

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 2023.

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 94 to 134 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 2023, 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:

Tan Beng Hai	(Chairman)
Cheng Siak Kian	(Deputy Chairman)
Sim Vee Ming	(Group Chief Executive Officer)
Desmond Choo Pey Ching	
Chua Mui Hoong	
Patrick Daniel	(Appointed on 1 January 2024)
Susan Kong Yim Pui	
Lee Sok Koon	
Lim Seh Chun	
Lim Tien Hock	
Christina Lim Yui Hung	(Appointed on 1 October 2023)
Tan Kim Siew	
Yeo Teng Chuan, Edwin	(Appointed on 1 January 2024)
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.

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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 1967 except as follows:

Interest in the Company

(a) Ordinary shares

	Shareholdings registered in the name of Directors		
	At 1 January 2023	At 31 December 2023	At 21 January 2024
Cheng Siak Kian	–	7,500	7,500
Sim Vee Ming	–	6,250	6,250

(b) Unvested performance share awards under the SBS Executive Share Scheme

	Number of unvested share held by Directors		
	At 1 January 2023	At 31 December 2023	At 21 January 2024
Cheng Siak Kian	30,000	102,500	102,500
Sim Vee Ming	25,000	68,750	68,750
Lim Tien Hock	–	35,000	35,000

Interest in ultimate holding company, ComfortDelGro Corporation Limited

(a) Ordinary shares

	Shareholdings registered in the name of Directors		
	At 1 January 2023	At 31 December 2023	At 21 January 2024
Cheng Siak Kian	37,500	78,750	78,750
Sim Vee Ming	28,750	41,250	41,250
Lim Tien Hock	91,000	118,500	118,500

(b) Unvested performance share awards under the ComfortDelGro Executive Share Award Scheme

	Number of unvested share held by Directors		
	At 1 January 2023	At 31 December 2023	At 21 January 2024
Cheng Siak Kian	127,500	236,250	236,250
Sim Vee Ming	26,250	33,750	33,750
Lim Tien Hock	80,000	92,500	92,500

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4. SHARE AWARDS AND SHARE OPTIONS

- (a) The Company obtained Shareholders' approval at its Annual General Meeting held on 29 April 2021 to implement the SBS Executive Share Scheme ("SBS ESS") for Executive Directors and Key Executives as part of the long-term incentive programme to attract talent, retain them and reward those who make significant contributions to the Group. The SBS ESS is administered by Nominating and Remuneration Committee (the "Committee") comprising Mr Tan Beng Hai (Chairman), Mr Cheng Siak Kian, Mr Desmond Choo Pey Ching, Ms Susan Kong Yim Pui, Professor Lim Seh Chun and Dr Tan Kim Siew.
- (b) Under the SBS ESS, the shares are granted conditional upon performance targets met and have a vesting schedule whereby only a portion of the benefits would be granted each year. The grant of the shares may be withdrawn or clawed-back in the event of exceptional circumstances of material misstatement of financial results or misconduct resulting in financial or other losses for the Group.
- (c) The Board and the Committee believe that the SBS ESS will help ensure that the Group continues to have a strong leadership team, credible talent pipeline and reinforce the delivery of long-term shareholder value.
- (d) During the financial year, the Company granted the second tranche of share awards of 567,000 (2022: 411,000) ordinary shares pursuant to the SBS ESS to selected employees of the Group. This included an award of 80,000 (2022: 30,000) ordinary shares to Deputy Chairman, Mr Cheng Siak Kian, 50,000 (2022: 25,000) ordinary shares to Group Chief Executive Officer, Mr Sim Vee Ming and 35,000 (2022: Nil) ordinary shares to Director, Mr Lim Tien Hock. These are time-based awards to be vested over a 4-year period.
- (e) No participants to the SBS ESS are controlling shareholders of the Company and their associates.
- (f) Since the adoption of the SBS ESS, a total of 978,000 (2022: 411,000) share awards were granted. Details of the share awards granted, vested and lapsed and the number of unvested share awards outstanding as at the end of the financial year is as follows:

Date of grant	Number of share awards				At 31 December 2023
	At 1 January 2023	Granted	Vested	Lapsed	
12 July 2022	403,500	–	(100,875)	–	302,625
8 May 2023	–	567,000	–	–	567,000
	403,500	567,000	(100,875)	–	869,625

- (g) Details of the share awards to Directors since the commencement of the SBS ESS were as follows:

Director	Aggregate share awards granted since the commencement to 31 December 2023	Aggregate share awards vested since the commencement to 31 December 2023	Aggregate share awards outstanding at 31 December 2023
Cheng Siak Kian	110,000	7,500	102,500
Sim Vee Ming	75,000	6,250	68,750
Lim Tien Hock	35,000	–	35,000

- (h) During the financial year, no options to take up unissued shares of the Company were granted. There were also no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company under options.

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5. AUDIT AND RISK COMMITTEE

At the date of this report, the Audit and Risk Committee comprises three Independent Non-Executive Directors and one Non-Independent Non-Executive Director as follows:

Lee Sok Koon (Chairman)
Susan Kong Yim Pui
Tan Kim Siew
Yeo Teng Chuan, Edwin (Appointed on 1 January 2024)

The Audit and Risk Committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967 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 and two times respectively 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 Ernst & Young LLP, including the scope of the non-audit services performed and confirmed that the auditors are independent.

The Audit and Risk Committee has full access to and has the co-operation of Management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

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.

6. AUDITORS

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

ON BEHALF OF THE BOARD OF DIRECTORS

Tan Beng Hai
Chairman

Sim Vee Ming
Group Chief Executive Office

Singapore
27 February 2024