

The background of the entire page is an abstract, blurred image of light trails. The colors are primarily red, orange, and yellow, with some green and blue accents. The trails appear to be moving rapidly, creating a sense of motion and energy. The overall effect is dynamic and futuristic.

Pushing the Boundaries

SMRT CORPORATION LTD

Summary Report 2005

VISION

Moving People, Enhancing Lives

MISSION

To be the customers' choice by providing a safe, reliable and friendly travel experience that is enhanced through convenient and innovative services

CORE VALUES

- Excellence
- Respect, Responsibility and Recognition
- Commitment to the Public, Shareholders and Employees

02	At a Glance	26	Auditors' Statement	35	Shareholders' Information
04	Financial Highlights	27	Balance Sheets	37	Notice of Annual General Meeting
07	Financial Calendar	29	Profit and Loss Accounts	41	Letter to Shareholders Proxy Form
08	Chairman's Message	30	Consolidated Statement of Changes in Equity		
11	Corporate Information	32	Consolidated Statement of Cash Flows		
12	SMRT Group Structure	34	Notes to the Summary Financial Statements		
14	Financial Review				
17	Directors' Report				

Singapore MRT Ltd was established in 1987 to offer Singaporeans an island-wide rail transit network as an alternative means of safe, affordable travel.

Since then, our fundamental mission of providing safe and efficient public transport services has not changed. What has changed is our reach and capacity to offer commuters an enhanced travel and lifestyle experience.

In 2000, SMRT Corporation Ltd (SMRT) was incorporated and listed on the Singapore Exchange (then Singapore Stock Exchange). In 2001, SMRT acquired TIBS Holdings, a key taxi and bus operator. Today, SMRT is Singapore's premier multi-modal transport operator. We remain the dominant player in our nation's rail network and our buses and taxis have a significant presence in Singapore's vibrant transport landscape.

Moving forward, we will push the boundaries in every aspect of our work to offer commuters a superior travel experience and to deliver on stakeholder trust.

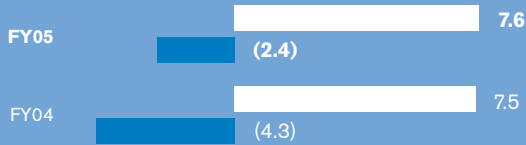
REVENUE (S\$MILLION)
OPERATING PROFITS (S\$MILLION)

MRT



- ▶ Operates the first mass rapid transit system in Singapore (North South and East West lines) from 1987.
- ▶ Network comprises 89.4 kilometres of double track along 51 stations.
- ▶ Average daily ridership in FY2005 was 1,103,000 (FY2004: 1,070,000).
- ▶ Average fare per passenger in FY2005 was S\$0.909 (FY2004: S\$0.935).

LRT



- ▶ Operates Singapore's first fully-automated Bukit Panjang Light Rapid Transit system from 1999.
- ▶ Network comprises 7.8 kilometres along 14 stations.
- ▶ Average daily ridership in FY2005 was 37,800 (FY2004: 37,500).
- ▶ Average fare per passenger in FY2005 was S\$0.550 (FY2004: S\$0.549).

BUSES



- ▶ Operates a fleet of more than 800 buses from three leased depots and five interchanges.
- ▶ Provides 74 bus services concentrated in the Western and North-Western areas in Singapore.
- ▶ Average daily ridership in FY2005 was 734,000 (FY2004: 723,000).
- ▶ Average fare per passenger in FY2005 was S\$0.673 (FY2004: S\$0.684).

TAXIS



- ▶ Manages and leases a fleet of 3,003 taxis, including Mercedes and London cabs.
- ▶ Provides value-added services to taxi hirers and offers employee driver scheme.
- ▶ Average hired-out rate in FY2005 was 93.5% (FY2004: 91.4%).

RENTAL



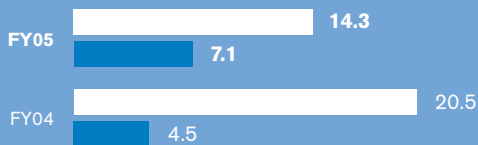
- ▶ Leases approximately 23,800 square metres of commercial space at MRT and LRT stations.
- ▶ Average occupancy rate in FY2005 was 95.0% (FY2004: 96.0%).

ADVERTISING



- ▶ Sole representative for advertising and promotion of all media spaces on SMRT premises and vehicles.

ENGINEERING AND OTHER SERVICES



- ▶ Provides engineering consultancy, project management, operations and maintenance services.
- ▶ Leases fibre-optic cables.

FY2005 REVIEW

FY2006

– STRATEGIC DIRECTION AND OUTLOOK

- ▶ Revenue was stable in FY2005 as ridership increase mitigated the impact of lower average fare due to the absorption of Goods & Services Tax (GST) and the expanding rail network.
- ▶ Operating profits increased 3.4% to S\$61.5 million due to improved employee productivity, and repairs and maintenance cost efficiency.

- ▶ Revenue is expected to improve with the fare increase effective in July 2005.

- ▶ Revenue was stable with marginal improvements in ridership and average fare.
- ▶ Operating losses were reduced to S\$2.4m due to lower repairs and maintenance costs.

- ▶ Ridership is expected to improve with developments in the neighbourhood.

- ▶ Revenue was flat compared to FY2004 as ridership growth was offset by the effect of lower average fare, which declined 1.6% as a result of GST absorption.
- ▶ Operating profits declined 22.3% or S\$3.1m to S\$10.8m due to higher diesel costs, which increased by S\$6.2m.

- ▶ Revenue is expected to improve with the fare increase effective in July 2005.

- ▶ Revenue grew by 21.8% or S\$12.6 million as a result of larger hired-out fleet.
- ▶ Operating earnings grew 55.2% to S\$4.5m on higher revenue.

- ▶ Expand taxi fleet beyond 3,003.
- ▶ Revenue and profits are expected to improve with larger taxi fleet.

- ▶ Revenue was unchanged in FY2005. The increase in revenue from the redevelopment of retail space at five MRT stations mitigated the shortfall in revenue due to the loss of shop space to Circle Line, lifts upgrade and renovation works.
- ▶ Operating earnings declined slightly as a result of higher costs arising from refurbishment of the five MRT stations.

- ▶ Revenue is expected to increase with additional revenue contribution from the five MRT stations.
- ▶ Continue to work with relevant authorities to further redevelop and create more shop space at other stations.

- ▶ Revenue was marginally lower due to reduction in advertising space caused by Circle Line construction.
- ▶ Operating profits remained stable.

- ▶ Roll out more creative and innovative forms of advertising media to grow revenue.

- ▶ Revenue showed a decline due to revision of service fee charged to EZ-Link.
- ▶ The change in service fee had no impact on profits as there was also a corresponding reduction of an equivalent amount in operating costs.
- ▶ Operating earnings rose 57.8% to S\$7.1m due to lower operating costs.

- ▶ Seek overseas projects in areas of core competence to enhance profitability.

FINANCIAL HIGHLIGHTS

pg 4

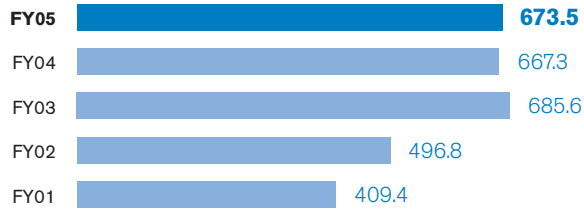
	2001	2002	2003	2004	2005
Profit & Loss Statement for the year ended 31 March (\$million)					
Revenue	409.4	496.8	685.6	667.3	673.5
Other operating income	11.8	14.0	19.9	28.8	26.4
Staff and related costs	(144.4)	(184.0)	(261.9)	(256.4)	(247.5)
Repairs and maintenance costs	(31.6)	(37.9)	(59.0)	(63.3)	(56.9)
Electricity and diesel costs	(35.5)	(40.8)	(51.9)	(49.4)	(57.4)
Other operating expenses	(36.6)	(51.5)	(89.0)	(101.5)	(107.8)
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	173.2	196.6	243.7	225.5	230.3
Depreciation and impairment losses of property, plant and equipment	(122.2)	(149.7)	(186.2)	(154.2)	(141.3)
Amortisation of asset-related grant	44.2	46.6	42.0	31.7	25.5
Amortisation and impairment losses of goodwill	0.0	(1.2)	(3.6)	(3.6)	(21.4)
Earnings Before Interest and Tax (EBIT)	95.2	92.3	96.0	99.3	93.0
Finance costs	0.0	(6.3)	(20.3)	(15.8)	(14.0)
Interest and investment income/(expense)	49.2	2.5	(0.5)	3.0	5.4
Share of results of associates	(3.5)	(6.3)	(2.6)	(0.3)	(0.3)
Profit Before Tax	140.9	82.3	72.7	86.2	84.1
Profit after tax	102.8	56.8	72.2	90.2	126.8
Net Profit (After Minority Interests) Attributable To Shareholders	102.8	56.8	72.1	89.5	126.9
Net Dividends Declared	52.4	32.2	36.0	53.6	78.1*

* Upon approval of final dividend at the Sixth Annual General Meeting on 14 July 2005.

Summarised Balance Sheet as at 31 March (\$million)

Non-current assets	1,138.7	1,466.1	1,419.3	1,242.1	1,203.0
Current assets	328.9	458.8	190.6	342.7	160.8
Current liabilities	368.0	547.4	244.6	456.0	163.7
Net current liabilities	(39.0)	(88.6)	(54.0)	(113.3)	(2.9)
Non-current liabilities	375.6	692.4	682.9	426.2	451.2
Shareholders' funds	381.4	387.8	427.2	480.7	553.1
Deferred grant	342.6	295.9	253.5	219.6	193.8

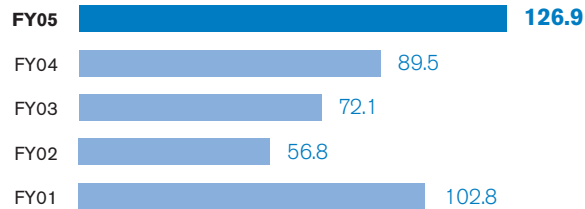
REVENUE (\$MILLION)



EARNINGS BEFORE INTEREST AND TAX (EBIT) (\$MILLION)



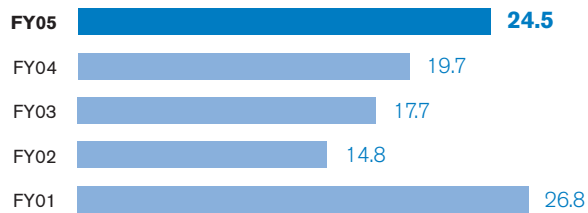
NET PROFIT (AFTER MINORITY INTERESTS) ATTRIBUTABLE TO SHAREHOLDERS (\$MILLION)



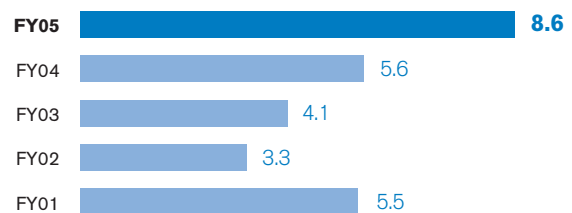
SHAREHOLDERS' FUNDS (\$MILLION)



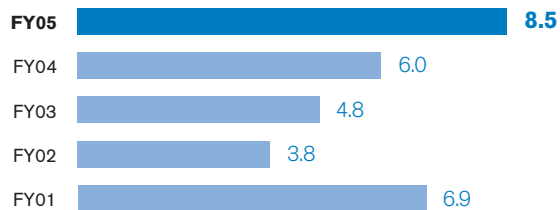
RETURN ON EQUITY (%)



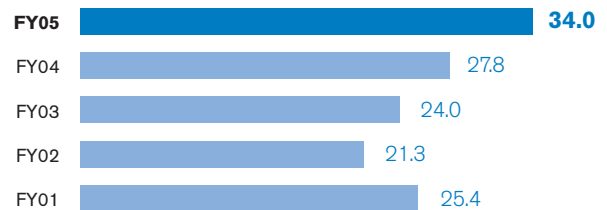
RETURN ON TOTAL ASSETS (%)



EARNINGS PER SHARE (CENTS)



NET TANGIBLE ASSET PER SHARE (CENTS)



	FY2001	FY2002	FY2003	FY2004	FY2005
Financial Indicators					
EBITDA margin (%)	42.3	39.6	35.5	33.8	34.2
EBIT margin (%)	23.2	18.6	14.0	14.9	13.8
Return on equity (%)	26.8	14.8	17.7	19.7	24.5
Return on total assets (%)	5.5	3.3	4.1	5.6	8.6
Net gearing	0.00	0.70	0.95	0.49	0.41
Interest cover (times)	0.0	31.3	12.0	14.3	16.5
Per Share					
Earnings per share (cents)	6.9	3.8	4.8	6.0	8.5
Net asset value per share (cents)	25.4	25.9	28.5	32.0	36.8
Net tangible asset per share (cents)	25.4	21.3	24.0	27.8	34.0
Gross dividend per share (cents) – including special dividend	4.7	2.8	3.1	4.5	6.5
Gross dividend per share (cents) – excluding special dividend	3.0	2.8	3.1	4.5	6.5
Productivity Data					
Staff strength	2,987	6,102	6,194	5,975	5,775
Employment costs per \$ of revenue (S\$)	0.35	0.37	0.38	0.38	0.37
Economic value-added (S\$million)	24.1	4.7	3.4	24.6	42.2
Economic value-added per employee (S\$)	8,073.99	765.98	556.34	4,109.12	7,312.90
Value-added (S\$million)	374.4	386.1	508.9	493.0	497.0
Value-added per employee (S\$)	125,337.13	93,926.61*	82,163.22	82,507.78	86,051.26
Value-added per \$ of employment costs (S\$)	2.59	2.10	1.94	1.92	2.01
Value-added per \$ of gross fixed assets (S\$)	0.25	0.21	0.25	0.25	0.24
Value-added per \$ of revenue (S\$)	0.91	0.78	0.74	0.74	0.74

* Adjusted for effect of acquisition of TIBS Holdings Ltd (now known as SMRT Road Holdings Ltd) in December 2001.

