

CORPORATE SOCIAL RESPONSIBILITY



Living by our principles

At TIH, we place today's business and operational decisions
in a long term social context



Overview and Strategies

With the provision of public transport services as its core business, the TIH Group fully appreciates the importance of corporate social responsibility. It underpins the way we do business and formulate our strategies and policies for all companies within the Group.

The social and environmental ethics of doing business are vital to corporate credibility in today's socially-aware world. The Group is dedicated to being a key contributor to the economic and social development of our two main markets, Hong Kong and the China Mainland. In 2005, two of the Group's major subsidiaries, KMB and LWB, published their first Corporate Social Responsibility Reports detailing corporate governance standards and practices, products and services, relationships with employees and customers, involvement in the community and environmental protection. While these reports focus on KMB and LWB, they reflect the Group's policy of striking the right balance between economic, social and environmental needs wherever our business takes us.

1	2	3
		4

- 1 TIH staff — dragon boat racing
- 2 A KMB Customer Service Centre
- 3 Tyre retreading
- 4 KMB bus stops — environmental awareness

Customer Service Initiatives



KMB's Customer Service Centres received service accolades in 2005

At TIH, taking initiatives on customer service is an ongoing exercise. Across all aspects of operations, our corporate culture is built around the provision of quality customer service and an awareness of community needs. Whether we are planning or handling operational issues which may have social or environmental impacts, we take a meticulous approach to our decisions. The background to decisions is researched carefully and the potential outcomes are evaluated.

Bus Fare Discount Schemes

No matter whether the economic climate is good or bad, the Group has been constantly identifying ways to control costs and improve productivity and efficiency in order to provide our customers with an efficient and reliable service that gives excellent value for money.

Over the years, we have reviewed and revised the fare concessions offered by KMB and LWB to Octopus card users in the wake of the changing economic conditions. To coincide with the introduction of the new fare adjustment mechanism for the franchised public bus industry in Hong Kong by the HKSAR Government, KMB and LWB offered the following fare concession schemes for a period of 36 months from their respective effective dates in early 2006.

	Discount rates	Exceptions	Effective date
1. Passengers aged 65 or above	A flat fare of HK\$2.00 or half fare (whichever is the lower) on Sundays and public holidays	Airport "A" and racecourse routes	28 January 2006
2. Fares at or above HK\$15	20% fare discount for the return trip of the same route or route group on the same day	Airport "A", racecourse and recreation routes	19 February 2006 (note)
3. Fares between HK\$10 and HK\$14.9	10% fare discount for the return trip of the same route or route group on the same day	Airport "A", racecourse and recreation routes	19 February 2006 (note)

Note: The fare concessions under schemes (2) and (3) above are expected to be extended to cover jointly-operated cross-harbour routes with effect from 1 July 2006.

The Octopus Smart Card

For public transport fare payments in Hong Kong, the electronic Octopus Smart Card System has become increasingly popular. Today, the Group is the largest corporate user of Octopus cards in Hong Kong in terms of the number of card payment transaction. About 85% of our franchised bus fare revenue was collected via Octopus cards in 2005. The Octopus cards enable passengers to board buses quickly without losing time searching for coins to pay fares. They also enable us to achieve significant cost savings in cash collection and administration.

We have continued to look at ways to optimise and expand the Octopus Bus-bus Interchange Schemes ("Octopus BBI Schemes"), both within the KMB route network and on joint inter-modal schemes with other public transport operators. The Octopus BBI Schemes continue to offer extensive fare discounts to passengers and, at the same time, they have helped improve network coverage, save operating resources and relieve traffic congestion along busy transport corridors. By the end of 2005, KMB had 49 Octopus BBI Schemes covering over 207 bus routes. An additional 22 Octopus BBI Schemes will be launched by phases in 2006.

Following the opening of Hong Kong Disneyland and AsiaWorld-Expo, two Octopus BBI Schemes were launched by LWB in 2005. In August 2005, LWB launched a new joint-operator Octopus BBI Scheme with Citybus Limited ("Citybus") to provide fare discounts for passengers interchanging at the Lantau Link Toll Plaza ("Toll Plaza") between the Hong Kong Disneyland shuttle route (a circular route jointly-operated by LWB and Citybus running between the Toll Plaza and Hong Kong Disneyland) and their Airport and Tung Chung routes. In December 2005, LWB further introduced an Octopus BBI

Scheme to cater for passengers interchanging at the Toll Plaza between its Airport routes and Tung Chung routes running to and from AsiaWorld-Expo. Together with these two newly introduced schemes, LWB had five Octopus BBI Schemes in operation at the end of 2005.

