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## **SWIRE PACIFIC LIMITED**

(Incorporated in Hong Kong with limited liability)

**(Stock Codes: 00019 and 00087)**

## **2022 Final Results**

**2022 Performance Highlights<sup>^</sup>**

	Note	2022	2021 (Restated)	Change
Return on equity		<b>1.6%</b>	1.3%	+0.3% pt
Dividend per 'A' share (HK\$)		<b>3.00</b>	2.60	+15%
		<b>HK\$M</b>	HK\$M	
Profit attributable to the Company's shareholders				
As reported		<b>4,195</b>	3,357	+25%
Underlying profit	(a)	<b>4,748</b>	5,293	-10%
Recurring underlying profit	(a)	<b>3,800</b>	4,878	-22%
Revenue		<b>91,693</b>	92,830	-1%
Operating profit		<b>12,241</b>	10,517	+16%
Operating profit excluding change in fair value of investment properties		<b>11,431</b>	12,448	-8%
Change in fair value of investment properties		<b>810</b>	(1,931)	N/A
Cash generated from operations		<b>12,043</b>	15,453	-22%
Net cash (outflow)/inflow before financing		<b>(9,386)</b>	5,321	-276%
Total equity (including non-controlling interests)		<b>315,936</b>	323,620	-2%
Net debt		<b>56,759</b>	38,655	+47%
Gearing ratio (excluding lease liabilities)		<b>18.0%</b>	11.9%	+6.1% pt
		<b>HK\$</b>	HK\$	
Earnings per share	(b)			
As reported				
'A' share		<b>2.81</b>	2.24	+25%
'B' share		<b>0.56</b>	0.45	
Underlying				
'A' share		<b>3.18</b>	3.52	-10%
'B' share		<b>0.64</b>	0.70	
Dividends per share				
'A' share		<b>3.00</b>	2.60	+15%
'B' share		<b>0.60</b>	0.52	
Equity attributable to the Company's shareholders per share	(c)			
'A' share		<b>177.75</b>	177.49	0%
'B' share		<b>35.55</b>	35.50	

**2022 Sustainable Development Performance**

	2022	2021 (Restated)	Change
GHG emissions from direct operations – location based (Thousand tonnes of CO <sub>2</sub> e)	<b>649</b>	728	-11%
Energy consumed (GJ Million)	<b>5.4</b>	6.1	-11%
Water withdrawn (cbm Million)	<b>16.9</b>	18.1	-7%
LTIR (Number of injuries per 100 full-time equivalent employees)	<b>0.42</b>	0.62	-32%
Employee fatalities (Number of fatalities)	<b>0</b>	0	N/A

<sup>^</sup> Figures include continuing operations and discontinued operations.

Notes:

- (a) Reconciliations between the reported and underlying profit, and between underlying profit and recurring underlying profit are provided on pages 42 and 43.
- (b) Refer to note 7 to the financial statements for the daily weighted average number of shares in issue throughout the year.
- (c) Refer to note 10 to the financial statements for the number of shares at the year end.

## Corporate Statement

### **Sustainable Growth**

Swire Pacific is a Hong Kong-based international conglomerate with a diversified portfolio of market leading businesses. The Company has a long history in Greater China, where the name Swire or 太古 has been established for over 150 years.

Our aims are to deliver sustainable growth in shareholder value, achieved through sound returns on equity over the long term, and to return value to shareholders through sustainable growth in ordinary dividends. Our strategy is focused on Greater China and South East Asia, where we seek to grow our core Property, Beverages and Aviation divisions. New areas of growth, such as healthcare and sustainable foods, are being targeted.

### **Our Values**

Integrity, endeavour, excellence, humility, teamwork, continuity.

### **Our Core Principles**

- We focus on Asia, principally Greater China, because of its strong growth potential and because it is where the Group has long experience, deep knowledge and strong relationships.
- We mobilise capital, talent and ideas across the Group. Our scale and diversity increase our access to investment opportunities.
- We are prudent financial managers. This enables us to execute long-term investment plans irrespective of short-term financial market volatility.
- We recruit the best people and invest heavily in their training and development. The welfare of our people is critical to our operations.
- We build strong and lasting relationships, based on mutual benefit, with those with whom we do business.
- We invest in sustainable development, because it is the right thing to do and because it supports long-term growth through innovation and improved efficiency.
- We are committed to the highest standards of corporate governance and to the preservation and development of the Swire brand and reputation.

### **Our Investment Principles**

- We aim to build a portfolio of businesses that collectively deliver a steady dividend stream over time.
- We are long-term investors. We prefer to have controlling interests in our businesses and to manage them for long-term growth. We do not rule out minority investments in appropriate circumstances.
- We concentrate on businesses where we can contribute expertise, and where our expertise can add value.
- We invest in businesses that provide high-quality products and services and that are leaders in their markets.
- We divest from businesses which have reached their full potential under our ownership, and recycle the capital released into existing or new businesses.

### **Our Businesses**

With three core divisions (Property, Beverages and Aviation), Swire Pacific undertakes a wide range of commercial activities.

Swire Properties' shopping malls are home to more than 2,200 retail outlets. Its offices house a working population estimated to exceed 72,000. In Hong Kong, Swire Properties is one of the largest commercial landlords and operators of retail space, principally through the ownership and management of its core centres at Pacific Place and Taikoo Place. In the Chinese Mainland, it has major mixed-use commercial developments, in Beijing, Guangzhou, Chengdu, Shanghai, Xi'an and Sanya. In the USA, it has a mixed-use development in Miami.

**Corporate Statement (continued)**

Our Beverages Division sold the products of The Coca-Cola Company to a franchise population of 782 million people in Greater China, the USA and Cambodia at the end of 2022. Swire Coca-Cola distributes products comprising 21 carbonated and 37 non-carbonated brands.

Cathay Pacific, with its subsidiaries HK Express and Air Hong Kong, had 222 aircraft at the end of 2022. At 31st December 2022, the Cathay Pacific group offered scheduled passenger and cargo services to 81 destinations in 30 countries and regions (an additional 131 and 21 respectively with codeshare agreements). Cathay Pacific has an interest of 16.26% in Air China.

HAECO is a leading provider of international aircraft maintenance and repair services. In 2022, the HAECO group, operating from bases in Hong Kong, the Chinese Mainland, the USA and Europe, performed work for around 400 airlines and other customers.

We have three associate investments in the healthcare sector in the Yangtze River Delta and the Greater Bay Area. We will continue to seek investment opportunities in private healthcare services, particularly in major city clusters in the Chinese Mainland and South East Asia.

Swire Pacific is one of Hong Kong's largest and oldest employers, where we have over 29,000 employees. In the Chinese Mainland, we have over 35,000 employees. Globally, we employ nearly 80,000 people.

**Chairman's Statement****Dear Shareholders,**

We are pleased with the performance of our businesses in 2022. They were resilient despite the challenges of COVID-19, inflation and economic uncertainty. We made significant progress towards our strategic objectives, in particular with exciting expansion for Swire Properties and Swire Coca-Cola. We commenced a share buy-back programme and have announced good dividend growth.

The economic environment remained challenging, with COVID-19 related measures continuing to affect our operating results. The measures made for a difficult first quarter in Hong Kong, especially for Cathay Pacific, and had a significant impact on all our businesses in the Chinese Mainland in the second and third quarters. So it was encouraging to see Cathay Pacific profitable again at the airline level in the second half and the easing of COVID-19 related measures.

2022 marked 25 years since the establishment of the Hong Kong Special Administrative Region. Hong Kong is our home. We are fully committed to supporting Hong Kong and reinforcing its position as an international financial and aviation centre and gateway to the Chinese Mainland under the 'One Country, Two Systems' principle. We remain very optimistic about the opportunities in, and development of, the Greater Bay Area.

As always, I would also like to express my gratitude to our wonderful team for their dedication over the past year in the face of many challenges.

**Strategic Developments**

We have made good progress towards achieving our strategic objectives. They include implementing the Swire Properties HK\$100 billion investment plan announced in March 2022. To date, HK\$39 billion has been committed to significant new property projects.

By acquiring the Coca-Cola franchise businesses in Cambodia and Vietnam, Swire Coca-Cola has extended its bottling operations to South East Asia. This should enable the business to benefit from strong consumption growth in the area.

Following the restructuring of Coca-Cola's non-sparkling beverage manufacturing operations in the Chinese Mainland, Swire Coca-Cola directly owns and operates six non-sparkling beverage production facilities in the Chinese Mainland. This will improve cost and distribution efficiencies.

In March 2022, Swire Properties entered into a joint venture (in which Swire Properties has a 70% interest) with Xi'an Cheng Huan Cultural Investment and Development Co., Ltd to develop Taikoo Li Xi'an. This mixed-use development is in the Small Wild Goose Pagoda historical and cultural zone in the Beilin district of Xi'an. This marks Swire Properties' seventh development and fourth Taikoo Li development in the Chinese Mainland.

In October 2022, Swire Properties announced a premium, resort-style retail development project in Sanya, in which it has a 50% interest. This is Swire Properties' first project in Hainan. Under the Hainan Free Trade Port policy, Sanya has rapidly become a popular travel destination in the Chinese Mainland.

In December 2022, Swire Properties agreed to acquire the remaining interests in Sino-Ocean Taikoo Li Chengdu, which has, over the years, become a premium shopping and leisure destination in Chengdu. All three phases of the acquisition had been completed by February 2023. This industry-leading development has become a top destination in the country and a source of local pride. We see this acquisition as an important milestone in our regional growth story.

