### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

**for the year ended 31 December 2003**

| THE GROUP |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment Land and property buildings | Share capital HK$’000 | Share premium HK$’000 | Goodwill HK$’000 | Revaluation reserve HK$’000 | Land and buildings revaluation reserve HK$’000 | Investment revaluation reserve HK$’000 | General reserve HK$’000 | Inter reserve HK$’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
  
  
- adjustments on adoption of SSAP 12 (revised)
  
  
- as restated
  
  217,500 1,542,817 (182) 29,344 595,615 25,603 1,388,500 - - 23,904 130,500 1,776,994 5,711,975

**Revaluation movements**

- - - - - - - - - 2,461 - - 2,461

**Currency re-alignment**

- - - - - - - - - - - - 23 - - 23

**Reversal of tax liabilities arising on revaluation of land and buildings**

(12,921) (15,382) (16,344) - 2,461 - - - - (29,242)

**Net (losses) gains not recognised in the income statement**

(10,454) (10,454) - - - - - - - - (10,454)

**Profit for the year**

(10,454) 65,214 - - (2,721) - - - - (52,039)

**Dividends paid**

(2,721) 65,214 - - - - (311,411) (311,411)

**Proposed dividend**

(311,411) (311,411) - - - - - - - - (311,411)

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**

- - - - - - - - - - - - 23 - - 23

**Currency re-alignment**

- - - - - - - - - - - - (10,454) 65,214 - - (2,721) - - (10,454)

**Net (losses) gains not recognised in the income statement**

(10,454) (10,454) - - - - - - - - (10,454)

**Profit for the year**

(10,454) 65,214 - - (2,721) - - - - (52,039)

**Dividends paid**

(2,721) 65,214 - - - - (311,411) (311,411)

**Proposed dividend**

(311,411) (311,411) - - - - - - - - (311,411)

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).