

OPERATIONS REVIEW



SINGAPORE

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

2,241.4

Revenue (S\$'million)

18,805

Total Operating Fleet Size

13,823

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

SBS Transit Ltd entered into its third year of operating under the Bus Contracting Model (BCM) in 2018, where the provision of bus services and the corresponding standards are all determined by the Land Transport Authority (LTA). Under this model, the Government retains the fare revenue and owns all infrastructure and operating assets such as depots and buses.

In March 2018, SBS Transit successfully rolled out the Seletar Bus Package, which was won in 2017. It comprised 26 bus services, 12 of which used to be operated by another operator. SBS Transit also took over the operations of the new Seletar Bus Depot, which is a purpose-built facility that can house up to 530 buses. It continued to manage the Ang Mo Kio and Yio Chu Kang bus interchanges which are part of the Package.

In November 2018, SBS Transit implemented its second BCM tendered package – the Bukit Merah Bus Package – with 18 services. It also took over the newly-built

102,000 square metres Ulu Pandan Bus Depot, which comes with Green features such as solar energy and NEWater for non-potable purposes. The Depot has a modern workshop that is equipped with augmented reality (AR) smart goggles for maintenance works, and can cater to 470 buses. It also has an air-conditioned canteen, comfortable rest rooms with free Wi-Fi access and recreational amenities.

The Ulu Pandan Depot also houses the Public Transport Industry's Bus Technical Specialist Certification Centre (BTSCC) to raise professional standards for bus engineering and technical staff as part of the LTA's Singapore Bus Academy.

In March 2018, SBS Transit had to shut down the New Bridge Road Bus Terminal to make way for developments in the area. Bus operations from this Terminal were then transferred to a new facility known as the Kampong Bahru Bus Terminal where it continued to operate the same eight bus services. Developed by the LTA, this Terminal comes under the Bukit Merah Bus Package.

In all, SBS Transit now operates seven bus depots, one bus park, 17 bus interchanges and 14 bus terminals.

During the year, SBS Transit rolled out two new services in 2018, which brought the total number of bus services that it operated to 222 and SBS Transit remained the largest public bus operator with a market share of 61.2%.

In 2018, SBS Transit took delivery of 289 buses from the LTA, which increased its total fleet by about 7% to 3,471. Its fleet of double deck buses also increased by about 8% or 109 to better cater to bus services with higher demand while its wheelchair accessible buses increased from 96.5% to 98.2%.

Since December 2018, SBS Transit has been involved in a six-month diesel electric hybrid bus trial with the LTA. Besides operating these buses on selected bus services, SBS Transit also operated autonomous buses on Jurong Island and Sentosa in an on-going trial with ST Engineering.

In the same month, SBS Transit also operated Singapore's first On-Demand Public Bus services in a six-month trial for the LTA to evaluate the feasibility of operating public bus services based on real-time commuter demand and along



dynamic routes. Conducted during off-peak hours on weekdays, it involves five of its bus services serving Joo Koon and Marina-Downtown areas. Using a mobile application (app), commuters can book a ride by requesting to be picked up and dropped off at any bus stop within the defined areas, even if the bus stops are currently not served by the same bus service.

More details on our scheduled bus operations can be found in SBS Transit's 2018 Annual Report.

Unscheduled Bus

The Group's wholly-owned subsidiary, ComfortDelGro Bus Pte Ltd, 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 2018, ComfortDelGro Bus expanded its fleet through two acquisitions. In April 2018, it bought over AZ Bus Pte Ltd for S\$10.25 million, in what was one of

the largest acquisitions in the local bus charter industry to-date. The deal included existing charter contracts, 94 buses and associated drivers.

Three months later, ComfortDelGro Bus acquired the chartering assets of a second private bus operator, Ric-Tat Travel & Coach Services Pte Ltd and its associated companies for S\$6.45 million. This acquisition included existing charter contracts, 72 buses and associated drivers. Including sub-contractor's buses, the total fleet operated by ComfortDelGro Bus grew to 722 buses during the year.

These two acquisitions have further cemented ComfortDelGro Bus' position as Singapore largest private bus charter operator.

That heavyweight title has helped in clinching contracts such as the 10-year Shell Eastern Petroleum (Pte) Ltd contract to provide bus transportation services in Pulau Bukom. In all, the Company successfully tendered for 18 new contracts, renewed 12 existing ones, and continued to provide school bus services to seven schools. It also continued to

provide bus services for events such as the Republic of Singapore Air Force Open House, Chingay Parade, Istana Garden Party, National Day Rally, National Day Investiture, as well as marathon and sports activities such as the Standard Chartered Marathon, Yellow Ribbon Run and OCBC Cycle.

On 6 August 2018, ComfortDelGro Bus launched an on-demand booking mobile app – CDG Bus OnDemand – which guarantees commuters a seat on its buses. Commuters can make multiple bookings for multiple passengers up to 24 hours in advance, and store regular pick-up and drop-off points as "Favourites". They can also track the status of buses prior to their arrival, and pay for their seats using both debit and credit cards.

Beyond just offering private bus charter services, ComfortDelGro Bus has also been trialling new technologies.

In November 2018, the ComfortDelGro Group embarked on a trial of advanced telematics devices in a fleet of 100 vehicles, including buses and taxis. Data collected by these solutions will be used to help

OPERATIONS REVIEW



our drivers, including ComfortDelGro Bus drivers, achieve safer and smarter driving habits.

In December 2018, the Group also announced plans to trial an autonomous shuttle bus service in real traffic conditions at the National University of Singapore's (NUS) Kent Ridge campus – with a view towards a commercial roll-out if successful. The year-long autonomous bus shuttle operational trial, which will involve Inchcape Singapore and Toulouse-based EasyMile Pte Ltd, will be carried out using the EasyMile EZ10 autonomous shuttle that is operated by ComfortDelGro Bus.

This first-of-its-kind of trial in Singapore is significant as it will be operating in real mixed traffic conditions, alongside regular buses, cars and motorcycles. The shuttle, which has a total carrying capacity of 15 passengers, runs entirely on electricity and benefits from the latest in Autonomous Vehicle (AV) technology combining robotics and artificial intelligence, to operate and navigate on existing roadways with no additional infrastructure required. It will also rely on its own internal array

of software and hardware technologies for its navigation on the roads, without any assistance of external infrastructure.

To-date, three safety operators and three maintenance staff from ComfortDelGro Engineering Pte Ltd have been trained to operate and maintain the autonomous shuttle bus.

Manpower recruitment remained a key challenge. To retain and attract new bus drivers, ComfortDelGro Bus conducted a salary adjustment exercise in 2018. As a result, more bus drivers were recruited.

Rail

For the year under review, demand for SBS Transit's rail services continued to increase with close to 428 million passenger trips made in 2018, representing a double-digit growth of 20.2% over the previous year.

The increase can be attributed largely to the Downtown Line (DTL), which became fully operational in October 2017. The ridership on the DTL soared from 101.9 million in 2017 to 164.1 million in 2018. Ridership on the 16-station North East Line

(NEL) also grew by 2.7% to 215.8 million while demand on the Sengkang-Punggol LRT (SPLRT) systems increased by 8.9% to 48.0 million in 2018.

In tandem with the increase in passenger demand, more train trips were operated. A total of 309 weekly trips were added to the schedules of the NEL and DTL while 2,071 weekly trips were added to the SPLRT.

LRT services were enhanced with the start of bi-directional services on the Punggol West Loop in September 2018. With this service enhancement, all loops on the SPLRT now operate bi-directional services throughout the day. To-date, all 29 stations on the SPLRT are opened for passenger service except for Teck Lee Station on Punggol West Loop.

With the three rail lines spanning a combined total of 82km, SBS Transit's market share of the rail network is 36.3%. In all, it operates a total of 78 stations and a fleet of more than 190 trains.

In rail reliability, the NEL clocked 1.37 million train-km in Mean Kilometre

Between Failure (MKBF) in 2018, which more than doubled the 663,000 train-km clocked in 2017 while the DTL clocked 928,000 train-km compared to the 650,000 train-km recorded in 2017. Overall, they outperformed the nationwide MRT network which clocked an average of 690,000 train-km. SPLRT achieved 216,000 train-km while the nationwide LRT network's average was 82,000 train-km.

On 1 April 2018, the NEL and SPLRT systems transited to the New Rail Financing Framework (NRFF) – joining the DTL, which has been operating under this framework since 2011. With the NRFF, SBS Transit has been granted a 15-year licence to operate the two lines until 31 March 2033.

More details on our rail operations can be found in SBS Transit's 2018 Annual Report.

