

# Seaspan to buy stake in China Shipping

By ALAN DANIELS

**VANCOUVER** – North Vancouver-based Seaspan Container Lines Ltd. is taking a strategic equity stake in China Shipping Container Lines Co., according to published reports from Hong Kong, although the exact number of shares it is buying has not been released.

Seaspan Container Lines, a division of the Washington Marine Group, which is building more than a dozen container ships for lease to China Shipping, is set to become the second biggest participant in the Shanghai shipping line's initial public offering (IPO), second only to Hong Kong-based Hutchison Wampoa Ltd., one of the world's largest port operators. The IPO could raise as much as HK\$10.1 billion, reports say.

China Shipping is the world's 10th biggest shipping firm. Seaspan Container Lines, founded only three years ago, is today ranked among the top 10 container shipping lines.

By taking an equity stake in China Shipping, Washington Marine Group, owned by Montana billionaire Dennis Washington, forges another financial link between the two companies.

Last November, it was reported that Seaspan Container Lines ordered four 9,500-TEU container ships from Samsung Heavy Industries of South Korea for charter to China Shipping, a joint venture partner in the project. The vessels are due for delivery in 2006. The order, worth US\$690 million, includes an option for four more ships of the same class and brings to 15 the number of new vessels Seaspan Container Lines has ordered from Samsung.

Like the others, including five 8,100-TEU container ships for delivery in 2005, the new 9,500-TEU vessels will be chartered to China Shipping. They are expected to be operated on the transpacific linking Yantian, Shanghai and Los Angeles.

The Washington Marine Group of companies includes Seaspan International Ltd., Vancouver Shipyards and Victoria Shipyards, Vancouver Drydock, Cates Tugs, Norsk Pacific Steamship, and other companies involved in coastal and deep-sea transportation.