

## REPL::ANNUAL GENERAL MEETING::VOLUNTARY

### Issuer & Securities

#### Issuer/ Manager

COMFORTDELGRO CORPORATION LIMITED

#### Security

COMFORTDELGRO CORPORATION LTD - SG1N31909426 - C52

### Announcement Details

#### Announcement Title

Annual General Meeting

#### Date & Time of Broadcast

01-May-2022 23:37:27

#### Status

Replacement

#### Announcement Reference

SG220331MEET6KDQ

#### Submitted By (Co./ Ind. Name)

Angeline Joyce Lee Siang Pohr

#### Designation

Company Secretary

#### Financial Year End

31/12/2021

### Event Narrative

Narrative Type	Narrative Text
Additional Text	(1) Notice of Annual General Meeting; and (2) Proxy Form
Additional Text	(1) Results of the 19th Annual General Meeting held on 29 April 2022; and (2) Group Chief Financial Officer's Presentation Slides at the AGM (Summary of FY2021 Financial Results Presentation)
Additional Text	(1) Company's Responses to Shareholders Pre-Annual General Meeting Questions

### Event Dates

Meeting Date and Time

29/04/2022 10:00:00

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Response Deadline Date

26/04/2022 10:00:00

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Event Venue(s)

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Place

Venue(s)	Venue details
Meeting Venue	Auditorium Singapore Chinese Cultural Centre 1 Straits Boulevard Singapore 018906

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Attachments

[ComfortDelGro - Notice of AGM -Business Times Notice Section.pdf](#)

[ComfortDelGro - Proxy Form.pdf](#)

[CDG - AGM Results on 29.4.2022.SGXNET.pdf](#)

[CDG - Summary of 2021 Financial Results Presentation - 19th AGM 29.4.2022.pdf](#)

[ComfortDelGro - Response to Shareholders Questions.pdf](#)

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Total size =862K MB

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Related Announcements

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Related Announcements

[29/04/2022 12:30:20](#)

[31/03/2022 00:18:58](#)

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**COMFORTDELGRO CORPORATION LIMITED**

(Company Registration No. 200300002K)  
(Incorporated in the Republic of Singapore)

**RESULTS OF THE NINETEENTH ANNUAL GENERAL MEETING HELD ON 29 APRIL 2022**

ComfortDelGro Corporation Limited (the “**Company**”) is pleased to announce that, pursuant to Rule 704(16) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), on a poll vote, all resolutions as set out in the Notice of Annual General Meeting (“**AGM**”) dated 31 March 2022 (save for Resolutions 5 and 8) have been duly approved and passed by the Shareholders at the Nineteenth AGM of the Company held on 29 April 2022.

The results of the poll on each of the resolutions put to the vote at the AGM are set out below:

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of Shares	%	Number of Shares	%
<b>Ordinary Business</b>					
<b>Resolution 1</b> Adoption of Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2021	690,381,636	690,043,846	99.95	337,790	0.05
<b>Resolution 2</b> Declaration of Final Dividend for the financial year ended 31 December 2021	691,680,363	681,073,917	98.47	10,606,446	1.53
<b>Resolution 3</b> Approval of Directors’ Fees amounting to S\$1,004,476 for financial year ended 31 December 2021	690,869,228	685,065,565	99.16	5,803,663	0.84
<b>Resolution 4</b> Re-election of Ms Jessica Cheam as a Director	691,559,036	670,968,437	97.02	20,590,599	2.98
<b>Resolution 5</b> Re-election of Mr Chiang Chie Foo as a Director	An announcement was released by the Company to withdraw this resolution on 26 April 2022. Mr Chiang Chie Foo retired as Independent Non-Executive Director at the conclusion of the Company’s AGM, pursuant to Regulation 93 of the Constitution of the Company.				

