



# 2017 Annual Results Analyst Briefing

15th March 2018 | Hong Kong

## Agenda

- Welcoming Remarks and Highlights
- Financial Performance and Business Review
- Capital Allocation
- Sustainable Development
- Outlook
- Q&A



## Welcoming Remarks and Highlights



John Slosar, Chairman

## 2017 Business Environment Remained Mixed

**Solid GDP growth in  
Mainland China.  
Strong retail sales growth.**

**Overcapacity in  
some industries.**

**Weak E&P spending  
by oil majors despite  
increase in oil prices.**



## Performance Highlights

***HK\$4,742m***

**Underlying Profit**  
(v. 2016)

**+55%**

***HK\$2.10***

**Dividend per 'A' share**  
(v. 2016)

**0%**

***HK\$168.58***

**Equity attributable to the  
Company's shareholders  
per 'A' share**  
(v. Dec 16)

**+13%**



## Financial Performance and Business Review



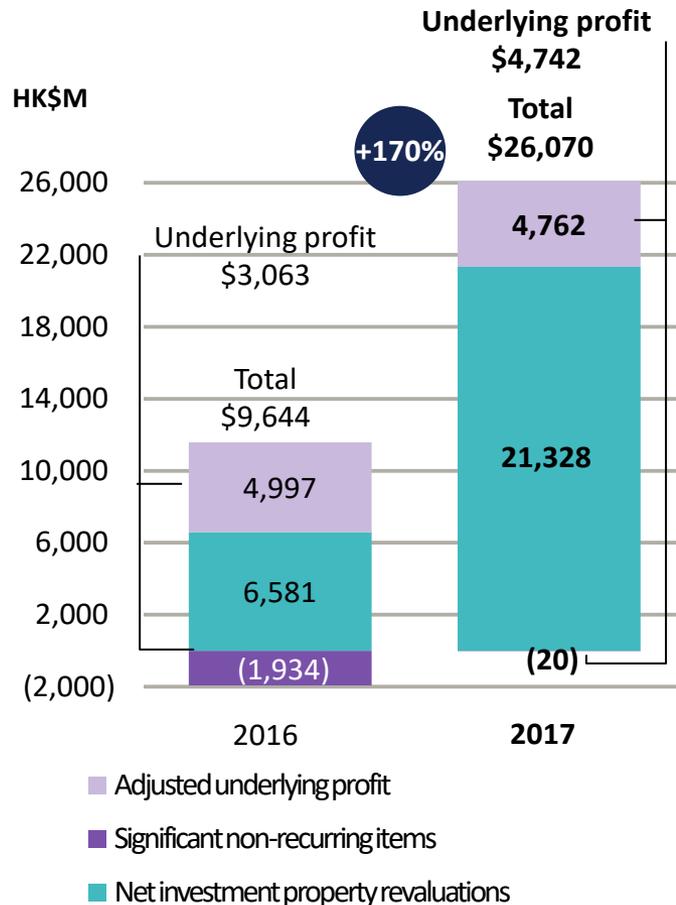
Michelle Low,  
Finance Director



Patrick Healy,  
Managing Director  
– Swire Beverages

# Financial Summary

## Attributable Profit



Note : Underlying profit principally adjusts for changes in the valuation of investment properties. Adjusted underlying profit disregards significant non-recurring items.