Cyber Bus Stops and Waiting Shelters

KMB has eight cyber bus stops installed at the Star Ferry, along Canton Road and Nathan Road. The light emitting diode and liquid crystal display panels at these cyber bus stops display route information, local and international news and weather information. Each cyber bus stop is equipped with a public address system which announces route information in Cantonese, English and Putonghua. Access to the KMB website for point-to-point route search and service information is also a popular function of the cyber bus stops.

We have continued with our bus shelter improvement programme to enhance the waiting environment for passengers. During the year, KMB built 100 new bus shelters, bringing the total number of bus shelters to 2,350. Also, the 2,500 advertising panels installed at the bus shelters continue to generate advertising revenue for the Group. LWB constructed five new bus shelters in 2005, bringing the total number of bus shelters to 26 at the end of the year.

Customer Service Centres

KMB's eight customer service centres, located at the public transport interchange hubs of Tsim Sha Tsui, Hung Hom, Sha Tin, Mei Foo, Tsuen Wan, Lam Tin, Tuen Mun and Tin Shui Wai, provide a convenient one-stop service



Customer Service Centres provide customers with the latest bus schedule and route information

to public transport users. At these centres, our friendly customer service ambassadors help passengers with route and timetable information. Our customers may also make use of the multimedia kiosks there for browsing the KMB website and gaining access to KMB's digital map facility for point-to-point bus route information. In addition, Octopus card services and KMB souvenir sales are also available at these centres. During the year, our KMB customer service centres won the Silver Award in the Counter Service category of the Customer Service Excellence Awards 2005 organised by the Hong Kong Association for Customer Service Excellence.

LWB's customer service and ticketing office at the Airport provides a one-stop shop for handling customer enquiries, ticketing, and lost and found services.

Enquiry Hotlines and Websites

Customer service hotlines and websites are important communications channels between us and our customers. Last year, KMB's hotline handled about 4.3 million calls — an average of about 358,000 calls per month. The 24-hour

hotline system which operates in Cantonese, English and Putonghua provides bus route information, traffic news, fax-on-demand services, service updates and voice mail recording. A hotline operator service is available from 7:00 a.m. to 11:00 p.m. daily. In 2005, KMB became the first local transport operator to send bus route information through mobile phone Short Message Service (SMS). The messaging service has been well received by our customers. LWB's customer service helpline handled over 15,000 calls in 2005, an average of about 1,300 calls per month. The helpline also collates customer opinions and handles lost and found enquiries.

KMB's customer service hotline is well regarded as an industry leader. In the Regional Call Centre Awards 2005 which was organised by the Call Centre Council of Singapore, our customer service hotline won the Technology Innovation Award and was placed in the top six list of 2005 Regional Call Centre of the Year Awards. The hotline also won the 2005 Best Practice Award: Simplicity organised by Best Practice Management, and the Silver Award at the 2005 Annual Call Centre Awards organised by the Hong Kong Call Centre Association.

During the year, one of our hotline staff won the Gold Award in the Individual category of the Customer Service Excellence Awards 2005 organised by the Hong Kong Association for Customer Service Excellence.

The Group's website at www.tih.hk provides a range of information about TIH and its subsidiaries. The website of KMB, www.kmb.hk, features a popular point-to-point route search function and assists the visually impaired and novice internet users to overcome virtual barriers to access transport information. In 2005, KMB's website won the Gold Award in the 2005 Web Care Awards. Throughout the year, 1,300 pages and 1,000 pictures on KMB's website were amended for easier on-screen reading. The continuing popularity of KMB's website was reflected in an average daily hit rate of 4.2 million in December 2005.

