

2019 Annual Results Analyst Briefing

12th March 2020 | Hong Kong

Disclaimer

This document has been prepared by Swire Pacific Limited (“the “Company”, and together with its subsidiaries, the “Group”) solely for information purposes and certain information has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the accuracy, fairness, completeness, reasonableness or correctness of the information or opinions presented herein or any verbal or written communication in connection with the contents contained herein. Neither the Company nor any of its affiliates, directors, officers, employees, agents, advisers or representatives shall have any responsibility or liability whatsoever, as a result of negligence, omission, error or otherwise, for any loss howsoever arising in relation to any information presented or contained in this document or otherwise arising in connection with this presentation. The information presented or contained in this document is subject to change without notice and shall only be considered current as of the date of this presentation.

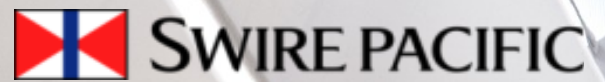
This document may contain certain forward-looking statements that reflect the Company’s beliefs, plans or expectations about the future or future events. These forward-looking statements are based on a number of assumptions, current estimates and projections, and are therefore subject to inherent risks,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

This document is for information purposes only and does not constitute or form any part of, and should not be construed as, an invitation or offer to acquire, purchase or subscribe for securities nor is it calculated to invite any such offer or invitation, whether in Hong Kong, the United States, or elsewhere.

This document does not constitute, and should not be construed as, any recommendation or form the basis for any investment decisions regarding any securities of the Company. Potential investors and shareholders of the Company should exercise caution when investing in or dealing in the securities of the Company.

Agenda

- ▶ Welcome Remarks and Highlights
- ▶ 2019 Financial Performance
- ▶ 2019 Business Review by Division
- ▶ 2019 Sustainable Development
- ▶ Outlook
- ▶ Q&A



Welcome Remarks and Highlights

Merlin Swire, Chairman

Business Environment in 2019

*Social unrest in
Hong Kong*



*Global trade
tensions*



*Slow recovery of
offshore industry*



2019 Performance Highlights

HK\$17,797m

Underlying Profit
(v. 2018)

+109%

HK\$7,221m

Recurring Underlying Profit
(v. 2018)

-4%

2019 Performance Highlights

	2019	5-year average
Return on Equity	3.3%	6.7%

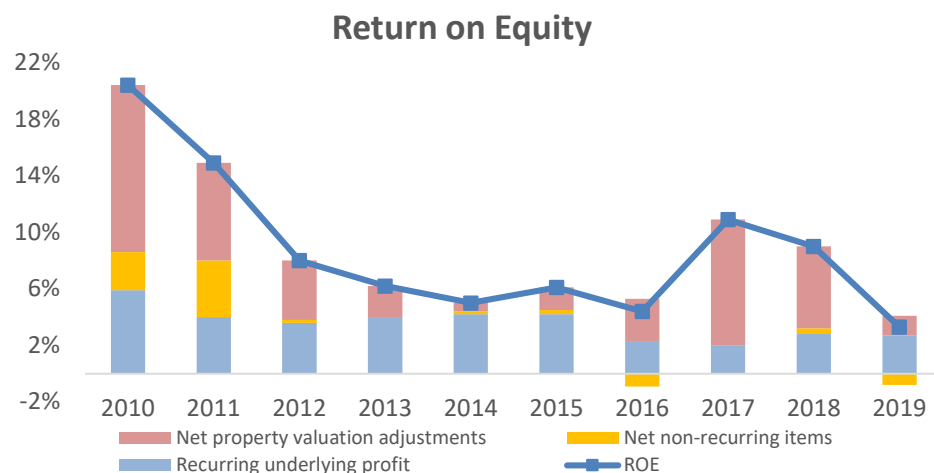
Derived from:

Recurring underlying profit

Net non-recurring items

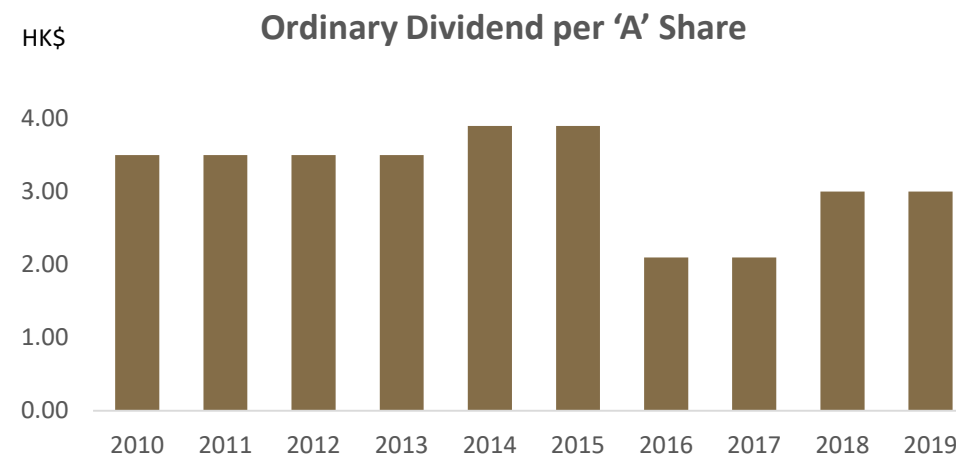
Net property valuation adjustments

2.7%		2.8%	
-0.8%	#	-0.2%	#
1.4%	#	4.1%	#



The attributable realised profit (HK\$12.7bn) in 2019 arising from the sales of interests in Cityplaza Three and Four and 625 King's Road has been reclassified from net non-recurring items to net property valuation adjustments.

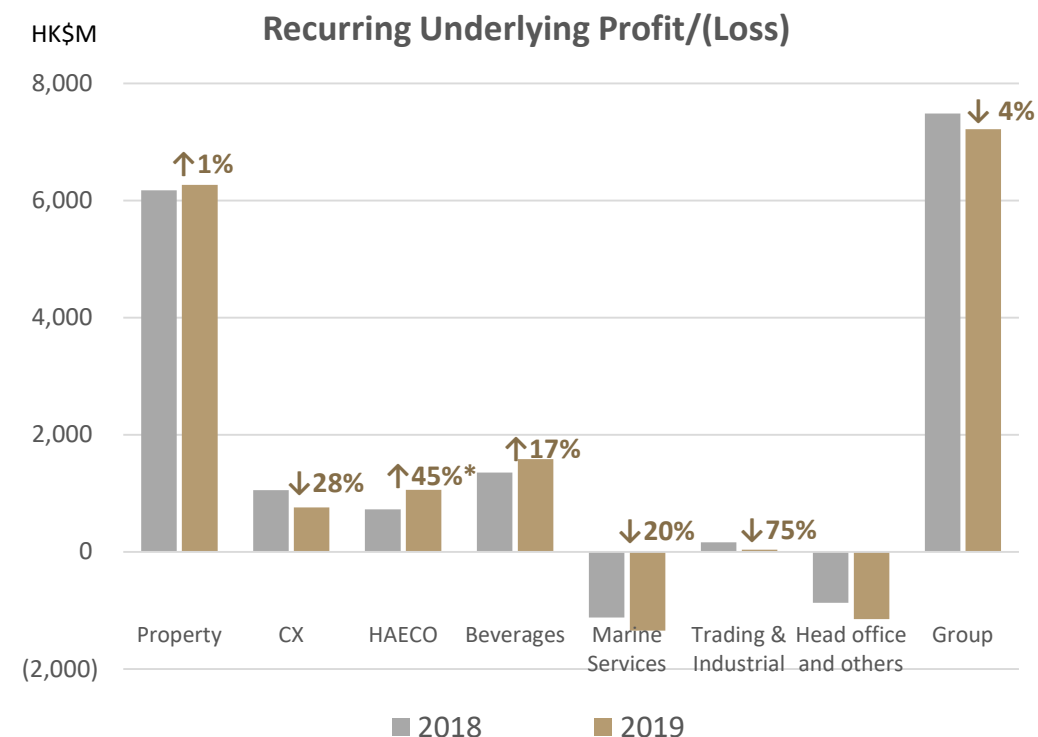
	2019	5-year CAGR
Dividend per 'A' Share (HK\$)	3.00	-5.1%
Dividend Payout Ratio*	25%	48%



* Based on underlying profit

Key Operating Highlights of 2019

- ▶ Solid results in the first half of 2019, but overall performance affected by social unrest in Hong Kong in the second half.
- ▶ Swire Properties performance was stable overall, with satisfactory growth from the Hong Kong office and Mainland China retail portfolios. Hong Kong retail and hotel performance were adversely affected by social unrest.
- ▶ Cathay Pacific faced exceptional challenges as a result of social unrest in Hong Kong and global trade tensions.
- ▶ HAECO's results were solid, except for losses at HAECO Americas.
- ▶ Strong profit growth at Swire Coca-Cola, particularly in Mainland China.
- ▶ The performance of SPO remained weak. There was an impairment charge in respect of its vessels' carrying value.
- ▶ Recurring profit reduced at Trading & Industrial.



Strategic Divestments of Non-Core Assets

Asset disposals (100% Basis)	2018 HK\$Bn	2019 HK\$Bn	Total HK\$Bn
Kowloon Bay Office Building*	6.5	-	6.5
Cityplaza Three and Cityplaza Four	3.0	12.0	15.0
625 King's Road	-	2.4	2.4
Other non-core properties in Hong Kong	2.0	2.0	4.0
T&I businesses	5.7	0.3	6.0
Total proceeds	17.2	16.7	33.9

* Includes proceeds received in instalments before 2018.

