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Wing Tai Properties Limited

永泰地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 369)

ANNOUNCEMENT OF 2022 ANNUAL RESULTS, FINAL DIVIDEND, RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

CHAIRMAN'S STATEMENT

Dear Shareholders,

Throughout 2022, Hong Kong's economy and property market continued to be hit by the pandemic outbreaks as well as the challenges from accelerated geopolitical tensions, interest rate hikes and global inflation. The fair value of our commercial and residential leasing properties and development properties continued to be marked down at year end 2022 due to rising interest rate and uncertain outlook on the pace of economic recovery in Hong Kong and London. Total net valuation loss and impairment provision on properties amounted to HK\$1,700 million for 2022. On the other hand, net valuation gain on financial instruments amounted to HK\$502 million due to rising interest rate. Non-cash net valuation loss amounted to HK\$1,198 million, compared with HK\$ 301 million last year.

As a result, the Group reported a consolidated loss attributable to shareholders of HK\$540 million for the year ended 31 December 2022, compared with HK\$854 million profit last year. Loss per share was HK\$0.40.

However, excluding non-cash net valuation loss, the Group indeed managed to deliver a solid core consolidated profit attributable to shareholders of HK\$658 million in 2022, similar to 2021's level of HK\$683 million. The Group's balance sheet remained healthy with net assets of HK\$27,327 million as of 31 December 2022, compared with HK\$28,166 million last year.

Therefore, after considering the solid business profit and healthy financial position, the Board of Directors has recommended a final dividend of HK21.0 cents per share. Together with the interim dividend of HK6.0 cents per share, the total dividends for 2022 will be HK27.0 cents per share, same as last year.

The Hong Kong residential market nearly came to a halt in the second half of 2022 despite the government has introduced a higher loan-to-value mortgage policy for the first-time home buyers. We continued to sell the remaining units of our “Upper Gold Coast” series in Tuen Mun but sale through was slow. In November, we obtained the Certificate of Compliance for OMA by the Sea, and by now has nearly handed over all the units to the buyers.

In September, under a 50:50 joint venture, we won the tender for a residential site at Hin Wo Lane, Sha Tin, with maximum attainable gross floor area of approximately 89,000 square feet. This site is located within established living community and walking distance to Tai Wai and Hin Keng MTR stations. In November, we obtained approval for our medium-density residential site near Sheung Shui MTR to build a residential block of 32 storeys. We believe both sites will benefit from the government’s Northern Metropolis Development Strategy, and be appealing to new families.

The performance of our office properties remained resilient during the year despite rental level was still under pressure amid economic downturn. Occupancy of Landmark East has improved while rental rate dropped due to new Grade A office supply and high vacancy in Kowloon East. Occupancy and rental rate of our London office properties remained stable despite the country’s economic contraction in the third quarter.

Our Lanson Place hotel in Hong Kong has served as a designated quarantine hotel until September when the government lifted the quarantine requirements for inbound travellers. The hotel has been closed in October for an extensive renovation.

Sailing through the uncertainties and challenges ahead, we will remain focused on restoring our business performance and monitoring cash flow. Meanwhile, the Group will continue to pursue investment opportunities consistent with long-term strategies.

Taking this opportunity, I would like to thank our employees for their dedication and support in keeping our operations running smoothly amid the pandemic. I would also like to express my gratitude to my fellow Board members, business partners, colleagues and stakeholders as a whole for their unreserved support during this challenging time.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 23 March 2023

FINANCIAL RESULTS

The Board of Directors (the “Directors”) of Wing Tai Properties Limited (the “Company”) presents the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2022, together with comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
	Note	2022 HK\$'M	2021 HK\$'M
Revenue	3	4,096.7	3,423.2
Cost of sales		(2,524.1)	(2,083.6)
Gross profit		1,572.6	1,339.6
Other (losses)/gains, net	4	(118.1)	489.0
Selling and distribution costs		(173.4)	(160.3)
Administrative expenses		(331.0)	(316.2)
Change in fair value of			
– investment properties		(1,198.8)	(527.4)
– financial instruments	5	227.8	75.1
		(971.0)	(452.3)
(Loss)/profit from operations	6	(20.9)	899.8
Finance costs		(117.6)	(112.7)
Finance income		34.1	13.6
Share of results of joint ventures		(48.8)	242.9
Share of results of associates		1.2	1.8
(Loss)/profit before taxation		(152.0)	1,045.4
Taxation	7	(171.9)	(127.8)
(Loss)/profit for the year		(323.9)	917.6
(Loss)/profit for the year attributable to:			
Shareholders of the Company		(540.0)	854.4
Holders of perpetual capital securities		64.3	65.5
Non-controlling interests		151.8	(2.3)
		(323.9)	917.6
(Loss)/earnings per share attributable to shareholders of the Company	8		
– Basic		(HK\$0.40)	HK\$0.63
– Diluted		(HK\$0.40)	HK\$0.63

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2022	2021
	HK\$'M	HK\$'M
(Loss)/profit for the year	<u>(323.9)</u>	<u>917.6</u>
Other comprehensive (loss)/income		
Items that have been/may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(189.1)	3.4
Net gain on net investment hedge		
– Fair value gains	133.0	8.3
– Realised upon settlement	(28.3)	13.6
Net gain on cash flow hedge		
– Fair value gains	10.1	4.1
Reclassification of net loss to profit or loss	0.8	-
Release of translation reserve upon dissolution of a subsidiary	-	(3.8)
Share of other comprehensive income of a joint venture	-	0.6
	<u>(73.5)</u>	<u>26.2</u>
Other comprehensive (loss)/income for the year, net of tax	<u>(73.5)</u>	<u>26.2</u>
Total comprehensive (loss)/income for the year	<u><u>(397.4)</u></u>	<u><u>943.8</u></u>
Total comprehensive (loss)/income for the year attributable to:		
Shareholders of the Company	(613.5)	880.6
Holder of perpetual capital securities	64.3	65.5
Non-controlling interests	151.8	(2.3)
Total comprehensive (loss)/income for the year	<u><u>(397.4)</u></u>	<u><u>943.8</u></u>

