

**COMFORTDELGRO CORPORATION LIMITED**

(Company Registration No.: 200300002K)

(Incorporated in the Republic of Singapore)

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**MINUTES OF THE SEVENTEENTH ANNUAL GENERAL MEETING (“AGM”) OF  
COMFORTDELGRO CORPORATION LIMITED (“COMPANY”) HELD ON FRIDAY, 22  
MAY 2020 AT 10.00 A.M. BY WAY OF ELECTRONIC MEANS**

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Present:

Board of Directors:

Mr Lim Jit Poh : Chairman  
Mr Yang Ban Seng : Managing Director / Group Chief  
Executive Officer (MD/Group CEO)

Board of Directors - Via Video Link:

Ms Jessica Cheam : Director  
Mr Chiang Chie Foo : Director  
Mr Lee Khai Fatt, Kyle : Director  
Mr Ong Ah Heng : Director  
Prof Ooi Beng Chin : Director  
Ms Sum Wai Fun, Adeline : Director  
Ms Tham Ee Mern, Lilian : Director  
Dr Wang Kai Yuen : Director

In Attendance:

Mr Yeo Tee Yeok, Edwin : Joint Company Secretary

Shareholders – Via Video Link:

As per Attendance List.

## **Commencement of Meeting**

At 10.00 a.m., Chairman took the Chair and called the Meeting to order after having ascertained that a quorum was present.

Chairman said that due to the Covid-19 situation, the Company is conducting this Annual General Meeting by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Covid-19 Order").

Chairman said that the Notice of the original AGM scheduled on 24 April 2020 which was dated 25 March 2020 ("Original Notice") had been sent to all Shareholders with the Annual Report in digital format posted on the Company's website on the same day. The Original Notice was also published in The Business Times on 25 March 2020.

Chairman explained that in light of the tightened safe-distancing measures issued by the Ministry of Health in relation to the COVID-19 situation in Singapore, the AGM originally scheduled on 24 April 2020 was deferred to today, 22 May 2020, and that the Notice of today's AGM dated 28 April 2020 ("Notice") had been issued and published on the SGXNET as well as on the Company's website, in accordance with the provisions of the "Covid-19 Order".

Chairman took the Notice as read.

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

Chairman informed the Meeting that the Company had received questions from Shareholders and the Securities Investors Association of Singapore (SIAS) and that the Company had grouped them by subject, and would comment on them under the relevant Agenda items. Chairman also informed the Meeting that the Company would not be able to respond to some of these questions as they pertain to highly confidential financial information which the Company would not be able to share given the competitive business environment it operated in, and also because in some cases, any answer provided might be construed as a profit forecast.

Chairman then proceeded with the business of the Meeting.

## **Item 1: Adoption of Audited Financial Statements, Directors' Statement and Auditors' Report**

Chairman said that the first item on the Agenda was to receive and adopt the Audited Financial Statements for the Financial Year ended 31 December 2019 together with the Directors' Statement and Auditors' Report.

At this juncture, Chairman said that the Company had received questions that were relevant to this Agenda item. He then handed the meeting to Mr. Yang Ban Seng, MD/Group CEO, to address some of those questions.

Responding to various questions, MD/Group CEO recapped what Chairman had stated in the Chairman's Statement in the Annual Report 2019. He said that the Company had two major business sectors: Public Transport Services (consisting of Bus, Coach, and Rail) and Taxi. Public Transport Services accounted for 74% of the Group's total revenue while Taxi contributed 17%, making up 91% of the Group's revenue in total. He said it was clear that these two segments were very significant to the Group.

The Group's Bus operations are in Singapore, London and Australia. As Bus and Rail in Singapore are operated under another listed company, SBS Transit Ltd, MD/Group CEO said that he would speak in respect of publicly-available information of SBS Transit only, like any SBS Transit shareholder, as the Company is represented on the Board of SBS Transit by Chairman and himself. He added that the Company's representatives are in fact the minority at the Board level but since the representatives are not considered independent, there is a Lead Independent Director on the Board of SBS Transit.

MD/Group CEO said that the Bus Contracting Model in Singapore is asset light and the Group does not take the revenue risk. This is similar to the models in London and Australia. The Group does however take on revenue risk in its coach and charter operations. These are in the UK, Scotland, Ireland and Wales, Australia and Singapore. The profitability in UK and Australia was exposed to the exchange rates of their currency against the Singapore dollar, the reporting currency. In 2019, these two foreign currencies weakened against the Singapore dollar as stated in Chairman's Statement.

