

# Report of the Directors

The Directors present their report together with the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 and the statement of financial position and statement of changes in equity of the Company as at 31 December 2014.

## 1 Directors

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

Lim Jit Poh (Chairman)  
 Kua Hong Pak (Managing Director/Group Chief Executive Officer)  
 Ong Ah Heng  
 Oo Soon Hee  
 Sum Wai Fun, Adeline  
 Tow Heng Tan  
 Wang Kai Yuen  
 Wong Chin Huat, David

## 2 Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraphs 3 and 5 of the Report of the Directors.

## 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:

Name of Directors and Companies in which interests are held	At 1 January 2014	At 31 December 2014	At 21 January 2015
<b>Interest in the Company</b>			
(a) Ordinary shares			
Lim Jit Poh	284,425	24,425	264,425
Kua Hong Pak	324,530	324,530	324,530
Ong Ah Heng	515,558	515,558	515,558
Oo Soon Hee	475,000	625,000	625,000
Sum Wai Fun, Adeline	120,000	120,000	120,000
Tow Heng Tan	370,000	490,000	490,000
Wang Kai Yuen	1,032,500	1,032,500	1,032,500
Wong Chin Huat, David	220,000	340,000	340,000

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## 3 Directors' Interests in Shares and Debentures (Cont'd)

Name of Directors and Companies in which interests are held	At 1 January 2014	At 31 December 2014	At 21 January 2015
<b>Interest in the Company</b>			
(b) Options to subscribe for ordinary shares			
Lim Jit Poh	960,000	720,000	480,000
Kua Hong Pak	7,200,000	7,200,000	7,200,000
Ong Ah Heng	480,000	360,000	360,000
Oo Soon Hee	600,000	450,000	450,000
Sum Wai Fun, Adeline	480,000	360,000	360,000
Tow Heng Tan	480,000	360,000	360,000
Wang Kai Yuen	180,000	180,000	180,000
Wong Chin Huat, David	480,000	360,000	360,000
<b>Interest in subsidiary, SBS Transit Ltd</b>			
(a) Ordinary shares			
Lim Jit Poh	200,000	-	-
Kua Hong Pak	-	90,000	90,000
Wong Chin Huat, David	215,000	215,000	215,000
(b) Options to subscribe for ordinary shares			
Lim Jit Poh	100,000	-	-
Kua Hong Pak	90,000	-	-
<b>Interest in subsidiary, VICOM Ltd</b>			
(a) Ordinary shares			
Lim Jit Poh	190,000	190,000	190,000
Kua Hong Pak	54,000	54,000	54,000

## 4 Directors' Receipt and Entitlement to Contractual Benefits

Except as disclosed in this report and in Note 27(a) to the financial statements, since the beginning of the financial year, no Director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, Cap. 50, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest. Certain Directors received Directors' fees from related corporations in their capacities as Directors of those related corporations.

## 5 Share Options

### (A) Share options of the Company

- (i) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS") for a period of 10 years was approved by the shareholders of the Company on 18 February 2003. It expired on 17 February 2013 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 CDG ESOS. The CDG ESOS is administered by the Remuneration Committee (the "Committee") comprising Messrs Tow Heng Tan (Chairman), Lim Jit Poh, Wong Chin Huat, David and Wang Kai Yuen.

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## 5 Share Options (Cont'd)

### (A) Share options of the Company (Cont'd)

- (ii) Under the CDG ESOS, 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 grant of the option. The subscription price does not include any discount feature. The consideration for the grant of an option is \$1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for non-executive Directors) of the date of grant of that option or such shorter period as determined by the Committee. The option may be exercised in whole or in part on the payment of the relevant subscription price. The participants to whom the options have been granted shall be eligible to participate in other share option schemes implemented by the Company and/or its subsidiaries. Options granted will lapse when the option holder ceases to be a full-time employee or Director of the Company or any company of the Group, subject to certain exceptions at the discretion of the Committee administering the CDG ESOS.
- (iii) Particulars of unissued shares under options granted pursuant to the CDG ESOS, options granted, exercised and cancelled/lapsed during the financial year and options outstanding as at 31 December 2014 were as follows:

