



Care for Employees

As a caring employer, the Group is attentive to our employees and is committed to developing our people so that we can deliver the highest quality service. A comprehensive training and recognition programme is in place to help maintain a workplace where excellent performance is valued and rewarded.

The Group continues to accord top priority to excellence in the delivery of our bus services. This is done in a number of ways: by providing intensive training to our bus captains, by strengthening performance monitoring procedures, by improving bus designs, and by maintaining our buses to the highest standards. Our culture of training and recognition also motivates staff to deliver service levels of the highest order.

The following table gives a breakdown of the workforce of the Group by division at the end of 2010 and at the end of 2009:

Division	2010	2009
Franchised Public Bus Operations		
• KMB	11,674	11,870
• LWB	458	457
Non-franchised Transport Operations	620	635
Media Sales Business ⁽¹⁾	104	105
Mainland Transport Operations ⁽²⁾	7	7
Total	12,863	13,074

⁽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.



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STAFF CONSULTATION AND COMMUNICATIONS

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

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

STAFF DEVELOPMENT

The Group sees staff training as an important investment in its future. Training and development courses are arranged for staff at all levels.

A large scale customer service training programme was recently organised for all operations and maintenance staff of KMB and LWB, drawing on the expertise of an established training consultancy firm. The "Service from the Heart" programme was tailor-made to develop a positive service mindset among staff and raise their awareness of customers' expectations of quality service. In the first phase of the programme, 52 seminars were held for more than 10,000 staff members in the fourth quarter of 2009. The second phase of the programme, held from January to April 2010 and consisting of more than 300 workshops with a focus on experiential learning for small groups of around 30 frontline staff, aimed to equip participants with the skills required to handle challenging customer service situations.



A trainee KMB bus captain receives on-road instruction



KMB's new uniform combines style and comfort

A Most Professional Bus Captain Election Campaign asking passengers to nominate the pick of our bus captains is being organised in January 2011 to recognise bus captains who provide outstanding service performance.

All staff members are required to wear a "Service from the Heart" badge while on duty to promote the spirit of delivering quality service. Working tips in different formats, for example, videos, cue cards, training booklets and stickers inside driver compartments, are made available to refresh the skills learned in the seminars and workshops. Reinforcement activities, such as commendation letters, booths, online games and slogan and lyric competitions, are organised regularly to sustain the momentum of the training programme. A Most Professional Bus Captain Election Campaign involving passengers is being organised in January 2011 to recognise bus captains who provide outstanding service performance.

To enhance the performance and competencies of our middle management staff, a series of management development workshops was held in 2010. Areas covered were change management, creative thinking, strategic thinking, coaching skills, negotiation skills, problem solving skills and team management.

In 2010, nearly 400 staff attended courses organised by the Labour Department and the Occupational Safety and Health Council. The Equal Opportunities Commission and the Office of the Privacy Commissioner for Personal Data were invited to conduct a series of seminars for our management staff and frontline operations staff to keep them updated on the respective legal requirements.

For the fifth successive year, a renowned Harvard Business School professor specialising in business strategy was invited to share the latest developments in the business world with KMB and LWB management.

BUS CAPTAIN TRAINING

KMB's Bus Captain Training School at Sha Tin Depot provides new and existing bus captains with comprehensive training and improvement courses to ensure the continued provision



of safe and comfortable bus journeys. In 2010, more than 40 Instructors and around 35 training buses were employed at the Training School.

Our initial training course includes both on-road training and theory lessons with the focus on driving safety and customer service. Besides passing Government driving tests, new bus captains undergo rigorous internal assessments to ensure they are capable of carrying out their duties effectively. Experienced bus captains receive training that reinforces their safety awareness and sensitivity to passenger comfort. All bus captains receive "eco-driving" training, which promotes good practices such as switching off idling engines.

The Training School's state-of-the-art Driving Simulator Studio recreates real-world driving environments that enable bus captains to improve their overall driving and in particular their response to different situations. The four simulator stations are equipped with a driving cabin, with driving seat, steering wheel, accelerator, brake and instrument panel, as well as multiple 42-inch plasma screens displaying high-resolution images. Added authenticity comes in the shape of the sound of the bus interacting with the road surface and other sounds associated with the driving position. The simulator generates a report for each trainee on speed, trip duration and passenger comfort, and our instructors provide instant individual feedback.

