



NEW LANTAO BUS
新大嶼山巴士

2017/2018

透露更詳盡財務及營運資料
及 企業社會責任

**Fuller Disclosure of Financial and
Operational Data
& Corporate Social Responsibility**

新大嶼山巴士(一九七三)有限公司
New Lantao Bus Company (1973) Limited

(冠忠巴士集團有限公司之附屬公司)
(A subsidiary of Kwoon Chung Bus Holdings Limited)

透露更詳盡財務及營運資料

引言

新大嶼山巴士（一九七三）有限公司（「嶼巴」）為了符合政府對公營事業所訂立之管理標準，自 1993 年開始向公眾透露更詳盡之財務及營運資料。

嶼巴自 1993/1994 之財政年度開始，已向公眾披露上述之有關資料，下列之文件乃因應前述之標準而制訂，展示嶼巴由 2017 年 4 月 1 日至 2018 年 3 月 31 日止之主要財務及營運數據。

為求令公眾人士對嶼巴之服務及發展能有進一步之認識，本文件也包括其對上一年度嶼巴之財務狀況。

年度回顧

截至 2018 年 3 月 31 日止，嶼巴經營 23 條專營巴士路線，主要於大嶼山及行走港鐵元朗站至深圳灣口岸的 B2 路線及行走天水圍至深圳灣口岸的 B2P/B2X 路線。車隊總數為 110 台單層巴士和 25 台雙層巴士，車隧總載客量達 10,343 位，平均車齡 6.87 年。

在 2017 至 2018 年度內，嶼巴乘客量達 28,281,000 (上年度乘客量為 27,157,000)，車隊總行車公里數達 870 萬公里 (上年度為 868 萬公里)。2017 至 2018 年度內每日平均載客量為 77,483 人次(上年度為 74,402 人次)。

截至 2018 年 3 月 31 日止之財政年度內，嶼巴之營業額約港幣一億七千六百九十萬元 (上年度約港幣一億七千二百六十萬元)並錄得約港幣三百五十萬元的虧損 (上年度約港幣七百七十萬元的盈利)。

由於東涌新市鎮及鄰近屋邨居民的人口增長已差不多飽和，嶼巴 38 號路線 (東涌市中心接駁路線) 的收入增長空間亦變得有限。另一方面，嶼巴正密切注視曾經是最主要收入而與纜車平行路線之 23 號線之前景，自從纜車投入服務，該路線之乘客已明顯大幅下挫。

嶼巴在本年初配合東涌北一帶新建房屋入伙及持續的乘客需求，37M 號線已於年內增加班次以應付當區的實際需求。

嶼巴依然受到外來無法控制因素的影響，如天氣變化，油價波動，美元兌主要外幣的匯率波動(由於港幣與美元掛鈎)，尤其是受歐羅的影響更甚，因為嶼巴絕大部份巴士的零件供應都來自部份歐洲國家。最近下跌及漸趨穩定的油價為嶼巴節省了燃油成本。

2017/2018 年度之通脹維持增長，為了保持穩定的服務，車長及其他僱員在年度內亦有薪金增長，令工資成本急劇上升，這項亦是嶼巴的最主要支出。

嶼巴會持續提供安全的客運服務，包括對車長再培訓以提升其駕駛技術水平。

前景

有利因素包括：

1. 行走元朗及深圳灣口岸的 B2 路線與行走天水圍和深圳灣口岸的 B2P/B2X 路線繼續為嶼巴帶來可觀的利潤。期望西部通道的進一步發展可增加 B2、B2P 和 B2X 路線的人數和收入；
2. 嶼巴與昂平 360 繼續合作，推廣大嶼山觀光；
3. 位於東涌北(迎東邨)、梅窩的居者有其屋屋苑、東涌第 39 區 (逸東邨以南)、東涌第 27 區 (北大嶼山醫院對面)及東涌第 54 區 (東環附近)的新建房屋會於來年陸續落成，帶動新增乘客需求；
4. 位於大嶼山北部的港珠澳大橋預計於 2018 年下半年通車，公司成功投得行走大橋香港口岸及機場客運大樓的 B4 路線與行走大橋香港口岸及東涌滿東邨 B6 路線，並期望帶來整體客量增長，及；
5. 政府公佈發展東大嶼都會藍圖及進一步擴展東涌新市鎮計劃、令大嶼山發展成具規模的住宅及商業社區。

不利因素包括：

1. 燃油價格之不穩定性；
2. 新東涌路開放予外界，包括巴士及私家車，對大嶼山巴士的特別路線服務在平日及假日的收入也受到影響；
3. 嶼巴盈利能力最強的 38 號巴士路線，由於東涌新市鎮人口已接近飽和，其乘客量的增長可能會放慢，及；
4. 運輸署本年公佈最新的車長作息安排指引，預料會引發同業車長工資及福利調整。同時配合政府政策、須要改善及增加資源於巴士安全設備的要求及措施。

