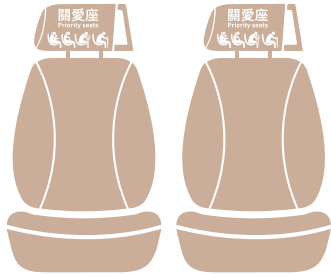


SUSTAINABILITY REPORT

Caring for Customers



Newly-added

1,000

priority seats in bus fleet

As a public transport provider, we are dedicated to delivering excellent bus travel experience for all. We work to identify and understand customer needs and expectations to ensure our bus services are safe, smart, efficient, comfortable and good value-for-money.





9 Industry, Innovation and Infrastructure



11 Sustainable Cities and Communities

Innovation and Convenience

We believe that innovation and technology are the key to benefitting the industry and communities by facilitating a convenient, diversified and sustainable travel environment.

Electronic Payment System

LWB was the first franchised bus company in Hong Kong to install a diversified electronic payment system in its fleet in 2020, the e-payment system has become applicable to all KMB routes since 2022, also supporting all existing routes under the KMB Regional Two-way Section Fare Schemes. With the newly accepted American Express, Discover/ Diners Club, WeChat Pay HK and Weixin Pay, the number of electronic payment methods supported by the KMB and LWB e-payment systems increased to sixteen in 2023. This makes KMB and LWB the industry players that accept the most diverse electronic payment methods among local public transport operators. The sixteen contactless payment options available include credit cards, digital wallets on mobile devices, smartwatches, and QR codes for an easy, fast and convenient bus fare payment.

app1933

With one million daily unique users and approximately seven million downloads, the KMB and LWB mobile app, app1933, elevates customer experience with a more convenient and personalised service offering.

app1933 allows users to check bus route information and the estimated time of bus arrivals. Highlighted functions include:

- Ⓐ The Estimated Travelling Time and the Bus Estimated Time of Arrival ("ETA") services enable users to plan their trips more easily and check the ETAs provided not only for KMB and LWB but also for other franchised bus companies;
- Ⓐ The built-in location-based function, with which users can check real-time traffic conditions, weather information, flight schedules and ferry information under the "Info Corner" feature, a seamless and efficient travel experience across different transportation modes;

- Ⓐ The function of displaying real-time occupancy levels on upcoming buses has been introduced, enabling passengers to better plan their itinerary;
- Ⓐ The "Reminder function" which has been upgraded with boarding reminders, allowing passengers to create reminders by selecting bus routes and boarding times, offering a stress-free solution for everyday commuting;



Bluetooth Beacon Signal



Estimated Travelling Time



Real-time Weather Information



Estimated Bus Arrival Time



Chatbot

SUSTAINABILITY REPORT



- Ⓜ In response to the further opening of the Sha Tau Kok Frontier Closed Area, KMB has introduced a special Route 78S for customers visiting Sha Tau Kok
- Ⓜ Further engaging with customers through an exclusive loyalty programme, the membership scheme club1933, which allows passengers to enjoy bus rides while earning points for gifts, or eCoins which can be used to settle bus fare payment; and
- Ⓜ Allowing passengers to make enquiries and comments on the artificial intelligence Chatbot channel, bot1933, at any time of the day or night.



New Bus Services

We have implemented a number of enhancements to our bus service over the past few years to deliver a more pleasant and comfortable journey for our passengers.

- Ⓜ To enhance the connection between the Anderson Road Development area and Hong Kong Island, KMB introduced Route 613A in February 2023. The service is the first solely operated cross-harbour route reaching Chai Wan Area;
- Ⓜ Tying in with the opening of Heung Yuen Wai Control Point, KMB introduced Route B9 to operate between the Control Point and Tuen Mun Station. The route was enhanced to provide an all-day service starting mid-2023. Apart from this, Route 79K also provides an all-day service connecting North District and Heung Yuen Wai Control Point. Passengers of Route 79K can interchange on multiple KMB routes at Fanling Station Bus-bus Interchange ("BBI") to travel to other districts with a discount offered;
- Ⓜ To facilitate residents of North District commuting to and from Hong Kong Island, KMB introduced Route 673A (Sheung Shui ⇌ Central) in April 2023. This provides residents of North District, including those who live in Sheung Shui, Wah Ming and Fanling, with an additional choice of bus service travelling to Hong Kong Island. Route 673A travels via Hennessy Road and Des Voeux Road Central, offering passengers who work along these roads a point-to-point bus service;
- Ⓜ To cope with the increase in passenger demand in Queen's Hill area, KMB added a special departure to Route 78B (Queen's Hill ⇌ Sheung Shui) in September 2023. This has strengthened bus services in both Queen's Hill and North District, facilitating the commuting of students and the working population;
- Ⓜ To accommodate the growing population in residential areas of Tsing Yi, KMB introduced Route 49 and 49M in 2023, connecting Ching Fu Court to Tsing Yi Station and Tseung Kwan O;