Taxi

ComfortDelGro Taxi remained Singapore's largest taxi operator with a combined fleet of about 12,390 Comfort and CityCab taxis, translating into a market share of 60%.

2018 started off with the termination of the proposed tie-up with Uber Technologies Inc, following its exit from Asia. The competition became more stable. The Company started to provide weekly incentives for cabbies and pushed out marketing promotions in April 2018.

Cabbies, who achieved job targets or more, were rewarded with weekly incentives. An enhanced incentive scheme, which rewarded cabbies for every completed booking job during peak hours, was also implemented in September 2018.

Marketing promotions such as the "Football Frenzy predict-and-win" contest in June 2018, which was organised in conjunction with World Cup 2018, discounts off fares during off-peak hours and midnight as well as discounts for MasterPass™ by Mastercard payments were well-received.

Technical enhancements such as Autobid and Soon-To-Clear features that were made to the Mobile Data Terminals (MDT) to increase the chances of our cabbies getting booking jobs were also well-received.

WeChat Pay, a very popular payment method in China, became available on board ComfortDelGro taxis in April 2018. In October 2018, ComfortDelGro Taxi revamped its booking mobile app for iOS devices. It was given a complete makeover, including a new logo and a new user interface. The Android version will be rolled out in 2019.

As a result of these concerted efforts, ComfortDelGro Taxi's volume of booking jobs for 2018 increased by 7.4%, with bookings made via the app contributing to the biggest jump. Its cashless payments also increased by 9% to S\$390 million in 2018.

ComfortDelGro Taxi continued to conduct both the Taxi Driver's Vocational Licence (TDVL) and Private Hire Car Driver's Vocational Licence (PDVL) Courses. With the taxi industry regaining some form of stability in 2018, more applicants opted to attend the TDVL Course. In all, over 17,400 trainees attended these courses, with a high passing rate of at least 85%. As some drivers started to return to becoming cabbies, ComfortDelGro Taxi



OPERATIONS REVIEW

had, in July 2018, placed order for about 900 new petrol-electricity hybrid taxis from Hyundai and Toyota.

It also put two fully-electric Hyundai Ioniq taxis on trial in November 2018. Unlike existing electric taxis in Singapore that take a couple of hours to charge, this model charges fully in just under 30 minutes. A fully charged electric Ioniq taxi travels more than 200km, but the cost of charging it fully is only a-third of the cost of diesel for the same distance.

In January 2019, the trial was expanded to include the latest Hyundai long-range fully electric vehicles (EV). The Hyundai Kona Electric taxi comes with a 64 kWh lithium polymer battery – twice the power of the battery of the fully electric Hyundai Ioniq. This means that this EV model is able to travel up to about 350km when fully charged. And, with Direct Current (DC) fast charging capabilities, the vehicle fully charges up in just under an hour.

Since March 2018, the Company's limousine services have been engaged to provide trips originating from the Marina Bay Cruise Centre. This has proven to be a hit with the cruise passengers and it also provided good income revenue stream for the limousine fleet.

Advanced telematics devices were trialled in a fleet of 100 vehicles, including ComfortDelGro taxis in November 2018. Data collected by these solutions will be used to help cabbies achieve safer and smarter driving habits.

Believing that healthy cabbies are happy cabbies, the Company provided them with access to a host of health-promoting options including the free use of gymnasiums and swimming pool every Wednesday. A "Check Car, Check Body" health screening and programme was also organised for the fifth straight year.

ComfortDelGro Taxi continued to top up and contribute to the Central Provident Fund (CPF) Medisave Accounts of its cabbies under the Medical Medisave Top-up Scheme as well as the Drive and Save Scheme.

Other financial assistance came from the Cabby Hardship Fund that was set up in December 2016 to aid its cabbies or their immediate family who require financial aid arising from death, total and permanent incapacity, as well as serious chronic medical conditions. In 2018,

S\$32,300 from the Fund was disbursed to assist 29 cabbies.

In addition to helping its cabbies, ComfortDelGro Taxi also helped with the educational fees of their children. In 2018, 833 Primary and Secondary level students received more than S\$100,000 worth of study achievement awards.

Automotive Engineering Services

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

To support the EV trial, ComfortDelGro Engineering became the first in Singapore to commercialise its DC fast charging station at the Group's headquarters in Braddell. ComfortDelGro Engineering plans to install another fast charging station at its Loyang branch in 2019.

With more petrol-electric hybrid taxis being rolled out by ComfortDelGro Taxi, ComfortDelGro Engineering upgraded four diesel kiosks – Braddell, Ubi, Changi and Yishun – to include the sale of petrol. This brought the total number of such kiosks to six out of a total of 14.

The Company's external car care business successfully secured new key accounts, including the maintenance of 239 vehicles operating at Pulau Bukom by Shell Eastern Petroleum, thereby boosting revenue for its corporate fleet maintenance business by 34%.

Building on its bus maintenance capabilities and leveraging on the proximity of its Pandan Workshop to the logistic hub in the western part of Singapore, ComfortDelGro Engineering started to offer maintenance services for prime movers. To-date, it has maintained about 70 prime movers and plans to do more in 2019.

In the area of bus maintenance, ComfortDelGro Engineering was appointed by Shaanxi Yanchang Petroleum Group Rubber Co., Ltd as the exclusive local distributor of its Duraturn Tyres, which are expected to be more durable and cost-efficient. It is also the distributor of Davanti Tyres.

As for accident repair, ComfortDelGro Engineering replaced the air-conditioning system on 598 Scania buses for SBS Transit, as well as spray painted 700 cars

for Komoco Motor Company and 300 vehicles for SP PowerAssets Limited.

It was also appointed the authorised repair workshop for MCV Bus and Coach, an Egyptian-based commercial vehicle manufacturing company.

During the year, ComfortDelGro Engineering bought a purposed-built machine for the re-conditioning of Diesel Exhaust Particulate Filters (DPFs). This machine uses hydro-chemicals to treat choked DPFs, making it more environmental friendly. It is also capable of treating severely choked DPFs, which would otherwise be disposed to the scrapyard.

Inspection & Testing Services

As part of the Singapore Government's push for a car-lite society, a "zero-growth" policy for private cars and motorcycles has been put in place since February 2018. The growth rate for commercial vehicles will also remain unchanged at 0.25% per annum till the first quarter of 2021.

Concurrently, several schemes, such as the removal of all motorcycles registered before 1 July 2003 (pre-Euro motorcycles) by end-June 2028, were introduced while schemes such as the Early Turnover Scheme were enhanced to reduce the number of older and consequently less environmentally friendly vehicles on the road.

These measures have had an immediate impact on inspection volumes as a whole, with the total number of vehicles inspected in Singapore falling from 702,716 in 2015 to 625,940 in 2018. But the move towards a cleaner, greener environment has also generated demand for new and existing services.

Tightened exhaust emission standards in April 2018 also resulted in the introduction of a new high idle test and lambda measurement across all VICOM's Inspection Centres in the same month, which boosted its inspection business.

Regulatory requirements to have all petrol and diesel vehicles Euro 6-compliant, together with the introduction of the Vehicular Emission Scheme, resulted in a 35% increase in emission tests conducted by VICOM's Emission Test Laboratory (VETL).

The Vehicle Assessment Centre (VAC) continued to serve motorists who have

had accidents. During the year, VAC assisted 824 motorists with the repair of their vehicles at approved workshops and filed 13,004 accident reports.

The cobrand Credit Card with Diners Club, "V", continued to make its mark in the motoring industry, with the number of card members surpassing 35,000. The card provides a slew of motoring benefits including up to 21.27% in fuel discounts at Esso petrol stations, car grooming discounts and emergency breakdown services.

To boost VICOM Fit or VFIT, its pre-owned car evaluation service, VICOM teamed up with DBS Bank to offer visitors of DBS's online Car Marketplace a special inspection rate.

Despite fierce competition, VICOM's wholly-owned subsidiary, Setsco Services Pte Ltd (SETSCO) managed to grow its business and secure several notable projects during the year.

It successfully tendered for the Building and Construction Authority's term contract for testing essential construction materials. It also secured a two-year contract to

conduct water testing, industrial hygiene and indoor air quality for one of its semiconductor clients.

Having started testing works on Package 1 for the Changi Airport Terminal 5 Project, SETSCO extended its involvement in the area of soil testing works to Package 2.

In the area of non-destructive testing and inspection, SETSCO won a major contract related to the construction of a floating production unit by a local shipyard. It also continued to provide non-destructive testing and inspection services to various engineering contractors and manufacturers as well as aerospace, aircraft maintenance and aviation services companies.