透露更詳盡資料為嶼巴營運政策之一部份，嶼巴歡迎公眾人士及各有關監管機構，對提高服務質素給予寶貴意見。嶼巴並派出代表出席離島區議會屬下的「交通及運輸委員會」和「旅遊、漁農及環境衛生委員會」等定期舉行的會議。嶼巴更參與「離島區議會」所舉辦的各項活動及派代表出席區內各鄉事委員會活動。

為求獲得乘客意見以提升嶼巴服務水平，嶼巴安排了一系列的乘客聯絡小組會議。年內，嶼巴與香港專業教育學院的工商管理系合作，在來年進行一系列之「乘客滿意調查」以獲取最新資料，明白乘客的要求，令服務不斷改進。

嶼巴之營運目標，是為向乘客提供安全、充足、準時、舒適、清潔，方便及待客有禮之公共巴士服務。

近期立法會財務小組亦已通過補助嶼巴購入四部零排放之電動巴士，試用於嶼巴路線。我們經已備安裝後勤設備，首兩輛電動巴士亦於 2018 年第三季投入服務。

黃焯安
董事總經理
2018 年 8 月 31 日

企業社會責任

背景

自從引入“企業社會責任”概念後，新大嶼山巴士(1973)有限公司(“嶼巴”)持續面對有關企業社會責任之考驗，此等考驗主要針對其車隊運作與環境保護有關之問題。嶼巴之主要市場包括本地及來自海外之消費者，和企業客戶及有業務來往之商業機構。

面對上述問題，嶼巴訂立“企業社會責任政策”，而此等政策，亦應與時並進，可持續及配合社會之發展。

為確保新訂立之企業社會責任可以滿足上述條件，嶼巴已採用下列策略：

1. 正確及有效地確認與嶼巴企業社會責任有關之問題
2. 發展及制訂可以回應社會及市場轉變之企業營運方法
3. 為達致企業社會責任之目標，嶼巴亦會獨力或與其他公共交通服務營辦商合作採取適當措施
4. 將上述措施之成效，與社區及政府分享及溝通

產品及服務

嶼巴經營專營巴士服務，大部份路線服務新界大嶼山，截至 2018 年 3 月 31 日，嶼巴共有 115 部單層巴士和 25 部雙層巴士行走 23 條路線。嶼巴並經營分別來往深圳灣與元朗及天水圍之 B2、B2P 及 B2X 路線。

企業社會責任之基礎

由於全球化及其對運輸行業所帶來之影響，嶼巴亦覺察到乘客之來源由本地轉為國際化，而供應商之來源，亦變得多元化。

公共交通服務之供應商 / 營辦商，與其相關之公眾，亦應建立連繫，包括乘客，監察機構，行業內不同界別及有關之社區。“企業社會責任”可以讓此等不同公眾，認識及理解服務供應者之營運方法及情況。

營運商之架構及組織亦不斷變化及發展，以嶼巴為例，政府批出專營權，對營辦商亦有所期望，例如需要與服務使用者(乘客)加強溝通。除此之外，營辦商亦不再全面專利地經營，引入競爭之後，亦要以市場為本作為營運方針。

既然嶼巴之業務經已變為以市場為本，客戶之需求及期望亦因應增加，尤其是經常乘搭嶼巴之乘客。加上來自市場之競爭，嶼巴亦要不斷創新其服務，重新檢視目前之服務水平，尤其是在車隊管理，準時服務及收費等方面，保持競爭力。

企業社會責任之定義

企業社會責任，可以解釋為一套企業應該遵守之行為準則，從而令企業對社會帶來積極及有建設性之影響。生產與銷售產品及服務，商業道德保護環境之措施，招聘員工之條件，遵守平等機會原則及投資與回饋社會，均為良好企業社會責任的例証。

企業社會投資為其中一個評估企業社會責任之標準，亦為一項重要工具，它包含一套實用可行的計劃，可以令企業能將其僱員之時間及專業技能，有效地運用於滿足社會需求之上。

嶼巴之營運應用下列之標準，以達致上述目標：

1. 工作場所 – 通過引進平等機會聘用條件，增加培訓機會

2. 供應商 – 嶼巴在採購上採用及確保有關步驟符合商業道德
3. 市場 – 宣示嶼巴對消費者承諾之服務水平
4. 社會 – 投入社區建設

持份者

嶼巴有不同的持份者，企業社會責任對他們有不同程度的承諾：

1. 僱員 – 車長，前線人員(包括站長)，維修人員，行政及文職人員，人力資源及管理階層
2. 官方 – 運輸及房屋局，運輸署，政務處及離島區議會
3. 客戶 – 乘客及企業客戶
4. 供應商 – 巴士製造商及代理商，零件供應商，油公司及其他服務供應商，包括銀行，公共服務及八達通收費系統
5. 社區 – 嶼巴路線網絡所覆蓋地區的社群
6. 投資者 – 通過持有母公司股份之非直接投資者
7. 公眾服務 – 非政府機構
8. 業務合作對象 – 運輸行業內的合作伙伴，例如昂坪吊車營辦商，寶蓮禪寺，港鐵公司 (巴士 – 鐵路轉乘計劃)，其他巴士公司(巴士轉乘計劃)及廣告商等