- Ⓐ To respond to the increasing trend of outbound travel, LWB introduced Routes A42 and A46 in December 2023. Apart from this, to enhance the overall network coverage, the existing Route A41 was re-routed such that the whole Sha Tin District was covered by the LWB A-bus network. These routes aim to enhance bus services between Sha Tin, Tai Wai, the Airport, and the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port, providing a wider and more comprehensive network coverage; and
- Ⓐ Starting January 2024, the once restricted area of Sha Tau Kok has been further opened up to the public. To enhance accessibility to the area, KMB has introduced a new express Route 78S, running from Sheung Shui to Sha Tai Kok, to facilitate weekend and holiday travel for visitors. Since then, it has become easier for passengers to explore the mystic surroundings, enjoy the scenic beauty and appreciate the historical buildings in Sha Tau Kok.



- Ⓐ LWB has introduced two new Routes A42 and A46 to enhance the bus service between Sha Tin District, the Airport and the Hong Kong-Zhuhai-Macao Bridge

Facility Upgrades

- Ⓐ Display screens have been installed on the lower deck of KMB buses to show the number of remaining seats on the upper deck. This facilitates passengers in finding available seats on the upper deck, contributing to more even distribution of space and elevating the overall passenger experience;

- Ⓐ KMB has launched a comprehensive upgrade of its 5G services and planned to upgrade the entire bus fleet to 5G-enabled buses with free 5G Wi-Fi service on board. For an elevated travel experience, passengers can now enjoy unlimited sessions of complimentary 5G Wi-Fi service with an ultra-fast, stable and smooth 5G network connectivity;
- Ⓐ A total of four horizontal ventilation windows, located on both the upper and lower decks, are designed to facilitate natural ventilation and ensure a comfortable journey for passengers;
- Ⓐ The Solar-powered Bus Shelter Campaign promotes green energy by installing solar panels to power lighting. To date, 1,907 bus stops have been equipped with solar power equipment;
- Ⓐ The enhancement of the bus route information sheets has been completed. Passengers can now scan the two-dimensional QR code on the new layout information sheets posted at bus stops for bus frequency and other bus route information;
- Ⓐ KMB and LWB have installed the Bus Information Panel System on 4,123 buses. Passengers can obtain real-time bus stop information through the display screens on the upper and lower decks and the alighting reminder function on app1933;
- Ⓐ 1,219 bus stop locations are equipped with display panels showing the estimated time of bus arrivals;
- Ⓐ The air quality in bus compartments has been improved with electrostatic air filters installed in KMB and LWB buses; and
- Ⓐ 4,051 KMB and 285 LWB buses are equipped with power-saving variable capacity air-conditioning compressors, which provide more adaptive and refined thermal control in the most fuel-efficient manner in all weather conditions. The air-conditioning systems feature a fresh air function that extracts fresh air outside the compartment and purifies it through a double-layer filter system.



- Ⓐ Passengers can notice the number of remaining seats on the upper deck via the device installed on the lower deck

SUSTAINABILITY REPORT

Accessibility

Access to transportation is vital for independent living, and an accessible transport system is the building block of an inclusive society.

Accessible Bus Fleet

The entire KMB and LWB fleets deploy super-low floor buses for easy boarding and alighting, with wide entrances and exit doors for better passenger access. These features have made all KMB and LWB buses easily accessible to the elderly and wheelchair users. In addition, KMB has approximately 300 buses fitted with two wheelchair spaces, which run mainly on routes travelling to and from hospitals. Besides, KMB has introduced foldable armrests in the wheelchair areas of over 110 buses. The new armrests not only make wheelchair passengers feel more comfortable on board but can also help prevent wheelchairs from overturning or skidding on the gangway. The new design has become one of the standard features on every newly purchased bus.

KMB has been a pioneer in introducing "priority seats" on buses. These seats are strategically located near the bus doors to ensure easy access for passengers in need. KMB actively promotes to the public that these seats are intended for anyone requiring assistance, fostering a culture of offering assistance to those who need it. To further promote the spirit of assisting those in need, KMB is adding two extra priority seats on 500 buses, bringing the total number of newly added priority seats to 1,000. These buses will be identified by a "Priority Seats x6" label sticker on the windscreen, and will primarily serve routes frequented by seniors.

