

SINGAPORE

PUBLIC TRANSPORT SERVICES (BUS AND RAIL), TAXI,
 AUTOMOTIVE ENGINEERING SERVICES, INSPECTION & TESTING SERVICES,
 DRIVING CENTRE, CAR RENTAL & LEASING, INSURANCE BROKING SERVICES,
 OUTDOOR ADVERTISING

2,483.3

Revenue (S\$'mil)

19,426

Total operating fleet size

12,623

Total number of employees

Public Transport Services

ComfortDelGro Corporation Limited is a leading provider of public transport services (bus and rail) in Singapore.

Scheduled Bus

2017 marked the first full year that SBS Transit Ltd operated under the Bus Contracting Model (BCM), where the provision of bus services and the corresponding standards are all determined by the Land Transport Authority (LTA). In all, SBS Transit operates eight bus packages under the Negotiated Contracts (NC).

In April 2017, SBS Transit was awarded the contract for the Seletar Bus Package which comprises 26 bus services that are operating from the Ang Mo Kio, Yio Chu Kang and Yishun Bus Interchanges. This is the third Package under the BCM. As part of the Package, SBS Transit also took over the operations of the newly-built Seletar Depot, which has been purpose built to house close to 530 buses, in the third quarter of 2017. The 96,000 square metre Depot boasts many features including mobile phone charging stations, free Wi-Fi access and a gym for the staff working there.

In February 2018, the LTA announced that SBS Transit had won the Bukit Merah Bus Package, the first Package under the NC that was put up for competitive tendering in April 2017. This is the fourth Bus Package under the BCM and it consists of 18 bus services, including two cross-border services to Johor Bahru, all of which are already operated by SBS Transit. This Package will be implemented from the last quarter of 2018.

During the year, SBS Transit took delivery of 146 new buses. These included Germany's MAN buses that were added to its fleet for the very first time. It also received its first three articulated buses, increasing its total fleet size by 127 or 4.1% to 3,246 buses. Of these, 43% are double decks.



SBS Transit also rolled out the last nine of its bus services as wheelchair accessible in August 2017. With this, all of SBS Transit’s 208 bus services are now wheelchair friendly.

More details on our scheduled bus operations can be found in SBS Transit’s 2017 Annual Report.

Unscheduled Bus

The Group’s wholly-owned subsidiary, ComfortDelGro Bus Pte Ltd, has a fleet size of 347 buses. It operates employee and school bus charters as well as overland bus services to West Malaysia. It also operates premium bus services, and shuttle bus services for industrial parks, shopping malls, educational institutions and condominiums.

In 2017, ComfortDelGro Bus provided bus services for events such as the Republic of Singapore Air Force Open House, Chingay Parade, Istana Garden Party, National Day Rally, as well as marathons and sports activities such as the Standard Chartered

Marathon, Yellow Ribbon Run, OCBC Cycle as well as the ASEAN School Games 2017.

Demand for its five premium bus services remained steady throughout the year. It successfully tendered for five new contracts, renewed a number of its existing ones and continued to provide school bus services to six local schools.

Recently, ComfortDelGro Bus was awarded a large Shell Eastern Petroleum (Pte) Ltd contract to provide bus transportation services in Bukom for 10 years.

To retain its bus drivers and attract new ones, ComfortDelGro Bus implemented various schemes, including an employee referral scheme. It also introduced one-off bonuses, transport reimbursements and monthly incentives to bolster remuneration packages for bus drivers.

During the year, ComfortDelGro Bus disposed of 23 buses and bought 21 new ones. It plans to purchase 15 more in 2018 as part of fleet expansion.

Rail

For the year in review, demand for SBS Transit’s rail services continued to grow. Rail ridership increased by 8.2% to more than 356 million passenger trips.

The increase came largely from the 42-kilometre long Downtown Line (DTL), which became fully operational on 21 October 2017 with the opening of the last 16 stations. Compared to 2016, average daily ridership on DTL grew by 26.7% to 279,116. As at January 2018, average daily weekday ridership on the DTL has hit a new high of 470,000.

Ridership also increased on the North East Line (NEL) and the Sengkang-Punggol Light Rail Transit (SPLRT) systems. Compared to 2016, ridership on the NEL increased by 1.7% to 210.2 million while ridership on the SPLRT systems grew by 5.6% to 44.1 million in 2017.

To cater to the increase in passenger demand, SBS Transit added 146 more weekly trips to the NEL, and 252 daily trips to the SPLRT. It also extended its two-car train operations to weekends and

public holidays on both the Sengkang West LRT Loop and the Punggol East LRT Loop.

SBS Transit continued to improve its rail reliability. Its Mean Kilometre Between Failure (MKBF¹), a reliability measure used globally in the rail industry, was 650,000 train-km for DTL and 663,000 train-km for the NEL, which compared favourably to the nationwide network's average of 390,000 train-km. For the SPLRT, SBS Transit achieved 115,000 car-km while the nationwide network's average was 77,000 car-km.

More details on our rail operations can be found in SBS Transit's 2017 Annual Report.

Taxi

ComfortDelGro Taxi remained Singapore's largest taxi operator with a combined fleet of about 13,340 Comfort and CityCab taxis.

Despite intense competition, ComfortDelGro's volume of booking jobs remained strong during the year. Its ComfortDelGro App also experienced a 35% increase in its average daily new downloads as a result of targeted promotions and new services that were launched. One of these new services was the Flat Fare option, which offers passengers who book via the ComfortDelGro App, the certainty of the fare upfront, with no hidden add-ons and no surge pricing. The Flat Fare option proved to be



popular among passengers. In just 10 days, the number of flat fare bookings crossed the 100,000-mark, and in October 2017, it crossed the 3 million-mark. To familiarise the public more about its Flat Fare option, ComfortDelGro Taxi not only rolled out 920 taxis with the "Flat Fare, No Surge Pricing" body wraps but it also launched a two-week "Flat Because Who Likes Bumps?" contest on Facebook. The contest encouraged Facebook users to compare flat fare bookings with fixed fares, and the ones that showed the highest savings win. The contest drew close to 190 entries and 47 participants were rewarded. As a result of marketing efforts, close to 4.6 million Flat Fare bookings were catered for the year.

