



大老山隧道有限公司
Tate's Cairn Tunnel Company Limited

CB(1)1383/07-08(01)

Meeting with the Legislative Council Panel on Transport

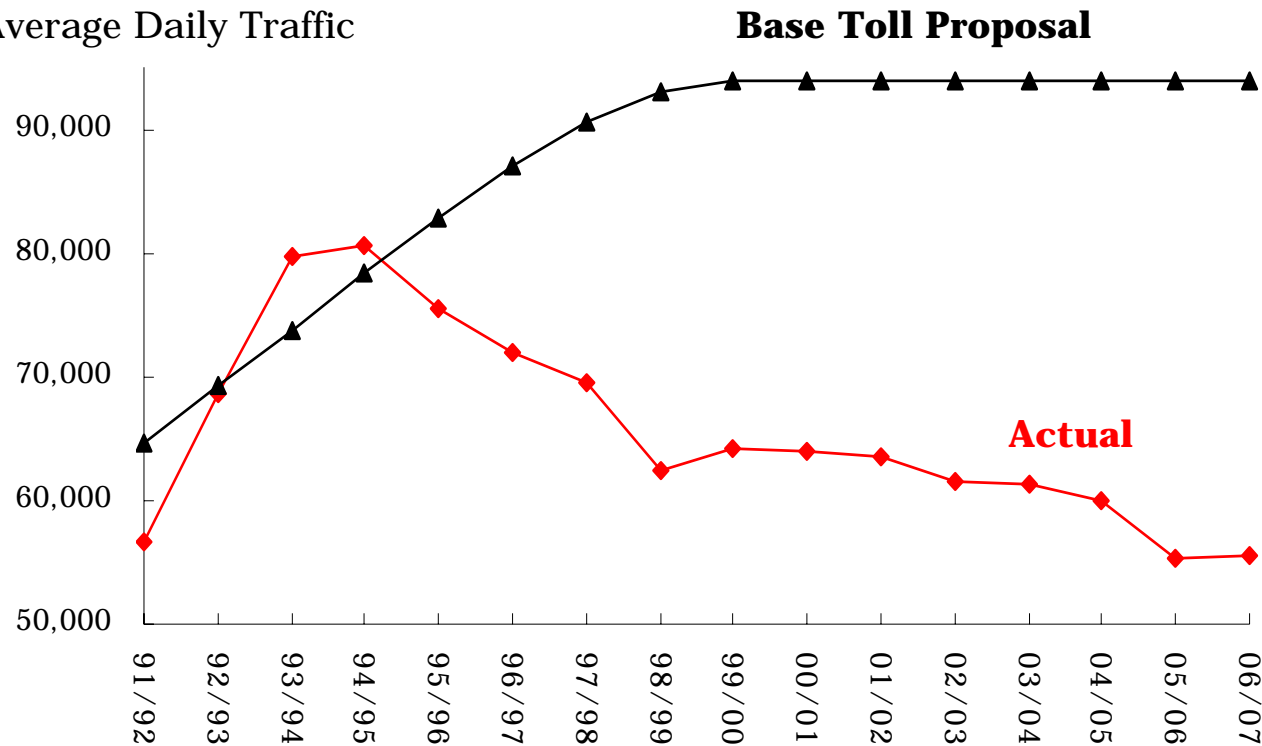


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Reasons for financial underperformance

