Union Enterprise Limited	1,000,000	0.07
20	Quah Wee Lai	1,000,000	0.07
<b>Total</b>		<b>1,214,475,380</b>	<b>80.99</b>

## Shareholders Location Distribution as at 26 May 2003

Location	No. of Shareholders	%	No. of Shares	%
Singapore	56,414	98.98	1,490,168,030	99.35
Malaysia	385	0.68	7,580,000	0.51
Hong Kong	31	0.05	487,000	0.03
Japan	3	0.01	54,000	0.00
United States	19	0.03	182,000	0.01
United Kingdom	8	0.01	16,000	0.00
Europe	1	0.00	3,000	0.00
Australia/New Zealand	49	0.09	550,000	0.04
Others	84	0.15	960,000	0.06
<b>Total</b>	<b>56,994</b>	<b>100.00</b>	<b>1,500,000,030</b>	<b>100.00</b>

## Substantial Shareholder

Name of Substantial Shareholder	No. of Shares	%
Temasek Holdings (Private) Limited	934,400,030	62.29

## Shareholding Held in Hands of Public

Based on information available to the Company as at 26 May 2003, approximately 37.66% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

## NOTICE OF ANNUAL GENERAL MEETING

SMRT Corporation Ltd (Incorporated in the Republic of Singapore)

To: All Shareholders

Notice is hereby given that the Fourth Annual General Meeting of the Company will be held at Grand Ballroom, Level 2, Grand Plaza Parkroyal, 10 Coleman Street Singapore 179809, on Thursday, 17 July 2003 at 2.30 p.m. to transact the following business:

### ORDINARY BUSINESS:

- 1) To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 March 2003 together with the Auditors' Report thereon.
- 2) To declare a Final Dividend of 1.78 cents per share, less income tax at 22 per cent for the financial year ended 31 March 2003.
- 3) To approve Directors' Fees of \$187,344 for the financial year ended 31 March 2003 (FY 2002: \$173,000).
- 4) a. To re-elect Mr Cheah Kean Huat, a Director who is retiring in accordance with Article 94 of the Company's Articles of Association.  
  
b. To note that the following Directors are retiring in accordance with Article 94 of the Company's Articles of Association:  
(i) Mr Chew Choon Seng, and  
(ii) Mr Jimmy Phoon Siew Heng.
- 5) To re-elect the following Directors who are retiring in accordance with Article 100 of the Company's Articles of Association:  
a. Mr Choo Chiau Beng;  
b. Mr Niam Chiang Meng;  
c. Mr Nithiah Nandan s/o Arumugam; and  
d. Ms Saw Phaik Hwa.
- 6) To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.

### SPECIAL BUSINESS:

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

"That authority be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the SMRT Corporation Employee Share Option Plan ("SMRTC ESOP") and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the SMRTC ESOP **PROVIDED ALWAYS THAT** the aggregate number of shares to be issued pursuant to the SMRTC ESOP shall not exceed 15 per cent of the issued share capital of the Company from time to time."

### ANY OTHER BUSINESS:

- 8) To transact any other business that may be transacted at an Annual General Meeting.

By Order of the Board

**April Jacqueline Loh**  
Company Secretary

20 June 2003, Singapore



**NOTICE OF CLOSURE OF BOOKS**

Notice is hereby given that the Transfer Books and the Register of Members of the Company will be closed from 24 July 2003 to 25 July 2003 (both dates inclusive) for the preparation of dividend warrants. The final dividend, if approved at the Fourth Annual General Meeting, will be paid on 5 August 2003 to members on the Register as at 23 July 2003. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said final dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

Duly completed transfers received by the Share Registrar, Lim Associates (Pte) Ltd, at 10 Collyer Quay #19-08 Ocean Building Singapore 049315 up to 5.00 p.m. on 23 July 2003 will be registered to determine shareholders' entitlements to the final dividend.

**EXPLANATORY NOTES ON ORDINARY BUSINESS TO BE TRANSACTED:**

**Resolution 3** Directors will be paid a basic fee and will get additional allowances for their services in other Board Committees. The schedule of fees is the same as for the preceding year. Two additional non-executive directors were appointed and the Nominating Committee was formed during the course of the year.

The proposed schedule of fees (per annum) is set out below

*BOARD OF DIRECTORS*

Chairman's Allowance	\$12,000
Basic Fee	\$12,000

*AUDIT COMMITTEE/EXECUTIVE COMMITTEE*

Chairman's Allowance	\$10,000
Member's Allowance	\$5,000

*REMUNERATION COMMITTEE/NOMINATING COMMITTEE*

Chairman's Allowance	\$6,000
Member's Allowance	\$3,000

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

**Resolution 7** is to authorise the Directors to offer and grant options in accordance with the SMRT Corporation Employee Share Option Plan ("SMRTC ESOP") which was approved at the Extraordinary General Meeting of the Company on 15 July 2000 and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the SMRTC ESOP.