In May 2017, ComfortDelGro Taxi and RYDE signed a strategic partnership to give RYDE app users access to its taxis, and its taxi drivers access to 100,000 users.

In June, ComfortDelGro launched CabRewards+, which rewards passengers with double the cabpoints when they continue their bus or train journeys with ComfortDelGro taxis. These cabpoints can be used to redeem a variety of rewards including instant discounts for taxi booking jobs via the ComfortDelGro App, taxi vouchers or free transfers to the airport via the CabRewards website.

As cashless payments gained momentum in Singapore, ComfortDelGro Taxi became the first taxi company in Asia to extend the Masterpass™ payment, a digital



¹ MKBF refers to the mean km travelled between delays of more than five minutes.

payment service which requires neither cash nor physical card, to pay for street hail rides on board its taxis. With this extension, Masterpass transactions increased by another 30%. The Company also went on to add DBS PayLah!, Alipay and other QR Code payments such as OCBC Pay Anyone and UOB Mighty.

In December 2017, ComfortDelGro Taxi created its own mobile wallet – CabPay – to replace the physical Cabcharge card by incorporating it as an electronic payment option in the ComfortDelGro App for Cabcharge members. To-date, close to 1,000 CabPay mobile wallets have been created.

As a result of the Company's ability to provide customised taxi services, ComfortDelGro Taxi managed to renew its contract with VITAL to provide government agencies taxi services for another two years. It also secured new contracts to provide taxi services for staff of Aetos Security Management Pte Ltd and Resorts World Sentosa, Singapore.

To bring about greater convenience to its taxi drivers, ComfortDelGro Taxi revamped the Cabby Portal to make it more user-friendly. It also launched a new Cabby App on both the iOS and Android systems so that cabbies on the move could check their statements and performance records as well as send feedback on their smartphones. The ComfortDelGro Bidding App, which comes with a demand heat map, was revamped to enable taxi drivers to bid for current booking jobs even when they are not in their taxis.

On 1 June 2017, the Company extended the Drive and Save Scheme (DAS) to its relief drivers. Relief drivers, who contributed S\$20 to their Central Provident Fund (CPF) Medisave Accounts via the CPF Board, were given a S\$20 top-up from the Company. With this extension, 43% of ComfortDelGro hirers and relief drivers have benefited from DAS.

The Company disbursed financial assistance from the

Cabby Hardship Fund that was set up in December 2016 to its taxi drivers or their immediate family who require financial aid arising from death, total and permanent incapacity, as well as serious chronic medical conditions. To-date, about S\$15,000 from the Fund has been disbursed to assist needy taxi drivers. In addition to helping its taxi drivers, ComfortDelGro Taxi also helped with the educational fees of their children. In 2017, 1,268 Primary and Secondary level students received over S\$172,300 worth of study achievement awards.

To cater to the demand from a larger pool of Taxi Driver's Vocational Licence (TDVL) and Private Hire Car Driver's Vocational Licence (PDVL) applicants, the LTA appointed ComfortDelGro Taxi as the new TDVL and PDVL training provider in November 2017. In just four months, over 9,700 applicants have completed the TDVL and PDVL courses.

Following the announcement of the Group's strategic agreement with Uber Technologies, Inc. (Uber) on 8 December 2017, ComfortDelGro Taxi and Uber launched UberFLASH on the Uber App on 19 January 2018. With it, Uber App users can book a ComfortDelGro taxi just like they would an uberX vehicle. One month after the launch, average earnings of ComfortDelGro taxi drivers who actively took on such jobs had increased by 19%.

Automotive Engineering Services

Our automotive engineering services subsidiary, ComfortDelGro Engineering Pte Ltd, maintains the Group's taxi fleet in Singapore.

The taxi maintenance business slowed during the year as a result of the reduced fleet.

As ComfortDelGro Taxi rolled out more Toyota Prius petrol-electric taxis on the roads, ComfortDelGro Engineering upgraded its Marymount kiosk to include the sale of petrol. This is the first time the Group has petrol

pumps on its premises. With more hybrids joining the fleet, more pumps are expected throughout ComfortDelGro Engineering's kiosks. To improve efficiency, integrated e-payment systems were installed at each dispenser at the two kiosks.

Two years after adopting the predictive maintenance approach, where parts are replaced before they reach the end of their lifespan – taxi breakdown rates have dropped by 13 percentage points. Maintenance downtime was also reduced by 12%. As a result of these efforts, 98% of hirers surveyed by the Company indicated that they were satisfied with the service provided, up from 96% the year before.

In the area of bus maintenance, ComfortDelGro Engineering allocated more space to cater to increased demand.

During the year, ComfortDelGro Engineering's external car care business successfully secured 31 new accounts. In May 2017, it became Singapore's exclusive distributor for Davanti Tyres from the United Kingdom to augment the other tyre brands from Europe and Japan that were already sold at SPARK™ Car Care. It also completed spraying painting and livery work for 978 vehicles for the contracts it had with Borneo Motors (Singapore) Pte Ltd and Singapore Power Ltd.

Inspection & Testing Services

2017 was a challenging year for VICOM Ltd as increased global economic uncertainty, increased competition and the cyclical nature of vehicle de-registrations – driven by the Certificate of Entitlement (COE) system – weighed on performance.

Vehicle de-registrations hit a record high of 120,376 during the year, with more commercial vehicles and taxis taken off the roads. This, together with the enhancement of the Early Turnover Scheme (ETS) which was aimed at getting older, more pollutive diesel commercial vehicles off the roads, resulted



in a 4% drop in total inspections to 468,807.

The Vehicle Assessment Centre (VAC), which provides accident reporting services, filed 14,236 cases last year, an increase of almost 6% over the previous year.

