



Care for Employees

As a caring employer, the Group cares for its employees and sees the development of its people as a way of delivering high quality service. A comprehensive training and recognition programme motivates staff by valuing and rewarding excellent performance.



Top priority is given to the provision of excellent and value-added bus services. This is achieved in the following ways: by providing service training to our bus captains, by making performance monitoring procedures more rigorous, by improving bus designs, and by maintaining our bus fleet to the highest standards. At the same

time, a culture of training and recognition provides staff members with the incentive to deliver top quality service.

The following table gives a breakdown of the workforce of the Group by division at the end of 2011 and at the end of 2010:

Division	2011	2010
Franchised Public Bus Operations		
• KMB	11,654*	11,674
• LWB	469	458
Sub-total	12,123	12,132
Non-franchised Transport Operations	633	620
Media Sales Business ⁽¹⁾	117	104
China Mainland Transport Operations ⁽²⁾	6	7
Total	12,879	12,863

⁽¹⁾ Includes the employees of the Group's subsidiary companies in China Mainland.

⁽²⁾ Excludes the employees of the Group's joint venture companies in China Mainland.

* The measure of full-time equivalent (FTE) is adopted.

STAFF CONSULTATION AND COMMUNICATIONS

Six Joint Consultative Committees provide forums for management and staff representatives from KMB and LWB to meet to discuss matters affecting daily operations. Meeting every month at KMB and every two months at LWB, issues raised and discussed include safety and operating procedures, the working environment and staff welfare. Our staff website provides KMB and LWB employees with easy access to staff-related information, such as company announcements, reports on staff events, annual leave balances, weather updates and details of upcoming events.

The monthly magazine KMB Today and in-house VCDs are additional channels for keeping staff up to date on corporate developments.



Staff Website

Our staff website keeps employees up to date on staff-related matters, including company announcements, reports on staff events and details of upcoming events and activities.

STAFF DEVELOPMENT

The Group is committed to developing its staff so as to enhance their performance and upgrade the quality of service provided to the public. Training is also seen by the Group as a key investment in its future. Accordingly, training and development courses are arranged for staff at all levels.

In 2011, the range of training and development courses we offered included people development skills, analytical skills, financial management skills, time management skills, personal effectiveness enhancement and communication skills.

To support the development and implementation of Occupational Health and Safety Assessment Series ("OHSAS") 18001 safety management systems within

KMB's Operations Division, a series of safety management training courses was arranged throughout 2011, which included OHSAS 18001 Awareness Training, OHSAS 18001 Understanding and Application Training and OHSAS Internal OHS Audit Training. These courses were successfully completed in 2011, thus equipping our staff members with a thorough knowledge of safety management systems for the implementation of OHSAS 18001 in an efficient and effective manner.

To reinforce the culture of mutual support and personal growth among our new bus captains, a series of team building workshops was run in 2011. These workshops use adventure-based learning to encourage and reinforce positive behaviour in a work setting. The Most Professional Bus Captain Election Campaign was

organised in January 2011 to give the public the opportunity to recognise KMB and LWB bus captains who provide outstanding service performance.

In 2011, 483 staff attended courses organised by the the Occupational Safety and Health Council and the Labour Department. The Equal Opportunities Commission was invited to conduct a series of seminars for our management staff and frontline operations staff to keep them updated on relevant legal requirements. In addition, for the sixth successive year, we invited a renowned Harvard Business School professor specialising in business strategy to conduct a seminar to bring our KMB and LWB management up to speed on the latest developments in the business world.



KMB's Driving Simulator Studio provides bus captains with top quality training

BUS CAPTAIN TRAINING

New and existing KMB bus captains are provided with comprehensive training and improvement courses at our Bus Captain Training School in Sha Tin Depot. In 2011, more than 40 Instructors and around 35 training buses were employed at the Training School.

Initial training comprises both on-road training and theory lessons with the focus on the provision of safe and comfortable bus journeys as well as delivering excellent customer service. In addition to passing Government driving tests, new bus captains are the subject of rigorous internal assessments to ensure they are capable of carrying out their duties effectively. Experienced bus captains undertake training that reinforces their safety awareness and mindfulness of passenger comfort. All of our bus captains receive "eco-driving" training, which promotes good practices such as switching off idling engines.

By recreating real-world driving environments, the Training School's state-of-the-art Driving Simulator Studio enables bus captains to improve their driving in general and their response to different situations in particular. The four simulator stations are equipped with a driving cabin, with driving seat, steering wheel, accelerator, brake and instrument panel, as well as numerous 42-inch plasma screens

displaying high-resolution images. Added authenticity is provided by the sound of the bus interacting with the road surface and by the presence of other sounds which are typically encountered by the bus captain. While instructors provide instant individual feedback, a report covering speed, trip duration and passenger comfort is given to each trainee.