CONSOLIDATED BALANCE SHEET

		At 31 December	
	Note	2022 HK\$'M	2021 HK\$'M
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		20,467.9	21,777.7
Other properties, plant and equipment		63.2	65.9
Investments in joint ventures		1,535.2	1,635.0
Loans to joint ventures		3,802.2	3,787.6
Investments in associates		24.7	26.1
Loans to associates		22.4	22.4
Financial investments at amortised cost		656.1	375.7
Financial investments at fair value through profit or loss		579.1	627.8
Other non-current assets		247.7	585.4
Deferred tax assets		8.0	17.6
Derivative financial instruments		309.3	98.8
		<u>27,715.8</u>	<u>29,020.0</u>
Current assets			
Properties for sale		3,739.4	5,702.0
Trade and other receivables, deposits and prepayments	10	193.7	264.5
Financial investments at amortised cost		84.3	340.0
Financial investments at fair value through profit or loss		107.3	-
Other current assets		583.1	1,206.9
Derivative financial instruments		82.2	8.8
Sales proceeds held in stakeholders' accounts		749.6	711.9
Tax recoverable		3.3	18.9
Bank balances and cash		2,240.5	1,465.5
		<u>7,783.4</u>	<u>9,718.5</u>
Current liabilities			
Trade and other payables and accruals	11	883.1	3,152.2
Derivative financial instruments		1.7	117.0
Tax payable		169.6	79.0
Bank and other borrowings		2,550.5	3,458.1
		<u>3,604.9</u>	<u>6,806.3</u>

CONSOLIDATED BALANCE SHEET (Continued)

	At 31 December	
	2022	2021
	HK\$'M	HK\$'M
Non-current liabilities		
Bank and other borrowings	4,177.1	3,346.2
Other long-term liability	11.0	32.8
Derivative financial instruments	-	2.3
Deferred tax liabilities	378.9	385.1
	<u>4,567.0</u>	<u>3,766.4</u>
NET ASSETS	<u>27,327.3</u>	<u>28,165.8</u>
EQUITY		
Shareholders' funds		
Share capital	678.0	677.4
Reserves	25,006.8	25,975.5
	<u>25,684.8</u>	<u>26,652.9</u>
Perpetual capital securities	1,491.4	1,513.4
Non-controlling interests	151.1	(0.5)
TOTAL EQUITY	<u>27,327.3</u>	<u>28,165.8</u>

NOTES:

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and disclosure requirements of the Hong Kong Companies Ordinance (Cap.622).

These consolidated financial statements are presented in millions of Hong Kong dollars (HK\$’M).

2. Significant accounting policies

(a) Amendments and improvements to standards effective for the current accounting period beginning on 1 January 2022 and relevant to the Group

Amendments to HKFRS 16	COVID-19 – Related rent concessions
Amendments to HKAS 16	Proceeds before intended use
Amendments to HKAS 37	Onerous contracts – Cost of fulfilling a contract
Amendments to HKFRS 3	Reference to Conceptual Framework
Amendments to Accounting Guideline 5 (Revised)	Revised Accounting Guideline 5 Merger Accounting for Common Control Combinations
Annual improvements	Annual improvements 2018–2020 cycle

The adoption of the above amendments and improvements to standards did not have any significant impact to the consolidated financial statements in the current and prior years.

(b) New standard, amendments and improvements to standards relevant to the Group that are not yet effective in 2022 and have not been early adopted by the Group

The Group has not early adopted the following new standard, amendments and improvements to standards that have been issued but are not yet effective for the year ended 31 December 2022:

		Effective for annual periods beginning on or after
HKFRS 17	Insurance contracts and related amendments	1 January 2023
HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative information	1 January 2023
Amendments to HKAS 8	Definition of accounting estimates	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2024

2. Significant accounting policies (Continued)

(b) New standard, amendments and improvements to standards relevant to the Group that are not yet effective in 2022 and have not been early adopted by the Group (Continued)

		Effective for annual periods beginning on or after
Amendments to HKAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to HKFRS 16	Lease liability in a sale and leaseback	1 January 2024
Hong Kong Interpretation 5 (2020)	Presentation of Financial Statements – Classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2024
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is in the process of making an assessment of the impact of these new standard, amendments and improvements to standards and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

3. Revenue and segment information

Revenue represents the amounts received and receivable from third parties net of value-added tax and discounts in connection with the following activities:

	2022 HK\$'M	2021 HK\$'M
Sale of properties and project management income	3,303.5	2,652.7
Rental income and property management income	695.6	667.0
Interest income from financial investments	40.9	36.5
Interest income from mortgage loan receivables	38.1	47.8
Dividend income from financial investments	18.6	19.2
	<u>4,096.7</u>	<u>3,423.2</u>

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by Executive Directors in order to allocate resources to the segment and to assess its performance. During the year, segment results of property development and property investment and management were reviewed and redefined in internal reports. Accordingly, comparative figures for 2021 results of property development and property investment and management segments have been reclassified.

Segment information are analysed on the basis of the Group's operating divisions. They are (i) Property Development, (ii) Property Investment and Management, (iii) Hospitality Investment and Management and (iv) Others. Others mainly represent investing activities and corporate activities including central management and administrative function.