Following two very high-profile explosions involving Compressed Natural Gas (CNG) taxis, the LTA decided to recall all CNG taxis and public buses for an urgent two-day inspection in May 2017. In Phase 2 of the exercise, CNG passenger car owners were given two weeks to have their vehicles inspected in June 2017. In all, VICOM inspected over 450 taxis, 1,140 CNG passenger cars and 12 public buses. VICOM also undertook the task of installing tamper-evident decals on private hire vehicles.

The co-brand partnership with Diners Club Singapore grew from strength to strength and culminated in the official launch of the Diners VICOM co-brand card, "V". Further cementing V as Singapore's motoring card was VICOM's partnership with popular auto-related brands such as Bridgestone Tyre Singapore and CARS International. The Esso Fuel Card, coupled with V, was popular among cardholders as they get to enjoy fuel discounts of up to 21.27%.

To improve the experience of its corporate fleet customers, VICOM launched the VICOM Solution for Inspection Requirements or V-SIR. This new digital service sends reminders to fleet owners via a self-managed portal so that they will not miss any inspections with VICOM. Complementing V-SIR was the introduction of e-Pay, an easy-to-use payment solution that enables customers to pay for the vehicle inspections with a few taps of the Automated Payment Machines.

Despite stiff competition, VICOM's wholly-owned subsidiary, Setsco Services Pte Ltd (SETSCO) secured several notable projects both locally and internationally during the year, thanks to its strong track record.

It undertook a one-year term contract for the testing of sand and granite from the Building and Construction Authority and completed a shutdown project at one of the chemical plants in Jurong Island. It had a remote test laboratory set up at the Changi Terminal 5 site to support earthwork and pavement testing as well as soil, concrete, chemical and environmental testing for its clients involved in the construction of a three-runway system.

SETSCO also set up a wholly-owned subsidiary, SETS Services

DMCC, in Dubai, United Arab Emirate (UAE) to perform glass inspections there. The scope of work, which commenced in January 2017, involves the inspection of glass panels for nickel sulphide inclusions of the external glass facades of Gold Tower and Silver Tower, office buildings located in Cluster I of Jumeirah Lake Towers, Dubai.

To broaden SETSCO's reach, two new services were launched in 2017 – consultation and certification services. These services address industry gaps where ad-hoc advisory and consultative services are frequently required. With the successful attainment of ISO/IEC 17021-1:2015, SETSCO is now able to offer a wide range of certification services to companies which seek compliances to the requirements of different management systems such as ISO 9001, ISO 14001 and ISO 18001.

More details can be found in VICOM's 2017 Annual Report.

Driving Centre

ComfortDelGro Driving Centre Pte Ltd, which provides learner driver training services in Singapore, achieved a 3% increase in enrolment in 2017.

During the year, new initiatives were implemented to enhance learners' experience. ComfortDelGro



Driving Centre installed self-service kiosks within its premises to enable learners to top up their store-value accounts to book for lessons.

ComfortDelGro Driving Centre also introduced the Learner Driver Competency Screening (LDCS) in September 2017. The LDCS is a practical lesson conducted using the Driver Assessment Tool, which comprises an in-vehicle logging system, cameras and advanced sensors. The system records a learner's performance and videos are then reviewed to provide constructive feedback to learners.

From 2019, all motorcar and motorcycle learners will have to undergo simulator training. In preparation of this, ComfortDelGro Driving Centre commenced renovation works on its existing office space in November 2017 to accommodate the new Simulator Centre.

ComfortDelGro Driving Centre also worked with the Traffic Police on a number of collaborations including the integration of the e-Provisional Driving Licence. It

plans to integrate the e-Qualified Driving Licence into the Traffic Police's elite system in 2018.

Car Rental & Leasing

Our car rental & leasing subsidiary, ComfortDelGro Rent-A-Car Pte Ltd operates a fleet of 1,071 cars, of which 150 were brand new.

With many corporate clients still maintaining a tight budget, ComfortDelGro Rent-A-Car focussed on promoting longer term contracts at attractive rental rates for existing used vehicles. It also continued to push out differentiated customer retention programmes on a quarterly basis.

As part of advertising efforts, ComfortDelGro Rent-A-Car organised nine road shows that were targeted at individual and corporate clients alike.

In October 2017, ComfortDelGro Rent-A-Car entered into a three-month agreement with Car Club, Singapore's leading car-sharing operator, for 10 rental cars on a consignment basis. In return, ComfortDelGro Rent-A-Car received

a portion of the monthly revenue for the Club members' usage.

To increase productivity and improve customer service, the Company plans to put in place an online scheduler system by early 2018 that will better facilitate appointment bookings and improve after-sales services. The system is also able to generate back-end productivity and trends reports for a more targeted marketing approach.

Insurance Broking Services

ComfortDelGro Insurance Brokers Pte Ltd, our in-house insurance broking arm, continued to perform well in 2017. In Singapore, ComfortDelGro Insurance Brokers is focussed on providing general insurance broking services, risk management and analytics, employee benefits consultation, cost effective medical insurance as well as holistic wellness solutions to the Group and its external clients.

During the year, ComfortDelGro Insurance Brokers entered into a strategic alliance with a cyber security provider in Singapore

to offer cyber security related consultancy, products and services in terms of risk assessment, protection and incident recovery. This strategic alliance provides its enterprise customers with “cyber health check-ups”, which identifies existing or potential weaknesses in their IT systems, and enables them to put effective risk mitigation and insurance solutions in place.

ComfortDelGro Insurance Brokers also worked closely with Group Human Resource Department and external insurers to provide free basic health screening to staff. Staff diagnosed with high blood pressure, high cholesterol and diabetes were then encouraged to go through a free Chronic Disease Management Programme to help them work on how they could improve their medical conditions and lead healthier lives.

Elsewhere, ComfortDelGro Insurance Brokers continued to aid the Group’s Business Units in Singapore and overseas in achieving cost reductions and implementing effective claims processes and risk management strategies.

