SWIRE PACIFIC

2016 Annual Results
Analyst Briefing

16th March 2017 | Hong Kong

Agenda

- Welcoming Remarks and Highlights

  John Slosar, Chairman

- Financial Performance & Business Review
- Capital Allocation Strategy

  Martin Cubbon, Corporate Development & Finance Director

- Outlook

  John Slosar, Chairman

- Q&A

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Welcoming Remarks and Highlights

John Slosar, Chairman

2016 Business Environment

Although rate of GDP growth continued to decline, retail consumption and other services industries grow strongly

Recovering oil price but still weak

Stagnant global trade, subdued investment and heightened policy uncertainty …. USD strength

… resulting in a year of significant restructuring activity across the group

Performance Highlights

HK$3,063m

Underlying Profit
(v. 2015)

-69%

HK$2.10

Dividend per 'A' share
(v. 2015)

-46%

HK$149.50

Equity attributable to the Company's shareholders per 'A' share
(v. Dec 15)

+3%

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Financial Performance & Business Review

Martin Cubbon,

Corporate Development & Finance Director

How our Businesses Performed in 2016

Weakness in retail sales in Hong Kong offset by resilient performance in remainder of property investments.

Fewer residential units for sale in Hong Kong, offset by handover of units in the USA.

Difficult operating environment, fierce competition stemming from significant capacity growth impacting revenues for passenger and cargo business.

Better results from HAECO's engine repair and line service businesses, offset by HAECO Americas impairment.

1st half weak demand for beverages in China.

Existing and new USA territories performing well.

Hong Kong & Taiwan slightly down on volume, little change in profits.

Realignment in China underway and regulatory approval received

Weak demand and continued oversupply of vessels impacting utilisation and charter hire rates.

Further impairment of fleet HK$2,313m.

Cost control measures including disposal and stacking of vessels implemented.

Overall lower profit due to weaker retail sales and increased start-up costs in the cold storage business.

Underpinned by stable Akzo Nobel results.

Management Actions:

Optimise Hong Kong retail tenant mix and capture robust demand in Mainland China

Strive to build a faster, leaner and simpler organisational structure, with strategic review underway

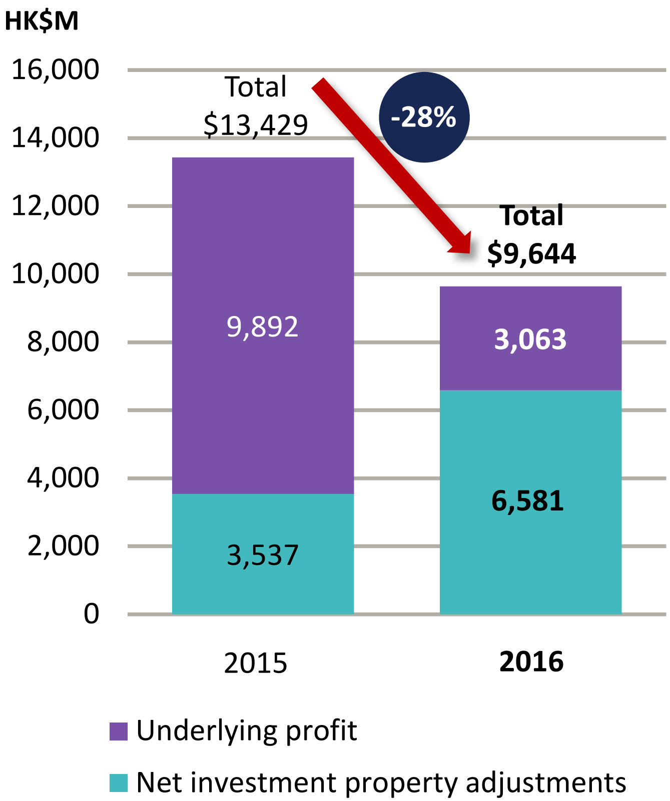
Replicate best-in-class practice across acquired territories and capture growing consumer demand

Continued focus on implementing cost control measures and development of new services

Continue to expand and upgrade the number of bakeries and pursue revenue growth from new customers in cold storage in Mainland China

Financial Summary

Attributable Profit



Revenue (+2%)
2015: HK$60,885m
2016: HK$62,389m

Underlying Profit (-69%)
2015: HK$9,892m
2016: HK$3,063m

Dividends Per Share (-46%)
2015:
HK$3.90 per 'A' share
HK$0.78 per 'B' share
2016:
HK$2.10 per 'A' share
HK$0.42 per 'B' share

Cash Generated from Operations (+3%)
2015: HK$14,362m
2016: HK$14,864m

Net Debt (+7%)
Dec 2015: HK$59,584m
Dec 2016: HK$64,046m

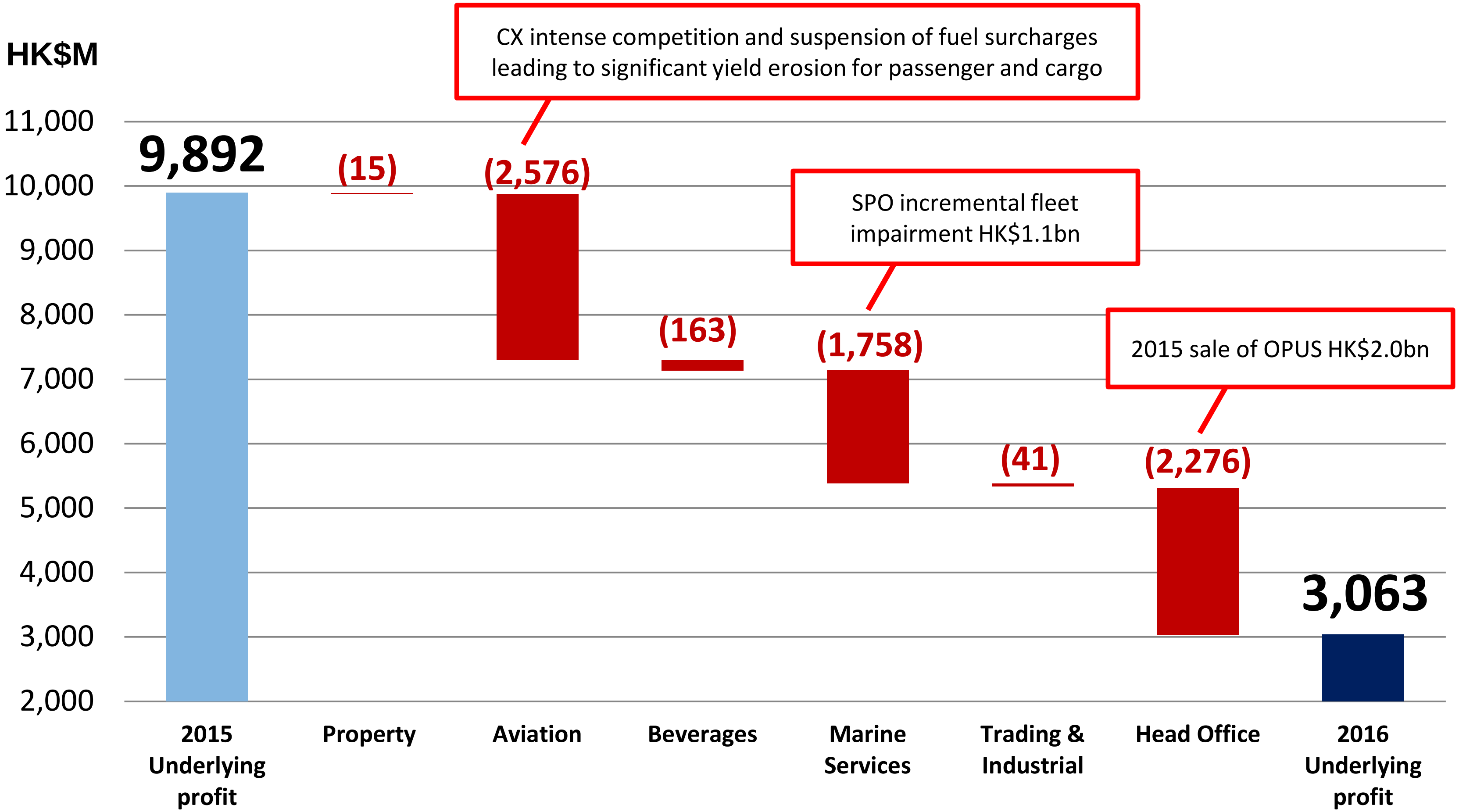
Gearing Ratio (+0.9% pts)
Dec 2015: 22.6%
Dec 2016: 23.5%

Equity Attributable to the Company's Shareholders (+3%)
Dec 2015: HK$218,449m
Dec 2016: HK$224,879m

Note : Underlying profit principally adjusts for changes in the valuation of investment properties.