**Chairman's Statement (continued)**

In Hong Kong, the acquisition of the whole of Zung Fu Industrial Building and the application for planning permission for a number of buildings in Quarry Bay have put Swire Properties in a position to strengthen further Taikoo Place's position as a global business district.

Swire Properties is expanding its Pacific Place portfolio, taking advantage of the growing importance of Admiralty, with its mass transit connectivity and prime location.

Swire Properties continues to expand in South East Asia. In February 2023, it announced its first residential trading project in a rare freehold site in the core central business district of Bangkok, Thailand.

**Results Summary**

The consolidated profit attributable to shareholders was HK\$4,195 million in 2022, compared with HK\$3,357 million in 2021. The underlying profit attributable to shareholders (which principally adjusts for changes in the value of investment properties) was HK\$4,748 million in 2022, compared with HK\$5,293 million in 2021. Disregarding significant non-recurring items in both years, the Group recorded a recurring underlying profit of HK\$3,800 million in 2022, compared with HK\$4,878 million in 2021.

The reduction in recurring underlying profit was principally due to increased losses at Cathay Pacific and decreased profits at HAECO and Swire Coca-Cola. The increased losses at Cathay Pacific reflected the results of associates. Disregarding associates, the results of Cathay Pacific improved. The underlying profit benefitted from a net gain on the disposal of Swire Pacific Offshore and the absence of 2021's impairment charges at Cathay Pacific. However, it also reflected a reduction in gains on disposal of investment properties and other assets and impairment charges, the latter mainly relating to the food business. The consolidated profit attributable to shareholders benefitted from net gains on the valuation of investment properties, compared with net losses in 2021.

**Dividends and Share Buy-back**

The Directors are pleased to have declared second interim dividends of HK\$1.85 per 'A' share and HK\$0.37 per 'B' share which, together with the first interim dividends paid in October 2022, amount to full year dividends of HK\$3.00 per 'A' share and HK\$0.60 per 'B' share, an increase of 15% over the dividends for 2021. The second interim dividends will be paid on 5th May 2023 to shareholders registered at the close of business on the record date, being Friday, 14th April 2023. Shares of the Company will be traded ex-dividend as from Wednesday, 12th April 2023.

During 2022, the Company repurchased 39,383,000 'A' shares and 44,425,000 'B' shares for an aggregate cash consideration of HK\$2.6 billion at average prices of HK\$56.6 per 'A' share and HK\$9.2 per 'B' share. The Directors have authority to repurchase shares for a further aggregate cash consideration of HK\$1.4 billion during the period up to the annual general meeting of the Company to be held in May 2023.

The market reacted favourably to the share buy-back, with the share price outperforming the market and a doubling of the average daily trading volume.

**Business Performance****Property Division**

The 2022 performance of **Swire Properties** was solid, despite a weak Hong Kong office market and disruption, particularly to the hotel business, caused by COVID-19 related measures.

**Chairman's Statement (continued)**

The recurring underlying profit of Swire Properties attributable to the Group in 2022 (which excludes gains from the sale of interests in investment properties of HK\$1,255 million, compared with HK\$1,959 million in 2021) was HK\$5,844 million, compared with HK\$5,817 million in 2021. There was an increase in profit from property trading, which mainly reflected profits at the EIGHT STAR STREET residential project in Hong Kong and at The River residential project in Vietnam. Recurring underlying profit from property investment decreased in 2022. This mainly reflected lower office rental income from Hong Kong and lower retail rental income from the Chinese Mainland. The results of the hotels continued to reflect the challenging operating environment.

**Beverages Division**

The 2022 performance of **Swire Coca-Cola** was adversely affected by COVID-19 related measures in Greater China and by cost pressures, but these adverse effects were offset to a significant extent by a strong performance in the USA.

Swire Coca-Cola reported a profit of HK\$2,392 million in 2022, a 6% decrease from HK\$2,549 million in 2021. Revenue increased, but volumes (adversely affected by COVID-19 related measures in Greater China) decreased. Higher costs (particularly of raw materials) affected margins. Attributable profits increased in the USA and Taiwan and decreased in the Chinese Mainland and Hong Kong.

**Aviation Division**

The **Cathay Pacific** group's attributable loss on a 100% basis was HK\$6,548 million in 2022 (2021: loss of HK\$5,527 million).

The increase in the loss reflected significantly weaker results from associates. The results of Cathay Pacific and its subsidiaries improved. The airline results were weak in the first half (before COVID-19 related measures started to be relaxed) but significantly improved in the second half, when net cash was generated and profits were made. The results of the associates (the most significant of which are accounted for three months in arrears) were adversely affected by COVID-19 related measures.

At **HAECO**, attributable profit fell to HK\$185 million in 2022 from HK\$394 million in 2021, mainly because of the absence of 2021's US government financial assistance. Disregarding that assistance, profit increased.

**Other Businesses**

Our healthcare investments were adversely affected by COVID-19 related lockdowns in the Chinese Mainland.

In April 2022, we completed the disposal of Swire Pacific Offshore.

The recurring profit of our trading & industrial businesses increased in 2022 despite a difficult business environment.

**Financial Strength**

Our balance sheet remains strong. In 2022, we generated HK\$12.0 billion from operations and HK\$4.2 billion from disposals and made total capital investments of HK\$21.4 billion. Net debt at the end of 2022 was HK\$56.8 billion, an increase of HK\$18.1 billion from the end of 2021. The gearing ratio at 31st December 2022 was 18.0%, compared with 11.9% at the end of 2021. Our weighted average cost of debt was 3.2% in 2022, the same as in 2021.

Our net assets at the end of 2022 were HK\$315.9 billion, compared with HK\$323.6 billion at the end of 2021.

**Chairman's Statement (continued)**

Available Group liquidity at the end of 2022 was HK\$33.1 billion. 59% of the Group's gross borrowings were on a fixed rate basis at the end of 2022, compared with 84% at the end of 2021. This positions us well as interest rates rise.

**Sustainability**

If our businesses are to prosper in the long term, we must contribute to protecting the environment and support the communities in which we operate.

Through **SwireTHRIVE**, we aim to reduce our carbon footprint and to turn today's waste into a resource for tomorrow. We also aim to use water responsibly and sustainably and to foster a corporate culture that is accessible, inclusive and safe and places community initiatives at the heart of our business values.

Our ambition is to achieve net-zero carbon emissions, water neutrality and zero waste to landfill by 2050. Looking at specific shorter term aims, we have targets to reduce by 50% our scope 1 and 2 greenhouse gas emissions by 2030 from their 2018 levels, to divert 65% of our non-hazardous waste from landfill by 2030, to reduce our water consumption by 30% from its 2018 level and to have women representing 30% of our Board by 2024.

**Looking Ahead**

We are optimistic about the prospects for our businesses in 2023. COVID-19 related measures have ceased in Hong Kong and the Chinese Mainland. The border between Hong Kong and the Chinese Mainland is fully open. All this should have a significant positive impact on our businesses, in particular on our aviation businesses. Achieving our strategic objective of growing our core businesses remains our prime focus.

At Swire Properties, we expect a strong recovery in retail property investment income in the Chinese Mainland and in the hotel business. The office market in Hong Kong is expected to remain weak. We are optimistic about a recovery in our key markets and are ready to capture new opportunities as they arise.

At Swire Coca-Cola, we expect increased volumes in the Chinese Mainland with the ending of COVID-19 related measures. Commodity prices (and therefore raw material costs) are expected to be lower than their peak levels reached in 2022. The newly acquired bottling operations in Cambodia and Vietnam will contribute to profits.

Cathay Pacific is pleased to be at the rebuilding stage, reconnecting Hong Kong with the Greater Bay Area, the Chinese Mainland and the world. It is likely to make the largest contribution to improving our overall 2023 results. Capacity is still constrained, but it expects to operate about 70% of its pre-COVID-19 passenger flight capacity by the end of 2023. Cargo yields are under some pressure, but are better than those achieved before the start of COVID-19.

Results are expected to improve at HAECO during the year with the recovery of international air traffic.

Our investments in healthcare were significantly affected by COVID-19 in 2022 but improved towards the end of the year. We continue to learn and remain confident about our investments in this sector. We will continue to look at opportunities within the Chinese Mainland and South East Asia in 2023.

Despite the uncertainty caused by inflation and geopolitical tension, there is much about which to be optimistic.

**Guy Bradley**

Chairman

Hong Kong, 9th March 2023



## FINANCIAL REVIEW

Additional information is provided below to reconcile reported and underlying profit attributable to the Company's shareholders. The reconciling items principally adjust for the net valuation movements on investment properties and the associated deferred tax in the Chinese Mainland and the USA, and for other deferred tax provisions in relation to investment properties. Amortisation of right-of-use assets classified as investment properties is charged to underlying profit.

<b>Audited Financial Information</b>	Note	<b>2022</b> <b>HK\$M</b>	2021 HK\$M (Restated)
<b>Underlying profit</b>			
Profit attributable to the Company's shareholders		<b>4,195</b>	3,357
Adjustments in respect of investment properties:			
Valuation (gains)/losses in respect of investment properties	(a)	<b>(1,735)</b>	692
Deferred tax on investment properties	(b)	<b>1,402</b>	1,027
Valuation gains realised on sale of interests in investment properties	(c)	<b>915</b>	585
Depreciation of investment properties occupied by the Group	(d)	<b>28</b>	29
Impairment loss on a hotel held as part of a mixed-use development	(e)	-	22
Amortisation of right-of-use assets reported under investment properties	(f)	<b>(80)</b>	(53)
Non-controlling interests' share of adjustments		<b>23</b>	(366)
<b>Underlying profit attributable to the Company's shareholders</b>		<b>4,748</b>	5,293

Notes:

(a) This represents the net valuation movements as shown in the Group's consolidated statement of profit or loss and the Group's share of net valuation movements of joint venture companies.