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of Shares	%	Number of Shares	%
<b>Resolution 6</b> Re-election of Professor Ooi Beng Chin as a Director	691,450,036	689,830,676	99.77	1,619,360	0.23
<b>Resolution 7</b> Re-election of Mr Lee Jee Cheng Philip as a Director	691,450,036	690,835,246	99.91	614,790	0.09
<b>Resolution 8</b> Re-appointment of Messrs Deloitte & Touche LLP as Auditors and authorising the Directors to fix their remuneration	691,375,369	176,742,418	25.56	514,632,951	74.44
<b>Special Business</b>					
<b>Resolution 9</b> Authority to issue shares under the ComfortDelGro Executive Share Award Scheme	689,408,086	658,685,529	95.54	30,722,557	4.46
<b>Resolution 10</b> Renewal of Share Buyback Mandate	691,130,134	689,338,503	99.74	1,791,631	0.26

**DETAILS OF SHAREHOLDERS WHO ABSTAINED FROM VOTING ON RESOLUTIONS 3 AND 9 ARE SET OUT BELOW:**

- (i) All the Non-Executive Directors of the Company, who are also Shareholders and collectively hold 676,925 shares, abstained from voting on Resolution 3 in respect of the payment of Directors' Fees to the Non-Executive Directors for the financial year ended 31 December 2021.
- (ii) The Company's Executive Director and employees who are shareholders of the Company and are eligible to participate in the ComfortDelGro Executive Share Award Scheme ("**CDG ESAS**"), were required to abstain from voting on Resolution 9 in respect of the adoption of CDG ESAS. The following parties had abstained from voting on Resolution 9:

<b>Name</b>	<b>Number of Shares Held as at 29 April 2022</b>
Mr Yang Ban Seng	: 399,668
Shareholders who are eligible to participate in the CDG ESAS	: 1,417,250
<b>Total</b>	<b>: 1,816,918</b>

## **SCRUTINEERS**

Messrs Deloitte & Touche LLP (“**Deloitte**”) and Mr Chong Yew Fui, Adrian (Group Chief Internal Audit Officer) were appointed as joint scrutineers for Resolutions 1 to 7 and 10, while Mr Chong was appointed as sole scrutineer for Resolution 8 and Deloitte was appointed as sole scrutineer for Resolution 9.

## **RE-APPOINTMENT OF DIRECTORS TO THE AUDIT AND RISK COMMITTEE**

Mr Lee Jee Cheng Philip, who was re-elected as a Director of the Company at the AGM, will be appointed as the Chairman of the Audit and Risk Committee, and Ms Jessica Cheam, who was re-elected as a Director of the Company at the AGM will continue to serve as a member of the Audit and Risk Committee. The Board considers Mr Lee and Ms Cheam as Independent Directors of the Company, pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Lee Khai Fatt, Kyle who retired as a Director of the Company at the AGM has ceased to be the Chairman of the Audit and Risk Committee. Mr Chiang Chie Foo and Dr Wang Kai Yuen, who retired as Directors of the Company at the AGM have ceased to be members of the Audit and Risk Committee.

An announcement in relation to the changes to the composition of the Board and Board Committees will be released separately.

## **ELECTION OF AUDITORS**

Resolution 8 in relation to the re-election of Messrs Deloitte & Touche LLP as Auditors and authorising the Directors to fix their remuneration was not passed at the AGM. With this, Deloitte will not be re-appointed as the Auditors of the Company. A new auditing firm will be appointed as the Auditors of the Company for the financial year ending 31 December 2022.

The Company will keep the Shareholders updated of developments relating to this subject matter as required by applicable laws and rules and will seek the relevant approvals from Shareholders in due course.

## **GROUP CHIEF FINANCIAL OFFICER’S PRESENTATION SLIDES AT THE AGM**

A copy of the slides presented by the Company’s Group Chief Financial Officer, Mr Koh Thong Hean, Derek, at the AGM is enclosed for shareholders’ reference.