### Revenue

2016: HK\$62,389m

+29%

**2017: HK\$80,289m**

### Underlying Profit

2016: HK\$3,063m

+55%

**2017: HK\$4,742m**

### Adjusted Underlying Profit

2016: HK\$4,997m

-5%

**2017: HK\$4,762m**

### Dividends Per Share

2016:  
HK\$2.10 per 'A' share  
HK\$0.42 per 'B' share

0%

**2017:**  
**HK\$2.10 per 'A' share**  
**HK\$0.42 per 'B' share**

### Underlying Dividend Cover

2016: 1.0 times

+0.5  
times

**2017: 1.5 times**

### Cash Generated from Operations

2016: HK\$14,864m

+32%

**2017: HK\$19,605m**

### Net Debt

Dec 2016: HK\$64,046m

+13%

**Dec 2017: HK\$72,514m**

### Gearing Ratio

Dec 2016: 23.5%

+0.2%  
pt

**Dec 2017: 23.7%**

### Equity Attributable to the Company's Shareholders

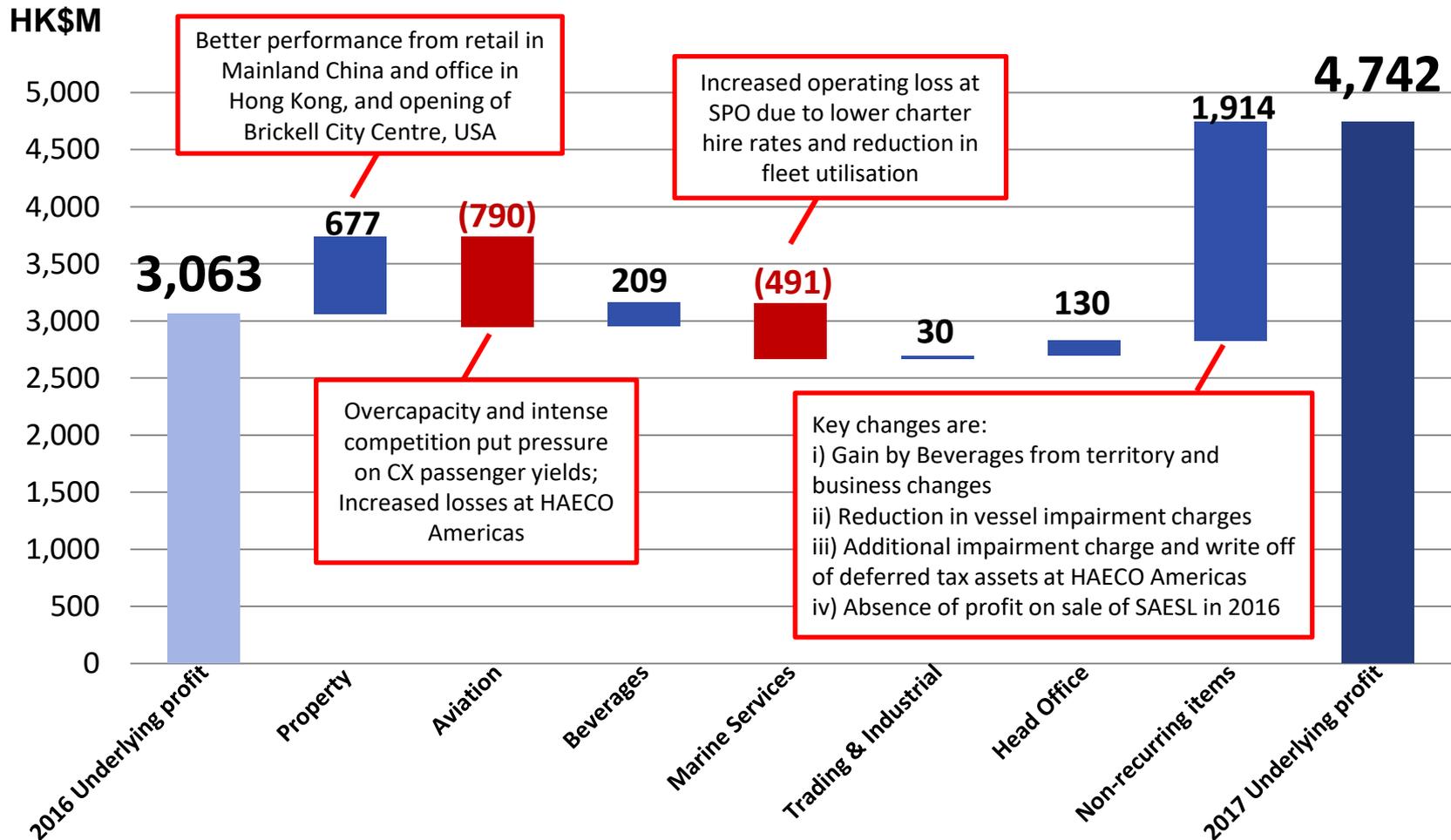
Dec 2016: HK\$224,879m

+13%

**Dec 2017: HK\$253,163m**

# Financial Summary

## Movement in Underlying Profit



# Financial Summary

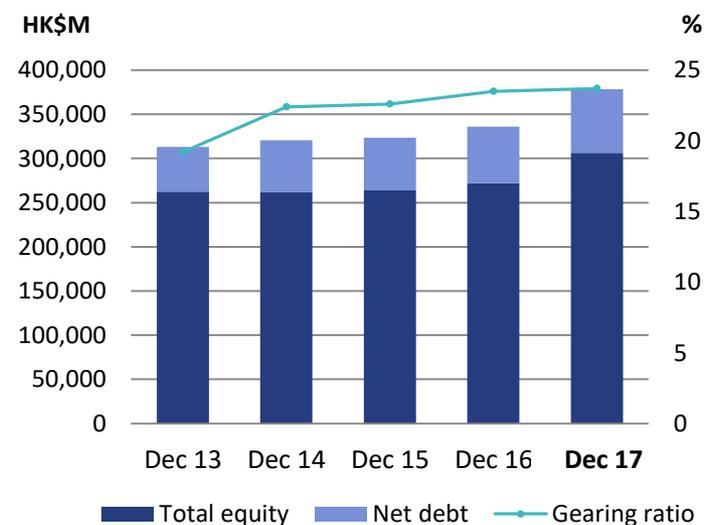
## Financing

	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17
Net debt (HK\$M)	50,505	58,624	59,584	64,046	<b>72,514</b>
Gearing (%)	19.2%	22.4%	22.6%	23.5%	<b>23.7%</b>
Interest cover (underlying) – times	5.5	6.1	5.4	3.0	<b>4.7</b>
Cash interest cover (underlying) – times	4.5	4.9	4.6	2.6	<b>4.0</b>
Liquidity – Committed funds and cash available (HK\$M)	30,806	23,876	31,125	30,141	<b>27,379</b>

### Net Debt Reconciliation

	HK\$Bn
Net debt at 1st January 2017	64.0
Cash from operations	(19.6)
Net dividend paid	3.8
Capex and net investments	19.7
Net interest paid	2.4
Tax paid	2.2
<b>Net debt at 31st December 2017</b>	<b>72.5</b>

### Gearing Ratio

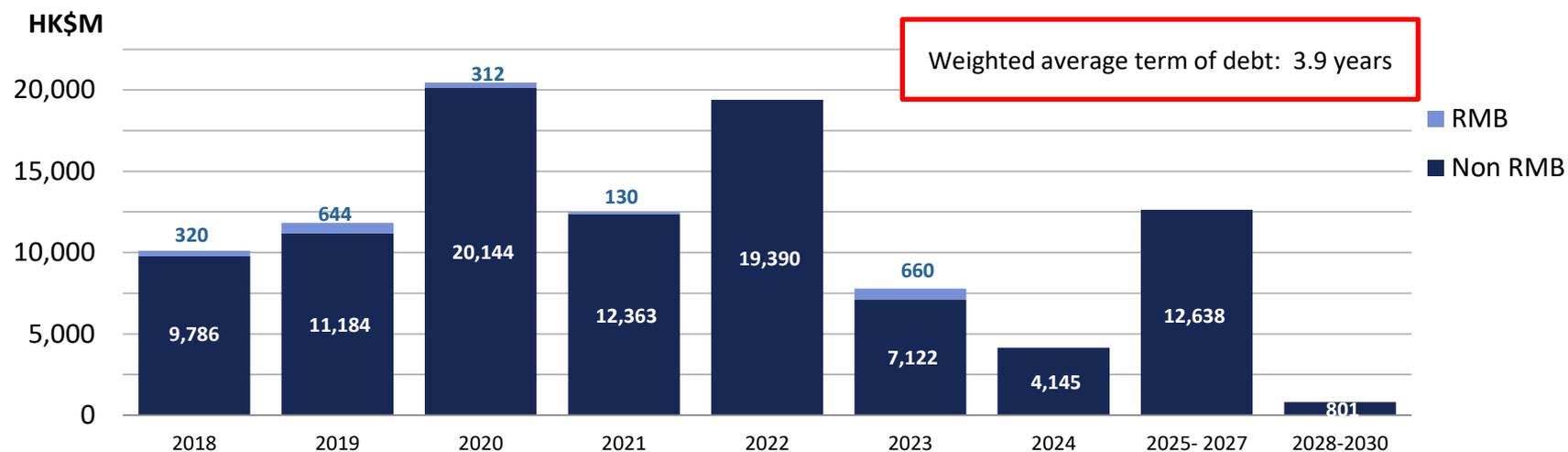


## Financial Summary

### Liquidity

	Dec 16 HK\$M	Dec 17 HK\$M	Change %
Bank balances and short-term deposits	6,477	6,072	-6%
Total undrawn facilities			
- Committed	23,664	21,307	-10%
<b>Group committed liquidity</b>	<b>30,141</b>	<b>27,379</b>	-9%
- Uncommitted	9,027	11,851	31%
<b>Group total liquidity</b>	<b>39,168</b>	<b>39,230</b>	0%