Financial Summary

Movement in Underlying Profit



Financial Summary

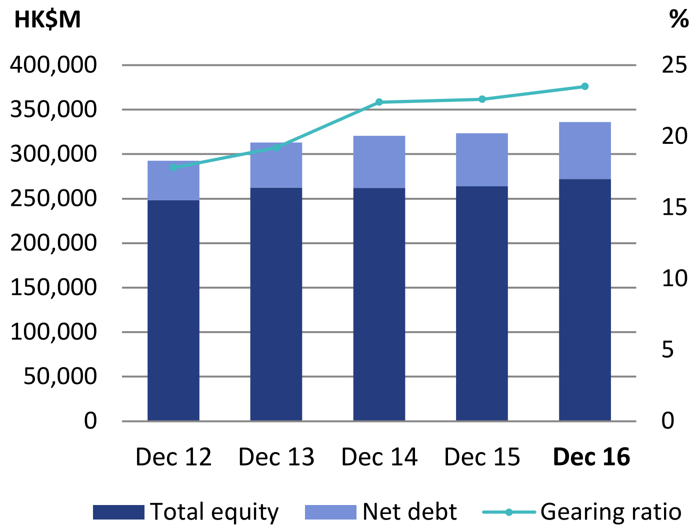
Financing

	Dec 12	Dec 13	Dec 14	Dec 15	**Dec 16**
Net debt (HK$M)	44,254	50,505	58,624	59,584	**64,046**
Gearing (%)	17.8%	19.2%	22.4%	22.6%	**23.5%**
Interest cover (underlying) – times	6.7	5.5	6.1	5.4	**3.0**
Cash interest cover (underlying) – times	5.4	4.5	4.9	4.6	**2.6**
Liquidity – Committed funds & cash available (HK$M)	22,352	30,806	23,876	31,125	**30,141**

Net Debt Reconciliation

	HK$Bn
Net debt at 1st January 2016	59.6
Cash from operations	(14.9)
Net dividend paid	4.0
Capex and net investments	11.0
Net interest paid	2.3
Tax paid	2.0
Net debt at 31st December 2016	**64.0**

Gearing Ratio

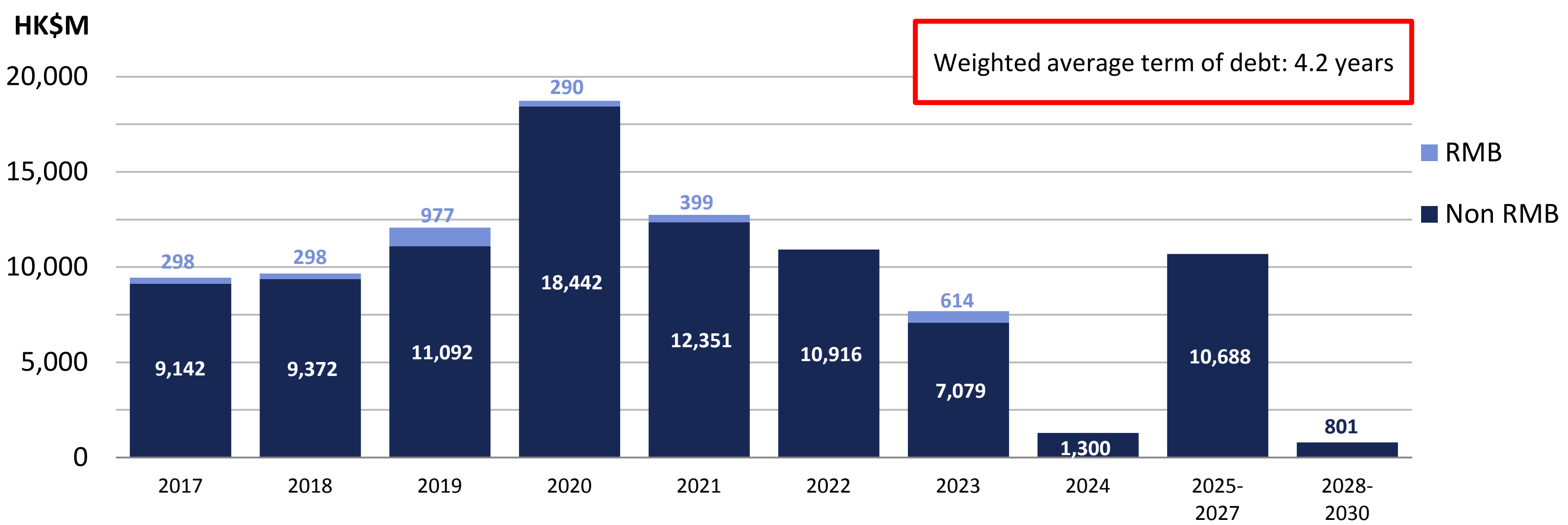


Financial Summary

Liquidity

	Dec 15 HK$M	**Dec 16 HK$M**	**Change %**
Bank balances and short-term deposits	8,985	**6,477**	-28%
Total undrawn facilities			
- Committed	22,140	**23,664**	+7%
Group committed liquidity	31,125	**30,141**	-3%
- Uncommitted	9,387	**9,027**	-4%
Group total liquidity	40,512	**39,168**	-3%

Refinancing Profile at 31st December 2016



Property

Results Highlights

HK$M (100% basis)	2015	2016	Change %
Attributable profit	14,017	**15,069**	+8%
Underlying profit	7,062	**7,043**	0%
Valuation gains on investment properties	7,067	**8,445**	+19%

HK$M (82% share)	2015	2016	Change %
Attributable profit	11,494	**12,357**	+8%
Underlying profit	5,791	**5,776**	0%

Key Highlights

- Little change in the underlying profit. 2015 results included the loss on disposal of 4 UK hotels of HK$229m.
- Rental income was in line with 2015, good performance in Mainland China and the USA, offset by lower rental from Hong Kong (lower retail but stronger office rental despite the loss of rental from Taikoo Place redevelopment).
- There were positive reversions at Taikoo Place and Cityplaza offices. Pacific Place offices were 100% occupied.
- Lower retail sales at Pacific Place Mall and Cityplaza due principally to lower number of visitors to HK.
- Higher profit from property trading, principally reflecting the sale of residential units in the USA (Reach and Rise), although lower units sold in Hong Kong.
- Kowloon Bay Investment Property development conditionally sold for HK$6,528m. Completion is expected by Dec 2018 with profit recognition in that year.

