



Anytime



Operational Review

HONG KONG

Overview and Strategy

A commitment to providing safe and reliable journeys and a passion for quality service underpin TIH's reputation as one of the world's leading public transport providers. Our motto "Moving forward every day" encapsulates our drive to deliver efficient and sustainable services.

Mechanical reliability and operational capability are the two key benchmarks of our operational performance. By striving to meet these standards, we demonstrate our dedication to meeting the growing expectations of our customers. Working closely with our manufacturers and suppliers, we will continue to develop and trial the latest bus technologies – the cleanest engines, the most advanced safety features and the most up to date designs.

Anywhere



Franchised Public Bus Operations

Franchised public bus operations are central to the Group's business. The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited offer passengers convenient and reliable public transport services on a fleet of buses that set industry standards for design, technology and innovation.



KMB's world-class public transport services meet the needs of modern metropolitan living

THE KOWLOON MOTOR BUS COMPANY (1933) LIMITED ("KMB")

KMB, founded in 1933, a wholly-owned subsidiary of TIH, operates bus services in Kowloon, the New Territories and Hong Kong Island. It serves approximately 2.64 million passenger trips each day on its fleet of around 3,900 buses running on some 400 routes. With a workforce of around 12,000 employees, including some 8,000 bus captains, KMB ensures that its passengers receive the very best in service.

OPERATIONAL EXCELLENCE

With more than three quarters of a century of experience and dedication in providing franchised public bus services in Hong Kong, KMB is able

to maintain its industry leadership by adopting the highest standards in all its operations.

In 1999, KMB became the first public bus company in Hong Kong to achieve

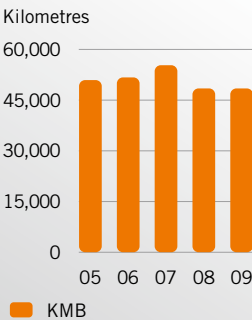


ISO 9001:1994 certification on a company-wide basis, as accredited by the Hong Kong Quality Assurance Agency (“HKQAA”). In 2002, the excellence of KMB’s management systems was further confirmed as the company successfully upgraded to ISO 9001:2000 certification. In 2003, when Lai Chi Kok and Sha Tin Depots were awarded ISO 14001:1996 Environmental Management System certification, KMB became the only franchised bus company in Hong Kong with both ISO 9001 and ISO 14001 accreditation. Lai Chi Kok and Sha Tin Depots were subsequently upgraded to ISO 14001:2004 Environmental Management System certification in 2004 and 2005

respectively. In 2007, all the main operating depots of KMB at Lai Chi Kok, Sha Tin, Kowloon Bay and Tuen

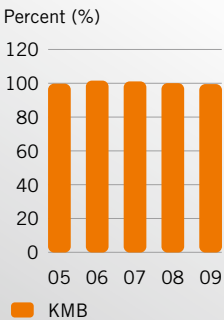
Mun were certified by the Q-Mark Council of the Federation of Hong Kong Industries as having met the

Mechanical reliability



Average number of kilometres operated before a bus has one mechanical breakdown while passengers are on board

Operational capability



Percentage of actual number of bus departures to scheduled number of bus departures during morning peak hours (7am-9am) in the peak direction

Operational Review **HONG KONG**

Major Depots Serving KMB and LWB Buses

Depot	Areas served/ main purpose of depot	Gross floor area (square metres)	Number of buses served as at 31 December 2009	Year in which operations commenced
KMB depots:				
Kowloon Bay Depot	East Kowloon	71,379	1,074	1990
Sha Tin Depot	North and East New Territories	66,915	1,084	1988
Lai Chi Kok Depot	South and West Kowloon	60,311	857	2002
Tuen Mun Depot	West New Territories	13,844	865	1979
Tuen Mun Overhaul Centre	Bus overhaul	35,401		1983
LWB depot:				
Siu Ho Wan Depot	Lantau Island	7,660	167	1998
Total		255,510	4,047	

Green Mark Standard under the Hong Kong Green Mark Certification Scheme. In 2009, KMB successfully obtained from the HKQAA the newest ISO 9001:2008 certificates on completion of upgrading audits in the four certification areas: KMB Headquarters; Traffic Department and the four main operating depots; the Overhaul Centre; and the Unit Overhaul Depot.