Upgrade of Depots, Termini and Bus Stops

The commitment of KMB and LWB to upgrading their facilities at termini and bus stops is reflected in the following measures:

- Ⓐ The renovation of 31 Bus-bus Interchanges was completed in 2023. There are clearer signage and platform numbers in the interchanges so that passengers can find their way to the interchange platform more easily. Route information is also available in both interchanges and on the mobile application app1933 to facilitate passengers; and
- Ⓐ KMB has upgraded 70 bus stops or termini, which are frequently used by the elderly, to transform them into "Age-friendly Bus Stops". These bus stops, located near public housing estates or hospitals commonly visited by the elderly, now provide extra seating and age-friendly signage to improve the waiting environment for all passengers as a whole.

Affordability

Fare Concession Schemes

KMB and LWB are committed to providing efficient bus services for the public. A number of fare concession schemes were introduced in 2023, including the following:

KMB

- Ⓐ KMB has launched the Monthly Pass Scheme, the first monthly pass for franchised buses in Hong Kong, under which passengers can take up to ten rides per day on KMB buses, with an additional two trips permitted on Route B1. In May 2023, other than encompassing 400 KMB routes, including regular routes, overnight routes and racecourse routes, the Pass also covers LWB bus routes to reward



- Ⓐ Locals and tourists can receive a fare discount at the KMB Fare Saver Kiosk located at the Hong Kong Palace Museum to enjoy the bus service at a more affordable price when they visit West Kowloon



- 70 bus stops or termini frequented by seniors have been upgraded to “Age-Friendly Bus Stops”, where additional seats have been installed to care for the elderly

passengers under the new 10-year LWB franchise. For LWB services, Pass holders are entitled to use the Pass to travel on E-, N-, S-, R- and X- routes and enjoy a 73% off on the bus fare when taking LWB A- and NA- routes;

- KMB rolled out the Regional Short-haul Two-way Section Fare Schemes in Tuen Mun, Yuen Long, Tin Shui Wai, Tseung Kwan O and North District. Passengers can enjoy the concessions by tapping an Octopus card, contactless bank card or mobile device or by scanning the QR code on the designated one-stop validators at bus stops upon alighting;
- The KMB Fare Saver Scheme offered a fare discount of up to HK\$4.0, covering some campuses of educational institutions, shopping malls and residential areas. On top of the existing Fare Saver Kiosks in Mei Foo, Kowloon Mosque, United Court in Yuen Long and two private housing estates in Tin Shui Wai and Tseung Kwan O, KMB has further expanded the Fare Saver Scheme to cover West Kowloon Cultural Area and Yuen Long. The new Fare Saver Kiosks are located at M+, Hong Kong Palace Museum and Kong Ha Wai Transitional Housing;
- ICBC/KMB UnionPay Dual Currency Cardholders enjoyed a maximum of 20% bus fare rebate when paying for KMB and LWB rides; while Citibank cardholders enjoyed a 15% bus fare rebate year-round under another fare rebate scheme;



- Two additional priority seats have been added to 500 in-service buses which are now deployed to operate on routes commonly used by elderly passengers
- Partnering with Hong Kong Tramways Limited and some Green Minibus operators, KMB provided inter-modal interchange fare concessions covering routes on Hong Kong Island and in the New Territories;
- A KMB-MTR interchange discount was offered to passengers interchanging from designated routes solely operated by KMB to designated MTR stations, and vice versa;
- New Bus-bus Interchange Concession Schemes were offered alongside the introduction of the new Routes 49, 49M, B9 and W4;

SUSTAINABILITY REPORT

- Ⓐ In response to the northward consumption patterns observed among locals, KMB introduced Border Routes B1 and B9 interchange discounts. Passengers were entitled to a free ride after taking two designated trips, with a fare discount of nearly 50% off at maximum;
- Ⓐ To celebrate KMB's 90th anniversary and encourage people to travel to different places in Hong Kong during the summer holiday in 2023, child passengers were offered free rides on more than 450 KMB and LWB routes on thirteen consecutive Sundays and public holidays;
- Ⓐ A summer promotion offering students a half-fare discount on 30 selected cross-harbour routes was implemented from mid-July to early August 2023; and
- Ⓐ As part of the "Night Vibes Hong Kong" campaign, four KMB and LWB routes were carefully chosen to offer passengers to embark on a nighttime excursion and savour the renowned night vistas of Hong Kong, thereby promoting the evening economy. KMB also offered a 25% off on overnight bus routes from September to November 2023 in support of the "Night Vibes Hong Kong" event.

