

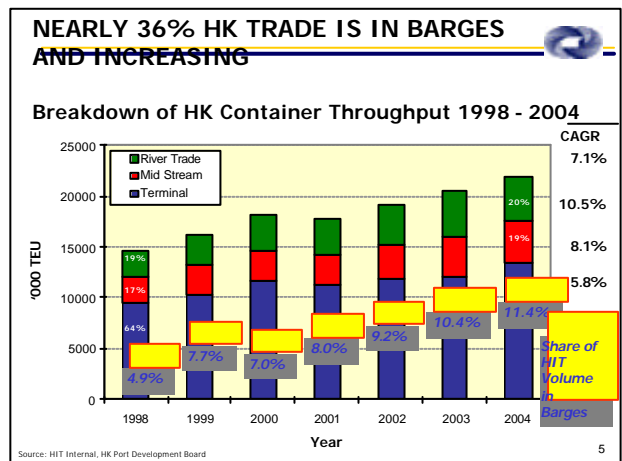
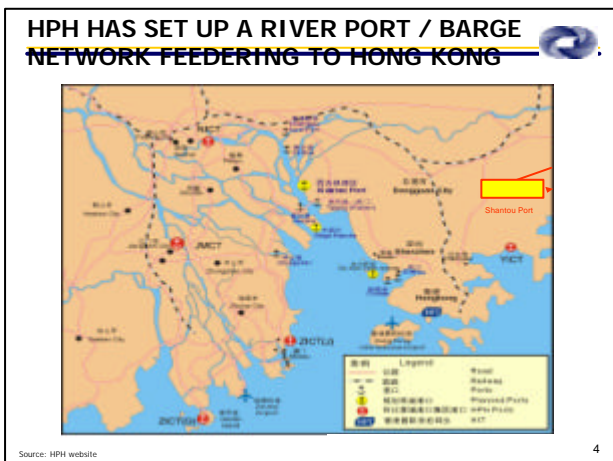
VIABLE ALTERNATIVES TO TRUCKING EXIST

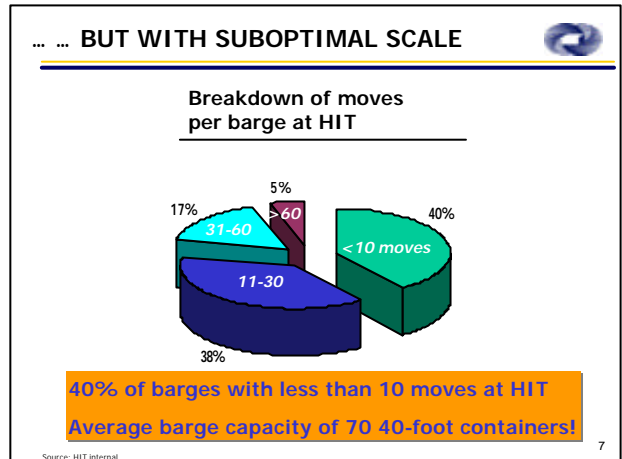
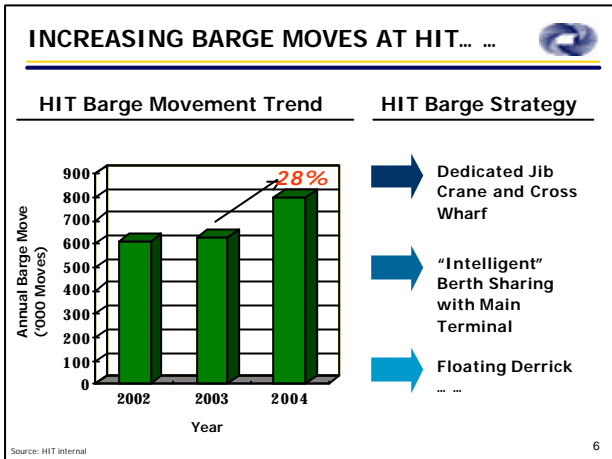
	Fuel Consumption – Preliminary (Liter of Diesel / 40 ft container / km)		Example Zhongshan to HK (HK\$ / 40 ft container)
	High	Low	Average
Truck	0.45	0.40	3,000
Barge (1)	0.30	0.22	1,900 (3)
Rail (2)	0.21	0.19	N/A

Other factors such as time and convenience must also be considered

1) Assuming the average barge capacity is between 50 to 70 40 ft containers
 2) Assuming 16-18 tons gross weight per container
 3) Including an additional HK\$ 400 for inland trucking

Source: HIT survey, YICT Internal





HOW CAN WE DO MORE HERE?

More coordinated barging

- Higher minimum containers per barge to improve efficiency
- Government to grant additional land and contiguous barge berth next to the main terminals to reduce double handling
- Better cross terminal coordination

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WAYS TO EASE BORDER CONGESTION

HACIS - Superlink China

ONEPORT Green Lane

Systems Development

- Reduction with border-crossing delay
- Reduction in truck idle emission
- Higher border capacity

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HACIS SUPERLINK - MODEL FOR SEA FREIGHT?

Traditional flow

SuperLink China Direct

- One-stop cargo service
- Scheduled transportation network
- Fast track Customs Clearance

- Reduced time to market
- One air waybill into China
- Track and trace technology

Source: HACIS 10

TRUCKING "GREEN LANE"

Frontier Station

Huang Gang C&E

	Inspection	Clearance	Resealing	Transit	Capacity / Booth
Before Green Lane	SZ Truck 30 secs	30 secs	-	-	50 Truck/hour
After Green Lane	Non - SZ Truck 30 secs	-	3 mins	30 secs	120 Truck/hour

A common wait of 4 hours at the crossing (60 trucks in queue) can now be done in just 30 minutes!!

Source: OnePort Limited 11

TRUCKING "GREEN LANE"

Concept Expedite truck crossing at the border by having resealing and customs transit done at an inland bonded logistics park for non-Shenzhen trucks

Background An initiative comprising a Kwai Chung terminal operator, a Shenzhen logistics park company, China Customs, OnePort, HACIS - Hong Kong Air Cargo Industry Services Limited, and Hong Kong Customs and Excise, etc

Milestone Target to start trial in 2nd half of 2005

Green Lane = More efficiency = Cleaner Air

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RAIL - POSSIBLE SOLUTION?

- One of the cleanest land transport
- Cost effective for cargoes transported beyond 350km in radius
- So far, container throughput handled by Rail occupies insignificant share⁽¹⁾ in the freight transportation in Hong Kong

(1) Rail handled ~15K TEUs in 2004 versus 22M TEUs for Hong Kong as a whole

Source: Kowloon-Canton Railway Corporation, HK Port Development Board

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ELASTIC TERMINAL CAPACITY

Investment in advanced IS to improve productivity

- Smithsonian Award for best application of technology in an industry
- Franz Edelman Award Finalist for Achievement in practice in Operations Research and Management Science methods

Achieved 50% increase in capacity⁽¹⁾ with no more terminal construction

Better customer productivity⁽¹⁾

- Vessel Turnaround Time by 30%
- Vessel Operating Rate by 47%

⁽¹⁾ Submission to INFORMS titled "Achieving Elastic Capacity Through Data-Intensive Decision Support System at HKT"

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Our Mission

To be the global market leader in port development, operations and logistics services