DEPOTS

Depot facilities are continually enhanced to help improve the productivity and service quality of our bus operations. Besides the four major depots at Kowloon Bay, Sha Tin, Lai Chi Kok and Tuen Mun, which provide routine maintenance and repair services for our entire bus fleet, KMB has ten other depots that provide

parking and minor maintenance services, as well as an overhaul centre for major overhaul of buses.

PERFORMANCE PLEDGE

We are dedicated to providing superior quality, safe and reliable bus services for the benefit of our customers. Mechanical reliability and operational capability are the two key performance indicators we set for measuring the operational performance of our public bus services. Mechanical reliability is defined as the average number of kilometres a bus operates before it experiences one mechanical breakdown on the road with passengers on board. Operational capability is the ratio of actual to scheduled departures in the peak direction during the peak operational hours of 7:00 a.m. to 9:00 a.m. across the entire bus network. In 2009, the mechanical reliability of KMB's fleet measured 48,388 km : 1 against a target of 45,000 km : 1 and the operational capability achieved was 99.6% against a target of 100%.



The Euro V 2-axle double-decker introduced by KMB adds an extra dimension to bus travel

BUS FLEET AND FLEET UPGRADES

Fleet upgrades are an ongoing operational priority for service enhancement. We plan our operations according to our service requirements and prevailing local market conditions, and continue to make substantial investments in new buses with the latest designs and safety features.

Super-low floor double-deck buses that provide easy access to all passengers, including the elderly and the disabled, were first introduced to Hong Kong by KMB in 1998. Throughout the years, a range of technologically advanced and environment-friendly buses has been added to our fleet. The latest super-low floor air-conditioned double-deck buses in KMB's fleet include a number of innovations, such as straight staircases, which provide passengers with easier access to the upper deck, wider bodies and facilities for the disabled, as well as advanced air-conditioning systems, which give better monitoring of the temperature and humidity in the bus.



KMB provides a point-to-point service to shopping hotspots

Feedback from our passengers on these innovative features has been positive, as our customers seek ever enhanced services.

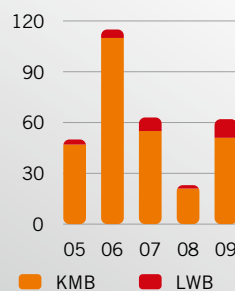
In 2009, KMB added a total of 51 new super-low floor air-conditioned

buses, comprising nine Euro IV double-deckers and 42 Euro IV single-deckers, to its fleet. We demonstrated our leadership in environment-friendly bus services by becoming the first public bus company in Asia to introduce the

Number of new buses introduced to the fleet

(Franchised Public Bus Operations)

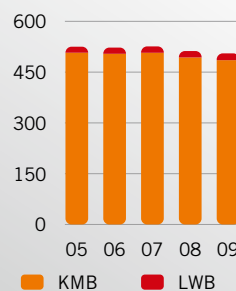
Number of buses



Total fleet capacity at 31 December

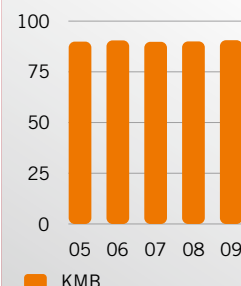
(Franchised Public Bus Operations)

Thousand of passengers



Fleet utilisation

Percent (%)



Percentage of actual number of buses operated on the road to licensed bus fleet



Newly developed population centres are served by the KMB network

KMB's bus fleet	Air-conditioned double-deck buses	Air-conditioned single-deck buses	Non Air-conditioned double-deck buses	Total number of buses
As at 1 Jan 2009	3,613	128	192	3,933
Additions during the year	9	42	–	51
Disposals during the year	(72)	(19)	(13)	(104)
As at 31 Dec 2009	3,550	151	179	3,880

Euro V double-deck bus, which went into service on our Route B1 in February 2009. In addition, as part of our service upgrade, KMB continues to introduce brand new wheelchair accessible super-low floor single-deck buses in replacement of retiring single-deck buses. These

models combine stylish design with higher headroom to provide passengers with a quality ride.

As at 31 December 2009, KMB operated a total of 3,880 buses, comprising 3,729 double-deck buses and 151 single-deck buses, of which 95.4% were air-conditioned.

At the end of 2009, KMB had on order 44 air-conditioned double-deck Euro IV buses and 176 air-conditioned double-deck Euro V buses, as well as seven air-conditioned single-deck Euro IV buses and 71 air-conditioned single-deck Euro V buses, for delivery in 2010 and 2011.

