

Consolidated Statement of Profit or Loss

For the year ended 31st December 2022

	Note	2022 HK\$M	2021 HK\$M (Restated)
Continuing operations			
Revenue	4	91,169	91,229
Cost of sales		(56,981)	(55,956)
Gross profit		34,188	35,273
Distribution costs		(16,151)	(16,456)
Administrative expenses		(7,385)	(7,048)
Other operating expenses		(293)	(310)
Other net gains	5	658	2,570
Change in fair value of investment properties		810	(1,931)
Operating profit		11,827	12,098
Finance charges		(1,753)	(2,057)
Finance income		288	315
Net finance charges	9	(1,465)	(1,742)
Share of profits of joint venture companies	20(a)	1,857	2,271
Share of losses of associated companies	20(b)	(3,301)	(2,833)
Profit before taxation		8,918	9,794
Taxation	10	(3,013)	(3,070)
Profit from continuing operations		5,905	6,724
Discontinued operations			
Profit/(loss) from discontinued operations	44	364	(1,604)
Profit for the year		6,269	5,120
Profit/(loss) for the year attributable to:			
The Company's shareholders – from continuing operations	35	3,836	4,956
The Company's shareholders – from discontinued operations	35	359	(1,599)
Non-controlling interests – from continuing operations	36	2,069	1,768
Non-controlling interests – from discontinued operations	36	5	(5)
		6,269	5,120
Underlying profit attributable to the Company's shareholders	11	4,748	5,293
		HK\$	HK\$
Earnings/(loss) per share from profit/(loss) attributable to the Company's shareholders (basic and diluted)			
	13		
'A' share – from continuing operations		2.57	3.30
'A' share – from discontinued operations		0.24	(1.06)
'B' share – from continuing operations		0.51	0.66
'B' share – from discontinued operations		0.05	(0.21)

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Other Comprehensive Income

For the year ended 31st December 2022

	2022 HK\$M	2021 HK\$M (Restated)
Profit for the year	6,269	5,120
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluation of property previously occupied by the Group		
gains recognised during the year	–	95
deferred tax	–	(6)
Defined benefit plans		
remeasurement gains recognised during the year	856	216
deferred tax	(170)	(37)
Changes in the fair value of equity investments at fair value through other comprehensive income		
gains/(losses) recognised during the year	256	(9)
deferred tax	3	(1)
Share of other comprehensive income of joint venture and associated companies	65	237
	1,010	495
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges		
losses recognised during the year	(93)	(59)
transferred to net finance charges	(24)	13
transferred to operating profit	201	(16)
deferred tax	(13)	7
Share of other comprehensive (loss)/income of joint venture and associated companies	(2,978)	2,235
Net translation differences on foreign operations		
recognised during the year	(4,798)	1,635
reclassified to profit or loss on disposal	57	–
others	–	(23)
	(7,648)	3,792
Other comprehensive (loss)/income for the year, net of tax	(6,638)	4,287
Total comprehensive (loss)/income for the year	(369)	9,407
Total comprehensive (loss)/income attributable to:		
The Company's shareholders – from continuing operations	(1,695)	8,854
The Company's shareholders – from discontinued operations	397	(1,601)
Non-controlling interests – from continuing operations	924	2,159
Non-controlling interests – from discontinued operations	5	(5)
	(369)	9,407

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

At 31st December 2022

	Note	31st December 2022 HK\$M	31st December 2021 HK\$M (Restated)	1st January 2021 HK\$M (Restated)
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	14	22,196	22,538	25,413
Investment properties	15	270,768	267,354	266,305
Intangible assets	16	13,930	13,395	13,096
Right-of-use assets	17	8,117	8,579	9,490
Properties held for development	18	1,208	1,207	1,200
Joint venture companies	20(a)	30,346	27,819	21,413
Loans due from joint venture companies	20(a)	15,460	15,736	15,593
Associated companies	20(b)	23,686	28,405	28,497
Loans due from associated companies	20(b)	131	–	85
Investments at fair value	22	1,041	885	1,351
Prepayment and other receivables	26	6,474	571	562
Derivative financial instruments	23	119	236	216
Deferred tax assets	32	278	468	562
Retirement benefit assets	33	273	178	196
		394,027	387,371	383,979
Current assets				
Properties for sale	24	8,264	6,411	3,538
Stocks and work in progress	25	7,608	5,685	5,112
Contract assets		841	897	950
Trade and other receivables	26	9,834	8,780	9,211
Taxation receivable		505	–	–
Derivative financial instruments	23	35	52	33
Bank balances and short-term deposits	27	11,614	22,894	29,264
		38,701	44,719	48,108
Assets classified as held for sale	28	2,038	3,577	384
		40,739	48,296	48,492
Current liabilities				
Trade and other payables	29	28,740	27,468	24,927
Contract liabilities		1,337	1,293	916
Taxation payable		311	499	856
Derivative financial instruments	23	124	8	5
Short-term loans	30	25	26	105
Long-term loans and bonds due within one year	30	10,219	17,257	6,824
Lease liabilities due within one year	31	776	831	793
		41,532	47,382	34,426
Liabilities associated with assets classified as held for sale	28	–	894	–
		41,532	48,276	34,426
Net current (liabilities)/assets		(793)	20	14,066
Total assets less current liabilities		393,234	387,391	398,045
Non-current liabilities				
Long-term loans and bonds	30	58,129	44,266	61,235
Long-term lease liabilities	31	4,140	4,509	4,359
Derivative financial instruments	23	101	194	154
Other payables	29	1,476	1,345	1,143
Deferred tax liabilities	32	13,090	12,471	11,453
Retirement benefit liabilities	33	362	986	1,091
		77,298	63,771	79,435
NET ASSETS		315,936	323,620	318,610
EQUITY				
Share capital	34	1,294	1,294	1,294
Reserves	35	257,162	265,221	260,972
Equity attributable to the Company's shareholders		258,456	266,515	262,266
Non-controlling interests	36	57,480	57,105	56,344
TOTAL EQUITY		315,936	323,620	318,610