MD/Group CEO added that Contract Bus Services faced very strong competition, whether in Singapore or overseas. In fact, whenever tenders were up for bidding, there would always be many tenderers. In the UK, the Group had to compete against companies owned by foreign governments like RATP of France and Arriva of Germany. In Australia, the Group had to compete intensively with local operators. In Singapore, there was also very keen competition with both local operators and international operators.

MD/Group CEO said that over the last two years, the Group had partnered with several parties to trial the operation of autonomous shuttles on Sentosa, Jurong Island and the National University of Singapore campus. The objective was to gain experience and expertise in operating such vehicles in preparation for a wider launch. The Group would continue with such trials, and in the future, for autonomous taxis as well. He said that the Singapore government had ear-marked the western part of the island as a test-bed

for autonomous vehicles in the later part of this decade. It would take many more years before the technology matures, and before the social and physical infrastructures becomes ready for mass adoption of autonomous vehicles.

In response to questions about Brexit, MD/Group CEO said that Brexit would likely have some impact when it came to the recruitment of bus drivers as they typically came from neighboring countries in the EU. That said, this source of recruitment would likely account for only about 25% of the workforce. The existing workforce of drivers would not be affected if they apply for the settlement pass.

In response to questions about the Group's Australian operations, MD/Group CEO said that the massive acquisitions that the Group undertook in 2018 had been consolidated, and that the Group had derived synergies and made some good savings. Some had been immediate while others would take a while to flow through. He said that there was no doubt that the Group had benefitted from the scale of operations. Integration of the new acquisitions was progressing as planned, with many of the back-end functions rationalized. He added that the whole continent is now managed as one by a single Country CEO.

On questions about the Singapore Taxi sector, MD/Group CEO said he would deal with the pre-COVID-19 situation while Chairman would address the post-COVID-19 aspects. MD/Group CEO said that in 2019, the Group met the competition from Private Hire Operators face-on with increased investments in Apps. The Group built up its technical capabilities with development centres in India and Myanmar as reported in the Annual Report.

He said, however, that the Covid-19 phenomenon has changed the competitive landscape drastically. There is a common unseen enemy. The Taxi Business's drivers' earnings, which is monitored daily, has been very badly affected. The Group had given S\$116 million in rental rebates to-date – so much so that the Group was incurring huge losses in the Taxi Business. He said that it is part of the Group's responsibility to help its drivers, who are our business partners, as much as possible.

MD/Group CEO then handed proceedings back to the Chairman to address the post-COVID-19 aspects of the Singapore taxi sector.

Chairman noted that many would be concerned with what would happen after Covid-19. He said that while the Company had decided to cease quarterly reporting as per SGX guidelines, the Company would release some indicators of its first quarter performance later this evening in light of the current situation. The results cover January to March 2020. China was affected badly during this period. Elsewhere, the effect of the pandemic was only just being felt. The real impact on the financials would come in the second quarter. The Company would release its half-year results in August 2020.

Chairman said that the Group had been through SARS. At that time, taxi driver income was also badly hit. However, the impact of Covid-19 is many-fold worse than SARS. The repercussions of the current pandemic transcend many industries, sectors and geographies.

Chairman said that the Group had waived rental on its taxi fleet in Singapore and China to help the drivers tide over this incredibly difficult period. However, he said that the Group could not waive rental indefinitely as it would not be sustainable. The Group had to find a middle ground where both drivers and the Group can continue to survive. In Singapore, the Group had launched the ComfortDelivery App to support our cabbies with more jobs during the Circuit Breaker period. A similar service is offered by the Group's Australian taxi business. Last mile delivery could be a new business for the Group. There are opportunities in crises if those can be found.

Chairman said that there was no doubt that business would not be the same as before the crisis. Events were unfolding day by day. With governments implementing circuit breakers and lockdowns and other social distancing measures in all the countries where the Group operated, the Group's business had been severely impacted. While public transport and taxis were considered essential services and continued to operate, mileage and ridership had fallen significantly. This also had a severe knock-on effect on demand for the Group's other ancillary services like engineering services, driver training, advertising, etc. Those too had been impacted.

