



10 August 2007

The Honourable Chairman and Panel Members
Panel on Transport, Legislative Council
c/o Legislative Council Secretariat (fax: 2869 6794)

Dear Chairman and Panel members

Re: Route 3 Country Park Section (R3CPS) Toll Adjustment

We write to give you a better understanding of the rationale behind our decision to adjust the tolls of Route 3 Country Park Section which shall come into effect on 19 August 2007 (Sunday).

As of 31 July 2007, the Company suffered an accumulated loss of over HK\$500 million and an outstanding bank loan of about HK\$1,400 million. Lending interest rate (HIBOR) has gone up to near 4% since early 2005, causing higher interest expenses to our Company. Since the inception of the project, the shareholders have injected capital for 12 years and have not yet recouped any amount on principal, not to mention return. Confronted with the huge financial pressure on repayment of loan and enormous interest expenses, it leaves us with no other alternative but to adjust the tolls. Nevertheless, we have already made the best restraint to defer the date of such adjustment.

The increase is not significant and not across-the-board. The Company is fully aware that the route choice of the freight vehicles has yet to be observed as the Shenzhen Western Corridor (SWC) has just been commissioned for over a month. The tolls of medium and heavy goods vehicles thus remain unchanged at this stage, subject to further review on the traffic pattern of SWC. Some concessionary programmes currently in place would also be continued.

We would continue to maintain the safety assurance and pledge to provide motorists with fast, comfortable and quality services.

A package comprising press release with revised toll table and fact sheet elaborating our rationale is enclosed for your kind reference.

We respectfully look forward to your kind understanding of our toll increase on the back of our huge financial difficulty.

Yours faithfully
ROUTE 3 (CPS) COMPANY LIMITED



Vincent Fong
General Manager

Encl



新聞稿

二零零七年八月十日

大欖隧道調整收費
二零零七年八月十九日起生效

大欖隧道之各類型車輛收費，除中、重型貨車外，將於 2007 年 8 月 19 日(星期日)起實行調整。調整後之新收費仍遠低於法定准許的水平(詳見附表)。

截至 2007 年 7 月 31 日止，隧道公司的累積虧損超過港幣 5 億元，而未償還銀行貸款約為港幣 14 億元，加上自 2005 年初起，借貸利率的增幅已近 4 厘，加重了利息支出的負擔。面對上述財務壓力，公司必須調整收費，以改善收入，減低虧損。

三號幹線(郊野公園段)有限公司總經理方平先生表示：「股東在這項目已投資了十二年，當中亦曾額外注資以進行債務重組，所投入的本金至今仍未能取回分毫，更別說任何回報。公司現時仍累積龐大虧損，我們迫不得已作出調整收費之決定，改善收入以償還貸款及支付龐大的利息開支。公司仍會繼續採取多種不同措施以提升流量，包括針對不同車種的運作情況推出優惠，開拓其他收入來源，及積極減省開支。」

公司過去縱然虧損龐大，仍長期盡力支持對香港經濟貢獻重大的貨運業。公司理解到深港西部通道啓用只有一個多月，公眾對貨運車輛路線的選擇仍未能充分掌握，故中、重型貨車之收費暫仍維持不變，待深西車流較為穩定後再作檢討。



新聞稿續

三項推行已久之優惠計劃，包括「全日吉架貨櫃車 \$25 優惠」、「午夜掛接式貨櫃車 \$25 優惠」及「午夜無載客的士（吉的）\$10 優惠」，將會繼續。

隧道公司的法定收費水平亦會同時刊憲調整，此乃遵照「大欖隧道及元朗引道條例」法定機制的一貫做法，即當公司某一財政年度的實際淨收入低於該年度最低估計淨收入時，公司可按程序刊憲調整其法定收費。

三號幹線（郊野公園段）有限公司近數年已額外投資逾港幣一千萬元添置安全設施、重鋪路面及提升服務。方平補充：「大欖隧道的安全紀錄一向超卓，公司會竭力維持一貫卓越的安全紀錄，並繼續為駕駛人士提供快捷、舒適以及優質的服務。」

連接汀九至元朗之三號幹線郊野公園段，包括 3.8 公里之大欖隧道及 6.3 公里之青朗公路，工程於 1995 年 5 月展開，於 1998 年 5 月 25 日正式通車。

