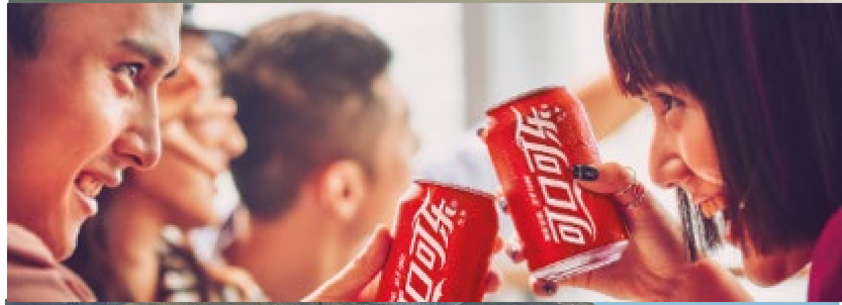
2020 Annual Results
Analyst Briefing

11th March 2021 | Hong Kong

SWIRE PACIFIC



Background

This document has been prepared by Swire Pacific Limited ("the "Company", and together with its subsidiaries, the "Group") solely for information purposes and information in it 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 at the date of this presentation.

This document may contain 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, 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 the effects of COVID-19, changes in the economies and industries in which the Group operates (in particular in Hong Kong and the Chinese mainland), 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.

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.

Agenda

- Welcome Remarks and Performance Overview
- 2020 Financial Performance
- 2020 Business Review by Division
- 2020 Sustainable Development
- Outlook
- Q&A

Welcome Remarks and Performance Overview

Merlin Swire, Chairman

SWIRE PACIFIC

Year in Review

Negative Return on Equity

Response to Challenges at Cathay Pacific

Strategy

Investment Focus on Greater China

Continued Capital Recycling

Balance Sheet Strength

2020 Performance Highlights

Underlying (Loss)/Profit

HK$(3,969)m

2019: HK$17,797m

Recurring Underlying (Loss)/Profit

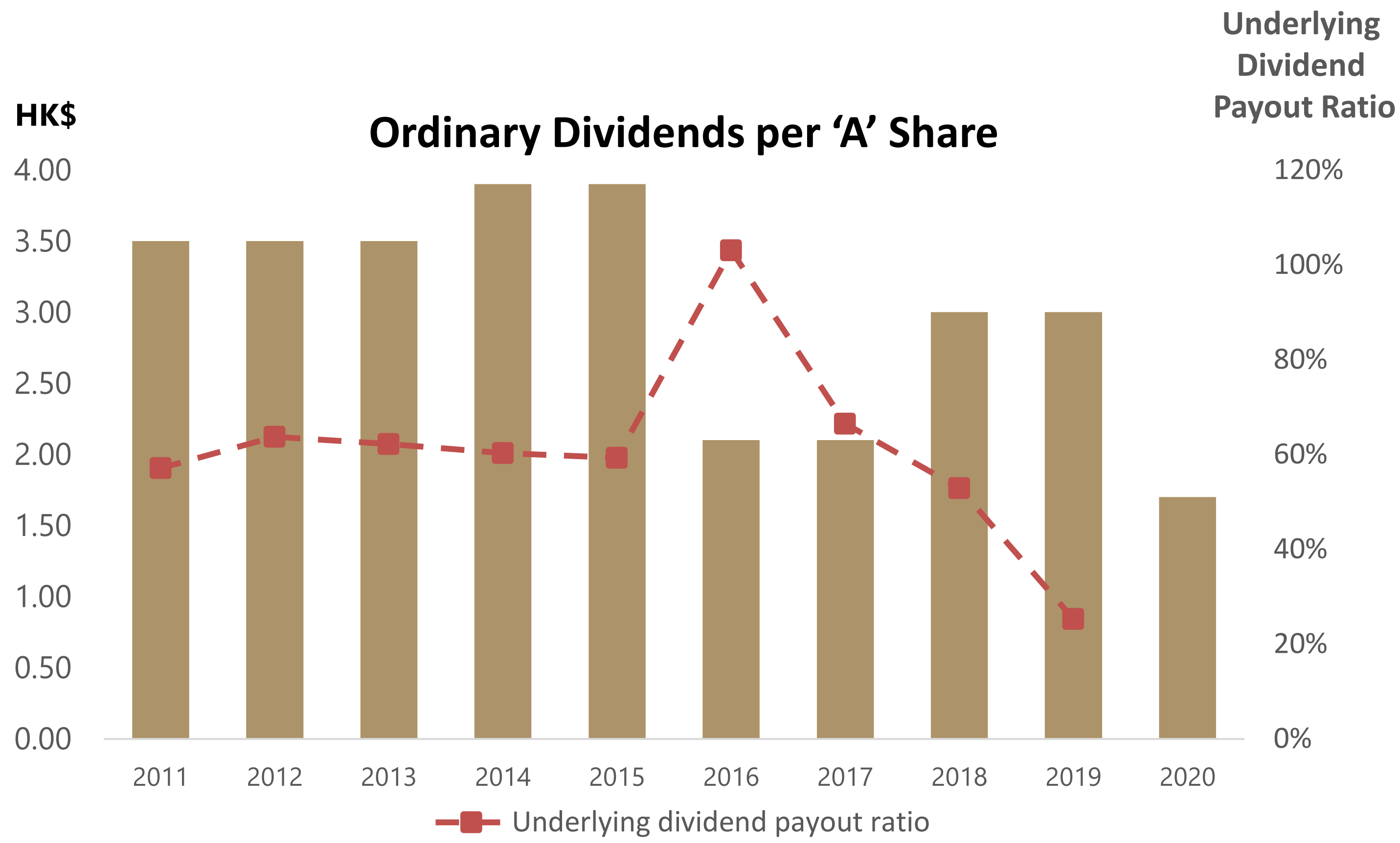
HK$(609)m

2019: HK$7,221m

Dividends

Dividend per 'A' Share (HK$)

