

GENERAL ANNOUNCEMENT::MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON 2 SEPTEMBER 2022

Issuer & Securities

Issuer/ Manager

COMFORTDELGRO CORPORATION LIMITED

Securities

COMFORTDELGRO CORPORATION LTD - SG1N31909426 - C52

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

19-Sep-2022 17:35:45

Status

New

Announcement Sub Title

Minutes of the Extraordinary General Meeting of the Company held on 2 September 2022

Announcement Reference

SG220919OTHRRQ08

Submitted By (Co./ Ind. Name)

Angeline Joyce Lee Siang Pohr

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please see attached.

Attachments

[ComfortDelGro - Minutes of EGM held on 2 Sep 2022.pdf](#)

Total size =88K MB

COMFORTDELGRO CORPORATION LIMITED
(Company Registration No.: 200300002K)
(Incorporated in the Republic of Singapore)

**MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF
COMFORTDELGRO CORPORATION LIMITED (“COMPANY”) HELD ON
FRIDAY, 2 SEPTEMBER 2022 AT 10.00 A.M. VIA ELECTRONIC MEANS AND
AT THE AUDITORIUM, COMFORTDELGRO CORPORATION LIMITED, 205
BRADDELL ROAD, SINGAPORE 579701**

Board of Directors

Present at the Auditorium:

Mr Lim Jit Poh	: Chairman
Mr Yang Ban Seng	: Managing Director / Group Chief Executive Officer (MD/GCEO)
Mr Russell Stephen Balding, AO	: Director
Mr Choi Shing Kwok	: Director
Mr Mark Christopher Greaves	: Director
Mr Lee Jee Cheng Philip	: Director (“ Mr Lee ”)
Professor Ooi Beng Chin	: Director
Ms Sum Wai Fun, Adeline	: Director
Ms Tham Ee Mern, Lilian	: Director

Present via Video-Link:

Ms Jessica Cheam	: Director
------------------	------------

In Attendance:

Present at the Auditorium:

Mr Cheng Siak Kian	: Group Deputy Chief Executive Officer
Mr Derek Koh Thong Hean	: Group Chief Financial Officer
Mr Adrian Chong Yew Fui	: Group Chief Internal Audit Officer
Ms Tammy Tan I-lin	: Group Chief Branding & Communications Officer
Mr Christopher David White	: Senior Vice-President, Group Finance & Head of Investor Relations
Ms Angeline Joyce Lee Siang Pohr	: Group General Counsel & Company Secretary
Mr Christopher Wong	: Partner & Head of Assurance, Ernst & Young LLP

Mr Vincent Toong : Partner, Ernst & Young LLP (“**Mr Toong**”)
Ms Rachel Eng : Managing Director, Eng & Co LLC
Ms Teresa Ann Pereira : Associate, Eng & Co LLC

Management / Invitees / Shareholders – who attended physically or via video link:

As set out in the attendance records maintained by the Company.

Commencement of Meeting

At 10.03 a.m., Chairman took the Chair and called the Meeting to order after having ascertained that a quorum was present.

Chairman informed the Meeting that the Circular to shareholders in relation to the proposed appointment of new auditors was uploaded to SGXNet and the Company’s website on 18 August 2022. The Notice of EGM which was published on 18 August 2022 in The Business Times, SGXNet and the Company’s website, was taken as read.

Chairman informed the Meeting that all motions at the Meeting would be put to vote by way of a poll, and that voting may be done by casting their votes via the live voting feature during the Meeting. Chairman also informed the Meeting that for shareholders who had appointed the Chairman of the Meeting as proxy prior to the Meeting, he would be voting in accordance with the instructions as stated in the proxy forms received by the Company.

Chairman said that the minutes of the meeting would be posted on the SGX-ST and the Company’s websites respectively in compliance with the Code of Corporate Governance 2018. He highlighted that the names of shareholders asking questions would be recorded in the EGM minutes which would be uploaded on the respective websites. Shareholders’ consent for this purpose has been obtained pursuant to the Company’s Constitution.

Chairman recapped that the EGM to appoint new auditors was required because Deloitte & Touche LLP (“**Deloitte**”) was not reappointed at the Company’s Annual General Meeting held on 29 April 2022 (“**2022 AGM**”) by Shareholders, as Shareholders and some proxy advisors, had by convention, assumed that Deloitte’s independence had been compromised just because the non-audit fees paid in respect of the initial public offering of ComfortDelGro Corporation Australia Pty Ltd exceeded the statutory audit fees.

Chairman expressed the Board’s gratitude to Deloitte for its years of service, and for discharging its duties well and professionally throughout its tenure.

