

立法會參考資料摘要

《公共巴士服務條例》 (第 230 章)

巴士新專營權事宜

引言

在 2022 年 7 月 12 日的行政會議上，行政會議建議，行政長官指令 -

- (a) 根據《公共巴士服務條例》(條例)第 5(4)條，將城巴有限公司(香港島及過海巴士網絡專營權)[城巴(專營權一)]的屆滿日期由「2026 年 6 月 1 日凌晨四時」修訂為「2023 年 7 月 1 日凌晨四時」，即與新世界第一巴士服務有限公司(新巴)專營權的屆滿日期相同，以便落實合併新巴專營權和城巴(專營權一)；
- (b) 根據條例第 5 條批出以下的新專營權 -
 - (i) 按載於附件 A的條件批予為期十年的新專營權，授權城巴有限公司(城巴)，以「城巴有限公司(市區及新界巴士網絡專營權)」[城巴(合併專營權)]的名義，一併經營新巴專營權及城巴(專營權一)的兩個巴士網絡。新專營權的有效期為 2023 年 7 月 1 日凌晨四時至 2033 年 7 月 1 日凌晨四時；
 - (ii) 按載於附件 B的條件批予為期十年的新專營權，授權龍運巴士有限公司(龍運)經營其巴士網絡。新專營權的有效期為 2023 年 5 月 1 日凌晨四時至 2033 年 5 月 1 日凌晨四時；以及

- (iii) 按載於附件 C的條件批予為期十年的新專營權，授權城巴有限公司(機場及北大嶼山巴士網絡專營權)[城巴(專營權二)]經營其巴士網絡。新專營權的有效期為 2023 年 5 月 1 日凌晨四時至 2033 年 5 月 1 日凌晨四時；以及
- (c) 根據條例第 13(1) 條，城巴(合併專營權)採用附件 D所載的車費等級表。

理據

批予巴士專營權

2. 根據條例第 5 條，行政長官會同行政會議可向註冊公司¹批予專營權，以經營公共巴士服務。條例第 6 條訂明，專營權可獲批予不超逾十年的期間。條例第 12 條規定，獲批專營權的專營公司在專營期內的任何時間，均須維持達致運輸署署長滿意的程度的適當而有效率的公共巴士服務。根據既定做法，現有專營公司如證明有能力提供適當而有效率的服務，並願意進一步投資於專營巴士的營運，可獲考慮批予為期不超逾十年的新專營權。為期十年的專營權能提供確定性，有助巴士服務的長遠規劃和發展，當中包括營運虧損但切合社會需要的路線。專營公司在融資時亦可爭取較佳條件，以減輕其營運成本。為期十年的專營權也讓專營公司有空間承受經營環境短期波動所帶來的業務風險。此外，巴士營運是勞動力密集的服務行業，為期十年的專營權有助專營公司為其員工建立更穩定的工作環境，為乘客提供適當而有效率的服務。

3. 現時，五間專營巴士營辦商營運六個巴士專營權 -

- (a) 城巴經營兩個專營權，分別是城巴(專營權一)和城巴(專營權二)；
- (b) 龍運；
- (c) 新大嶼山巴士(1973)有限公司(嶼巴)；
- (d) 新巴；以及

¹ 這是指任何已根據《公司條例》(第 622 章)或在《公司條例》(第 622 章)附表 9 第 2 條的生效日期之前不時有效的《公司條例》(第 32 章)註冊的公司。

(e) 九龍巴士(一九三三)有限公司(九巴)。

4. 龍運、城巴(專營權二)和新巴的現有專營權將於 2023 年年中屆滿。龍運和城巴(專營權二)已各自申請為期十年的新專營權，而新巴和城巴的控股公司匯達交通服務有限公司(匯達)則申請合併新巴專營權和城巴(專營權一)為一個為期十年的新專營權，自 2023 年 7 月 1 日起生效。作為考慮有關申請的起步點，運輸署已檢視上述專營公司於現行專營權期間的服務表現，有關資料載於附件 E。整體而言，運輸署署長信納龍運、城巴(專營權二)、新巴和城巴(專營權一)一直提供適當而有效率的公共巴士服務。建基於此，政府進一步評估(i)合併(見下文第 5 至 17 段)及(ii)龍運和城巴(專營權二)的新專營權申請(下文第 18 段)。

(A) 合併專營權

政府的政策目標

5. 現時，約九成市民使用公共交通服務出行。政府奉行以公共交通為本、鐵路為骨幹的公共運輸政策，同時促進其他公共交通服務的多元化及可持續發展，為市民出行提供更多便捷的選擇；讓各種交通服務之間進行良性競爭的同時，亦維持得來不易的經營生態平衡。同時，政府的一貫政策是公共交通服務應由私營機構按商業原則經營，以提高效率和成本效益。專營巴士作為路面的集體運輸工具，在公共交通系統中扮演著重要角色，尤其是服務尚未有鐵路直達的地區，以及提供接駁至鐵路網絡和跨區的服務。作為僅次於鐵路的第二大主要公共交通工具，專營巴士在疫情前每日載客量約為 400 萬人次，佔本地公共交通整體載客量約三分之一。

6. 專營巴士能提供靈活的服務，可因應乘客量變化及時作出調整，而透過持續推行巴士路線重組及善用資源可達致這靈活性。藉着合併乘客量持續偏低的路線及精簡架構，專營巴士營辦商可把節省所得的資源重新調配，以加強需求有所增加的現有服務(如加密班次)或開辦新服務(如特快服務)，以及提供更全面且與時並進的公共交通配套設施。面對來自其他公共交通工具的激烈競爭，以及人口持續下降所帶來的影響，上述重組巴士路線的工作對於香港島的公共巴士服務尤為重要。此舉亦有助緩解道路交通擠塞、減低路邊空氣污染，並為員工和乘客帶來更方便及舒適的環境。有鑑於此，並考慮到香港島的公共交通佈局已經隨著時間逐漸改變，我們認為合併新巴專營權和城巴(專營權一)可帶來益處。

巴士網絡及服務重疊

7. 在 1990 年代，考慮到市民對香港島專營巴士服務水平的要求，政府先後引入新巴和城巴，以增加當區專營巴士服務市場的競爭。此後，新巴和城巴(專營權一)承襲了中華汽車有限公司的所有巴士路線，分開經營兩個大多重疊的巴士網絡。初期，這樣的安排確實令巴士服務水平和質素得以普遍提升。然而，隨著香港島的公共交通網絡持續發展，現有的巴士網絡出現越來越多重整的空間。雖然新巴和城巴自 2016 年以來一直隸屬同一管理集團²，但在兩個不同的專營權下，要推動重組巴士服務的工作仍然相當困難。在單一專營權下，將有更大的空間在香港島推行巴士網絡重整或服務重組，以提升巴士網絡的整體效率。

巴士網絡的財務可持續性

8. 新巴和城巴(專營權一)主要營運港島區的巴士路線。由於香港島巴士網絡的發展潛力相對有限，加上近年鐵路網絡擴張，在現行的運作模式之下，新巴和城巴(專營權一)業務的持續經營愈見艱難。在西港島線和南港島線(東段)分別於 2014 年和 2016 年通車後，新巴和城巴(專營權一)每日平均總載客量由 2013 年的 1 071 000 人次下降至 2018 年的 963 000 人次(-10%)。在 2019 冠狀病毒病疫情下，新巴和城巴(專營權一)的載客量受到嚴重打擊，並在第四波和第五波疫情期間分別減少到 653 000 人次和 413 700 人次。近日開通的東鐵線過海段更進一步打擊新巴和城巴(專營權一)的業務。此外，香港島的人口預計將在未來持續減少³，令情況更加嚴峻。自 2017/18 年度以來，新

² 在 2016 年，新巴和城巴成為新創建集團有限公司的全資附屬公司。此後，新巴、城巴(專營權一)和城巴(專營權二)一直在同一管理集團之下運作。在 2020 年 10 月，Bravo Transport Holdings Limited 收購了新巴和城巴的控股權後，匯達成為新巴和城巴的控股公司。

³ 根據規劃署在 2021 年 3 月 31 日公布的「人口分布推算 2021-2029」，在 2019 至 2029 年期間，新界和九龍的人口將分別增加 434 300 人和 63 700 人，而到 2029 年的人口則分別達 440 萬人和 236 萬人，但港島同期的人口則預料會由 125 萬人逐漸減少至 113 萬人。

巴和城巴(專營權一)均錄得虧損⁴，必須探討可行措施以扭轉這一局面。

9. 從政府角度而言，維持專營巴士營辦商的財務可持續性，對於其提供安全及優質的公共巴士服務至關重要，確保營辦商有財政能力及意欲繼續投資以加強巴士安全、提升公共巴士服務、發展可持續的巴士服務網絡等，以及配合政府在一系列政策措施上廣泛合作，例如推廣電動或新能源巴士、引入電子支付方式等。

營運效率和資源調配

10. 合併新巴專營權和城巴(專營權一)後，將使營辦商可更靈活調配車隊和其他資源，為巴士路線的規劃和營運帶來協同效應，有利於提高香港島巴士網絡的營運效率-

- (a) 巴士車隊的調配：截至 2022 年 6 月，新巴以約 650 輛巴士營運 94 條路線，而城巴(專營權一)則以約 710 輛巴士營運 98 條路線⁵。通過整合新巴和城巴(專營權一)兩個服務網絡大多重疊的專營權，我們預期合併後的專營權可更有效率地調配車隊，帶來規模經濟的效益。舉例來說，運輸署現時特別批准新巴暫時租用城巴(專營權一)的巴士，以善用資源應付因市民在周末出遊而暫時激增的乘客需求。在專營權合併後，這些靈活的營運安排便無須再事先獲得運輸署批准才可施行；
- (b) 人員調配：合併專營權將使員工的調配更加靈活，從而提升營運效率。一旦遇上突發情況而須臨時調配巴士車長時，營辦商將更容易地及時調配人手，從而降低脫班率。在單一專營權下，城巴計劃改善調配員工的機制，不僅有利於提高營運效率，也可改善他們的工作條件；

⁴ 已計及防疫抗疫基金及「保就業」計劃下在 2019/20 及 2020/21 年度向新巴、城巴(專營權一)和城巴(專營權二)提供的政府補貼。

⁵ 如把輔助路線計算在內，新巴共有 140 條路線，而城巴(專營權一)則有 159 條路線。輔助路線是沿主要路線的服務區域開辦的短途或特別路線，以配合乘客的需要。

- (c) 巴士車廠的使用：目前，運輸署已批准城巴(專營權一)和新巴共同使用部分巴士車廠的申請，但兩間專營公司必須在各自的帳目中適當反映分攤的成本，以作會計和監管之用。合併專營權後，將可免除這項特殊安排所涉的繁重行政和審計工作，從而提高效率；更可無須受到兩個不同專營權所限制，靈活地安排巴士使用最就近的車廠或其他設施，有助減少空載車程和降低燃料成本；以及
- (d) 整體運作：合併專營權可全面整合其他共用設施的運作和資源調配，包括巴士站柱、巴士站上蓋、員工更亭和洗手間等路旁設施。目前，新巴和城巴(專營權一)在其各自的專營權下，須分別備存零件和備件，包括巴士站站牌和資料板、前線員工制服、巴士維修零件等。單一專營權能夠以較低的零件庫存水平營運，並藉更有效調配現有車隊來減低購買新巴士的開支。提高行政和維修效率亦可減省成本，有助營辦商提升其財務可持續性。

11. 營辦商透過減省不必要的行政工作、更有效率地運用資源、減少空載車程和達致上述其他營運效益，將可節省營運成本。雖然預期可有助緩解專營巴士業務的財務困境，但未至於立即轉虧為盈。匯達已表示，擬將所節省的巴士和司機資源調配至其他服務範疇，以加強巴士服務。

投資於城巴(合併專營權)的意願

12. 在考慮批予新專營權時，政府亦會考慮有意向的專營公司是否願意進一步投資於專營巴士的營運。城巴已承諾在城巴(合併專營權)下會推出一些加強乘客服務的新措施，詳情載於下文第 15 及 21 段。

合併工作

13. 城巴已表明接納附件 A所載的新專營權。在推行合併專營權一事上，政府與匯達必須確保專營權的安排順利過渡，以繼續提供適當而有效率的公共巴士服務。下文將闡述合併工作的主要範疇。

(a) 巴士網絡及服務

14. 合併專營權的主要目的之一，是提供更大空間重整香港島的巴士網絡，並重組服務和整合路線。透過重組現時新巴和城巴(專營權一)旗下重疊的路線，可集中資源於提升已整合的巴士服務的班次。服務重組方案會透過每年的巴士路線計劃逐步實施。此外，我們必須強調，合併並非為了削減巴士服務。舉例來說，匯達現正研究在合併後在南區設立巴士轉乘站及推出港島北岸特快巴士服務等的方案⁶，以達致更具效率的巴士網絡和提供更多增值服務，惠及市民。

15. 此外，城巴(合併專營權)將會提升乘客服務，包括-

- (a) 單一專營權將有利於更靈活和有效率地運用資源。就此，城巴(合併專營權)會致力提升巴士服務的可靠性，進一步改善脫班情況；
- (b) 目前，新巴和城巴(專營權一)很多巴士站和站牌相距甚近，容易令乘客(尤其是不經常乘搭巴士的乘客)感到混淆。城巴(合併專營權)將會改善其分布各區的巴士站柱，採用更簡單的設計，提供更多實用資訊，從而提升乘客體驗。有關改善工作將在 2022 年第三季展開，並在 2024 年年底前完成。在可行的情況下，城巴(合併專營權)會將巴士站牌併入巴士站上蓋內，以減少巴士站柱的數量，改善街道環境；以及
- (c) 在城巴(合併專營權)生效後大約兩年內，完成在新巴巴士車身重新塗上城巴式樣的工作。

(b) 票價安排

16. 根據條例第 13(1)條，專營巴士的車費按行政長官會同行政會議所釐定的車費等級表收取。就此，行政長官會同行政會議同意將新巴和城巴(專營權一)兩個現有的車費等級表直接合併，讓城巴(合併專營權)採用載於附件 D的車費等級表，以涵蓋各相關現有路線的車費。在是次合併計劃下，各現有路線的實際車費將維持不變。因此，為城巴(合併專營權)釐定新車費等級表當視為技術性工作，本身不涉

⁶ 如推動有關方案，將透過每年的巴士路線計劃處理。

及任何車費變動。政府如收到任何票價調整申請，會按既定程序處理。

(c) 員工安排

17. 目前，匯達連同旗下的新巴和城巴共僱用約 5 000 名員工營運專營巴士服務。如上文第 10(b)段所述，新巴和城巴(專營權一)合併後，可更靈活和有效率地調配員工。就此，匯達已保證在城巴(合併專營權)生效後兩年內不會裁減前線巴士車長，以及由新巴轉移至城巴的僱傭合約條款和條件不會較現有的差。匯達的管理層需要確保與所有相關員工就合併事宜保持適時妥善溝通，盡力釋除和回應員工的關注。運輸署與勞工處將密切關注有關情況。

(B) 龍運和城巴(專營權二)的新專營權

18. 龍運和城巴(專營權二)自 1997 年起營運北大嶼山及機場的巴士網絡。視乎疫情進展，以及旅遊業可望在放寬邊境管制措施後復甦，我們預期龍運和城巴(專營權二)應有較佳前景。在分別評估其十年新專營期的申請時，政府留意到龍運和城巴(專營權二)在現有專營期內，提供了適當而有效率的公共巴士服務(如上文第 4 段所述)。龍運和城巴(專營權二)亦已分別作出多項有關提升安全和服務的承諾(如下文第 20 至 21 段所述)，反映兩間專營公司均願意進一步投資於專營巴士的營運。因此，龍運和城巴(專營權二)分別獲批予為期十年的新專營權，自其現有專營權於 2023 年 5 月 1 日屆滿時生效。龍運和城巴(專營權二)已表明接納分別載於附件 B 及 C的新專營權。

新專營權的條件和承諾

19. 總體而言，通用及長期的要求會以專營權條件形式訂明，而須於指定時間內完成的具體項目和指標則會以承諾形式訂明。就其新專營權，龍運和城巴已分別同意全盤接納最新近批出的專營權條件⁷。附件 F載有從最新近批出的專營權中承襲的主要條件，以及政府和專營公司於商討後同意對現有專營權條件作出的若干主要改變。此

⁷ 按一貫做法，作為協商任何專營權的起步點，政府會要求有意向的專營公司接受最新近批出專營權的條件。在這次協商專營權的工作中，包括了已授予城巴(專營權一)(於 2016 年 6 月 1 日生效)、嶼巴(於 2017 年 3 月 1 日生效)和九巴(於 2017 年 7 月 1 日生效)的專營權。

外，為進一步提高巴士服務的質素和加強政府對專營公司的規管，政府已提出要求，而龍運和城巴亦已分別同意在其獲批的新專營權中加入新的條件和作出新的承諾，詳情見附件 G，相關要點如下。

巴士安全

20. 政府非常重視專營巴士的營運安全。政府與專營巴士營辦商合作，積極落實香港專營巴士服務獨立檢討委員會在 2019 年 1 月發表的報告中提出的建議。例如，運輸署已擬訂了一套新的安全表現指標⁸，以監察營辦商的安全表現，而各營辦商已於 2020 年 1 月起採用相關指標。此外，政府資助營辦商在合適的現役雙層巴士上加裝電子穩定控制系統、車速限制減速器，以及在上層乘客座位加裝安全帶；而所有由 2018 年 7 月起訂購的新巴士，均須配置上述安全設施⁹。藉著協商專營權的機會，我們已經正式確立了一些措施，並推行額外措施，以進一步加強專營巴士的營運安全。就此，龍運和城巴將實施一系列與巴士安全有關的項目，包括-

- (a) 提供所要求的巴士意外資料和記錄，供運輸署評估專營公司的安全表現和就意外事故進行分析；
- (b) 向運輸署提供意外的分析資料和改善措施，並公布意外事故數據；
- (c) 遵從運輸署就購置巴士訂明的規格和要求；
- (d) 建立巴士維修記錄系統，並遵從運輸署訂明的相關要求和指引；

⁸ 安全表現指標共有 19 個項目，涵蓋六個範疇，包括一般安全、巴士乘客安全、巴士運作及網絡安全、巴士工程安全、員工工作安全，以及管理及保證系統。

⁹ 有關安裝工作已於 2020 年第三季開始陸續展開。預計當有關加裝工作於三至四年內完成後，會有超過 3 000 輛巴士(包括新購置的巴士)在上層乘客座位配有安全帶，以及超過 5 500 輛巴士(包括新購置的巴士)配有電子穩定控制和車速限速緩速器。此外，新購置巴士的下層乘客座位亦配有安全帶。

- (e) 就主要營運行走快速公路並較少停站的長途巴士路線的龍運和城巴(專營權二)而言，為所有新購置的巴士安裝先進駕駛輔助系統，包括防止碰撞和保持行車線警告系統，以及司機狀態監測系統；以及
- (f) 就城巴而言，在 2023 年年底前為其巴士車隊引入司機管理系統¹⁰，以監測巴士車長的駕駛行為作改進之用。

乘客服務

21. 除了提供適當而有效率的服務外，專營巴士營辦商亦要致力於持續提升乘客服務，以回應公眾不斷提高的期望。經是次協商專營權後，龍運和城巴承諾將研究不同方法，在有持續地區訴求的地點克服相關限制，以設置更多巴士站上蓋。此外，城巴承諾翻新現有的巴士站上蓋，並研究巴士站上蓋的新設計，使之更為美觀整潔，同時提升乘客資訊的發放。城巴亦會改良其顧客流動應用程式和網站，並在 2023 年推出會員計劃。

票價優惠

22. 我們與龍運和城巴商議票價優惠措施時，已顧及乘客對優惠的長期訴求，以及措施對個別專營公司的財務可行性的影響。在協商期間，龍運和城巴均表示因其自願為長者提供票價優惠而導致的票務收入損失持續增加¹¹。政府備悉人口老化導致由專營公司所承擔的自願性票價優惠增加，從而影響其財務狀況。雖然如此，我們鼓勵龍運和城巴繼續維持其現有為長者提供的自願性票價優惠措施。

23. 經是次協商專營權後，龍運承諾將提供一系列票價優惠，主要措施為將九巴月票擴展至涵蓋龍運除機場巴士服務以外的常規及通宵服務(即 E、R、S 及 N 線)，而九巴月票持有人在乘搭龍運的常規及通宵機場巴士路線(即 A 及 NA 線)時可享有 73%票價折扣。另一方

¹⁰ 龍運已在其巴士車隊引入司機管理系統。

¹¹ 長者票價優惠計劃於 1993 年推出，為公共交通營辦商提供誘因，向長者提供自願性的票價優惠。相關營辦商可獲豁免支付每年的車輛牌照費，並可獲發還使用政府土地的租金。現時，有關計劃只能抵消龍運和城巴部分的相關收入損失，政府長者及合資格殘疾人士公共交通票價優惠計劃(二元優惠計劃)亦不會發還相關收入損失。

面，城巴的財務狀況嚴峻，故暫未能提供新的票價優惠措施。不過，如上文第 21 段所述，城巴會專注於為乘客提供更佳的顧客服務。

支持政府的政策

24. 政府一直鼓勵專營巴士營辦商廣泛配合各項政策措施。其中，營辦商一直積極與政府合作，跟進「香港清新空氣藍圖 2035」中提出有關改善空氣質素的目標。除了參與由環保署資助的電動巴士試驗計劃，個別營辦商已自行引進電動巴士，分批投入服務。經是次協商專營權後，龍運和城巴再次承諾與政府合作，推動電動及其他新能源公共交通工具的發展，例如測試氫燃料電池巴士，以支持政府的目標，即在約 2025 年制定一套具體的新能源公共交通工具和商用車輛發展路線圖和時間表。

員工福利和培訓

25. 專營巴士營運是勞動力密集的服務行業，人力資源是專營巴士營辦商最寶貴的資源之一。營辦商致力改善員工的工作環境，並加強員工培訓，可謂至為重要。就此 -

- (a) 經是次協商專營權後，龍運已承諾推行各項與員工相關的措施(例如資助員工子女接受高等教育、捐款予支援有需要員工的慈善基金等)，而城巴則承諾優化員工更亭，並在可行情況下引入太陽能發電的新型廁所，以改善員工的工作環境；以及
- (b) 作為專營權條件，龍運和城巴須遵從運輸署發布的有關車長培訓的要求和指引。

26. 政府通過條例¹²和根據條例批出的專營權有系統地監管和監察專營巴士服務。如果專營公司未能按照法例和專營權的要求提供適當而有效率的公共巴士服務，行政長官會同行政會議可根據法例對該公司施加經濟罰則，或撤銷其營運任何指定路線的權利，甚或其專營權。至於運輸署就專營巴士營辦商訂立的各項營運要求，視乎每宗未能符合要求的個案的持續性和嚴重性，運輸署可能會向有關營辦商發

¹² 根據條例，專營公司必須每年提交其五年期的遠期計劃，該計劃必須得到運輸署署長的同意。

出警告信，並要求其在指定時間內作出改進。各營辦商一向嚴肅對待運輸署每一次發出的提示信和警告信，並會積極主動地按照指示作出改進。

專營巴士服務的未來發展

27. 我們相信上述的新專營權安排將有助長遠提升全港巴士網絡的可持續發展。在鐵路繼續作為公共運輸系統骨幹的同時，專營巴士應繼續發揮其重要作用，不僅提供接駁鐵路的服務，而且能夠作為鐵路以外的出行選擇，為乘客提供可靠、高效和優質的服務。展望未來，政府會繼續監管和密切監察專營巴士營辦商的表現，同時與營辦商在不同方面緊密合作，不斷改善公共巴士服務。我們也會就合適的新巴士路線進行營辦商揀選程序，以鼓勵競爭。此外，我們將繼續採取多管齊下的方法，以維持營辦商的財務可持續性，例如考慮容許營辦商作出更頻密但幅度較小的票價調整，以更好地管理乘客的期望。

其他事宜 – 利潤管制計劃

28. 根據條例第 5(3)(b)條，除非獲立法會藉決議排除，否則專營權須受條例第 V 部規定的利潤管制計劃¹³所規限。按照一貫做法，利潤管制計劃不適用於新專營權，我們稍後會根據條例第 5(3)(b)條，要求立法會藉決議使利潤管制計劃不適用於龍運和城巴的新專營權。

批予新專營權的影響

29. 批予新專營權對經濟、競爭力、環境、財政和可持續發展的影響，詳見附件 H。批予新專營權符合《基本法》，包括關於人權的條文，而且對公務員、家庭、性別議題或生產力均無影響。

¹³ 在利潤管制計劃下，巴士票價將訂於一個水平，讓專營公司可收回成本並賺取某個利潤水平，並對准許收益設有上限。如專營公司任何一年的盈利超逾准許收益的上限，便須把超出的盈利撥入發展基金；如盈利低於准許收益，專營公司便可從發展基金提取款項，彌補利潤不足。有鑑於前立法局及社會上曾有強烈意見，批評利潤管制計劃變相鼓勵專營公司過度擴張及提高其資產價值，而且不論表現優劣仍可獲保障利潤水平，亦欠缺誘因鼓勵專營公司改善成本效益和管制開支，時任總督會同行政局於 1992 年 6 月決定，利潤管制計劃將不適用於此後批出的巴士專營權。

公眾諮詢

30. 政府在 2021 年 6 月至 9 月期間，就龍運、城巴(專營權二)和新巴的新專營權邀請公眾提交意見。期間，我們亦提出政府會與新巴及城巴(專營權一)探討其未來發展的選項，包括有可能合併兩個專營權。我們共收到 252 份意見書，涵蓋巴士安全、服務質素及票價相關事宜等範疇，主要意見摘要載於附件 I。立法會交通事務委員會(事務委員會)及交通諮詢委員會(交諮會)亦分別於 2021 年 6 月 18 日及 29 日討論政府與龍運、城巴(專營權二)及新巴就批出新專營權直接進行協商的計劃，以及可能合併新巴專營權和城巴(專營權一)的安排。事務委員會和交諮會均不反對向龍運、城巴(專營權二)和新巴批出為期十年的新專營權，並就營辦商的財務可持續性、服務質素、環保巴士等方面提出意見。我們已經積極與龍運和城巴跟進所收到的主要建議和意見。我們與專營公司商定的新專營權條件和承諾方案已回應公眾大部分重點關注的事宜。就可能合併新巴專營權和城巴(專營權一)一事，我們所收到的意見大多表示支持，原因是合併可提升兩個巴士網絡的效率和營運可行性；亦有工會建議政府應特別關注合併計劃可能會引致裁員。

31. 交諮會其後在 2022 年 5 月 24 日聽取了有關協商工作的結果，以及政府推展新巴專營權和城巴(專營權一)合併計劃的簡介。交諮會支持向龍運和城巴(專營權二)批出為期十年的新專營權，以及將新巴和城巴(專營權一)的兩個巴士網絡合併為一個為期十年的新專營權。交諮會的意見載於其主席致時任運輸及房屋局局長的函件(見附件 J)。

宣傳安排

32. 新專營權會以一般公告形式刊憲，以供公眾查閱。我們會發出新聞稿，並安排發言人回應傳媒查詢。

查詢

33. 若對本文內容有任何查詢，請與運輸署助理署長阮康誠先生(電話號碼：3842 5515)聯絡。

運輸及物流局

2022年7月12日

PUBLIC BUS SERVICES ORDINANCE (Chapter 230)

FRANCHISE

In exercise of the powers conferred by section 5 of the Public Bus Services Ordinance, the Chief Executive in Council hereby grants to Citybus Limited, a company registered under the Companies Ordinance, whose registered office is situated at No.8 Chong Fu Road, Chai Wan, Hong Kong, the right to operate a public bus service on the routes specified in the appropriate Schedule of Routes order from time to time in force in respect of the said company under section 5(1), and in any notices under sections 14 and 15, of the Public Bus Services Ordinance, subject to the conditions hereinafter contained namely:—

PART I

PRELIMINARY

1. (1) In this Franchise, unless the context otherwise requires:— Interpretation

“Bus Service”

means the Grantee’s business of operating a public bus service under this Franchise;

“Certification Body”

means a certification body accredited under the Hong Kong Certification Body Accreditation Scheme by the Hong Kong Accreditation Service, Innovation and Technology Commission;

“Clause”

means a clause of this Franchise;

“Commencement Date”

means 04:00 Hours 1 July 2023;

“Facilities”

means each of the following and includes parts thereof:—

bus stop signs, bus stop sign posts, canopies, shelters, seats, queue railings, lighting at bus stops, terminal points and termini; information panels and equipment; customer service centres; bus regulators’ offices and kiosks; air-conditioned passenger waiting areas; television broadcasting and all other audio-visual equipment; and such other facilities that are used by the Grantee for the purpose of or in connection with the

Bus Service, and in the event of any dispute as to the meaning of any of the aforesaid, shall be determined by the Commissioner after consultation with the Grantee;

“Forward Planning Programme”

means a programme which is in force from time to time under section 12A of the Ordinance;

“Franchise”

means this franchise granted to the Grantee pursuant to section 5 of the Ordinance;

"Franchise Period"

means the period referred to in Clause 4 which shall also mean the franchise period as defined in the Ordinance;

“Grantee”

means Citybus Limited;

“Hong Kong”

means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Open Tendering”

means a tendering exercise where all interested persons may participate;

“Ordinance”

means the Public Bus Services Ordinance (Cap. 230);

“Other Grantee”

means any other company which is a grantee of a franchise under the Ordinance;

“Passenger Liaison Groups”

means the passenger liaison groups established pursuant to Clause 14(1);

“Qualified Auditor”

means a person who is qualified for appointment as an auditor of a company under section 393 of the Companies Ordinance (Cap. 622);

“Related Party” or “Related Parties”

means a party or parties that is/are considered to be related for the purposes of the Hong Kong Accounting Standard (HKAS) No. 24 (Revised) “Related Party Disclosures” issued by the Hong Kong Institute of

Certified Public Accountants in November 2016 as the same may be amended from time to time; and

“Schedule of Service”

means a schedule of service issued by the Commissioner from time to time in respect of each bus route of the Bus Service specifying, pursuant to the Ordinance, bus service arrangements including but not limited to the route, timetable, faretable, journey distance, journey time, carrying capacity and type of buses to be used.