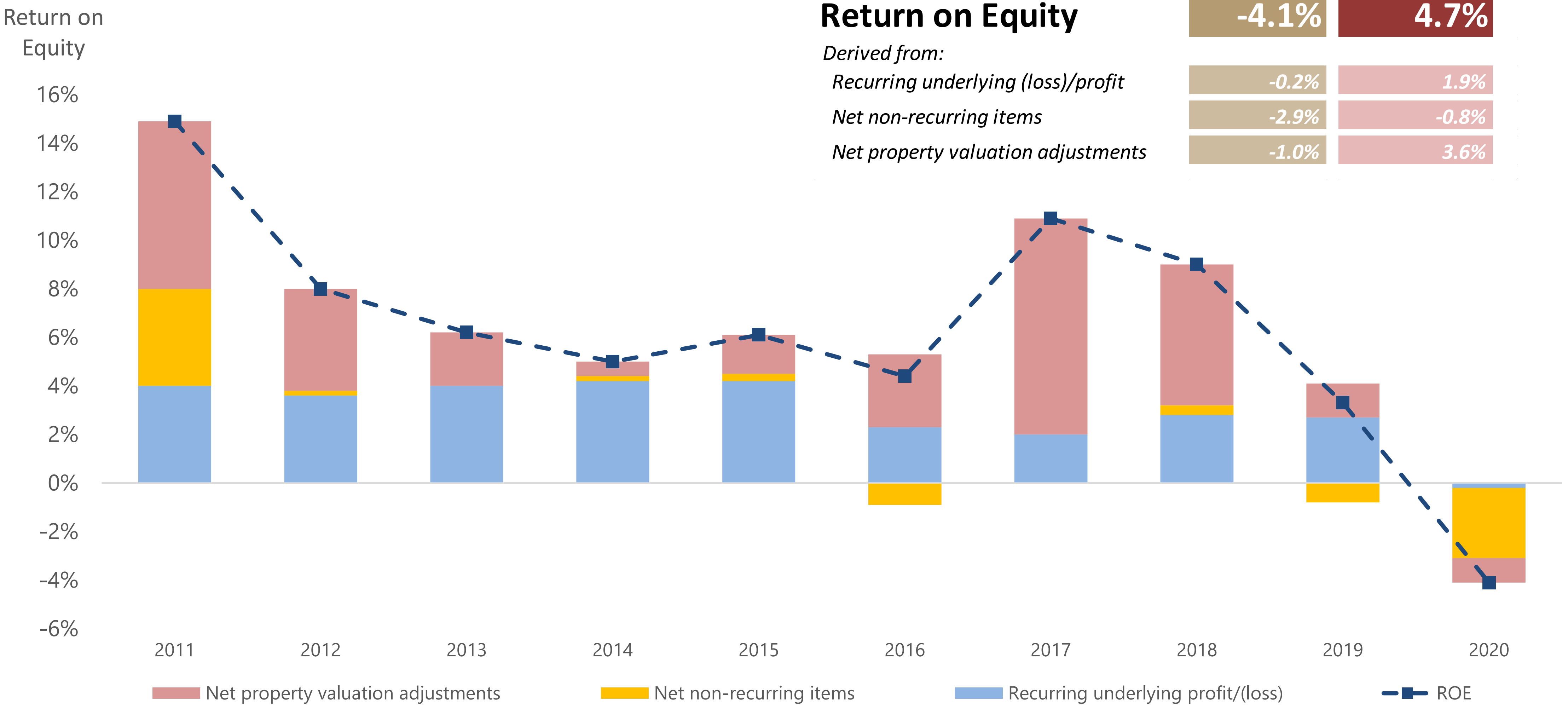
2020	***2019***
1.70	3.00



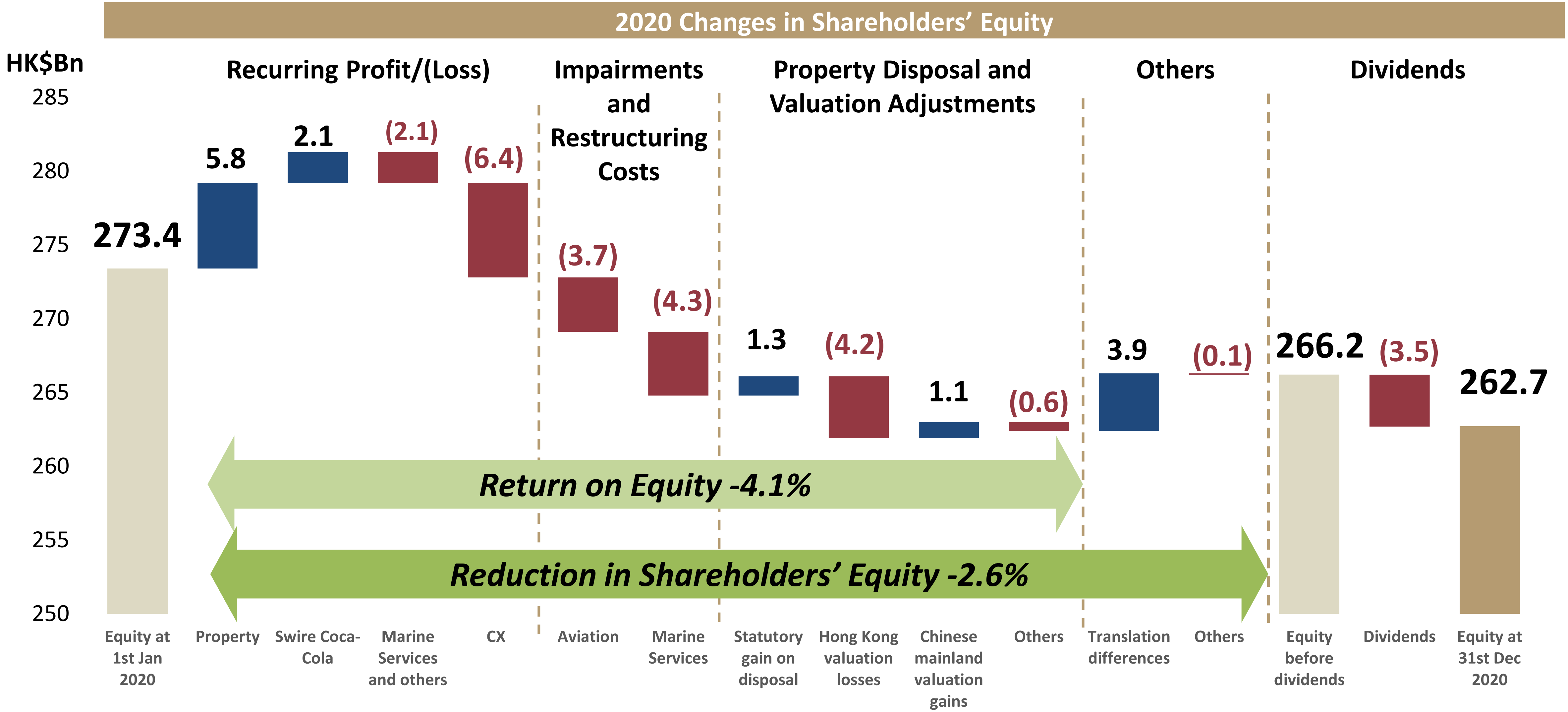
Underlying dividend payout ratio	2011	2012	2013	2014	2015	2016	2017	2018	2019	**2020**
1-year	57%	64%	62%	60%	59%	103%	67%	53%	25%	n/a
5-year cumulative average	49%	51%	51%	53%	60%	64%	65%	63%	48%	59%

Return on Equity

	2020	5-year average
Return on Equity	-4.1%	4.7%
Derived from:		
Recurring underlying (loss)/profit	-0.2%	1.9%
Net non-recurring items	-2.9%	-0.8%
Net property valuation adjustments	-1.0%	3.6%



Negative Return on Equity



Challenges at Cathay Pacific

- ***Passenger revenue declined from HK$74.0 billion in 2019 to HK$12.0 billion in 2020***
- ***Net cash outflow of HK$26.0 billion* in 2020 compared to inflow of HK$3.7 billion in 2019***
- ***Measures taken to save and defer operating cash outflow and to defer capex***

Refinancing	June 2020 • HK$39 billion from Hong Kong government and shareholders • A mix of ordinary shares, preference shares (with warrants) and debt • Swire Pacific contributed HK$5.3 billion to the rights issue of ordinary shares January 2021 • HK$6.74 billion convertible bonds • Maximum dilution for Swire Pacific (from the convertible bonds and the warrants) from 45% to 38% and for Air China from 30% to 25%
Restructuring	October 2020 • Closure of Cathay Dragon • 8,500 positions eliminated (~24% of establishment) • New conditions of service for Hong Kong based crew • Cash savings of about HK$500 million per month
Prospects	• Well below 50% of 2019 passenger capacity expected to be operated in 2021 • Cargo demand remains strong

SWIRE PACIFIC

* Comprising operating cash outflow of HK$14.3 billion and investing cash outflow of HK$11.7 billion.

Investment Focus on Greater China

Core Principle

"We focus on Asia, principally Greater China, because of its strong growth potential and because it is where the Group has long experience, deep knowledge and strong relationships"

Investment Focus on Greater China

		Division	Attributable Capital Expenditure (HK$Bn)	Expected Completion Date
Major Projects in Progress	HK projects: Two Taikoo Place/46-56 Queen's Road East/Wah Ha Factory Building and Zung Fu Industrial Building	Property	21.8	2022/2023/ 2025 & later
	Chinese mainland projects: Taikoo Li Qiantan/Taikoo Li Sanlitun West	Property	2.7	2021
	HAECO Xiamen airport relocation*	Aviation	5.1	2024
Major Commitments	Phase Two extension of INDIGO	Property	8.3	From late 2025
	Healthcare businesses in Chinese mainland	Head Office	1.1	2020 and 2021#
		Total	**39.0**	

			Proceeds (HK$Bn)	Completion Date
Down-weighting Non-Asia	BCC office and vessel sales	Property & Marine Services	1.6	Jul 2020/2020
	Partial disposal of Cadeler	Marine Services	1.2	Nov 2020
		Total	**2.8**	

* Not yet contracted

Years in which investments made

Continued Capital Recycling

Investment Principle

"We divest from businesses which have reached their full potential under our ownership, and recycle the capital released into existing or new businesses"

SWIRE PACIFIC

Continued Capital Recycling

Exit from non-core or under-performing businesses, non-core or ageing property assets

	Property	Proceeds HK$Bn	Others	Proceeds HK$Bn	Total HK$Bn
2018	Kowloon Bay development	6.5	Paints and cold storage businesses	5.9	
	Other non-core properties in HK	1.7			**14.1**
2019	Cityplaza Three and Four	15.0			
	625 King's Road	2.4			
	Other non-core properties in HK	2.3			**19.7**
2020	Cityplaza One*	9.2	Partial disposal of Cadeler	1.2	
	Non-core properties in Hong Kong and USA	1.3			**11.7**
Total		**38.4**		**7.1**	**45.5**

* Including the receipt of HK$973m for the sale of the remaining 22% consideration shares in February 2021.

Balance Sheet Strength

Core Principle

"We are prudent financial managers. This enables us to execute long-term investment plans irrespective of short-term financial market volatility"

Balance Sheet Strength

Gearing Ratio

Lowest since 2006

12.2%

Liquidity Headroom

Highest in history

HK$62Bn

Head Office and others	HK$29Bn
Swire Properties	HK$33Bn

Credit Rating

S&P/Moody's/Fitch

A-/A3/A-

Dividend per 'A' Share

5-year average payout 59%

HK$1.70

Implications:

- ***Continuation of investment in high growth opportunities in Greater China.***
- ***Dividend payout ratio in excess of 50% of underlying profits over 5 years.***

2020 Financial Performance

Michelle Low, Finance Director

SWIRE PACIFIC

2020 Financial Summary

Recurring Underlying Profit/(Loss)

2019: HK$7,221m

2020: HK$(609)m

Underlying Profit/(Loss)

2019: HK$17,797m

2020: HK$(3,969)m

Statutory Profit/(Loss)

2019: HK$9,007m

2020: HK$(10,999)m

Revenue

2019: HK$85,652m

2020: HK$80,032m

-7%

Cash Generated from Operations

2019: HK$12,817m*

2020: HK$15,124m

+18%

Equity Attributable to the Company's Shareholders

2019: HK$273,352m

2020: HK$262,692m

-4%

* After the derecognition of a HK$3.3Bn deposit in 2019 on completion of the sale of interests in investment properties.

