ANNUAL REPORT 2024

SWIRE PACIFIC

Stock Codes 'A' Shares 00019 'B' Shares 00087

CONTENTS

Note: Definitions of the terms and ratios used in this report can be found in the Glossary.

CORPORATE STATEMENT

Swire Pacific is a Hong Kong-based international conglomerate with a diversified portfolio of market leading businesses. The Company has a long history in Greater China, where the name Swire or 太古 has been established for over 150 years.


-LA
HONG KONG
LIPPO

SUSTAINABLE GROWTH

Our aims are to deliver sustainable growth in shareholder value, achieved through sound returns on equity over the long term, and to return value to shareholders through sustainable growth in ordinary dividends. Our strategy is focused on Greater China and South East Asia, where we seek to grow our core Property, Beverages and Aviation divisions. We are targeting new areas of growth, such as healthcare.

Our Values

Integrity, endeavour, excellence, humility, teamwork, continuity.

Our Core Principles

- 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.
- We mobilise capital, talent and ideas across the Group. Our scale and diversity increase our access to investment opportunities.
- We are prudent financial managers. This enables us to execute long-term investment plans irrespective of short-term financial market volatility.
- We recruit the best people and invest heavily in their training and development. The welfare of our people is critical to our operations.
- We build strong and lasting relationships, based on mutual benefit, with those with whom we do business.
- We invest in sustainable development, because it is the right thing to do and because it supports long-term growth through innovation and improved efficiency.
- We are committed to the highest standards of corporate governance and to the preservation and development of the Swire brand and reputation.

Our Investment Principles

- We aim to build a portfolio of businesses that collectively deliver a steady dividend stream over time.
- We are long-term investors. We prefer to have controlling interests in our businesses and to manage them for long-term growth. We do not rule out minority investments in appropriate circumstances.
- We concentrate on businesses where we can contribute expertise, and where our expertise can add value.
- We invest in businesses that provide high-quality products and services and that are leaders in their markets.
- We divest from businesses which have reached their full potential under our ownership, and recycle the capital released into existing or new businesses.

OUR BUSINESSES

With three core divisions (Property, Beverages and Aviation), Swire Pacific undertakes a wide range of commercial activities.

Swire Properties' shopping malls are home to more than 2,200 retail outlets. Its offices house a working population estimated to exceed 70,000. In Hong Kong, Swire Properties is one of the largest commercial landlords and operators of retail space, principally through the ownership and management of its core centres at Pacific Place and Taikoo Place. In the Chinese Mainland, it has major mixed-use commercial developments, in Beijing, Guangzhou, Chengdu, Shanghai, Xi'an and Sanya. In the USA, it has investment properties in Miami.

As at 31st December 2024, our Beverages Division sold the products of The Coca-Cola Company to a franchise population of 910 million people in Greater China and South East Asia. It also provides management and administrative support services to Swire Coca-Cola, USA which serves a franchise population of 31 million people in the USA. Swire Coca-Cola manufactures and distributes products comprising 41 beverage brands in franchise territories owned.

Cathay Pacific, with its subsidiaries HK Express and Air Hong Kong, had 236 aircraft at the end of 2024. At 31st December 2024, Cathay Pacific and HK Express offered scheduled passenger services to 88 destinations worldwide (an additional 154 with codeshare agreements). Cathay Cargo offered scheduled freighter services to 41 destinations worldwide, in addition to utilising belly capacity on the group's passenger flights. Cathay Pacific had an interest of 15.09% in Air China as at 31st December 2024.

HAECO is one of the world's leading aircraft engineering and maintenance service providers. It operates from bases in Hong Kong, the Chinese Mainland, the USA and Europe, serving close to 400 airlines and other customers globally.

We have investments in the healthcare sector in the Yangtze River Delta and the Greater Bay Area in the Chinese Mainland and in Indonesia. We will continue to seek investment opportunities in private healthcare services, particularly in major city clusters in the Chinese Mainland and in South East Asia.

Swire Pacific is one of Hong Kong's largest and oldest employers, where we have over 40,000 employees. In the Chinese Mainland, we have over 36,000 employees. Globally, we employ over 87,000 people.

2024 PERFORMANCE HIGHLIGHTS

	Note	2024	2023	Change
Return on equity		1.6%	11.0%	-9.4%pt
Dividend per 'A' share (HK$)		3.35	11.32	-70%

	Note	HK$M	HK$M	
Profit attributable to the Company's shareholders				
As reported		4,321	28,853	-85%
Underlying profit	(i)	10,471	36,177	-71%
Recurring underlying profit	(i)	9,284	10,449	-11%
Revenue		81,969	94,823	-14%
Operating profit		4,240	30,621	-86%
Operating profit excluding change in fair value of investment properties		10,214	33,481	-69%
Change in fair value of investment properties		(5,974)	(2,860)	N/A
Cash generated from operations		12,580	14,479	-13%
Net cash (outflow)/inflow before financing		(4,140)	22,947	-118%
Total equity (including non-controlling interests)		318,667	324,774	-2%
Net debt		70,563	55,136	+28%
Gearing ratio (excluding lease liabilities)		22.1%	17.0%	+5.1%pt

	Note	HK$	HK$	
Earnings per share (basic)	(ii)			
As reported				
'A' share		3.06	19.96	-85%
'B' share		0.61	3.99	
Underlying				
'A' share		7.41	25.03	-70%
'B' share		1.48	5.01	
Dividends per share				
'A' share		3.35	11.32	-70%
'B' share		0.67	2.26	
Equity attributable to the Company's shareholders per share	(iii)			
'A' share		187.35	186.03	+1%
'B' share		37.47	37.21	

2024 SUSTAINABILITY PERFORMANCE

	2024	2023	Change
GHG emissions from direct operations – location based (Thousand tonnes of CO_2e)	645	723	-11%
Energy consumed (GJ Million)	5.4	6.1	-11%
Water withdrawn (cbm Million)	18.9	20.9	-10%
LTIR (Number of injuries per 100 full-time equivalent employees)	0.27	0.48	-44%
Employee fatalities (Number of fatalities)	1	1	–

Notes:
(i) Reconciliations between the reported and underlying profit, and between underlying profit and recurring underlying profit are provided on pages 74 and 75.
(ii) Refer to note 13 to the financial statements for the daily weighted average number of shares in issue throughout the year.
(iii) Refer to note 34 to the financial statements for the number of shares at the year end.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased with our financial results for 2024, particularly given the increasingly difficult operating environment. Along with our solid financial position, these results demonstrate that, collectively, our businesses are well-positioned to withstand current economic challenges. In keeping with the upward trajectory seen in 2023, our Aviation Division was the main driver of our underlying profit, with strong performances from both the Cathay group and the HAECO group. The Property Division continued to perform solidly despite challenging market conditions in Hong Kong and the Chinese Mainland. Our Beverages Division also gave a solid performance in 2024.

In 2024, the consolidated profit attributable to shareholders was HK$4,321 million, compared with HK$28,853 million in 2023. The underlying profit attributable to shareholders for the period under review, adjusted for losses caused by the changes in the fair value of investment properties, was HK$10,471 million compared with HK$36,177 million in 2023. Excluding changes in the fair value of investment properties and significant non-recurring items, Swire Pacific recorded a recurring underlying profit of HK$9,284 million in 2024, compared with HK$10,449 million in 2023.

We have been investing heavily across our core markets in our Property, Beverages and Aviation divisions. Now, as we look to the future, we are in a solid financial and strategic position to execute these investments over the coming years. We are confident that our prudent management and long-term investment strategy will help us cope with any near-term economic uncertainty that lies ahead.

Our results in 2024 would not have been possible without our people and I extend my special thanks to them.

Swire has been operating in Hong Kong for over 150 years. Today, we are as steadfast as ever in our commitment to the city, and to strengthening its status as an international financial centre and aviation hub. We also fully support its continued economic integration into the Greater Bay Area (GBA). We remain confident that Hong Kong will continue to flourish and that the city's long-term future is bright.

Strategic Developments

Throughout 2024, we focused on delivering value for our shareholders through our progressive dividend policy and the share buy-back programme. Meanwhile, we continued to invest in our core markets of Hong Kong, the Chinese Mainland and South East Asia across our Property, Beverages and Aviation divisions.

Swire Properties made substantial progress with its HK$100 billion investment plan, with approximately 67% of the investment pipeline already committed. In the Chinese Mainland, HK$50 billion has been allocated for the creation of large-scale, retail-focused developments under the Taikoo Li and Taikoo Hui brands, as well as to enhance existing projects. Over 90% of this investment in the Chinese Mainland has now been committed. In Hong Kong, Swire Properties has planned to commit up to HK$30 billion for the future expansion of its flagship commercial portfolios Pacific Place and Taikoo Place. Furthermore, an investment of up to HK$20 billion has been set aside for residential trading projects in Hong Kong, the Chinese Mainland and South East Asia. In Hong Kong, the handover of office floors to tenants is now in progress at Six Pacific Place, which is the newest addition to the Pacific Place office portfolio. In November 2024, Swire Properties announced the completion of the Taikoo Place Redevelopment Project. The project commenced in 2014 and is a new milestone for the commercial flagship development, transforming Taikoo Place into an industry-leading global business district with modern workspaces, diverse amenities, active tenant engagement programmes and unrivalled ESG credentials.