Attributable underlying profit of HK\$13.7Bn was recognised in 2019 from strategic divestments.

Investments in Core Businesses

Property



		Status
Office	Two Taikoo Place	Completion expected in early 2022
	Po Wah Building redevelopment	Completion expected in 2023
	Wah Ha, Zung Fu redevelopment	Compulsory sale applications submitted
Retail	Taikoo Li Qiantan (50% JV)	Completion expected in 2020
Residential	21-31 Wing Fung Street residential development	Completion expected in 2022
	Wong Chuk Hang residential development (25% JV)	Won the tender in October 2019 for residential development. Completion expected in 2024.
	Chai Wan residential development (80% JV)	Land acquisition completed. Redevelopment subject to agreement with government.
	983-987A King's Road and 16-94 Pan Hoi Street (50% JV)	Compulsory sale application submitted
	EDEN in Singapore	Completed in November 2019
	Residential development in Indonesia (50% JV)	Completion expected in 2023

Aviation

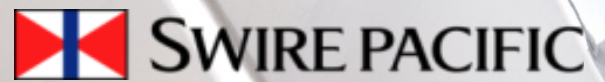


		Status
CX	Acquisition of HK Express	Completed in July 2019
	Investment in fuel-efficient fleet	70 new aircraft on order at the end of 2019
HAECO	Relocation of HAECO Xiamen premises to new airport	Under discussion with authorities

Beverages



		Status
<ul style="list-style-type: none"> Investments in production assets, logistics infrastructure, merchandising equipment and digital capabilities 		Ongoing

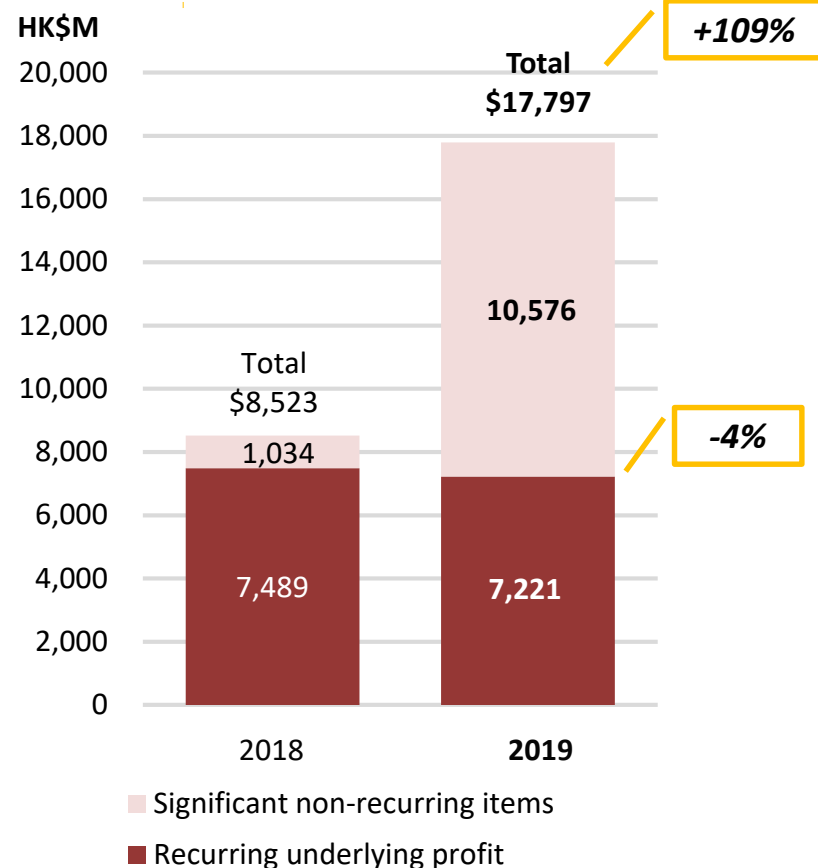


2019 Financial Performance

Michelle Low, Finance Director

2019 Financial Summary

Underlying Profit



Note: Property valuation gain (including the Group's share of net revaluation gain of joint venture companies and before deferred tax and non-controlling interests) was HK\$4.6Bn in 2019 (HK\$20.7Bn in 2018).

Revenue

2018: HK\$84,606m

2019: HK\$85,652m

+1%

Cash Generated from Operations*

2018: HK\$18,328m

2019: HK\$12,817m

-30%

Dividends per Share

2018:

HK\$3.00 per 'A' share

HK\$0.60 per 'B' share

2019:

HK\$3.00 per 'A' share

HK\$0.60 per 'B' share

* Takes into account (i) HK\$3.3Bn deposits received in 2018 in respect of sales of interests in investment properties and (ii) the derecognition of those deposits in 2019 on completion of those sales.

Net Debt

2018: HK\$62,667m

2019: HK\$46,688m

-25%

Net Debt and Lease Liabilities

2019: HK\$52,063m

Gearing Ratio

2018: 19.3%

2019: 14.2%

**-5.1%
pt**

Gearing Ratio (Includes Lease Liabilities)

2019: 15.8%

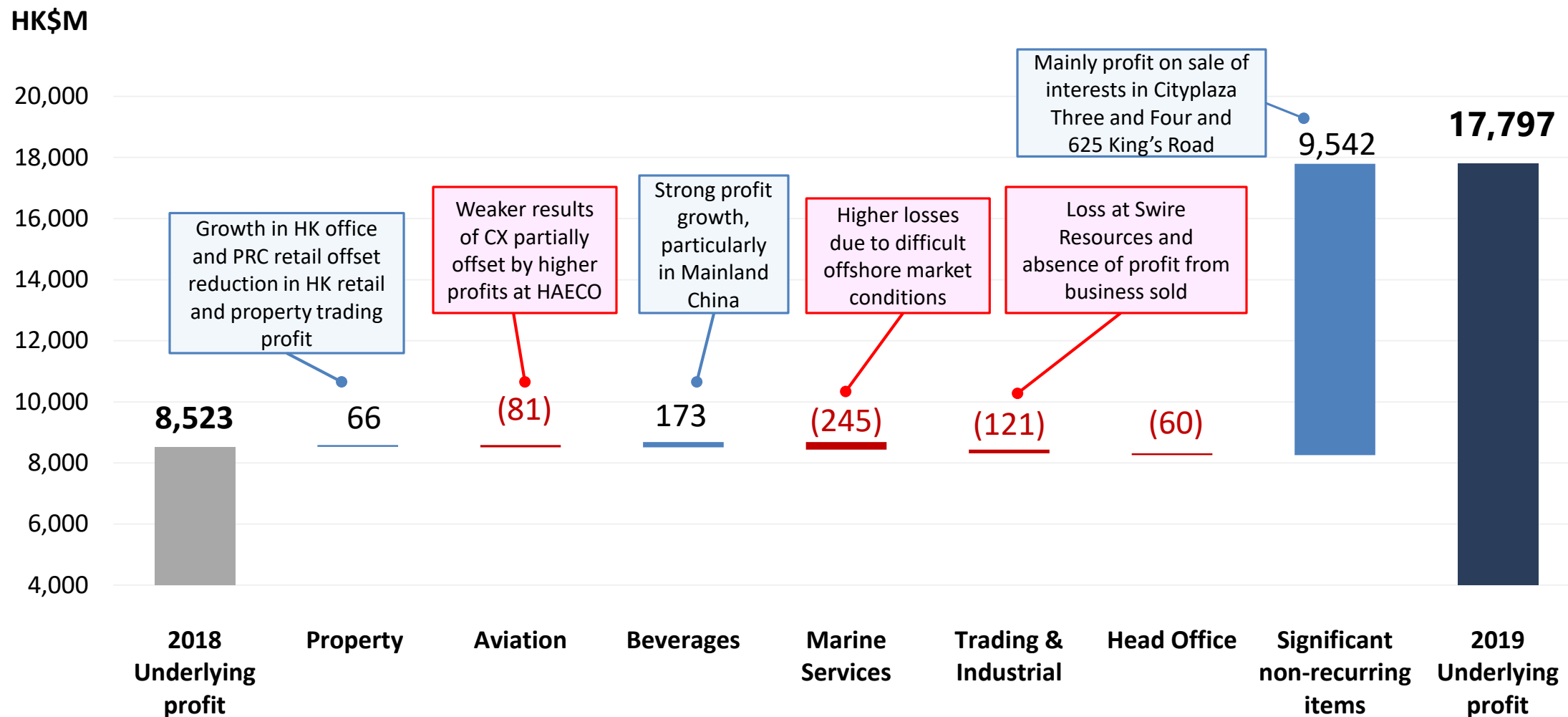
Equity Attributable to the Company's Shareholders

