
Media Information

Commenting on the Group's developments in 2022, Guy Bradley, Chairman of Swire Pacific said, "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.

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.

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.

On the Group's prospects in 2023, Mr Bradley said, "Despite the uncertainty caused by inflation and geopolitical tension, 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. Growing our core businesses remains our prime focus."

The divisional highlights of the 2022 Annual Results are at the Appendix.

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Appendix - Divisional Highlights of Swire Pacific 2022 Annual Results:

Property Division

- Attributable underlying profit, which principally adjusts for changes in valuation of investment properties, decreased to HK\$7,099 million in 2022 from HK\$7,776 million in 2021. The decrease mainly reflected the reduction in profit from the sale of car parking spaces in Hong Kong.
- Attributable recurring underlying profit, which excludes the profit from divestments aggregating HK\$1,255 million (HK\$1,959 million in 2021), was HK\$5,844 million in 2022, compared with HK\$5,817 million in 2021.
- 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.
- 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.
- The hotel businesses in Hong Kong and the Chinese Mainland were adversely affected by COVID-19 associated travel restrictions. The hotels in the USA performed better.

Beverages Division

- Swire Coca-Cola made an attributable profit of HK\$2,392 million in 2022, a 6% decrease from 2021. The results were adversely affected by COVID-19 related measures in the Chinese Mainland, Hong Kong and Taiwan, partly offset by a strong performance in the USA.
- Total revenue (including that of Shanghai Shen-Mei and excluding sales to other bottlers) increased by 4% to HK\$54,727 million.
- Sales volume decreased by 3% to 1,828 million unit cases.
- In the Chinese Mainland and Hong Kong, revenue and volume declined. Revenue and volume grew in Taiwan. In the USA, revenue increased and volume was unchanged.

Aviation Division

Cathay Pacific Group

- 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.

HAECO Group

- 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.

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**Following a change in accounting policy resulting from the agenda decision approved by the IFRS Interpretation Committee on "Lessor Forgiveness of Lease Payments (IFRS 9 and IFRS 16)", the 2021 comparative figures have been restated.*

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About Swire Pacific Limited

Swire Pacific (HKEX: 00019/00087) is a Hong Kong-listed international conglomerate with a diversified portfolio of market leading businesses. The company has a long history in Greater China, where the name Swire or Taikoo (太古) has been established for over 150 years. Swire Pacific's strategy is focused on Greater China and South East Asia, where we seek to grow our core businesses of Property, Beverages, and Aviation, as well as new areas of growth such as healthcare and sustainable foods. Swire Pacific is the largest shareholder in two other listed companies in Hong Kong: Swire Properties Limited and Cathay Pacific Airways Limited. Swire Pacific is listed on the Hang Seng Corporate Sustainability Index, Dow Jones Sustainability Asia Pacific Index and MSCI All Country World Index (ACWI) ESG Leaders Index.

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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.