

ADDRESS BY LIM JIT POH, CHAIRMAN, AT COMFORTDELGRO CORPORATION LIMITED'S ANNUAL GENERAL MEETING HELD ON FRIDAY 28 APRIL 2023

1. Today is the last time that I chair the AGM. As you know, I did not seek re-election this morning. I shall therefore retire as Founding Chairman after 20 years in ComfortDelGro. It has been a long and beautiful journey. If I trace back to the time of Comfort, the journey is even longer at 30 years. And if VICOM is included, then it is even longer at 40 years.
2. Over this long period of four decades, I have been actively involved with all the four related companies of the ComfortDelGro family namely Comfort, DelGro, SBS Transit and VICOM. In fact, I am the only person who has been actively associated with these companies as Chairman or Director. Of course, I have to acknowledge and assume responsibilities for their successes and failures even though I have been non-executive throughout this time.
3. Over this journey of land transport and its related businesses, I find great satisfaction in seeing and participating in their progress, growth, development and change first hand. I am indeed privileged and honoured to be placed in this rare situation. I hope you too have been enriched and benefited in the process. However, more changes are expected ahead in today's uncertain and unpredictable environment. There will be more challenges too. We just have to face them in the best way that we can collectively.
4. In managing a business, especially one as large as ours, corporate governance plays a critical role. As a Group, with over 22,000 staff worldwide coming into contact with tens of thousands customers and stakeholders every single day, corporate governance is something we don't take lightly. I am very pleased to share that we have consistently ranked highly in this respect, both in Singapore and within the ASEAN. In the latter, we are one of the three Singapore companies in the ASEAN scorecard and rank within the top 20 companies in ASEAN. We are also one of the very few Singapore companies in the Dow Jones Sustainability Index Asia Pacific for the last four years since 2019. Unfortunately, we had been removed from the ST Index where we were included for 13 years from 2009 to 2022. This unfortunate fact is due primarily to

our market capitalisation which declined very significantly as a result of the inevitable and cruel disruption to our business models by the sudden application of technology, exacerbated by the ravages of the COVID-19 pandemic. As you know, we try very hard to meet these new ferocious storms by accelerating our expansion activities as well as modifying, adjusting and transforming ourselves. But these take time. I hope we will find our way back to rejoin the ST Index.

5. Our extremely high standard of corporate governance does not come by chance or luck. We work very hard to make it happen both by deeds and words.
6. Our Board of Directors, as you know, is tripartite in characteristics of labour, government and industry. This is deliberate and is our cardinal principle. It has functioned well. We are diversified in gender, age, qualification, experience and skill-sets. These should provide diversity in our outlook and our risk appetite. There is no groupthink within the Board. Latest issues of critical importance in Artificial Intelligence, Digitalisation and Sustainability feature very prominently and seriously in our board composition and discussion.
7. Our Management staff also do not demonstrate groupthink in their behaviour but instead they show teamwork which is crucial to our operations. There are also very close and cordial relationships with the authorities, labour unions and the industry. In the wider sense, we are close to all our stakeholders such as our commuters and the societies in which we operate.
8. We plan ahead and anticipate potential changes and developments. Specifically, we plan for implementation of electrification and operation within the new autonomous environment. We earnestly participate in relevant start-ups though we cannot claim to be a technology company.
9. I am very grateful to the Founding MD/Group CEO, the late Kua Hong Pak, who worked side by side with me to establish ComfortDelGro in 2003 and then carried out our plans to drive ComfortDelGro with great success. His era was focussed in integration and expansion of the businesses. Following that, I also

worked very closely with Yang Ban Seng who succeeded him in 2017. Ban Seng retired at the end of last year after putting in more than 30 years of service with the Group and its predecessor Comfort Group. His era was concerned with further expansion of the businesses besides meeting disruption created by the new external forces. Indeed it was tough. I am very pleased we managed to identify Cheng Siak Kian to succeed Ban Seng early this year. His responsibilities and duties are tougher in expansion, disruption and transformation. I have worked with Siak Kian for many years seeing him at close range as CEO of our New South Wales operations and then CEO of SBS Transit. He was identified to take over as the MD/Group CEO by a Committee of five directors chaired by me when he assumed the position of Group Deputy MD/CEO in March last year.

10. Our successors to the position of MD/Group CEO came from within the Group. There is no internal breeding but there is internal grooming. Both the two successors came from within the ranks. It is by accident and not by design that Ban Seng came from the taxi business while Siak Kian came from the bus and train business. Nevertheless, they know our businesses well.
11. Enormous and urgent challenges are ahead but I am confident that Siak Kian, being the Group's youngest MD/Group CEO to date, has the energy, strength and stamina to lead the strong team that we have to face the difficult path that lays ahead. I have no doubt that he will not disappoint. I seek your assistance and cooperation to help him to lead the Group just as I have requested the Board and Management to work well with him.
12. My successor is also from within the existing Board. I am pleased to announce that Mark Greaves who was appointed to the Board in 2020 will succeed me immediately after this AGM since he was successfully re-elected as a director this morning. I am afraid, with the hard nine-year rule for independent directors to be in place next year, his tenure is not expected to be as long as mine as Founding Chairman of twenty years. He has been with the Group for about three years already. A former senior banker in Singapore and the region previously, he is no stranger to the tasks ahead. I ask you to give him the same and more support that you have kindly and generously extended to me over the last four decades.