Customer Communications

Whether operating in Hong Kong or on China Mainland, the Group's focus is on the provision of efficient, safe and customer-oriented transport services. We are willing to listen to public opinions and identify customer needs and expectations. Our Passenger Opinion Cabin, a modified single-deck bus, visited 12 districts in Hong Kong to collect passenger opinions on KMB's services in 2005. During the year, six Passenger Liaison Group sessions ("PLGs"), moderated by specialist university lecturers, were held by KMB to assess opinion and public expectations. Representatives from the HKSAR Government's Transport Department also attended these sessions as observers. The findings reveal that, in general, our passengers are satisfied with KMB's services. We have made necessary changes in response to our customers' opinions. Similarly, LWB also held six PLGs during the year.

Information Publications

Publicity material, including bus timetable guides, was updated and published regularly. The latest edition of KMB's bus guide was sold at Hong Kong newsstands, bookstores, convenience stores and KMB's customer service centres in December 2005. All proceeds from sales of this guidebook were donated to The Community Chest of Hong Kong. To cater for the grand opening of Hong Kong Disneyland, KMB published a special Family Fun leaflet with detailed information on bus routes to Hong Kong Disneyland as well as routes to the Inspiration Lake, Hong Kong Wetland Park and Po Leung Kuk Pak Tam

Chung Holiday Camp. We also published a leaflet that helps passengers access Hong Kong's stunning hiking trails.

LWB continued to distribute its general network information along with the more specific Airbus Card, which details routes and departure information for passengers of its Airport routes. More than 24,000 copies of "Long Win Bus Service Guide for Hong Kong Disneyland" were distributed during the first three-month operation of Hong Kong Disneyland.

Marketing and Public Education

To promote the importance of proper conduct on buses, a "Civic Education Campaign" (the "Campaign") was re-launched by KMB in 2005. A series of 10-second civic education television programmes produced by KMB as well as supplementary advertisements placed on bus bodies and bus shelters were the core of the Campaign. In 2005, the Campaign won the Gold Award at the 2005 EFFIE Awards, the advertising industry's "Oscars", the Silver Award of the "Travel/Leisure/Utilities/Transport" category and the Bronze Award of the Best TV Campaign in the Kam Fan Awards 2005, organised by the Association of Accredited Advertising Agents of Hong Kong (4As), as well as the Prime Award for Brand Excellence 2005, organised by PRIME magazine.

In a separate campaign focusing on KMB's environmental care, a series of six bus body advertisements and bus shelter posters were launched to highlight the need to preserve and protect the nature.



Customers, young and senior, expect top quality of services

Safety and Training



Scheduled bus inspections guarantee safety standards

Safety has always been the Group's number one priority. Over the years, we have put in a great deal of effort to enhance the safety of our bus and ferry operations through providing intensive training to our bus captains and ferry crews, improving the design of our buses and carrying out stringent maintenance programmes for our vehicles and ferries.

Bus Captain Training

As part of our ongoing commitment to continuously improve driver training with the aim of providing a safe, comfortable and reliable transport service for our passengers, we have continued to invest heavily in the KMB Bus Captain Training School ("Training School") which is responsible for training new bus captains and providing enhancement courses for existing bus captains.

The newly recruited bus captains will start their training at the Training School with theory lessons emphasising safety and customer care. Practical training is reinforced with hands-on experience on the driving simulator. In addition to the HKSAR Government driving examinations, stringent internal assessments are made to ensure that all our bus captains are qualified and capable of taking up the responsibilities of their positions.

Enhancement training courses have been organised for experienced bus captains to reinforce their safety awareness and sensitivity to passenger comfort. In 2005, the Training School launched its Vigil Vanguard System which captures on-road bus driving performance information, including passenger comfort indicators, bus speed and trip duration through the use of on-board video cameras and the Global Positioning System. By reviewing and discussing the findings in training classes, our bus captains can understand the causes of on-road incidents and identify areas where driving techniques should be improved. The objective is to ensure that our bus captains' competence is upgraded, passenger comfort raised and safety profiles enhanced.

Bus Captains Performance Monitoring

Our specialised teams have closely monitored the performance of bus captains through a systematic performance assessment mechanism. At KMB and LWB, bus captains whose performance is not up to acceptable standards are required to attend remedial training courses. The Disciplinary and Monitoring Team monitors the performance of individual bus captains and disciplinary

action is taken in the case of poor performers. Bus captains who demonstrate above average performance are recognised with various awards and bonuses. Similar practices for safe driving are applied generally across the Group's non-franchised bus and ferry operations in Hong Kong.

