

Franchises of Kowloon Motor Bus (1933) Limited and New Lantao Bus (1973) Limited

PURPOSE

The Government is planning to engage Kowloon Motor Bus (1933) Limited (“KMB”) and New Lantao Bus (1973) Limited (“NLB”) in discussions of granting new ten-year franchises upon expiry of their current ones. Members of the public are welcome to offer their views.

BACKGROUND

2. Hong Kong has a highly efficient, reliable and well-developed public transport system. In addition to railway which acts as the backbone of public transport, franchised bus is a road-based transport mode with the highest carrying capacity and plays an important role in the public transport system. As at end 2025, the average daily patronage of franchised bus was nearly 3.8 million, accounting for about 30% of the total passenger volume of public transport services. At present, there are four bus franchisees (“the franchisees”) operating five bus franchises in Hong Kong¹. NLB’s current franchise commenced on 1 March 2017 and will expire on 1 March 2027. KMB’s current franchise commenced on 1 July 2017 and will expire on 1 July 2027. Under section 5 of the Public Bus Services Ordinance (“the Ordinance”) (Cap. 230), the Chief Executive in Council may grant to a company a franchise conferring the right to operate a public bus service. Pursuant to section 6 of the Ordinance, a franchise may be granted for a period not exceeding ten years².

¹ The four franchisees are the KMB, Citybus Limited, Long Win Bus Company Limited and NLB. Citybus Limited operates two franchises, one for the Urban and New Territories bus network and the other one for the Airport and North Lantau bus network.

² The Ordinance also provides that the Chief Executive in Council may extend an existing franchise for a further period not exceeding two years as an interim arrangement. Meanwhile, a franchisee may request and the Chief Executive in Council may extend an existing franchise for a further period not exceeding five years.

Services and Operations under the Current Franchises

3. Section 12 of the Ordinance stipulates that a franchisee is required to maintain a proper and efficient public bus service to the satisfaction of the Commissioner for Transport at all times during the franchise period. To assess whether the service provided by a franchisee is proper and efficient, the Transport Department (“TD”) has all along been reviewing franchisees’ performance standards on a regular basis through passenger satisfaction surveys, site surveys, vehicle inspections, and examination of information submitted periodically by the franchisees and feedbacks from the public, etc. A summary of the performance of KMB and NLB on the overall operations, passenger service improvement, safety enhancement and introduction of environmentally friendly buses is set out below. Detailed information is provided at **Annex A**.

Overall Operational Efficiency

4. KMB is currently operating 455 bus routes. Although the patronage has rebounded significantly after the pandemic, it has not yet returned to the pre-epidemic level. The average daily patronage of KMB decreased from about 2 755 000 passenger journeys in 2017 (the year its current franchise commenced) to about 2 529 000 in 2025 (a decrease of about 8%). In response to the changing passenger demand, KMB has implemented 698 service improvement items since 2017 (including introducing new routes, increasing frequency and extending service hours to meet passenger demand) as well as 1 217 service rationalisation items with a view to enhancing operational efficiency. During the same period, the bus fleet of KMB was reduced by 200 buses from 3 967 buses to 3 764 buses.

5. As for NLB, it is currently operating 29 bus routes. The average daily patronage of NLB increased from about 77 700 in 2017 (the year its current franchise commenced) to about 101 100 in 2025 (an increase of about 30%). The growth in passenger demand was mainly attributed to the population growth in the service area of NLB in Tung Chung, increase in number of people travelling to the countryside (including South Lantau) for outdoor activities after the pandemic, as well as the increase in patronage for services connecting to the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge following its commissioning in 2018. Since 2017, NLB has implemented 29 service improvement items and 11 service rationalisation items to enhance its service and network efficiency. In tandem with the increase in patronage, the fleet size of NLB increased from 123 buses to 146 buses during the same period.

6. During the pandemic, franchised bus services were adjusted in response to a sharp drop in patronage and social distancing measures. The lost trip situation was relatively serious owing to an unstable supply of manpower at the time. The typhoons and extreme weather conditions in the third quarter of 2023 also adversely affected bus operation. Excluding the above two factors, the annual average lost trip rate of KMB between 2017 and 2025 was 2.8%, while that of NLB was 0.4%.

7. Between 2017 and 2025, the annual average number of complaints against KMB and NLB per million passengers received by the Transport Complaints Unit under the Transport Advisory Committee were 8.22 and 6.04 respectively. The industrial average during the same period was 8.40.

