

29 September 2003

KMB Reach a Principle Agreement for the Bidding Program of Shenzhen Public Transportation

The Kowloon Motor Bus Holdings Limited (Stock Code:0062) (KMB) came to a principle agreement for the international bidding program of Shenzhen Public Transportation Group Company Limited (SPTG), and a signing ceremony was held today (Monday, 29 September) at Shenzhen Wuzhou Guest House. According to this agreement, KMB agrees in principle to subscribe a 35% stake in SPTG at a price of not more than RMB \$497.6 million after its assets and capital restructuring. Being a franchise grantee, SPTG will operate the public bus business in Shenzhen. Besides capital contribution, KMB will also be involved in SPTG's management.

Witnessed by officials led by Mr Zhang Siping, Vice Mayor of Shenzhen, the principle agreement was jointly signed by Mr Pang Datong, Managing Director of Shenzhen Investment Holding Corporation (SIHC), the mother company of SPTG, and Mr John C. Chan, KMB Managing Director.

Mr Zhang Siping, Vice Mayor of Shenzhen, said at the ceremony, “ The restructuring of national enterprise is of great importance. SPTG is representative of such an enterprise, and the participation of KMB will add a new vitality to SPTG. The co-operation will help improve the transportation system of Shenzhen and livelihood of its people, as well as strengthening the trend of collaboration between Shenzhen and Hong Kong.”

Mr Pang Datong, Managing Director of SIHC, said, “ With the strength of SIHC, KMB and other shareholders in aspects including capital, skills, management and marketing, the organisational effectiveness, management structure and technological systems of SPTG will be further enhanced.”

Mr John Chan, KMB Managing Director said, “ Our principle agreement with SIHC represents a collaboration between two strong parties which certainly will result in a winning situation for all. It helps not only in enhancing our relations and facilitating the exchange of experience, but also in building a strategic partnership as infrastructural integration between Shenzhen and Hong Kong becomes ever closer.”

After signing the agreement, a series of toasts was shared by Shenzhen Municipal officials and guests. A meeting between Shenzhen Municipal officials and members of KMB's management team was also held.

Established in 1975, SPTG currently owns 17 subsidiary companies and long term investments. With a fleet of around 3,300 vehicles operating 109 routes and some 10,000 employees, SPTG is now the largest public transport operator in Shenzhen. Upon completion of this bidding program, SPTG will be restructured to become an equity joint venture company with shares and will prepare for listing.

KMB has been proactively developing its business on the Mainland in recent years. Besides the cross-boundary shuttle bus services, and two co-operative joint ventures in Dalian and

Tianjin, in April KMB invested in the first sino-foreign equity joint venture taxi company with shares in the PRC, Beijing Beiqi Kowloon Taxi Company Limited (BBKT). BBKT operates a fleet of more than 4,500 taxicabs and rental vehicles with an initial capital of around RMB 250 million. KMB's initial investment amounted to RMB 80 million, which represents a 31.38% stake in BBKT. Witnessed by Mr Liu Zhihua, Vice Mayor of Beijing, the opening ceremony of BBKT was held on the 23rd of this month.

(Note to Editors: Photos of the signing ceremony of the principle agreement for the international bidding program of Shenzhen Public Transportation Group Company Limited can be downloaded at <http://www.kmb.com.hk/press-download/photos.html> after 6:00 p.m., and a hard copy of the press release with photos (plus captions) will be delivered to your office before 10:00 p.m.)

– End –

For more information, please contact:
Ms Susanne Ho
KMB Head of Corporate Communications Department
Tel: (852) 2786-8969 / (852) 7909-8050
Fax: (852) 2371-2910



深圳市副市長張思平先生（左）與九巴董事長陳祖澤先生（右）在簽約儀式前會面。
Mr Zhang Siping, Vice Mayor of Shenzhen (left), with Mr John C. C. Chan,
KMB Managing Director (right), before the signing ceremony.



九巴董事長陳祖澤先生表示：「是次九巴與深圳市投資管理公司達成原則性協議，可說是一項強強聯合、面面皆贏的合作。」

Mr John C. C. Chan, KMB Managing Director said, "Our principle agreement with SIHC represents a collaboration between two strong parties which certainly will result in a winning situation for all."



九巴就深圳公共交通（集團）有限公司國際招標項目達成原則性協議的簽約儀式今日在深圳五洲賓館舉行。

The signing ceremony of the principle agreement for the international bidding program of Shenzhen Public Transportation Group Company Limited was held at Shenzhen Wuzhou Guest House today.



在深圳市政府領導及九巴管理層成員見證下，深圳市投資管理公司總裁龐大同先生（右）與九巴董事長陳祖澤先生（左）簽署原則性協議。

Witnessed by Shenzhen officials and members of KMB's management team, the principle agreement was signed by Mr Pang Datong, Managing Director of Shenzhen Investment Holding Corporation (right), and Mr John C. C. Chan, KMB Managing Director (left).