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UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: ComfortDelGro Corporation Limited

Stock code: C52

Meeting details:
Date: 22 May 2020
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. The group is the leader in the taxi market in Singapore, with close to 60% of the market share (page 8 of the annual report). From the peak of 28,736 taxis in 2014, the overall taxi population has gradually shrunk to 18,542 as at the end of 2019. A recent media article reported that unhired rate has risen from 9 per cent in January 2020 to as high as 14 per cent in the middle of March at the onset of the COVID-19 pandemic.

The group had on 30 March 2020, 4 April 2020 and 22 April 2020 announced a series of relief measures which included full rental waiver to help its hirers. The total relief package is estimated at $116 million and will push the operator into the red for the year.

(i) **Besides giving out monetary relief, did management consider how it could provide more holistic support to its taxi driver partners?**

With the intense competition from ride hailing services, the group is playing catch up with its phone booking app. Dynamic fare pricing and additional payment modes were incorporated into the booking app to enhance competitiveness and better customer experience. Specifically, in the operations review (page 35), the company has disclosed that a credit card payment option was rolled out in the ComfortDelGro Taxi Booking App in July 2019.

Dynamic pricing of fares was the cornerstone of ride hailing services 10 years ago when they started disrupting the taxi industry to better match real live demand-and-supply, as with credit card payment option for convenience.

(ii) **Would the board/management help shareholders understand if it has responded sufficiently and quickly enough in view of the competition from ride hailing services?**

(iii) **Did the board/management have the opportunity to evaluate if the pandemic would permanently and fundamentally impact the industry negatively? And if so, how is the group managing this structural shift?**

Q2. As noted in the chairman's statement, the group is involved in eight business areas in Singapore in 2019 which includes (i) Public Transport Services (Bus and Rail), (ii) Taxi, (iii) Car Rental and Private Hire, (iv) Engineering and Sale of Fuel, (v) Driving Education, (vi) Vehicle Testing and Non-Vehicle Testing Services, (vii) Vehicle and Outdoor Advertising and (viii) Insurance Broking.

Except for Rail, Insurance Broking, and Vehicle Testing, the group operates the balance of the six business areas overseas as well, in the United Kingdom/Ireland, Australia, China, Vietnam and Malaysia.

As a conglomerate, the group is in a good position to leverage on its different business units all over the world and to reap synergies.

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For instance, ComfortDelGro Corporation Australia Pty Ltd (CDC) successfully leveraged technology to improve driver performance using a telematics system.

In China, cities are on different schedules to electrify their taxi fleet. For example, Beijing Jin Jian Taxi Services Co., Ltd has already taken a big first step with the replacement of 222 older taxis with fully electric models, driven by the push from the Beijing Municipal Government.

(i) **As a conglomerate, can the board/management help shareholders understand the level of centralised/decentralised decision making in all the operating subsidiaries?**

(ii) **Has the group actively worked across organisation-silos to facilitate learning from one another so as to shorten the learning curves and to finetune its long term corporate strategies better?**

Q3. Provision 4.3 of the Code of Corporate Governance 2018 provides that the company discloses the process for the selection, appointment and reappointment of directors to the board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

The nominating committee ("NC") has stated that new directors are sourced through various channels, including recommendations of directors and management (page 64).

(i) **Would the NC elaborate further on how it has been sourcing for directors in the past 2-3 years as the company accelerated board renewal?**

(ii) **Would the NC consider using a professional search firm to shortlist for independent director-candidates so as to enable the board to cast its net wider and further improve the diversity and possibly the quality of the candidate pool?** Doing so will also minimise the risk of potential group-think.

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)

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