

## MANAGING DIRECTOR'S MESSAGE



The Management team will continue to lead the Group with the “KMB spirit” in mind, striving to serve Hong Kong with all-out effort.



In 2023, KMB celebrated its 90<sup>th</sup> anniversary with a series of festive events, as it reminisced about the bygone days at KMB and looked ahead to the future with the public. For the past ninety years, we have relied on the support of everyone, which has enabled us to grow alongside Hong Kong and navigate our way through the ups and downs. This tremendous support has also boosted our confidence and provided us with the motivation to continue moving forward in our development.

Since the lifting of all pandemic-related measures and travel restrictions last year, Hong Kong has undergone a diverse range of key changes. To this city, this means a year where challenges and opportunities coexisted. As the society returned to normalcy, it created favourable conditions for economic recovery. However, changes in travel habits, slow recovery in inbound tourists, low consumer confidence, and a decline in the working population all became mounting pressure on the demand and operation of public transportation services.

The Group has over ten thousand employees who have all geared up for the “new normalcy” in our society. First and foremost, for a service to be reliable, it must be well supported by stable manpower. To this end, KMB continues to develop policies that add value to in-house employees and care for colleagues, creating a favourable working environment to attract and retain talents. We have also renewed our efforts in talent recruitment to attract people of different backgrounds and ethnicities to join us. In addition, the Group also proactively creates opportunities to boost service demand, as it reviews the needs and potential of bus services in various districts, and launches timely planning and strategies for further development. KMB also encourages

local residents to commute, as this not only drives service demand but also contributes to the growth of Hong Kong economy. Apart from serving local needs, the Group also seizes opportunities created by the integration of the two regions and enhances cross-border bus services to promote customer flow. By promoting bus services and attracting passengers, it aims to increase the awareness of travellers and encourage them to choose bus transportation. With the Central Government’s guidance on the development of the Greater Bay Area, the Group recognises the opportunities for coordinated development between Mainland China and Hong Kong. We have signed a strategic cooperation agreement with SZBG to promote cross-boundary transportation connectivity, leveraging our combined resource advantages for mutual benefits and shared success.

As the major public transport operator in Hong Kong, the Group stays in tune with the heartbeat of the city as it strives to contribute to our social development. KMB proactively develops green transportation initiatives to fall in line with the Government’s carbon emissions reduction goals. The first batch of electric double-deckers has been officially put into service, fulfilling the operational needs and service requirements in terms of driving performance, cabin environment, and passenger experience. KMB’s fleet of electric buses has travelled as many as 2.2 million kilometres, successfully reducing 3,000 tonnes of carbon emissions. With 82 electric buses to be in service successively and the organic expansion of service areas, more residents are set to benefit from our new energy bus fleet as we make practical contributions to environmental protection together. In terms of the fleet, KMB has already equipped half of its bus fleet with



solar energy systems. The renewable energy produced by these systems can supply the power needed for all electronic devices on board. Along with the solar energy systems installed at bus depots, bus stop roofs, and bus stop poles, we have made even better use of renewable energy. Given that green transportation is an undeniable trend, we will maintain close collaboration with the Government in seeking further support to promote environmental protection and achieving carbon neutrality with all other sectors in Hong Kong.

While the Group's bus service operating companies serve nearly three million passengers daily, caring about our passengers remains our key responsibility. In particular, the elderly, students, individuals with special educational needs, persons with disabilities, and people from vulnerable communities are always in our mind. We strive to build an inclusive community, as we stick to the ancient Chinese saying "Never fail to do good things no matter how petty they are." Our caring measures involve various aspects, including compartment facilities, waiting areas, workplace environment, learning opportunities, voluntary services and more, all aimed at benefiting our passengers in a broader and more extensive way. To contribute to the development of a liveable city, the Group will uphold its social responsibility by continuing to explore feasible measures in response to the needs of different groups.

The Group never overlooks safety when it explores opportunities for development and stays conscious to community needs. While our core mission is to provide stable and safe bus services, we continue to introduce new technologies to enhance driving safety and keep up with the times. KMB is the first franchised bus company that has

introduced a preventive maintenance system for remote monitoring of key components of our buses. All abnormalities detected will be handled by our servicing personnel in advance. Along with the driving behaviour feedback and monitoring systems put in force earlier, modern technologies are employed to ensure that passengers trust our service and feel at ease when travelling on our buses. Since the implementation of the preventive maintenance system last year, the number of mechanical failures for KMB and LWB fleets has dropped by 30% in the second half of last year compared with the same period in the previous year.

The KMB Academy, founded over two years ago, has provided training for over 1,200 bus captains and maintenance staff, as they have all been recognised by the Qualifications Framework of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications. Being the only school dedicated to training talents for the bus industry in Hong Kong, the Academy will continue to play a crucial role in providing stable and safe bus services.

Despite all the challenges and difficulties in the past, the Group has never stopped moving forward, as it has grown to the scale today by learning from daily experience and renewing its practical knowledge. The Management team will continue to lead the Group with the "KMB spirit" in mind, striving to serve Hong Kong with all-out effort.

**Roger LEE Chak Cheong**

Managing Director

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