3. Revenue and segment information (Continued)

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	Total HK\$'M
For the year ended 31 December 2022						
REVENUE						
External sales	3,342.5	589.2	105.5	59.5	-	4,096.7
Inter-segment sales	13.8	11.5	-	-	(25.3)	-
Total	3,356.3	600.7	105.5	59.5	(25.3)	4,096.7
RESULTS						
Profit/(loss) before change in fair value of investment properties and financial instruments	622.0	331.5	11.4	(13.5)	(1.3)	950.1
Change in fair value of						
- investment properties	(4.8)	(1,048.1)	(145.9)	-	-	(1,198.8)
- financial instruments	184.8	31.5	-	11.5	-	227.8
Profit/(loss) from operations	802.0	(685.1)	(134.5)	(2.0)	(1.3)	(20.9)
Finance costs	(32.0)	(39.4)	(19.6)	(44.1)	17.5	(117.6)
Finance income	3.8	9.8	0.1	37.9	(17.5)	34.1
Share of results of joint ventures	9.5	(54.0)	(4.3)	-	-	(48.8)
Share of results of associates	-	1.2	-	-	-	1.2
Profit/(loss) before taxation	783.3	(767.5)	(158.3)	(8.2)	(1.3)	(152.0)
Taxation						(171.9)
Loss for the year						(323.9)
Other item						
Depreciation and amortisation	-	1.6	0.2	7.1	-	8.9

3. Revenue and segment information (Continued)

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	Total HK\$'M
For the year ended 31 December 2021 (re-presented)						
REVENUE						
External sales	2,701.4	597.3	68.8	55.7	-	3,423.2
Inter-segment sales	2.3	14.9	-	-	(17.2)	-
Total	<u>2,703.7</u>	<u>612.2</u>	<u>68.8</u>	<u>55.7</u>	<u>(17.2)</u>	<u>3,423.2</u>
RESULTS						
Profit/(loss) before change in fair value of investment properties and financial instruments	983.7	344.9	(10.1)	33.6	-	1,352.1
Change in fair value of						
- investment properties	-	(508.2)	(19.2)	-	-	(527.4)
- financial instruments	77.6	23.4	-	(25.9)	-	75.1
Profit/(loss) from operations	<u>1,061.3</u>	<u>(139.9)</u>	<u>(29.3)</u>	<u>7.7</u>	<u>-</u>	<u>899.8</u>
Finance costs	(58.3)	(30.9)	(10.9)	(25.2)	12.6	(112.7)
Finance income	1.1	4.7	0.1	20.3	(12.6)	13.6
Share of results of joint ventures	49.2	203.4	(9.7)	-	-	242.9
Share of results of associates	-	1.8	-	-	-	1.8
Profit/(loss) before taxation	<u>1,053.3</u>	<u>39.1</u>	<u>(49.8)</u>	<u>2.8</u>	<u>-</u>	<u>1,045.4</u>
Taxation						<u>(127.8)</u>
Profit for the year						<u>917.6</u>
Other item						
Depreciation and amortisation	<u>7.5</u>	<u>1.8</u>	<u>0.3</u>	<u>7.4</u>	<u>-</u>	<u>17.0</u>

Inter-segment transactions are entered into under the normal commercial terms and conditions mutually agreed among group companies.

3. Revenue and segment information (Continued)

The segment assets and liabilities at 31 December 2022 and 2021 and additions to non-current assets for the years then ended are as follows:

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Total HK\$'M
At 31 December 2022					
ASSETS					
Segment assets (Note a)	5,623.6	18,725.4	2,082.6	3,262.0	29,693.6
Investments in joint ventures and loans to joint ventures	4,015.5	1,191.2	149.0	-	5,355.7
Investments in associates and loans to associates	1.8	45.3	-	-	47.1
	<u>9,640.9</u>	<u>19,961.9</u>	<u>2,231.6</u>	<u>3,262.0</u>	<u>35,096.4</u>
Other assets (Note a)					402.8
Consolidated total assets					<u>35,499.2</u>
LIABILITIES					
Segment liabilities (Note b)	(565.4)	(219.1)	(26.1)	(83.5)	(894.1)
Other liabilities (Note b)					(7,277.8)
Consolidated total liabilities					<u>(8,171.9)</u>
Additions to non-current assets (Note d)	<u>-</u>	<u>2.7</u>	<u>12.9</u>	<u>5.9</u>	<u>21.5</u>
At 31 December 2021 (re-presented)					
ASSETS					
Segment assets (Note a)	8,497.4	19,898.6	2,222.8	2,468.5	33,087.3
Investments in joint ventures and loans to joint ventures	3,927.1	1,370.0	161.5	-	5,458.6
Investments in associates and loans to associates	1.8	46.7	-	-	48.5
	<u>12,426.3</u>	<u>21,315.3</u>	<u>2,384.3</u>	<u>2,468.5</u>	<u>38,594.4</u>
Other assets (Note a)					144.1
Consolidated total assets					<u>38,738.5</u>
LIABILITIES					
Segment liabilities (Note b)	(2,835.2)	(232.3)	(41.3)	(76.2)	(3,185.0)
Other liabilities (Note b)					(7,387.7)
Consolidated total liabilities					<u>(10,572.7)</u>
Additions to non-current assets (Note d)	<u>-</u>	<u>0.9</u>	<u>6.3</u>	<u>0.3</u>	<u>7.5</u>

3. Revenue and segment information (Continued)

The Group's operations are principally located in Hong Kong, the United Kingdom and the People's Republic of China other than Hong Kong (the "PRC"). The following is an analysis of the Group's revenue by geographical areas in which the customers are located, irrespective of the origin of the goods/services:

	Year ended 31 December	
	2022	2021
	HK\$'M	HK\$'M
Hong Kong	3,991.2	3,310.6
United Kingdom	23.2	29.1
Singapore	20.8	21.6
The PRC	18.9	24.3
Others	42.6	37.6
	<u>4,096.7</u>	<u>3,423.2</u>

The followings are analyses of the Group's non-current assets including investment properties and other properties, plant and equipment, and additions to non-current assets by geographical areas in which the assets are located.

	Non-current assets (Note c)		Additions to non-current assets (Note d)	
	At 31 December		Year ended 31 December	
	2022	2021	2022	2021
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Hong Kong	19,331.6	20,471.3	20.5	7.5
United Kingdom	694.3	834.9	1.0	-
The PRC	505.2	537.4	-	-
	<u>20,531.1</u>	<u>21,843.6</u>	<u>21.5</u>	<u>7.5</u>

Notes:

- Segment assets consist primarily of investment properties, other properties, plant and equipment, financial investments at amortised cost, financial investments at fair value through profit or loss, other non-current assets, properties for sale, trade and other receivables, deposits and prepayments, other current assets, sales proceeds held in stakeholders' accounts and bank balances and cash. Other assets comprise mainly derivative financial instruments, tax recoverable and deferred tax assets.
- Segment liabilities comprise operating liabilities. Other liabilities include tax payable, bank and other borrowings, deferred tax liabilities and derivative financial instruments.
- Non-current assets include investment properties and other properties, plant and equipment.
- Additions to non-current assets comprise additions to investment properties and other properties, plant and equipment.