In the area of food and microbial testing, SETSCO secured three-year contract to conduct laboratory tests for food, ice and water for a hospital, starting October 2018.

During the year, SETSCO made inroads in the area of certification as it was appointed one of three assessment bodies by the Infocomm Media Development Authority to conduct independent audit on firms that wish to apply for the Data Protection Trustmark Certification.

SETSCO also introduced new testing services, including SAFERAD (Small Area For Exposure Radiography) radiographic testing, or sometimes referred to as close-proximity radiography. Typically used only at night due to radiation levels, SAFERAD can be performed during the day due to the lower levels of radiation emitted. This greatly improved operational efficiency.

SETSCO rolled out three-dimensional (3D) mapping services to check for possible deformation of in-service equipment due to abnormal operating conditions as well as the Pulsed Eddy Current technique to monitor the safety of equipment and piping in chemical plants and refineries.

SETSCO accepted an offer from the Jurong Town Corporation (JTC) for the surrender of lease of its property at 18 Teban Gardens Crescent, following the Government's plan to earmark the property for redevelopment. As part of the arrangement, it took up the offer to rent the property up to 31 December 2020.

In October 2018, SETSCO purchased a new property located at 531 Bukit Batok Street 23 from the open market,



OPERATIONS REVIEW



which has a much longer tenure as well as larger space for testing activities, as a replacement site. Work on the property is expected to commence in the second quarter of 2019 and to complete by 2020.

More details on our inspection and testing business can be found in VICOM's 2018 Annual Report.

Driving Centre

ComfortDelGro Driving Centre Pte Ltd, which provides learner driver training services in Singapore, saw enrolment increase by close to 5% in 2018.

For the convenience of learner drivers living in the eastern part of Singapore, ComfortDelGro Driving Centre added a second practical training pick-up point in Tampines, on top of its branch in Kovan. The aim of the new pick-up point was to bring training closer to learners' homes. It deployed the first training car there in September 2018, followed by a second in November to meet strong demand. To-date, four training cars have been deployed there. Plans are in the pipeline to ramp up the number of training cars at the Tampines outpost in 2019.

ComfortDelGro Driving Centre also continued its efforts to expand its corporate training services by offering non-licensing courses, such as the Defensive Driving Course, to large corporations. The response has been positive.

As simulation training will be made mandatory for all motorcar and motorcycle

learners in 2019, a two-month trial involving a motorcar and a motorcycle simulator was carried out at the Centre in February 2018. Demand for simulation training is expected to grow. To cater to this demand, ComfortDelGro Driving Centre plans to purchase six units of motorcar simulators and two units of motorcycle simulators in 2019.

In line with the Centre's efforts to increase the use of technology in its operations, new initiatives were implemented to enhance the learner drivers' experience during the year.

In February 2018, the Centre launched the Vehicular Pre-Operative Checks Curriculum in which instructors provided hands-on knowledge of pre-drive checks using content that has been uploaded onto a tablet. This enabled instructors to efficiently train a few learner drivers at the same time instead of just one.

Training manuals for Class 3 and 3A Licence Courses also went digital, replacing the tedious and labour-intensive process of having to manually update them.

Even the photography service provided at the Centre for learner drivers, who needed to process their Qualified Driving Licence (QDL) after passing their driving tests, went digital in October 2018. To make the application process seamless, learner drivers could have their photographs taken at the digital photography facility provided at the Centre. These digital photographs were then uploaded onto the Centre's Resource Management System and transmitted to the Traffic

Police Electronic Licensing and Testing System so that learner drivers could apply the QDL online.

The migration of its e-learning system into an upgraded Learning Management System, which provides learner drivers with the option to practise their theory tests online, commenced in October 2018 and is expected to be completed in 2019. Plans are underway to introduce gamification to the e-learning and e-trial tests in 2019 to further improve the learning effectiveness and experience. Moving forward, a mobile app that enables learner drivers to book for lessons, pay for fees via an e-wallet and receive notifications, will be developed in 2019.

On 28 September 2018, ComfortDelGro Driving Centre partnered Borneo Motors Singapore and Toyota Motor Asia Pacific to launch the "Start Your Impossible" global campaign for a more inclusive, sustainable and mobile society. As a partner, ComfortDelGro Driving Centre is providing a complimentary half-day Drive Safe Course to all new Toyota vehicle owners, while existing Toyota vehicle owners have been invited to attend the same course under Toyota's loyalty programme. About 30 Toyota vehicle owners completed the course which commenced in January 2019, with more owners scheduled to attend it soon.

Car Rental & Leasing

Our car rental & leasing subsidiary, ComfortDelGro Rent-A-Car operated a fleet of 1,077 cars, of which 180 were brand new in 2018.

With many corporate clients still keeping a tight budget, ComfortDelGro Rent-A-Car focussed on promoting longer term contracts at attractive rental rates for its used vehicles.

To retain existing customers, it replaced old cars with new ones even before the contracts expire and continued to push out differentiated customer retention programmes on a quarterly basis.

Following the revamp of its corporate website, ComfortDelGro Rent-A-Car plans to roll out a mobile app that will enable customers to interact with the Company while on-the-go. Functions such as online payment, electronic quotations and invoices as well as notifications will be built into the app.

In November 2018, the Group trialled advanced telematics devices in 100 of its vehicles, including rental cars belonging to ComfortDelGro Rent-A-Car. Data collected by these telematics solutions will be used to help the Company assess its asset and credit risk management, understand and apply driver behavioural data in motor insurance management as well as enhance customers' experience.

In December 2018, ComfortDelGro Rent-A-Car ventured into the private-hire vehicle business with the aim of renting out 70 used 1,500 to 1,600cc vehicles. Motor insurance for these vehicles was extended to include private-hire usage, and drivers who rent from the Company will enjoy preferential discounts for petrol at ComfortDelGro Engineering's petrol kiosks.

Insurance Broking Services

ComfortDelGro Insurance Brokers Pte Ltd, whose remaining 51% stake was acquired by ComfortDelGro in the first quarter of 2018, continued to perform well for the year under review.

In Singapore, ComfortDelGro Insurance Brokers's principal activities relate to the provision of risk protection and transfer solutions through the disciplines of insurance broking, employee benefits consulting, as well as risk and claims management.

During the year, it worked with a local fitness company in Singapore to offer a fun, innovative and hi-tech medical kiosk to help improve the overall health and wellness of its employees. The medical kiosk, a Health Sciences Authority-approved Class B medical device that is made in Singapore, measures 13 health indicators of an individual in 60 seconds. Through Big Data analysis and individual statistics, it offers a holistic wellness solution to organisations intent on building a sustainable, proactive and preventive health and wellness virtuous cycle.

ComfortDelGro Insurance Brokers, which also specialises in handling large commercial motor fleets, stayed ahead of emerging technologies and risk trends by placing customised insurance for Singapore's first-of-its-kind autonomous shuttle bus on trial. This autonomous shuttle bus, which will operate in real mixed traffic conditions, alongside regular buses, cars and motorcycles, will commence in 2019.

ComfortDelGro Insurance Brokers continued to assist the Group's Business Units in Singapore and overseas in structuring cost effective insurance and claims management programmes. It also organised a briefing to staff on the Cybersecurity Act that was passed in March 2018, covering key topics such as the duties and responsibilities on owners of Critical Information Infrastructure.

Outdoor Advertising

2018 was a challenging year for Moove Media Pte Ltd due to the disruption brought about by new media and reductions in media spend by advertisers.

With 20% of SBS Transit bus fleet controlled by the LTA under the Negotiated Contracts (NC), and a drop in the number of Jewel Top taxis, the demand for both bus and taxi advertising platforms fell. Rail advertising demand, on the other hand, remained steady.

To cushion the impact, Moove Media worked at improving its taxi offerings to advertisers, such as the In-Taxi Entertainment Screens that it had installed in 3,000 ComfortDelGro taxis in partnership with Asia's leading in-vehicle platform provider, IDOOH, in April 2018.

These entertainment screens, which offer news and bite-sized content, proved to be an effective platform when it came to engaging passengers during their rides. Burger King®, for example, ran a successful

interactive campaign on the screens, garnering close to 18,600 engagements. Its campaign even won Bronze in the "Best Martech Solution-Gaming/Gamification" category at the Spark Awards 2018.

Moove also introduced the BIG Top Plus concept in September 2018, an extension of its BIG Top concept that was launched in 2017. The BIG Top Plus bus allows for more creativity as die-cuts provide more media space for advertisers.

As always, Moove Media put in extensive effort to create eye-catching 3D advertisements on buses. These included the 1:5 scale racing car replicas on bus rooftops as part of the Singapore Grand Prix advertising campaign in August 2018, and even a 3D ship for Maritime Singapore.