FINANCIAL YEAR ENDED 31 MARCH 2005

28 April 2004

Announcement of Audited Full Year Results for Financial Year Ended 31 March 2004
Media and Analysts Briefing

15 July 2004

Fifth Annual General Meeting
Extraordinary General Meeting

22 – 23 July 2004

Books Closure Dates (both dates inclusive)

30 July 2004

Announcement of Financial Results for First Quarter Ended 30 June 2004
Media and Analysts Teleconference

3 August 2004

Payment of FY2004 Final Dividend

28 October 2004

Announcement of Financial Results for Second Quarter Ended 30 September 2004
Media and Analysts Briefing

17 – 18 November 2004

Books Closure Dates (both dates inclusive)

26 November 2004

Payment of FY2005 Interim Dividend

28 January 2005

Announcement of Financial Results for Third Quarter Ended 31 December 2004
Media and Analysts Teleconference

FINANCIAL YEAR ENDING 31 MARCH 2006

29 April 2005

Announcement of Audited Full Year Results for Financial Year Ended 31 March 2005
Webcast of Media and Analysts Briefing

14 July 2005

Sixth Annual General Meeting

21 – 22 July 2005

Books Closure Dates (both dates inclusive)

29 July 2005

Announcement of Financial Results for First Quarter Ending 30 June 2005

3 August 2005

Proposed Payment of FY2005 Final Dividend

28 October 2005

Announcement of Financial Results for Second Quarter Ending 30 September 2005

27 January 2006

Announcement of Financial Results for Third Quarter Ending 31 December 2005

Note:

The dates after July 2005 are indicative and subject to change. Please check for updates on the financial calendar at http://www.smrt.com.sg/investor_relations.htm.



Choo Chiau Beng, CHAIRMAN

Last year, the SMRT Group achieved outstanding growth in all aspects of our operations in a challenging environment of increased business costs and competition. For the year ended 31 March 2005, the Group achieved a strong set of financial results with a 41.8 per cent growth in net profits over the previous year. Strong growth was experienced in our non-fare businesses, in particular our taxi operations. Within the Group, a truly integrated SMRT identity took shape as the vision, mission and core values introduced in the previous year were embraced across our organisation.

Financial Performance

Revenue grew 0.9 per cent in FY2005 to S\$673.5 million due mainly to higher revenue contribution from our expanded taxi fleet. Fare revenue from MRT, LRT and bus operations, which makes up more than 82.3 per cent of Group revenue, was stable although ridership numbers increased. This is because average fares declined as a result of the expanding rail network and SMRT's absorption of GST. However, we managed to rein in manpower costs and keep repair and maintenance expenses in check.

As some of our operating assets have been fully depreciated, charges for depreciation (net of amortisation of asset-related grant) were lower. Through our comprehensive repair and maintenance programme, we were able to extend the operating lifespan of these fully depreciated assets and thus enjoyed lower operating costs. Nonetheless, total operating costs rose 1.7 per cent or S\$10.1 million due to a one-off goodwill impairment loss of S\$21.4 million. This impairment loss was recorded in FY2005 as we decided to proceed with the early adoption of the new Financial Reporting Standard FRS 103 on goodwill. Excluding the goodwill charges in both years for comparison purposes, total operating expenses would have declined by S\$7.8 million or 1.3 per cent.

I am pleased to report that by staying operationally lean while seizing every opportunity to grow our business, the SMRT Group reported a net profit of S\$126.9 million, a 41.8 per cent increase over the previous year's performance, and S\$24.1 million more than our previous record posted in FY2001 since the Company was listed.

Net profit for FY2005 included a tax write-back of S\$58.3 million, moderated by goodwill impairment losses of S\$21.4 million. FY2004 net profit also included a tax write-back of S\$22.4 million. Excluding the one-off items of goodwill charges and tax write-backs in both years, net profit in FY2005 would have increased by S\$19.3 million or 27.3 per cent.

The Board is recommending a final gross dividend of 5.0 cents per share. Total gross dividends for FY2005, including the interim dividend, amount to 6.5 cents per share or S\$78.1 million (net of tax), the equivalent of 61.6 per cent of Group net profit.

We are heartened that our good set of results gives us an opportunity to recommend higher dividends for our shareholders. These results were achieved through the hard work and commitment of our people during the year.

The Year in Review

SMRT's mission is to provide a safe, efficient and affordable multi-modal transportation system to the commuting public. SMRT has continued to invest in improving our infrastructure and operating assets to further improve safety, efficiency and reliability. We are spending over S\$142.0 million to carry out the mid-life upgrading of our first set of trains that came into operations more than 15 years ago. In view of potential security threats, SMRT has also been working with the authorities to enhance the security in our network.

Through the committed leadership in the organisation, we are able to reap the synergy from the integration of road and rail services and the optimising of SMRT's strengths, competencies and efficiencies. The culture of the organisation has been focused to be a customer-oriented, highly efficient and transparent organisation.

Beyond operational efficiencies, we sought to enhance the travel experience of commuters by making their journeys enjoyable in more ways than one.

For example, we launched Singapore's first nationwide "Ride-for-Free Countdown Promotion", a six-month long campaign to increase patronage and reward commuters for riding our trains and buses.

In February this year, we officially opened Raffles Xchange, the first of our planned series of retail and lifestyle hubs within our MRT network. The redevelopment of shop spaces at Raffles Xchange increased commercial space at the station by 50 per cent, and has improved our rental yields. Raffles Xchange is the first step in our effort to offer commuters a truly seamless travel experience centred on stations and interchanges that are destinations in their own right.

One of the key developments during the year was the expansion of our taxi fleet by 1,000 vehicles following the liberalisation of the industry. Our total fleet size of 3,003 taxis as at the end of FY2005, makes SMRT a stronger player in the market. To reward customers who travel with SMRT Taxis and to boost our drivers' income, we launched a weekly SMRT Taxis "Book & Win" lucky draw promotion between 1 March and 18 July 2005.

Corporate Governance

At SMRT, we seek to raise our standing as a socially responsible company committed to effective corporate governance. With this in mind, we developed a comprehensive ethics policy and communicated to staff during the year. The essence of this policy is captured in a written Code of Business Ethics and Conduct that serves as a moral compass for employees and management in their business decisions and conduct.

Board and Management Developments

Two members of our Board of Directors, Mr Cheah Kean Huat and Mr Victor Loh, will be stepping down at our Annual General Meeting on 14 July 2005. Both Mr Cheah and Mr Loh have served SMRT since April 2000. Mr Cheah sits on the Remuneration Committee while Mr Loh sits on the Audit Committee and the Nominating Committee. We would like to extend our heartfelt thanks to both Directors for their generous service and invaluable contribution over the years.

Prospects for FY2006

On 30 May 2005, the Public Transport Council approved trains and bus fares increases for 2005, which are in line with the new fare review framework that was accepted by the Government in March 2005. The approved fare increases, which take effect from 1 July 2005, are expected to have a positive impact on our MRT, LRT and bus revenue and profits in FY2006.

Moving forward, SMRT is looking to leverage on our considerable experience and expertise to grow revenue through traditional and non-traditional avenues.

In our MRT, LRT and bus operations, we will continue to mount innovative campaigns and promotions to drive up ridership and engage our commuters.

We will claim a larger market share of the taxi business by growing our taxi fleet beyond 3,000 vehicles. To attract more hirers to drive SMRT taxis, we will offer competitive benefits and incentives.

Our non-fare sectors currently contribute more than 30 per cent of our total operating profits. As we move into FY2006, our goal is to raise the profit contribution from the non-fare sectors and build greater value for our shareholders.

In FY2006, Raffles Xchange together with the four other renovated stations at Bukit Batok, Sembawang, Yew Tee and Marsiling are expected to contribute incremental revenue of S\$4.0 million.

Maintaining the momentum of our successful redevelopment of these five stations, we will press on with plans to redevelop more stations in our network. We recently received approval to revamp five more stations, namely Dhoby Ghaut, Pasir Ris, Tampines, Simei and Eunos. We will work with the authorities to further develop and create more space at other stations.

Plans are also in the pipeline to roll out more creative packaging and innovative platforms for advertising so as to grow our advertising revenue.

At the same time, we are always aggressively pursuing overseas projects in areas where our core transport engineering expertise is sought after. We are particularly well placed to participate in commuter transport development projects given our extensive operational and maintenance experience in both automatic and driverless railway systems.

Overall, excluding goodwill impairment losses, SMRT's operating profits are expected to be better than FY2005.

In Conclusion

Our performance in FY2005 has shown that by harnessing the tremendous amount of energy in our people, it is possible to grow our business and achieve a healthy profit within the limitations of our business environment. As a socially responsible organisation and dynamic multi-modal transport company, SMRT will continue to provide our travelling public with safe, reliable, comfortable and affordable transport services whilst delivering value to our shareholders.

I would like to take this opportunity to thank our distinguished Board of Directors for their invaluable contributions and wise counsel, and Phaik Hwa and her team for their commitment, dedication and hard work in achieving SMRT's vision.



Choo Chiau Beng
CHAIRMAN

June 2005

Registered Office

251 North Bridge Road
Singapore 179102
Telephone: 65 6331 1000
Facsimile: 65 6334 0247
Website: www.smrt.com.sg

Place of Incorporation

Singapore

Company Registration Number

200001855H

Date of Incorporation

6 March 2000

Board of Directors

Choo Chiau Beng, *CHAIRMAN*
Saw Phaik Hwa, *PRESIDENT & CEO*
Cheah Kean Huat
Daniel Ee Hock Huat
Koh Kheng Siong
Victor Loh Kwok Hoong
Margaret Lui-Chan Ann Soo
Niam Chiang Meng
Nithiah Nandan s/o Arumugam
Engelin Teh Guek Ngor

Company Secretaries

Patrick Lau Li Tah
S. Prema

Audit Committee

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

Remuneration Committee

Choo Chiau Beng, *CHAIRMAN*
Cheah Kean Huat
Koh Kheng Siong
Nithiah Nandan s/o Arumugam

Nominating Committee

Engelin Teh Guek Ngor, *CHAIRMAN*
Choo Chiau Beng
Victor Loh Kwok Hoong
Margaret Lui-Chan Ann Soo
Niam Chiang Meng