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Martin Murray
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Directors
Hong Kong, 9th March 2023

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31st December 2022

	Note	2022 HK\$M	2021 HK\$M
Operating activities			
Cash generated from operations	43(a)	12,043	15,453
Interest paid		(2,165)	(2,192)
Interest received		296	322
Tax paid		(2,628)	(2,559)
		7,546	11,024
Dividends received from joint venture and associated companies		610	641
Net cash generated from operating activities		8,156	11,665
Investing activities			
Purchase of property, plant and equipment and right-of-use assets	43(b)	(3,114)	(3,812)
Additions of investment properties		(7,096)	(3,860)
Purchase of intangible assets		(314)	(405)
Proceeds from disposals of property, plant and equipment and right-of-use assets		695	2,514
Proceeds from disposals of investment properties		609	2,869
Proceeds from disposals of subsidiary companies, net of cash disposed of	43(d)	1,174	333
Proceeds from disposals of joint venture companies		–	357
Proceeds from partial disposal of an associated company		263	350
Proceeds from disposals of investments at fair value		1,484	1,010
Purchase of shares in subsidiary companies	42	(1,783)	43
Purchase of shares in joint venture companies		(1,720)	–
Purchase of shares in associated companies		(97)	(1,104)
Prepayment of shares in respect of a subsidiary company	26	(6,430)	–
Equity to joint venture companies		(1,127)	(3,995)
Purchase of investments at fair value		(186)	(505)
Loans to joint venture companies		(178)	(787)
Loans to associated companies		(177)	(210)
Repayment of loans by joint venture companies		917	614
Repayment of loans by associated companies		–	85
Advances from joint venture companies		101	744
Advances to joint venture companies		(200)	–
Increase in deposits maturing after more than three months		(288)	(579)
Initial leasing costs incurred		(75)	(6)
Net cash used in investing activities		(17,542)	(6,344)
Net cash (outflow)/inflow before financing activities		(9,386)	5,321
Financing activities			
Loans drawn and refinancing	43(c)	25,676	4,879
Repayment of loans and bonds	43(c)	(18,866)	(11,825)
Principal elements of lease payments	43(c)	(880)	(971)
		5,930	(7,917)
Capital contribution from a non-controlling interest		1,003	–
Repurchase of the Company's shares	34	(2,639)	–
Dividends paid to the Company's shareholders	35	(4,118)	(3,004)
Dividends paid to non-controlling interests	36	(1,578)	(1,421)
Net cash used in financing activities		(1,402)	(12,342)
Decrease in cash and cash equivalents		(10,788)	(7,021)
Cash and cash equivalents at 1st January		22,519	29,233
Effect of exchange differences		(973)	307
Cash and cash equivalents at 31st December		10,758	22,519
Represented by:			
Bank balances and short-term deposits maturing within three months			
– Included in bank balances and short-term deposits	27	10,758	22,276
– Included in assets classified as held for sale	44(d)	–	243
		10,758	22,519

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31st December 2022

	Attributable to the Company's shareholders				Non-controlling interests HK\$M	Total equity HK\$M
	Share capital HK\$M	Revenue reserve HK\$M	Other reserves HK\$M	Total HK\$M		
At 1st January 2022						
– as originally stated	1,294	257,166	8,490	266,950	57,218	324,168
– impact of adjustments in note 1(c)	–	(428)	(7)	(435)	(113)	(548)
– as restated	1,294	256,738	8,483	266,515	57,105	323,620
Profit for the year	–	4,195	–	4,195	2,074	6,269
Other comprehensive income/(loss)	–	995	(6,488)	(5,493)	(1,145)	(6,638)
Total comprehensive income/(loss) for the year	–	5,190	(6,488)	(1,298)	929	(369)
Capital contribution from a non-controlling interest	–	–	–	–	1,020	1,020
Repurchase of the Company's shares	–	(2,643)	–	(2,643)	–	(2,643)
Dividends paid	–	(4,118)	–	(4,118)	(1,570)	(5,688)
Change in composition of the Group	–	–	–	–	(4)	(4)
At 31st December 2022	1,294	255,167	1,995	258,456	57,480	315,936

	Attributable to the Company's shareholders				Non-controlling interests HK\$M	Total equity HK\$M
	Share capital HK\$M	Revenue reserve HK\$M	Other reserves HK\$M	Total HK\$M		
At 1st January 2021						
– as originally stated	1,294	256,404	4,994	262,692	56,454	319,146
– impact of adjustments in note 1(c)	–	(421)	(5)	(426)	(110)	(536)
– as restated	1,294	255,983	4,989	262,266	56,344	318,610
Profit for the year (restated)	–	3,357	–	3,357	1,763	5,120
Other comprehensive income (restated)	–	402	3,494	3,896	391	4,287
Total comprehensive income for the year (restated)	–	3,759	3,494	7,253	2,154	9,407
Dividends paid	–	(3,004)	–	(3,004)	(1,423)	(4,427)
Change in composition of the Group	–	–	–	–	30	30
At 31st December 2021 (restated)	1,294	256,738	8,483	266,515	57,105	323,620

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.