4. Other (losses)/gains, net

	2022 HK\$'M	2021 HK\$'M
Compensation income arising from early termination of management agreements	4.8	3.3
Exchange (losses)/gains, net	(1.0)	0.6
Forfeited deposits received from properties sales and rental deposit	1.2	5.3
Gain on disposal of other properties, plant and equipment	0.6	-
Gain on distribution in specie of a joint venture (Note)	-	472.2
Government grants and subsidies	9.1	0.2
Impairment provision for financial investments at amortised cost	(41.2)	-
Impairment provision for properties for development held for sale	(104.4)	-
Management fee income from a joint venture	2.0	1.7
Write back of provision for/(provision for) doubtful debts	2.3	(5.0)
Others	8.5	10.7
	<u>(118.1)</u>	<u>489.0</u>

Note:

In May 2021, all unsold residential units of a joint venture project, La Vetta, were distributed to shareholders. The units are held for leasing and classified as investment properties. On the date of distribution, the Group's attributable residential units were distributed at fair value of HK\$1,922.9 million. Therefore, it resulted in a fair value gain of HK\$472.2 million, net of tax, which was recorded in 2021.

5. Change in fair value of financial instruments

	2022 HK\$'M	2021 HK\$'M
Net fair value gain on derivative financial instruments	224.2	43.6
Gain on financial liabilities at fair value through profit or loss classified under other long-term liability	20.1	14.0
Loss on financial investments at fair value through profit or loss	(48.5)	(10.9)
Gain on mortgage loan receivables at fair value through profit or loss	32.0	28.4
	<u>227.8</u>	<u>75.1</u>

6. (Loss)/profit from operations

	2022 HK\$'M	2021 HK\$'M
(Loss)/profit from operations has been arrived at after charging/(crediting) the following:		
Staff costs including directors' remuneration	262.7	252.8
Retirement benefits costs	10.6	10.4
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Total staff costs (Note)	273.3	263.2
Share-based compensation expenses (Note)	11.6	12.5
Auditor's remuneration		
– Audit services	5.1	5.0
– Non-audit services	0.6	0.7
Cost of properties included in cost of sales	2,323.2	1,905.6
Depreciation of other properties, plant and equipment	8.7	16.7
Direct operating expenses arising from investment properties generating rental income	198.2	155.1
Gain on disposal of other properties, plant and equipment	(0.6)	-
Gross rental income from investment properties	(671.8)	(643.2)
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Note:

Share-based compensation expenses recognised in the consolidated income statement in respect of share options and incentive shares granted to certain directors and employees are not included in the total staff costs above.

7. Taxation

Hong Kong profits tax has been calculated at 16.5% (2021: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the consolidated income statement represents:

	2022 HK\$'M	2021 HK\$'M
Current taxation		
– Current tax on profits for the year	157.9	98.7
– (Over)/under-provision in prior years	(0.6)	0.4
	<u>157.3</u>	<u>99.1</u>
Deferred taxation		
– Change in fair value of investment properties	6.0	3.9
– Temporary differences on tax depreciation	15.4	20.8
– (Recognition)/utilisation of tax losses	(1.6)	1.5
– Other temporary differences	(5.2)	2.5
	<u>14.6</u>	<u>28.7</u>
Income tax expenses	<u>171.9</u>	<u>127.8</u>

8. (Loss)/earnings per share

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2022	2021
(Loss)/profit attributable to shareholders of the Company (expressed in HK\$'M)	<u>(540.0)</u>	<u>854.4</u>
Weighted average number of ordinary shares in issue	<u>1,355,910,671</u>	<u>1,354,730,663</u>
Basic (loss)/earnings per share	<u>(HK\$0.40)</u>	<u>HK\$0.63</u>

8. (Loss)/earnings per share (Continued)

(b) Diluted

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares at the beginning of the year. The Company has share options outstanding during the year which are dilutive potential ordinary shares. Calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding incentive shares.

	2022	2021
(Loss)/profit attributable to shareholders of the Company (expressed in HK\$'M)	<u>(540.0)</u>	<u>854.4</u>
Weighted average number of ordinary shares in issue	1,355,910,671	1,354,730,663
Effect of dilutive potential shares issuable under the Company's share option plan and share incentive scheme	<u>-</u>	<u>12,197</u>
Weighted average number of shares for the purpose of calculating diluted (loss)/earnings per share	<u>1,355,910,671</u>	<u>1,354,742,860</u>
Diluted (loss)/earnings per share	<u>(HK\$0.40)</u>	<u>HK\$0.63</u>

9. Dividends

	2022 HK\$'M	2021 HK\$'M
Interim dividend paid on 6 October 2022 of HK6.0 cents (2021: HK6.0 cents) per ordinary share	81.4	81.3
Proposed final dividend of HK21.0 cents (2021: HK21.0 cents) per ordinary share	<u>285.0</u>	<u>284.8</u>
	<u>366.4</u>	<u>366.1</u>

The final dividend is not accounted for as a dividend payable in these financial statements until it has been approved at the forthcoming annual general meeting of the Company.

10. Trade and other receivables, deposits and prepayments

	2022 HK\$'M	2021 HK\$'M
Trade receivables (Note a)	16.3	16.3
Deferred rent receivables	14.8	15.8
Amounts due from joint ventures	12.3	6.9
Loans to joint ventures	18.3	36.0
Contract assets (Note b)	3.7	109.8
Other receivables, deposits and prepayments	128.3	79.7
	<u>193.7</u>	<u>264.5</u>

Notes:

- (a) The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with industry practice. Sales proceeds receivable from sale of properties are settled in accordance with the terms of respective contracts. The following is an ageing analysis of the Group's trade receivables (net of provision) at 31 December, based on the invoice dates:

	2022 HK\$'M	2021 HK\$'M
0 – 30 days	11.2	10.2
31 – 90 days	3.1	2.6
Over 90 days	2.0	3.5
	<u>16.3</u>	<u>16.3</u>

- (b) It mainly represents sales commissions incurred for obtaining property sales contracts.