2018: HK\$270,424m

2019: HK\$273,352m

+1%

2019 Financial Summary – Movement in Underlying Profit

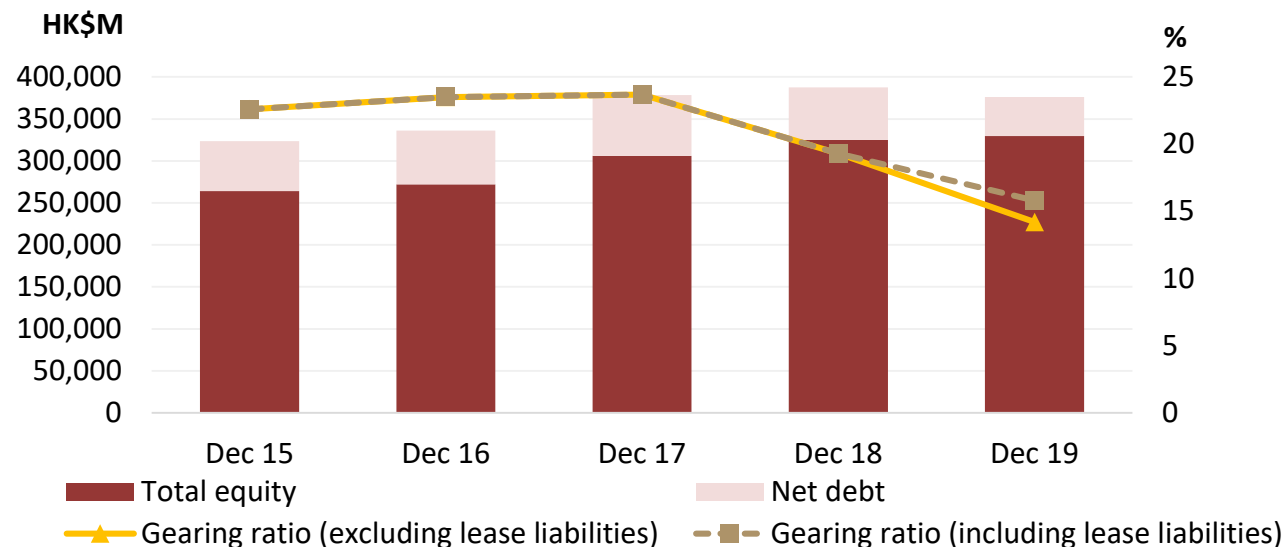


2019 Financial Summary – Financing

Net Debt Movements

Net debt at 1st January 2019	62.7
Cash from operations	(12.8)
Disposal proceeds	(20.8)
Capex and investments	8.4
Net dividend paid	4.6
Net interest paid	2.2
Tax paid	1.4
Others	1.0
Net debt at 31st December 2019	46.7

Gearing Ratio



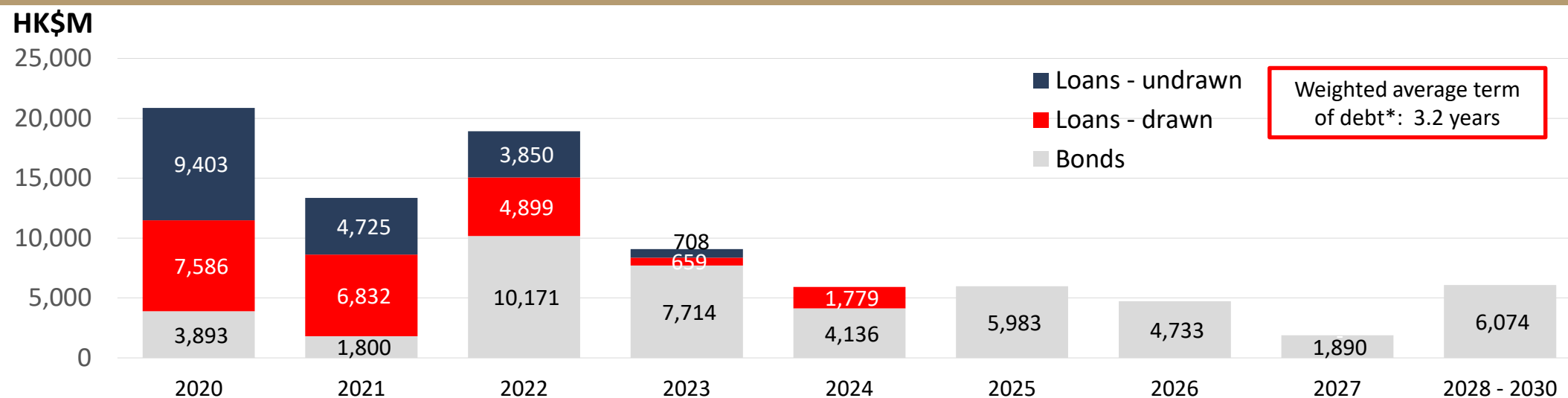
	Dec 18	Dec 19
Cash interest cover (underlying) – times	5.0	10.5
Weighted average cost of debt (%)*	3.5%	3.6%
Gross borrowings on fixed rate basis (%)*	74%	73%

* Excluding lease liabilities.

2019 Financial Summary – Liquidity

	Dec 18 HK\$M	Dec 19 HK\$M	Change %
Bank balances and short-term deposits	9,112	21,345	+134%
Total undrawn facilities			
- Committed	25,676	18,686	-27%
Group committed liquidity	34,788	40,031	+15%
- Uncommitted	8,450	7,829	-7%
Group total liquidity	43,238	47,860	+11%

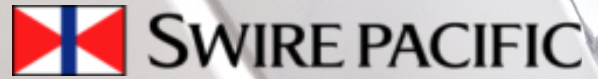
Financing Maturity Profile at 31st December 2019*



2019 Financial Summary – Forward Capital Allocation Snapshot

Capital Commitments*	Property HK\$M	HAECO HK\$M	Beverages HK\$M	Marine Services HK\$M	Trading & Industrial HK\$M	Total HK\$M
At 1st January 2019	17,622	622	931	543	71	19,789
New commitments	972	5,826	2,701	406	105	10,010
Expenditure (commitments fulfilled)	(1,579)	(733)	(1,664)	(437)	(100)	(4,513)
Cancelled commitments and other movements	(412)	(29)	(137)	(91)	(1)	(670)
At 31st December 2019	16,603	5,686	1,831	421	75	24,616
% of total*	67%	23%	7%	2%	1%	100%

