

# NOTES TO THE FINANCIAL STATEMENTS

## 19. PROPERTY AND EQUIPMENT

	THE GROUP			THE BANK		
	Land and buildings HK\$'000	Equipment HK\$'000	Total HK\$'000	Land and buildings HK\$'000	Equipment HK\$'000	Total HK\$'000
<b>COST OR VALUATION</b>						
At 1 January 2002	1,039,724	273,033	1,312,757	497,724	251,230	748,954
Additions	50,846	33,917	84,763	50,846	32,202	83,048
Deficit on revaluation	(28,267)	–	(28,267)	(10,267)	–	(10,267)
Disposals	–	(5,446)	(5,446)	–	(5,446)	(5,446)
At 31 December 2002	<u>1,062,303</u>	<u>301,504</u>	<u>1,363,807</u>	<u>538,303</u>	<u>277,986</u>	<u>816,289</u>
<b>ANALYSIS OF COST OR VALUATION</b>						
At cost	–	301,504	301,504	–	277,986	277,986
At professional valuation 2002	<u>1,062,303</u>	–	<u>1,062,303</u>	<u>538,303</u>	–	<u>538,303</u>
	<u>1,062,303</u>	<u>301,504</u>	<u>1,363,807</u>	<u>538,303</u>	<u>277,986</u>	<u>816,289</u>
<b>DEPRECIATION AND AMORTISATION</b>						
At 1 January 2002	–	167,444	167,444	–	158,949	158,949
Provided for the year	12,885	30,557	43,442	10,267	26,098	36,365
Eliminated on disposals	–	(5,144)	(5,144)	–	(5,144)	(5,144)
Written back on revaluation	<u>(12,885)</u>	–	<u>(12,885)</u>	<u>(10,267)</u>	–	<u>(10,267)</u>
At 31 December 2002	–	<u>192,857</u>	<u>192,857</u>	–	<u>179,903</u>	<u>179,903</u>
<b>NET BOOK VALUES</b>						
At 31 December 2002	<u>1,062,303</u>	<u>108,647</u>	<u>1,170,950</u>	<u>538,303</u>	<u>98,083</u>	<u>636,386</u>
At 31 December 2001	<u>1,039,724</u>	<u>105,589</u>	<u>1,145,313</u>	<u>497,724</u>	<u>92,281</u>	<u>590,005</u>

The net book value of land and buildings shown above comprises:

	THE GROUP		THE BANK	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Leasehold properties				
Held in Hong Kong on long-term lease (over 50 years unexpired)	699,954	719,802	175,954	177,802
Held in Hong Kong on medium-term lease (10 - 50 years unexpired)	354,761	312,243	354,761	312,243
Held outside Hong Kong on medium-term lease (10 - 50 years unexpired)	<u>7,588</u>	<u>7,679</u>	<u>7,588</u>	<u>7,679</u>
	<u>1,062,303</u>	<u>1,039,724</u>	<u>538,303</u>	<u>497,724</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2002

## 19. PROPERTY AND EQUIPMENT - continued

Land and buildings owned by the Group and by the Bank were revalued at 31 December 2002 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\$383,114,000 and HK\$294,735,000 (2001: HK\$339,679,000 and HK\$250,979,000) respectively.

## 20. DEPOSITS FROM CUSTOMERS

	THE GROUP		THE BANK	
	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Demand deposits and current accounts	1,459,406	1,152,811	1,459,406	1,152,811
Savings deposits	5,458,963	5,034,952	5,458,963	5,034,952
Time, call and notice deposits	25,573,883	26,497,957	25,549,129	26,453,425
	<u>32,492,252</u>	<u>32,685,720</u>	<u>32,467,498</u>	<u>32,641,188</u>

Included in the balances is an aggregate amount of approximately HK\$47,245,000 (2001: HK\$74,897,000) representing deposits of companies having significant influence on the Bank and their subsidiaries placed with the Group and the Bank.

## 21. SHARE CAPITAL

	2002 & 2001
	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>

# NOTES TO THE FINANCIAL STATEMENTS

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## 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
<b>THE BANK</b>										
At 1 January 2001	1,542,817	30,708	288,001	15,750	1,190,000	541,422	268	152,250	1,358,865	5,120,081
Revaluation movements	-	-	-	(5,594)	-	-	-	-	-	(5,594)
Transfer between reserves	-	(1,364)	1,364	-	-	-	-	-	-	-
Currency re-alignment	-	-	-	-	-	-	(15)	-	-	(15)
Profit for the year	-	-	-	-	-	-	-	-	302,215	302,215
Dividends paid	-	-	-	-	-	-	-	(152,250)	(65,250)	(217,500)
Proposed dividend	-	-	-	-	-	-	-	130,500	(130,500)	-
At 1 January 2002	1,542,817	29,344	289,365	10,156	1,190,000	541,422	253	130,500	1,465,330	5,199,187
Revaluation movements	-	-	-	(12,363)	-	-	-	-	-	(12,363)
Currency re-alignment	-	-	-	-	-	-	12	-	-	12
Profit for the year	-	-	-	-	-	-	-	-	317,403	317,403
Dividends paid	-	-	-	-	-	-	-	(130,500)	(65,250)	(195,750)
Proposed dividend	-	-	-	-	-	-	-	152,250	(152,250)	-
At 31 December 2002	1,542,817	29,344	289,365	(2,207)	1,190,000	541,422	265	152,250	1,565,233	5,308,489