(b) This represents deferred tax movements on the Group's investment properties, plus the Group's share of deferred tax movements on investment properties held by joint venture companies. These comprise deferred tax on valuation movements on investment properties in the Chinese Mainland and the USA, and deferred tax provisions made in respect of investment properties held for the long term where it is considered that the liability will not reverse for some considerable time. It also includes certain tax adjustments arising from transfers of investment properties within the Group.

(c) Prior to the implementation of HKAS 40, changes in the fair value of investment properties were recorded in the revaluation reserve rather than the consolidated statement of profit or loss. On sale, the valuation gains/(losses) were transferred from the revaluation reserve to the consolidated statement of profit or loss.

(d) Prior to the implementation of HKAS 40, no depreciation was charged on investment properties occupied by the Group.

(e) Under HKAS 40, hotel properties are stated in the accounts at cost less accumulated depreciation and any provision for impairment losses, rather than at fair value. If HKAS 40 did not apply, wholly-owned and joint venture hotel properties held for the long term as part of mixed-use property developments would be accounted for as investment properties. Accordingly, any increase or decrease in their values would be recorded in the revaluation reserve rather than in the consolidated statement of profit or loss.

(f) HKFRS 16 amends the definition of investment property under HKAS 40 to include properties held by lessees as right-of-use assets to earn rentals or for capital appreciation or both, and requires the Group to account for such right-of-use assets at their fair value. The amortisation of such right-of-use assets is charged to underlying profit.

**FINANCIAL REVIEW (continued)**

Recurring underlying profit is provided below to show the effect of significant non-recurring items.

	<b>2022</b>	2021
	<b>HK\$M</b>	HK\$M
		(Restated)
<b>Underlying profit attributable to the Company's shareholders</b>	<b>4,748</b>	5,293
Significant non-recurring items:		
Gain on disposals of interests in investment properties and properties for sale	<b>(1,255)</b>	(1,959)
Gain on disposals of property, plant and equipment, intangible assets and other investments	<b>(64)</b>	(740)
Impairment of property, plant and equipment, right-of-use assets, intangible assets and investments	<b>706</b>	522
(Gain)/loss on remeasurement and loss on disposal of assets classified as held for sale	<b>(335)</b>	1,611
Restructuring costs	-	151
<b>Recurring underlying profit</b>	<b>3,800</b>	4,878

Recurring underlying profit by division is provided below.

	<b>2022</b>	2021
	<b>HK\$M</b>	HK\$M
		(Restated)
Property	<b>5,844</b>	5,817
Beverages	<b>2,392</b>	2,549
Aviation		
Cathay Pacific group*	<b>(3,228)</b>	(2,250)
HAECO group and others*	<b>221</b>	398
Trading & Industrial	<b>160</b>	88
Marine Services	<b>17</b>	(176)
Head Office, Healthcare and others	<b>(1,606)</b>	(1,548)
<b>Recurring underlying profit</b>	<b>3,800</b>	4,878

\* Including consolidation adjustments.

<b>Consolidated Statement of Profit or Loss For the year ended 31st December 2022</b>	Note	<b>2022 HK\$M</b>	2021 HK\$M (Restated)
<b>Continuing operations</b>			
Revenue	2	<b>91,169</b>	91,229
Cost of sales		<b>(56,981)</b>	(55,956)
<b>Gross profit</b>		<b>34,188</b>	35,273
Distribution costs		<b>(16,151)</b>	(16,456)
Administrative expenses		<b>(7,385)</b>	(7,048)
Other operating expenses		<b>(293)</b>	(310)
Other net gains		<b>658</b>	2,570
Change in fair value of investment properties		<b>810</b>	(1,931)
<b>Operating profit</b>	3	<b>11,827</b>	12,098
Finance charges		<b>(1,753)</b>	(2,057)
Finance income		<b>288</b>	315
Net finance charges	4	<b>(1,465)</b>	(1,742)
Share of profits of joint venture companies		<b>1,857</b>	2,271
Share of losses of associated companies		<b>(3,301)</b>	(2,833)
<b>Profit before taxation</b>		<b>8,918</b>	9,794
Taxation	5	<b>(3,013)</b>	(3,070)
<b>Profit from continuing operations</b>		<b>5,905</b>	6,724
<b>Discontinued operations</b>			
Profit/(loss) from discontinued operations		<b>364</b>	(1,604)
<b>Profit for the year</b>		<b>6,269</b>	5,120
Profit/(loss) for the year attributable to:			
The Company's shareholders – from continuing operations		<b>3,836</b>	4,956
The Company's shareholders – from discontinued operations		<b>359</b>	(1,599)
Non-controlling interests – from continuing operations		<b>2,069</b>	1,768
Non-controlling interests – from discontinued operations		<b>5</b>	(5)
		<b>6,269</b>	5,120
Underlying profit attributable to the Company's shareholders			
		<b>4,748</b>	5,293
		<b>HK\$</b>	HK\$
Earnings/(loss) per share from profit/(loss) attributable to the Company's shareholders (basic and diluted)			
	7		
'A' share – from continuing operations		<b>2.57</b>	3.30
'A' share – from discontinued operations		<b>0.24</b>	(1.06)
'B' share – from continuing operations		<b>0.51</b>	0.66
'B' share – from discontinued operations		<b>0.05</b>	(0.21)

<b>Consolidated Statement of Other Comprehensive Income For the year ended 31st December 2022</b>	<b>2022 HK\$M</b>	2021 HK\$M (Restated)
<b>Profit for the year</b>	<b>6,269</b>	5,120
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
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	<b>856</b>	216
deferred tax	<b>(170)</b>	(37)
Changes in the fair value of equity investments at fair value through other comprehensive income		
gains/(losses) recognised during the year	<b>256</b>	(9)
deferred tax	<b>3</b>	(1)
Share of other comprehensive income of joint venture and associated companies	<b>65</b>	237
	<b>1,010</b>	495
<b>Items that may be reclassified subsequently to profit or loss</b>		
Cash flow hedges		
losses recognised during the year	<b>(93)</b>	(59)
transferred to net finance charges	<b>(24)</b>	13
transferred to operating profit	<b>201</b>	(16)
deferred tax	<b>(13)</b>	7
Share of other comprehensive (loss)/income of joint venture and associated companies	<b>(2,978)</b>	2,235
Net translation differences on foreign operations		
recognised during the year	<b>(4,798)</b>	1,635
reclassified to profit or loss on disposal	<b>57</b>	-
others	-	(23)
	<b>(7,648)</b>	3,792
<b>Other comprehensive (loss)/income for the year, net of tax</b>	<b>(6,638)</b>	4,287
<b>Total comprehensive (loss)/income for the year</b>	<b>(369)</b>	9,407
Total comprehensive (loss)/income attributable to:		
The Company's shareholders – from continuing operations	<b>(1,695)</b>	8,854
The Company's shareholders – from discontinued operations	<b>397</b>	(1,601)
Non-controlling interests – from continuing operations	<b>924</b>	2,159
Non-controlling interests – from discontinued operations	<b>5</b>	(5)
	<b>(369)</b>	9,407

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

**Consolidated Statement of Cash Flows**  
**For the year ended 31st December 2022**

	2022 HK\$M	2021 HK\$M
<b>Operating activities</b>		
Cash generated from operations	12,043	15,453
Interest paid	(2,165)	(2,192)
Interest received	296	322
Tax paid	(2,628)	(2,559)
	<b>7,546</b>	<b>11,024</b>
Dividends received from joint venture and associated companies	610	641
<b>Net cash generated from operating activities</b>	<b>8,156</b>	<b>11,665</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment and right-of-use assets	(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	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	(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	(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)
<b>Net cash used in investing activities</b>	<b>(17,542)</b>	<b>(6,344)</b>
<b>Net cash (outflow)/inflow before financing activities</b>	<b>(9,386)</b>	<b>5,321</b>
<b>Financing activities</b>		
Loans drawn and refinancing	25,676	4,879
Repayment of loans and bonds	(18,866)	(11,825)
Principal elements of lease payments	(880)	(971)
	<b>5,930</b>	<b>(7,917)</b>
Capital contribution from a non-controlling interest	1,003	-
Repurchase of the Company's shares	(2,639)	-
Dividends paid to the Company's shareholders	(4,118)	(3,004)
Dividends paid to non-controlling interests	(1,578)	(1,421)
<b>Net cash used in financing activities</b>	<b>(1,402)</b>	<b>(12,342)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(10,788)</b>	<b>(7,021)</b>
Cash and cash equivalents at 1st January	22,519	29,233
Effect of exchange differences	(973)	307
<b>Cash and cash equivalents at 31st December</b>	<b>10,758</b>	<b>22,519</b>
<b>Represented by:</b>		
Bank balances and short-term deposits maturing within three months		
- Included in bank balances and short-term deposits	10,758	22,276
- Included in assets classified as held for sale	-	243
	<b>10,758</b>	<b>22,519</b>

**1. Segment Information**

(a) Information about reportable segments – Analysis of Consolidated Statement of Profit or Loss  
**Year ended 31st December 2022**