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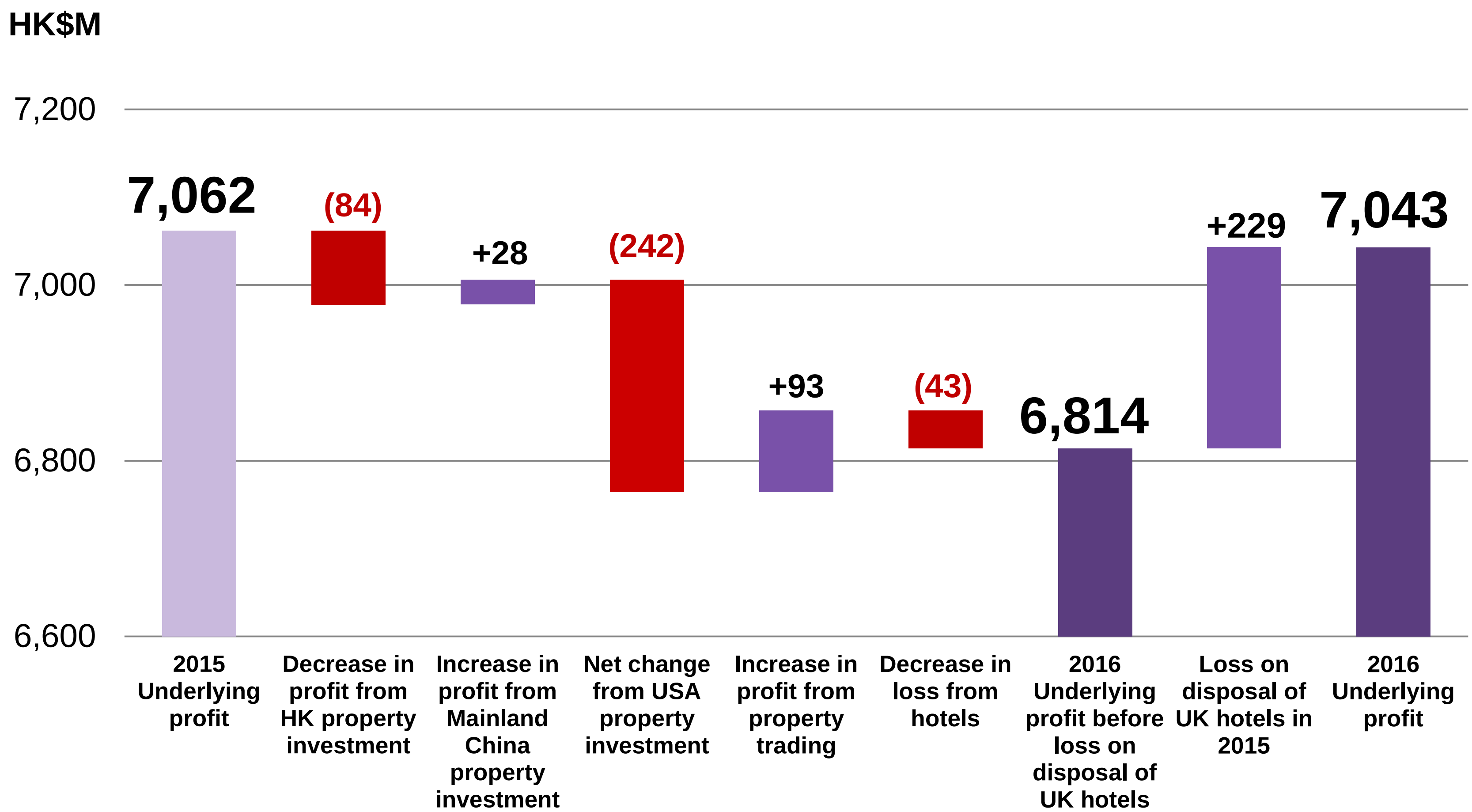
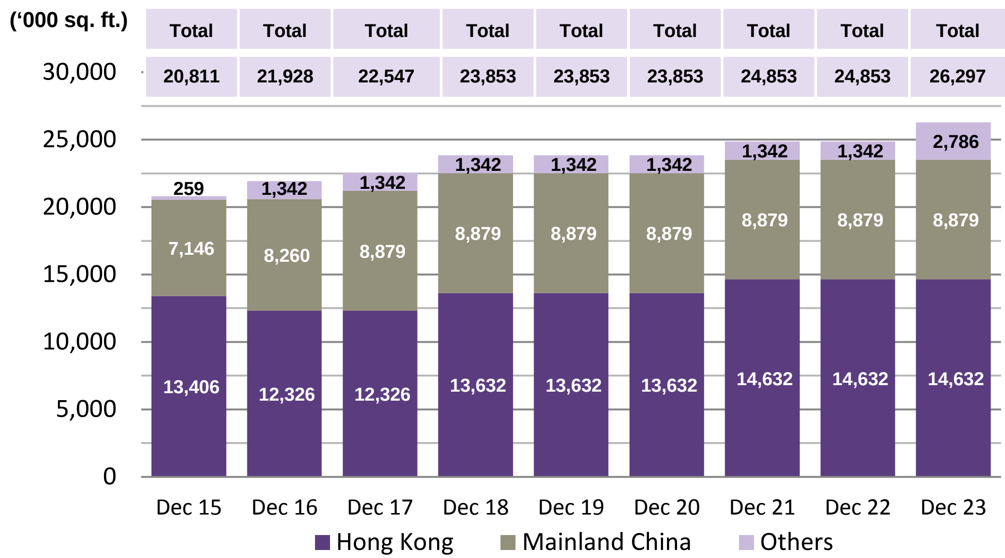
Movement in Underlying Profit (100% basis)



Future Developments

Completed Principal Property Investment Portfolio*



* Gross floor area represents 100% of space owned by Group companies and the division's attributable share of space held by joint venture and associated companies.

Projects	Expected completion date
Hong Kong	
Tung Chung Town Lot No.11	2018
Taikoo Place Redevelopment (One Taikoo Place)	2018
8-10 Wong Chuk Hang Road	2018
Taikoo Place Redevelopment (Two Taikoo Place)	2021 / 2022
Mainland China	
HKRI Taikoo Hui, Shanghai	2016 / 2017
USA	
Brickell City Centre	2016 / 2023

Profile of Capital Commitments** – for Investment Properties and Hotels at 31st December 2016

(HK$M)	Expenditure	Forecast period of expenditure				Commitments
	2016	2017	2018	2019	2020 & later	**2016**
Hong Kong	**5,549**	5,673	2,747	1,750	5,541	**15,711**
Mainland China	**1,070**	1,087	567	181	47	**1,882**
USA and others	**950**	360	255	67	53	**735**
Total	**7,569**	**7,120**	**3,569**	**1,998**	**5,641**	**18,328**

**Including the division's share of the capex and capital commitments of its joint venture companies.

Prospects

Property	Opportunities	Challenges
Aviation	▪ High occupancy of office space in Hong Kong is likely to continue to underpin rents, despite increased supply in Kowloon East.	▪ The demand for space from Hong Kong retailers dependent on tourism is likely to remain weak. Changing consumer preferences are necessitating changes to our tenant mix.
Beverages	▪ Retail rentals are expected to continue to grow in Mainland China and the USA.	▪ Trading conditions for our hotels are expected to remain difficult in 2017.
Marine Services	▪ Trading profits are expected to be recognised upon handover of pre-sold units at ALASSIO and sales of units at WHITESANDS in Hong Kong, and sales of units at Reach and Rise in Miami, USA.	▪ Expectations of a rise in interest rates could impact demand.
Trading & Industrial		

Aviation

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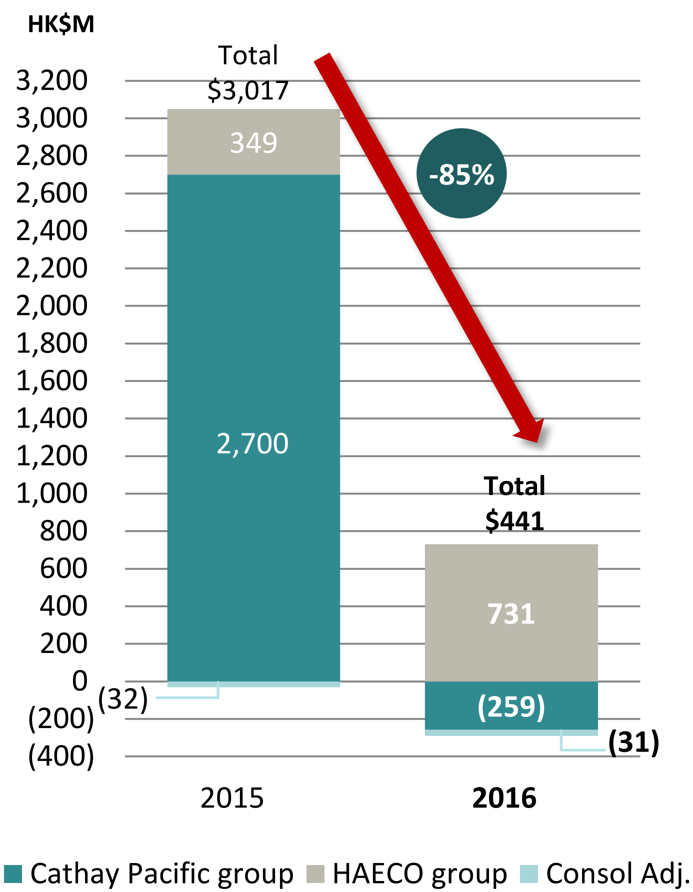
Results Highlights

Attributable Profit



Key Financial Data

	2016 HK$M	Change %
HAECO group		
Revenue	13,760	+14%
Operating profit	127	-69%
Attributable profit	731	+109%
Share of post-tax profits from an associated company		
Cathay Pacific group	(259)	-110%

Cathay Pacific Group Highlights

Key Highlights

- Competing capacity from the Middle East, Mainland China as well as low cost carriers put intense downward pressure on passenger yield. Premium class demand has also weakened, particularly on long haul routes.
- Significant over-capacity in the air cargo market and the suspension of fuel surcharges reduced cargo yield.
- Net fuel costs decreased reflecting a 21% decrease in average fuel prices, partially offset by continuing hedging losses.
- Contribution from subsidiaries and associated companies increased due to higher profits from Air China and Air China Cargo.