BUS SERVICE NETWORK
Bus Routes

At the end of 2009, KMB operated a total of 396 bus routes. We were able to respond to the continued expansion of the rail network in KMB's service areas by identifying openings for the introduction of some new services. In 2009, KMB

launched four special routes to cater for two one-off events. Two special routes were introduced to operate from Hong Kong Gold Coast and Hoi Wing Road to the railway stations at Tsuen Wan and Tuen Mun respectively for the pyrotechnics display cum variety show held in Tuen Mun on 19 September 2009. The other two special routes were operated for the Community Chest New Territories Walk (Stonecutters Bridge) held on 15 November 2009, one running from Nam Cheong Station Public Transport Interchange to Ngong Shuen Chau Viaduct, the other from Nam Wan Tunnel West Control Building to Tsing Yi Station.

Bus Network Reorganisation

KMB will continue to respond to changing market conditions through strategic bus route reorganisation, which enables us to better deploy our resources while meeting the travel demand of our passengers. Bus network reorganisation often involves the cancellation of certain bus routes that are superfluous due to the opening of new railway lines, and a reduction of frequencies on routes with diminished passenger demand. This improves operational efficiency and helps not only relieve traffic congestion on busy transport corridors but also improve the environment and ease fare increase pressure.

The opening of the Kowloon Southern Link, the railway linking Sham Shui Po and Tsim Sha Tsui, in August 2009 caused a significant decrease in KMB's patronage. The company is in the process of rationalising its bus network along this rail corridor by cancelling some bus routes and making adjustments to others. The resources saved as a result of the

reorganisation will be deployed to areas of increasing demand or disposed of through natural attrition.

A summary of the bus network rationalisation carried out in 2009 is tabulated below:

	Number of bus routes involved	Number of buses saved
Cancellation / rationalisation ⁽ⁱ⁾	3	5
Frequency reduction	15	19
Total	18	24

(i) This excludes the cancellation of Route K16.

INFORMATION TECHNOLOGY

KMB adopts advanced information technology in every aspect of its daily operations for performance monitoring, enhancement of internal and external communications, and productivity improvement. KMB's data network covers its headquarters, the four main bus depots and ten satellite depots, the eight Customer Service Centres and 167 bus termini. At the end of 2009, there were a total of 1,864 personal computers installed at various KMB facilities. These computers are interlinked via high-speed communication lines to 149 computer servers at headquarters. Further, about 38 software applications, including in-house developed programs and proprietary software, are used for our daily operational and financial management. Continuous upgrading of our information technology systems enables us to improve KMB's performance in customer service, human resources management, fleet and

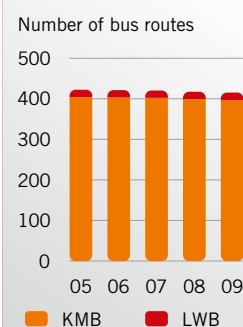
depot operations and financial management.

Electronic Bus Stop Announcement System

For the convenience of passengers, KMB's entire bus fleet has been

equipped with an on-board electronic bus stop announcement system. The system gives passengers details of the next stop in advance, with voice announcements in Cantonese, Putonghua and English, and shows the name of the next bus stop on light emitting diode ("LED") displays.

Number of bus routes operated at 31 December



Operational Review **HONG KONG**

Traffic Operations Management System

KMB's in-house developed Traffic Operations Management System ("TOMS") improves the efficiency of bus captain duty assignment and despatch. With TOMS, our depot staff can use a handheld Radio Frequency Identification ("RFID") reader to readily identify the parking location of buses and upload this information to the system. Each day this information, together with vehicle registration numbers, route numbers, duty schedules and any ad hoc operational arrangements, can be retrieved by bus captains by placing their personalised Octopus cards on the system readers at the Duty Dispatch Offices. TOMS not only makes the daily assignment and dispatch process more efficient, but it also allows management to obtain from depots updated information on duty allocations and dispatches, as well as real-time operational arrangements. By means of a fleet database, TOMS is also able to prioritise the deployment of buses with better emission standards on routes operating on busy corridors.

Our innovation and dedication in the development and implementation of TOMS gained external recognition when TOMS won the Best EPC/RFID Implementation Gold Award and the Most Innovative Use of EPC/RFID Bronze Award at the Hong Kong RFID Awards 2009.