Dividends per Share

2019:
HK$3.00 per 'A' share
HK$0.60 per 'B' share

2020:
HK$1.70 per 'A' share
HK$0.34 per 'B' share

-43%

2020 Financial Summary – Underlying (Loss)/Profit by Division

	2020 HK$M	2019 HK$M
Property	10,418	19,797
Aviation	(9,751)	1,550
Beverages	2,076	1,686
Marine Services	(5,240)	(3,634)
Trading & Industrial	12	(452)
Head Office	(1,484)	(1,150)
Underlying (loss)/profit	**(3,969)**	**17,797**

2020 Financial Summary – Financing

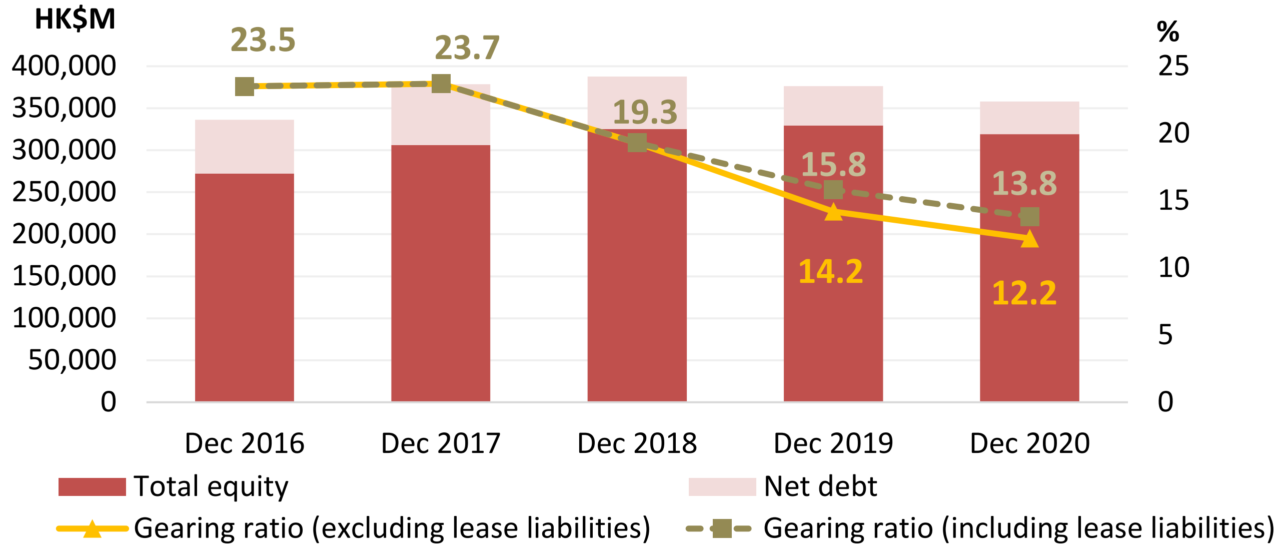
Net Debt Movements (HK$Bn)

Net debt at 1st January 2020	46.7
Cash from operations	(15.1)
Disposal proceeds	(11.6)
Capex and investments	9.9 #
Net dividend paid	4.3
Net interest paid	1.9
Tax paid	2.3
Others	0.5
Net debt at 31st December 2020	**38.9**

Including the subscription under the rights issue of Cathay Pacific of HK$5.3Bn.

HK$Bn	Dec 2019	Dec 2020	Change %
Net debt	46.7	38.9	-17%
Net debt (including lease labilities)	52.1	44.1	-15%

Gearing Ratio



	Dec 2019	Dec 2020
Cash interest cover (underlying) – times	10.5	5.3
Weighted average cost of debt (%)*	3.6%	3.2%
Gross borrowings on fixed rate basis (%)*	73%	78%

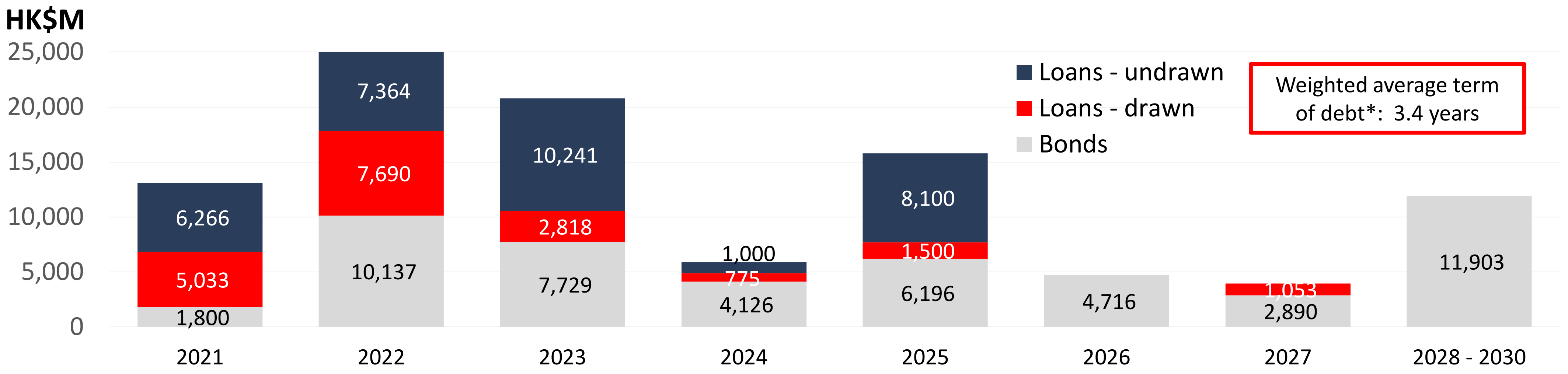
* Excluding lease liabilities.

SWIRE PACIFIC

2020 Financial Summary – Liquidity

	Dec 2017 HK$M	Dec 2018 HK$M	Dec 2019 HK$M	**Dec 2020 HK$M**	*Change % (Dec 20 vs Dec 19)*
Bank balances and short-term deposits	6,072	9,112	21,345	**29,264**	*+37%*
Total undrawn facilities					
- Committed	21,307	25,676	18,686	**32,971**	*+76%*
Group committed liquidity	27,379	34,788	40,031	**62,235**	*+55%*
- Uncommitted	11,851	8,450	7,829	**7,743**	*-1%*
Group total liquidity	39,230	43,238	47,860	**69,978**	*+46%*

Financing Maturity Profile at 31st December 2020*



* Excluding lease liabilities.

SWIRE PACIFIC

2020 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 2020	16,603	5,686	1,831	421	75	**24,616**
New commitments	9,239	729	2,538	128	160	**12,794**
Expenditure (commitments fulfilled)	(7,287)	(386)	(1,746)	(168)	(172)	**(9,759)**
Cancelled commitments and other movements	115	262	(778)	(254)	4	**(651)**
At 31st December 2020	18,670	6,291	1,845	127	67	**27,000**
% of total*	69%	23%	7%	1%	0%	**100%**