Key Financial Data

CX group (100% basis)

	2016 HK$M	Change %
Revenue	92,751	-9%
Passenger services	66,926	-8%
Cargo services	20,063	-13%
Others	5,762	-7%
Net fuel cost	27,953	-15%
Share of profits from subsidiaries and associates	2,788	+15%
Attributable (loss)/profit	(575)	-110%

Key Operating Statistics

	2016	Change %
Available tonne kilometres (ATK) (‘M)	30,462	+1%
Revenue passengers carried (‘000)	34,323	+1%
Passenger yield (HK¢)	54.1	-9%
Cargo and mail carried (Tonnes ‘000)	1,854	+3%
Cargo and mail yield (HK$)	1.59	-16%

HAECO Group Highlights

Key Highlights

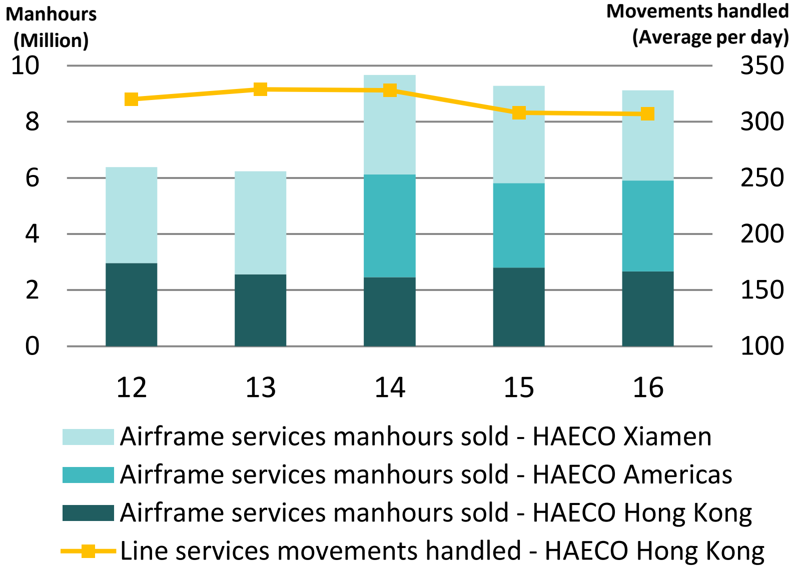
- A net gain of HK$783m realised on sale of HAESL's interest in SAESL in Jun 16. At the same time, an additional 5% interest in HAESL was acquired.
- Better performance from line services in Hong Kong and engine repair work at HAESL and TEXL, offset by a higher loss in HAECO Americas.
- An impairment charge of HK$285m was made against the goodwill on the acquisition of HAECO Americas (TIMCO), and of HK$39m in respect of the plant and machinery in HAECO Landing Gear Services (Xiamen JV).
- Disregarding the disposal gain and impairment charges, HAECO group's attributable profit was 8% better than 2015.

Key Financial Data

Attributable Profit/(Loss) (100% basis)

	2016 HK$M	Change %
HAECO Hong Kong	172	+3%
HAECO Americas	(523)	-231%
HAECO Xiamen	94	+36%
TEXL	196	+32%
HAESL and SAESL	1,023	+427%
Others	13	-70%
Total	975	+110%

Key Operating Statistics



Prospects

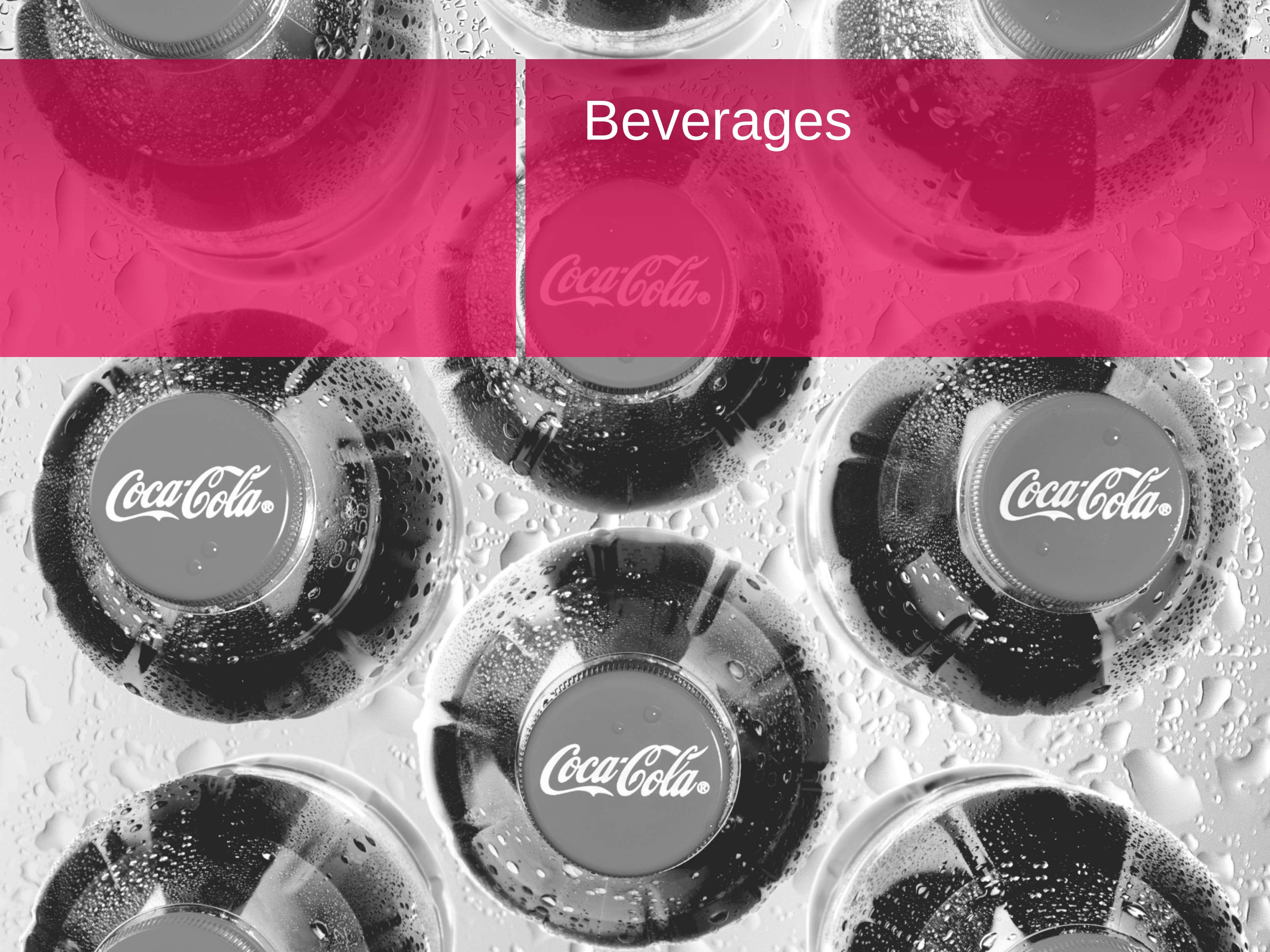
Opportunities

- CX deployment of additional fuel efficient A350 aircraft will allow new revenue generating routes to open.
- Corporate transformation underway at CX with the intent of generating new streams of revenue, better serving the customer and doing so at a competitive cost.
- Demand for HAECO Hong Kong's line services is expected to be firm.
- Demand for HAECO Americas' airframe services & seats sold is expected to improve.
- HAECO Xiamen's airframe services is expected to improve.
- TEXL's engine output is expected to be stable.

Challenges

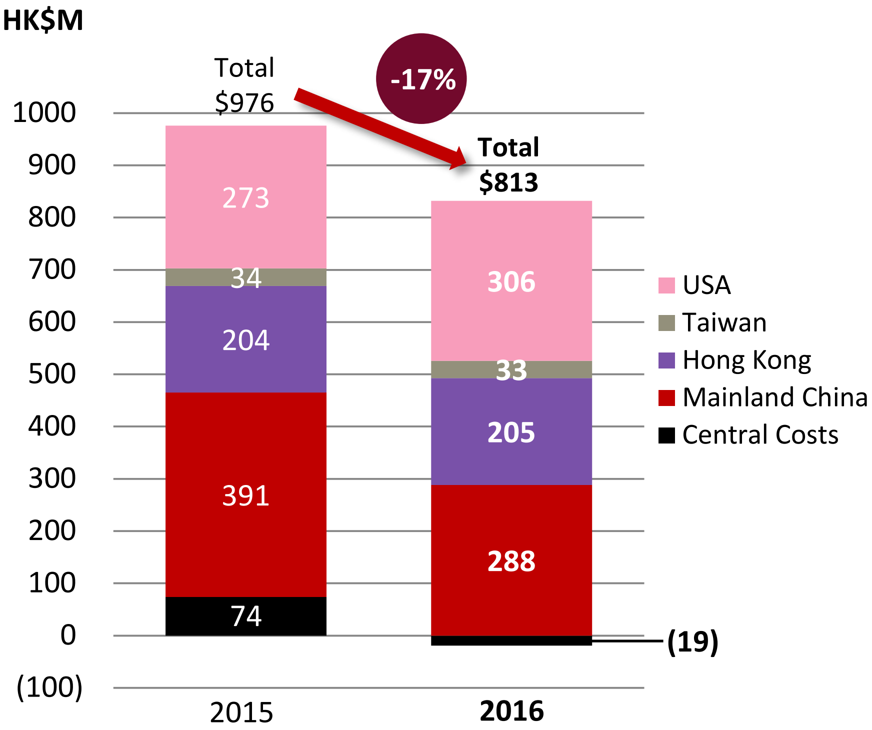
- CX expects its business to continue to face challenges posed by relatively weak demand in long haul premium class travel, strong competition, the strength of the US$/HK$ and overcapacity in the cargo market.
- Further fuel hedging losses are expected at CX in 2017, albeit lower than 2016.

