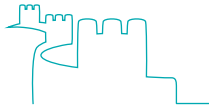




China Mainland Transport Operations

In 2013, the Group operated a range of transport services in Shenzhen (深圳) and Beijing (北京) in line with its strategy of exploring transport related business opportunities in China Mainland which offer reasonable returns.





**SHENZHEN BUS GROUP
COMPANY LIMITED**
(深圳巴士集團股份有限公司)
("SBG")

SBG is a Sino-foreign joint stock company formed by KMB (Shenzhen) Transport Investment Limited (九巴(深圳)交通投資有限公司), a wholly-owned subsidiary of the Group, and four other Mainland investors. The Group has a 35% stake in SBG.

Since starting operations in January 2005, SBG has provided public bus, minibus and taxi services in Shenzhen City (深圳市). As at 31 December 2013, SBG operated 530 taxis and 5,451 buses

on around 270 routes. In 2013, due mainly to the intensified competition from the new lines in Shenzhen's underground railway system, the number of bus passenger-trips served by SBG decreased by 4.8% to 834.8 million compared to 877.3 million passenger-trips in 2012.

SBG further improved its operational efficiency and strengthened its cost control measures in 2013 to address the strong competition from the underground railway and continuing inflation in China Mainland. Various measures were taken to improve SBG's competitiveness in the public

transport market, including strategic bus network reorganisation and the rescheduling of bus routes that operate with ticketing staff, which have enabled productivity to be improved without compromise to service quality. Rigorous budgetary control measures were also adopted to mitigate the impact of rising operating costs. In 2013, SBG continued to introduce more feeder bus routes connecting neighbourhoods with underground railway stations and to extend its route network to nearby districts.



SBG serves passengers across its network of 270 routes

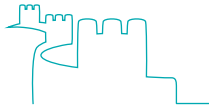


Taking the green initiative, SBG operates a fleet of electric taxis in Shenzhen

SBG is ISO 9001:2000 certified for the provision of transport services, transit designs and support services in Shenzhen City.

Since 2007, SBG has been ISO 9001:2000 certified for the provision of transport services, transit designs and support services in Shenzhen City. SBG has installed engines meeting up to Euro IV emission standards and uses environment-friendly fuel to improve the environmental performance of its bus fleet. It is also increasing the scale of

trials of buses and taxis using new clean energy sources such as liquefied natural gas and electricity, and is collecting additional research data for better application of these new technologies. SBG will continue to upgrade its services and enhance its competitiveness in Shenzhen and other markets.



**BEIJING BEIQI KOWLOON TAXI
COMPANY LIMITED
(北京北汽九龍出租汽車股份
有限公司) (“BBKT”)**

Founded in Beijing in 2003, BBKT was the first Sino-foreign joint stock company to enter China Mainland’s taxi hire and car rental business sectors. KMB (Beijing) Taxi Investment Limited (九巴(北京)出租汽車投資有限公司), a wholly-owned subsidiary of the Group, holds an equity interest of 31.38% in BBKT.

ISO 9001:2000 certified for its quality management systems in taxi services since 2006, BBKT is well placed as one of the leading operators in Beijing to offer the highest levels of service in a competitive market. Until April 2013, BBKT operated both taxi hire and car rental businesses in Beijing. To provide greater focus in the exploration of

business opportunities in the booming but challenging car rental market, the car rental business of BBKT has been transferred to a new joint stock company, namely Beijing Beiqi First Company Limited (北京北汽福斯特股份有限公司).

In spite of the challenges brought by rising staff costs and other operating expenses, BBKT continues to build the efficiency and effectiveness of its operations on sound sustainability principles, introducing some 560 hybrid taxis during the year. With a fleet of 3,719 taxis at year-end, BBKT made satisfactory progress in 2013 and will continue to build on its solid reputation for quality service provision while exploring profitable avenues for new business opportunities.

**BEIJING BEIQI FIRST COMPANY
LIMITED (北京北汽福斯特股份
有限公司) (“BBF”)**

Established in April 2013, BBF is a Sino-foreign joint stock company which carries on the car rental business formerly operated by BBKT.

With the same shareholding structure as BBKT, BBF is ideally positioned to take advantage of the growing business opportunities afforded by business commuters as well as the wide variety of events, conferences and exhibitions that are held in the capital. As at 31 December 2013, BBF had 1,170 vehicles available for charter, mainly in Beijing and Tianjin. The growing affluence and increasing internationalisation of the Mainland bode well for the identification of new market opportunities in Beijing and other cities on the Mainland.



BBKT is one of the largest taxi companies in Beijing