	External revenue HK\$M	Inter-segment revenue HK\$M	Operating profit/(loss) HK\$M	Finance charges HK\$M	Finance income HK\$M	Share of profits/(losses) of joint venture companies HK\$M	Share of profits/(losses) of associated companies HK\$M	Tax (charge)/credit HK\$M	Profit/(loss) for the year HK\$M	Profit/(loss) attributable to the Company's shareholders HK\$M	Underlying profit/(loss) attributable to the Company's shareholders HK\$M	Depreciation and amortisation charged to operating profit/(loss) HK\$M
<b>Continuing operations</b>												
Property												
Property investment	12,302	38	8,266	(359)	171	1,018	-	(973)	8,123	6,576	7,290	(254)
Change in fair value of investment properties	-	-	810	-	-	510	-	(1,042)	278	110	-	-
Property trading	921	-	209	-	1	(18)	66	(87)	171	140	89	-
Hotels	565	-	(259)	-	-	(67)	(54)	38	(342)	(280)	(280)	(181)
	<b>13,788</b>	<b>38</b>	<b>9,026</b>	<b>(359)</b>	<b>172</b>	<b>1,443</b>	<b>12</b>	<b>(2,064)</b>	<b>8,230</b>	<b>6,546</b>	<b>7,099</b>	<b>(435)</b>
Beverages												
Chinese Mainland	26,142	-	1,269	(53)	48	59	64	(372)	1,015	902	902	(1,168)
Hong Kong	2,330	2	221	(7)	-	-	-	(23)	191	191	191	(150)
Taiwan	2,123	-	176	(1)	-	-	-	(37)	138	138	138	(72)
USA	23,553	-	1,803	(69)	23	-	-	(365)	1,392	1,392	1,392	(782)
South East Asia	75	-	(48)	(5)	1	-	-	(5)	(57)	(57)	(57)	(7)
Central and other costs	-	-	(147)	-	4	(31)	-	-	(174)	(174)	(174)	-
	<b>54,223</b>	<b>2</b>	<b>3,274</b>	<b>(135)</b>	<b>76</b>	<b>28</b>	<b>64</b>	<b>(802)</b>	<b>2,505</b>	<b>2,392</b>	<b>2,392</b>	<b>(2,179)</b>
Aviation												
Cathay Pacific group	-	-	-	-	-	-	(2,947)	-	(2,947)	(2,947)	(2,947)	-
HAECO group <sup>#</sup>	13,828	-	270	(144)	29	391	-	(81)	465	185	185	(751)
Others	-	-	(32)	-	-	(6)	(281)	1	(318)	(310)	(310)	(46)
	<b>13,828</b>	<b>-</b>	<b>238</b>	<b>(144)</b>	<b>29</b>	<b>385</b>	<b>(3,228)</b>	<b>(80)</b>	<b>(2,800)</b>	<b>(3,072)</b>	<b>(3,072)</b>	<b>(797)</b>
Trading & Industrial												
Swire Resources	1,996	-	5	(13)	5	1	-	(3)	(5)	(5)	(5)	(285)
Taikoo Motors	5,636	-	226	(12)	1	-	-	(47)	168	168	168	(153)
Swire Foods <sup>#</sup>	1,520	68	(487)	(10)	2	-	-	(10)	(505)	(505)	(505)	(109)
Swire Environmental Services	169	-	57	-	-	-	-	(9)	48	48	48	(6)
Central costs	-	-	(13)	-	-	-	-	-	(13)	(13)	(13)	-
	<b>9,321</b>	<b>68</b>	<b>(212)</b>	<b>(35)</b>	<b>8</b>	<b>1</b>	<b>-</b>	<b>(69)</b>	<b>(307)</b>	<b>(307)</b>	<b>(307)</b>	<b>(553)</b>
Head Office, Healthcare and others												
Healthcare and others <sup>#</sup>	-	-	(168)	-	-	-	(170)	-	(338)	(338)	(338)	-
Net income/(expenses)	9	55	(354)	(1,212)	94	-	-	2	(1,470)	(1,470)	(1,470)	(1)
Others <sup>^</sup>	-	-	23	41	-	-	21	-	85	85	85	-
	<b>9</b>	<b>55</b>	<b>(499)</b>	<b>(1,171)</b>	<b>94</b>	<b>-</b>	<b>(149)</b>	<b>2</b>	<b>(1,723)</b>	<b>(1,723)</b>	<b>(1,723)</b>	<b>(1)</b>
Inter-segment elimination	-	(163)	-	91	(91)	-	-	-	-	-	-	-
Total - continuing operations	<b>91,169</b>	<b>-</b>	<b>11,827</b>	<b>(1,753)</b>	<b>288</b>	<b>1,857</b>	<b>(3,301)</b>	<b>(3,013)</b>	<b>5,905</b>	<b>3,836</b>	<b>4,389</b>	<b>(3,965)</b>
<b>Discontinued operations</b>												
Swire Pacific Offshore group <sup>@</sup>	<b>524</b>	<b>-</b>	<b>(142)</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(47)</b>	<b>(192)</b>	<b>(197)</b>	<b>(197)</b>	<b>-</b>

Notes: Sales between business segments are accounted for at competitive market prices charged to unaffiliated customers for similar goods and services. Interest charged by the Head Office to the business segments is based on market interest rates and the Group's cost of debt.

<sup>#</sup> Impairment charges included under operating profit/(loss) in relation to the HAECO group, Qinyuan Bakery and Columbia China Healthcare were HK\$65 million, HK\$467 million and HK\$163 million respectively.

<sup>^</sup> Gain on partial disposal and deemed disposal of interest in Cadeler included under operating profit was HK\$64 million.

<sup>@</sup> The remeasurement gain in respect of the SPO disposal group was HK\$556 million. The net gain for the year in respect of the SPO disposal group was HK\$364 million.

**1. Segment Information (continued)**

## (a) Information about reportable segments – Analysis of Consolidated Statement of Profit or Loss (continued)

Year ended 31st December 2021 (Restated)

	External revenue	Inter-segment revenue	Operating profit/(loss)	Finance charges	Finance income	Share of profits/(losses) of joint venture companies	Share of profits/(losses) of associated companies	Tax (charge)/ credit	Profit/(loss) for the year	Profit/(loss) attributable to the Company's shareholders	Underlying profit/(loss) attributable to the Company's shareholders	Depreciation and amortisation charged to operating profit/(loss)
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
<b>Continuing operations</b>												
Property												
Property investment	12,938	43	9,456	(582)	229	1,004	-	(1,352)	8,755	7,091	8,047	(215)
Change in fair value of investment properties	-	-	(1,931)	-	-	814	-	(644)	(1,761)	(1,492)	-	-
Property trading	2,443	-	492	(11)	1	120	-	2	604	493	(37)	-
Hotels	894	-	(174)	(14)	-	(70)	(82)	31	(309)	(252)	(234)	(212)
	16,275	43	7,843	(607)	230	1,868	(82)	(1,963)	7,289	5,840	7,776	(427)
Beverages												
Chinese Mainland	26,862	-	2,063	(60)	56	90	72	(619)	1,602	1,418	1,418	(1,180)
Hong Kong	2,395	2	242	(3)	-	-	-	(26)	213	213	213	(111)
Taiwan	2,071	-	172	(1)	1	-	-	(36)	136	136	136	(81)
USA	20,685	-	1,238	(83)	8	-	-	(174)	989	989	989	(752)
Central adjustments and other costs	1,912	-	(203)	-	3	(7)	-	-	(207)	(207)	(207)	-
	53,925	2	3,512	(147)	68	83	72	(855)	2,733	2,549	2,549	(2,124)
Aviation												
Cathay Pacific group <sup>#</sup>	-	-	-	-	-	-	(2,487)	-	(2,487)	(2,487)	(2,487)	-
HAECO group <sup>*</sup>	11,464	-	445	(156)	11	309	-	(198)	411	394	394	(808)
Others	-	-	108	-	-	(7)	(270)	-	(169)	(287)	(287)	(50)
	11,464	-	553	(156)	11	302	(2,757)	(198)	(2,245)	(2,380)	(2,380)	(858)
Trading & Industrial												
Swire Resources	2,106	-	(33)	(18)	2	-	-	7	(42)	(42)	(42)	(341)
Taikoo Motors	5,689	-	212	(13)	1	-	-	(40)	160	160	160	(151)
Swire Foods	1,624	63	(45)	(12)	3	-	-	(15)	(69)	(69)	(69)	(164)
Swire Environmental Services	134	-	63	-	-	4	-	(8)	59	59	59	(5)
Central costs	-	-	(13)	(1)	-	-	-	-	(14)	(14)	(14)	-
	9,553	63	184	(44)	6	4	-	(56)	94	94	94	(661)
Head Office, Healthcare and others												
Healthcare and others	-	-	(7)	-	-	-	(85)	-	(92)	(92)	(92)	-
Net income/(expenses)	12	52	(435)	(1,232)	129	-	-	2	(1,536)	(1,536)	(1,536)	(1)
Others <sup>^</sup>	-	-	448	-	-	14	19	-	481	481	481	-
	12	52	6	(1,232)	129	14	(66)	2	(1,147)	(1,147)	(1,147)	(1)
Inter-segment elimination	-	(165)	-	129	(129)	-	-	-	-	-	-	-
Total - continuing operations	91,229	(5)	12,098	(2,057)	315	2,271	(2,833)	(3,070)	6,724	4,956	6,892	(4,071)
<b>Discontinued operations</b>												
Swire Pacific Offshore group <sup>@</sup>	1,601	5	30	(17)	11	-	(1)	(16)	7	12	12	(244)

Notes: Sales between business segments are accounted for at competitive market prices charged to unaffiliated customers for similar goods and services. Interest charged by the Head Office to the business segments is based on market interest rates and the Group's cost of debt.