Average number of bus accidents involving personal injuries and deaths

Per million vehicle-kilometres



The Vigil Vanguard System is used to assess the driving performance of bus captains in a systematic manner

The Safe Driving Award for bus captains of KMB and LWB, which was first introduced in 1990 to recognise the efforts of our bus captains, has been an effective incentive in promoting road safety. The following awards were presented to KMB and LWB staff for their outstanding safety records during the year:

2005 Safe Driving Award for bus captains

Number of bus captains	KMB	LWB	Total
25-year accident free	44	0	44
20-year accident free	104	2	106
15-year accident free	64	2	66
10-year accident free	153	3	156
5-year accident free	486	36	522
Total	851	43	894

Bus Design and Maintenance

Pioneering vehicle designs and dedicated maintenance programmes enhance the level of comfort and safety enjoyed by our passengers. The design and maintenance of buses is critical to ensuring safe operations. KMB has been collaborating with major bus manufacturers in the design process to ensure new bus types are suitable for Hong Kong's unique operating environment. For monitoring and assurance of safe operations, standard equipment such as speed limiting devices and electronic tachographs (commonly known as the “black box”) that record on-road performance data of buses are adopted for our fleet.

Under the current ISO certified maintenance programmes, KMB and LWB buses undergo daily, monthly and annual inspections and examinations at our depots. In addition,



Practical training for ferry crew of PITC

our buses are also subject to spot checks on a random basis by the Transport Department of the HKSAR Government.

Ferry Crew Training

On-board safety is a key focus of the ferry operations at our Park Island Transport Company Limited ("PITC"). In addition to their maritime qualifications and seagoing experience, our crew members participate in ongoing training and professional development programmes.

Upon joining PITC, the newly recruited ferry crew are required to attend training programmes to fully familiarise with all aspects of handling and navigation of our fleet of catamarans. The programmes also emphasise on-board safety and customer care. In addition, ongoing

professional development programmes are provided to enhance crew skills in areas such as effective radar and Very High Frequency (VHF) radio operations. Crew are also encouraged to attend general training courses organised by the Vocational Training Council on passenger safety, medical first aid, fire fighting and survival techniques.

Regular emergency exercises and training enable the crew members to respond promptly and effectively to any emergency situation. We regularly organise on-board fire fighting, collision and equipment failure drills. Safety awareness and sensitivity to passenger comfort are our first priority. We constantly review these standards and identify service improvement areas to ensure PITC remains a ferry service provider with outstanding service and safety records.

Technical and Apprentices Training

The KMB Technical Training School works with bus manufacturers to provide training for our maintenance staff on the latest bus design and technology. During 2005, a total of 252 in-house training sessions were held for 1,986 skilled workers and 12 sessions were organised for engineers, supervisors and foremen in conjunction with our bus manufacturers.

KMB has continued to run a four-year apprenticeship-training scheme to train up skilled maintenance workers. In 2005, 13 apprentices graduated from the KMB Technical Training School, bringing the number of graduates since 1973 to 2,084. There were 119 apprentices in training at the end of 2005. The Vocational Training Council of the HKSAR Government has acknowledged the high standards of our apprentice-training programmes through its annual "Best Apprentice Competition". One of our apprentices won the third prize in this competition and was invited to visit the Toyota Plant in Japan in 2005.



Human Resources



Our staff from different divisions are committed to the Group's mission

Our ethos is “Caring for People”. We have a staff force of more than 13,000 people who are committed to the Group, its operations and its culture of quality service.

Our People

Through training, motivation and reward, we have cultivated a work environment that values performance and instils a sense of responsibility towards the Group and also the community at large. The table below shows the number of staff in each of the Group's divisions.