Auditors

KPMG
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581

Audit Partner:
Yap Chee Meng

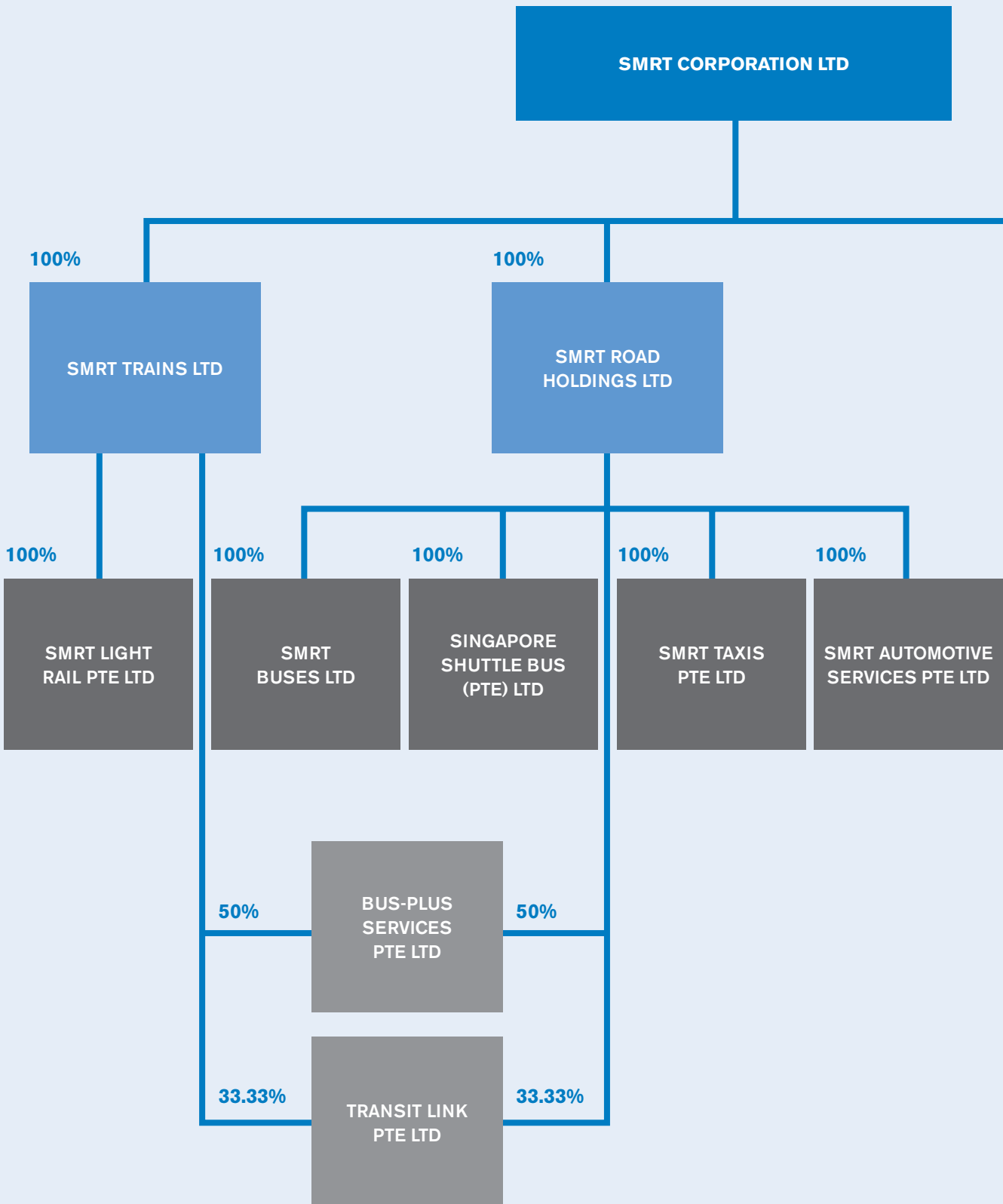
Principal Bankers

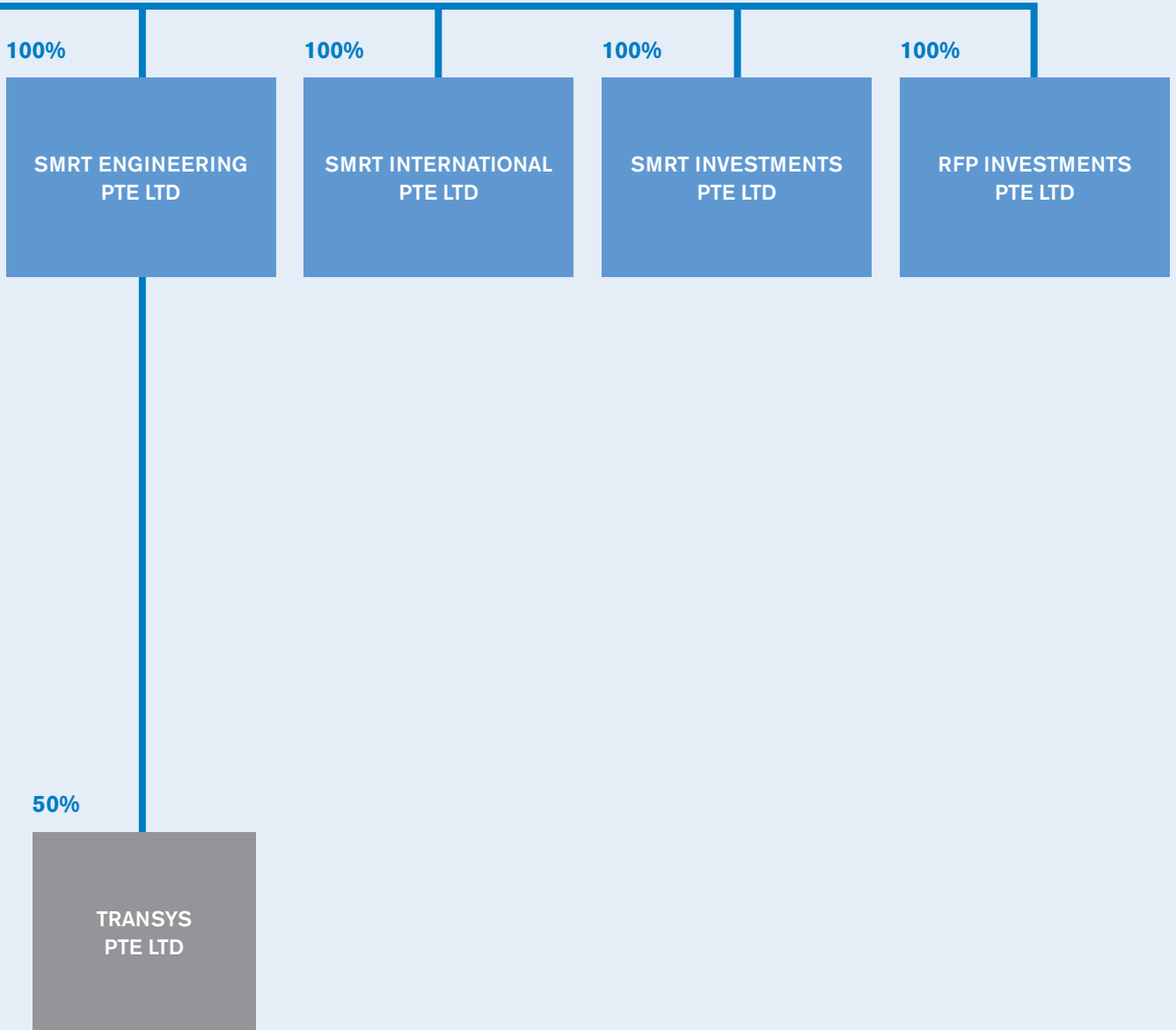
DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

Share Registrar

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

SMRT GROUP STRUCTURE





Overview

Group revenue for FY2005 grew 0.9 per cent from S\$667.3 million in FY2004 to S\$673.5 million. The increase in revenue came mainly from a larger taxi fleet, which grew by 54.2 per cent to 3,003 taxis as of end FY2005.

Profit from operations in FY2005 declined 6.4 per cent to S\$93.0 million mainly due to the one-off impairment losses of goodwill amounting to S\$21.4 million. The goodwill impairment was recorded as a result of the early adoption of the new Financial Reporting Standard (FRS) 103 on accounting treatment for business combinations ahead of its effective date for the Group. Without the goodwill impairment in FY2005 and goodwill charges in FY2004, operating profits would have improved 11.2 per cent to S\$114.4 million.

Net profit in FY2005 amounted to S\$126.9 million, which included a one-time write-back of current and deferred tax provisions amounting to S\$58.3 million. Excluding the write-back of taxation and goodwill charges, net profit for the year would have increased 27.3 per cent or S\$19.3 million to S\$90.0 million.

Review of Sectoral Revenue

MRT revenue in FY2005 was comparable to the previous financial year as the ridership increase of 2.8 per cent in FY2005 mitigated the impact of lower average fare due to the absorption of the increase in Goods & Services Tax (GST) and the expanding rail network.

LRT revenue was stable with marginal improvement in ridership and average fare.

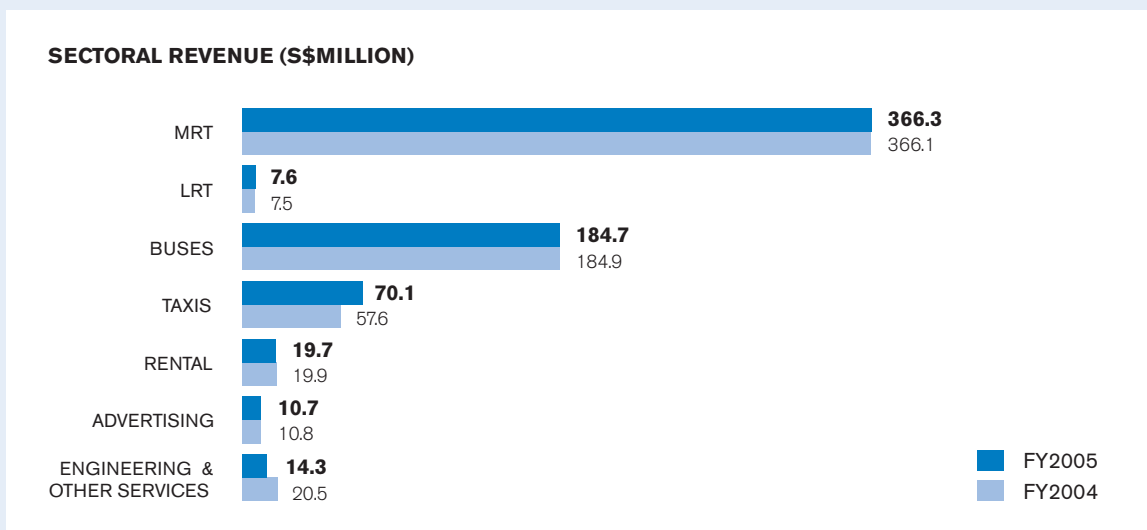
Bus revenue was flat compared to FY2004. The growth in ridership was offset by the effect of a lower average fare, which declined 1.6 per cent as a result of the absorption of the GST increase.

Taxi revenue was 21.8 per cent or S\$12.6 million higher than FY2004 as taxi fleet grew by more than 1,000 taxis during the year.

Revenue from the rental of shop spaces at MRT and LRT stations remained relatively unchanged. The redevelopment of commercial spaces at five MRT stations, including Raffles Place, contributed higher revenue from fourth quarter FY2005 and mitigated the shortfall in revenue in the preceding three quarters, which resulted due to the loss of shop space to Circle Line, lifts upgrade at stations and renovation works.

Revenue from advertising was marginally lower due to the reduction in advertising space caused by the Circle Line construction.

Engineering and other services showed a decline in revenue of 30.4 per cent to S\$14.3 million as revenue in the fourth quarter FY2005 was reduced due to the revision of service fee charged to EZ-Link Pte Ltd. The change in service fee had no impact on net profit as there was also a corresponding reduction of an equivalent amount in operating fees charged by EZ-Link.



Sectoral Revenue (\$\$million)

	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
MRT					
FY2005	89.9	93.4	92.6	90.4	366.3
FY2004	86.5	95.1	93.7	90.8	366.1
LRT					
FY2005	1.8	1.9	1.8	2.0	7.6
FY2004	1.8	2.0	1.9	1.9	7.5
Buses					
FY2005	46.1	47.2	45.4	46.0	184.7
FY2004	44.7	46.8	46.2	47.2	184.9
Taxis					
FY2005	15.8	17.3	18.3	18.8	70.1
FY2004	13.4	14.4	15.1	14.7	57.6
Rental					
FY2005	4.9	4.6	4.5	5.8	19.7
FY2004	4.9	4.9	5.1	5.0	19.9
Advertising					
FY2005	2.5	2.8	2.8	2.6	10.7
FY2004	2.4	2.7	3.0	2.8	10.8
Engineering & Other Services					
FY2005	4.6	5.2	4.8	(0.3)	14.3
FY2004	4.8	8.0	4.2	3.6	20.5

Operating Expenses

In spite of the reduction in staff and related costs, depreciation (net of amortisation of asset-related grant) and repairs and maintenance expenses, total operating expenditure in FY2005 increased 1.7 per cent or S\$10.1 million to S\$606.8 million as a result of the S\$21.4 million impairment losses of goodwill. Excluding goodwill charges in both years for comparison purposes, total operating expenditure would have been lower by 1.3 per cent or S\$7.8 million.