11. Trade and other payables and accruals

	2022 HK\$'M	2021 HK\$'M
Trade payables (Note a)	16.6	9.7
Contract liabilities (Note b)	45.8	2,341.0
Rental deposits received	155.5	163.7
Construction costs payable	260.7	158.4
Amounts due to joint ventures	74.4	73.5
Amount due to an associate	2.0	2.0
Other payables and accruals	328.1	403.9
	<u>883.1</u>	<u>3,152.2</u>

11. Trade and other payables and accruals (Continued)

Notes:

(a) The ageing analysis of the Group's trade payables based on invoice date at 31 December is as follows:

	2022 HK\$'M	2021 HK\$'M
0 – 30 days	16.3	6.2
31 – 90 days	0.3	3.3
Over 90 days	-	0.2
	<u>16.6</u>	<u>9.7</u>

(b) It represents sales deposits received from property sales.

12. Scope of work of PricewaterhouseCoopers

The financial figures in respect of this results announcement for the year ended 31 December 2022 have been agreed by the Group auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2022. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the announcement.

FINAL DIVIDEND, RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

FINAL DIVIDEND AND RECORD DATE

The Directors recommend the payment of a final dividend of HK21.0 cents (2021: HK21.0 cents) per share for the year ended 31 December 2022. Including the interim dividend of HK6.0 cents (2021: HK6.0 cents) per share distributed on 6 October 2022, the total dividend payout for the year ended 31 December 2022 shall be HK27.0 cents (2021: HK27.0 cents) per share. Subject to the passing of the relevant resolution at an annual general meeting to be held on 23 May 2023 (the "AGM"), the final dividend will be distributed on or around 20 June 2023 to shareholders whose names appear on the register of members of the Company at the close of business on 30 May 2023 (the Record Date).

In order to qualify for the entitlement of the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar and Transfer Office, Tricor Standard Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 30 May 2023.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from 15 May 2023 to 16 May 2023 (both days inclusive), during which period the registration of transfers of shares will be suspended. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar and Transfer Office, Tricor Standard Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on 12 May 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2022, the Group's revenue was HK\$4,097 million, compared with HK\$3,423 million in 2021. The increase was mainly due to more revenue recognised from first-time revenue recognition upon handover of pre-sold units of OMA by the Sea as compared to OMA OMA in 2021.

Consolidated loss for the year was HK\$324 million, a decrease in profit of HK\$1,242 million, compared with profit of HK\$918 million in 2021. The decrease was mainly attributable to (i) HK\$793 million higher net valuation loss on investment properties and financial instruments including share of joint ventures, (ii) HK\$104 million impairment provision for properties for development held for sale, (iii) HK\$472 million one-off valuation gain from distribution in specie of the unsold units of La Vetta in 2021, and offset by (iv) HK\$165 million higher profit from property development segment due to more profit recognised from OMA by the Sea in 2022 than OMA OMA in 2021.

The 2022 net valuation loss on investment properties and financial instruments including share of joint ventures was HK\$1,094 million which is non-cash in nature, compared with loss of HK\$301 million in 2021, includes (i) HK\$1,596 million loss from investment properties, mainly Landmark East, commercial properties in London and residential units held for leasing in Hong Kong, and offset by (ii) HK\$502 million gain from financial instruments, mainly interest rate swap contracts. Including the impairment provision of HK\$104 million, total net valuation loss and impairment provision amounted to HK\$1,198 million, compared with net valuation gain of HK\$171 million in 2021.

Consolidated loss attributable to shareholders was HK\$540 million, a decrease of HK\$1,394 million, compared with consolidated profit of HK\$854 million in 2021.

Loss per share attributable to shareholders was HK\$0.40, compared with earnings per share attributable to shareholders HK\$0.63 in 2021.

Core consolidated profit attributable to shareholders, excluding all such non-cash net valuation loss and impairment provision was HK\$658 million, a decrease of HK\$25 million, compared with HK\$683 million in 2021.

Property Development

The property development segment revenue excluding inter-segment sales was HK\$3,342 million in 2022, compared with HK\$2,701 million in 2021. Segment profit before taxation including net valuation gain and impairment provision was HK\$783 million, compared with HK\$1,053 million in 2021.

Segment profit before taxation excluding such net valuation gain and impairment provision was HK\$710 million in 2022, compared with HK\$497 million in 2021, due to more profit recognised from OMA by the Sea than OMA OMA.

The net valuation gain and impairment provision includes (i) 2022 net valuation gain of HK\$177 million, compared with HK\$84 million in 2021, due to higher gain from financial instruments, (ii) 2022 impairment provision for properties for development held for sale of HK\$104 million, and (iii) 2021 one-off valuation gain of HK\$472 million from distribution in specie of unsold units of La Vetta.

Wholly-owned projects

The Carmel, a low-density residential site in Siu Sau, Tai Lam, Tuen Mun, provides a saleable area of approximately 147,000 square feet for 178 residential units of apartment and house. All residential units were sold as at 31 December 2022. Around 1% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in 2022.

OMA OMA, a medium-density residential site on So Kwun Wat Road, So Kwun Wat, Tuen Mun, provides a saleable area of approximately 234,000 square feet for 466 residential apartment units. In 2022, around 5% (in terms of number) of the residential units were sold. Cumulatively, as at 31 December 2022, around 95% (in terms of number) of the residential units were sold. Around 8% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in 2022.

Majority-owned projects

The Group has a 70% interest in OMA by the Sea, the site adjacent to The Carmel in Siu Sau, Tai Lam, Tuen Mun. This medium-density residential site has a saleable area of approximately 252,000 square feet for 517 residential apartment units. Occupation permit and certificate of compliance was obtained in May and November 2022 respectively. In 2022, around 1% (in terms of number) of the residential units were pre-sold. Cumulatively, as at 31 December 2022, around 90% (in terms of number) of the residential units were sold. Around 88% (in terms of number) of the residential units were handed over to buyers with related revenue recognised in 2022.