Beverages



Results Highlights

Attributable Profit



Note : Central costs include gains on disposal of available-for-sale investments of HK$11m (2015: HK$103m).

Key Financial Data

	2016 HK$M	Change %
Operating profit	1,003	-14%
Share of post-tax profits from joint venture and associated companies	218	-17%
Attributable profit	813	-17%

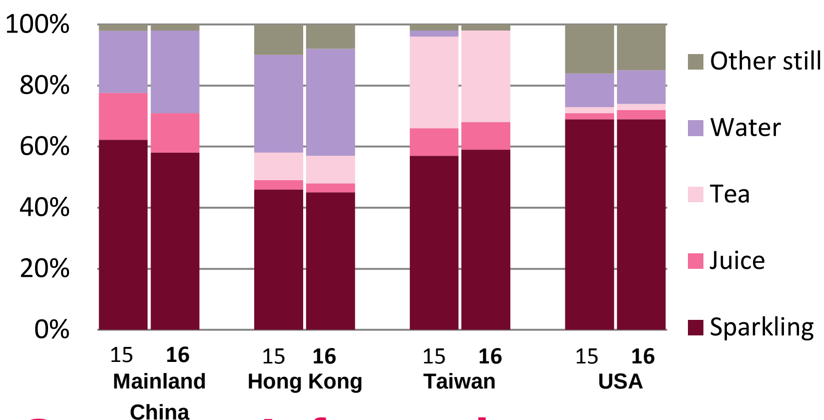
Key Highlights

- Overall sales volume grew by 2%.
- USA benefitted from the inclusion of sales in Arizona and New Mexico from Aug 2016.
- Mainland China 1H volume declined -9% but grew +5.5% in 2H. Revenue per unit case fell due to sales mix (principally water for juice) and promotional pricing. The result includes realignment transaction costs of HK$67m – adjusting for this gives an attributable profit of HK$355m.
- Hong Kong and Taiwan's results were in line with last year despite a marginal volume drop, helped by new product launches and lower raw material costs.

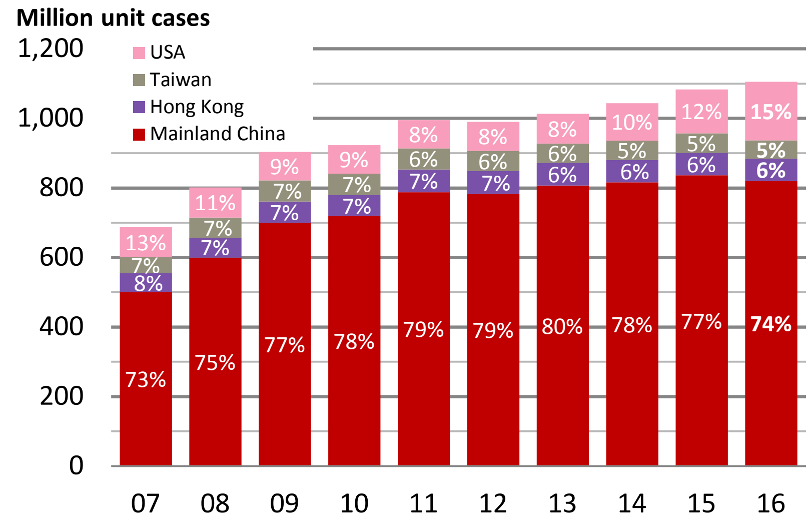
Volume Analysis

- Overall sales volume increased by 2% to 1,105 million unit cases, compared with an increase of 4% in 2015.

Volume Analysis by Franchise Territory



Volume Progression



Segment Information

Mainland China		
Revenue*	**Attributable Profit**	**Sales Volume***
(-13%) **HK$14,353m**	(-26%) **HK$288m**	(-2%) **820m u/c**

Hong Kong		
Revenue	**Attributable Profit**	**Sales Volume**
(+1%) **HK$2,212m**	(0%) **HK$205m**	(-1%) **64m u/c**

Taiwan		
Revenue	**Attributable Profit**	**Sales Volume**
(-5%) **HK$1,323m**	(-3%) **HK$33m**	(-5%) **53m u/c**

USA		
Revenue	**Attributable Profit**	**Sales Volume**
(+34%) **HK$8,013m**	(+12%) **HK$306m**	(+33%) **168m u/c**

Prospects

Opportunities

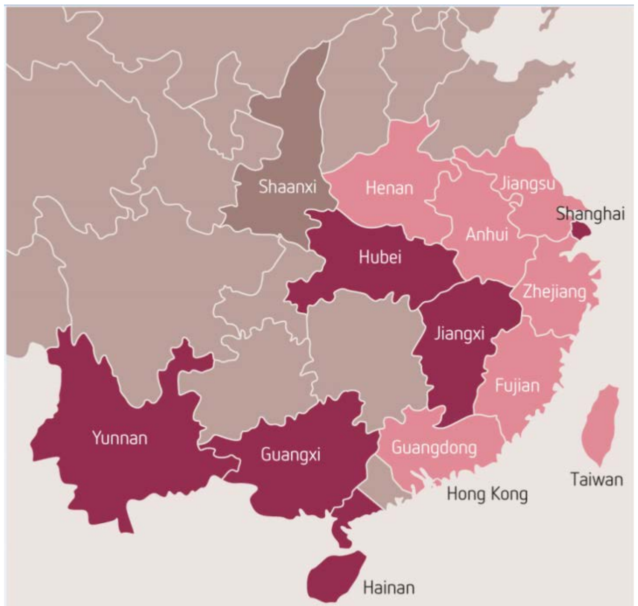
- In the USA, the beverages market is expected to grow moderately in 2017. Sales of energy drinks and water are expected to continue to grow.
- Additional profits will be earned from the acquisition of additional bottling territories in the Pacific Northwest, of which the acquisition of Washington was completed in Feb 2017.
- In Nov 2016, Swire Beverages conditionally agreed to acquire from Coke and China Foods additional territory rights for the realignment of Coke Bottling System in Mainland China. Completion is expected in 1H 2017, increasing franchised population from 31% to 49%.

Challenges

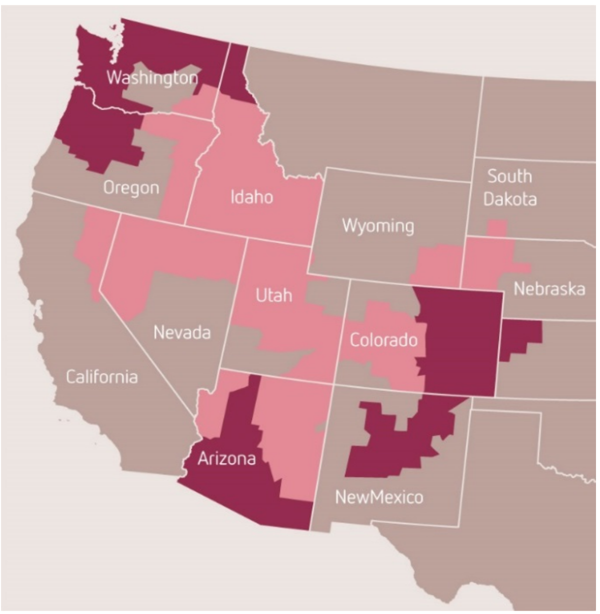
- Sales volume in Mainland China is expected to grow modestly in 2017. Whilst costs are expected to increase, a better sales mix, new product launches and improved market execution should offset this.
- The businesses in Hong Kong and Taiwan are expected to remain soft in the face of raw material and labour cost pressure. Production capacity constraints at the Hong Kong plant will also affect its performance.