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



2019 Business Review by Division

Merlin Swire, Chairman

Michelle Low, Finance Director

Patrick Healy, Chairman of Cathay Pacific and Swire Coca-Cola



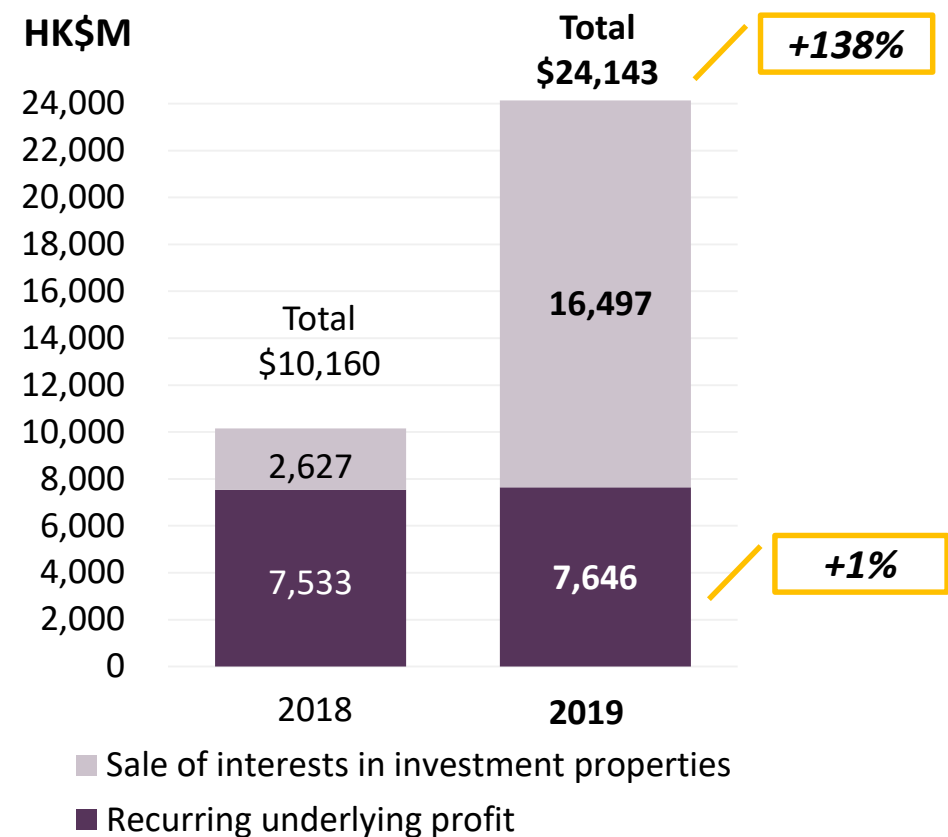
PROPERTY

2019 Highlights

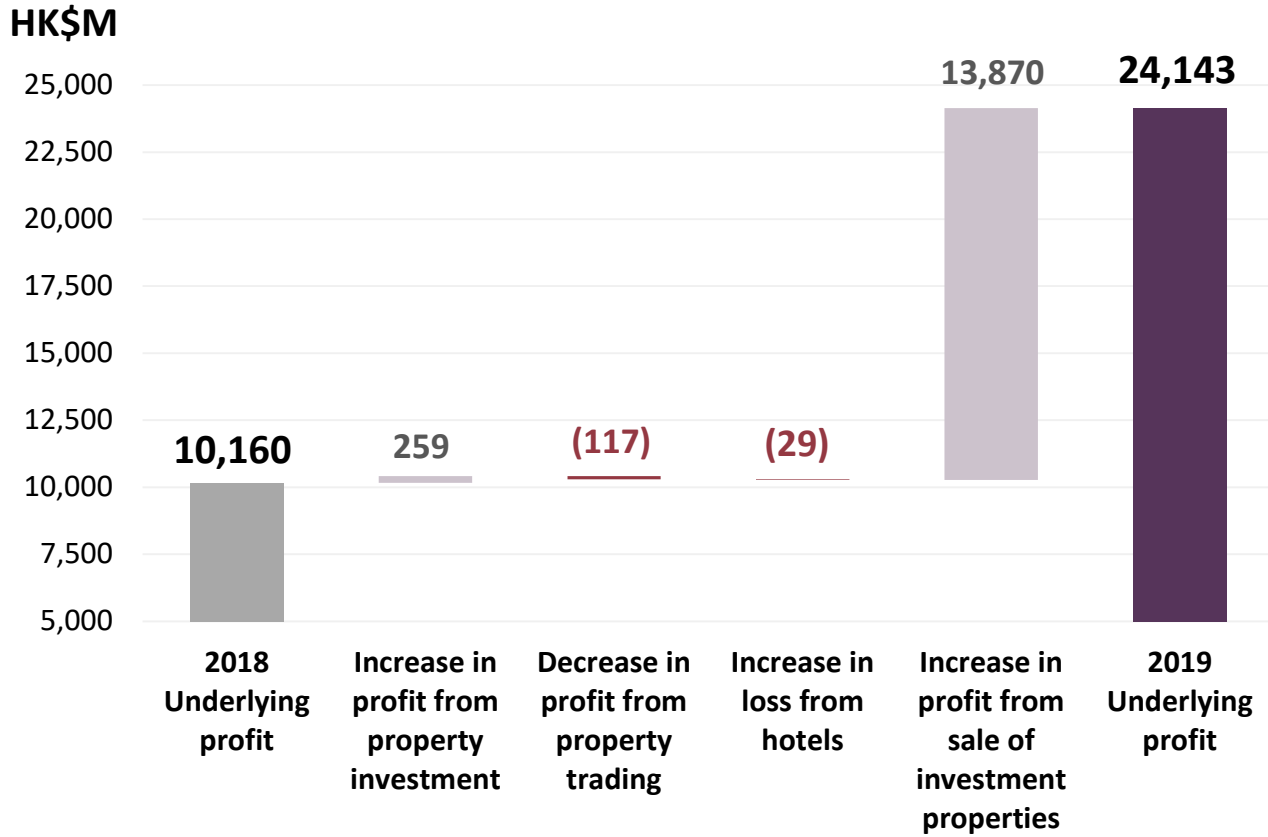
- ▶ Underlying profit increased by 138% due to profit from the sales of interests in Cityplaza Three and Four and in other investment properties in Hong Kong. Recurring underlying profit from property investment increased by 3%.
- ▶ In Hong Kong, rental income from the office portfolio increased due to positive rental reversions, firm occupancy and a full year of rental income from One Taikoo Place. Rental income from the retail portfolio was adversely affected by social unrest in Hong Kong. Rental subsidies were offered to tenants and retail sales decreased.
- ▶ The retail portfolio in Mainland China performed well, with strong growth in retail sales at all centres.
- ▶ The loss from property trading related to the residential units in the USA, partly offset by profit from the sale of carparks in Hong Kong and the sale of offices and carparks in Mainland China.
- ▶ Hotels recorded a loss, mainly due to a deterioration in the results of the Hong Kong hotels (reflecting social unrest) in the second half of the year.
- ▶ A joint venture (25% owned by Swire Properties) was formed to develop a residential property at Wong Chuk Hang, Hong Kong. Trading property projects were completed in Singapore and started in Jakarta, Indonesia.

3% increase in recurring underlying profit from investment properties

Underlying Profit (100% basis)

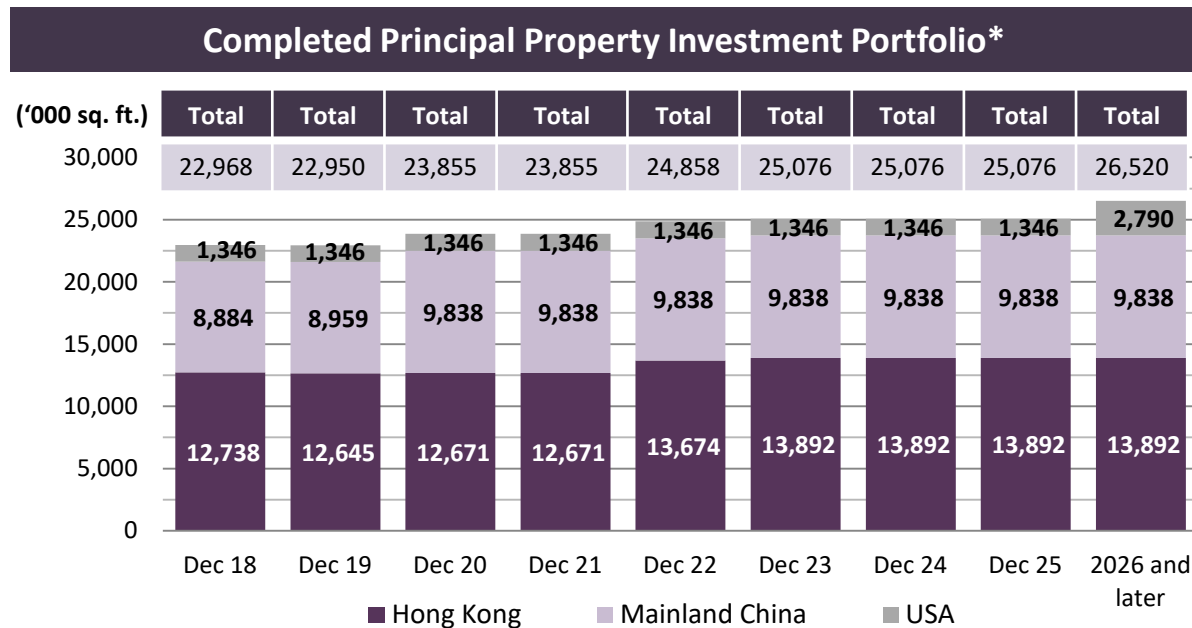


Movement in Underlying Profit (100% basis)



Note: Property valuation gain (including the Group's share of net revaluation gains of joint venture companies and before deferred tax) was HK\$4.6Bn in 2019 (HK\$20.7Bn in 2018).

Future Investment Property Developments



Projects	Expected completion date
Hong Kong	
Taikoo Place Redevelopment (Two Taikoo Place)	2022
Po Wah Building Redevelopment	2023
Wah Ha, Zung Fu Redevelopment	Compulsory sale application
Mainland China	
Taikoo Li Qiantan	2020
USA	
One Brickell City Centre	Under planning

Profile of Capital Commitments** — for Investment Properties and Hotels at 31st December 2019

(HK\$M)	Expenditure	Forecast expenditure				Commitments
	2019	2020	2021	2022	2023 and later	at 31st Dec 2019
Hong Kong	2,460	1,832	5,479	2,123	5,301	14,735
Mainland China	643	1,365	44	202	254	1,865
USA and others	168	3	-	-	-	3
Total	3,271	3,200	5,523	2,325	5,555	16,603

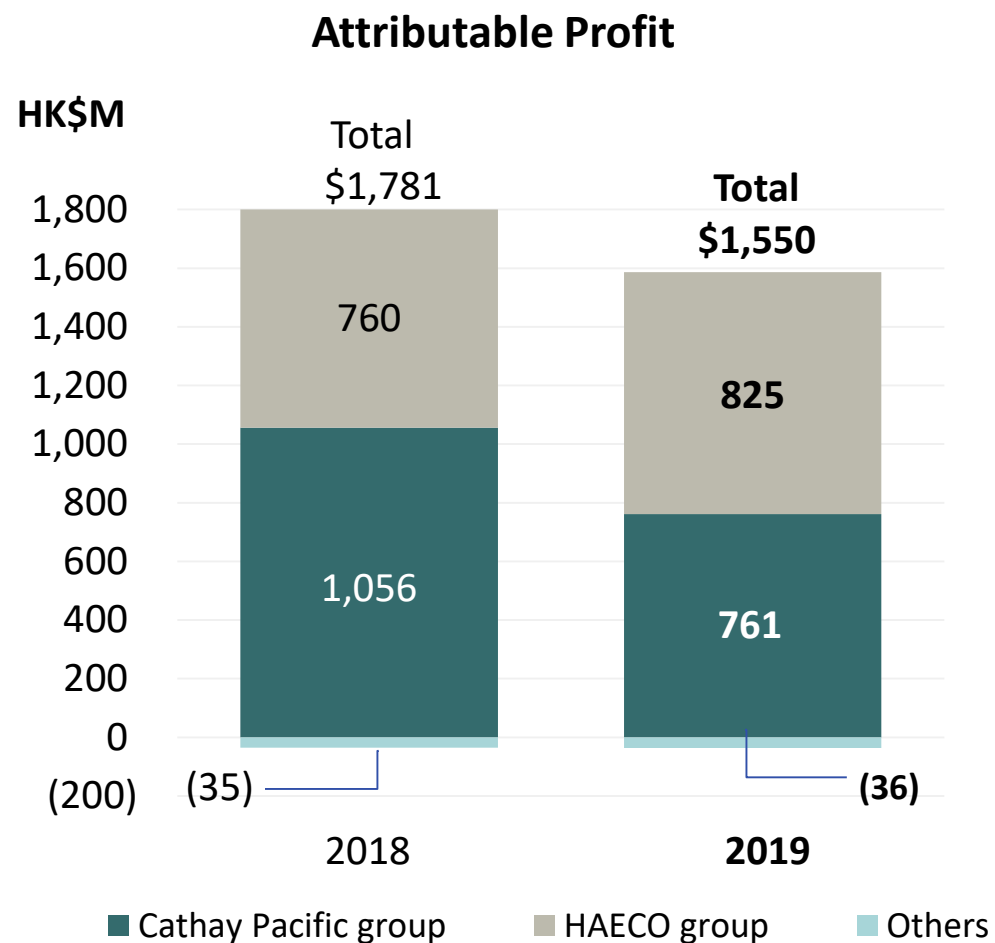
* Gross floor area represents 100% of space owned by Group companies and the division's attributable share of space owned by joint venture and associated companies.

