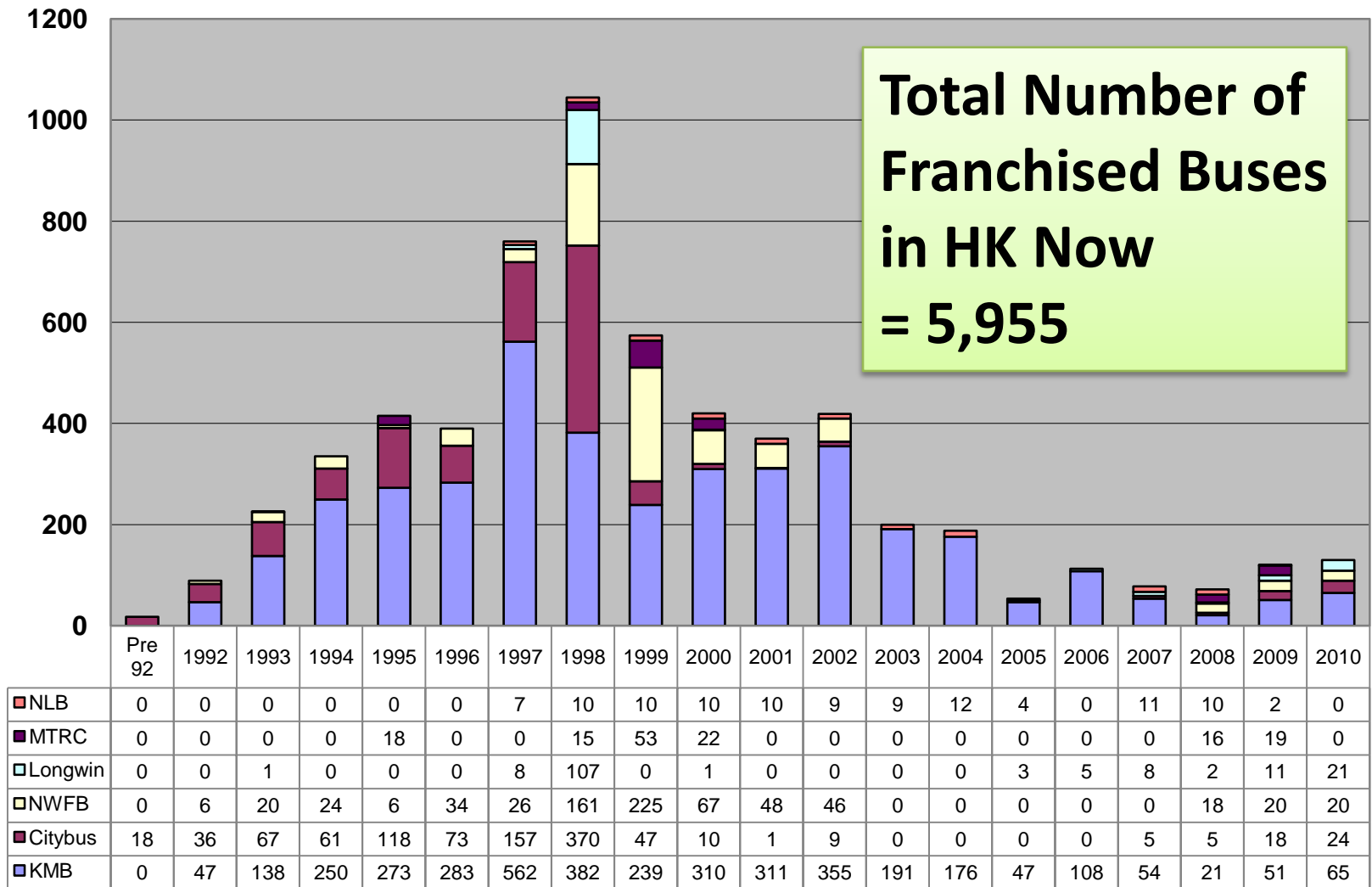


Subsidy to Replace Euro I and Euro II
Franchised Buses still on the street
on 1 January 2013

