

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2003

	Share capital HK\$'000	Share premium HK\$'000	Goodwill HK\$'000	Investment property revaluation reserve HK\$'000	Land and buildings revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	General reserve HK\$'000	Inner reserve HK\$'000	Translation reserve HK\$'000	Dividend reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
THE GROUP												
At 1 January 2002												
- as previously reported	217,500	1,542,817	(182)	29,344	709,579	25,603	1,200,000	188,500	5,284	130,500	1,747,037	5,795,982
- reclassification	-	-	-	-	-	-	188,500	(188,500)	-	-	-	-
- adjustments on adoption of SSAP 12 (revised)	-	-	-	-	(113,964)	-	-	-	-	-	29,957	(84,007)
- as restated	217,500	1,542,817	(182)	29,344	595,615	25,603	1,388,500	-	5,284	130,500	1,776,994	5,711,975
Revaluation movements	-	-	-	-	(15,382)	(16,344)	-	-	-	-	-	(31,726)
Currency re-alignment	-	-	-	-	-	-	-	-	23	-	-	23
Reversal of tax liabilities arising on revaluation of land and buildings (Note 23)	-	-	-	-	2,461	-	-	-	-	-	-	2,461
Net (losses) gains not recognised in the income statement	-	-	-	-	(12,921)	(16,344)	-	-	23	-	-	(29,242)
Profit for the year	-	-	-	-	-	-	-	-	-	-	311,411	311,411
Dividends paid	-	-	-	-	-	-	-	-	-	(130,500)	(65,250)	(195,750)
Proposed dividend	-	-	-	-	-	-	-	-	-	152,250	(152,250)	-
At 1 January 2003	217,500	1,542,817	(182)	29,344	582,694	9,259	1,388,500	-	5,307	152,250	1,870,905	5,798,394
Revaluation movements	-	-	-	-	-	65,214	-	-	-	-	-	65,214
Currency re-alignment	-	-	-	-	-	-	-	-	(2,721)	-	-	(2,721)
Deferred taxation arising from the change in tax rate (Note 23)	-	-	-	-	(10,454)	-	-	-	-	-	-	(10,454)
Net (losses) gains not recognised in the income statement	-	-	-	-	(10,454)	65,214	-	-	(2,721)	-	-	52,039
Profit for the year	-	-	-	-	-	-	-	-	-	-	311,475	311,475
Dividends paid	-	-	-	-	-	-	-	-	-	(152,250)	(65,250)	(217,500)
Proposed dividend	-	-	-	-	-	-	-	-	-	152,250	(152,250)	-
At 31 December 2003	217,500	1,542,817	(182)	29,344	572,240	74,473	1,388,500	-	2,586	152,250	1,964,880	5,944,408

Included in the "Translation reserve" of the Group was a surplus of HK\$3,565,000 (2002: HK\$3,724,000) being the Bank's share of translation reserve of an associate. Other than this, there is no other reserve retained by the associate.

The retained profits of the Group included accumulated losses of HK\$30,392,000 (2002: HK\$28,392,000) retained by the jointly controlled entities of the Group.

The Group's reserves available for distribution to the shareholders as at 31 December 2003 comprised of the retained profits of HK\$1,964,880,000 (2002: HK\$1,870,905,000), general reserve of HK\$1,388,500,000 (2002: HK\$1,388,500,000) and dividend reserve of HK\$152,250,000 (2002: HK\$152,250,000).