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

Angeline Joyce Lee Siang Pohr  
Company Secretary

29 April 2022



# Summary of 2021 Financial Results Presentation

19th Annual General Meeting  
29 April 2022

**COMFORTDELGRO**

# Disclaimer

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# Contents

- Review of Financial Results
- Dividend Payout and Shareholder Return



# REVIEW OF FINANCIAL RESULTS

# Income Statement – 2021

	2021	2020 <sup>1</sup>	Fav/(Adv)
Revenue (\$'m)	3,538.3	3,242.6	295.7 / 9.1%
Operating Costs (\$'m)	(2,903.0)	(2,629.4)	(273.6) / (10.4%)
Depreciation and Amortisation (\$'m)	(401.6)	(432.0)	30.4 / 7.0%
Operating Profit excl. non-recurring items ("OPE")	233.7	181.2	52.5 / 29.0%
Net Gain/(Loss) on Disposal (\$m)	(14.7)	(11.2)	(3.5) / (31.3%)
Impairment (\$'m)	(9.0)	(48.3)	39.3 / 81.4%
Operating Profit (\$'m)	210.0	121.7	88.3 / 72.6%
Profit After Tax (\$'m)	160.0	91.7	68.3 / 74.5%
Profit After Tax and MI (\$'m)	130.1	60.8	69.3 / 114.0%
EBITDA (\$'m) <sup>2</sup>	635.3	613.2	22.1 / 3.6%
Operating Profit/(Loss) before COVID-19 Government relief (\$'m)	125.4	(47.6)	173.0 / 363.4%
COVID-19 Government relief (\$'m)	84.6	169.3	(84.7) / (50.0%)
Operating Profit after COVID-19 Government relief (\$'m)	210.0	121.7	88.3 / 72.6%
OPE excl. Government Relief (\$'m)	149.1	11.9	137.2 / 1,152.9%

Page 5 <sup>1</sup> 2020 has been restated due to a change in accounting policy;  
<sup>2</sup> EBITDA excludes impairment and net gain/(loss) on disposal

# Income Statement – Quarter-to-Quarter

	1Q2021	2Q2021	3Q2021	4Q2021	2021
Revenue (\$'m)	856.3	886.2	880.3	915.5	3,538.3
Other Operating Costs (\$'m)	(675.2)	(728.6)	(738.2)	(761.0)	(2,903.0)
Depreciation and Amortisation (\$'m)	(100.1)	(105.7)	(102.5)	(93.3)	(401.6)
Operating Profit excl. non-recurring items ("OPE")	81.0	51.9	39.6	61.2	233.7
Net Gain/(Loss) on Disposal	0.3	1.4	0.7	(17.1)	(14.7)
Impairment	-	-	-	(9.0)	(9.0)
Operating Profit (\$'m)	81.3	53.3	40.3	35.1	210.0
Profit After Tax (\$'m)	66.8	40.8	31.3	21.1	160.0
Profit After Tax and MI (\$'m)	56.2	34.8	25.8	13.3	130.1
EBITDA (\$'m) <sup>1</sup>	181.1	157.6	142.1	154.5	635.3
Operating Profit before Government relief (\$'m)	47.9	29.5	20.5	27.5	125.4
COVID-19 Government relief (\$'m)	33.4	23.8	19.8	7.6	84.6
Operating Profit after Government relief (\$'m)	81.3	53.3	40.3	35.1	210.0
OPE excl. Government Relief (\$'m)	47.6	28.1	19.8	53.6	149.1

# Income Statement – 2021

## 2021 vs 2020

- Revenue ↑\$295.7m or 9.1%
  - Excluding Government relief, Revenue ↑\$293.9m or 9.1% - Public Transport Services ↑\$232.7m; Taxi ↑\$27.6m; Inspection & Testing ↑\$14.8m; Automotive Engineering Services ↑\$12.4m; Driving Centre ↑\$11.1m
  - Includes Government relief of \$21.6m vs 2020: \$19.8m, i.e. ↑\$1.8m
    - Revenue support for charter bus businesses in the UK – \$13.0m
    - Relief for unhired taxis, property tax and rental in Singapore – \$7.0m
    - VAT exemption in China – \$1.6m
- Operating Costs ↑(\$273.6m) or (10.4%)
  - Excluding Government relief, Total Operating Costs ↑(\$187.1m) or (6.7%) - Public Transport Services ↑(\$177.3m)
  - Includes Government relief of \$63.0m vs 2020: \$149.5m, i.e. ↓(\$86.5m)
    - Jobs Support Scheme and waiver of Foreign Worker Levy in Singapore – \$59.3m
    - Employee furlough scheme in the UK – \$3.7m
- Depreciation ↓\$30.4m or 7.0% – from tightly controlled CAPEX spending during the pandemic
- Net Loss on Disposal of (\$14.7m)
  - Mostly from loss on disposal of 241 diesel buses in Singapore Public Transport as part of Downtown Line transition to NRFF V2 agreement (\$15.8m)
- Impairment provisions of (\$9.0m) on various businesses
  - (i) Taxi businesses in Australia – (\$5.5m); (ii) Driving Centre businesses in China – (\$3.5m)