Service Improvement

8. KMB and NLB have been implementing measures to continuously enhance service quality during their current franchise periods. These measures include -

- (i). KMB and NLB have been offering bus-bus interchange (“BBI”) schemes with fare concessions. As at end 2025, KMB and NLB offered 279 and 10 BBI schemes respectively, which were provided either on their own or jointly with other franchisees. The two franchisees also offered fare concessions for children and the elderly on all routes, as well as interchange concessions with other public transport operators (such as MTR, tramway and scheduled public light bus). In addition, KMB has accepted QR code payment and contactless electronic payment across its entire fleet whereas NLB has provided QR code payment on its entire fleet;
- (ii). provision of estimated time of arrival information of the next bus for all regular bus routes and instant information of affected bus services through mobile applications and websites;
- (iii). provision of dynamic display panels inside bus compartments to display the bus route, next stop information and passenger safety information. KMB and NLB have also installed displays on the lower decks of 2 416 and 59 double-deck buses respectively to indicate the number of remaining seats available on the upper deck;

- (iv). provision of wheelchair-accessible low-floor buses on all feasible routes³ to promote the concept of “Transport for All”. KMB also equips 311 buses with double wheelchair parking spaces and prioritises the deployment of these buses on routes serving hospitals in the community; and
- (v). installation of passenger seats by KMB and NLB at 2 082 and 10 sheltered bus stops respectively and estimated time of arrival information display panels by KMB at 911 sheltered bus stops with power supply under the Government’s subsidy scheme.

9. TD commissioned a survey in 2025 to collect passenger feedback on the overall service of KMB and NLB. The survey results indicate that 93.2% and 91.3% of the respondents, respectively, were satisfied with the overall quality of services provided by KMB and NLB. Survey findings are summarised at **Annex B**.

Safety Enhancement

10. KMB and NLB have retrofitted buses with appropriate equipment to further enhance driving safety during the current franchise period. For example, KMB and NLB completed the installation of electronic stability control systems on suitable existing buses in 2024, which can enhance vehicle stability and reduce the risk of rollovers. Both franchisees have also installed advanced driver assistance systems including anti-collision and lane keeping warning systems as well as driver monitoring system on some of their buses. KMB has also installed a driver management system across its entire fleet with a view to improving the driving skills of bus captains. Meanwhile, NLB has started using certain monitoring functions of the driver management system across its entire fleet since the third quarter of 2025 and plans to apply all functions of the system by the third quarter of 2026.

11. To strengthen the training for bus captains, the two franchisees completed route risk assessments of all bus routes in 2024. These assessments included evaluations of the actual road conditions and surrounding environment, activities of other road users, etc.. Based on the specific driving conditions of individual bus routes, bus

³ Due to steep gradient and sharp bends on Tai O Road and Keung Shan Road, it is not feasible for NLB to operate low-floor buses in South Lantau.

captains are provided with appropriate and sufficient driving tips and guidance. The objective is to ensure that bus captains can provide safe bus services to the passengers without imposing danger to other road users. Since 2020, the two franchisees have implemented a set of stricter standardised thresholds for real-time alerts and exception reports on speeding and harsh deceleration of bus captains to better monitor the driving performance of bus captains. At the same time, the two franchisees have fully implemented the “Guidelines on Bus Captain Working Hours, Rest Times and Meal Breaks”, with reduced working hours and driving hours and increased rest time to improve the working conditions for bus captains. Besides, resting facilities for bus captains have been improved to provide a better working environment.

Financial Performance

12. According to the franchise requirements, all bus franchisees are required to publish a booklet of “Fuller Disclosure” annually to set out their operational and financial information for the past year. Information on the financial performance of KMB and NLB during the current franchise period is at **Annex C**.

13. Looking ahead, the operating environment of the franchised bus industry is expected to remain challenging, including competition from other public transport modes, changes in travelling pattern of passengers, rising operating costs and a lack of inflexibility in adjustments, etc. To alleviate the pressure on fare adjustments, the Government has been assisting bus franchisees (including KMB and NLB) to explore non-farebox revenue through various measures, including displaying advertisements on buses and at bus stops; offering free rides to the public through commercial co-operation or sponsorship; providing non-franchised buses with repair and maintenance services at bus depots; installing vending machines and self-pickup smart lockers at bus terminals and public transport interchanges; leasing out idle depot spaces; providing charging service for commercial electric vehicles, etc. The Government has also introduced a new “Tourist Services” route group, allowing bus franchisees to launch special sightseeing routes targeting tourists to tap into new clientele and business opportunities. These tourist routes have been well received by visitors. With the population intake of Tung Chung New Town Extension, Kwu Tung North and Fanling North New Development Areas commencing in 2026 as well as the redevelopment and development of land boundary control points, TD will plan appropriate public transport services, including expansion of bus network so as to bring more additional ridership to bus franchisees.