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

2020 Business Review by Division

Merlin Swire, Chairman

Michelle Low, Finance Director

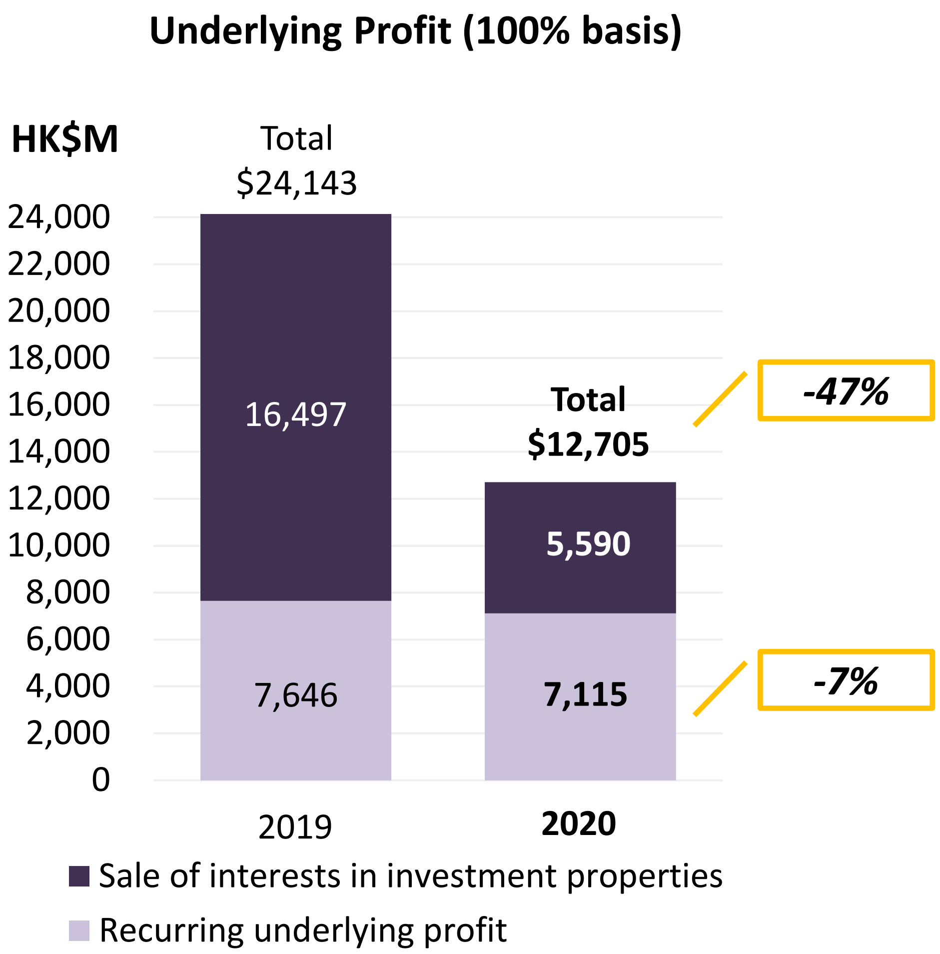
SWIRE PACIFIC

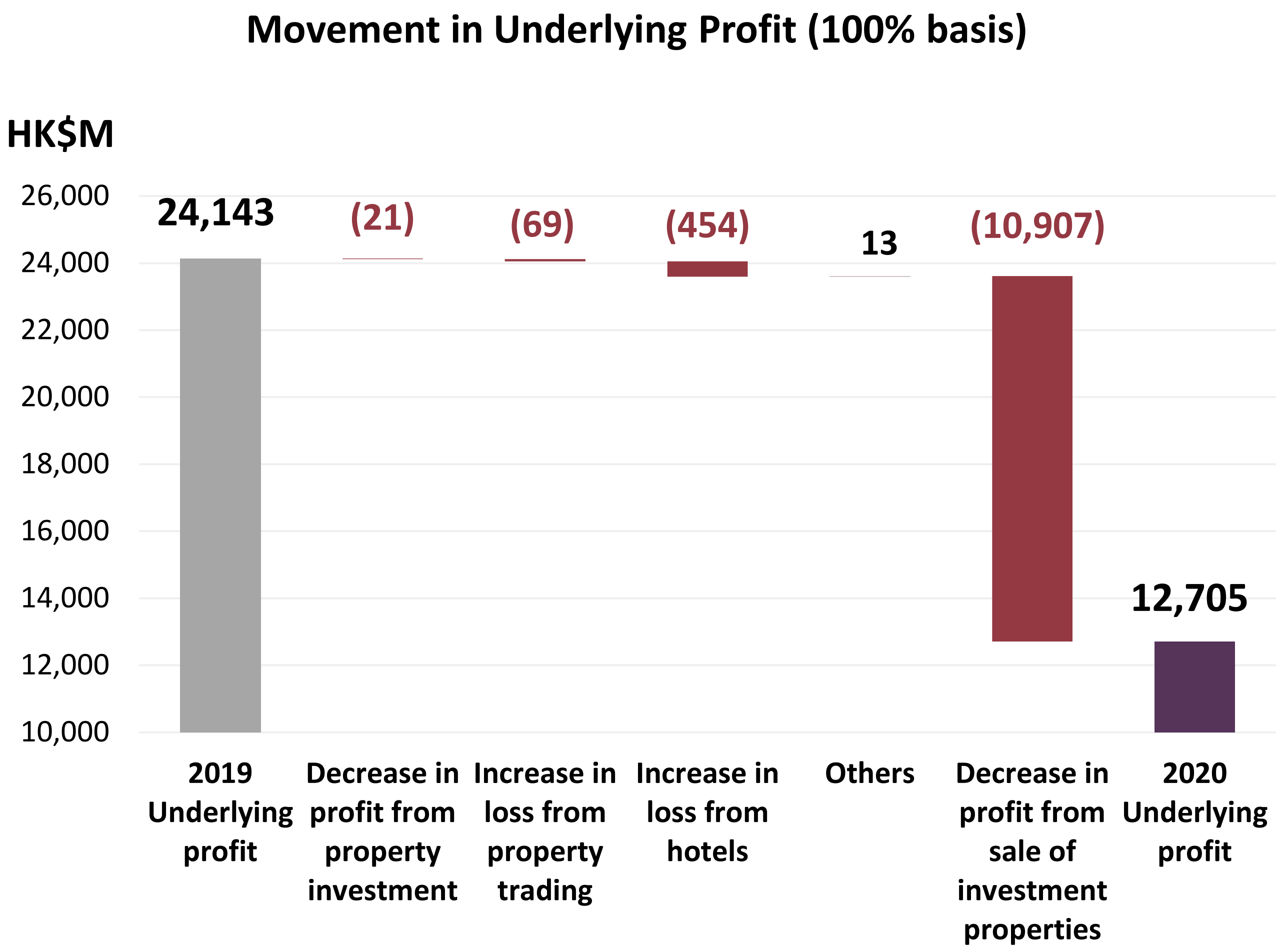
PROPERTY

2020 Overview

- Decrease in underlying profit mainly because of reduction in profits from the sale of investment properties in Hong Kong.
- Recurring underlying profit from property investment was approximately the same as in 2019, despite the adverse effects of COVID-19. Lower rental income from Hong Kong was largely offset by lower finance charges.
- In Hong Kong, office rental income increased slightly due to positive rental reversions and firm occupancy at Taikoo Place, partly offset by loss of rental income from the Cityplaza Three and Four office towers (disposed of in April 2019). Retail sales in Hong Kong decreased reflecting increasing difficult market conditions due to COVID-19.
- In the Chinese mainland, gross rental income increased slightly because of higher retail sales, partly offset by rental concessions due to COVID-19 and by lower office rental income.
- The loss from property trading related to residential units in the USA and marketing expenses at the developments in Hong Kong and Southeast Asia.
- All hotels were badly affected by COVID-19 associated travel restrictions.
- The valuation of investment properties decreased because of the disposal of Cityplaza One in Hong Kong and two office towers in Miami, USA and a decrease in the valuation of retail and office properties in Hong Kong, partly offset by an increase in the valuations of car parking spaces in Hong Kong and retail properties in the Chinese mainland.

Similar Level of Recurring Underlying Profit from Property Investment

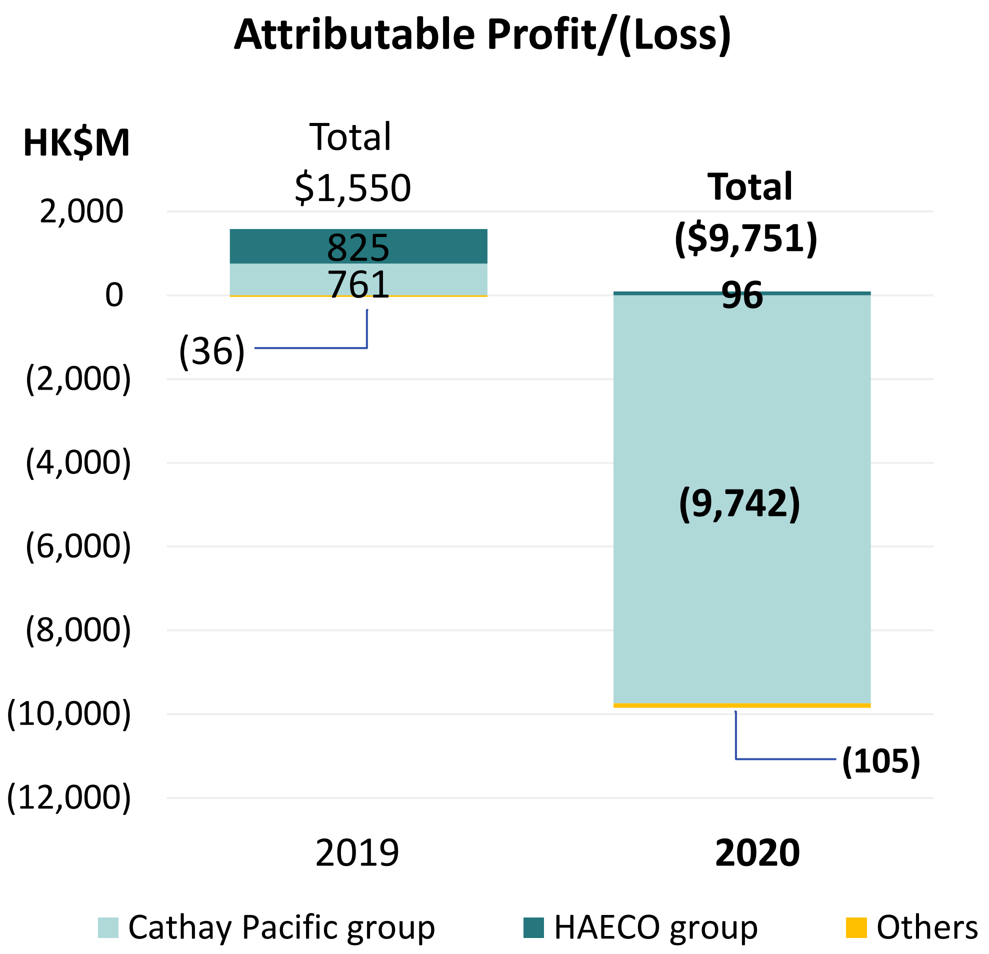




Note: Property valuation loss (including the Group’s share of net revaluation gain of joint venture companies and before deferred tax) was HK$(4.3)Bn in 2020 (Gain of HK$4.6Bn in 2019).

AVIATION

Substantial Loss from Cathay Pacific



Key Financial Data		
HK$M	**2020**	**Change %**
HAECO group		
Revenue	11,483	-28%
Attributable profit*	96	-88%
Recurring attributable profit	370	-65%
Share of post-tax loss from an associated company		
Cathay Pacific group#	(9,742)	-1380%

* Including impairment charges of HK$274m.
\# Including impairment charges and restructuring costs of HK$3,445m.

2020 Overview – HAECO

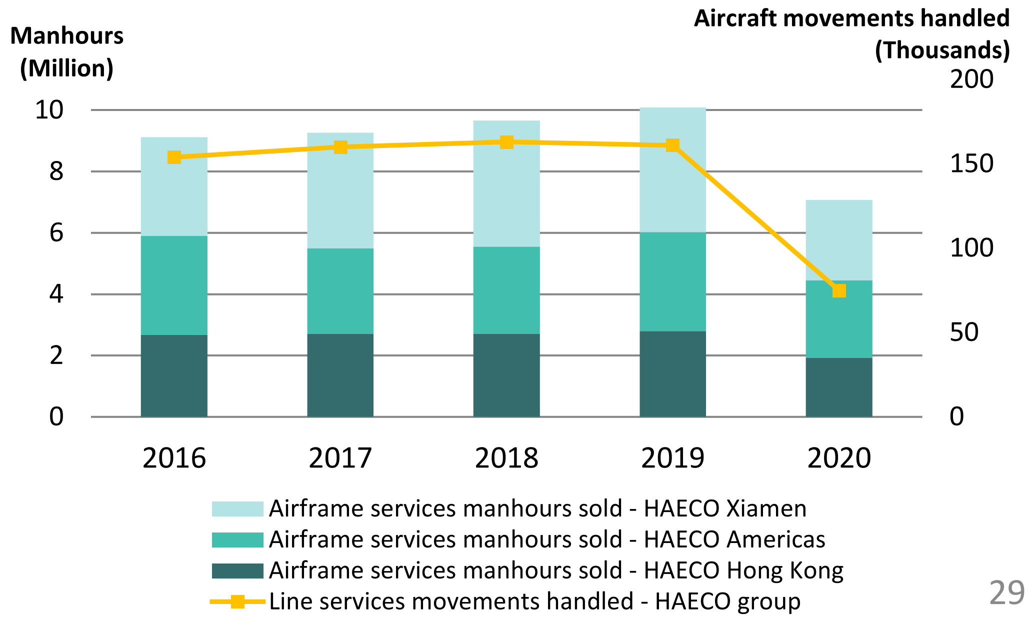
- Demand for maintenance and repair services at all HAECO group companies was adversely affected by COVID-19.
- HAECO Hong Kong incurred a loss as demand for line maintenance services was particularly affected by COVID-19. The Hong Kong government's employment subsidy scheme and cost savings provided partial offsets.
- HAECO Americas was adversely affected by the decline in demand for airframe services and cabin work. But the loss was reduced because of US government financial assistance and cost savings.
- The profit of HAECO Xiamen declined, with reduced demand for airframe services, line services and parts manufacturing.
- The profit of HAESL decreased as a result of a lighter work mix. The profit of TEXL decreased as a result of deferral of engine maintenance by airlines.

