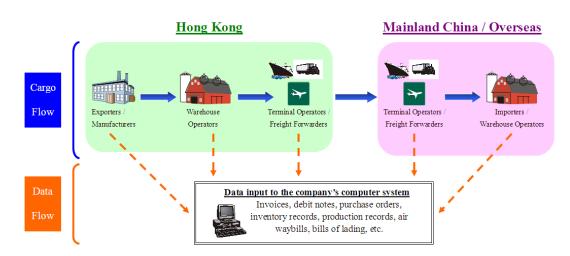
Examples of Process Map

AEO applicants should provide the Customs and Excise Department (C&ED) with process maps to explain their business operations.

2. A supply chain process map establishes a relation among the processes along the end-to-end supply chain of a company, and illustrates the flows of goods and information among the processes.

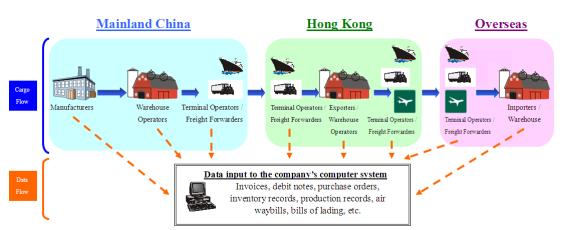
3. In general, a company delivering a consignment to the end customers outside Hong Kong involves some core processes. Applicants should prepare a process map which covers the logistical chain of a consignment from the originating point to the destination, involving manufacturing, warehousing and transporting, and the inter-linking activities taking place for the systematic movement of the consignment. It accounts for both the physical and documentary processes.

4. Applicants should provide separate process maps for sites with different operation modes. Examples of process maps depicting some common scenarios in Hong Kong are illustrated below for reference.



Scenario 1: Manufacturing with Major Production Line in Hong Kong

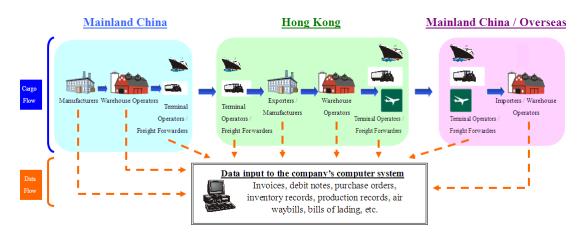
• The whole production line is in Hong Kong. The finished products are stored in local warehouses before they are exported to Mainland China / overseas markets by air / sea / land.



Scenario 2: Manufacturing with Major Production Line in Mainland China

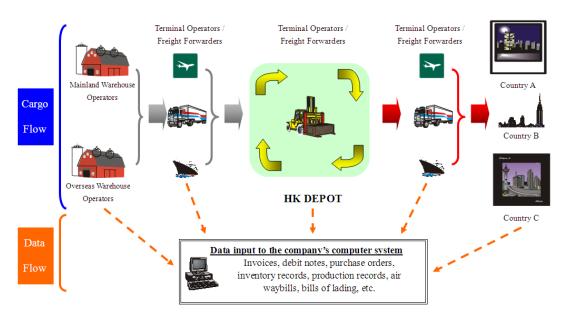
• The whole production line is in Mainland China. The finished products are stored in warehouses in Mainland China before they are sent to Hong Kong for subsequent shipment to overseas markets, either in the form of transit or transshipment. The products do not undergo further processing in Hong Kong.

Scenario 3: <u>Manufacturing in Mainland China and Remaining Production /</u> <u>Assembly Processes in Hong Kong</u>



- Component parts of the product manufactured in Mainland China are sent to Hong Kong, where assembly, bar-coding, pre-packing and other value-added functions are performed in local manufacturing plants. Finished products will be exported to Mainland China / overseas markets.
- Similarly, semi-finished products sent from Mainland China to Hong Kong will undergo further processing such as assembly in local manufacturing plants. Finished products will be exported to Mainland China / overseas markets.

Scenario 4: <u>Taking the Role of Logistics Service Provider (e.g. freight</u> <u>forwarder)</u>



• Containerized and express cargoes sent from Mainland China / overseas to Hong Kong are categorized, re-packed, reloaded and ultimately exported to overseas markets / Mainland China by air / sea / land.

Customs and Excise Department

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