NEW FRANCHISES

14. Both KMB and NLB have already indicated to the Government their intention to continue to operate public bus services under a new franchise upon expiry of the current franchises. According to the established practice, an incumbent franchisee which is able to demonstrate its ability to provide a proper and efficient service and is willing to further invest in the operation of franchised bus service may be considered for being granted a new franchise. Franchised bus service is a capital and investment intensive business, requiring franchisees to make long-term, strategic and multi-pronged investment, including the purchase and replacement of buses, safety enhancement, introduction of new bus technology, construction of bus depots, enhancement of bus equipment and facilities, etc.

15. The Government is planning to engage KMB and NLB in discussions of granting new ten-year franchises upon expiry of their current ones. We will endeavour to strive for the stability of franchised bus services and push ahead with the enhancement of services and safety of the operators while maintaining long term financial sustainability. For example, we will explore with the operators to expedite the introduction of new energy buses in line with the Government's objective of achieving carbon neutrality by 2050. We will also encourage the two franchisees to provide more practical passenger information and services, offer elderly-friendly mobile application features for the convenience of elderly passengers and provide better service for passengers in need (such as provision of double wheelchair parking spaces on low-floor double-deck buses to accommodate passengers using wheelchairs) thereby promoting the concept of "Transport for All". The Government will also encourage the operators to explore the introduction of more diversified fare products to attract more passengers while allowing them to enjoy affordable fares, such as providing more BBI discounts, monthly passes and section fares to benefit passengers.

16. In February 2026, the Government announced the Transport Strategy Blueprint. One of the initiatives is to put forward "Smart Demand-responsive Public Transport Mode" services to provide passengers with more efficient public transport service through efficient use of technology. To this end, the Government will work with operators to explore pilot routes under various application scenarios. For example, in remote areas or during hours with scattered passenger demands, operators can supplement existing services by flexibly deploying buses and optimising selected routes

and service arrangements to meet passenger demand. Specifically, operators will explore the development and application of the relevant technology to cater for the passenger demand flexibly.

COLLECTION OF VIEWS

17. We welcome views from members of the public on the new franchises of KMB and NLB. Members of the public may put forth their views by the following means **on or before 28 September 2026**:

By post: Bus and Railway Branch
 Transport Department
 16/F, South Tower
 West Kowloon Government Offices
 11 Hoi Ting Road, Yau Ma Tei, Kowloon

By fax: 2802 2679

By email: bus-franchise@td.gov.hk

Please mark “Arrangements for Bus Franchises” on the envelope or in the submission if the views are provided by post or fax.

18. Any person/organisation making a submission may provide personal data on a voluntary basis. Such personal data will only be used for the purpose of this invitation for views. Unless otherwise specified, the name of the person/organisation making the submission as well as the views so provided may be made available to the public after the conclusion of this exercise.

Transport and Logistics Bureau
Transport Department
August 2026

Service Performance of KMB and NLB

(A) Service Performance and Operating Efficiency

KMB

1. As at end 2025, KMB was operating 455 bus routes. The average daily patronage of KMB decreased from about 2 755 000 passenger journeys in 2017 (the year its current franchise commenced) to about 2 529 000 in 2025 (a decrease of about 8%). During the same period, the bus fleet of KMB was reduced by around 200 from 3 967 to 3 764 (a decrease of around 5%).

2. Under the Ordinance, an operator has to submit its five-year Forward Planning Programme (“FPP”) on an annual basis, which covers service improvement and rationalisation proposals, and plans for the purchase and replacement of buses. Since 2017, apart from implementing 698 service improvement items¹, KMB had also implemented 1 217 service rationalisation items² to enhance its service and network efficiency. According to its latest FPP (covering the period from 2026 to 2030), KMB plans to procure over 300 new electric buses (accounting for about 8% of its bus fleet in 2025), mainly for replacement of old buses and facilitate new route development. At the same time, KMB actively aligns with the government’s green transport policy by participating in the Electric Franchised Bus Subsidy Scheme, introducing electric buses when procuring new buses with a view to accelerating the green transformation of public buses.

