

23 RESERVES

(a) Group

	Share premium	General reserve	Capital reserve	Legal reserve	Exchange fluctuation reserve	Capital redemption reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 1999	-	70,000	-	-	4,135	40,118	1,431,630	1,545,883
Arising on consolidation								
- subsidiaries	-	-	-	-	(885)	-	-	(885)
- associated companies	-	-	-	-	(9)	-	-	(9)
- jointly controlled entity	-	-	-	-	(900)	-	-	(900)
Premium on issue of shares	615,739	-	-	-	-	-	-	615,739
Share issue expenses	(13,713)	-	-	-	-	-	-	(13,713)
Exchange translation								
differences	-	-	-	-	486	-	(486)	-
Goodwill written off	-	-	-	-	-	-	(9,152)	(9,152)
Profit for the year retained	-	-	-	-	-	-	143,069	143,069
At 31 December 1999	602,026	70,000	-	-	2,827	40,118	1,565,061	2,280,032
Company and subsidiaries	602,026	70,000	-	-	4,089	40,118	1,604,772	2,321,005
Associated companies	-	-	-	-	(362)	-	(15,549)	(15,911)
Jointly controlled entity	-	-	-	-	(900)	-	(24,162)	(25,062)
At 31 December 1999	602,026	70,000	-	-	2,827	40,118	1,565,061	2,280,032

	Share premium	General reserve	Capital reserve	Legal reserve	Exchange fluctuation reserve	Capital redemption reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2000	602,026	70,000	-	-	2,827	40,118	1,565,061	2,280,032
Arising on consolidation								
- subsidiaries	-	-	-	-	(2,099)	-	-	(2,099)
- associated companies	-	-	-	-	(230)	-	-	(230)
- jointly controlled entities	-	-	-	-	(2,746)	-	-	(2,746)
Exchange translation								
differences	-	-	-	-	5,683	-	(5,683)	-
Profit for the year retained	-	-	-	-	-	-	358,051	358,051
Transfers	-	-	1,171	7,468	-	-	(8,639)	-
At 31 December 2000	602,026	70,000	1,171	7,468	3,435	40,118	1,908,790	2,633,008
Company and subsidiaries	602,026	70,000	1,171	7,468	7,673	40,118	1,952,404	2,680,860
Associated companies	-	-	-	-	(592)	-	(11,672)	(12,264)
Jointly controlled entities	-	-	-	-	(3,646)	-	(31,942)	(35,588)
At 31 December 2000	602,026	70,000	1,171	7,468	3,435	40,118	1,908,790	2,633,008

(b) **Company**

	Share premium	General reserve	Capital redemption reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 1999	-	70,000	40,118	1,420,363	1,530,481
Premium on issue of shares	615,739	-	-	-	615,739
Share issue expenses	(13,713)	-	-	-	(13,713)
Profit for the year retained	-	-	-	146,440	146,440
At 31 December 1999	602,026	70,000	40,118	1,566,803	2,278,947
At 1 January 2000	602,026	70,000	40,118	1,566,803	2,278,947
Profit for the year retained	-	-	-	355,911	355,911
At 31 December 2000	602,026	70,000	40,118	1,922,714	2,634,858

In accordance with local laws and regulations of a subsidiary, the subsidiary is required to transfer certain gain on disposal of fixed assets and the gain on deemed disposal of its associated company to the capital reserve. The application of the capital reserve in respect of the gain on disposal of fixed assets is restricted to covering operating losses and conversion into share capital. The capital reserve in connection with the gain on deemed disposal of its associated company can only be used to cover operating losses.

In accordance with local laws of a subsidiary, the subsidiary is required to set aside 10% of annual net income less any accumulated deficit as legal reserve to the extent that the legal reserve amounts to total contributed share capital. The application of the legal reserve is restricted to covering operating losses and conversion into share capital.

The capital redemption reserve and share premium account of the group were set up in accordance with the requirements of the Hong Kong Companies Ordinance.

Distributable reserves, include retained earnings and general reserve, of the company at 31 December 2000, calculated under section 79B of the Companies Ordinance and amounted to HK\$1,992,714,000 (1999: HK\$1,636,803,000).