

# 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 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		Investments and			Group
	transportation and logistics	Terminal	Property	corporate services	Elimination	
<b>Year ended 31st December 2003</b>						
Turnover	2,969,554	273,359	21,249	—	(23,049)	3,241,113
Other operating income	10,449	38	1,219	3,169	—	14,875
Segment results	325,308	35,034	6,228	(7,186)	—	359,384
Net financing charges						(18,740)
Share of profits less losses of jointly controlled entities	(2,185)	—	14,847	—	—	12,662
Profit before taxation						353,306
Taxation						(24,145)
Profit after taxation						329,161
Minority interests	(206)	—	89	—	—	(117)
Profit for the year						329,044
<b>Segment assets</b>						
Property, plant and equipment	1,312,877	166,775	100,146	—	—	1,579,798
Jointly controlled entities	2,777	—	21,521	—	—	24,298
Other assets	212,484	47,441	192,411	4,613	—	456,949
Unallocated assets						693,865
Consolidated total assets						2,754,910
<b>Segment liabilities</b>						
Minority interests	(4,400)	—	(3,450)	—	—	(7,850)
Other liabilities	(464,669)	(26,660)	(4,300)	(1,732)	—	(497,361)
Unallocated liabilities						(1,138,945)
Consolidated total liabilities						(1,644,156)
Capital expenditure	394,945	27,955	14,901	—	—	437,801
Depreciation	99,185	15,387	168	—	—	114,740
Amortisation of intangible assets	9,553	42	2,157	—	—	11,752

## Business segments (Continued)

US\$'000	International		Investments and			Group
	transportation and logistics	Terminal	Property	corporate services	Elimination	
<b>Year ended 31st December 2002</b>						
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
<b>Segment assets</b>						
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
<b>Segment liabilities</b>						
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)

## Geographical segments

US\$'000	Turnover	Operating profit before financing	Total assets	Capital expenditure
Year ended 31st December 2003				
Asia	2,043,205	(1,634)	450,080	37,230
North America	752,356	42,896	420,007	61,237
Europe	399,068	—	12,882	504
Australia	46,484	—	139	13
Unallocated*	—	318,122	1,871,802	338,817
	3,241,113	359,384	2,754,910	437,801
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

- \* Operating profit before financing comprise of results from international transportation and logistics and investment activities whereas total assets, comprise of vessels, containers, portfolio investments and bank balances while capital expenditure comprise of vessels, containers and financing charges under intangible assets.