

EMBARGOED TILL 7.30PM, 28 MARCH 2008

**ADDRESS BY LIM JIT POH, GROUP CHAIRMAN
AT COMFORTDELGRO CORPORATION LIMITED'S
5th ANNIVERSARY CELEBRATION
ON 28 MARCH 2008 AT RITZ CARLTON HOTEL**

Today is a happy occasion, just as it was five years ago when ComfortDelGro was born. Tonight we have many friends and business associates coming from different parts of the globe where we have operations to be with us. Some of them were here when we launched our logo five years ago. Some are our new found friends whom we met as we began our journey. Some we see all the time. Some rarely so. Whichever category you belong to, let me on behalf of the Board of Directors and the management thank all of you for taking time off from your busy schedule to join us in this celebration.

We are very pleased and honoured that Mr Lim Boon Heng, Minister in the Prime Minister's Office, is able to be here tonight as our Guest-of-Honour. We had the pleasure and honour of having him as our Guest-of-Honour five years ago when we launched our logo then. Through the years, he has given us strong support and encouragement as we took on the challenge of expanding the group in the global arena. For all that he has done, and for taking the trouble to pen a few words in our specially produced coffee table book, I would like to say, thank you very much, Minister. We are honoured.

Let me also thank Mr Lim Swee Say, Minister in the Prime Minister's Office and Secretary-General of the National Trades Union Congress for taking time off his busy schedule to join us here today. We are indeed very privileged.

Each one of you should have a copy of the book by your side. Ladies and gentlemen, I urge you to read the book for a better insight into who we are.

Five years is, by all accounts, a short time. But I am very proud to say that the Group has accomplished much during this period under the capable leadership of Mr Kua Hong Pak, Managing Director/Group Chief Executive Officer, and the wise guidance of the Board.

Let me explain. Critics did not have much confidence in the merger of Comfort Group Ltd and DelGro Corporation Limited when the concept was first announced. They did not see the logic of it. Luckily for us, our shareholders did. I would like to believe that besides the proposal, they also had the confidence and trust in the new CEO and the new Board. They were proven correct beyond the shadow of a doubt and they have been very handsomely rewarded.

Let's just look at the numbers. In the last five years, the market capitalisation of the Group had increased three-fold from a combined figure of S\$1.5 billion in early 2003 to as high as S\$5.1 billion until the recent market slump. Total returns to shareholders have been even more spectacular, with double-digit growth clocked for each of the five years of existence. Net dividends paid too have been striking with a total of S\$0.3702 per share paid over the same period compared to the implied pre-listing share price of S\$0.7434. Our 50% dividend policy has been, and continues to be, firmly in place.

Business-wise, we have emerged as the world's second largest land transport group in terms of fleet size. More importantly, we are without equal in terms of our global footprint, operating in seven countries around the world. Besides our home base in Singapore, we also do business in Malaysia, Vietnam, Australia, the United Kingdom, Ireland and China. In China, we operate in 13 cities, making us the single largest foreign land transport operator there. Our presence is therefore felt in seven countries, 23 cities and over four time zones. Fortunately new technology has helped us to manage our businesses.

Close to half of our total turnover is now derived from overseas. Our overseas bus turnover is in fact higher than that of our local bus turnover, accounting for 62% of total bus turnover. On the taxi side, overseas turnover is also fast catching up with local turnover.

To sustain our phenomenal growth, we have had to grow our global workforce. We are now over 22,000-strong and our wage bill is S\$2.6 million per day. This is a huge responsibility.

Yes, we have done well. Neither am I shy to say that we are in the business to make money. But this is not our only guiding principle. As a transport operator, providing both

public and private services, we have kept close to our hearts our social objectives of delivering safe, affordable and reliable services. At the same time we are mindful to give back to the community in helping the poor, the elderly, the handicapped, the educational institutions and the society at large. And it is not just the social environment we are concerned about, we are also worried about the state of the physical environment. This is why we have a “Green” philosophy. These shall continue to be our objectives just as we shall continue to remain focused in the land transport business.

Indeed, we have grown much in the last five years. For all that has been achieved, I would like to thank and congratulate the Managing Director/Group CEO Mr Kua Hong Pak. His dedication, hard work, passion and commitment have not come to nought. Together with a team that he has built through the years, he has delivered all that was promised in the Merger Document. For sure, duplicative functions have been eliminated and synergies derived. As a result, massive savings have been achieved.

It looks very easy from the outside when we see the finished product. But when you are in the midst of it, you felt pressurized and frustrated. The mammoth tasks that cropped up from time to time in places where you least expect them are still very vivid in our minds. Hong Pak and I regard these as fulfillment of our goals.

And that is not all. Hong Pak also had to embark on an aggressive overseas expansion policy. It was after all, the main reason for the merger. This called for a different type of skills-set. As Chairman of the Investment Committee, I often accompanied Hong Pak on such ‘missions’, meeting with people of different culture, background, experience and expectations. We met up with government officials unlike those whom we met in our home environment. We were confronted with unusual situations and practices. It has been a punishing schedule. But we have survived. And we have thrived. On behalf of the Board, my congratulations and thanks to Hong Pak and his entire team.

As we celebrate our fifth anniversary, we have to ask ourselves how we are going to sustain and further grow our business in today’s highly competitive and fast changing landscape. My Board is not just satisfied with our present achievement. We are hungry and want to do more. We are now setting ourselves a new target, increasing our

overseas turnover to the next hurdle of 70% of our total turnover within the next five to seven years. That's up from our first target of 50%.

It will not be easy for we are now starting from a much larger base. It will not be a short run and it will have to be reviewed periodically. But it is a target we must set and one that we will try to achieve – just as we have before.

As we work towards realizing our goals, we need to look at our team of very capable staff.

The same team cannot continue forever too. Succession is of paramount importance. It decides our future. This is a challenge which the Board and management have to grapple with.

But let us not forget that all that has been achieved to-date is not due to the hard work of just the management and the Board. The respective governments and authorities, our numerous partners and associates, our unions, our customers - be they the corporations or ordinary folks - as well as our shareholders, play crucial parts in their respective roles as stakeholders. On behalf of the Board and management, I wish to thank all of them whole-heartedly. Without them and their support and assistance we would not be where we are today. We look forward to their continued support, encouragement, guidance, advice and assistance as we progress further.

Land transport is very sensitive politically, socially and psychologically. It affects a large part – if not all - of the population. It is part and parcel of our daily life. It has great influence on our well-being. It cannot be replaced and the economy depends on it. The government and society depend on it.. Hence every stakeholder should take ownership of it. Treasure it. Nurture it. Enjoy it. This should be the guiding principle.

My role as Chairman has been rewarding. From the beginning I worked with Hong Pak to conceptualise the merger and then worked hard to get it approved by shareholders. Having done that, it was our responsibility and duty to make it work. I believe we have not failed those who had placed the confidence and trust in us. The next stage is to identify, develop and groom a team to continue the path that has been paved.

For the next stage of our development and growth, I encourage and support Hong Pak as he continues in his efforts to groom a new management team to lead the Group to its next target of achieving 70% of total turnover from overseas within the next five to seven years. Already, half of our senior staff today are “new” people who have been recruited in the last five years. Hong Pak will need to build and strengthen his team for the future. Sustainability and succession are the battle calls. Failure to assemble a new team within the next five to seven years would throw away all the achievements that he had accomplished in the first five. Hong Pak, such is the task that the Board has entrusted in you. I believe such is also the aspirations of our demanding shareholders.

I have every confidence that you can do it.

On this note, ladies and gentlemen, enjoy yourselves and we look forward to many more happy years of engagement.