企業社會責任的進一步闡釋

企業管治

嶼巴作為專營巴士營辦商，其服務具有甚高之透明度，因為巴士在服務網絡所覆蓋之公路上行駛，必定要維持公共交通服務所具備的優良形象。

此外，政府對巴士營辦商亦有其評核準則，而作為公營事業，嶼巴亦必須與廉政公署緊密合作，防止貪污。

而僱員方面，日常執行任務，亦要遵守既定的工作指引，務求不偏不倚。

平等機會

嶼巴支持在職位聘用，服務提供等方面，引入平等機會守則，為傷殘乘客在上落巴士或在車站候車時，提供相關設施。

安全及環保

路面上之交通意外，可能導致傷亡，亦因此而帶來法律上之訴訟，對嶼巴而言，此等事故會為公司帶來負面形象，影響聲譽。再者，公眾對巴士運作及行車安全，特別針對車上設備及車長培訓尤其關注。我們已制訂下列措施及政策以回饋公眾期望：

1. 配合政府政策，制定新購巴士安全設備的標準，提升巴士安全水平。
2. 善用科技監察車長日常駕駛工作。
3. 增加資源，將車長培訓工作專門化及制度化，成立車長駕駛學校以培訓新車長考取駕駛巴士資格。

嶼巴會繼續為車長提供警覺性及防禦性之駕駛訓練，防止交通意外發生。

有關方面對環境保護所帶出之指引不斷更新，嶼巴亦會與時並進，因應有關發展，引入潔淨能源及採用新科技，包括電動巴士，藉此減少廢氣排放所帶來的負面效果。年內，嶼巴為環境保護及乘車環境作出下列措施：

1. 引入最新環保巴士以更新車隊。截至 2018 年 3 月 31 日，歐盟 4 型及 5 型的巴士數目已達 108 輛，佔整體車隊 80%。
2. 兩輛由政府資助的「零排放」單層電池電動巴士已於 2018 年第 3 季投入服務，以試驗巴士的運作的效能和成本效益。
3. 定期抽查巴士車廂內二氧化碳含量。在 2017 年內按環保署制訂之「管

理空調公共運輸設施內空氣質素專業守則 – 巴士」所抽查巴士之車廂空氣質素，100% 乎合空氣質素標準（二氧化碳濃度上限為每小時平均3,500ppm）。

車長及其他員工亦會因長時間工作而感受到壓力，企業社會責任亦會考慮到員工的工作量，在安排工作時盡量減少超時及超量工作，以策安全及保障員工健康。

有效企業管治的良好指引

上述指引並無刻板的準則，管理原則、企業歷史、本土文化、業務背景及監管法規都需要在考慮範圍內，下列特質，可以成為制訂企業管治良好指引的參考資料：

1. 企業的服務承諾，必需與所有員工所分享及可以接受，因此必定要有效地與各階層清楚溝通
2. 高層管理人員必定要以身作則，保持信用及全情投入實踐企業社會責任
3. 企業的價值觀，一定要通過日常營運得以反映
4. 企業的資源，制度與架構，必定要能夠支持實踐社會責任所需
5. 高層管理人員必需接受訓練，達致水準及能有效地作出決定，具備足夠知識及能力，可以實行社會道德所接受的決策，而在實行時，更可以被社會認同為公正與公平

量化後之企業社會責任措施

在提升本公司之企業社會責任時，嶼巴推行以下之措施，令有關公眾受惠

1. 發展新路線

通過每年呈交運輸署之路線發展計劃，以公眾及公司利益為本，申辦新路線。

2. 票價優惠計劃

實施票價優惠計劃，包括巴士--鐵路轉乘優惠，巴士--巴士轉乘優惠，長者及合資格殘疾人士公共交通票價優惠計劃。此外，本公司亦提供大嶼山全日通套票，乘客可持票在大嶼山全日乘搭嶼巴之指定路線巴士。