- (2) Any expression or word not specifically herein defined shall have the meaning assigned to it by the Ordinance and, if not defined therein, by the Interpretation and General Clauses Ordinance (Cap. 1) and/or the Hong Kong Reunification Ordinance (110 of 1997).
 - (3) For the avoidance of doubt, unless there is express provision to the contrary, the Grantee shall at no cost to the Government comply with any direction and requirement given under this Franchise by the Commissioner, the Financial Secretary or any other public officer.
 - (4) For the avoidance of doubt:–
 - (a) where this Franchise confers upon any public officer power to do or enforce the doing of any act or thing, all such powers shall be also conferred as are reasonably necessary to enable the public officer to do or enforce the doing of the act or thing.
 - (b) without prejudice to the generality of Clause 1(4)(a) above, where this Franchise confers power upon any public officer:–
 - (i) to grant approval, consent or exemption, such power shall include power to impose reasonable conditions subject to which such approval, consent or exemption may be granted;
 - (ii) to approve any person or thing, such power shall include power to withdraw approval thereof; and
 - (iii) to give directions, such power shall include power to couch the same in the form of prohibitions.
2. (1) This Franchise is granted subject to the Grantee complying with the terms and conditions on its part to be performed in Franchise subject to

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| <p>any franchise applicable to the Grantee under the Ordinance and in force in the period ending 04:00 Hours 1 July 2023 and with the provisions of the Ordinance.</p> <p>(2) The Ordinance shall apply to this Franchise in full and for all purposes. Nothing in this Franchise is intended or shall be construed to affect, restrict, limit or diminish in any way, any of the powers (including discretion or privilege) of the Government, the Commissioner or any other public officer under the Laws of Hong Kong.</p> | <p>performance of obligations, etc.</p> |
| <p>3. The Grantee shall have the non-exclusive right to operate the Bus Service on the routes which are specified in the Schedule of Routes order for the time being in force.</p> | <p>Routes Order</p> |
| <p>4. This Franchise is granted for the period from and including the Commencement Date until 04:00 Hours 1 July 2033 and such period may be extended under section 6(2) or (3) of the Ordinance.</p> | <p>Franchise Period</p> |
| <p>5. For the purposes of section 8 of the Ordinance, a majority of the directors of the Grantee shall be individuals who are ordinarily resident in Hong Kong.</p> | <p>Residential requirement</p> |

PART II

GENERAL

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| <p>6. (1) (a) The Grantee shall, as far as practicable, acquire, provide, adopt, maintain, or modify to the satisfaction of the Commissioner such safety or service enhancement facilities, installation, fixtures, fittings, apparatus or equipment on its buses as may be reasonably required by the Commissioner after consultation with the Grantee.</p> <p>(b) Subject to Clause 26, the Grantee shall, in acquiring new buses for operating the Bus Service, comply with all such specifications and requirements for such acquisition issued by the Commissioner, which may be reasonably amended by the Commissioner from time to time after consultation with the Grantee.</p> | <p>Provision of the Facilities etc.</p> |
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- (2) Subject to Clauses 8 and 9, the Grantee shall acquire, provide, adopt, maintain, modify or remove to the satisfaction of the Commissioner such Facilities as may be reasonably required by the Commissioner after consultation with the Grantee.
7. Subject to Clauses 8 and 9, the Grantee shall acquire, provide, adopt, maintain, modify or remove to the satisfaction of the Commissioner such canteens, washrooms and toilets for its employees and the employees of any Other Grantee as the Commissioner considers appropriate after consultation with the Grantee. Provision of canteens, washrooms and toilets
8. (1) The Commissioner may, after consultation with the Grantee, direct in writing that for a specified period with effect from a specified date the Grantee shall share or permit the sharing of the use of any or all of the bus stops, terminal points, termini, Facilities (other than those provided on-bus), canteens, washrooms and toilets acquired, provided or adopted by the Grantee or any Other Grantee whether under this Franchise or any other franchise, as the case may be. Shared use of bus stops etc.
- (2) The Commissioner may, after consultation with the Grantee, direct in writing that with effect from a specified date the Grantee shall cease using, vacate or remove any bus stops, terminal points, termini and Facilities which are or have been used by the Grantee under this Franchise or any other franchise and which are not required for use by the Grantee for the Bus Service.
- (3) The Commissioner may, after consultation with the Grantee, direct in writing that with effect from a specified date the Grantee shall:–
- (a) make available and transfer the Grantee’s whole right, title and interest in the Facilities (other than those provided on-bus) acquired, provided or adopted by the Grantee under this Franchise or any other franchise to any Other Grantee; and
- (b) accept the transfer of and assume responsibility for any facilities (other than those provided on-bus) which are acquired, provided or adopted by any Other Grantee and which are to be transferred to the Grantee by virtue of a direction given by the Commissioner to any Other Grantee under the provisions of any other franchise with similar effect to Clause 8(3)(a).

- (4) In the event that the Commissioner makes a direction:–
- (a) under Clause 8(1), the Grantee shall negotiate in good faith with the concerned Other Grantee to reach agreement as to maintenance responsibilities and the fair and equitable apportionment on the expenses of maintaining the Facilities (other than those provided on-bus), canteens, washrooms and toilets between the Grantee and the Other Grantee; and
 - (b) under Clause 8(3)(a) or (b), the Grantee shall negotiate in good faith with the concerned Other Grantee to reach agreement as to a fair and equitable price for acquiring or providing the facilities or Facilities (other than those provided on-bus).
- (5) In the event that the Grantee and the concerned Other Grantee fail to reach agreement under Clause 8(4)(a) or (b) within a reasonable time to be specified by the Commissioner, the Grantee and the concerned Other Grantee shall enter into an agreement on what the Commissioner may determine to be a fair and equitable apportionment or price for the purpose of Clauses 8(4)(a) and (b).
9. (1) No Facilities, installation, fixtures, fittings, apparatus or equipment shall be constructed, erected, installed or permitted at, on or in any bus stops, terminal points, termini or buses without the prior approval in writing of the Commissioner. The Commissioner may reasonably require the Grantee to remove any Facilities, installation, fixtures, fittings, apparatus or equipment which are constructed, erected, installed or permitted in contravention of this Clause.
- Approval of Commissioner required in connection with the Facilities, canteens, washrooms and toilets
- (2) No canteens, washrooms or toilets referred to in Clause 7 shall be constructed, erected or installed nor shall any structural alteration or change in use be made thereto without the prior approval in writing of the Commissioner. The Commissioner may reasonably require the Grantee to remove any canteens, washrooms or toilets which are constructed, erected or installed or to which structural alteration or change in use is made in contravention of this Clause.
10. (1) The Grantee shall not for the purposes of advertising, sponsorship or commercial promotion use or permit the use of, the Facilities, canteens, washrooms and toilets of the Grantee or any Other Grantee without the prior approval in writing of the Commissioner (such approval shall not be
- Advertising, etc.

unreasonably withheld).

- (2) Any agreement or arrangement in respect of any advertising, sponsorship or commercial promotion entered into by the Grantee with the prior approval in writing of the Commissioner under Clause 10(1) above shall be and be made subject to the terms and conditions of this Franchise.
11. The Commissioner may by notice in writing direct the Grantee to use such terminal points or termini and facilities which will be made available by the Government at no cost to the Grantee for the purposes of parking and turn-around of buses used by the Grantee on any of the specified routes. Government to provide parking facilities at terminal points
12. (1) Subject to Clause 12(3), the Grantee shall, at such place as the Commissioner may direct in writing, make available free of charge for inspection by members of the public a copy of the Schedule of Routes order for the time being in force and any notice given under section 15 of the Ordinance. Display of routes and fares
- (2) Subject to Clause 12(3), the Grantee shall cause to be displayed free of charge for viewing by members of the public in a conspicuous place:—
- (a) at each terminal point or terminus of a specified route; and
- (b) at such bus stops as may be specified by the Commissioner
- information on the location of the bus stops and the fares and timetables applicable to the bus service on such specified routes.
- (3) The Grantee shall provide the information mentioned in Clause 12(1) and 12(2) above in such form and manner, by such means, and at such times as may be reasonably required by the Commissioner, after consultation with the Grantee.
13. (1) The Grantee shall make available to the public, in relation to the bus service on each specified route, the following information:—
- (a) the bus fares;
- (b) the route and timetable; and Making available information on specified route, etc.

- (c) the location of bus stops, journey time and any other related information, as may be reasonably required by the Commissioner after consultation with the Grantee

in such form and manner, by such means and at such times as may be reasonably specified from time to time by the Commissioner.

- (2) The Grantee shall make available to the public the information referred to in Clause 13(1)(a) to (c) above for free or for a fee not exceeding that reasonably determined by the Commissioner.
 - (3) The Grantee shall also make available to the public, the information referred to in Clause 13(1)(a) to (c) above on the Grantee's website and through readily accessible common web browsers as may be reasonably required by the Commissioner after consultation with the Grantee.
14. (1) The Grantee shall, to the satisfaction of the Commissioner, make appropriate arrangements including the establishment of Passenger Liaison Groups to liaise, communicate with and receive opinions of the public for the purpose of assessing and improving standards of the Bus Service. Passenger
Liaison Groups
- (2) The Grantee shall, to the satisfaction of the Commissioner, provide the Passenger Liaison Groups with reasonable facilities for meetings including venues, postage and stationery, as they may require from time to time.
 - (3) The Grantee shall promulgate such rules for membership and meetings of the Passenger Liaison Groups, rules for attendance by officers of the Transport Department as observers, terms of reference of the Passenger Liaison Groups and, without limitation, such other terms relating to the Passenger Liaison Groups, their members or constitution as the Commissioner may direct or approve in writing. Any officer of the Transport Department may attend the meetings of the Passenger Liaison Groups as an observer.
 - (4) The Grantee shall use its reasonable endeavours to facilitate meetings of each of the Passenger Liaison Groups at least once every two months or as and when the Commissioner may reasonably require for the purpose of making proposals for maintaining or improving standards relating to the Bus Service.
 - (5) The Grantee shall report to the Commissioner, at least once every two months or as and when directed by the

Commissioner, the details of passenger liaison arrangements made by the Grantee, the proposals made by the Passenger Liaison Groups and implementation of those proposals.

15. (1) The Grantee shall to the satisfaction of the Commissioner make appropriate arrangements to conduct passenger satisfaction surveys in such form and manner, by such means and at such times as may be reasonably required by the Commissioner, after consultation with the Grantee. Passenger satisfaction
- (2) (a) The Grantee shall publish
- (i) its passenger service pledge setting a reasonable time frame for responding to complaints and suggestions from the public; and
 - (ii) the achievement rate of its passenger service pledge under Clause 15(2)(a)(i) above.
- (b) The Grantee shall respond to complaints and suggestions referred to the Grantee by the Commissioner at such times and in such manner as may be reasonably required by the Commissioner after consultation with the Grantee.
16. (1) The Grantee shall furnish the Commissioner, on or before 15 January each year in such form as the Commissioner may specify from time to time, with information on:— List of premises and maintenance facilities
- (a) premises provided and maintained by the Grantee under section 19 of the Ordinance as at 31 December of the preceding year; and
 - (b) facilities provided by the Grantee and their locations as at 31 December of the preceding year for the construction, repair and maintenance of the buses and other vehicles used or kept by the Grantee for the purposes of or in connection with this Franchise.
- (2) The Commissioner may, after consultation with the Grantee, from time to time direct by notice in writing to the Grantee the manner in which the Grantee is to use any of the specified premises provided and maintained by the Grantee under section 19 of the Ordinance.
- (3) The Grantee shall establish a documented bus maintenance system to the satisfaction of the Commissioner in accordance with which all buses shall be inspected and

maintained before deployment for the Bus Service.

- (4) The Grantee and the aforementioned documented bus maintenance system shall comply with all requirements, guidelines, technical notes, practice notes, maintenance arrangements and quality assurance and conformity assessments in respect of bus maintenance as issued by the Commissioner which may be reasonably amended by the Commissioner from time to time after consultation with the Grantee.

17. The Grantee shall, as and when directed by and to the satisfaction of the Commissioner:–

Provision of control centre and contingency arrangement

- (a) provide and maintain for the purpose of regulating, controlling and directing bus movements a control centre which shall be:–
- (i) situated at such location as the Commissioner may direct; and
- (ii) manned at all times by competent personnel of the Grantee;
- (b) provide and maintain at all times direct communication links between the control centre and the emergency contact point of the Transport Department designated by the Commissioner;
- (c) design a contingency plan to meet any exigency that may arise in respect of the Bus Service and shall promptly carry out the measures contained in the contingency plan when such exigency arises;
- (d) provide assistance, including sending competent personnel to attend the emergency control centre of the Transport Department; and
- (e) provide bus information relating to any exigency that may arise in respect of the Bus Service to the Government in such form and manner, by such means, and at such times as may be reasonably specified by the Commissioner, including without limitation through digital means for automatic data retrieval.

18. (1) The Grantee may provide, or permit the provision of, ancillary or add-on services subject to prior approval in writing of the Commissioner.

Provision of ancillary and add-on services

- (2) The Grantee shall provide such ancillary or add-on services as may be reasonably required by the Commissioner for the purpose of the Bus Service after consultation with the Grantee.
19. The Grantee shall comply with all requirements, guidelines, technical notes, practice notes and training arrangements in respect of bus drivers issued by the Commissioner which may be reasonably amended by the Commissioner from time to time after consultation with the Grantee.
- Training of bus drivers

PART III

FINANCIAL

20. In this Part, unless the context otherwise requires:—
- Definitions in Part III

“Appointed Actuary”

means an actuary who

- (a) has the qualifications as prescribed for the appointment of actuaries under the Insurance (Actuaries’ Qualifications) Regulation (Cap. 41A); and
- (b) is in practice with a firm providing actuarial consultancy services in Hong Kong;

“Contingency Fund”

means all contingency funds provided or to be provided by the Grantee for meeting its liabilities including without limitation those for third party risks in respect of the Bus Service but excluding any contingency funds for any loss of revenue due to any cause whatsoever;

“Fair Market Value” of any of the Fixed Assets

means the market price at which the assets could be acquired in a transaction at arm’s length between persons that are not Related Parties;

“Fixed Assets”

means:—

- (a) land, buildings, furniture, fixtures and fittings, buses, coaches and other motor vehicles, plant, machinery and equipment;
- (b) other fixed assets;

- (c) all assets mentioned in (a) and (b) which are in the course of construction or in transit; and
- (d) payments on account of all assets mentioned in (a), (b) and (c)

in which the Grantee has any right, title or interest (including assets acquired through leases) and which are used or to be used or kept or to be kept by the Grantee for the purposes of or in connection with the Bus Service;

but excludes stores and spares including but not limited to items which have not been used but may form part of any buses, coaches or other motor vehicles, plant, machinery and equipment which are used or to be used or kept or to be kept by the Grantee for the purpose of or in connection with the Bus Service, irrespective of the amount of the unit cost of each item;

“Funds”

means both the Contingency Fund and the Pension Fund unless the Commissioner determines otherwise;

“Gross Revenue”

means the total income or revenue of the Grantee derived or arising from or connected with the Bus Service, which, for the avoidance of doubt, includes inter alia:—

- (a) revenue of the Grantee from fares directly or indirectly appertaining to the Bus Service;
- (b) income derived or realised directly or indirectly from Fixed Assets including but not limited to rents, advertising and private hire;
- (c) interest on cash and bank balances of the Grantee consisting of or representing funds derived or arising from the Bus Service;
- (d) income derived or realised directly or indirectly from any investment or commercial transactions, other than from Fixed Assets, made by the Grantee of funds derived or arising from the Bus Service;

- (e) income or revenue derived by the Grantee from any transaction, operation, business or activity connected with or otherwise related or ancillary, whether directly or indirectly to the Bus Service; and
- (f) currency gains realised by the Grantee in or in connection with:–
 - (i) the acquisition of Fixed Assets, stores and spares;
 - (ii) the making and maintenance of provision for payment of emoluments for staff engaged in the Bus Service;
 - (iii) deposits in foreign currency accounts of funds derived or arising from the Bus Service; and
 - (iv) other transactions which are directly related to the Bus Service,

but excludes capital gains or capital receipts of the Grantee derived or arising from or connected with the disposal of any right, title or interest in land;

“Pension Fund”

means the fund or funds provided or to be provided by the Grantee for the payment of employees’ pensions or other retirement benefits in respect of employees engaged directly or indirectly in the operation of the Bus Service;

“Service-Related Expenditure”

means the total expenditure of the Grantee incurred or arising from or connected with the Bus Service, which, for the avoidance of doubt, includes inter alia:–

- (a) operating costs directly or indirectly incurred by the Grantee appertaining to the operation of the Bus Service and contributions to the Funds required in accordance with the assessment made by the Appointed Actuary;
- (b) depreciation as charged in accordance with Clause 21;
- (c) expenditure in establishing and maintaining public liaison and arranging for passenger satisfaction surveys in accordance with Clauses 14 and 15(1); and
- (d) currency losses suffered by the Grantee in or in connection with:–
 - (i) the acquisition of Fixed Assets, stores and spares;

- (ii) the making and maintenance of provision for payment of emoluments for staff engaged in the Bus Service;
- (iii) deposits in foreign currency accounts of funds derived or arising from the Bus Service; and
- (iv) other transactions which are directly related to the Bus Service,

but excludes:–

- (A) capital losses of the Grantee derived or arising from or connected with the disposal of any right, title or interest in land;
- (B) capital expenditure incurred in or arising from or connected with the Bus Service (other than that provided in sub-clause (d)(i) above);
- (C) any amount of over-provisioning in the accounts of the Grantee; and
- (D) any amount of amortisation or depreciation effected (if any) in respect of any right, title or interest in land;

“Undertaking”
means:–

- (a) all the assets listed in Schedule I as the same is updated or revised in accordance with Clause 22(2); and
- (b) all Fixed Assets and stores and spares which have been acquired by the Grantee to be included in Schedule I but before the same have been included pursuant to Clause 22(2).

21. For the purpose of this Franchise, the following practice shall be observed in the accounts of the Grantee:–

Depreciation of
Fixed Asset

- (1) With effect from the Commencement Date, depreciation expenses of the Grantee’s Fixed Assets shall be calculated at their costs of acquisition and by applying, on a straight-line basis, annual rates of depreciation derived from the useful lives, and subject to the residual values, as set out in the table below:–

<i>Fixed Assets</i>	<i>Useful Life for Depreciation</i>	<i>Residual Value</i>
Land	Not Applicable	Not Applicable
Buildings	(a) Depots and Servicing Sites - 50 years	\$1
	(b) Other buildings:— 10 years	\$1
Buses and coaches	(a) New ¹ buses and coaches:— 18 years from the date of first registration, unless otherwise approved by the Commissioner	\$10,000 for each bus or coach
	(b) Second-hand buses and coaches:— 18 years from the date of manufacture unless otherwise approved by the Commissioner	\$10,000 for each bus or coach
Other motor vehicles	6 to 15 years	\$1 for each motor vehicle
Computer equipment	5 to 10 years	\$1
Plant, machinery and equipment (other than computer equipment), furniture, fixtures and fittings	7 to 15 years	\$1

¹ Means buses which have been acquired by the Grantee first hand

Except for the fixed asset category of buses and coaches, the Grantee may apply different residual value of an asset other than those listed in the table above. The residual value of that asset will be measured in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, which defines the residual value of an asset as the estimated amount that the Grantee would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. Such residual value shall be certified by the Grantee's auditor and subject to review by the Commissioner. The Grantee shall provide independent third party's evaluations when required by the Commissioner.

- (2) When calculating the depreciation expenses of the Grantee's Fixed Assets, the cost of acquisition of the Fixed Assets shall be net of any subsidies received or receivable by the Grantee from the Government solely for the purpose of the acquisition of such Fixed Assets.
- (3) The cost of acquisition of Fixed Assets acquired through a lease shall be measured and depreciated in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and, where applicable, subject to the provisions in Clause 21(1) above.
- (4) When any Fixed Assets or part thereof are sold or otherwise disposed of or when compensation is received from insurers in respect of damage to or loss of any Fixed Assets or any part thereof, the difference between the proceeds and net book value will be deducted from or added to the Service-Related Expenditure, as the case may be.
- (5) For the purpose of Clause 21(4),
 - (a) Fixed Assets shall exclude land in respect of which the Grantee has any right, title or interest.
 - (b) Where the Fixed Assets comprise buildings which are sold or disposed of together with the land on which they stand, and it is impossible to ascertain which portion of the sale proceeds is attributable to such buildings alone, the Grantee shall provide a valuation report prepared by an independent surveyor on the Fair Market Value of such buildings as of the date of disposal. Such Fair Market Value will be deemed to be the sale proceeds of the buildings for the purpose of Clause 21(4).

- (6) Depreciation of any Fixed Assets shall cease to be effected when the residual values as stipulated at Clause 21(1) have been reached.
 - (7) No amortisation or depreciation shall be effected in respect of any land comprised in the Fixed Assets. Such land shall be valued at cost of acquisition.
 - (8) Whether a building at depots and servicing site shall be depreciated in accordance with Clause 21(1) shall be determined by the Commissioner after having regard, inter alia, to the estimated useful life of that building, the unexpired period of the lease including any extension or renewal period, and land use zoning. If the Grantee disagrees with any determination of the Commissioner on the depreciation of a building at depots and servicing sites for the purpose of this Clause, the Grantee and the Commissioner shall forward the point in disagreement to the Secretary for Transport and Logistics who shall decide on the point having regard to the submissions of the Grantee and the Commissioner and such decision of the Secretary for Transport and Logistics shall, subject to section 33 of the Ordinance, be final.
 - (9) The cost of any structural addition to a building under the Fixed Assets shall, from the date the addition is made, be depreciated in accordance with Clause 21(1) along with such building (as the case may be) over the remainder of the useful life of that building.
 - (10) The net book value of all Fixed Assets brought forward from any public bus franchise applicable to the Grantee immediately before the Commencement Date shall be depreciated in accordance with but over the remainder of the applicable useful life as stipulated in Clause 21(1).
22. (1) The Grantee represents that its Undertaking at the Commencement Date shall be as listed in Schedule I. Subject to Clause 22(3) and (4) and except for that part of the Undertaking listed in Schedule I which is held on short term tenancies, the Grantee shall maintain at all times during the Franchise Period its Undertaking sufficient to operate a proper and efficient public bus service on the specified routes in accordance with section 12(1) of the Ordinance.
- (2) The Grantee shall provide in writing to the Commissioner an annual update of Schedule I within five months after the close of an accounting year.
- (3) The Grantee shall not without the previous written consent of
- Grantee's
Undertaking
and restrictions
on disposal

the Commissioner assign, transfer, mortgage, charge, lease, grant option to lease, part with possession or otherwise dispose of the whole or any part of its Undertaking falling within the following description:–

- (a) land, buildings and buses, or
- (b) any other part of the Undertaking (except for plant, machinery, equipment, furniture, fixtures, fittings, motor vehicles (other than buses), stores or spares being disposed of with a view to replacement in the ordinary course of business), the disposal of which would result in an increase in the cost of the Bus Service

nor shall the Grantee without the previous written consent of the Commissioner cause or permit the forfeiture, surrender, loss, destruction or dissipation of its right, title or interest in the whole or any part of its Undertaking referred to in Clauses 22(3)(a) and (b) above. The Grantee shall observe and perform all the terms, conditions, covenants and provisions contained in any deed, agreement and other instrument under which the Grantee acquired the right, title or interest in the whole or any part of its Undertaking.

PROVIDED that:–

- (i) consent to any disposition of landed property may be withheld if the consequence of the disposition would be to increase the cost to the Grantee of acquiring, using, holding or maintaining the premises referred to in section 19 of the Ordinance; and
 - (ii) consent required under this Clause shall not be unreasonably withheld or delayed.
- (4) Without prejudice to the Ordinance and other provisions of this Franchise, the Grantee shall not develop or cause or permit the development of any land or buildings forming part of its Undertaking or enter into any agreement to do so without the previous written consent of the Financial Secretary (which, subject to Clause 22(5), shall not be unreasonably withheld or delayed).

