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(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1113)

THE CHAIRMAN'S STATEMENT FOR 2022

HIGHLIGHTS

Year ended 31 December	2022 HK\$ million	2021 HK\$ million	2022 HK\$ per share	2021 HK\$ per share	Change
Profit attributable to shareholders	21,683	21,241	5.98	5.77	+3.6%
Final dividend			1.85	1.79	+3.4%
Full year dividend			2.28	2.20	+3.6%

PROFIT FOR THE YEAR

The Group's profit attributable to shareholders for the year ended 31 December 2022 amounted to HK\$21,683 million (2021 – HK\$21,241 million). Earnings per share were HK\$5.98 (2021 – HK\$5.77), an increase of 3.6% when compared with last year.

DIVIDEND

The Directors recommend the payment of a final dividend of HK\$1.85 per share in respect of 2022 to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 24 May 2023. This together with the interim dividend of HK\$0.43 per share paid on 16 September 2022 gives a total of HK\$2.28 per share for the year (2021 – HK\$2.20 per share). The proposed final dividend will be paid on Thursday, 8 June 2023 following approval at the 2023 Annual General Meeting.

PROSPECTS

Strong Resilience in Challenging Times

Business Review

In 2022, the high-inflation environment and rapid interest rate hikes raised mounting concerns worldwide. The Group remained resilient and demonstrated adaptability to market fluctuations in this challenging environment by leveraging on its financial strength, quality assets and solid foundation. The Group disposed of its investment in aircraft assets and completed a few divestments to unlock the value of its assets for satisfactory gains and enhanced returns to shareholders. Following its strategic exit from the aircraft leasing sector for investments in real estate, the Group also seized an opportune window during the year to replenish its land bank with premium sites to reinforce its core position in the local property market and strengthen its fundamentals.

Property Sales

The property market in Hong Kong lost momentum in 2022 due to the lingering pandemic, rising interest rates and the prevailing cautious sentiment of investors and homebuyers. The Group pursued a proactive sales strategy with determination and visionary foresight to offset this market impact. Contribution from the Group's property sales in Hong Kong in 2022 was in line with expectations. The sale of Grand Jeté Phase 1, a joint venture residential development project, progressed well and Phase 2 has been launched in March 2023. The Group sold various retail shops and public car park lots of Stars of Kovan in Singapore to Fortune REIT. The Group also entered into an agreement to dispose of its interest in the development company which owns the unsold units of 21 BORRETT ROAD in Mid-Levels West, Hong Kong. Details of the sale were stated in the Company's announcement dated 28 September 2022.

In the years of 2021 and 2022, the Group invested over HK\$30 billion to acquire four sites at reasonable prices through government tenders and to secure two redevelopment projects. These include a residential and retail development site at Kai Tak Area 4E Site 2; a residential development site at Lau Yip Street, Yuen Long; residential and retail redevelopment projects in To Kwa Wan; a residential development site in Tai Lam, Tuen Mun; a redevelopment project at Queen's Road West / In Ku Lane in Sai Ying Pun; and a residential and retail development site in Kai Tak Area 2A Site 4, Site 5(B) and Site 10.

On the Mainland, the Central Government has announced a mechanism for the stable development of the real estate market. Policies and city-specific measures to accommodate housing demand and promote financing in the real estate sector have been implemented. The new guidance encourages the provision of equity financing for real estate projects, monitoring of pre-sale proceeds to ensure completion, and improvement of home loans for buyers. The sale of City Link in Shanghai was completed in the first half of 2022 and the related contribution was recognised. The Group recorded a decrease in contribution from property sales on the Mainland in 2022 when compared with 2021 due to market conditions.

Property Rental

The Group remains confident in the demand for premium buildings in the city's core business districts although the office leasing momentum was relatively soft in 2022 due to unfavourable market sentiment. Cheung Kong Center II is approaching completion and will bear a striking resemblance to the iconic design of the Cheung Kong Center. It is expected to provide a steady recurring rental income stream and an asset appreciation opportunity for the Group. Contribution from property rental in 2022 recorded a decrease when compared with 2021, partly owing to the rental income loss from the disposal of 5 Broadgate in London in March 2022. Nonetheless, the disposal allowed the Group to realise a gain and reallocate its capital to other investment opportunities. The Group will continue to enhance its investment property portfolio and optimise its tenant mix in order to strengthen recurring income.

Hotel and Serviced Suite Operation

The adversity faced by the sector during the pandemic sparked creativity within the Group as it sought to improve the performance of the hotel and serviced suite operation. The Group continued to reposition its market segments to capture additional domestic market share. Some of the Group's hotels joined the designated quarantine hotel scheme during the year. The Group achieved an improvement in occupancy rate following the gradual relaxation of travel restrictions and increase in visitor arrivals. The Group's serviced suite operation remained stable and maintained a high occupancy rate by strategically targeting the long term stay business. A substantial increase in contribution was recorded for the Group's overall hotel and serviced suite operation in 2022 when compared with 2021.

Pub Operation

The pub and hospitality sector in the UK gradually recovered following the lifting of COVID-related restrictions. Greene King returned to profit with a positive contribution of HK\$835 million in 2022, a marked improvement when compared with the negative contribution in 2021. The overall business environment remains challenging due to myriad headwinds including unprecedented inflation, increasing energy prices, labour shortages and reduction in government support. Nevertheless, pub culture is an integral part of the British way of life and the sector has demonstrated its resilience to economic downturns in the past few years. Greene King is equipped to weather the storm and lay a strong foundation for long-term success, given the backing of the Group together with a significant high-quality freehold asset base, premium brands and great team members.

Infrastructure and Utility Asset Operation

The infrastructure and utility assets operation stayed resilient due to its stable nature, and recorded an increase in contribution in 2022 when compared with 2021. CK William Group, Reliance Home Comfort and ista contributed HK\$1,419 million, HK\$1,408 million and HK\$1,179 million respectively. Other infrastructure and utility assets made a total contribution of HK\$3,480 million. The Group will continue to source investment opportunities in high quality global infrastructure and utility assets. During the year, an experienced infrastructure investor Kohlberg Kravis Roberts & Co. L.P. was brought in to Northumbrian Water. The transaction, which closed in December 2022, allowed the Group to realise a portion of its shareholding in Northumbrian Water with a reasonable level of capital gain and net proceeds.

Sustainability Initiatives

Climate risk and the way of response is an important area of focus in the Group's ongoing effort to manage its carbon footprint. The Group's standalone Sustainability Report for 2022 provides greater transparency on greenhouse gas emissions disclosures by adopting the framework recommended by the Task Force on Climate-related Financial Disclosures. This report details the Group's key sustainability accomplishments and initiatives in 2022, and progress towards its target to reduce GHG emissions, electricity and water consumption and paper waste by 2030. As part of the Group's decarbonisation efforts, Greene King has pledged to become carbon net zero by 2040, while individual companies in the Group's existing infrastructure and utility asset investment portfolio have committed net zero targets in various timeframes from 2027 to 2050. The Group will continue to consider the ESG performance of potential targets as one of the core factors in its investment process. Throughout the sustainability journey, the Group has strived to integrate ESG principles into its operations and to build an ethical corporate culture at all levels.