3. 環保責任

購入配置“歐盟五型及六型”環保引擎之車隊取代環保標準較低之舊車及引入電動巴士達致“零排放”。

4. 醫療保健

試行引入醫療計劃為所有年屆五十歲之車長提供全身檢查及包括員工在集團之醫保計劃內。同時，年屆五十歲之職員亦可參加公司志願性大腸鏡檢資助計劃。

5. 慈善事業

我們與本地中學教育機構合作，推出實習生計劃，藉工作機會令參加者於社區擴闊層面。此外嶼巴亦與大嶼山之地區組織合作，支持及贊助本地康樂、體育及文化事業的發展。

新大嶼山巴士(一九七三)有限公司
2018年8月31日

新大嶼山巴士(一九七三)有限公司

營運資料

結算年度3月31日

	<u>2017/2018</u>	<u>2016/2017</u>
1. 巴士路線總數		
i 專利普通巴士線	12	12
ii 機場巴士線	1	1
iii 通宵巴士線	3	3
iv 特別巴士線	6	6
v 對外消閒巴士線	1	1
	23	23
2. 車隊 (於結算年度尾)		
i 已登記巴士數量	135	124
ii 已發牌巴士數量	131	123
3. 車隊總載客量	10,343	8,827
4. 車隊運作能力		
i 平日 (星期一至六·公眾假期除外)	111.4%	110.5%
ii 假日 (星期日及公眾假期)	114.9%	116.0%
5. 時間表的成效	100.0%	100.0%
6. 車隊運用	88.8%	86.8%
7. 車隊之平均年齡	6.87	7.31
8. 乘客人次總數		
i 全年總數 (以千位計算)	28,281,000	27,157,000
ii 平日每日平均乘客總數	75,344	71,960
iii 假日每日平均乘客總數	86,339	85,466
9. 巴士收費行車公里 (以千位計算)	8,695,000	8,678,000
10. 班次失誤比率	0.43%	0.30%
11. 處理由交通投訴組轉介個案的數目 (以每百萬人次計)	2.97	3.06
12. 乘客聯絡小組會議舉辦次數	6	6
13. 其他顧客服務		
i 巴士亭總數	247	247
ii 網站及手機應用程式		
iii 顧客服務熱線		
14. 平均每輛巴士檢查須修正的項目 (由運輸署抽檢)	2.51	0.97
15. 牽涉傷人的巴士意外數目 (以每百萬公里計)		
i 輕微意外	2.82	1.69
ii 嚴重意外	0.34	0.23
iii 致命意外	0.00	0.00
16. # 機械可靠性		
每輛巴士平均行走多少公里內才會在載客途中發生一次機械故障	94,514	77,479
17. 改善服務項目		
i 推出新路線/新輔助路線	0	2
ii 改善行車班次	2	2
iii 改善服務質素	3	6
18. 服務重組項目		
i 取消巴士路線數目	0	0
ii 減少行車班次、減少車輛數目及重組行車路線以節省巴士資源	0	0

註: 機械可靠性的定義包括所有導致車輛於載客服務中途停駛的故障。

新大嶼山巴士(一九七三)有限公司

綜合損益表 (截至該年度3月31日止)

(港幣千元)

	2016/2017	2017/2018
營運收入		
車費收入	169,767	174,494
廣告收入	87	20
其他收入	2,795	2,371
	172,649	176,885
營運成本		
員工成本	76,054	83,506
燃油	19,098	21,764
維修保養	15,063	17,713
折舊	16,624	17,332
利息支出	793	818
其他支出	35,203	39,907
	162,835	181,040
營運溢利/(虧損)	9,814	(4,155)
出售固定資產之虧損	(540)	(55)
除稅前溢利/(虧損)	9,274	(4,210)
所得稅	(1,569)	739
本年度溢利/(虧損)	7,705	(3,471)
固定資產平均淨值	105,238	124,872
固定資產平均淨值回報(%)	7.95%	-2.23%
於3月31日之乘客回饋累計結餘(附註)	1,529	1,529

附註:

根據現時當局在審批巴士票價調整的申請時所採用修改後的「經修訂的考慮多方面因素做法」，一個專營巴士營辦商在某年度獲得的回報率若超過按其平均固定資產淨值計算的指定觸發回報率，其高於指定觸發回報率 50% 將會與乘客分享，以舒緩日後車費加價壓力，及向乘客提供巴士車費優惠。該指定觸發回報率於 2010 年 4 月 1 日至 2018 年 3 月 31 日期間為每年 9.7%。

新大嶼山巴士(一九七三)有限公司

綜合財務狀況表 (截至該年度3月31日止)

(港幣千元)

	<u>2016/2017</u>	<u>2017/2018</u>
非流動資產		
租賃土地及樓宇	17,567	17,499
巴士站結構	761	1,340
巴士及其他車輛	83,852	113,326
傢俱,裝修及辦公室設備	708	669
設備及工具	4,144	5,882
電腦	234	273
購買巴士訂金	-	3,489
	<u>107,266</u>	<u>142,478</u>
流動資產	48,977	30,141
減：流動負債	<u>32,582</u>	<u>59,183</u>
流動資產/(負債)淨值	<u>16,395</u>	<u>(29,042)</u>
	<u>123,661</u>	<u>113,436</u>
股本	29,117	29,117
損益賑	63,718	60,247
計息銀行借款	18,000	12,000
遞延稅項	12,763	12,020
遞延收益	63	52
	<u>123,661</u>	<u>113,436</u>

Fuller Disclosure of Financial and Operational Data

Background

New Lantao Bus Company (1973) Limited (“NLB”) is obliged, as a franchised public bus operator, since 1993, to adhere to the Government’s directive in adopting new standards of fuller disclosure for its financial and operational information to the public.