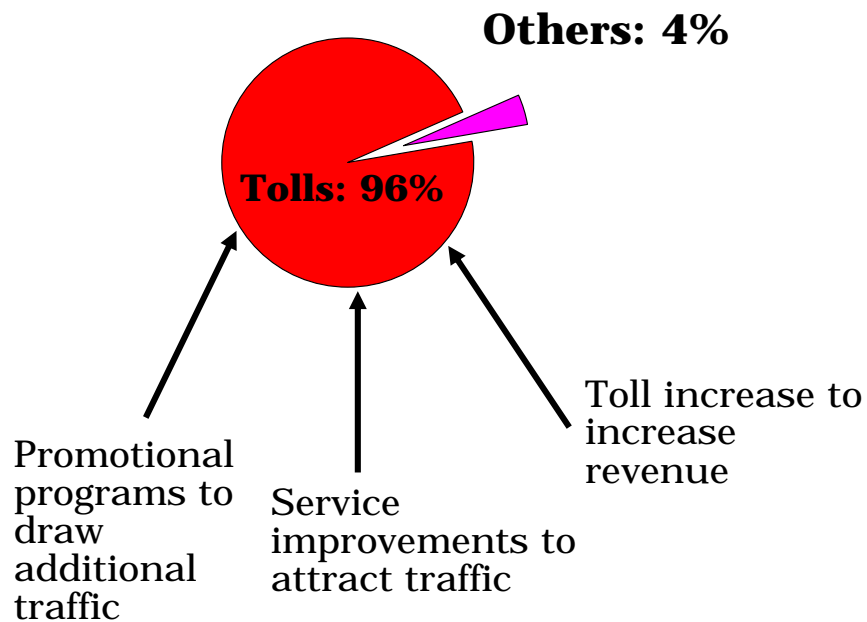
Average Daily Traffic



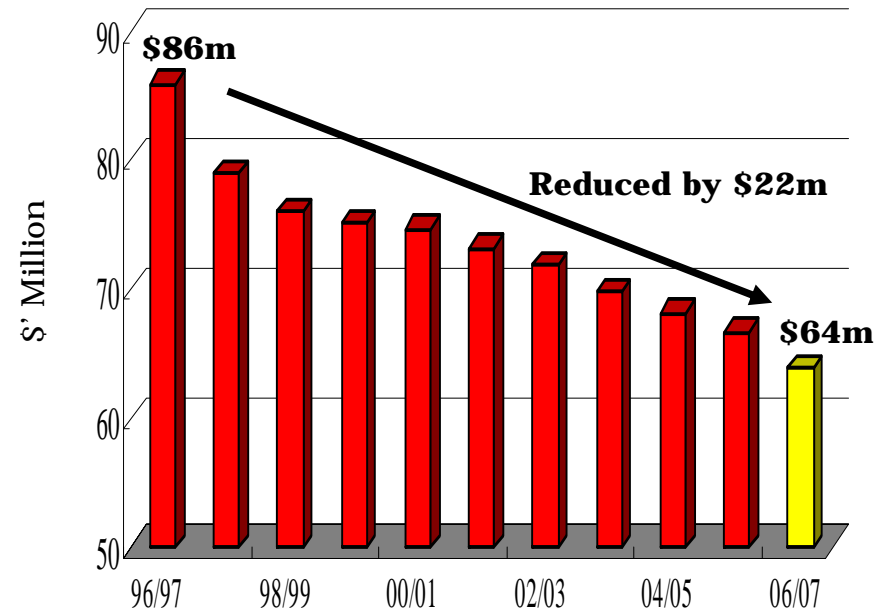
- Increasing toll disparity between LRT and TCT
- relocation of industrial activities to PRC
- relocation of the airport and undecided development of the ex-airport area
- prolonged economic difficulties between 1998/99 - 2003/04
- diversion effect due to increasing transportation modes and road choice

Efforts to improve financial performance

1. Revenue increase



2. Cost control



Proposed toll increase

Vehicle Category	Current Toll	Proposed Toll	Increase Amount	Base Toll Proposal with Effect in Year 2005	Variance
Motorcycle	\$10	\$12	\$2	\$15	-\$3
Private car & taxi	\$12	\$15	\$3	\$15	\$0
Light bus & light goods vehicle	\$18	\$23	\$5	\$26	-\$3
Medium & heavy goods vehicle	\$23	\$26	\$3	\$30	-\$4
Single-decker bus	\$24	\$30	\$6	\$30	\$0
Double-decker bus	\$26	\$33	\$7	\$30	+\$3
Extra axle	\$15	\$19	\$4	\$20	-\$1

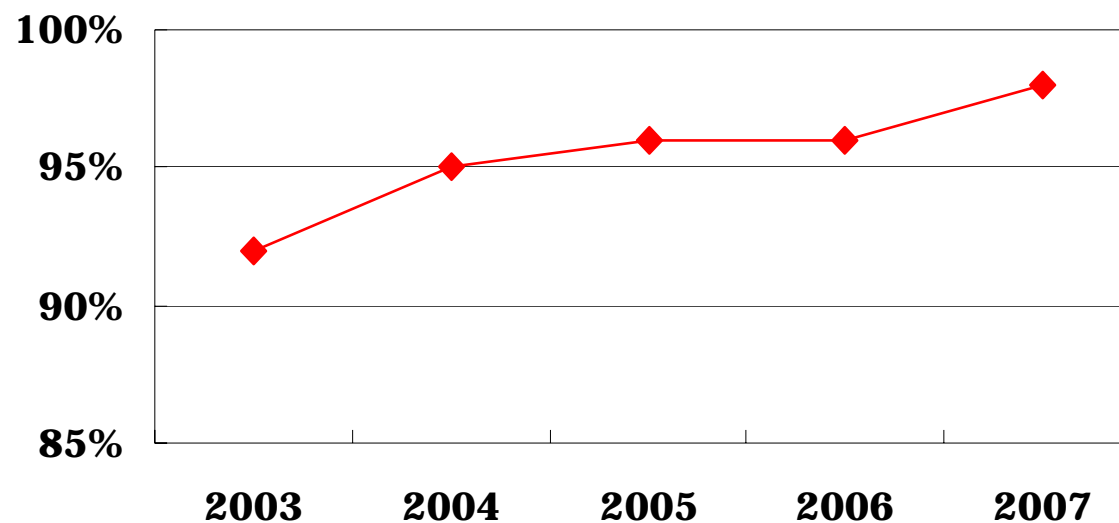
- Almost 3 years delay when compared to the Base Toll Proposal

Service performance

1. Capital expenditure

- In the next 7 years: invest \$44 million

2. Customers' satisfaction rating



Thank You