The Group received an MSCI ESG rating of A in 2022 in recognition of its green buildings and corporate governance. Its residential developments, Seaside Sonata in Cheung Sha Wan and Sea to Sky in Tseung Kwan O, were both awarded the "Final Gold" rating under BEAM Plus New Buildings. In addition, various existing properties managed by the Group achieved the "Excellent" rating for management aspect under BEAM Plus Existing Buildings. As a Carbon Neutrality partner of the HKSAR Government, the Group will continue to engage stakeholders in its green vision and perform its fair share in the city's transition to carbon neutrality by 2050. In 2022, the Group was awarded "Employer of the Year" and "Grand Category of Mission" by JobsDB - Hong Kong HR Awards. The Group will continue to invest in its employees and their wellbeing and safety to foster a good environment for them to advance and prosper.

Outlook

The growth trajectory for the majority of the global economies is anticipated to slow due to a matrix of downside risks including geopolitical tensions, central bank monetary policies, inflationary pressure and elevated interest rates, which continue to weigh on investment sentiment. At the same time, the prospect of economic recovery is expected to remain challenging in a shifting economic landscape.

Anti-pandemic measures on the Mainland have been relaxed, and economic and social activities have gradually resumed. Fiscal and monetary policies implemented by the Central Government continue to play a role in promoting steady economic and social development. New measures have been launched to support the continuous development of the real estate market as a pillar industry and are expected to have a stimulating effect on the economy.

Notwithstanding the contraction of Hong Kong real GDP in 2022 amid the deteriorating economic environment and various external challenges, the unique advantage of Hong Kong as a gateway between the Mainland and the rest of the world remains. Hong Kong is poised to safeguard its long-term stability and prosperity by reinforcing its distinctive status as an international financial centre, an innovation and technology centre, and an international trade and shipping centre by leveraging the continuing support of the Mainland in line with the blueprint of national development. The resumption of quarantine-free travel around the world is expected to revive the growth momentum of Hong Kong in 2023 by providing more opportunities for economic activities. While the Hong Kong property market has been under pressure due to rate hikes, the sector is still underpinned by solid demand. Housing policies and interest rate movements will continue to be determining factors.

Despite the global pandemic and market turbulence in recent years, the Group has navigated through difficulties and captured timely opportunities in different economic phases of market cycles, which is a testament to the Group's privilege to select its investments among a world of possibilities. As at 31 December 2022, the Group maintained a net cash position of HK\$12.6 billion after deducting bank and other borrowings. The Group's solid foundation, high quality assets and recurring income streams are the bedrock of its resilience. With a strong financial position and ample cash on hand coupled with its prudent financial management philosophy, the Group is able to respond swiftly to changes in the market while proactively pursuing new opportunities and large investments worldwide to generate recurring income and create shareholder value. The property development business remains at the heart of the Group's global operations and has been a cornerstone of its success over the years. The Group will continue to contribute to the prosperity of the community through its core competence in green and sustainable buildings for homes and workplaces.

The Group has maintained "A/Stable" and "A2 Stable" credit ratings from Standard & Poor's and Moody's respectively, demonstrating its stable outlook.

Acknowledgement

Our intelligent, creative, experienced and loyal employees are the Group's most valuable asset in this competitive and challenging global environment. My colleagues on the Board join me in thanking our team of diligent employees around the world for their hard work, adaptability, services and contributions during the year. Our employees strived to maintain the stability of our operations notwithstanding the difficult and uncertain environment. I also take this opportunity to express my sincere gratitude to our board members for their unwavering dedication and our stakeholders for their continued support.

Victor T K Li
Chairman

Hong Kong, 16 March 2023

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Major Business Activities

1. Developments Completed during 2022:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
El Futuro	Sha Tin Town Lot No. 614	244,084	100%
Laguna Verona Phase G1b / G2a Zone 4	Hwang Gang Lake, Dongguan	932,186	99.8%
Noble Hills Phase 3B	Zengcheng, Guangzhou	224,851	100%
Emerald Cove Phase 1	Daya Bay, Huizhou	1,288,417	100%
Regency Cove Phase 2B	Caidian District, Wuhan	649,552	100%

2. Developments in Progress and Scheduled for Completion in 2023:

Name	Location	Gross Floor Area (sq.ft.)	Group's Interest
Borrett Road Project Phase 2	Inland Lot No. 8949	149,123	100%
#LYOS	Lot No. 4328 in D.D. 124	138,876	100%
Grand Jeté Phase 1	The Remaining Portion of Tuen Mun Town Lot No. 463	171,523	40.94%
Cheung Kong Center II	Central	504,343	100%
Upper West Shanghai Phase 3 Tender 2 (T1) Phase 4 Tender 2 (T14)	Putuo District, Shanghai	1,648,685	60%
Regency Hills Land No. 11B	Yangjiashan, Nanan District, Chongqing	207,485	95%
Laguna Verona Phase F	Hwang Gang Lake, Dongguan	459,866	99.8%
Noble Hills Phase 3C	Zengcheng, Guangzhou	123,570	100%
Emerald Cove Phase 2	Daya Bay, Huizhou	1,216,988	100%
Regency Garden Phase 5B-2a	Pudong New District, Shanghai	265,868	85%
Regency Cove Phase 3A	Caidian District, Wuhan	282,003	100%
Chelsea Waterfront Metropolitan Building, The Rotunda, East Tower, Block KC4 and Block KC2A	Chelsea / Fulham, London	262,164	95%

3. New Acquisitions and Joint Developments and Other Major Events:

- (1) March 2022: A wholly owned subsidiary of the Group was awarded a tender by the Urban Renewal Authority for the combined development of four projects covering two adjoining sites at Hung Fook Street/Kai Ming Street and Wing Kwong Street/Kai Ming Street, To Kwa Wan, Kowloon. With a total area of approximately 58,534 sq.ft. (approximately 5,438 sq.m.), the sites are designated for residential/retail/government accommodation development and estimated to have a total developable gross floor area of approximately 526,807 sq.ft. (approximately 48,942 sq.m.).
- (2) March 2022: An indirect wholly owned subsidiary of the Group agreed and completed the sale to an independent third party the entire issued share capital of Bluebutton Holdco 5 Broadgate (Jersey) Limited (the “Broadgate Target”) which held 100% beneficial interest in the Grade-A office building, 5 Broadgate in London, the United Kingdom (the “UK Property”) at the consideration of GBP729.17 million (equivalent to approximately HK\$7,466.70 million) in cash (subject to adjustments), which had taken into account the value ascribed to the UK Property of GBP1,210 million (equivalent to approximately HK\$12,390 million) and the other assets and liabilities of the Broadgate Target and its subsidiaries. Details of the sale were set out in the announcement of 11 March 2022.
- (3) April 2022: An indirect wholly owned subsidiary of the Group and an indirect 90% owned subsidiary of the Group (the “Aircraft Sellers”) entered into a sale and purchase agreement in December 2021 with Maverick Aviation Holdings Ltd. (as purchaser) and the Company (as guarantor for each of the Aircraft Sellers) in relation to the disposals of all of the issued ordinary shares in the capital of Accipiter Finance S.à r.l. and Manchester Aviation Finance S.à r.l. at the respective total consideration of approximately US\$2,441 million (equivalent to approximately HK\$18,921 million) and US\$1,840 million (equivalent to approximately HK\$14,258 million) in cash (subject to adjustments). The said disposals involved the sale of aircraft together with the leases with respect to such aircraft, and other aircraft in the order book. Details of the disposals were set out in the announcement of 24 December 2021. The transaction was completed on 12 April 2022.

