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Forging Ahead in Adversity

An unprecedented COVID-19 pandemic has led to a long-term halt in the global economy, society, and humanities activities. Profound and far-reaching changes have been brought to the entire world, and Hong Kong is no exception. TIH, the “Heartbeat of the City”, has encountered major challenges in business. In the face of a continuous reduction in public activities and an unforeseeable future regarding the recovery of travel demand, the business of KMB and LWB was hard hit. The overall ridership of KMB and LWB dropped 24% and 38% respectively in 2020. The decline in travel, as expected by the market, has become a “new normal” and the ridership will remain low over a period of time. With an unrelenting effort, however, the Group’s management continued to adopt measures for saving resources and explore new room for development in the face of adversity, including the introduction of recreational routes to ensure the stability of our operations. In the future, we will strengthen the interaction between passengers and staff, learn the needs of the market, and embrace the post-COVID-19 era.

By observation during the pandemic period, passengers have attached greater importance to the cleanness and hygiene of public transport. The cleanness of the compartment has a direct influence on passengers’ confidence in choosing transport mode. We believe that passengers’ higher expectations of hygiene standards in public transport will continue to grow in the post-COVID-19 era. Therefore, as early as last March when the pandemic was at an early stage, KMB adopted a series of measures to enhance the cleanliness of bus compartments and added windows for ventilation on buses. These measures will continue and be enhanced in a timely manner. In view of the requirements regarding the wider standing space of buses, we have also purchased 34 new buses in addition to our recurring bus purchase plan to provide a more comfortable riding space for passengers. These buses are on order for delivery during the second half of 2021.

Also, the travelling pattern of passengers has changed. It is anticipated that the global pandemic situation will remain volatile. While people are reluctant to travel, we foresee a potential demand for domestic consumption and local tourism from residents staying in the city. Patronage of some routes to the countryside has performed well. The Group will keep a close eye on these new demands from local passengers. To meet their needs, we will continue to approach relevant governmental departments for route exploration and adjustment.

I strongly believe that, by utilising new technology wisely, even an “old-economy” company can bring new momentum to its business. KMB and LWB have proactively cooperated with the government and promoted various measures under Tamar’s Hong Kong Smart City Blueprint. Last year, we took the initiative to install an e-payment system on the LWB fleet and certain KMB routes. In the future, we will carry out a thorough study on the full implementation of e-payment for all KMB buses to provide passengers with more convenient payment choices.

It is in line with the company’s development to make good use of green technology. As we strive to include more electric buses in our fleet, KMB has made a private purchase of 15 single-deck electric buses to add to its fleet of various electric buses that are currently in operation. To align with the government’s green policy, the company has also purchased double-deck electric buses with government subsidy. We are fully aware of the pivotal role that the bus, especially electric bus, plays in synergy with the railway. The public transport strategies for the government’s new development areas at Kai Tak and Hung Shui Kiu/Ha Tsuen are a case in point. According to information published by the authority, the government is planning to build a brand new eco-friendly transport system which includes automative transport system, a green bus system and a modern tramway. KMB, as a pioneer in promoting electric buses in Hong Kong, will spare no efforts to go in line with the development plan. In the future, we will also provide support in aspects such as ancillary facilities at depots and bus stops.

On the other hand, the Group is exploring possible applications of new energy. While KMB and LWB have installed solar panels at multiple depots across the territory, we will continue to look into the feasibility of installing the same equipment at satellite depots. With solar panels installed at some buses and bus stops, the Group hopes that these measures will gradually help Hong Kong reach the goal of zero-emission.

Road traffic and public transport are closely associated with Hong Kong’s housing policy. While the upcoming development in areas such as Northeast New Territories and Yuen Long South can provide a sizeable residential supply, the railway network in these districts is unlikely to cope with the substantial traffic demand in the short and medium term. Besides, multiple new infrastructure projects, including the opening of the Tuen Mun-Chek Lap Kok Tunnel and the Central Kowloon Route (under construction), have demonstrated that land transport is playing an active role in these communities. KMB and LWB will seize every opportunity to grow riding on these new projects, which we believe will propel the company’s growth in the future.

In the past two years, Hong Kong was impacted by social incidents and the COVID-19 pandemic. The economy remained weak, and the unemployment rate was high. Despite the fact that the business environment may remain difficult for a period of time, all TIH members continue to strive to serve the public of Hong Kong. On behalf of the company, I would like to express my heartfelt gratitude to shareholders, passengers, and Hong Kong people for their long-lasting support. Even at the height of the pandemic, I felt reassured when I saw red double-deckers travelling through deserted streets. I hope KMB is providing not only bus service but also bringing to every one of you motivation, cheer, and hope. “Even the darkest night will end and the sun will rise.” Let us equip ourselves and be strong and agile for the recovery ahead.

Roger LEE Chak Cheong
Managing Director
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