

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

14. INTERESTS IN SUBSIDIARIES – continued

Details of the subsidiaries are as follows:

Name of company	Place of incorporation/ operation	Issued and fully paid ordinary share capital	Percentage of issued share capital directly held	Principal activities
Liu Chong Hing (Management) Limited	Hong Kong	HK\$100,000	100%	Provision of property management services
Liu Chong Hing (Nominees) Limited	Hong Kong	HK\$100,000	100%	Provision of nominee services
Liu Chong Hing Finance Limited	Hong Kong	HK\$25,000,000	100%	Deposit-taking
Liu Chong Hing Data Processing Limited	Hong Kong	HK\$100,000	100%	Provision of electronic data processing services
Liu Chong Hing Bank (International) Limited	Republic of Vanuatu/ Hong Kong	AU\$200,000	100%	Banking
Liu Chong Hing Banking Corporation, Cayman	Cayman Islands	US\$65,000,000	100%	General merchant banking
Chong Hing Securities Limited	Hong Kong	HK\$10,000,000	100%	Stockbroking
Chong Hing Commodities and Futures Limited	Hong Kong	HK\$5,000,000	100%	Investment holding and commodities and futures broking
Right Way Investments Limited	Bermuda/ Hong Kong	US\$12,000	100%	Property investment
Gallbraith Limited	Hong Kong	HK\$10,000	100%	Inactive

None of the subsidiaries had any loan capital subsisting at the end of the year or at any time during the year.

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15. INTEREST IN AN ASSOCIATE

	THE GROUP		THE BANK	
	2000	1999	2000	1999
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Unlisted shares, at cost	–	–	5	5
Share of net assets	<u>3,813</u>	<u>3,375</u>	–	–
	3,813	3,375	5	5
Amount due from associate	<u>340,954</u>	<u>330,297</u>	<u>340,954</u>	<u>330,297</u>
	<u>344,767</u>	<u>333,672</u>	<u>340,959</u>	<u>330,302</u>

At 31 December 2000, the Bank held 47.37% of the issued ordinary share capital of Alain Limited, a private limited company incorporated in Hong Kong. The associate is engaged in the development of high-class commercial buildings in Shanghai.

The amount due from associate is secured by the property and assets charged under a debenture in favour of the Group, bears interest at Hong Kong prime rate and has no fixed terms of repayment.

16. INVESTMENT PROPERTIES

	THE GROUP AND THE BANK	
	HK\$'000	
VALUATION		
At 1 January and 31 December 2000		<u>34,700</u>
The net book value of investment properties of the Group and the Bank comprises:		
	2000	1999
	HK\$'000	HK\$'000
Leasehold properties		
Held in Hong Kong on long-term lease (over 50 years unexpired)	3,100	3,100
Held in Hong Kong on medium-term lease (10 - 50 years unexpired)	<u>31,600</u>	<u>31,600</u>
	<u>34,700</u>	<u>34,700</u>

The investment properties are rented out under operating leases.

Investment properties 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.

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17. PROPERTY AND EQUIPMENT

	THE GROUP			THE BANK		
	Land and buildings	Equipment	Total	Land and buildings	Equipment	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
COST OR VALUATION						
At 1 January 2000	1,048,020	210,006	1,258,026	498,020	194,679	692,699
Additions	–	25,100	25,100	–	21,261	21,261
Surplus (deficit) on revaluation	9,788	–	9,788	(10,212)	–	(10,212)
Disposals	–	(8,567)	(8,567)	–	(8,567)	(8,567)
At 31 December 2000	<u>1,057,808</u>	<u>226,539</u>	<u>1,284,347</u>	<u>487,808</u>	<u>207,373</u>	<u>695,181</u>
ANALYSIS OF COST OR VALUATION						
At cost	–	226,539	226,539	–	207,373	207,373
At professional valuation 2000	<u>1,057,808</u>	–	<u>1,057,808</u>	<u>487,808</u>	–	<u>487,808</u>
	<u>1,057,808</u>	<u>226,539</u>	<u>1,284,347</u>	<u>487,808</u>	<u>207,373</u>	<u>695,181</u>
DEPRECIATION AND AMORTISATION						
At 1 January 2000	–	115,875	115,875	–	114,530	114,530
Provided for the year	13,856	29,874	43,730	10,212	26,638	36,850
Eliminated on disposals	–	(3,507)	(3,507)	–	(3,376)	(3,376)
Written back on revaluation	(13,856)	–	(13,856)	(10,212)	–	(10,212)
At 31 December 2000	–	<u>142,242</u>	<u>142,242</u>	–	<u>137,792</u>	<u>137,792</u>
NET BOOK VALUES						
At 31 December 2000	<u>1,057,808</u>	<u>84,297</u>	<u>1,142,105</u>	<u>487,808</u>	<u>69,581</u>	<u>557,389</u>
At 31 December 1999	<u>1,048,020</u>	<u>94,131</u>	<u>1,142,151</u>	<u>498,020</u>	<u>80,149</u>	<u>578,169</u>