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

AVIATION



Decrease in profit from Cathay Pacific



Key Financial Data		
	2019 HK\$M	Change %
HAECO group*		
Revenue	15,901	+7%
Attributable profit	825	-17%
Recurring attributable profit	1,059	+11%
Share of post-tax profit from an associated company		
Cathay Pacific group	761	-28%

* HAECO was privatised in November 2018. Before that, HAECO was 75% owned by Swire Pacific. Change % is on a 100% basis.

2019 Highlights - CX

- ▶ Cathay Pacific's performance was positive in the first half. However, it experienced a sharp drop in inbound and outbound passenger traffic in the second half due to social unrest and mounting US-China trade tensions.
- ▶ Passenger load factor and yield declined. Social unrest in Hong Kong in the second half of the year significantly reduced load factors, forward bookings and the number of passengers carried.
- ▶ Cargo demand was depressed all year as a result of US-China trade tensions and was noticeably below that of 2018. Cargo carried, load factor and yield all decreased.
- ▶ Net fuel costs decreased by 12% but results were adversely affected by a strong US dollar. Non-fuel costs per ATK decreased slightly, reflecting a focus on productivity and efficiency.
- ▶ The acquisition of low-cost carrier HK Express was completed in July 2019.

2019 Highlights - CX

Key Financial Data		
CX group (100% basis)		
HK\$M	2019	Change %
Revenue	106,973	-4%
Passenger services	73,985	+1%
Cargo services	23,810	-16%
Others	9,178	-5%
Net fuel cost	29,812	-12%
Share of profits from subsidiaries and associated companies	1,450	-26%
Attributable profit	1,691	-28%

Key Operating Statistics		
	2019	Change %
Available tonne kilometres (ATK) ('M)	33,077	+2%
Revenue passengers carried ('000)	35,233	-1%
Passenger yield (HK¢)	53.6	-4%
Passenger load factor (%)	82.3%	-1.8% pt
Passenger revenue per ASK (HK¢)	44.2	-6%
Cargo carried ('000 Tonnes)	2,022	-6%
Cargo yield (HK\$)	1.87	-8%
Cargo load factor (%)	64.4	-4.4% pt
Cargo revenue per AFTK (HK\$)	1.20	-14%

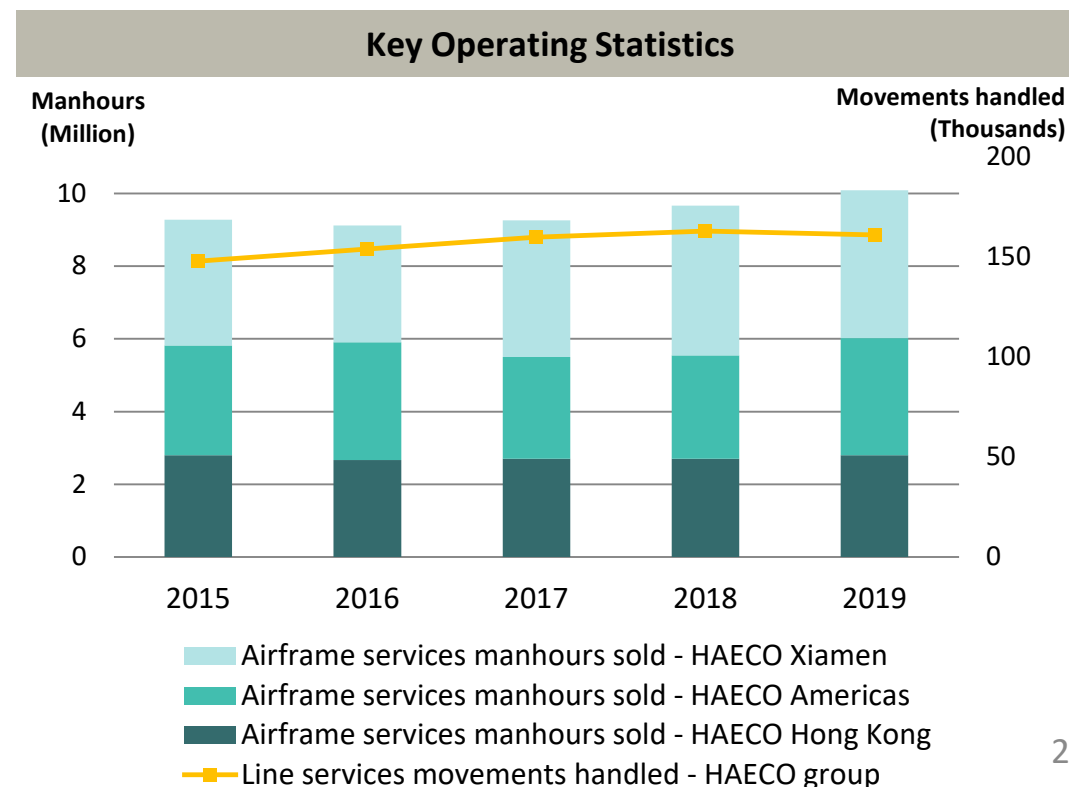
2019 Highlights - HAECO

- ▶ Disregarding the impairment charges of HK\$234 million in respect of intangible assets attributable to HAECO Americas, recurring profit grew by 11% in 2019.
- ▶ Recurring losses at HAECO Americas reduced, reflecting more airframe services work, efficiency gains and higher margins from seat sales.
- ▶ 11% increase in profit from HAESL due to increase in engine volume and heavier work mix.
- ▶ Solid performances at HAECO Hong Kong and Xiamen.

Key Financial Data		
Recurring Profit/(Loss)		
	2019 HK\$M	Change %*
HAECO Hong Kong	243	-7%#
HAECO Americas	(190)	-34%
HAECO Xiamen	225	-3%
TEXL	180	-1%
HAESL	415	+11%
Others	186	-3%
Total	1,059	+11%

* 100% basis for 2018.

+7% disregarding the effect on financing charges of adopting a new accounting standard on leases.