### Refinancing Profile at 31st December 2017



# Property



## Results Highlights

### Key Highlights

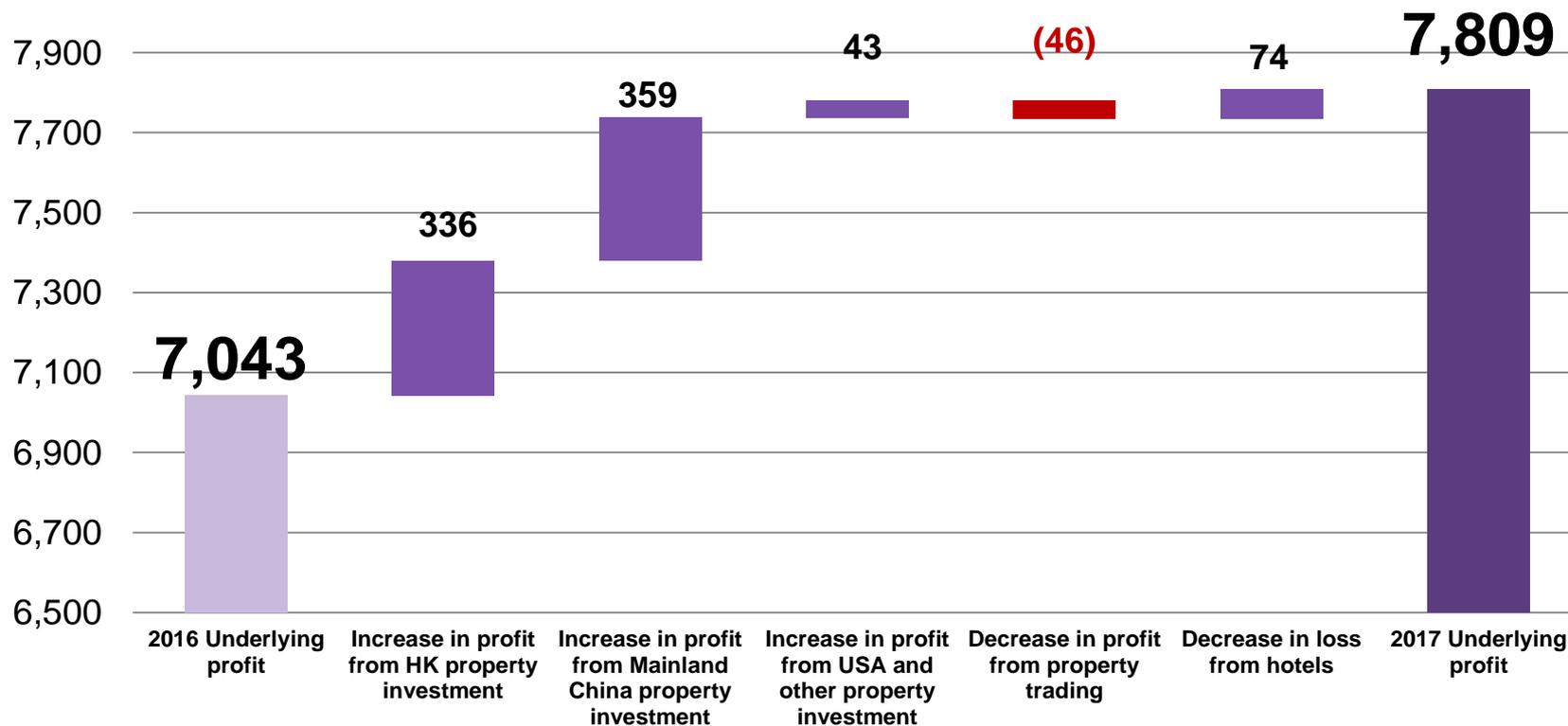
- 11% increase in underlying profit mainly due to higher profit from property investment.
- Hong Kong office rental income increased due to positive rental reversions and firm occupancy.
- Hong Kong retail rental income little changed.
- Mainland China recorded good growth in retail rental income.
- Rental income in USA increased following the opening of the first phase of Brickell City Centre development in 2016.
- All 197 units of the ALASSIO development were handed over and the profit recognised.
- Kowloon Bay investment property development is on schedule. Completion is expected before the end of 2018.

HK\$M (100% basis)	2016	2017	Change %
Attributable profit	15,069	<b>33,818</b>	+124%
Underlying profit	7,043	<b>7,809</b>	+11%
Valuation gains on investment properties	8,445	<b>25,331</b>	+200%

HK\$M (82% share)	2016	2017	Change %
Attributable profit	12,357	<b>27,731</b>	+124%
Underlying profit	5,776	<b>6,403</b>	+11%

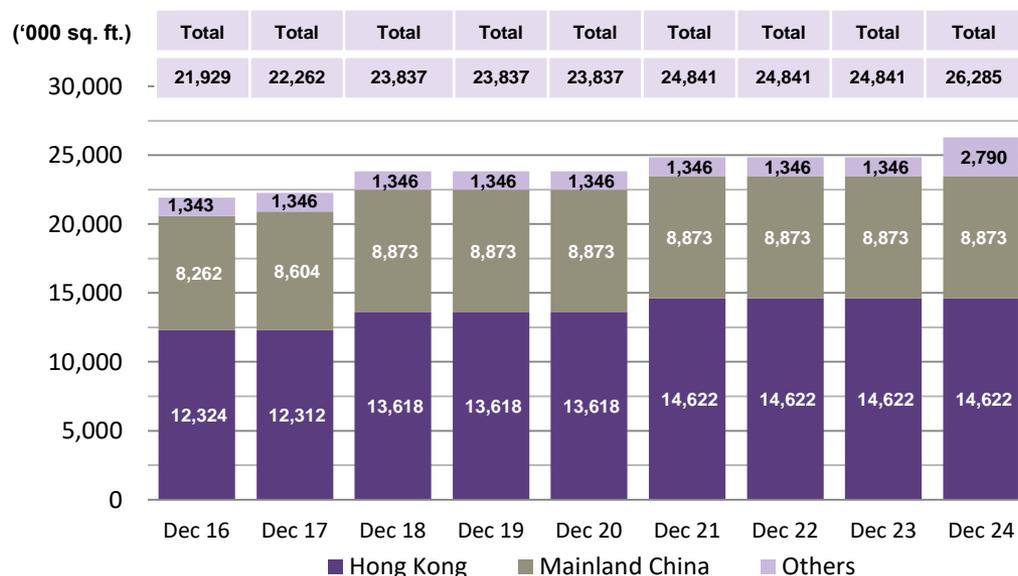
## Movement in Underlying Profit (100% basis)

HK\$M



## Future Developments

### Completed Principal Property Investment Portfolio\*\*



Projects	Expected completion date
<b>Hong Kong</b>	
Tung Chung Town Lot No.11	2018
Taikoo Place Redevelopment (One Taikoo Place)	2018
South Island Place	2018
Taikoo Place Redevelopment (Two Taikoo Place)	2021 / 2022
<b>USA</b>	
One Brickell City Centre	Under planning

\* 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.

\* Excluding Qiantan, as the conditional equity transfer agreement was not yet entered into as of 31st December 2017.

### Profile of Capital Commitments\*\*\* — for Investment Properties and Hotels at 31st December 2017

(HK\$M)	Expenditure	Forecast year of expenditure				Commitments
		2017	2018	2019	2020	
Hong Kong	5,017	4,047	1,361	2,768	3,994	12,170
Mainland China	917	789	646	118	-	1,553
USA and others	926	151	281	26	19	477
<b>Total</b>	<b>6,860</b>	<b>4,987</b>	<b>2,288</b>	<b>2,912</b>	<b>4,013</b>	<b>14,200</b>

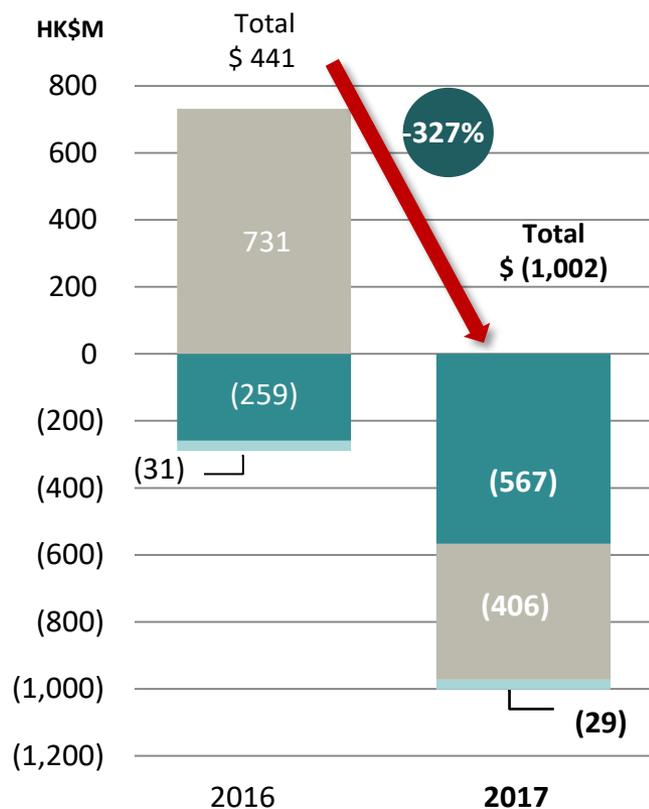
\*\*Including the division's share of the capex and capital commitments of its joint venture companies.

**Aviation**



# Results Highlights

## Attributable Profit/(Loss)



■ Cathay Pacific group ■ HAECO group ■ Consol Adj.