Division	2005	2004
Franchised Public Bus Operations		
• KMB	12,339	12,499
• LWB	417	407
Non-franchised Transport Operations	604	557
Media Sales Business#	126	132
Mainland Transport Operations*	7	6
Total	13,493	13,601

including the employees of the Group's subsidiary companies on the Mainland

* excluding the employees of the Group's joint venture companies on the Mainland

Staff Communications

Good communications lie at the heart of the Group's successful staff relations. For our franchised public bus operations, the six Joint Consultative Committees provide a constructive and proactive channel for management and employee representatives to discuss matters that affect daily business operations. The Committee meets monthly at KMB and bi-monthly at LWB to discuss and examine issues such as the working environment, safety and operating procedures, and staff welfare. A homepage is maintained exclusively for KMB and LWB staff with information on management announcements, real-time weather reports, details of upcoming activities and reports of staff events. It also provides on-line orientation training courses and e-learning programmes. A forum is also introduced to strengthen communications with our staff. Periodic video compact discs and a monthly in-house magazine are published to keep all our frontline staff abreast of the developments within both the Group and the industry.

General Staff Training

The Group values training as a major investment in human resources. In 2005, training sessions which focused on computer software applications, business writing skills, leadership skills, communication and presentation skills, and stress management in the workplace were provided to our staff at KMB and LWB. A workshop on the Sex Discrimination Ordinance and Family Status Discrimination Ordinance was also held in conjunction with the Equal Opportunities Commission of the HKSAR Government. During 2005, more than 500 of our staff attended safety training courses organised by the Occupational Safety and Health Council and the Labour Department of the HKSAR Government.

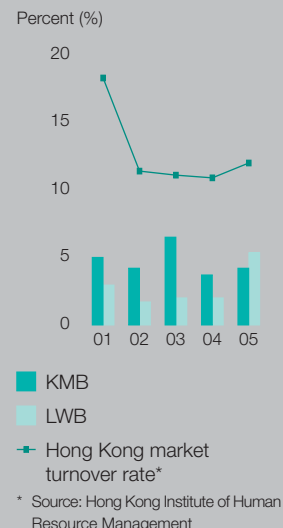


Administrative staff at a training seminar

Number of staff in the Group at 31 December



Staff turnover rate



Outstanding Service Award

During 2005, KMB organised the "Outstanding Service Award" to promote its quality service culture. A total of 64 staff members were recognised for their excellent performance. In addition, the following awards were also presented to KMB's and LWB's staff in appreciation of their dedication and contribution:

2005 Good Service and Safe Driving Annual Award for bus captains

Number of bus captains	KMB	LWB	Total
Good Service Annual Award	6,671	248	6,919
Safe Driving Annual Award	4,247	181	4,428

2005 Good Service and Attendance Award for terminus supervisors/assistant terminus supervisors/customer service assistants

Number of employees	KMB	LWB	Total
Good Service Award	439	18	457
Attendance Award	264	5	269

The operating companies of the Group's Non-franchised Transport Operations Division have good service and safe driving award schemes to recognise the outstanding performance of our drivers.

Community Involvement



FRIENDS OF KMB voluntarily contributes to and care for the community

Over the years, the Group has actively participated in a wide range of community programmes and charitable activities. Our staff have excellent community spirit and regularly take part in various corporate and community events. Such events in 2005 included the Hong Kong's Community Chest Corporate Challenge, the Standard Chartered Hong Kong Marathon 2005, Green Power Hike, International Dragon Boat Invitational Race 2005, MTR HONG KONG Race Walking 2005, Island District Long Distance Run, Orbis Pin Day and Pink Revolution.

FRIENDS OF KMB

KMB's passengers are more than customers — they are fellow citizens and friends with similar concerns and aspirations. KMB's passenger club, FRIENDS OF KMB, is a template we plan to emulate across our various commercial catchments. Its 2,550 members voluntarily gave about 9,000 hours of their time in community building, civic education, environmental protection and

social service activities during 2005. Club members visited centres for the elderly, children's homes and a sheltered workshop and took part in charity walks, raffle ticket sales, carnivals and environmental protection efforts. Over its 10-year life span, the club has recorded nearly 40,000 hours of voluntary service — a contribution recognised by the Social Welfare Department of the HKSAR Government.