Chairman added that as a regulated business, the Group would be dictated by government policies. No one could say for sure whether it would be a U, V, W or L shaped recovery. But based on reports in the mainstream media, businesses were struggling, especially those in the aviation, hospitality, tourism and transportation sectors. High unemployment would be expected. Bankruptcies are in the pipeline. How long these would drag on would depend on whether a vaccine is discovered. Technology had already become widely used in everyday life. Putting on masks to move around might become the norm. Working from home would become a mainstay of many companies. International travel and globalisation would likely take a long while to resume and it might never get back to what it was.

Chairman said that it was widely expected by medical experts that the pandemic would not go away any time soon, not until an effective vaccine was developed. Even then, lifestyle and the way business is done would not be the same as before. Directives by health authorities and government agencies on social distancing and other public health hygiene measures would impact the way business would be done. Economies had been seriously disrupted, with high unemployment. It would take many years for any degree of normalcy to return. All these would have a direct impact on the Company.

Chairman added that in the meantime, the safety and health of the Group's employees, partners and customers remained the Group's top priority. The Group would ensure that all the necessary measures recommended by the health authorities are put in place for their well-being, including temperature screening and contact tracing and enhanced cleaning and disinfection regimes. The Group would work with the authorities to decisively intervene and prevent any outbreak at our workplaces and facilities.

Chairman said that the Group continued to keep a close watch on costs and cashflow, had deferred non-mission critical capital expenditure, and were following up closely on trade receivables. He added that the Board and Senior Management had taken directors' fees and pay cuts. A freeze on recruitment had also been implemented.

Chairman said that there were far too many variables to make accurate plans. But the Group still had to anticipate and change to meet the new challenges. The Board and Management had been, and would be, spending a considerable amount of time pondering over these critical issues. The Group's existence could be threatened at worst. At best, the Company would have to adjust its strategies to find our new roles.

Chairman then said that the following proposed Resolution had been put to a vote with proxy votes received in advance:

“That the Audited Financial Statements for the Financial Year ended 31 December 2019 together with the Directors' Statement and Auditors' Report submitted to this Meeting be received and adopted.”

There were 1,051,391,651 votes representing approximately 99.90% in favour of the Resolution and 1,012,729 votes or approximately 0.10% against the Resolution.

Chairman declared the Resolution duly carried.

## **Item 2: Declaration of Final Dividend**

Chairman said that Item 2 of the Agenda was to declare a final dividend.

Responding to questions received on the subject of dividends, Chairman said that the Company's dividend policy remained unchanged, which was to distribute at least 50% of profit while keeping the rest for expansion. He added that there was no reason to rule out script dividend which would preserve cash, and it might be adopted if the need arose.

Chairman said that the following proposed Resolution had been put to a vote with proxy votes received in advance:

“That a tax-exempt one-tier final dividend of 5.29 cents per ordinary share in respect of the Financial Year ended 31 December 2019, as proposed by the Board of Directors be paid on 9 June 2020 to members whose names appear on the Register of Members as at 5.00 p.m. on 2 June 2020.”

There were 1,052,495,802 votes representing approximately 99.99% in favour of the Resolution and 68,678 votes or approximately 0.01% against the Resolution.

Chairman declared the Resolution duly carried.

### **Item 3: Directors' Fees**

Chairman said that Item 3 of the Agenda was to approve Directors' Fees.

Responding to questions received on the subject of Directors' fees, Chairman said that the Directors' fees under this Resolution were for the year ended 31 December 2019. For 2020, the Directors have volunteered for a 20% reduction in the Directors' fees.

Chairman said that the Company's directors' fees were one of the lowest among the STI Index companies. Based on the figures over the years since the Company was founded in 2003 against companies of similar size and profitability, the Company's directors might be underpaid.

He added that the voluntary reduction of 20% for 2020 Directors' fees was undertaken in the spirit of solidarity with the CEO and Management, who had voluntarily taken 15% and 10% cuts in pay respectively. The total amount saved was not really significant as their packages were not excessive to begin with.

Chairman said that the following proposed Resolution had been put to a vote with proxy votes received in advance:

"That the amount of S\$948,069 proposed as Directors' Fees for the Financial Year ended 31 December 2019 be approved."

There were 1,050,380,892 votes representing approximately 99.82% in favour of the Resolution and 1,911,263 votes or approximately 0.18% against the Resolution.

Chairman declared the Resolution duly carried.