In June 2024, Swire Properties increased its stake in INDIGO Phase Two in Beijing. The project is now Swire Properties' single biggest investment in the Chinese Mainland. The project has been renamed Taikoo Place Beijing, marking the debut of the Taikoo Place brand in the Chinese Mainland. In August 2024, Taikoo Hui in Guangzhou bid successfully for the former Cultural Centre at 387 Tianhe Road, which will be renovated as a luxury retail addition to Taikoo Hui. Taikoo Li Julong Wan Guangzhou, Swire Properties' first Taikoo Li development in the GBA, will be launched in phases from the end of 2025. In December 2024, the pre-sales of the first batch of Lujiazui Taikoo Yuan Residences in Shanghai, which is Swire Properties' residential debut in the Chinese Mainland, commenced. Sales have been very strong, marking an encouraging launch in a new market. Construction is ongoing at other projects: Taikoo Li Xi'an, Taikoo Li Sanya, the New Bund Mixed-use Project and Lujiazui Taikoo Yuan in Shanghai.

Throughout 2024, Swire Coca-Cola increased its footprint in South East Asia. In February 2024, Swire Coca-Cola entered into an agreement and conditionally agreed to acquire, in two phases, a majority stake in ThaiNamthip Corporation Public Company Limited, which owns and operates the Coca-Cola franchise in an extensive area in the northern and central regions of Thailand and, through its non-wholly owned subsidiary, in Laos, for an aggregate consideration of approximately THB42,615.7 million (approximately HK$9,470.1 million). The first phase of the acquisition was completed in February 2024 and the second phase was completed in September 2024. ThaiNamthip acquired the remaining 30% equity interest not owned by it in the Laos subsidiary by way of a share swap in December 2024, and also completed its acquisition of 30% of the issued share capital of the Cambodia franchise business. As of 31st December 2024, Swire Coca-Cola became interested in approximately 55.6% of the issued share capital of ThaiNamthip. In May 2024, Swire Coca-Cola broke ground on the Greater Bay Area Intelligent Green Factory in Guangdong. This state-of-the-art facility represents a RMB1.25 billion investment and is set to become Swire Coca-Cola's largest green, intelligent and diversified plant in the Chinese Mainland.

The Cathay group had another very successful year as it focused on completing its two-year rebuild and investing for the future, reaching 100% of pre-pandemic passenger flights from January 2025. In July 2024, the Cathay group repurchased the remaining 50% of preference shares from the HKSAR Government at a redemption amount of HK$9.75 billion. A total of HK$2.4 billion was paid in preference share dividends. In September 2024, the Cathay group completed the buy-back of all the warrants issued to the HKSAR Government in 2020 as part of its recapitalisation for a total consideration of approximately HK$1.5 billion. In early January 2025, the Cathay group repurchased about 68%, or HK$4.6 billion, of the HK$6.7 billion 2.75% guaranteed convertible bonds due in 2026. With the focus now fully on the future, the Cathay group announced more than HK$100 billion in new investments to coincide with the commencement of the Three-Runway System at Hong Kong International Airport. This major new investment programme includes more than 100 new-generation aircraft that the Cathay group started taking delivery of during the year, along with new world-leading cabin interiors, flagship lounges and digital innovations. In 2024, the Cathay group also worked hard to expand its global network, launching passenger flights to 15 additional destinations throughout the year.

Business Performance

Our financial results in 2024 reflect the ongoing recovery of the aviation industry, which benefitted the Cathay group and the HAECO group, as well as the industry and economic challenges that Swire Properties faced. Overall, Swire Coca-Cola continued to give a solid performance.

Property Division

Swire Properties' attributable recurring underlying profit for 2024 was HK$5,272 million, an 11% decrease on 2023's profit of HK$5,942 million. The decrease reflected lower office rental income from Hong Kong, partly due to the loss of revenue contributions arising from the disposal of nine floors of One Island East in December 2023. The office market remained weak amidst subdued demand and increased supply. However, the office portfolio has remained resilient. The retail market in Hong Kong was soft. Trade mix improvement, marketing campaigns and loyalty programme initiatives were continuously and actively carried out to attract local customers and tourists.

In the Chinese Mainland, retail sales normalised in 2024 due to an increase in outbound travel and depreciation in certain foreign currencies, but started to stabilise in the last quarter of 2024, reflecting the improved consumer confidence after stimulus measures announced by the Central Government at the end of September 2024. Foot traffic increased, notwithstanding the increase in outbound travel. Operating results for Swire Hotels were affected by a slower-than-expected recovery of visitors to Hong Kong. Property trading recorded a loss due to sales and marketing expenses.

Beverages Division

At **Swire Coca-Cola**, the business reported a recurring profit of HK$1,388 million in 2024, compared with HK$2,394 million in 2023. The decrease in profit was mainly driven by the disposal of Swire Coca-Cola, USA in the second half of 2023, partly offset by the profit contribution from newly acquired franchise businesses in Thailand and Laos. Excluding the effect of the disposal of Swire Coca-Cola, USA, recurring profit increased by 20%. There was a one-off gain of HK$651 million due to a remeasurement of Swire Coca-Cola's equity interest to fair value on the closing of the acquisition of additional shares in ThaiNamthip in September 2024, as well as a related gain due to the higher Thai Baht exchange rate.

Recurring profit from the Chinese Mainland increased by 11% with the increase in revenue and lower raw material costs. Profit increases were also seen in Taiwan and South East Asia, although the business in Vietnam was affected by fierce competition, plant relocation costs and unfavourable exchange rate movements. In Hong Kong, revenue remained flat.

Aviation Division

At the **Cathay** group, profit on a 100% basis was HK$9,888 million (including exceptional gains of HK$751 million) in 2024, compared with a profit of HK$9,789 million (including exceptional gains of HK$2.1 billion in 2023). The result was driven by the ongoing robust demand for travel and the strong performance of the cargo business. In 2024, the Cathay group continued to rebuild connectivity at its home hub by adding more passenger flights and destinations to its network. The additional belly space from increased passenger flights also enabled it to offer more cargo capacity, resulting in higher tonnage carried in 2024.

The results of the Cathay group's associate businesses are reported three months in arrears. The results improved compared with 2023.

The **HAECO** group performed well in 2024, achieving a recurring profit of HK$672 million, excluding the cost of exiting the inventory technical management operation and a gain on asset disposal at a joint venture company in the Chinese Mainland. This compares with 2023's profit of HK$465 million, excepting the loss on disposal of the cabin solutions business. The profit increase was primarily attributable to the continued recovery of line maintenance activity and a growth in the demand for engine overhaul at HAESL and HAECO Engine Services (Xiamen). The increase in base maintenance manhours sold and workload of most of the components businesses also contributed to the HAECO group's profit growth.

Other Businesses

In April 2024, we completed the acquisition of a controlling stake in DeltaHealth, marking our first time as the major shareholder in a healthcare business. In July 2024, we made a minority investment in Indonesia Healthcare Corporation.

Taken together, our trading & industrial businesses continued to deliver a stable result in 2024, although the performance of Swire Resources was affected by outbound travel and that of Taikoo Motors was impacted by a drop in vehicle sales.

Progressive Dividends and Share Buy-Back

Our focus remains on delivering sustainable, steady returns to our shareholders through our progressive dividend policy. The Directors are pleased to declare a second interim dividend of HK$2.10 per 'A' share and HK$0.42 per 'B' share which, together with the dividends paid in October 2024, amount to full-year dividends of HK$3.35 per 'A' share and HK$0.67 per 'B' share. This represents an increase of 5% on the ordinary dividends for 2023.

The second interim dividend will be paid on 9th May 2025 to shareholders registered at the close of business on the record date, being Friday, 11th April 2025. Shares of the Company will be traded ex-dividend from Wednesday, 9th April 2025.

We continued to improve our shareholder returns with our share buy-back programme of up to HK$6 billion, which will run through to the conclusion of the Company's annual general meeting to be held in May 2025. During 2024, the Company repurchased 50,091,000 'A' shares and 54,547,500 'B' shares for an aggregate cash consideration of HK$3,841 million at an average price of HK$65.5 per 'A' share and HK$10.3 per 'B' share.

Financial Strength

Our financial position remains solid. At the end of 2024, our available liquidity was HK$43.1 billion. Weighted average cost of debt remained at a healthy level of 4.0%, with 64% of Swire Pacific's gross borrowing being on a fixed-rate basis. Our gearing ratio was 22.1%. With our very robust balance sheet, we are in a good position to execute our investments in our core markets, as well as explore opportunities for growth in the future, despite the likely economic uncertainty ahead.

Sustainability

Swire Pacific's commitment to sustainability is long-established. Throughout 2024, we remained focused on our most material sustainability areas through our SwireTHRIVE strategy. Our businesses continued to invest in sustainability, launch new initiatives and establish impactful partnerships to support their goals.

Last year, Swire Pacific continued to be included in the Dow Jones Best-in-Class Asia Pacific Index (formerly DJSI) and the FTSE4Good Index. Swire Pacific also received an AA+ rating from the Hang Seng Corporate Sustainability Index, and is included in the Hang Seng Corporate Sustainability Benchmark and Hang Seng ESG 50 indices.

