

Segment Information

The principal activities of the Group are container transport and logistics, container terminal, property investment and development. Container transport 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 container transport 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 container transport and logistics are analysed based on the outbound cargoes of each geographical territory. The Directors consider that the nature of the container transport 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 container transport and logistics 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	Container		Investments			Group
	transport and logistics	Terminal	Property	and corporate services	Elimination	
Year ended 31st December 2004						
Turnover	3,827,893	321,798	23,933	—	(33,296)	4,140,328
Other operating income	4,399	79	999	1,468	—	6,945
Segment results	650,670	48,017	9,212	(9,036)	—	698,863
Net financing charges						(13,642)
Share of profits less losses of jointly controlled entities	914	—	14,604	—	—	15,518
Profit before taxation						700,739
Taxation						(30,141)
Profit after taxation						670,598
Minority interests	(258)	—	109	—	—	(149)
Profit for the year						670,449
Segment assets						
Property, plant and equipment	1,944,743	190,229	100,204	—	—	2,235,176
Jointly controlled entities	2,957	—	28,298	—	—	31,255
Other assets	241,009	64,973	221,330	1,542	—	528,854
Unallocated assets						1,042,782
Consolidated total assets						3,838,067
Segment liabilities						
Minority interests	(4,467)	—	(3,341)	—	—	(7,808)
Other liabilities	(527,001)	(34,902)	(3,385)	(2,388)	—	(567,676)
Unallocated liabilities						(1,453,174)
Consolidated total liabilities						(2,028,658)
Capital expenditure	770,225	39,126	2,687	—	—	812,038
Depreciation	127,769	17,496	33	—	—	145,298
Amortisation of intangible assets	6,475	572	1,949	—	—	8,996

Business segments (Continued)

US\$'000	Container		Investments			Group
	transport and logistics	Terminal	Property	and corporate services	Elimination	
Year ended 31st December 2003						
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
Segment assets						
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
Segment liabilities						
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

Geographical segments

US\$'000	Turnover	Operating profit before financing	Total assets	Capital expenditure
Year ended 31st December 2004				
Asia	2,710,669	(1,668)	496,232	25,431
North America	885,326	58,897	359,084	66,616
Europe	480,450	—	154,044	1,715
Australia	63,883	—	342	70
Unallocated*	—	641,634	2,828,365	718,206
	4,140,328	698,863	3,838,067	812,038
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

- * Operating profit before financing comprise of results from container transport 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.