Date of grant	Number of options to subscribe for ordinary shares			Outstanding at 31 December 2014	Subscription price per share	Expiry date
	Outstanding at 1 January 2014	Exercised	Cancelled/ Lapsed			
19 July 2004	35,000	(35,000)	-	-	\$1.217	18 July 2014
24 February 2005	747,500	(550,000)	-	197,500	\$1.680	23 February 2015
21 July 2005	725,000	(375,000)	-	350,000	\$1.540	20 July 2015
17 November 2005	1,551,000	(395,000)	(90,000)	1,066,000	\$1.550	16 November 2015
13 July 2006	3,315,000	(1,125,000)	(150,000)	2,040,000	\$1.500	12 July 2016
22 June 2007	6,030,000	(1,540,000)	(460,000)	4,030,000	\$2.260	21 June 2017
25 June 2008	4,380,000	(1,545,000)	(50,000)	2,785,000	\$1.590	24 June 2018
25 June 2009	2,947,000	(480,000)	-	2,467,000	\$1.273	24 June 2019
25 June 2009	870,000	(870,000)	-	-	\$1.273	24 June 2014
2 July 2010	5,507,500	(1,585,000)	(75,000)	3,847,500	\$1.467	1 July 2020
2 July 2010	1,070,000	(200,000)	-	870,000	\$1.467	1 July 2015
23 June 2011	870,000	-	-	870,000	\$1.373	22 June 2016
23 June 2011	5,482,000	(1,417,000)	(125,000)	3,940,000	\$1.373	22 June 2021
20 June 2012	1,050,000	-	-	1,050,000	\$1.475	19 June 2017
20 June 2012	10,905,000	(3,783,900)	(120,000)	7,001,100	\$1.475	19 June 2022
<b>Total</b>	<b>45,485,000</b>	<b>(13,900,900)</b>	<b>(1,070,000)</b>	<b>30,514,100</b>		

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## 5 Share Options (Cont'd)

- (iv) Details of the options granted to Directors during the financial year and since the commencement of the CDG ESOS (including options granted under the Pre-Merger Option Scheme\*) up to 31 December 2014 were as follows:

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2014	Aggregate options exercised since the commencement to 31 December 2014	Aggregate options lapsed/forfeited since the commencement to 31 December 2014	Aggregate options outstanding at 31 December 2014
Lim Jit Poh	2,773,577	1,553,577	500,000	720,000
Kua Hong Pak	12,300,000	2,700,000	2,400,000	7,200,000
Ong Ah Heng	1,517,540	807,540	350,000	360,000
Oo Soon Hee	1,650,000	825,000	375,000	450,000
Sum Wai Fun, Adeline	600,000	240,000	-	360,000
Tow Heng Tan	1,200,000	490,000	350,000	360,000
Wang Kai Yuen	1,998,672	1,693,672	125,000	180,000
Wong Chin Huat, David	1,200,000	490,000	350,000	360,000

- \* Following the merger of Comfort Group Ltd and DelGro Corporation Limited, the outstanding options under the Comfort Executives' Share Option Scheme, the 2000 Comfort Share Option Scheme and the DelGro Executives' Share Option Scheme (collectively, the "Pre-Merger Option Scheme"), were exchanged for options under the CDG ESOS based on the then option exchange ratios.

The terms of the options granted to the Directors are disclosed in paragraph 5(A)(ii).

- (v) None of the options granted under the CDG ESOS include a discount feature to the market price of the shares at the time of grant. No participants to the CDG ESOS are controlling shareholders of the Company and their associates.
- (vi) None of the Directors or employees of the Company and its subsidiaries received 5% or more of the total number of options available under the CDG ESOS for the financial year ended 31 December 2014.

### (B) Share options of subsidiaries

#### (a) SBS Transit Ltd ("SBST")

- (i) At the end of the financial year, there were 5,418,750 unissued shares of SBS Transit Ltd under option relating to the SBS Transit Share Option Scheme (the "SSOS"). 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. Details and terms of the share options and SSOS have been disclosed in the Directors' Report of SBS Transit Ltd.

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## 5 Share Options (Cont'd)

### (B) Share options of subsidiaries

- (ii) There were no share options granted to Directors of the Company during the financial year. Details of the SSOS options since the commencement of the SSOS were as follows:

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2014	Aggregate options exercised since the commencement to 31 December 2014	Aggregate options lapsed since the commencement to 31 December 2014	Aggregate options outstanding at 31 December 2014
Lim Jit Poh	780,000	480,000	300,000	-
Kua Hong Pak	690,000	240,000	450,000	-
Wong Chin Huat, David	475,000	295,000	180,000	-

### (b) VICOM Ltd ("VICOM")

- (i) At the end of the financial year, there were 20,000 unissued shares of VICOM Ltd under option relating to the 2001 VICOM Share Option Scheme (the "2001 VSOS"). The VSOS expired on 26 April 2011 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 2001 VSOS and the respective grants. Details and terms of the share options and the 2001 VSOS have been disclosed in the Directors' Report of VICOM Ltd.
- (ii) There were no share options granted to the Directors of the Company during the financial year and no outstanding share options held by the Directors as at 31 December 2014 as the last grant of share options was issued to the Directors in 2005 and expired in 2010. Details of the options granted and exercised by the Directors since the commencement of the 2001 VSOS up to 31 December 2014 are not disclosed as there were no movements in options granted and exercised and such details had been disclosed in the prior years.

## 6 Audit and Risk Committee

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

Wong Chin Huat, David (Chairman)  
 Ong Ah Heng  
 Oo Soon Hee  
 Sum Wai Fun, Adeline

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 2012.

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.

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## **7 Auditors**

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

On behalf of the Directors

**Lim Jit Poh**  
Chairman

**Kua Hong Pak**  
Managing Director/Group Chief Executive Officer

Singapore  
11 February 2015