- (5) Notwithstanding any other provisions herein, consent to any disposition or development of any land or building under Clause 22(3) and (4) may be withheld by the Commissioner or the Financial Secretary if the consequence of the disposition or development of such land or buildings would be to increase the cost to the Grantee of acquiring, using, holding or maintaining the premises referred to in section 19 of the Ordinance.
23. The Grantee shall not without the previous consent in writing of the Commissioner invest in or dispose of any securities, such consent shall not be unreasonably withheld or delayed. Investment in securities
24. (1) (a) The Grantee shall, at such times as the Commissioner may direct in writing, cause the Funds to be examined by an Appointed Actuary for the purpose of assessing possible under-provisioning or over-provisioning of the Funds. Contingency Fund and Pension Fund
- (b) The Grantee shall provide such information and give access to such of its business and financial records as the Appointed Actuary may reasonably require.
- (c) Any finding by the Appointed Actuary as to any under-provisioning or over-provisioning of the Funds shall be accepted as final and conclusive by the Grantee in the absence of manifest error.
- (d) The Grantee shall, subject to the prior approval in writing of the Commissioner, write back such amount which is certified in an actuarial report prepared by the Appointed Actuary for the purpose of Clause 24(1)(a) to be over-provided in the Funds to the statement of profit or loss kept by the Grantee in respect of the Bus Service.
- (2) The Grantee shall provide such information as the Commissioner may require in writing in respect of the Funds and their use within one month from the date of such request in writing by the Commissioner or within such other period as the Commissioner may reasonably require.
- (3) (a) The balance of the Contingency Fund shall represent liabilities in the accounts of the Grantee and shall not contribute towards its distributable profit or accrue to the benefit of shareholders of the Grantee.
- (b) Notwithstanding the expiry of this Franchise and any other terms or provisions herein, the balance of the Contingency Fund shall remain a liability in the accounts of the Grantee and shall not contribute towards its

distributable profit or accrue to the benefit of shareholders of the Grantee and the balance of the Contingency Fund as at the expiry of this Franchise, howsoever determined, shall be deposited with an authorised institution, other than a deposit-taking company, within the meaning of the Banking Ordinance (Cap. 155) as approved or directed from time to time by the Commissioner.

- (c) The Commissioner may within six months prior to the expiry of this Franchise or within three months thereafter appoint a trustee or a custodian to hold the Contingency Fund after the said expiry of this Franchise and may require the title to the Contingency Fund to be vested in the said trustee or custodian for a period of ten years from the date of expiry of this Franchise (“the ten-year period”). In such event, the said trustee or custodian shall:–
 - (i) hold the Contingency Fund in accordance with the terms and conditions as may be determined or approved by the Commissioner;
 - (ii) apply the balance of the Contingency Fund to meet third party claims against the Grantee in accordance with the terms and conditions as may be determined or approved by the Commissioner; and
 - (iii) distribute the remaining balance in the Contingency Fund (if any) at the expiry of the ten-year period to the shareholders of the Grantee whose names appear on the register of shareholders of the Grantee on the date when the Contingency Fund is vested in the said trustee or custodian.
 - (d) For the avoidance of doubt, this Clause, in so far as it relates to the Contingency Fund, shall survive the expiry of this Franchise until the date falling ten years thereafter.
- (4) The Grantee shall procure in such manner as it may be advised by the Appointed Actuary that the Pension Fund is held by an independent trustee under a retirement scheme registered under the Occupational Retirement Schemes Ordinance (Cap. 426) and, where applicable, the Mandatory Provident Fund Schemes Ordinance (Cap. 485).

25. (1) By virtue of section 13 of the Ordinance, the Chief Executive in Council may review the scale of fares to be charged for the Bus Service and may determine and adjust such scale of fares upward or downward at any time and from time to time during the Franchise Period as he deems fit. Revenue and expenditure
- (2) Without derogation from the provisions of section 13 of the Ordinance and the powers conferred on the Chief Executive in Council thereunder, in making recommendations to the Chief Executive in Council for him to determine the scale of bus fares under the provisions of section 13 of the Ordinance, the Commissioner may have regard, inter alia, to:–
- (a) changes in Gross Revenue and Service-Related Expenditure since the last fare adjustment;
 - (b) forecasts of future Gross Revenue, Service-Related Expenditure, and return on average net fixed assets which takes into account net profit or loss and borrowing costs after tax attributable to the Bus Service;
 - (c) the need to provide the Grantee with a reasonable rate of return;
 - (d) public acceptability and affordability;
 - (e) the quality and level of the public bus service provided by the Grantee; and
 - (f) changes in price of cost elements and improvement in productivity of the franchised bus industry.
- (3) In applying for an upward or downward adjustment to the fares applicable to its Bus Service, the Grantee shall take into account, inter alia, the factors specified in Clause 25(2)(a) to (f).

PART IV

MISCELLANEOUS

26. (1) When acquiring new buses and setting specifications for such acquisition, the Grantee shall, as far as reasonably practicable:– Environmentally friendly buses
- (a) adopt the latest commercially available and proven technologies to reduce noise emissions; and

- (b) acquire the most environmentally friendly buses in terms of vehicle exhaust emission (with the ultimate objective of acquiring zero emission buses), that are technologically proven and commercially available

taking into account feasibility in terms of operational and passenger service requirements and affordability for the Grantee and passengers.

- (2) The Grantee shall adopt, at such times and in such manner, such commercially available and proven technologies and products on its buses as the Commissioner may reasonably specify after consultation with the Grantee for the purpose of reducing exhaust and noise emissions in the operation of the Bus Service.
27. (1) The Grantee shall comply with all the provisions, stipulations and requirements set out in a Forward Planning Programme for the time being in force. Forward Planning Programme
- (2) If the Grantee fails to comply with any of the provisions, stipulations and requirements contained in a Forward Planning Programme, the Grantee shall, within such time as may be specified by the Commissioner, submit a report to the Commissioner with full details and the reasons for such failure.
28. (1) The Grantee shall: Operational records and information to be supplied to Commissioner
- (a) provide to the Commissioner the information relating to and records kept by the Grantee in respect of the Bus Service in accordance with Schedule II; and
 - (b) provide and maintain at such times and in such manner as may be reasonably specified by the Commissioner, including without limitation electronic means to enable the Commissioner to at all times access and directly retrieve the information and records referred to under Clause 28(1)(a).
- (2) The Grantee shall without delay provide in writing to the Commissioner such information as he may from time to time reasonably require for the purpose of assessing the financial position of the Grantee, including without limitation:– Financial information to be supplied to the Commissioner
 - (a) accounting system manual and costing system manual used by the Grantee for the preparation of

accounts for the Bus Service; and

- (b) procurement policies, procurement procedures and practice manual of goods and services relating to the Bus Service including but not limited to fuel, buses, spare parts, tyres and tubes, plant and machinery, repair and maintenance and cleaning services.
- (3) The Grantee shall provide in writing to the Commissioner with financial information for the purpose of assessing the financial position of the Grantee, including without limitation:–
 - (a) annual audited financial statements prepared and certified by a Qualified Auditor within four months after the close of each accounting year;
 - (b) monthly management accounts (including statement of profit or loss, statement of financial position and statement of cash flows) in such form and manner as the Commissioner may specify within two months from the ending date of the period concerned or such longer period as the Commissioner may specify; and
 - (c) monthly report on the fuel price, fuel cost, fuel consumption, hedging contracts on fuel, in such form and manner as the Commissioner may specify, within two months from the ending date of the period concerned.
- (4)
 - (a) Subject to the provisions of the Ordinance, this Franchise and the accounting policies approved by the Commissioner under Clause 28(4)(b), the Grantee shall prepare and keep its accounts related to the Bus Service in accordance with the prevailing accounting standards and principles generally accepted in Hong Kong.
 - (b) The Grantee shall, not later than three months before the end of each accounting year, submit for the approval of the Commissioner the accounting policies governing the accounts of the Grantee which are related to the Bus Service in the form and manner as the Commissioner may specify. Such approval shall not be unreasonably withheld or delayed. The Grantee shall comply with such accounting policies as approved by the Commissioner for keeping and preparing its accounts relating to the Bus Service. The Grantee

shall not make any change to the accounting policies approved by the Commissioner hereunder without the prior written approval of the Commissioner. Such accounting policies are subject to the provisions of the Ordinance and this Franchise, and unless agreed otherwise between the Grantee and the Commissioner, shall be in accordance with the prevailing accounting standards and principles generally accepted in Hong Kong.

- (5) Without prejudice to the generality of Clause 28(4), the Commissioner may give direction as to the criteria for apportionment of the Grantee's general administration costs between the Bus Service and the Grantee's other businesses.
 - (6) The Grantee shall ensure that contracts that are material to the Bus Service shall be put out for Open Tendering as far as practicable. Where it is not practicable for Open Tendering, prior approval for not pursuing Open Tendering shall be sought from the Grantee's board of directors. The Grantee is also required to specify in any internal paper on procurement of services or goods or both whether or not the tenderers or suppliers and the Grantee are Related Parties.
 - (7) The Grantee shall obtain approval from the Grantee's board of directors before awarding any contract that is material to the Bus Service to a Related Party of the Grantee save and except where such award is effected as a result of an Open Tendering process participated by any third party which is not a Related Party. In seeking the board of directors' approval to award a contract to a Related Party of the Grantee without going through an Open Tendering process, the Grantee shall, in so far as practicable, provide relevant information to satisfy its board with supporting evidence that the terms and conditions of the proposed contract are no less favourable to the Grantee than those in a contract which might otherwise be entered into with a third party which is not a Related Party of the Grantee.
 - (8) The Grantee shall procure and provide to the Commissioner financial information on all transactions which are related to the Bus Service made between the Grantee and any Related Party of the Grantee on an annual basis within five months after the close of each accounting year or as the Commissioner may from time to time require.
29. (1) The Grantee shall keep separate accounts for the Bus Service and its other businesses. The accounts of the Grantee which are related to the Bus Service shall be audited annually by a Qualified Auditor and published for
- Publication of accounts and operational information

the information of the public, in such form and manner as the Commissioner may from time to time require, within five months after the close of each accounting year.

- (2) The Grantee shall publish for the information of the public such records kept by the Grantee which are related to the Bus Service, in such form and manner as the Commissioner may from time to time require after consultation with the Grantee within five months after the close of each accounting year.

30. Without prejudice to any other provisions of this Franchise, all financial statements, management accounts and other accounts of the Grantee, whether or not such financial statements, management accounts or other accounts are related to or connected with the Bus Service:–
 - (a) shall give a true and fair view of the state of the Grantee's affairs and explain its transactions;
 - (b) shall be kept at the registered office of the Grantee in Hong Kong and shall at all times be open to inspection by the Grantee's directors; and
 - (c) shall consist of the Grantee's statement of financial position and statement of profit or loss, which, save with the prior consent in writing of the Commissioner, comply with the applicable requirements of Schedule 4 of the Companies Ordinance (Cap. 622) and Clause 28(3).
31. This Franchise shall be governed by, and construed in accordance with, Hong Kong law and the Grantee shall submit to the exclusive jurisdiction of the courts of Hong Kong.
32. (1) Any notice in writing or other document to be given to the Grantee by the Chief Executive in Council, the Financial Secretary, the Secretary for Transport and Logistics, the Government or the Commissioner under or in relation to this Franchise may be given under the hand of any duly authorised officer of Government and may be served by sending the same in a letter addressed to the registered office of the Grantee.
 - (2) Any notice in writing or other documents to be given to the Chief Executive in Council, the Financial Secretary, the Secretary for Transport and Logistics, the Government or the Commissioner by the Grantee under or in relation to this Franchise may be served by sending the same in a letter to the Commissioner.

Content and
Form of
Account

Governing law
and jurisdiction

Notices

33. All meetings of the board of directors of the Grantee shall be held in Hong Kong unless all the directors of the Grantee unanimously agree to have a meeting elsewhere. Board meetings in Hong Kong
34. (1) Without derogation from any provisions of the Ordinance, this Franchise will be subject to review at any time and from time to time by the Commissioner during the Franchise Period starting from and including 1 July 2027. For this purpose, the Grantee shall comply without delay with all reasonable requests by the Commissioner and afford such assistance and co-operation in all respects to facilitate the conduct of the review as the Commissioner may reasonably require. Mid-term review
- (2) Without prejudice to the generality of Clause 34(1) and any other provisions of this Franchise, the Grantee shall, for the purpose of this Clause:–
- (a) upon request by the Commissioner, provide without delay to the Commissioner such information as may be reasonably required; and
- (b) appoint a person with such qualification or experience as the Commissioner may from time to time require to examine such aspects of the Bus Service as he may reasonably direct.
- (3) During the period of such review, the Commissioner may consult with and receive written submissions or recommendations from such persons as he sees fit.
35. The Grantee shall publish its code on corporate social responsibility within six months from the Commencement Date and, annually thereafter:– Corporate social responsibility
- (a) publish the achievement of individual items contained therein; and
- (b) review and update its content for the purpose of continuous improvement.
36. The Grantee shall, throughout the Franchise Period, submit to the Commissioner annually a report prepared by a Qualified Auditor or a Certification Body certifying that the Grantee has put in place internal control systems and procedures which are adequate to enable, as far as practicable, the Grantee to measure and record, in all material respects, its operation statistics and other information to ensure that such statistics and other information which may be required by the Commissioner under the Ordinance or this System audit

Franchise are accurate in all material respects and if the Qualified Auditor or Certification Body forms the view that those control systems and procedures are not adequate, the nature and extent of such inadequacies.

Dated this day of July 2022

COUNCIL CHAMBER

Clerk to the Executive Council

SCHEDULE I
 Clause 22(1)
Grantee's Undertaking
 (as at 1 July 2023)

1. *Buses*

(A) Requirement

	<i>Operating Requirement</i>	<i>Number of Buses Required in Fleet</i>
(i) For operating the Bus Service	1,261	
(ii) Total requirement for operating the Bus Service based on 92% availability		1,371

(B) The requirement of buses in paragraph 1(A) above will be represented by –

<i>Bus Fleet</i>	<i>Number</i>	<i>Average Age (Yr.)</i>	<i>Estimated Net Book Value (HK\$'000)</i>	<i>Nature of Interest</i>
(i) Double-Deck – diesel	1,330	7.30	1,835,117	Wholly owned
(ii) Single-Deck – diesel	29	8.60	22,344	Wholly owned
(iii) Double-Deck – hybrid	3	8.63	-	Wholly owned
(iv) Double-Deck – electric	1	0.33	2,574	Wholly owned
(v) Single-Deck – electric	8	7.39	-	Wholly owned
Total fleet	1,371	7.33	1,860,035	

2. *Land and Buildings*

	<i>Approx. Site Area (m²)</i>	<i>Estimated Net Book Value (HK\$'000)</i>	<i>Nature of Interest</i>
(A) Depots			
(1) Chong Fu Road Depot (EHX-260)	13,000	188,837	Short term tenancy commencing on 1 July 2023.
(2) Depot at 38 Sheung On Street, Chai Wan (EHX-286)	11,297	114,227	Short term tenancy commencing on 10 December 2001 up to 30 June 2006 and thereafter quarterly.
(3) Wong Chuk Hang Bus Depot (P1004)	3,002	713	Short term tenancy commencing on 1 July 2023.
(4) Hing Wah Street West, Kowloon (KX-2245)	8,200	7,745	Short term tenancy commencing on 1 July 2023.
(5) Junction of Lin Cheung Road and Hing Wah Street West, Lai Chi Kok, Kowloon (KX-2851)	7,750	-	Short term tenancy commencing on 1 July 2023.
(B) Bus Servicing/Parking Areas			
(1) Servicing site at Hoi Wong Road, Area 16, Tuen Mun (STT-1092)	11,000	-	Short term tenancy commencing on 2 January 2001 up to 1 January 2004 and thereafter quarterly.
(2) Servicing site at Heung Yip Road, Wong Chuk Hang (SHX-1168)	3,826	-	Short term tenancy commencing on 19 July 2006 up to 18 July 2009 and thereafter half-yearly.
(3) Parking site at Wong Chuk Hang (SHX-956)	8,700	-	Short term tenancy commencing on 1 December 1998 up

	<i>Approx. Site Area (m²)</i>	<i>Estimated Net Book Value (HK\$'000)</i>	<i>Nature of Interest</i>
			to 30 November 2001 and thereafter quarterly.
(4) Western Fire Services Street (NHX-761)	1,480	210	Short term tenancy commencing on 1 July 2023.
(5) Tseung Kwan O Area 26 Depot (SX-4126)	2,200	10,580	Short term tenancy commencing on 1 July 2023.
(C) Customer Service Centre			
Mass Transit Railway Admiralty Station (East) Bus Terminus, Queensway, Hong Kong	25	152	Short term tenancy commencing on 1 September 1998 up and thereafter quarterly.
(D) Bus Regulator's Office			
Bus Terminus at Exchange Square, Central, Hong Kong	112	210	Short term tenancy commencing on 1 September 1998 up and thereafter quarterly.
Total		322,674	

3. *Other Fixed Assets*

	<i>Estimated Net Book Value (HK\$'000)</i>	<i>Nature of Interest</i>
(A) Bus Assembly Assets	26,123	Wholly owned
(B) Motor Vehicles, other than buses	9,492	Wholly owned
(C) Computer Equipment	31,452	Wholly owned
(D) Furniture, Fixtures and Office Equipment	995	Wholly owned
(E) Machinery and Other Equipment	68,123	Wholly owned
(F) Construction in Progress	0	Wholly owned

4. *Others*

	<i>Estimated Value (HK\$'000)</i>	<i>Nature of Interest</i>
Inventories	47,665	Wholly owned

SCHEDULE II

Information and Records Relating to the Bus Service to be Kept and Provided by the Grantee under Clause 28(1) including all of the following:

- | <u>Item</u> | <u>Records and Information</u> |
|-------------|---|
| (a) | the number of passengers carried on every day on each specified route. |
| (b) | the number of passengers boarding and alighting at bus stops and the occupancy of buses when leaving each of the stops at hourly interval on each specified route as collected by surveys or any other means as the Commissioner may specify after consultation with the Grantee. For the purpose of this Clause, the Grantee shall collect such information at least once in each year on a weekday, other than a public holiday or a day on which the storm signal Number 8 (or higher) or a black rainstorm warning is issued or extreme conditions after a super typhoon are announced by the Government. |
| (c) | the number of passengers and the occupancy of buses when leaving such stops at half-hourly interval on any of the specified routes as the Commissioner may specify. |
| (d) | the number of buses in use on each specified route on every day and the carrying capacity of each of such buses for the purpose of or in connection with this Franchise. |
| (e) | the journey time for journeys between terminal points on each specified route as reflected from the survey hereinafter mentioned. For the purpose of this Clause, the Grantee shall conduct surveys at such times and in such manner as the Commissioner may specify. |
| (f) | (i) the scheduled and actual departure time of each journey on every day on each specified route, where the scheduled departure time refers to the time when the journey departs from the terminus in accordance with the Schedule of Service of each specified route; and

(ii) the actual departure time of adjusted journey departs from the designated stop. |
| (g) | the number of scheduled journeys, actual journeys and additional journeys operated by the Grantee on every day on each specified route in each of the periods of a day specified by the Commissioner, where the number of scheduled journeys refers to the number of journeys that shall be operated by the Grantee in accordance with the Schedule of Service of each specified route. |
| (h) | the number of scheduled journeys that the Grantee fails to operate on every day on each specified route due to vehicle breakdown, vehicle shortage, driver shortage, traffic congestion, accidents, inclement weather, public events, redeployment of buses and others, or any other categorisation of reasons as specified by the Commissioner. |
| (i) | the carrying capacity and technical specifications of buses kept by the Grantee for the purpose of or in connection with this Franchise in each calendar month. |

- (j) the number of buses of each bus type and other vehicles used and the number of buses ordered by the Grantee for the purpose of or in connection with this Franchise in each calendar month.
- (k) the number of journeys and total kilometres travelled with breakdowns of revenue-generated kilometres and non-revenue-generated kilometres on each specified route on every day.
- (l) the number of bus driver duties scheduled to operate all specified routes in accordance with the Schedule of Service on a day required by the Commissioner and the percentage of bus drivers, selected on the sample size as specified by the Commissioner, in compliance with the guidelines on arrangements in relation to working hour and rest time of bus drivers issued by the Commissioner after consultation with the Grantee.
- (m) the number of bus drivers at the end of each calendar month required and available to operate all specified routes in accordance with the Schedule of Service; and the surplus or shortage of bus drivers.
- (n) the total number of bus drivers resigned, retired, separated with other reasons, newly recruited and re-employed in each calendar month.
- (o) the daily receipts from the passengers carried on every day on each specified route.
- (p) the maintenance schedule of the buses.
- (q) the maintenance schedule of other vehicles and inventory of stores.
- (r) all such data, records and measurements to show safety performance of franchised buses as stated in the Safety Performance Indicators For Franchised Buses issued by the Commissioner or in such form and manner as may be from time to time required by the Commissioner.
- (s) all such data and records in relation to accidents or safety-related incidents in such form and manner as from time to time required by the Commissioner.
- (t) the data, records and information relating to the interchanging patterns of bus passengers at specified sections of bus journeys of the specified routes of the Grantee's Bus Service during specified periods of time as may be prescribed by the Commissioner from time to time.

PUBLIC BUS SERVICES ORDINANCE (Chapter 230)

FRANCHISE

In exercise of the powers conferred by section 5 of the Public Bus Services Ordinance, the Chief Executive in Council hereby grants to Long Win Bus Company Limited, a company registered under the Companies Ordinance, whose registered office is situated at 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong the right to operate a public bus service on the routes specified in the appropriate Schedule of Routes order from time to time in force in respect of the said company under section 5(1), and in any notices under sections 14 and 15, of the Public Bus Services Ordinance, subject to the conditions hereinafter contained namely:—

PART I

PRELIMINARY

1. (1) In this Franchise, unless the context otherwise requires:— Interpretation
- “the Airport”
means an airport for civil aviation in the vicinity of Chek Lap Kok;
- “the Airport Authority”
means the Airport Authority within the meaning of the Airport Authority Ordinance (Cap. 483);
- “Airport Terminal Building”
means the passenger terminal building of the Airport;
- “Bus Service”
means the Grantee’s business of operating a public bus service under this Franchise;
- “Certification Body”
means a certification body accredited under the Hong Kong Certification Body Accreditation Scheme by the Hong Kong Accreditation Service, Innovation and Technology Commission;
- “Clause”
means a clause of this Franchise;
- “Commencement Date”
means 04:00 Hours 1 May 2023;

“Customer Service Centre”

means the customer service centre established pursuant to Clause 15;

“Facilities”

means each of the following and includes parts thereof:–
bus stop signs, bus stop sign posts, canopies, shelters, seats, queue railings, lighting at bus stops, terminal points and termini; information panels and equipment; customer service centres; bus regulators’ offices and kiosks; air-conditioned passenger waiting areas; television broadcasting and all other audio-visual equipment; and such other facilities that are used by the Grantee for the purpose of or in connection with the Bus Service, and in the event of any dispute as to the meaning of any of the aforesaid, shall be determined by the Commissioner after consultation with the Grantee;

“Forward Planning Programme”

means a programme which is in force from time to time under section 12A of the Ordinance;

“Franchise”

means this franchise granted to the Grantee pursuant to section 5 of the Ordinance;

“Franchise Period”

means the period referred to in Clause 4 which shall also mean the franchise period as defined in the Ordinance;

“Grantee”

means Long Win Bus Company Limited;

“Hong Kong”

means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Open Tendering”

means a tendering exercise where all interested persons may participate;

“Ordinance”

means the Public Bus Services Ordinance (Cap. 230);

“Other Grantee”

means any other company which is a grantee of a franchise under the Ordinance;

“Passenger Liaison Groups”

means the passenger liaison groups established pursuant to

Clause 14(1);

“Qualified Auditor”

means a person who is qualified for appointment as an auditor of a company under section 393 of the Companies Ordinance (Cap. 622);

“Related Party” or “Related Parties”

means a party or parties that is/are considered to be related for the purposes of the Hong Kong Accounting Standard (HKAS) No. 24 (Revised) “Related Party Disclosures” issued by the Hong Kong Institute of Certified Public Accountants in November 2016 as the same may be amended from time to time; and

“Schedule of Service”

means a schedule of service issued by the Commissioner from time to time in respect of each bus route of the Bus Service specifying, pursuant to the Ordinance, bus service arrangements including but not limited to the route, timetable, faretable, journey distance, journey time, carrying capacity and type of buses to be used;

- (2) Any expression or word not specifically herein defined shall have the meaning assigned to it by the Ordinance and, if not defined therein, by the Interpretation and General Clauses Ordinance (Cap. 1) and/or the Hong Kong Reunification Ordinance (110 of 1997).
- (3) For the avoidance of doubt, unless there is express provision to the contrary, the Grantee shall at no cost to the Government comply with any direction and requirement given under this Franchise by the Commissioner, the Financial Secretary or any other public officer.
- (4) For the avoidance of doubt:—
 - (a) where this Franchise confers upon any public officer power to do or enforce the doing of any act or thing, all such powers shall be also conferred as are reasonably necessary to enable the public officer to do or enforce the doing of the act or thing.
 - (b) without prejudice to the generality of Clause 1(4)(a) above, where this Franchise confers power upon any public officer:—
 - (i) to grant approval, consent or exemption, such power shall include power to impose reasonable conditions subject to which such approval, consent or

exemption may be granted;

(ii) to approve any person or thing, such power shall include power to withdraw approval thereof; and

(iii) to give directions, such power shall include power to couch the same in the form of prohibitions.

2. (1) This Franchise is granted subject to the Grantee complying with the terms and conditions on its part to be performed in any franchise applicable to the Grantee under the Ordinance and in force in the period ending 04:00 Hours 1 May 2023 and with the provisions of the Ordinance. Franchise subject to performance of obligations, etc.
- (2) The Ordinance shall apply to this Franchise in full and for all purposes. Nothing in this Franchise is intended or shall be construed to affect, restrict, limit or diminish in any way, any of the powers (including discretion or privilege) of the Government, the Commissioner or any other public officer under the Laws of Hong Kong.
3. The Grantee shall have the non-exclusive right to operate the Bus Service on the routes which are specified in the Schedule of Routes order for the time being in force. Routes Order
4. This Franchise is granted for the period from and including the Commencement Date until 04:00 Hours 1 May 2033 and such period may be extended under section 6(2) or (3) of the Ordinance. Franchise Period
5. For the purposes of section 8 of the Ordinance, a majority of the directors of the Grantee shall be individuals who are ordinarily resident in Hong Kong. Residential requirement

PART II

GENERAL

6. (1) (a) The Grantee shall, as far as practicable, acquire, provide, adopt, maintain, or modify to the satisfaction of the Commissioner such safety or service enhancement facilities, installation, fixtures, fittings, apparatus or equipment on its buses as may be reasonably required by the Commissioner after consultation with the Grantee. Provision of the Facilities etc.
- (b) Subject to Clause 27, the Grantee shall, in acquiring new buses for operating the Bus Service, comply with all such specifications and requirements for such acquisition issued by the Commissioner, which may be reasonably amended by the Commissioner from time to time after consultation

with the Grantee.

