

The Group's Innovations

The TIH Group has a long and distinguished track record of industry-leading innovations. Ever since the founding of The Kowloon Motor Bus Company (1933) Limited ("KMB"), we have innovated to enhance safety, efficiency and customer satisfaction. Our innovations have also aimed at the evolving needs of the society where we operate and the preservation and improvement of the environment in which we live and work. The following list of innovations highlights the major items that we implemented for different aspects of our operations over the last decade.

Business and Operations

► Bus Stop Pole Advertising

In 2006, KMB began to make use of its bus stop poles as a new form of advertising media for earning additional advertising income. This initiative has been well received by advertisers and by the end of 2006, there were 610 bus stop poles posted with advertisements.



► Revolutionary Diesel-electric Hybrid Bus

In 2003, Park Island Transport Company Limited introduced three diesel-electric hybrid air-conditioned single-deck buses, the first of their kind in Hong Kong, for its shuttle bus service on Ma Wan Island. Powered by the rechargeable batteries and the small diesel engines, these environment-friendly buses can achieve ultra low emission level.



► ISO 9001 and 14001 Certifications

KMB became the first public bus company and the fourth corporate entity in Hong Kong to obtain ISO 9001 certification on a company-wide basis in 1999. KMB was also the first public bus company to obtain the ISO 14001:1996 Environmental Management System certification for its depots. These certifications reconfirm KMB's commitment to excellence in quality management systems and high standards of environmental protection.



► Super-low Floor Double-deck Bus

KMB set a new standard for the bus industry by working with the manufacturers to develop the first “super-low floor” double-deck bus for operation in Hong Kong. The introduction of such bus type in 1996 was a major breakthrough in terms of bus design for providing easy access to passengers, particularly handicapped and elderly people. It also enables faster boarding and alighting for greater convenience and operational efficiency. In 2003, KMB again made history by introducing two new models of buses, namely Wright Bus and Super Bus, which offer a new air-conditioning system with enhanced circulation inside the bus compartment, a wider bus saloon and entryway, and a revolutionary straight staircase. These new features provide passengers with a more comfortable interior environment and easier access to and from the upper deck.



► Electronic Terminus Management System

An Electronic Terminus Management System was developed in-house by KMB in 2004 to facilitate the use of Personal Data Assistants (PDAs) by our terminus supervisors to record large volume of operational data such as bus arrival and departure times. This system, unique to KMB, helps us enhance operational efficiency and achieve cost saving through reduction in the use of paper and streamlining the data processing procedures.

► Traffic Operations Management System

The self-developed and award-winning Traffic Operations Management System was launched by KMB in 2003 to replace the manual system for bus captain duty assignment and despatch process. This system has made the daily assignment and despatch process for some 8,000 bus captains more efficient and allowed management to obtain the latest information on duty allocation and despatch as well as operational arrangements at different depots in a timely manner.

Customer and Community Service

► Multi-media On-board System

The innovative Multi-media On-board System ("MMOB") offering infotainment to passengers on board the bus was launched in 2000. MMOB programme contents are specifically tailored to hold the interest of commuter audience. This system is proprietary to the Group's 73% owned subsidiary, RoadShow Holdings Limited, which has been listed on The Stock Exchange of Hong Kong Limited since June 2001. With the ability to reach a sizable audience daily, the MMOB system is an attractive medium for advertisers.

► Electronic Bus Stop Announcement System



In 1998, KMB and LWB first launched the Electronic Bus Stop Announcement System which delivers voice announcements and shows the name of the upcoming bus stop on LED display on board the bus. All buses are now equipped with such systems.

► Award-winning Website

New features have been added to KMB's website for customers' convenience from time to time. For example, the bus route information search functions were first introduced to the website in 2000, text boxes to all images and pop-up windows for the convenience of those internet users with visual impairments were added in 2002, and the simplified Chinese version was added in 2003. The KMB's website was highly popular and in December 2006, it had an average daily hit rate of 4.7 million.

► Air-conditioned Waiting Lounge

Hong Kong's first air-conditioned waiting lounge for bus passenger was opened by KMB at the Lam Tin Bus Terminus in 2002. The lounge offers customers a refreshing, quiet and comfortable environment while waiting for buses.

► FRIENDS of KMB

KMB's passenger club, FRIENDS of KMB, was founded in 1995. Currently the club has around 2,750 members who actively participate in voluntary work in community building, civic education, environmental protection and social service. Since its inception, the club has recorded over 50,000 hours of voluntary service.



► Digital Map Passenger Enquiry System

In 2002, KMB became the first public transport operator in Hong Kong to launch the Digital Map Passenger Enquiry System which assists operators in handling telephone enquiries more efficiently in the KMB Customer Service Hotline Centre. In 2006, KMB installed this system at its



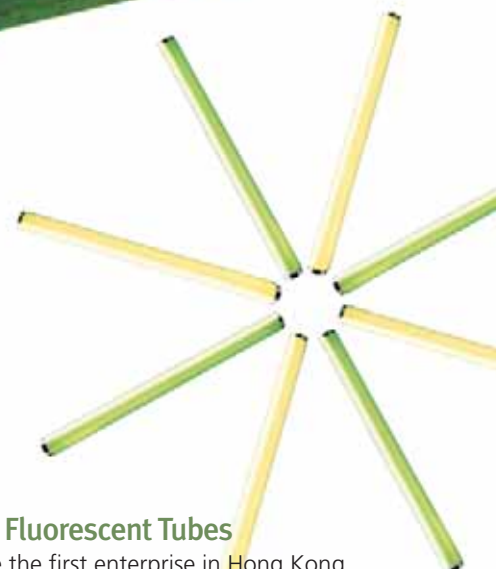
Customer Service Centre's multimedia kiosks to enable customers to obtain bus route information and viewing the surrounding environment and major landmarks on a three-dimensional map.

► Environment-friendly Bus Types

KMB has always been the first to introduce the most environment-friendly types of double-deckers with the best possible emission standards for operations in Hong Kong, namely Euro I, II, III and IV standards in years 1992, 1996, 2001 and 2006 respectively.



Environmental Protection and Resources Saving



► Energy-saving Measures

KMB and LWB have been implementing an electricity saving scheme since 2003. Our electricity consumption in 2006 was 23% lower than that in 2003. This innovative scheme has not only enhanced environmental protection but also given significant cost saving.

► Document Management System

In 2002, the Group introduced an electronic document management system for the entire organisation resulting in substantial reduction in the volume of paper used and better efficiency in document registration, filing and retrieval.

► Eco-Driveline

KMB launched the pioneering Eco-Driveline on buses to improve engine efficiency and reduce exhaust emissions by an average of 6% to 10% in 2002. Our buses equipped with such systems can accelerate and run with greater smoothness and more comfortable ride to passengers.

► Tyre Retreading

For the benefits of environmental management and cost saving, over 550,000 tyres have been retreaded by KMB since 1972.

► Recycling of Used Fluorescent Tubes

In 2006, KMB became the first enterprise in Hong Kong to participate in a fluorescent tube recycling campaign. The used fluorescent tubes were collected by a licensed contractor regularly for recycling and preservation of environment. Approximately 24,000 pieces of used fluorescent tubes were sent by KMB to the Government chemical waste treatment centre for recycling during 2006.

► Filter-compressing Machine

KMB developed an in-house "Filter-compressing Machine" in 2005 to compress disposed engine oil filters to reduce the volume of solid waste by around 60%. The use of this machine can extend the lifespan of landfills and help environmental conservation.