The Group has a 85% interest in a medium-density residential site located at the junction of Fan Kam Road and Castle Peak Road – Kwu Tung, Fanling, New Territories. The site is adjacent to Fanling Golf Course and is within a 10-minute walk to Sheung Shui MTR station, with a gross floor area of approximately 284,000 square feet. The Group is the lead project manager, and lead sales and marketing manager for this project. Master planning and design work have commenced.

Joint venture projects

The Group has a 50% interest in a commercial complex site in Central, through the tender for H18C of the Gage Street/Graham Street project as put up by the Urban Renewal Authority. Advantageously located in the heart of the bustling Central financial hub, the site provides a gross floor area of up to 433,500 square feet to be developed into a Grade A office tower, a hotel, retail shops, as well as public open space with green facilities for the neighbourhood. The Group is the lead project manager and lead leasing manager for this project. The foundation work for the project has completed.

In September 2022, the Group won a government tender with 50% interest in a joint venture with another developer, for a residential site in Sha Tin. The site which enjoys the dual convenience of the East Rail and the Tuen Ma MTR transportation network, is walking distance to the Tai Wai and Hin Keng MTR stations. The site provides a gross floor area of approximately 89,000 square feet. The Group is the lead sales and marketing manager for this project.

Property Investment and Management

The property investment and management segment revenue excluding inter-segment sales was HK\$589 million in 2022, compared with HK\$597 million in 2021. Segment loss before taxation (including net valuation loss) was HK\$768 million, compared with segment profit of HK\$39 million in 2021, mainly due to higher valuation loss.

Excluding net valuation loss (2022 loss was HK\$1,129 million; 2021 loss was HK\$332 million), segment profit before taxation was HK\$355 million, compared with HK\$367 million in 2021.

As at 31 December 2022, the Group's portfolio of investment properties, mostly Grade A office buildings, has a total area of approximately 2,027,000 square feet with an aggregate attributable fair market valuation of around HK\$21,000 million. The portfolio covers 1,633,000 square feet in Hong Kong, 328,000 square feet in London and 6,200 square metres in Beijing.

Wholly-owned properties in Hong Kong

Landmark East is the Group's flagship property located in Kowloon East. This property is a Grade A office complex comprising twin towers of 36 floors and 34 floors respectively with a total gross floor area of approximately 1,338,000 square feet and 454 car parking spaces. As at 31 December 2022, the property achieved an occupancy of approximately 91%.

Shui Hing Centre is an industrial building in Kowloon Bay, with a gross floor area of approximately 187,000 square feet. As at 31 December 2022, the property achieved an occupancy of approximately 84%. Town Planning Board approval for redevelopment was obtained in April 2021.

The Group holds Le Cap and La Vetta, Kau To, Sha Tin, low-density residential projects, for leasing after distributions of unsold units to shareholders in 2020 and 2021 respectively. Le Cap has 16 residential units including houses and apartments, and 22 car parking spaces of approximately 36,000 square feet salable area. As at 31 December 2022, around 81% of the residential units (in terms of number) were leased. La Vetta has 34 residential units including houses and apartments, and 48 car parking spaces, of approximately 72,000 square feet saleable area. As at 31 December 2022, around 74% of the residential units (in terms of number) were leased.

Wholly-owned properties in London, the United Kingdom

The commercial property located at Savile Row/Vigo Street, West End, has a net internal area of approximately 14,000 square feet of Grade A office and retail space.

The commercial property located on Brook Street, West End, offers easy access to the upcoming Bond Street Station of London Crossrail and has a net internal area of approximately 19,000 square feet of Grade A office and retail space.

The commercial property located at Berkeley Square, West End, has a net internal area of approximately 7,900 square feet of Grade A office space.

As at 31 December 2022, the above three wholly-owned properties achieved an average occupancy of approximately 86%.

Joint venture properties in London, the United Kingdom

The Group has a 25% interest in a commercial property located on Fleet Place, the City. The property has a net internal area of approximately 192,000 square feet of Grade A office and retail space.

The Group has a 33% interest in a commercial property located at Cavendish Square, West End. The property has a net internal area of approximately 13,000 square feet of Grade A office space.

The Group has a 50% interest in a commercial property located at 30 Gresham Street, City of London. The property has a net internal area of approximately 404,000 square feet of Grade A office, retail space and ancillary accommodation, with 48 car parking spaces.

The Group has a 21% interest in a commercial property located at 66 Shoe Lane, City of London. The property has a net internal area of approximately 158,000 square feet of Grade A office, ancillary space and retail space. The office space is fully leased to a global Big Four accounting and professional services firm with tenors of 15 years (including rent-free periods) expiring on 28 September 2035.

As at 31 December 2022, the above four joint venture properties achieved an average occupancy of approximately 92%.

Wholly-owned property in Beijing, China

The Group has 33 residential units at Central Park, Beijing with a gross floor area of approximately 6,200 square metres. As at 31 December 2022, approximately 67% of the units (in terms of number) were leased.

Hospitality Investment and Management

The hospitality investment and management segment revenue was HK\$106 million in 2022, compared with HK\$69 million in 2021. Segment loss before taxation (including net valuation loss) was HK\$158 million in 2022, compared with HK\$50 million in 2021, mainly due to higher net valuation loss (2022 loss was HK\$153 million; 2021 loss was HK\$28 million).

Excluding net valuation loss, segment loss before taxation was HK\$5 million in 2022, compared with HK\$22 million in 2021.

Our wholly-owned Lanson Place Causeway Bay hotel in Hong Kong was adversely affected by the COVID pandemic since 2020. Revenue has improved after it operated as quarantine hotel to accommodate quarantined inbound travellers from November 2021 to September 2022. The hotel was closed down in October 2022 for refurbishment and upgrade.