- (2) Subject to Clauses 8 and 9, the Grantee shall acquire, provide, adopt, maintain, modify or remove to the satisfaction of the Commissioner such Facilities as may be reasonably required by the Commissioner after consultation with the Grantee.

7. Subject to Clauses 8 and 9, the Grantee shall acquire, provide, adopt, maintain, modify or remove to the satisfaction of the Commissioner such canteens, washrooms and toilets for its employees and the employees of any Other Grantee as the Commissioner considers appropriate after consultation with the Grantee. Provision of canteens, washrooms and toilets
8. (1) The Commissioner may, after consultation with the Grantee, direct in writing that for a specified period with effect from a specified date the Grantee shall share or permit the sharing of the use of any or all of the bus stops, terminal points, termini, Facilities (other than those provided on-bus), canteens, washrooms and toilets acquired, provided or adopted by the Grantee or any Other Grantee whether under this Franchise or any other franchise, as the case may be. Shared use of bus stops etc.
- (2) The Commissioner may, after consultation with the Grantee, direct in writing that with effect from a specified date the Grantee shall cease using, vacate or remove any bus stops, terminal points, termini and Facilities which are or have been used by the Grantee under this Franchise or any other franchise and which are not required for use by the Grantee for the Bus Service.
- (3) The Commissioner may, after consultation with the Grantee, direct in writing that with effect from a specified date the Grantee shall:—
- (a) make available and transfer the Grantee's whole right, title and interest in the Facilities (other than those provided on-bus) acquired, provided or adopted by the Grantee under this Franchise or any other franchise to any Other Grantee; and
- (b) accept the transfer of and assume responsibility for any facilities (other than those provided on-bus) which are acquired, provided or adopted by any Other Grantee and which are to be transferred to the Grantee by virtue of a direction given by the Commissioner to any Other Grantee under the provisions of any other franchise with similar effect to Clause 8(3)(a).
- (4) In the event that the Commissioner makes a direction:—

- (a) under Clause 8(1), the Grantee shall negotiate in good faith with the concerned Other Grantee to reach agreement as to maintenance responsibilities and the fair and equitable apportionment on the expenses of maintaining the Facilities (other than those provided on-bus), canteens, washrooms and toilets between the Grantee and the Other Grantee; and
 - (b) under Clause 8(3)(a) or (b), the Grantee shall negotiate in good faith with the concerned Other Grantee to reach agreement as to a fair and equitable price for acquiring or providing the facilities or Facilities (other than those provided on-bus).
- (5) In the event that the Grantee and the concerned Other Grantee fail to reach agreement under Clause 8(4)(a) or (b) within a reasonable time to be specified by the Commissioner, the Grantee and the concerned Other Grantee shall enter into an agreement on what the Commissioner may determine to be a fair and equitable apportionment or price for the purpose of Clause 8(4)(a) and (b).
9. (1) No Facilities, installation, fixtures, fittings, apparatus or equipment shall be constructed, erected, installed or permitted at, on or in any bus stops, terminal points, termini or buses without the prior approval in writing of the Commissioner. The Commissioner may reasonably require the Grantee to remove any Facilities, installation, fixtures, fittings, apparatus or equipment which are constructed, erected, installed or permitted in contravention of this Clause. Approval of Commissioner required in connection with the Facilities, canteens, washrooms and toilets
- (2) No canteens, washrooms or toilets referred to in Clause 7 shall be constructed, erected or installed nor shall any structural alteration or change in use be made thereto without the prior approval in writing of the Commissioner. The Commissioner may reasonably require the Grantee to remove any canteens, washrooms or toilets which are constructed, erected or installed or to which structural alteration or change in use is made in contravention of this Clause.
10. (1) The Grantee shall not for the purposes of advertising, sponsorship or commercial promotion use or permit the use of, the Facilities, canteens, washrooms and toilets of the Grantee or any Other Grantee without the prior approval in writing of the Commissioner (such approval shall not be unreasonably withheld). Advertising, etc.
- (2) Any agreement or arrangement in respect of any advertising, sponsorship or commercial promotion entered into by the Grantee with the prior approval in writing of the Commissioner

under Clause 10(1) above shall be and be made subject to the terms and conditions of this Franchise.

11. The Commissioner may by notice in writing direct the Grantee to use such terminal points or termini and facilities which will be made available by the Government at no cost to the Grantee for the purposes of parking and turn-around of buses used by the Grantee on any of the specified routes. Government to provide parking facilities at terminal points
12. (1) Subject to Clause 12(3), the Grantee shall, at such place as the Commissioner may direct in writing, make available free of charge for inspection by members of the public a copy of the Schedule of Routes order for the time being in force and any notice given under section 15 of the Ordinance. Display of routes and fares
- (2) Subject to Clause 12(3), the Grantee shall cause to be displayed free of charge for viewing by members of the public in a conspicuous place:—
- (a) at each terminal point or terminus of a specified route;
 - (b) at the Customer Service Centre at the Airport Terminal Building or at any other appropriate location at the Airport; and
 - (c) at such bus stops as may be specified by the Commissioner
- information on the location of the bus stops and the fares and timetables applicable to the bus service on such specified routes.
- (3) The Grantee shall provide the information mentioned in Clause 12(1) and 12(2) above in such form and manner, by such means and at such times as may be reasonably required by the Commissioner, after consultation with the Grantee.
13. (1) The Grantee shall make available to the public, in relation to the bus service on each specified route, the following information:— Making available information on specified route, etc.
- (a) the bus fares;
 - (b) the route and timetable; and
 - (c) the location of bus stops, journey time and any other related information, as may be reasonably required by the Commissioner after consultation with the Grantee
- in such form and manner, by such means and at such times as may be reasonably specified from time to time by the Commissioner.

- (2) The Grantee shall make available to the public the information referred to in Clause 13(1)(a) to (c) above for free or for a fee not exceeding that reasonably determined by the Commissioner.
- (3) The Grantee shall also make available to the public, the information referred to in Clause 13(1)(a) to (c) above on the Grantee's website and through readily accessible common web browsers as may be reasonably required by the Commissioner after consultation with the Grantee.
14. (1) The Grantee shall, to the satisfaction of the Commissioner, make appropriate arrangements including the establishment of Passenger Liaison Groups to liaise, communicate with and receive opinions of the public for the purpose of assessing and improving standards of the Bus Service.
- (2) The Grantee shall, to the satisfaction of the Commissioner, provide the Passenger Liaison Groups with reasonable facilities for meetings including venues, postage and stationery, as they may require from time to time.
- (3) The Grantee shall promulgate such rules for membership and meetings of the Passenger Liaison Groups, rules for attendance by officers of the Transport Department as observers, terms of reference of the Passenger Liaison Groups and, without limitation, such other terms relating to the Passenger Liaison Groups, their members or constitution as the Commissioner may direct or approve in writing. Any officer of the Transport Department may attend the meetings of the Passenger Liaison Groups as an observer.
- (4) The Grantee shall use its reasonable endeavours to facilitate meetings of each of the Passenger Liaison Groups at least once every two months or as and when the Commissioner may reasonably require for the purpose of making proposals for maintaining or improving standards relating to the Bus Service.
- (5) The Grantee shall report to the Commissioner, at least once every two months or as and when directed by the Commissioner, the details of passenger liaison arrangements made by the Grantee, the proposals made by the Passenger Liaison Groups and implementation of those proposals.
15. The Grantee shall provide and maintain at its own cost and expense and to the satisfaction of the Commissioner a customer service centre at the Airport Terminal Building or at any other appropriate location at the Airport for the purposes of providing airport bus passengers with:–
- (a) ticketing and luggage handling service;

Passenger Liaison
Groups

Customer service
centre

- (b) information and enquiry service; and
 - (c) any other services that may be necessary to assist passengers in utilising the public bus service at the Airport.
16. (1) The Grantee shall to the satisfaction of the Commissioner make appropriate arrangements to conduct passenger satisfaction surveys in such form and manner, by such means and at such times as may be reasonably required by the Commissioner, after consultation with the Grantee. Passenger satisfaction
- (2) (a) The Grantee shall publish:
- (i) its passenger service pledge setting a reasonable time frame for responding to complaints and suggestions from the public; and
 - (ii) the achievement rate of its passenger service pledge under Clause 16(2)(a)(i) above.
- (b) The Grantee shall respond to complaints and suggestions referred to the Grantee by the Commissioner at such times and in such manner as may be reasonably required by the Commissioner after consultation with the Grantee.
17. (1) The Grantee shall furnish the Commissioner, on or before 15 January each year in such form as the Commissioner may specify from time to time, with information on:– List of premises and maintenance facilities
- (a) premises provided and maintained by the Grantee under section 19 of the Ordinance as at 31 December of the preceding year; and
 - (b) facilities provided by the Grantee and their locations as at 31 December of the preceding year for the construction, repair and maintenance of the buses and other vehicles used or kept by the Grantee for the purposes of or in connection with this Franchise.
- (2) The Commissioner may, after consultation with the Grantee, from time to time direct by notice in writing to the Grantee the manner in which the Grantee is to use any of the specified premises provided and maintained by the Grantee under section 19 of the Ordinance.
- (3) The Grantee shall establish a documented bus maintenance system to the satisfaction of the Commissioner in accordance with which all buses shall be inspected and maintained before deployment for the Bus Service.

(4) The Grantee and the aforementioned documented bus maintenance system shall comply with all requirements, guidelines, technical notes, practice notes, maintenance arrangements and quality assurance and conformity assessments in respect of bus maintenance as issued by the Commissioner which may be reasonably amended by the Commissioner from time to time after consultation with the Grantee.

18. The Grantee shall, as and when directed by and to the satisfaction of the Commissioner:–

Provision of control centre and contingency arrangement

(a) provide and maintain for the purpose of regulating, controlling and directing bus movements a control centre which shall be:–

(i) situated at the Airport Terminal Building or such location as the Commissioner may direct; and

(ii) manned at all times by competent personnel of the Grantee;

(b) provide and maintain at all times direct communication links between the control centre and

(i) the emergency contact point of the Transport Department designated by the Commissioner; and

(ii) the Ground Transportation Centre – Control Centre of the Airport Authority;

(c) design a contingency plan to meet any exigency that may arise in respect of the Bus Service and shall promptly carry out the measures contained in the contingency plan when such exigency arises;

(d) provide assistance, including sending competent personnel to attend the emergency control centre of the Transport Department; and

(e) provide bus information relating to any exigency that may arise in respect of the Bus Service to the Government in such form and manner, by such means, and at such times as may be reasonably specified by the Commissioner, including without limitation through digital means for automatic data retrieval.

19. (1) The Grantee may provide, or permit the provision of, ancillary or add-on services subject to prior approval in writing of the Commissioner.

Provision of ancillary and add-on services

(2) The Grantee shall provide such ancillary or add-on services as

may be reasonably required by the Commissioner for the purpose of the Bus Service after consultation with the Grantee.

20. The Grantee shall comply with all requirements, guidelines, technical notes, practice notes and training arrangements in respect of bus drivers issued by the Commissioner which may be reasonably amended by the Commissioner from time to time after consultation with the Grantee. Training of bus drivers

PART III

FINANCIAL

21. In this Part, unless the context otherwise requires:— Definitions in Part III

“Appointed Actuary”
means an actuary who

- (a) has the qualifications as prescribed for the appointment of actuaries under the Insurance (Actuaries’ Qualifications) Regulation (Cap. 41A); and
- (b) is in practice with a firm providing actuarial consultancy services in Hong Kong;

“Contingency Fund”
means all contingency funds provided or to be provided by the Grantee for meeting its liabilities including without limitation those for third party risks in respect of the Bus Service but excluding any contingency funds for any loss of revenue due to any cause whatsoever;

“Fair Market Value” of any of the Fixed Assets
means the market price at which the assets could be acquired in a transaction at arm’s length between persons that are not Related Parties;

“Fixed Assets”
means:—

- (a) land, buildings, furniture, fixtures and fittings, buses, coaches and other motor vehicles, plant, machinery and equipment;
- (b) other fixed assets;
- (c) all assets mentioned in (a) and (b) which are in the course of construction or in transit; and

- (d) payments on account of all assets mentioned in (a), (b) and (c)

in which the Grantee has any right, title or interest (including assets acquired through leases) and which are used or to be used or kept or to be kept by the Grantee for the purposes of or in connection with the Bus Service;

but excludes stores and spares including but not limited to items which have not been used but may form part of any buses, coaches or other motor vehicles, plant, machinery and equipment which are used or to be used or kept or to be kept by the Grantee for the purpose of or in connection with the Bus Service, irrespective of the amount of the unit cost of each item;

“Funds”

means both the Contingency Fund and the Pension Fund unless the Commissioner determines otherwise;

“Gross Revenue”

means the total income or revenue of the Grantee derived or arising from or connected with the Bus Service, which, for the avoidance of doubt, includes inter alia:–

- (a) revenue of the Grantee from fares directly or indirectly appertaining to the Bus Service;
- (b) income derived or realised directly or indirectly from Fixed Assets including but not limited to rents, advertising and private hire;
- (c) interest on cash and bank balances of the Grantee consisting of or representing funds derived or arising from the Bus Service;
- (d) income derived or realized directly or indirectly from any investment or commercial transactions, other than from Fixed Assets, made by the Grantee of funds derived or arising from the Bus Service;
- (e) income or revenue derived by the Grantee from any transaction, operation, business or activity connected with or otherwise related or ancillary, whether directly or indirectly to the Bus Service; and
- (f) currency gains realized by the Grantee in or in connection with:–
 - (i) the acquisition of Fixed Assets, stores and spares;

- (ii) the making and maintenance of provision for payment of emoluments for staff engaged in the Bus Service;
- (iii) deposits in foreign currency accounts of funds derived or arising from the Bus Service; and
- (iv) other transactions which are directly related to the Bus Service,

but excludes capital gains or capital receipts of the Grantee derived or arising from or connected with the disposal of any right, title or interest in land;

“Pension Fund”

means the fund or funds provided or to be provided by the Grantee for the payment of employees’ pensions or other retirement benefits in respect of employees engaged directly or indirectly in the operation of the Bus Service;

“Service-Related Expenditure”

means the total expenditure of the Grantee incurred or arising from or connected with the Bus Service, which, for the avoidance of doubt, includes inter alia:–

- (a) operating costs directly or indirectly incurred by the Grantee appertaining to the operation of the Bus Service and contributions to the Funds required in accordance with the assessment made by the Appointed Actuary;
- (b) depreciation as charged in accordance with Clause 22;
- (c) expenditure in establishing and maintaining public liaison and arranging for passenger satisfaction surveys in accordance with Clauses 14, 15 and 16(1); and
- (d) currency losses suffered by the Grantee in or in connection with:–
 - (i) the acquisition of Fixed Assets, stores and spares;
 - (ii) the making and maintenance of provision for payment of emoluments for staff engaged in the Bus Service;
 - (iii) deposits in foreign currency accounts of funds derived or arising from the Bus Service; and
 - (iv) other transactions which are directly related to the Bus Service,

but excludes:–

- (A) capital losses of the Grantee derived or arising from or connected with the disposal of any right, title or interest in land;
- (B) capital expenditure incurred in or arising from or connected with the Bus Service (other than that provided in sub-clause (d)(i) above);
- (C) any amount of over-provisioning in the accounts of the Grantee; and
- (D) any amount of amortisation or depreciation effected (if any) in respect of any right, title or interest in land;

“Undertaking”
means:–

- (a) all the assets listed in Schedule I as the same is updated or revised in accordance with Clause 23(2); and
- (b) all Fixed Assets and stores and spares which have been acquired by the Grantee to be included in Schedule I but before the same have been included pursuant to Clause 23(2).

22. For the purpose of this Franchise, the following practice shall be observed in the accounts of the Grantee:–

Depreciation of
Fixed Assets

- (1) With effect from the Commencement Date, depreciation expenses of the Grantee’s Fixed Assets shall be calculated at their costs of acquisition and by applying, on a straight-line basis, annual rates of depreciation derived from the useful lives, and subject to the residual values, as set out in the table below:–

<i>Fixed Assets</i>	<i>Useful Life for Depreciation</i>	<i>Residual Value</i>
Land	Not Applicable	Not Applicable
Buildings	(a) Depots and Servicing Sites - 40 years	\$1
	(b) Other buildings- Term of lease including extension or renewal period	\$1

Buses and coaches, other than light duty coaches	(a) New ¹ buses and coaches:– 14 years from the date of first registration, unless otherwise approved by the Commissioner	\$100 for each bus or coach
	(b) Second-hand buses and coaches:– 14 years from the date of manufacture unless otherwise approved by the Commissioner	\$100 for each bus or coach
Light duty coaches	6 years	\$100 for each light duty coach
Other motor vehicles	6 years	Nil
Computers	5 years	Nil
Plant, machinery and equipment (other than computers), furniture, fixtures and fittings	7 years	Nil

Except for the fixed asset category of buses and coaches, the Grantee may apply different residual value of an asset other than those listed in the table above. The residual value of that asset will be measured in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, which defines the residual value of an asset as the estimated amount that the Grantee would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. Such residual value shall be certified by the Grantee’s auditor and subject to review by the Commissioner. The Grantee shall provide independent third party’s evaluations when required by the Commissioner.

- (2) When calculating the depreciation expenses of the Grantee’s Fixed Assets, the cost of acquisition of the Fixed Assets shall be net of any subsidies received or receivable by the Grantee from the Government solely for the purpose of the acquisition of such

¹ Means buses which have been acquired by the Grantee first hand

Fixed Assets.

- (3) The cost of acquisition of Fixed Assets acquired through a lease shall be measured and depreciated in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and, where applicable, subject to the provisions in Clause 22(1) above.
- (4) When any Fixed Assets or part thereof are sold or otherwise disposed of or when compensation is received from insurers in respect of damage to or loss of any Fixed Assets or any part thereof, the difference between the proceeds and net book value will be deducted from or added to the Service-Related Expenditure, as the case may be.
- (5) For the purpose of Clause 22(4),
 - (a) Fixed Assets shall exclude land in respect of which the Grantee has any right, title or interest.
 - (b) Where the Fixed Assets comprise buildings which are sold or disposed of together with the land on which they stand, and it is impossible to ascertain which portion of the sale proceeds is attributable to such buildings alone, the Grantee shall provide a valuation report prepared by an independent surveyor on the Fair Market Value of such buildings as of the date of disposal. Such Fair Market Value will be deemed to be the sale proceeds of the buildings for the purpose of Clause 22(4).
- (6) Depreciation of any Fixed Assets shall cease to be effected when the residual values as stipulated at Clause 22(1) have been reached.
- (7) No amortisation or depreciation shall be effected in respect of any land comprised in the Fixed Assets. Such land shall be valued at cost of acquisition.
- (8) Whether a building at depots and servicing sites shall be depreciated in accordance with Clause 22(1) shall be determined by the Commissioner after having regard, inter alia, to the estimated useful life of that building, the unexpired period of the lease including any extension or renewal period, and land use zoning. If the Grantee disagrees with any determination of the Commissioner on the depreciation of a building at depots and servicing sites for the purpose of this Clause, the Grantee and the Commissioner shall forward the point in disagreement to the Secretary for Transport and Logistics who shall decide on the point having regard to the submissions of the Grantee and the Commissioner and such decision of the Secretary for Transport

and Logistics shall, subject to section 33 of the Ordinance, be final.

- (9) The cost of any structural addition to a building under the Fixed Assets shall, from the date the addition is made, be depreciated in accordance with Clause 22(1) along with such building (as the case may be) over the remainder of the useful life of that building.
- (10) The net book value of all Fixed Assets brought forward from any public bus franchise applicable to the Grantee immediately before the Commencement Date shall be depreciated in accordance with but over the remainder of the applicable useful life as stipulated in Clause 22(1).

23. (1) The Grantee represents that its Undertaking at the Commencement Date shall be as listed in Schedule I. Subject to Clause 23(3) and (4) and except for that part of the Undertaking listed in Schedule I which is held on short term tenancies, the Grantee shall maintain at all times during the Franchise Period its Undertaking sufficient to operate a proper and efficient public bus service on the specified routes in accordance with section 12(1) of the Ordinance.

Grantee's
Undertaking and
restrictions on
disposal

(2) The Grantee shall provide in writing to the Commissioner an annual update of Schedule I within five months after the close of an accounting year.

(3) The Grantee shall not without the previous written consent of the Commissioner assign, transfer, mortgage, charge, lease, grant option to lease, part with possession or otherwise dispose of the whole or any part of its Undertaking falling within the following description:-

(a) land, buildings and buses, or

(b) any other part of the Undertaking (except for plant, machinery, equipment, furniture, fixtures, fittings, motor vehicles (other than buses), stores or spares being disposed of with a view to replacement in the ordinary course of business), the disposal of which would result in an increase in the cost of the Bus Service

nor shall the Grantee without the previous written consent of the Commissioner cause or permit the forfeiture, surrender, loss, destruction or dissipation of its right, title or interest in the whole or any part of its Undertaking referred to in Clauses 23(3)(a) and (b) above. The Grantee shall observe and perform all the terms, conditions, covenants and provisions contained in any deed, agreement and other instrument under which the

Grantee acquired the right, title or interest in the whole or any part of its Undertaking.

PROVIDED that:–

(i) consent to any disposition of landed property may be withheld if the consequence of the disposition would be to increase the cost to the Grantee of acquiring, using, holding or maintaining the premises referred to in section 19 of the Ordinance; and

(ii) consent required under this Clause shall not be unreasonably withheld or delayed.

(4) Without prejudice to the Ordinance and other provisions of this Franchise, the Grantee shall not develop or cause or permit the development of any land or buildings forming part of its Undertaking or enter into any agreement to do so without the previous written consent of the Financial Secretary (which, subject to Clause 23(5), shall not be unreasonably withheld or delayed).

(5) Notwithstanding any other provisions herein, consent to any disposition or development of any land or building under Clause 23(3) and (4) may be withheld by the Commissioner or the Financial Secretary if the consequence of the disposition or development of such land or buildings would be to increase the cost to the Grantee of acquiring, using, holding or maintaining the premises referred to in section 19 of the Ordinance.

24. The Grantee shall not without the previous consent in writing of the Commissioner invest in or dispose of any securities, such consent shall not be unreasonably withheld or delayed.

Investment in securities

25. (1) (a) The Grantee shall, at such times as the Commissioner may direct in writing, cause the Funds to be examined by an Appointed Actuary for the purpose of assessing possible under-provisioning or over-provisioning of the Funds.

Contingency Fund and Pension Fund

(b) The Grantee shall provide such information and give access to such of its business and financial records as the Appointed Actuary may reasonably require.

(c) Any finding by the Appointed Actuary as to any under-provisioning or over-provisioning of the Funds shall be accepted as final and conclusive by the Grantee in the absence of manifest error.

(d) The Grantee shall, subject to the prior approval in writing of the Commissioner, write back such amount which is

certified in an actuarial report prepared by the Appointed Actuary for the purpose of Clause 25(1)(a) to be over-provided in the Funds to the statement of profit or loss kept by the Grantee in respect of the Bus Service.

- (2) The Grantee shall provide such information as the Commissioner may require in writing in respect of the Funds and their use within one month from the date of such request in writing by the Commissioner or within such other period as the Commissioner may reasonably require.
- (3)
 - (a) The balance of the Contingency Fund shall represent liabilities in the accounts of the Grantee and shall not contribute towards its distributable profit or accrue to the benefit of shareholders of the Grantee.
 - (b) Notwithstanding the expiry of this Franchise and any other terms or provisions herein, the balance of the Contingency Fund shall remain a liability in the accounts of the Grantee and shall not contribute towards its distributable profit or accrue to the benefit of shareholders of the Grantee and the balance of the Contingency Fund as at the expiry of this Franchise, howsoever determined, shall be deposited with an authorised institution, other than a deposit-taking company, within the meaning of the Banking Ordinance (Cap. 155) as approved or directed from time to time by the Commissioner.
 - (c) The Commissioner may within six months prior to the expiry of this Franchise or within three months thereafter appoint a trustee or a custodian to hold the Contingency Fund after the said expiry of this Franchise and may require the title to the Contingency Fund to be vested in the said trustee or custodian for a period of ten years from the date of expiry of this Franchise (“the ten-year period”). In such event, the said trustee or custodian shall:–
 - (i) hold the Contingency Fund in accordance with the terms and conditions as may be determined or approved by the Commissioner;
 - (ii) apply the balance of the Contingency Fund to meet third party claims against the Grantee in accordance with the terms and conditions as may be determined or approved by the Commissioner; and
 - (iii) distribute the remaining balance in the Contingency Fund (if any) at the expiry of the ten-year period to the shareholders of the Grantee whose names appear on the register of shareholders of the Grantee on the

date when the Contingency Fund is vested in the said trustee or custodian.

(d) For the avoidance of doubt, this Clause, in so far as it relates to the Contingency Fund, shall survive the expiry of this Franchise until the date falling ten years thereafter.

(4) The Grantee shall procure in such manner as it may be advised by the Appointed Actuary that the Pension Fund is held by an independent trustee under a retirement scheme registered under the Occupational Retirement Schemes Ordinance (Cap. 426) and, where applicable, the Mandatory Provident Fund Schemes Ordinance (Cap. 485).

26. (1) By virtue of section 13 of the Ordinance, the Chief Executive in Council may review the scale of fares to be charged for the Bus Service and may determine and adjust such scale of fares upward or downward at any time and from time to time during the Franchise Period as he deems fit. Revenue and expenditure

(2) Without derogation from the provisions of section 13 of the Ordinance and the powers conferred on the Chief Executive in Council thereunder, in making recommendations to the Chief Executive in Council for him to determine the scale of bus fares under the provisions of section 13 of the Ordinance, the Commissioner may have regard, inter alia, to:-

(a) changes in Gross Revenue and Service-Related Expenditure since the last fare adjustment;

(b) forecasts of future Gross Revenue, Service-Related Expenditure, and return on average net fixed assets which takes into account net profits or loss and borrowing costs after tax attributable to the Bus Service;

(c) the need to provide the Grantee with a reasonable rate of return;

(d) public acceptability and affordability;

(e) the quality and level of the public bus service provided by the Grantee; and

(f) changes in price of cost elements and improvement in productivity of the franchised bus industry.

(3) In applying for an upward or downward adjustment to the fares applicable to its Bus Service, the Grantee shall take into account, inter alia, the factors specified in Clause 26(2)(a) to (f).