- (4) July 2022: An indirect wholly owned subsidiary of the Company (“CKA Sub I”), an indirect wholly owned subsidiary of CK Infrastructure Holdings Limited (“CKI”) (“CKI Sub I”) and Brockhill Investments Corporation (“Brockhill”, an indirect wholly owned subsidiary of CK Hutchison Holdings Limited (“CKHH”), together with CKA Sub I and CKI Sub I, the “Northumbrian Sellers”) entered into a share purchase agreement in July 2022 with Nimbus UK Bidco Limited (as purchaser, owned and controlled by Kohlberg Kravis Roberts & Co. L.P.) in relation to the purchaser’s acquisition from each Northumbrian Seller, on a several basis, such Northumbrian Seller’s pro rata share in 25% of the fully diluted ordinary share capital of each of Northumbrian Water Group Limited (“NWG”) and Northumbrian Services Limited (“NSL”) (the “KKR Investment”) at an aggregate consideration of GBP867 million (equivalent to approximately HK\$8,072.8 million) in cash (subject to adjustments). The issued share capital of each of NWG and NSL is owned as to 20%, 40% and 40% by CKA Sub I, CKI Sub I and Brockhill. Upon the completion of the KKR Investment, the issued share capital of each of NWG and NSL would be owned as to 15%, 30%, 30% and 25% by CKA Sub I, CKI Sub I, Brockhill and the purchaser, respectively.

In respect of the 30% of the issued share capital of each of NWG and NSL which would be owned by Brockhill upon completion of the KKR Investment, pursuant to the economic benefits agreements dated 31 August 2018 (as amended and supplemented from time to time) entered into between CKHH and Henley Riches Limited (a wholly owned subsidiary of CKHH) on one hand and the relevant subsidiaries of the Company, CKI and Power Assets Holdings Limited (“PAH”) on the other hand, the Group, the CKI group, the PAH group and the CKHH group (other than the CKI group which is part of the CKHH group) would respectively have effective economic benefits of 12%, 9%, 6% and 3% in NWG and NSL. The aggregate economic benefits of the Group, the CKI group, the PAH group and the CKHH group (other than the CKI group which is part of the CKHH group) respectively in NWG and NSL would become 27%, 39%, 6% and 3%.

Details of the KKR Investment were set out in the joint announcement of 14 July 2022. The transaction was completed in December 2022.

- (5) August 2022: An indirect wholly owned subsidiary of the Group entered into a sale and purchase agreement with an indirect wholly owned subsidiary of Fortune Real Estate Investment Trust (the “Purchaser”) to sell to the Purchaser the leasehold interest in 37 strata lots comprising 36 retail strata lots and one public car park strata lot (together with all the plant and equipment affixed thereto) located at 988 Upper Serangoon Road, Singapore (the “Singapore Property”), being part of the development known as “Stars of Kovan”. The consideration (exclusive of goods and services tax) for the Singapore Property is SGD88 million (equivalent to approximately HK\$501 million) payable by the Purchaser in cash on completion. The transaction was completed on 30 September 2022.
- (6) September 2022: Two indirect wholly owned subsidiaries of the Company as share vendor and loan vendor entered into a sale and purchase agreement (the “Borrett SPA”) with ORIC-Borrett Limited (as purchaser) in relation to the disposal of the one and only issued share in the capital of Aim Clever Holdings Limited (the “Target Company”) and the assignment of all the loans (owing by the Target Company and its subsidiary to the loan vendor) to the purchaser, at the consideration of HK\$20,766,186,000 (subject to adjustments pursuant to the Borrett SPA). The Target Company, through its direct wholly owned subsidiary, namely Bristow Investments Limited, indirectly owns 152 residential units, 242 residential car parking spaces and 31 motor cycle parking spaces in the development known as “21 BORRETT ROAD” situated at No. 21 Borrett Road, Hong Kong. Completion of the disposal is subject to fulfilment of certain terms and conditions under the Borrett SPA as described in the Company’s announcement dated 28 September 2022.
- (7) October 2022: A wholly owned subsidiary of the Group was awarded a Government tender for a site, Tuen Mun Town Lot No. 561 at Castle Peak Road - Tai Lam, Tuen Mun, New Territories. With an area of approximately 362,883 sq.ft. (approximately 33,713 sq.m.), the site is designated for residential development and estimated to have a developable gross floor area of approximately 1,306,380 sq.ft. (approximately 121,366.8 sq.m.).
- (8) May to December 2022: The Company bought back a total of 49,342,500 Shares from May to December 2022 on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) with the aggregate consideration paid (before expenses) amounting to HK\$2,470,484,493.05. All the Shares bought back were subsequently cancelled.

- (9) December 2022: A wholly owned subsidiary of the Group was awarded a tender by the Urban Renewal Authority for the development of the Queen’s Road West/In Ku Lane development project in Sai Ying Pun, Hong Kong. With an area of approximately 16,864 sq.ft. (approximately 1,566.7 sq.m.), the site is designated for residential/commercial/government accommodation development and estimated to have a developable gross floor area of approximately 128,230 sq.ft. (approximately 11,913 sq.m.).
- (10) December 2022: A wholly owned subsidiary of the Group was awarded a Government tender for a site, New Kowloon Inland Lot No. 6649, Kai Tak Area 2A Site 4, Site 5(B) and Site 10, Kai Tak, Kowloon. With an area of approximately 214,406 sq.ft. (approximately 19,919 sq.m.), the site is designated for residential/commercial/government accommodation development and estimated to have a maximum developable gross floor area (excluding the government accommodation) of approximately 1,417,950 sq.ft. (approximately 131,732 sq.m.).
- (11) December 2022: On 14 December 2022, an indirect wholly owned subsidiary of the Company (“CKA Sub II”) and an indirect wholly owned subsidiary of CKI (“CKI Sub II”) entered into a contribution agreement with Sarvana S.à r.l. (“Sarvana”, a joint venture of the Company and CKI in the respective consolidated financial statements of the Company and CKI) and Lamarillo S.à r.l. (“Lamarillo”, a wholly owned subsidiary of Sarvana), pursuant to which CKA Sub II and CKI Sub II, each acting independently and severally, agreed to contribute to Sarvana their respective rights to receive EUR1,637,712,283.66 (equivalent to approximately HK\$13,540,441,390.07) and EUR881,845,075.82 (equivalent to approximately HK\$7,291,006,902.37) (being the principal amount of loans made available by CKA Sub II and CKI Sub II to Lamarillo), in consideration for Sarvana issuing 65 new shares in its share capital to CKA Sub II and 35 new shares in its share capital to CKI Sub II (the “Contributions”). The Contributions were completed in December 2022, and the ownership of CKA Sub II and CKI Sub II in the issued share capital of Sarvana remained 65% and 35% respectively. Details of the Contribution were set out in the joint announcement of 14 December 2022.

