Operational Review



China Mainland Transport Operations

In 2011, the Group operated a range of transport services in Shenzhen(深圳)and Beijing(北京)in line with its strategy of exploring transport related business opportunities in China Mainland which offer reasonable returns.



SHENZHEN BUS GROUP COMPANY LIMITED (深圳巴士集團股份有限公司)("SBG")

SBG is a Sino-foreign joint stock company founded by KMB (Shenzhen) Transport Investment Limited(九巴(深圳)交通投資有限公司), a wholly-owned subsidiary of the Group, and four other Mainland investors. The Group has a 35% stake in SBG.

Since it commenced operations in January 2005, SBG has provided public bus, minibus and taxi services in the city of Shenzhen (深圳市). As at 31 December 2011, SBG had 5,946 vehicles operating on 267 routes. In 2011, owing to the adverse impact of the opening of new routes on Shenzhen's underground railway system, the number of bus passenger trips served by SBG decreased by 2.7% to 907.0 million compared to 932.5 million passenger trips in 2010.

In 2011, in the face of high inflation in China Mainland and keen competition from Shenzhen's underground railway, SBG further bolstered its cost control measures and improved its operational efficiency. To assure its position in the public transport sector, productivity was further boosted by fleet upgrade and strategic rationalisation of the bus route network. Rigorous budgetary control measures were also implemented to mitigate the effect of rising operating costs. In 2011, SBG continued to introduce more feeder bus routes linking neighbourhoods with underground railway stations and to expand its bus route network to nearby districts.

Since 2007, SBG has been ISO 9001:2000 certified for the provision of transport services, transit designs and support services in the city of Shenzhen. To enhance its environmental performance, SBG has adopted the use of environmentfriendly fuel and engines meeting up to Euro IV emission standards. It also extended the trial of buses and taxis using new clean energy sources such as liquefied natural gas or electricity so as to collect more research data for better application of these new technologies. SBG remains committed to improving its services, sharpening its competitiveness and enlarging its market share in Shenzhen and other markets.

SBG has extended the trial of buses and taxis using new clean energy sources such as liquefied natural gas or electricity so as to collect more research data for better application of these new technologies.



SBG's electric taxis help contribute to a cleaner Shenzhen metropolis

Electric Bus

The pursuit of environmentfriendly initiatives never stops. SBG demonstrates its commitment to environmental protection by trialling environment-friendly electric buses.



BEIJING BEIQI KOWLOON TAXI COMPANY LIMITED (北京北汽九龍出租汽車股份有限公司)("BBKT")

KMB (Beijing) Taxi Investment Limited(九巴(北京)出租汽車投資有限 公司), a wholly-owned subsidiary of the Group, holds an equity interest of 31.38% in BBKT, which was established in 2003 as the first Sino-foreign joint stock company in the Mainland's taxi hire and car rental market.

As a leading operator in the taxi hire and car rental business in Beijing, BBKT is renowned for offering the highest levels of service in a highly competitive market. ISO 9001:2000 certified for its quality management systems in taxi services since 2006, BBKT is well positioned with its fleet of 4,637 vehicles to seize additional business opportunities afforded by the wide variety of events, conferences and exhibitions that are held in the nation's capital. New market opportunities continue to be identified by the representative office which was opened in the Binhai New District of Tianjin (天津市濱海新區) in 2009. With its fleet of 4,637 vehicles, BBKT is well positioned to take advantage of the business opportunities afforded by the wide variety of events, conferences and exhibitions that are held in the nation's capital.

Despite facing the continuing challenges posed by rising operating costs, BBKT is committed to enhancing its competitiveness by improved efficiency and more effective fleet utilisation without compromising its service quality. Building on its solid reputation for quality service provision, BBKT continues to upgrade its motor vehicle fleets and explore profitable avenues for capturing new business opportunities.



BBKT's modern taxi fleet proudly serves the nation's capital