NLB has, since 1993/1994, provided and disclosed the above information. The following documents have been prepared, taking into consideration the above standards, showing the essential financial and operational data of NLB for the latest financial year from 1 April 2017 to 31 March 2018.

In order to provide the public with a fuller understanding on the development and provision of NLB’s services, the financial information of the company for the corresponding period of the previous five years have also been included in this paper.

Review of the Year

As at 31 March 2018, NLB was operating 23 franchised public bus routes, mainly on Lantau Island and between Yuen Long / Tin Shui Wai and Shenzhen Bay Port, with a fleet of 110 single-deck and 25 double-deck buses. These buses have a total passenger carriage capacity of 10,343. The average age of the bus fleet was 6.87 years.

In the year of 2017/2018, NLB had carried an average of 77,483 passengers a day (2016/2017: 74,402).

In the year 2017/2018, NLB had carried a total of 28,281,000 passengers (2016/2017: 27,157,000 passengers); its buses had travelled 8,886,000 km (2016/2017: 8,678,000 km).

For the year ended 31 March 2018, the total turnover was approximately HKD176.9 million (2016/2017 approximately HKD172.6 million), with a loss of approximately HKD3.5 million (2016/2017: profit of approximately HKD7.7 million).

Impact of population intake of Tung Chung New Town and the adjacent private housing estates have fully fledged, we do not envisage any further drastic increase in population intake of this area, thus reaching the optimum demand of service of NLB's Route 38. On the other hand, the Tung Chung – Ngong Ping Cable Car Link continued to erode both the revenue and profits of NLB's Route 23, which is running parallel with the cable car service.

Service enhancement of Route 37M has been implemented to cater continuous passenger demand generated by new housing development in Tung Chung North.

External uncontrollable factors continue to affect NLB's performance, these include weather conditions, the cost of fuel and the fluctuation in exchange rates between US Dollar (which the Hong Kong Dollar has pegged with) and Euro, as almost all of NLB's buses have to rely on the supply of parts from certain European countries; recent decline and subsequent albeit stabilization of fuel price has contributed to savings in cost of fuel.

Cost of human resources has increased due to inflation in Hong Kong for the period of 2017/2018, in which NLB had to recompense our work force in order to maintain a stable and consistent supply of manpower.

NLB has continued to implement programmes to enhance its service safety. Programmes have been devised to monitor and improve the service standard of drivers.

Prospect

The favourable factors include:

1. The bus routes B2 between Yuen Long and Shenzhen Bay Port, and B2P between Tin Shui Wai and Shenzhen Bay Port have continued to produce additional profit. It is hopeful that the patronage and revenue for these routes will rise when western Shenzhen is further developed;
2. NLB continued to cooperate with Ngong Ping 360 Limited, which has been mutually beneficial to both parties;
3. Extra travel demand generate from new population intake in Tung Chung North (Ying Tung Estate), new Home Ownership Scheme housing estate at Mui Wo, Tung Chung Area 39 (south of Yat Tung Estate), Tung Chung Area 27 (opposite North Lantau Hospital) and

Tung Chung Area 54 (adjacent to Century Link) in the coming years;

4. Extra travel demand between north Lantau and Hong Kong Port of the Hong Kong – Zhuhai – Macao Bridge. The new port is target to commence its service by Q4 2018; and,
5. Government announce a blueprint of East Lantau Metropolis and Tung Chung New Town extension plan which further develop Lantau to be a sizeable residential and business community.

The less favourable factors include:

1. Movement of fuel price remains unpredictable;
2. The opening of Lantau roads to outside traffic (for both buses and private cars) has affected the revenue of special route services of NLB, for both weekdays and Sundays/public holidays;
3. The growth in patronage for bus route 38, the most profitable route of NLB, has slowed down as the intake of population into Tung Chung New Town has almost reached saturation; and,
4. Adjustment of bus captain salary and welfare arrangement among the industry since Transport Department announced new guidelines on bus captain working and rest time arrangement in this year. Improvement and more resources input are required in bus safety devices and measures to fulfill the regulation's requirement.

The process of fuller disclosure is an integrated part of NLB's policy. Opinions from the public and respective supervisory bodies are most welcome. In addition, representatives from NLB have attended regular meetings of the Traffic and Transport Committee and the Fishery, Agriculture, Commerce and Tourism Committee of the Islands District Council. NLB has also participated in various social service functions organized by the Islands District Council and rural committees of Lantau.