* 完 *

大欖隧道收費表 Tai Lam Tunnel Toll Schedule

分類 Category	車輛 Vehicle	現行收費 Existing tolls		八月十九日起生效之收費 Tolls effective from 19 Aug		實際加費 Actual increase
		法定准許收費 Statutory tolls	實際收費 Actual tolls	法定准許收費 Statutory tolls	實際收費 Actual tolls	
1.	電單車 Motorcycles	\$30	\$17*	\$35	\$18*	\$1
2.	私家車、的士 Private cars, taxis	\$35	\$25*	\$40	\$28*	\$3
3.	私家/公共小巴 Private/Public light buses	\$90	\$75*	\$105	\$90*	\$15
4.	輕型貨車 (不超過 5.5 噸) Light goods vehicles weight not exceeding 5.5 tonnes	\$90	\$28*	\$105	\$30*	\$2
5.	中型貨車 (5.5 噸以上但不超過 24 噸) Medium goods vehicles weight exceeding 5.5 tonnes but not exceeding 24 tonnes	\$100	\$35*	\$115	\$35*	無 nil
6.	重型貨車 (24 噸以上) Heavy goods vehicles weight over 24 tonnes	\$120	\$40*	\$135	\$40*	無 nil
7.	單層巴士 Single-decked buses	\$90	\$75*	\$105	\$90*	\$15
8.	雙層巴士 Double-decked buses	\$105	\$90*	\$120	\$105*	\$15
	分類 4-6 的車輛，首兩條以上的每條額外車軸 For vehicles in categories 4-6, each additional axle in excess of two	\$40	免費 free*	\$45	免費 free*	無 nil

*低於法定水平的優惠收費 concessionary tolls which are below statutory levels



FOR IMMEDIATE RELEASE

10 August 2007

**New Tolls for Tai Lam Tunnel
Effective on 19 August 2007**

Tolls of Tai Lam Tunnel shall be revised with effect from 19 August (Sunday). However, the tolls for medium and heavy goods vehicles shall remain unchanged at this stage while revised tolls for affected categories are still far below statutory permitted levels (see attached toll table).

As of 31 July 2007, the Company suffered an accumulated loss of over HK\$500 million and an outstanding bank loan of about HK\$1,400 million. Moreover, lending interest rate (HIBOR) has gone up to near 4% since early 2005 causing higher interest expenses. The Company is under such huge financial pressure and has no alternative but to adjust the tolls to improve revenue and reduce losses.

Mr Vincent Fong, General Manager of Route 3 (CPS) Company Limited, explained, "The shareholders have injected capital for 12 years since the inception of the project and have as far as possible injected additional capital to facilitate refinancing. Suffered from the huge accumulated losses, they have not yet recouped any amount on principal, not to mention return. Confronted with the huge financial pressure on repayment of bank loan and enormous interest expenses, the Company has no alternative but to take measures to improve revenue. As in the past, the Company would continue to take various measures to boost traffic such as launching various tactical promotion campaigns, and positively implementing revenue generation and expense reduction programmes."

Notwithstanding the huge loss, the Company has been over the years supporting the trucking trade, which is important to Hong Kong's economy. The Company is fully aware that the route choice of the freight vehicles has yet to be observed as the Shenzhen Western Corridor (SWC) has just been commissioned for over a month. The Company thus keeps the tolls of medium and heavy goods vehicles unchanged at this stage, subject to further review on the traffic pattern of SWC.



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The three concessionary programmes currently in place, namely \$25 for empty trailers, \$25 for articulated goods vehicles at midnight and \$10 for taxis without passengers at midnight, shall continue.

The statutory tolls shall be revised at the same time which is just a statutory procedure under the "Tai Lam Tunnel and Yuen Long Approach Road Ordinance". Under the Ordinance, new tolls could be gazetted if the Company's actual net revenue falls short of the minimum estimated net revenue of that specified year.

Route 3 (CPS) Company Limited has taken the initiative to invest more than HK\$10 million in the past few years on road resurfacing, safety and service enhancement. Mr Fong said, "Tai Lam Tunnel has excellent safety records over the years. The Company would endeavour to maintain the safety assurance and pledge to provide motorists with fast, comfortable and quality services."

Route 3 Country Park Section consists of the 3.8 km Tai Lam Tunnel and 6.3 km Tsing Long Highway. Works started in May 1995. It was opened to traffic on 25 May 1998.

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三號幹線(郊野公園段)有限公司
關於調整收費之補充資料

1. 財政狀況

- i. 截至 2007 年 7 月 31 日，累積虧損超過港幣 5 億元。
- ii. 截至 2007 年 7 月 31 日，未償還銀行貸款約為港幣 14 億元。
- iii. 自 2005 年初起，借貸利率（HIBOR）的增幅已近 4 厘，加重了利息支出的負擔。
- iv. 股東於 2005 年額外注資港幣 10 億元以進行債務重組。
- v. 股東在這項目已投資了十二年，所投入的本金至今仍未能取回分毫，更別說任何回報。

2. 交通流量

- i. 2006 年每日平均車流為 47,516：
 - 私家車及的士：54.2%
 - 巴士：13.2%
 - 貨車：31.9%
 - 電單車：0.7%

2000	45,153
2001	43,803
2002	44,456
2003	44,265
2004	45,385
2005	46,152
2006	47,516