TECHNICAL AND APPRENTICE TRAINING

KMB's Technical Training School has been training maintenance staff in the latest bus technologies since 1973. 2010 saw 212 in-house training sessions organised for 1,503 skilled workers and 11 sessions run for 192 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. In 2010, 26 more apprentices graduated, bringing the total since the School's establishment to 2,186. At the end of the year, a total of 233 apprentices were enrolled at the School.

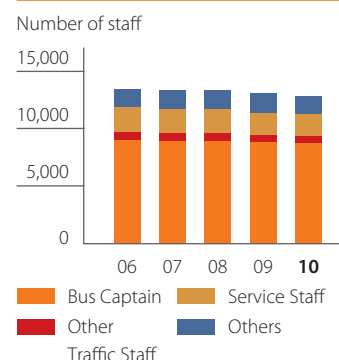
The quality of KMB's apprentice training programme was once again recognised in 2010 with two apprentices obtaining Second Runner-up and Fourth Runner-up spots in the Vocational Training Council's Best Apprentice in the Automobile Trade Competition. The honourees received invitations to visit the Mitsubishi Plant in Japan.

REWARDING SERVICE EXCELLENCE

We ensure that the performance of our bus captains is maintained at the highest level by means of a systematic performance assessment mechanism that provides continuous monitoring. If a bus captain falls below these high standards, we will provide 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. On the other hand, outstanding performance is rewarded by awards and bonus schemes. The performance of the Group's non-franchised bus captains is monitored in a similar way.

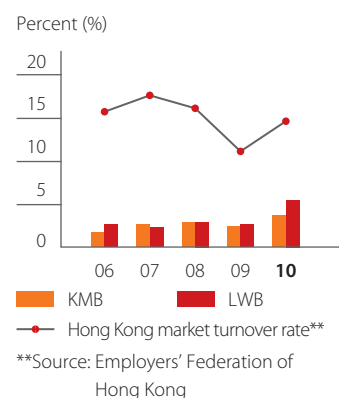
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Number of staff in the Group at 31 December



Staff turnover rate

(voluntary resignation only)





KMB's strong team of bus captains



Our Safe Driving Award was introduced in 1990 to promote road safety. In 2010, a total of 724 KMB and LWB bus captains received the Safe Driving Award in recognition of their outstanding safety records.

KMB continued its Outstanding Service Award programme during the year, with 64 employees rewarded for their performance excellence. To promote teamwork and give recognition to groups of staff who have attained achievements beyond their normal scope of work, Outstanding Service Awards were once again made to teams.

In recognition of their committed performance, 5,479 Good Service Annual Awards and 4,182 Safe Driving Annual Awards were presented to KMB and LWB bus captains, and 334 Good Service Annual Awards were made to KMB and LWB Terminus Supervisors/Assistant Terminus Supervisors/Customer Service Assistants.

In December 2010, we organised the Long Service Award Presentation Ceremony to recognise the loyal service of our staff. 45 staff members received the 40 year award and 414 staff members received the 30 year award. Another 617 staff members completed 20 years of service and were issued with a certificate of appreciation and a badge.

Likewise, the operating companies within the Group's Non-franchised Transport Operations Division ran good service and safe driving award programmes in 2010 to recognise the outstanding performance of their staff.

KMB's voluntary turnover rate for 2010 was 3.69%, once again considerably lower than the market average. Testimony to the success of the Group's approach to staff training and management, the low turnover rate also helps sustain service excellence.

WORK-LIFE BALANCE

As part of our promotion of a healthy work-life balance, we have set up a wellness corner on the staff website with relevant articles and useful government links. Additionally, health talks are organised regularly for staff members and their families. A self-learning culture is encouraged, with an in-house library established on the staff website for easy borrowing of library materials via the electronic library catalogue.

MEDICAL CENTRES

Four Medical Centres have been set up at KMB premises to provide dedicated outpatient services for our employees, as well as medical checks for new staff and annual medical checks for relevant employees.

NEW WINTER UNIFORM FOR FRONTLINE STAFF

In December 2010, all KMB frontline staff, including inspectors, terminus supervisors and bus captains, were provided with new winter uniforms, practically designed with green as the primary colour. The new uniform represents vitality and highlights the energetic image of our frontline staff. For safety reasons, silver grey reflective piping and tape are added on the back of the uniform to enhance operational safety, especially when working in dark conditions.