In the first quarter of 2018, ComfortDelGro acquired the remaining 51% stake in ComfortDelGro Insurance Brokers, making it a wholly-owned subsidiary.

Outdoor Advertising

In 2017, there was an increase in bus and rail assets for Moove Media Pte Ltd’s advertising portfolio thanks to SBS Transit’s successful tender for the Seletar Bus Package and the opening of DTL3 respectively.

With the implementation of the two-third rule for bus wraps in February 2017, Moove Media came up with an out-of-the-box concept. Called the BIG Top concept, it is a U-shaped aluminium panel that is seamlessly welded and installed on top of a single deck bus. This concept provides additional advertising space on the sides and rear of buses. Moove Media had the BIG Top concept successfully patented. During the year, a total of 40 advertising campaigns were executed on 252 BIG Top buses.

Apart from BIG Top buses, another client, ExxonMobil Singapore, also tapped on Moove Media’s Ignite Bus format for the launch of its newly improved fuel – Synergy Supreme+. These buses have sides that are lit up by electroluminescent panels to create more visibility at night.

With consumers spending more time on their mobile devices, Wi-Fi Bus format was the third concept that Moove Media introduced during the year. The British Broadcasting Corporation was the first client to roll out two of such Wi-Fi buses, with CIMB Bank Singapore following suit in a campaign utilising 10 bus services.

Moove Media countered the drop in the number of taxis available for advertisements by weaving in promotion codes, and offering special two- and three-dimensional (3D) taxi tops as well as taxi bumpers to their clients.

Always at the forefront of technology, Moove Media introduced technological innovations like the use of holographic 3D displays in its advertisements. This means that advertisements appear to be suspended in mid-air and consumers are able to view products even

though they are not physically on display.

To commemorate NS50, Moove Media teamed up with the Ministry of Defence’s creative agency, Formul8, to roll out 50 army-themed buses. Of these, half featured a 1.8-metre tall “mobilisation man” on the rooftops. Buses were also wrapped in pixelised patterns similar to that of a standard Singapore Armed Forces uniform.

Moove Media also collaborated with the Health Promotion Board to issue 12,000 unique taxi promotion codes to individuals who completed the Diabetes Risk Assessment, which identified potential risks of developing diabetes. Response was so overwhelming that promotion codes were fully redeemed within two weeks.

Moove Media continued to partner and work closely with the Authorities to roll out festive-themed trains and buses, including the Chinese New Year- and Christmas-themed trains on the NEL, Deepavali-themed trains on the NEL as well as DTL. These trains continued to be well-received by commuters.



UNITED KINGDOM

Aberdeen, Cardiff, Glasgow, Liverpool, London, Newport, Swansea

BUS, COACH, TAXI RADIO CIRCUIT, PRIVATE CAR HIRE

855.2

Revenue (S\$mil)

7,969

Total operating fleet size

5,762

Total number of employees

London, England

Bus

In the United Kingdom (UK), our wholly-owned subsidiary, Metroline Limited, maintained its position as the second largest bus operator in London with a fleet of over 1,900 buses, plying routes mainly in North, West and Central London. It runs 19% of London's scheduled bus mileage.

Following the successful trial of a fully electric double deck bus at Willesden Garage in 2016, Metroline won the contract to operate the existing Route 46 using 23 fully electric single deck buses. In preparation, Metroline has increased its electrical power and is installing charging units in Holloway Garage.

Metroline is a frontrunner in the adoption of Green vehicle technology, with more than 20% of its fleet made up of double deck hybrid buses, including the 165 hybrid double deck vehicles it had taken delivery in 2017. At the request of Transport for London, it started working on hydrogen-powered buses.

The Metroline Centre for Skills and Development was also launched during the year to provide a more structured training environment for staff. Plans are in the pipeline to conduct development courses from Management to apprentice levels as well as office and administration-related training.

Metroline's standing as a superior bus operator was given recognition in 2017 when Willesden Garage was shortlisted as a finalist in the "Best London Bus Garage" category at the UK Bus Awards.

Coach

Based in London, Westbus Coach Services Limited provides executive coach services across the UK



and mainland Europe, catering to a wide spectrum of school, commuter, tourist and corporate coach passengers.

To mitigate the drop in tourist arrivals from China and Japan, Westbus diversified its passenger base to include tours from Europe, corporate and private hire, cruise ship passenger transfers, school and student travel, as well as home-to-school services.

Taxi Radio Circuit

ComfortDelGro's wholly-owned subsidiary, Computer Cab plc (operating under the 'ComCab' brand), is London's largest black taxi operator with a fleet of 1,839 taxis.

Taxi and private hire operations in London continued to come under pressure due to intense competition and continued uncertainty post-Brexit with many corporate customers keeping a tight rein on discretionary spend.

Despite that, CityFleet Networks kept up with its technological investments in 2017 to maintain a competitive edge. It enhanced its booking systems and apps with many new market leading features. The international booking service offering was also enhanced by allowing bookings to be done via a responsive website and mobile apps.

Private Car Hire

Flightlink International Limited provides hassle-free executive chauffeured car services for private hire and airport transfers under the ComfortExecutive brand.

Liverpool, England Taxi Radio Circuit

Computer Cab (Liverpool) Limited is the City's largest taxi circuit operator with a fleet of 359 black cabs, catering to both the corporate and individual clientele. It had a successful year with the retention of key accounts and the award of a new Isle of Man contract. The three-year contract

involves transporting patients from Liverpool and Manchester airports to Merseyside hospitals for treatment with some travel to and from hospitals further afield.

Glasgow, Scotland Coach

The Group's partnership with Stagecoach, Scottish Citylink Coaches Limited, is the leading provider of express coach services with 94 coaches in Scotland under the 'Scottish Citylink' and 'megabus.com' brands. It also operates a network of cross-border services between Scotland and major cities in England.

During the year, Scottish Citylink became the first national operator to roll out contactless payments across its entire fleet in December 2017. The new technology, which was launched as part of a £12 million (\$21.3 million) Stagecoach programme, enables passengers across the UK to pay for their travel using a contactless credit or debit card, as well as Apple Pay and Android Pay.