### **Item 4: Re-election of Mr Yan Ban Seng as a Director**

Chairman said that before proceeding with the next agenda item, he wished to inform that as part of the director renewal process, Mr Ong Ah Heng would retire at the conclusion of this AGM. Chairman expressed his gratitude to Mr Ong who had been a Director of the Company since 2003. Mr Ong was a member of the Audit and Risk Committee from 2003 to 2019 and a Member of the Remuneration Committee from 2017 to 2019. Chairman placed on record the Company's deepest appreciation to Mr Ong Ah Heng for his long and dedicated service to the Company.

Chairman said that pursuant to Regulation 93 of the Company's Constitution, three Directors would retire by rotation at the Meeting. They were Mr Yang Ban Seng, Mr Lee Khai Fatt, Kyle and Dr Wang Kai Yuen.

Chairman said that the retiring Directors had offered themselves for re-election, except for Mr Ong Ah Heng.

Responding to questions on Directors' succession and selection, Chairman said that the Company was continuing the Board renewal programme it initiated four years ago. Mr

Ong Ah Heng would retire at the conclusion of this Meeting. The Nominating Committee (NC), comprising of four independent non-executive Directors, is responsible for regularly reviewing the composition of the Board, identifying and proposing suitable candidates for appointment to the Board and ensuring succession plans are in place. He said that candidates are sourced through various channels, including recommendations of Directors and Management. He added that the Company believes very strongly that in the nature of the Company's regulated land transport business, the Company's Board composition should be tripartite in form.

Chairman said that the Company has no difficulty in identifying retired top civil servants to join the Company's Board. They are well known figures. The Company also has no difficulty identifying people from the labour movement to join the Company's Board as the Company has had a long history working closely with the Union in all the years it has been in operation. From the industry, the Company also has a wide network to identify potential Board members. There was really no necessity to use an executive search firm to undertake this exercise of identifying directors. However, in recruiting senior management appointments, the Company does use the services of these firms.

Chairman added that there is no question of group think once the Company's director diversity is defined. The tripartite nature is an obvious answer to defend against this group think concept. In fact, in pursuing diversity, the Company felt that Sustainability is an important element of the Company's business. The Company identified someone whom it had no prior dealings with but who is known in the industry as having the passion and the mission, and asked someone who knows her to check on her interest. When mutual interests were aligned, the Nominating Committee proceeded to meet up with her. That was how the Company found Ms Jessica Cheam. It so happens that she also fits into the Board's gender diversity besides age diversity.

Chairman said that the following proposed Resolution had been put to a vote with proxy votes received in advance:

"That Mr Yang Ban Seng be and is hereby re-elected a Director of the Company."

There were 1,010,226,350 votes representing approximately 95.98% in favour of the Resolution and 42,285,230 votes or approximately 4.02% against the Resolution.

Chairman declared the Resolution duly carried.

#### **Item 5: Re-election of Mr Lee Khai Fatt, Kyle as a Director**

Chairman said that Item 5 of the Agenda was to re-elect Mr Lee Khai Fatt, Kyle as a Director of the Company.

Chairman said that the following proposed Resolution had been put to a vote with proxy votes received in advance:

"That Mr Lee Khai Fatt, Kyle who retires at this AGM be re-elected a Director of the Company."



There were 1,046,901,756 votes representing approximately 99.46% in favour of the Resolution and 5,634,824 votes or approximately 0.54% against the Resolution.

Chairman declared the Resolution duly carried.

#### **Item 6: Re-election of Dr Wang Kai Yuen**

Chairman said that Item 6 of the Agenda was to re-elect Dr Wang Kai Yuen as a Director of the Company.

Chairman said that the following proposed Resolution had been put to a vote with proxy votes received in advance:

“That Dr Wang Kai Yuen who retires at this AGM be re-elected a Director of the Company.”

There were 896,444,383 votes representing approximately 85.17% in favour of the Resolution and 156,092,197 votes or approximately 14.83% against the Resolution.

Chairman declared the Resolution duly carried.

#### **Item 7: Retirement of Mr Ong Ah Heng as a Director**

Chairman said that Item 7 of the Agenda was to note the retirement of Mr Ong Ah Heng as a Director of the Company, as he was not seeking re-election.

The retirement of Mr Ong Ah Heng as Director of the Company was noted.