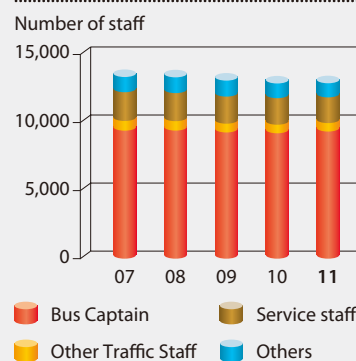
TECHNICAL AND APPRENTICE TRAINING

KMB's Technical Training School has been training maintenance staff in the latest bus technologies since 1973. In 2011, 223 in-house training sessions were organised for 1,669 skilled workers and 16 sessions were run for 224 engineers, supervisors and foremen in collaboration with our bus manufacturers.

The Technical Training School runs a four-year apprenticeship training scheme for school leavers to ensure an adequate supply of skilled maintenance workers for our bus fleet. 2011 saw the graduation of a further 45 apprentices, bringing the total number of graduates since the School's establishment to 2,231. At the end of the year, the School had an enrolment of 185 apprentices.

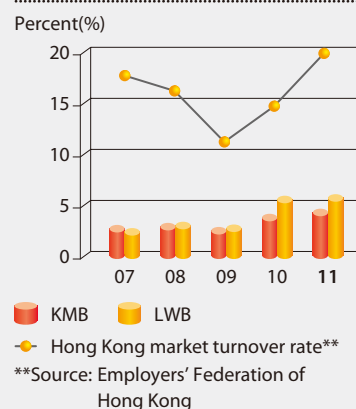
The quality of KMB's apprentice training programme was once again recognised in 2011 with one apprentice being named Outstanding Contestant in the Vocational Training Council's Best Apprentice in the Automobile Trade Competition.

Number of staff in the Group at 31 December



Staff turnover rate

(voluntary resignation only)



The four simulator stations in the Driving Simulator Studio at our Bus Captain Training School are equipped with driving seat, steering wheel, accelerator, brake and instrument panel, as well as 42-inch plasma screens displaying high-resolution images.



The KMB family celebrates the Year of the Dragon

REWARDING SERVICE EXCELLENCE

A systematic performance assessment mechanism providing continuous monitoring is adopted to ensure that the performance of our bus captains is maintained at the highest level. Any bus captain falling below these high standards will be provided with remedial training, with a Performance Management Team helping bus captains identify their strengths and weaknesses. In the event of continued under-performance or misconduct, disciplinary action will be taken. A similar performance assessment mechanism is used to monitor the Group's non-franchised bus captains.

Outstanding performance will be rewarded by awards and bonus schemes.

The Safe Driving Award was introduced in 1990 to promote road safety. In 2011, a total of 668 KMB and LWB bus captains received the Safe Driving Award in recognition of their outstanding safety records.

The excellent performance of 59 employees was recognised at the 2011 Outstanding Service Awards, where team awards were also presented to groups who had worked together to produce outstanding results.

In 2011, in recognition of consistently strong performance, 5,677 Good Service Annual Awards and 3,878 Safe Driving Annual Awards were presented to KMB and LWB bus captains, while 338 Good Service Annual Awards were made to KMB and LWB Terminus Supervisors/ Assistant Terminus Supervisors/ Customer Service Assistants.

The operating companies within the Group's Non-franchised Transport Operations Division ran their own good service and safe driving award programmes in 2011 to recognise especially meritorious performance.



The excellent performance of individual staff members and teams is recognised annually through the Outstanding Service Awards.

WORK-LIFE BALANCE

Health talks are organised regularly for members of staff and their families as part of our encouragement of healthy work-life practices. A self-learning culture is promoted, with an in-house library service established on the staff website to ease borrowing of library materials via an electronic library catalogue.

MEDICAL CENTRES

Four Medical Centres on KMB premises provide dedicated outpatient services for our staff, as well as medical checks for new employees and annual medical checks as required.

NEW UNIFORM FOR FRONTLINE STAFF

In 2011, KMB adopted the newly-designed uniforms on a company-wide basis for all KMB frontline staff, including bus captains, inspectors and terminus supervisors. The new uniforms feature green as the primary colour representing vitality and energy. Silver grey reflective piping and tape on the back of the uniform enhance operational safety, especially in dark conditions.