Expansion in Mainland China and USA

Greater China



USA



Legacy
Expansion
To be disposed

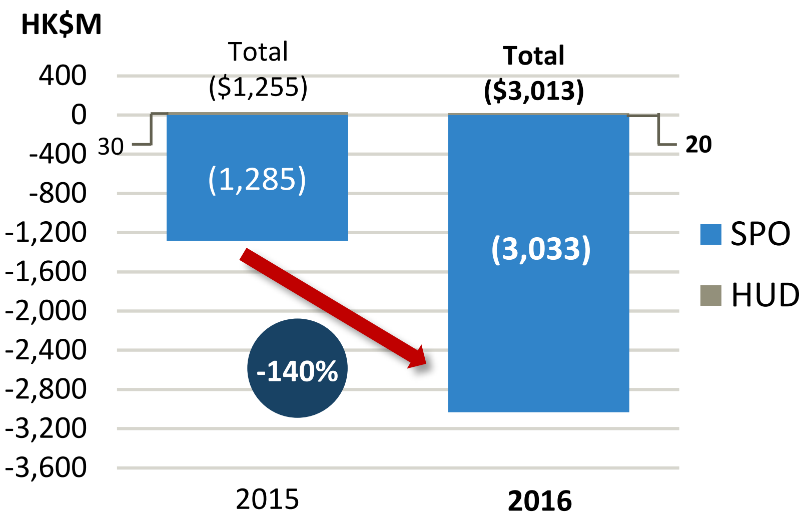
	Pre	Post	Increase in Scale
Consumers served	449m	708m	+58%
Unit cases	1B	1.6B	+60%
Employees	20,000	31,000	+55%
Revenues	HKD24Bn	HKD40Bn	+67%

Note: all figures are with reference to 2015 actuals

Marine Services

Results Highlights

Attributable Loss



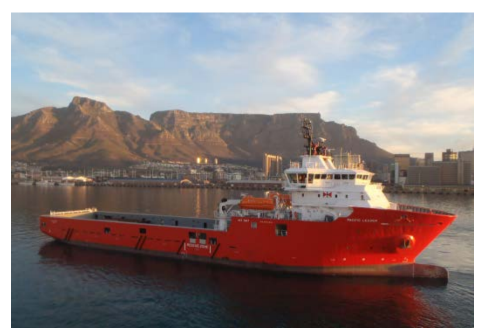
Key Highlights

- Low oil prices continue to adversely affect exploration and production activity. An oversupply of vessels has kept utilisation and day rates under pressure.
- Cost control measures continue to be implemented; SPO disposed of 12 vessels and seven vessels were in cold stack at 31 Dec 2016.
- New vessels scheduled for delivery in 2016 & 2017 (3 PSVs in each year) have been deferred to 2017 & 2018, respectively.

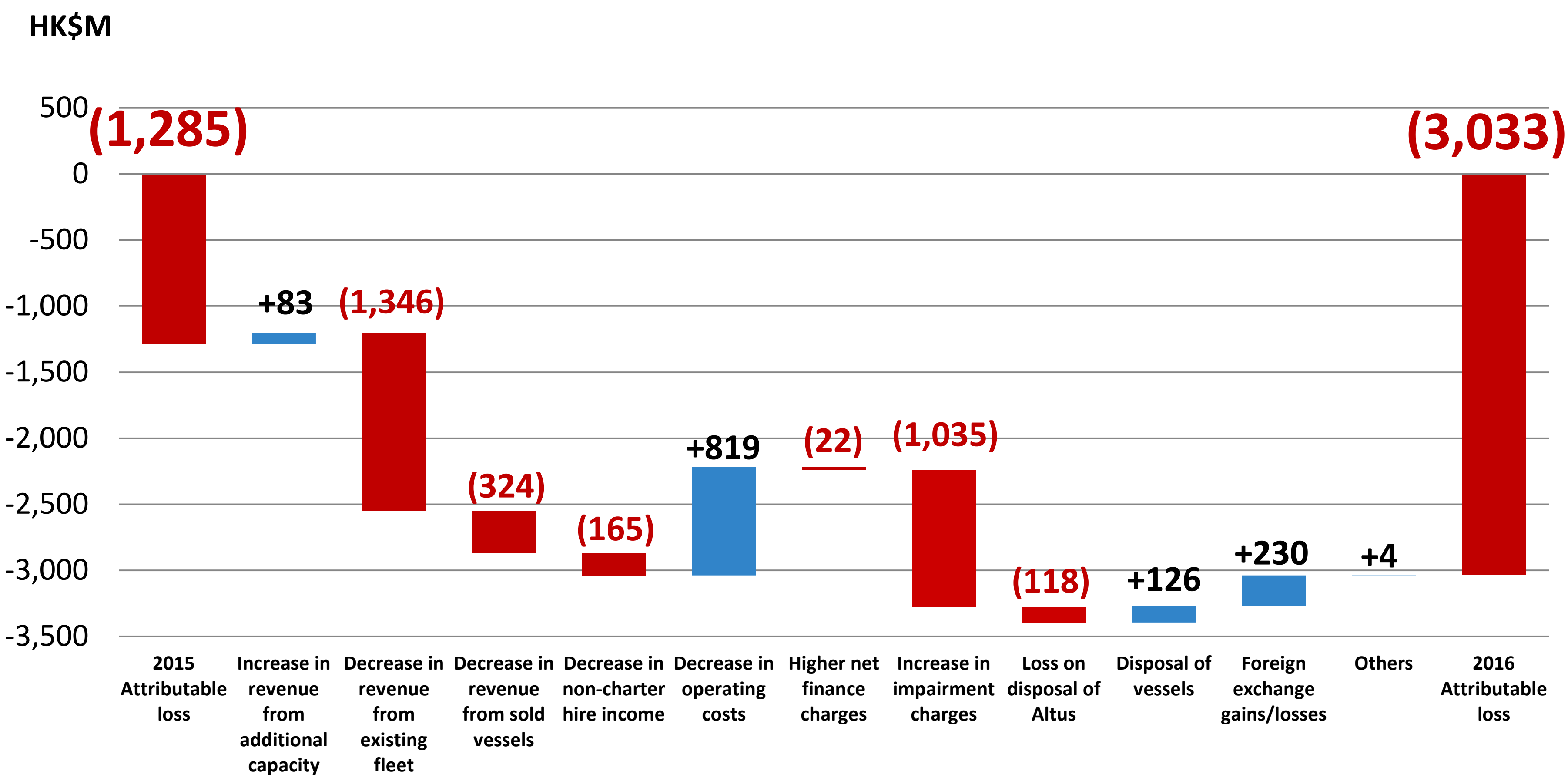
Key Financial & Operating Data

Swire Pacific Offshore group

	2016 HK$M	Change %
Revenue	4,238	-29%
Operating loss	(2,596)	-207%
Attributable loss	(3,033)	-136%
Average daily charter hire rates	USD23,100	-15%
Average fleet utilisation rate	63.4%	-11.5%pts



SPO – Movement in Attributable Loss



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SPO Capital Expenditure

SPO Fleet Size

Vessel class	2015	Additions 2016	Disposals 2016	Year-end 2016	Vessels expected to be received in: 2017	Vessels expected to be received in: 2018
Anchor Handling Tug Supply Vessels (AHTSs)	40	-	6	**34**	-	-
Large Anchor Handling Tug Supply Vessels	23	-	4	**19**	-	-
Platform Supply Vessels (PSVs)	12	-	3	**9**	3	3
Large Platform Supply Vessels	8	-	-	**8**	-	-
Construction and Specialist Vessels (CSVs)	9	2	-	**11**	-	-
Total	92	2	13	**81**	3	3

Note: SPO's fleet as at 31st December 2015 included one PSV and one CSV chartered from external parties. The PSV was redelivered to its owner during the year and is included as a disposal above. SPO's fleet as at 31st December 2016 included one CSV chartered from an external party.

Profile of Capital Commitments – at 31st December 2016

(HK$M)	Expenditure 2016	Forecast period of expenditure 2017	2018	2019	Commitments at 31st December 2016
AHT's / PSV's	**247**	988	692	232	**1,912**
CSV's	**597**	107	49	86	**242**
Other fixed assets	**102**	72	7	45	**124**
Total	**946**	**1,167**	**748**	**363**	**2,278**

Prospects

Property

Aviation

Beverages

Marine Services

Trading & Industrial

Opportunities

- With an excellent reputation for reliable and high quality services to clients, SPO is well positioned to take advantage of a recovery in the offshore support market.
- Continuing cost control measures.
- Deferral of capital expenditure will improve the financial position of SPO.

Challenges

- Trading conditions in 2017 are expected to be similar to those in 2016. Oil majors have reduced their capital expenditure projections and vessels continue to be delivered into an over-supplied market.
- Market recovery is expected to take longer than previously anticipated. The over-supply of vessels will take time to correct.

