GENERAL ANNOUNCEMENT::RESPONSES TO QUESTIONS FROM SHAREHOLDERS AND SIAS

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Company Secretary

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

Please see attached.

Attachments

ComfortDelGro - Responses to Questions from Shareholders and SIAS.pdf

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

RESPONSES TO QUESTIONS FROM SHAREHOLDERS AND THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) IN RELATION TO THE COMPANY’S 20th ANNUAL GENERAL MEETING TO BE HELD ON 28 APRIL 2023

ComfortDelGro Corporation Limited (the “**Company**” or “**CDG**”) wishes to thank shareholders and the Securities Investors Association (Singapore) (“**SIAS**”) for submitting their questions in advance of the Company’s 20th Annual General Meeting which will be convened and held on 28 April 2023 at 10.00 a.m. by way of electronic means and in person at the Auditorium, Singapore Chinese Cultural Centre, 1 Straits Boulevard, Singapore 018906.

Please refer to the Annexes A and B for our responses to the questions submitted by shareholders and the SIAS.

BY ORDER OF THE BOARD
COMFORTDELGRO CORPORATION LIMITED

Angeline Joyce Lee Siang Pohr
Company Secretary

21 April 2023

ANNEX A

FIVE QUESTIONS RECEIVED FROM SHAREHOLDERS

Q1 The profit and share price had been in decline over the past 5 years. Does the management or BODs had any solution to the problem. Is CDG sitting on past glory?

ComfortDelGro share price has fallen from $2.50 in 2020 to today's $1.16, what is the Board of directors and CEO doing to prevent it from falling further? Has ComfortDelGro been overtaken by technology as in the case of many other companies? ComfortDelGro must change to survive in this Artificial Intelligent world.

A1 The Company has recovered significantly from the height of the COVID-19 pandemic in 2020, but not to the pre-pandemic levels. Public transport ridership has yet to fully recover even as work-from-home policies have been widely adopted. The "Great Resignation" has also resulted in bus, taxi and Private Hire Car ("PHC") driver shortages. High interest rates, inflation, recession and geopolitical tensions currently frame our operating sphere. We experience all these in our global footprint.

The public transport industry remains highly competitive, while the disruption of the taxi/PHC industry, though abated, is still threatening.

With a strong balance sheet, the Company continues to invest in technologies and capabilities towards smart and green mobility, while looking aggressively for growth opportunities in overseas and also adjacent segments of the land transport portfolio.

Q2 What is your business strategy in competing against the private hire companies like Grab and Gojek? How can CDG regain the mindshare in this business segment?

A2 The Company deploys 8,750 taxis which represents ~60% of the taxi population in Singapore and ~600 PHCs. In addition, ~4,000 PHC drivers are part of our circuit on CDG Zig, which benchmarks itself against other ride hailing platforms. The next version of CDG Zig will be released in the coming months and will introduce new and enhanced UI/UX (user interface/user experience) features and services.

Q3 How is the Company funding the acquisition of the EVs and over what period?

A3 The Company's Electric Vehicle ("EV") transition will mostly be funded by internal funds and some borrowings, including green financing, and will probably stretch beyond 2040.

The timelines for the replacement of public buses from Internal Combustion Engine ("ICE") vehicles to EVs are generally set by the respective transport authorities in the countries we operate in. The replacement buses, including the relevant financing costs, will also generally be paid for by the transport authorities over the statutory useful lives of the buses.

Replacement of non-public bus vehicles across the Company has generally been funded by the Company's operating cashflows in the past. Where possible, we will prioritise replacing existing ICE vehicles with EVs whenever they are due for replacement and will work with the relevant authorities to accelerate our fleet transition while taking advantage of any available government subsidies.

The Company will also invest in upgrading our infrastructure to support the growing EV fleets across our operating geographies.

Q4 U do not send shareholders any physical Annual Report how to assess the Co's performance for the past year. U should send to us without us requesting for it.

A4 It is market practice among listed companies to stop issuing hard copies of their annual reports in order to promote digitalisation, green culture and sustainability. CDG's annual reports from as far back as 2003 are available at our corporate website.

However, upon request by shareholders we have always sent to them the printed copies without fail.

Shareholders have the option to select to receive a hard copy Annual Report ("AR") and its Circular, if any, or not by selecting one of the following options in the request form included in the shareholder circular sent previously:
1) send a printed copy for this year
2) send a printed copy as long as I am a shareholder
3) do not send a printed copy as long as I am a shareholder

We have also started seeking shareholders written consent to electronic communications since September 2022. If consent is given, documents to shareholders such as notices, circulars and annual reports will be sent electronically to the relevant shareholders in lieu of physical copies. We will be able to engage with shareholders more effectively via electronic communications and we hope that all shareholders would support our sustainability initiatives by replying positively to our request to consent to electronic communications.

Q5 This year dividend is spice up by special dividend. How sustainable is your normal dividend?

A5 The Company maintains a Dividend Payout Ratio ("DPR") policy of at least 50% of net profits and historically the Company has regularly paid dividends based on a DPR of 70%-80% of net profits.