## Key Financial Data

	2017 HK\$M	Change %
<b>HAECO group</b>		
Revenue	14,546	+6% ↑
Operating loss	(90)	-171% ↓
Attributable loss	(406)	-155% ↓
Adjusted attributable profit*	255	-34% ↓
<b>Share of post-tax loss from an associated company</b>		
Cathay Pacific group	(567)	119% ↑

\* Excludes impairment charges and write off of deferred tax assets

## Cathay Pacific Group Highlights

### Key Highlights

- The operating environment for the passenger business continued to be difficult with overcapacity leading to intense competition and continued pressure on yield.
- The cargo business benefited from robust demand for exports from Mainland China and on South Asian, Middle Eastern, African and intra-Asian routes.
- Net fuel costs increased by 11% although fuel hedging losses reduced.
- Three-year transformation programme benefitted second half results.
- Contribution from subsidiaries and associated companies was satisfactory.

### Key Financial Data

CX group (100% basis)		
	2017 HK\$M	Change %
Revenue		
Passenger services	66,408	-1%
Cargo services	23,903	+19%
Others	6,973	+21%
Net fuel cost	31,112	+11%
Share of profits from subsidiaries and associates	3,044	+9%
Attributable loss	1,259	+119%

### Key Operating Statistics

	2017	Change %
Available tonne kilometres (ATK) ('M)	31,439	+3%
Revenue passengers carried ('000)	34,820	+1%
Passenger yield (HK¢)	52.3	-3%
Passenger load factor (%)	84.4	-0.1% pt
Passenger revenue per ASK (HK¢)	44.2	-3%
Cargo and mail carried (Tonnes '000)	2,056	+11%
Cargo and mail yield (HK\$)	1.77	+11%
Cargo and mail load factor (%)	67.8	+3.4% pt
Cargo and mail revenue per AFTK (HK\$)	1.2	+17%

# HAECO Group Highlights

## Key Highlights

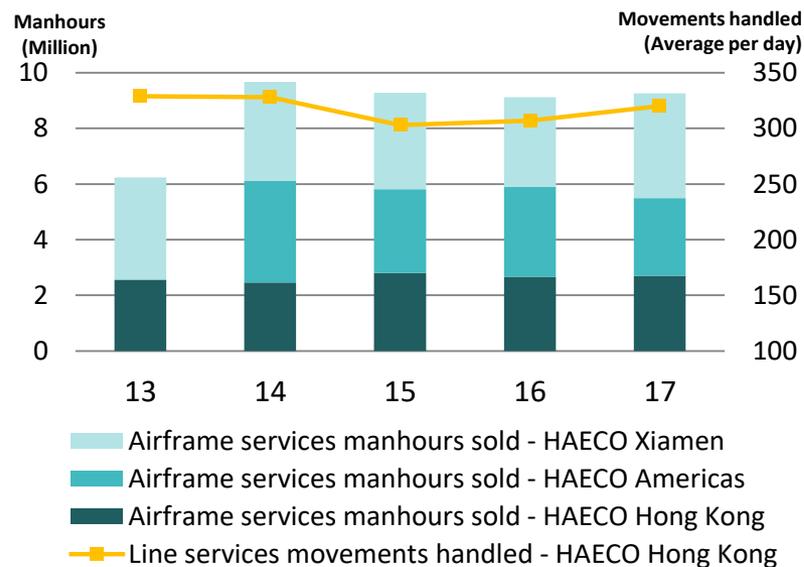
- Attributable loss of HAECO group in 2017 included an impairment charge of HK\$625m in respect of goodwill and a write off of deferred tax assets of HK\$249m in USA.
- Disregarding the gain on disposal of SAESL in 2016, the write off of deferred tax assets in 2017 and the impairment charges in both years, attributable profit fell by HK\$176m in 2017 because of a higher loss at HAECO Americas.
- HAECO HK and HAECO Xiamen did better in 2017 because of increases in airframe and line services work.
- Profits of TEXL and HAESL (disregarding the gain on disposal of SAESL in 2016) improved. More work was done per engine.

## Key Financial Data

### Adjusted Profit/(Loss) (100% basis)\*

	2017 HK\$M	Change %
HAECO Hong Kong	257	+32%
HAECO Americas	(602)	+153%
HAECO Xiamen	135	+44%
TEXL	209	+7%
HAESL and SAESL	244	+12%
Others	97	+87%
<b>Total</b>	<b>340</b>	<b>-34%</b>

## Key Operating Statistics



\* Excludes impairment charges and write off of deferred tax assets

# Beverages

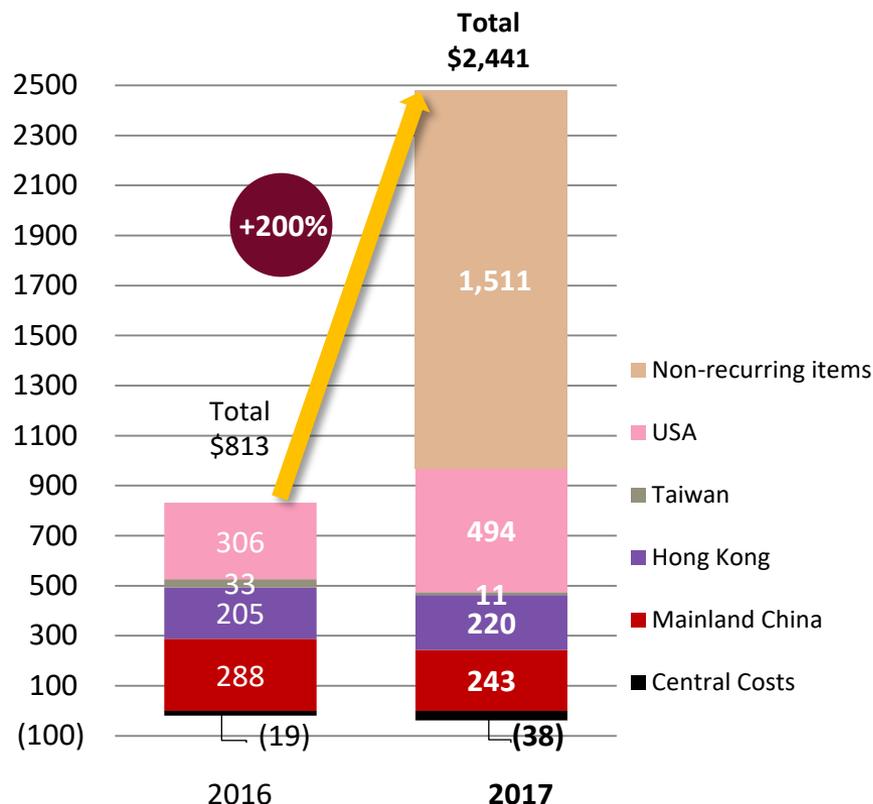




# Results Highlights

## Attributable Profit

HK\$M



Note : Central costs are after gains on disposal of available-for-sale investments of HK\$1m (2016: HK\$11m).

## Key Financial Data

	2017 HK\$M	Change %
Operating profit	3,325	+232% ↑
Attributable profit	2,441	+200% ↑
Adjusted attributable profit*	930	+14% ↑
<u>Recurring (including joint venture and associate)</u>		
EBITDA**	3,053	+58% ↑
EBIT**	1,801	+48% ↑

\* Excludes non-recurring gains

\*\* Includes share of profits from joint venture and associated companies but excludes non-recurring items.

## Key Highlights

- Sales volume grew significantly, by 37%. Revenue (including joint venture companies) grew by 42%.
- Attributable profit increased substantially due to non-recurring gains of HK\$1,222m arising from the realignment of the Coca-Cola bottling system in Mainland China, and of HK\$289m arising from the acquisition of new franchise territories and assets in the USA.
- Disregarding non-recurring gains, attributable profits increased by 14% to HK\$930m.