Key Financial Data

Recurring Profit/(Loss)

HK$M	2020	Change %
HAECO Hong Kong	(49)	-120%
HAECO Americas	(167)	-12%
HAECO Xiamen	20	-91%
TEXL	113	-37%
HAESL	354	-15%
Others	99	-47%
Total	370	-65%

Key Operating Statistics



2020 Overview – Cathay Pacific

- The most challenging 12 months of Cathay Pacific's more than 70-year history.
- Passenger revenues reduced to only 2-3% of pre-crisis levels. Operating capacity was below 10% for much of the year.
- Cargo revenue and yield increased due to the imbalance between available capacity and demand. Cargo capacity was supplemented by chartering services from Air Hong Kong, operating cargo-only passenger flights and carrying cargo in the passenger cabins of some aircraft.
- Net fuel costs decreased due to the decline in usage and prices. Non-fuel costs per ATK increased.
- To reduce cash expenditure, Cathay Pacific reduced capacity, deferred capital expenditure, suspended non-critical expenditure, froze hiring, cut executive pay and asked employees to participate in two special leave schemes.
- The HK$39 billion recapitalisation plan was completed in August 2020. A restructuring was announced in October 2020. Cathay Dragon was closed. Headcount was reduced by 8,500. New conditions of service were introduced for Hong Kong based crew.
- There were impairment and related charges of HK$4.1 billion (relating to 34 aircraft and to certain airline service subsidiaries' assets) and HK$4.0 billion of restructuring costs (including a HK$1.6 billion write-off of a deferred tax asset).

BEVERAGES

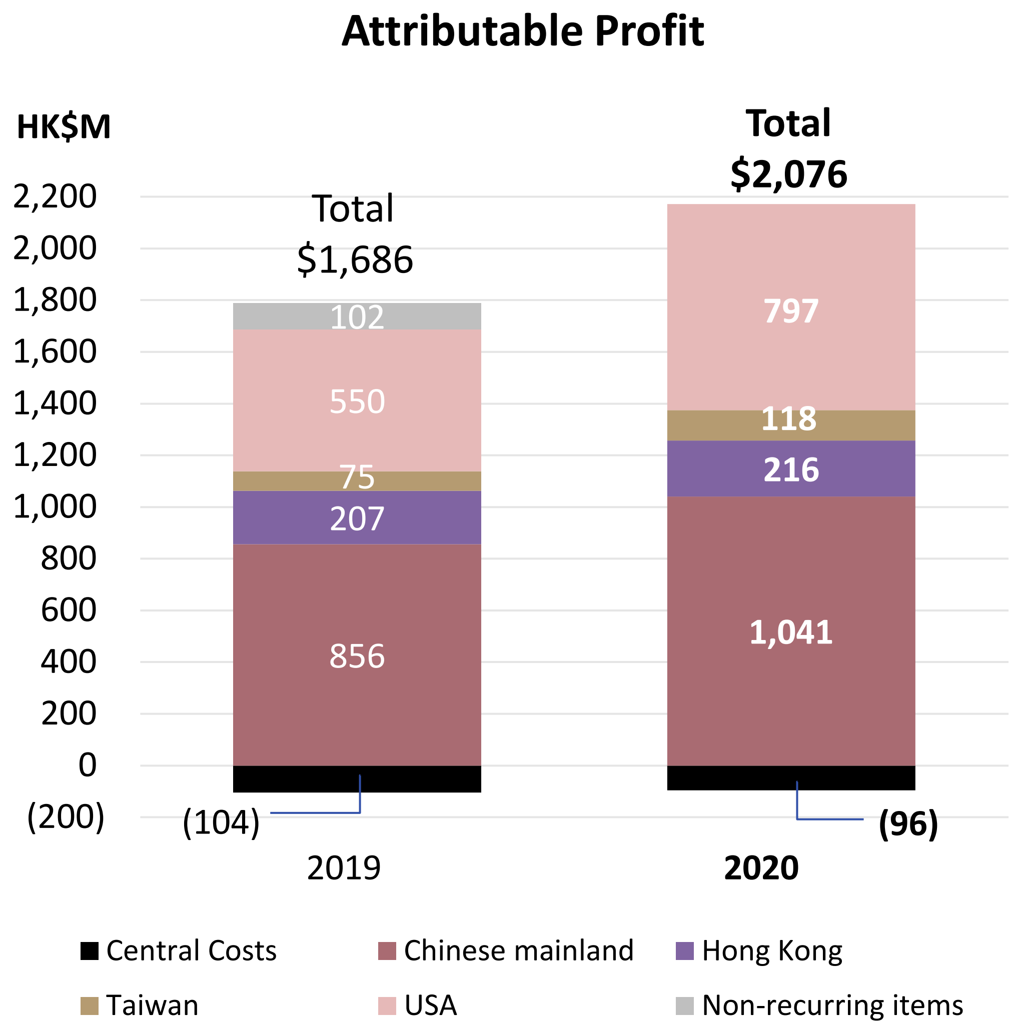
Photo courtesy: The Coca-Cola Company

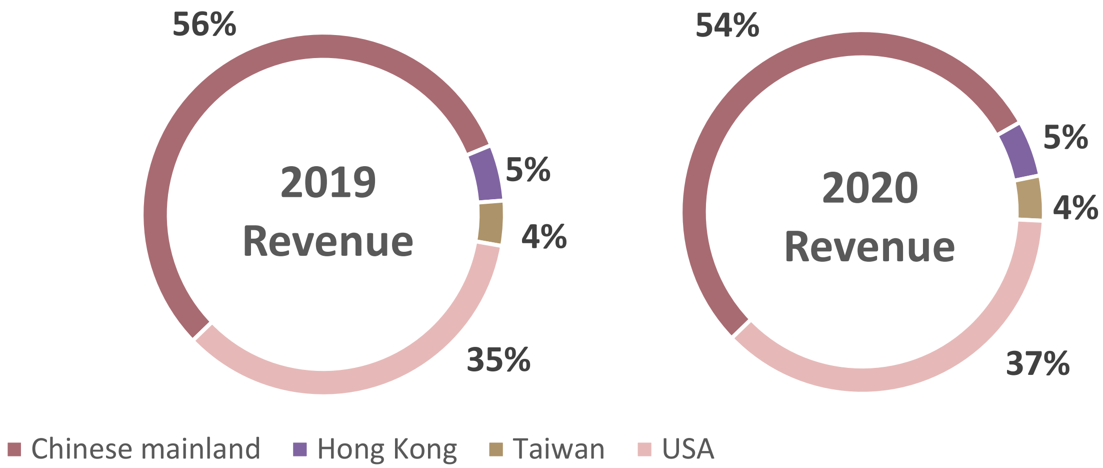
2020 Overview

- Despite COVID-19, recurring profit of Swire Coca-Cola increased by 25%.*
- Recurring profit in the Chinese mainland increased by 22%. Sales volume decreased, but revenue grew in local currency terms. The increase in revenue and lower raw material costs were partly offset by higher depreciation charges.
- The profit in Hong Kong increased by 4%. A decrease in revenue was more than offset by savings in the costs of raw materials and the Hong Kong government's employment subsidy scheme.
- The profit in Taiwan increased by 57%, reflecting effective revenue growth management, successful introductions of new products and an improved product mix.
- The recurring profit in the USA increased by 26%* due to an increase in revenue, partly offset by higher cost of goods sold and operating expenses.
- Continued to make significant investments in production assets, logistics infrastructure, merchandising equipment and digital capabilities.

* Disregarding a withholding tax payment in the USA in 2019.

25% Increase in Recurring Profit*





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

Key Financial Data

HK$M	2020	Change %
Revenue^	45,657	+2%
Attributable profit	2,076	+23%
Recurring profit+	2,076	+31%
Recurring EBITDA#	5,064	+18%
EBITDA margin#	11.1%	+1.5% pt

* Disregarding a withholding tax payment in the USA in 2019.

