

大老山隧道有限公司
Tate's Cairn Tunnel Co Ltd

CB(1)693/09-10(01)

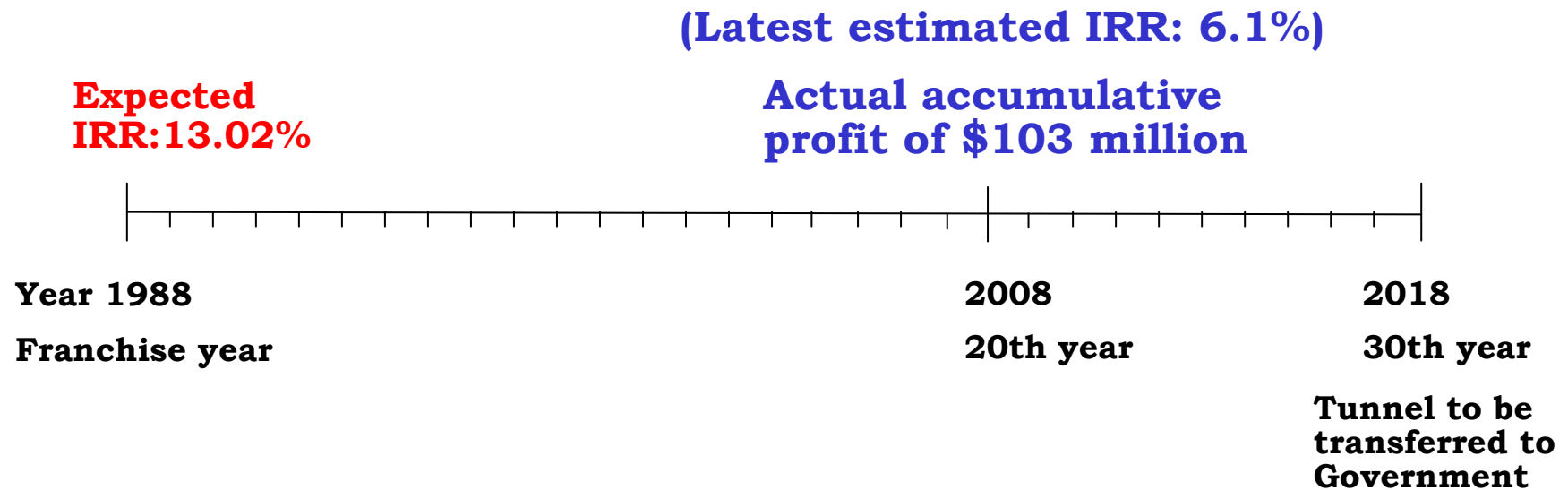
Meeting with the Legislative Council Panel on Transport