Staff and related costs fell 3.5 per cent or S\$8.9 million to S\$247.5 million due to cost efficiency, lower headcount and employers' CPF contribution rate, and write-back of provisions.

Depreciation charge declined 8.4 per cent or S\$12.9 million to S\$141.3 million largely due to continued usage of fully depreciated operating assets. Amortisation of asset-related grant fell 19.6 per cent to S\$25.5 million.

Repairs and maintenance costs were lower at S\$56.9 million as major overhaul programmes took place in the previous financial year.

Electricity and diesel costs increased 16.3 per cent to S\$57.4 million as a result of higher diesel prices.

Other operating expenses increased 6.2 per cent to S\$107.8 million mainly because of a larger taxi fleet, associated tariffs and cessation of property tax rebate in January 2004.

Operating Expenses

	FY2005 S\$MILLION	FY2004 S\$MILLION	INCREASE/(DECREASE) S\$MILLION	%
Staff and Related Costs	247.5	256.4	(8.9)	(3.5)
Depreciation and Impairment Losses of Property, Plant and Equipment	141.3	154.2	(12.9)	(8.4)
Amortisation of Asset-related Grant	(25.5)	(31.7)	6.2	19.6
Repairs and Maintenance Costs	56.9	63.3	(6.4)	(10.1)
Electricity and Diesel Costs	57.4	49.4	8.0	16.3
Amortisation and Impairment Losses of Goodwill	21.4	3.6	17.8	497.7
Other Operating Expenses	107.8	101.5	6.3	6.2
	606.8	596.8	10.0	1.7

Earnings Before Interest and Tax (EBIT)

EBIT contribution from MRT operations increased 3.5 per cent to S\$61.5 million mainly due to lower depreciation (net of amortisation of asset-related grant).

Operating losses from LRT operations were reduced by almost half to S\$2.4 million as major overhaul programmes were carried out in FY2004.

Buses' operating profits were affected by higher diesel costs, with EBIT declining 22.2 per cent to S\$10.8 million.

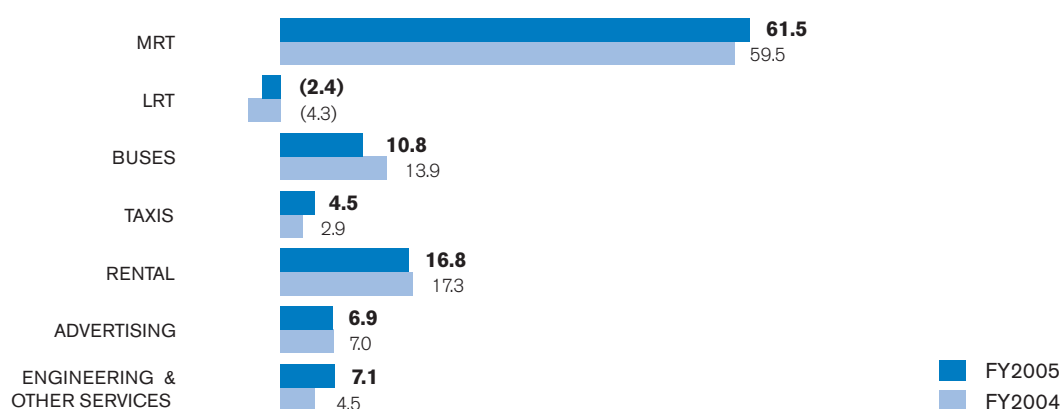
Operating profits from taxis grew 54.6 per cent to S\$4.5 million on higher revenue.

EBIT contribution from commercial space rental declined slightly as a result of higher operating costs arising from the refurbishment of five MRT stations.

Operating profits from advertising remained stable compared to FY2004.

Operating profits from engineering and other services were higher by 57.8 per cent at S\$7.1 million due to lower operating costs.

EARNINGS BEFORE INTEREST AND TAX EXCLUDING GOODWILL CHARGES (\$MILLION)



Finance Costs

Interest expenses were lower as the outstanding borrowings of the Group were significantly reduced with the redemption of the S\$250.0 million bonds in December 2004.

Interest and Investment Income

Interest and investment income in FY2005 increased mainly due to the S\$3.5 million proceeds from the Group's divestment of its entire 14.6 per cent interest in MediaCorp Press Ltd in August 2004.

Income Tax

The tax charge for FY2005 included the tax write-back of S\$58.3 million, of which S\$52.1 million arose mainly from capital allowances relating to operating assets funded by the Singapore Land Transport Authority grant upon finalisation of income tax for the Year of Assessment 2000 of SMRT Trains during the year.

Dividends

The Board of Directors has proposed a final gross dividend of 5.0 cents per share less tax at 20.0 per cent for approval by shareholders at the Sixth Annual General Meeting to be held on 14 July 2005. This, together with the interim dividend that was paid on 26 November 2004, will amount to a total gross dividend of 6.5 cents per share or S\$78.1 million net of tax for FY2005.

Important Note

The Summary Financial Statements as set out on pages 17 to 34 contains only a summary of the information in the directors' report and a summary of the full financial statements. It also includes the information provided in compliance with the requirements of Section 203A of the Companies Act, Chapter 50 and regulations made thereunder, applicable to the Summary Financial Statements. It does not contain sufficient information to allow for a full understanding of the results and the state of affairs of the Group and of the Company.

For further information, the full financial statements, the auditors' report on those financial statements and the directors' report in the Annual Report should be consulted. Shareholders may request for a copy of the full financial report at no cost by notifying the Company by 1 July 2005.

Directors

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

Choo Chiau Beng	CHAIRMAN
Saw Phaik Hwa	
Cheah Kean Huat	
Daniel Ee Hock Huat	
Koh Kheng Siong	
Victor Loh Kwok Hoong	
Margaret Lui-Chan Ann Soo	
Niam Chiang Meng	
Nithiah Nandan s/o Arumugam	
Engelin Teh Guek Ngor	

Principal Activities

The principal activities of the Company are those relating to investment holding and provision of management services to group companies. The subsidiaries are involved in seven key businesses as follows:

i) Rail Operations

Its principal activities are to provide transport-related businesses in Singapore. It operates the East-West and North-South lines of the Mass Rapid Transit System (the "MRT System") and the Bukit Panjang Light Rapid Transit System (the "LRT System").

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

Its principal activities are the leasing of commercial space and kiosks.

v) Advertising

Its principal activities are the leasing of advertising space at the MRT and LRT stations as well as in trains, and on buses and taxis.

vi) Engineering and Other Services

The business provides consultancy, project management services, leasing of fibre optic cables, repair and maintenance services and sales of diesel to taxi hirers.

vii) Investment Holding

Its principal activities are the provision of management services to Group companies and investments in associates.

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 (including those held by their spouses and infant children) in shares, debentures and share options 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	AT END OF THE YEAR
Choo Chiau Beng		
SMRT Corporation Ltd		
– ordinary shares of \$0.10 each	100,000	100,000
Neptune Orient Lines Ltd		
– ordinary shares of \$1.00 each fully paid	–	150,000
SIA Engineering Company Limited		
– ordinary shares of \$0.10 each	100,000	100,000
Singapore Food Industries Limited		
– ordinary shares of \$0.05 each	20,000	20,000
Singapore Technologies Engineering Ltd		
– ordinary shares of \$0.10 each	20,000	–
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each fully paid	1,880	1,746
Saw Phaik Hwa		
SMRT Corporation Ltd		
– ordinary shares of \$0.10 each	80,000	80,000
– options to subscribe for ordinary shares of \$0.10 each at \$0.623 between 22/7/2004 to 21/7/2013	160,000	160,000
Cheah Kean Huat		
SMRT Corporation Ltd		
– ordinary shares of \$0.10 each	30,000	30,000
Daniel Ee Hock Huat		
SMRT Corporation Ltd		
– ordinary shares of \$0.10 each	55,000	55,000
CapitaMall Trust Management Limited		
– units in CapitaMall Trust	22,000	24,000
SembCorp Industries Ltd		
– ordinary shares of \$0.25 each	3,709	3,709
Singapore Food Industries Limited		
– ordinary shares of \$0.05 each	61,000	61,000

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	AT END OF THE YEAR
Daniel Ee Hock Huat (cont'd)		
Singapore Technologies Engineering Ltd		
– ordinary shares of \$0.10 each	20,000	10,000
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	3,760	3,500
Koh Kheng Siong		
CapitaCommercial Trust Management Limited		
– units in CapitaCommercial Trust	–	5,000
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
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	15,160	14,090
STATS ChiPAC Ltd		
– ordinary shares of \$0.25 each	1,000	*
Victor Loh Kwok Hoong		
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 Airlines Limited		
– ordinary shares of \$0.50 each	111,000	111,000
Singapore Technologies Engineering Ltd		
– ordinary shares of \$0.10 each	92,000	–
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	9,480	8,810

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	AT END OF THE YEAR
Margaret Lui-Chan Ann Soo		
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	3,310
Tiger Airways Pte Ltd		
– ordinary shares of \$1.00 each	1**	–
Niam Chiang Meng		
CapitaMall Trust Management Limited		
– units in CapitaMall Trust	–	150,000
CapitaLand Limited		
– ordinary shares of \$1.00 each	10,000	10,000
SembCorp Logistics Ltd		
– ordinary shares of \$1.00 each	–	30,000
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	15,200	12,080
Nithiah Nandan s/o Arumugam		
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	1,540	1,430
Engelin Teh Guek Ngor		
SMRT Corporation Ltd		
– ordinary shares of \$0.10 each	–	150,000
SembCorp Logistics Ltd		
– ordinary shares of \$1.00 each	–	25,000
Singapore Airlines Limited		
– ordinary shares of \$0.50 each	5,000	5,000
Singapore Telecommunications Limited		
– ordinary shares of \$0.15 each	1,540	31,430
STATS ChiPAC Ltd		
– ordinary shares of \$0.25 each	50,000	*

* *STATS ChiPAC Ltd ceased to be a related corporation of SMRT Corporation Ltd during the financial year following the merger between ST Assembly Test Services Ltd and ChiPAC Inc on 5 August 2004.*

** *Held in trust for Fullerton Management Pte Ltd.*

Directors' Interests (cont'd)

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

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 April 2005.

Except as disclosed under the "Share Options and Share Plans" section of this report, 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.

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.

Directors' Remuneration

	2005 \$'000	2004 \$'000
Directors of the Company		
– fees	398	317
– remuneration	862	702
	1,260	1,019

Unusual Items

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen during the financial year or 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, or render any items in the financial statements of the Group or of the Company for the current financial year misleading, and/or affect the ability of the Group or of the Company in meeting the obligations as and when they fall due.

Share Options and Share Plans

The SMRT Corporation Employee Share Option Plan ("SMRT ESOP") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 15 July 2000. The SMRT 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.

The SMRT Corporation Restricted Share Plan ("SMRT RSP") and the SMRT Corporation Performance Share Plan ("SMRT PSP") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 15 July 2004.

The SMRT ESOP, SMRT RSP and SMRT PSP are administered by the Remuneration Committee (the "Committee"), comprising Mr Choo Chiau Beng, Chairman of the Committee, Mr Cheah Kean Huat, Mr Koh Kheng Siong and Mr Nithiah Nandan s/o Arumugam.

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 SMRT ESOP, SMRT RSP and SMRT PSP as it thinks fit.

Share Options and Share Plans (cont'd)

The salient features of the SMRT ESOP, SMRT RSP and SMRT PSP are as follows:

SMRT ESOP**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 SMRT ESOP.

ii) Maximum allowable allotment

The total number of shares which may be issued under the SMRT ESOP ("ESOP Shares") when added to the number of shares which may be issued pursuant to awards granted under the SMRT RSP and SMRT PSP 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) and may be exercised during the period commencing after the vesting date but before the tenth anniversary of the Grant Date.

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 SMRT 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 1/4/2004	OPTIONS GRANTED	OPTIONS EXERCISED	OPTIONS CANCELLED	OPTIONS OUTSTANDING AT 31/3/2005	NUMBER OF OPTION HOLDERS AT 31/3/2005	EXERCISE PERIOD
16/7/2001	\$0.816	7,078,500	–	986,500	176,000	5,916,000	2,159	16/7/2002 to 15/7/2011
22/7/2002	\$0.676	6,059,200	–	1,430,500	221,500	4,407,200	2,833	22/7/2003 to 21/7/2012
22/7/2003	\$0.623	6,140,400	–	144,600	314,300	5,681,500	2,979	22/7/2004 to 21/7/2013
		19,278,100	–	2,561,600	711,800	16,004,700		

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.