In October 2018, Moove Media was the first to be given the green light by the LTA to hold actual non-revenue route trials for a Digital Light-Emitting Diode (LED) Panel Strip Bus as a way to study how light and colours impact advertisements. The takeaways from the trial will enable Moove Media to develop new and more vibrant digital mobile display platforms in 2019.

Throughout the year, Moove Media continued to partner and work closely with the Authorities to roll out festive-themed trains and buses during Chinese New Year, Deepavali and Christmas. These trains continued to be well-received by commuters.

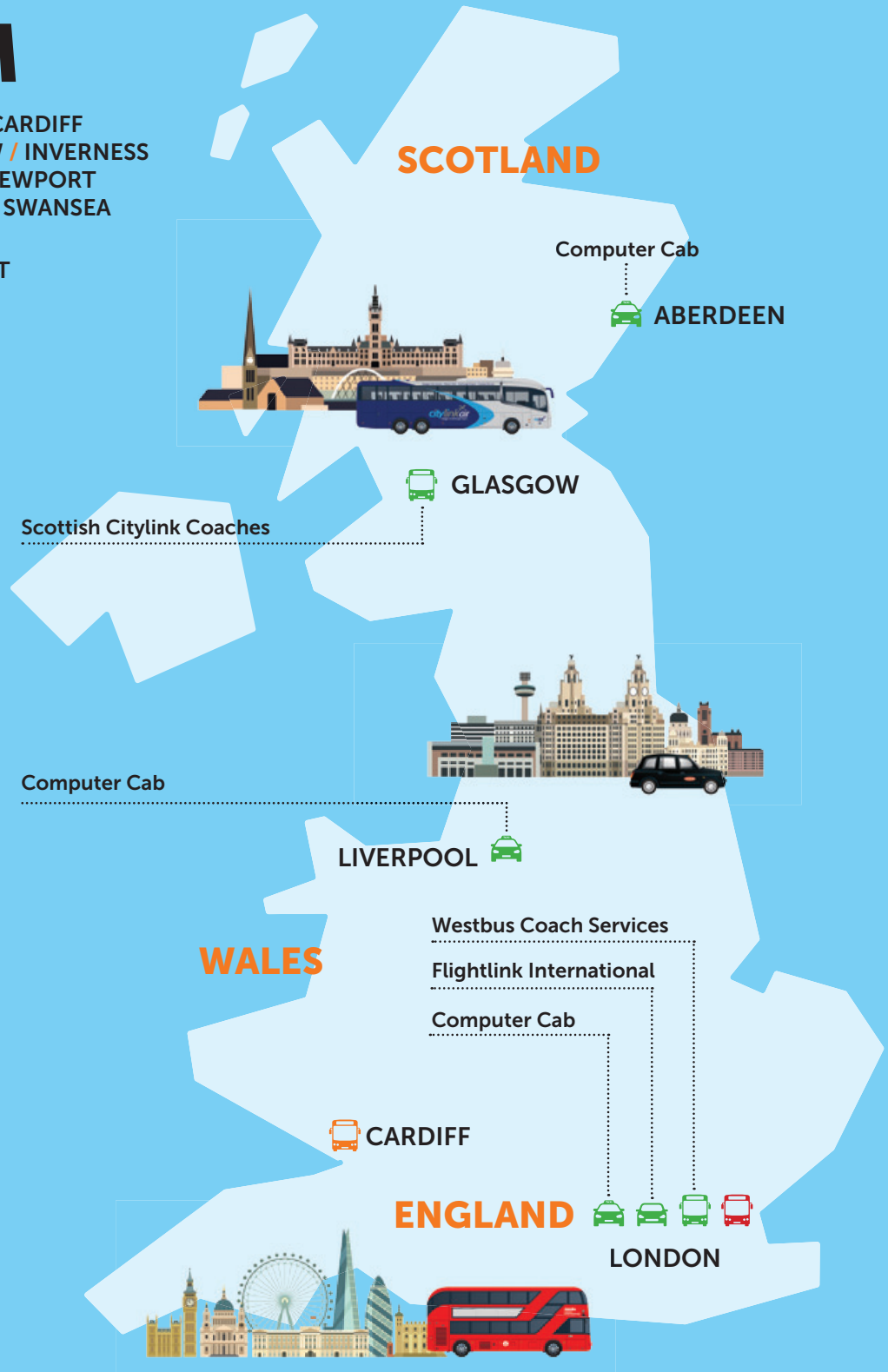


OPERATIONS REVIEW

UNITED KINGDOM

ABERDEEN / BARRY / BRIDGEND / CARDIFF
 DUNDEE / EDINBURGH / GLASGOW / INVERNESS
 LIVERPOOL / LONDON / NEATH / NEWPORT
 PERTH / PONTYPRIDD / STIRLING / SWANSEA

BUS / COACH / TAXI RADIO CIRCUIT
 PRIVATE CAR HIRE



867.0

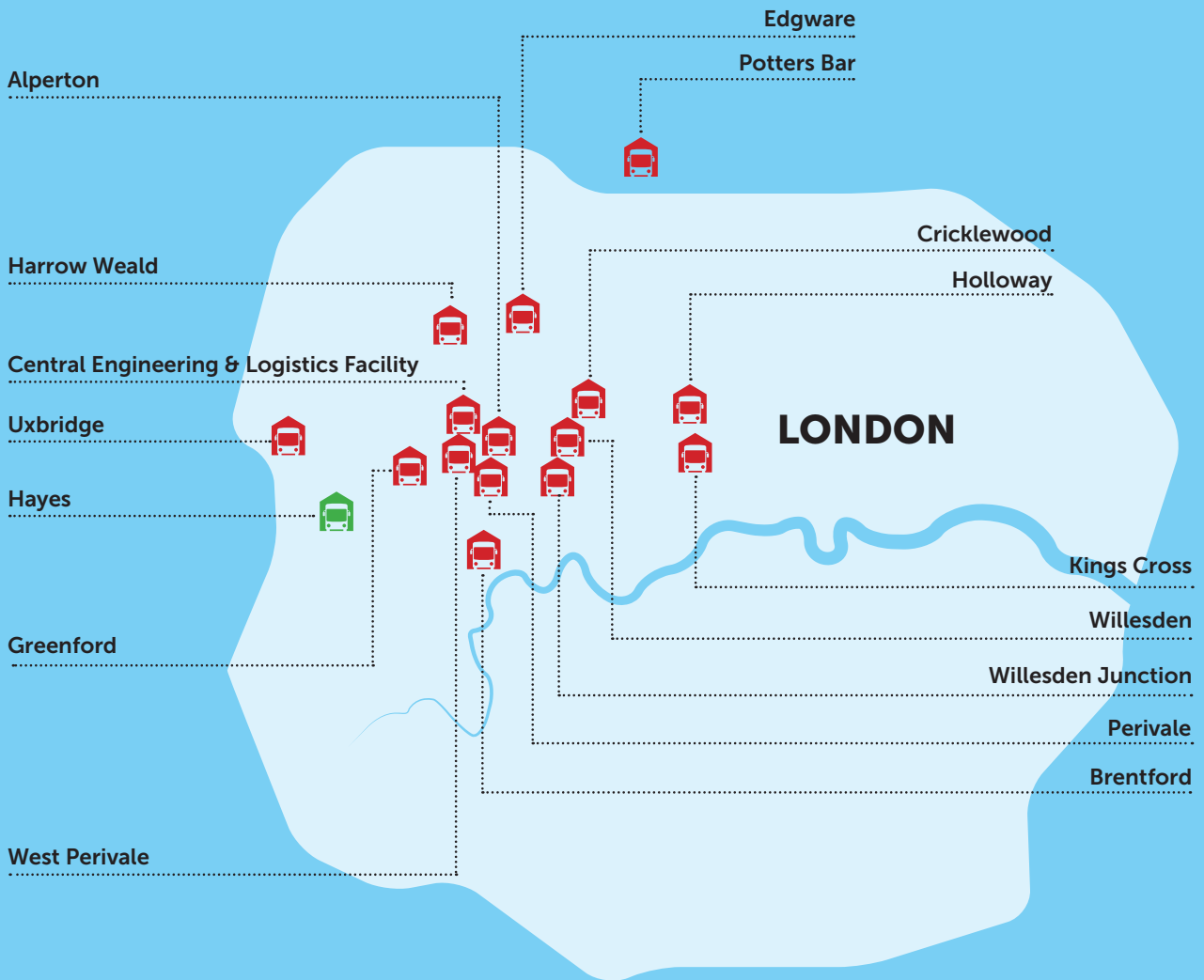
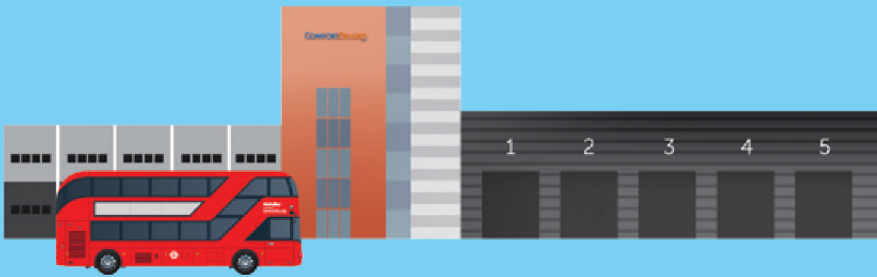
Revenue (S\$'mil)

8,583

Total Operating Fleet Size

6,096

Total Number of Employees



OPERATIONS REVIEW

ENGLAND

London

Bus

In the United Kingdom (UK), ComfortDelGro Corporation Limited's wholly-owned subsidiary, Metroline Limited, retained its position as the second largest bus operator in London with a fleet of close to 1,830 buses. It runs around 19% of London's scheduled bus mileage and plys routes mainly in North, West and Central London.