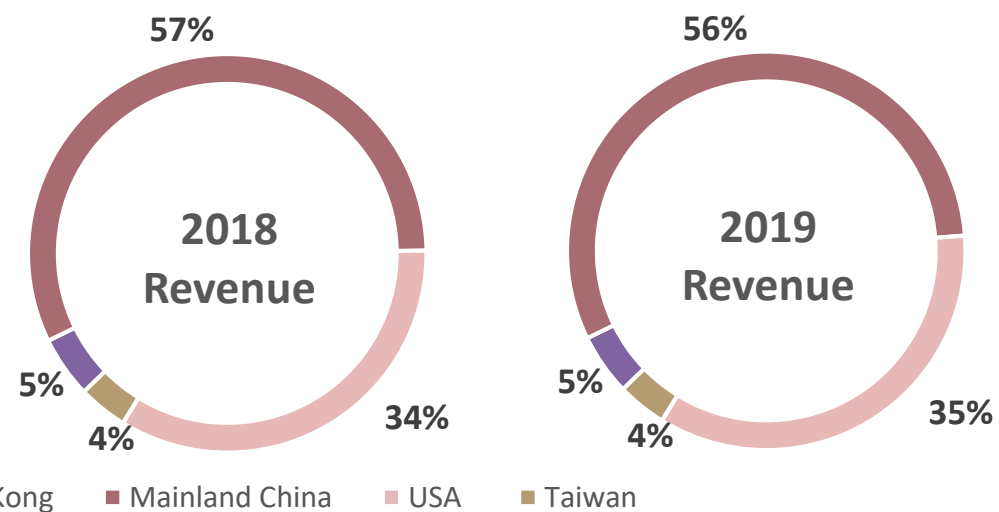
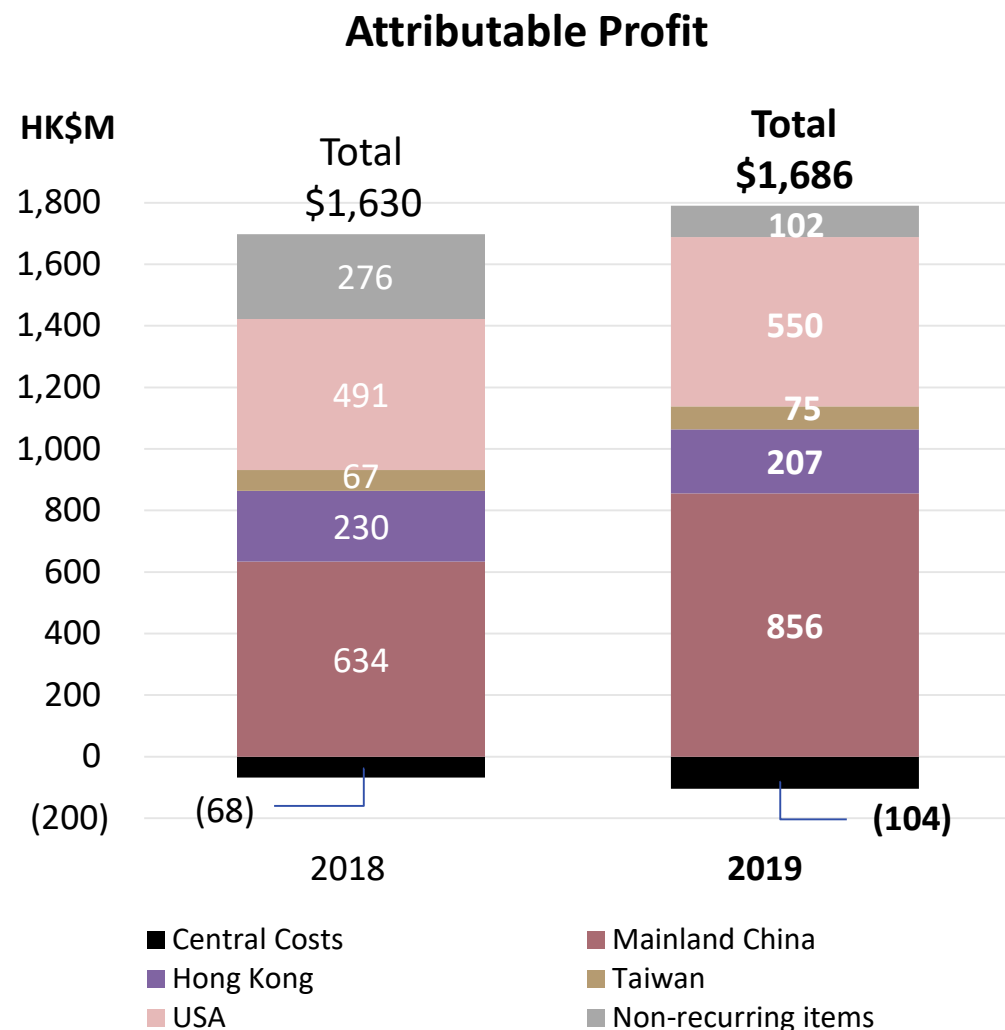


BEVERAGES

2019 Highlights

- ▶ Recurring profit increased by 17%.
- ▶ 35% growth in recurring profit in Mainland China, due to strong sales growth of sparkling products, the introduction of new products and packaging and price increases.
- ▶ Recurring profit increased by 12% in the USA, due to price increases, a favourable product mix and the inclusion of sales of Monster products in the Arizona franchise territory from March 2019.
- ▶ 12% increase in recurring profit in Taiwan, due to strong sales growth of sparkling and new products, better sales management and an improved product mix.
- ▶ Profit from Hong Kong reduced due to social unrest and higher infrastructure improvement costs.
- ▶ Continued to make significant investments in production assets, logistics infrastructure, merchandising equipment and digital capabilities.

17% increase in recurring profit



^ Revenue includes that of a joint venture company and excludes sales to other bottlers.

Key Financial Data		
HK\$M	2019	Change %
Attributable profit	1,686	+3%
Recurring profit*	1,584	+17%
Recurring EBITDA [#]	4,300	+12%
EBITDA margin [#]	9.6%	+0.6% pt

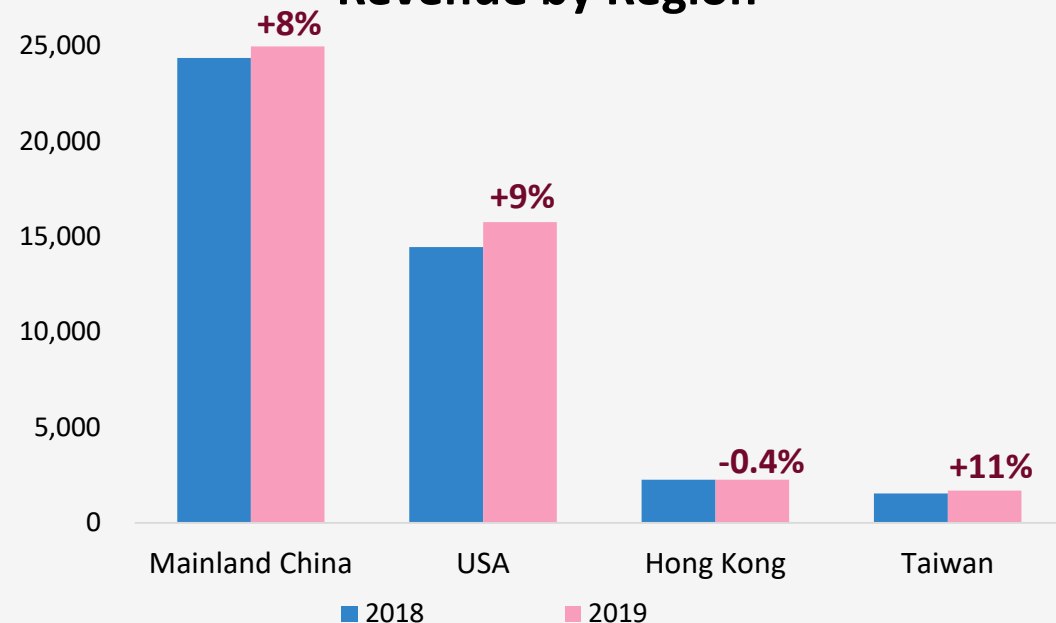
* Excluding non-recurring items.

[#] Including that of a joint venture company and excluding non-recurring gains and central costs.

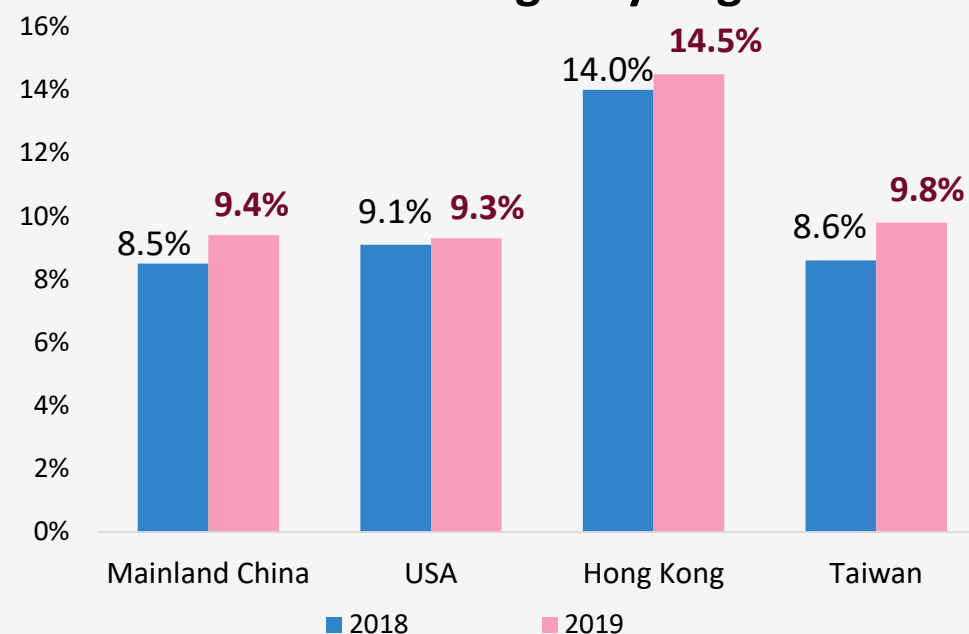
2019 Revenue and EBITDA Margin Analysis*

- Revenue increased by **5%** and volume by **2%**. EBITDA margin increased by 0.6% point to **9.6%**.