<sup>#</sup> Post-tax impairment and related charges included under share of loss of the Cathay Pacific group were HK\$333 million.

<sup>\*</sup> Impairment charges included under operating profit/(loss) in relation to the HAECO group were HK\$31 million.

<sup>^</sup> The remaining continuing operations of Marine Services are included in Head Office – Others.

<sup>@</sup> The remeasurement loss in respect of the SPO disposal group was HK\$1,611 million. The loss for the year after taking account of the remeasurement loss in respect of the SPO disposal group was HK\$1,604 million.



**1. Segment Information (continued)**

(a) Information about reportable segments (continued)

 Analysis of total assets of the Group<sup>^</sup>
**At 31st December 2022**

	Segment assets	Joint venture companies#	Associated companies#	Bank deposits	Total assets	Additions to non-current assets (Note)
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Property						
Property investment	278,059	35,439	-	4,252	317,750	7,689
Property trading	9,911	2,762	285	164	13,122	-
Hotels	4,107	1,661	240	86	6,094	34
	<b>292,077</b>	<b>39,862</b>	<b>525</b>	<b>4,502</b>	<b>336,966</b>	<b>7,723</b>
Beverages						
Swire Coca-Cola	<b>40,504</b>	<b>1,189</b>	<b>1,742</b>	<b>3,106</b>	<b>46,541</b>	<b>2,464</b>
Aviation						
Cathay Pacific group	-	-	19,565	-	19,565	-
HAECO group	11,914	1,910	-	1,943	15,767	740
Others	3,911	2,805	-	-	6,716	-
	<b>15,825</b>	<b>4,715</b>	<b>19,565</b>	<b>1,943</b>	<b>42,048</b>	<b>740</b>
Trading & Industrial						
Swire Resources	869	37	-	275	1,181	183
Taikoo Motors	2,526	-	-	74	2,600	187
Swire Foods	665	3	-	368	1,036	63
Swire Environmental Services	112	-	-	42	154	3
Other activities	1	-	-	2	3	-
	<b>4,173</b>	<b>40</b>	<b>-</b>	<b>761</b>	<b>4,974</b>	<b>436</b>
Head Office, Healthcare and others	<b>950</b>	<b>-</b>	<b>1,985</b>	<b>1,302</b>	<b>4,237</b>	<b>1</b>
	<b>353,529</b>	<b>45,806</b>	<b>23,817</b>	<b>11,614</b>	<b>434,766</b>	<b>11,364</b>

At 31st December 2021 (Restated)

	Segment assets	Joint venture companies#	Associated companies#	Bank deposits	Total assets	Additions to non-current assets (Note)
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Property						
Property investment	273,997	33,428	-	14,161	321,586	4,374
Property trading	8,058	2,717	219	548	11,542	-
Hotels	4,574	1,409	242	124	6,349	122
	286,629	37,554	461	14,833	339,477	4,496
Beverages						
Swire Coca-Cola	31,612	1,263	1,834	3,791	38,500	3,377
Aviation						
Cathay Pacific group	-	-	23,611	-	23,611	-
HAECO group	11,932	1,887	-	2,338	16,157	887
Others	3,942	2,812	-	-	6,754	-
	15,874	4,699	23,611	2,338	46,522	887
Trading & Industrial						
Swire Resources	881	35	-	237	1,153	144
Taikoo Motors	2,151	-	-	635	2,786	416
Swire Foods	1,277	4	-	296	1,577	162
Swire Environmental Services	65	-	-	29	94	4
Other activities	27	-	-	2	29	-
	4,401	39	-	1,199	5,639	726
Head Office, Healthcare and others	460	-	2,499	733	3,692	-
	<b>338,976</b>	<b>43,555</b>	<b>28,405</b>	<b>22,894</b>	<b>433,830</b>	<b>9,486</b>

<sup>^</sup> Assets classified as held for sale from discontinued operations are excluded from the above analysis.

<sup>#</sup> The assets relating to joint venture and associated companies include the loans due from these companies.

Note:

In this analysis, additions to non-current assets during the year exclude joint venture and associated companies, financial instruments, deferred tax assets, retirement benefit assets and non-current assets acquired in business combinations.

**1. Segment Information (continued)**

- (a) Information about reportable segments (continued)  
 Analysis of total liabilities and non-controlling interests of the Group<sup>^</sup>

At 31st December 2022							
	Segment liabilities	Current and deferred tax liabilities	Inter-segment borrowings/ (advances)	External borrowings	Lease liabilities	Total liabilities	Non-controlling interests
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Property							
Property investment	8,529	11,401	(8,136)	22,821	614	35,229	53,328
Property trading	1,326	20	7,781	1	-	9,128	721
Hotels	167	-	355	13	-	535	1,024
	<b>10,022</b>	<b>11,421</b>	<b>-</b>	<b>22,835</b>	<b>614</b>	<b>44,892</b>	<b>55,073</b>
Beverages							
Swire Coca-Cola	<b>15,710</b>	<b>1,492</b>	<b>4,731</b>	<b>25</b>	<b>801</b>	<b>22,759</b>	<b>495</b>
Aviation							
HAECO group	<b>3,831</b>	<b>370</b>	<b>2,123</b>	<b>77</b>	<b>2,390</b>	<b>8,791</b>	<b>1,912</b>
Trading & Industrial							
Swire Resources	661	24	(54)	-	391	1,022	-
Taikoo Motors	650	46	-	-	558	1,254	-
Swire Foods	389	11	(6)	-	160	554	-
Swire Environmental Services	61	-	-	-	2	63	-
Other activities	18	-	6	-	-	24	-
	<b>1,779</b>	<b>81</b>	<b>(54)</b>	<b>-</b>	<b>1,111</b>	<b>2,917</b>	<b>-</b>
Head Office, Healthcare and others	<b>798</b>	<b>37</b>	<b>(6,800)</b>	<b>45,436</b>	<b>-</b>	<b>39,471</b>	<b>-</b>
	<b>32,140</b>	<b>13,401</b>	<b>-</b>	<b>68,373</b>	<b>4,916</b>	<b>118,830</b>	<b>57,480</b>

## At 31st December 2021 (Restated)

	Segment liabilities	Current and deferred tax liabilities	Inter-segment borrowings/ (advances)	External borrowings	Lease liabilities	Total liabilities	Non-controlling interests
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Property							
Property investment	8,304	11,062	(5,762)	24,601	566	38,771	52,506
Property trading	1,336	21	5,412	-	-	6,769	861
Hotels	164	-	350	-	-	514	1,077
	<b>9,804</b>	<b>11,083</b>	<b>-</b>	<b>24,601</b>	<b>566</b>	<b>46,054</b>	<b>54,444</b>
Beverages							
Swire Coca-Cola	<b>15,998</b>	<b>1,237</b>	<b>1,195</b>	<b>779</b>	<b>834</b>	<b>20,043</b>	<b>501</b>
Aviation							
HAECO group	<b>2,962</b>	<b>632</b>	<b>1,660</b>	<b>104</b>	<b>2,571</b>	<b>7,929</b>	<b>2,160</b>
Trading & Industrial							
Swire Resources	642	24	(54)	-	497	1,109	-
Taikoo Motors	715	43	-	-	636	1,394	-
Swire Foods	422	21	(7)	-	233	669	-
Swire Environmental Services	27	1	-	-	3	31	-
Other activities	18	-	7	-	-	25	-
	<b>1,824</b>	<b>89</b>	<b>(54)</b>	<b>-</b>	<b>1,369</b>	<b>3,228</b>	<b>-</b>
Head Office, Healthcare and others	<b>706</b>	<b>(71)</b>	<b>(2,801)</b>	<b>36,065</b>	<b>-</b>	<b>33,899</b>	<b>-</b>
	<b>31,294</b>	<b>12,970</b>	<b>-</b>	<b>61,549</b>	<b>5,340</b>	<b>111,153</b>	<b>57,105</b>

<sup>^</sup> Liabilities associated with assets classified as held for sale from discontinued operations are excluded from the above analysis.

**1. Segment Information (continued)**
**(a) Information about reportable segments (continued)**

The Group is organised on a divisional basis: Property, Beverages, Aviation and Trading & Industrial.

The reportable segments within each of the divisions are classified according to the nature of the business. The Head Office is also considered to be a reportable segment as discrete financial information is available for the Head Office activities and regularly provided to the Board.

**(b) Information about geographical areas**

The activities of the Group are principally based in Hong Kong and the Chinese Mainland.

An analysis of revenue from continuing operations and non-current assets of the Group by principal markets is outlined below:

	Revenue		Non-current assets (Note)	
	2022 HK\$M	2021 HK\$M (Restated)	2022 HK\$M	2021 HK\$M
Hong Kong	17,559	17,404	238,429	237,767
Chinese Mainland and Taiwan	41,248	47,583	59,939	59,788
South East Asia	80	1,717	2,015	-
USA	31,266	24,261	15,642	15,275
Others	1,016	264	194	243
	<b>91,169</b>	<b>91,229</b>	<b>316,219</b>	<b>313,073</b>

Note: In this analysis, the total of non-current assets excludes joint venture and associated companies (and loans advanced to these companies), investments at fair value, prepayments and other receivables, financial instruments, deferred tax assets and retirement benefit assets.