PART IV

MISCELLANEOUS

27. (1) When acquiring new buses and setting specifications for such acquisition, the Grantee shall, as far as reasonably practicable:— Environmentally friendly buses
- (a) adopt the latest commercially available and proven technologies to reduce noise emissions; and
 - (b) acquire the most environmentally friendly buses in terms of vehicle exhaust emission (with the ultimate objective of acquiring zero emission buses), that are technologically proven and commercially available
- taking into account feasibility in terms of operational and passenger service requirements and affordability for the Grantee and passengers.
- (2) The Grantee shall adopt, at such times and in such manner, such commercially available and proven technologies and products on its buses as the Commissioner may reasonably specify after consultation with the Grantee for the purpose of reducing exhaust and noise emissions in the operation of the Bus Service.
28. (1) The Grantee shall comply with all the provisions, stipulations and requirements set out in a Forward Planning Programme for the time being in force. Forward Planning Programme
- (2) If the Grantee fails to comply with any of the provisions, stipulations and requirements contained in a Forward Planning Programme, the Grantee shall, within such time as may be specified by the Commissioner, submit a report to the Commissioner with full details and the reasons for such failure.
29. (1) The Grantee shall: Operational records and information to be supplied to Commissioner
- (a) provide to the Commissioner the information relating to and records kept by the Grantee in respect of the Bus Service in accordance with Schedule II; and
 - (b) provide and maintain at such times and in such manner as may be reasonably specified by the Commissioner, including without limitation electronic means to enable the Commissioner to at all times access and directly retrieve the information and records referred to under Clause 29(1)(a).

- (2) The Grantee shall without delay provide in writing to the Commissioner such information as he may from time to time reasonably require for the purpose of assessing the financial position of the Grantee, including without limitation:—
- Financial information to be supplied to the Commissioner
- (a) accounting system manual and costing system manual used by the Grantee for the preparation of accounts for the Bus Service; and
 - (b) procurement policies, procurement procedures and practice manual of goods and services relating to the Bus Service including but not limited to fuel, buses, spare parts, tyres and tubes, plant and machinery, repair and maintenance and cleaning services.
- (3) The Grantee shall provide in writing to the Commissioner with financial information for the purpose of assessing the financial position of the Grantee, including without limitation:—
- (a) annual audited financial statements prepared and certified by a Qualified Auditor within four months after the close of each accounting year;
 - (b) monthly management accounts (including statement of profit or loss, statement of financial position and statement of cash flows) in such form and manner as the Commissioner may specify within two months from the ending date of the period concerned or such longer period as the Commissioner may specify; and
 - (c) monthly report on the fuel price, fuel cost, fuel consumption, hedging contracts on fuel, in such form and manner as the Commissioner may specify, within two months from the ending date of the period concerned.
- (4) (a) Subject to the provisions of the Ordinance, this Franchise and the accounting policies approved by the Commissioner under Clause 29(4)(b), the Grantee shall prepare and keep its accounts related to the Bus Service in accordance with the prevailing accounting standards and principles generally accepted in Hong Kong.
- (b) The Grantee shall, not later than three months before the end of each accounting year, submit for the approval of the Commissioner the accounting policies governing the accounts of the Grantee which are related to the Bus Service in the form and manner as the Commissioner may specify. Such approval shall not be unreasonably withheld or delayed. The Grantee shall comply with such accounting policies as approved by the Commissioner for

keeping and preparing its accounts relating to the Bus Service. The Grantee shall not make any change to the accounting policies approved by the Commissioner hereunder without the prior written approval of the Commissioner. Such accounting policies are subject to the provisions of the Ordinance and this Franchise, and unless agreed otherwise between the Grantee and the Commissioner, shall be in accordance with the prevailing accounting standards and principles generally accepted in Hong Kong.

- (5) Without prejudice to the generality of Clause 29(4), the Commissioner may give direction as to the criteria for apportionment of the Grantee's general administration costs between the Bus Service and the Grantee's other businesses.
 - (6) The Grantee shall ensure that contracts that are material to the Bus Service shall be put out for Open Tendering as far as practicable. Where it is not practicable for Open Tendering, prior approval for not pursuing Open Tendering shall be sought from the Grantee's board of directors. The Grantee is also required to specify in any internal paper on procurement of services or goods or both whether or not the tenderers or suppliers and the Grantee are Related Parties.
 - (7) The Grantee shall obtain approval from the Grantee's board of directors before awarding any contract that is material to the Bus Service to a Related Party of the Grantee save and except where such award is effected as a result of an Open Tendering process participated by any third party which is not a Related Party. In seeking the board of directors' approval to award a contract to a Related Party of the Grantee without going through an Open Tendering process, the Grantee shall, in so far as practicable, provide relevant information to satisfy its board with supporting evidence that the terms and conditions of the proposed contract are no less favourable to the Grantee than those in a contract which might otherwise be entered into with a third party which is not a Related Party of the Grantee.
 - (8) The Grantee shall procure and provide to the Commissioner financial information on all transactions which are related to the Bus Service made between the Grantee and any Related Party of the Grantee on an annual basis within five months after the close of each accounting year or as the Commissioner may from time to time require.
30. (1) The Grantee shall keep separate accounts for the Bus Service and its other businesses. The accounts of the Grantee which are related to the Bus Service shall be audited annually by a Qualified Auditor and published for the information of the
- Publication of accounts and operational information

- public, in such form and manner as the Commissioner may from time to time require, within five months after the close of each accounting year.
- (2) The Grantee shall publish for the information of the public such records kept by the Grantee which are related to the Bus Service, in such form and manner as the Commissioner may from time to time require after consultation with the Grantee within five months after the close of each accounting year.
31. Without prejudice to any other provisions of this Franchise, all financial statements, management accounts and other accounts of the Grantee, whether or not such financial statements, management accounts or other accounts are related to or connected with the Bus Service:–
- (a) shall give a true and fair view of the state of the Grantee's affairs and explain its transactions;
- (b) shall be kept at the registered office of the Grantee in Hong Kong and shall at all times be open to inspection by the Grantee's directors; and
- (c) shall consist of the Grantee's statement of financial position and statement of profit or loss, which, save with the prior consent in writing of the Commissioner, comply with the applicable requirements of Schedule 4 of the Companies Ordinance (Cap. 622) and Clause 29(3).
32. This Franchise shall be governed by, and construed in accordance with, Hong Kong law and the Grantee shall submit to the exclusive jurisdiction of the courts of Hong Kong.
33. (1) Any notice in writing or other document to be given to the Grantee by the Chief Executive in Council, the Financial Secretary, the Secretary for Transport and Logistics, the Government or the Commissioner under or in relation to this Franchise may be given under the hand of any duly authorised officer of Government and may be served by sending the same in a letter addressed to the registered office of the Grantee.
- (2) Any notice in writing or other documents to be given to the Chief Executive in Council, the Financial Secretary, the Secretary for Transport and Logistics, the Government or the Commissioner by the Grantee under or in relation to this Franchise may be served by sending the same in a letter to the Commissioner.
34. All meetings of the board of directors of the Grantee shall be held in Hong Kong unless all the directors of the Grantee unanimously agree
- Content and Form of Account
- Governing law and jurisdiction
- Notices
- Board meetings in Hong Kong

to have a meeting elsewhere.

35. (1) Without derogation from any provisions of the Ordinance, this Franchise will be subject to review at any time and from time to time by the Commissioner during the Franchise Period starting from and including 1 May 2027. For this purpose, the Grantee shall comply without delay with all reasonable requests by the Commissioner and afford such assistance and co-operation in all respects to facilitate the conduct of the review as the Commissioner may reasonably require. Mid-term review
- (2) Without prejudice to the generality of Clause 35(1) and any other provisions of this Franchise, the Grantee shall, for the purpose of this Clause:—
- (a) upon request by the Commissioner, provide without delay to the Commissioner such information as may be reasonably required; and
- (b) appoint a person with such qualification or experience as the Commissioner may from time to time require to examine such aspects of the Bus Service as he may reasonably direct.
- (3) During the period of such review, the Commissioner may consult with and receive written submissions or recommendations from such persons as he sees fit.
36. The Grantee shall publish its code on corporate social responsibility within six months from the Commencement Date and, annually thereafter:— Corporate social responsibility
- (a) publish the achievement of individual items contained therein; and
- (b) review and update its content for the purpose of continuous improvement.
37. The Grantee shall, throughout the Franchise Period, submit to the Commissioner annually a report prepared by a Qualified Auditor or a Certification Body certifying that the Grantee has put in place internal control systems and procedures which are adequate to enable, as far as practicable, the Grantee to measure and record, in all material respects, its operation statistics and other information to ensure that such statistics and other information which may be required by the Commissioner under the Ordinance or this Franchise are accurate in all material respects and if the Qualified Auditor or Certification Body forms the view that those control systems and procedures are not adequate, the nature and extent of such inadequacies. System audit

Dated this day of July 2022

COUNCIL CHAMBER

Clerk to the Executive Council

SCHEDULE I
 Clause 23(1)
Grantee's Undertaking

(As at 1 May 2023)

1. *Buses*

(A) Requirement

	<i>Operating Requirement</i>	<i>Number of Buses Required in Fleet</i>
(i) For operating the Bus Service	256	
(ii) Total requirement for the Bus Service based on 91% availability		282

(B) The requirement of buses in paragraph 1(A) above will be represented by –

<i>Bus Fleet</i>	<i>Number</i>	<i>Average Age (Yr.)</i>	<i>Estimated Net Book Value (HK\$)</i>	<i>Nature of Interest</i>
(i) Double-Deck – diesel	282	3.8	597,265,000	Wholly owned
(ii) Single-Deck – diesel	0	0	0	Wholly owned
(iii) Double-Deck – electric	0	0	0	Wholly owned
(iv) Single-Deck – electric	0	0	0	Wholly owned
Total fleet	282	3.8	597,265,000	

2. Land and Buildings

	<i>Approximate Site Area (m²)</i>	<i>Estimated Net Book Value (HK\$)</i>	<i>Nature of Interest</i>
Bus depot at Siu Ho Wan, North Lantau	7,660	Nil	Short term tenancy commencing on 26 April 1997 up to 31 May 2003 and thereafter quarterly.
Bus depot at Dai Wah Street, Tai Po	4,910	Nil	Short term tenancy 18 months from 7 November 2016 and thereafter quarterly.

3. Machinery and Equipment

	<i>Estimated Net Book Value (HK\$)</i>	<i>Nature of Interest</i>
Machinery and equipment including:	6,781,000	Wholly owned
(A) Bus washing machines;		
(B) Brake testers;		
(C) Forklift trucks;		
(D) Mobile vehicle lifts; and		
(E) Others		

4. Other Fixed Assets

	<i>Estimated Net Book Value (HK\$)</i>	<i>Nature of Interest</i>
(A) Other vehicles	599,000	Wholly owned
(B) Computers	2,242,000	Wholly owned
(C) Fare boxes	0	Wholly owned
(D) Furniture and fittings	316,000	Wholly owned
(E) Electronic payment systems (including Octopus)	1,680,000	Wholly owned
(F) Passenger facilities (including ETA panels, seats at bus stops and shelters)	5,068,000	Wholly owned
(G) Major motor vehicle components	26,075,000	Wholly owned
(H) Passenger Wi-Fi system	0	Wholly owned
(I) Others	0	Wholly owned

5. *Others*

	<i>Estimated Value (HK\$)</i>	<i>Nature of Interest</i>
Stores and spares	795,000	Wholly owned

SCHEDULE II

Information and Records Relating to the Bus Service to be Kept and Provided by the Grantee under Clause 29(1) including all of the following:

Item Records and Information

- (a) the number of passengers carried on every day on each specified route.
- (b) the number of passengers boarding and alighting at bus stops and the occupancy of buses when leaving each of the stops at hourly interval on each specified route as collected by surveys or any other means as the Commissioner may specify after consultation with the Grantee. For the purpose of this Clause, the Grantee shall collect such information at least once in each year on a weekday, other than a public holiday or a day on which the storm signal Number 8 (or higher) or a black rainstorm warning is issued or extreme conditions after a super typhoon are announced by the Government.
- (c) the number of passengers and the occupancy of buses when leaving such stops at half-hourly interval on any of the specified routes as the Commissioner may specify.
- (d) the number of buses in use on each specified route on every day and the carrying capacity of each of such buses for the purpose of or in connection with this Franchise.
- (e) the journey time for journeys between terminal points on each specified route as reflected from the survey hereinafter mentioned. For the purpose of this Clause, the Grantee shall conduct surveys at such times and in such manner as the Commissioner may specify.
- (f)
 - (i) the scheduled and actual departure time of each journey on every day on each specified route, where the scheduled departure time refers to the time when the journey departs from the terminus in accordance with the Schedule of Service of each specified route; and
 - (ii) the actual departure time of adjusted journey departs from the designated stop.
- (g) the number of scheduled journeys, actual journeys and additional journeys operated by the Grantee on every day on each specified route in each of the periods of a day specified by the Commissioner, where the number of scheduled journeys refers to the number of journeys that shall be operated by the Grantee in accordance with the Schedule of Service of each specified route.
- (h) the number of scheduled journeys that the Grantee fails to operate on every day on each specified route due to vehicle breakdown, vehicle shortage, driver shortage, traffic congestion, accidents, inclement weather, public events, redeployment of buses and others, or any other categorisation of reasons as specified by the Commissioner.
- (i) the carrying capacity and technical specifications of buses kept by the Grantee for the purpose of or in connection with this Franchise in each calendar month.

- (j) the number of buses of each bus type and other vehicles used and the number of buses ordered by the Grantee for the purpose of or in connection with this Franchise in each calendar month.
- (k) the number of journeys and total kilometres travelled with breakdowns of revenue-generated kilometres and non-revenue-generated kilometres on each specified route on every day.
- (l) the number of bus driver duties scheduled to operate all specified routes in accordance with the Schedule of Service on a day required by the Commissioner and the percentage of bus drivers, selected on the sample size as specified by the Commissioner, in compliance with the guidelines on arrangements in relation to working hour and rest time of bus drivers issued by the Commissioner after consultation with the Grantee.
- (m) the number of bus drivers at the end of each calendar month required and available to operate all specified routes in accordance with the Schedule of Service; and the surplus or shortage of bus drivers.
- (n) the total number of bus drivers resigned, retired, separated with other reasons, newly recruited and re-employed in each calendar month.
- (o) the daily receipts from the passengers carried on every day on each specified route.
- (p) the maintenance schedule of the buses.
- (q) the maintenance schedule of other vehicles and inventory of stores.
- (r) all such data, records and measurements to show safety performance of franchised buses as stated in the Safety Performance Indicators For Franchised Buses issued by the Commissioner or in such form and manner as may be from time to time required by the Commissioner.
- (s) all such data and records in relation to accidents or safety-related incidents in such form and manner as from time to time required by the Commissioner.
- (t) the data, records and information relating to the interchanging patterns of bus passengers at specified sections of bus journeys of the specified routes of the Grantee's Bus Service during specified periods of time as may be prescribed by the Commissioner from time to time.

PUBLIC BUS SERVICES ORDINANCE (Chapter 230)

FRANCHISE

In exercise of the powers conferred by section 5 of the Public Bus Services Ordinance, the Chief Executive in Council hereby grants to Citybus Limited, a company registered under the Companies Ordinance, whose registered office is situated at No.8 Chong Fu Road, Chai Wan, Hong Kong, the right to operate a public bus service on the routes specified in the appropriate Schedule of Routes order from time to time in force in respect of the said company under section 5(1), and in any notices under sections 14 and 15, of the Public Bus Services Ordinance, subject to the conditions hereinafter contained namely:–

PART I

PRELIMINARY

1. (1) In this Franchise, unless the context otherwise requires:– Interpretation

“the Airport”

means an airport for civil aviation in the vicinity of Chek Lap Kok;

“the Airport Authority”

means the Airport Authority within the meaning of the Airport Authority Ordinance (Cap. 483);

“Airport Terminal Building”

means the passenger terminal building of the Airport;

“Bus Service”

means the Grantee’s business of operating a public bus service under this Franchise;

“Certification Body”

means a certification body accredited under the Hong Kong Certification Body Accreditation Scheme by the Hong Kong Accreditation Service, Innovation and Technology Commission;

“Clause”

means a clause of this Franchise;

“Commencement Date”

means 04:00 Hours 1 May 2023;

“Customer Service Centre”

means the customer service centre established pursuant to Clause 15;

“Facilities”

means each of the following and includes parts thereof:–

bus stop signs, bus stop sign posts, canopies, shelters, seats, queue railings, lighting at bus stops, terminal points and termini; information panels and equipment; customer service centres; bus regulators’ offices and kiosks; air-conditioned passenger waiting areas; television broadcasting and all other audio-visual equipment; and such other facilities that are used by the Grantee for the purpose of or in connection with the Bus Service, and in the event of any dispute as to the meaning of any of the aforesaid, shall be determined by the Commissioner after consultation with the Grantee;

“Forward Planning Programme”

means a programme which is in force from time to time under section 12A of the Ordinance;

“Franchise”

means this franchise granted to the Grantee pursuant to section 5 of the Ordinance;

“Franchise Period”

means the period referred to in Clause 4 which shall also mean the franchise period as defined in the Ordinance;

“Grantee”

means Citybus Limited;

“Hong Kong”

means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Open Tendering”

means a tendering exercise where all interested persons may participate;

“Ordinance”

means the Public Bus Services Ordinance (Cap. 230);

“Other Grantee”

means any other company which is a grantee of a franchise under the Ordinance;

“Passenger Liaison Groups”

means the passenger liaison groups established pursuant to

Clause 14(1);

“Qualified Auditor”

means a person who is qualified for appointment as an auditor of a company under section 393 of the Companies Ordinance (Cap. 622);

“Related Party” or “Related Parties”

means a party or parties that is/are considered to be related for the purposes of the Hong Kong Accounting Standard (HKAS) No. 24 (Revised) “Related Party Disclosures” issued by the Hong Kong Institute of Certified Public Accountants in November 2016 as the same may be amended from time to time; and

“Schedule of Service”

means a schedule of service issued by the Commissioner from time to time in respect of each bus route of the Bus Service specifying, pursuant to the Ordinance, bus service arrangements including but not limited to the route, timetable, faretable, journey distance, journey time, carrying capacity and type of buses to be used.

- (2) Any expression or word not specifically herein defined shall have the meaning assigned to it by the Ordinance and, if not defined therein, by the Interpretation and General Clauses Ordinance (Cap. 1) and/or the Hong Kong Reunification Ordinance (110 of 1997).
- (3) For the avoidance of doubt, unless there is express provision to the contrary, the Grantee shall at no cost to the Government comply with any direction and requirement given under this Franchise by the Commissioner, the Financial Secretary or any other public officer.
- (4) For the avoidance of doubt:–
 - (a) where this Franchise confers upon any public officer power to do or enforce the doing of any act or thing, all such powers shall be also conferred as are reasonably necessary to enable the public officer to do or enforce the doing of the act or thing.
 - (b) without prejudice to the generality of Clause 1(4)(a) above, where this Franchise confers power upon any public officer:–
 - (i) to grant approval, consent or exemption, such power shall include power to impose reasonable conditions subject to which such approval, consent or exemption may be granted;
 - (ii) to approve any person or thing, such power shall include power to withdraw approval thereof; and

(iii) to give directions, such power shall include power to couch the same in the form of prohibitions.

2. (1) This Franchise is granted subject to the Grantee complying with the terms and conditions on its part to be performed in any franchise applicable to the Grantee under the Ordinance and in force in the period ending 04:00 Hours 1 May 2023 and with the provisions of the Ordinance. Franchise subject to performance of obligations, etc.
- (2) The Ordinance shall apply to this Franchise in full and for all purposes. Nothing in this Franchise is intended or shall be construed to affect, restrict, limit or diminish in any way, any of the powers (including discretion or privilege) of the Government, the Commissioner or any other public officer under the Laws of Hong Kong.
3. The Grantee shall have the non-exclusive right to operate the Bus Service on the routes which are specified in the Schedule of Routes order for the time being in force. Routes Order
4. This Franchise is granted for the period from and including the Commencement Date until 04:00 Hours 1 May 2033 and such period may be extended under section 6(2) or (3) of the Ordinance. Franchise Period
5. For the purposes of section 8 of the Ordinance, a majority of the directors of the Grantee shall be individuals who are ordinarily resident in Hong Kong. Residential requirement

PART II

GENERAL

6. (1) (a) The Grantee shall, as far as practicable, acquire, provide, adopt, maintain, or modify to the satisfaction of the Commissioner such safety or service enhancement facilities, installation, fixtures, fittings, apparatus or equipment on its buses as may be reasonably required by the Commissioner after consultation with the Grantee. Provision of the Facilities etc.
- (b) Subject to Clause 27, the Grantee shall, in acquiring new buses for operating the Bus Service, comply with all such specifications and requirements for such acquisition issued by the Commissioner, which may be reasonably amended by the Commissioner from time to time after consultation with the Grantee.

- (2) Subject to Clauses 8 and 9, the Grantee shall acquire, provide, adopt, maintain, modify or remove to the satisfaction of the Commissioner such Facilities as may be reasonably required by the Commissioner after consultation with the Grantee.
7. Subject to Clauses 8 and 9, the Grantee shall acquire, provide, adopt, maintain, modify or remove to the satisfaction of the Commissioner such canteens, washrooms and toilets for its employees and the employees of any Other Grantee as the Commissioner considers appropriate after consultation with the Grantee. Provision of canteens, washrooms and toilets
8. (1) The Commissioner may, after consultation with the Grantee, direct in writing that for a specified period with effect from a specified date the Grantee shall share or permit the sharing of the use of any or all of the bus stops, terminal points, termini, Facilities (other than those provided on-bus), canteens, washrooms and toilets acquired, provided or adopted by the Grantee or any Other Grantee whether under this Franchise or any other franchise, as the case may be. Shared use of bus stops etc.
- (2) The Commissioner may, after consultation with the Grantee, direct in writing that with effect from a specified date the Grantee shall cease using, vacate or remove any bus stops, terminal points, termini and Facilities which are or have been used by the Grantee under this Franchise or any other franchise and which are not required for use by the Grantee for the Bus Service.
- (3) The Commissioner may, after consultation with the Grantee, direct in writing that with effect from a specified date the Grantee shall:–
- (a) make available and transfer the Grantee's whole right, title and interest in the Facilities (other than those provided on-bus) acquired, provided or adopted by the Grantee under this Franchise or any other franchise to any Other Grantee; and
- (b) accept the transfer of and assume responsibility for any facilities (other than those provided on-bus) which are acquired, provided or adopted by any Other Grantee and which are to be transferred to the Grantee by virtue of a direction given by the Commissioner to any Other Grantee under the provisions of any other franchise with similar effect to Clause 8(3)(a).
- (4) In the event that the Commissioner makes a direction:–
- (a) under Clause 8(1), the Grantee shall negotiate in good faith with the concerned Other Grantee to reach agreement as to maintenance responsibilities and the fair and equitable apportionment on the expenses of maintaining the Facilities (other than those provided on-bus), canteens, washrooms and

toilets between the Grantee and the Other Grantee; and

- (b) under Clause 8(3)(a) or (b), the Grantee shall negotiate in good faith with the concerned Other Grantee to reach agreement as to a fair and equitable price for acquiring or providing the facilities or Facilities (other than those provided on-bus).
- (5) In the event that the Grantee and the concerned Other Grantee fail to reach agreement under Clause 8(4)(a) or (b) within a reasonable time to be specified by the Commissioner, the Grantee and the concerned Other Grantee shall enter into an agreement on what the Commissioner may determine to be a fair and equitable apportionment or price for the purpose of Clause 8(4)(a) and (b).
9. (1) No Facilities, installation, fixtures, fittings, apparatus or equipment shall be constructed, erected, installed or permitted at, on or in any bus stops, terminal points, termini or buses without the prior approval in writing of the Commissioner. The Commissioner may reasonably require the Grantee to remove any Facilities, installation, fixtures, fittings, apparatus or equipment which are constructed, erected, installed or permitted in contravention of this Clause. Approval of Commissioner required in connection with the Facilities, canteens, washrooms and toilets
- (2) No canteens, washrooms or toilets referred to in Clause 7 shall be constructed, erected or installed nor shall any structural alteration or change in use be made thereto without the prior approval in writing of the Commissioner. The Commissioner may reasonably require the Grantee to remove any canteens, washrooms or toilets which are constructed, erected or installed or to which structural alteration or change in use is made in contravention of this Clause.
10. (1) The Grantee shall not for the purposes of advertising, sponsorship or commercial promotion use or permit the use of, the Facilities, canteens, washrooms and toilets of the Grantee or any Other Grantee without the prior approval in writing of the Commissioner (such approval shall not be unreasonably withheld). Advertising, etc.
- (2) Any agreement or arrangement in respect of any advertising, sponsorship or commercial promotion entered into by the Grantee with the prior approval in writing of the Commissioner under Clause 10(1) above shall be and be made subject to the terms and conditions of this Franchise.
11. The Commissioner may by notice in writing direct the Grantee to use such terminal points or termini and facilities which will be made available by the Government at no cost to the Grantee for the purposes of parking and turn-around of buses used by the Grantee on any of the specified routes. Government to provide parking facilities at terminal points
12. (1) Subject to Clause 12(3), the Grantee shall, at such place as the Display of routes

Commissioner may direct in writing, make available free of charge and fares for inspection by members of the public a copy of the Schedule of Routes order for the time being in force and any notice given under section 15 of the Ordinance.

(2) Subject to Clause 12(3), the Grantee shall cause to be displayed free of charge for viewing by members of the public in a conspicuous place:—

- (a) at each terminal point or terminus of a specified route;
- (b) at the Customer Service Centre at the Airport Terminal Building or at any other appropriate location at the Airport; and
- (c) at such bus stops as may be specified by the Commissioner

information on the location of the bus stops and the fares and timetables applicable to the bus service on such specified routes.

(3) The Grantee shall provide the information mentioned in Clause 12(1) and 12(2) above in such form and manner, by such means and at such times as may be reasonably required by the Commissioner, after consultation with the Grantee.

13. (1) The Grantee shall make available to the public, in relation to the bus service on each specified route, the following information:— Making available information on specified route, etc.

- (a) the bus fares;
- (b) the route and timetable; and
- (c) the location of bus stops, journey time and any other related information, as may be reasonably required by the Commissioner after consultation with the Grantee

in such form and manner, by such means and at such times as may be reasonably specified from time to time by the Commissioner.

(2) The Grantee shall make available to the public the information referred to in Clause 13(1)(a) to (c) above for free or for a fee not exceeding that reasonably determined by the Commissioner.

(3) The Grantee shall also make available to the public, the information referred to in Clause 13(1)(a) to (c) above on the Grantee's website and through readily accessible common web browsers as may be reasonably required by the Commissioner after consultation with the Grantee.

14. (1) The Grantee shall, to the satisfaction of the Commissioner, make Passenger Liaison

appropriate arrangements including the establishment of Passenger Liaison Groups to liaise, communicate with and receive opinions of the public for the purpose of assessing and improving standards of the Bus Service.