Share Options and Share Plans (cont'd)

Details of options granted to directors of the Company under the SMRT ESOP are as follows:

NAME OF DIRECTOR	OPTIONS GRANTED FOR FINANCIAL YEAR ENDED 31 MARCH 2005	AGGREGATE OPTIONS GRANTED SINCE COMMENCEMENT OF SCHEME TO 31 MARCH 2005	AGGREGATE OPTIONS EXERCISED SINCE COMMENCEMENT OF SCHEME TO 31 MARCH 2005	AGGREGATE OPTIONS OUTSTANDING AS AT 31 MARCH 2005
Saw Phaik Hwa	–	160,000	–	160,000

Since the commencement of the SMRT ESOP, no options have been granted to the controlling shareholders of the Company or their associates and no participant under the SMRT ESOP has been granted 5% or more of the total options available under the SMRT ESOP.

Since the commencement of the SMRT ESOP, no options have been granted to the employees of the holding company or its related corporations under the SMRT 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.

During the financial year, no options have been granted.

SMRT RSP and SMRT PSP (collectively “the Plans”)

The SMRT RSP is intended to enhance the Group's overall compensation packages and strengthen the Group's ability to attract and retain high performing talent.

The SMRT PSP is targeted at senior management in key positions who are able to drive the growth of the Company through innovation, creativity and superior performance.

i) *Eligible participants*

- Group employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time; and
- Associated company employees who have attained the age of 21 years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.

The selection of employees and the number of shares which are the subject of each award to be granted to employees in accordance with the Plans shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, contribution to the success and development of the Group and the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period.

ii) *Awards*

Awards represent the right of an employee to receive fully paid shares, their equivalent cash value or combination thereof, free of charge, provided that certain prescribed performance targets are met and upon expiry of the prescribed vesting period.

It is the intention of SMRT to award performance-based restricted awards to ensure that the earnings of shares under the SMRT RSP is aligned with pay-for-performance principle.

Awards granted under the SMRT PSP are performance-based and the targets set under the plan are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth.

Share Options and Share Plans (cont'd)**ii) Awards (cont'd)**

An individual employee who is a key management staff may be granted an award under the SMRT PSP, as well as the SMRT RSP although differing performance targets are likely to be set for each award.

Non-executive directors of the Group, the holding company and associated companies will not be eligible to participate in the Plans.

iii) Size and Duration

The total number of new shares which may be issued pursuant to awards granted under the Plans, when added to the number of options granted under SMRT ESOP shall not exceed fifteen percent of the issued share capital of the Company on the day preceding the relevant date of award.

The number of existing shares purchased from the market which may be delivered pursuant to awards under the Plans, and the amount of cash which may be paid upon the release of such awards in lieu of shares, will not be subject to any limit as such methods will not involve the issuance of any new shares.

The Plans shall continue in force at the discretion of the Committee, subject to a maximum period of 10 years commencing from 15 July 2004, provided always that the Plans may continue beyond the 10-year period with the approval of the shareholders in general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the Plans, any awards made to employees prior to such expiry or termination will continue to remain valid.

iv) Events Prior to Vesting

Special provisions for vesting and lapsing of awards apply such as the termination of the employment, misconduct, retirement and any other events approved by the Committee. Upon occurrence of any of the events, the Committee will consider, at its discretion, whether or not to release any award, and will take into account circumstances on a case-by-case basis, including (but not limited to) the contributions made by the employee.

During the financial year, the Company did not issue any shares under the Plans.

Audit Committee

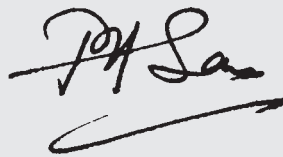
The Audit Committee (the "Committee") comprises four non-executive directors. The Committee's members during the year and at the date of this report are as follows:

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

On behalf of the Board of Directors



Choo Chiau Beng
DIRECTOR



Saw Phaik Hwa
DIRECTOR

Singapore
29 April 2005

Auditors' Statement to the Members of SMRT Corporation Ltd

We have examined the Summary Financial Statements set out on pages 27 to 34 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 2005 and comply with the requirements of Section 203A of the Companies Act, Chapter 50, and regulations made thereunder, applicable to the Summary Financial Statements.

We have issued an unqualified audit report dated 29 April 2005 on the full financial statements of SMRT Corporation Ltd for the year ended 31 March 2005. The auditors' report is as follows:

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

We have audited the accompanying financial statements of SMRT Corporation Ltd for the year ended 31 March 2005 as set out in Annual Report pages 99 to 147. 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.

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 Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2005 and of the results, changes in equity and cash flows of the Group for the year ended on that date; and
- b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act."

KPMG
Certified Public Accountants

Singapore
29 April 2005

BALANCE SHEETS

as at 31 March 2005

pg 27

	THE GROUP		THE COMPANY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Non-current assets				
Property, plant and equipment	1,156,865	1,174,254	4,259	237
Intangible asset	41,932	63,373	–	–
Investments in subsidiaries	–	–	333,191	351,332
Interests in an associate	485	741	–	–
Financial assets	3,753	3,753	–	–
	1,203,035	1,242,121	337,450	351,569
Current assets				
Inventories	41,061	41,522	–	–
Trade and other receivables	38,789	36,415	325,523	553,274
Tax recoverable	8,977	1,809	6,183	1,809
Fixed deposits with banks and financial institutions	36,022	227,722	–	–
Cash at banks and in hand	35,948	35,268	2,133	511
	160,797	342,736	333,839	555,594
Current liabilities				
Trade and other payables	146,848	181,877	81,528	54,311
Interest-bearing borrowings	–	250,000	–	250,000
Provisions	15,999	16,161	247	219
Current tax payable	815	8,505	–	–
	163,662	456,543	81,775	304,530
Net current (liabilities)/assets	(2,865)	(113,807)	252,064	251,064
Balance carried forward	1,200,170	1,128,314	589,514	602,633

	THE GROUP		THE COMPANY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Balance brought forward	1,200,170	1,128,314	589,514	602,633
Non-current liabilities				
Interest-bearing borrowings	300,000	250,000	300,000	250,000
Provisions	3,222	3,745	634	543
Deferred tax liabilities	129,225	154,029	744	–
Fuel equalisation account	18,711	17,961	–	–
	451,158	425,735	301,378	250,543
Minority interests	2,178	2,281	–	–
	746,834	700,298	288,136	352,090
Share capital	150,256	150,000	150,256	150,000
Share premium	1,606	–	1,606	–
Accumulated profits	401,198	330,709	136,274	202,090
Shareholders' equity	553,060	480,709	288,136	352,090
Deferred grant	193,774	219,589	–	–
	746,834	700,298	288,136	352,090

PROFIT AND LOSS ACCOUNTS

for the year ended 31 March 2005

pg **29**

	THE GROUP		THE COMPANY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Revenue	673,466	667,344	46,920	40,241
Other operating income	26,376	28,771	144	3
Staff and related costs	(247,478)	(256,424)	(23,643)	(25,723)
Depreciation and impairment losses of property, plant and equipment	(141,274)	(154,221)	(1,371)	(65)
Amortisation of asset-related grant	25,463	31,655	–	–
Repairs and maintenance costs	(56,878)	(63,299)	–	–
Electricity and diesel costs	(57,427)	(49,383)	–	–
Amortisation and impairment losses of goodwill	(21,441)	(3,587)	–	–
Other operating expenses	(107,808)	(101,521)	(25,721)	(4,143)
Profit/(Loss) from operations	92,999	99,335	(3,671)	10,313
Finance costs	(13,974)	(15,779)	(14,690)	(16,049)
Interest and investment income	5,350	2,989	7,627	9,398
Share of results of associates	(256)	(312)	–	–
Profit/(Loss) from ordinary activities before taxation	84,119	86,233	(10,734)	3,662
Income tax credit/(expense)	42,669	3,962	1,320	(3,484)
Profit from ordinary activities after taxation	126,788	90,195	(9,414)	178
Minority interests	103	(699)	–	–
Net profit/(loss) for the year	126,891	89,496	(9,414)	178
Earnings per share (in cents)				
Basic	8.46	5.97		
Diluted	8.45	5.97		

CONSOLIDATED
STATEMENT OF
CHANGES IN EQUITY

for the year ended 31 March 2005

pg 30

	SHARE CAPITAL \$'000	SHARE PREMIUM \$'000	ACCUMULATED PROFITS \$'000	TOTAL \$'000
The Group				
At 1 April 2003	150,000	–	277,249	427,249
Net profit for the year	–	–	89,496	89,496
Final dividend paid of 1.78 cents per share less tax at 22% in respect of year 2003	–	–	(20,826)	(20,826)
Interim dividend paid of 1.30 cents per share less tax at 22% in respect of year 2004	–	–	(15,210)	(15,210)
At 31 March 2004	150,000	–	330,709	480,709
Net profit for the year	–	–	126,891	126,891
Issue of shares under the share option plan	256	1,606	–	1,862
Final dividend paid of 3.20 cents per share less tax at 20% in respect of year 2004	–	–	(38,401)	(38,401)
Interim dividend paid of 1.50 cents per share less tax at 20% in respect of year 2005	–	–	(18,001)	(18,001)
At 31 March 2005	150,256	1,606	401,198	553,060

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2005

pg **31**

	SHARE CAPITAL \$'000	SHARE PREMIUM \$'000	ACCUMULATED PROFITS \$'000	TOTAL \$'000
The Company				
At 1 April 2003	150,000	–	237,947	387,948
Net profit for the year	–	–	178	178
Final dividend paid of 1.78 cents per share less tax at 22% in respect of year 2003	–	–	(20,826)	(20,826)
Interim dividend paid of 1.30 cents per share less tax at 22% in respect of year 2004	–	–	(15,210)	(15,210)
At 31 March 2004	150,000	–	202,090	352,090
Net loss for the year	–	–	(9,414)	(9,414)
Issue of shares under the share option plan	256	1,606	–	1,862
Final dividend paid of 3.20 cents per share less tax at 20% in respect of year 2004	–	–	(38,401)	(38,401)
Interim dividend paid of 1.50 cents per share less tax at 20% in respect of year 2005	–	–	(18,001)	(18,001)
At 31 March 2005	150,256	1,606	136,274	288,136

CONSOLIDATED
STATEMENT OF
CASH FLOWS

for the year ended 31 March 2005

pg 32

	2005 \$'000	2004 \$'000
Operating activities		
Profit from operating activities before taxation	84,119	86,233
Adjustments for items not involving outlay of funds:		
Amortisation of asset-related grant	(25,463)	(31,655)
Amortisation and impairment losses of goodwill	21,441	3,587
Depreciation and impairment losses of property, plant and equipment	141,274	154,221
Dividend income	(189)	–
Grant released upon disposal/write-off of property, plant and equipment	(352)	(2,273)
Interest expense	13,974	15,779
Interest income	(1,543)	(905)
Diminution in value of long-term investments	–	297
(Gain)/loss on disposals of:		
– investments	(3,618)	(2,208)
– property, plant and equipment	(1,029)	(201)
– investment in a subsidiary	–	329
– investment in an associate	–	(205)
Property, plant and equipment written off	1,213	7,391
Provisions made during the year	8,632	5,350
Share of results of associates	256	312
Waiver of loan by a minority shareholder of a subsidiary	–	(472)
Operating profit before working capital changes	238,715	235,580
Changes in working capital:		
Inventories	461	3,924
Finance lease receivables	–	270
Trade and other receivables	(1,947)	8,067
Amounts due from an associate	654	(379)
Trade and other payables and provisions	(14,055)	(13,619)
Cash flows from operations	223,828	233,843
Income taxes refunded	3,007	6,504
Dividends paid	(56,402)	(36,036)
Interest paid	(15,818)	(15,746)
Cash flows from operating activities	154,615	188,565
Balance carried forward	154,615	188,565

	2005 \$'000	2004 \$'000
Balance brought forward	154,615	188,565
Investing activities		
Dividends received	189	–
Interest received	1,793	668
Purchase of property, plant and equipment	(158,150)	(34,546)
Purchase of investments	(80,000)	–
Proceeds from disposals of:		
– investments	83,618	2,608
– property, plant and equipment	5,053	2,331
– investment in an associate	–	367
Net cash inflow from disposal of investment in a subsidiary	–	11,227
Cash flows used in investing activities	(147,497)	(17,345)
Financing activities		
Redemption of unsecured quoted bonds	(250,000)	–
Repayment of bank loans	(60,000)	(4,500)
Proceeds from bank loans	60,000	–
Proceeds from issue of unsecured quoted floating rate notes	50,000	–
Issue of shares under share option plan	1,862	–
Cash flows used in financing activities	(198,138)	(4,500)
Net (decrease)/increase in cash and cash equivalents	(191,020)	166,720
Cash and cash equivalents at beginning of year	262,990	96,270
Cash and cash equivalents at end of year	71,970	262,990

Cash and cash equivalents at end of the year comprise:

	2005 \$'000	2004 \$'000
Fixed deposits with banks and financial institutions	36,022	227,722
Cash at banks and in hand	35,948	35,268
	71,970	262,990

Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Council on Corporate Disclosure and Governance ("CCDG"). In July 2004, CCDG issued FRS 103 Business Combinations, revised FRS 36 Impairment of Assets and revised FRS 38 Intangible Assets to be effective for annual financial periods beginning on or after 1 July 2004. The Group has adopted these standards for the current year beginning 1 April 2004, ahead of the latest required date of adoption.