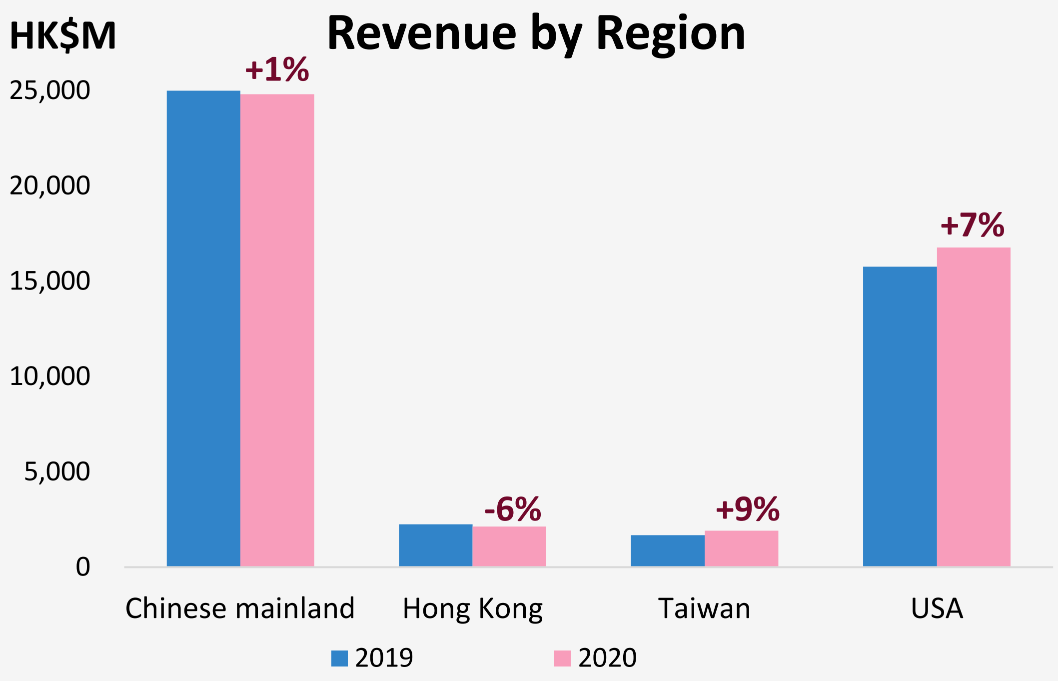
\+ Excluding non-recurring items.

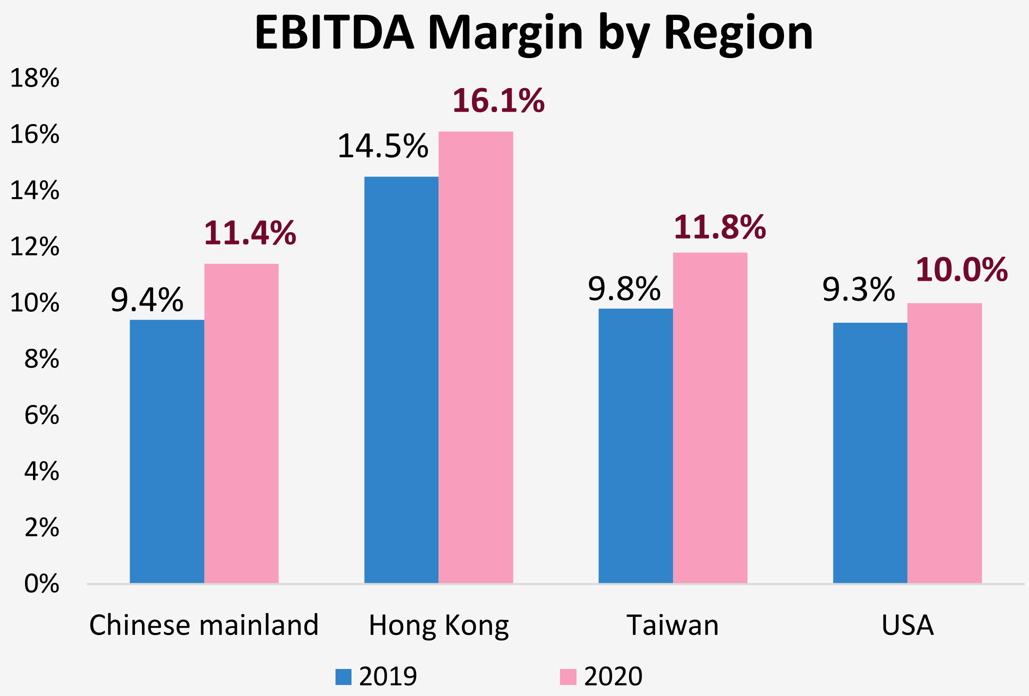
\# Including that of a joint venture company and excluding non-recurring gains and central costs.

SWIRE PACIFIC

2020 Revenue and EBITDA Margin Analysis*

- Revenue increased by **2%** and volume decreased by **2%**. EBITDA margin increased by 1.5% point to **11.1%**.





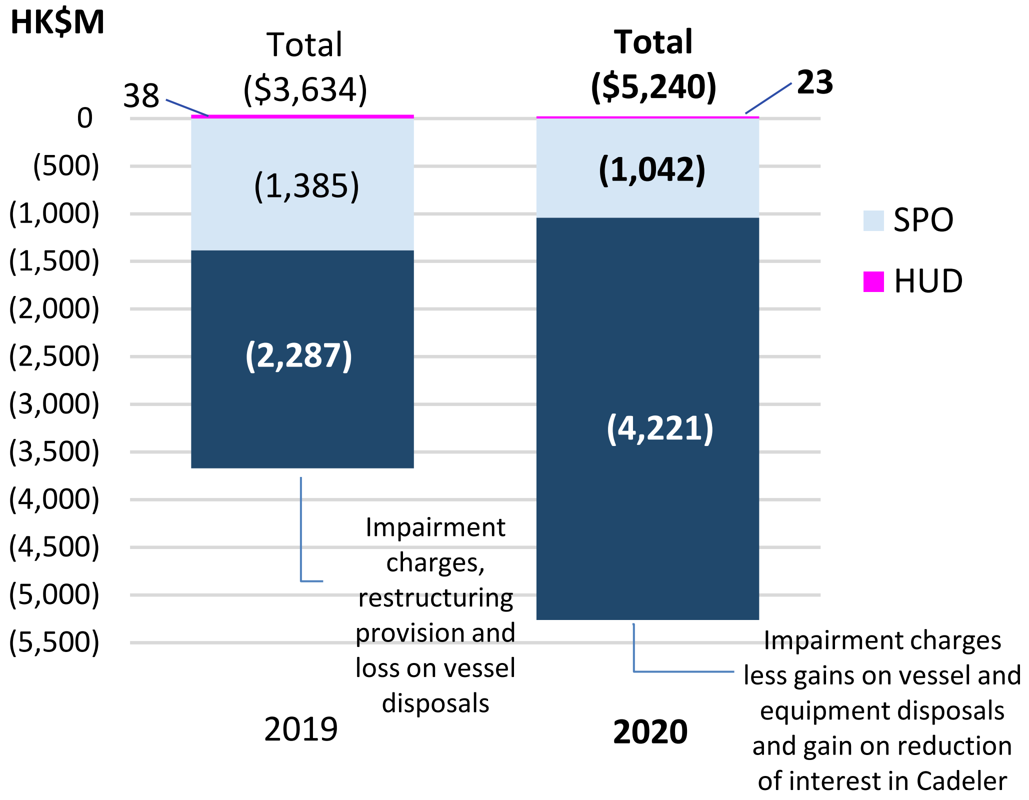
Volume growth	**-4%**	**-12%**	**+5%**	**+4%**

* Revenues and volumes 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 by region are calculated in local currency terms.

MARINE SERVICES

Industry Remained Difficult

Attributable Loss



2020 Overview

- Reduction in offshore oil and gas activity due to COVID-19.
- Utilisation decreased due to oversupply of vessels. A significant impairment charge was made.
- Reduction of interest in Cadeler on its listing on the Oslo Stock Exchange in November 2020.
- SPO's fleet size reduced by 12 to 61 vessels at the end of 2020. The carrying value of the vessels was HK$2,658m at the end of 2020.

Key Financial and Operating Data

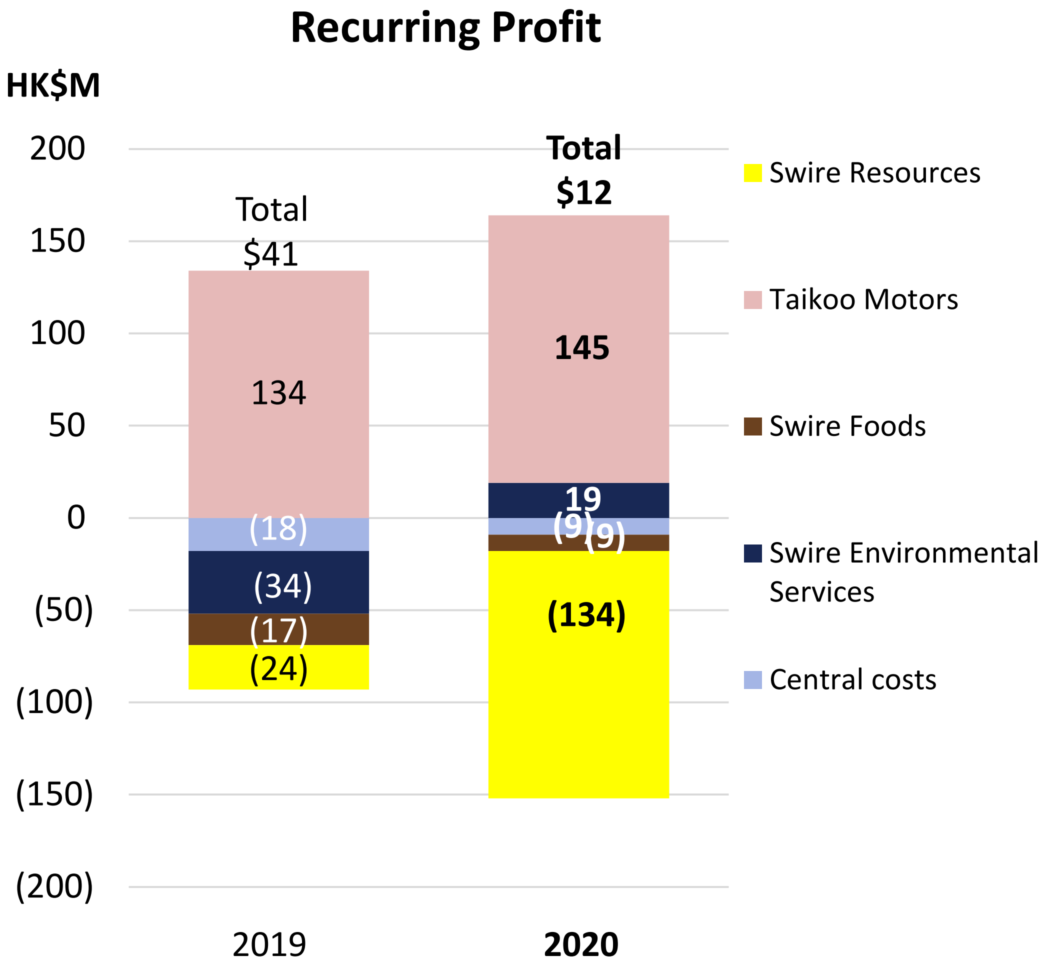
Swire Pacific Offshore group

HK$M	2020	Change %
Revenue	1,890	-23%
Recurring loss before interest and depreciation	327	+330%
Attributable loss	5,263	+43%
Recurring loss*	1,042	-25%
Average daily charter hire rates	USD12,200	-10%
- Core fleet	USD11,100	-
Average fleet utilisation rate	70.3%	-6.6% pt
- Core fleet	74.0%	-8.3% pt

* Excluding impairment charges and gain or loss on disposals.

