

FOR IMMEDIATE RELEASE

18 October 2023

**MODERN TERMINALS PIONEERS DEPLOYMENT OF GREEN FUEL
BECOMING THE FIRST IN HONG KONG TO TRIAL
HYDROTREATED VEGETABLE OIL**

(Hong Kong) Modern Terminals announced today (18 October) the launch of a trial programme of hydrotreated vegetable oil (HVO) at its facilities at Terminal 9 (South), becoming the first company in Hong Kong to deploy this renewable diesel. This initiative is part of the Company's decarbonisation programme and it is estimated that the trial will last for three to four weeks.

Modern Terminals targets to eliminate direct greenhouse gas (GHG) emissions by 2030 and to become carbon neutral by 2050 under its Sustainability Strategy. Group Managing Director Horace Lo said: "We have been looking at various possible technologies for decarbonisation since we have established our 2030 and 2050 decarbonisation goals back in 2021. HVO significantly reduces the greenhouse gas emissions throughout the entire fuel lifecycle from its production to combustion. Working with Shell Hong Kong on this project, we are looking at HVO to reduce carbon emissions by up to 87% when compared to using conventional fossil fuels. Over the coming weeks, we hope to get a better understanding of the application of this greener fuel type and then continue the dialogue with the Government, Shell and other green fuel providers on how we accelerate the availability and use of greener fuel types in Hong Kong."

To thoroughly test the greener fuel across Modern Terminals' Hong Kong operation, HVO will be used in three types of equipment including a rubber-tyred gantry crane (RTG), a reach stacker and an empty stacker.

Under Secretary for Transport and Logistics Liu Chun San and Principal Assistant Secretary for Environment and Ecology (Air Policy) Kenneth Leung Kai Ming were at the Modern Terminals' facilities to witness the launch. Dr Leung appreciated the commitment of Modern Terminals in helping the city achieve decarbonisation and its efforts in putting words into action for using environmentally friendly fuels in its daily operation. Mr Liu commented that "the transport sector accounts for about 18% of carbon emissions in Hong Kong and we are glad to see companies like Modern Terminals and Shell taking this initiative to support the green transportation journey of the city."

Anne Yu, Managing Director of Shell Hong Kong Limited said: "Shell is keen to bring low carbon energy solutions to Hong Kong to support the green transition of the city, and we are pleased to have an opportunity to work with Modern Terminals on this pioneering project."

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HVO is produced by hydrogenation of ester and fatty acids of various feedstocks such as vegetable oils, animal fats, used cooking oil and waste oil. It can be used as a “drop-in fuel” as a direct replacement of fossil diesel without the need for modifications to engines approved to use HVO under EN15940 specifications. HVO fuel derived from 100% waste and residue bio components, has a lower “well-to-wheel” carbon intensity and therefore can reduce greenhouse gas emission with the right feedstock according to Renewable Energy Directive 2018/2001/EU (RED II) Annex V.



From left to right: Political Assistant to Secretary for Transport and Logistics Alfred Chan; Legislative Council Member Frankie Yick; Under Secretary for Transport and Logistics Liu Chun San; Modern Terminals Limited Group Managing Director Horace Lo; Shell Hong Kong Limited Managing Director Anne Yu; Principal Assistant Secretary for Environment and Ecology (Air Policy) Kenneth Leung Kai Ming; and Modern Terminals Limited Managing Director – Hong Kong Keith Saunders.

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Officiating guests witness the launch of the HVO trial programme.

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