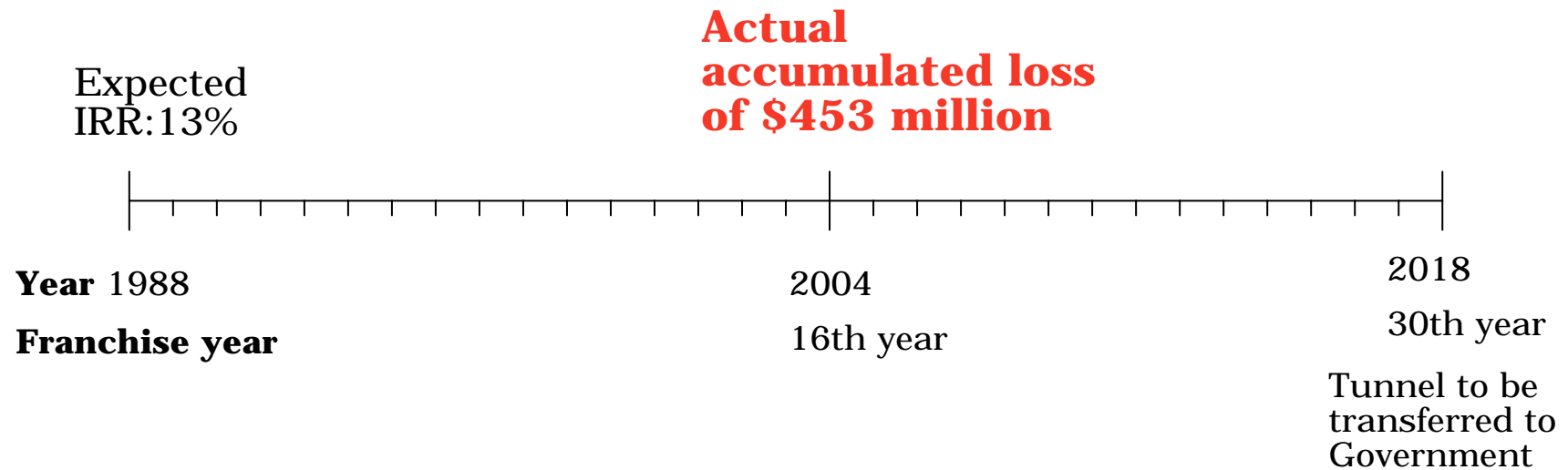




Justification for toll rise

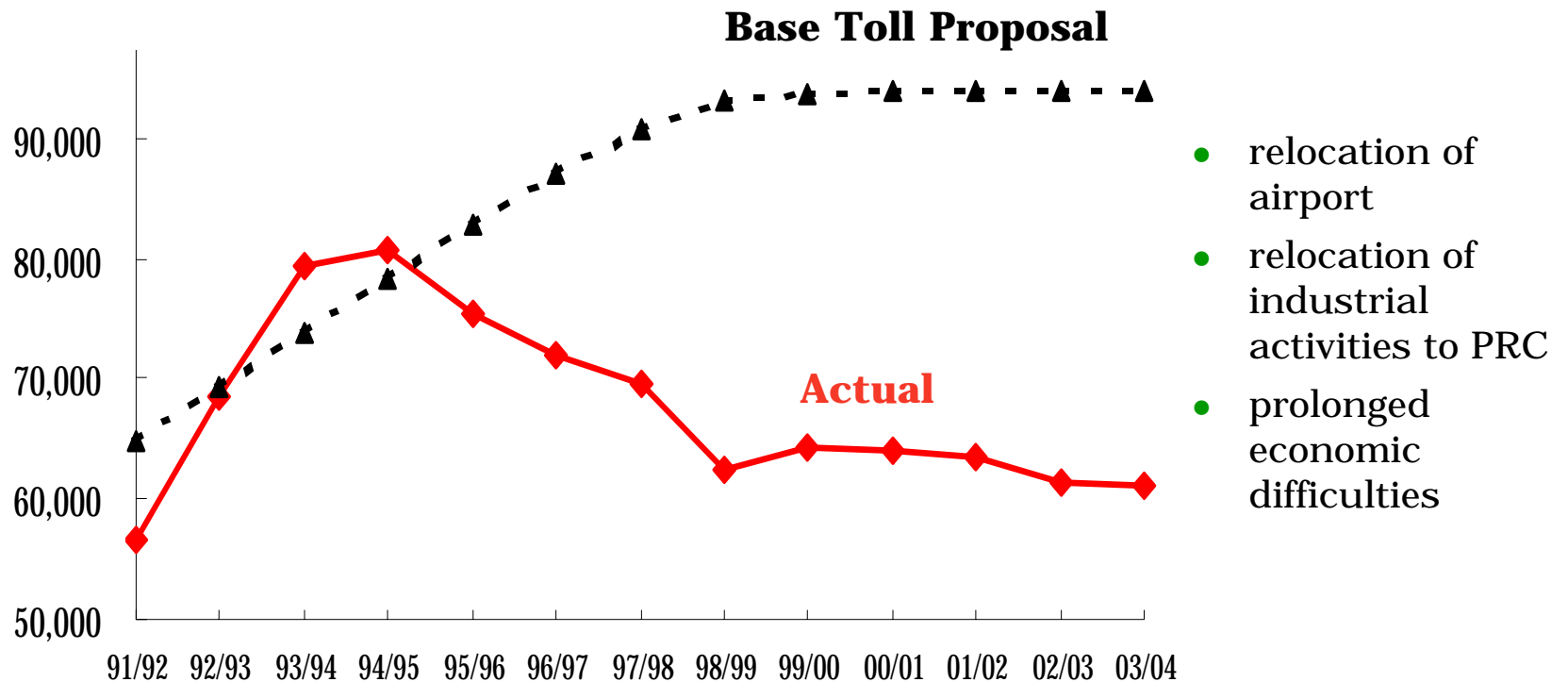


- Shortfall of \$1,476 million when compared to the accumulated profits of \$1,023 million in the 16th franchise year under the Base Toll Proposal