Lanson Place Waterfront Suites, our wholly-owned prime harbour-front furnished residence in Sai Wan Ho, was held for leasing. Its occupancy remains stable during the pandemic.

The Group has a 50% interest in Lanson Place Bukit Ceylon in Kuala Lumpur. The relaxation of travel restrictions and quarantine measures in Malaysia since April 2022 has helped its performance gradually improved.

Others

This segment represents investing activities and central management and administrative expenses. Segment revenue was HK\$60 million in 2022, compared with HK\$56 million in 2021.

Segment loss before taxation (including net valuation gain) was HK\$8 million in 2022, compared with a segment profit of HK\$3 million in 2021.

Excluding net valuation gain, segment loss before taxation was HK\$20 million in 2022, a decrease of HK\$49 million, compared with segment profit before taxation of HK\$29 million in 2021 due to impairment provision for financial investments at amortised cost.

FINANCIAL REVIEW

The Group has been maintaining an appropriate capital structure with multiple financing channels to ensure that financial resources are always available to meet operational needs and expansions. A sufficient level of revolving banking facilities is available to cushion the Group from any unexpected external economic shocks. All financial risk management, including debt refinancing, foreign exchange exposure, and interest rate volatility, is centrally managed and controlled at the corporate level.

Liquidity and Financial Resources

The Group's net assets totalled HK\$27,327 million as at 31 December 2022 (31 December 2021: HK\$28,166 million). The decrease of HK\$839 million is mainly resulted from the distribution of the 2021 final dividend and 2022 interim dividend of HK\$366 million, distribution to holders of perpetual capital securities of HK\$86 million and the loss for the year of HK\$324 million.

As at 31 December 2022, the Group's bank and other borrowings totalled HK\$6,728 million (31 December 2021: HK\$6,804 million). The maturity profile of the Group's bank and other borrowings is set out below:

	31 December 2022		31 December 2021	
	HK\$ million	%	HK\$ million	%
Repayable:				
Within one year	2,551	38%	3,458	51%
Between one and two years	1,198	18%	1,345	20%
Between two and five years	2,979	44%	1,755	26%
After five years	-	0%	246	3%
	<u>6,728</u>	<u>100%</u>	<u>6,804</u>	<u>100%</u>

During the year, the Group completed a 5-year HK\$1,900 million syndicated loan facility with certain financial institutions to refinance the SGD170 million 10-year fixed rate bond matured in November 2022. As at 31 December 2022, the Group's gearing ratio is 16.4% (31 December 2021: 19.0%) which is calculated as the Group's net borrowings divided by total equity. The Group's net borrowings (total bank and other borrowings less bank balances and cash) were HK\$4,487 million (31 December 2021: HK\$5,339 million). Interest for the Group's bank borrowings is mainly on a floating rate basis while interest for the Group's bonds is on a fixed rate basis. The Group will closely monitor the exposure to interest rate fluctuations and, if appropriate, hedge by interest rate swap contracts to the extent desirable.

The Group's bank balances and cash as well as unutilised revolving loan facilities are set out as follows:

	31 December 2022	31 December 2021
	HK\$ million	HK\$ million
Bank balances and cash	2,241	1,465
Unutilised revolving loan facilities	<u>3,393</u>	<u>2,582</u>
	<u>5,634</u>	<u>4,047</u>

Foreign Currencies

The Group principally operates in Hong Kong, and as a result, has immaterial exposure to exchange rate fluctuations. The Group conducts its business mainly in Hong Kong dollars, and to a lesser extent UK pounds, Renminbi, Singapore dollars and Malaysia Ringgits. For transactions in foreign currencies, the Group will closely monitor the exposure and, if appropriate, hedge by local currency financing and other financial instruments to the extent desirable. In particular, exposure to investments in foreign operations in the United Kingdom is substantially covered by local currency financing and forward exchange contracts.

As at 31 December 2022, the Group's borrowings were 90% in Hong Kong dollars and 10% in other currencies mainly UK pounds. The borrowings in UK pounds were arranged with banks for operations in the United Kingdom. The Group maintains bank balances and deposits substantially in Hong Kong dollars.

Contingent Liabilities

As at 31 December 2022, the Group had contingent liabilities of HK\$4,944 million (31 December 2021: HK\$5,260 million) in respect of guarantees given by the Company for banking facilities granted to certain joint ventures. The guarantees were given severally and in proportion to the Group's equity interests in the joint ventures.

Pledge of Assets

As at 31 December 2022, the Group's advances to joint ventures of HK\$2,873 million (31 December 2021: HK\$2,890 million) were subordinated to the loan facilities of joint ventures and assigned. The shares in these joint ventures beneficially owned by the Group are pledged to the financial institutions.

As at 31 December 2022, several of the Group's investment properties, properties for sale, financial assets at amortised cost and other properties, plant and equipment with carrying values of HK\$4,681 million, HK\$2,740 million, HK\$257 million and HK\$34 million, respectively, were pledged to secure credit facilities for the Group.

PROSPECTS

We expect the global and Hong Kong economy to remain challenging in 2023, clouded by uncertainties from continued geopolitical tensions, interest rate hikes and inflation. The Group remains cautious on our business outlook for 2023.

Ever since the re-opening of the China border in January and removal of all pandemic measures in Hong Kong in March, the primary residential market sentiment has improved with more sale launches and transactions recorded in February. We believe demand for mass market residential property will remain solid, particularly from first-time home buyers, supported by low unemployment rate, unresolved property supply shortage, easing policies on home mortgage and still affordable mortgage interest rate. We will continue the sale of the remaining units of the "Upper Gold Coast" series.

For our commercial properties, we are confident that overall occupancy rates will remain stable and will improve when multi-national corporations and Mainland corporations gradually resume their business operations in Hong Kong to normal. However, we believe the drop in rental level of Landmark East will continue against a sizeable pipeline of new office supply in Kowloon East.

With a healthy balance sheet and diversified asset portfolio, supported by solid financing capabilities, the Group will stay vigilant against market fluctuation. We will continue to focus on improving the performance of our business operations while prudently and diligently capturing suitable investments should opportunities arise.