## Expansion in Mainland China and USA

### Mainland China

- Two large, contiguous franchise territories, each serving c.50% of the Mainland China population.
- Sales volume increased by 36% and revenue increased by 37% (in local currency terms and excluding sales to other bottlers).
- Integration of newly acquired territories on track.

### USA

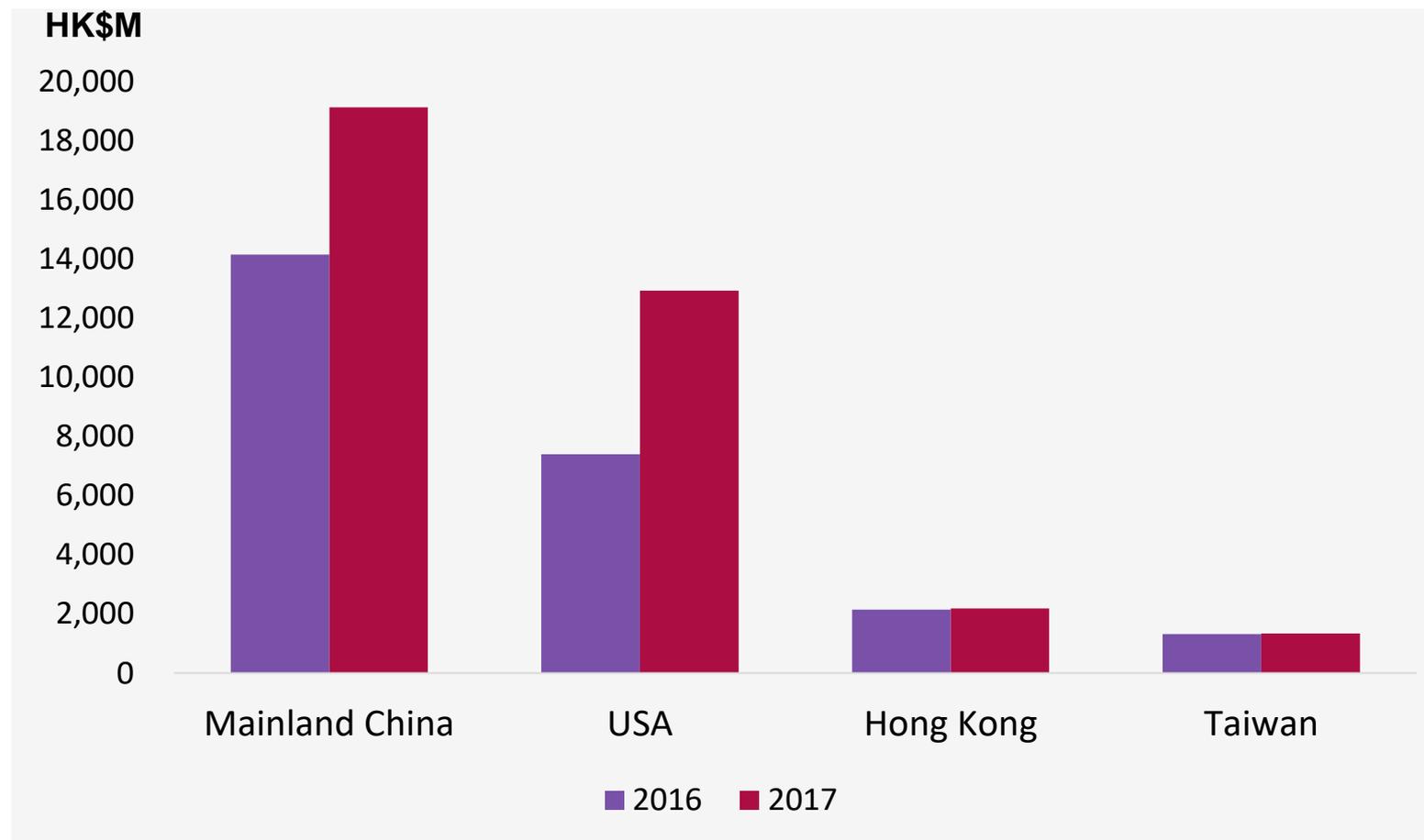
- Expanded territory serves a population of 28.7 million.
- Sales volume increased by 68% and revenue increased by 74% (in local currency terms and excluding sales to other bottlers).
- Acquisitions of production assets in Tempe, Arizona and Denver, Colorado were completed in August and October 2017 respectively.

- Better category mix, new products and packaging, strong marketing support and improved market execution.
- Simpler and more agile system in Mainland China to achieve revenue management and supply chain synergies.



## Revenue Analysis

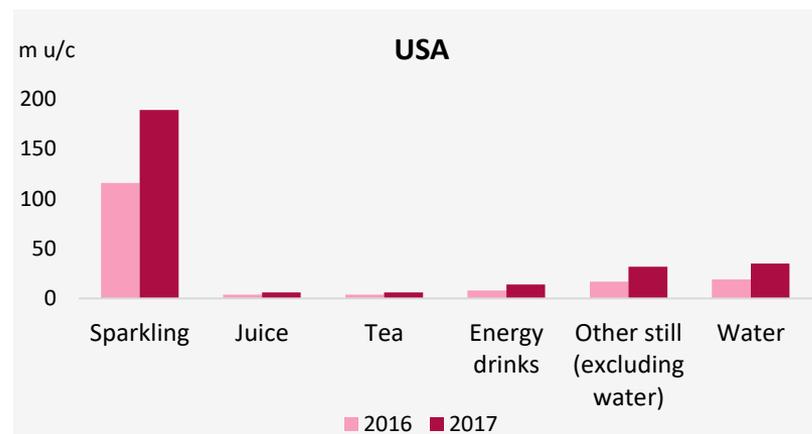
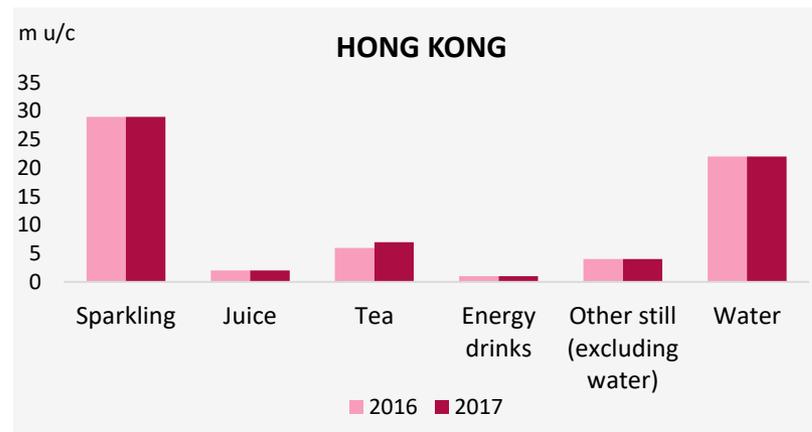
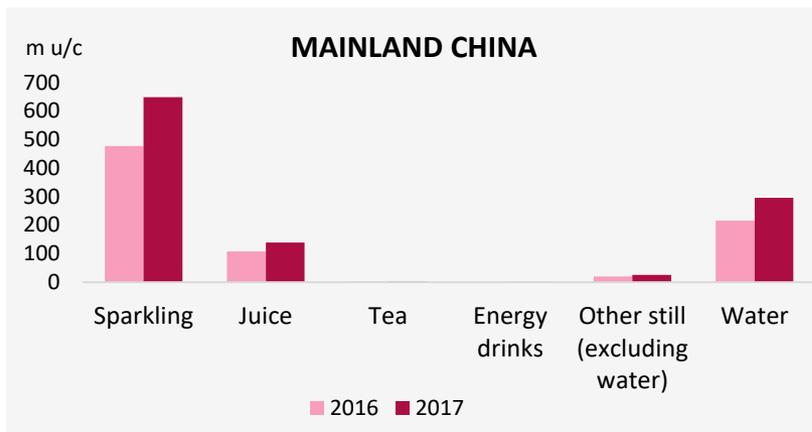
- Revenue (including joint venture companies) increased by 42%, faster than volume growth.