Operations Communications Management System

In 2009, our Operations Communications Management System ("OCM") was developed to streamline the recording and dissemination of real-time

information about bus operation incidents logged by the Radio Control Section of the Traffic Department. OCM improves the efficiency and accuracy of message dissemination, as all relevant KMB staff are able to access the incident related information. Prompt response to incidents such as traffic jams can be made right away.

Lost Property Management System

The Lost Property Management System was developed in 2009 to improve efficiency and accuracy in handling passengers' inquiries and claims about lost property. Every step of the flow of items of lost property, from their initial locations to their reclaim by passengers or disposal if unclaimed, is logged in the system. This not only helps our staff to accurately keep track of all lost property but also improves our service in handling passengers' inquiries on lost property in an efficient manner.

Bus Service Information

The Integrated Bus Service Information Display System ("IBSID") installed at KMB termini is one of the major facilities for disseminating bus service information to our passengers. IBSID displays bus route information, including destination, departure time and fares, as well as urgent messages on, for example, major traffic disruption, large LED display panels at bus termini. IBSID's closed circuit television function allows traffic and operating conditions in the area surrounding the termini to be monitored both locally and from KMB headquarters. At the end of 2009, 28 termini were equipped with IBSID.



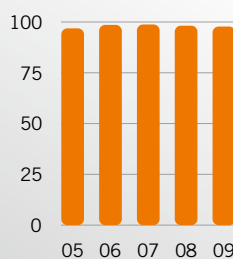
KMB's terminus adjacent to International Finance Centre is set against the splendid Central night scene

In striving for innovation, our Information Technology Department developed the Electronic Terminus Management System ("ETMS") to facilitate the monitoring of daily bus operations. Our bus captains use their radio-frequency identification driver cards to report arrival at bus termini, and next departure time and special instructions are automatically displayed on the screen for their attention. Terminus supervisors use personal data assistants to record bus arrival and departure times, which are instantly transmitted to control centres at depots and relevant departments, so that service adjustments can be made, along with any other necessary operational decisions. Our Customer Service Hotline staff can also make use of



Achievement of schedule

Percent (%)



■ KMB

Percentage of actual number of buses operated on the road to scheduled bus allocation

the arrival and departure information to answer passengers' inquiries. By the end of 2009, 163 termini were equipped with ETMS.

Bus Maintenance Information System

The computerised Bus Maintenance Information System ("BMS") was developed in-house to assist management in assigning jobs and monitoring maintenance costs. BMS provides information on buses, including type, history, repair and maintenance records, as well as the status and attendance data of maintenance workers. As part of KMB's commitment to safety and environmental protection, BMS has been upgraded to keep track of the performance and durability of retreaded tyres.

Advanced Finance and Administration Systems

Our use of SAP e-Business Software has improved both financial and

human resources management.

During 2009, the financial management system was further upgraded from SAP version R/3 Release 4.6C to ERP 6.0. The use of these advanced proprietary systems, which allow timely processing of large amounts of data, greatly improves the efficiency of financial planning, control and reporting, and enhances staff administration and planning. Through the employment of the advanced electronic document management system and the use of e-tendering, e-payslips, and e-mail on a company-wide basis in our daily operations, we have enhanced the efficiency of internal and external communications, and greatly reduced paper usage and the amount of time required for document distribution, filing and retrieval.

Operational Review HONG KONG



Long Win's bus fleet takes passengers straight to the airport comfortably and on time

LONG WIN BUS COMPANY LIMITED (“LWB”)

LWB commenced operating bus services linking the New Territories with Hong Kong International Airport and North Lantau on 1 June 1997. The areas currently served by LWB’s network include Hong Kong Disneyland, AsiaWorld-Expo and the Ngong Ping 360 cable car.

LWB’s fleet of buses connects Hong Kong International Airport, Tung Chung and entertainment and tourism developments on North Lantau with the New Territories. As a result of a reduction in air travel in 2009 arising from the global financial downturn in 2008, LWB saw a decline in its patronage of 2.4% compared to 2008. Looking forward, with anticipated population growth in Tung Chung, recovery of air travel demand, the Hong Kong Disneyland expansion programme and the commencement of other infrastructural projects, travel demand to and from North Lantau is expected to increase. With its comprehensive network, LWB is well-positioned to serve a steadily improving market.