Out of the twelve contracts that expired in 2018, Metroline successfully retained seven and won another eight, resulting in a net gain of three contracts.

In 2018, Metroline began operating 23 fully-electric single deck buses on Route 46 after the installation of new charging units at the Holloway Garage. Following a successful three-year fully-electric bus trial, Metroline will commence the operation of these environmentally friendly buses on Route 43 from Holloway Garage and Route 134 from Potters Bar Garage in 2019. By mid-2019, Metroline will be operating nearly 100 fully-electric buses. The next generation of hydrogen buses is also expected to be introduced in mid-2020.

With the launch of the Metroline Centre of Skills and Development in 2017, a new driver apprenticeship – the first of its kind in London – was launched in November 2018. Selected apprentices will be involved in modules designed to help develop confidence and encourage

skills development, with practical hands-on and classroom-based training over a period of 12 months.

At the UK Bus Awards in 2018, of the 77 garages in the City, Metroline's Perivale Garage was shortlisted as a finalist in the "Best London Bus Garage" category.

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.

Westbus continued to diversify its customer base to include incoming tourism, event-hire, corporate and private hire, cruise ship passenger transfers, school and student travel, as well as home-to-school services.

Further inroads were made in targeting Asian tourists visiting the Continent. In all, the Asian market experienced a 9% increase, while the Japan market, in particular, registered an 11% increase during the year.

Taxi Radio Circuit

On 15 May 2018, CityFleet Networks Limited, through its wholly-owned subsidiary, Computer Cab plc (operating under the 'ComCab' brand') acquired the business and assets of Dial-a-Cab Limited, increasing its fleet size by 1,100. In so doing, it became London's largest black taxi operator with a fleet of 3,000,

and helped to strengthen the Company's market share of corporate customers.

During the year, the London Councils and Transport for London (TfL) awarded CityFleet Networks with the Taxicard and Dial-A-Ride contract for another three years, with an option for a fourth. Taxicard is the largest public sector day-to-day transport service in London for passengers with serious mobility or sight impairments. The contract covers all 32 London boroughs and the City of London. CityFleet Networks has, through its taxi subsidiary Computer Cab, held this contract for more than three decades.

CityFleet Networks also continued to invest in technology to maintain its competitive edge. The development of its driver mobile application (app) was completed in 2018 and will be rolled out in phases to its fleet over the course of 2019. The app will also be made available to Dial-a-Cab and non-circuit drivers by mid-2019 to improve service delivery.

To further enhance operational efficiencies and security, the transfer of the Dataroom at Woodfield Road to a new site in Cricklewood was also completed during the year.

Private Car Hire

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

Liverpool

Taxi Radio Circuit

Computer Cab (Liverpool) Limited is the City's largest taxi circuit operator with a fleet of 406 black cabs, catering to both the corporate and individual clientele. It had a successful year with the retention of key accounts such as the Northwest Ambulance and Liverpool City Council contracts.

SCOTLAND

Glasgow

Coach

The Group's partnership with Stagecoach Group plc, 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. All its coaches on major routes are fitted with Wi-Fi and USB charging facilities.

To remain competitive in the face of changing travel patterns and demands, Scottish Citylink Coaches kept its fares between Glasgow and Edinburgh priced below rail offerings. This, combined with Service 900 that serves 24 hours, seven days a week, helped to drive demand and revenue up.

Scottish Citylink Coaches received top honours at the 2018 UK Coach Awards in May. It was named “Top Express Operation for the Year” in recognition of the excellent connectivity and reliability of the services that it operates. It also won Silver in the “Innovation Award” category for the contactless payments that it offers across its entire fleet. Two of its employees clinched the top “Young Coach Industry Professional” Award and Gold in the “Unsung Heroes” category.

Aberdeen

Taxi Radio Circuit

Computer Cab (Aberdeen) Limited has the largest fleet of taxis in Aberdeen. The Company continued to work closely with its drivers and diversify its passenger base to those not directly susceptible to the volatility of the Oil & Gas Sector.

WALES

Cardiff

Bus and Coach

In February 2018, the ComfordDelGro 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. With a market share of 11%, it is the fourth largest bus operator in the area.

The acquisition was significant as it marked the Group’s first bus operations expansion outside of London.

NAT Group operates a fleet of 154 buses and coaches across four depots in Cardiff, Swansea, Newport and Pontypridd. Based near the City Centre of Cardiff, it operates



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.

NAT Group, which is the only operator in Wales operating purely hybrid buses, purchased two new Euro 6-compliant Scania Touring coaches during the year. It also introduced a new contactless ticket payment system in more than half of its fleet, with the rest of its fleet scheduled to make the switch by 2019.

Although very few contracts were awarded by the local Authorities between January and October 2018, NAT Group successfully secured the Welsh Government’s first

Express Coach service between Aberystwyth and Cardiff under the TrawsCymru brand. Funded by the Welsh Government, the TrawsCymru longer distance bus services are part of the integrated public transport network in Wales that provide vital public transport for many communities across Wales, while also giving visitors an accessible, affordable and environmentally friendly option for exploring the scenic beauty of the country.

OPERATIONS REVIEW

AUSTRALIA

ALICE SPRINGS / BALLARAT / BLUE MOUNTAINS
 BROKEN HILL / CANBERRA / COFFS HARBOUR / DARWIN
 EDGEWORTH / GEELONG / GLADSTONE / GRAFTON
 JABIRU / MELBOURNE / MILDURA / MORISSET / NARRABRI
 PARRAMATTA / PENRITH / PERTH / QUEANBEYAN
 SAWTELL / SINGLETON / SUNSHINE COAST / THORNTON
 TORONTO / SYDNEY / WEE WAA / WOOLGOOLGA / YASS

BUS / TAXI / NON-EMERGENCY PATIENT TRANSPORT SERVICES
 OUTDOOR ADVERTISING



- ComfortDelGro Corporation Australia (CDC)
- Buslink
- Blue Mountains Transit
- Forest Coach Lines
- Moove Media Australia
- Coastal Liner Coaches
- National Patient Transport
- Purple Coaches
- Qcity Transit and Transborder Express
- Swan Taxis
- Taxi Fleet Management

