

MANAGING DIRECTOR'S MESSAGE



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Solidarity with Courage

The COVID-19 pandemic has lingered for over two years and caused such an enormous effect on both the economy and the livelihood worldwide. Hong Kong is no exception. The city has faced challenges over the past two years under the epidemic. Rooted in Hong Kong for 89 years, KMB remains committed to maintaining safe and reliable public transport services and stays with Hong Kong people in weal and woe. I would like to express my heartfelt thanks to our team for their selflessness, dedication, and professionalism. Together they have worked on all fronts, resolving difficulties one by one.

Two years of global ravaging by COVID-19 has drastically changed not only our economy and habits but also our values. People have profoundly reflected on climatic change and the relationship between nature and humankind. Given the intense impact of the pandemic, TIH has incorporated eco-friendly elements into our daily operations. Since the first in-house developed solar panel bus was introduced in 2017, the Group has been expanding the use of renewable energy technology. Solar panels were widely installed at bus depots, bus stops, and on bus roofs, making us one of the franchised bus companies owning the largest solar energy system in the world. We are exploring the installation of solar panels on roads to optimise the use of solar energy and other energy-saving solutions in our operations, in an effort to increase our energy efficiency and meet the target of carbon neutrality in Hong Kong.

The Government has expressed its drive and determination to achieve carbon neutrality. With such a clear vision, the Group will continue to echo the policy of zero-carbon transportation. Our corporate policy is to make full use of new energy across our bus fleet. To this end, we have set out a timetable and a roadmap on bus electrification. The electric buses we purchased at our own expense had arrived in Hong Kong last year and are ready to be deployed, while a new batch of electric buses is expected to arrive at the end of this year at the earliest. By the end of 2023, there will be 82 electric buses in service. Work has also commenced to set up more charging facilities, with plans to build two multi-storey depots for new energy buses in Tuen Mun and Tai Po. Eventually, all our buses will be running on new energy, whereas all diesel buses will be phased out by 2050. We will put the experience of electric bus operation in the Shenzhen Bus Group, a member of TIH, to good use in bringing greater synergy. Meanwhile, the Group has also commenced a feasibility study on the use of hydrogen buses. We will work with various stakeholders to promote the development of new energy public transport in Hong Kong.

Technological innovation is the only way to enhance corporate efficiency and break through the conventional mode of operation. KMB's newly established "Innovation Team" is responsible for motivating the Group's progress on innovation. The team conducts various studies on hardware development, operations and passenger experience. Among others, through the use of 5G technology and data, the team explores the technology in monitoring queuing conditions, traffic flow, and pedestrian crossing so as to improve road safety, operational efficiency, and the experience of our passengers. Some KMB buses have provided free 5G Wi-Fi services for passengers, which lays the first step in upgrading our service quality by the use of technology. In 2022, the availability of electronic payment in the whole fleet of KMB and LWB has marked another step of endeavour in service enhancement with technological innovation.

Nurturing talents is the direction of the Group. KMB has set up the KMB Academy, and takes pride in having two of its training courses for franchised bus maintenance personnel and bus captains accredited by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications. We are eager to expand the scope of professional training to include operational management, route planning and more in the future, and make KMB a talent incubator in the transport industry for the benefit of the whole sector.

It needs mutual support to make our community home. Needy people have always been the community TIH holds dear. We employed people with special educational needs by offering positions of Clerical Assistant and Assistant at Customer Service Centres. It is a valuable opportunity for people with special educational needs to integrate into the community, and we are happy to give them a hand.

The ageing population in Hong Kong is on the rise, and many elderly people prefer to travel by bus rather than other means of transport. For this reason, we have produced a series of videos on healthy living for the elderly, to be broadcast in bus compartments. Through these videos, we can provide more practical tips for the aged and, at the same time, encourage all passengers to pay more attention to the health of the elderly. Meanwhile, to lower the risks borne by the elderly with dementia, we have worked with voluntary groups to install Bluetooth receivers at some bus stops to assist in finding lost seniors, as we contribute our efforts to creating an age-friendly community. We will continue to push forward our work in this aspect as part of the drive to undertake our corporate social responsibility.

The National 14th Five-Year Plan has provided a clear direction for Hong Kong's development and position. TIH is set to seize the opportunities brought about by the development of the Greater Bay Area. Among other things, cross-border payment solutions will be optimised to facilitate a more convenient public transport system for residents of Hong Kong and the Mainland. The vast talent pool from China will further enhance our service and bring unlimited potential. We will continue to have closer collaboration with the Shenzhen Bus Group. The Group's service network can also be better connected with other parts of the nation and integrated into the national development.

The global pandemic has been a long and difficult challenge for Hong Kong over the past two years. I understand that some members of the community may not be able to work from home and still rely on bus services. We would like to express our sincere gratitude to the public who continues to travel with KMB. We will work to ensure that their journeys are safe and secure, and keep playing a key role in public transport. "Joining hands to fight COVID" is more than a slogan. Without the dedication of our staff, we would not have been able to forge ahead in adversity. On behalf of the Company, I would like to thank all shareholders, passengers and Hong Kong citizens for their support. It may be a rough journey ahead, but solidarity and amity will eventually bring us a better future. Let's iron out the difficulties together!

Roger LEE Chak Cheong

Managing Director

17 March 2022