In order to obtain opinions of passengers towards our service, NLB has organized a series of passenger liaison group meetings by each year. NLB has appointed Department of Business and Administration of IVE (Institute of Vocational Education) to conduct passenger satisfaction surveys in order to acquire most up to date information on passengers' needs and make service improvements.

It has always been NLB's prime objective in providing a safe, adequate, punctual, comfortable, clean, convenient, courteous and caring public bus service to its passengers.

The subsidies to NLB for the purchase of four units of single-deck electric powered buses, have materialized. The supporting facility has been installed and the first 2 units of electric bus have put in service by 3rd quarter of this year.

James C.O. Wong
Managing Director
31 August 2018

Corporate Social Responsibility

Background

Since the introduction of a doctrine on Corporate Social Responsibility, New Lantao Bus Co. (1973) Ltd. ("NLB") has continued to encounter intense challenges in this respect, in particular, those with emphasis on environmental impact and traffic control. NLB has the mass consumers (both local and overseas) as its major sources of passengers and revenue, to be supplemented by business and institutional customers.

A policy on Corporate Social Responsibility ("CSR") has been devised to address these concerns, with a view that this policy could be sustainable and adaptable to social changes, and would adapt to these changes accordingly.

In order to ascertain that the CSR of NLB could fulfill the above requisites, the following strategies has been established:

1. To successfully define the various issues associated with the company's CSR;
2. To develop a strategic business response to social and market changes;
3. To initiate action individually, or with fellow public transport operators, in order to accomplish its goals in CSR; and
4. To communicate the results of these actions to the community and the Government.

Product and Services

NLB is the franchised public bus service provider in Lantau Island, as at 31 March 2018, NLB was operating 23 franchised bus routes with a fleet of 115 single deck and 25 double deck buses. It also operates Routes B2, B2P and B2X, which carry passengers between Shenzhen Bay Port and Yuen Long West Rail Station (B2), and Tin Shui Wai (B2P and B2X), respectively.

Fundamentals of the CSR

In view of globalisation and its impact towards the transport sector, NLB has witnessed its clientele gradually changing from local to international and inter-regional, and that its suppliers have also diversified.

Providers of public transportation service have created a linkage with their target publics: passengers, supervisory authorities, and different sectors of the industry as well as the community. The CSR will allow these publics to understand the work of the respective service providers.

The structure of the service providers is also changing, in the case of NLB; the Franchise granted has certain expectations on the provider, e.g., more interaction with passengers. In addition, the service providers are no longer monopolizing the service; competition would require these companies to become more market-oriented.

As the service of NLB has become market oriented, there are rising expectations from customers, particularly passengers frequently using NLB's services; together with competition from other modes of public transport, these market forces obliged NLB to be continuously creative in providing its service. Market forces may require NLB to re-examine its current service standard, especially on fleet management, punctuality and fare.

Defining the CSR

Corporate Social Responsibility can be defined as the set of standards of behaviour that a company subscribes in order to make its impact on society positive and constructive. The production and selling of goods and services, business ethics, environmental practices, recruitment and employment conditions, approach to equal opportunities and investment in the community are examples of such impact.

Corporate Community Investment is one of the important mechanisms in developing and measuring business standards, it is also an essential tool of CSR, involving a practicable set of programmes and processes that can enable the company to bring the skill and time of its employees for community need.

The following standards can become applicable in various levels of NLB's operations:

1. Workplace – through the introduction of equal opportunities in

employment by adhering to current legislation governing equal opportunities and to provide additional opportunities for employees to undergo occupation-related training.

2. Suppliers – through dissemination and safeguarding of NLB’s standards in business ethics.
3. Market – sounding out NLB’s obligations to consumers.
4. Community – contributing to the development of the society, in particular, those community sectors that are deprived of these benefits.

Stakeholders

NLB has a number of major stakeholders, to whom the CSR could be properly addressed:

1. Employees – drivers, station masters, maintenance staff, administrative and clerical staff, personnel, management.
2. Government – Transport and Housing Bureau, Transport Department, Islands District Office and District Council.
3. Customers – passengers, corporate clients.
4. Suppliers – vehicle manufacturers and distributors, parts supplier, fuel companies and services suppliers such as banks, utilities and Octopus.
5. Communities – neighbourhoods which are served by NLB’s network of bus service.
6. Investors – indirect investors of holding company which is listed on the Hong Kong Stock Exchange.
7. Public services – NGOs.
8. Business partners – joint venture partners in transport-related businesses, e.g., Cable Car operator, Po Lin Monastery, MTRC Ltd. as bus-rail interchange partners, and fellow franchised public bus operators in bus-bus interchange partnership, and advertisers and their agents in the placement of advertisement on board buses and at stations and terminals.