**2. Revenue**

Revenue from continuing operations represents sales by the Company and its subsidiary companies to external customers and comprises:

	2022 HK\$M	2021 HK\$M (Restated)
Gross rental income from investment properties	12,188	12,836
Property trading	921	2,443
Hotels	565	894
Sales of goods	63,727	63,652
Aircraft and engine maintenance services	12,524	10,313
Rendering of other services	1,244	1,091
Total	<b>91,169</b>	<b>91,229</b>

**3. Operating Profit**

	<b>2022</b>	2021
	<b>HK\$M</b>	HK\$M
		(Restated)
<b><i>Operating profit has been arrived at after charging:</i></b>		
Depreciation of property, plant and equipment	<b>2,628</b>	2,749
Depreciation of right-of-use assets		
- leasehold land held for own use	<b>30</b>	31
- land use rights	<b>48</b>	49
- property	<b>844</b>	901
- plant and equipment	<b>40</b>	51
Amortisation of		
- intangible assets	<b>284</b>	242
- initial leasing costs in respect of investment properties	<b>79</b>	35
- others	<b>12</b>	13
Impairment charges recognised on		
- property, plant and equipment	<b>150</b>	55
- right-of-use assets	<b>33</b>	-
- intangible assets	<b>369</b>	-
- goodwill in respect of interest in an associated company	<b>163</b>	-
Loss on disposals of property, plant and equipment	<b>11</b>	-
<b><i>And after crediting:</i></b>		
Gain on disposals of subsidiary companies	<b>520</b>	137
Gain on disposal of a joint venture company	-	448
Gain arising from the acquisition of an interest in a joint venture company	-	24
Gain on partial disposal and deemed disposal of an associated company	<b>64</b>	-
Gain on disposals of investment properties	<b>31</b>	1,028
Gain on disposals of property, plant and equipment	-	132
Gain on disposals of assets classified as held for sale	<b>20</b>	36
Government subsidies	<b>323</b>	508

**4. Net Finance Charges**

	<b>2022</b>	2021
	<b>HK\$M</b>	HK\$M
<b>Interest charged</b>		
Bank loans and overdrafts	<b>393</b>	118
Other loans and bonds	<b>1,495</b>	1,774
Fair value (gain)/loss on derivative instruments		
Cross-currency and interest rate swaps: cash flow hedges, transferred from other comprehensive income	<b>(24)</b>	13
Cross-currency and interest rate swaps not qualifying as hedges	<b>(4)</b>	(2)
Amortised loan fees - loans at amortised cost	<b>91</b>	103
	<b>1,951</b>	2,006
Lease liabilities	<b>181</b>	188
Fair value loss on put options over non-controlling interests in subsidiary companies	<b>43</b>	68
Fair value gain on put options over other shareholders' interests in a joint venture company	<b>-</b>	(1)
Other financing costs	<b>134</b>	138
Capitalised on		
Investment properties	<b>(370)</b>	(293)
Properties for sale	<b>(186)</b>	(49)
	<b>1,753</b>	2,057
<b>Less: interest income</b>		
Short-term deposits and bank balances	<b>216</b>	212
Other loans	<b>72</b>	103
	<b>288</b>	315
<b>Net finance charges</b>	<b>1,465</b>	1,742

**5. Taxation**

	<b>2022</b>	2021
	<b>HK\$M</b>	HK\$M
Current taxation		(Restated)
Hong Kong profits tax	<b>417</b>	791
Overseas tax	<b>1,584</b>	1,395
(Over)/under-provisions in prior years	<b>(48)</b>	35
	<b>1,953</b>	2,221
Deferred taxation		
Change in fair value of investment properties	<b>472</b>	437
Origination and reversal of temporary differences	<b>579</b>	412
Effect of change in tax rate in the USA	<b>9</b>	-
	<b>1,060</b>	849
	<b>3,013</b>	3,070

Hong Kong profits tax is calculated at 16.5% (2021: 16.5%) on the estimated assessable profits for the year. Overseas tax is calculated at tax rates applicable in jurisdictions in which the Group is assessable for tax.

**6. Dividends**

	<b>2022</b>	2021
	<b>HK\$M</b>	HK\$M
First interim dividend paid on 7th October 2022 of HK\$1.15 per 'A' share and HK\$0.23 per 'B' share (2021: HK\$1.00 and HK\$0.20)	<b>1,716</b>	1,502
Second interim dividend declared on 9th March 2023 of HK\$1.85 per 'A' share and HK\$0.37 per 'B' share (2021 actual dividend paid: HK\$1.60 and HK\$0.32)	<b>2,688</b>	2,402
	<b><u>4,404</u></b>	<u>3,904</u>

The second interim dividend is not accounted for in 2022 because it had not been declared or approved at the year-end date. The actual amount payable in respect of 2022 will be accounted for as an appropriation of the revenue reserve in the year ending 31st December 2023 when declared. The actual amount payable in respect of the second interim dividend for 2022 is calculated based on the number of shares in issue at 9th March 2023.

The Directors have declared second interim dividends of HK\$1.85 per 'A' share and HK\$0.37 per 'B' share which, together with the first interim dividends of HK\$1.15 per 'A' share and HK\$0.23 per 'B' share paid in October 2022, amount to full year dividends of HK\$3.00 per 'A' share and HK\$0.60 per 'B' share, compared to full year dividends of HK\$2.60 per 'A' share and HK\$0.52 per 'B' share in respect of 2021. The second interim dividends will be paid on Friday, 5th May 2023 to shareholders registered at the close of business on the record date, being Friday, 14th April 2023. Shares of the Company will be traded ex-dividend from Wednesday, 12th April 2023.

The register of members will be closed on Friday, 14th April 2023, during which day no transfer of shares will be effected. In order to qualify for entitlement to the second interim dividends, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 13th April 2023.

To facilitate the processing of proxy voting for the annual general meeting to be held on 11th May 2023, the register of members will be closed from 8th May 2023 to 11th May 2023, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 5th May 2023.

**7. Earnings Per Share (Basic and Diluted)**

Earnings per share from continuing operations is calculated by dividing the profit attributable to the Company's shareholders arising from the continuing operations of HK\$3,836 million (2021 (restated): HK\$4,956 million) by the daily weighted average number of 899,151,926 'A' shares and 2,975,555,658 'B' shares in issue during the year (2021: 905,206,000 'A' shares and 2,981,870,000 'B' shares), in the proportion five to one.

The calculation of earnings/(loss) per share from discontinued operations is calculated by dividing the profit attributable to the Company's shareholders arising from the discontinued operations of HK\$359 million (2021: loss of HK\$1,599 million) by the daily weighted average number of 899,151,926 'A' shares and 2,975,555,658 'B' shares in issue during the year (2021: 905,206,000 'A' shares and 2,981,870,000 'B' shares), in the proportion five to one.

**8. Trade and Other Receivables**

	<b>2022</b>	2021
	<b>HK\$M</b>	HK\$M
		(Restated)
Trade debtors	<b>4,610</b>	4,391
Amounts due from immediate holding company	<b>7</b>	2
Amounts due from joint venture companies	<b>132</b>	103
Amounts due from associated companies	<b>349</b>	266
Prepayments and accrued income	<b>2,222</b>	2,015
Other receivables	<b>2,038</b>	2,052
Deferred receivable (2021: Non-current portion)	<b>520</b>	505
Mortgage loans receivable at 5.5% - Non-current portion	-	17
Prepayment – Non-current portion	<b>6,430</b>	-
	<b>16,308</b>	9,351
Amounts due after one year included under non-current assets	<b>(6,474)</b>	(571)
	<b>9,834</b>	8,780

The amounts due from joint venture and associated companies are unsecured, interest free (except where specified) and on normal trade credit terms.

The analysis of the age of trade debtors at the year-end (based on their invoice dates) is as follows:

	<b>2022</b>	2021
	<b>HK\$M</b>	HK\$M
Up to three months	<b>4,345</b>	4,082
Between three and six months	<b>231</b>	244
Over six months	<b>34</b>	65
	<b>4,610</b>	4,391

Group companies have different credit policies, depending on the requirements of their markets and the businesses in which they operate. Analyses of the age of debtors are prepared and closely monitored with a view to minimising credit risk associated with receivables.

**9. Trade and Other Payables**

	<b>2022</b>	2021
	<b>HK\$M</b>	HK\$M
Trade creditors	<b>5,850</b>	5,245
Amounts due to immediate holding company	<b>114</b>	143
Amounts due to joint venture companies	<b>137</b>	38
Amounts due to associated companies	<b>590</b>	513
Interest-bearing advances from joint venture companies at 1.89%-4.65% (2021: 1.42%-4.65%)	<b>1,018</b>	1,283
Interest-bearing advances from an associated company at 6.02% (2021: 1.52%)	<b>34</b>	81
Advances from non-controlling interests	<b>1,173</b>	1,130
Rental deposits from tenants	<b>2,716</b>	2,782
Deposits received on sale of investment properties	<b>1</b>	10
Put options over non-controlling interests	<b>659</b>	642
Contingent consideration	<b>1,654</b>	1,527
Accrued capital expenditure	<b>1,366</b>	1,511
Other accruals	<b>8,968</b>	9,180
Other payables	<b>5,936</b>	4,728
	<b>30,216</b>	28,813
Amounts due after one year included under non-current liabilities	<b>(1,476)</b>	(1,345)
	<b>28,740</b>	27,468

The analysis of the age of trade creditors at the year-end is as follows:

	<b>2022</b>	2021
	<b>HK\$M</b>	HK\$M
Up to three months	<b>5,610</b>	5,124
Between three and six months	<b>136</b>	93
Over six months	<b>104</b>	28
	<b>5,850</b>	5,245

**10. Share Capital**

	<b>'A' shares</b>	<b>'B' shares</b>	<b>Total HK\$M</b>
Issued and fully paid with no par value			
At 1st January 2022	905,206,000	2,981,870,000	1,294
Repurchased and cancelled during the year	39,383,000	40,727,500	-
At 31st December 2022	<u>865,823,000</u>	<u>2,941,142,500</u>	<u>1,294</u>
At 1st January and 31st December 2021	<u>905,206,000</u>	<u>2,981,870,000</u>	<u>1,294</u>

During the year, the Company repurchased 39,383,000 'A' shares and 44,425,000 'B' shares on The Stock Exchange of Hong Kong Limited for a total aggregate price of HK\$2.635 million (excluding transaction fees). The repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid for the repurchased 'A' shares and 'B' shares was paid wholly out of the distributable profits of the Company included in its revenue reserve.