Property Sales

Revenue of property sales (including share of joint ventures) recognised for the year was HK\$25,756 million (2021 – HK\$37,798 million), comprising mainly (i) sales of residential units and carparks of Sea to Sky and 21 Borrett Road Phase 1 in Hong Kong; (ii) sale of City Link, a commercial property development in Shanghai; and (iii) sales of residential units of Noble Hills in Guangzhou and La Grande Ville in Beijing, and is summarised by location as follows:

Location	2022 HK\$ Million	2021 HK\$ Million
Hong Kong	14,511	15,724
The Mainland	9,916	21,722
Overseas	1,329	352
	25,756	37,798

Contribution for the year was HK\$10,339 million (2021 – HK\$18,146 million) and is summarised by location as follows:

Location	2022 HK\$ Million	2021 HK\$ Million
Hong Kong	6,374	6,995
The Mainland	3,799	11,141
Overseas	166	10
	10,339	18,146

Property sales and contribution on the Mainland for the year decreased when compared with last year amid tight pandemic controls and weak sentiment for property markets.

The presales of residential units of Grand Jeté Phase 1, El Futuro and #LYOS in Hong Kong are progressing steadily and property sales will be recognised upon completion scheduled for 2023.

Property sales contracted but not yet recognised at 31 December 2022 are as follows:

Location	Schedule for Sale Recognition		
	2023 HK\$ Million	After 2023 HK\$ Million	Total HK\$ Million
Hong Kong	6,157	2,025	8,182
The Mainland	3,215	295	3,510
Overseas	53	3,141	3,194
	9,425	5,461	14,886

In September 2022, the Group entered into an agreement for the sale of its wholly owned subsidiary – Bristow Investments Limited, the developer of 21 Borrett Road in Hong Kong and owner of the remaining unsold residential units and carparks. Subject to the terms and conditions of the agreement, the transaction is expected to be completed in 2025.

At the year end date, the Group had a development land bank (including developers' interests in joint development projects but excluding agricultural land and completed properties) of approximately 75 million sq.ft., of which 7 million sq.ft., 64 million sq.ft. and 4 million sq.ft. were located in Hong Kong, on the Mainland and overseas respectively.

Property Rental

Revenue of property rental (including share of joint ventures) for the year was HK\$5,843 million (2021 – HK\$6,693 million), a decrease of HK\$850 million when compared with last year, as leasing of retail and office properties continued to be affected by the pandemic. Rental income was derived from leasing of retail, office, industrial and other properties as follows:

Use of Property	2022 HK\$ Million	2021 HK\$ Million
Retail	2,204	2,618
Office	2,148	2,644
Industrial	757	727
Others	734	704
	5,843	6,693

The Group's investment properties are primarily located in Hong Kong including Cheung Kong Center, Cheung Kong Center II (under redevelopment) and China Building in Central, 1881 Heritage in Tsimshatsui, The Whampoa in Hunghom, OP Mall in Tsuen Wan, Hutchison Logistics Centre in Kwai Chung and others.

Contribution for the year was HK\$4,690 million (2021 – HK\$5,661 million), a decrease of HK\$971 million when compared with last year, mainly due to the rental income loss of 5 Broadgate in London upon its disposal and adverse impacts of the pandemic, and is summarised by location as follows:

Location	2022 HK\$ Million	2021 HK\$ Million
Hong Kong	3,923	4,352
The Mainland	371	571
Overseas	396	738
	4,690	5,661

During the year, a surplus of HK\$738 million was recognised on the disposal of the investment property at 5 Broadgate in London.

At the year end date, the Group had an investment property portfolio of approximately 17.1 million sq.ft. (including share of joint ventures but excluding car parking spaces) as follows:

Location	Retail Million sq.ft.	Office Million sq.ft.	Industrial Million sq.ft.	Others Million sq.ft.	Total Million sq.ft.
Hong Kong	3.3	3.9	5.9	-	13.1
The Mainland	1.5	0.4	-	-	1.9
Overseas	0.1	0.2	-	1.8	2.1
	4.9	4.5	5.9	1.8	17.1

An increase of HK\$967 million (2021 – HK\$1,513 million) in fair value of investment properties was recorded at 31 December 2022 based on a professional valuation using capitalisation rates ranging from approximately 4% to 8%.

Hotel and Serviced Suite Operation

The Group's hotel and serviced suite properties are mostly located in Hong Kong including Harbour Grand Hotels, Harbour Plaza Hotels & Resorts, Horizon Hotels & Suites, Sheraton Hong Kong Hotel & Towers, The Kowloon Hotel and a few others.

During the year, the hotel operation continued to be affected by border restrictions and quarantine measures, and some of the hotel properties, including The Kowloon Hotel and Rambler Garden Hotel in Hong Kong and Harbour Plaza Metropolitan Shanghai recently completed on the Mainland, had been engaged as quarantine hotels.

Revenue of hotel and serviced suite operation (including share of joint ventures) for the year was HK\$3,228 million (2021 – HK\$2,711 million), an increase of HK\$517 million when compared with last year. The average hotel occupancy rate increased to 58% from 37% in 2021 and the average occupancy rate of about 90% for the serviced suites was maintained with long stay guests.

Contribution for the year was HK\$567 million (2021 – HK\$399 million) and is summarised by location as follows:

Location	2022 HK\$ Million	2021 HK\$ Million
Hong Kong	764	482
The Mainland	(197)	(83)
	567	399

With the recent relaxation of border restrictions and quarantine measures in Hong Kong and on the Mainland, return to normal operation of the hotels and serviced suites is anticipated.

Property and Project Management

Revenue of property and project management (including share of joint ventures) for the year was HK\$896 million (2021 – HK\$888 million) and mainly comprised management fees received for provision of property management and related services to properties developed by the Group.

Contribution for the year was HK\$362 million (2021 – HK\$355 million) and is summarised by location as follows:

Location	2022 HK\$ Million	2021 HK\$ Million
Hong Kong	250	256
The Mainland	59	58
Overseas	53	41
	362	355

At the year end date, approximately 266 million sq.ft. of completed properties were managed by the Group and this is expected to grow steadily following gradual completion of property development projects in the years ahead. The Group is committed to providing high quality services to the properties under its management.