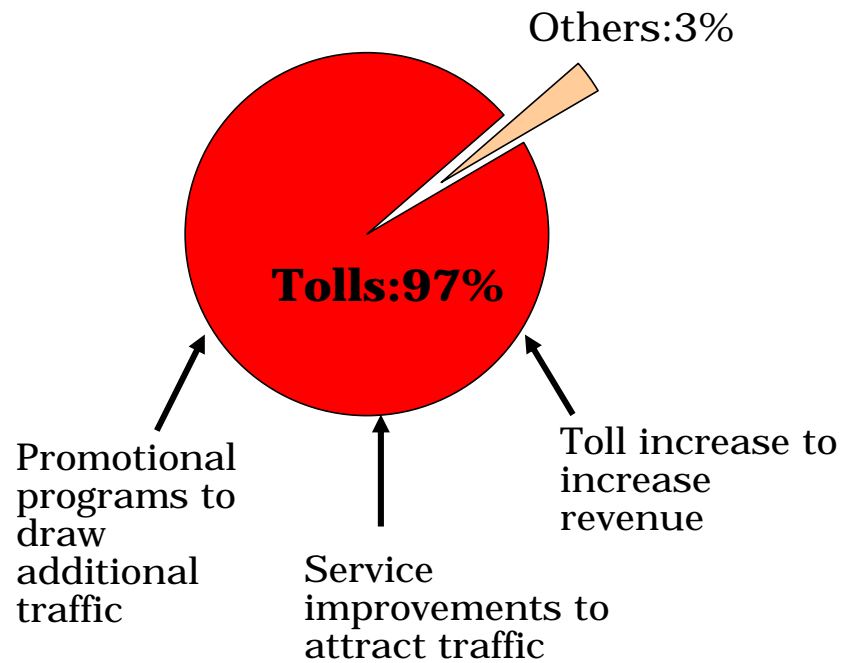
Reasons for financial underperformance

Average daily traffic

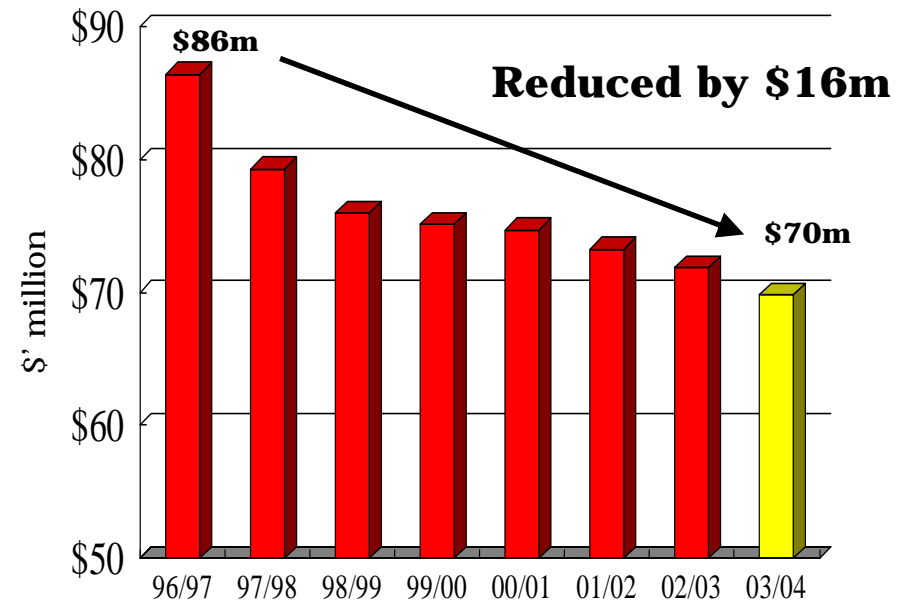


Efforts to improve accumulated loss

1. Revenue increase



2. Cost control





Proposed toll increase

Vehicle category	Current toll	Proposed toll	Increase amount	Base Toll Proposal with effect from 2002	Variance
Motorcycle	\$10	\$10	\$0	\$13	-\$3
Private car & taxi	\$10	\$12	\$2	\$13	-\$1
Light bus & light goods vehicle	\$17	\$18	\$1	\$23	-\$5
Medium & heavy goods vehicle	\$20	\$23	\$3	\$26	-\$3
Single-decker bus	\$20	\$24	\$4	\$26	-\$2
Double-decker bus	\$20	\$26	\$6	\$26	\$0
Extra axle	\$13	\$15	\$2	\$16	-\$1

- Almost 3 years delay when compared to the Base Toll Proposal



Service performance

1. Capital expenditure

- In the past 7 years: spent \$64 million
- In the next 7 years: invest \$56 million

2. Customers' satisfaction rating