ANNEX B

THREE QUESTIONS FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ("SIAS")

Q1. In the taxi and private-hire segment, the group remains Singapore's largest tax operator with a combined fleet of close to 9,000 Comfort and CityCab taxi, translating into a market share of about 63%. In 2013, the combined fleet was approximately 16,600.

(i) **Does management foresee the group growing its fleet in the near term? Will the group proceed with the electrification of its fleet, perhaps to gain a first-mover advantage in the market? If so, how will this be funded?**

(ii) **Rental waivers: Can management provide further elaboration on the rationale for continuing to provide rental waivers, which amounted to $43.5 million? Is there a risk that the current business model is unsustainable?**

(iii) **CDG Zig: Can management share some of the feedback received from users of the newly rebranded mobile app? What is the rating on the Apple App Store and Google Play? Has CDG Zig been benchmarked against other similar mobile apps? What are some metrics tracked by management to monitor the level of user engagement, such as daily active users (DAU), weekly active users (WAU)?**

AI. CDG currently operates a fleet of 8,750 taxis in Singapore and aims to maintain or surpass our market share. We will also aim to increase our fleet of private hire cars (PHC). We believe there is still a place for taxi and PHV to exist side by side. We will grow both taxi and PHC fleets if there is demand and continue to replace taxis that reach the end of their 8-year statutory life with EVs.

The pace of electrification will be in line with the rollout of the national EV charging infrastructure. To date we have 102 EV taxis on the road. Effort is also underway to install more chargers in our premises across Singapore. EVs and our infrastructure will mainly be internally funded.

The current rental waivers have continued as inflation and other economic factors remain a challenge for our taxi hirers. Rental discounts enable our drivers to maintain a lower fixed cost base while allowing the Group to retain drivers and maintain its fleet size. Beyond rental revenue, CDG Taxi has also introduced a fare commission component for all booking trips from Apr 2022. Fare commission is a more equitable levy as cabbies who accepted more bookings will pay more. The fare commission currently stands at 5%.

The CDG Zig app is one of 4 key ride hailing apps in Singapore. At the iOS App Store and Google Play Store, CDG Zig's rating is comparable with the other ride hailing platforms against which CDG Zig benchmarks itself. We are always working towards introducing new features and enhancing the UI/UX (user interface/user experience) of our app. New releases of enhanced features and new services are planned in the coming months.

We are unable to provide business metrics of active users as these are commercially sensitive, however we are witnessing steady growth in both downloads and monthly active users.

Q2. The profit after tax in 2022 was $218.5 million (2021: $152.9 million). However, exchange differences on the translation of foreign operations were $(148.3) million (2021: $3.3 million). Following other adjustments, the total comprehensive income for the year 2022 was $58.5 million (2021: $166.4 million).

As disclosed in the notes to the financial statements, the group uses hedging instruments to manage its exposure to fuel price fluctuations, interest rate and foreign exchange rate risks. Management stated that it manages its foreign exchange exposure by matching revenue and costs in the relevant currencies to create a natural hedge and also through active currency management using hedging instruments such as forwards and options where necessary. However, it also stated that net translation risks are regularly monitored and the group currently does not seek to hedge this exposure as it does not impact cash flows.

(i) **Can management provide its perspective on the strength of the Singapore dollar and its outlook for the other major currencies in which the company has exposure?**

(ii) The group has made substantial and increasing investments in Australia and the United Kingdom, with a smaller presence in China.

32. SEGMENT INFORMATION (CONT'D)

(ii) Geographical segments

	Revenue		Non-current assets*		Additions to non-current assets*	
	2022 $'mil	2021 Restated $'mil	2022 $'mil	2021 Restated $'mil	2022 $'mil	2021 Restated $'mil
Geographical Location						
Singapore	2,197.0	1,903.4	1,183.5	1,236.5	199.8	130.7
United Kingdom/ Ireland	795.3	807.2	512.3	565.3	57.6	17.2
Australia	690.1	665.4	879.9	949.3	31.0	48.5
China	96.2	124.2	275.2	301.2	28.7	32.3
Malaysia	2.0	1.9	3.8	3.7	0.7	0.6
Vietnam	0.2	0.7	–	2.8	–	2.1
Total	3,780.8	3,502.8	2,854.7	3,058.8	317.8	231.4

* Comprising vehicles, premises and equipment, intangible assets and goodwill.

(Source: annual report)

Given the group's ongoing investments in foreign markets, would it be timely for the Audit & Risk Committee to assess the group's foreign currency risk and potential exposure to exchange rate fluctuations?

(iii) **Does the board make decisions on long-term foreign investments only after taking into account foreign currency risks?**

A2. The Group's profits from overseas operations are naturally hedged as both revenue and costs are denominated in the respective local currencies of the Countries in which we operate. Hence on an overall basis these have no significant impact on our reporting results.