1 Service improvement items mainly include introduction of new routes, frequency enhancement and extension of service hours for areas with growth in passenger demand.

2 Service rationalisation items mainly include route cancellation, frequency reduction, route truncation and re-routeing for services with decreasing passenger demand.

3. The annual average lost trip rate³ of KMB between 2017 and 2025 was 3.3%. Excluding the relatively high lost trip rates during the outbreak of COVID-19 in 2020⁴ and the adverse weather condition⁵ in the third quarter of 2023, the annual average lost trip rate of KMB during the above period was 2.8%.

4. Between 2017 and 2025, the annual average number of complaints against KMB per million passengers received by the Transport Complaints Unit under the Transport Advisory Committee was 8.22 cases, comparable to the industrial average of 8.40 cases during the same period. During the same period, the annual average number of KMB buses involved in accidents per million vehicle-kilometre was 2.95 bus trips, lower than the overall industrial average of 3.71 bus trips for the same period.

NLB

5. As at end 2025, NLB was operating 29 bus routes. The average daily patronage of NLB increased from about 77 700 passenger journeys in 2017 (the year its current franchise commenced) to about 101 100 passenger journeys in 2025 (an increase of about 30%). The growth in passenger demand was mainly attributable to the growth in passenger demand in the service area of NLB

3 It refers to the percentage of lost trips against the total number of scheduled departures in the Schedule of Service over a given period of time. The reasons of lost trips include factors within the control of bus operators (e.g. vehicle and manpower deployment) and those beyond the control of bus operators (e.g. inclement weather and congestion due to traffic accidents etc.).

4 In 2020, the patronage of franchised bus dropped significantly (especially during the early stage of the COVID-19). KMB adjusted its services in face of the sharp drop in patronage and the implementation of social distancing measures. The lost trip situation was relatively serious hiking up to 6.9% in 2020 owing to an unstable supply of manpower at the time. Considering the development of the epidemic and the implementation of the social distancing measures, TD had then established a mechanism to allow operators to apply for temporary service adjustments to facilitate efficient use of resources. After implementation of the said mechanism, KMB's lost trip rate gradually improved and dropped to about 3.2% in 2021.

5 Due to a series of typhoon and extreme weather in Q3 2023, the operation of bus service was adversely affected. The lost trip rate increased to 3.6% in 2023.

in Tung Chung, increase in the number of people travelling to the countryside (including South Lantau) for outdoor activities after the pandemic, as well as the increase in patronage for services connecting to the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge following its commissioning in 2018. In tandem with the increase in patronage, the fleet size of NLB increased from 123 to 146 (an increase of around 19%) during the same period.

6. Since 2017, NLB has implemented 29 service improvement items and 11 service rationalisation items to enhance its service and network efficiency. According to its latest FPP (covering the period from 2026 to 2030), NLB plans to procure around 40 new electric buses (accounting for about 27% of its bus fleet in 2025) to renew its fleet and further improve its services. NLB has also participated in the Electric Franchised Bus Subsidy Scheme, introducing electric buses when procuring new buses to accelerate the green transformation of public buses.

7. The annual average lost trip rate of NLB between 2017 and 2025 was 0.8%. Excluding the outbreak of COVID-19 in 2020⁶ and adverse weather condition⁷ in the third quarter of 2023, the annual average lost trip rate of NLB during the above period was 0.4%.

8. Between 2017 and 2025, the annual average number of complaints per million passengers against NLB received by the Transport Complaints Unit under the Transport Advisory Committee was 6.04 cases, lower than the overall industrial average of 8.40 cases during the same period. During the same period, the annual average number of NLB buses involved in accidents per million vehicle-kilometre was 1.92 bus trips, lower than the overall industrial average of 3.71 bus trips for the same period.

6 In 2020, NLB adjusted its service in face of the sharp drop in patronage and the implementation of social distancing measures. The lost trip situation was relatively serious hiking up to 3.0% owing to the unstable supply of manpower. After the implementation of the mechanism for temporary service adjustment, NLB's lost trip rate gradually improved to about 0.3% in 2021.

7 Due to a series of typhoon and extreme weather in Q3 2023, the operation of bus service was adversely affected. The lost trip rate increased to 1.1% in 2023.

