

19. PROPERTY AND EQUIPMENT

	THE GROUP				THE BANK		
	Land and buildings HK\$'000	Equipment HK\$'000	Construction in progress		Land and buildings HK\$'000	Equipment HK\$'000	Total HK\$'000
			HK\$'000	HK\$'000			
COST OR VALUATION							
At 1 January 2003	1,062,303	301,504	-	1,363,807	538,303	277,986	816,289
Additions	-	36,788	6,137	42,925	-	35,872	35,872
Elimination of accumulated depreciation	(12,309)	-	-	(12,309)	(11,409)	-	(11,409)
Disposals	(300)	(69,144)	-	(69,444)	(300)	(67,446)	(67,746)
Reclassifications	(523,100)	-	523,100	-	-	-	-
At 31 December 2003	<u>526,594</u>	<u>269,148</u>	<u>529,237</u>	<u>1,324,979</u>	<u>526,594</u>	<u>246,412</u>	<u>773,006</u>
ANALYSIS OF COST OR VALUATION							
At cost	-	269,148	529,237	798,385	-	246,412	246,412
At professional valuation 2003	<u>526,594</u>	-	-	<u>526,594</u>	<u>526,594</u>	-	<u>526,594</u>
	<u>526,594</u>	<u>269,148</u>	<u>529,237</u>	<u>1,324,979</u>	<u>526,594</u>	<u>246,412</u>	<u>773,006</u>
DEPRECIATION AND AMORTISATION							
At 1 January 2003	-	192,857	-	192,857	-	179,903	179,903
Provided for the year	12,309	33,277	-	45,586	11,409	29,009	40,418
Eliminated on disposals	-	(66,431)	-	(66,431)	-	(65,097)	(65,097)
Elimination on revaluation	(12,309)	-	-	(12,309)	(11,409)	-	(11,409)
At 31 December 2003	<u>-</u>	<u>159,703</u>	<u>-</u>	<u>159,703</u>	<u>-</u>	<u>143,815</u>	<u>143,815</u>
NET BOOK VALUE							
At 31 December 2003	<u>526,594</u>	<u>109,445</u>	<u>529,237</u>	<u>1,165,276</u>	<u>526,594</u>	<u>102,597</u>	<u>629,191</u>
At 31 December 2002	<u>1,062,303</u>	<u>108,647</u>	<u>-</u>	<u>1,170,950</u>	<u>538,303</u>	<u>98,083</u>	<u>636,386</u>

The net book values of land and buildings and construction in progress shown above comprise:

	THE GROUP				THE BANK	
	Land and buildings		Construction in progress		Land and buildings	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Leasehold properties						
Held in Hong Kong on long-term lease (over 50 years unexpired)	173,807	699,954	529,237	-	173,807	175,954
Held in Hong Kong on medium-term lease (10 - 50 years unexpired)	345,415	354,761	-	-	345,415	354,761
Held outside Hong Kong on medium-term lease (10 - 50 years unexpired)	7,372	7,588	-	-	7,372	7,588
	<u>526,594</u>	<u>1,062,303</u>	<u>529,237</u>	<u>-</u>	<u>526,594</u>	<u>538,303</u>

19. PROPERTY AND EQUIPMENT - continued

Land and buildings owned by the Group and by the Bank were revalued at 31 December 2003 on an open market value basis by Vigers Hong Kong Limited, independent professionally qualified valuers.

Had the land and buildings been carried at cost less accumulated depreciation and amortisation, the carrying value of the land and buildings of the Group and the Bank would have been stated at approximately HK\$287,449,000 and HK\$287,449,000 (2002: HK\$383,114,000 and HK\$294,735,000) respectively.

20. DEPOSITS FROM CUSTOMERS

	THE GROUP		THE BANK	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Demand deposits and current accounts	2,029,869	1,459,406	2,029,869	1,459,406
Savings deposits	7,568,026	5,458,963	7,568,026	5,458,963
Time, call and notice deposits	22,993,695	25,573,883	22,976,290	25,549,129
	<u>32,591,590</u>	<u>32,492,252</u>	<u>32,574,185</u>	<u>32,467,498</u>

Included in the balances is an aggregate amount of approximately HK\$39,935,000 (2002: HK\$47,245,000) representing deposits of companies having significant influence on the Bank and their subsidiaries placed with the Group and the Bank.

21. SHARE CAPITAL

	2003 & 2002 HK\$'000
Authorised:	
600,000,000 shares of HK\$0.50 each	<u>300,000</u>
Issued and fully paid:	
435,000,000 shares of HK\$0.50 each	<u>217,500</u>

22. RESERVES

	Share premium 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 BANK										
At 1 January 2002										
- as previously reported	1,542,817	29,344	289,365	10,156	1,190,000	541,422	253	130,500	1,465,330	5,199,187
- reclassification	-	-	352,922	-	188,500	(541,422)	-	-	-	-
- adjustments on adoption of SSAP 12 (revised)	-	-	(103,145)	-	-	-	-	-	29,930	(73,215)
- as restated	1,542,817	29,344	539,142	10,156	1,378,500	-	253	130,500	1,495,260	5,125,972
Revaluation movements	-	-	-	(12,363)	-	-	-	-	-	(12,363)
Currency re-alignment	-	-	-	-	-	-	12	-	-	12
Net (losses) gains not recognised in the income statement	-	-	-	(12,363)	-	-	12	-	-	(12,351)
Profit for the year	-	-	-	-	-	-	-	-	319,315	319,315
Dividends paid	-	-	-	-	-	-	-	(130,500)	(65,250)	(195,750)
Proposed dividend	-	-	-	-	-	-	-	152,250	(152,250)	-
At 31 December 2002	1,542,817	29,344	539,142	(2,207)	1,378,500	-	265	152,250	1,597,075	5,237,186
Revaluation movements	-	-	-	60,000	-	-	-	-	-	60,000
Currency re-alignment	-	-	-	-	-	-	(291)	-	-	(291)
Deferred taxation arising from the change in tax rate (Note 23)	-	-	(9,670)	-	-	-	-	-	-	(9,670)
Net (losses) gains not recognised in the income statement	-	-	(9,670)	60,000	-	-	(291)	-	-	50,039
Profit for the year	-	-	-	-	-	-	-	-	298,071	298,071
Dividends paid	-	-	-	-	-	-	-	(152,250)	(65,250)	(217,500)
Proposed dividend	-	-	-	-	-	-	-	152,250	(152,250)	-
At 31 December 2003	1,542,817	29,344	529,472	57,793	1,378,500	-	(26)	152,250	1,677,646	5,367,796