PERFORMANCE PLEDGE

LWB ensures that the safety and reliability of its bus fleet are maintained at the highest levels through constant review and upgrade of its bus services. Two key performance indicators of operational performance, namely mechanical reliability and operational capability, demonstrate LWB’s commitment to excellence. Mechanical reliability is defined as the average number of kilometres a bus operates before it experiences one mechanical breakdown on the road with passengers on board. Operational capability is the ratio of actual to scheduled departures in the peak direction during the peak operational

hours of 7:00 a.m. to 9:00 a.m. across the entire bus network. In 2009, LWB’s buses achieved 77,549 km : 1 in mechanical reliability and 102.9% in operational capability against targets of 50,000 km : 1 and 100% respectively.

BUS FLEET

In 2009, LWB added 11 new super-low floor air-conditioned double-deck buses to its fleet to strengthen services on its External and Airbus routes.

As at 31 December 2009, LWB operated a total of 165 air-conditioned double-deck buses and two air-conditioned single-deck buses. All LWB’s super-low floor double-deck buses feature wheelchair access and the electronic bus stop announcement system. The entire LWB bus fleet is equipped with the electronic tachograph, which records vehicle speed and other operational information.



● LWB's bus termini on Lantau Island



Long Win offers door-to-door services to and from Hong Kong International Airport

LWB's bus fleet	Air-conditioned double-deck buses	Air-conditioned single-deck buses	Total number of buses
As at 1 Jan 2009	154	3	157
Additions during the year	11	–	11
Disposals during the year	–	(1)	(1)
As at 31 Dec 2009	165	2	167

At the end of 2009, LWB had on order 21 Euro IV super-low floor air-conditioned double-deck buses for introduction in 2010.

DEPOTS

The depot at Siu Ho Wan provides support services to LWB buses

including daily bus maintenance, refuelling, bus washing and fleet parking. The depot is equipped with a waste water treatment system, which ensures that the quality of waste water complies with statutory requirements before being discharged into the public drainage system.

BUS SERVICE NETWORK

At the end of 2009, LWB operated 19 routes compared with 18 at the end of 2008. Overnight route N64, plying between the Airport (Ground Transportation Centre) and Tung Chung (Yat Tung Estate), was introduced in October 2009.

To enhance service levels, two buses were added on Route E33/ Route E33P in June 2009 and one bus was added on Route A41P in July 2009. LWB will continue to look at ways to leverage tourism growth, while maintaining the highest standards of network coverage and service for local customers. LWB

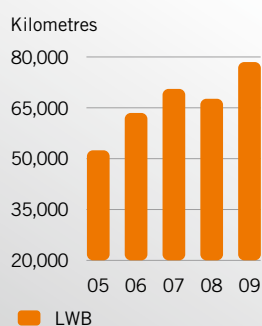


Start your trip in comfort with Long Win

is committed to providing a more efficient and direct mode of transport to and from the North Lantau area.

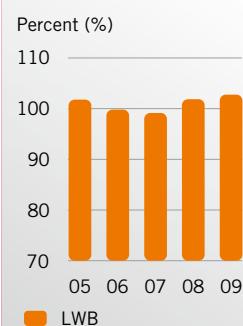
“ With its comprehensive network, LWB is well positioned to serve growing travel demand to and from North Lantau. ”

Mechanical reliability



Average number of kilometres operated before a bus has one mechanical breakdown while passengers are on board

Operational capability



Percentage of actual number of bus departures to scheduled number of bus departures during morning peak hours (7am-9am) in the peak direction

Non-franchised Transport Operations

The SBH Group's fleet serves large residential estates, shopping malls, major employers, theme parks, deluxe hotels, travel agents and schools, as well as providing chartered hire services to the general public.



Sun Bus leads the way in Hong Kong's non-franchised bus services

SUN BUS HOLDINGS LIMITED AND ITS SUBSIDIARIES ("SBH GROUP")

The SBH Group is one of Hong Kong's leading non-franchised bus operators, providing tailor-made high quality transport services to a wide range of customers, from those seeking premium services to those looking for value-for-money services.



Led by Sun Bus Limited (“SBL”), its flagship subsidiary, the SBH Group offers a range of bus services in specific market segments. Its fleet serves large residential estates, shopping malls, major employers, theme parks, deluxe hotels, travel agents and schools. The SBH Group also provides chartered hire services to the general public.