In January 2025, Swire Properties obtained the top position globally in the Dow Jones Best-in-Class World Index in the Real Estate Management & Development Industry category. Swire Properties' Taikoo Place development obtained the Leadership in Energy and Environmental Design (LEED) Communities certification (Gold Rating) in 2024, making it the first and only development in Hong Kong to do so. In the Chinese Mainland, the company co-signed a landmark statement aimed at accelerating the market transformation to low-carbon-emissions steel manufacturing for the real estate industry.

At Swire Coca-Cola, 42% of electricity use in its core operations came from renewable sources by the end of 2024. Eight of its bottling plants in the Chinese Mainland now operate using 100% renewable energy.

The Cathay group welcomed the successful launch of the Hong Kong Sustainable Aviation Fuel Coalition (HKSAFC) as its co-initiator. For the HAECO group, 2024 saw the installation of the largest single-site solar energy generation system in Hong Kong.

We are also preparing for emerging regulatory requirements, enhancing our internal controls on sustainability-related processes and data, and developing our approach to assessing nature risk.

Looking Ahead

In 2025 we will strive to continue delivering value for our shareholders, with a focus on the execution phase of the recent investments we have made across our core markets. We will also continue to look for opportunities to expand our businesses, particularly in the GBA.

Swire Properties' flagship brands in Hong Kong and the Chinese Mainland continue to be highly sought-after. The company will continue to focus on executing its HK$100 billion investment plan. In Hong Kong, the office market is likely to remain subdued. Nevertheless, the office portfolios in Pacific Place and Taikoo Place are well-positioned as preferred choices of office location when the market picks up. In the Chinese Mainland, retail sales growth is expected to gain pace due to an improvement in domestic demand and recent stimulus measures.

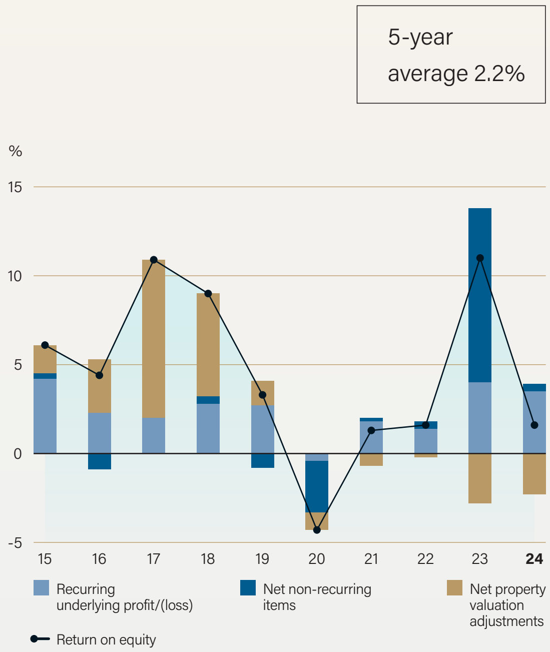
At Swire Coca-Cola, revenue growth is expected for the Chinese Mainland supported by a strong portfolio and packaging mix, enhanced market execution and efforts on revenue growth management. While the business environment in Hong Kong remains challenging, sales and operations in Taiwan are expected to grow in 2025. The franchise in Vietnam will focus on revenue growth, pricing opportunities and cost efficiency to deliver steady profit, despite the headwinds in exchange rate and raw material prices. Volume is expected to grow in Cambodia. In Thailand and Laos, the competitive landscape is challenging. Nevertheless, Swire Coca-Cola's diversified regional portfolio will help it navigate market conditions and take advantage of opportunities to grow.

The launch of the Three-Runway System paves the way for an exciting new era for Hong Kong's status as an international aviation hub and for the Cathay group, which will operate passenger flights to more than 100 destinations around the world in 2025. The Cathay group's HK$100 billion investment plan is ongoing. At the HAECO group, demand for base maintenance work is expected to be stable, while line maintenance work is expected to continue its growth in 2025. Demand for engine services should remain strong. The relocation project to the new Xiamen airport is underway, with construction expected to be complete by the end of 2025. The installation of maintenance, repair and overhaul equipment continues and is targeted for completion in 2026.

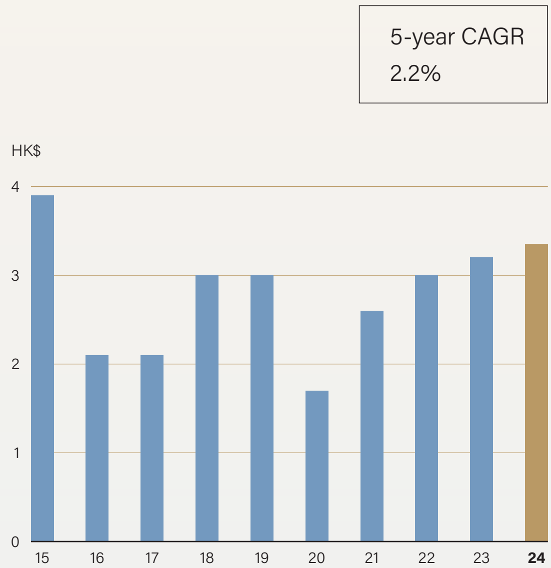
Once again, our businesses have shown their collective strength in the face of challenges. We will build on these strengths in 2025 as we continue to deliver value for our shareholders.

Guy Bradley
Chairman
Hong Kong, 13th March 2025

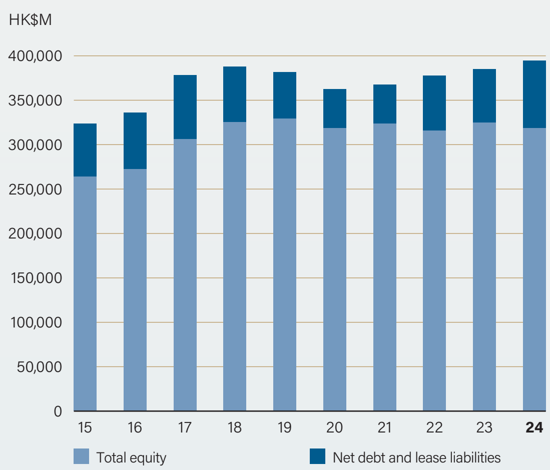
Return on Equity



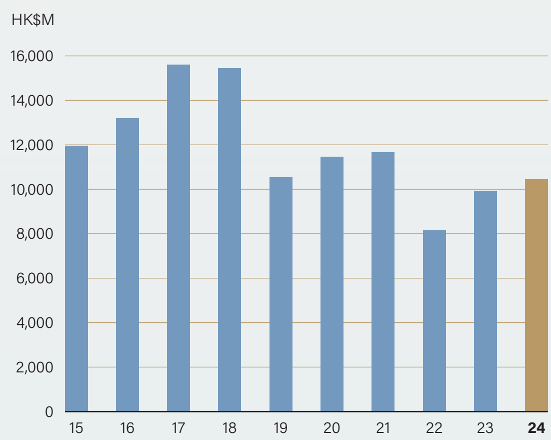
Ordinary Dividends per 'A' Share



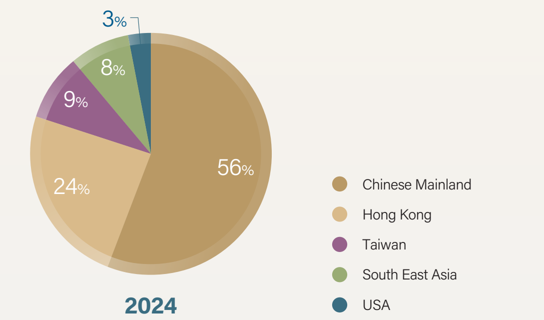
Total Equity and Net Debt (including Lease Liabilities)



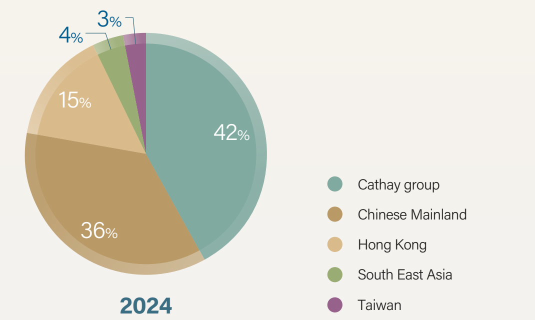
Net Cash Generated from Operating Activities



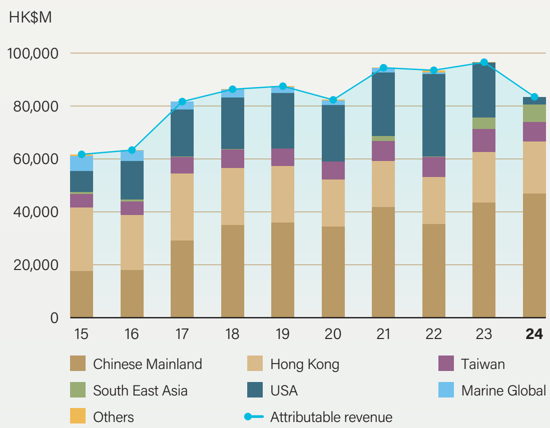
Attributable Revenue by Region(i)



