

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

17. PROPERTY AND EQUIPMENT – continued

The net book value of land and buildings shown above comprises:

	THE GROUP		THE BANK	
	2000	1999	2000	1999
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Leasehold properties				
Held in Hong Kong on long-term lease (over 50 years unexpired)	724,497	706,000	154,497	156,000
Held in Hong Kong on medium-term lease (10 - 50 years unexpired)	320,572	328,900	320,572	328,900
Held outside Hong Kong on medium-term lease (10 - 50 years unexpired)	12,739	13,120	12,739	13,120
	<u>1,057,808</u>	<u>1,048,020</u>	<u>487,808</u>	<u>498,020</u>

Land and buildings owned by the Group and by the Bank were revalued at 31 December 2000 on an open market value basis by Vigers Hong Kong Limited, independent professionally qualified valuers.

Had the land and buildings been carried at cost less accumulated depreciation, the carrying value of the land and buildings of the Group and the Bank would have been stated at approximately HK\$325,939,000 and HK\$236,720,000 (1999: HK\$332,108,000 and HK\$242,468,000) respectively.

A property owned by the Group with a net book value of HK\$570,000,000 (1999: HK\$550,000,000) is pledged to secure a loan from a financial institution to one of the Bank's subsidiaries amounting to approximately HK\$500,000,000 (1999: HK\$500,000,000).

18. CURRENT, FIXED, SAVINGS AND OTHER DEPOSITS OF CUSTOMERS

THE GROUP AND THE BANK

Included in the balances is an aggregate amount of approximately HK\$126,226,000 (1999: HK\$61,971,000) representing current, fixed, savings and other deposits of companies having significant influence on the Bank and their subsidiaries placed with the Group and the Bank.

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19. SHARE CAPITAL

	2000	1999
	HK\$'000	HK\$'000
Authorised:		
600,000,000 shares of HK\$0.50 each	<u>300,000</u>	<u>300,000</u>
Issued and fully paid:		
435,000,000 shares of HK\$0.50 each	<u>217,500</u>	<u>217,500</u>

20. RESERVES

	Share premium HK\$'000	Goodwill HK\$'000	Investment property revaluation reserve HK\$'000	Land and buildings revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	General reserve HK\$'000	Inner reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
THE GROUP										
At 1 January 1999	1,542,817	(182)	33,508	717,474	-	1,200,000	188,500	1,028	1,196,704	4,879,849
Revaluation movements	-	-	(2,800)	(8,784)	10,750	-	-	-	-	(834)
Currency re-alignment	-	-	-	-	-	-	-	1,885	-	1,885
Profit for the year	-	-	-	-	-	-	-	-	356,848	356,848
Dividends	-	-	-	-	-	-	-	-	(182,700)	(182,700)
At 1 January 2000	1,542,817	(182)	30,708	708,690	10,750	1,200,000	188,500	2,913	1,370,852	5,055,048
Revaluation movements	-	-	-	23,644	51,310	-	-	-	-	74,954
Currency re-alignment	-	-	-	-	-	-	-	2,504	-	2,504
Profit for the year	-	-	-	-	-	-	-	-	456,598	456,598
Dividends	-	-	-	-	-	-	-	-	(230,550)	(230,550)
At 31 December 2000	<u>1,542,817</u>	<u>(182)</u>	<u>30,708</u>	<u>732,334</u>	<u>62,060</u>	<u>1,200,000</u>	<u>188,500</u>	<u>5,417</u>	<u>1,596,900</u>	<u>5,358,554</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

20. RESERVES – continued

	Share premium HK\$'000	Goodwill HK\$'000	Investment property revaluation reserve HK\$'000	Land and buildings revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	General reserve HK\$'000	Inner reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
THE BANK										
At 1 January 1999	1,542,817	-	33,508	289,052	-	1,190,000	541,422	-	1,032,168	4,628,967
Revaluation movements	-	-	(2,800)	(1,051)	10,750	-	-	-	-	6,899
Profit for the year	-	-	-	-	-	-	-	-	317,426	317,426
Dividends	-	-	-	-	-	-	-	-	(182,700)	(182,700)
At 1 January 2000	1,542,817	-	30,708	288,001	10,750	1,190,000	541,422	-	1,166,894	4,770,592
Revaluation movements	-	-	-	-	5,000	-	-	-	-	5,000
Currency re-alignment	-	-	-	-	-	-	-	268	-	268
Profit for the year	-	-	-	-	-	-	-	-	422,521	422,521
Dividends	-	-	-	-	-	-	-	-	(230,550)	(230,550)
At 31 December 2000	<u>1,542,817</u>	<u>-</u>	<u>30,708</u>	<u>288,001</u>	<u>15,750</u>	<u>1,190,000</u>	<u>541,422</u>	<u>268</u>	<u>1,358,865</u>	<u>4,967,831</u>

Included in the "Translation reserve" was a surplus of HK\$3,813,000 (1999: HK\$3,370,000) being the Bank's share of translation reserve of an associate. Other than this, there is no other reserve retained by the associate.

21. SHARE OPTION SCHEME

Pursuant to a share option scheme adopted on 10 June 1994, the Bank may grant options to eligible employees, including executive directors, of the Bank or any of its subsidiaries to subscribe for shares in the Bank at a price equal to the higher of the nominal value of the shares or 80% of the average of the closing prices of the shares listed on The Stock Exchange of Hong Kong Limited on the five trading days immediately preceding the date of grant of the options. The maximum number of shares in respect of which options may be granted under the share option scheme cannot exceed 10% of the issued share capital of the Bank from time to time.

No options have been granted under the above-mentioned scheme since the scheme was adopted.