In line with its policy of purchasing the latest environment-friendly buses available on the market, the SBH Group introduced two Euro V minibuses in December 2009. At the end of 2009, the SBH Group had a

“ The SBH Group continues to introduce new buses equipped with Euro V engines for its tailor-made transport services. ”

fleet of 377 buses, an increase of ten buses compared to 2008. The SBH Group will continue to introduce new buses equipped with Euro V engines as part of its ongoing fleet upgrade programme.

In November 2008, SBL became the first commercial non-franchised bus company in Hong Kong to achieve ISO 9001:2000 certification from

the Hong Kong Quality Assurance Agency (“HKQAA”). In 2009, ISO 9001:2008 certification was further awarded to SBL by the HKQAA on completion of the upgrading audit, confirming the quality of SBL’s management systems. We believe SBL is the first commercial non-franchised bus company in Hong Kong to have received such accreditation.

NEW HONG KONG BUS COMPANY LIMITED (“NHKB”)

NHKB jointly operates with its Shenzhen counterpart the cross-boundary shuttle bus service, commonly known as the “Huang Bus” service, serving business and leisure travellers between Lok Ma Chau in Hong Kong and Huanggang in Shenzhen.



The Huang Bus service is the popular option for cross-boundary travel

“ NHKB's convenient and quality services make it a popular choice for cross-boundary travellers. ”



● NHKB's bus termini

In 2009, NHKB operated a fleet of 15 air-conditioned super-low floor single-deck buses on its 24-hour cross-boundary shuttle bus service between Lok Ma Chau and Huanggang. Its terminus facilities at San Tin Public Transport Interchange include four air-conditioned waiting lounges and an integrated information display system.

Since the opening of the Lok Ma Chau Spur Line, the Lok Ma Chau Public Transport Interchange and the Hong Kong – Shenzhen Western Corridor in 2007 and the launch of direct charter flights between Taiwan and China Mainland in 2008, NHKB has faced keen competition from railway and public minibus

services. As a result, the demand for its cross-boundary bus services has decreased. In 2009, the demand for NHKB's service decreased further due to the economic downturn and the outbreak of human swine flu.

Despite the short term negative impact, it is expected that the extension of the Individual Visit Scheme to more cities in China Mainland, the introduction of multi-entry visas for Shenzhen residents and the increase in economic activity between Hong Kong and China Mainland as a result of the Closer Economic Partnership Agreement (CEPA) will continue to stimulate new demand for cross-boundary transport. By offering convenient

and quality services, NHKB aims to position its shuttle bus service as the preferred means of transport for cross-boundary travellers.

PARK ISLAND TRANSPORT COMPANY LIMITED (“PITC”)

PITC runs the ferry and shuttle bus operations that serve the transport needs of Park Island's residents and visitors. On 1 June 2009, the Group disposed of its entire interest in PITC to Sun Hung Kai Transport Company Limited, a subsidiary of Sun Hung Kai Properties Limited. The details of the transaction were published in TIH's announcement dated 25 May 2009.

Property Holdings and Development

The Group's successful business diversification strategy is exemplified by its development of Manhattan Hill, a high-end complex of residential towers and shopping mall in West Kowloon.



Manhattan Mid-town provides Manhattan Hill residents and other shoppers with high quality retail facilities

LAI CHI KOK PROPERTIES INVESTMENT LIMITED ("LCKPI")

LCKPI, a wholly-owned subsidiary of TIH, is the developer of Manhattan Hill, an upscale luxurious residential complex located in Lai Chi Kok, West Kowloon.

Consisting of five high-rise residential towers with a height ranging from 41 to 43 storeys above podium level, Manhattan Hill has 1,115 luxury residential units, with sizes varying from 668 square feet to 5,008 square feet. The five-storey podium contains a clubhouse, landscaped gardens, public open spaces and 390 car parking spaces for residents, tenants and visitors.

The sales campaign for the residential units of Manhattan Hill was launched in November 2006 and the handover of residential units to new owners began in July 2007. Up to the end of 2008, 1,107 residential units with a total saleable gross floor area ("saleable GFA") of about 1,173,600 square feet, representing 98.2% of the total



saleable GFA, had been sold. In 2009, a further five residential units with a total saleable GFA of about 13,300 square feet, representing 1.1% of the total saleable GFA, were sold.

MANHATTAN HILL – LUXURIOUS LIFESTYLE

With views of the Central and Wan Chai waterfronts on Hong Kong Island, Manhattan Hill is easily accessible by rail via the Tsuen Wan Line, the West Rail Line and the Airport Express, by bus via KMB services in Mei Foo, and by road, with connections to Route 3 and Route 8 providing highway access to Hong Kong Island and

Hong Kong International Airport. In December 2009, the construction of a dedicated elevated footbridge with escalators and lifts that connects the residential towers to key public transport locations was completed.