(B) Service Improvement

9. To further enhance service standards, KMB and NLB have been implementing various measures during the current franchise period in order to continuously improve service quality. For example –

- (a) provision of estimated time of arrival information of the next bus for all regular bus routes and instant information of affected bus services through mobile applications and websites;
- (b) provision of dynamic display panels inside bus compartments to display the bus route, next stop information and passenger safety information;
- (c) provision of free Wi-Fi service⁸ on 2 332 buses of KMB and 83 buses of NLB and USB charging ports⁹ on 2 914 buses of KMB and 74 buses of NLB;
- (d) promotion of the concept of “Transport for All” by the provision of wheelchair-accessible low-floor buses of all feasible routes ¹⁰;
- (e) KMB equips 311 buses with double wheelchair parking spaces and prioritises the deployment of these buses on routes serving hospitals in the community , including route 14H (Yau Tong Public Transport Interchange – Shun Lee (Circular)) and route 32H (Cheung Shan – Lai Chi Kok);
- (f) KMB provides customer service centres with more personalised services for their passengers, e.g. handling passenger enquiries , adding value to Octopus Cards , selling tickets and souvenirs, etc.;

8 accounting for about 62% and 57% of respective bus fleets of KMB and NLB.

9 accounting for about 77% and 51% of respective bus fleets of KMB and NLB.

10 Due to steep gradient and sharp bends on Tai O Road and Keung Shan Road, it is not suitable for NLB to operate low-floor buses in South Lantau.

- (g) installation of passenger seats by KMB and NLB at 2 082 and 10 sheltered bus stops respectively under the Government's subsidy scheme¹¹;
- (h) installation of estimated time of arrival information display panels by KMB at 911 sheltered stops with power supply under the Government's subsidy scheme¹²;
- (i) KMB and NLB has installed displays¹³ on the lower-deck of 2 416 and 59 double-deck buses respectively to indicate the number of remaining seats available on the upper deck; and
- (j) KMB has provided QR code payment and contactless electronic payment across its entire fleet, and NLB has provided QR code payment on its entire fleet.

10. In addition, KMB and NLB have been offering bus-bus interchange ("BBI") schemes with fare concessions. As at end 2025, KMB and NLB offered 279 and 10 BBI schemes respectively, which were provided either on their own or jointly with other franchisees. The two franchisees also offered fare concessions for children and the elderly on all routes, as well as interchange concessions with other public transport operators (such as MTR, tramway and scheduled public light bus).

(C) Safety Enhancement

11. KMB and NLB have been implementing a number of measures to further enhance safety during the current franchise period. For example –

11 The scheme on provision of passenger seats are fully subsidised by the Government.

12 The scheme on provision of display panels are subsidised by the Government on one-to-one matching basis.

13 Amounting to about 67% and 86% of the respective double-deck buses of KMB and NLB.

- (a) Installation of in-vehicle safety devices - All new buses procured by the two franchisees since July 2018 onwards have been equipped with electronic stability control (“ESC”) system which can enhance vehicle stability and reduce the risk of rollovers, as well as speed limiting retarder (i.e. speed limiter with deceleration function). KMB had completed the installation of the ESC system and speed limiting retarder¹⁴ on suitable existing buses in 2024 (2 737 and 2 759 existing double-deck buses respectively); while NLB had completed the installation for 10 and 39 existing double-deck buses. Moreover, KMB and NLB have installed the advanced driver assistance systems, including anti-collision and lane keeping warning systems, as well as driver monitoring system on part of their bus fleets. KMB has also installed a driver management system across its entire bus fleet with a view to improving the driving skills of their bus captains. Meanwhile, NLB has also started using certain monitoring functions of the driver management system across its entire fleet in the third quarter of 2025 and plans to fully implement all functions of the system by the third quarter of 2026;
- (b) Route risk assessment - The two franchisees completed route risk assessments of all bus routes in 2024. These assessments include evaluations of the actual road conditions and surrounding environment, activities of other road users, etc.. Based on the specific driving conditions of individual bus routes, bus captains are provided with appropriate and sufficient driving tips and guidance. The objective is to ensure that bus captains can provide safe bus services to the passengers without imposing danger to other road users;
- (c) Safety performance management - Since 2020, in response to TD’s requirements, the two franchisees have adopted a new set of 19 safety performance indicators to review their safety performance. These indicators include general safety, bus passenger safety, operation and network safety, bus engineering safety, safety of employees at work and management and assurance systems. Moreover, the two