Scottish Citylink continued to face increased fare competition from low-cost domestic airlines and heavy discounting from other coach and rail operators. To maintain its competitive edge, Scottish Citylink removed unproductive lines and improved its cross-borders connections. For example, it withdrew the Glasgow-Liverpool-Birmingham-London service in July 2017 and introduced a slightly faster service on the Edinburgh-Glasgow route in the same month.

To provide passengers with the convenience of having an all-day connection from Glasgow City Centre to Edinburgh Airport, it extended the operating hours on the hugely popular Edinburgh-Glasgow service. It now operates round-the-clock.

To further enhance its services, it introduced more "Gold" services - coaches that come with luxury

leather seats and on-board refreshment. One of these services was the Edinburgh-Inverness connection, which is served by two Scania Irizar i6 luxury coaches that come with USB ports, leather seats and on-board toilets. It also equipped all its coaches on major routes with Wi-Fi.

Aberdeen, Scotland Taxi Radio Circuit

Computer Cab (Aberdeen) Limited has the largest fleet of taxis in Aberdeen.

It continued to perform well despite the slowdown in demand from its major clients in the oil & gas sector. The Company worked closely with its drivers and expanded its passenger base to those not directly susceptible to the volatility in the market. The Company recently won a contract from Aberdeen Performing Arts that gives its taxis access to the three main entertainment venues in the City.

Cardiff, South Wales Bus and Coach

On 7 February 2018, the Group expanded its bus and coach operations in the UK through the acquisition of New Adventure Travel Limited (NAT Group), one of the leading bus and coach operators in South Wales. This \$25.0 million (£13.4 million) acquisition is the Group's first expansion of its bus operations outside of London.

NAT Group operates a fleet of 117 buses and coaches across four depots in Cardiff, Swansea, Newport and Pontypridd. Based near the City Centre of Cardiff, it operates commercial and contracted scheduled bus services. It also has a fleet of coaches, which operates on local contracts, as well as UK and European private hire and holiday work. It also offers transport services to professional sports teams including Swansea City Football Club, Newport County Team and Supporters and Cardiff City Supporters.

AUSTRALIA

Ballarat, Blue Mountains, Canberra, Geelong, Lake Macquarie, Maitland, Melbourne, Newcastle, Parramatta, Perth, Queanbeyan, Sydney

BUS, TAXI, OUTDOOR ADVERTISING

423.6

Revenue (S\$mil)

3,350

Total operating fleet size

2,376

Total number of employees

Sydney, New South Wales

Bus

We operate bus services in Sydney, New South Wales (NSW) through ComfortDelGro Corporation Australia Pty Ltd (CDC), which became a wholly-owned subsidiary in February 2017.

Following in the footsteps of SBS Transit, CDC implemented the Mobileye system on all its buses in Region 4 in July 2017. As a result, both the accident rate and corresponding repair costs dropped.

Other key performance indicators in Region 4 such as On Time Running (OTR) also showed marked improvements as CDC put in processes to improve its drivers' performance and added resources to increase the turnaround time of trips.

During the year, CDC, in partnership with Transdev Australasia Pty Ltd (Transdev), successfully secured the Epping to Chatswood rail replacement project, which will run about seven months, commencing in the last quarter of 2018.

CDC also renewed a few existing contracts, including an additional three-year charter with Singtel Optus Pty Limited, as well as the nightride contract. The latter, which runs from 1 March 2018, will add three additional routes to the current Hillsbus contract. Both contracts are expected to boost revenue.

CDC also revamped its website during the year and started a Facebook account in March 2017 to reach out to more customers.

In independent surveys conducted by Transport for New South Wales (TfNSW), all of CDC's NSW contracts maintained their high ratings in 2017. Customer satisfaction for Hillbus also continued to exceed the regulatory benchmark of 85%.

As part of a number of NSW Government efforts aimed at revolutionising public transport, CDC partnered Cabcharge Pty Ltd for an on-demand bus trial in February 2018. The six-month trial involves four



11-seater wheelchair accessible minibuses, and state-of-the-art-technology which is being developed by CDC. The buses serve the Carlingford, North Rocks and Epping areas during the morning and evening peak hours. As part of the trial, a new website and app were also launched, enabling customers to book trips at a flat fare, with payment being made via the secured app.

Outdoor Advertising

Demand for Moove Media Australia peaked in the third quarter of 2017 with several of its bus advertising formats sold out for consecutive months. Additional bus advertising sales opportunities were also created through the Company's collaboration with Transdev in Sydney and the TSA Regions for 2017.

To improve productivity, a new Customer Relations Management software solution was introduced in 2017 to help the Company manage all its sales and marketing proposals. A new Booking

Management System was also developed to better track booking allocations and invoices.

In October 2017, Moove Media Australia won the exclusive advertising rights to offer taxi advertising packages with Swan Taxis Limited in Perth, Western Australia.

Blue Mountains and Hunter Valley, New South Wales

Bus

During the year, CDC successfully re-negotiated and secured contracts in the Blue Mountains and the Hunter Valley. The extended contracts will commence in 2018 and expire in 2020, with an option for a one-year extension to 2021.

In terms of customer satisfaction levels, the Hunter Valley and Blue Mountains Transit bus services did well, exceeding the benchmark of 85% in independent customer satisfaction surveys conducted by the TfNSW.

Queanbeyan, New South Wales

Bus

The Qcity and Transborder fleet of 116 buses carries over 1.5 million

passengers annually. Qcity Transit provides route and school bus services to the community of Queanbeyan in NSW. Queanbeyan is located on the Eastern Border of the Australian Capital Territory, and is 15km from the centre of Canberra, Australia's capital. Transborder Express delivers route and school bus services to the community of Yass, with direct services operating between Yass and Canberra.

Both Qcity and Transborder Express operate services under the Rural and Regional Contracts with the NSW Government. These contracts were renewed in 2017 and will be due for subsequent renewal in 2024.