Every aspect of Manhattan Hill has been designed with environmental preservation in mind. Each apartment has a high ceiling and wide window openings that provide plentiful natural light to its residents. Energy-efficient glazing and natural cross ventilation reduce the need for constant mechanical ventilation and cooling. The gleaming stone entrance lobbies, the landscaped podium and the contemporary interior finishing use the finest natural materials, providing

residents with an exclusive and high quality lifestyle. At the mid-point of each tower, a double-height sky garden provides residents with a quiet place to relax and enjoy the stunning views over Victoria Harbour. These landscaped gardens double as a green lung for the surrounding areas. Manhattan Hill has two luxurious private clubhouses that offer the most comprehensive facilities for its residents.

The management and security services of Manhattan Hill are provided by Sun Hung Kai Properties Limited's subsidiary, Royal Elite Service Company Limited, some of whose staff have received management services training at Hong Kong's Four Seasons Hotel.

LCK COMMERCIAL PROPERTIES LIMITED (“LCKCP”)

LCKCP is a wholly-owned subsidiary of TIH and the owner of the commercial complex of Manhattan Hill.

LCKCP owns the prestigious Manhattan Mid-town shopping mall, the two-level retail podium at Manhattan Hill. The shopping mall opened in March 2009 and provides Manhattan Hill residents and other shoppers with high quality retail facilities. Positioned as a high-end

retail complex to complement the image of Manhattan Hill, Manhattan Mid-town’s mix of shops and restaurants covers a total floor area of around 50,000 square feet. At the end of 2009, about 95% of the lettable area of the shopping mall had been leased out, generating recurring rental income for the Group.

LCK REAL ESTATE LIMITED (“LCKRE”)

LCKRE, a wholly-owned subsidiary of TIH, is the owner of the Group’s headquarters building in Lai Chi Kok.



A variety of retail outlets in Manhattan Mid-town



LCKRE owns the 17-storey commercial office building situated at 9 Po Lun Street, Lai Chi Kok, with a total gross floor area of about 156,700 square feet. The building is situated next to the Manhattan Hill development. About 148,470 square feet is currently used by the Group for headquarters office and administrative purposes.

The remaining gross floor area of around 8,230 square feet has been set aside for the provision of shops and restaurants. At the end of 2009, about 73% of this gross floor area had been leased out to generate additional rental income for the Group.

“ Opened in March 2009, Manhattan Mid-town offers a great shopping experience with its mix of retail outlets and restaurants. As at the end of 2009, about 95% of the lettable area of the shopping mall had been leased out, generating recurring rental income for the Group. ”



Manhattan Mid-town's stylish look complements the Group's headquarters

Media Sales Business

As a leading media sales company in the Greater China region, RoadShow provides advertisers with an effective means for marketing their products and services to a mass audience. Expansion to bus interior advertising together with integration of the bus exterior advertising business has put the RoadShow Group in an even stronger position to create an integrated media platform on the road.



RoadShow's infotainment programmes keep passengers up to speed on all the latest trends