14 As at end 2025, and taking into account the newly procured buses, about 93% and 41% of the buses of KMB and NLB respectively are installed with ESC and speed limiting retarders.

franchisees have implemented a set of stricter standardised thresholds for real-time alerts and exception reports on speeding and harsh deceleration of bus captains to better monitor the driving performances of bus captains since 2020; and

- (d) Enhancing working conditions and environment - The two franchisees fully implemented the “Guidelines on Bus Captain Working Hours, Rest Times and Meal Breaks”, with reduced working hours and driving hours and increased rest time to improve the working conditions for bus captains. Besides, resting facilities for bus captains have been improved to provide a better working environment.

Passenger Opinion Survey on the Performance of The Kowloon Motor Bus Company (1933) Limited and New Lantao Bus Company (1973) Limited

- Executive Summary -

Prepared for
Transport Department



Conducted and Prepared by
Consumer Search Hong Kong Limited (CSG)

March 2025



CSG is accredited with ISO 9001:2008 certification from 2003 to 2017 and ISO 20252:2012 certification since 2017. All research projects are conducted in accordance with the provisions of the ICC/ESOMAR International Code of Marketing and Social Research Practice.

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1. INTRODUCTION

1.1 Survey Objectives

In order to collect views on the performance of the Kowloon Motor Bus Company (1933) Limited (“KMB”) and New Lantau Bus Company (1973) Limited (“NLB”) as perceived by passengers taking their bus services, the Transport Department has commissioned Consumer Search Hong Kong Limited (“CSG”) to conduct Passenger Opinion Surveys for the two franchised bus companies (“the Survey”).

1.2 Survey Methodology

1.2.1 Passenger Opinion Survey on the performance of KMB (“the KMB Survey”)

- 1.2.1.1. The KMB Survey covered regular passengers aged 12 or above who took KMB bus service at least once a week.
- 1.2.1.2. The required information was collected through telephone interviews with a random sample of mobile phone users. The mobile phone numbers were generated by random digit dialling method. Users of the mobile phones who fulfilled the respondent requirements stated in **paragraph 1.2.1.1** were interviewed.
- 1.2.1.3. Fieldwork was conducted in the evenings before 10:00 p.m. between 3 and 23 February 2025, covering both weekdays and weekends.
- 1.2.1.4. A total of 2 605 completed interviews were conducted, with a response rate at 65.2%.

1.2.2 Passenger Opinion Survey on the performance of NLB (“the NLB Survey”)

- 1.2.2.1. The NLB Survey covered passengers aged 12 or above who took NLB bus service during the survey period.
- 1.2.2.2. The required information was collected through face-to-face interviews on board the routes of NLB.
- 1.2.2.3. The passengers on board were sampled in two stages, viz. sampling of trips and sampling of passengers on selected trips.
 - 32 NLB bus routes (including supplementary routes) were covered in the survey.
 - The allocation of samples to each bus route was approximately



proportional to the ridership of each route in January to November 2024.

- The number of trips sampled on both bounds were about the same.
- The sampled trips covered all operating hours, including morning, afternoon, evening and overnight hours, as well as both peak and non-peak periods.
- Passengers aged 12 or above travelling on the specified bus journeys were randomly selected with reference to their seating positions and interviewed. The maximum number of completed questionnaires for each sampled trip was 5.

1.2.2.4. Fieldwork was conducted between 3 and 23 February 2025, covering both weekdays and weekends.

1.2.2.5. A total of 505 completed interviews were conducted, with a response rate at 66.3%.

1.3 Questionnaire

1.3.1 The questionnaires included eight core questions covering the following aspects of service performance:

- (i) Overall quality of services
- (ii) Comfort of buses
- (iii) Facilities on buses
- (iv) Passenger information
- (v) Reliability of bus services
- (vi) Driving performance of bus drivers
- (vii) Service attitude of bus drivers or staff
- (viii) Performance on environmental protection

1.3.2 The respondents were asked to rate their satisfaction levels on the overall service and each of the service aspects on a four-point scale of “very satisfied”, “satisfied”, “dissatisfied” and “very dissatisfied”.