# Volume Analysis

- Overall sales volume increased by 37% to 1,512 million unit cases.



## Segment Information

Mainland China			Hong Kong		
Revenue*	Recurring Attributable Profit	Sales Volume*	Revenue	Recurring Attributable Profit	Sales Volume
 (+35%)** HK\$19,124m	 (-16%) HK\$243m	 (+36%) 1,112m u/c	 (+2%) HK\$2,255m	 (+7%) HK\$220m	 (+1%) 65m u/c
Taiwan			USA		
Revenue	Recurring Attributable Profit	Sales Volume	Revenue	Recurring Attributable Profit	Sales Volume
 (+2%)** HK\$1,343m	 (-67%) HK\$11m	 (-0.4%) 53m u/c	 (+77%)** HK\$14,213m	 (+61%) HK\$494m	 (+68%) 282m u/c

\* Revenue and sales volume for Mainland China represents sales in seven franchise territories from 1st January 2017 to 31st March 2017, sales in twelve franchise territories from 1st April 2017 to 30th June 2017, and sales in thirteen franchise territories from 1st July 2017 to 31st December 2017, in each case including products supplied by CCBMH.

\*\* Represents growth rate in HKD terms. Growth rates in local currencies and excluding sales to other bottlers were 37% , 74% and 3% for Mainland China, the USA and Taiwan respectively.

# Marine Services



## Results Highlights



\* After impairment charges and gain/loss on asset disposals

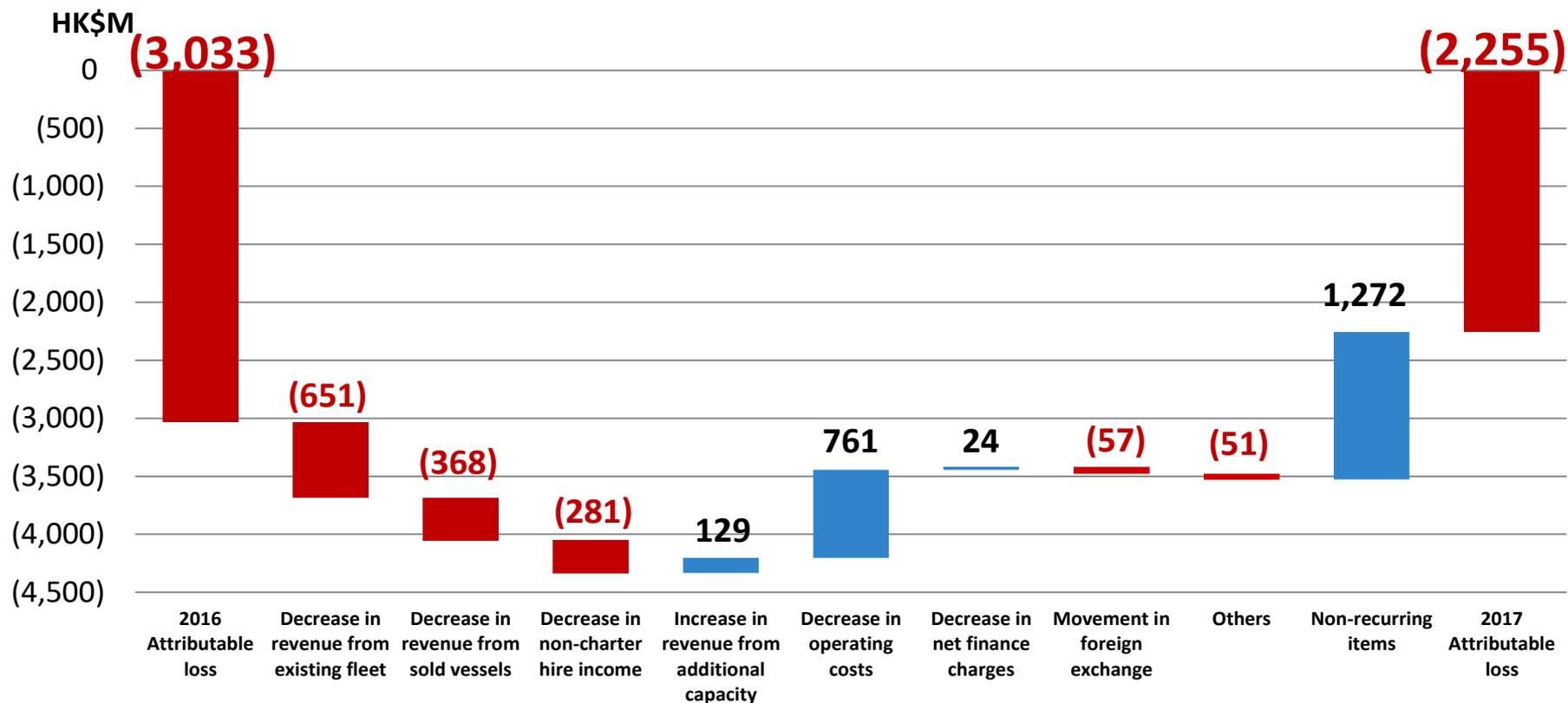
**Key Financial and Operating Data**

Swire Pacific Offshore group		
	2017 HK\$M	Change %
Revenue	3,067	-28% ↓
Operating loss	1,791	-31% ↓
Attributable loss	2,255	-26% ↓
Adjusted attributable loss*	1,224	+63% ↑
Average daily charter hire rates	USD18,800	-19% ↓
Average fleet utilisation rate	62.5%	-0.9%pt ↓

### Key Highlights

- The offshore energy market remained difficult.
- Increase in rig fixing activities in the second half of 2017 resulted in an improvement in vessel utilisation rates.
- However, charter hire rates were still under pressure due to oversupply of vessels.
- SPO continued to reduce its operating costs, and to dispose of and stack vessels.

## SPO – Movement in Attributable Loss



## SPO Capital Expenditure

### SPO Fleet Size

Vessel class	2016	Additions		Disposals	Year-end	Vessels expected to be received in:	
		2017				2018	2019
Anchor Handling Tug Supply Vessels (AHTSs)	34	-	4	-	30	-	-
Large Anchor Handling Tug Supply Vessels	19	-	-	-	19	-	-
Platform Supply Vessels (PSVs)	9	2	1	-	10	4	-
Large Platform Supply Vessels	8	-	-	-	8	-	-
Construction and Specialist Vessels (CSVs)	11	-	1	-	10	1	1
<b>Total</b>	<b>81</b>	<b>2</b>	<b>6</b>	<b>-</b>	<b>77</b>	<b>5</b>	<b>1</b>

Note: At 31st December 2016, SPO's fleet included one CSV chartered from an external party. The CSV was redelivered to its owner in 2017 and is included as a disposal. The CSVs expected to be received in 2018 and 2019 will be on operating leases.