Melbourne, Victoria

Bus

CDC operates essential bus services across the Western and Eastern suburbs of Melbourne, as well as Ballarat and Geelong.

On 29 January 2017, CDC successfully implemented a transformational network change in Ballarat – the first in 10 years.

As a result, 19 routes were simplified to 15 – with an increase in coverage no less! The new services now operate in areas which were previously unserved by public transport. Frequency to selected routes was also further improved, with services operating every 30 minutes. As such, a 50% increase in the number of drivers was needed to handle the growth in demand. The transformation has translated to nearly 20% growth in the number of contract buses, and over 30% increase in revenue growth.

CDC currently operates five Metropolitan contracts that represent around 65% of its total revenue. The contracts are due to expire on 30 June 2018. At the time of this printing, CDC is negotiating a renewal of these contracts.

As a leading company in the industry, CDC continued to innovate by coming up with several industry firsts. One of them was Mobileye – the same safety system that was implemented in CDC buses in NSW – was also implemented in CDC buses in Victoria.

The other was the fleet-wide installation of an automated voice announcement system. The voice announcement, which is triggered by the opening of the front door of the bus, reminds passengers to pay their bus fares. The system has not only reduced the incidence of fare evasion but also improved customer service. In all, the two systems represented a capital expenditure of nearly A\$1 million (S\$1.06 million).

CDC operates Route 601, the busiest bus route in Victoria that connects Huntingdale Train Station and Monash University. Given the strong demand for this popular route, CDC boosted the capacity of the route by 11% through the replacement of the front seats of the Route 601 fleet with more handrails and hand holds.

As a community-focussed bus operator, CDC upped its Green quotient in 2017 through a bus-led sustainability project to green the

Werribee River Parklands in the West of Melbourne. Sustainability efforts were also ramped up through an initiative to introduce hybrid buses in Melbourne. CDC has proposed to replace its diesel buses with the Volvo Euro 6 hybrid buses. If this proposal is accepted by the Government, our Melbourne fleet will boast the largest number of hybrid buses in Australia.

On 11 December 2017, CDC moved its office in Altona to Wyndham Depot in Truganina, West of Melbourne. This mega depot, which was completed in the third quarter of 2017, holds up to 230 buses. It replaces the existing facilities at Altona and Hoppers Crossing, and went fully operational on 8 January 2018. A grand opening ceremony of the Depot will take place by the end of the first quarter of 2018.

Perth, Western Australia Taxi

In October 2017, we announced that Swan Taxis Pty Ltd had expanded its fleet by acquiring Metro WA Taxi Management Pty Ltd (Metro Taxi), the largest taxi management company in Perth. It marked Swan Taxis' entry into fleet management and ownership and is expected to provide the Company with greater control over its driving fleet as well as additional revenue streams.

Amidst a highly competitive environment, Swan Taxis carried out different initiatives throughout the year.

For example, it offered the Flat Fare option via the ComfortDelGro Swan Taxis App in July 2017. The Flat Fare option offers passengers the certainty of the fare upfront, with no hidden add-ons and no sky-high surge prices. Customer reception has since exceeded expectations – flat fare bookings currently accounts for approximately 54% of all App bookings.

Promotion codes, which were initially slow to gain traction, became more popular after further

enhancements such as alternative payment methods, were made to the App. Its last promotion run for the Melbourne Cup saw a high redemption rate of 98%.

To further improve its service levels, Swan Taxis' call centre also started offering callers an amalgamated booking and payment solution enabling passengers to book and pay for their rides in advance. Callers are quoted a flat fare for the bookings and are able to pay it immediately with their credit cards over the phone. Passengers have given positive feedback about this service as it had given them added security where fares and payments are concerned.

The Colour Taxis Scheme that Swan Taxis rolled out in November 2016 continued to be well-received, particularly its “white” taxis that are driven by taxi drivers who are 55 years old and above, and “pink” taxis that are driven by female taxi drivers for female passengers. Equally popular are the “blue” taxis, which are driven by taxi drivers who are able to assist children unaccompanied by adults. These have also been adopted by a number of corporate clients involved in aged care.

During the year, Swan Taxis, which operates “Easy Access”, a service dedicated to passengers who are wheelchair users, provided lifting fee subsidies to cabbies, amounting to an estimated A\$432,000 (S\$450,576). It also reduced rank fees and eliminated equipment hire for those affiliated with the Company for more than five years.

For the year ahead, Swan Taxis is collaborating with Moove Media Australia to ramp up outdoor advertising as another revenue stream for both the Company and its taxi vehicle owners. As part of the initiative, taxi vehicle owners receive a share of advertising revenue as a reward for displaying advertising messages on their vehicles.

CHINA

Beijing, Chengdu, Chongqing, Guangzhou, Jilin City, Nanjing, Nanning, Shanghai, Shenyang, Suzhou, Tianjin

BUS STATION, TAXI, CAR RENTAL & LEASING,
VEHICLE INSPECTION & TESTING SERVICES, DRIVING CENTRE

179.2

Revenue (S\$'mil)

11,230

Total operating fleet size

958

Total number of employees

NORTH CHINA

Beijing Taxi

With a fleet of 5,501 taxis, translating into a market share of 8.3%, Beijing Jin Jian Taxi Services Co., Ltd, is the Capital City's third largest taxi operator.

To get operators to keep investing in newer and environmentally friendly vehicles, the Government has introduced subsidies for all taxis that are replaced before they reach seven years of age. Taking advantage of this ruling, Beijing Jin Jian replaced 842 such taxis during the year with new Hyundai Elantras. It also started trialling new Chang An Yi Dong taxis.

To attract more taxi drivers to join its ranks, the Company continued to reach out to retirees and retrenched workers.

In May 2017, the new rules aimed at regulating third-party booking apps came into effect. These new rules, imposed by the Beijing Municipal Government, required ride-sharing companies to hire only drivers who hold Beijing residency permits or "Hukou". App companies must also sign labour contracts with the drivers and provide them with motor accident insurance. Stringent restrictions have also been placed on drivers of such apps including the fact that they must have at least three years worth of driving experience with no prior criminal records. All vehicles must only be registered with Beijing car licence plates.