- (2) The Grantee shall, to the satisfaction of the Commissioner, provide the Passenger Liaison Groups with reasonable facilities for meetings including venues, postage and stationery, as they may require from time to time.
 - (3) The Grantee shall promulgate such rules for membership and meetings of the Passenger Liaison Groups, rules for attendance by officers of the Transport Department as observers, terms of reference of the Passenger Liaison Groups and, without limitation, such other terms relating to the Passenger Liaison Groups, their members or constitution as the Commissioner may direct or approve in writing. Any officer of the Transport Department may attend the meetings of the Passenger Liaison Groups as an observer.
 - (4) The Grantee shall use its reasonable endeavours to facilitate meetings of each of the Passenger Liaison Groups at least once every two months or as and when the Commissioner may reasonably require for the purpose of making proposals for maintaining or improving standards relating to the Bus Service.
 - (5) The Grantee shall report to the Commissioner, at least once every two months or as and when directed by the Commissioner, the details of passenger liaison arrangements made by the Grantee, the proposals made by the Passenger Liaison Groups and implementation of those proposals.
15. The Grantee shall provide and maintain at its own cost and expense and to the satisfaction of the Commissioner a customer service centre at the Airport Terminal Building or at any other appropriate location at the Airport for the purposes of providing airport bus passengers with:—
- Customer service centre
- (a) ticketing and luggage handling service;
 - (b) information and enquiry service; and
 - (c) any other services that may be necessary to assist passengers in utilising the public bus service at the Airport.
16. (1) The Grantee shall to the satisfaction of the Commissioner make appropriate arrangements to conduct passenger satisfaction surveys in such form and manner, by such means and at such times as may be reasonably required by the Commissioner, after consultation with the Grantee.
- Passenger satisfaction
- (2) (a) The Grantee shall publish:

- (i) its passenger service pledge setting a reasonable time frame for responding to complaints and suggestions from the public; and
 - (ii) the achievement rate of its passenger service pledge under Clause 16(2)(a)(i) above.
 - (b) The Grantee shall respond to complaints and suggestions referred to the Grantee by the Commissioner at such times and in such manner as may be reasonably required by the Commissioner after consultation with the Grantee.
17. (1) The Grantee shall furnish the Commissioner, on or before 15 January each year in such form as the Commissioner may specify from time to time, with information on:—
- List of premises and maintenance facilities
- (a) premises provided and maintained by the Grantee under section 19 of the Ordinance as at 31 December of the preceding year; and
 - (b) facilities provided by the Grantee and their locations as at 31 December of the preceding year for the construction, repair and maintenance of the buses and other vehicles used or kept by the Grantee for the purposes of or in connection with this Franchise.
- (2) The Commissioner may, after consultation with the Grantee, from time to time direct by notice in writing to the Grantee the manner in which the Grantee is to use any of the specified premises provided and maintained by the Grantee under section 19 of the Ordinance.
- (3) The Grantee shall establish a documented bus maintenance system to the satisfaction of the Commissioner in accordance with which all buses shall be inspected and maintained before deployment for the Bus Service.
- (4) The Grantee and the aforementioned documented bus maintenance system shall comply with all requirements, guidelines, technical notes, practice notes, maintenance arrangements and quality assurance and conformity assessments in respect of bus maintenance as issued by the Commissioner which may be reasonably amended by the Commissioner from time to time after consultation with the Grantee.
18. The Grantee shall, as and when directed by and to the satisfaction of the Commissioner:—
- Provision of control centre and contingency arrangement
- (a) provide and maintain for the purpose of regulating, controlling and directing bus movements a control centre which shall be:-

- (i) situated at the Airport Terminal Building or such location as the Commissioner may direct; and
 - (ii) manned at all times by competent personnel of the Grantee;
- (b) provide and maintain at all times direct communication links between the control centre and
- (i) the emergency contact point of the Transport Department designated by the Commissioner; and
 - (ii) the Ground Transportation Centre – Control Centre of the Airport Authority;
- (c) design a contingency plan to meet any exigency that may arise in respect of the Bus Service and shall promptly carry out the measures contained in the contingency plan when such exigency arises;
- (d) provide assistance, including sending competent personnel to attend the emergency control centre of the Transport Department; and
- (e) provide bus information relating to any exigency that may arise in respect of the Bus Service to the Government in such form and manner, by such means, and at such times as may be reasonably specified by the Commissioner, including without limitation through digital means for automatic data retrieval.
19. (1) The Grantee may provide, or permit the provision of, ancillary or add-on services subject to prior approval in writing of the Commissioner. Provision of ancillary and add-on services
- (2) The Grantee shall provide such ancillary or add-on services as may be reasonably required by the Commissioner for the purpose of the Bus Service after consultation with the Grantee.
20. The Grantee shall comply with all requirements, guidelines, technical notes, practice notes and training arrangements in respect of bus drivers issued by the Commissioner which may be reasonably amended by the Commissioner from time to time after consultation with the Grantee. Training of bus drivers

PART III

FINANCIAL

21. In this Part, unless the context otherwise requires:– Definitions in Part III

“Appointed Actuary”

means an actuary who:–

- (a) has the qualifications as prescribed for the appointment of actuaries under the Insurance (Actuaries’ Qualifications) Regulation (Cap. 41A); and
- (b) is in practice with a firm providing actuarial consultancy services in Hong Kong;

“Contingency Fund”

means all contingency funds provided or to be provided by the Grantee for meeting its liabilities including without limitation those for third party risks in respect of the Bus Service but excluding any contingency funds for any loss of revenue due to any cause whatsoever;

“Fair Market Value” of any of the Fixed Assets

means the market price at which the assets could be acquired in a transaction at arm’s length between persons that are not Related Parties;

“Fixed Assets”

means:–

- (a) land, buildings, furniture, fixtures and fittings, buses, coaches and other motor vehicles, plant, machinery and equipment;
- (b) other fixed assets;
- (c) all assets mentioned in (a) and (b) which are in the course of construction or in transit; and
- (d) payments on account of all assets mentioned in (a), (b) and (c)

in which the Grantee has any right, title or interest (including assets acquired through leases) and which are used or to be used or kept or to be kept by the Grantee for the purposes of or in connection with the Bus Service;

but excludes stores and spares including but not limited to items which have not been used but may form part of any buses, coaches or other motor vehicles, plant, machinery and equipment which are used or to be used or kept or to be kept by the Grantee for the purpose of or in connection with the Bus Service, irrespective of the amount of the unit cost of each item;

“Funds”

means both the Contingency Fund and the Pension Fund unless the Commissioner determines otherwise;

“Gross Revenue”

means the total income or revenue of the Grantee derived or arising

from or connected with the Bus Service, which, for the avoidance of doubt, includes inter alia:–

- (a) revenue of the Grantee from fares directly or indirectly appertaining to the Bus Service;
- (b) income derived or realised directly or indirectly from Fixed Assets including but not limited to rents, advertising and private hire;
- (c) interest on cash and bank balances of the Grantee consisting of or representing funds derived or arising from the Bus Service;
- (d) income derived or realized directly or indirectly from any investment or commercial transactions, other than from Fixed Assets, made by the Grantee of funds derived or arising from the Bus Service;
- (e) income or revenue derived by the Grantee from any transaction, operation, business or activity connected with or otherwise related or ancillary, whether directly or indirectly to the Bus Service; and
- (f) currency gains realized by the Grantee in or in connection with:–
 - (i) the acquisition of Fixed Assets, stores and spares;
 - (ii) the making and maintenance of provision for payment of emoluments for staff engaged in the Bus Service;
 - (iii) deposits in foreign currency accounts of funds derived or arising from the Bus Service; and
 - (iv) other transactions which are directly related to the Bus Service,

but excludes capital gains or capital receipts of the Grantee derived or arising from or connected with the disposal of any right, title or interest in land;

“Pension Fund”

means the fund or funds provided or to be provided by the Grantee for the payment of employees’ pensions or other retirement benefits in respect of employees engaged directly or indirectly in the operation of the Bus Service;

“Service-Related Expenditure”

means the total expenditure of the Grantee incurred or arising from

or connected with the Bus Service, which, for the avoidance of doubt, includes inter alia:–

- (a) operating costs directly or indirectly incurred by the Grantee appertaining to the operation of the Bus Service and contributions to the Funds required in accordance with the assessment made by the Appointed Actuary;
- (b) depreciation as charged in accordance with Clause 22;
- (c) expenditure in establishing and maintaining public liaison and arranging for passenger satisfaction surveys in accordance with Clauses 14, 15 and 16(1); and
- (d) currency losses suffered by the Grantee in or in connection with:–
 - (i) the acquisition of Fixed Assets, stores and spares;
 - (ii) the making and maintenance of provision for payment of emoluments for staff engaged in the Bus Service;
 - (iii) deposits in foreign currency accounts of funds derived or arising from the Bus Service; and
 - (iv) other transactions which are directly related to the Bus Service,

but excludes:–

- (A) capital losses of the Grantee derived or arising from or connected with the disposal of any right, title or interest in land;
- (B) capital expenditure incurred in or arising from or connected with the Bus Service (other than that provided in sub-clause (d)(i) above);
- (C) any amount of over-provisioning in the accounts of the Grantee; and
- (D) any amount of amortisation or depreciation effected (if any) in respect of any right, title or interest in land;

“Undertaking”
means:–

- (a) all the assets listed in Schedule I as the same is updated or revised in accordance with Clause 23(2); and

- (b) all Fixed Assets and stores and spares which have been acquired by the Grantee to be included in Schedule I but before the same have been included pursuant to Clause 23(2).

22. For the purpose of this Franchise, the following practice shall be observed in the accounts of the Grantee:– Depreciation of Fixed Assets

- (1) With effect from the Commencement Date, depreciation expenses of the Grantee's Fixed Assets shall be calculated at their costs of acquisition and by applying, on a straight-line basis, annual rates of depreciation derived from the useful lives, and subject to the residual values, as set out in the table below:–

<i>Fixed Assets</i>	<i>Useful Life for Depreciation</i>	<i>Residual Value</i>
Land	Not Applicable	Not Applicable
Buildings	(a) Depots and Servicing Sites- 50 years	\$1
	(b) Other buildings - 10 years	\$1
Buses and coaches	(a) New buses ¹ and coaches:– 18 years from the date of first registration, unless otherwise approved by the Commissioner	\$10,000 for each bus or coach
	(b) Second-hand buses and coaches:– 18 years from the date of manufacture unless otherwise approved by the Commissioner	\$10,000 for each bus or coach
Other motor vehicles	6 to 15 years	\$1 for each motor vehicle
Computer equipment	5 to 10 years	\$1
Plant, machinery and equipment (other than computer equipment),	7 to 15 years	\$1

¹ Means buses which have been acquired by the Grantee first hand

furniture, fixtures
and fittings

Except for the fixed asset category of buses and coaches, the Grantee may apply different residual value of an asset other than those listed in the table above. The residual value of that asset will be measured in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, which defines the residual value of an asset as the estimated amount that the Grantee would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. Such residual value shall be certified by the Grantee's auditor and subject to review by the Commissioner. The Grantee shall provide independent third party's evaluations when required by the Commissioner.

- (2) When calculating the depreciation expenses of the Grantee's Fixed Assets, the cost of acquisition of the Fixed Assets shall be net of any subsidies received or receivable by the Grantee from the Government solely for the purpose of the acquisition of such Fixed Assets.
- (3) The cost of acquisition of Fixed Assets acquired through a lease shall be measured and depreciated in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and, where applicable, subject to the provisions in Clause 22(1) above.
- (4) When any Fixed Assets or part thereof are sold or otherwise disposed of or when compensation is received from insurers in respect of damage to or loss of any Fixed Assets or any part thereof, the difference between the proceeds and net book value will be deducted from or added to the Service-Related Expenditure, as the case may be.
- (5) For the purpose of Clause 22(4),
 - (a) Fixed Assets shall exclude land in respect of which the Grantee has any right, title or interest.
 - (b) Where the Fixed Assets comprise buildings which are sold or disposed of together with the land on which they stand, and it is impossible to ascertain which portion of the sale proceeds is attributable to such buildings alone, the Grantee shall provide a valuation report prepared by an independent surveyor on the Fair Market Value of such buildings as of the date of disposal. Such Fair Market Value will be deemed to be the sale proceeds of the buildings for the purpose of Clause 22(4).
- (6) Depreciation of any Fixed Assets shall cease to be effected when the residual values as stipulated at Clause 22(1) have been reached.

- (7) No amortisation or depreciation shall be effected in respect of any land comprised in the Fixed Assets. Such land shall be valued at cost of acquisition.
- (8) Whether a building at depots and servicing sites shall be depreciated in accordance with Clause 22(1) shall be determined by the Commissioner after having regard, inter alia, to the estimated useful life of that building, the unexpired period of the lease including any extension or renewal period, and land use zoning. If the Grantee disagrees with any determination of the Commissioner on the depreciation of a building at depots and servicing sites for the purpose of this Clause, the Grantee and the Commissioner shall forward the point in disagreement to the Secretary for Transport and Logistics who shall decide on the point having regard to the submissions of the Grantee and the Commissioner and such decision of the Secretary for Transport and Logistics shall, subject to section 33 of the Ordinance, be final.
- (9) The cost of any structural addition to a building under the Fixed Assets shall, from the date the addition is made, be depreciated in accordance with Clause 22(1) along with such building (as the case may be) over the remainder of the useful life of that building.
- (10) The net book value of all Fixed Assets brought forward from any public bus franchise applicable to the Grantee immediately before the Commencement Date shall be depreciated in accordance with but over the remainder of the applicable useful life as stipulated in Clause 22(1).
23. (1) The Grantee represents that its Undertaking at the Commencement Date shall be as listed in Schedule I. Subject to Clause 23(3) and (4) and except for that part of the Undertaking listed in Schedule I which is held on short term tenancies, the Grantee shall maintain at all times during the Franchise Period its Undertaking sufficient to operate a proper and efficient public bus service on the specified routes in accordance with section 12(1) of the Ordinance. Grantee's Undertaking and restrictions on disposal
- (2) The Grantee shall provide in writing to the Commissioner an annual update of Schedule I within five months after the close of an accounting year.
- (3) The Grantee shall not without the previous written consent of the Commissioner assign, transfer, mortgage, charge, lease, grant option to lease, part with possession or otherwise dispose of the whole or any part of its Undertaking falling within the following description:-
- (a) land, buildings and buses, or
- (b) any other part of the Undertaking (except for plant, machinery,

equipment, furniture, fixtures, fittings, motor vehicles (other than buses), stores or spares being disposed of with a view to replacement in the ordinary course of business), the disposal of which would result in an increase in the cost of the Bus Service

nor shall the Grantee without the previous written consent of the Commissioner cause or permit the forfeiture, surrender, loss, destruction or dissipation of its right, title or interest in the whole or any part of its Undertaking referred to in Clauses 23(3)(a) and (b) above. The Grantee shall observe and perform all the terms, conditions, covenants and provisions contained in any deed, agreement and other instrument under which the Grantee acquired the right, title or interest in the whole or any part of its Undertaking.

PROVIDED that:–

- (i) consent to any disposition of landed property may be withheld if the consequence of the disposition would be to increase the cost to the Grantee of acquiring, using, holding or maintaining the premises referred to in section 19 of the Ordinance; and
 - (ii) consent required under this Clause shall not be unreasonably withheld or delayed.
- (4) Without prejudice to the Ordinance and other provisions of this Franchise, the Grantee shall not develop or cause or permit the development of any land or buildings forming part of its Undertaking or enter into any agreement to do so without the previous written consent of the Financial Secretary (which, subject to Clause 23(5), shall not be unreasonably withheld or delayed).
- (5) Notwithstanding any other provisions herein, consent to any disposition or development of any land or building under Clause 23(3) and (4) may be withheld by the Commissioner or the Financial Secretary if the consequence of the disposition or development of such land or buildings would be to increase the cost to the Grantee of acquiring, using, holding or maintaining the premises referred to in section 19 of the Ordinance.
24. The Grantee shall not without the previous consent in writing of the Commissioner invest in or dispose of any securities, such consent shall not be unreasonably withheld or delayed. Investment in securities
25. (1) (a) The Grantee shall, at such times as the Commissioner may direct in writing, cause the Funds to be examined by an Appointed Actuary for the purpose of assessing possible under-provisioning or over-provisioning of the Funds. Contingency Fund and Pension Fund
- (b) The Grantee shall provide such information and give access to such of its business and financial records as the Appointed

Actuary may reasonably require.

- (c) Any finding by the Appointed Actuary as to any under-provisioning or over-provisioning of the Funds shall be accepted as final and conclusive by the Grantee in the absence of manifest error.
 - (d) The Grantee shall, subject to the prior approval in writing of the Commissioner, write back such amount which is certified in an actuarial report prepared by the Appointed Actuary for the purpose of Clause 25(1)(a) to be over-provided in the Funds to the statement of profit or loss kept by the Grantee in respect of the Bus Service.
- (2) The Grantee shall provide such information as the Commissioner may require in writing in respect of the Funds and their use within one month from the date of such request in writing by the Commissioner or within such other period as the Commissioner may reasonably require.
- (3) (a) The balance of the Contingency Fund shall represent liabilities in the accounts of the Grantee and shall not contribute towards its distributable profit or accrue to the benefit of shareholders of the Grantee.
- (b) Notwithstanding the expiry of this Franchise and any other terms or provisions herein, the balance of the Contingency Fund shall remain a liability in the accounts of the Grantee and shall not contribute towards its distributable profit or accrue to the benefit of shareholders of the Grantee and the balance of the Contingency Fund as at the expiry of this Franchise, howsoever determined, shall be deposited with an authorised institution, other than a deposit-taking company, within the meaning of the Banking Ordinance (Cap. 155) as approved or directed from time to time by the Commissioner.
- (c) The Commissioner may within six months prior to the expiry of this Franchise or within three months thereafter appoint a trustee or a custodian to hold the Contingency Fund after the said expiry of this Franchise and may require the title to the Contingency Fund to be vested in the said trustee or custodian for a period of ten years from the date of expiry of this Franchise (“the ten-year period”). In such event, the said trustee or custodian shall:—
- (i) hold the Contingency Fund in accordance with the terms and conditions as may be determined or approved by the Commissioner;
 - (ii) apply the balance of the Contingency Fund to meet third

party claims against the Grantee in accordance with the terms and conditions as may be determined or approved by the Commissioner; and

(iii) distribute the remaining balance in the Contingency Fund (if any) at the expiry of the ten-year period to the shareholders of the Grantee whose names appear on the register of shareholders of the Grantee on the date when the Contingency Fund is vested in the said trustee or custodian.

(d) For the avoidance of doubt, this Clause, in so far as it relates to the Contingency Fund, shall survive the expiry of this Franchise until the date falling ten years thereafter.

(4) The Grantee shall procure in such manner as it may be advised by the Appointed Actuary that the Pension Fund is held by an independent trustee under a retirement scheme registered under the Occupational Retirement Schemes Ordinance (Cap. 426) and, where applicable, the Mandatory Provident Fund Schemes Ordinance (Cap. 485).

26. (1) By virtue of section 13 of the Ordinance, the Chief Executive in Council may review the scale of fares to be charged for the Bus Service and may determine and adjust such scale of fares upward or downward at any time and from time to time during the Franchise Period as he deems fit. Revenue and expenditure
- (2) Without derogation from the provisions of section 13 of the Ordinance and the powers conferred on the Chief Executive in Council thereunder, in making recommendations to the Chief Executive in Council for him to determine the scale of bus fares under the provisions of section 13 of the Ordinance, the Commissioner may have regard, inter alia, to:—
- (a) changes in Gross Revenue and Service-Related Expenditure since the last fare adjustment;
 - (b) forecasts of future Gross Revenue, Service-Related Expenditure, and return on average net fixed assets which takes into account net profit or loss and borrowing costs after tax attributable to the Bus Service;
 - (c) the need to provide the Grantee with a reasonable rate of return;
 - (d) public acceptability and affordability;
 - (e) the quality and level of the public bus service provided by the Grantee; and

- (f) changes in price of cost elements and improvement in productivity of the franchised bus industry.
- (3) In applying for an upward or downward adjustment to the fares applicable to its Bus Service, the Grantee shall take into account, inter alia, the factors specified in Clause 26(2)(a) to (f).

PART IV

MISCELLANEOUS

27. (1) When acquiring new buses and setting specifications for such acquisition, the Grantee shall, as far as reasonably practicable:— Environmentally friendly buses
- (a) adopt the latest commercially available and proven technologies to reduce noise emissions; and
 - (b) acquire the most environmentally friendly buses in terms of vehicle exhaust emission (with the ultimate objective of acquiring zero emission buses), that are technologically proven and commercially available
- taking into account feasibility in terms of operational and passenger service requirements and affordability for the Grantee and passengers.
- (2) The Grantee shall adopt, at such times and in such manner, such commercially available and proven technologies and products on its buses as the Commissioner may reasonably specify after consultation with the Grantee for the purpose of reducing exhaust and noise emissions in the operation of the Bus Service.
28. (1) The Grantee shall comply with all the provisions, stipulations and requirements set out in a Forward Planning Programme for the time being in force. Forward Planning Programme
- (2) If the Grantee fails to comply with any of the provisions, stipulations and requirements contained in a Forward Planning Programme, the Grantee shall, within such time as may be specified by the Commissioner, submit a report to the Commissioner with full details and the reasons for such failure.
29. (1) The Grantee shall: Operational records and information to be supplied to Commissioner
- (a) provide to the Commissioner the information relating to and records kept by the Grantee in respect of the Bus Service in accordance with Schedule II; and

- (b) provide and maintain at such times and in such manner as may be reasonably specified by the Commissioner, including without limitation electronic means to enable the Commissioner to at all times access and directly retrieve the information and records referred to under Clause 29(1)(a).
- (2) The Grantee shall without delay provide in writing to the Commissioner such information as he may from time to time reasonably require for the purpose of assessing the financial position of the Grantee, including without limitation:–
- Financial information to be supplied to the Commissioner
- (a) accounting system manual and costing system manual used by the Grantee for the preparation of accounts for the Bus Service; and
- (b) procurement policies, procurement procedures and practice manual of goods and services relating to the Bus Service including but not limited to fuel, buses, spare parts, tyres and tubes, plant and machinery, repair and maintenance and cleaning services;
- (3) The Grantee shall provide in writing to the Commissioner with financial information for the purpose of assessing the financial position of the Grantee, including without limitation:–
- (a) annual audited financial statements prepared and certified by a Qualified Auditor within four months after the close of each accounting year;
- (b) monthly management accounts (including statement of profit or loss, statement of financial position and statement of cash flows) in such form and manner as the Commissioner may specify within two months from the ending date of the period concerned or such longer period as the Commissioner may specify; and
- (c) monthly report on the fuel price, fuel cost, fuel consumption, hedging contracts on fuel, in such form and manner as the Commissioner may specify, within two months from the ending date of the period concerned.
- (4) (a) Subject to the provisions of the Ordinance, this Franchise and the accounting policies approved by the Commissioner under Clause 29(4)(b), the Grantee shall prepare and keep its accounts related to the Bus Service in accordance with the prevailing accounting standards and principles generally accepted in Hong Kong.
- (b) The Grantee shall, not later than three months before the end of

each accounting year, submit for the approval of the Commissioner the accounting policies governing the accounts of the Grantee which are related to the Bus Service in the form and manner as the Commissioner may specify. Such approval shall not be unreasonably withheld or delayed. The Grantee shall comply with such accounting policies as approved by the Commissioner for keeping and preparing its accounts relating to the Bus Service. The Grantee shall not make any change to the accounting policies approved by the Commissioner hereunder without the prior written approval of the Commissioner. Such accounting policies are subject to the provisions of the Ordinance and this Franchise, and unless agreed otherwise between the Grantee and the Commissioner, shall be in accordance with the prevailing accounting standards and principles generally accepted in Hong Kong.

- (5) Without prejudice to the generality of Clause 29(4), the Commissioner may give direction as to the criteria for apportionment of the Grantee's general administration costs between the Bus Service and the Grantee's other businesses.
- (6) The Grantee shall ensure that contracts that are material to the Bus Service shall be put out for Open Tendering as far as practicable. Where it is not practicable for Open Tendering, prior approval for not pursuing Open Tendering shall be sought from the Grantee's board of directors. The Grantee is also required to specify in any internal paper on procurement of services or goods or both whether or not the tenderers or suppliers and the Grantee are Related Parties.
- (7) The Grantee shall obtain approval from the Grantee's board of directors before awarding any contract that is material to the Bus Service to a Related Party of the Grantee save and except where such award is effected as a result of an Open Tendering process participated by any third party which is not a Related Party. In seeking the board of directors' approval to award a contract to a Related Party of the Grantee without going through an Open Tendering process, the Grantee shall, in so far as practicable, provide relevant information to satisfy its board with supporting evidence that the terms and conditions of the proposed contract are no less favourable to the Grantee than those in a contract which might otherwise be entered into with a third party which is not a Related Party of the Grantee.
- (8) The Grantee shall procure and provide to the Commissioner financial information on all transactions which are related to the Bus Service made between the Grantee and any Related Party of the Grantee on an annual basis within five months after the close of each accounting year or as the Commissioner may from time to time require.