### Profile of Capital Commitments – at 31st December 2017

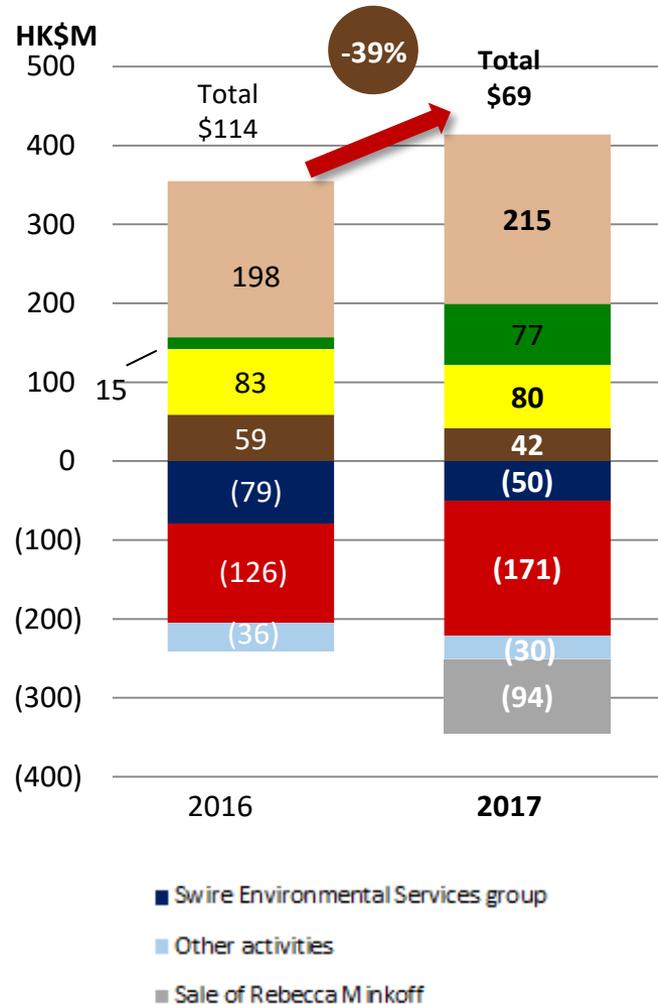
(HK\$M)	Expenditure	Forecast year of expenditure			Commitments
	2017	2018	2019	2020	2017
AHTSs / PSVs	708	892	277	163	1,332
CSVs	60	63	78	16	157
Other fixed assets	50	25	48	85	158
<b>Total</b>	<b>818</b>	<b>980</b>	<b>403</b>	<b>264</b>	<b>1,647</b>

# Trading & Industrial



# Results Highlights

## Attributable Profit



## Key Highlights

### Akzo Nobel Swire Paints

- Attributable profit increased by 9%. A 34% increase in sales volume was partially offset by unfavourable product mix.

### Taikoo Motors group

- Improvement in attributable profit due to growth in car sales and lower operating costs.

### Swire Retail group

- Disregarding the loss on disposal of investment in Rebecca Minkoff of HK\$94m, attributable profit of Swire Retail decreased, mainly due to competition in Hong Kong.

### Swire Foods group

- Disregarding non-recurring write back of a provision in 2016, Qinyuan Bakery recorded an increase in attributable profit. There was growth in the number of stores and in sales per store.

### Swire Pacific Cold Storage group

- Increased operating loss in 2017, reflecting operating losses, the cost of developing new cold stores and RMB appreciation.



## Capital Allocation

## Implementing our Capital Allocation Strategy

### *Property*



- *Redevelopment of Taikoo Place underway. 1 million sq ft in each phase. One Taikoo Place due to be completed in 2018 and Two Taikoo Place in 2021/2022.*
- *Sale of Kowloon Bay in 2018.*
- *Entered into a conditional equity transfer agreement to acquire 50% of a JV to develop a retail project of 1.25 million sq ft in Qiantan, Shanghai. Completion expected in 2020.*

### *Aviation (excl. CX)*



- *Continued investment by HAECO in order to increase scale of operations and technical capabilities.*

### *Beverages*



- *Expansion in Pacific Northwest (Washington state, Oregon and Idaho) and acquisition of production and distribution assets in USA completed in 2017.*
- *Realignment of Coca-Cola bottling system in Mainland China and acquisition of additional interest in Swire Beverages Ltd. completed in 2017.*
- *Integration well under way.*

## Implementing our Capital Allocation Strategy

### *Marine Services*



- *Five vessels disposed of in 2017 (with a further vessel returned to its charterer) reducing fleet size from 81 to 77.*
- *SPO expects to dispose of more older vessels.*

### *Trading & Industrial*



- *No. of bakery stores increased from 550 to 650 in 2017.*
- *Terminated loss-making dealerships at Taikoo Motors in Mainland China and Hong Kong.*
- *Disposal of investment in Rebecca Minkoff and closure of loss-making retail outlets in Mainland China.*
- *Cold storage facilities opened in Chengdu and Xiamen. Remaining capital committed to cold storage business HK\$73m.*

## Forward Capital Allocation Snapshot

Capital Commitments*	Property HK\$M	Aviation HK\$M	Beverages HK\$M	Marine Services HK\$M	Trading & Industrial HK\$M	Total HK\$M
At 1st January 2017	18,328	1,593	9,231	2,365	875	32,392
New commitments	283	541	1,375	105	54	2,358
Expenditure (commitments fulfilled)	(4,598)	(1,130)	(9,882)	(732)	(770)	(17,112)
Cancelled commitments and other movements	187	(50)	43	(7)	(18)	155
At 31st December 2017	14,200	954	767	1,731	141	17,793
% of total*	80%	5%	4%	10%	1%	

\* Includes the Group's share of the capital commitments of its joint venture companies.



**Sustainable Development**

## Sustainable Development in Our Businesses



- In 2017 Swire Properties became the only listed company from Hong Kong and Mainland China to be included in the Dow Jones Sustainability World Index
- Swire Properties issued its first US\$500m green bond in early January 2018 to fund green projects
- Swire Properties aims to be the leading SD performer in its industry globally by 2030 (SD 2030 strategy)



- Swire Beverages' water stewardship principles are "Reduce, Reuse, Replenish"
- Increased water efficiency by 41% since 2004
- In each year from 2015, The Coca-Cola Company and Swire Beverages have returned more water to nature than the total volume of water used to make the beverages sold in Swire's markets



- In 2017, Cathay Pacific increased fuel efficiency by 1.8%, principally as a result of using more fuel efficient aircraft
- HAECO Group and Cathay Pacific received a score of 'B' in the Carbon Disclosure Project climate change programme.



- SPO reviewed its safety risk management process in 2017
- Lost time injury rate ("LTIR") at SPO remained at 0.07 in 2017



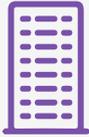
- The LTIR at the Trading & Industrial Division fell by 15% in 2017
- The Swire Sustainability Fund has investments in early-stage companies which are engaged in the development of sustainable technologies



## Outlook

John Slosar, Chairman

## Outlook



Resilient office rents in Hong Kong.

Stable demand for Hong Kong retail space.

Growth in Mainland China retail income.

Stable office rents in Mainland China.

Stable US office demand but retailers cautious about expansion.

Some trading profits in Hong Kong and Miami, USA.



Passenger business of Cathay Pacific continues to face intense competition but the outlook for the cargo business is positive.

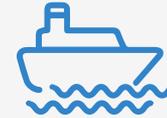
The transformation programme is a priority for 2018.

Satisfactory prospects for HAECO's business. Airframe services results dependent on efficiency and workflow improvements at HAECO Americas.



Following significant expansion of territory in USA and Mainland China, synergies are expected. Integration of the new operations is on track.

We expect modest growth in sales volume in Mainland China, Hong Kong and USA. Additional profits are expected from the newly acquired businesses.



Exploration and production spending is expected to increase modestly in 2018 but charter hire rates remain depressed.



Qinyuan Bakery will open more stores, improve its products and upgrade its small store format.

Overall T&I profits are expected to increase in 2018.