#### **Item 8: Re-appointment of Auditors**

Chairman said that Item 8 of the Agenda was to re-appoint the Auditors. Messrs Deloitte & Touche LLP, the Auditors of the Company, had expressed their willingness to accept re-appointment.

Chairman said that the following proposed Resolution had been put to a vote with proxy votes received in advance:

“That Messrs Deloitte & Touche LLP be re-appointed Auditors of the Company until the next Annual General Meeting at a fee to be agreed between the Directors and Auditors.”

There were 1,042,678,851 votes representing approximately 99.06% in favour of the Resolution and 9,857,729 votes or approximately 0.94% against the Resolution.

Chairman declared the Resolution duly carried.

### **Item 9: Authority to issues shares under the ComfortDelGro Executive Share Award Scheme**

Chairman said that Item 9 of the Agenda was to approve and renew the Company's authority to issue shares under the ComfortDelGro Executive Share Award Scheme which was approved at the Company's 2018 Annual General Meeting.

Chairman said that the following proposed Resolution had been put to a vote with proxy votes received in advance:

"That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised to offer and grant awards ("Awards") in accordance with the provisions of the ComfortDelGro Executive Share Award Scheme ("Scheme") and to allot and issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the Awards under the Scheme, provided that the aggregate number of shares to be allotted and issued pursuant to the Scheme, when added to the number of shares issued and issuable in respect of all Awards, and all shares issued and issuable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force, shall not exceed two per centum (2%) of the total issued shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier."

There were 840,422,792 votes representing 80.23% in favour of the Resolution and 207,042,134 votes or 19.77% against the Resolution.

Chairman declared the Resolution duly carried.

### **Item 10: Renewal of Share Buyback Mandate**

Chairman said Item 10 of the Agenda was to renew the Share Buyback Mandate, which was renewed at the Company's 2019 Annual General Meeting.

Responding to questions on the Share Buyback Mandate, Chairman said that the Share Buyback Mandate was originally approved by Shareholders at the Annual General Meeting on 26 April 2018. It was renewed by Shareholders at the Annual General Meeting on 26 April 2019. Although approval was given to purchase up to 10% of the total number of issued shares, in practice the Company had only purchased 255,000 shares or approximately 0.01% of the total issued shares. These shares were for awarding shares to deserving employees under the Executive Share Award Scheme approved by Shareholders.

Chairman said that the following proposed Resolution had been put to a vote with proxy votes received in advance:

“That:

(a) for the purposes of Sections 76C and 76E of the Companies Act (Chapter 50 of Singapore) (the “Companies Act”), the exercise by the directors of the Company (“Directors”) of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the “Shares”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) market purchase(s) (each a “Market Purchase”) on the Singapore Exchange Securities Trading Limited (the “SGX-ST”), or as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchase(s) (each an “Off-Market Purchase”) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the Constitution of the Company, the provisions of the Companies Act and the Listing Manual of the SGXST (“Listing Manual”) as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Buyback Mandate”);

(b) the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earliest of:

- (i) the date on which the next AGM is held or required by law to be held;
- (ii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by the Company in a general meeting; and
- (iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) in this Resolution:

“Maximum Limit” means that number of Shares representing not more than ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings); and

“Maximum Price”, in relation to a share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and ten per cent (110%) of the Average Closing Price,

Where:

“Relevant Period” means the period commencing from the date on which this resolution is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this resolution;

“Average Closing Price” means the average of the closing market prices of a Share traded on the SGX-ST over the last five (5) market days (a “Market Day” being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the day on which the purchases are made; and

“Day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors and/or any of them be and are hereby authorised to deal with the Shares purchased or acquired by the Company, pursuant to the Share Buyback Mandate in any manner as they think fit, which is permitted under the Act and the Company’s Constitution; and

- (e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.”

There were 1,042,561,550 votes representing approximately 99.05% in favour of the Resolution and 10,002,930 votes or approximately 0.95% against the Resolution.

Chairman declared the Resolution duly carried.

### **Closure of Meeting**

With the Agenda for the Meeting fully dealt with, Chairman declared the Meeting closed at 10.34 a.m.

Chairman said the Company’s usual practice is for Directors and Senior Management to meet and interact with Shareholders after the AGM, and expressed his regret that, owing to the ongoing COVID-19 situation, they were unable to do so today. He thanked all Shareholders for their cooperation, patience and understanding.

Certified as a correct record of the proceedings of Meeting.

Lim Jit Poh  
Chairman