Pub Operation

The Group's pub businesses comprise 2 breweries and about 2,700 pubs, restaurants and hotels operated by Greene King across England, Wales and Scotland. Pub businesses in the United Kingdom are back to normal following the lifting of all Covid restrictions. However, the local economy is experiencing high inflation, interest rate and cost of living, and the trading environment remains uncertain.

Revenue of pub operation for the year was HK\$20,939 million (2021 – HK\$14,284 million), an increase of HK\$6,655 million when compared with last year, mainly driven by price increases when sales volumes were still below the pre-Covid-19 level.

Profit contribution for the year amounted to HK\$835 million (2021 – operating loss of HK\$55 million), after provision of HK\$994 million (2021 – HK\$144 million) for asset impairment, and the result by division of pub operation is as follows:

Division	2022		2021	
	Revenue HK\$ Million	Profit Contribution HK\$ Million	Revenue HK\$ Million	Operating Loss HK\$ Million
Pub Company - operates food-led and drink-led destination pubs and restaurants and community-focused local pubs	17,274	199	11,486	(350)
Pub Partners - owns a portfolio of mainly drink-led pubs which are run as franchised or leased pubs	1,661	470	1,167	363
Brewing & Brands - sells and distributes a wide range of beers including ale brands brewed in own breweries	2,004	166	1,631	(68)
	20,939	835	14,284	(55)

Infrastructure and Utility Asset Operation

At the year end date, the Group's infrastructure and utility asset businesses were operated through joint ventures as follows:

	Principal Activity	Interest in Joint Venture
CK William JV	An owner and operator of energy utility assets in Australia, the United States, Canada and the United Kingdom	40%
CKP (Canada) JV	A building equipment and service provider under the consumer brand identity of "Reliance Home Comfort" in Canada	75%
Sarvana JV	A fully integrated energy management service provider operated by ista Group in Europe	65%
UK Power Networks JV	A power distributor that serves London, the South East and East of England	20%
Northumbrian Water JV	A regulated water and sewerage company in England and Wales	27%
Dutch Enviro Energy JV	An operator of energy-from-waste business in the Netherlands	24%
Wales & West Utilities JV	A gas distributor that serves Wales and the South West of England	22%

and the Group had interests in the economic benefits of infrastructure and utility asset businesses as follows:

	Principal Activity	Interest in Economic Benefit
Park'N Fly	An off-airport car park provider in Canada	20%
UK Rails	A rolling stock operating company in the United Kingdom	20%
Australian Gas Networks	A distributor of natural gas in Australia	11%

Revenue of the joint venture operations was shared by the Group for the year as follows:

	2022	2021
	HK\$ Million	HK\$ Million
CK William JV	4,387	4,181
CKP (Canada) JV	4,481	4,217
Sarvana JV	5,606	5,820
UK Power Networks JV	3,403	2,757
Northumbrian Water JV	3,102	2,581
Dutch Enviro Energy JV	687	554
Wales & West Utilities JV	1,223	757
	22,889	20,867

Profit contribution for the year amounted to HK\$7,486 million (2021 – HK\$6,934 million), and is summarised by location as follows:

	Australia	Europe	North America	2022	2021
	HK\$ Million	HK\$ Million	HK\$ Million	Total	Total
				HK\$ Million	HK\$ Million
CK William JV	1,438	45	(64)	1,419	1,332
CKP (Canada) JV	-	-	1,408	1,408	1,379
Sarvana JV	-	1,179	-	1,179	1,338
UK Power Networks JV	-	2,010	-	2,010	1,530
Northumbrian Water JV	-	619	-	619	617
Dutch Enviro Energy JV	-	126	-	126	78
Wales & West Utilities JV	-	453	-	453	255
Others	108	164	-	272	405
	1,546	4,596	1,344	7,486	6,934

In December 2022, the Group completed the disposal of a 9% equity interest in Northumbrian Water JV and a gain of HK\$606 million was recognised on the disposal.

During the year, cash distributions from UK Power Networks, Northumbrian Water, Wales & West Utilities and Dutch Enviro Energy comprising dividends and interest in the aggregate amount of HK\$988 million were received by the subsidiaries which acquired these investments from Li Ka Shing Foundation Limited in 2021.

Interests in Real Estate Investment Trusts

The Group's interests in listed real estate investment trusts at the year end date were as follows:

	Principal Activity	Interest
Hui Xian REIT	Investment in hotels and serviced suites, office and retail properties on the Mainland	33.5%
Fortune REIT	Investment in retail properties in Hong Kong and Singapore	26.5%
Prosperity REIT	Investment in office, retail and industrial properties in Hong Kong	18.2%

Hui Xian REIT is an associate. The Group shared a net rental for the year of HK\$178 million (2021 – HK\$288 million) and received distributions of HK\$174 million (2021 – HK\$311 million).

Distributions received from Fortune REIT and Prosperity REIT during the year amounted to HK\$273 million (2021 – HK\$310 million) and were recognised as investment income. A decrease of HK\$1,178 million (2021 – increase of HK\$508 million) in fair value of the Group's investments in Fortune REIT and Prosperity REIT was recorded based on the market closing price at 31 December 2022.

Discontinued Operation

In April 2022, the Group completed the disposal of its investment in aircraft assets and discontinued the operation of aircraft leasing business. During the year, a post-tax profit of HK\$2,056 million was recognised for aircraft leasing, including a gain of HK\$1,468 million on the disposal of aircraft assets.

FINANCIAL REVIEW

Liquidity and Financing

The Group monitors its liquidity requirements on a short to medium term basis and arranges its financing accordingly. During the year, the Group redeemed notes of HK\$1,450 million matured in August 2022, and early redeemed notes of GBP97 million and GBP183 million with final maturities in 2032 and 2033 respectively.

At the year end date, the Group's bank and other loans amounted to HK\$48.6 billion, a decrease of HK\$47.9 billion when compared with bank and other loans at 31 December 2021. The maturity profile was spread over a period of 14 years, with HK\$2.5 billion repayable within 1 year, HK\$36.9 billion within 2 to 5 years and HK\$9.2 billion beyond 5 years.

Taking into account the bank balances and deposits of HK\$61.2 billion at 31 December 2022, the Group had a net cash surplus of HK\$12.6 billion at the year end date.

With plenty of cash on hand as well as available banking facilities, the Group's liquidity position remains strong and the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Treasury Policies

The Group maintains a conservative approach on foreign exchange risk management and borrows principally on a floating rate basis. The Group's exposure to foreign exchange fluctuations and interest rate changes are reviewed regularly. For investments in foreign currencies and at times of financial uncertainty or volatility, hedging instruments including swaps and forwards are used in the management of exposure to foreign exchange and interest rate fluctuations.