503.4

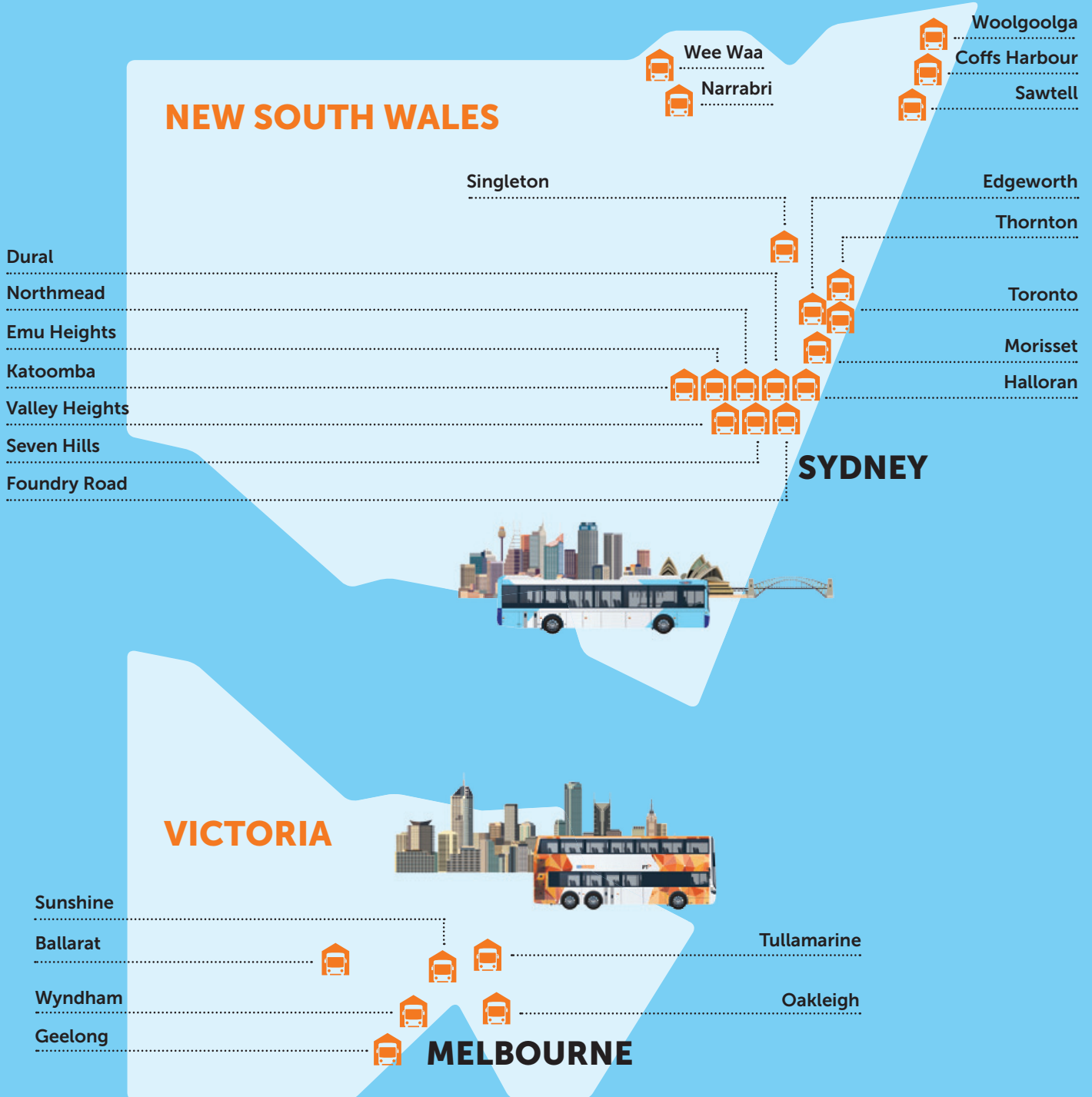
Revenue (S\$'million)

4,194

Total Operating Fleet Size

3,805

Total Number of Employees



OPERATIONS REVIEW

NEW SOUTH WALES

Sydney

Bus

We operate bus services in Sydney, New South Wales (NSW), through ComfortDelGro Corporation Australia Pty Ltd (CDC), which has been the Group's wholly-owned subsidiary since February 2017.

Early in the year, CDC acquired Coastal Liner Coaches which operates Region 11 in the Central Coast and luxury coach tour packages for theatre performances, concerts and day tours for individuals and small groups.

In August 2018, CDC expanded its fleet in NSW with the acquisition of FCL Holdings Pty Limited, which runs Forest Coach Lines in Sydney and a number of rural and regional contracts in the North Coast in September 2018. Founded in 1930, FCL runs a fleet of 220 buses spread over eight depots, Forest Coach Lines operates Region 14 and school charters in Sydney's North Shore as well as rural contracts in the Northern NSW. On top of these, CDC acquired two freehold depot sites – the Terrey Hills Depot and the Toormina Depot – for the operation of these bus services.

These acquisitions expanded CDC's NSW operating footprint to Coffs Harbour, Sawtell, Woolgoolga, Narrabri, Wee Waa and the Central Coast.

In November 2018, the Group announced its single biggest acquisition in Australia yet – that of Buslink, one of Australia's largest privately-owned bus businesses.

The acquisition of Buslink Pty Ltd, Buslink Southern Pty Ltd and their 11 corresponding depots, provided ComfortDelGro with immediate access to the Northern Territory and Queensland and enabled it to grow its existing bus operations in Australia beyond NSW and Victoria. With the acquisitions of these new bus companies in 2018, CDC is now the leading private operator in Australia.

On 18 January 2018, CDC launched an on-demand service in the Carlingford-Epping area as part of the Transport for NSW (TfNSW) pilot. The on-demand service, which is facilitated using a mobile application (app) that was developed by the Group's Information Technology team, received positive feedback from TfNSW and passengers alike. The trial will run till mid-2019. Separately, CDC is in the final stages of discussion with TfNSW to launch similar style on-demand services in other parts of NSW.

In partnership with Transdev, CDC has been operating Station Link, a new high frequency bus service which temporarily replaces train services while the rail line between Epping and Chatswood is being upgraded. The service, which commenced operations on 30 September 2018, will stop when Sydney Metro Northwest opens in mid-2019. As part of the seven-month long project, CDC and Transdev acquired

a total of 124 buses and recruited close to 200 bus drivers and marshals for this bus service.

Following the successful implementation of the Mobileye system across the entire Region 4 fleet in 2018, CDC embarked on a telematics trial in one of the Region 4 depots. The telematics system, which is similar to the telematics trial undertaken by the Group in Singapore, will further enhance safety by providing feedback to the drivers and Management whenever harsh braking, speeding and sharp cornering is detected. Management will also be alerted to excessive idling of buses, thereby reducing fuel consumption and improving environmental friendliness.

During the year, CDC in NSW rebranded its bus chartering business with the injection of new coaches and a new business focus. Called CDC Travel, it targets higher value and large-scale corporate clients to supplement its existing pool of school charters. Its efforts paid off as it successfully tendered and won a new three-year contract to provide 15 shuttle buses for Western Sydney University. Separately, our newly acquired business, Forest Coach Lines, also expanded its school charter business by winning a three-year contract to provide six buses for a private school in the North Shore. Both contracts commenced in January 2019.

In independent surveys conducted by TfNSW, all of CDC's NSW contracts maintained their high ratings in 2018. Customer satisfaction for Hillbus and Forest Coach Lines as well as CDC's Sydney metropolitan contracts exceeded the regulatory benchmark of 85%. A key element of the metropolitan (and outer metropolitan) contracts is an extensive Key Performance Indicator (KPI) regime. Both Hillbus and Forest Coach Lines met the On-Time Running Key Performance Indicator (KPI) throughout the year.

Non-Emergency Patient Transport Services

In April 2018, the Group added a new business to its portfolio – that of non-emergency patient transportation. This was achieved through a S\$30.2 million (A\$30 million) acquisition of the National Patient Transport Pty Ltd (NPT) which has 144 vehicles in its fleet.

Headquartered in Melbourne, NPT is one of Australia's leading providers of private non-emergency patient transport,



operating across Victoria, NSW and Western Australia (WA). It offers a range of healthcare transport services to state government ambulance utilities and directly to major metropolitan hospital networks including walker, hoist and stretcher transport services and specialist services for high acuity and complex patients. It also operates a registered training organisation that is qualified to deliver and assess a range of non-emergency healthcare transport, first aid and resuscitation courses in Australia.

NPT has been the first private provider of patient transport services to NSW Health, which is responsible for the public health system in NSW since 2016. In 2018, NPT doubled its fleet serving NSW Health to 36.

Outdoor Advertising

Moove Media Australia Pty Ltd reached record occupancy rates in the fourth quarter of 2018 with several of its advertising formats sold out for consecutive months.

Additional bus advertising sales opportunities were also created through the new acquisitions by CDC in 2018. The inclusion of new bus network areas allowed Moove Media Australia to extend coverage in Sydney and Melbourne. Since October 2017, Moove Media Australia also commenced offering and implementing taxi advertising in Perth, Western Australia.

The Customer Relations Management software solution which was introduced in 2017 was well used by all sales staff to deal with a wider range of businesses and opportunities. This resulted in a 30% sales increase in 2018.

The sales presentation deck was also redesigned to include relevant maps and statistics to represent the coverage and strengths of Moove Media Australia's campaigns. To meet demand, tiered pricing was introduced for bus media spaces.

Blue Mountains and Hunter Valley

Bus

With the acquisition of the Coastal Liner Coaches in 2018, CDC added another 30 buses to its operation in Hunter Valley, and successfully integrated Coastal Liner Coaches' Outer Region 11 operations with Hunter Valley's Outer 2 and 4 operations.