Exchange differences on the translation of foreign operations relate to the revaluation of the Group's non-Singapore dollar denominated entities balance sheets to Singapore dollars at current prevailing exchange rates versus the prevailing rates at the previous balance sheet date and are non-cash in nature. These long-term investments represent the Group's overseas expansions. Any exchange differences would only crystalise into a real gain or loss for the Group if and when we divest the underlying non-Singapore dollar denominated entities.

The Company monitors the foreign exchange movements of the Groups operating currencies daily and monitors the market consensus for each currency through Bloomberg, with current mean forecasts for British Pounds and Chinese Yuan stable against the Singapore dollar for the remainder of 2023 and the Australian dollar expected to strengthen against the Singapore dollar based on current mean forecasts.

The Audit & Risk Committee includes foreign currency risk in its assessment of the Group's overall risk profile which is reviewed annually and monitored on an ongoing basis. The Investment Committee and the Board also take foreign exchange exposures into consideration when assessing any potential long-term investments in foreign markets along with all other potential exposures.

Q3. As noted in the chairman's statement, 2023 is a significant year for the company as it celebrates "20 years of existence, of moving people and of delivering on [its] promises". This will also mark a new leadership regime as the chairman will be stepping down after helming the group for two decades.

The full chairman's message can be found on pages 14 to 21 of the annual report.

With regard to board succession, if re-elected at the annual general meeting, Mr Mark Christopher Greaves, who has been a director of the company since May 2020, will take over as chairman of the board. Mr Mark Christopher Greaves is an accomplished banker and businessman. He spent 25 years with global merchant banking group, N M Rothschild & Sons, and subsequently set up his own corporate consulting and strategic advisory practice. Mr Mark Christopher Greaves has been based in Asia for over 40 years and has extensive experience on listed company boards in Singapore, the UK and elsewhere.

Similarly, if re-elected, Mr Choi Shing Kwok, who joined the board in 2022, will be appointed deputy chairman after the upcoming AGM. Before his retirement from the Civil Service in 2017, Mr Choi Shing Kwok was the Permanent Secretary (PS) of the then Ministry of the Environment and Water Resources for five years. He also served seven years as the PS of the Ministry of Transport before that.

The biographies of two directors can be found on pages 28 & 29 and the extract of the announcements of appointment is reproduced below:

Date Of Appointment 23/05/2020	Date Of Appointment 01/08/2022
Name Of Person Mark Christopher Greaves	Name Of Person Choi Shing Kwok
Age 63	Age 63
Country Of Principal Residence Singapore	Country Of Principal Residence Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process) Mr Mark Christopher Greaves (Mr Greaves) was recommended to be a Director by the Nominating Committee. The Board of Directors approved the recommendation of the Nominating Committee, having considered Mr Greaves' qualifications and working experience, which will provide greater balance and diversity of skills, experience and knowledge amongst Directors and continue to provide a strong independent element on the Board.	The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process) The Board approved the Nominating and Remuneration Committee ("NRC")'s recommendation to appoint Mr Choi Shing Kwok as a member of the Board of Directors based on his independence, qualifications and working experience. The Board also believes that he will provide greater balance and diversity of skills, experience and knowledge amongst Directors.

(Source: company announcements)

(i) **Can the nominating and remuneration committee (NRC) help shareholders better understand the rationale, selection criteria and the search and nomination process that led to the appointments of Mr Mark Christopher Greaves and Mr Choi Shing Kwok in 2020 and 2022 respectively?**

A3. Both Mr Mark Christopher Greaves ("Mr Greaves") and Mr Choi Shing Kwok ("Mr Choi") were names familiar with our business raised by the Chairman and the Board. They both went through a rigorous interview process with the NRC before being recommended to the Board for their respective appointments.

Mr Greaves had a long career in the merchant banking industry in Singapore, the UK and across Asia, and has a wealth of experience and an extensive network of business contacts in these locations. He also has strong knowledge of the legal and regulatory framework. His professional expertise and corporate business acumen will continue to lead the Board in its efforts to steer the Group in its strategic multi-jurisdiction business growth initiatives.

Mr Choi spent many years in the Civil Service and has profound knowledge of the transportation and environment industries. In addition, he has a sound understanding of corporate governance and keen business acumen from his experience as a Director in other commercial entities. Mr Choi will be key in helping the new Chairman drive the Board's strategic decision making and enhancing corporate governance within the Group.

The Board initiated its director renewal process since 2017. In searching for suitable candidates, the Board has always adhered to the Board Diversity Policy which requires, amongst other things, due consideration being given to the skills matrix of the Board as well as gender, skills, knowledge and representation of tripartism of industry, labour and government on the Board. On this, the Board started very early to bring on board directors versatile in Sustainability, Artificial Intelligence and Digitalisation. In addition to the tripartism that the Board subscribes since inception of the Group in 2003, we also went ahead to ensure that the gender representation on the board is reasonable. We were ahead of the targets set by the Council of Diversity.

The landscape of the business over the next few years was also a crucial factor that the NRC considered in its succession planning for the Chairman in 2023.