

# DIRECTORS' STATEMENT

The Directors present their annual statement together with the audited Consolidated Financial Statements of the Group and Statement of Financial Position and Statement of Changes in Equity of the Company for the financial year ended 31 December 2019.

In the opinion of the Directors, the Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company as set out on pages 70 to 120 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

## 1 DIRECTORS

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

Lim Jit Poh	(Chairman)
Yang Ban Seng	(Executive Deputy Chairman and Chief Executive Officer)
Lim Seh Chun	(Appointed as Lead Independent Director on 26 April 2019)
Chua Mui Hoong	(Appointed on 26 April 2019)
John De Payva	
Susan Kong Yim Pui	
Lee Sok Koon	
Lim Siang Hoe, Benny	
Tan Kim Siew	(Appointed on 1 June 2019)
Yu Ching Man	

## 2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned below.

**3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES**

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

	Shareholdings registered in the name of Directors		
	At 1 January 2019	At 31 December 2019	At 21 January 2020
<b>Interest in ultimate holding company, ComfortDelGro Corporation Limited</b>			
(a) Ordinary shares			
Lim Jit Poh	244,425	244,425	244,425
Yang Ban Seng	157,168	7,168	7,168
Yang Ban Seng (Deemed Interest)	18,185	18,185	18,185
(b) Options to subscribe for ordinary shares			
Yang Ban Seng	660,000	660,000	660,000
<b>Interest in related company, VICOM Ltd</b>			
(a) Ordinary shares			
Lim Jit Poh	190,000	190,000	190,000

#### 4 SHARE OPTIONS

- (a) The SBS Transit Share Option Scheme ("SSOS") for a period of 10 years was approved by the shareholders of the Company on 9 June 2000. The SSOS expired on 8 June 2010 and hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the SSOS and the respective grants. The SSOS is administered by the Remuneration Committee comprising Ms Susan Kong Yim Pui (Appointed as Chairman on 26 April 2019), Mr John De Payva, Mr Lim Jit Poh and Prof Yu Ching Man.
- (b) Under the SSOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares at a subscription price determined with reference to the market price of the shares at the time of the grant of the option. The subscription price and/or number of shares comprised in an option may be adjusted in certain events under the rules of the SSOS. The consideration for the grant of an option is \$1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for options granted to non-executive Directors) of the date of grant of that option or such shorter period as determined by the Remuneration Committee. The option may be exercised in whole or in part on the payment of the relevant subscription price. Options granted will lapse when the option holder ceases to be a full-time employee or Director of the Company, subject to certain exceptions at the discretion of the Remuneration Committee.
- (c) Participants of the SSOS are not restricted from participating in other share option schemes, whether implemented by the Company or otherwise.
- (d) Particulars of unissued shares under options granted pursuant to the SSOS, options exercised and lapsed during the financial year, and options outstanding as at 31 December 2019 are as follows:

Date of grant	Number of options to subscribe for ordinary shares			Outstanding at 31 December 2019	Subscription price per share	Expiry date
	Outstanding at 1 January 2019	Exercised	Lapsed			
25 June 2009	232,500	195,000	37,500	–	\$1.58	25 June 2019
	232,500	195,000	37,500	–		

- (e) Details of the SSOS options granted to Directors of the Company since the commencement of the SSOS were as follows:

Directors	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2019	Aggregate options exercised since the commencement to 31 December 2019	Aggregate options lapsed since the commencement to 31 December 2019	Aggregate options outstanding as at 31 December 2019
Lim Jit Poh	780,000	480,000	300,000	–
John De Payva	495,000	135,000	360,000	–

The terms of the options granted to the Directors are disclosed in paragraph 4 (b) above.

- (f) None of the options granted under the SSOS included a discount feature to the market price of the shares at the time of grant. No participants to the SSOS are controlling shareholders of the Company.

## DIRECTORS' STATEMENT

### 5 AUDIT AND RISK COMMITTEE

At the date of this report, the Audit and Risk Committee comprises four non-executive and independent Directors as follows:

Lee Sok Koon	(Appointed as Chairman on 26 April 2019)
Chua Mui Hoong	(Appointed on 26 April 2019)
Lim Seh Chun	
Lim Siang Hoe, Benny	
Tan Kim Siew	(Appointed on 1 June 2019)

The Audit and Risk Committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, Cap. 50 and the Code of Corporate Governance 2018.

In performing its functions, the Audit and Risk Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors four times during the year to discuss the scope and results of their respective audits, and at least once annually without the presence of Management. The Audit and Risk Committee has reviewed the independence of the external auditors, Messrs Deloitte & Touche LLP, including the scope of the non-audit services performed and confirmed that the auditors are independent.

In addition, the Audit and Risk Committee reviewed the Financial Statements of the Group before their submission to the Board of Directors of the Company and provided assurance to the Board on the adequacy of financial, operational, compliance and information technology controls.

The Audit and Risk Committee has recommended to the Board of Directors, the nomination of Deloitte & Touche LLP for re-appointment as auditors of the Company at the forthcoming Annual General Meeting.

### 6 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

**Lim Jit Poh**

Chairman

**Yang Ban Seng**

Executive Deputy Chairman and Chief Executive Officer

Singapore  
13 February 2020