

Managing Director's Message



It has always been my vision to make our bus services the preferred choice of the public and to make serving the public the preferred choice of our staff, while developing ever more sustainable bus operations. To this end, the senior management team and I share a commitment to improving our operations and enhancing passengers' experience through safe, high quality and value-for-money services. These are foundations on which our business is built.

I truly believe that our success hinges on our people. We are proud to have an outstanding team of diverse talents. My responsibility is to build an environment that fosters respect and support, while nurturing talents, developing leadership and recognising high achievers, so that each individual will contribute to the team. I believe that through driving such high-level staff engagement, the Group will continue to scale new heights. In 2018, KMB and LWB enhanced their staff remuneration packages and optimised the promotion structure for frontline staff,

adopting an even clearer career path. We also place great emphasis on professional training for the constant upgrade of our staff, who have taken advantage of such learning opportunities with very strong participation. Through the concerted efforts of the company and the HKSAR Government, most of our bus termini now have designated frontline staff facilities. To attract talents, we organised eight mega recruitment days that served as a one-stop shop to showcase our work environment and training facilities, while providing on-site recruitment. The events attracted hundreds of applicants with a dedication to public transport service.

To be the preferred choice of our passengers, safety is the key. The Group has made enhancing driving safety our top priority. We are diligently implementing the Special Committee's recommendations on passenger and driving safety and have made concrete improvements in areas including staff recruitment, bus captain training, performance management, the work environment and

emotional support. We have enhanced bus facilities to improve driving and passenger safety, and we will continue to invest significantly in safety hardware and software, while trialling advanced technological devices to safeguard safety. Our public education programmes on road safety will also be strengthened.

Aware that our passengers prefer flexible and convenient bus services, we launched for the first time the KMB Monthly Pass in March 2018, giving our passengers' greater flexibility and value-for-money services. We will keep exploring a wide spectrum of service products that facilitate even better connections across the territory in an affordable way. Providing a comfortable bus journey is another key focus of our service. Following the launch of the new generation of "red buses", which are equipped with customer-oriented facilities, we have introduced the "Refurbished Bus Scheme". Mid-life buses with around eight years' service will be refurbished to increase passenger comfort.

I believe a people-oriented approach is the way to ensure that TIH brings sustainable benefits to our shareholders through profitable growth. We will whole-heartedly devote ourselves to raising our service quality, nurturing professional employees with high integrity and offering our shareholders reasonable returns. To capitalise on the business opportunities presented by the opening of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, KMB has launched two new bus routes, while four LWB "A" routes have adjusted their routes to cater for passengers at the Port of the Hong Kong-Zhuhai-Macao Bridge to accommodate the growth of passengers travelling between Hong Kong and the Mainland. Both KMB and LWB have introduced special routes for those attending

mega events in the city. By increasing our market share, our ridership rose to close to 3.0 million passenger-trips a day by the end of 2018.

As the market leaders in local franchised bus operations, KMB and LWB connect almost all corners of the city. It is my firm belief that we should leverage our size, scale and resources to support community development, environmental protection and even education to make this city a better place.

KMB has grown with Hong Kong over the past 86 years, striving to be a socially responsible organisation that is sensitive and innovative in responding to customer changes and demands from the community, our passengers and shareholders. We will keep learning as we strive to deliver a quality, safe and timely service, operating ethically with integrity, honesty and fairness.

We will remain vigilant in respect of the challenges to bus operations that may be posed by the global economic uncertainty. Our collective responsibility is to ensure the sustainable growth of the Group and to provide a stable working environment for our staff. I am most thankful to all my staff who have been so devoted to riding out the challenges of 2018 with perseverance and courage. The Group will continue to thrive as we work diligently as a team.

Roger LEE Chak Cheong

Managing Director

21 March 2019

2018 Highlights

- Recorded close to 3.0 million passenger-trips daily;
- Pioneered the "KMB Monthly Pass", offering passengers flexible and value-for-money bus services;
- Launched the "KMB Fare Saver" Scheme, offering a HK\$2 fare rebate on every ride;
- Implemented safety improvement measures:
 - All new Euro VI buses will be equipped with the Electronic Stability Programme;
 - All new buses will be equipped with safety belts on all seats;
 - Black box data processing is being optimised; and
 - An anti-drowsiness device is being trialled to monitor the drowsiness of bus captains.
- Introduced the second generation solar panel bus as a standard feature on newly purchased buses to lower the saloon temperature by 8-10°C and reduce energy consumption by around 3%; and
- Donated 14 retired buses to schools for educational purposes.