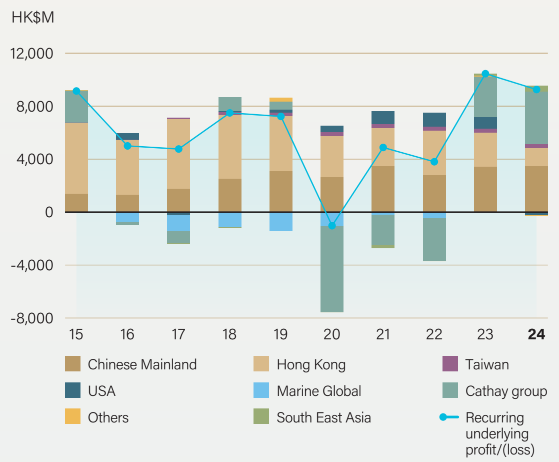
Recurring Underlying Profit by Region(ii)



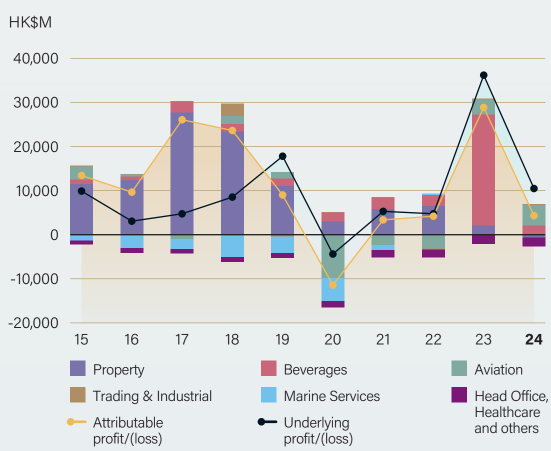
Attributable Revenue by Region(i)



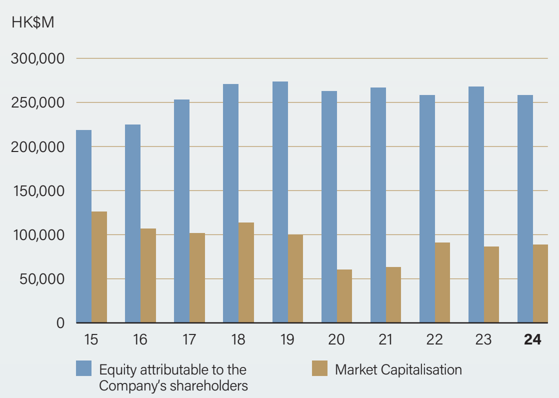
Recurring Underlying Profit/(Loss) by Region



Profit/(Loss) Attributable to the Company's Shareholders



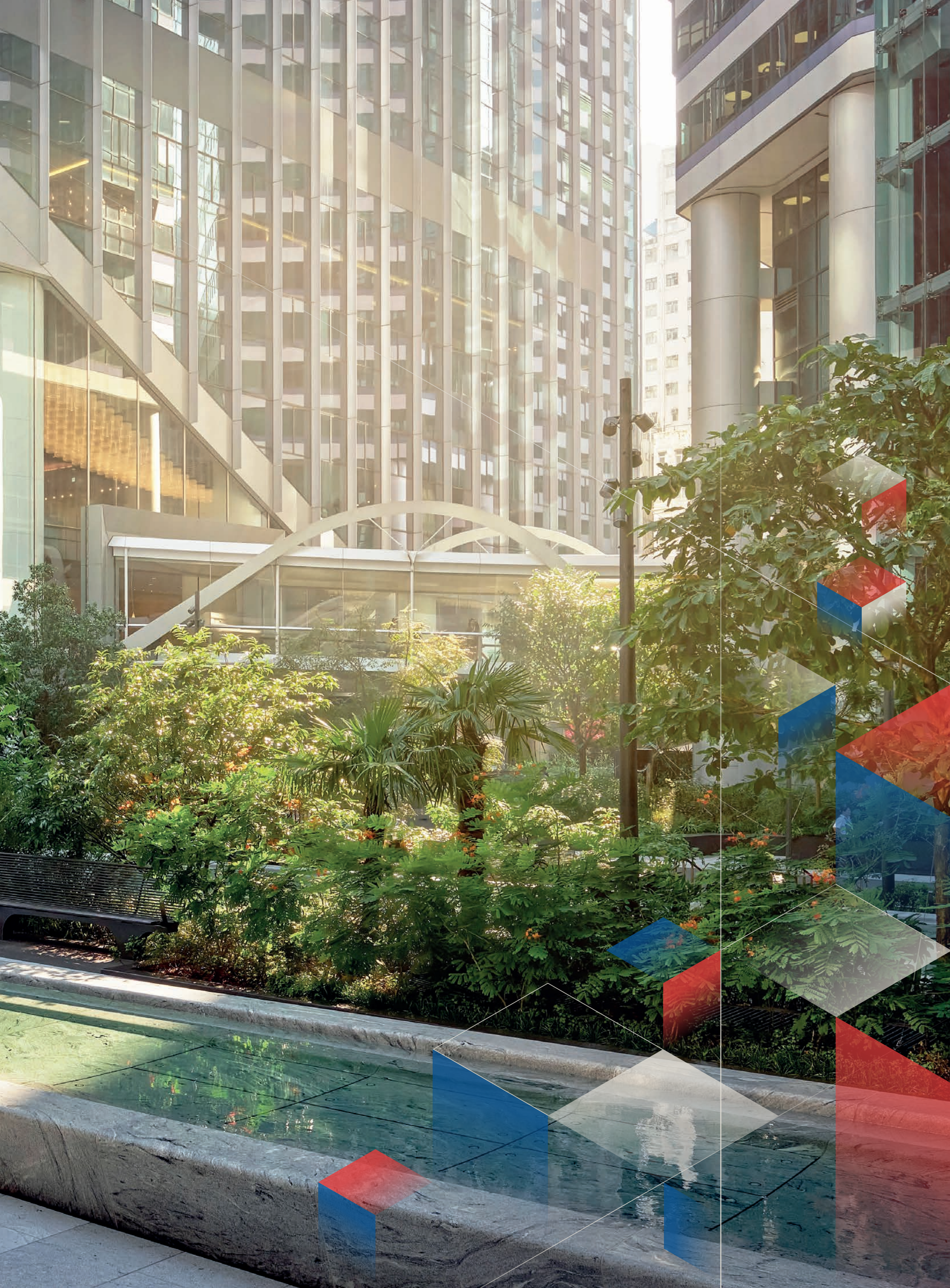
Equity Attributable to the Company's Shareholders and Market Capitalisation at Year End



Notes:
(i) Includes joint ventures' attributable gross rental income of the Property Division.
(ii) Excludes the loss in the USA.

PROPERTY DIVISION

The completion of the Taikoo Place redevelopment project marks a pivotal moment in Swire Properties' efforts to create a thriving, sustainable Global Business District.



PROPERTY DIVISION

Swire Properties is a leading developer, owner and operator of mixed-use, principally commercial, properties in Hong Kong and the Chinese Mainland, with a record of creating long-term value by placemaking and transforming urban areas.

Swire Properties' business comprises three main areas:

Property Investment

Of the aggregate gross floor area attributable to Swire Properties, approximately 35.2 million square feet are investment properties and hotels, comprising completed investment properties and hotels of approximately 24.4 million square feet, and investment properties under development or held for future development of approximately 10.8 million square feet. In Hong Kong, the investment property and hotel portfolio comprise approximately 14.2 million square feet attributable to Swire Properties of primarily Grade-A office and retail premises, hotels, serviced apartments and other luxury residential accommodation. In the Chinese Mainland, Swire Properties has interests in eleven major commercial developments in prime locations in Beijing, Guangzhou, Chengdu, Shanghai, Xi'an and Sanya. These developments are expected to comprise approximately 18.9 million square feet of attributable gross floor area when they are all completed. Of this, 10.4 million square feet has already been completed. Outside of Hong Kong and the Chinese Mainland, the investment property portfolio comprises the Brickell City Centre development in Miami, USA.

Hotel Investment and Management

Swire Properties wholly-owns and manages, through Swire Hotels, two hotels in Hong Kong, The Upper House at Pacific Place and EAST Hong Kong at Taikoo Shing. Swire Properties has a 20% interest in each of the JW Marriott, Conrad Hong Kong and Island Shangri-La hotels at Pacific Place and a 26.67% interest in the Novotel Citygate and The Silveri Hong Kong – MGallery in Tung Chung. In the Chinese Mainland, Swire Hotels manages three hotels. The Temple House at Taikoo Li Chengdu is wholly-owned by Swire Properties. 50% interests are owned in EAST Beijing at INDIGO, and in The Middle House at HKRI Taikoo Hui in Shanghai. Swire Properties owns 97% and 50% interests in the Mandarin Oriental at Taikoo Hui in Guangzhou and The Sukhothai Shanghai at HKRI Taikoo Hui, respectively. In the USA, Swire Properties manages, through Swire Hotels, EAST Miami and owns a 75% interest in the Mandarin Oriental in Miami. Swire Hotels has confirmed its expansion plans to Tokyo in Japan, and Beijing, Shenzhen, Shanghai and Xi'an in the Chinese Mainland.