Chairman said the Audit and Risk Committee’s (“**ARC**”) search for new auditors commenced after the 2022 AGM. The ARC had evaluated the various audit firms’

credentials, experience and expertise not only in Singapore but also China, Malaysia, Australia, the Republic of Ireland and the United Kingdom, audit methodology and quality control and proposed fees. As many audit firms were facing manpower crunches, some had difficulties responding to our invitation. Following an intense and rigorous exercise, the ARC determined that Ernst & Young LLP (“EY”) was best suited to be appointed as the new auditors of the Company. Chairman said the ARC had assured the Board that it had considered the Audit Quality Indicators Disclosure Framework issued by ACRA in assessing the suitability of EY and was of the opinion that EY would be able to fulfil the audit requirements of the ComfortDelGro Group without compromising audit quality and independence.

Chairman informed the Meeting that over the past 3 Financial Years, the ComfortDelGro Group has only used EY for several minor non-audit jobs and paid only a total of S\$0.1m to EY in fees. EY has proposed for Mr Vincent Toong to be the audit engagement partner for ComfortDelGro Group. Mr Toong has more than 30 years of audit experience in Australia and Singapore and has served large public interest and multinational companies in a diverse range of industries. Mr Toong has never served in any executive capacity in the ComfortDelGro Group nor is he considered to be an affiliate, accordingly there will be no potential conflict of auditors nor shareholder interest.

Chairman said there would be no change in the scope of work to be undertaken by EY as auditors of the Company compared to that of Deloitte, and that some subsidiaries in Malaysia and China which were not considered as significant subsidiaries would continue to be audited by various local audit firms.

Before moving on to the Actual Business of the Meeting, Chairman informed the Meeting that the Company had received one substantial question from Shareholders prior to the Meeting via the Shareholders’ registration portal. He said that the Company had posted its response on the SGXNet on 26 August 2022.

Chairman then proceeded with the business of the Meeting.

Chairman informed the Meeting that the independent scrutineers for this EGM were Messrs CitadelCorp Services Pte. Ltd.

Chairman further informed the Meeting that voting for the resolution would now open.

Item / Resolution: Appointment of Ernst & Young LLP as Auditors of the Company and authorising the Directors to fix the terms of the engagement and remuneration of Ernst & Young LLP

Chairman put forward the Resolution to appoint EY as auditors of the Company.

Chairman then handed the Meeting to the Chairman of the ARC, Mr Lee, to address the Meeting. Mr Lee’s address is reproduced in full in **Annex A**.

After Mr Lee completed his address and handed the proceedings back to the Chairman, all shareholders present in person or virtually were invited to ask questions.

Mr Tay Peng Keong William (“**Mr Tay**”), who attended the Meeting in person, asked 3 questions.

Mr Tay’s 1st question was whether the Company would be able to provide Shareholders with an estimate of potential increase in audit fees. Chairman replied that Deloitte’s fees had been comparatively lower than the other “Big 4” audit firms as it had been auditing the Company since 2003, was familiar with the Company’s processes, and did not significantly increase its fees over the years. He said he would not be able to provide an estimate of the new auditor’s fees as audit work was charged based on time spent, but an increase in audit fees of approximately 50% would not be unexpected given the recent increase in manpower costs for audit firms and the work involved in transitioning from Deloitte to EY.

Mr Tay’s 2nd question was on the differentiating factor that led the Company to propose the appointment of EY instead of KPMG as incoming auditors. In response, Mr Lee said that both EY’s and KPMG’s proposals were high quality proposals with marginal differences. As part of the selection process, the Company performed a comprehensive assessment of the proposals spanning at least 20 to 30 indicators before making the decision to propose the appointment of EY as the Company’s auditors.

Mr Tay’s final question was on whether the Company had considered inviting audit firms that were not part of the “Big 4” to participate in the tender to be appointed as the Company’s new auditors. Chairman replied that given the global scale of the Company’s operations and the profile of the Company’s various institutional shareholders, the Company had assessed that it would be prudent to limit the search to the “Big 4” audit firms (excluding the outgoing auditors Deloitte) as they would most likely have the capacity and track record expected of the Company’s auditors.

Ms Chew Lee Eng enquired via the webcast portal whether the Company had an indication of the expected audit fees. Chairman replied that auditor’s remuneration was a matter for the Company’s Board and was not discussed at general meetings.

Mr Kwek Serh Ling enquired via the webcast portal on the Company’s comments on potential ethical issues arising from the sanctions imposed on EY in the United States over EY employees cheating in professional exams. Chairman responded that the Company was aware of the incident, and that the partners involved in the incident would not be involved in audit of the Company.

Mr Wong Sai Heng (“**Mr Wong**”) posed 2 questions via the webcast portal.

Mr Wong first queried how the Company assessed the professional competency of auditors. Mr Lee said in response that the Company interviewed both EY and KPMG, and considered the Audit Quality Indicators Disclosure Framework issued

by ACRA which covered quality control, audit firm capacity, quality of the audit team, training programs, conflict management, and also took into account the proposed audit transition plan.