With these regulations in place, the Company is hopeful that the taxi industry will stabilise in 2018.

Vehicle Testing Services

Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd, our 80%-owned joint venture, provides vehicle safety and emission testing services in the Capital City.

The Company, which started to assist vehicle owners in the registration of new vehicles, saw volume increase during the year. To make it more convenient for these car owners, Beijing Tian Long Da Tian provided a new vehicle tax collection service and set up a sales point for car insurance agents.

Always leveraging on technology, its inspectors started to use tablets during inspection checks to enable them to record their findings electronically. The Company also set up corporate accounts for customers on WeChat to facilitate cashless payments, as well as reservation of inspection slots. These WeChat accounts also make it easy for vehicle owners to fill in their vehicle information.

Jilin City, Jilin Province
Taxi

Our 97%-owned subsidiary, Jilin ComfortDelGro Taxi Co., Ltd, is the City's largest taxi operator with a 14.2% share of the market. In 2017, its fleet of 729 taxis was fully hired out.

The Company replaced 21 taxis and renewed 21 licences during the year.

It launched the Jilin ComfortDelGro Taxi Booking App on both iOS and Android systems in the last quarter of 2017. The interface is almost the same as the ComfortDelGro App in Singapore

except it is in Chinese, and enables passengers to tip the cabbies. It also offers cashless payment options including WeChat and Alipay.

Jilin ComfortDelGro taxi also adapted the Driver App for its taxi drivers to enable them to bid for booking jobs via the App, and to use it to notify passengers of their arrivals. Similarly, this App allows taxi drivers to arrange for cashless payments via WeChat or Alipay that passengers have to activate and authorise.

Similar to what Beijing had done, the Jilin Municipal Government plans to issue detailed implementation policies aimed at regulating third party app bookings. Once these regulations are in place, the Company is hopeful that the taxi industry will stabilise in 2018.

Shenyang, Liaoning Province
Taxi

Our two taxi companies – Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd – operate a total fleet of 1,291 taxis. Demand for services by both companies remained strong with their fleets of taxis fully hired out in 2017.

Training on safety and service was provided to taxi drivers to improve their service levels. Management also underwent courses to keep abreast of the latest developments in the industry. Road safety processes were

further tightened to better manage the accident rate. As a result of their efforts, a total of 420 taxi drivers from both taxi companies were commended by the Shenyang Transportation Bureau.

With the introduction of new policies to govern third-party apps by the Municipal Government, the Company was able to retain more taxi drivers. It also rolled out different rental packages to cater to different taxi drivers.

In the first quarter of 2018, the Group acquired 217 taxi licences and vehicles from Shenyang Tian Wen Taxi Co., Ltd, bringing its total fleet in Shenyang to 1,508.

WEST CHINA

Chengdu, Sichuan Province
Taxi

Our wholly-owned subsidiary, Chengdu ComfortDelGro Taxi Co., Ltd faced a challenging year in 2017 due to the proliferation of third-party apps. With the Government planning to implement a new National Order to regulate third-party apps within the next two years, the Company hopes that it will create a level playing field for its taxi drivers.

During the year, taxi licence fees that were waived by the Government were passed on to the taxi drivers in the form of cash rebates in 2017.



Car Rental & Leasing

ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd, the Group's wholly-owned motor vehicle rental and leasing subsidiary continued to explore both offline and online marketing strategies to improve rental demand.

Driving Centre

It was a challenging year for our 95%-owned driving subsidiary, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd as competition remained stiff.

To further enhance its value proposition, the Company introduced mock test training to prepare students ahead of actual tests. To cater to students who have to take mock tests, a new test centre was opened at its premises. The School also introduced incentive schemes for private instructors to encourage them to sign their students up for this mock test. To cater to the increase, the School is looking to reactivate its old test site to increase its capacity to handle the volume.

A new policy on training by time and trip may be introduced in 2018. This may give the School an advantage over private instructors.

Chongqing

Driving Centre

Our 90%-owned subsidiary, Chongqing ComfortDelGro Driver Training Co., Ltd continued to ensure its remaining learners completed their driving courses for the year.

EAST CHINA

Shanghai

Taxi

Shanghai City Qi Ai Taxi Services Co., Ltd is one of the premium operators in Shanghai with a fleet of 484 taxis.

With the discontinuation of the Volkswagen Santana Vista car model, the Authorities approved two other taxi models - the Volkswagen Santana Lavida and Volkswagen Touran - as they are well accepted and popular with both taxi drivers and commuters. Shanghai City

Qi Ai Taxi Services selected the Volkswagen Santana Lavida taxi model for its taxi replacement programme, with the Volkswagen Touran taxi as the alternative. A total of 50 five-year-old taxis are also due for replacement in 2018.

Despite the release of the much-awaited policy concerning third-party apps in October 2016, the shortage of taxi drivers remained a challenge in 2017. To ensure its taxis were rented out, Shanghai City Qi Ai Taxi Services continued to engage 'maiduan' drivers. To-date, 30 of them are renting its taxis.

Suzhou, Jiangsu Province

Taxi

Our 70%-owned subsidiary, Suzhou Comfort Taxi Co., Ltd started the year with some unhired taxis in its fleet of 165 vehicles but managed to renew the rental agreement of all of them before the year ended. Unfortunately, the Suzhou Authorities stopped releasing new taxi licences during the year due to stiff competition from the private hire operators.

Nanjing, Jiangsu Province

Taxi

Our 70%-owned subsidiary, Nanjing ComfortDelGro Dajian Taxi Co., Ltd, is the City's fourth largest taxi company, operating a total of 679 Compressed Natural Gas taxis. About 90% of its fleet was hired out during the year.