Trading & Industrial

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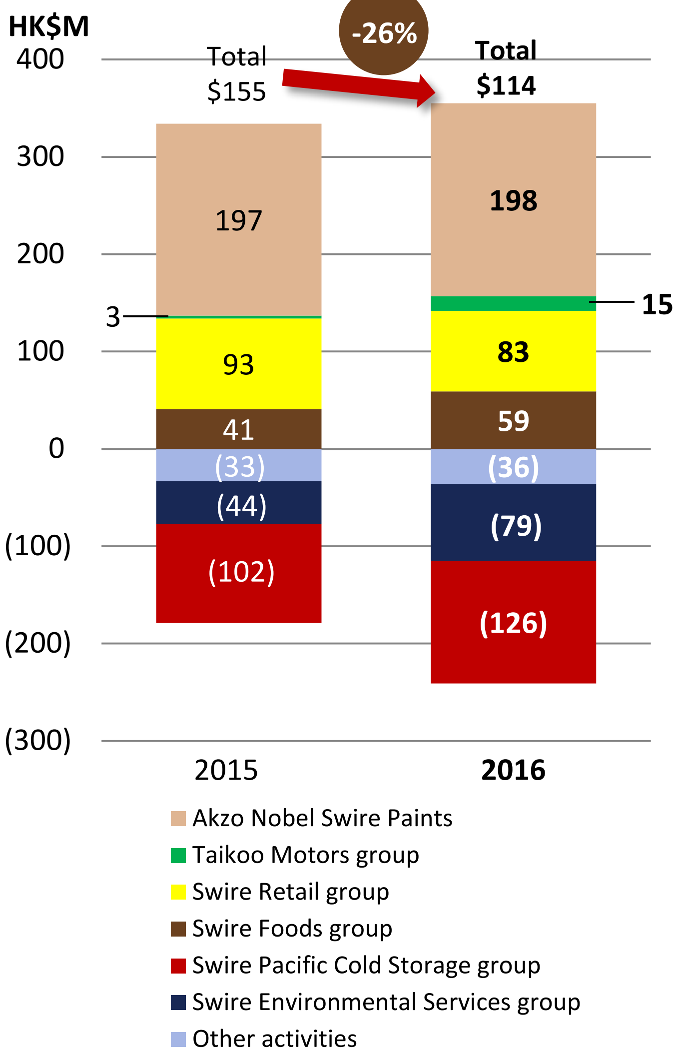
Results Highlights

Attributable Profit



Key Highlights

Akzo Nobel Swire Paints	▪ Results were little changed from last year.
Taikoo Motors group	▪ Closure of loss-making businesses in both Mainland China and Taiwan.
Swire Retail group	▪ Better results from the Columbia China associated company, reduced losses from Mainland China and better cost control, more than offset by weaker results in Hong Kong.
Swire Foods group	▪ 35% non-controlling interest in Qinyuan Bakery acquired. The business was accounted for as 100% owned from Jan 16.
Swire Pacific Cold Storage group	▪ Operating losses at the recently completed cold stores in Ningbo and Nanjing, and the establishment costs of developing new cold stores in Chengdu and Xiamen.

Prospects

Property

Aviation

Beverages

Marine Services

Trading & Industrial

Opportunities	Challenges
▪ The Qinyuan Bakery business is expected to benefit from opening new stores and upgrading existing stores and products. ▪ Akzo Nobel Swire Paints expects to continue to expand and strengthen its distribution network in Mainland China. ▪ Taikoo Motors will open more dealerships and enter into additional motor-related businesses in Taiwan.	▪ The retail market in Hong Kong is expected to remain highly competitive. More discounting and higher staff costs are expected to put pressure on profit margins at Swire Resources. ▪ Occupancy rates are expected to gradually increase at cold storage facilities, however, demand for high quality solutions in Mainland China is at best nascent.

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Capital Allocation Strategy

Implementing our Capital Allocation Strategy - period of very active restructuring

Property

- *Started to open Brickell City Centre, Miami in 1H 16. HKRI Taikoo Hui JV in Shanghai opening in phases from 2H 16.*
- *HK$15bn redevelopment of Taikoo Place underway. 1 million sq ft under each phase. Phase I due to be completed in 2018 and phase II in 2021/2022.*
- *Sale of Kowloon Bay by 2018.*

Aviation (excl. CX)

- *Sale of HAESL's 20% interest in SAESL and acquisition of additional 5% interest in HAESL in June 2016.*
- *Line services business of HAECO Americas closed.*

Beverages

- *Additional territories in Arizona and New Mexico acquired in July 2016, increasing USA franchise population by c.70%. Further expansion into Pacific Northwest (Washington state, Oregon and Idaho) in 1H 2017.*
- *2H 2016 entered into conditional agreement with TCCC and China Foods for the realignment of Coke bottling system in Mainland China for HK$6.5bn. Completion is expected in 1H 2017.*

Implementing our Capital Allocation Strategy
- period of very active restructuring

Marine Services

- *12 vessels disposed of in 2016 reducing fleet size from 92 to 81.*
- *Disposed of its non-core logistics subsidiary Altus Oil & Gas Services.*
- *3 PSVs due for delivery in 2016 and 3 due in 2017 have been deferred to 2017 and 2018 respectively.*

Trading & Industrial

- *Acquired remaining 35% interest in Qinyuan Bakery for HK$0.6bn.*
- *Terminated loss-making dealerships at Taikoo Motors in Mainland China and Hong Kong, and a loss-making distributorship at Swire Resources.*
- *Two cold storage facilities under construction in Chengdu and Xiamen. Remaining capital committed HK$0.7bn. HK$1.5bn invested to date.*
- *Roll out of additional 47 bakery stores (total of 550) with a target to double the size over next 3 years*
- *Investment in new sugar refinery JV in Guangdong to open in 1H 2017.*

Forward Capital Allocation Snapshot

Capital Commitments (including JVs)	Property HK$M	Aviation HK$M	Beverages HK$M	Marine Services HK$M	Trading & Industrial HK$M	Total HK$M
At 1st January 2016	19,798	2,184	2,098	2,770	1,736	**28,586**
New commitments	2,728	620	8,757	77	124	**12,306**
Expenditure (commitments fulfilled)	(4,022)	(1,204)	(1,499)	(330)	(517)	**(7,572)**
Cancelled commitments & other movements	(176)	(5)	(127)	(153)	(467)	**(928)**
At 31st December 2016	18,328	1,595	9,229	2,364	876	**32,392**
% of total (excludes CX)	57%	5%	28%	7%	3%	

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Outlook

John Slosar, Chairman

Outlook – Business better positioned for future growth

High occupancy at investment properties and new developments in the USA, Mainland China and Hong Kong will contribute to higher gross rental income in the medium-term.

The Cathay Pacific group expects the operating environment to continue to be affected by strong competition and over-capacity in the market. The need for transformation is understood and underway.

HAECO continues to make progress in adapting to a number of structural changes to the industry.

We remain confident of good growth from this business in the medium-term with the significant expansion of territory in both the USA and Mainland China expected to achieve synergies and profitable growth.

Trading conditions for SPO are expected to remain weak in a continued low oil price environment, coupled with an oversupply in support vessels.

Restructuring has reduced the fleet age and achieved a leaner more competitive cost structure.

Stringent cost controls and focus on core businesses expected to improve future performance.

Costs associated with growing new businesses expected to dissipate over the next few years.

SWIRE PACIFIC

Q&A

SWIRE PACIFIC

Appendix

At 31st December 2016

Swire Pacific Limited
('A' shares: 00019; 'B' shares: 00087)

Sustainable growth in shareholder value over the long term

Attributable Profit:	Underlying Profit:	Earnings per 'A' share :	Equity attributable to the Company's shareholders per 'A' share:
HK$9,644m -28%	**HK$3,063m** -69%	**HK$6.41** -28%	**HK$149.50** +3%

Property
82%
Swire Properties
(Stock code: 01972)

To be a leading developer, owner and operator of mixed-use commercial properties in Hong Kong and Mainland China.

Aviation
45%
Cathay Pacific Airways
(Stock code: 00293)

75%
HAECO
(Stock code: 00044)

To develop and strengthen Hong Kong as a hub for aviation services, including passenger, cargo and aircraft engineering services.

Beverages
87.5% - 100%
Swire Beverages

To build a world-class bottling system which is recognised as a first class employer, a first class entity with which to do business and a first class corporate citizen in all territories where it does business.

Marine Services
100%
Swire Pacific Offshore

50%
HUD

To maintain and strengthen SPO's position as a leader in the offshore energy supply industry.

T&I
100%
Swire Retail group

100%
Taikoo Motors group

100%
Swire Pacific Cold Storage group

100%
Swire Foods group

7.7%-50%
Swire Environmental Services group

40% (HKG) / 30%-36% (PRC)
Akzo Nobel Swire Paints

To develop and strengthen the trading and industrial businesses which it operates.