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's shares in 2021.

Except for voting rights, which are equal, the entitlements of 'A' and 'B' shareholders are in proportion five to one.



**11. Reserves**

	Revenue reserve	Property revaluation reserve	Investment revaluation reserve	Cash flow hedge reserve	Translation reserve	Total
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
At 1st January 2022						
- as originally stated	257,166	2,435	(130)	1,013	5,172	265,656
- impact of adjustments in note 13(c)	(428)	-	-	-	(7)	(435)
- as restated	256,738	2,435	(130)	1,013	5,165	265,221
<b>Profit for the year</b>	<b>4,195</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,195</b>
<b>Other comprehensive income</b>						
Defined benefit plans						
- remeasurement gains recognised during the year	819	-	-	-	-	819
- deferred tax	(170)	-	-	-	-	(170)
Changes in the fair value of equity investments at fair value through other comprehensive income						
- gains recognised during the year	-	-	256	-	-	256
- deferred tax	-	-	3	-	-	3
- reclassified to revenue reserve on disposal	279	-	(279)	-	-	-
Cash flow hedges						
- losses recognised during the year	-	-	-	(92)	-	(92)
- transferred to net finance charges	-	-	-	(22)	-	(22)
- transferred to operating profit	-	-	-	201	-	201
- deferred tax	-	-	-	(14)	-	(14)
Share of other comprehensive income of joint venture and associated companies	67	2	(2)	(348)	(2,318)	(2,599)
Net translation differences on foreign operations	-	-	-	-	(3,932)	(3,932)
- reclassified to profit or loss on disposal	-	-	-	-	57	57
<b>Total comprehensive income for the year</b>	<b>5,190</b>	<b>2</b>	<b>(22)</b>	<b>(275)</b>	<b>(6,193)</b>	<b>(1,298)</b>
Repurchase of the Company's shares	(2,643)	-	-	-	-	(2,643)
2021 second interim dividend (note 6)	(2,402)	-	-	-	-	(2,402)
2022 first interim dividend (note 6)	(1,716)	-	-	-	-	(1,716)
At 31st December 2022	<b>255,167</b>	<b>2,437</b>	<b>(152)</b>	<b>738</b>	<b>(1,028)</b>	<b>257,162</b>

**11. Reserves (continued)**

	Revenue reserve	Property revaluation reserve	Investment revaluation reserve	Cash flow hedge reserve	Translation reserve	Total
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
At 1st January 2021						
- as originally stated	256,404	2,362	(138)	(104)	2,874	261,398
- impact of adjustments in note 13(c)	(421)	-	-	-	(5)	(426)
- as restated	<u>255,983</u>	<u>2,362</u>	<u>(138)</u>	<u>(104)</u>	<u>2,869</u>	<u>260,972</u>
<b>Profit for the year (restated)</b>	3,357	-	-	-	-	3,357
<b>Other comprehensive income (restated)</b>						
Revaluation of property previously occupied by the Group						
- gains recognised during the year	-	78	-	-	-	78
- deferred tax	-	(5)	-	-	-	(5)
Defined benefit plans						
- remeasurement gains recognised during the year	220	-	-	-	-	220
- deferred tax	(37)	-	-	-	-	(37)
Changes in the fair value of equity investments at fair value through other comprehensive income						
- losses recognised during the year	-	-	(9)	-	-	(9)
- deferred tax	-	-	(1)	-	-	(1)
- reclassified to revenue reserve on disposal	(20)	-	20	-	-	-
Cash flow hedges						
- losses recognised during the year	-	-	-	(52)	-	(52)
- transferred to net finance charges	-	-	-	11	-	11
- transferred to operating profit	-	-	-	(16)	-	(16)
- deferred tax	-	-	-	6	-	6
Share of other comprehensive income of joint venture and associated companies	239	-	(2)	1,168	966	2,371
Net translation differences on foreign operations	-	-	-	-	1,353	1,353
- others	-	-	-	-	(23)	(23)
<b>Total comprehensive income for the year (restated)</b>	3,759	73	8	1,117	2,296	7,253
2020 second interim dividend	(1,502)	-	-	-	-	(1,502)
2021 first interim dividend (note 6)	(1,502)	-	-	-	-	(1,502)
At 31st December 2021 (restated)	<u>256,738</u>	<u>2,435</u>	<u>(130)</u>	<u>1,013</u>	<u>5,165</u>	<u>265,221</u>

**12. Events after the Reporting Period**

On 18th July 2022, the Group entered into agreements to acquire from TCCC 100% of the equity interests in certain of its subsidiaries engaged in the business of preparation, packaging, distribution and sale of ready-to-drink beverages bearing trademarks owned by TCCC in Vietnam and Cambodia, for an aggregate consideration of US\$1,015 million. The purchase of the TCCC subsidiary in Cambodia was completed on 25th November 2022. The financial impact arising from the completion of this transaction is disclosed in the annual report. The purchase of the TCCC subsidiary in Vietnam was completed on 1st January 2023. On 30th December 2022, the Group paid US\$823 million (HK\$6,430 million) in respect of this transaction and recognised this amount as a prepayment in note 8.

## 12. Events after the Reporting Period (continued)

At the date of these financial statements, management is in the process of determining the financial impact of the Vietnam transaction together with the associated purchase price allocation. The relevant disclosures are expected to be made in the Group's 2023 interim report.

On 15th July 2022, the Group entered into an agreement for the purchase of equity interests in six of the beverages preparation and packaging subsidiaries of Coca-Cola Bottlers Manufacturing Holdings Limited. The transaction was completed on 1st January 2023. Management is in the process of determining the financial impact of this transaction. The relevant disclosures are expected to be made in the Group's 2023 interim report.

## 13. Changes in Accounting Policies and Disclosures

- (a) The following revised standards were required to be adopted by the Group effective from 1st January 2022:

Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations
Annual improvements project	Annual Improvements to HKFRSs 2018-2020
Amendments to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope Amendments

None of the revised standards had a significant effect on the Group's consolidated financial statements or accounting policies.

- (b) The Group has not early adopted the following relevant new and revised standards and interpretations that have been issued but are effective for annual periods beginning on or after 1st January 2023 and such standards have not been applied in preparing these consolidated financial statements.

Amendments to HKAS 1, HKAS 8 and HKAS 12	Narrow-scope Amendments <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
HKFRS 17 and Amendments to HKFRS 17	Insurance Contracts <sup>1</sup>
HK(IFRIC) – Interpretation 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current and Non-current <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
HK-Interpretation 5 (2020)	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

1 To be applied by the Group from 1st January 2023.

2 To be applied by the Group from 1st January 2024.

3 The effective date is to be determined.

None of these new and revised standards and interpretations is expected to have a significant effect on the Group's consolidated financial statements.

**13. Changes in Accounting Policies and Disclosures (continued)**

## (c) Change in accounting policy on lessor forgiveness of lease payments

In October 2022, the IASB finalised the agenda decision approved by the IFRS Interpretation Committee (IFRS IC) on “Lessor Forgiveness of Lease Payments (IFRS 9 and IFRS 16)”. The agenda decision addresses the accounting from the perspective of the lessor, and in particular:

- how the expected credit loss (ECL) model in IFRS 9 should be applied to operating lease receivables when the lessor expects to forgive payments due from the lessee under the lease contract before the rent concession is granted; and
- whether to apply the derecognition requirements in IFRS 9 or the lease modification requirements in IFRS 16 when accounting for rent concessions.

The IFRS IC concluded that in reporting periods before the forgiveness of lease payments have been granted, the lessor should measure the ECL on operating lease receivables on a probability-weighted basis, by evaluating a range of possible outcomes, including its expectation of forgiving lease payments that have been recognised as operating lease receivables. This is on the assumption that there is reasonable and supportable information, that is available without undue cost or effort, and that the expectation of forgiving the lease payments reflects a potential cash shortfall which should be taken into account in the ECL measurement.

In previous years, all the rent concessions granted to tenants were treated as lease modifications under HKFRS 16 and were amortised over the remaining periods of the leases.

The Group has changed its accounting policy with respect to the IASB agenda decision. In applying the requirements in HKFRS 9, the Group remeasures the ECL on its operating lease receivables immediately prior to the date the lease payments are forgiven, with any changes being recognised as rental outgoings in the consolidated statement of profit or loss. Once the lease payments are forgiven, the Group derecognises the operating lease receivables, including any associated ECL allowance. Lease payments forgiven that are not associated with operating lease receivables are recognised as lease modifications under HKFRS 16.