**Notes:**

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and to vote in his stead. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 251 North Bridge Road, Singapore 179102, at least 48 hours before the time appointed for the Meeting.

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# PROXY FORM ANNUAL GENERAL MEETING

SMRT CORPORATION LTD (Incorporated in the Republic of Singapore)

**Important:**

- For investors who have used their CPF monies to buy SMRT Corporation Ltd shares, the Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
- 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.

I/We \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_ of \_\_\_\_\_

being a member/members of SMRT Corporation Ltd hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (Number of Shares)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (Number of Shares)

or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to vote for me/us and on my/our behalf at the Fourth Annual General Meeting of the Company, to be held on Thursday, 17 July 2003 at 2.30 p.m. 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 and at any adjournment thereof.

No.	RESOLUTIONS	Indicate your vote For or Against with a tick	
		For	Against
	<b>Ordinary Business</b>		
1)	Adoption of Directors' Report, Audited Financial Statements and Auditors' Report		
2)	Declaration of Final Dividend		
3)	Approval of Directors' Fees		
4)	Re-election of Mr Cheah Kean Huat as Director		
5)	(a) Re-election of Mr Choo Chiau Beng as Director		
	(b) Re-election of Mr Niam Chiang Meng as Director		
	(c) Re-election of Mr Nithiah Nandan s/o Arumugam as Director		
	(d) Re-election of Ms Saw Phaik Hwa as Director		
6)	Re-appointment of KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration		
	<b>SPECIAL BUSINESS</b>		
7)	Authorise Directors to offer and grant options and issue shares pursuant to the SMRT Corporation Employee Share Option Plan		
8)	<b>ANY OTHER BUSINESS</b>		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2003

Total Number of Shares Held: \_\_\_\_\_

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

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

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. Such proxy need not be a member of the Company.
2. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his holding (expressed as the number of shares) to be represented by each proxy.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing or, where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
4. A corporation which is a member may authorise by resolution of its directors or other governing body an authorised representative or representatives in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore, to attend and vote on its behalf.
5. The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof), must be deposited at the registered office of the Company at 251 North Bridge Road, Singapore 179102, at least 48 hours before the time appointed for the Meeting.
6. 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, Chapter 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 as well as shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies will be deemed to relate to all the shares held by the member.
7. The Company shall be entitled to reject the instrument appointing proxy or proxies if it is incomplete, or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company shall be entitled to reject any 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 Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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# REQUEST SLIP



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SMRT Corporation Ltd (Incorporated in the Republic of Singapore)

20 June 2003

Dear Shareholder

In addition to this Summary Financial Statement 2003 that you have received, a comprehensive review of the Group's operations and performance and the audited financial statements for the financial year ended 31 March 2003, the auditors' report on those financial statements and the directors' report are included in the Annual Report 2003. Shareholders may request for a copy of the full annual report at no cost from the Share Registrars.

Yours faithfully

For and on behalf of SMRT Corporation Ltd

April Jacqueline Loh  
Company Secretary

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Request Slip

To SMRT Corporation Ltd

Please send me a copy of the Annual Report for the financial year ended 31 March 2003.

Name(s) of Shareholder(s)

NRIC/Passport Number

Address

Signature

Date

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**BUSINESS REPLY SERVICE  
PERMIT NO. 07076**



**SMRT CORPORATION LTD  
C/O LIM ASSOCIATES PTE LTD  
10 COLLYER QUAY #19-08  
OCEAN BUILDING  
SINGAPORE 049315**

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# FINANCIAL CALENDAR

## Financial Year Ended 31 March 2003

9 May 2003

*Announcement of FY 2003 Results*

17 July 2003

*Annual General Meeting*

24-25 July 2003 (both dates inclusive)

*Books Closure Dates*

5 August 2003

*Proposed Payment of Final Dividend*

## Financial Year Ending 31 March 2004

July 2003

*Announcement of 1Q 2004 Results*

October 2003

*Announcement of 2Q 2004 Results*

November 2003

*Books Closure*

November 2003

*Payment of Interim Dividend*

January 2004

*Announcement of 3Q 2004 Results*



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251 North Bridge Road, Singapore 179102  
Telephone: 65 6331 1000, Facsimile: 65 6334 0247  
[www.smrtcorp.com](http://www.smrtcorp.com)