The Community Chest of Hong Kong and other Not-for-Profit Organisations

Many of our Group companies involve themselves at both district and neighbourhood levels, supporting programmes that serve young people, the elderly, the less able and people in need. The Group is an active participant in community sponsorship programmes such as the Corporate and Employee Contribution Programme, Corporate Challenge Half Marathon, Dress Casual Day, New Territories Walk for Millions and Christmas Greetings organised by the HKSAR Government, professional groups and charitable organisations. In 2005, KMB was presented an Award of Distinction by The Community Chest of Hong Kong and was also named a “Caring Company” by the Hong Kong Council of Social Service. Community sponsorship commitments over the past year were made to the arts, sports and cultural events and to campaigns that focus on industry improvement and social awareness. Beneficiaries included the Hong Kong Arts Festival, the Hong Kong Sports Stars Awards, the Hong Kong Outstanding Youth Volunteers Scheme, the Hong Kong Awards for Industries, the Hong Kong Management Association Quality Award and the Hong Kong Environmental Protection Festival.

Also, for four consecutive years, the Group’s subsidiary company, RoadShow Holdings Limited (“RoadShow”), received the “Caring Company Award” organised by the Hong Kong Council of Social Service. RoadShow continuously supports many charities and not-for-profit organisations through the dissemination of community service messages and charity appeals on its Multi-media

On-board (“MMOB”) system. It also participates in various charity and fund raising events and supports civic education by producing informative and educational programmes to our passengers.

“KMB and You, Heading for a Greener and Brighter Future” Award Scheme

One of the Group’s key education schemes in Hong Kong is the “KMB and You, Heading for a Greener and Brighter Future Award” which rewards candidates who receive Grade A in all 10 subjects in the Hong Kong Certificate of Education Examination. Each of the 12 successful candidates in 2005 received a one-year free KMB/LWB bus-travel pass. We look forward to strengthening our commitment to Hong Kong’s young people in the years ahead.

Assisting Those with Special Needs

In November 2005, the Group offered free bus rides on its franchised bus services to different categories of passengers in Hong Kong. On “Elderly Day”, free rides were given on both KMB and LWB buses to the elderly aged 65 and above. Similar support went to disabled people and their escorts through a free ride offer on “International Day of Disabled Persons”. KMB and LWB have continued to work closely with disabled groups through exchange forums on improvements that can be implemented to facilitate the use of public transport by the disabled.



Presentation of “KMB and You, Heading for a Greener and Brighter Future Award” to successful candidates

Caring for the Environment



Bus stop advertisements deliver clear environmental messages

The Group has maintained a longstanding commitment to conduct its business in a manner that minimises and mitigates adverse impacts on environment. As a socially responsible corporate citizen, we have implemented many procedures in our depot and fleet operations in the interest of environmental protection.

Environment-friendly Buses

At KMB and LWB, we continue to upgrade our bus fleets to comply with, and in many aspects exceed, internationally recognised environmental standards. Through introducing innovative techniques and equipment, we lead the bus industry in Hong Kong, and even the world, in making environmental enhancements to buses.

Ultra Low Sulphur Diesel (“ULSD”)

At present, the Group has the largest bus fleet in the Asia-Pacific region using ULSD which significantly reduces exhaust emission levels of sulphur oxides, nitrous oxides and particulates.

Euro Engines

At the end of 2005, all KMB and LWB buses were equipped with environment-friendly engines which meet the stringent exhaust emission standards of the European Council of Environmental Ministers. During the year, 47 buses with emission complying with the Euro III standard were added to the fleet, bringing the total number of buses equipped with Euro II and Euro III engines to 2,434 and 923 respectively at the end of 2005. A Volvo Olympian B9TL bus, which is equipped with the first Euro IV engine, is being tested by KMB in Hong Kong. Based on the specification of the Euro engines, catalytic converters and exhaust soot filters have been retrofitted across the fleet to further improve overall emission standards.

Catalytic converters were installed on all of KMB’s 1,613 buses with pre-Euro or Euro I engines and LWB’s nine air-conditioned single-deck buses with pre-Euro engines. With the catalytic converters and the use of ULSD, the exhaust emissions of pre-Euro and Euro I buses have been improved to Euro I and Euro II engine standards respectively.

Buses equipped with Continuous Regeneration Traps (“CRTs”) can achieve a significant reduction of particulate matters and reduce smoke levels to virtually zero. At the end of 2005, KMB had a total of 512 Euro III-engined buses equipped with CRTs plus an exhaust gas recirculation device, enabling them to meet emission standards at a level close to Euro IV engine standards.

