

## **COMFORTDELGRO EXPANDS INTO CONSTRUCTION LOGISTICS BUSINESS IN CHINA**

29 November 2021 – First people. Now goods.

ComfortDelGro Corporation Limited has entered into a 60:40 joint venture (JV) which will enable it to gain a foothold in the fast growth logistics industry in China. The agreement between ComfortDelGro (China) Pte Ltd and Guangzhou Xinhongqiang Concrete Company Limited, marks the Group's first foray into construction logistics in the world's largest economy<sup>1</sup>.

With an initial start-up capital of RMB 12 million (S\$2.5 million), Guangxi ComfortDelGro Logistics Co., Ltd, will purchase a fleet of up to 35 trucks by end-2022 to deliver concrete in Nanning, Guiping and Guigang in the Guangxi Zhuang Autonomous Region in Southern China.

ComfortDelGro Managing Director/Group CEO, Mr Yang Ban Seng, said the partnership provided "an excellent opportunity" for the Group to expand into the logistics business.

"The concrete delivery business model is ideal, as we can leverage on our business management expertise and experience from our taxi business, which is quite similar. The concrete industry in the province is also primed for growth given the region's development and infrastructure sectors," he added.

Mr Zhong Hua, Director of Guangzhou Xinhongqiang Concrete Company Limited, said: "Our network already has 200 trucks serving cities in Guangxi. By establishing a JV with ComfortDelGro, we will be able to tap on its expertise in transportation to further improve our efficiency and service levels as well as enhance our competitive edge."

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<sup>1</sup> Measured by Gross Domestic Product [Largest Economies in the World \(thebalance.com\)](https://www.thebalance.com)

ComfortDelGro, which is already the largest taxi operator with a fleet of 854 taxis in Nanning, has invested S\$261.2 million in China to-date. It has operations in nine cities – Beijing, Chengdu, Guangzhou, Jilin, Nanjing, Nanning, Shanghai, Shenyang and Suzhou. Prior to this acquisition, it operated in four business areas – taxi, bus station, driving school and car rental.

The investment in Guangxi ComfortDelGro Logistics comes two years after ComfortDelGro's car rental and leasing arm expanded into the heavy vehicle class with the addition of five prime movers to its fleet. These prime movers have been leased out to Haulio, a container trucking technology company, in which ComfortDelGro has a stake made through its US\$100 million corporate venture capital fund.

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## **Background**

ComfortDelGro is one of the world's largest land transport companies with a total fleet size of 40,000 buses, taxis and rental vehicles. We also run 83km of light and heavy rail networks in Singapore. Our global operations span seven countries – Singapore, Australia, China, the United Kingdom, Ireland, Vietnam and Malaysia.

For further clarification, please call:

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