HK\$M **Revenue by Region**



EBITDA Margin by Region



Volume growth	2%	2%	-3%	8%
---------------	----	----	-----	----

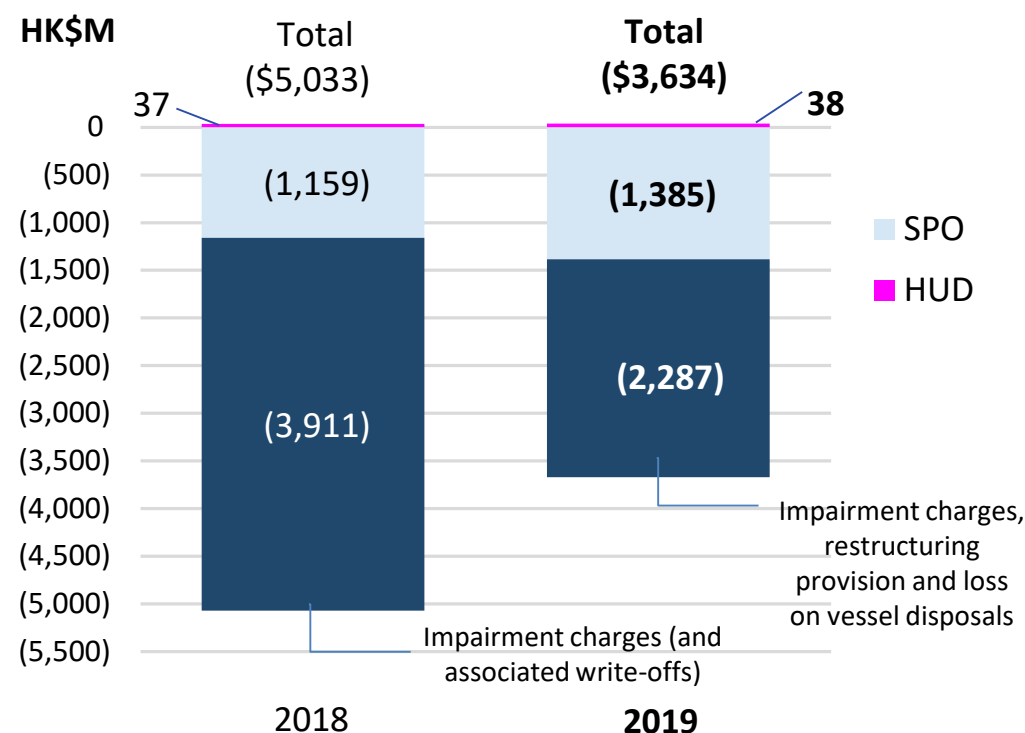
* Revenue and volume include those of a joint venture company and exclude sales to other bottlers. EBITDA margin includes that of a joint venture company and excludes non-recurring gains and central costs. Revenue growth and EBITDA margin are calculated in local currency terms.

MARINE SERVICES



Industry remained difficult

Attributable Loss



2019 Key Highlights

- ▶ Industry conditions remained difficult although the market appears to have bottomed out. A significant impairment charge was made.
- ▶ Oversupply of vessels continued to put pressure on charter hire rates.
- ▶ SPO disposed of four vessels and remains vigilant on costs.

Key Financial and Operating Data

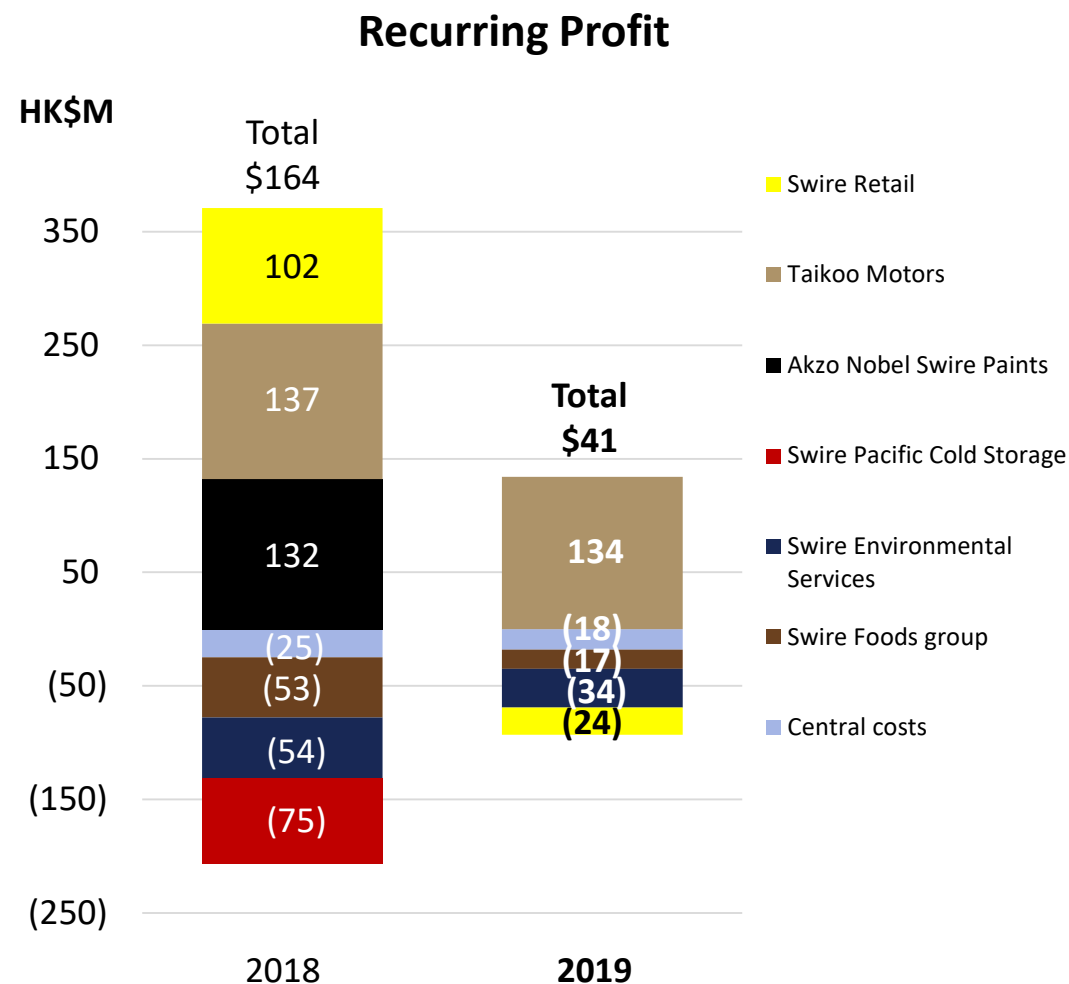
Swire Pacific Offshore group

HK\$M	2019	Change %
Revenue	2,452	-19%
Attributable loss	3,672	-28%
Recurring loss*	1,385	+19%
Average daily charter hire rates		
	USD13,600	-21%
- Core fleet	USD11,100	+5%
- Construction and specialist vessels	USD41,100	-51%
Average fleet utilisation rate		
	76.9%	+7.0% pt
- Core fleet	82.3%	+8.2% pt
- Construction and specialist vessels	44.7%	0% pt



TRADING & INDUSTRIAL

Recurring profit reduced



2019 Key Highlights

Swire Retail

- Sales were significantly affected by social unrest in Hong Kong in the second half of 2019.

Taikoo Motors

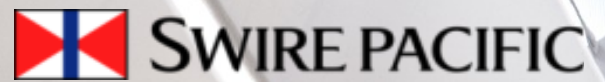
- Stable performance with a favourable product mix offsetting a reduction in sales volume.

Swire Foods group

- Disregarding an impairment charge on goodwill and business rationalisation costs, recurring loss of Qinyuan Bakery reduced.

Swire Environmental Services

- Investment in an associated company was written off.

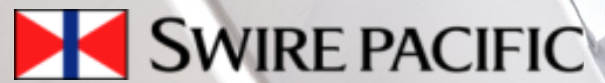


2019 Sustainable Development

Michelle Low, Finance Director

2019 Highlights

- ▶ In 2019, Swire Properties became the first real estate developer in Hong Kong and Mainland China to have its carbon reduction targets approved by the Science Based Targets Initiative.
- ▶ At the end of 2019, 97% of Swire Properties' property portfolio had been certified or provisionally certified as green buildings.
- ▶ Cathay Pacific increased fuel efficiency by 2%. It continued to buy more fuel-efficient aircraft. Six Airbus A350s were delivered in 2019. The fleet included 12 Airbus A350-1000 and 24 Airbus A350-900 aircraft at the end of 2019.
- ▶ A joint venture (New Life Plastics) was formed to operate a plastic recycling facility in Hong Kong, which will begin operations later this year.
- ▶ We have developed a diversity and inclusion strategic framework.



Outlook

Merlin Swire, Chairman

COVID-19

- ▶ COVID-19 is adversely affecting the results of a number of our Group's businesses in Hong Kong and Mainland China. We are doing what we can to mitigate these adverse effects.
- ▶ Swire Properties is offering rental subsidies to tenants in Hong Kong and Mainland China on a case by case basis.
- ▶ Cathay Pacific has substantially reduced passenger capacity and frequencies.
- ▶ The financial position of the Group has been substantially strengthened through strategic disposals in the past two years. Available committed liquidity at 31st December 2019 was HK\$40 billion.

Outlook

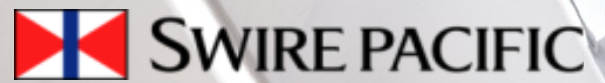
We face significant local and global challenges in 2020.

Our businesses in Hong Kong and Mainland China are being adversely affected by COVID-19.

The effect on Cathay Pacific is particularly severe. We expect to incur a recurring loss in the first half of 2020.

But we believe that the long-term success of Swire Pacific will reflect continued growth in Mainland China and, despite its current problems, the continued strength of Hong Kong as a major international financial and business centre.

- ▶ In the Property Division, retail investment properties and hotels in Hong Kong and Mainland China are being adversely affected by COVID-19.
- ▶ Cathay Pacific expects to incur a substantial loss in the first half of 2020.
- ▶ Demand for HAECO's airframe services is expected to be affected by COVID-19. Demand for line services in Hong Kong is being affected by COVID-19. Demand for engine services is expected to increase with a varied mix of work, though in time COVID-19 will have some effect.
- ▶ In the Beverages Division, revenue would normally be expected to grow, but the results in Mainland China and Hong Kong are being affected by COVID-19. Increased costs are expected to put pressure on profits in all regions.
- ▶ At SPO, trade tensions and COVID-19 are adversely affecting the recovery of the offshore support industry. In any event, a significant overall increase in charter hire rates will be required to restore the business to profitability.
- ▶ The results of Swire Resources, Qinyuan Bakery and Taikoo Sugar are being adversely affected by COVID-19.



