

# An Impressive Journey...



New alliance, new routes and plans for new services..., the **shipping division's** strategy for future expansion takes shape.

“

A key component in the shipping division's blueprint for growth was the completion of a shipping joint venture with Sociedade de Turismo e Diversões de Macau, S.A.R.L..

”



The launch of a new passenger ferry route, increased popularity of existing routes and plans for new airport ferry services characterized a year of progress for the shipping division, in which its strategy for future expansion took shape.

A significant development of the division was the completion of a strategic shipping joint venture, shared as to 60% and 40% by the Group and its strategic partner, Sociedade de Turismo e Diversões de Macau, S.A.R.L. (STDM), respectively, in December 2002. Through the venture, STDM agreed to participate in the Group's 71%-owned shipping investment arm, Shun Tak-China Travel Shipping Investments Ltd. (STCTS), and the Group increased its attributable interest in STDM from 5% to approximately 11.48%. The shipping joint venture optimises the shipping

operations for the benefit of both parties, and strengthens the Group's strategic alliance with STDM for future business opportunities in Macau.

Operating under the trade name TurboJET, STCTS is one of the largest high-speed ferry operators in Asia, with a fleet of 31 vessels. The only operator of 24-hour ferry services between Hong Kong and Macau, the Group's shipping division has been the market leader on the Macau route for nearly four decades. It served approximately 9.7 million passengers on its Hong Kong-Macau route in 2002.

Growth in passenger traffic on routes to the People's Republic of China (PRC) increased significantly during the year due to more airport-bound passengers and group travelers. Traffic on the Hong Kong-Shenzhen and Hong Kong-Guangzhou