Publicly Quoted

Strategic objective

Corporate Structure

At 31st December 2016

Swire Pacific Limited

Property

Investment Properties
Hong Kong
- **Pacific Place**
- **Taikoo Place**
- **Cityplaza**
- **Citygate**

Mainland China
- **Taikoo Li Sanlitun**
- **INDIGO**
- **TaiKoo Hui**
- **Sino-Ocean Taikoo Li Chengdu**

Future Developments
Hong Kong
- **Kowloon Bay Commercial Site***
- **Tung Chung Town Lot No.11**
- **8-10 Wong Chuk Hang Road**

Mainland China
- **HKRI Taikoo Hui**

USA
- **Brickell City Centre**

Hotels
Hong Kong
- **The Upper House**
- **EAST, Hong Kong**

Mainland China
- **The Opposite House**
- **EAST, Beijing**
- **The Temple House**

USA
- **EAST, Miami**

Property Trading
Hong Kong
- **AREZZO**
- **ALASSIO**
- **WHITESANDS**
- **MOUNT PARKER RESIDENCES**

USA - Miami
- **Reach & Rise**

Aviation

Cathay Pacific group
Airlines
- **Cathay Pacific**
- **Cathay Dragon**
- **Air Hong Kong (60%)**
- **Air China (20%)****

Cargo Terminal
- **Cathay Pacific Services**

Other Operations
- **Cathay Pacific Catering Services**
- **Hong Kong Airport Services**

No. of Aircraft: 202

HAECO group

- **HAECO Hong Kong**
- **HAECO Americas**
- **HAECO Xiamen (58.6%)**
- **HAESL (50%)**
- **TEXL (72.86%)**

Beverages

Swire Beverages
Has the right to manufacture, market and distribute products of The Coca-Cola Company

Hong Kong
No. of Bottling Plant: 1

Mainland China
No. of Bottling Plants: 11

Taiwan
No. of Bottling Plants: 2

USA
No. of Bottling Plants: 2

Marine Services

Swire Pacific Offshore
Operates a fleet of offshore support vessels servicing the energy industry in every major offshore production and exploration region outside the USA

No. of Vessels: 81

No. of Vessels on Order: 6

HUD group
Ship repair and harbour towage services in Hong Kong

No. of Vessels: 19

T&I

Trading

Swire Retail group:
- **Swire Resources group**
Distribution and retailing of footwear, apparel and related accessories in Hong Kong, Macau and Mainland China
- **Swire Brands group**
Investments in brand-owning companies

Taikoo Motors group
Distribution and retailing of motor vehicles in Taiwan, Hong Kong, Mainland China and Malaysia

Industrial

Swire Foods group:
- **Taikoo Sugar**
Packaging and selling sugar and other products in Hong Kong and Mainland China
- **Swire Foods**
Qinyuan Bakery – bakery chain in southwest China

Swire Pacific Cold Storage group
Provision of cold storage and warehousing services in Mainland China

Akzo Nobel Swire Paints
Manufacture and distribution of paint in Hong Kong, Macau and Mainland China

Swire Environmental Services group:
- **Swire Waste Management**
Provision of waste management services in Hong Kong
- **Swire sustainability fund**
Investment in early-stage companies developing technologies

* The company owning the uncompleted investment property was conditionally agreed to be sold. Completion is expected by Dec 2018.

** In March 2017, Cathay Pacific's shareholding was diluted from 20.13% to 18.13%.

Financial Summary

Profit Bridge

	2015 HK$M	**2016 HK$M**
Attributable profit	13,429	**9,644**
Less: adjustments in respect of investment properties	(3,537)	**(6,581)**
Underlying profit attributable to the Company's shareholders	9,892	**3,063**
Other significant items:		
Profit on disposal of HAESL's interest in SAESL, net of associated expenses	-	**(587)**
Profit on sales of investment properties	(2,023)	**(65)**
(Profit)/loss on sale of property, plant and equipment and other investments	(74)	**18**
Net impairment of property, plant and equipment and intangible assets	1,348	**2,568**
Adjusted underlying profit	9,143	**4,997**

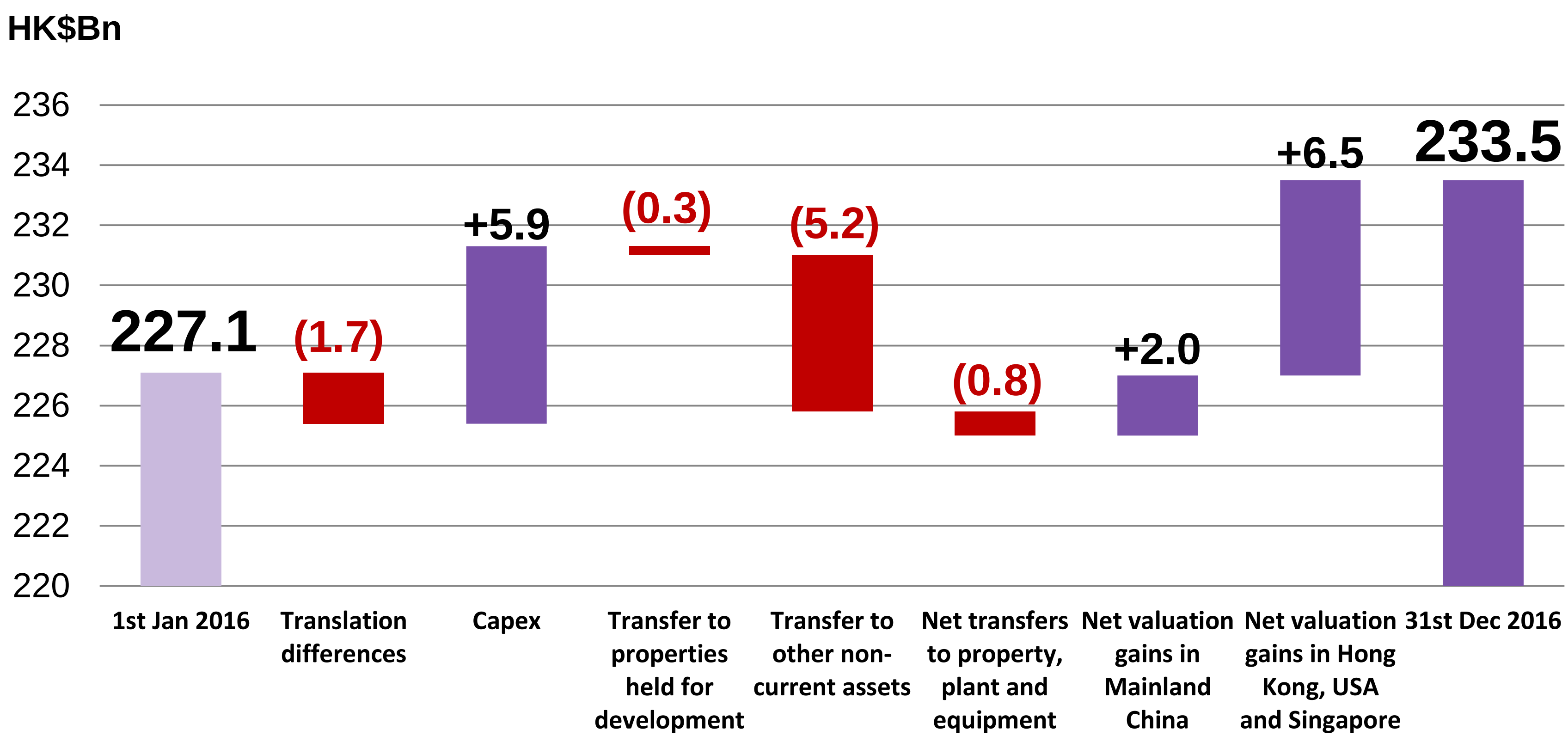
HAECO recorded a gain on disposal of HAESL's interest in SAESL.

Primarily on sale of eight units at OPUS HONG KONG.

SPO recorded a vessel impairment charge of HK$2,313m in 2016. In 2015, impairment charges of HK$1,228m were recorded in respect of vessels and cancelled vessel construction contracts.

HAECO recorded impairment charges of HK$324m on HAECO Americas and HAECO Landing Gear Services.

Movement in Investment Properties



- Revaluation gains of HK$8.5Bn in 2016 (excluding the Group's share of revaluation movements of joint venture).
- The increase in the valuation of the investment property portfolio is mainly due to an increase in the valuation of the offices in Hong Kong.



SWIRE PACIFIC

2016 Annual Results
Analyst Briefing

16th March 2017 | Hong Kong