

China Mainland Transport Operations



In 2015, the Group ran a range of diverse transport services in Shenzhen (深圳) and Beijing (北京) as part of its strategy of leveraging transport related business opportunities in China Mainland that offer a reasonable return.



SZBG leads the field in the provision of bus services in Shenzhen

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

SZBG is a Sino-foreign joint stock company formed 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 Mainland investors. The Group has a 35% interest in SZBG.

SZBG has been operating public bus, minibus and taxi services in Shenzhen City (深圳市) since 2005. At the end of 2015, SZBG had a fleet of 5,187 buses running on around 263 routes and 1,373 taxis. Due to keen competition from Shenzhen's underground railway system, the number of passenger-trips

made by SZBG in 2015 fell by 5.2% to 766.1 million compared to 807.7 million passenger-trips in 2014.

In 2015, SZBG introduced more feeder bus routes connecting neighbourhoods with underground railway stations, while expanding its route network to nearby districts. Operational efficiency was enhanced and cost control tightened, as means of addressing the competition from the underground railway and an increase in overheads. Further measures adopted to improve SZBG's competitiveness in the public transport field included bus network reorganisation aimed at increasing productivity while maintaining service quality.

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BUSINESS REVIEW

Holder of ISO 9001:2008 certification for the provision of bus transport services in Shenzhen City, SZBG is currently the largest electric vehicle operator in China and one of the biggest electric vehicle operators in the world. SZBG remains committed to upgrading its service provision and sustaining its business edge.

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 – the first Sino-foreign joint stock company to enter China Mainland’s taxi hire and car rental sector when it was established in 2003.

BBKT operated both taxi hire and car rental businesses until April 2013, when, to sharpen its focus on the business opportunities provided by the booming car rental market, it spun off its car rental business and set up a new joint stock company, namely Beijing Beiqi First Company Limited (北京北汽福斯特股份有限公司).

ISO 9001:2008 certified for its quality management systems in taxi services, BBKT leads the way in offering excellent services in the capital’s highly competitive market.

As at 31 December 2015, BBKT had a fleet of 3,670 taxis, of which 566 are environment-friendly hybrid taxis. Despite the challenge of escalating staff costs and other operating expenses, BBKT is determined to put service quality first as it continues to explore sustainable new business opportunities.



SZBG's taxi fleet opens doors for the business and leisure traveller in Shenzhen



BBKT stays ahead of the field with its well-equipped fleet

**BEIJING BEIQI FIRST
COMPANY LIMITED
(北京北汽福斯特股份有限
公司) ("BBF")**

BBF is a Sino-foreign joint stock company established in April 2013 to operate the car rental business formerly undertaken by BBKT. As at 31 December 2015, BBF had 1,118 vehicles available for charter, mainly in Beijing and Tianjin (天津). With ISO 9001:2008 certification for quality management systems in car rental services, BBF is well placed to differentiate itself through its high standards of service provision in the competitive car hire market.

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