LWB

- Ⓐ ICBC/KMB UnionPay Dual Currency Cardholders enjoyed a maximum of 20% bus fare rebate when paying for KMB and LWB rides;
- Ⓐ Citibank cardholders enjoyed a 15% bus fare rebate year-round through a fare rebate scheme;
- Ⓐ A new Bus-bus Interchange Concession Scheme was launched in collaboration with New Lantau Bus, offering passenger rides to leisure spots in Mui Wo, Tai O, Ngong Ping and Disneyland;
- Ⓐ Passengers were entitled to a maximum of 50% fare discount when interchanging with the KMB designated routes to and from the Airport and HZMB under the "Ride two journeys, get one journey free" campaign;
- Ⓐ To celebrate KMB's 90th anniversary and encourage people to travel to different places in Hong Kong during the summer holiday in 2023, child passengers were offered free rides on more than 450 KMB and LWB routes on thirteen consecutive Sundays and public holidays; and



- Ⓐ KMB has completed the renovation of 31 Bus-Bus Interchanges, providing clear signage and platform numbers for customers

- Ⓐ As part of the “Night Vibes Hong Kong” campaign, four KMB and LWB routes were carefully chosen to offer passengers to embark on a nighttime excursion and savour the renowned night vistas of Hong Kong, thereby promoting the evening economy.

Bus-bus Interchange (“BBI”) Schemes

KMB and LWB are dedicated to enhancing their Bus-bus interchange (“BBI”) networks, offering fare concessions to ensure value-for-money, convenient, and environmentally friendly bus services. This commitment aims to provide passengers with a better quality of life and the experience that “Interchange is so simple”.

- Ⓐ KMB and LWB offer fare discounts to passengers on the second leg of their journeys and broaden the network coverage under their BBI Schemes. As of the end of 2023, KMB completed setting up 31 BBIs in major locations across the entire eighteen districts of Hong Kong. Those BBI hubs benefitted passengers as they offered more route choices, along with new interchange discounts offered by the BBIs; and
- Ⓐ KMB completed the renovation for 31 BBIs in 2023 to provide clearer signage and platform numbers in the interchanges for easy wayfinding. Through their respective websites and on app1933, KMB and LWB also provide detailed and comprehensive route-to-route BBI information for passengers.

KMB Monthly Pass

The KMB Monthly Pass Scheme, under which passengers can take up to ten rides per day on KMB and LWB buses for HK\$800 and two additional trips on Route B1, covers 450 KMB and LWB routes, including regular routes, overnight routes, racecourse routes and the joint-operated Cross-Harbour Routes.

KMB Monthly Pass holders can unlock some exclusive privileges, which include the following:

- Ⓐ With each purchase of the Pass, passengers can earn 800 points towards redeemable KMB gifts and eCoins under the KMB membership scheme, club1933;
- Ⓐ Enquiries made via the KMB Monthly Pass Exclusive Hotline (3974 7888) will be handled by assigned operators;
- Ⓐ The passenger rewards offered by the KMB Monthly Pass Scheme also covers LWB bus routes. Pass holders are entitled to use the Pass to travel on E-, N-, S-, R- and X-routes operated by LWB and enjoy a 73% off on bus fare when taking LWB A- and NA- routes, benefitting from a bus network that connects different boundary control points;

- Ⓐ Experience a comfortable bus ride on Routes P960 and P968 by paying a “Fare for Upgraded Journey”; and
- Ⓐ KMB has launched a “Buy-2-Get-1-Free” promotion, offering Student Identity Octopus cardholders a HK\$800 Octopus dollar rebate with the purchase of an KMB Monthly Pass for only three consecutive months.

Customer Privacy Protection

As the public relies on our transport services daily, we acknowledge the crucial role we play in safeguarding our customers’ privacy and endeavour to maintain our status as a trusted bus company.

Attaching great importance to personal data protection, the Group has established working instruction guidelines to prevent inappropriate disclosure of personal data. Stickers are posted inside all buses that are equipped with a CCTV system to inform passengers and bus captains of its presence and purpose. Authorised personnel will access recordings from CCTV cameras solely for security and incident investigation purposes. The recorded data is controlled by the Management and will only be accessed, copied or viewed with prior approval of the Management and in accordance with the governing procedures.

CCTV cameras, including forward-looking cameras, to monitor road and saloon conditions have become standard features on all new buses since 2015. CCTV cameras are installed in all KMB and LWB buses to protect the interests of bus captains in the event of police investigations or legal proceedings.