## Management Change



### Key Changes

- Merlin Swire is appointed as Chairman of Swire Pacific, Swire Properties and HAECO with effect from 1st July 2018.
- John Slosar will remain as Chairman of Cathay Pacific.
- Merlin Swire joined the Swire group in 1997, and has worked at operational and board levels in a wide range of Swire businesses.
- The appointment continues Swire's longstanding practice of appointing leaders from within the group, and reaffirms the Swire family's long term commitment to Swire Pacific.



Q&A



## Appendix

# Corporate Structure

At 31st December 2017

## Swire Pacific Limited

### Property

#### Investment Properties

##### Hong Kong

- Pacific Place
- Taikoo Place
- Cityplaza
- Citygate

##### Mainland China

- Taikoo Li Sanlitun
- INDIGO
- TaiKoo Hui
- HKRI Taikoo Hui
- Sino-Ocean Taikoo Li

##### Chengdu

##### USA

- First phase of Brickell City Centre

#### Future Developments

##### Hong Kong

- One and Two Taikoo Place
- Kowloon Bay development\*
- Tung Chung Town Lot No.11
- 8-10 Wong Chuk Hang Road

##### USA

- One 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

- WHITESANDS

##### USA - Miami

- Reach and Rise

### Aviation

#### Cathay Pacific group

##### Airlines

- Cathay Pacific
- Cathay Dragon
- Air Hong Kong (60%)
- Air China (18.13%\*\*)

##### Cargo Terminal

- Cathay Pacific Services

##### Other Operations

- Cathay Pacific Catering Services
- Hong Kong Airport Services

No. of Aircraft: 208

#### HAECO group



- HAECO Hong Kong
- HAECO Americas
- HAECO Xiamen (58.55%)
- HAESL (50%)
- TEXL (72.86%)

\* The company owning the uncompleted investment property was conditionally agreed to be sold. Completion is expected before the end of 2018.

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

### 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: 18

##### Taiwan

No. of Bottling Plants: 2

##### USA

No. of Bottling Plants: 6

### 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: 77

No. of Vessels on Order: 4



#### HUD

Engineering and harbour towage services in Hong Kong

No. of Vessels: 19



### T&I

#### Trading

##### Swire Retail group:

###### ▪ Swire Resources

Distribution and retailing of footwear, apparel and related accessories in Hong Kong, Macau and Mainland China

###### ▪ Swire Brands

Investments in brand-owning companies

##### Taikoo Motors

Distribution and retailing of motor vehicles in Taiwan, Hong Kong and Malaysia

#### Industrial

##### Swire Foods group:

###### ▪ Swire Foods (including Taikoo Sugar)

Packaging and selling sugar and other food products in Hong Kong and Mainland China

###### ▪ Qinyuan Bakery

A leading bakery chain in southwest China

##### Swire Pacific Cold Storage

Provision of cold storage and warehousing services in Mainland China

##### Akzo Nobel Swire Paints

Manufacture and distribution of paint in Mainland China, Hong Kong, and Macau

##### 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

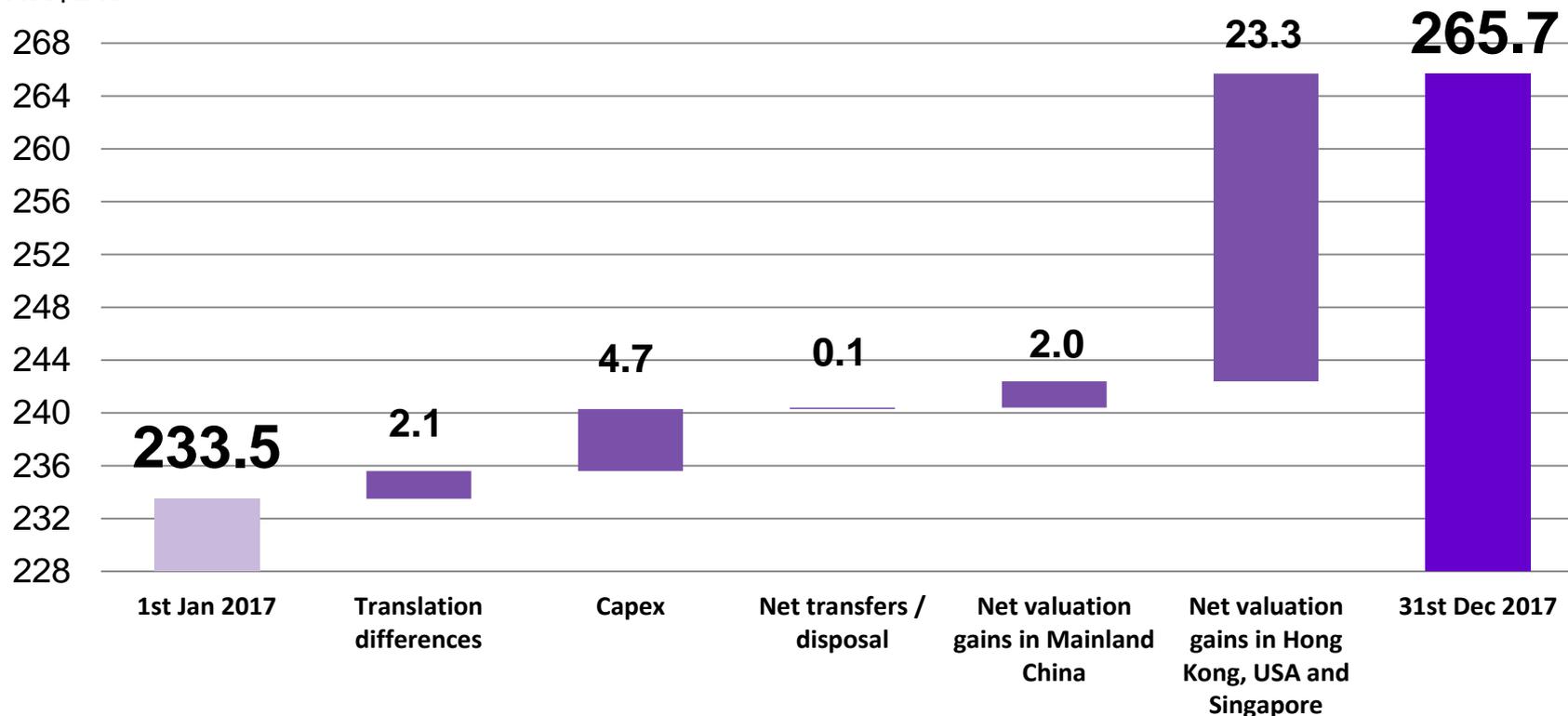
## Financial Summary

### Profit Bridge

	2016 HK\$M	2017 HK\$M
<b>Attributable profit</b>	9,644	<b>26,070</b>
Less: adjustments in respect of investment properties	(6,581)	<b>(21,328)</b>
<b>Underlying profit attributable to the Company's shareholders</b>	3,063	<b>4,742</b>
Other significant non-recurring items:		
Profit on disposal of HAESL's interest in SAESL, net of associated expenses	(587)	-
Profit on sales of investment properties	(65)	<b>(12)</b>
Loss/(profit) on sale of property, plant and equipment and other investments	18	<b>(200)</b>
Gain by Swire Beverages from territory and business changes in Mainland China and USA	-	<b>(1,511)</b>
Net impairment of property, plant and equipment, deferred tax and intangible assets	2,568	<b>1,743</b>
<b>Adjusted underlying profit</b>	4,997	<b>4,762</b>

## Movement in Investment Properties

HK\$Bn



- Revaluation gains of HK\$25.3Bn in 2017 (excluding the Group's share of revaluation movements of joint ventures).
- The increase in the valuation of the investment property portfolio is mainly due to an increase in the valuation of the office properties in Hong Kong following rental increases and a reduction of 25 basis points in the capitalisation rate.



# 2017 Annual Results Analyst Briefing

15th March 2018 | Hong Kong