At the year end date, the Group's borrowings were 40% in HK\$ or US\$, and 60% in other currencies (including AUD, GBP and RMB) which had been arranged for investments and operations in Australia, the United Kingdom and on the Mainland. The Group derives its revenue mainly from property businesses in HK\$ and RMB, and maintains bank balances and deposits substantially in HK\$, RMB and US\$. Income in foreign currencies is generated by overseas investments and operations, and cash in local currencies is maintained for operational requirements.

Charges on Assets

At the year end date, (i) properties amounting to HK\$3,825 million (2021 – HK\$6,159 million) were charged to secure bank loans arranged for property development and investment; and (ii) properties amounting to HK\$24,526 million (2021 – HK\$32,754 million) were charged to secure other loans arranged for pub operation.

Contingent Liabilities

At the year end date, the Group provided guarantees for (i) revenue shared by land owner of a hotel project amounting to HK\$474 million (2021 – HK\$490 million); and (ii) mortgage loans provided by banks to purchasers of properties developed by the Group on the Mainland amounting to HK\$822 million (2021 – HK\$1,528 million).

Employees

At the year end date, the Group employed approximately 55,000 employees. The related employees' costs for the year (excluding directors' emoluments), before employment support subsidies from governments and other reimbursements, amounted to approximately HK\$12,090 million. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis, together with reference to the profitability of the Group, remuneration benchmarks in the industry, and prevailing market conditions within the general framework of the Group's salary and bonus system. The Group does not have any share option scheme for employees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

On 10 January 2022, CKA Holdings UK Limited (“CKAUK”), an indirect wholly owned subsidiary of the Company, partially redeemed the GBP850,000,000 3.34% fixed rate unsecured loan note due 2025 issued by CKAUK and listed on the Official List of the International Stock Exchange in Jersey (“TISE”) (“CKAUK Loan Note”), for a redemption amount of GBP420,000,000 (“Redeemed Portion”) together with accrued but unpaid interest on the Redeemed Portion on 10 January 2022. With effect from 11 January 2022, the Redeemed Portion was delisted and GBP430,000,000 of the CKAUK Loan Note remained listed on the TISE. On 31 March 2022, CKAUK redeemed in full the GBP430,000,000 principal amount outstanding of the CKAUK Loan Note together with accrued but unpaid interest on the principal amount outstanding on 31 March 2022. Upon completion of the redemption of the CKAUK Loan Note, the listing of the CKAUK Loan Note was cancelled with effect from 4 April 2022.

On 25 August 2022, CK Property Finance (MTN) Limited (“CPFM”), a wholly owned subsidiary of the Company, redeemed the HK\$1,450,000,000 2.25% notes due 2022 under the US\$5 billion Euro Medium Term Note Programme. As at 31 December 2022, CPFM had outstanding (i) HK\$4,746 million principal amount of notes due 2026-2028 with fixed rates of 2.29%-3.57% and HK\$3,790 million principal amount of notes due 2024 with a floating rate of HIBOR plus 0.47%; and (ii) US\$600 million principal amount of notes due 2024-2026 with fixed rates of 0.75%-1.375% (listed on the Stock Exchange).

On 28 September 2022, Spirit Issuer plc (“SIP”), an indirect subsidiary of the Company, redeemed in full the GBP96,700,000 principal amount outstanding of the GBP300,000,000 Class A5 secured notes with a fixed rate at 5.47% due 2032 issued by SIP and listed on the Luxembourg Stock Exchange at a clean price of 106.0%, together with accrued but unpaid interest on the principal amount outstanding on 28 September 2022. As at 31 December 2022, SIP had no outstanding notes in issue.

On 15 December 2022, Greene King Finance plc (“GKF”), an indirect subsidiary of the Company, redeemed in full the principal amount outstanding of the Class A5 secured floating rate notes due 2033 issued by GKF (with an original principal amount of GBP290,000,000 and listed on the Irish Stock Exchange) at par for a redemption amount of GBP182,743,500 (excluding accrued interest). As at 31 December 2022, GKF had outstanding (i) GBP862.2 million principal amount of notes which are listed on the Irish Stock Exchange, with fixed rates ranging from 3.59% to 5.32% and final repayment from 2031 to 2035 and (ii) GBP220.8 million principal amount of notes which are listed on the Irish Stock Exchange, with interest rate of SONIA plus credit adjustment spread and margins between 1.80% to 2.08% and final repayment from 2034 to 2036. These notes are secured by charges over the pledged properties including their future income stream.

During the year ended 31 December 2022, the Company bought back a total of 49,342,500 Shares on the Stock Exchange for an aggregate consideration of HK\$2,470,484,493.05 (before expenses). All the Shares bought back were subsequently cancelled. As at 31 December 2022, the total number of Shares in issue was 3,605,190,333⁽¹⁾.

Particulars of the share buy-backs are as follows:

Month	Number of Shares bought back	Purchase price per Share		Aggregate consideration (before expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
May 2022	1,025,000	53.80	50.50	53,486,250.00
June 2022	5,536,500	53.25	50.95	287,896,600.00
August 2022	11,012,500	54.40	52.85	591,300,530.35
September 2022	19,619,500	53.55	46.75	984,337,090.80
October 2022	8,714,000	48.25	43.00	398,145,146.90
November 2022	1,320,000	45.50	43.10	58,372,550.00
December 2022	2,115,000	46.50	45.30	96,946,325.00
	<u>49,342,500</u>			<u>2,470,484,493.05</u>

Note:

- (1) This does not reflect the 10,949,000 Shares repurchased from 7 October 2022 to 15 December 2022 which were cancelled on 2 February 2023. As at the date of this announcement, the total number of Shares in issue is 3,594,241,333.

Save as disclosed above, during the year ended 31 December 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

The Board of Directors (“Board”) and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The corporate governance principles of the Company emphasize a quality Board, sound internal controls, and transparency and accountability to all shareholders.

The Company had applied the principles and complied with all code provisions (except as stated below) and, where applicable, the recommended best practices of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) throughout the year ended 31 December 2022.

In respect of code provision C.2.1 of the CG Code, the positions of the Chairman of the Board and the Managing Director are held by the same individual, namely, Mr. Victor T K Li. Although the positions of the Chairman and the Managing Director are not separately held, the Board is of the view that this is the most appropriate arrangement in the interest of the shareholders as a whole at present. All major decisions will, in accordance with current practice, be continued to be made in consultation with members of the Board and relevant board committees and key personnel of the Group after thorough discussions. The Board comprises eight Independent Non-executive Directors with diverse background, experience and areas of expertise, who will continue to provide their views and comments to Mr. Victor T K Li as Chairman and Managing Director as they have done so over the years. Furthermore, Mr. Li Ka-shing, who has been the Senior Advisor of the Company following his retirement as Chairman, has in that capacity continued to share his wisdom and insights on significant matters of the Group.

The Group is committed to achieving and maintaining standards of openness, probity and accountability. In line with this commitment and in compliance with the CG Code, the Company has established the Whistleblowing Policy - Procedures for Reporting Possible Improprieties, which has been revised from time to time. In addition, the Company has also established the Anti-Fraud and Anti-Bribery Policy and the Policy on Handling of Confidential Information, Information Disclosure, and Securities Dealing for compliance by the Company’s employees.