# Balance Sheet

	Dec 21	Dec 20 <sup>1</sup>	Fav/(Adv)
Cash and short-term deposits (\$'m)	919.1	742.8	176.3 / 23.7%
Other current assets (\$'m)	669.2	681.4	(12.2) / (1.8%)
Non-current assets (\$'m)	3,366.7	3,534.4	(167.7) / (4.7%)
<b>Total Assets (\$'m)</b>	<b>4,955.0</b>	<b>4,958.6</b>	<b>(3.6) / (0.1%)</b>
Current liabilities (\$'m)	990.1	1,012.5	22.4 / 2.2%
Non-current liabilities (\$'m)	828.6	877.4	48.8 / 5.6%
<b>Total Liabilities (\$'m)</b>	<b>1,818.7</b>	<b>1,889.9</b>	<b>71.2 / 3.8%</b>
<b>Total Equity (\$'m)</b>	<b>3,136.3</b>	<b>3,068.7</b>	<b>67.6 / 2.2%</b>
<b>Net Asset Value per ordinary share (cents)</b>	<b>124.90</b>	<b>122.15</b>	<b>2.75 / 2.3%</b>

- Decrease in non-current assets mainly due to depreciation partially offset by net capex
- Decrease in total liabilities mainly due to repayment of borrowings and lower Government relief in advance, partially offset by increase in trade and other payables
- Increase in total equity mainly due to profit for the period, partially offset by dividends paid

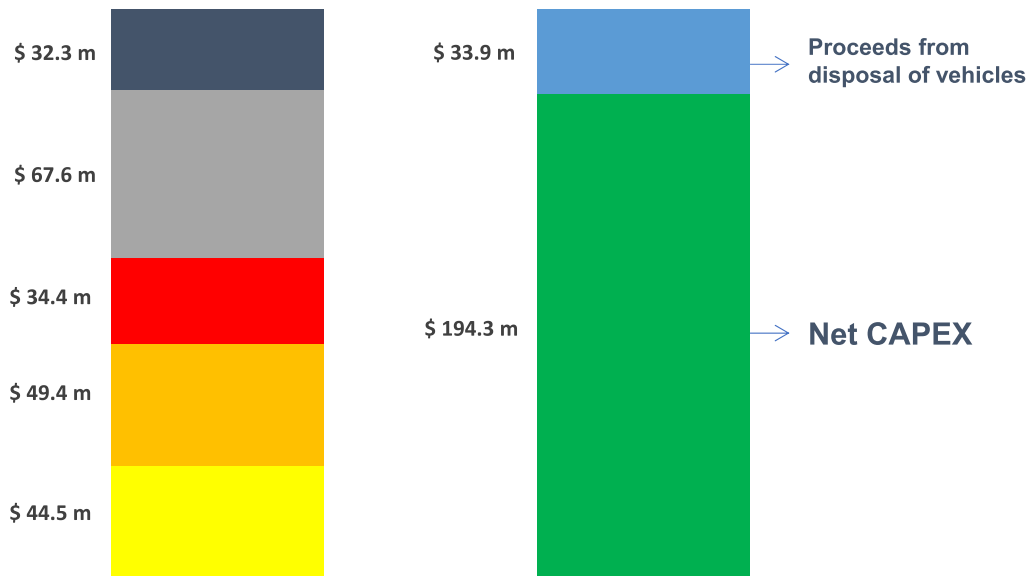
# Cashflow

	2021 (\$'m)		2020 (\$'m)	
<b>Cash from Operating Activities</b>		<b>732.2</b>		<b>632.2</b>
<u>Utilisation of Cash:</u>				
Net CAPEX	(194.3)		(106.1)	
Dividends	(107.4)		(144.4)	
Tax	(67.0)		(82.7)	
Others	(12.7)		(3.0)	
<b>Total Utilisation of Cash</b>		<b>(381.4)</b>		<b>(336.2)</b>
<b>Net Decrease in Borrowings</b>		<b>(174.5)</b>		<b>(147.4)</b>
<b>Net Cash Inflow</b>		<b>176.3</b>		<b>148.6</b>

