

Segment Information

The principal activities of the Group include those relating to international transportation and logistics, container terminal, property investment and development. International transportation and logistics include global containerised shipping services in major trade lanes, covering Trans-Pacific, Transatlantic, Asia/Europe, Asia/Australia and Intra-Asia trades, and integrated services over the management and control of effective storage and flow of goods. In accordance with the Group's internal financial reporting and operating activities, the primary segment reporting is by business segments and the secondary segment reporting is by geographical segments.

The business segment for international transportation and logistics includes the operations of the terminals at Long Beach and Kaohsiung, which form an integral part of that business. For the geographical segment reporting, freight revenues from international transportation and logistics are analysed based on the outbound cargoes of each geographical territory. The Directors consider that the nature of the international transportation and logistics activities, which cover the world's major shipping lanes, and the way in which costs are allocated precludes a meaningful allocation of operating profit to specific geographical segments. Accordingly, geographical segment results for international transportation and logistic business are not presented. Segment assets consist primarily of property, plant and equipment, other non-current assets, debtors and prepayments and investments in finance leases, and mainly exclude investments in securities. Segment liabilities comprise creditors, accruals and other non-current liabilities. Total assets and capital expenditure are where the assets are located.

Business segments

US\$'000	International transportation and logistics		Investments and corporate services			Elimination	Group
	Terminal	Property					
Year ended 31st December 2002							
Turnover	2,218,120	231,698	24,084	—	(15,950)		2,457,952
Other operating income	2,510	—	4	308	—		2,822
Segment results	78,399	11,856	8,023	(7,432)	—		90,846
Net financing charges							(30,634)
Share of profits less losses of jointly controlled entities	(8,918)	—	11,608	—	—		2,690
Profit before taxation							62,902
Taxation							(10,954)
Profit after taxation							51,948
Minority interests	(271)	—	61	—	—		(210)
Profit for the year							51,738
Segment assets							
Property, plant and equipment	1,114,406	137,939	90,093	—	—		1,342,438
Jointly controlled entities	4,185	—	31,391	—	—		35,576
Other assets	170,661	39,257	169,744	5,873	—		385,535
Unallocated assets							425,791
Consolidated total assets							2,189,340
Segment liabilities							
Minority interests	(4,449)	—	(3,539)	—	—		(7,988)
Other liabilities	(347,539)	(40,812)	(1,941)	(1,998)	—		(392,290)
Unallocated liabilities							(928,619)
Consolidated total liabilities							(1,328,897)
Capital expenditure	70,839	18,149	885	—	—		89,873
Depreciation	89,571	12,367	10	—	—		101,948
Amortisation of intangible assets	10,676	42	1,402	—	—		12,120
Write back of provision for diminution in value of long-term investments	25	—	260	(507)	—		(222)

Business segments (Continued)

US\$'000	International			Investments		Group
	transportation and logistics	Terminal	Property	and corporate services	Elimination	
Year ended 31st December 2001						
Turnover	2,134,612	233,574	23,538	—	(12,774)	2,378,950
Other operating income	2,674	3,415	—	3,552	—	9,641
Segment results	117,464	9,788	(10,711)	(9,150)	—	107,391
Net financing charges						(45,614)
Share of profits less losses of jointly controlled entities	(729)	—	10,000	41	—	9,312
Profit before taxation						71,089
Taxation						(9,280)
Profit after taxation						61,809
Minority interests	(522)	—	—	—	—	(522)
Profit for the year						61,287
Segment assets						
Property, plant and equipment	1,143,527	131,850	90,001	—	—	1,365,378
Jointly controlled entities	7,251	—	38,702	1,297	—	47,250
Other assets	150,300	48,368	123,449	887	—	323,004
Unallocated assets						414,652
Consolidated total assets						2,150,284
Segment liabilities						
Minority interests	(4,647)	—	—	—	—	(4,647)
Other liabilities	(326,278)	(31,832)	(1,676)	(5,733)	—	(365,519)
Unallocated liabilities						(967,194)
Consolidated total liabilities						(1,337,360)
Capital expenditure	215,649	16,704	—	—	—	232,353
Depreciation	76,516	11,710	1	—	—	88,227
Amortisation of intangible assets	11,072	45	2,496	—	—	13,613
Provision for diminution in value of long-term investments	—	—	—	2,000	—	2,000
Revaluation deficit of the investment property	—	—	20,000	—	—	20,000

Geographical segments

US\$'000	Turnover	Operating profit before financing	Total assets	Capital expenditure
Year ended 31st December 2002				
Asia	1,445,558	2,796	365,118	5,813
North America	651,713	17,083	375,468	22,631
Europe	316,557	—	26,443	1,930
Australia	44,124	—	334	21
Unallocated*	—	70,967	1,421,977	59,478
	2,457,952	90,846	2,189,340	89,873
Year ended 31st December 2001				
Asia	1,390,527	134	338,761	7,586
North America	641,576	(1,057)	396,602	34,467
Europe	309,064	—	21,452	710
Australia	37,783	—	426	17
Unallocated*	—	108,314	1,393,043	189,573
	2,378,950	107,391	2,150,284	232,353

- * Operating profit before financing comprise of results from international transportation and logistics and investment activities whereas total assets and capital expenditure comprise of vessels and containers.