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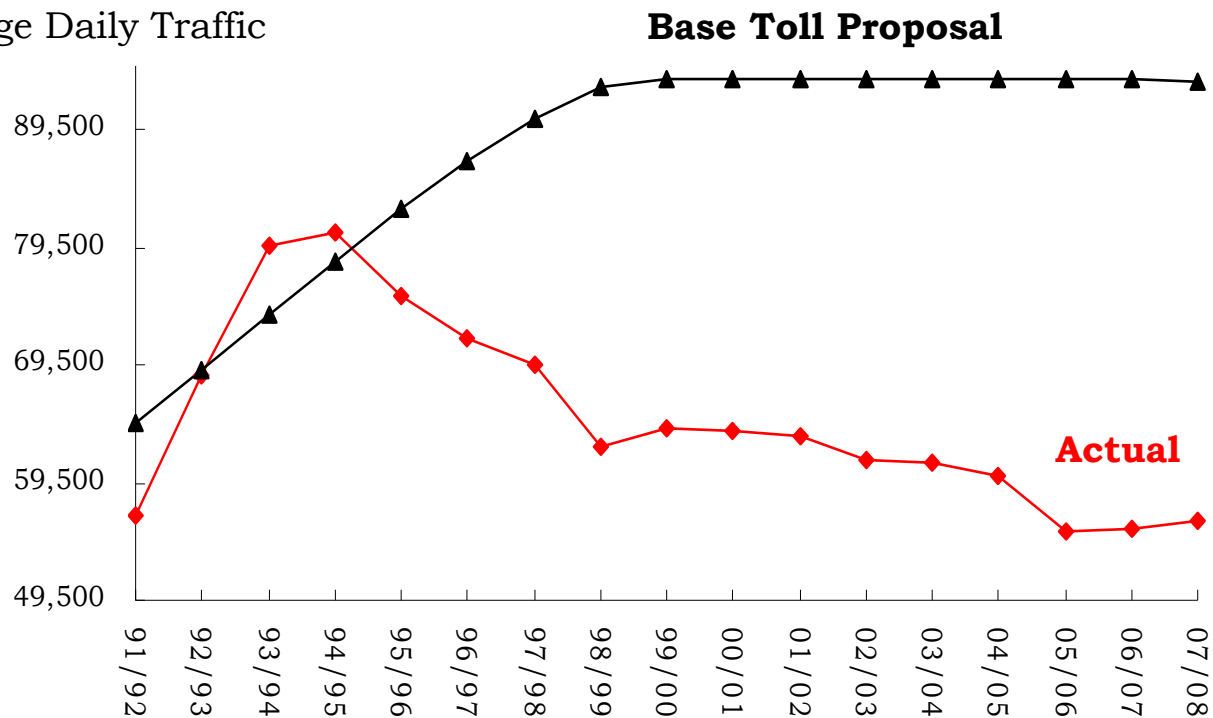
Justification for toll rise



- **Shortfall of \$2,633 million** when compared to the accumulative profit of \$2,736 million in the 20th franchise year under the Base Toll Proposal