TRADING & INDUSTRIAL

Recurring Profit Reduced



2020 Overview

Swire Resources
- Sales were severely affected by COVID-19. The impact was partially offset by the Hong Kong government's employment subsidy scheme.

Taikoo Motors
- Slight increase in profit with favourable product mix.

Swire Foods
- Recurring profit of Taikoo Sugar increased and loss of Qinyuan Bakery decreased.

Swire Environmental Services
- The results in 2020 are those of Swire Waste Management Limited.


COLUMBIA
凯宜 CLINIC
HEALTHCARE

Opportunities for Future Growth

In April 2020, the Group made an associate investment in Columbia China Healthcare Co., Limited, a business which owns and operates private hospitals, clinics and senior housing in the Chinese mainland, primarily in the Yangtze River Delta area.

In February 2021, the Group made a further associate investment in a hospital being developed in Shenzhen.

SWIRE PACIFIC

2020 Sustainable Development

Michelle Low, Finance Director

SWIRE PACIFIC

2020 Highlights

SwireTHRIVE was extended to include social issues. The five areas of SwreTHRIVE are Climate, Water, Waste, People and Communities.

Green Financing

In September 2020, Swire Pacific converted an existing revolving credit facility into a sustainability-linked loan. This is our first sustainability-linked loan.

TRUST TOMORROW

We introduced TrustTomorrow, a new community initiative and funding programme, which in 2020 focused on COVID-19 relief in the community.

Hang Seng Corporate Sustainability Index Series Member 2020-2021

2020 MSCI ESG Leaders Indexes Constituent

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

CDP DISCLOSURE INSIGHT ACTION A LIST 2020 WATER

CDP DISCLOSURE INSIGHT ACTION

Outlook

Merlin Swire, Chairman

SWIRE PACIFIC

Outlook

We continue to face significant challenges and uncertainties in 2021 as a result of COVID-19. The effect on the Aviation Division, particularly Cathay Pacific, is severe. We expect to incur a recurring loss in the first half of 2021.

But in the long run we remain confident of Swire Pacific's prospects. They are underpinned by Hong Kong's role as a major international financial centre and by robust economic growth in the Chinese mainland, where our businesses are improving year by year.

We have a strong balance sheet and a strong pipeline of investment opportunities in Greater China.

Outlook

- In Property, demand for office space is expected to be weak in Hong Kong but to recover modestly in the Chinese mainland. Retail rents in Hong Kong will continue to be under pressure and rental concessions may continue to be offered. Demand for retail space in the Chinese mainland is strong in Guangzhou and Chengdu and stable in Shanghai and Beijing. The outlook for Hong Kong hotels is difficult but hotels in the Chinese mainland should do well.
- Market conditions remain challenging and dynamic for Cathay Pacific. Well below 50% of 2019 passenger capacity is expected to be operated in 2021. Cargo demand remains strong.
- At HAECO, demand for airframe services is expected to recover gradually. Line services work in Hong Kong is expected to remain weak for much of 2021. Demand for engine maintenance is expected to be significantly lower for HAESL and to be similar to that in the second half of 2020 in the first half of 2021 for TEXL.
- At Swire Coca-Cola, revenue in the Chinese mainland, the USA and Taiwan is expected to grow strongly in 2021. In Hong Kong, the beverages market is expected to continue to be adversely affected by COVID-19.
- At SPO, COVID-19 and reduced oil prices have severely affected the offshore oil and gas industry. A significant increase in charter hire rates will be required to restore the business to profitability.
- The Trading & Industrial Division continues to be adversely affected by COVID-19.

Q&A

SWIRE PACIFIC

Appendix

SWIRE PACIFIC

Corporate Structure

At 31st December 2020

Swire Pacific Limited

Property

Investment Properties
Hong Kong
- Pacific Place
- Taikoo Place
- One Island East
- One Taikoo Place
- South Island Place
- Cityplaza
- Citygate

Chinese mainland
- Taikoo Li Sanlitun
- INDIGO
- Taikoo Hui
- HKRI Taikoo Hui
- Sino-Ocean Taikoo Li Chengdu
- Taikoo Li Qiantan

USA
- First phase of Brickell City Centre

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

Chinese mainland
- The Opposite House
- EAST, Beijing
- The Temple House
- The Middle House

USA
- EAST, Miami

Property Trading
USA
- Reach and Rise

Singapore
- EDEN

Future Developments
Hong Kong
- Two Taikoo Place
- 45-56 Queen's Road East
- Wah Ha and Zung Fu redevelopment
- 983-987A King's Road & 16-94 Pan Hoi Street

Chinese mainland
- Phase Two extension of INDIGO

USA
- One Brickell City Centre

Aviation

Cathay Pacific group
Airlines
- Cathay Pacific
- HK Express
- Air Hong Kong
- Air China (18.13%)
- Air China Cargo (17.74%*)

Cargo Terminal
- Cathay Pacific Services

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

239 aircraft

HAECO group
- HAECO Hong Kong
- HAECO Americas
- HAECO Global Engine Support
- HAECO Xiamen (58.55%)
- HAESL (50%)
- TEXL (72.86%)

Beverages

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

Hong Kong
One bottling plant

Chinese mainland
18 bottling plants

Taiwan
One bottling plant

USA
Six bottling plants

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

61 vessels

Cadeler A/S
Carries on windfarm installation business

2 vessels

HUD
Engineering, harbour towage and salvage services in Hong Kong

19 vessels

T&I

Trading

Swire Resources
Distribution and retailing of footwear, apparel and related accessories in Hong Kong, Macau and the Chinese mainland

Taikoo Motors
Distribution and retailing of motor vehicles, principally in Taiwan

Industrial

Swire Foods
- **Qinyuan Bakery**
A leading bakery chain in southwest China
- **Taikoo Sugar**
Packaging and selling sugar in Hong Kong and the Chinese mainland

Swire Environmental Services
- **Swire Waste Management**
Provision of waste management services in Hong Kong

Swire Investments

Healthcare
An associate investment which owns and operates private hospitals, clinics and senior housing in the Chinese mainland

* Equity and economic interests aggregating 34.78%.

2020 Profit/(Loss) Bridge

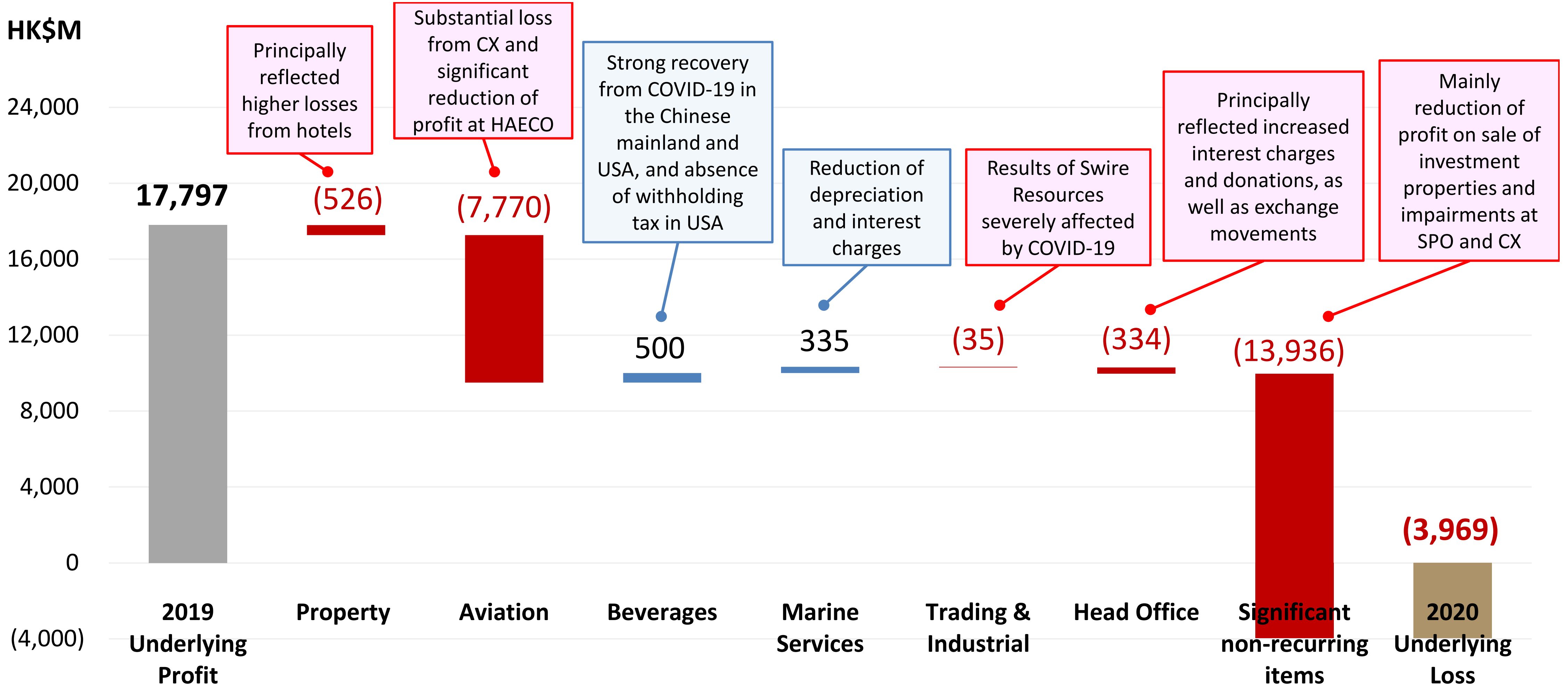
	2019 HK$M	**2020** **HK$M**
Attributable profit/(loss)	9,007	**(10,999)**
Less: adjustments in respect of investment properties	8,790	**7,030**
Underlying profit/(loss) attributable to the Company's shareholders	17,797	**(3,969)**
Significant non-recurring items:		
Profit on sale of interests in investment properties	(13,528)	**(4,584)**
Net impairment of property, plant and equipment and other assets and write-off of investments and deferred tax assets	3,237	**6,956**
Restructuring costs at the Cathay Pacific group	-	**1,073**
Profit on sale of businesses in T&I Division	(140)	**-**
Profit on sale of property, plant and equipment and other investments	(145)	**(85)**
Recurring underlying profit/(loss)	7,221	**(609)**