SOUTH CHINA

Guangzhou, Guangdong Province

Bus Station

Our 60%-owned Tianhe Bus Station in Guangzhou served a total of 10.5 million passengers in 2017, a 13.9% drop from the previous year due to strong competition from the high speed rail service, the growth of the car population and the persistence of illegal bus operations.

Cargo revenue increased by 16% in 2017 as compared to the year before, while the total number of cargo items dropped by 9.3%. The revenue share of the cargo business increased from 30% to 40%.

In 2017, the Station actively rented out idle space on its premises. Massage chairs and vending machines that sell drinks and telecommunication products have now become an additional stream of revenue.

Tapping onto technology, the Station introduced electronic invoices which not only improved productivity, but also shortened the waiting time at the Station since passengers could print their invoices in advance. Ten self-service gates for checking tickets were also added to speed up the process. On top of the existing automated cash ticketing machines, another 14 more were added, bringing the total to 29. It also added seven and 15 ticketing machines that accept Alipay and WeChat payments respectively to improve efficiency.

New bus services were added to theme parks and places of interest in 2017 to expand its product range. To-date, the Station has developed 15 such services, yielding 31,000 tickets.

Two automated bus despatch systems were put on trial in October 2017. Another five of the same system will be implemented in March 2018.

During the year, Tianhe Bus Station garnered more than 2.7 million followers on WeChat, which is nearly three times more than 2016. Through this platform, the Company was able to bring in advertising revenue of RMB1.3 million (S\$0.3 million).

Nanning, Guangxi Province

Taxi

Our 80% owned subsidiary, Nanning Comfort Transportation Co., Ltd, is the largest taxi operator in Nanning with a fleet of 854 taxis.

On 1 January 2017, as a result of protests by local taxi drivers following the legalisation of third-party apps in Nanning, the local Authorities instructed all taxi companies to lower their rental rates to help taxi drivers cope with the stiff competition from third-party apps. The Company did so and was successful in retaining its taxi drivers.

During the year, the Company replaced 130 taxis, and converted 283 petrol-driven taxis into dual-fuel taxis.

IRELAND

Cork, Dublin, Galway, Limerick

INTER-CITY EXPRESS COACH

20.2

Revenue (S\$mil)

25

Total operating fleet size

17

Total number of employees

ComfortDelGro Irish Citylink Limited, our wholly-owned express coach subsidiary in Ireland, runs a network of inter-City and Dublin Airport express routes linking Cities such as Cork, Dublin, Galway and Limerick.

On the back of strong economic growth, demand for services across all routes increased, in particular those offering direct services to Dublin Airport which has been experiencing rising passenger volumes over the last seven years. In 2017, a record-breaking 29.6 million passengers travelled through Dublin Airport on the back of an increase in long-haul traffic, and a robust performance from continental European routes.

The popular Limerick-Dublin Airport eireagle.com service turned two in February 2017. ComfortDelGro Irish Citylink also increased the frequency of two service routes and introduced a direct connection between Galway and Cork. It also made further improvements to its online booking facility.

Five new DAF Altano buses were added to the fleet during the year, and deployed on both the eireagle.com Galway-Dublin Airport route as well as the eireagle.com Limerick-Dublin Airport route. These coaches are not only wheelchair-accessible but have USB ports, free Wi-Fi and on-board toilets. To make coach rides even more attractive to passengers, at-seat power sockets were introduced on express routes.

Going forward, the Company expects to step up its online marketing campaigns with the appointment of a new digital marketing staff.



VIETNAM

Ho Chi Minh City

TAXI

6.8

Revenue (S\$'mil)

352

Total operating fleet size

141

Total number of employees

We consolidated our taxi operations in Ho Chi Minh City during the year and now operate just one company - Vietnam Taxi (Vinataxi). A total of 93 cabbies from ComfortDelGro Savico Taxi company joined Vinataxi as part of this move. Vinataxi also disposed 115 older taxis, thereby reducing the average age of its 352-strong taxi fleet to just 3.3 years old.

Vinataxi is ranked third in Ho Chi Minh City in terms of fleet size.

Despite stiff competition, Vinataxi successfully renewed its existing contracts to operate taxi services at major pick-up points in the City.

It also continued to roll out different packages to incentivise taxi drivers and attract new ones through advertisements and referral schemes. To retain existing drivers, for example, Vinataxi increased the bonuses for taxi drivers during the country's Chinese New Year by 16%.

The incentive bonus for taxi drivers who completed one year of their hiring contract and performed well was revised to VND 11 million (S\$668.69). Those who renewed their contracts for another year were also rewarded with incentives. Those who stayed on beyond the second year received a Seniority Bonus. New drivers who joined for at least six months were also rewarded as well. Since June 2017, ex-taxi drivers who re-joined the Company were given VND 1 million (S\$60.79) after completing three months of their contract.

Leveraging on technology, Vinataxi launched its taxi booking app for Android smartphones in September 2017 and the iOS version two months later. Users can choose to pay the normal metered or flat fares on the booking app. It also worked with Moca, a payment company, to provide QR code payments on board its taxis.

Aggressive marketing efforts also resulted in an increase in revenue from taxi advertisements.



MALAYSIA

Kuala Lumpur

AUTO LEASING, INSPECTION & TESTING SERVICES

2.6

Revenue (S\$'mil)

160

Total operating fleet size

41

Total number of employees

Auto Leasing

Our subsidiary, CityLimo Leasing (M) Sdn Bhd, offers auto leasing services in Malaysia through a fleet of 160 vehicles. Established in 1996, it provides both short- and long-term leasing for a full range of passenger cars and light commercial vehicles. It is one of the leading auto leasing service providers for multinational corporations, especially those in the oil & gas, logistics and infrastructure industries. The Company specialises in dedicated telematics fleet management for clients with round-the-clock nationwide technical and roadside emergency assistance. Utilisation of our vehicles remained high in 2017.

Inspection & Testing Services

Setsco Services Pte Ltd's wholly-owned subsidiary, Setsco Services (M) Sdn Bhd, provides civil engineering, mechanical and non-destructive testing services in Peninsular Malaysia.

