

GENERAL ANNOUNCEMENT::EGM - RESPONSE TO SHAREHOLDERS' QUESTIONS

Issuer & Securities

Issuer/ Manager

COMFORTDELGRO CORPORATION LIMITED

Securities

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EGM - RESPONSE TO SHAREHOLDERS' QUESTIONS

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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 - EGM - Response to Shareholders Questions.pdf](#)

Total size = 171K MB



COMFORTDELGRO CORPORATION LIMITED

(Company Registration No. 200300002K)

(Incorporated in the Republic of Singapore)

**EXTRAORDINARY GENERAL MEETING TO BE HELD ON 2 SEPTEMBER 2022
COMPANY'S RESPONSE TO SHAREHOLDERS' QUESTIONS**

The Board of Directors (the "**Board**") of ComfortDelGro Corporation Limited (the "**Company**") wishes to thank shareholders of the Company for taking time to read the Notice of Extraordinary General Meeting ("**EGM**") to be held on Friday, 2 September 2022 at 10.00 a.m. and the Circular regarding the Proposed Appointment of New Auditors (the "**Circular**").

As at 10 a.m. on Thursday 25 August 2022, the Company has received one substantial and relevant question with regard to the Circular. The Company's response is as attached in Annex A.

**BY ORDER OF THE BOARD
COMFORTDELGRO CORPORATION LIMITED**

Angeline Joyce Lee Siang Pohr
Company Secretary

26 August 2022

Annex A

Question from shareholder, Mr Yap Kim Kee.

What are the estimated audit fees for Ernst & Young and the fees paid to Deloitte for the last external audit?

Deloitte & Touche (“DT”) have been the auditors to the Group and its listed subsidiaries since 2003. Although DT’s audit fees have increased gradually over time, they have remained reasonable and the Group had not sought a change in auditors as DT had discharged their duties well and professionally throughout their tenure. We believe that DT was able to keep their audit fees at a very competitive level in the past years by leveraging on their cumulative experience in auditing the Group, amongst other factors.

Unfortunately, shareholders did not vote to re-appoint DT at the 2022 AGM. As such, the Group had no option but to search for new auditors at short notice to ensure that the financial results for the year ending 31 December 2022 are audited in a timely manner.

Given the very compressed timeline that the new auditors had to work with, we were very fortunate in being able to attract very high-quality audit proposals. In normal circumstances, the audit tender would have been conducted at least a year ahead to enable participating firms to familiarise themselves with the Group and for the Group to evaluate the audit proposals.

Based on our rigorous evaluation, the ARC concluded that Ernst & Young LLP (“EY”) is best suited to be appointed as the new auditors of the Group.

You would have read from news reports that the audit sector is facing a talent crunch as fresh accountancy graduates and young accountants have 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. 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 of the Group’s extensive operations across seven countries, shareholders should not be surprised to see a significant increase in audit fees.

The range of estimated fees provided by EY was 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.

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