

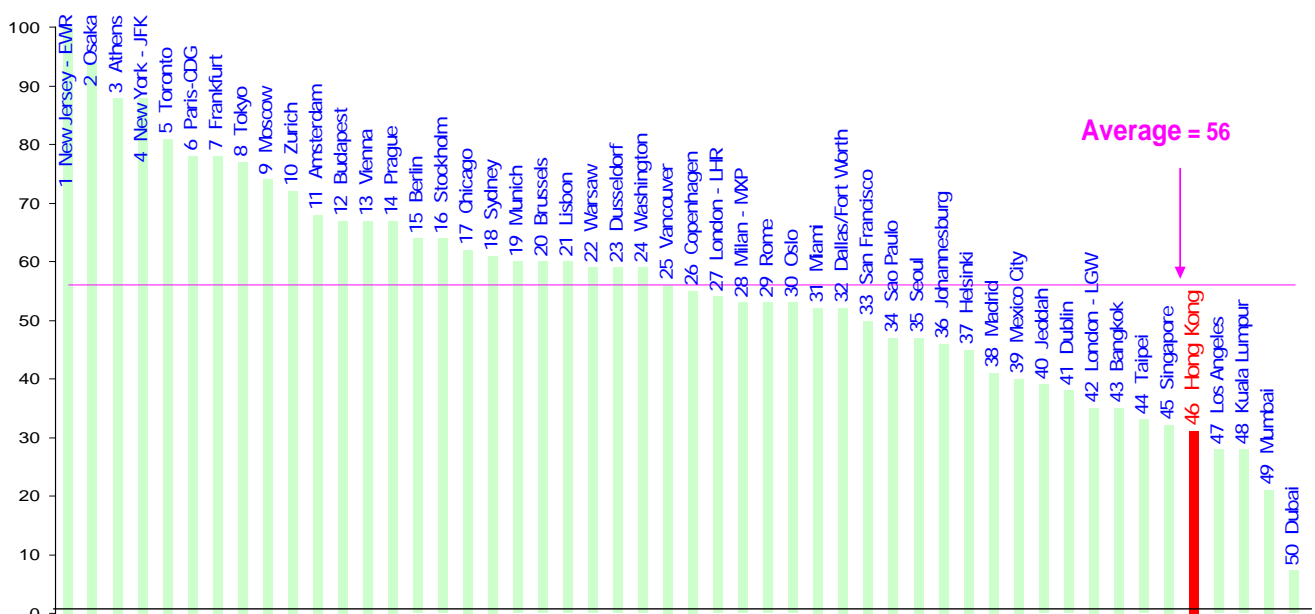
HKIA's Mission & Competitiveness

- Our mission is to enhance HKIA as a Centre of International and Regional Aviation.
- HKIA creates economic value for Hong Kong through 243 employers and 50,000 jobs on the Airport Island in addition to other economic spin-off.
- For the past few years, we have been working hard to enhance our competitiveness, which is a total package of Time + Money + Reliability.
- It is up to our customers, i.e., the passengers to decide whether or not we are competitive.
- Ultimately, the passengers bear all the costs on the ticket. Airport charges constitute only a small fraction of the airfare.

From Hong Kong	Sydney	Shanghai	Beijing	Tokyo	London
Average Airfare (HK\$/pax)	9,530	3,430	4,840	5,900	9,120
Airport Charges/pax	109	85	85	108	119
Airport Charges (%)	1.1%	2.5%	1.8%	1.8%	1.3%

Source: PWC Study, January 2004

HKIA ranks the 46th among 50 airports worldwide (Airport charges cover landing, parking and terminal building charges)



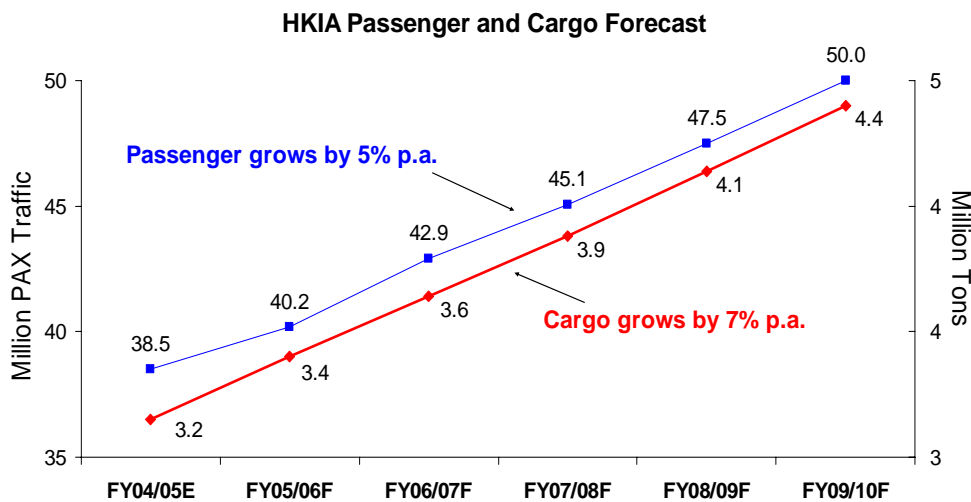
Source: Review of Airport Charges 2004 by Transport Research Laboratory ("TRL") based on IATA Charging Manual

Why privatize?

- Privatization gives market the ownership which results in market supervision and market funding for expansion.
- Today 195 airports already privatized include London, Frankfurt, Sydney, Beijing and Shanghai and this is a world trend.

Who determines HKIA's value ?

- Valuation is determined by the market, and market makes decision based on track record and growth prospects.

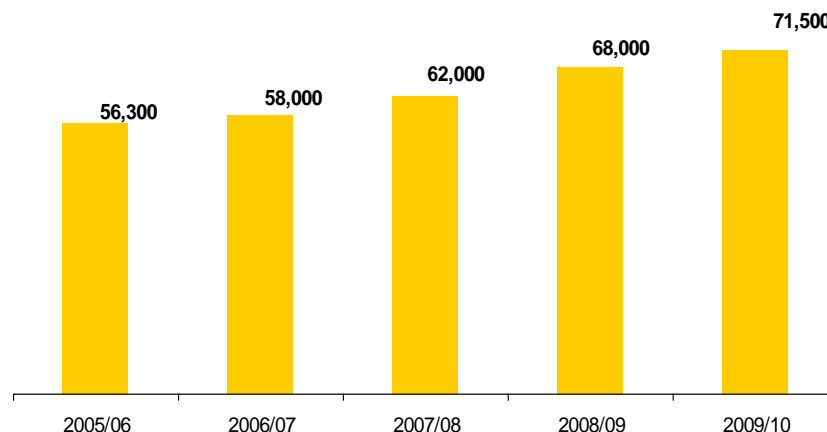


Market will provide funding for new capacity and create new jobs

- A total worth of HK\$860 billion of investment projects are planned for Asia-Pacific airports*. Private sector funding provides a more efficient alternative to public sector financing for investments of such magnitude.

* Source: Airports Council International (ACI) Airport Economics Survey 2004

- About 20,000 jobs will be created in the next 5 years at HKIA.



Total no. of jobs at HKIA based on planned projects for the next 5 years