AUDIT COMMITTEE

The Listing Rules require every listed issuer to establish an audit committee comprising at least three members who must be non-executive directors only, and the majority thereof must be independent non-executive directors, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. The Company established an audit committee (“Audit Committee”) on 26 February 2015 and has formulated its written terms of reference, which have from time to time been modified, in accordance with the prevailing provisions of the CG Code.

The Audit Committee comprises six Independent Non-executive Directors, namely, Mr. Cheong Ying Chew, Henry (Chairman of the Audit Committee), Mr. Chow Nin Mow, Albert, Ms. Hung Siu-lin, Katherine, Mr. Donald Jeffrey Roberts, Mr. Stephen Edward Bradley and Mr. Lam Siu Hong, Donny. The principal duties of the Audit Committee include: review and supervision of the Group’s financial reporting system, risk management and internal control systems; review of the Group’s financial information; review of the relationship with the external auditor of the Company; and performance of the corporate governance functions delegated by the Board.

The Group’s annual results for the year ended 31 December 2022 have been reviewed by the Audit Committee and audited by the independent auditor of the Company, Deloitte Touche Tohmatsu.

REMUNERATION COMMITTEE

In compliance with the CG Code, the Company established its remuneration committee (“Remuneration Committee”) on 26 February 2015 with a majority of the members thereof being Independent Non-executive Directors. The Remuneration Committee comprises an Independent Non-executive Director, Ms. Hung Siu-lin, Katherine (Chairperson of the Remuneration Committee), the Chairman and Managing Director, Mr. Victor T K Li and an Independent Non-executive Director, Mr. Cheong Ying Chew, Henry.

NOMINATION COMMITTEE

The Company established its nomination committee (“Nomination Committee”) on 1 January 2019 with a majority of the members thereof being Independent Non-executive Directors. The Nomination Committee comprises an Independent Non-executive Director, Mr. Stephen Edward Bradley (Chairman of the Nomination Committee), the Chairman and Managing Director, Mr. Victor T K Li and an Independent Non-executive Director, Mr. Donald Jeffrey Roberts.

SUSTAINABILITY COMMITTEE

The Company established its sustainability committee (“Sustainability Committee”) on 1 December 2020. A majority of the Directors sitting on the Sustainability Committee are Independent Non-executive Directors. The Sustainability Committee comprises an Executive Director, Mr. Ip Tak Chuen, Edmond (Chairman of the Sustainability Committee), two Independent Non-executive Directors, Mr. Cheong Ying Chew, Henry and Mr. Stephen Edward Bradley, and the Company Secretary, Ms. Eirene Yeung overseeing management and advising the Board on the development and implementation of the sustainability initiatives of the Group, including reviewing the related environment, social and governance (“ESG”) policies and practices, and assessing and making recommendations on matters concerning the Group’s sustainability development and ESG risks.

ANNUAL GENERAL MEETING

The 2023 Annual General Meeting (“2023 AGM”) of the shareholders of the Company will be held on Thursday, 18 May 2023. Details of the arrangements will be provided in the Company’s Circular in relation to the 2023 AGM which will be published and despatched to the shareholders in accordance with the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 15 May 2023 to Thursday, 18 May 2023, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the 2023 AGM, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 12 May 2023.

The final dividend is payable to shareholders whose names appear on the Register of Members of the Company at the close of business on Wednesday, 24 May 2023, being the record date for determination of entitlement to the final dividend. In order to qualify for the proposed final dividend, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Wednesday, 24 May 2023.

The Directors of the Company as at the date of this document are Mr. LI Tzar Kuoi, Victor (*Chairman and Managing Director*), Mr. KAM Hing Lam (*Deputy Managing Director*), Mr. IP Tak Chuen, Edmond (*Deputy Managing Director*), Mr. CHUNG Sun Keung, Davy, Dr. CHIU Kwok Hung, Justin, Mr. CHOW Wai Kam, Raymond, Ms. PAU Yee Wan, Ezra and Ms. WOO Chia Ching, Grace as Executive Directors; and Mr. CHEONG Ying Chew, Henry, Mr. CHOW Nin Mow, Albert, Ms. HUNG Siu-lin, Katherine, Mr. Donald Jeffrey ROBERTS, Mr. Stephen Edward BRADLEY, Mrs. KWOK Eva Lee, Mrs. SNG Sow-mei alias Poon Sow Mei and Mr. LAM Siu Hong, Donny as Independent Non-executive Directors.

Consolidated Income Statement

For the year ended 31 December 2022

	2022 HK\$ Million	2021 HK\$ Million
Continuing operations		
Group revenue	56,341	62,094
Share of revenue of joint ventures	23,210	21,147
	<u>79,551</u>	<u>83,241</u>
Group revenue	56,341	62,094
Interest from joint ventures	2,097	2,152
Investment and others	708	1,964
Operating costs		
Property and related costs	(15,905)	(19,848)
Pub operation and related costs	(10,745)	(7,392)
Salaries and related expenses	(9,830)	(8,056)
Interest and other finance costs	(1,173)	(1,190)
Depreciation	(2,045)	(2,186)
Other expenses	(589)	(661)
	<u>(40,287)</u>	<u>(39,333)</u>
Gain (loss) on financial instruments	(148)	2,495
Change in fair value of investment properties	967	1,513
Surplus on disposal of investment properties	738	-
Gain on disposal of interest in utility joint venture	606	-
Impairment loss on fixed assets	(994)	(144)
Goodwill impairment	-	(2,005)
Share of profit of joint ventures	2,477	1,037
Share of profit of associates	178	288
	<u>22,683</u>	<u>30,061</u>
Taxation	(2,860)	(8,533)
Profit for the year	<u>19,823</u>	<u>21,528</u>
Discontinued operation		
Profit for the year	<u>2,140</u>	<u>415</u>
Profit for the year	<u>21,963</u>	<u>21,943</u>
Non-controlling interests - continuing operations	87	(464)
- discontinued operation	(84)	2
Perpetual capital securities - continuing operations	(283)	(240)
Profit attributable to shareholders	<u>21,683</u>	<u>21,241</u>
Profit attributable to shareholders		
Continuing operations	19,627	20,824
Discontinued operation	2,056	417
	<u>21,683</u>	<u>21,241</u>
Earnings per share		
Continuing operations	HK\$5.41	HK\$5.66
Discontinued operation	HK\$0.57	HK\$0.11
	<u>HK\$5.98</u>	<u>HK\$5.77</u>

	2022 HK\$ Million	2021 HK\$ Million
Dividends		
Interim dividend paid	1,559	1,494
Final dividend proposed	6,649	6,521
	<u>8,208</u>	<u>8,015</u>
Dividends per share		
Interim dividend	HK\$0.43	HK\$0.41
Final dividend	HK\$1.85	HK\$1.79