In accordance with the transitional provisions set out in the respective standards, the above accounting standards are applied prospectively from the effective date of 1 April 2004. The effect of adopting the standards resulted in changes in the Group's accounting policies for goodwill.

Goodwill is now stated at cost less any accumulated impairment losses and are no longer amortised. Instead, impairment is tested annually, or when circumstances change, indicating that goodwill might be impaired.

Had there not been a change in accounting policy, the net profit attributable to shareholders for the financial year ended 31 March 2005 would decrease by \$3,587,000 of goodwill amortisation which would be charged to the profit and loss account.

The historical cost basis is used. Amounts are expressed in Singapore dollars, unless stated otherwise.

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:

	2005 \$'000	2004 \$'000
Rental income received/receivable	1,177	2,431
Maintenance income received/receivable	909	917
Charter hire income received/receivable	653	508
Commission and distribution fee received/receivable	822	869
Purchases of goods and services	42,263	41,490

Dividends

After the balance sheet date, the directors proposed a final dividend of 5.0 cents (2004: 3.2 cents) per share less tax at 20% (2004: 20%) amounting to a net dividend of \$60,102,464 (2004: \$38,400,000). The dividends have not been provided for.

Comparative Information

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

SHAREHOLDERS' INFORMATION

pg 35

Statistics Of Shareholders

as at 26 May 2005

Authorised share capital:	\$500,000,000
Issued and fully paid capital:	\$150,338,873
Class of share:	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	25	0.05	10,048	0.00
1,000 – 10,000	43,824	93.77	102,275,827	6.80
10,001 – 1,000,000	2,868	6.14	137,765,840	9.17
1,000,001 and above	18	0.04	1,263,337,015	84.03
Total	46,735	100.00	1,503,388,730	100.00

Twenty Largest Shareholders

NO.	NAME	NO. OF SHARES	%
1	Temasek Holdings (Private) Limited	934,400,030	62.15
2	Raffles Nominees Pte Ltd	147,942,233	9.84
3	DBS Nominees Pte Ltd	69,406,116	4.62
4	Citibank Nominees Singapore Pte Ltd	41,724,150	2.78
5	HSBC (Singapore) Nominees Pte Ltd	26,244,009	1.75
6	United Overseas Bank Nominees Pte Ltd	10,529,099	0.70
7	Lee Pineapple Company Pte Ltd	5,000,000	0.33
8	DB Nominees (S) Pte Ltd	4,506,000	0.30
9	OCBC Nominees Singapore Pte Ltd	4,444,000	0.30
10	Chong Kah Yung	3,500,000	0.23
11	Quah Wee Lai	3,000,000	0.20
12	Oversea-Chinese Bank Nominees Pte Ltd	2,915,000	0.19
13	Merrill Lynch (Singapore) Pte Ltd	2,283,878	0.15
14	Chen Siong Seng	2,010,000	0.13
15	Phillip Securities Pte Ltd	1,670,500	0.11
16	The Asia Life Assurance Society Ltd – Par Fund	1,345,000	0.09
17	Hong Leong Finance Nominees Pte Ltd	1,226,000	0.08
18	Kim Eng Securities Pte Ltd	1,191,000	0.08
19	Chong Yean Fong	1,000,000	0.07
20	NTUC Fairprice Co-Operative Ltd	1,000,000	0.07
	Total	1,265,337,015	84.17

Substantial Shareholder

NAME OF SHAREHOLDER	DIRECT INTEREST NO. OF SHARES	%	DEEMED INTEREST NO. OF SHARES	%
Temasek Holdings (Private) Limited	934,400,030	62.15	3,240,000	0.22

Note: Temasek Holdings (Private) Limited is deemed to be interested in the 3,240,000 shares held by DBS Group Holdings Limited group of companies.

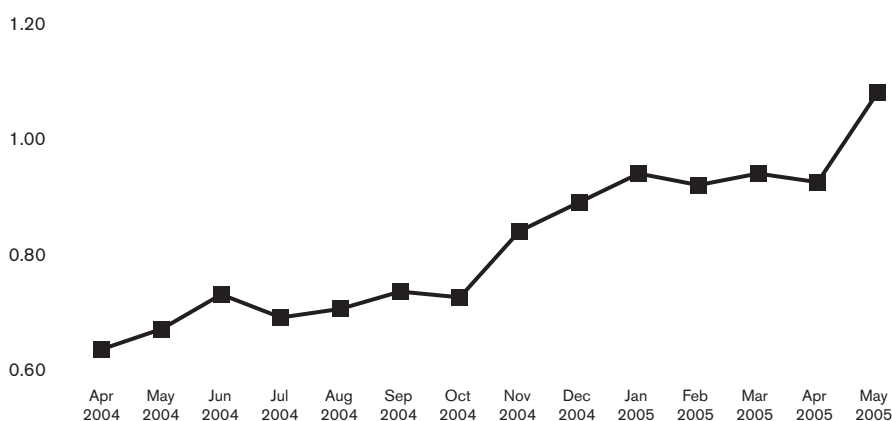
Shareholding Held In Hands Of Public

Based on information available to the Company as at 26 May 2005, approximately 37.57% 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.

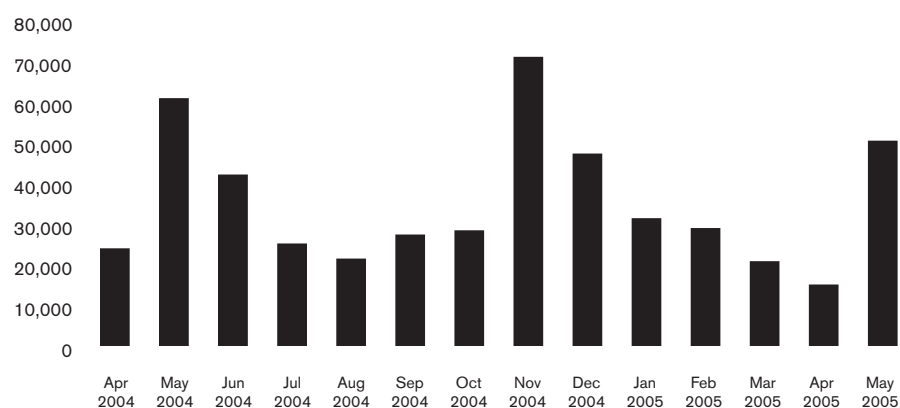
Share Prices And Traded Volumes

DATE	CLOSING PRICE (S\$)	TRADED VOLUME ('000)
April 2004	0.625	23,687
May 2004	0.660	60,602
June 2004	0.720	41,827
July 2004	0.680	24,879
August 2004	0.695	21,163
September 2004	0.725	27,076
October 2004	0.715	28,115
November 2004	0.830	70,761
December 2004	0.880	46,982
January 2005	0.930	31,094
February 2005	0.910	28,668
March 2005	0.930	20,522
April 2005	0.915	14,790
May 2005	1.070	50,148

MONTHLY SHARE PRICE PERFORMANCE (S\$)



MONTHLY TRADED VOLUME ('000)



To: All Shareholders

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of the Company will be held at Raffles City Convention Centre, Collyer Room, Level 4, 2 Stamford Road, Singapore 178882, on Thursday, 14 July 2005 at 2.30 p.m. to transact the following business:

As Ordinary Business:

- 1) To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 March 2005 together with the Auditors' Report thereon.
- 2) To declare a Final Dividend of 5.0 cents per share, less income tax at 20 per cent, for the financial year ended 31 March 2005.
- 3) To approve the sum of \$398,800 as Director's Fees for the financial year ended 31 March 2005 (FY 2004: \$317,000).
- 4) (a) To re-elect Ms Engelin Teh Guek Ngor who is retiring in accordance with Article 94 of the Company's Articles of Association.

(b) To note the retirement of the following Directors who are retiring in accordance with Article 94 of the Company's Articles of Association:
 - (i) Mr Cheah Kean Huat; and
 - (ii) Mr Victor Loh Kwok Hoong.
- 5) To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.

As Special Business:

- 6) To consider, and if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:
 - 6.1) That authority be and is hereby given to the Directors to:
 - (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

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; and
 - (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below);

As Special Business (cont'd)

- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (ii) any subsequent consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

6.2) That authority be and is hereby given to the Directors to:

- (a) offer and grant options in accordance with the provisions of the SMRT Corporation Employee Share Option Plan ("SMRT ESOP") and/or grant awards in accordance with the provisions of the SMRT Corporation Restricted Share Plan ("SMRT RSP") and/or the SMRT Corporation Performance Share Plan ("SMRT PSP") (the SMRT ESOP, SMRT RSP and SMRT PSP, together the "Share Plans"); and
- (b) allot and issue from time to time such number of ordinary shares of S\$0.10 each in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the SMRT ESOP and/or such number of fully paid ordinary shares as may be required to be issued pursuant to the vesting of awards under the SMRT RSP and/or SMRT PSP,

provided always that the aggregate number of ordinary shares to be issued pursuant to the Share Plans shall not exceed 15 per cent of the issued share capital of the Company from time to time.

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

"That for the purpose of Chapter 9 of the Listing Manual of the SGX-ST ("Chapter 9"):

- (a) approval be and is hereby given for the renewal of the mandate for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions, particulars of which are set out in Appendix B to the attached Letter to Shareholders dated 24 June 2005, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above (the "General Mandate") shall, unless revoked or varied by the Company in General Meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and
- (c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the General Mandate and/or this Resolution."

Any Other Business

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

By Order of the Board

PATRICK LAU LI TAH/S. PREMA (Ms)

COMPANY SECRETARIES

Singapore

24 June 2005

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 21 July 2005 to 22 July 2005 (both dates inclusive) for the preparation of dividend warrants. The final dividend, if approved at the Sixth Annual General Meeting, will be paid on 3 August 2005 to members on the Register as at 20 July 2005. 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 20 July 2005 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.

To promote a market competitive fee structure, the Directors have recommended a revision in the Basic Fee. The proposed scale of Directors' fees (per annum) is set out below:-

Board of Directors

Chairman's Allowance	\$25,000
Basic Fee	\$30,000

Audit Committee

Chairman's Allowance	\$16,000
Member's Allowance	\$8,000

Remuneration Committee/Nominating Committee

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

Resolution 4 Ms Engelin Teh Guek Ngor will, upon re-election as a Director of the Company, continue to serve as a Member of the Audit Committee. Ms Engelin Teh is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

Explanatory notes on Special Business to be transacted:

- Resolution 6.1 Is to empower the Directors to issue shares in the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to an amount not exceeding in total fifty per cent (50%) of the issued share capital of the Company with a sub-limit of twenty per cent (20%) for issues other than on a pro-rata basis to shareholders. 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 issued share capital of the Company at the time that Resolution 6.1 is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution 6.1 is passed, and any subsequent consolidation or subdivision of shares.
- Resolution 6.2 Is to authorise the Directors to:
- (a) offer and grant options in accordance with the SMRT Corporation Employee Share Option Plan ("SMRT ESOP") which was approved at the Extraordinary General Meeting of the Company held on 15 July 2000;
 - (b) grant awards in accordance with the SMRT Corporation Restricted Share Plan ("SMRT RSP") and/or the SMRT Corporation Performance Share Plan ("SMRT PSP") both of which were approved at the Extraordinary General Meeting held on 15 July 2004; and
 - (c) 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 SMRT ESOP and/or such number of shares to be issued pursuant to the vesting of awards under the SMRT RSP and/or the SMRT PSP.
- Resolution 7 Is to renew the General Mandate to enable the Company, its subsidiaries and associated companies or any of them to enter into any of the mandated transactions with parties who are considered "Interested Person" (as defined in Chapter 9).