KEY RISKS AND UNCERTAINTIES

The Group's business, financial conditions or results of operations are affected by a number of key risks and uncertainties outlined below. There may be other risks or uncertainties, including those which are not known to the Group or which the Group currently deems to be immaterial but may affect the Group in future.

Business Risks

Property development

A majority of the Group's assets are located in, and a majority of the Group's revenue is derived from Hong Kong. As a result, the general state of Hong Kong and the property market, the interest rate changes and the political and legal situations in Hong Kong may have a significant impact on the Group's operating results and financial condition.

The Group's activities on its development properties are also subject to various laws and regulations of Hong Kong. Developing properties, refurbishment and other re-development projects require government permits. The government may introduce property cooling measures from time to time which may have a significant impact on the property market and may adversely affect the Group's property sales performance and financial condition.

Property investment and hospitality business

Financial performance may be materially and adversely affected in the event of a decline in rental or occupancy levels, or difficulties in securing lease renewals or obtaining new tenants. The Group cannot be assured that existing tenants will renew their leases upon expiration or that the Group will be able to find replacement tenants at rental rates equal to or above the current rental rates for tenancies.

CORPORATE SOCIAL RESPONSIBILITY

Employees

As at 31 December 2022, the Group had approximately 360 employees. The Group offers comprehensive remuneration and benefit packages to our employees, which are structured according to prevailing salary levels in the market, individual merit and performance. The Group has a mandatory provident fund scheme and an occupational retirement scheme to provide retirement benefits to all employees in Hong Kong. The Group also provides training programmes for employees.

Employees, including directors, are eligible for the Company's share option plan where the share options are generally exercisable by phases within ten years.

Communities

The Group takes pride in being an outstanding member of the communities in which it operates. As such, the Group has introduced a number of initiatives under its Corporate Social Responsibility mission and shall continue to seek innovative and meaningful ways to engage its employees and associates in building stronger and more vibrant communities in which it operates.

The Group's 2022 activities covered the followings:

- Red Packet Collection for Re-use
- Donation to Tung Wah Chu Sau Cheung Nursing Home
- Donation of sanitisation materials to the Hong Kong Society for the Blind
- Donation of fitness equipments to schools

Environment

The Group established the environmental policy addressing environmental issues. For details, please refer to Environmental, Social and Governance Report, which is available on the websites of the Company and the Hong Kong Exchanges and Clearing Limited together with the 2022 annual report.

Compliance with Laws and Regulations

The Group is committed to complying with all relevant rules and regulations issued by the Government of the Hong Kong Special Administrative Region in relation to construction of properties, sales of properties, property management and employees, etc. The Group also holds relevant required licences for the provision of hospitality services. Relevant employees are trained to any changes in the applicable laws, rules and regulations from time to time.

Relationship with Suppliers

The selection of major suppliers or contractors is conducted through tendering process in all the Group's segments. The Internal Audit Department of the Group regularly reviews the procurement and tendering procedures to ensure that the processes are conducted in an open and fair manner.

Relationship with Customers

For our residential development projects, the Group has comprehensive hand-over procedures to ensure delivery of quality products to our customers.

For our commercial and residential estate management and hospitality management, the Group obtains regular feedback from customers in order to enhance quality of services.

OTHER INFORMATION

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with regulatory requirements, including the requirements under the Listing Rules.

The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the financial year ended 31 December 2022.

The Directors sorrow for the demise of Mr. Cheng Hoi Chuen, Vincent ("Mr. Vincent Cheng") on 28 August 2022. Mr. Vincent Cheng had been an independent non-executive director and the Chairman of the Nomination Committee of the Company since 2013. He had made invaluable contributions to the Company during his tenure of office. Following the demise of Mr. Vincent Cheng, (i) the number of independent non-executive directors of the Company fell short of the minimum number required under Rule 3.10A of the Listing Rules, (ii) the position of Chairman of the Nomination Committee had become vacant which did not meet the requirement under Rule 3.27A of the Listing Rules, and (iii) the number of independent non-executive directors in the Nomination Committee did not meet the requirement under Rule 3.27A of the Listing Rules. The Company was required by Rule 3.11 of the Listing Rules to appoint an independent non-executive director on or before 28 November 2022. With effect from 21 November 2022, Mr. Ng Tak Wai, Frederick, has been re-designated from a non-executive director of the Company to an independent non-executive director of the Company (the "Re-designation") and Mr. Simon Murray has been appointed as a member and the Chairman of the Nomination Committee. Following the Re-designation and change of the members of the Nomination Committee. The Company has since then re-complied with the requirements under Rules 3.10A and 3.27A of the Listing Rules.

REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2022, including the accounting principles and practices adopted by the Group.

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

The 10-year fixed rate (4.25% per annum) bond of Singapore dollars 170 million (listed on Singapore Exchange Securities Trading Limited) issued on 29 November 2012 under the US\$1 billion Medium Term Note Programme of Wing Tai Properties (Finance) Limited (a wholly-owned subsidiary of the Company) and guaranteed by the Company was fully redeemed at its principal amount on 29 November 2022.

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

ANNUAL REPORT

The 2022 annual report containing all the financial and other related information of the Company required by the Listing Rules will be published on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.wingtaiproperties.com and copies thereof will be dispatched to shareholders of the Company on or about 25 April 2023.

By Order of the Board
WING TAI PROPERTIES LIMITED
Chung Siu Wah, Henry
Company Secretary & Group Legal Counsel

Hong Kong, 23 March 2023

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

Executive Directors:

Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward, Cheng Man Piu, Francis, Chow Wai Wai, John and Ng Kar Wai, Kenneth

Non-Executive Directors:

Kwok Ping Luen, Raymond (Kwok Ho Lai, Edward as his alternate), Hong Pak Cheung, William and Chen Chou Mei Mei, Vivien

Independent Non-Executive Directors:

Simon Murray, Yeung Kit Shing, Jackson, Haider Hatam Tyebjee Barma, Lam Kin Fung, Jeffrey and Ng Tak Wai, Frederick