13 August 2010

Part 1: Undepreciated Value of Euro I
and Euro II Franchised Buses
on 1 January 2013

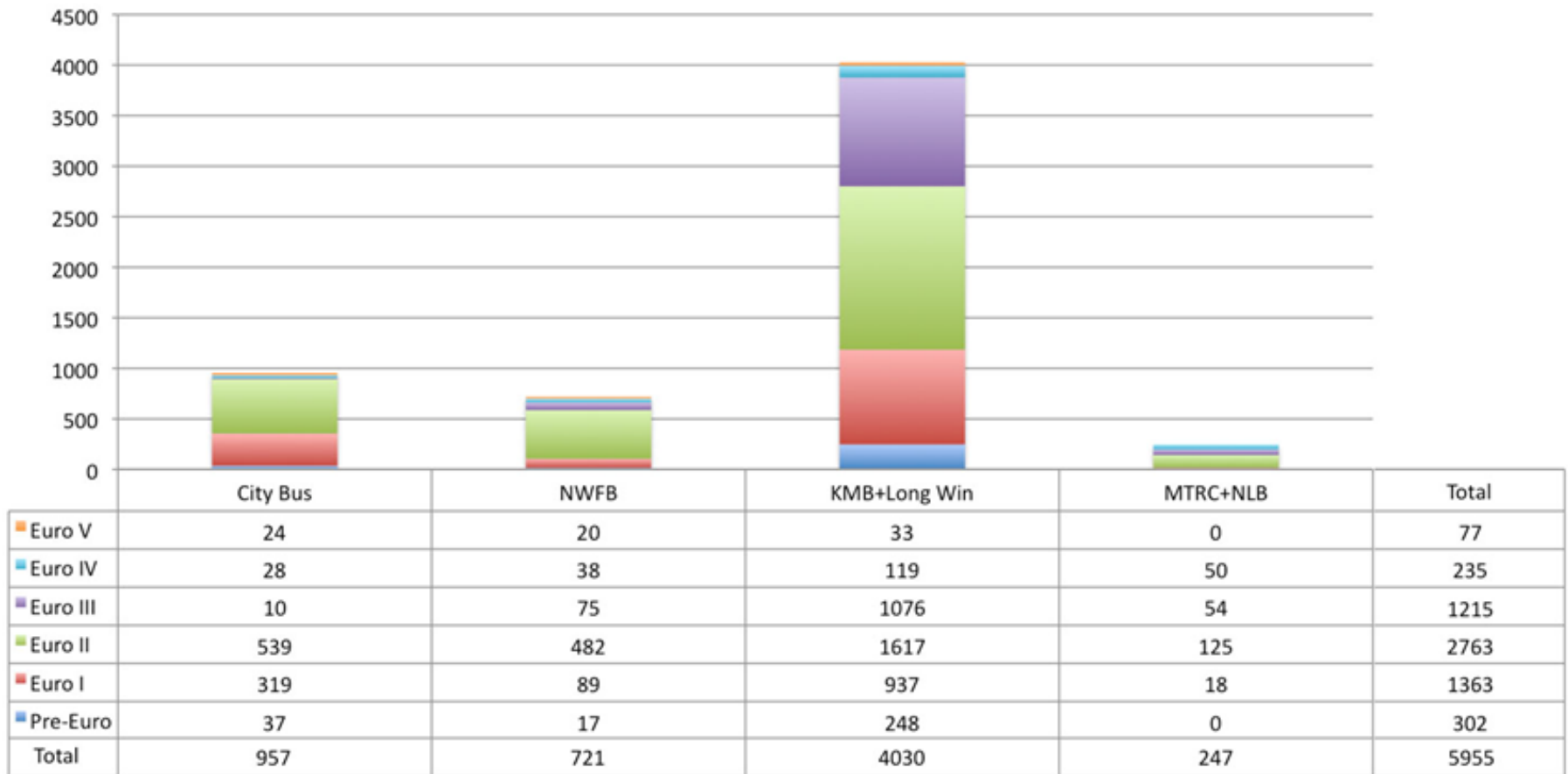
Current Number of Franchised Buses and the Fleet Composition by Year of Registration¹