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies 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 Sixth Annual General Meeting.

Board of Directors:

Choo Chiau Beng (Chairman)
Saw Phaik Hwa (President and Chief Executive Officer)
Cheah Kean Huat
Daniel Ee Hock Huat
Koh Kheng Siong
Victor Loh Kwok Hoong
Margaret Lui-Chan Ann Soo
Niam Chiang Meng
Nithiah Nandan s/o Arumugam
Engelin Teh Guek Ngor

Registered Office:

251 North Bridge Road
Singapore 179102

24 June 2005

To: The Shareholders of SMRT Corporation Ltd
("Shareholders")

Dear Sir/Madam

RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

We refer to item 7 of the Notice of the 6th Annual General Meeting of SMRT Corporation Ltd (the "Company") (the "6th AGM") which is an Ordinary Resolution ("Resolution 7") to be proposed at the 6th AGM for the renewal of the Company's general mandate for interested person transactions. The purpose of this letter is to provide Shareholders with information relating to Resolution 7.

1. Background

At an Extraordinary General Meeting of the Company held on 17 July 2003 (the "EGM"), Shareholders approved a general mandate (the "General Mandate") for interested person transactions pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual") which enabled the Company, its subsidiaries and associated companies that are considered to be "entities at risk" within the meaning of Chapter 9 of the Listing Manual, to enter in the ordinary course of business into any of the mandated transactions with specified classes of the Company's interested persons, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such transactions.

General information on the listing rules relating to interested person transactions, including the meanings of terms such as "associate", "entity at risk", "interested person" and "interested person transaction" used in Chapter 9 of the Listing Manual is set out in Appendix A to this letter.

2. Renewal of the General Mandate

Under Chapter 9 of the Listing Manual, a general mandate for transactions with interested persons is subject to annual renewal. The General Mandate was renewed at the 5th Annual General Meeting of the Company (the "5th AGM") held on 15 July 2004 and will continue to be in force until the 6th AGM. Accordingly, it is proposed that the General Mandate be renewed at the 6th AGM, to take effect until the conclusion of the 7th Annual General Meeting of the Company.

The nature of the interested person transactions and the classes of interested persons in respect of which the General Mandate is sought to be renewed remain unchanged. Particulars of the General Mandate, including the rationale for, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of interested persons, are set out in Appendix B to this letter.

3. Audit Committee's statement

The Audit Committee of the Company confirms that:

- (a) the methods or procedures for determining the transaction prices under the General Mandate have not changed since the 5th AGM; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4. Directors' and substantial shareholders' interests

The interests of the Directors of the Company in the issued share capital of the Company as at 31 March 2005 can be found on pages 18 to 21.

The interests of the substantial Shareholder of the Company in the issued share capital of the Company as at 26 May 2005 can be found on page 35.

Saw Phaik Hwa and Margaret Lui-Chan Ann Soo will abstain from voting their shareholdings in the Company, if any, on Resolution 7 relating to the renewal of the General Mandate at the forthcoming 6th AGM. Saw Phaik Hwa and Margaret Lui-Chan Ann Soo shall also decline to accept appointment as proxies for any Shareholder to vote on Resolution 7, unless the Shareholder concerned shall have given instructions in his proxy form as to the manner in which his votes are to be cast in respect of Resolution 7.

Temasek Holdings (Private) Limited ("Temasek") and its associates, being interested persons in relation to the proposed renewal of the General Mandate, will abstain from voting their respective shareholdings (if any) in the Company on Resolution 7 relating to the renewal of the General Mandate at the forthcoming 6th AGM. Temasek and its associates shall also decline to accept appointment as proxies for any Shareholder to vote on Resolution 7, unless the Shareholder concerned shall have given instructions in his proxy form as to the manner in which his votes are to be cast in respect of Resolution 7.

5. Recommendation

The Directors of the Company who are considered independent for the purposes of the proposed renewal of the General Mandate are Messrs Choo Chiau Beng, Cheah Kean Huat, Daniel Ee Hock Huat, Koh Kheng Siong, Victor Loh Kwok Hoong, Niam Chiang Meng, Nithiah Nandan s/o Arumugam and Engelin Teh Guek Ngor. Having considered, inter alia, the terms, the rationale and the benefits of the General Mandate, they are of the opinion that the entry into the Interested Person Transactions (as described in paragraph 5 of Appendix B) between the SMRT Group (as described in paragraph 1 of Appendix B) and the Interested Persons (as described in paragraph 4 of Appendix B) in the ordinary course of its business will be in the best interests of the Company. For the reasons set out in paragraphs 1 and 3 of Appendix B, they recommend that Shareholders vote in favour of Resolution 7 relating to the renewal of the General Mandate at the forthcoming 6th AGM.

6. Responsibility statement

The Directors collectively and individually accept responsibility for the accuracy of the information given in this letter and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this letter are fair and accurate and that there are no material facts the omission of which would make any statement in this letter misleading.

7. Singapore Exchange Securities Trading Limited

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made or the opinions expressed in this letter.

8. Advice to Shareholders

Shareholders who are in any doubt as to the action they should take, should consult their stockbrokers or other professional advisers immediately.

Yours faithfully

For and on behalf of the Board of Directors of
SMRT CORPORATION LTD

A handwritten signature in black ink, appearing to read 'Choo Chiau Beng', with a long, sweeping horizontal line extending to the right.

Choo Chiau Beng
CHAIRMAN

General Information Relating To Chapter 9 Of The Listing Manual

1. Introduction

Chapter 9 of the Listing Manual (“Chapter 9”) applies to transactions which a listed company or any of its subsidiaries or associated companies (other than a subsidiary or an associated company that is itself listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) or an approved stock exchange, or an associated company over which the listed company and/or its subsidiaries (the “listed group”), or the listed group and its interested persons(s), has no control) proposes to enter into with a counterparty who is an interested person of the listed company.

2. Terms used in Chapter 9

“Entity at Risk”

The term “entity at risk” is defined to mean (a) the listed company, (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange, or (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.

“Interested Person”

The term “interested person” is defined to mean a director, chief executive officer or controlling shareholder of the listed company, or an associate of any such director, chief executive officer or controlling shareholder.

“Interested Person Transaction”

The term “interested person transaction” is defined to mean a transaction between an entity at risk and an interested person.

“Associate”

In relation to any director, chief executive officer, substantial or controlling shareholder (being an individual), an “associate” is defined to be (a) an immediate family member (that is, spouse, child, adopted child, step-child, sibling and parent); (b) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (c) any company in which the individual and his immediate family together (directly or indirectly) have an interest of 30% or more.

In relation to a substantial shareholder or controlling shareholder (being a company), an “associate” is defined to be any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

“Associated Company”

A listed company’s “associated company” is defined as a company in which at least 20% but not more than 50% of its shares are held by the listed company or group.

“Controlling Shareholder”

A “controlling shareholder” of a listed company is a person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the listed company, or a person who in fact exercises control over the listed company.

2. Terms used in Chapter 9 (cont'd)

“Approved Exchange”

An “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9.

“Chief Executive Officer”

“Chief executive officer” is defined in the Listing Manual to mean the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.

3. Materiality Thresholds, Disclosure Requirements and Shareholders’ Approval

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from the ambit of Chapter 9, immediate announcement and shareholders’ approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company’s latest audited consolidated net tangible assets (“NTA”)) are reached or exceeded.

Immediate Announcement

An immediate announcement is required where the interested person transaction is of a value equal to, or more than, 3% of the listed group’s latest audited NTA.

Where the aggregate value of all the transactions entered into with the same interested person during the same financial year amounts to 3% or more of the listed group’s latest audited NTA, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

Shareholders’ Approval

Shareholders’ approval is required where the interested person transaction is of a value equal to or more than:

- (a) 5% of the listed group’s latest audited NTA; or
- (b) 5% of the listed group’s latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

Based on the latest audited consolidated accounts of SMRT Corporation Ltd (“SMRT” or the “Company”) and its subsidiaries (the “Group”) for the financial year ended 31 March 2005, the consolidated NTA of the Group was S\$511.1 million. In relation to the Company, for the purposes of Chapter 9, in the current financial year and until such time as the consolidated audited accounts of the Group for the financial year ending 31 March 2006 are published, 5% of the latest audited consolidated NTA of the Group would be S\$25.6 million.

However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and for shareholders’ approval do not apply to any transaction below S\$100,000.

4. Exceptions

Rule 916 of the Listing Manual provides that the following transactions are not required to comply with Rule 906 of the Listing Manual (which requires a listed company to obtain shareholders' approval for certain interested person transactions):

- (1) The entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by independent valuation.
- (2) Investment in a joint venture with an interested person if:
 - (a) the risks and rewards are in proportion to the equity of each joint venture partner;
 - (b) the listed company confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the listed company and its minority shareholders; and
 - (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture.
- (3) The provision of a loan to a joint venture with an interested person if:
 - (a) the loan is extended by all joint venture partners in proportion to their equity and on the same terms;
 - (b) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture; and
 - (c) the listed company confirms by an announcement that its audit committee is of the view that:
 - (i) the provision of the loan is not prejudicial to the interests of the listed company and its minority shareholders; and
 - (ii) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the listed company and its minority shareholders.
- (4) The award of a contract by way of public tender to an interested person if:
 - (a) the awarder entity at risk announces the following information:
 - (i) the prices of all bids submitted;
 - (ii) an explanation of the basis for selection of the winning bid; and
 - (b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awarder (or if the awarder is unlisted, its listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.

4. Exceptions (cont'd)

(5) The receipt of a contract which was awarded by way of public tender, by an interested person if:

(a) the bidder entity at risk announces the prices of all bids submitted; and

(b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awardee (or if the awardee is unlisted, its listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.

5. Shareholders' Mandate

Rule 920(1) of the Listing Manual permits a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

General Mandate For Interested Person Transactions

1. Introduction and Rationale for the General Mandate

It is envisaged that SMRT Corporation Ltd (“SMRT” or the “Company”), its subsidiaries and associated companies (other than (a) subsidiaries and associated companies which are themselves listed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) or an approved stock exchange, or (b) associated companies over which the Company and its subsidiaries and/or its interested person(s) have no control) which are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual (“Chapter 9”) of the SGX-ST (the “SMRT Group”) will, in the ordinary course of their businesses, continue to enter into the categories of transactions (the “Interested Person Transactions”) set out in paragraph 5 below with the specified classes of the Company’s interested persons (the “Interested Persons”) set out in paragraph 4 below. Such transactions are likely to occur with some degree of frequency and could arise at any time.

Given that the Interested Person Transactions are expected to be recurrent transactions and may occur at any time, and to allow the SMRT Group to undertake such transactions in a more expeditious manner, the obtaining of a general mandate (the “General Mandate”) pursuant to Chapter 9 will enable the SMRT Group, or any of them, in the ordinary course of their businesses, to enter into the Interested Person Transactions with the Interested Persons, provided that such Interested Person Transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and the minority shareholders of the Company (the “Shareholders”).

2. Scope of the General Mandate

- 2.1 The General Mandate will cover a wide range of transactions arising in the normal course of business operations of the SMRT Group, in particular, those relating to its principal activities of operating the Mass Rapid Transit (“MRT”) and the Bukit Panjang Light Rapid Transit (“LRT”) systems and of providing public bus and taxi services, and its ancillary activities which include providing chartered bus and car rental services and specialist engineering consultancy services.
- 2.2 It is anticipated that the SMRT Group may, from time to time, in the normal course of its business, enter into or participate in joint ventures and similar forms of mutual collaboration or participation, such as joint investments, co-operation arrangements and shareholders’ agreements (collectively, “joint ventures”) and related transactions with the Interested Persons to undertake substantive commitments, or for business efficacy, diversification of risk and mutual benefit, particularly in areas of activities that are complementary to, or offer synergy for, the SMRT Group and its joint venture partners. The General Mandate will not cover any such joint venture with Interested Person(s). Such joint venture with Interested Person(s) which complies with the provisions of Rule 916(2) of the Listing Manual (the details of which are described in Appendix A) is exempted from requiring Shareholders’ approval. In the event that such transaction does not comply with the provisions of Rule 916(2) of the Listing Manual, the Company will separately seek Shareholders’ approval prior to the entry thereof.
- 2.3 The General Mandate will not cover any transaction arising from (a) the award of a contract by way of public tender by any company in the SMRT Group to an Interested Person, or (b) the receipt of a contract by any company in the SMRT Group which was awarded by way of public tender by an Interested Person, if it complies with the provisions of Rule 916(4) or Rule 916(5) of the Listing Manual (details of which are described in Appendix A), whichever is applicable. Such transaction which complies with the provisions of Rule 916(4) or Rule 916(5), whichever is applicable, of the Listing Manual is exempted from requiring Shareholders’ approval.
- 2.4 The General Mandate will not cover any transaction by a company in the SMRT Group with an Interested Person Transaction that is below S\$100,000 in value, as Chapter 9 provides that any such transaction is to be excluded from the relevant provisions of Chapter 9.