30. (1) The Grantee shall keep separate accounts for the Bus Service and its other businesses. The accounts of the Grantee which are related to the Bus Service shall be audited annually by a Qualified Auditor and published for the information of the public, in such form and manner as the Commissioner may from time to time require, within five months after the close of each accounting year. Publication of accounts and operational information
- (2) The Grantee shall publish for the information of the public such records kept by the Grantee which are related to the Bus Service, in such form and manner as the Commissioner may from time to time require after consultation with the Grantee within five months after the close of each accounting year.
31. Without prejudice to any other provisions of this Franchise, all financial statements, management accounts and other accounts of the Grantee, whether or not such financial statements, management accounts or other accounts are related to or connected with the Bus Service:– Content and Form of Account
- (a) shall give a true and fair view of the state of the Grantee's affairs and explain its transactions;
- (b) shall be kept at the registered office of the Grantee in Hong Kong and shall at all times be open to inspection by the Grantee's directors; and
- (c) shall consist of the Grantee's statement of financial position and statement of profit or loss, which, save with the prior consent in writing of the Commissioner, comply with the applicable requirements of Schedule 4 of the Companies Ordinance (Cap. 622) and Clause 29(3).
32. This Franchise shall be governed by, and construed in accordance with, Hong Kong law and the Grantee shall submit to the exclusive jurisdiction of the courts of Hong Kong. Governing law and jurisdiction
33. (1) Any notice in writing or other document to be given to the Grantee by the Chief Executive in Council, the Financial Secretary, the Secretary for Transport and Logistics, the Government or the Commissioner under or in relation to this Franchise may be given under the hand of any duly authorised officer of Government and may be served by sending the same in a letter addressed to the registered office of the Grantee. Notices
- (2) Any notice in writing or other document to be given to the Chief Executive in Council, the Financial Secretary, the Secretary for Transport and Logistics, the Government or the Commissioner by the Grantee under or in relation to this Franchise may be served by sending the same in a letter to the Commissioner.
34. All meetings of the board of directors of the Grantee shall be held in Board meetings

- Hong Kong unless all the directors of the Grantee unanimously agree to have a meeting elsewhere. in Hong Kong
35. (1) Without derogation from any provisions of the Ordinance, this Franchise will be subject to review at any time and from time to time by the Commissioner during the Franchise Period starting from and including 1 May 2027. For this purpose, the Grantee shall comply without delay with all reasonable requests by the Commissioner and afford such assistance and co-operation in all respects to facilitate the conduct of the review as the Commissioner may reasonably require. Mid-term review
- (2) Without prejudice to the generality of Clause 35(1) and any other provisions of this Franchise, the Grantee shall, for the purpose of this Clause:–
- (a) upon request by the Commissioner, provide without delay to the Commissioner such information as may be reasonably required; and
- (b) appoint a person with such qualification or experience as the Commissioner may from time to time require to examine such aspects of the Bus Service as he may reasonably direct.
- (3) During the period of such review, the Commissioner may consult with and receive written submissions or recommendations from such persons as he sees fit.
36. The Grantee shall publish its code on corporate social responsibility within six months from the Commencement Date and, annually thereafter:- Corporate social responsibility
- (a) publish the achievement of individual items contained therein; and
- (b) review and update its content for the purpose of continuous improvement.
37. The Grantee shall, throughout the Franchise Period, submit to the Commissioner annually a report prepared by a Qualified Auditor or a Certification Body certifying that the Grantee has put in place internal control systems and procedures which are adequate to enable, as far as practicable, the Grantee to measure and record, in all material respects, its operation statistics and other information to ensure that such statistics and other information which may be required by the Commissioner under the Ordinance or this Franchise are accurate in all material respects and if the Qualified Auditor or Certification Body forms the view that those control systems and procedures are not adequate, the nature and extend of such inadequacies. System audit

Dated this day of July 2022

COUNCIL CHAMBER

Clerk to the Executive Council

Schedule I
 Clause 23(1)
Grantee's Undertaking
 (As at 1 May 2023)

1. *Buses*

(A) Requirement

	<i>Operating Requirement</i>	<i>Number of Buses Required in Fleet</i>
(i) For operating the Bus Service	199	
(ii) Total requirement for operating the Bus Service based on 92% availability		217

(B) The requirement of buses in paragraph 1(A) above will be represented by –

<i>Bus Fleet</i>	<i>Number</i>	<i>Average Age (Yr.)</i>	<i>Estimated Net Book Value (HK\$'000)</i>	<i>Nature of Interest</i>
(i) Double-Deck – diesel	217	6.41	362,087	Wholly owned
Total fleet	217	6.41	362,087	

2. *Land and Buildings*

	<i>Approx. Site Area (m²)</i>	<i>Estimated Net Book Value (HK\$'000)</i>	<i>Nature of Interest</i>
(A) Depot			
Bus depot at Siu Ho Wan, North Lantau	8,800	24,293	Short term tenancy commencing on 15 May 1997 up to 31 May 2003 and thereafter quarterly.
(B) Bus Servicing/Parking Area			
A bus servicing area at Area 26, Tung Chung, Lantau Island	6,373	5,986	Short term tenancy commencing on 1 March 2002 up to 31 May 2003

	<i>Approx. Site Area (m²)</i>	<i>Estimated Net Book Value (HK\$'000)</i>	<i>Nature of Interest</i>
Total		<u>30,279</u>	and thereafter quarterly [Note].

Note: If the Government shall terminate this tenancy, the Grantee's obligation under Clause 23(1) to maintain its undertaking shall be satisfied by requesting and, if offered, accepting from the Government a tenancy of a comparable site or sites at comparable rates per square metre.

3. *Other Fixed Assets*

	<i>Estimated Net Book Value (HK\$'000)</i>	<i>Nature of Interest</i>
(A) Bus Assembly Assets	3,436	Wholly owned
(B) Motor Vehicles, other than buses	431	Wholly owned
(C) Computer Equipment	4,860	Wholly owned
(D) Furniture, Fixtures and Office Equipment	326	Wholly owned
(E) Machinery and Other Equipment	15,650	Wholly owned
(F) Construction in Progress	0	Wholly owned

4. *Others*

	<i>Estimated Value (HK\$'000)</i>	<i>Nature of Interest</i>
Inventories	3,120	Wholly owned

SCHEDULE II

Information and Records Relating to the Bus Service to be Kept and Provided by the Grantee under Clause 29(1) including all of the following:

Item Records and Information

- (a) the number of passengers carried on every day on each specified route.
- (b) the number of passengers boarding and alighting at bus stops and the occupancy of buses when leaving each of the stops at hourly interval on each specified route as collected by surveys or any other means as the Commissioner may specify after consultation with the Grantee. For the purpose of this Clause, the Grantee shall collect such information at least once in each year on a weekday, other than a public holiday or a day on which the storm signal Number 8 (or higher) or a black rainstorm warning is issued or extreme conditions after a super typhoon are announced by the Government.
- (c) the number of passengers and the occupancy of buses when leaving such stops at half-hourly interval on any of the specified routes as the Commissioner may specify.
- (d) the number of buses in use on each specified route on every day and the carrying capacity of each of such buses for the purpose of or in connection with this Franchise.
- (e) the journey time for journeys between terminal points on each specified route as reflected from the survey hereinafter mentioned. For the purpose of this Clause, the Grantee shall conduct surveys at such times and in such manner as the Commissioner may specify.
- (f)
 - (i) the scheduled and actual departure time of each journey on every day on each specified route, where the scheduled departure time refers to the time when the journey departs from the terminus in accordance with the Schedule of Service of each specified route; and
 - (ii) the actual departure time of adjusted journey departs from the designated stop.
- (g) the number of scheduled journeys, actual journeys and additional journeys operated by the Grantee on every day on each specified route in each of the periods of a day specified by the Commissioner, where the number of scheduled journeys refers to the number of journeys that shall be operated by the Grantee in accordance with the Schedule of Service of each specified route.
- (h) the number of scheduled journeys that the Grantee fails to operate on every day on each specified route due to vehicle breakdown, vehicle shortage, driver shortage, traffic congestion, accidents, inclement weather, public events, redeployment of buses and others, or any other categorisation of reasons as specified by the Commissioner.
- (i) the carrying capacity and technical specifications of buses kept by the Grantee for the purpose of or in connection with this Franchise in each calendar month.
- (j) the number of buses of each bus type and other vehicles used and the number of buses ordered by the Grantee for the purpose of or in connection with this Franchise in each calendar month.

- (k) the number of journeys and total kilometres travelled with breakdowns of revenue-generated kilometres and non-revenue-generated kilometres on each specified route on every day.
- (l) the number of bus driver duties scheduled to operate all specified routes in accordance with the Schedule of Service on a day required by the Commissioner and the percentage of bus drivers, selected on the sample size as specified by the Commissioner, in compliance with the guidelines on arrangements in relation to working hour and rest time of bus drivers issued by the Commissioner after consultation with the Grantee.
- (m) the number of bus drivers at the end of each calendar month required and available to operate all specified routes in accordance with the Schedule of Service; and the surplus or shortage of bus drivers.
- (n) the total number of bus drivers resigned, retired, separated with other reasons, newly recruited and re-employed in each calendar month.
- (o) the daily receipts from the passengers carried on every day on each specified route.
- (p) the maintenance schedule of the buses.
- (q) the maintenance schedule of other vehicles and inventory of stores.
- (r) all such data, records and measurements to show safety performance of franchised buses as stated in the Safety Performance Indicators For Franchised Buses issued by the Commissioner or in such form and manner as may be from time to time required by the Commissioner.
- (s) all such data and records in relation to accidents or safety-related incidents in such form and manner as from time to time required by the Commissioner.
- (t) the data, records and information relating to the interchanging patterns of bus passengers at specified sections of bus journeys of the specified routes of the Grantee's Bus Service during specified periods of time as may be prescribed by the Commissioner from time to time.

城巴(合併專營權)的車費等級表

行政長官會同行政會議可根據條例第 13(1)(a)條釐定車費等級表，該等車費為在任何指明路線或任何一組指明路線運載乘客、行李及貨品可收取的車費。城巴(合併專營權)的車費等級表如下-

路線組別		巴士路線總路程 不超過下列里數 (公里)	車費等級表 註 1 及 2 (\\$)
空調服務			
I.	香港島		
	(a) 市區	4	4.5
		6	5.5
		8	6.3
		10	7.8
		13	8.2
		18	12.9
		22	16.3
	(b) 半山區	27	19.5
		5	6.3
		8	7.0
		11	8.2
		15	11.5
	(c) 旅遊、通宵及 特別服務	20	13.6
		8	10.5
		16	14.2
		21	19.1
27		23.0	
II.	九龍市區及新界		
	(a) 常規服務	35	27.8
		3	4.5
		5	6.4
		9	8.9
		12	10.3
		15	11.3
		18	12.5
25	13.9		

路線組別		巴士路線總路程 不超過下列里數 (公里)	車費等級表 註 1 及 2 ($\text{\$}$)
		35	16.9
		47	20.6
		65	22.5
	(b) 旅遊、通宵及 特別服務	3	5.4
		5	7.7
		9	10.6
		12	12.2
		15	15.2
		18	17.3
		25	20.0
		35	25.7
		47	28.6
		65	32.1
III.	過海		
(a) 常規服務	18	15.8	
	25	18.8	
	35	22.3	
	47	25.2	
	65	26.1	
	85	31.2	
(b) 旅遊、通宵及 特別服務	30	41.5	
	35	43.5	
	47	49.3	
	65	50.9	
(c) 沙田馬場 ^{註 3}	30	45.4	
	35	47.5	
IV.	邊境服務 ^{註 3}		
(a) 九龍市區 及新界	30	98.8	
	50	123.5	
	70	172.9	
(b) 過海	100	222.3	

註：

- (1) 代表最高收費額。
- (2) 某些路線來回方向的路程可能長短不同，來回程各自的車費上限也可能不同。如有這情況，我們會為這些路線的來回程

分別訂定相同的車費等級，相等於來回程各自路程的車費等級總和的一半，以免令乘客混淆。

(3) 現時沒有巴士路線屬於這些路線組別。

2. 就行李及貨品的收費方面，按照新巴及城巴(專營權一)現行車費等級表的安排，不論乘搭任何路線，每名乘客均可免費攜帶一件或多於一件包裹，惟其總重量不得超過 5 公斤，而其總體積則不得超過 0.1 立方米，並且必須為可以安全及方便攜帶者。

3. 同時，以下的原有安排已不合時宜，故不適用於新車費等級表。

(a) 直徑不超過 60 毫米及長度不超過 1.5 米的竹或木擔挑不另收費，但只限一條；以及

(b) 乘客不得攜帶重量超過 5 公斤的鮮魚或乾魚。

4. 此外，條例第 13(3)條規定，凡某些情況使到公共巴士服務須以較為頻密的班次、在指明的期間以外，或以某非指明載運量或某種類的巴士經營，運輸署署長可准許該專營公司在如此經營服務期間收取增加後的車費。署長可准許的最高增加率由行政長官會同行政會議根據第 13(1)(b)條釐定。按照新巴及城巴(專營權一)現行車費等級表的安排，最高增加率訂為上文第 1 段所列明的車費等級表的 50%。

* * *

龍運、城巴(專營權二)、新巴及城巴(專營權一) 的表現評估摘要

為評估專營公司的服務是否適當而有效率，運輸署一直透過乘客滿意程度調查、實地調查、車輛檢驗，以及審閱專營公司定期提交的資料和公眾的意見等，定期檢視其服務表現。龍運、城巴(專營權二)、新巴及城巴(專營權一)的表現評估摘要載於下文。

(A) 服務表現和營運效率

龍運

2. 截至 2021 年年底，龍運營運 39 條巴士路線，每日平均載客量由 2013 年(即其現有專營權開始的年份)約 90 900 人次增加至 2019 年(即 2019 冠狀病毒病疫情前)約 125 500 人次，增幅約 38%。乘客需求有所增加，主要是由於機場島持續發展、龍運在新界區(包括東涌)服務範圍的人口增長及港珠澳大橋香港口岸在 2018 年投入運作。因應乘客量上升，龍運的巴士車隊在同期由 172 輛增至 279 輛，增幅約為 62%。在 2020 及 2021 年，龍運的每日平均載客量分別減少至 76 900 及 79 200 人次，其 2021 年年底的巴士數目為 257 輛。期間受疫情及相關社交距離及邊境管制措施影響，服務需求驟降，因此並不反映正常情況。

3. 根據條例，專營公司須每年提交其五年期的遠期計劃，當中包括改善和重組服務的建議，以及購置和更換車輛的計劃。自 2013 年以來，龍運已落實 113 項服務改善項目¹和 18 項服務重組項目²，以提升其服務及網絡效率。根據其遠期計劃(涵蓋 2022 至 2026 年)，龍運擬購置合共 71 輛巴士(佔截至 2021 年年底旗下巴士車隊約 28%)，以更新車隊及進一步改善服務。

¹ 服務改善項目主要包括增設新路線、增加班次和延長服務時間。

² 服務重組項目主要包括取消路線、減少班次、縮短路線和重訂路線。

4. 在 2013 至 2019 年期間，龍運的每年平均脫班率³為 1.2%。因應乘客量突然大幅下降(在疫情初期尤甚)，龍運調整其服務，脫班率在 2020 年上半年大幅上升至 8.2%，在非繁忙時間的脫班率普遍較高。運輸署隨即要求龍運作出糾正，其脫班率在 2020 年下半年逐漸改善至 1.0%。在 2021 年，脫班率為 1.4%。

5. 在 2013 至 2021 年期間，交諮會轄下的交通投訴組就龍運接獲的投訴，平均每年按每百萬乘客人次計為 7.12 宗，較同期行業整體平均 5.27 宗為高。在同一期間，按每百萬行車公里計，龍運平均每年有 1.25 架次巴士涉及意外，較同期行業整體平均 3.19 架次為低。

城巴(專營權二)

6. 截至 2021 年年底，城巴(專營權二)營運 30 條巴士路線，每日平均載客量由 2013 年(即其現有專營權開始的年份)約 71 100 人次增加至 2019 年(即疫情前)約 105 200 人次，增幅約 48%。乘客需求有所增加，主要是由於往來機場(自 2015 年起開辦了十條新的機場巴士路線)及東涌的乘客需求持續上升，以及港珠澳大橋香港口岸在 2018 年投入運作。因應乘客量上升，城巴(專營權二)的巴士車隊在同期由 175 輛增至 241 輛，增幅約 38%。在 2020 及 2021 年，城巴(專營權二)的每日平均載客量分別減少至約 56 800 及 55 300 人次，其 2021 年年底的巴士數目為 188 輛。期間受疫情及相關社交距離及邊境管制措施影響，服務需求驟降，因此並不反映正常情況。

7. 自 2013 年以來，城巴(專營權二)已落實 57 項服務改善項目和 22 項服務重組項目，以提升其服務及網絡效率。根據其遠期計劃(涵蓋 2022 至 2026 年)，城巴(專營權二)擬購置合共 40 輛巴士(佔截至 2021 年年底旗下巴士車隊約 21%)，主要用作進一步改善服務和發展新路線。

8. 在 2013 至 2019 年期間，城巴(專營權二)的每年平均脫班率為 1.2%。因應乘客量突然大幅下降(在疫情初期尤甚)，城巴(專營權二)調整其服務，脫班率在 2020 年上半年上升至 2.2%，在非繁忙時間的脫班率普遍較高。運輸署隨即要求城巴(專營權二)作

³ 即未能按照運輸署所同意的時間表提供的班次佔總班次的比率。

出糾正，其脫班率在 2020 年下半年逐漸改善至 1.9%，並在 2021 年進一步改善為 0.6%。

9. 在 2013 至 2021 年期間，交通投訴組就城巴(專營權二)接獲的投訴，平均每年按每百萬乘客人次計為 7.40 宗，較同期行業整體平均 5.27 宗為高。在同一期間，按每百萬行車公里計，城巴(專營權二)平均每年有 1.86 架次巴士涉及意外，較同期行業整體平均 3.19 架次為低。

新巴

10. 截至 2021 年年底，新巴營運 94 條巴士路線。隨着西港島線及南港島線(東段)相繼於 2014 年及 2016 年開通，新巴的每日平均載客量由 2013 年(即其現有專營權開始的年份)約 499 000 人次減少至 2019 年約 458 000 人次，減幅約 8.2%。因應乘客量減少，新巴的巴士車隊在同期由 715 輛減少至 685 輛，減幅約 4%。在 2020 及 2021 年，新巴的每日平均載客量分別減少至約 347 800 及 401 500 人次，其 2021 年年底的巴士數目為 688 輛。期間受疫情及相應的社交距離及邊境管制措施影響，服務需求驟降，因此並不反映正常情況。

11. 自 2013 年以來，新巴已落實 114 項服務改善項目和 191 項服務重組項目，以提升其服務及網絡效率。根據其遠期計劃(涵蓋 2022 至 2026 年)，新巴擬購置合共 29 輛新巴士(佔截至 2021 年底旗下巴士車隊約 4%)，以更換其舊巴士及進一步改善服務。

12. 在 2013 至 2019 年期間，新巴的每年平均脫班率為 2.5%。因應乘客量突然大幅下降(在疫情初期尤甚)，新巴調整其服務，脫班率在 2020 年上半年大幅上升至 11%，在非繁忙時間和深夜的脫班率普遍較高。運輸署隨即要求新巴作出糾正，其脫班率在 2020 年下半年逐漸改善至 2.3%。在 2021 年，脫班率為 2.9%。

13. 在 2013 至 2021 年期間，交通投訴組就新巴接獲的投訴，平均每年按每百萬乘客人次計為 4.93 宗，較同期行業整體平均 5.27 宗為低。在同一期間，按每百萬行車公里計，新巴平均每年有 6.00 架次巴士涉及意外，較同期行業整體平均 3.19 架次為高。新巴每百萬行車公里每年涉及意外的巴士數目相對較高，是由於其大部份巴士路線在市區行走，路面一般較為擠塞及較容易發生意外。

城巴(專營權一)

14. 截至 2021 年年底，城巴(專營權一)營運 96 條巴士路線。城巴(專營權一)的每日平均載客量由 2016 年(即其現有專營權開始的年份)約 540 100 人次減少至 2019 年約 506 100 人次，減幅約 6.3%。因應乘客量減少，城巴(專營權一)的巴士車隊在同期由 767 輛減少至 751 輛，減幅約 2%。在 2020 及 2021 年，城巴(專營權一)的每日平均載客量分別減少至約 369 500 及 421 400 人次，其 2021 年年底的巴士數目為 771 輛。期間受疫情及相應的社交距離及邊境管制措施影響，服務需求驟降，因此並不反映正常情況。

15. 自 2016 年以來，城巴(專營權一)已落實 86 項服務改善項目和 132 項服務重組項目，以提升其服務及網絡效率。根據其遠期計劃(涵蓋 2022 至 2026 年)，城巴(專營權一)擬購置合共 173 輛新巴士(佔截至 2021 年底旗下巴士車隊約 22%)，以更換其舊巴士及進一步改善服務。

16. 在 2016 至 2019 年期間，城巴(專營權一)的每年平均脫班率為 2.0%。因應乘客量突然大幅下降(在疫情初期尤甚)，城巴(專營權一)調整其服務，脫班率在 2020 年上半年大幅上升至 7.3%，在非繁忙時間和深夜的脫班率普遍較高。運輸署隨即要求城巴(專營權一)作出糾正，其脫班率在 2020 年下半年逐漸改善至 1.5%。在 2021 年，城巴(專營權一)的脫班率為 1.5%。

17. 在 2016 至 2021 年期間，交通投訴組就城巴(專營權一)接獲的投訴，平均每年按每百萬乘客人次計為 4.09 宗，較同期行業整體平均 5.62 宗為低。在同一期間，按每百萬行車公里計，城巴(專營權一)平均每年有 4.44 架次巴士涉及意外，較同期行業整體平均 3.12 架次為高。城巴(專營權一)每百萬行車公里每年涉及意外的巴士數目相對較高，是由於其大部份巴士路線在市區行走，路面一般較為擠塞及較容易發生意外。

(B) 提升安全和服務的措施

18. 龍運、城巴(專營權二)、新巴及城巴(專營權一)在現行專營期內採取多項措施，以進一步加強安全，例如-

- (a) 就巴士安全設立新的組織架構：自 2019 年起，龍運、城巴及新巴各自委聘安全總監，負責監督專營巴士安全事宜、與獲認受海外司法管轄區內的巴士營辦商加強溝通，以及落實安全措施；
- (b) 安裝車內安全裝置：為進一步提升專營巴士安全，由 2018 年 7 月起，龍運、城巴(專營權二)、新巴及城巴(專營權一)訂購的新雙層巴士均會在所有乘客座椅配備安全帶，並裝設可加強車輛穩定性和減低翻側風險的電子穩定控制系統，以及車速限制減速器(即具有減速功能的車速限制器)。其中，龍運在 2019 年購置了 146 輛新巴士，車內所有乘客座椅均已安裝安全帶和配備其他安全裝置的新巴士，並取代相同數目的現役巴士，以期加快在行走快速公路的長途路線巴士上的乘客座椅配備安全帶。此外，由 2020 年第三季起，龍運、城巴(專營權二)、新巴及城巴(專營權一)開始為合適的現役巴士加裝上述裝置，目標是在三年內(由 2020 年第三季起計)，龍運、城巴(專營權二)、新巴及城巴(專營權一)分別為 116、132、276 及 165 輛現役雙層巴士的上層乘客座位完成加裝安全帶，以及在四年內(由 2020 年第三季起計)，龍運、城巴(專營權二)、新巴及城巴(專營權一)分別為 116、216、486 及 425 輛現役雙層巴士完成安裝電子穩定控制系統和車速限制減速器。除此以外，龍運及城巴(專營權二)已在所有行走機場或北大嶼山路線的巴士上安裝先進駕駛輔助系統，包括防止碰撞和保持行車線警報系統，以及司機監察系統；
- (c) 進行路線風險評估：龍運、城巴(專營權二)、新巴及城巴(專營權一)已在 2020 年完成所有巴士路線的路線風險評估，包括評估實際路面情況及環境、其他道路使用者的活動等，並因應個別巴士路線的獨特駕駛情況向巴士車長提供適切及足夠的駕駛提點及指示，目的是確保車長能為乘客提供安全的巴士服務，不會對其他道路使用者造成危險；
- (d) 安全表現管理：由 2020 年起，龍運、城巴(專營權二)、新巴及城巴(專營權一)因應運輸署的要求，按照一套共有 19 個項目的新安全表現指標編製有關數據，用以監察專

營公司的安全表現。此外，龍運、城巴(專營權二)、新巴及城巴(專營權一)自 2020 年起已就發出車長超速駕駛及突然減速實時警報和特別報告的準則，採用更嚴格的劃一臨界值，以便更好地監察巴士車長的駕駛表現；以及

- (e) 改善工作情況及環境：龍運、城巴(專營權二)、新巴及城巴(專營權一)已全面實施運輸署在 2018 年 2 月公布最新的《巴士車長工作、休息及用膳時間指引》，包括減少工作及駕車時間和增加休息時間，以改善巴士車長的工作情況。此外，巴士車長的休息設施亦有所提升，以提供更佳的工作環境。舉例而言，龍運在博康巴士總站、城巴(專營權二)在港珠澳大橋香港口岸、新巴在柴灣車廠及城巴(專營權一)在屯門(置樂花園)巴士總站已分別提供新的休息設施。

19. 為進一步提高服務水平，龍運、城巴(專營權二)、新巴及城巴(專營權一)在現行專營期內採取多項措施，持續改善服務質素，例如 -

- (a) 透過手機應用程式及網站為旗下所有常規路線提供下一班巴士的預計到站時間資訊；
- (b) 透過手機應用程式及網站向乘客提供有關巴士服務受影響的即時資訊；
- (c) 在車廂內提供顯示屏，顯示巴士行走路線、下一站資訊及乘客安全資訊⁴；
- (d) 龍運、城巴(專營權二)、新巴及城巴(專營權一)分別在 106、100、87 及 193 輛巴士上提供免費的 Wi-Fi 上網服務⁵，並分別在 224、43、七及 103 輛巴士加裝 USB 充電插頭⁶；

⁴ 正在試行的四輛龍運電動巴士除外。

⁵ 分別佔龍運、城巴(專營權二)、新巴及城巴(專營權一)約 41.2%、53.2%、12.6% 及 25.0% 的巴士。

⁶ 分別佔龍運、城巴(專營權二)、新巴及城巴(專營權一)約 87.2%、22.9%、1.0% 及 13.4% 的巴士。

- (e) 旗下全線車隊使用可供輪椅上落的低地台巴士(對比 2013 年可供輪椅上落的低地台巴士比例為 79%)，以推廣「無障礙運輸」理念；
- (f) 城巴(專營權二)於 11 條路線(涉及 15 輛巴士)、新巴於八條路線(包括一條醫院路線)(涉及 13 輛巴士)及城巴(專營權一)於 17 條路線(涉及 101 輛巴士)提供雙輪椅停泊位；
- (g) 設立顧客服務處⁷，為乘客提供最佳的個人化服務，例如查詢、八達通增值、售賣車票及紀念品服務等；
- (h) 在政府資助計劃⁸下，龍運、城巴(專營權二)、新巴及城巴(專營權一)分別在 21、31、147 及 200 個有蓋巴士站加裝乘客候車座位；
- (i) 在政府資助計劃⁹下，龍運、城巴(專營權二)、新巴及城巴(專營權一)分別在 12、五、71 及 126 個有蓋及備有電力供應的巴士站加裝預計到站資訊顯示屏；以及
- (j) 龍運、城巴(專營權二)、新巴及城巴(專營權一)已在旗下全線車隊提供支援二維碼支付及非接觸式的電子支付系統。

20. 此外，龍運、城巴(專營權二)、新巴及城巴(專營權一)均提供配以票價優惠的巴士轉乘計劃。截至 2021 年年底，龍運、城巴(專營權二)及新巴分別提供 45、73、144 及 156 項巴士轉乘計劃，該等計劃由其各自提供或與其他公司聯合提供。龍運、城巴(專營權二)、新巴及城巴(專營權一)的所有路線亦有提供小童及長者票價優惠。

⁷ 龍運及城巴(專營權二)分別於機場地面運輸中心營運一間顧客服務處，而新巴在金鐘營運一間顧客服務處。

⁸ 乘客座椅安裝計劃由政府全數資助。

⁹ 顯示屏安裝計劃由政府以配對形式提供資助。

(C) 市民對巴士服務的意見

21. 運輸署及專營巴士營辦商定期進行乘客滿意程度調查，以收集乘客對巴士服務的意見。乘客滿意程度調查的調查結果供運輸署及各營辦商用以監察服務表現、了解乘客的滿意狀況和找出可予改善的範疇。

22. 此外，運輸署分別於 2021 年 3 月至 4 月[就龍運、城巴(專營權二)及新巴]和 2021 年 10 月[就城巴(專營權一)]進行獨立調查，收集乘客對四間專營公司的巴士服務的整體意見。調查結果顯示，分別有 92.4%、94.4%、90.4%及 94.4%的受訪者滿意龍運、城巴(專營權二)、新巴及城巴(專營權一)的整體服務質素。調查結果的摘要載於**附錄 I**。

