

NOTES TO THE FINANCIAL STATEMENTS (continued)

36 Investment properties

The Group's investment properties were revalued by DTZ Cushman & Wakefield Limited, an independent professional valuer, at 30 November 2016, and were updated for any material changes in the valuation as at 31 December 2016. The valuations were carried out by qualified persons who are members of the Hong Kong Institute of Surveyors. The basis of valuations of investment properties were market value which is consistent with the definition of fair value under HKFRS 13 "Fair Value Measurement" and take into account the highest and best use of the property from the perspective of market participants.

(a) Movement of investment properties

	2016	2015
At 1 January	10,075	11,732
Additions	-	699
Surplus on revaluation credited to income statement	5	417
Transfer to premises (note 37(a))	(120)	(2,773)
At 31 December	<u>9,960</u>	<u>10,075</u>
Representing:		
- measure at valuation	<u>9,960</u>	<u>10,075</u>

(b) Terms of lease

	2016	2015
Leaseholds		
Held in Hong Kong:		
- long leases (over 50 years unexpired)	1,797	1,732
- medium leases (10 to 50 years unexpired)	8,163	8,343
	<u>9,960</u>	<u>10,075</u>

- (c) The Group leases out investment properties under operating leases. The leases typically run for an initial period of 2 to 3 years, and may contain an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

	2016	2015
Direct operating expenses arising from investment properties	<u>29</u>	<u>23</u>
Direct operating expenses arising from investment properties that generated rental income	<u>25</u>	<u>20</u>

The Group's total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2016	2015
Less than one year	267	287
Over one year but within five years	165	192
Over five years	-	-
	<u>432</u>	<u>479</u>