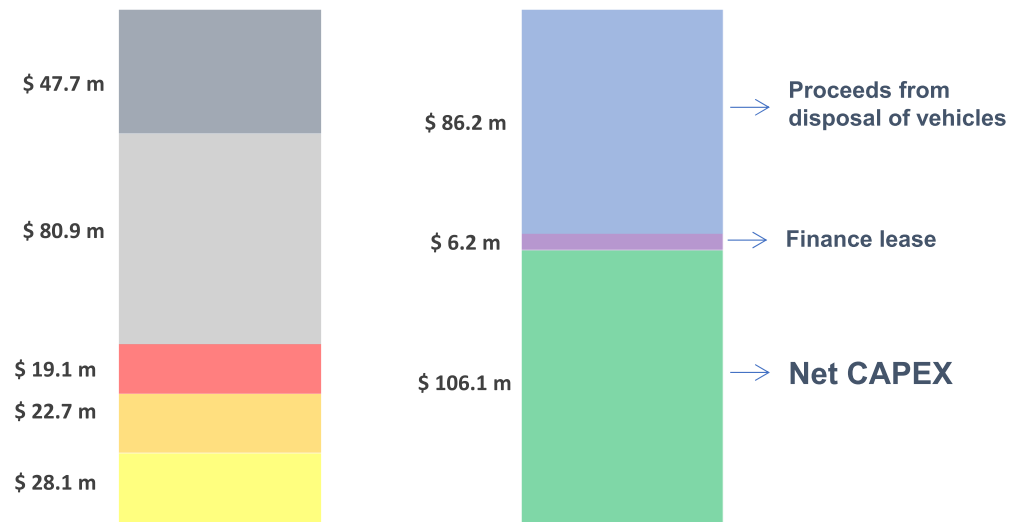
- 2021 Free Cash Flow ("FCF") \$370.9m vs 2020 \$418.0m
  - 2021 FCF = EBITDA \$635.3m – net capex (\$194.9m) – tax (\$67.0m) – net interest (\$2.5m)
  - 2020 FCF = EBITDA \$613.2m – net capex (\$106.1m) – tax (\$82.7m) – net interest (\$6.4m)

# CAPEX Summary

**2021**  
\$228.2m



**2020**  
\$198.5m



■ Buses   
 ■ Taxis   
 ■ Other vehicles   
 ■ Land and buildings   
 ■ Others

- Buses – purchase of hybrid bus fleet in AU for fleet replacement for transport authorities which are funded by contracts
- Taxi – SG taxi diesel to hybrid programme continued, further EV taxis purchased in China
- Other vehicles – new and replacement SG rental and driving school vehicles, non-emergency ambulances in SG and AU
- Land and buildings – new office building for SETSCO and depot/train station renovation works in SG/AU/UK

Page 10 Others includes equipment \$24.1m and Operational Technology \$18.7m



# Financial Summary

- **COVID-19**
  - Vaccinations progressing well across major economies and nations
  - Re-opening strategies continue, international travel resuming
  - Spikes and mutations remain a worry
- **P&L – 2021 Group PATMI \$130.1m**
  - Significant improvement on lockdown-hit 2020 as COVID-19 restrictions relaxed
  - Government relief in 2021 of \$84.6m vs \$169.3m in 2020
  - Revenue improved 9.1% year-on-year
  - Operating Profit excl. non-recurring items and Government relief of \$149.1m vs \$11.9m in 2020
- **Balance Sheet**
  - Balance sheet remains strong
  - Free cash flows, cash and facilities adequate for business continuity and growth

# DIVIDEND PAYOUT AND SHAREHOLDER RETURN

# Financial Year 2021 Dividend Payout

	FY2021 (cents)	FY2020 (cents)	Increase / (decrease)
<b>EPS (Cents)</b>	<b>6.00</b>	<b>2.81</b>	<b>3.19 / 113.5%</b>
Interim Dividend	2.10	-	2.10 / NM
<b>Final Dividend</b>	<b>2.10</b>	<b>1.43</b>	<b>0.67 / 46.8%</b>
<b>Total</b>	<b>4.20</b>	<b>1.43</b>	<b>2.77 / 193.7%</b>
Dividend payout ratio	70.0%	50.0%	
ComfortDelGro share price as of 31 Dec	1.40	1.67	
Dividend yield	3.0%	0.9%	

THANK YOU



(Company Registration No. 200300002K)  
(Incorporated in the Republic of Singapore)

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**COMPANY'S RESPONSES TO SHAREHOLDERS' PRE-ANNUAL  
GENERAL MEETING QUESTIONS**

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The Board of Directors (the "**Board**") of ComfortDelGro Corporation Limited (the "**Company**" or "**CDG**") wishes to thank all shareholders of the Company for submitting questions relating to the Resolutions as set out in the Notice of the Annual General Meeting ("**AGM**") dated 31 March 2022 and the Company's Annual Report for the financial year ended 31 December 2021 (the "**Annual Report**").