Insight for CSR Obligation

Corporate Governance

NLB, as a franchised bus operator and a public body, is highly visible, as the buses would frequent the network of routes covered by the company. It is important for the company and its vehicles to be seen to be setting a good example and adhering to high standard of the public transport sector.

In addition, the company has to adhere to the standard of measurement of service by the Government. As a public body, the company must also work closely with the Independent Commission Against Corruption on matters pertinent to corruption prevention.

It is essential for NLB to establish a code of conduct for the employees, so that they can work with suppliers without prejudice.

Equal Opportunities

NLB could advocate equal opportunities in employment, and in the provision of its services, to facilitate passengers with disabilities when boarding and alighting from buses and waiting at termini.

Safety and Environment

Road accidents can cause serious bodily injury and even death, and may also result in legal claims. These can also result in poor image of the company. NLB would warrant continuing providing alert and defensive driving programmes for the drivers.

In order to cope with the changing and improving code of practice regarding environmental friendly measures for franchised bus operators, efforts would be required to put into areas of using cleaner fuel, procuring up-to-date technologies that could alleviate the negative impact of pollution. NLB is also going to introduce electric-powered buses to alleviate the impact of pollution.

Drivers and other workers may feel under pressure to work for long hours without rest, the CSR should ensure that a support network could be available for the employees on workplace safety and to ensure that the working hours are reasonable and their levels of health are satisfactory.

The Government guidelines on environmental protection are constantly updated. In response to the development, NLB introduce clean energy and new technologies, including electric buses, to reduce air pollution and adverse effects of emissions. During the year, NLB has made the following measures for environmental protection and improve air quality of journey:

1. Continue to introduce buses with latest emission standard. Euro 4 and Euro 5 emission standard reach to 108 buses, as 80% of our fleet, at 30 June 2017.
2. 2 government funded “zero-emission” single deck battery-electric buses have put in trial on 3rd quarter of 2018 to test vehicle performance and cost effectiveness.
3. Conduct regular checks on carbon dioxide (CO₂) level of bus compartment. In 2017, 100% of buses checked had their CO₂ level within air quality standard (Upper limit of average hourly concentration of CO₂ reach to 3,500ppm) in the “Practice Note for Managing Air Quality in Air-conditioned Public Transport Facilities – Bus” published by the Environmental Protection Department (“EPD”).

Establishing Guidelines for Effective Corporate Integrity

There is no one precise standard of corporate integrity; the management principles, corporate history, local culture, nature of business and regulatory mechanisms have to be taken into consideration. The following features may serve as the fundamentals in the establishment of such guidelines:

1. The corporate obligations must be shared and accepted by members of the company. These have to be clearly communicated to all levels of staff.
2. Members of senior management must be personally committed, trustworthy, and willing to achieve those values that the company advocate.
3. These values must be reflected in the day to day functioning of the corporation.
4. The company’s systems and structures must be able to support the implementation of these values.

5. Senior management must be trained and acquired the decision-making skills, knowledge, and competencies needed to make ethically sound decisions and act accordingly. The actions must be seen to be just and fair and beneficial to the society.

Quantified Corporate Social Responsibility Measures

The followings are material performances of NLB in the enhancement of the company's CSR, with direct bearing on its services and target publics:

1. New Bus Routes
Though the annual submission of Forward Planning Programmes for the forthcoming five years, NLB would explore and develop new routes for approval from Transport Department. This ongoing exercise is for the benefit of the community and could bring in additional revenue to NLB.
2. Fare Concession Schemes
Implementation of fare concession schemes, including bus-rail interchange, bus-bus interchange, and Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities". There is also a one day pass for Lantau Routes to provide attractive discounts to passengers who may use the Pass for unlimited travel on these routes.
3. Environmental Responsibility
Procurement of new Euro V and Euro VI buses for the fleet to replace older vehicles with less environmentally friendly engines; and trial run on electric-powered buses.
4. Health Care
NLB has introduced regular medical examination for drivers who are aged 50 or over; and attachment to the Group's medical insurance scheme. A voluntary scheme is offered to employee who aged 50 or above to provide financial subsidies for Colonoscopy examination.
5. Charitable and Community Service
Introduce an internship programme with local secondary education institute, which offer participant more opportunities of exposure in local community. NLB had also cooperated with local community, sports and recreational promotion groups by sponsoring their services and activities.