The numbers of KMB and LWB buses that met the respective emission standards as at 31 December 2005 are listed below:

Emission Standards	Number of buses meeting such standards	
	KMB	LWB
Euro I	672	9
Euro II	2,434	136
Euro III	923	3
Total	4,029	148

The bus fleets of the Group’s Non-franchised Transport Operations Division are also equipped with environment-friendly engines.

Air Foam Filter

Our Group’s double-deck buses have been using air foam filter since 2004. After extensive testing, the air foam engine filters which replaced conventional paper filters proved to be successful in extending their life span. While the operating performance of our buses has been maintained, the solid waste associated with the used filters has been greatly reduced.

Eco-Driveline

KMB has also developed the pioneering Eco-Driveline on buses by integrating an engine with a high torque, six-speed double overdrive gearbox, an optimised final drive ratio axle and a sophisticated electronic control gear-shift program. This system provides passengers with a smoother ride and also reduces fuel consumption and exhaust emissions by 6% to 10% respectively.

Synthetic Transmission Oil

All the gearboxes of KMB and LWB double-deck buses have been using synthetic oil since 2004. As a result, we have achieved a significant 80% reduction in oil wastes compared with using the traditional mineral oil. This has also extended the oil drain interval substantially from 30,000 kilometres to 150,000 kilometres.



Tyre retreading facilities at Tuen Mun depot

Revolutionary Diesel-Electric Hybrid Buses

Park Island Transport Company Limited has three environment-friendly diesel-electric hybrid air-conditioned super-low floor single-deck buses which are powered by rechargeable batteries with an energy-regenerating function during braking and moving down slopes. Their micro-turbines are only powered by diesel when the batteries have run down to a pre-set level.

Environment-friendly Non-franchised Buses

The SBH Group and New Hong Kong Bus Company Limited's bus fleets are equipped with environment-friendly engines. Around 86% of the fleet operates with Euro II or Euro III engines.

Waste Treatment WasteWise Scheme

Waste treatment has long been an environmental issue that the Group has focused on for many years. In 2005, KMB introduced the WasteWise Scheme which was promoted by the Environmental Protection Department of the HKSAR Government. The solid waste management scheme enables the efficient use of materials, effectively reducing the amount of solid waste generated.

Waste Water

Waste water continues to be treated according to regulatory standards before it is discharged into the public sewage system. In 2005, KMB maintained 11 automatic waste water treatment systems for its fleet and depots with a total daily treatment capacity of 800 cubic metres.

Waste Oil and Chemical Waste

Approximately 963,600 litres of consumed lubricating oil from bus maintenance programmes were delivered to a registered waste oil recycling agent for treatment and approximately 349,800 kilograms of solid chemical waste went to the authorised landfill in Hong Kong.

Tyre Retreading and Recycling of Scrap Tyres

To alleviate pollution problems caused by industrial waste and to fully utilise resources, 33,500 tyres were retreaded in the KMB tyre retreading plant in 2005. In an innovative recycling exercise, approximately 220 tonnes of tyre chips were collected and used to manufacture playground flooring.

Self-developed Filter-compressing Machine

Innovation comes through at many levels of the Group's environmental work. During the year, an in-house developed filter-compressing machine was used by KMB to compress the disposed engine oil filters, reducing the volume of solid waste by 60% and extending the lifespan

of landfills. Waste lubricating oil collected from this process will undergo a reclaiming and subsequent recycling process which further helps environmental conservation.

Green Premises

In the design, construction and operation of bus depots, we have paid special attention to environmental protection and energy conservation. All depots of KMB and LWB are now equipped with waste water treatment systems, water recycling facilities and environment-friendly fire service systems. Lighting, air-conditioning and ventilation systems are installed with energy saving features and regular air sampling has been conducted in depot areas to ensure a fresh air working environment.

The "Green Office" concept has been applied to the design and renovation of the Group's headquarters in Hong Kong. Pre-set timers switch off lighting when they are not in need or when outdoor light is sufficient. Temperature control devices keep office temperatures within a comfortable range. Our headquarters building was awarded the Indoor Air Quality Certificate (Good Class) in 2004 and 2005 by the Indoor Air Quality Information Centre of the Environmental Protection Department in recognition of the achievement of maintaining a hygienic work environment with good air quality.



TIH's "Green Office" with its energy saving systems