The Company's Managing Director/Group Chief Executive Officer, Mr Yang Ban Seng addressed the questions submitted by the shareholders of the Company before the date of the AGM on 29 April 2022 during the AGM proceedings ("**Response**").

The Response is extracted and attached in Annex A, for Shareholders' information.

The full text of the AGM minutes will be published in the later part of this month.

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

Angeline Joyce Lee Siang Pohr  
Company Secretary  
1 May 2022

## ANNEX A

### EXTRACT OF SPEECH BY MANAGING DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER, ADDRESSING PRE-AGM QUESTIONS FROM SHAREHOLDERS

Good Morning, Ladies and Gentlemen.

I will take it that the Annual Report has been read. Chairman has given a very detailed statement covering the Group's businesses and future plans.

We have received questions from many shareholders. As Chairman has said earlier, we have grouped the questions by subject. Many of you asked about the financial and post COVID-19 business outlook, business risks, future growth plans, and sustainability initiatives including electric vehicles (EVs). I will cover each of these topics in as much detail as possible without breaching any legal boundaries.

#### Our Operating Environment

The Group ended financial year 2021 (FY2021) with an operating profit of \$210m. Despite the ongoing pandemic and lower Government Reliefs last year, the Group achieved improved earnings on the back of increased business activities. The situation today is indeed brighter than a year ago. As the Omicron COVID-19 wave subsides, we can expect economic and social activities to pick up. Barring the emergence of any new COVID-19 variants, we are cautiously confident that this is the start of sustained recovery, as countries and societies learn to live with COVID-19 as an endemic.

Here in Singapore, we see the easing of social restrictions, lifting of 10.30 pm drinking hours curfew, allowing all staff to return to office and the opening up of borders. Similarly, most restrictions have been lifted in the UK, Australia and New Zealand. Across the geographies that ComfortDelGro operates in, China is the only country that is still considerably affected. The pursuit of a zero-COVID-19 strategy comes at a high cost of lock downs across various Chinese cities, including Shanghai and Jilin where we have taxi operations. However, the number of COVID-19 cases has dropped tremendously in Jilin and business can be expected to resume soon. Similarly, in Shanghai, the city has started easing up a few days ago. In Beijing, there were reported cases but the situation is still stable without any transport disruption. In the other cities like Chengdu and Shenyang where we have taxi operations, they are less affected.

I will now share our assessment on the various key business segments.

#### Public Transport

The public transportation sector (bus, rail and coach) constitutes a significant 80% of our total revenue of our operations in Singapore, London and Australia. As bus and rail in Singapore are operated under another listed company, SBS Transit, I will speak in respect of public information as a major shareholder of SBS Transit.

The bus contracting models across Singapore, Australia and London are pretty similar, where we are paid to run scheduled bus services, and we do not take bus ridership nor revenue risk. Today, our public bus schedules across all cities globally have reverted to full service levels.

In Singapore, our rail ridership has recovered up to 65% or 70% of pre-COVID-19 levels as compared to 60% or 65% as of end 2021. The Downtown Line has transited to a revised financing “cap and collar” framework with effect this year which will see the Government shoulder a portion of ridership risks. This change will ensure that we continue to deliver reliable train services in a financially sustainable manner.

We expect public transport ridership levels to improve in 2022 compared to 2021, although the "new normal" ridership level remains to be seen.

### Private Mobility – Taxi Business

While we maintain our market share of 60%, our Singapore taxi fleet continued to decline in 2021. This is a trend across all other taxi and private hire (PH) operators. Today, we cannot view taxi and PHVs as separate businesses. Both are essentially point-to-point transport service providers. Therefore, the Group has forayed into the private hire business by renting out vehicles to private hire and onboarding PHV drivers onto our booking platform. This will help to grow our supply of vehicles to cater for the increased demand in booking jobs, especially as the economy improves. To-date, we have about 300 cars in our PHV fleet, in addition to our 9000 taxis. We have also onboarded some 1,500 PHV drivers to take our jobs.

Last year, we disbursed close to \$86m in rental rebates to our cabbies to help sustain their earnings over the pandemic period. In fact, the rental rebate given is more than the total Government Relief that we get as a Group. With improved ridership, we expect to scale down the rental discounts this year. With the easing of restrictions, we see an increase in daily taxi bookings which is higher than that of pre-COVID-19 level. With a higher taxi ridership and the recent fare revision, the average daily net earnings of our taxi drivers are also higher than the pre-COVID-19 days. While these are early days of recovery, we are hopeful that this momentum can be sustained.