New Lantao Bus Company (1973) Limited

Operational Data

Year ended 31 March

	<u>2017/2018</u>	<u>2016/2017</u>
1. <u>Total number of bus routes operated</u>		
(i) Franchised normal routes	12	12
(ii) Airbus routes	1	1
(iii) Overnight routes	3	3
(iv) Special routes	6	6
(v) Alignment external recreational route	1	1
	<hr/>	<hr/>
	23	23
2. <u>Fleet size at end of reporting period</u>		
(i) Registered buses	135	124
(ii) Licensed buses	131	123
3. <u>Total fleet capacity</u>	10,343	8,827
4. <u>Operational capability</u>		
(i) Mondays to Saturdays (except Public Holidays)	111.4%	110.5%
(ii) Sundays and Public Holidays	114.9%	116.0%
5. <u>Achievement of schedule</u>	100%	100%
6. <u>Fleet utilization</u>	88.8%	86.8%
7. <u>Average age of bus fleet (licensed fleet)</u>	6.87	7.31
8. <u>Total number of passengers carried</u>		
(i) Annual total (to nearest thousand)	28,281,000	27,157,000
(ii) Average daily passengers on weekdays	75,344	71,960
(iii) Average daily passengers on Sundays and Public Holidays	86,339	85,466
9. <u>Paid bus km (to nearest thousand)</u>	8,695,000	8,678,000
10. <u>Percentage of lost trips</u>	0.43%	0.30%
11. <u>Number of cases forwarded by TCU and handled by NLB per million passengers in a year</u>	2.97	3.06
12. <u>No. of Passenger Liaison Group meeting convened</u>	6	6
13. <u>Other customer services</u>		
(i) Bus stop shelter	247	247
(ii) Website and mobile app		
(iii) Customer service hotline		
14. <u>Average number of bus defects detected per vehicle examination (during spot checked by TD)</u>	2.51	0.97
15. <u>Number of bus accidents involving injury to person per million vehicle-km</u>		
(i) Slight accidents	2.82	1.69
(ii) Serious accidents	0.34	0.23
(iii) Fatal accidents	0.00	0.00
16. # <u>Mechanical reliability</u>		
Average No. of km operated before a bus would experience one all breakdown on the road while passengers are on board	94,514	77,479
17. <u>Service improvement items</u>		
(i) Number of new routes / new supplementary routes introduced	0	2
(ii) Frequency improvement	2	2
(iii) Quality improvements	3	6
18. <u>Service rationalization items</u>		
(i) Number of bus routes cancelled	0	0
(ii) Frequency reduction, vehicle reduction and routes reorganization to save bus resources	0	0

Note: The definition of mechanical reliability takes into account all types of defects leading to vehicle breakdown during passenger services

New Lantao Bus Company (1973) Limited

Statement of Comprehensive Income

(Expressed in HK\$'000)

	2016/2017	2017/2018
REVENUE		
Fare Revenue	169,767	174,494
Advertising Income	87	20
Sundry Income	2,795	2,371
	172,649	176,885
OPERATING COSTS		
Staff Costs	76,054	83,506
Fuel and oil	19,098	21,764
Repair & Maintenance	15,063	17,713
Depreciation	16,624	17,332
Interest Expenses	793	818
Other Expenses	35,203	39,907
	162,835	181,040
OPERATING PROFIT / (LOSS)	9,814	(4,155)
Loss on disposal of fixed assets	(540)	(55)
PROFIT / (LOSS) BEFORE TAX	9,274	(4,210)
Income tax	(1,569)	739
PROFIT / (LOSS) FOR THE YEAR	7,705	(3,471)
AVERAGE NET FIXED ASSETS ("ANFA")	105,238	124,872
RETURN ON ANFA (%)	7.95%	-2.23%
Accumulated balance of passenger reward as at 31 March (Note)	1,529	1,529

Note :

Under the revised Modified Basket of Factors (MBOF) approach, which is the existing basis for the Administration to assess bus fare adjustment application, 50% of any return of a franchised bus operator in a given year in excess of a prescribed triggering point of return on its average net fixed assets would be shared with passengers to relieve the pressure for future fare increase and to facilitate the offer of bus fare concessions. The prescribed triggering point of return for the period from 1 April 2010 to 31 March 2018 was 9.7% per annum.

New Lantao Bus Company (1973) Limited

Statement of Financial Position

(Expressed in HK\$'000)

	<u>2016/2017</u>	<u>2017/2018</u>
NON-CURRENT ASSETS		
Leasehold land and buildings	17,567	17,499
Bus terminal structure	761	1,340
Motor buses & vehicles	83,852	113,326
Furniture, fixtures & office equipment	708	669
Equipment & tools	4,144	5,882
Computers	234	273
Deposits paid for purchases of buses	-	3,489
	<u>107,266</u>	<u>142,478</u>
CURRENT ASSETS	48,977	30,141
LESS: CURRENT LIABILITIES	<u>32,582</u>	<u>59,183</u>
NET CURRENT ASSETS / (LIABILITIES)	<u>16,395</u>	<u>(29,042)</u>
	<u>123,661</u>	<u>113,436</u>
SHARE CAPITAL	29,117	29,117
PROFIT AND LOSS ACCOUNT	63,718	60,247
INTEREST - BEARING BANK BORROWING	18,000	12,000
DEFERRED TAX	12,763	12,020
DEFERRED INCOME	63	52
	<u>123,661</u>	<u>113,436</u>

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