Reasons for financial underperformance

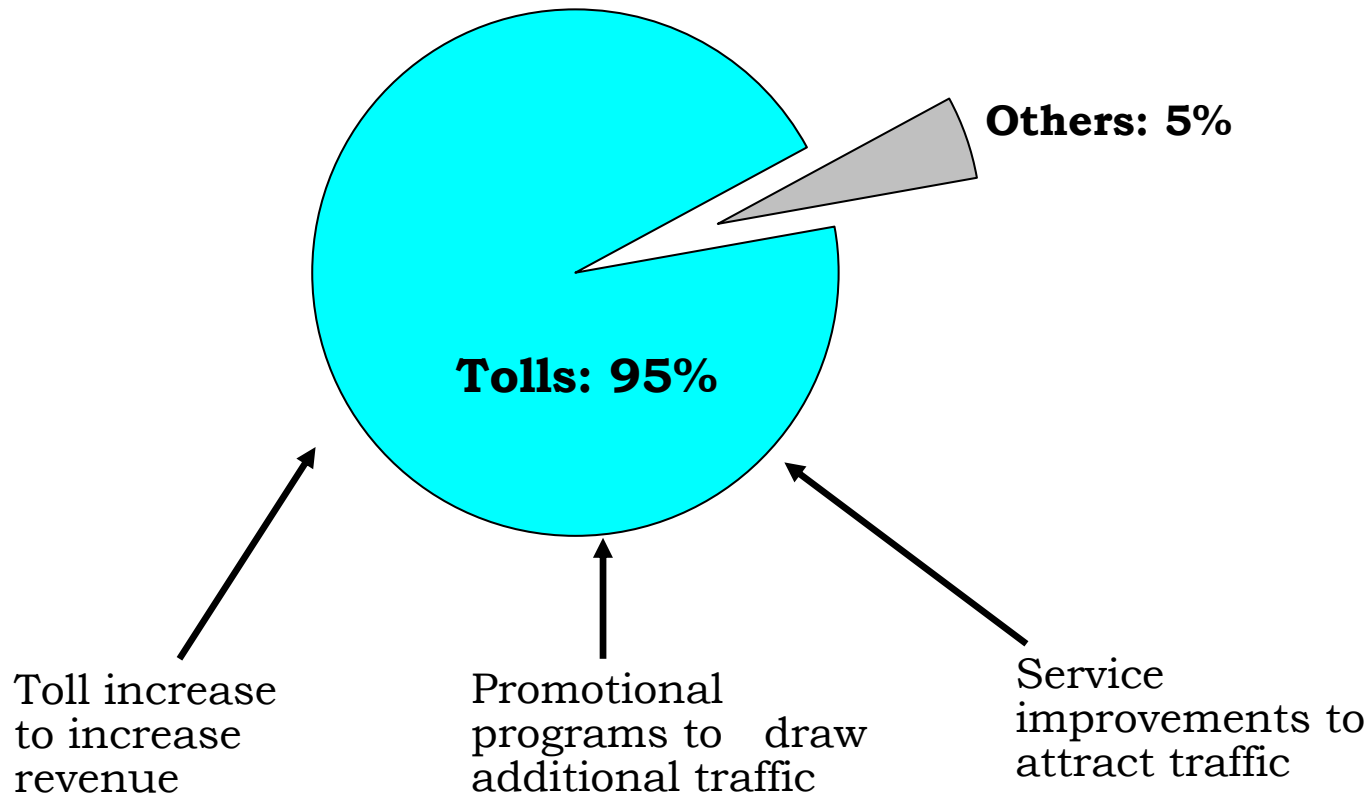
Average Daily Traffic



- Increasing toll disparity between LRT and TCT
- relocation of industrial activities to PRC
- relocation of the airport and undecided development of the ex-airport area
- prolonged economic difficulties between 1998/99 – 2003/04
- diversion effect due to increasing transportation modes and road choice

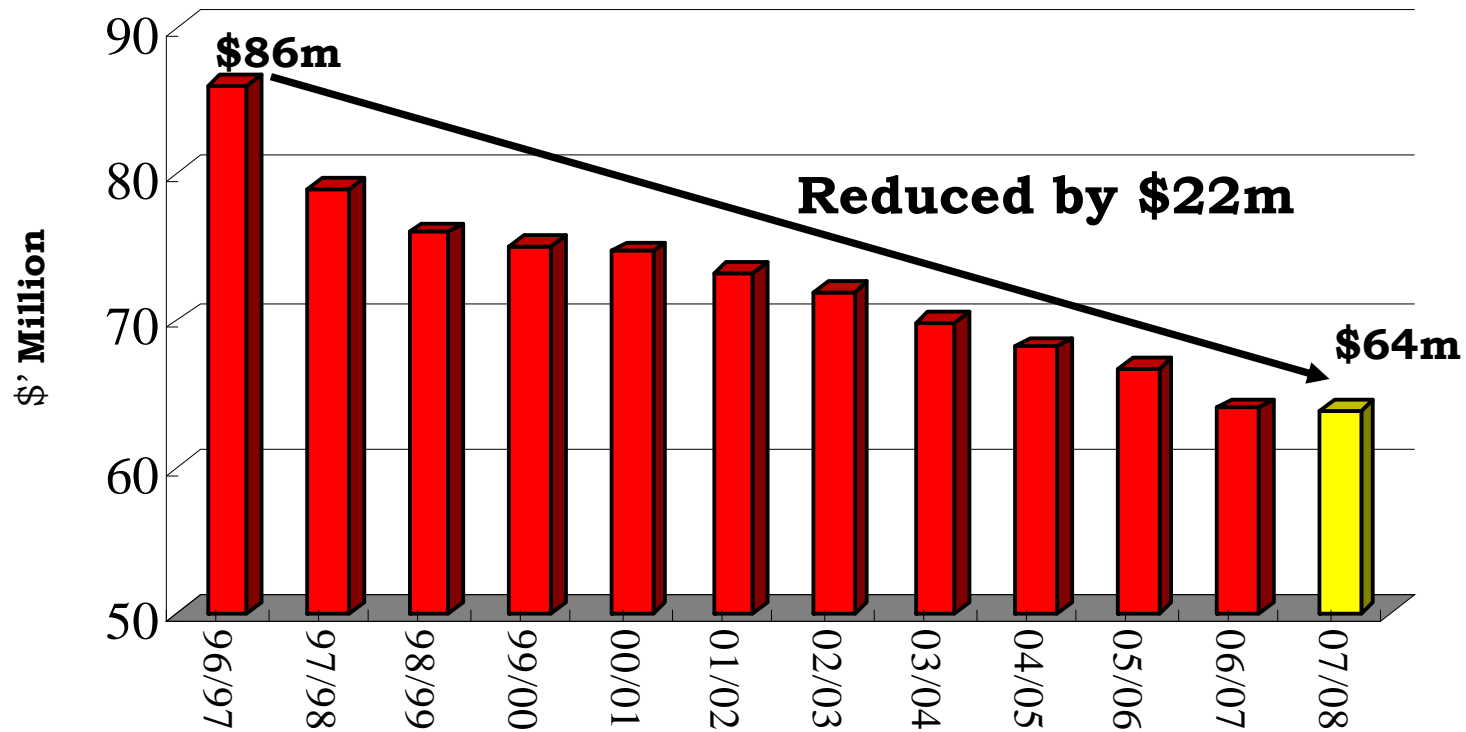
Efforts to improve financial performance