13. Again as part of our corporate governance development in the light of impending changes in the Code of Corporate Governance, we shall, for the first time, appoint Deputy Chairman Choi Shing Kwok to assist Mark. Shing Kwok is also not new to the land transport business having been the Permanent Secretary of the Ministry of Transport as well as the Ministry of the Environment and Water Resources. He has been with the Board for close to a year now. He is the CEO of the ISEAS-Yusof Ishak Institute and also the Chairman of Temasek's unlisted SP Services Limited.
14. I have known both Mark and Shing Kwok for a few decades in our professional encounters. I have full confidence that they together with the rest of the board directors and the new Management Leader Siak Kian or SK as he is popularly known will bring the Group to greater heights. Please join me to wish them well in the journey and tasks ahead.
15. I also wish to record my grateful thanks to all directors, both former and present, for their contributions, assistance, guidance and cooperation in the discharge of our responsibilities and duties well over the years. To the management staff, both past and present, I also wish to express my deepest appreciation for their hard work, loyalty, commitment and dedication to develop the Group to what she is today, an envy of many globally. It is not an easy achievement coming for a company from a small island republic to achieve the kind of scale we have internationally. The successes could not have been achieved without the genuine and sincere support and trust of the various authorities, the labour unions and of course all of you. A big thank you to all.
16. I also wish to thank Adeline Sum who retired with me at this AGM. Adeline, the CEO of the Singapore Labour Foundation and a very senior staff member of NTUC Enterprises, has put in 16 years of service with the Board since 2007. During her tenure she had served as Chairman of our Audit and Risk committee and a member of all the other committees like Nominating and Remuneration, Investment, Digitalization and Sustainability. Thank you, Adeline. I have been in contact with the Labour Movement and the Board had appointed a replacement to take over her position. We will make the announcement later today.

17. With Adeline and myself retiring and a new Director to be appointed on the Board after today's AGM, the Board would now comprise ten Directors with none being in the post for more than nine years. In fact, the average tenure is 2.4 years with the longest at 5.2 years. This is the watershed of our progress and development. Moving forward will be a new and younger Chairman, a younger Board and a new and younger MD/Group CEO and of course a new set of business environment and challenges.
18. Just to recap, your mandate to Hong Pak and me twenty years ago to merge Comfort and DelGro had been well executed. At the point of Merger in 2003, we had a net debt of \$238 million and 16,951 staff. At the end of last year, we had a net cash of \$653 million and 22,795 staff. There is therefore a net rise of close to \$1 billion cash and an added responsibility of looking after an additional 5,844 staff. These cash balance and goodwill were hard earned without raising capital from you as shareholders or seeking new capital from new investors. We have a declared dividend policy of paying out at least 50% of our profit when in practice we have been dishing out more, probably in the region of 70% to 80% over the last five years except 2020, the first COVID-19 year. We also payout totally any extraordinary gain that we derive. Such shall continue to be our policies as long as our cash flow permits.
19. As a matter of fact, at the point of Merger, our share price was 70 cents. Together with the dividends approved just now, we would have paid out 153.10 cents in the course of twenty years. This is more than doubled or 2.18 times your initial investment, not forgetting that the share price itself has also improved dramatically. The compound annual growth rate of total shareholders return over the 20 year period is in the region of 7.1%. This is indeed very respectable.
20. The dotcom implosion of the mid 90s lasted six years from 1995 to 2001. The five well-known ride hailing entities, first started in USA with Lyft in 2007 and Uber in 2009, and then spread to our parts of the world with Gojek of Indonesia in 2010, and Grab and Didi of Singapore and China respectively in 2012. They are now more than 10 years in existence, far longer than the dotcom phenomenon. They generate a huge amount of revenue but are

not profitable at all. Their revenue growth number is derived purely on large subsidies offered to attract and benefit the commuters instantly. Will this last? It will be interesting to watch as interest rates rise and funds are no longer cheap and easily available.

21. We have to continually fight this front besides using the newly discovered technology to adjust and change our business models and administration. We will of course continue to transform.
22. We are now in seven countries. Australia is our largest overseas investment destination. Immediate plans will be Europe and the mid-term targets, the Middle East. We will not forget our ASEAN neighbourhood as their land transport infrastructure improves. Needless to say, huge economies like China and India will continue to be on our radar.
23. On specific businesses, bus and taxi are still our major emphasis. Train and rail is fast becoming our third leg. Adjacent businesses in ambulance services and the transport and related services for the aged are not to be ignored.
24. My journey within the Group has come to an end. I am very grateful to the Board for conferring on me the title of Chairman Emeritus in the recognition of my services, similar to what VICOM had granted me earlier. I shall now watch the Group's future development with interest and non-participation and non-involvement from the sidelines.
25. Thank you and good-bye.