



routes grew approximately 23% in 2002. Despite the volatility of fuel prices in 2002, the shipping division reduced operating costs and improved load factors through the continual monitoring of sailing schedules and vessel deployment. To optimise utilization of resources, STCTS strategically chartered one of its jetfoils to an Asian company, providing the Group with a stable income.

In line with the Group's strategy of expanding its maritime transportation network in the Pearl River Delta, which includes exploring new PRC routes and other business development opportunities, the shipping division launched a new route between Shenzhen

and Macau in April, responding to rapid economic growth in the area and the opening up of the PRC tourism market.

To prepare for the inauguration of TurboJET's new passenger ferry services between the Hong Kong International Airport (HKIA) in Chek Lap Kok and several Pearl River Delta destinations, the shipping division formed Hong Kong International Airport Ferry Terminal Services Limited, a joint venture with an independent third party, to undertake renovation, management and operation of a cross-boundary passenger ferry terminal at the HKIA. With the new service, which is scheduled to commence in June 2003, transit passengers will not



be required to undergo Hong Kong customs and immigration formalities. This innovative multi-modal transit arrangement offers travelers a seamless and efficient air-sea transit service and expands the Group's shipping services network to a wider and more international traveler base.

The introduction of both the new Macau-Shenzhen route and the new HKIA routes reflects the Group's commitment to exploring business development opportunities that complement its existing passenger ferry services and capitalise on growth in the Pearl River Delta region.





A Dynamic Experience...

New venture, new network...,
the **hospitality division's**
strategy for further expansion
in Macau solidifies.