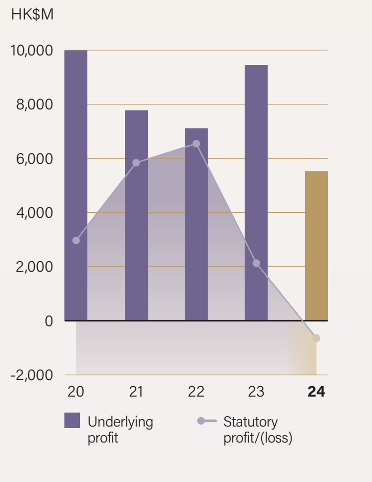
Property Trading

Swire Properties' trading portfolio comprises completed units available for sale at EIGHT STAR STREET and LA MONTAGNE in Hong Kong. There are nine residential projects under development, four in Hong Kong, two in the Chinese Mainland, one in Indonesia, one in Vietnam and one in Thailand. There is also a plan to develop a luxury residential and hospitality project on part of Swire Properties' land banks in Miami, USA.

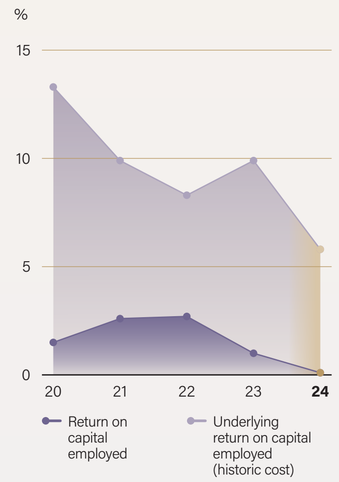
Particulars of the Group's key properties are set out on pages 242 to 251.

Swire Properties is listed on The Stock Exchange of Hong Kong Limited.

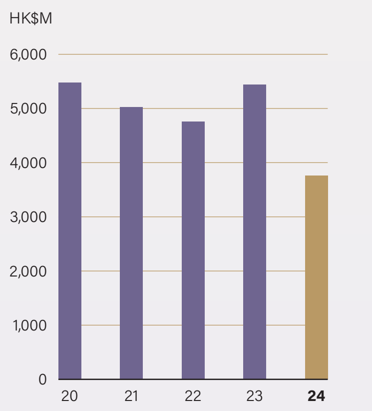
Statutory and Underlying Profit/(Loss) Attributable to the Company's Shareholders



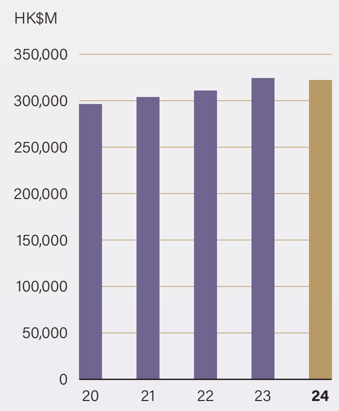
Return on Capital Employed



Net Cash Generated from Operating Activities



Capital Employed



STRATEGY

The strategic objective of Swire Properties (as a listed company in its own right) is sustainable growth in shareholder value over the long term as a leading developer, owner and operator of principally mixed-use commercial properties in Hong Kong and the Chinese Mainland. The strategies employed in order to achieve this objective are these:

- Creation of long-term value through conceiving, designing, developing, owning and managing transformational mixed-use and other projects in urban areas.
- Maximisation of the earnings and value of its completed properties through active asset management and by reinforcing its assets through enhancement, redevelopment and new additions.
- Developing luxury and high-quality residential properties.
- Focusing principally on Hong Kong and the Chinese Mainland, and selectively in South East Asia.
- Conservative management of its capital base.

Taikoo Place Beijing will combine the existing, mixed-used INDIGO development with its Phase Two extension.

Investment Property and Hotel Portfolio

(Gross floor area (or expected gross floor area) attributable to Swire Properties in million square feet)

	At 31st December 2024						At 31st December 2023
Location	Office	Retail	Hotels	Residential/ Serviced Apartments	Under Planning	Total	Total
Completed							
Pacific Place	2.2	0.7	0.5	0.4	–	3.8	3.8
Taikoo Place	6.3	–	–	0.1	–	6.4	6.4
Cityplaza	–	1.1	0.2	–	–	1.3	1.3
Others	0.9	0.8	0.1	0.1	–	1.9	1.7
– Hong Kong	9.4	2.6	0.8	0.6	–	13.4	13.2
Taikoo Li Sanlitun	–	1.6	–	–	–	1.6	1.8
Taikoo Li Chengdu	–	1.4	0.2	0.1	–	1.7	1.7
Taikoo Hui	1.6	1.5	0.5	–	–	3.6	3.6
INDIGO	0.3	0.5	0.2	–	–	1.0	1.0
HKRI Taikoo Hui	1.0	0.5	0.2	0.1	–	1.8	1.8
Taikoo Li Qiantan	–	0.6	–	–	–	0.6	0.6
Others	–	0.1	–	–	–	0.1	0.1
– Chinese Mainland	2.9	6.2	1.1	0.2	–	10.4	10.6
– USA	–	0.3	0.3	–	–	0.6	0.6
Total completed	12.3	9.1	2.2	0.8	–	24.4	24.4
Under development or held for future development							
– Hong Kong[i]	–	–	–	–	0.8	0.8	1.0
– Chinese Mainland[ii]	2.2	3.5	0.2	0.1	2.5	8.5	7.5
– USA	–	–	–	–	1.5	1.5	1.5
Total	14.5	12.6	2.4	0.9	4.8	35.2	34.4

Notes:
(i) The properties principally comprise Wah Ha Factory Building, 8 Shipyard Lane and Zung Fu Industrial Building, 1067 King's Road.
(ii) The properties principally comprise Taikoo Li Sanlitun, Taikoo Place Beijing (formerly known as INDIGO Phase Two), Taikoo Li Xi'an, Taikoo Li Sanya (project name has yet to be confirmed), the retail portion of a mixed-use project and No. 387 Tianhe Road in Guangzhou, and two mixed-use projects in Shanghai.

2024 PERFORMANCE

Financial Highlights

	2024 HK$M	2023 HK$M
Revenue		
Gross rental income derived from		
Office	5,488	5,835
Retail	7,388	7,143
Residential	440	430
Other revenue*	136	117
Property investment	13,452	13,525
Property trading	88	166
Hotels	888	979
Total revenue	14,428	14,670
Operating profit/(loss) derived from		
Property investment		
From operations	8,242	8,253
Sale of interests in investment properties	(220)	(60)
Fair value losses in respect of investment properties	(5,974)	(2,860)
Property trading	(178)	(89)
Hotels	(154)	(103)
Total operating profit	1,716	5,141
Share of post-tax profit/(loss) from joint venture and associated companies	826	(292)
Attributable (loss)/profit	(751)	2,599
Swire Pacific share of attributable (loss)/profit	(641)	2,131

* Other revenue is mainly estate management fees.

Underlying Profit/(Loss) by Segment

	2024 HK$M	2023 HK$M
Property investment	6,845	7,486
Property trading	(219)	(140)
Hotels	(202)	(100)
Recurring underlying attributable profit	6,424	7,246
Divestment	289	4,285
Underlying attributable profit	6,713	11,531

Reconciliation of Attributable to Underlying Profit

Additional information is provided below to reconcile reported and underlying profit/(loss) attributable to shareholders. These reconciling items principally adjust for the fair value movements on investment properties and the associated deferred tax in the Chinese Mainland and the USA, and for other deferred tax provisions in relation to investment properties. Amortisation of right-of-use assets classified as investment properties is charged to underlying profit. There are further adjustments to remove the effect of remeasurement gains on interests in joint venture companies which became subsidiary companies after completion of acquisition and a bargain purchase gain arising from the acquisition of an additional interest in a joint venture company.

	Note	2024 HK$M	2023 HK$M
Attributable (loss)/profit		**(751)**	2,599
Adjustments in respect of investment properties:			
Fair value losses in respect of investment properties	(i)	**6,197**	4,423
Deferred tax on investment properties	(ii)	**1,283**	461
Fair value gains realised on sale of interests in investment properties	(iii)	**534**	4,398
Depreciation of investment properties occupied by the Group	(iv)	**29**	29
Amortisation of right-of-use assets reported under investment properties	(v)	**(78)**	(81)
Remeasurement gains on interests in joint venture companies which became subsidiary companies after completion of acquisition	(vi)	**–**	(306)
Reversal of impairment loss on a hotel held as part of a mixed-use development	(vii)	**(11)**	–
Bargain purchase gain arising from the acquisition of an additional interest in a joint venture company	(viii)	**(566)**	–
Non-controlling interests' share of fair value movements less deferred tax		**76**	8
Underlying attributable profit		**6,713**	11,531
Profit from divestment		**(289)**	(4,285)
Recurring underlying attributable profit		**6,424**	7,246
Swire Pacific share of underlying attributable profit		**5,509**	9,455
Swire Pacific share of recurring underlying attributable profit		**5,272**	5,942

Notes:
(i) This represents the fair value movements as shown in the Group's consolidated statement of profit or loss and the Group's share of fair value movements of joint venture and associated companies.
(ii) This represents deferred tax movements on the Group's investment properties, plus the Group's share of deferred tax movements on investment properties held by joint venture and associated companies. These comprise deferred tax on fair value movements on investment properties in the Chinese Mainland and the USA, and deferred tax provisions made in respect of investment properties held for the long term where it is considered that the liability will not reverse for some considerable time. It also includes certain tax adjustments arising from transfers of investment properties within the Group.
(iii) Prior to the implementation of HKAS 40, changes in the fair value of investment properties were recorded in the revaluation reserve rather than the consolidated statement of profit or loss. On sale, the fair value gains/(losses) were transferred from the revaluation reserve to the consolidated statement of profit or loss.
(iv) Prior to the implementation of HKAS 40, no depreciation was charged on investment properties occupied by the Group.
(v) HKFRS 16 amends the definition of investment property under HKAS 40 to include properties held by lessees as right-of-use assets to earn rentals or for capital appreciation or both, and requires the Group to account for such right-of-use assets at their fair value. The amortisation of such right-of-use assets is charged to underlying profit.
(vi) The remeasurement gains on interests in joint venture companies were calculated principally by reference to the estimated market value of the underlying properties portfolio of the joint venture companies, netting off with all related cumulative exchange difference.
(vii) Under HKAS 40, hotel properties are stated in the accounts at cost less accumulated depreciation and any provision for impairment losses, rather than at fair value. If HKAS 40 did not apply, wholly-owned and joint venture hotel properties held for the long term as part of mixed-use property developments would be accounted for as investment properties. Accordingly, any increase or decrease in their values would be recorded in the revaluation reserve rather than in the consolidated statement of profit or loss.
(viii) Bargain purchase gain arising from the acquisition of an additional interest in a joint venture company was calculated principally by reference to the market value of the underlying properties portfolio of the joint venture company in comparison with the consideration paid.