Profit mainly represented the gain on disposal of Cityplaza Three and Four of HK$11.2Bn and gains on disposal of other non-core properties in Hong Kong.

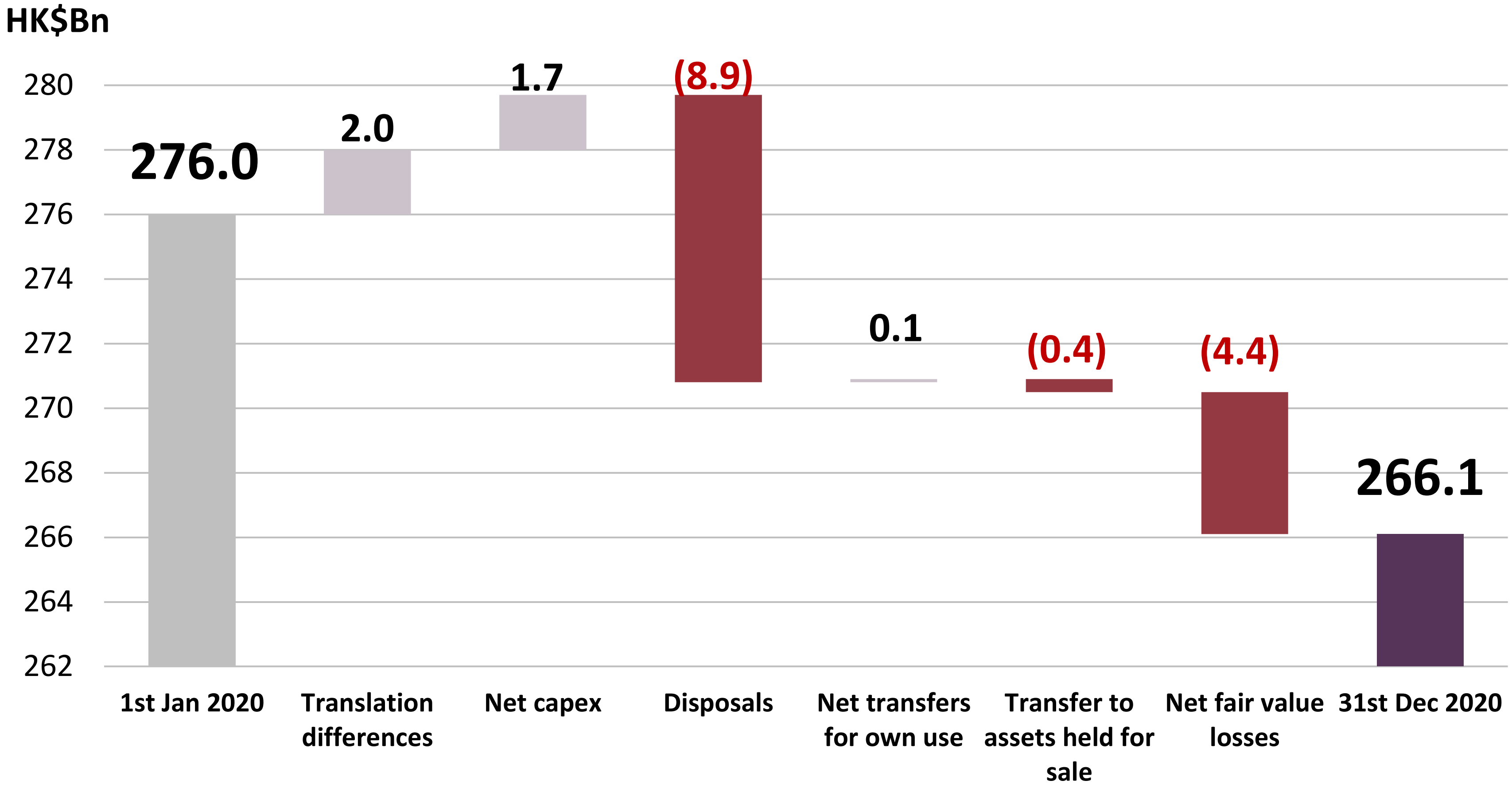
Profit mainly represented the gain on disposal of Cityplaza One and two office towers in Miami.

Comprising mainly the impairment charges at SPO (HK$4.3Bn) and fleet impairment and deferred tax asset write-off at CX (HK$2.4Bn).

2020 Movement in Underlying Profit/(Loss)



2020 Movement in Investment Properties*

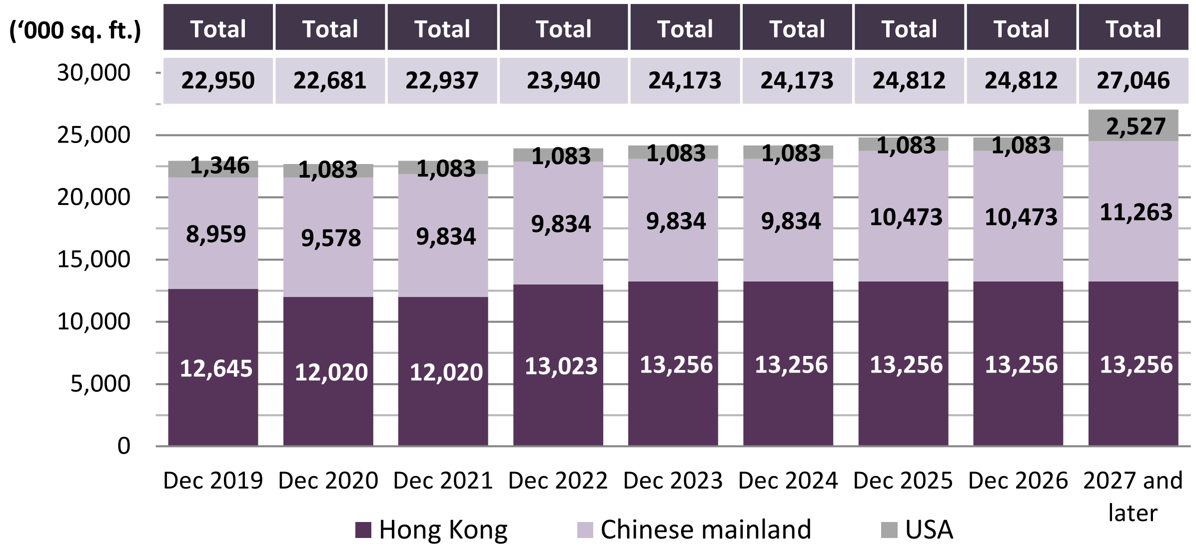


- Revaluation loss of HK$4.4Bn in 2020.
- The decrease in the valuation of investment properties was mainly due to removal from the valuation of the Cityplaza One office tower in Hong Kong and two office towers in Miami, USA (because of their disposal in 2020) and a decrease in the valuation of the retail and office properties in Hong Kong (reflecting rental decreases). There were increases in the valuations of car parking spaces in Hong Kong and of the retail properties in the Chinese mainland. The latter increases reflected rental increases and a reduction of 25 basis points in the capitalisation rate applicable to some properties.

* Not including joint ventures.

Future Investment Property Developments

Completed Principal Property Investment Portfolio (incl. Hotels)*



Projects	Expected completion date
Hong Kong	
Taikoo Place Redevelopment (Two Taikoo Place)	2022
46-56 Queen's Road East	2023
Wah Ha, Zung Fu Redevelopment	Compulsory sale application
Chinese mainland	
Taikoo Li Sanlitun West	2021
Phase Two extension of INDIGO	From late 2025
USA	
One Brickell City Centre	Under planning

Profile of Capital Commitments – for Investment Properties and Hotels at 31st December 2020**

HK$M	**Expenditure**	Forecast expenditure				**Commitments**
	2020	2021	2022	2023	2024 and later	**at 31st Dec 2020**
Hong Kong	**1,452**	3,778	3,775	1,590	4,184	**13,327**
Chinese mainland	**5,770**	1,468	502	1,011	2,356	**5,337**
USA	**65**	6	-	-		**6**
Total	**7,287**	**5,252**	**4,277**	**2,601**	**6,540**	**18,670**

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

** Including the share of the capital expenditure and commitments of joint venture companies.

2020 Annual Results Analyst Briefing

11th March 2021 | Hong Kong

SWIRE PACIFIC