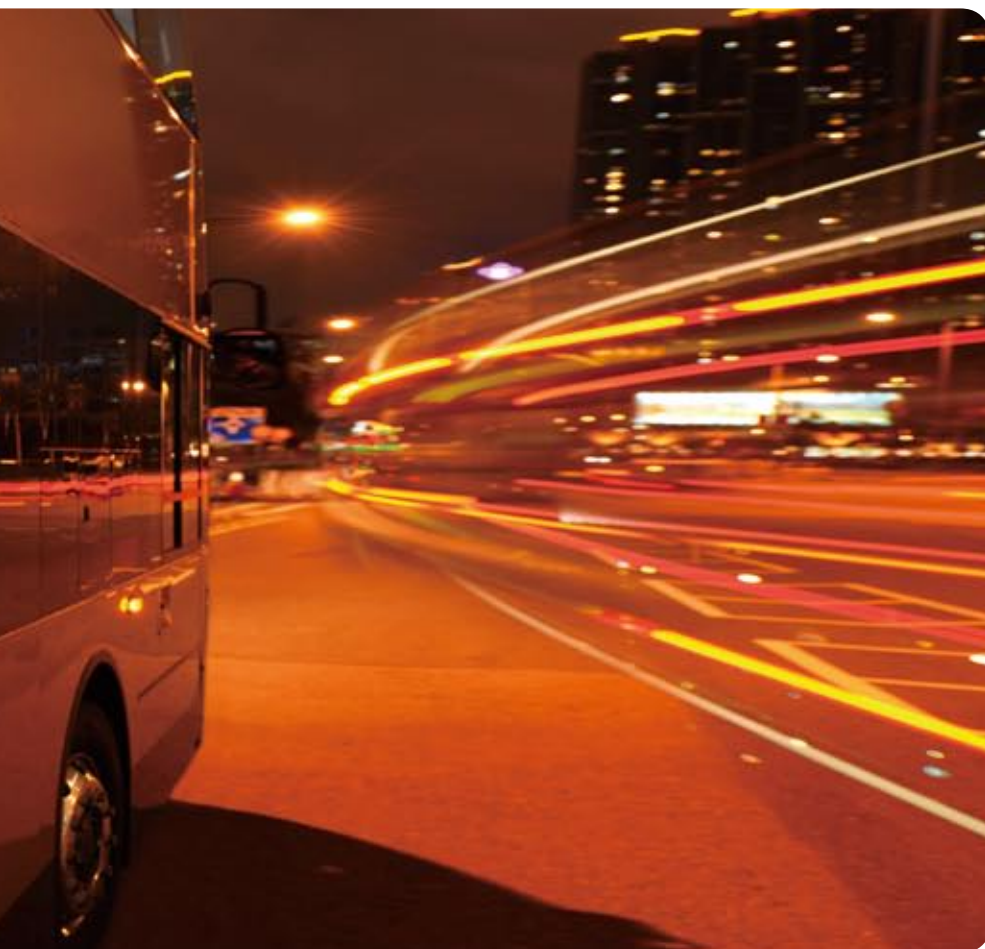


ROADSHOW HOLDINGS LIMITED AND ITS SUBSIDIARIES ("ROADSHOW GROUP")

RoadShow Holdings Limited ("RoadShow"), established by the Group as its media sales arm, has been separately listed on the main board of The Stock Exchange of Hong Kong Limited since 28 June 2001. Currently, the Group has a 73.0% interest in RoadShow.

As one of the leading media sales companies in the Greater China region, the RoadShow Group capitalises on a vibrant advertising market consisting of bus passengers and pedestrians on transit vehicle

routes. From the outset, RoadShow has sold and marketed business advertising on its proprietary Multi-media On-board ("MMOB") system in Hong Kong. Since 1 February 2009 and 1 November 2009 respectively,



the RoadShow Group has operated the bus interior and bus exterior advertising business. Additionally, the RoadShow Group runs a television programme syndication and media sales network in China Mainland.

HONG KONG

With the integration of the bus exterior advertising business together with the expansion to the bus interior advertising business, the RoadShow Group is in a better position to create an integrated media platform on the road with the MMOB system

spearheading penetration of the market. Starting in 2008, the RoadShow Group began to upgrade the liquid crystal display (LCD) units on buses with a view to enhancing the MMOB system, which is an attractive medium for advertisers because of its ability to reach such a large audience every day in a highly effective way.

RoadShow's customers comprise the major advertisers in Hong Kong, including advertising agencies, as well as companies in the cosmetics, pharmaceutical, electronics, telecommunications, food and

beverage, jewellery, leisure, media, finance, banking, insurance, retail, education, household, clothing, skincare, health food, fitness and real estate sectors.

In addition to offering tailor-made sales packages to suit advertisers with different campaign objectives and budgets, the RoadShow Group provides value-added services with marketing integration. These services include the organisation of events and functions and the creation of branded content as well as the production of television commercials. As a way of increasing media sales, various incentives are offered to encourage customers to commit to advertising bookings, including discounts, bonus spots and special advertising packages for long-term commitments.

CHINA MAINLAND

On the Mainland, a slowing of advertising spend caused by the global economic downturn resulted in brands' reluctance to risk budgets on TV series with long payback periods and impacted RoadShow's performance. With the consent of its various PRC joint venture partners, RoadShow scaled back large-scale TV drama production, and redirected resources to the localisation of reputable international programme titles owned by its German media partner, Bertelsmann. This initiative is yet another example of the gradual way the RoadShow Group is transforming its Mainland operation's business model in line with constantly evolving market dynamics.