

24 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 2000, as previously reported	602,026	70,000	-	-	2,827	40,118	1,565,061	2,280,032
Effect of adopting SSAP 9 (revised) (note 1(q))	-	-	-	-	-	-	262,800	262,800
At 1 January 2000, as restated	602,026	70,000	-	-	2,827	40,118	1,827,861	2,542,832
Arising on consolidation								
- subsidiaries	-	-	-	-	(2,099)	-	-	(2,099)
- jointly controlled entities	-	-	-	-	(2,746)	-	-	(2,746)
- associated companies	-	-	-	-	(230)	-	-	(230)
Exchange translation differences	-	-	-	-	5,683	-	(5,683)	-
Transfers	-	-	1,171	7,468	-	-	(8,639)	-
Profit for the year	-	-	-	-	-	-	774,151	774,151
1999 Final dividend paid (note 10)	-	-	-	-	-	-	(262,800)	(262,800)
2000 Interim dividend paid (note 10)	-	-	-	-	-	-	(87,600)	(87,600)
At 31 December 2000	602,026	70,000	1,171	7,468	3,435	40,118	2,237,290	2,961,508

	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
Representing:								
2000 Final dividend proposed							328,500	
Other							1,908,790	
							<u>2,237,290</u>	
Retained earnings at 31 December 2000							<u>2,237,290</u>	
Company and subsidiaries	602,026	70,000	1,171	7,468	7,673	40,118	2,280,904	3,009,360
Jointly controlled entities	-	-	-	-	(3,646)	-	(31,942)	(35,588)
Associated companies	-	-	-	-	(592)	-	(11,672)	(12,264)
At 31 December 2000	<u>602,026</u>	<u>70,000</u>	<u>1,171</u>	<u>7,468</u>	<u>3,435</u>	<u>40,118</u>	<u>2,237,290</u>	<u>2,961,508</u>

	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 2001, as previously reported	602,026	70,000	1,171	7,468	3,435	40,118	1,908,790	2,633,008
Effect of adopting SSAP 9 (revised) (note 1(q))	-	-	-	-	-	-	328,500	328,500
At 1 January 2001, as restated	602,026	70,000	1,171	7,468	3,435	40,118	2,237,290	2,961,508
Arising on consolidation								
- subsidiaries	-	-	-	-	(8,302)	-	-	(8,302)
- jointly controlled entities	-	-	-	-	(9,613)	-	-	(9,613)
- associated companies	-	-	-	-	(1,542)	-	-	(1,542)
Exchange translation differences	-	-	-	-	5,557	-	(5,557)	-
Profit for the year	-	-	-	-	-	-	596,250	596,250
2000 Final dividend paid (note 10)	-	-	-	-	-	-	(328,500)	(328,500)
2001 Interim dividend paid (note 10)	-	-	-	-	-	-	(87,600)	(87,600)
At 31 December 2001	602,026	70,000	1,171	7,468	(10,465)	40,118	2,411,883	3,122,201

	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
Representing:								
2001 Final dividend proposed							328,500	
Other							2,083,383	
							<u>2,411,883</u>	
Retained earnings at 31 December 2001								
Company and subsidiaries	602,026	70,000	1,171	7,468	4,928	40,118	2,464,572	3,190,283
Jointly controlled entities	-	-	-	-	(13,259)	-	(44,608)	(57,867)
Associated companies	-	-	-	-	(2,134)	-	(8,081)	(10,215)
At 31 December 2001	602,026	70,000	1,171	7,468	(10,465)	40,118	2,411,883	3,122,201

(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 2000, as previously reported	602,026	70,000	40,118	1,566,803	2,278,947
Effect of adopting SSAP 9 (revised) (note 1(q))	-	-	-	(80,204)	(80,204)
Effect of adopting SSAP 9 (revised) (note 1(q))	-	-	-	262,800	262,800
At 1 January 2000, restated	602,026	70,000	40,118	1,749,399	2,461,543
Profit for the year, as previously reported	-	-	-	772,011	772,011
Effect of adopting SSAP 9 (revised) (note 1(q))	-	-	-	(38,996)	(38,996)
2000 Dividend income received	-	-	-	80,204	80,204
1999 Final dividend paid (note 10)	-	-	-	(262,800)	(262,800)
2000 Interim dividend paid (note 10)	-	-	-	(87,600)	(87,600)
At 31 December 2000	602,026	70,000	40,118	2,212,218	2,924,362
Representing:					
2000 Final dividend proposed				328,500	
Other				1,883,718	
Retained earnings at 31 December 2000				<u>2,212,218</u>	

	Share premium	General reserve	Capital redemption reserve	Retained earnings	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2001, as previously reported	602,026	70,000	40,118	1,922,714	2,634,858
Effect of adopting SSAP 9 (revised) (note 1(q))	-	-	-	(38,996)	(38,996)
Effect of adopting SSAP 9 (revised) (note 1(q))	-	-	-	328,500	328,500
At 1 January 2001, restated	602,026	70,000	40,118	2,212,218	2,924,362
Profit for the year	-	-	-	623,257	623,257
2000 Final dividend paid (note 10)	-	-	-	(328,500)	(328,500)
2001 Interim dividend paid (note 10)	-	-	-	(87,600)	(87,600)
At 31 December 2001	602,026	70,000	40,118	2,419,375	3,131,519
Representing:					
2001 Final dividend proposed				328,500	
Other				2,090,875	
Retained earnings at 31 December 2001				2,419,375	

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 2001, calculated under section 79B of the Hong Kong Companies Ordinance and amounted to HK\$2,489,375,000 (2000 as restated: HK\$2,282,218,000).