On 3 April 2018, CDC rolled out new tour services to the Jenolan Caves as well as



the Orient, Chifley, Lucas and the River Caves in the Blue Mountains.

Both the Blue Mountains Transit and Hunter Valley services met all their contract KPIs in 2018. In terms of customer satisfaction levels, both services also exceeded the benchmark of 85% in independent customer satisfaction surveys conducted by the TfNSW.

Queanbeyan

Bus

The Qcity and Transborder fleet of 116 buses carried over 1.5 million passengers in 2018. Qcity Transit provides route and school bus services to the community of Queanbeyan in NSW while Transborder Express operates route and school bus services in 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. Separately, Qcity was awarded the contract to operate the special events buses for the Australian Capital Territory (ACT) in 2018 and 2019.

VICTORIA

Melbourne

Bus

CDC operates essential bus services across the Western and Eastern suburbs

of Melbourne, as well as Ballarat, Geelong and Mildura.

Two new operations were added to the business in Victoria during the year – Tullamarine Bus Lines Pty Ltd, which has since been renamed CDC Tullamarine Pty Ltd, and NPT. With the acquisition of Tullamarine Bus Lines, CDC is now the third largest operator in Melbourne, representing about 16% of market share in the City.

Tullamarine Bus Lines, which operates seven bus routes under contract with Public Transport Victoria, is a family-owned bus company located close to Melbourne's Tullamarine Airport in the north-west of Metropolitan Melbourne. Significantly, it is located just 9km away from CDC Victoria's Sunshine Depot. Besides the public buses, Tullamarine Bus Lines also operates contracted school services.

In August 2018, CDC successfully negotiated and secured a seven-year contract for new metropolitan bus services in Melbourne. The new bus contracts operating in Metropolitan Melbourne include a range of customer-focussed KPIs that have bonuses and penalties. The Government has also committed to negotiating new bus contracts for CDC's Ballarat, Geelong and Mildura operations, which are due to expire on 30 June 2021.

A marketing reboot of its charter business in Melbourne, including meeting existing and new customers and a strong focus on delivering a quality outcome, resulted in

OPERATIONS REVIEW

a 25% increase in revenue for the year. New contracts and services such as the stand-by train replacement services run by Metro Trains Melbourne and contracts to operate school services also helped unlock growth in the charter business.

As a community-focussed bus operator, CDC ramped up sustainability efforts in 2018 with an order of 50 hybrid buses to be delivered over four years. This order of Volvo Euro 6 hybrid buses will replace 50 diesel buses that have reached their statutory lifespan. The first batch of 30 hybrid buses will be in operation by 2019. CDC's mechanics will be trained to handle the battery and electric elements of these hybrid vehicles. This training will allow CDC to transition its diesel mechanics as vehicle drivetrain technology moves rapidly toward full electrification.

To improve productivity and shore up operating performance, CDC appointed a Head of Network Performance and assembled in a Business Development team in 2018. These appointments helped the Company drive up the quality of service standards and support acquisition efforts across CDC.

Taxi

Through the Tullamarine Bus Lines acquisition, CDC now operates 43 taxis in Melbourne. An order of 30 Hyundai Ioniq hybrid was placed in December 2018 as part of plans to grow the fleet.

Non-Emergency Patient Transport Services

With its headquarters in Melbourne, NPT offers a range of healthcare transport services to state government ambulance utilities and directly to major metropolitan hospital networks including walker, hoist and stretcher transport services and specialist services for high acuity and complex patients. It also operates a registered training organisation that is qualified to deliver and assess a range of non-emergency healthcare transport, first aid and resuscitation courses in Australia.

During the year, NPT successfully secured a contract increase of 32 vehicles for Ambulance Victoria to become its largest provider of patient transport services.

Other key customers included Monash (Southern) Health, Eastern Health and Alfred Health, which are the three largest public health services in Victoria.

WESTERN AUSTRALIA

Perth

Taxi

2018 was a challenging year for Swan Taxis Pty Ltd due to weakening economic conditions and increased competition.

Despite that, Swan Taxis managed to secure two new major contracts. The first was with Menzies Aviation, in which the Company provides transport services for grounded passengers to and from the Perth Airport, while the second was with the Brightwater Group to ferry aged and disabled clients.

Swan Taxis, which provides point-to-point parcel delivery service, continued to promote the service online and through radio advertisements during the year. This resulted in an increase of 21% in volume.

In a bid to remain competitive, a Business Development team was formed. The team successfully used Taxi Butler, a device that facilitates the booking of taxis, to enable key hotels to book its taxis more conveniently.

Swan Taxis also continued to promote its Flat Fare option via the ComfortDelGro Swan Taxis App, offering passengers up to 20% in discounts to bolster demand.

As its Colour Taxis Scheme rolled out in 2016 was well-received, Swan Taxis went on to launch the Pink Taxis WA in June 2018. These strikingly pink taxis are driven by female drivers for women and families who may feel unsafe travelling in taxis driven by male drivers. Eleven pink taxis were branded to provide the service.

To maintain and grow its pool of drivers, Swan Taxis carried out different initiatives throughout the year. Taxi drivers and staff were offered incentives, including free training, discounts and monetary rewards, when they successfully referred new drivers to the Swan Taxis' network.

To manage the standard of taxi drivers and vehicles, on-road supervisors were deployed. A compulsory vehicle maintenance check on all vehicles was also implemented to improve vehicle standards.

Non-Emergency Patient Transport Services

With the S\$30.2 million (A\$30.0 million) acquisition of NPT, the Group now operates non-emergency patient transport services in Perth. It also operates a registered training organisation that is qualified to deliver and assess a range of non-emergency healthcare transport, first aid and resuscitation courses in Australia.

Its key customers include WA Health, the State's public health system, Hollywood Private Hospital of Ramsay Health Care Group and St John of God, which extended its national contract in 2018.

Bus

Swan Taxis Pty Ltd made its entry into the bus and coach business in WA by acquiring the assets of Purple Coaches on 27 August 2018. This Perth-based bus company operates coaches that serve schools, private charters and tours. During the year, it added three more coaches, bringing its fleet to 21.





CHINA

BEIJING / CHENGDU / GUANGZHOU / JILIN / NANJING / NANNING
SHANGHAI / SHENYANG / SUZHOU

BUS STATION / TAXI / ONLINE CAR HAILING SERVICE
CAR RENTAL & LEASING / DRIVING CENTRE

163.5

Revenue (S\$'million)

11,302

Total Operating Fleet Size

815

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.

In 2018, the Beijing Municipal Government continued with efforts to protect the welfare of taxi drivers whose incomes had been hit by the growing popularity of third-party applications (apps). These measures included requesting taxi companies to sign labour contracts with taxi drivers, capping

rental fees and the 'security deposits' paid by taxi drivers, monitoring fuel operating costs and controlling the source of taxi drivers. In addition, the local Government stopped providing subsidies for the replacement of taxis.

To mitigate the impact of these measures, the Company converted a number of taxis to private-hire vehicles when they were due for replacement. A total of 583 vehicles were replaced during the year, with about half of the fleet converted to private-hire. About a-tenth of the new vehicles were hybrid Hyundai Sonatas which run on both electricity and petrol. The Company plans to operate about 500 private-hire vehicles by the end of 2019.

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

Jilin City, Jilin Province

Taxi

Our 97%-owned subsidiary, Jilin ComfortDelGro Taxi Co., Ltd, is the City's largest taxi operator with a fleet of 729 taxis, translating to a 14.2% share of the market.

In response to an appeal from taxi drivers whose income had been affected by third-party apps and illegal taxis, the Jilin City Transport Bureau implemented a policy in October 2018 in which taxi companies were required to bear the Compulsory Traffic Insurance, Passenger Insurance, the Third-Party Commercial Insurance as well as the Vehicle and Vessel Use Tax in full. This is expected to impact the business in 2019.

Online Car Hailing Service

On 16 March 2018, Jilin ComfortDelGro Taxi became the first of over 30 taxi companies in the City to obtain the licence to operate its online car hailing service.

On 29 June 2018, it took delivery of 46 out of 100 cars ordered and officially commenced its online car hailing service – heralding a new milestone in the Company's history. The Jilin ComfortDelGro Online Car Hailing App, similar to the ComfortDelGro App in Singapore, was also launched. To improve its taxi drivers' income, the Company made the online car hailing mobile app available to taxi drivers as well.



OPERATIONS REVIEW



The online car hailing service has been well-received so far and Jilin ComfortDelGro Taxi is looking to increase its online vehicle fleet.

Shenyang, Liaoning Province

Taxi

The Group acquired Shenyang Tian Wen Taxi Co., Ltd in February 2018, reinforcing its position as the largest taxi operator in Shenyang.