¹ Source: Updated data from Alexander Dennis Bus Manufacturing Company (July 2010)

Current Number of Franchised Buses and the Fleet Composition by Engine Generation¹

Number of Vehicles by Bus Companies and Engine Generation



¹ Source: Updated data from Alexander Dennis Bus Manufacturing Company (July 2010)

Allowable Depreciation for Different Franchises

Franchise	Depreciation (yrs)	Depreciation percentage (%)
KMB/Longwin	14	7.14 %
Citybus	15	6.67 %
NWFB	14	7.14 %
MTR Bus	14	7.14 %
NLB	12	8.33 %

1. Source: Civic Exchange, *Paying for a Cleaner Bus Fleet: How government can break the log jam*, November 2009.

Retirement of Franchised Bus Fleet by Engine Generation¹

Year of First Registration	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
By Engine types																			
Pre-Euro	186	63																	302
Euro I	35	272	415	390	251														1363
Euro II					509	1042	574	414	224										2763
Euro III								6	146	419	200	188	54	111	69	22			1215
Euro IV														2	9	50	121	53	235
Euro V																		77	77
Cum. Number of Buses to be replaced by:	221	335	415	390	760	1042	574	420	370	419	200	188	54	113	78	72	121	130	5955
Year of Retirement	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	

¹ This computation disregards the early replacement or elimination of Euro I/II buses due to car accidents or irreparable damage.

Number of Euro I/II Franchised Buses remaining on the road on 1 January 2013

		Estimated Purchase Cost		No. of KMB + Longwin		No. of Citybus		No. of NWFB		No. of MTR Bus		No. of NLB	
At the	End of	Depreciation Rate		14		15		14		14		12	
Age ¹	Year	Euro I	Euro II	Euro I	Euro II	Euro I	Euro II	Euro I	Euro II	Euro I	Euro II	Euro I	Euro II
17	1996	\$1,750,000		283		73		34					
16	1997	\$1,900,000	\$2,200,000	193	377	42	115	16	10		0		7
15	1998		\$2,300,000		489		367		161		15		10
14	1999		\$2,400,000		239		47		225		53		10
13	2000		\$2,350,000		307		10		67		22		8
12	2001 ²		\$2,200,000		205				19				

At the end of July 2010, there were **4,138** Euro I and Euro II franchised buses. On 1 January 2013, there will be **3,404** [i.e. **734** fewer than now].

¹ To be exact, buses older than 17 years, 364 days (i.e. one day before the age of 18) have to be removed from the fleet. E.g. buses registered before 1996 will be expired on 1 January 2013.

² No Euro I/II buses have been registered after 2001.

Total Undepreciated Value of Euro I and Euro II Franchised Buses on 1 January 2013

= \$ 147,524,761.9 (i.e. \$147 million)

Age	Year of registration	Total Value of Buses on 1 Jan 2013 (KMB / Longwin)		Total Value of Buses on 1 Jan 2013 (City Bus)		Total Value of Buses on 1 Jan 2013 (NWFB)		Total Value of Buses on 1 Jan 2013 (MTR bus)		Total Value of Buses on 1 Jan 2013 (NLB)	
		14		15		14		14		12	
		Euro I	Euro II	Euro I	Euro II	Euro I	Euro II	Euro I	Euro II	Euro I	Euro II
17	1996	\$ -		\$ -		\$ -					
16	1997	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -	\$ -
15	1998		\$ -		\$ -		\$ -		\$ -	\$ -	\$ -
14	1999		\$ -		\$ 7,520,000.00		\$ -		\$ -	\$ -	\$ -
13	2000		\$51,532,142.86		\$ 3,133,333.33		\$ 11,246,428.57		\$ 3,692,857.14	\$ -	\$ -
12	2001		\$64,428,571.43				\$ 5,971,428.57			\$ -	\$ -
Total		\$ 115,960,714.29		\$ 10,653,333.33		\$ 17,217,857.14		\$ 3,692,857.14		\$ -	
Grand Total		\$ 147,524,761.90									