2024 PROPERTY INDUSTRY REVIEW

Office and Retail

Hong Kong

OFFICE | The office market remained weak amidst subdued demand and increased supply. Economic uncertainty and the high interest rate environment had negative impact on leasing demand.

RETAIL | The retail market sentiment in Hong Kong has continuously been affected by economic uncertainty, a strong US currency, ongoing outbound travel trend and changes in spending patterns of tourists.

Chinese Mainland

RETAIL | Retail sales in the Chinese Mainland normalised in 2024 (as compared with the high retail sales when all pandemic-related restrictions were lifted in early 2023) due to an increase in outbound travel and depreciation in certain foreign currencies. Retail sales started to stabilise in the last quarter of 2024 reflecting improved consumer confidence following the announcement of economic stimulus measures by the government at the end of September 2024.

OFFICE | Demand for office space in Beijing, Shanghai and Guangzhou remained weak amid economic uncertainty. Tenants continue to adopt a cautious approach to their real estate decisions. Increasing office availability and weak demand continued to put downward pressure on rents.

USA

RETAIL | Retail sales growth in the USA continued to be positive, reflecting the strength of the USA economy and stable labour market.

Property Sales Markets

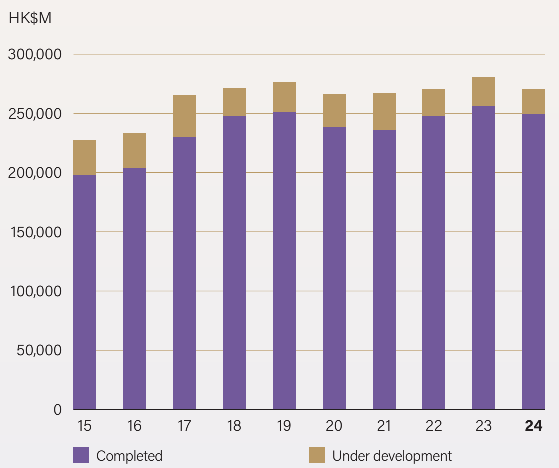
Hong Kong

The residential market sentiment has slightly improved in the light of the interest rate cuts, with signs of slow market recovery.

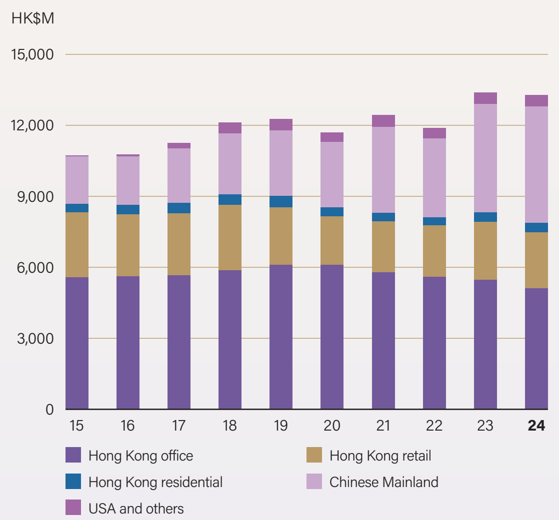
Chinese Mainland

The residential market for high-quality developments in prime locations of Tier-1 cities is relatively resilient particularly in Shanghai where luxury residential properties in core areas received positive market responses.

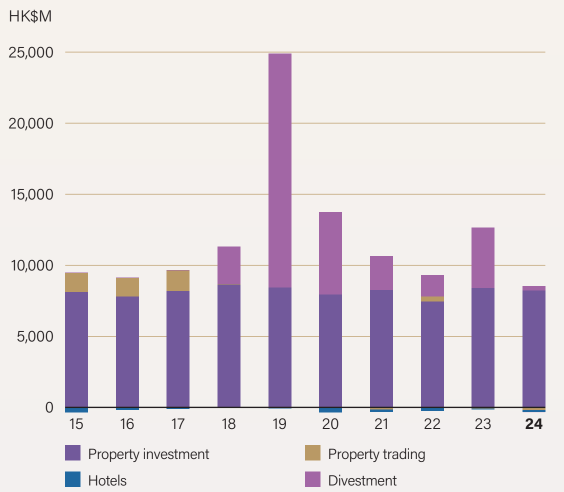
Valuation of Investment Properties



Gross Rental Income (after deduction of rental concessions)

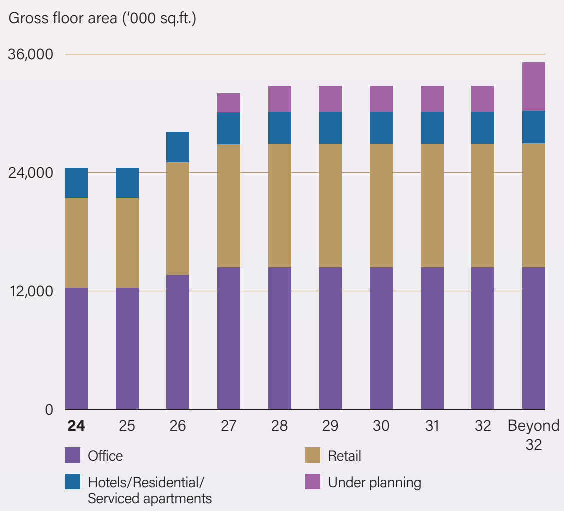


Underlying Operating Profit

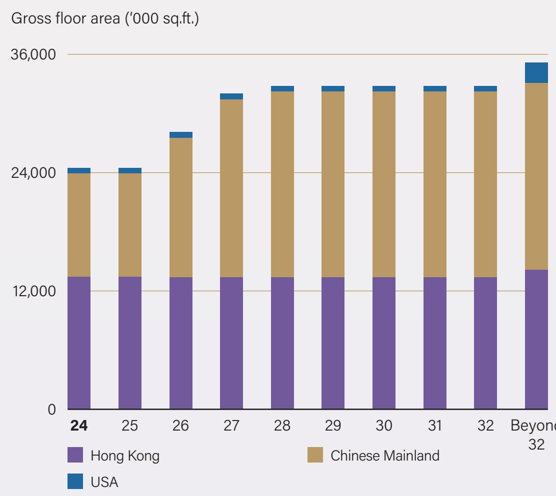


Lease Expiry Profile – at 31st December 2024

Attributable Completed Investment Property and Hotel Portfolio by Type



Attributable Completed Investment Property and Hotel Portfolio by Location



2024 RESULTS SUMMARY

Attributable loss from the Property Division for the year was HK$641 million, compared to attributable profit of HK$2,131 million in 2023. These figures include fair value losses, before deferred tax and after non-controlling interests, of HK$6,277 million in 2024, compared to HK$4,432 million in 2023, mainly arising from the Hong Kong office portfolios for both years. Attributable underlying profit, which principally adjusts for changes in fair value of investment properties, decreased to HK$5,509 million in 2024 from HK$9,455 million in 2023. The decrease primarily reflected the substantial profit arising from the disposal of certain office floors in Hong Kong in 2023, and a reduction in profit from the sale of car parking spaces in Hong Kong in 2024. Also, there were higher net finance charges (due to higher borrowings) and a reduction in rental income from Hong Kong office portfolios.

Attributable recurring underlying profit, which excludes profit from divestment aggregating HK$237 million (HK$3,513 million in 2023), was HK$5,272 million in 2024, compared to HK$5,942 million in 2023.

Recurring underlying profit from property investment decreased in 2024. This principally reflected lower office rental income from Hong Kong (partly due to the loss of revenue arising from the disposal of nine floors of One Island East in December 2023).

In Hong Kong, office market remained difficult. Weak demand, high vacancy rates and new supplies continued to exert downward pressure on office rent. Despite these challenges, the occupancy of the office portfolio remained steady and outperformed the relevant submarkets. The performance of retail portfolio was soft. Trade mix improvement, marketing campaigns and loyalty programme initiatives were continuously and actively carried out to attract local customers and tourists, so as to offset the negative impact of outbound travel and the changing tourist spending behaviour.

In the Chinese Mainland, the performance of Swire Properties' retail portfolio was stable. Retail sales declined in 2024 (compared with a strong rebound in 2023 following the lifting of pandemic related restrictions) but the overall foot traffic increased notwithstanding the increase in outbound travel.