2. Scope of the General Mandate (cont'd)

- 2.5 Transactions by the SMRT Group with the Interested Person that do not fall within the ambit of the General Mandate will be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

3. Benefit to Shareholders

The General Mandate is intended to facilitate the specified categories of transactions in the normal course of business of the SMRT Group which are transacted, from time to time, with the Interested Persons, provided that they are carried out on the SMRT Group's normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Where the Interested Person Transactions relate to the purchase of products and receipt of services from the Interested Persons, the SMRT Group will benefit from having access, where applicable, to competitive quotes from the Interested Persons, and may also derive savings in terms of cost efficiencies and greater economies of scale. The sale of products and provision of services to the Interested Persons widen the customer base and provide an additional source of revenue for the SMRT Group, provided that such products and services are provided on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The General Mandate will eliminate the need for the Company to announce, or to convene separate general meetings, from time to time, to seek Shareholders' approval as and when the need to enter into a specified category of transaction with the Interested Person arises, thereby substantially reducing the administrative time, inconvenience and expense in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the SMRT Group, and enabling companies within the SMRT Group to expeditiously conclude time-sensitive business arrangements with the Interested Persons.

4. Classes of Interested Persons

The General Mandate will apply to the Interested Person Transactions (as described in paragraph 5 below) with the following classes of Interested Persons, namely:

- (a) Temasek Holdings (Private) Limited ("Temasek"); and
- (b) the associates of Temasek.

5. Categories of Interested Person Transactions

The Interested Person Transactions entered into by the SMRT Group with the Interested Persons (as described in paragraph 4 above) which will be covered by the General Mandate (which will not include transactions in respect of the purchase or sale of assets, undertaking or businesses) are as follows:

- (a) the leasing or rental of premises within the MRT and LRT stations for commercial use;
- (b) the provision of car rental, chartered bus and taxi services;
- (c) the selling of advertisement space;
- (d) the provision or procurement of engineering, repair, servicing and technical services;

5. Categories of Interested Person Transactions (cont'd)

- (e) the obtaining, purchase, leasing or rental (as lessor and lessee) of electronic engineering equipment, parts, components, and computer maintenance, software and systems;
- (f) the obtaining or procurement of communications and all other forms of utility services and products; and
- (g) the procurement of insurance.

6. Review Procedures for Interested Person Transactions

- 6.1 In general, the SMRT Group has internal control procedures to ensure that the Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms consistent with the SMRT Group's usual practices and policies, which (in relation to services or products to be provided to an Interested Person) are no more favourable to the Interested Person than those extended to unrelated third parties, or (in relation to services or products to be obtained from an Interested Person) are no less favourable than those extended to the SMRT Group by unrelated third parties.

In particular, the following review procedures will be undertaken:

(a) Provision of Services or Sale of Products

For transactions with Interested Persons which are not subject to Rule 916(5) of the Listing Manual, the review procedures are as follows:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product provider within the SMRT Group, on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to a class of customers or for bulk purchases or long-term contracts where the giving of such preferential rates/prices/discounts are commonly practiced within the applicable industry and may be extended to unrelated third parties), or otherwise in accordance with applicable industry norms; and
- (ii) where the prevailing market rates or prices are not available due to the nature of the service to be provided or the product to be sold, the SMRT Group's pricing for such services to be provided or products to be sold to the Interested Persons is determined in accordance with the SMRT Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the SMRT Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such services or products, the senior management of the relevant company of the SMRT Group (who has no interest, direct or indirect, in the transaction) will take into account factors such as, but not limited to, specifications, quantity, volume consumption, customer requirements, duration of contract, and strategic purposes of the transaction.

(b) Obtaining of Services or Purchasing of Products

In general, for the obtaining of services and purchasing of products, the SMRT Group has an internal policy of calling for tenders and awarding the contract to the lowest offer which meets tender specifications in full or very substantially.

6. Review Procedures for Interested Person Transactions (cont'd)

(b) Obtaining of Services or Purchasing of Products (cont'd)

For transactions with Interested Persons which are not subject to (i) Rule 916(4) of the Listing Manual and (ii) the SMRT Group's internal policy on tenders (for instance, when there are no unrelated third party vendors of similar products or services or if the product or service is proprietary), the senior management staff of the relevant company in the SMRT Group (who has no interest, direct or indirect, in the transaction) will determine whether the price and terms offered by the Interested Person are in accordance with industry norms, and are fair and reasonable. In determining whether the price and terms offered by the Interested Person are fair and reasonable, factors such as, but not limited to, specification compliance, track record, skill, experience, quality of service and sales support, delivery schedules, financial standing and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will be taken into account.

In addition to the review procedures, a threshold limit equivalent to 3% of the latest audited consolidated net tangible assets of the Company for transactions with Interested Persons ("IPT Limit") will be applied to supplement the internal procedures of the SMRT Group to ensure that transactions are undertaken with Interested Persons on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Where the SMRT Group's individual transaction with an Interested Person exceeds the IPT Limit, such transaction must be approved by the Audit Committee prior to its entry. Where the SMRT Group's individual transaction is equal to or below the IPT Limit and in excess of or equal to S\$100,000, such transaction need not have the prior approval of the Audit Committee, but shall be reviewed on a quarterly basis by the Audit Committee.

- 6.2 A register will be maintained by the Company to record all Interested Person Transactions (and the basis on which they are entered into) which are entered into pursuant to the General Mandate.

The Company shall, on a quarterly basis, report to the Audit Committee on all Interested Person Transactions, and the basis of such transactions, entered into with Interested Persons during the preceding quarter. The Audit Committee shall review such Interested Person Transactions at its quarterly meeting except where such Interested Person Transactions are required under the review procedures to be approved by the Audit Committee prior to the entry thereof.

- 6.3 The Company's annual internal audit plan shall incorporate a review of all Interested Person Transactions, including the established review procedures for the monitoring of such Interested Person Transactions, entered into during the current financial year pursuant to the General Mandate.

The Audit Committee shall, in conjunction with its review of the Interested Person Transactions and the internal audit report, ascertain whether the established review procedures have been complied with. If, during its reviews, the Audit Committee is of the view that the review procedures as stated above are not sufficient or have become inappropriate, in view of changes to the nature of, or the manner in which, the business activities of the SMRT Group are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary to ensure that the Interested Person Transaction will be on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders, and the Company will revert to the Shareholders for a fresh mandate based on new review procedures for the Interested Person Transactions. In such a case, all Interested Person Transactions will be reviewed and approved by the Audit Committee prior to their entry while the fresh mandate is being sought from the Shareholders.

6. Review Procedures for Interested Person Transactions (cont'd)

6.4 For purposes of the above review and approval process, any director of the Company who is not considered independent for purposes of the General Mandate and/or any Interested Person Transaction will abstain from voting in relation to any respective resolution, and/or abstain from participating in the Audit Committee's decision during its review procedures for the Interested Person Transactions or during its review or approval of any Interested Person Transaction.

7. Expiry and Renewal of the General Mandate

The General Mandate will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the conclusion of the next annual general meeting of the Company ("AGM") and will apply to Interested Person Transactions entered into from the date of receipt of Shareholders' approval. Approval from Shareholders will be sought for the renewal of the General Mandate at each subsequent AGM, subject to review by the Audit Committee of its continued application to the Interested Person Transactions.

If the Audit Committee is of the view that the review procedures under the General Mandate are not sufficient to ensure that the Interested Person Transactions are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new review procedures for Interested Person Transactions.

8. Disclosure

Pursuant to Chapter 9, the Company will disclose in its annual report the aggregate value of the Interested Person Transactions conducted under the General Mandate during the financial year, and in the annual reports for the subsequent financial years during which the General Mandate is in force. In addition, the Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the General Mandate for the financial periods which it is required to report on (in accordance with Rule 705 of the Listing Manual) within the time required for the announcement of such report. These disclosures will be in the form set out in Rule 705 of the Listing Manual.

PROXY FORM ANNUAL GENERAL MEETING

SMRT CORPORATION LTD

(Incorporated in the Republic of Singapore)

(Company Registration Number : 200001855H)

Important:

1. 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.
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.

I/We _____ NRIC/Passport No. _____ of

being a member/members of SMRT Corporation Ltd ("the Company") 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 Sixth Annual General Meeting of the Company, to be held at Raffles City Convention Centre, Collyer Room, Level 4, 2 Stamford Road, Singapore 178882, on Thursday, 14 July 2005 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 directions 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
	ORDINARY BUSINESS		
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 Ms Engelin Teh Guek Ngor as Director		
5)	Re-appointment of KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration		
	SPECIAL BUSINESS		
6.1)	Authority for Directors to issue shares		
6.2)	Authority for Directors to offer and grant options and/or grant awards and allot shares, pursuant to the SMRT Corporation Employee Share Option Plan, SMRT Corporation Restricted Share Plan and SMRT Corporation Performance Share Plan		
7)	Renewal of General Mandate for Interested Person Transactions		
8)	ANY OTHER BUSINESS		

Dated this _____ day of _____ 2005

Total Number of Shares Held: _____

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

IMPORTANT: PLEASE READ NOTES ON THE REVERSE



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Please
Affix
Postage
Stamp

THE COMPANY SECRETARY
SMRT CORPORATION LTD
251 NORTH BRIDGE ROAD
SINGAPORE 179102

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NOTES TO PROXY FORM:

1. A member entitled to attend and vote at the Annual General Meeting of the Company 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 a 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 Sixth Annual General 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 Sixth Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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REQUEST SLIP



SMRT CORPORATION LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number : 200001855H)

24 June 2005

Dear Shareholder

In addition to this Summary Report 2005 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 2005, the auditors' report on those financial statements and the directors' report are included in the Annual Report 2005. Shareholders may request for a copy of the full annual report at no cost from the Share Registrar. If you had already made a request for the full report last year, you need not make another request.

Yours faithfully
For and on behalf of SMRT Corporation Ltd

Patrick Lau Li Tah/S.Prema (Ms)
Company Secretaries

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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 2005

Name(s) of Shareholder(s) : _____

NRIC/Passport Number : _____

Address : _____

Signature _____ Date _____



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SINGAPORE 049315**

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DIRECTORY OF
SUBSIDIARIES
AND ASSOCIATED
COMPANIES

SMRT Trains Ltd
SMRT Investments Pte Ltd
SMRT International Pte Ltd
RFP Investments Pte Ltd
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Telephone: 65 6331 1000
Facsimile: 65 6334 0247
www.smrt.com.sg

SMRT Engineering Pte Ltd
300 Bishan Road
Singapore 579828
Telephone: 65 6554 8535
Facsimile: 65 6453 7645
www.smrt.com.sg

SMRT Light Rail Pte Ltd
1 Woodlands Road
#03-01 Ten Mile Junction
Singapore 677899
Telephone: 65 6893 6456
Facsimile: 65 6762 6732
www.smrt.com.sg

SMRT Road Holdings Ltd
SMRT Buses Ltd
Singapore Shuttle Bus (Pte) Ltd
6 Ang Mo Kio Street 62
Singapore 569140
Telephone: 65 6482 3888
Facsimile: 65 6482 3842
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SMRT Taxis Pte Ltd
60 Woodlands Industrial Park E4
Singapore 757705
Telephone: 65 6369 0111
Facsimile: 65 6369 3639
www.smrt.com.sg

SMRT Automotive Services Pte Ltd
60 Woodlands Industrial Park E4
Singapore 757705
Telephone: 65 6365 4233
Facsimile: 65 6368 7421
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Bus-Plus Services Pte Ltd
6 Ang Mo Kio Street 62
Singapore 569140
Telephone: 65 6481 0166
Facsimile: 65 6484 0129
www.smrt.com.sg

Transit Link Pte Ltd
9 Maxwell Road #03-02 Annexe A
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Telephone: 65 6236 6666
Facsimile: 65 6222 0220
www.transitlink.com.sg

TranSys Pte Ltd
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Company Registration No: 200001855H