Appendix

Corporate Structure

At 31st December 2019

Swire Pacific Limited					
Property	Aviation	Beverages	Marine Services	T&I	
<p>Investment Properties <u>Hong Kong</u></p> <ul style="list-style-type: none"> ▪ Pacific Place ▪ Taikoo Place ▪ One Island East ▪ One Taikoo Place ▪ South Island Place ▪ Cityplaza ▪ Citygate <p><u>Mainland China</u></p> <ul style="list-style-type: none"> ▪ Taikoo Li Sanlitun ▪ INDIGO ▪ Taikoo Hui ▪ HKRI Taikoo Hui ▪ Sino-Ocean Taikoo Li Chengdu <p><u>USA</u></p> <ul style="list-style-type: none"> ▪ First phase of Brickell City Centre 	<p>Future Developments <u>Hong Kong</u></p> <ul style="list-style-type: none"> ▪ Two Taikoo Place ▪ Po Wah Building redevelopment ▪ Wah Ha and Zung Fu redevelopment ▪ 983-987A King's Road & 16-94 Pan Hoi Street <p><u>Mainland China</u></p> <ul style="list-style-type: none"> ▪ Taikoo Li Qiantan <p><u>USA</u></p> <ul style="list-style-type: none"> ▪ One Brickell City Centre 	<p>Cathay Pacific group <u>Airlines</u></p> <ul style="list-style-type: none"> ▪ Cathay Pacific ▪ Cathay Dragon ▪ HK Express ▪ Air Hong Kong ▪ Air China (18.13%) ▪ Air China Cargo (17.74%*) <p><u>Cargo Terminal</u></p> <ul style="list-style-type: none"> ▪ Cathay Pacific Services <p><u>Other Operations</u></p> <ul style="list-style-type: none"> ▪ Cathay Pacific Catering Services ▪ Hong Kong Airport Services <p>No. of Aircraft: 236</p>	<p>Swire Coca-Cola Has the right to manufacture, market and distribute products of The Coca-Cola Company</p> <p><u>Hong Kong</u></p> <p>No. of Bottling Plant: 1</p> <p><u>Mainland China</u></p> <p>No. of Bottling Plants: 18</p> <p><u>Taiwan</u></p> <p>No. of Bottling Plant: 1</p> <p><u>USA</u></p> <p>No. of Bottling Plants: 6</p>	<p>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</p> <p>No. of Vessels: 73</p> <p>HUD Engineering, harbour towage and salvage services in Hong Kong</p> <p>No. of Vessels: 19</p>	<p>Trading</p> <p>Swire Resources Distribution and retailing of footwear, apparel and related accessories in Hong Kong, Macau and Mainland China</p> <p>Taikoo Motors Distribution and retailing of motor vehicles principally in Taiwan</p> <p>Industrial</p> <p>Swire Foods group:</p> <ul style="list-style-type: none"> ▪ Taikoo Sugar Packaging and selling sugar in Hong Kong and Mainland China ▪ Qinyuan Bakery A leading bakery chain in southwest China <p>Swire Environmental Services:</p> <ul style="list-style-type: none"> ▪ Swire Waste Management Provision of waste management services in Hong Kong
<p>Hotels <u>Hong Kong</u></p> <ul style="list-style-type: none"> ▪ The Upper House ▪ EAST, Hong Kong <p><u>Mainland China</u></p> <ul style="list-style-type: none"> ▪ The Opposite House ▪ EAST, Beijing ▪ The Temple House ▪ The Middle House <p><u>USA</u></p> <ul style="list-style-type: none"> ▪ EAST, Miami 					
<p>Property Trading <u>USA</u></p> <ul style="list-style-type: none"> ▪ Reach and Rise <p><u>Singapore</u></p> <ul style="list-style-type: none"> ▪ EDEN 					

* Equity and economic interests aggregating 34.78%.

2019 Profit Bridge

	2018 HK\$M	2019 HK\$M
Attributable profit	23,629	9,007
Less: adjustments in respect of investment properties	(15,106)	8,790
Underlying profit attributable to the Company's shareholders	8,523	17,797
Significant non-recurring items:		
Profit on sale of interests in investment properties	(2,155)	(13,528)
Net impairment of property, plant and equipment and intangible assets and write-off of investments and deferred tax assets	4,185	3,237
Profit on sale of businesses in T&I Division	(2,792)	(140)
Profit on sale of property, plant and equipment and other investments	(140)	(145)
Gain by Swire Coca-Cola from acquisition of production assets in the USA	(132)	-
Recurring underlying profit	7,489	7,221

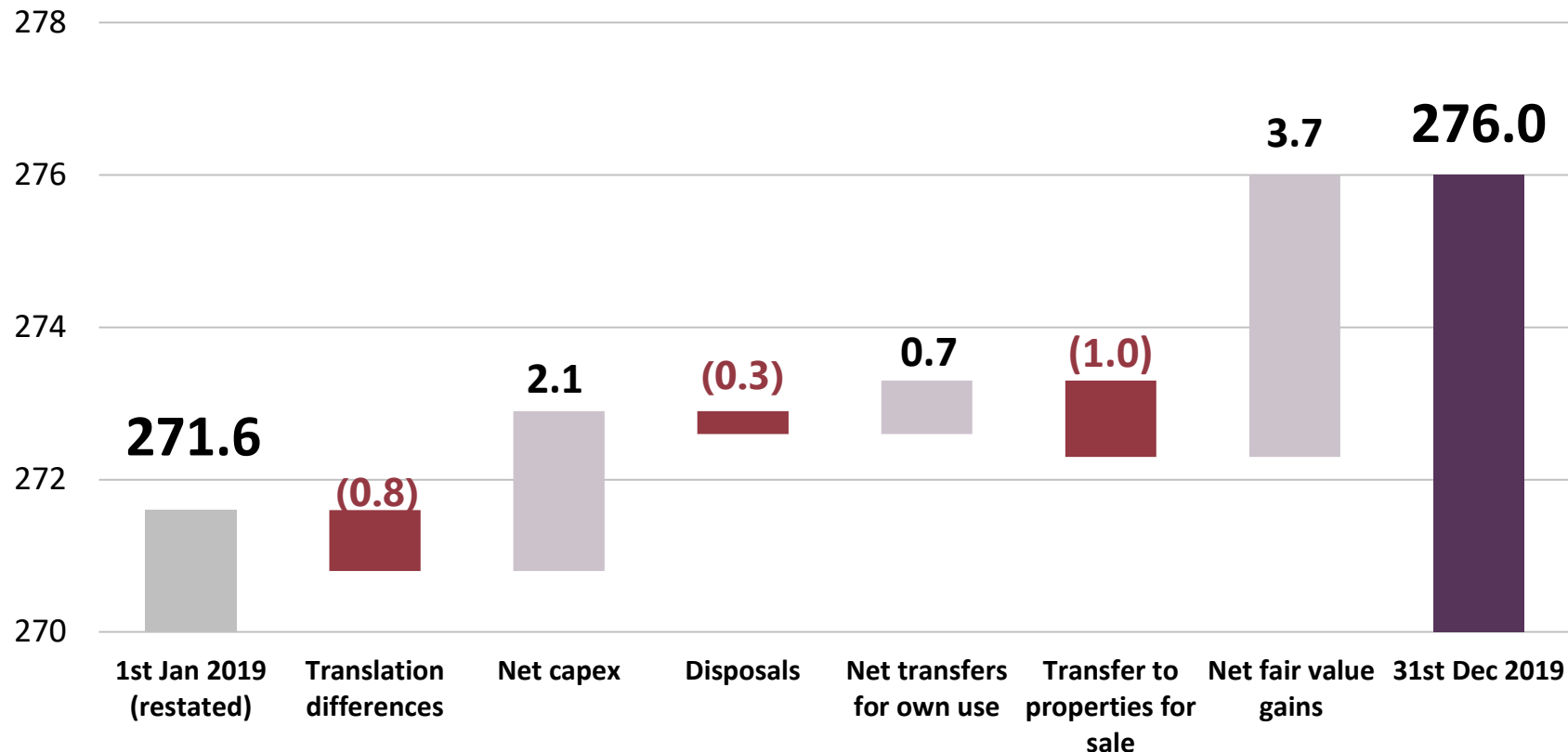
Profit mainly represented the gain on disposal of Cityplaza 3 and 4 of HK\$11.2Bn and gains on disposal of other non-core properties in Hong Kong

Comprised mainly the impairment charge and associated write-offs at SPO and impairments of goodwill and intangibles at HAECO Americas and Qinyuan Bakery

Profit principally arose from the disposal of the paints business

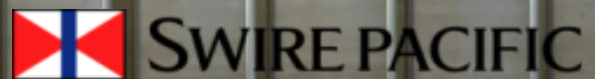
2019 Movement in Investment Properties*

HK\$Bn



- Revaluation gains of HK\$3.7Bn in 2019.
- The increase in the valuation of the investment property portfolio is mainly due to modest increases in the valuation of the office properties in Hong Kong and of the investment properties in Mainland China following rental increases, partly offset by a decrease in valuation of the retail properties in Hong Kong.

* Not including joint ventures.



2019 Annual Results Analyst Briefing

12th March 2020 | Hong Kong