In the USA, retail sales and gross rental income increased compared to 2023, primarily due to an improved tenant mix and higher opening rate.

The underlying loss from property trading in 2024 was primarily a result of sales and marketing expenses incurred for several residential trading projects which will be launched in the next few years.

The speed of recovery of hotel businesses in Hong Kong was slower than anticipated, while the performance of the hotels in the Chinese Mainland was relatively stable. Performance of the managed hotel in the USA was strong.

HK$100 BILLION INVESTMENT PLAN

In March 2022, Swire Properties announced a plan to invest HK$100 billion over ten years in development projects in Hong Kong and the Chinese Mainland, and in residential trading projects (including in South East Asia). The target allocation is HK$30 billion to Hong Kong, HK$50 billion to the Chinese Mainland and HK$20 billion to residential trading projects (including in South East Asia). At 7th March 2025, approximately HK$67 billion of the planned investments had been committed (HK$11 billion to Hong Kong, HK$46 billion to the Chinese Mainland and HK$10 billion to residential trading projects). Major committed projects include the residential developments at The Headland Residences (formerly known as Chai Wan Inland Lot No. 178), at 269 Queen's Road East, at 983-987A King's Road and 16-94 Pan Hoi Street in Hong Kong, and at Wireless Road in Bangkok, a retail-led mixed-use development in Xi'an, a retail-led development in Sanya, mixed-use developments in Lujiazui Taikoo Yuan (formerly known as the Yangjing Mixed-use Project) and the New Bund in Shanghai, the retail portion of a mixed-use development in Guangzhou (Taikoo Li Julong Wan Guangzhou), the extension of Taikoo Hui to No. 387 Tianhe Road in Guangzhou, office and other commercial use developments at 8 Shipyard Lane and at 1067 King's Road in Hong Kong. Uncommitted projects include further retail-led mixed-use projects in Tier-1 and emerging Tier-1 cities in the Chinese Mainland, including Beijing, with a plan to double our gross floor area in the Chinese Mainland, further expansion at Pacific Place and Taikoo Place in Hong Kong as well as further residential trading projects in Hong Kong, the Chinese Mainland, Miami and South East Asia.

KEY DEVELOPMENTS

In February 2024, Swire Properties obtained the occupation permit for Six Pacific Place, it being the newest addition to Pacific Place, an office tower with an aggregate gross floor area of approximately 223,000 square feet. At 31st December 2024, the office tower was 53% let. Handover of the office floors to tenants is in progress.

As part of a mixed-use development with an approximate gross floor area of 5.7 million square feet located in Liwan district of Guangzhou, the centre of the Guangzhou-Foshan metropolis circle, Swire Properties is collaborating with the Guangzhou Pearl River Enterprises Group to develop the retail portion (Taikoo Li Julong Wan Guangzhou) of this mixed-use development. The site with a gross floor area of approximately 352,000 square feet was acquired as of 31st December 2024. The gross floor area will increase to approximately 1,615,000 square feet, subject to further relevant transaction agreements. Basement works are in progress. The overall development is planned to be completed in phases beginning from the first half of 2027. Prior to the first phase's completion, exhibitions, events, pop-up shops and activities will be conducted to activate the area starting from late 2025. Swire Properties has a 50% interest in the retail portion of the development.

In June 2024, Swire Properties entered into an equity and debt transfer agreement with the China Life Insurance Company Limited (China Life) group and the Sino-Ocean Group Holding Limited (Sino-Ocean) group, pursuant to which Swire Properties and the China Life group have conditionally agreed to acquire a 14.895% and a 49.895% equity interest in the project company of Taikoo Place Beijing (formerly known as INDIGO Phase Two), respectively, from the Sino-Ocean group for a consideration of approximately RMB891 million and RMB2,984 million, respectively. The acquisitions were completed in early August. Following completion of the acquisitions, Swire Properties' interest in Taikoo Place Beijing has increased from 35% to 49.895% and the China Life group owns a 49.895% interest in Taikoo Place Beijing. Taikoo Place Beijing has been renamed from INDIGO Phase Two since November 2024.

In August 2024, Taikoo Hui in Guangzhou successfully bid for No. 387 Tianhe Road in a public auction, which is connected to its shopping mall. With approximate gross floor area of 655,000 square feet, No. 387 Tianhe Road will be refurbished as a luxury retail addition to Taikoo Hui, which is expected to complete from 2027. Swire Properties has a 97% interest in this property.

In December 2024, an associated company in which Swire Properties holds a 40% interest started the pre-sales of the first batch of Lujiazui Taikoo Yuan Residences, a residential development in Shanghai, with 49 out of 50 units pre-sold up to 7th March 2025.

INVESTMENT PROPERTIES

Hong Kong

OFFICE | Gross rental income from the Hong Kong office portfolio in 2024 was HK$5,109 million, a 7% decrease from 2023. Disregarding the revenue loss arising from the disposal of nine floors of One Island East, gross rental income decreased by 4%. Weak demand, high vacancy rate and new supplies continue to exert downward pressure on office rent. Despite these challenges, Swire Properties' office portfolio has remained resilient. Swire Properties' commitments to enhancing the placemaking attributes, including tenant engagement programmes, amenity provision and progressive ESG initiatives, remain the key differentiation from other office landlords. At 31st December 2024, the office portfolio was 89% let. Excluding the two latest buildings, Two Taikoo Place and Six Pacific Place (which were completed in September 2022 and February 2024, respectively), the rest of the office portfolio was 93% let.

The performance of the offices at One, Two and Three Pacific Place was resilient in 2024. These offices were 95% let at 31st December 2024. At Six Pacific Place, tenants have committed (including by way of letters of intent) to take approximately 53% of the space at 31st December 2024. Occupation permit was obtained in February 2024.

The performance of the offices at Taikoo Place was steady. Those at One Taikoo Place, One Island East (excluding the nine floors disposed of) and the other office towers at Taikoo Place were 97%, 92% and 91% let, respectively, at 31st December 2024. Two Taikoo Place, the newest addition to Taikoo Place, was 69% leased.

The offices at South Island Place were 96% let at 31st December 2024. Swire Properties has a 50% interest in the development.

RETAIL | Gross rental income from the retail portfolio in Hong Kong was HK$2,369 million in 2024, a 3% decrease from 2023. Intensive marketing activities and activations were launched to attract both local customers and tourists to the malls. However, economic uncertainty, a strong US currency, continuous outbound travel trend, high interest rate environment and the changing tourist spending behaviour continue to adversely affect the retail market. Retail sales decreased by 11%, 2% and 4%, respectively, at The Mall at Pacific Place, Cityplaza, and Citygate Outlets in 2024. Retail sales in Hong Kong market as a whole decreased by 7% in 2024.

The malls were almost fully let throughout the year.

RESIDENTIAL | The completed residential portfolio comprises Pacific Place Apartments at Pacific Place, EAST Apartments in Quarry Bay, STAR STUDIOS in Wan Chai and a number of luxury houses on Hong Kong Island and Lantau Island. The residential portfolio was 76% let at 31st December 2024.

INVESTMENT PROPERTIES UNDER DEVELOPMENT | In 2018, Swire Properties submitted compulsory sale applications in respect of two sites (Wah Ha Factory Building, 8 Shipyard Lane and Zung Fu Industrial Building, 1067 King's Road) in Quarry Bay. Swire Properties obtained full ownership of Zung Fu Industrial Building and Wah Ha Factory Building in March 2022 and July 2023, respectively. The two sites are intended to be redeveloped for office and other commercial uses with an aggregate gross floor area of approximately 779,000 square feet.

In June 2022, Swire Properties submitted a compulsory sale application in respect of a site at 9-39 Hoi Wan Street and 33-41 Tong Chong Street in Quarry Bay. The gross site area is approximately 20,060 square feet. Proceeding with the development (the planning of which is being reviewed) is subject to Swire Properties having successfully bid in the compulsory sale.

OTHERS | Since November 2020, Swire Properties has offered 2,530 car parking spaces in the Taikoo Shing residential development in Hong Kong for sale. All of the car parking spaces had been sold and recognised up to 31st December 2024, with 384 of them in 2024.

In November 2023, Swire Properties entered into agreements for the sale of twelve office floors (42nd to 54th floors, excluding the 49th floor) at One Island East in Quarry Bay to the Securities and Futures Commission (SFC). The completion of the sale of the nine floors (45th to 54th floors excluding the 49th floor) currently occupied by SFC took effect in December 2023. The completion for the 43rd floor will take place not earlier than 31st December 2025 and not later than 31st December 2026 while the completion for the 44th floor will take place not earlier than 31st December 2026 and not later than 31st December 2027, and the completion for the 42nd floor will take place not earlier than 31st December 2027 and not later than 31st December 2028. The total gross floor area of the twelve floors is approximately 300,000 square feet.