In June 2021, we created the Private Mobility Group (PMG) in Singapore, re-structuring our taxi, car rental and private bus businesses to provide point-to-point (P2P) services. This re-organisation enables ComfortDelGro to focus on different groups of customers, the consumer, business and government sectors, namely B2C, B2B and B2G, while developing a comprehensive suite of curated mobility solutions to meet their respective demands. The re-structuring exercise also help to consolidate the digital and marketing resources, and streamline the sales and product development processes. The taxi booking app was successfully revamped a week ago. Beyond taxi booking, it now includes micro-insurance and new services such as EV charging. More mobility services including booking of driving lessons, online car rental and vehicle inspections will be onboarded in time to come.

### Growth and Mergers & Acquisitions

While Singapore remains our largest market by revenue, we are acutely aware that the headroom for growth is limited. The Group has been exploring opportunities in overseas markets. Our tender win to operate the Auckland Rail Network marks our successful foray into the New Zealand market. Together with our joint venture partner, we operate 4 lines covering 95km for the next 8 years on a cost-plus model with an annual contract revenue of about \$100m. By establishing our foothold in Auckland, we

are now better positioned to pursue and hunt for mobility business prospects in New Zealand.

Besides New Zealand, we are exploring rail businesses in other territories. As I had shared last year, we have signed an agreement with RATP, a French-government owned company and the largest rail operator in Paris, to jointly tender for rail projects. I am happy to share that our consortium has been shortlisted for the rail tenders for the Greater Paris Express Line 15, 16 and 17. If awarded, these contract tenders will be for a minimum of 6 years with further extension options. These systems are expected to start full operations in 2025/2026.

Our consortium with our Australian partners, has also been shortlisted for the Western Sydney Airport rail project. This is a 23-km long line being delivered as a Private-Public Partnership or PPP with a 15-year O&M (operations and maintenance) contract tenure. It is slated to start operation in 2027. We believe our strong track records in safety, reliability and customer service experiences in Singapore and our recent rail foothold in New Zealand, will put us in a good stead for these bids.

Locally, efforts are underway to prepare for the bid for the 2 new LTA contracts, the new 24-km long Jurong Regional Line and the Cross-Island Line, estimated to be 60-km long. The two lines are scheduled to commence operations in 2027 and 2030 respectively.

The rail business is a key component of the Group's growth strategy. We will continue to identify and seize opportunities to expand our rail investments through tendering for more local and overseas rail projects.

We will also continue to scout for opportunities in China, the UK and Australia. Beyond the cities that we operate in, we look to expanding into other growing cities and provinces.

In China, before the latest round of COVID-19 lockdowns, we were looking at taxi opportunities in 2<sup>nd</sup> tier cities such as Hainan and Huizhou. Margins for the taxi business in the Chinese cities are still attractive, as taxi and ride hailing platforms co-exist under strong regulatory controls.

In the UK, although Metroline continues to maintain its No. 2 position with a market share of 18% in the London bus market, we can expect further deterioration of margins given that the TfL (Transport for London) is in deep deficit, and operating costs have unduly increased with higher energy prices and post Brexit's tight labour market condition. Our strategy is to diversify to other cities in the UK. We are participating in the Greater Manchester Bus Franchise tender representing up to 300 buses with a 5-year contract tenure. The operations are expected to start at the end of 2023. If successful, this will help strengthen the resilience of our UK business.

We continue to believe in the potential of the Australia market. We are constantly on the look-out for bolt-on acquisitions of family-owned coach operations to build up our regional business covering both contract and charter service. Over the past 6 months, we have successfully acquired two such businesses and added 60 buses to our fleet in Queensland. Our Australian team has also participated in the bid for 2 new bus packages of about 350 buses in Western Australia. We are awaiting the award outcome.



There are questions on the planned Australia Initial Public Offering (IPO) that was subsequently aborted. As many of you would know, the Company explored a potential IPO of its Australian business in 2021 with the aim of unlocking the value of our assets down under, and to also allow the Australians an opportunity to participate in our business. Unfortunately, market conditions were not conducive, with the industry hard hit by the pandemic. We continue to explore other options to generate value to our business and maximise shareholders' value. We will revisit the IPO option when market conditions improve in the future together with other options.