Mr Wong then asked about the differences between ComfortDelGro and other transport operators. Chairman responded that most transport operators operated a single mode of transport such as buses, taxis or trains, and that ComfortDelGro set itself apart in providing multiple modes of land transportation in several geographies.

Results of the Resolutions

Voting of the Resolution in the Agenda closed at 10:42 a.m.

Resolution 1

Chairman announced the results of Resolution 1, as follows:–

Votes FOR the Resolution	:	584,440,069 (approximately 94.93%)
Votes AGAINST the Resolution	:	31,237,538 (approximately 5.07%)

Number of votes abstained was 7,683,070.

Chairman declared the Resolution duly carried.

RESOLVED that

- (1) approval be and is hereby given for the appointment of Ernst & Young LLP as auditors of the Company with effect from the date of Shareholders' approval of this ordinary resolution and to hold office until the conclusion of the next AGM (the "**Appointment**");
- (2) the Directors be and are hereby authorised to fix the terms of the engagement and remuneration of Ernst & Young LLP; and
- (3) the Directors and/or any of them be and are further authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he/she may consider expedient or necessary or in the interests of the Company to give effect to the Appointment authorised by this ordinary resolution.

Closure of Meeting

With the Agenda for the Meeting fully dealt with, Chairman declared the Meeting closed at 10.43 a.m.

On behalf of the Board, Chairman thanked all shareholders for their attendance, both physically and virtually, and their support to the Company.

Certified as a correct record of the proceedings of the Meeting.

Lim Jit Poh
Chairman

Annex A
Extract of Address by Mr Lee Jee Cheng Philip

Ladies and Gentlemen, please let me take you through the exercise of searching for our new auditors after Deloitte was unfortunately not appointed at the April AGM.

We had a very tight schedule to conduct the search. The Board delegated the search to a dedicated Committee comprising myself, the ARC Chairpersons of SBS Transit and VICOM. I chaired this Committee and Chairman, served as advisor. A Management Evaluation Committee comprising the Group Chief IA Officer, the Group Chief Financial Officer, CFOs and CEOs of CDG, SBST and VICOM, and representatives from the UK and Australia were designated to assist the Committee to evaluate and assess the candidates.

The Group issued invitations to PriceWaterhouse Coopers (PwC), KPMG and Ernst and Young LLP but only KPMG and EY confirmed their participation in the tender to request for proposals (“RFP”).

Management hosted site visits and thorough discussions were facilitated for the candidates to have their own assessment of what they could do and then submit their proposals accordingly.

The participating audit firms were requested to submit their technical proposal and their fee proposal separately. To ensure that the technical proposals were evaluated objectively, the fee proposals were opened by the RFP Committee only on conclusion of the evaluations of the technical proposals.

The evaluation criteria included the evaluation of the Firm, the Service Team and their Quality of Service, Technical Consultation, Audit Approach, Audit Independence, Audit Transition Plan and Proposed Fees. We assessed audit quality using ACRA’s Audit Quality Indicators (AQIs) Framework.

You would have read from news reports that the audit sector is facing a talent crunch

as fresh accountancy graduates and young accountants have increasingly more career options besides public accounting. This talent crunch is not unique to Singapore and is, in fact a global issue. Accounting firms are increasing their pay scales to attract and retain talent resulting in significant increase in operating costs. In addition, they face greater scrutiny by regulators across the world on the quality of their audits. These factors, among others, have in turn pushed up the costs of external audits for companies.

Given the above factors and the compressed audit timeline for EY to plan, execute and complete the 2022 audit, EY will have to very quickly scale up and mobilise resources in Singapore, China, Malaysia, Australia, the Republic of Ireland, the UK and other locations to hit the ground running on confirmation of their appointment. Given the talent crunch in the accounting industry, this will be no mean feat. Therefore, it should come as no surprise that we can expect a very significant increase in audit fees reflecting the situation we find ourselves arising from shareholders' decision at the last AGM. Even if we had kept Deloitte as our auditors, it is most likely that they too would propose a higher set of fees for 2022 for the reasons mentioned above.

The range of estimated fees provided by EY were the most competitive. The actual audit fees payable to EY for the year ending 31 December 2022 would be dependent on the actual scope of work and time incurred on the audit. Hence, the actual audit fees for 2022 would only be agreed on substantial completion of the 2022 audit.

We can, however, expect a very substantial increase in audit fees for the Group for the year ending 31 December 2022 for reasons enumerated above.

Finally, I would like to put on record that we received 2 very high-quality audit proposals. Based on the rigorous evaluation exercise, the ARC concluded that EY is best suited to be appointed as the new auditors of the Company.