(D) 財務表現

23. 龍運、城巴(專營權二)、新巴及城巴(專營權一)在現行專營期內的財務表現資料載於**附錄 II**。

乘客巴士服務滿意程度調查結果摘要

龍運

受訪者總數為 500 人，相當於總體回應率為 94.9%。

服務表現	非常滿意 ／滿意	不滿意／ 非常不滿意
整體服務質素	92.4%	7.4%
巴士舒適度	91.4%	8.6%
巴士設施	96.4%	3.2%
乘客資訊	92.2%	6.2%
巴士服務可靠度	82.2%	17.4%
巴士車長駕駛表現	96.0%	3.4%
巴士車長或員工服務態度	97.0%	1.2%
環境保護方面的表現	83.6%	3.8%

註：由於一些受訪者對某些服務方面表示「無意見」，百分比總和未必是 100%。

城巴(專營權二)

受訪者總數為 500 人，相當於總體回應率為 88.7%。

服務表現	非常滿意 ／滿意	不滿意／ 非常不滿意
整體服務質素	94.4%	5.6%
巴士舒適度	96.2%	3.8%
巴士設施	96.6%	3.0%
乘客資訊	88.0%	11.6%
巴士服務可靠度	78.0%	21.8%
巴士車長駕駛表現	94.8%	5.0%
巴士車長或員工服務態度	93.6%	5.2%
環境保護方面的表現	83.2%	4.8%

註：由於一些受訪者對某些服務方面表示「無意見」，百分比總和未必是 100%。

新巴

受訪者總數為 500 人，相當於總體回應率為 68.2%。

服務表現	非常滿意 ／滿意	不滿意／ 非常不滿意
整體服務質素	90.4%	9.2%
巴士舒適度	91.8%	6.8%
巴士設施	94.4%	4.4%
乘客資訊	84.4%	11.4%

服務表現	非常滿意 ／滿意	不滿意／ 非常不滿意
巴士服務可靠度	75.8%	22.6%
巴士車長駕駛表現	89.8%	9.4%
巴士車長或員工服務態度	88.0%	10.8%
環境保護方面的表現	56.8%	11.8%

註：由於一些受訪者對某些服務方面表示「無意見」，百分比總和未必是 100%。

城巴(專營權一)

受訪者總數為 502 人，相當於總體回應率為 66.9%。

服務表現	非常滿意 ／滿意	不滿意／ 非常不滿意
整體服務質素	94.4%	5.6%
巴士舒適度	94.0%	6.0%
巴士設施	94.2%	4.2%
乘客資訊	88.0%	9.0%
巴士服務可靠度	84.1%	15.7%
巴士車長駕駛表現	91.6%	6.4%
巴士車長或員工服務態度	91.0%	8.0%
環境保護方面的表現	60.4%	10.4%

註：由於一些受訪者對某些服務方面表示「無意見」，百分比總和未必是 100%。

龍運、城巴(專營權二)、新巴及城巴(專營權一)
在現行專營期內的財務表現

龍運

(龍運的財政年度於每年的 12 月 31 日結束)

財政年度	每日平均 載客量 (乘客人數)	總收入 (百萬元)	總成本# (百萬元)	稅後盈利/ (虧損)* (百萬元)
2013	90 900	397	358	39
2014	95 400	419	384	35
2015	100 400	447	384	63
2016	101 900	467	441	26
2017	107 100	517	483	34
2018	113 700	565	529	37
2019	125 500	659	599	59
2020	76 900	450	453	(3)
2021	79 200	384	421	(37)

#包括借貸成本和稅項。

*由於四捨五入，數字相加可能不一致。

城巴(專營權二)

(在 2020/21 財政年度以前，城巴(專營權二)的財政年度於每年的 6 月 30 日結束。由於財政年度結束日期隨後從 6 月 30 日改為 12 月 31 日，2020/21 財政年度涵蓋 18 個月的數字，即 2020 年 7 月 1 日至 2021 年 12 月 31 日。)

財政年度	每日平均載 客量 (乘客人數)	總收入 (百萬元)	總成本# (百萬元)	稅後盈利/ (虧損)* (百萬元)
2013/14	73 300	460	390	70
2014/15	75 700	473	397	75
2015/16	79 200	510	398	112
2016/17	82 300	537	406	131
2017/18	87 200	563	460	103
2018/19	103 800	680	568	112
2019/20	81 200	548	542	6

財政年度	每日平均載客量 (乘客人數)	總收入 (百萬元)	總成本# (百萬元)	稅後盈利／ (虧損)* (百萬元)
2020/21	54 300	487	592	(105)

#包括借貸成本和稅項。

*由於四捨五入，數字相加可能不一致。

新巴

(在 2020/21 財政年度以前，新巴的財政年度於每年的 6 月 30 日結束。由於財政年度結束日期隨後從 6 月 30 日改為 12 月 31 日，2020/21 財政年度涵蓋 18 個月的數字，即 2020 年 7 月 1 日至 2021 年 12 月 31 日。)

財政年度	每日平均載客量 (乘客人數)	總收入 (百萬元)	總成本# (百萬元)	稅後盈利／ (虧損)* (百萬元)
2013/14	502 000	1,283	1,163	120
2014/15	465 900	1,166	1,146	20
2015/16	459 500	1,197	1,127	70
2016/17	455 000	1,183	1,106	77
2017/18	449 800	1,146	1,151	(5)
2018/19	462 600	1,232	1,303	(71)
2019/20	398 600	1,300	1,350	(50)
2020/21	384 400	1,920	1,957	(37)

#包括借貸成本和稅項。

*由於四捨五入，數字相加可能不一致。

城巴(專營權一)

(在 2020/21 財政年度以前，城巴(專營權一)的財政年度於每年的 6 月 30 日結束。由於財政年度結束日期隨後從 6 月 30 日改為 12 月 31 日，2020/21 財政年度涵蓋 18 個月的數字，即 2020 年 7 月 1 日至 2021 年 12 月 31 日。)

財政年度	每日平均載客量 (乘客人數)	總收入 (百萬元)	總成本# (百萬元)	稅後盈利／ (虧損)* (百萬元)
2016/17	521 100	1,391	1,307	84
2017/18	497 700	1,303	1,305	(3)
2018/19	514 000	1,390	1,478	(89)
2019/20	435 300	1,402	1,518	(116)

財政年度	每日平均載 客量 (乘客人數)	總收入 (百萬元)	總成本# (百萬元)	稅後盈利／ (虧損)* (百萬元)
2020/21	403 500	2,029	2,153	(124)

#包括借貸成本和稅項。

*由於四捨五入，數字相加可能不一致。

* * *

加入最新近期批出專營權的條件及更新現有的專營權條件

(A) 加入最新近批出專營權的主要條件

- 新專營權加強規管專營公司的顧客服務，規定專營公司必須 (i)就回應公眾投訴及建議事宜公布服務承諾及其達標率；以及 (ii)於指明時間內回應由運輸署署長轉介的投訴及建議。
- 新專營權擴大運輸署署長在監察巴士服務方面的規管權力，指明專營公司須向署長提交的營運記錄和資料以及提交方法，以反映最新安排。
- 新專營權加強規管關乎巴士服務的重要採購項目，規定專營公司須在切實可行的情況下盡可能就所有重要採購合約進行公開招標。如未能安排公開招標，須事先徵求董事局批准。

(B) 與專營公司進行檢討後就現有專營權條件作出的其他主要更新

- 現有專營權條件規定，專營公司如屬上市公司，則須採取一切所需步驟保持上市公司地位。龍運及城巴不是上市公司，此條件並不適用，故予以刪除。
- 現有專營權條件規定，對於乘客聯絡小組¹成員在聯絡小組會議上所作任何誹謗專營公司的陳述，專營公司須放棄起訴該成員的權利，除非有關陳述是出於惡意。我們認為，由乘客聯絡小組成員就其表達意見的方式及措辭負上其法律責任，並非不合理，故刪除有關條件，此舉對於乘客聯絡小組發揮其功能，應不會有大影響。

¹ 根據現有專營權條件，專營公司須成立乘客聯絡小組，負責與公眾聯絡溝通並收集意見，以便評估及改善巴士服務水平。

- 為了更充分反映現行的折舊政策，並讓專營公司能更靈活處理在同一類別下的各種不同固定資產，有關條件所指明的可用年期及剩餘價值予以更新。其中一些可用年期改為以年期範圍取代，同時允許專營公司就個別資產(巴士和旅遊巴類別除外)，可採用不同於相關條件指明的剩餘價值，但須按照香港財務報告準則來衡量，且該剩餘價值必須由專營公司的審計師認證，並接受運輸署署長的審查。
- 新專營權就專營公司須保存的財務報表及管理帳戶資料，指明相關內容及存放地點。
- 新專營權指明專營權受香港法律規管，而專營公司受香港法院的專屬司法管轄權所管限。

* * *

新專營權條件及承諾

(A) 新專營權條件

新專營權增訂條件，加強政府對專營公司的規管 -

- (a) 巴士安全：新專營權規定專營公司須向運輸署署長提供有關巴士運作意外的指明資料及記錄，以便評估專營公司的安全表現，並分析專營巴士的意外及安全相關事件；
- (b) 購置新巴士：根據現有專營權條件，運輸署署長可就巴士上的顧客服務設施(例如關愛座)或安全設施(例如扶手及車速限制器)訂明要求。新專營權增訂條件，規定專營公司在購置新巴士時須遵照署長發布或修訂的任何規格及要求(例如在防火及車身結構方面)；
- (c) 巴士維修：新專營權規定專營公司須設立巴士維修記錄系統，並遵從運輸署署長就巴士維修事宜發布或修訂的所有指引、技術須知，以及質素保證和合格評定方面的規定；
- (d) 處理事故：新專營權讓運輸署署長規定專營公司以數碼方式及按指定格式提供涉事的巴士資料，以便更有效處理事故；以及
- (e) 巴士車長培訓：新專營權規定專營公司須遵從運輸署署長就巴士車長培訓事宜發布或修訂的所有要求、指引及實務指引。

(B) 新專營權承諾

巴士安全

2. 龍運及城巴承諾-

- (a) 連同現時在每個會計年度完結後五個月內發布的其他營運及財務資料，發布遠期計劃內巴士安全章節所載的意外事故數據；
- (b) 在運輸署署長合理要求下就意外及改善措施提供評估；以及
- (c) 如技術上可行，按月以電子方式就只涉及損毀的交通意外提供資料，並說明更確切的地理位置。

3. 城巴(專營權二)及龍運承諾，就新專營期內任何時間新購置的所有巴士，安裝先進駕駛輔助系統，包括防止碰撞和保持行車線警告系統，以及司機狀態監測系統。

4. 城巴承諾，為其兩個專營權下的巴士車隊推行司機管理系統，以監測及相應改善巴士車長的駕駛行為，包括急劇加速、急劇煞車、急速轉彎及傾側。

乘客服務

5. 龍運及城巴承諾，如技術上可行，會在運輸署署長合理要求下，透過專營公司的流動應用程式、車上、巴士站、公共運輸交匯處及巴士總站的資料板，協助發布與交通及運輸相關的信息。

6. 就區內居民持續要求興建巴士站上蓋的地點，龍運及城巴會繼續探討替代措施，以解決實地環境限制。具體來說，龍運承諾在專營期內，興建最少十個巴士站上蓋。城巴承諾，由 2022 年第三季開始，因應需要而翻新(重新髹漆或稍作翻新)現有的巴士站上蓋，預期在 2025 年第三季竣工，並會探討新的上蓋設計，以加強美感、保養、整潔程度，更有效遮擋風雨及提供更多乘客資訊。視乎實地環境限制及技術可行性，由 2023 年第四季開始，城巴(專營權二)及城巴(合併專營權)會分別興建最少兩個及五個新設計的巴士站上蓋。

7. 城巴承諾提升其顧客服務流動應用程式及網站，提供更多乘客資訊及網上即時對話功能，並在 2023 年推出會員計劃，以加強與公眾的溝通並達致最佳的顧客體驗。

票價優惠措施

8. 龍運承諾 -

- (a) 在嶼巴同意下，延續龍運各條 E 線與嶼巴三條路線(即第 3M 號線(東涌站巴士總站—梅窩)、第 11 號線(東涌站巴士總站—大澳)及第 23 號線(東涌達東路—昂平))的跨公司巴士轉乘優惠；
- (b) 在相關綠色專線小巴營辦商同意下，就綠色專線小巴第 621 號線(洪水橋(洪元路)—天水圍(天壇街))及第 623 號線(元朗(鳳翔路)—港頭村)提供新的跨公共交通工具轉乘優惠；以及
- (c) 在其姊妹公司九巴同意下，擴大九巴月票的涵蓋範圍至龍運的常規及通宵服務(即 E、R、S 及 N 線)，並為持九巴月票乘搭龍運各條 A 線及 NA 線的乘客提供扣減 73% 的票價優惠。

環境改善措施

9. 龍運及城巴重申其承諾，會調配低排放巴士行走環境保護署在銅鑼灣、中環及旺角劃設的三個低排放區。

10. 龍運及城巴承諾與政府合作，推動電動及其他新能源公共交通工具的發展，例如推展測試氫燃料電池巴士的計劃。

11. 龍運承諾在新購置巴士的車頂安裝太陽能板。

員工相關措施

12. 為提升前線員工士氣，龍運作出以下承諾 -

- (a) 續辦獎學金計劃資助員工子女接受高等教育；
- (b) 繼續向慈善基金捐款，援助有需要的員工；

- (c) 繼續為涉及交通事故的員工提供法律支援；
- (d) 把適用於前線車長的 20 個調整薪級點擴展至退休後重新僱用的車長；以及
- (e) 安排高層管理人員每月到訪巴士總站，徵詢前線人員關於改善工作環境的意見。

13. 為提升員工的工作環境，城巴會視乎需要，通過新設的預製員工室或翻新工程，提升現有員工室，並在可行情況下推出已改善設計的新式太陽能洗手間。具體而言，城巴承諾在專營期首三年分別為城巴(專營權二)及城巴(合併專營權)提升至少十個和 40 個該等員工室。

其他規管事項

14. 龍運及城巴承諾，當某個會計年度內慈善捐款的累計價值超過相關董事局所訂定為對專營公司來說屬重大的數額時，無論作為該等捐款的收受人或受益人的人或實體是否專營公司的關聯者，專營公司會事先徵求相關董事局批准。

15. 龍運及城巴承諾在新專營權生效日期起計 14 天內向運輸署署長提交最新的(i)顯示專營公司的控股公司的組織圖，以及(ii)該等公司的董事名單，並於該等專營公司組織圖及／或董事名單其後出現任何改變時，在改變生效日期的兩個月內通知署長。

* * *

批予新專營權的影響

對經濟的影響

在 2021 年，龍運、城巴(專營權二)、新巴和城巴(專營權一)每日平均總載客量共約 960 000 人次，為專營巴士每日乘客人次的 27.6%，以及香港所有交通工具每日乘客人次的 9%。為期十年的新專營權有助龍運、城巴(專營權二)和城巴(合併專營權)的長遠規劃、發展和投資，確保可持續為社區提供可靠和有效率的巴士服務，令廣大市民，特別是香港島和北大嶼山的居民，以及使用機場和港珠澳大橋香港口岸的人士和工作人員，可受惠於專營公司實施的服務改善措施。

2. 合併新巴專營權和城巴(專營權一)後，應可透過提高營運的規模經濟效益及減少服務和資源上的重疊，改善香港島巴士網絡的整體效率。現時，匯達(連同新巴和城巴)的專營巴士業務共僱用約 5 000 名員工，其中約 70%是巴士車長。匯達指出在城巴(合併專營權)生效後兩年內，不會裁減前線巴士車長。至於工程人員和管理人員，無論合併專營權與否，匯達一直有採取各項措施精簡其企業架構。因此預料合併不會對現有員工和可提供的職位有重大影響。

對競爭力的影響

3. 在公眾諮詢期間，競爭事務委員會提交了一份回應，提出週期性招標為競爭帶來的好處，但亦表示明白有關安排在政府是次處理專營權的工作中未必可行。因此，委員會提出了幾項建議¹，旨在於現階段不進行公開招標的情況下，增加專營巴士營辦商的競爭壓力。關於這一點，政府考慮授予新專營權的主要目的是確保營辦商有能力提供適當而有效率的服務，並願意投資於改善

¹ 包括引入客觀的品質控制指標，以具系統性和透明度的方式要求所有專營巴士營辦商採用(如營辦商未能達到預定的嚴格門檻，則不應未經公開招標而批予新專營權)，以及制定更有力的合約條款，確保在未來進行公開招標是一個可靠和可行的選擇(例如列出明確的移交條款等)。

服務。多年來，專營巴士營辦商面對來自於其他公共交通工具的競爭以及不斷上升的營運成本(尤其是員工成本和燃料成本)，在維持其營運的財務可持續性方面帶來了重大挑戰。雖然我們理解競爭事務委員會從競爭角度提出的意見，但現行的既定做法，即直接將新的巴士專營權授予具有良好記錄的現有營辦商，能為營辦商在提供優質巴士服務方面作出長期的承諾和投資帶來更多確定性，尤其是在現時面對如此嚴峻的經營環境。值得注意的是，龍運、城巴(專營權二)和城巴(合併專營權)雖然是通過直接協商獲批予新專營權，但所面臨的競爭壓力亦不小。龍運和城巴(專營權二)本身就是經營機場和北大嶼山巴士網絡的直接競爭者，而城巴(合併專營權)則要在香港島四通八達的網絡當中與多種不同公共交通工具競爭。總的來說，面對來自於其他公共交通營辦商的激烈競爭，龍運、城巴(專營權二)和城巴(合併專營權)將需要以具競爭力的票價水平提供優質服務，以保持和擴大其市場佔有率，這應該符合乘客的利益。此外，各營辦商所提供的服務受運輸署監管，而個別營辦商的車費等級表則由行政長官會同行政會議批准，這些都有助於確保為公眾提供的巴士服務的質素。

4. 至於有關合併新巴專營權和城巴(專營權一)，競爭事務委員會認為，該建議有可能減少重疊和有助於精簡管理，從而帶來更佳效率。委員會亦提醒政府應考慮如何將有關方案所帶來的效率提升惠及乘客。其中一個可以達到此目的的例子是重劃專營權，特別是要做到有一個或多個「可競爭的專營權」，納入便於專營巴士營辦商互相競爭以營運的路線，由此便可以更頻繁地進行公開招標。關於這一點，政府合併專營權是為了解決兩個獨立專營權下巴士網絡和服務重疊的歷史問題，並作為第一步去開拓更大的空間，循序漸進重組巴士服務。除了建立一個更有效率的巴士網絡外，節省所得的資源將重新調配至加強巴士服務，以惠及公眾。

5. 為了加強競爭，運輸署訂立了揀選營辦商程序，讓專營巴士營辦商競逐新的過海路線或為新市鎮、主要基礎設施、大型新發展區服務路線，又或區內有超過一個營辦商的情況下的新路線的營運權。個別營辦商在巴士安全和服務表現等方面的記錄是揀選標準的一部分。

對環境的影響

6. 為了改善路邊的空氣質素，專營公司再次確認其承諾，在三個低排放區調配低排放巴士提供服務。專營公司亦承諾與政府合作，推進電動和其他新能源公共交通工具的發展，如推展測試氫燃料電池巴士的計劃。龍運亦進一步承諾在新巴士的車頂安裝太陽能板。

7. 合併新巴專營權和城巴(專營權一)後，將有更大的空間進行大規模的巴士路線網絡重整或服務重組，從而減少路邊空氣污染。

對財政的影響

8. 批予新專營權，包括合併新巴專營權和城巴(專營權一)，對政府並沒有財政影響。新增的票價優惠措施對「公共交通補貼計劃」下政府所需補貼金額的影響甚微。

對可持續發展的影響

9. 批出新專營權予龍運、城巴(專營權二)和城巴(合併專營權)可確保為乘客提供可靠和有效率的專營巴士服務，對社區的可持續發展不可或缺。

10. 合併新巴專營權和城巴(專營權一)，將有助於在香港島建立更完善的整體巴士網絡，符合提供安全、便利和有效率的交通系統的可持續性原則。

* * *

公眾意見摘要

政府於 2021 年 6 月 18 日至 9 月 10 日邀請公眾提交意見，並將資料文件上載至香港政府一站通、前運輸及房屋局和運輸署網站。有關新聞稿於 2021 年 6 月 18 日及 8 月 27 日發出。運輸署並向各區議會轄下的交通及運輸委員會委員發出資料文件。

2. 政府共收到 252 份意見書，其中 16 份來自政黨、個別立法會議員和區議會議員，以及不同團體。其餘 236 份來自個別公眾人士。就專營權要求收到的意見大致分為以下範疇-

(a) 專營權安排及政府的規管

- 提供政府補貼以營辦切合社會需要的路線及採用電動和新能源巴士
- 合併香港島的現有專營權
- 平衡不同公共交通工具的角色
- 透過公開招標批予新專營權
- 推出提升巴士安全的措施

(b) 票價優惠

- 提供更多票價優惠計劃(例如月票、更多巴士轉乘優惠／跨巴士公司的轉乘優惠計劃)

(c) 服務質素

- 改善車上設施及乘客設施
- 加強提供乘客資訊
- 改善巴士營運
- 加強與乘客的溝通

(d) 環境改善

- 使用環保巴士
- 實現零排放目標

(e) 員工事宜

- 改善僱傭條款



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陳帆先生, JP

陳局長：

巴士新專營權事宜

龍運巴士有限公司(「龍運」)和城巴有限公司(機場及北大嶼山巴士網絡專營權)(「城巴(專營權二)」)目前的巴士網絡專營權將於 2023 年 5 月 1 日屆滿，而世界第一巴士服務有限公司(「新巴」)的專營權則會於 2023 年 7 月 1 日屆滿。交通諮詢委員會(「交諮會」)在 2021 年 6 月 29 日及 2022 年 5 月 24 日的會議上討論了新專營權事宜。本函載述交諮會的意見。

交諮會的考慮基礎

2. 在討論巴士新專營權事宜時，交諮會曾考慮以下因素：
 - (a) 審批巴士專營權事宜的法例及要求；

- (b) 現有專營公司的服務表現；
- (c) 擬議整合新巴專營權和城巴有限公司(香港島及過海巴士網絡專營權)(城巴(專營權一))為一個新的合併專營權的整體效益；以及
- (d) 專營公司同意採納的新專營權條件及承諾。

(a) 審批巴士專營權事宜的法例及要求

3. 《公共巴士服務條例》(第 230 章)訂明，行政長官會同行政會議可向註冊公司批予年期不超逾十年經營公共巴士服務的專營權。專營公司在專營期內須維持達致運輸署署長(「署長」)滿意程度的適當而有效率的公共巴士服務。根據既定做法，現有專營公司如證明有能力提供適當而有效率的服務，並願意進一步投資於專營巴士的營運，可獲考慮批予為期不超逾十年的新專營權。

(b) 現有專營公司的服務表現

4. 交諮會留意到，龍運、城巴(專營權二)和新巴在現行專營權自 2013 年開始以來，一直分別提供達致署長滿意程度的適當而有效率的公共巴士服務。運輸署在 2021 年 3 月至 4 月委託顧問公司就乘客對三家專營公司服務的意見進行獨立調查。調查結果顯示，分別有 92.4%、94.4%和 90.4%的受訪者滿意龍運、城巴(專營權二)和新巴的整體服務質素。在現行專營權期間，龍運、城巴(專營權二)和新巴一直積極提升服務質素和安全，以及重組其巴士網絡以切合乘客需求。與此同時，三家專營公司願意繼續投資經營巴士服務，包括更換車隊以進一步改善服務。

(c) 擬議合併的整體效益

5. 交諮會注意到政府評估了合併新巴專營權及城巴(專營權一)的建議。向城巴批予一個合併專營權(名為「城巴有限公司(市區及新界巴士網絡專營權)」)，有助在困難的經營環境下提高現有巴士網絡的營運效率、財務可持續性和競爭力。

6. 此外，交諮會知悉政府與匯達交通服務有限公司(「匯達交通」，即新巴和城巴的控股公司)會合力確保專營權的安排能順利過渡，尤其是—

- (a) 巴士服務的重組計劃會以循序漸進的方式推行。城巴正研究不同建議，以提供更能惠及市民的服務，包括更具效率的巴士路線網路和更能夠回應最新公眾需要的增值服務；
- (b) 城巴如獲批予合併的專營權，會致力降低脫班率，以及改善其分布各區的巴士站柱及站牌；
- (c) 是次合併並不涉及現有路線的實際票價調整。政府如收到任何票價調整申請，會按既定程序處理；以及
- (d) 匯達交通保證在是次合併的安排下，將不會裁減前線巴士車長，以及由新巴轉移至城巴的僱傭合約的條款及條件不會變差。

(d) 新專營權條件及承諾

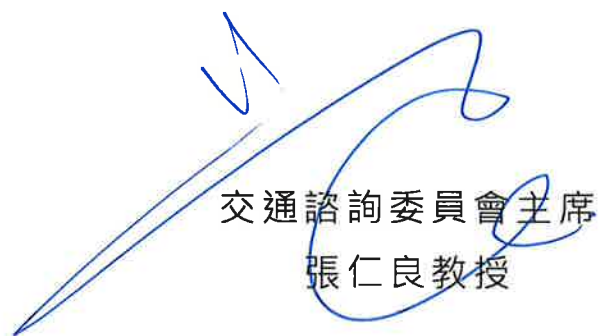
7. 交諮會留意到，按既定做法，政府會要求專營公司接受最新近批出專營權的條件，以及因應持續轉變的環境、個別專營公司的營運情況及乘客需求，適切提出新的專營權條件及承諾。就此，龍運和城巴已同意全面接納最新近批出的三個專營權的條件。龍運和城巴亦同意，在為期十年的新專營權中加入新的專營權條件和承諾，以提升巴士安全和服務質素、推出票價優惠(只適用於龍運)，以及推行改善環境的措施和與員工相關的措施。

交諮會的意見

8. 經考慮上述各項因素，交諮會支持政府建議，向龍運和城巴(專營權二)批予為期十年的新專營權，由其各自現有專營權於 2023 年 5 月 1 日屆滿時生效，以及向城巴批予為期十年的新專營權經營新巴及城巴(專營權一)的相關巴士網絡，於 2023 年 7 月 1 日生效。

9. 其中，交諮會大致支持合併新巴專營權及城巴(專營權一)的建議，透過更有效地整合和運用資源，以達到協同效應，有利於維持專營巴士營運的財政可持續性。交諮會亦提醒政府須向市民清楚解釋擬議合併的好處，例如所節省的資源可投放於加強現有服務或開辦新服務，以滿足乘客需求。

10. 煩請將以上交諮會的意見轉交行政長官會同行政會議考慮。當行政長官會同行政會議的決定公布後，本函載述的交諮會意見可向公眾發布。



交通諮詢委員會主席
張仁良教授

二零二二年五月三十日