- Ⓐ The KMB Monthly Pass covers 450 KMB and LWB routes, and also provides students with “buy two, get one free” offers

SUSTAINABILITY REPORT

CASE STUDY



Enhancing passenger riding experience through attention to detail

For residents in Hong Kong, buses have become an integral part of daily life, serving as a popular mode of transport for commuting to work, attending school and conducting routine travel. With over 2.5 million passenger trips on KMB buses each day, our mission is to ensure not only their safe arrival at destinations but also an enhanced riding experience for each customer. Over the past year, KMB has continued to listen to customers' feedback and monitor market demands. We have diligently conducted research and implemented follow-up actions to optimise our service across various aspects, including the interior design of bus compartments, payment methods, as well as the layout of bus termini. We have introduced a series of innovative measures aimed at providing our customers with a more comfortable and convenient bus service, seamlessly enhancing their experience without them even noticing.

In response to the changing times, we have been introducing more scientifically based and user-friendly designs for the interior of our buses. For instance, recognising the importance of enabling family members or groups of friends to sit together and communicate during bus journeys, KMB is the first bus company in Hong Kong to introduce four-person "face-to-face seats" on the upper deck of buses. This innovative design allows families or friends to interact and enjoy the scenery together. To ensure a more comfortable

journey for passengers, the "face-to-face seats" have been specially arranged to provide expanded legroom and seat width, creating a more spacious environment and elevating the riding experience for passengers. In addition, we have also upgraded the general seating, widening the spacing to allow passengers more room to stretch their bodies. Therefore, passengers will not feel burdened, even during longer bus journeys. Furthermore, the bus cabin is designed with additional storage space to facilitate passengers in storing their luggage or other belongings, thereby enhancing overall customer satisfaction.

In terms of payment methods, there are increasing number of options available in the market. In response to this, KMB and LWB began introducing a diversified e-payment system since 2020. The system has evolved from initially supporting nine e-payment methods and being applicable only to certain routes to accepting 16 e-payment methods, including contactless payments, mobile payments, and QR code payments. Also, the system is now available across all 450 routes, providing passengers with a comprehensive range of payment options.

In addition to continuously upgrading the hardware and software on buses, KMB has also enriched the customer experience through the introduction of additional non-bus services. Among them, to facilitate parcel collection, KMB proactively collaborated with a logistics company, pioneering the installation of self-service lockers at 35 bus termini in Kowloon and the New Territories. This enables our customers to conveniently collect packages before or after taking the bus. Furthermore, as the self-service lockers are available 24 hours a day, our customers can apply online to retrieve lost items from these lockers.

KMB is committed to working hand in hand with customers to promote environmental protection and encourage more locals to

use public transportation, thereby collectively improving the environment. To this end, we have launched a "Green Rewards Programme", in which passengers can earn an extra one club1933 point when they ride on our buses with solar panels. Also, we have launched our own electronic wallet called "eCoin Wallet", allowing passengers to earn club1933 points by taking KMB buses or playing games in the app1933 game room. These points can be redeemed for "eCoins", which can be used to pay for bus fares or exchange for other gift rewards. This not only enables customers to contribute to environmental protection but also provides them with a more cost-effective riding experience.



Customer satisfaction and experience are fundamental to KMB's business success. Therefore, enhancing the riding experience and meeting our customers' needs are at the core of KMB's operational strategy. We fully understand that our customers' expectations of KMB extend beyond punctual arrivals, they also seek convenience and comfort while riding on our buses. Given this, KMB continuously assesses and implements various measures to meet our customers' expectations. For example, efforts have been made to improve the seating design for the comfort of passengers in various seating postures. In addition, we also offer a variety of payment methods to accommodate passengers' preferences. Through these efforts, our goal to enhance the riding experience of our customers, thereby attracting more people to use KMB services.

Meanwhile, KMB actively seeks additional sources of non-farebox revenue. We have introduced more value-added services, such as self-service lockers at bus termini and convenience stores at bus-bus interchanges. These services not only provide convenience for our customers but also attract advertisers, partners, and sponsors to engage in relevant collaborative projects. By offering better bus services and facilities, we aim to attract more partners and further widen KMB's revenue sources. These efforts will create more value for our customers and contribute to KMB's sustainable development.

We firmly believe that these efforts will not only enhance customer satisfaction but also reinforce KMB's leading position in Hong Kong's public transport services. In the future, KMB will continue to pursue improvement and innovation, aiming to provide our customers with high quality, convenient, and comfortable riding experience.

Joseph Leung, KMB Finance Director