1. Revenue increase



Efforts to improve financial performance

2. Cost control

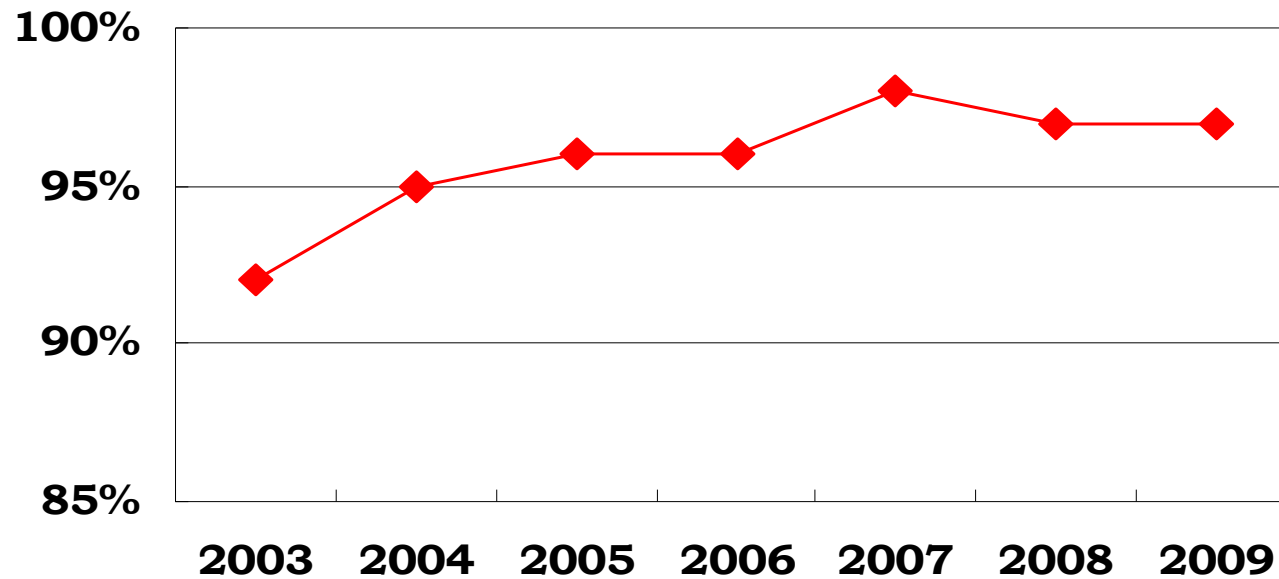


Proposed toll increase

| Vehicle Category | Current Toll | Proposed Toll | Increase Amount |
|---------------------------------|--------------|----------------------|-----------------|
| Motorcycle | \$11 | \$12 | \$1 |
| Private car & taxi | \$14 | \$15 | \$1 |
| Light bus & light goods vehicle | \$21 | \$22 | \$1 |
| Medium & heavy goods vehicle | \$25 | \$26 | \$1 |
| Single-decker bus | \$28 | \$29 | \$1 |
| Double-decker bus | \$31 | \$32 | \$1 |
| Extra axle | \$18 | \$19 | \$1 |

Service performance

1. Customers' satisfaction rating



2. Capital expenditure

- In coming 9 years: invest more than \$40 million

Thank You