

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2002

12. INVESTMENTS IN SECURITIES

	Trading securities		Held-to-maturity securities		Other securities		Total	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
THE GROUP								
Equity securities:								
Listed in Hong Kong	334	400	-	-	98,238	98,022	98,572	98,422
Listed overseas	-	-	-	-	3,038	3,732	3,038	3,732
Unlisted	-	-	-	-	155,036	186,398	155,036	186,398
	<u>334</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>256,312</u>	<u>288,152</u>	<u>256,646</u>	<u>288,552</u>
Debt securities:								
Unlisted	185,660	171,935	1,557,144	494,874	-	-	1,742,804	666,809
Total:								
Listed in Hong Kong	334	400	-	-	98,238	98,022	98,572	98,422
Listed overseas	-	-	-	-	3,038	3,732	3,038	3,732
Unlisted	185,660	171,935	1,557,144	494,874	155,036	186,398	1,897,840	853,207
	<u>185,994</u>	<u>172,335</u>	<u>1,557,144</u>	<u>494,874</u>	<u>256,312</u>	<u>288,152</u>	<u>1,999,450</u>	<u>955,361</u>
Market value of listed securities:								
Listed in Hong Kong	334	400	-	-	98,238	98,022	98,572	98,422
Listed overseas	-	-	-	-	3,038	3,732	3,038	3,732
	<u>334</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>101,276</u>	<u>101,754</u>	<u>101,610</u>	<u>102,154</u>

Unlisted other securities are stated at cost. The directors are of the opinion that the cost is not materially different from the fair value as at 31 December 2002.

	Trading securities		Held-to-maturity securities		Other securities		Total	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
THE BANK								
Equity securities:								
Listed in Hong Kong	-	-	-	-	79,671	77,807	79,671	77,807
Listed overseas	-	-	-	-	3,038	3,732	3,038	3,732
Unlisted	-	-	-	-	147,227	178,590	147,227	178,590
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,936</u>	<u>260,129</u>	<u>229,936</u>	<u>260,129</u>
Debt securities:								
Unlisted	185,660	171,935	1,557,144	494,874	-	-	1,742,804	666,809
Total:								
Listed in Hong Kong	-	-	-	-	79,671	77,807	79,671	77,807
Listed overseas	-	-	-	-	3,038	3,732	3,038	3,732
Unlisted	185,660	171,935	1,557,144	494,874	147,227	178,590	1,890,031	845,399
	<u>185,660</u>	<u>171,935</u>	<u>1,557,144</u>	<u>494,874</u>	<u>229,936</u>	<u>260,129</u>	<u>1,972,740</u>	<u>926,938</u>
Market value of listed securities:								
Listed in Hong Kong	-	-	-	-	79,671	77,807	79,671	77,807
Listed overseas	-	-	-	-	3,038	3,732	3,038	3,732
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,709</u>	<u>81,539</u>	<u>82,709</u>	<u>81,539</u>

NOTES TO THE FINANCIAL STATEMENTS

12. INVESTMENTS IN SECURITIES - continued

Investments in securities are analysed and reported by issuing entities as follows:

	Trading securities		Held-to-maturity securities		Other securities		Total	
	2002	2001	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
THE GROUP								
Central governments and central banks	-	-	11,699	11,696	-	-	11,699	11,696
Public sectors entities	54	46	-	-	31,919	41,825	31,973	41,871
Banks and other financial institutions	83,106	42,203	750,772	217,656	152,648	183,806	986,526	443,665
Corporate entities	92,973	107,302	682,505	163,352	55,275	42,953	830,753	313,607
Others	9,861	22,784	112,168	102,170	16,470	19,568	138,499	144,522
	<u>185,994</u>	<u>172,335</u>	<u>1,557,144</u>	<u>494,874</u>	<u>256,312</u>	<u>288,152</u>	<u>1,999,450</u>	<u>955,361</u>

	Trading securities		Held-to-maturity securities		Other securities		Total	
	2002	2001	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
THE BANK								
Central governments and central banks	-	-	11,699	11,696	-	-	11,699	11,696
Public sectors entities	-	-	-	-	31,505	41,432	31,505	41,432
Banks and other financial institutions	83,083	42,172	750,772	217,656	151,371	183,735	985,226	443,563
Corporate entities	92,716	106,979	682,505	163,352	46,535	34,437	821,756	304,768
Others	9,861	22,784	112,168	102,170	525	525	122,554	125,479
	<u>185,660</u>	<u>171,935</u>	<u>1,557,144</u>	<u>494,874</u>	<u>229,936</u>	<u>260,129</u>	<u>1,972,740</u>	<u>926,938</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2002

13. ADVANCES AND OTHER ACCOUNTS

	THE GROUP		THE BANK	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Advances to customers				
Bills receivable	527,385	502,532	527,385	502,532
Trade bills	54,642	62,644	54,642	62,644
Other advances to customers	19,068,508	18,363,096	19,050,574	18,346,668
	<u>19,650,535</u>	<u>18,928,272</u>	<u>19,632,601</u>	<u>18,911,844</u>
Interest receivable	136,093	192,238	136,022	192,165
Provisions for bad and doubtful debts				
– General	(202,336)	(180,866)	(201,127)	(179,684)
– Specific	(272,699)	(279,131)	(272,281)	(278,713)
Interest in suspense	(156,820)	(160,829)	(156,820)	(160,829)
	<u>19,154,773</u>	<u>18,499,684</u>	<u>19,138,395</u>	<u>18,484,783</u>
Advances to banks and other financial institutions	58,999	30,647	58,999	30,647
	<u>19,213,772</u>	<u>18,530,331</u>	<u>19,197,394</u>	<u>18,515,430</u>
Other accounts	375,429	400,779	329,862	369,220
	<u>19,589,201</u>	<u>18,931,110</u>	<u>19,527,256</u>	<u>18,884,650</u>

Included in the “Advances to customers” of the Group and the Bank are aggregate amounts of approximately HK\$536,091,000 (2001: HK\$504,390,000) due from companies having significant influence on the Bank and their subsidiaries.

Included in the “Advances to banks and other financial institutions” is an amount of approximately HK\$58,999,000 (2001: HK\$30,647,000) placed as reserve funds with the People’s Bank of China by the Shantou Branch of the Bank in compliance with the requirements of Regulations Governing Foreign Financial Institutions of the People’s Republic of China.