The change in accounting policy has been applied retrospectively by restating the balances at 31st December 2021 and 1st January 2021, and the results for the year ended 31st December 2021:

<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31st December 2021</b>	As previously reported HK\$M	Effect on change HK\$M	As restated HK\$M
<b>Continuing operations</b>			
Revenue	90,802	427	91,229
Cost of sales	(55,524)	(432)	(55,956)
Share of profits of joint venture companies	2,273	(2)	2,271
Taxation	(3,067)	(3)	(3,070)
Profit for the year attributable to:			
- The Company's shareholders	4,963	(7)	4,956
- Non-controlling interests	1,771	(3)	1,768
Net translation differences on foreign operations recognised during the year	1,637	(2)	1,635
Total comprehensive income attributable to:			
- The Company's shareholders	8,863	(9)	8,854
- Non-controlling interests	2,162	(3)	2,159
Earnings per share (basic and diluted) – HK\$			
'A' share	3.31	(0.01)	3.30
'B' share	0.66	-	0.66

**13. Changes in Accounting Policies and Disclosures (continued)**

(c) Change in accounting policy on lessor forgiveness of lease payments (continued)

<b>Consolidated Statement of Financial Position at 31st December 2021</b>	As previously reported HK\$M	Effect on change HK\$M	As restated HK\$M
<b>Assets</b>			
Joint venture companies	27,883	(64)	27,819
Trade and other receivables	9,365	(585)	8,780
		<u>(649)</u>	
<b>Liabilities</b>			
Deferred tax liabilities	<u>12,572</u>	<u>(101)</u>	<u>12,471</u>
<b>Equity</b>			
Reserves	265,656	(435)	265,221
Non-controlling interests	57,218	(113)	57,105
		<u>(548)</u>	

  

<b>Consolidated Statement of Financial Position at 1st January 2021</b>	As previously reported HK\$M	Effect on change HK\$M	As restated HK\$M
<b>Assets</b>			
Joint venture companies	21,475	(62)	21,413
Trade and other receivables	9,788	(577)	9,211
		<u>(639)</u>	
<b>Liabilities</b>			
Deferred tax liabilities	<u>11,556</u>	<u>(103)</u>	<u>11,453</u>
<b>Equity</b>			
Reserves	261,398	(426)	260,972
Non-controlling interests	56,454	(110)	56,344
		<u>(536)</u>	

The change in accounting policy affected the following items in the consolidated statement of profit or loss and other comprehensive income for the year ended 31st December 2022 and the consolidated statement of financial position at 31st December 2022:

<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31st December 2022</b>	Under previous accounting policy HK\$M	Effect on change HK\$M	As reported HK\$M
<b>Continuing operations</b>			
Revenue	90,764	405	91,169
Cost of sales	(56,662)	(319)	(56,981)
Share of profits of joint venture companies	1,843	14	1,857
Taxation	(2,994)	(19)	(3,013)
Profit for the year attributable to:			
- The Company's shareholders	3,772	64	3,836
- Non-controlling interests	<u>2,052</u>	<u>17</u>	<u>2,069</u>
Net translation differences on foreign operations recognised during the year	(4,797)	(1)	(4,798)
Total comprehensive (loss)/income attributable to:			
- The Company's shareholders	(1,758)	63	(1,695)
- Non-controlling interests	907	17	924
Earnings per share (basic and diluted) – HK\$			
'A' share	2.52	0.05	2.57
'B' share	<u>0.50</u>	<u>0.01</u>	<u>0.51</u>

**13. Changes in Accounting Policies and Disclosures (continued)**

(c) Change in accounting policy on lessor forgiveness of lease payments (continued)

<b>Consolidated Statement of Financial Position at 31st December 2022</b>	Under previous accounting policy HK\$M	Effect on change HK\$M	As reported HK\$M
<b>Assets</b>			
Joint venture companies	30,396	(50)	30,346
Trade and other receivables	10,334	(500)	9,834
		<u>(550)</u>	
<b>Liabilities</b>			
Taxation payable	371	(60)	311
Deferred tax liabilities	13,112	(22)	13,090
		<u>(82)</u>	
<b>Equity</b>			
Reserves	257,534	(372)	257,162
Non-controlling interests	57,576	(96)	57,480
		<u>(468)</u>	

(d) Representation due to discontinued operations

In March 2022, the Group entered into a sale and purchase agreement to dispose of its 100% interest in the Swire Pacific Offshore group (SPO disposal group). As at 31st December 2021, management believed the disposal was highly probable and the carrying value of the SPO disposal group would be recovered principally through sale rather than through continuing use. Accordingly, management classified the assets and liabilities of the SPO disposal group as held for sale as at 31st December 2021. The results of the SPO disposal group for the years ended 31st December 2022 and 31st December 2021 are presented separately as one line-item below profit from continuing operations as "discontinued operations" in the consolidated statement of profit or loss. The sale was completed in April 2022.

**14. Requirement in Connection with Publication of "Non-statutory Accounts" under Section 436 of the Hong Kong Companies Ordinance Cap. 622**

The financial information relating to the years ended 31st December 2021 and 2022 that is included in this document does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements.

The non-statutory accounts (within the meaning of section 436 of the Companies Ordinance (Cap. 622) (the Ordinance)) in this document are not specified financial statements (within such meaning). The specified financial statements for the year ended 31st December 2021 have been delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Ordinance. The specified financial statements for the year ended 31st December 2022 have not been but will be delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Ordinance. Auditor's reports have been prepared on the specified financial statements for the years ended 31st December 2021 and 2022. Those reports were not qualified or otherwise modified, did not refer to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and did not contain statements under section 406(2) or 407(2) or (3) of the Ordinance.

**Sources of Finance**

At 31st December 2022, committed loan facilities and debt securities amounted to HK\$90,101 million, of which HK\$21,510 million (24%) were undrawn. In addition, there were lease liabilities amounting to HK\$4,916 million. The Group had undrawn uncommitted facilities totalling HK\$7,659 million. Sources of gross borrowings at 31st December 2022 comprised:

	<u>Available</u>	<u>Drawn</u>	<u>Undrawn expiring within one year</u>	<u>Undrawn expiring beyond one year</u>	<u>Total undrawn</u>
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
<b>Committed facilities</b>					
Loans and bonds					
Bonds	39,948	39,948	-	-	-
Bank loans, overdrafts and other loans	50,153	28,643	1,220	20,290	21,510
<b>Total committed facilities</b>	<b>90,101</b>	<b>68,591</b>	<b>1,220</b>	<b>20,290</b>	<b>21,510</b>
<b>Uncommitted facilities</b>					
Bank loans, overdrafts and other loans	7,760	101	7,659	-	7,659
<b>Total</b>	<b>97,861</b>	<b>68,692</b>	<b>8,879</b>	<b>20,290</b>	<b>29,169</b>

Note: The figures above are stated before unamortised loan fees of HK\$319 million.

At 31st December 2022, 59% of the Group's gross borrowings were on a fixed rate basis and 41% were on a floating rate basis (2021: 84% and 16%).

**Corporate Governance**

The Company complied with all the code provisions set out in the Corporate Governance Code (the CG Code) contained in Part 2 of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Listing Rules) throughout the year covered by the annual report.

The Company has adopted a code of conduct (the Securities Code) regarding securities transactions by Directors and officers on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the Model Code) contained in Appendix 10 to the Listing Rules. These rules are available on the Company's website.

On specific enquiries made, all the Directors of the Company have confirmed that, in respect of the accounting period covered by the annual report, they have complied with the required standard set out in the Model Code and the Securities Code.

The annual results have been reviewed by the Audit Committee of the Company.

**Annual Report**

The 2022 Annual Report containing all the information required by the Listing Rules will be published on the Stock Exchange website and the Company website [www.swirepacific.com](http://www.swirepacific.com). Printed copies will be available to shareholders on 11th April 2023.

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**List of Directors**

As at the date of this announcement, the Directors of the Company are:

Executive Directors: G.M.C. Bradley (Chairman), D.P. Cogman, P. Healy, M.J. Murray, Z.P. Zhang;

Non-Executive Directors: G.D. McCallum, M.B. Swire; and

Independent Non-Executive Directors: P.K. Etchells, C. Lee, R.W.M. Lee, E.M. Ngan, G.R.H. Orr, Y. Xu and B.Y. Zhang.

By Order of the Board

**SWIRE PACIFIC LIMITED**

Guy Bradley

Chairman

Hong Kong, 9th March 2023

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**Disclaimer**

This document may contain forward-looking statements that reflect the Company's beliefs, plans or expectations about the future or future events. These forward-looking statements are based on a number of assumptions, estimates and projections, and are therefore subject to inherent risks, uncertainties and other factors beyond the Company's control. The actual results or outcomes of events may differ materially and/or adversely due to a number of factors, including the effects of COVID-19, changes in the economies and industries in which the Group operates (in particular in Hong Kong and the Chinese Mainland), macro-economic and geopolitical uncertainties, changes in the competitive environment, foreign exchange rates, interest rates and commodity prices, and the Group's ability to identify and manage risks to which it is subject. Nothing contained in these forward-looking statements is, or shall be, relied upon as any assurance or representation as to the future or as a representation or warranty otherwise. Neither the Company nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update these forward-looking statements or to adapt them to future events or developments or to provide supplemental information in relation thereto or to correct any inaccuracies.

References in this document to Hong Kong are to Hong Kong SAR, to Macau are to Macao SAR and to Taiwan are to the Taiwan region.