Consolidated Statement of Financial Position

As at 31 December 2022

	2022 HK\$ Million	2021 HK\$ Million
Non-current assets		
Fixed assets	70,267	76,444
Investment properties	125,186	132,324
Joint ventures	74,685	80,752
Associates	7,058	7,054
Investments	10,436	12,104
Goodwill	4,308	4,609
Derivative financial instruments	8,159	3,542
Other non-current assets	4,843	5,761
	<u>304,942</u>	<u>322,590</u>
Current assets		
Properties for sale	136,446	127,482
Aircraft assets for sale	-	31,748
Debtors, prepayments and others	9,968	8,086
Loan receivables	2,267	3,440
Bank balances and deposits	61,198	63,365
	<u>209,879</u>	<u>234,121</u>
Current liabilities		
Creditors, accruals and others	38,304	24,612
Bank and other loans	2,435	28,812
Customers' deposits received	9,215	17,613
Liabilities associated with aircraft for sale	-	2,482
Provision for taxation	5,026	4,996
	<u>54,980</u>	<u>78,515</u>
Net current assets	<u>154,899</u>	<u>155,606</u>
Non-current liabilities		
Bank and other loans	46,102	67,656
Deferred tax liabilities	13,940	15,974
Lease liabilities	5,276	6,099
Derivative financial instruments	723	2,152
Pension liabilities	93	40
	<u>66,134</u>	<u>91,921</u>
Net assets	<u>393,707</u>	<u>386,275</u>
Representing:		
Share capital and share premium	240,102	242,619
Reserves	139,529	128,609
Shareholders' funds	<u>379,631</u>	<u>371,228</u>
Perpetual capital securities	7,929	7,929
Non-controlling interests	6,147	7,118
Total equity	<u>393,707</u>	<u>386,275</u>

Notes:

- (1) The principal activities of the Group are property development and investment, hotel and serviced suite operation, property and project management, pub operation and investment in infrastructure and utility asset operation. The operation of aircraft leasing was discontinued during the year.

Revenue by principal activities (continuing operations) is as follows:

	Group		Joint ventures		Total	
	2022 HK\$ Million	2021 HK\$ Million	2022 HK\$ Million	2021 HK\$ Million	2022 HK\$ Million	2021 HK\$ Million
Property sales	25,706	37,760	50	38	25,756	37,798
Property rental	5,700	6,543	143	150	5,843	6,693
Hotel and serviced suite operation	3,214	2,691	14	20	3,228	2,711
Property and project management	782	816	114	72	896	888
Pub operation	20,939	14,284	-	-	20,939	14,284
Infrastructure and utility asset operation	-	-	22,889	20,867	22,889	20,867
	56,341	62,094	23,210	21,147	79,551	83,241

and is summarised by location as follows:

	2022 HK\$ Million	2021 HK\$ Million
Hong Kong	22,759	23,805
The Mainland	10,909	22,912
The United Kingdom	29,785	21,603
Others	16,098	14,921
	79,551	83,241

Profit contribution by principal activities after allocation of operating costs and other income is as follows:

	Group		Joint ventures		Total	
	2022 HK\$ Million	2021 (Restated) HK\$ Million	2022 HK\$ Million	2021 (Restated) HK\$ Million	2022 HK\$ Million	2021 (Restated) HK\$ Million
Property sales	10,303	18,127	36	19	10,339	18,146
Property rental	4,580	5,541	110	120	4,690	5,661
Hotel and serviced suite operation	573	421	(6)	(22)	567	399
Property and project management	308	314	54	41	362	355
Pub operation	835	(55)	-	-	835	(55)
Infrastructure and utility asset operation	272	405	7,214	6,529	7,486	6,934
	16,871	24,753	7,408	6,687	24,279	31,440
Bank and other loan finance costs	(991)	(968)	(2,379)	(1,836)	(3,370)	(2,804)
	15,880	23,785	5,029	4,851	20,909	28,636
Gain on financial instruments					1,606	1,175
Interests in real estate investment trusts					451	598
Change in fair values						
Real estate investment trusts					(1,178)	508
Investment properties					967	1,513
Surplus on disposal of investment properties					738	-
Gain on disposal of interest in utility joint venture					606	-
Goodwill impairment					-	(2,005)
Others					(402)	481
Taxation						
Group					(2,860)	(8,533)
Joint ventures					(1,014)	(845)
Profit attributable to non-controlling interests and perpetual capital securities					(196)	(704)
Continuing operations					19,627	20,824
Discontinued operation						
Aircraft leasing - post tax profit contribution					588	417
- post tax gain on disposal of assets					1,468	-
Profit attributable to shareholders					21,683	21,241

(2) Profit before taxation is arrived at after charging:

	2022 HK\$ Million	2021 HK\$ Million
Interest and other finance costs		
Bank and other loans	1,333	1,195
Less: amount capitalised	(342)	(227)
	991	968
Lease liabilities	182	222
Costs of properties sold	13,272	16,955
Costs of pub products sold	5,983	3,896
	<u>991</u>	<u>968</u>
	<u>182</u>	<u>222</u>
	<u>13,272</u>	<u>16,955</u>
	<u>5,983</u>	<u>3,896</u>

(3) Taxation

	2022 HK\$ Million	2021 HK\$ Million
Current tax		
Hong Kong	1,534	1,412
Outside Hong Kong	2,286	6,335
Deferred tax	(960)	786
	<u>2,860</u>	<u>8,533</u>

(4) During the year, the Company bought back 49,342,500 shares on The Stock Exchange of Hong Kong Limited with an aggregate consideration of HK\$2,470 million, of which 38,393,500 shares were cancelled before the year end date and 10,949,000 shares were cancelled after the year end date.

The calculation of earnings per share is based on profit attributable to shareholders and on the weighted average of 3,628,235,965 shares (2021 – 3,677,489,596 shares) in issue during the year.

(5) Ageing analysis of debtors with reference to terms of agreements is as follows:

	2022 HK\$ Million	2021 HK\$ Million
Current to one month	1,197	1,240
Two to three months	90	125
Over three months	130	186
	<u>1,417</u>	<u>1,551</u>

Ageing analysis of creditors with reference to invoice dates and credit terms is as follows:

	2022 HK\$ Million	2021 HK\$ Million
Current to one month	14,121	5,156
Two to three months	49	17
Over three months	37	28
	<u>14,207</u>	<u>5,201</u>

(6) The International Accounting Standards Board has issued a number of new and revised International Financial Reporting Standards ("IFRSs"). The application of those IFRSs effective for annual accounting periods beginning on 1 January 2022 has no significant impact on the Group's results and financial position. For the IFRSs which are not yet effective, the Group is in the process of assessing their impact on the Group's results and financial position. Based on preliminary assessment, no significant impact is anticipated for the application of IFRSs scheduled to be effective in 2023.

(7) Certain comparative information has been restated to conform with the presentation of the discontinued operation.

(8) The annual results have been reviewed by the Audit Committee.