### Outlook & Risks

It has been more than two years since the pandemic hit us. The fact that we are all able to gather here today is an indication of better things to come. There are reasons for us to be upbeat. In Singapore and across major cities globally, we can expect further easing of restrictions and relaxation of travel protocols. Large scale events and tourists will return, together with the resumption of nightlife activities. With these, we can expect public transport ridership to improve and hopefully return to pre-COVID-19 levels soon.

We would also expect the P2P/Taxi market to stabilise. We can look forward to a modest recovery as ridership improves. There will be greater rationality in the market, especially as other ride hailing operators get themselves listed.

Over the past two years, the Group has made significant efforts to build its resilience while identifying new engines of growth. Today, ComfortDelGro has a strong balance sheet and the Group remains committed to its long-term strategy (1) to strengthen its core, (2) transform and build new capabilities in smart and green mobility, (3) looking for growth opportunities in overseas and adjacent segments.

We also recognise that there are risks, many of which are external events that could jeopardise our recovery. There is no clear outcome of the Russian-Ukrainian conflict, and there are many scenarios that could possibly derail the global economy. Higher operating costs resulting from global supply chain disruptions and rising energy prices will continue to put our margins under pressure. Fortunately, fuel expenses in public bus contracts are generally indexed on a monthly basis so that the impact on the Group's profits is controlled. There is, however, some exposure of electricity costs for our rail operations in Singapore, but the quantum is not as significant when compared to our overall fuel expenses.

All said, 2022 looks more promising with better clarity of the recovery path. There will always be possible twists and turns but the optimism that has presented itself will be our catalyst to further improve our business.

### Sustainability – Building a better Future

Since setting up its Sustainability Office, the Group has made good progress.

At the Group level, we developed our ESG framework and put in place targets and plans, including clear goals on Greenhouse Gas (GHG) reduction. For a start, we committed to reduce our GHG emission intensity by up to 20% in 2023, and 50% by 2030 from the 2015 level. Today, we are close to achieving our 2023 target – likely a

year ahead of our plan. Last year, we further committed ourselves to the Science-Based Targets initiative (SBTi), an international project to limit global warming to within 1.5C of pre-industrial level. This necessitates reducing our gross GHG emissions by more than 50% by 2032. We have since submitted our plan to the expert committee for validation, and we are looking forward to obtaining approval by June this year. Our latest Sustainability Report has been published on our website, so you may want to take a look at what else we have done.

### Electrification of Our Fleet

EVs produce less than half of carbon footprint compared with an Internal Combustion Engine (ICE) vehicle. Across our Group, we already have over 2,300 EV taxis in China. In Singapore, we have placed an order for 100 EV taxis. We are looking to put up 300 more EV taxis in Singapore by end of the year once the charging infrastructure is ready.

For our public bus fleets, the requirements are dictated by the transport authorities of the countries we operate in. We currently have around 100 electric buses and 20 hydrogen buses in London, as well as 30 electric buses with SBS Transit in Singapore. Also in Singapore, our private bus business has successfully secured projects with NUS and NTU to deploy electric buses on their campuses. When implemented in the second half of 2022, this will make us the largest private electric fleet operator in Singapore with a fleet of over 50 buses. In Australia, besides operating 48 hybrid buses, we will be partnering with the Victorian Department of Transport for an electric bus trial with an initial deployment of 1 electric bus in November this year and another 7 to be progressively rolled out next year. ComfortDelGro Australia, as part of a consortium, will also operate 2 Hydrogen fuel cell buses from 2023.

### Greater Use of Clean Energy

In 2021, our Engineering arm CDG Engineering partnered with ENGIE, a French clean energy operator to secure 3 out of 5 packages in a tender by URA to install EV charging points at public facilities all over Singapore. We will install 479 charging points by end of this year to facilitate Singapore's initiative to move towards sustainable mobility. This will also support our plan to electrify our taxi and private bus fleet. In parallel, a second consortium was set up with ENGIE to provide solar energy solutions.

The efforts of ComfortDelGro in Sustainability have been recognised by its performance with the various rating agencies. ComfortDelGro is one of 4 Singapore companies included in the Dow Jones Sustainability Index (Asia Pacific). We have remained in the Index for 3 consecutive years.

We would like to thank all our shareholders who are ready to share in the initiative to reduce printing of our Annual Report. Collectively, we can all play our part to reduce wastage and save the earth.

Thank you.