2. SURVEY FINDINGS

- 2.1 Overall speaking, over nine in ten respondents were satisfied with the **overall quality of services** provided by the two bus companies, with the percentages of “very satisfied” or “satisfied” at 93.2% for KMB and 91.3% for NLB. Only less than one in ten respondents expressed dissatisfaction (“very dissatisfied” or “dissatisfied”) with this aspect (6.7% for KMB and 8.5% for NLB).
- 2.2 Over or close to nine in ten respondents were satisfied with the **comfort of buses**, with the percentages of “very satisfied” or “satisfied” at 91.1% for KMB and 89.3% for NLB. The dissatisfaction levels (“very dissatisfied” or “dissatisfied”) were low at 8.8% for KMB and 10.7% for NLB.
- 2.3 Over nine in ten respondents were satisfied with the **facilities on buses**, with the percentages of “very satisfied” or “satisfied” at 92.4% for KMB and 96.2% for NLB. The dissatisfaction levels (“very dissatisfied” or “dissatisfied”) were low at 7.4% for KMB and 3.6% for NLB.
- 2.4 Over eight in ten respondents were satisfied with the **passenger information** provided, although the satisfaction levels recorded were relatively lower than those of the previous three aspects. The proportion of respondents who were “very satisfied” or “satisfied” with passenger information provided was 83.2% for KMB and 86.3% for NLB. The dissatisfaction levels (“very dissatisfied” or “dissatisfied”) were 15.9% for KMB and 12.3% for NLB.
- 2.5 The satisfaction levels of **reliability of bus services** for the two bus companies were also relatively lower, but were still at high levels. The proportion of respondents who were “very satisfied” or “satisfied” with this aspect was 84.2% for KMB and 81.0% for NLB. The dissatisfaction levels (“very dissatisfied” or “dissatisfied”) were 15.6% for KMB and 18.8% for NLB.
- 2.6 About nine in ten respondents were satisfied with the **driving performance of bus drivers**, with the percentages of “very satisfied” or “satisfied” being 88.3% for KMB and 91.3% for NLB. The dissatisfaction levels (“very dissatisfied” or “dissatisfied”) were 11.4% for KMB and 8.7% for NLB.
- 2.7 About nine in ten respondents were satisfied (“very satisfied” or “satisfied”) with the **service attitude of bus drivers or staff** of KMB (88.7%) and NLB (92.7%). The dissatisfaction levels (“very dissatisfied” or “dissatisfied”) for KMB and NLB were 10.5% and 7.1% respectively.
- 2.8 About eight in ten respondents were satisfied (“very satisfied” or “satisfied”)



with KMB (79.7%) on their performance on **environmental protection**, while close to nine in ten respondents were satisfied (“very satisfied” or “satisfied”) with NLB (88.1%) on this aspect. The dissatisfaction levels (“very dissatisfied” or “dissatisfied”) were 11.6% for KMB and 6.7% for NLB. The proportion of “no comment” was relatively higher than that of other aspects for both bus companies, with KMB at 8.7% and NLB at 5.1%.

**Financial Performance of
KMB and NLB during the Current Franchise Periods**

KMB

Accounting Year (Note 1)	Average Daily Patronage	Total Revenue (\$ million)	Total Cost (\$ million)	Profit after Tax (\$ million) (Note 2)
2017	2 755 000	6,961	6,419	541
2018	2 801 000	7,138	6,695	442
2019	2 803 000	7,391	7,068	323
2020	2 124 000	6,592	6,381	212
2021	2 442 000	6,741	6,635	106
2022	2 207 000	6,608	6,649	-41
2023	2 530 000	7,164	7,144	20
2024	2 569 000	7,375	7,240	136
2025	2 529 000	7,523	7,153	369

Note 1: The accounting year of KMB ends on 31 December each year.

Note 2: The sum of individual items may not equal the total due to rounding of numbers.

NLB

Accounting Year (Note 1)	Average Daily Patronage	Total Revenue (\$ million)	Total Cost (\$ million)	Profit after Tax (\$ million) (Note 2)
2016/17	74 400	173	165	8
2017/18	77 500	177	180	-3
2018/19	89 100	197	198	-1
2019/20	87 400	184	192	-8
2020/21	61 600	141	143	-2
2021/22	67 800	130	148	-18
2022/23	73 800	160	168	-9
2023/24	92 800	216	213	3
2024/25	98 200	243	233	10

Note 1: The accounting year of NLB ends on 31 March each year.

Note 2: The sum of individual items may not equal the total due to rounding of numbers.