Combining the 225 taxi licences and vehicles that were acquired and the existing fleets operated by Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd, the Group's total fleet in the City was 1,516 taxis in 2018.

Since the Central Government issued its broad guidelines and regulations on the taxi and private hire industries in 2015, individual Provincial and City Governments like Shenyang have issued their own implementation regulations to ensure the peaceful and sustainable co-existence of both industries, with strict regulations governing all operators. These include measures which control the type, size and age of the vehicles, as well as the selection and training of drivers.

With such strong policies in place and the fact that the Group's taxi companies in Shenyang operated under a leasing business model unlike those in the other cities, demand for services remained strong with all the taxis being fully hired out in 2018.

The preparatory work for the taxi booking app was completed during the year, and there are plans for both taxi companies to roll it out in 2019. To streamline processes, the companies combined various business functions such as payments, customer service and driver management into one centralised management system.

Both Shenyang ComfortDelGro Taxi and CityCab (Shenyang) continued to improve the service levels of their taxi drivers. As a result, a total of 478 taxi drivers from both companies were commended by the Shenyang Transportation Bureau for their good service.

WEST CHINA

Chengdu, Sichuan Province

Taxi

Our wholly-owned subsidiary, Chengdu ComfortDelGro Taxi Co., Ltd is the second largest taxi operator with a fleet size of 560 vehicles in the Capital City.

2018 was a challenging year for the Company due to the continuous proliferation of third-party apps. Although the Government had announced the implementation of regulations surrounding third-party apps, they were not enforced.

To retain taxi drivers, the Company modified contracts for them from employee-based contracts to vendor-based ones, which charged lower rental rates. Taxi drivers who also successfully referred new taxi drivers to the Company were rewarded.

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 with a focus on providing excellent customer service experience to improve rental demand.

Driving Centre

2018 remained a challenging year for our 95%-owned driving subsidiary, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd as competition remained stiff. The Centre stepped up its marketing efforts and introduced a referral scheme where incentives were given for successful referrals.

EAST CHINA

Shanghai

Taxi

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

The Volkswagen Santana Lavida taxi model, which is popular with both taxi drivers and passengers alike, continued to be the preferred choice of taxi for the Company's taxi replacement programme, with the Volkswagen Touran taxi model as the alternative. A total of 59 five-year-old taxis are due for replacement in 2019.



The Company continued to face a shortage of taxi drivers in 2018. To ensure its taxis were rented out, Shanghai City Qi Ai continued to engage 'maiduan' drivers and successfully recruited 19 'maiduan' drivers during the year.

Suzhou, Jiangsu Province

Taxi

Despite stiff competition, our 70%-owned subsidiary, Suzhou Comfort Taxi Co., Ltd managed to maintain a 100% utilisation rate of its fleet of 165 vehicles in 2018.

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. With aggressive competition from third-party apps affecting its operations, about 70% of its fleet was hired out during the year.

Driving Centre

On 20 July 2018, the Group's wholly-owned subsidiary in China, ComfortDelGro (China) Pte Ltd entered into a joint venture agreement with Nanjing Qixia District Number 2 Passenger Transportation Co., Ltd (Nanjing Qixia), and Nanjing Bulk Lifting and Transportation (Group) Co., Ltd to form an equity joint venture company – Nanjing ComfortDelGro Xixia Driver Training Co., Ltd – which operates a fleet of 35 vehicles.

Nanjing Qixia is an integrated transport company which provides driver training, vehicle repair and maintenance, bus chartering and real estate development. It is also one of the oldest driver training schools in Nanjing with a strong reputation.

SOUTH CHINA

Guangzhou, Guangdong Province

Bus Station

Our 60%-owned Tianhe Bus Station in Guangzhou served a total of 9.36 million passengers in 2018, a 10.77% drop from the previous year due to a variety of factors including a sluggish economy, the expansion of the high speed rail and the light rail transit services, the growth of the car population, private hire cars and buses as well as the persistence of illegal bus operations.

A number of long distance buses were also terminated during the year, resulting in a drop in cargo revenue by 20.29% and a reduction in cargo items by 16.39% as compared to the year before.

Despite that, the Station continued to rank second among 16 bus stations in Guangzhou, registering increases in market share in terms of bus trips and ridership to 19.3% and 23% respectively.

This was a result of several initiatives that the Station had undertaken during the year. For example, it introduced new bus routes and service stations, as well as new and wider business class seats on buses that

served high volumes of business travellers going to Meizhou, Shuizai and Xingning.

In 2018, the Station redeveloped unused spaces into retail spaces and successfully rented them out, resulting in a 26% increase in property rental income.

To save on manpower costs and further improve the efficiency of its bus despatching service, eight more automated bus despatch systems were added, bringing the total number to 10.

With the growth in electric car population in Guangzhou, the Station is planning to launch electric charging points for public buses and private cars in 2019.

Nanning, Guangxi Province

Taxi

Our 80%-owned subsidiary, Nanning Comfort Transportation Co., Ltd, is the largest taxi operator in Nanning with a fleet of 834 taxis and a high utilisation rate of 94%.

In the face of stiff competition brought about by third-party apps, the Company revamped its taxi rental scheme to encourage its taxi drivers to complete their contracts. These included shortening the contract period from six years to five, providing free rental months, imposing penalty for early termination and transferring the ownership of the taxi to the taxi drivers at the end of the contract. As for taxi drivers with older taxis, the Company gave daily maintenance subsidies and waived off the final month's rental.

OPERATIONS REVIEW



IRELAND

CORK / DUBLIN / GALWAY / LIMERICK

INTER-CITY EXPRESS COACH

24.0

Revenue (S\$'million)

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 and rising tourist numbers, demand for services across all its routes continued to increase. Its digital marketing strategy also provided positive results with online sales accounting for more than half of all its revenue.

To meet rising demand, additional journeys with improved frequency were added to the Limerick-Dublin Airport eireagle.com service. Reimbursement rates for concessionary travel also rose as ComfortDelGro Irish Citylink started accepting the Free Travel Pass on all its routes from 1 May 2018.

ComfortDelGro Irish Citylink continued to invest in technology by improving the user experience of its online booking facility. For example, the booking panel was redesigned and made mobile responsive. The mobile ticket layout was also enhanced to streamline the boarding process, and a function was added to allow passengers with the Free Travel Pass to reserve seats using their handphones.

During the year, ComfortDelGro Irish Citylink extended its sponsorship arrangement as the official transport provider for Connacht Rugby – one of the four professional provincial rugby



teams in Ireland – by another two years. Two coaches were put into distinctive co-branded livery as part of the arrangement.

In the CXi survey conducted by The CX Company in partnership with Amárach Research in June 2018, ComfortDelGro Irish Citylink jumped up 20 places to rank sixth overall. It scored high in the areas of integrity and in its ability to consistently deliver excellent service with well-trained professional staff who are attentive to customers' needs.



VIETNAM

HO CHI MINH CITY

TAXI

3.3

Revenue (S\$'million)

240

Total Operating Fleet Size

101

Total Number of Employees

Vietnam Taxi (Vinataxi) Co., Ltd remained the third largest taxi operator in Ho Chi Minh City with a fleet of 240 taxis in 2018. The average age of its fleet is about three years old.

Despite stiff competition, Vinataxi successfully renewed its existing contracts to operate taxi services at major pick-up points in the City. Its taxi booking mobile application, which was launched in 2017 on both Android and iOS platforms, has also been downloaded over 2,300 times to-date.

In August 2018, Vinataxi replaced Moca, a QR code payment method with VNPAY, a payment gateway company providing QR Pay, on board its taxis. It has been well-received so far.

The Company also continued to incentivise its taxi drivers by giving bonuses to its taxi drivers who had completed one year of their hiring contract and performed well. Extra bonuses were also given out to taxi drivers during the Vietnamese New Year or Tet.

To attract more taxi drivers in 2019, the Company plans to replace 41 of its taxis with the Toyota Wigo taxi model, which has better fuel efficiency and a lower daily rental.





MALAYSIA

KUALA LUMPUR

AUTO LEASING / INSPECTION & TESTING SERVICES

2.6

Revenue (S\$'million)

135

Total Operating Fleet Size

40

Total Number of Employees

Auto Leasing

Our subsidiary, CityLimo Leasing (M) Sdn Bhd, offers auto leasing services in Malaysia through a fleet of 135 vehicles. Utilisation of our vehicles remained high in 2018. The Company specialises in dedicated telematics fleet management for clients with round-the-clock nationwide technical and roadside emergency assistance. 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.

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.