- ii. 西鐵通車及過境單層巴士的規管，令巴士(雙單層合計)車數每日減少超過 1,000 架次 (即下跌近 15%)。

3. 節流措施及服務提升

- i. 雖然現時車流比之前輕微增加，但公司透過有效節流措施，營運開支仍低於 2000/01 財政年度水平。



- ii 開源方面，公司盡很大努力開拓戶外廣告及其他收益，然而此等收益數額始終有限，只佔總收入約 3%，公司的主要收入來源仍得靠隧道費。
 - iii 公司一向把安全放在首位，大欖隧道由 2001 至 2005 年均為全港最安全隧道，而 2006 年則排行第二¹。雖然仍處於虧損，公司過去幾年仍投資了逾港幣一千萬元主動提升安全及服務水平，包括：(1) 重舖部分路面 (2) 在主要路口裝設風琴式防撞欄 (3) 添置設有風琴式防撞欄的工程車 (4) 提升隧道內電台接收系統。
4. 推廣優惠活動
- i 公司於 2002 年 7 月 29 日推出的「全日吉架貨櫃車 \$25 優惠」將繼續。
 - ii 公司於 2002 年 10 月 7 日推出的「午夜掛接式貨櫃車 \$25 優惠」將繼續。
 - iii 公司在 2004 年 12 月 1 日推出的「午夜非載客的士 \$10 優惠」將繼續。
5. 關於調整收費時間及幅度事宜
- i 雖然公司財政壓力龐大，仍盡最大克制將實際收費調整推遲，對上一次調整為 2005 年 6 月 19 日。
 - ii 公司一向長期支持貨運車輛，提供特惠收費。公司理解到深港西部通道啓用只有一個多月，公眾對貨運車輛路線的選擇仍未能充分掌握，故中、重型貨車之收費暫仍維持不變，待深西車流較為穩定後再作檢討。
 - iii 公司考慮了市場情形、經濟環境及不同車種承受情況，調整幅度遠低於法定准許的水平。

¹ 根據運輸署統計資料，大欖隧道於 2001 至 2005 年皆為全港最安全隧道，2006 年則排行第二。2006 年每百萬車輛行駛公里計意外率為 0.08。



Route 3 (CPS) Company Limited
Supplementary information on toll adjustment

1 Finance

- i As of 31 July 2007, the accumulated loss was over HK\$500 million
- ii As of 31 July 2007, the outstanding bank loan was about HK\$1,400 million.
- iii. Lending interest rate (HIBOR) has gone up to near 4% since early 2005, causing higher interest expenses.
- iv. The shareholders have in addition injected HK\$1,000 million in 2005 to facilitate a refinancing.
- v. The shareholders have injected capital for 12 years since the inception of the project and have not yet recouped any amount on principal, not to mention return.

2. Traffic

- i. The daily average throughput in 2006 was 47,516 comprising :
 - private cars and taxis : 54.2%
 - buses : 13.2%
 - goods vehicles : 31.9%
 - motorcycles : 0.7%

2000	45,153
2001	43,803
2002	44,456
2003	44,265
2004	45,385
2005	46,152
2006	47,516

- ii. Traffic is badly hit by the opening of West Rail and the regulation on cross-boundary coaches. Bus traffic (single and double decked) alone dropped by over 1,000 vehicles per day (i.e. near 15% drop).



3. Measures on Expense Reduction and Service Enhancement

- i. The Company has striven to reduce operating expenses through various measures. Though traffic has shown mild increase, operating expenses were still below the 2000/01 levels.
- ii. The Company has endeavoured to foster revenues from advertising and others. Those revenues are nevertheless limited, accounting for only around 3% of total, with the principal income still generating from tolls.
- iii. Safety is the Company's prime concern. Tai Lam Tunnel is boasted of as Hong Kong's safest from 2001 to 2005 and is the second safest in 2006¹. Notwithstanding the huge loss, the Company has spent over HK\$10 million in the past few years on service and safety enhancement including (1) road resurfacing (2) installation of crash cushion barriers at major exits (3) installation of truck mount attenuator (4) enhancement of radio rebroadcast system inside tunnel.

4. Marketing and Concessionary Programmes

- i. The "\$25 for empty trailers" promotion, launched on 29 July 2002, would continue.
- ii. The "\$25 for articulated goods vehicles at midnight" promotion, launched on 7 October 2002, would continue.
- iii. The "\$10 for taxis without passengers at midnight" promotion, launched on 1 December 2004, would continue.

5. Time and Level on Toll Adjustment

- i. Though faced with huge financial pressure, the Company has made its best endeavour to defer the increase on effective tolls. The last increase was on 19 June 2005.
- ii. The Company has long been supporting the trucking trade by offering special concessionary tolls for freight vehicles. The Company is fully aware that the route choice of the freight vehicles has yet to be observed as the Shenzhen Western Corridor (SWC) has just been commissioned for over a month. The tolls of medium and heavy goods vehicles are thus unchanged at this stage, subject to further review on traffic pattern of SWC.
- iii. The Company has given due consideration to the economic situation, market conditions and affordability of various categories and the new tolls are far below the statutory permitted levels.

¹ Tai Lam Tunnel was Hong Kong's safest tunnel for the years 2001 to 2005 and was the second safest for 2006 according to statistics of Transport Department. In 2006, the accident rate per million veh-km was 0.08.