Chinese Mainland

RETAIL | In the Chinese Mainland, record-high retail sales were achieved in 2023, following the lifting of pandemic-related restrictions. However, retail sales in the Chinese Mainland dropped in 2024 due to an increase in outbound travel, depreciation in certain foreign currencies and disruption caused by upgrading works in some malls. Despite this, overall foot traffic continued to increase, underscoring the appeal of Swire Properties' malls as the preferred destinations for visitors. Retail sales started to stabilise in the last quarter of 2024 reflecting improved consumer confidence following the announcement by the government of economic stimulus measures at the end of September 2024. Structural and reconfiguration works in Taikoo Li Sanlitun North in Beijing and HKRI Taikoo Hui in Shanghai for tenant mix enhancement are in progress. Swire Properties' retail sales (excluding sales by vehicle retailers) on an attributable basis in the Chinese Mainland decreased by 7% in 2024, yet outperforming the market, and 55% higher than the same period in 2019 (pre-pandemic). Retail sales in Taikoo Li Sanlitun in Beijing decreased slightly by less than 1%, and Taikoo Li Chengdu, Taikoo Hui in Guangzhou, INDIGO in Beijing and HKRI Taikoo Hui in Shanghai decreased by 14%, 11%, 4% and 14%, respectively, while Taikoo Li Qiantan in Shanghai increased by 3% in 2024. By comparing 2024 with that of 2019, retail sales at Taikoo Li Sanlitun, Taikoo Li Chengdu and Taikoo Hui increased by 1%, 24% and 67%, respectively, whereas INDIGO decreased by 1% and HKRI Taikoo Hui was a decrease of 15% due to the disruption caused by the major structural and reconfiguration works, while Taikoo Li Qiantan had not yet commenced business in 2019.

Swire Properties' gross rental income from retail properties in the Chinese Mainland increased by 7%, to HK$4,489 million, in 2024. Disregarding the impact arising from the incremental shareholding acquired at Taikoo Li Chengdu in February 2023 and changes in the value of the Renminbi, gross rental income increased by 4%.

Gross rental income at Taikoo Li Sanlitun increased by 12% in 2024 and reached a record high, reflecting the strong footfall in Taikoo Li Sanlitun South and West benefitting from the successful upgrade of brand positioning and the newly opened flagship stores as well as the introduction of visa-free policy, the reopening of Workers' Stadium and the opening of metro lines nearby. Demand for retail space at Taikoo Li Sanlitun is strong as its position as a fashionable retail destination is being reinforced. To enhance the leading luxury positioning in the Beijing market, structural and reconfiguration works to facilitate the tenant mix improvement at Taikoo Li Sanlitun North are in progress. Retail sales decreased slightly by less than 1% as a result. The development was 98% let at 31st December 2024.

Disregarding the impact arising from the incremental shareholding acquired at Taikoo Li Chengdu in February 2023, retail sales decreased by 14% in 2024 while gross rental income was on par with 2023, reflecting disruption caused by the reconfiguration works to facilitate tenant mix upgrade. Swire Properties continues to reinforce the development as a premium shopping and leisure destination. The development was 96% let at 31st December 2024.

Retail sales and gross rental income at Taikoo Hui in Guangzhou decreased by 11% and 6%, respectively, in 2024, reflecting the increased outbound travel. There were improvements in the tenant mix. The mall was 100% let at 31st December 2024. In August 2024, Taikoo Hui successfully bid for No. 387 Tianhe Road in a public auction, with an approximate gross floor area of 655,000 square feet, which is connected to its shopping mall. The property will be renovated as a luxury retail addition to Taikoo Hui and the refurbishment is expected to be completed from 2027.

Retail sales and gross rental income at INDIGO (part of Taikoo Place Beijing) in Beijing decreased by 4% and 2% respectively in 2024. The mall was 98% let at 31st December 2024.

Retail sales and gross rental income at HKRI Taikoo Hui in Shanghai decreased by 14% and 17%, respectively, in 2024, reflecting disruption caused by the major structural and reconfiguration works to cater for tenant mix improvement. The mall was 93% let at 31st December 2024 including spaces allocated to prospective tenants who have signed letters of intent.

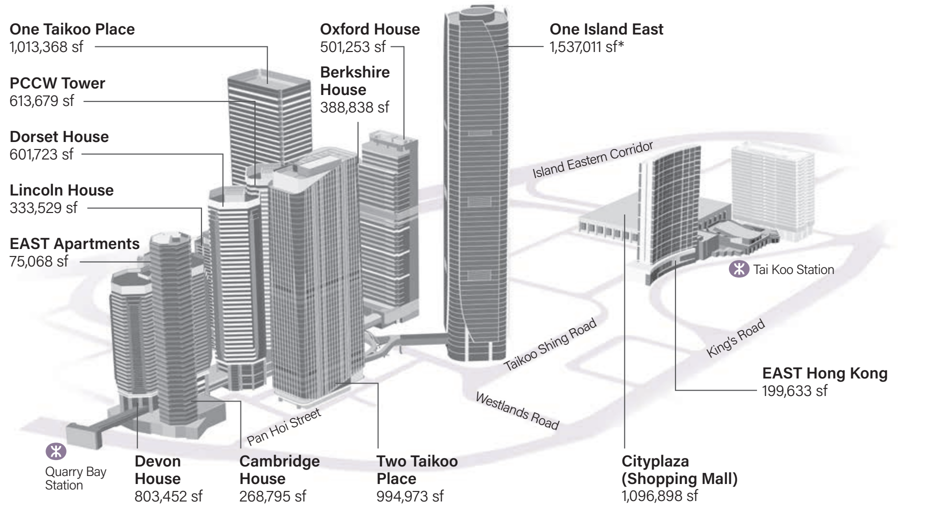
Retail sales and gross rental income at Taikoo Li Qiantan grew steadily by 3% and 7%, respectively, in 2024. The development was 98% let at 31st December 2024.

OFFICE | Demand for office space in Beijing, Shanghai and Guangzhou remained weak amid economic uncertainty. Tenants continue to adopt a cautious approach to their real estate decisions. In Guangzhou, new supply in decentralised areas continued to put downward pressure on rents. In Shanghai, increased availability continued to exert downward pressure on rents. In Beijing, demand was weak putting downward pressure on rents, although new supply in core areas was limited. Swire Properties' gross rental income from office properties in the Chinese Mainland increased by 4% to HK$379 million in 2024. Disregarding changes in the value of the Renminbi, gross rental income increased by 6%.

The office towers at Taikoo Hui in Guangzhou, ONE INDIGO in Beijing and the office towers at HKRI Taikoo Hui in Shanghai were 90%, 83% and 96% let, respectively, at 31st December 2024.

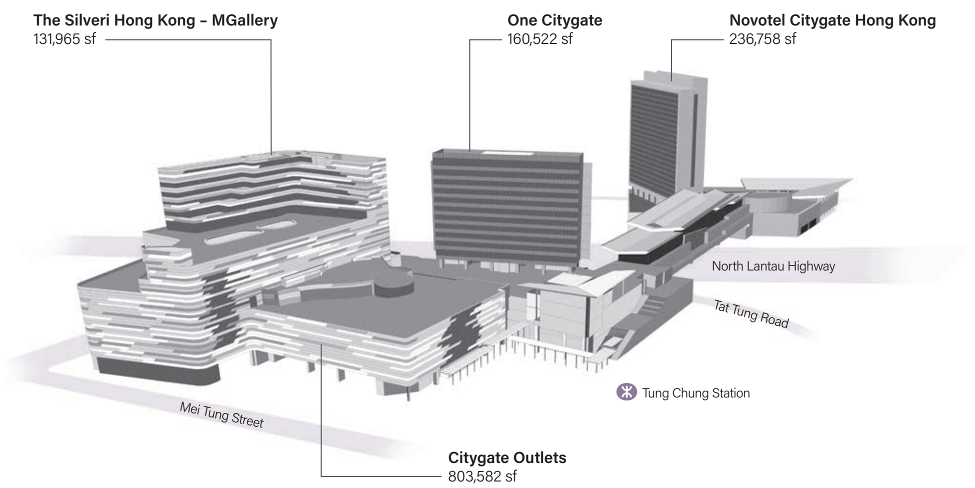
Hong Kong

Taikoo Place and Cityplaza

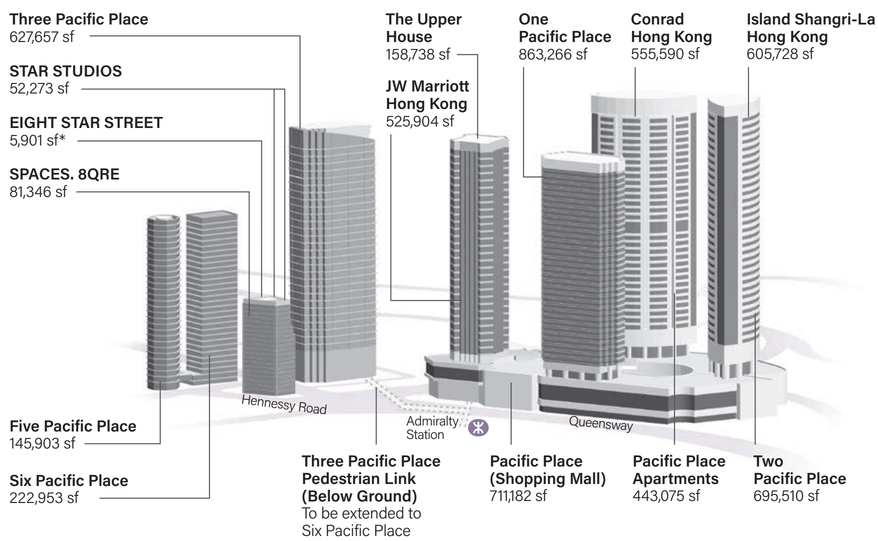


* Including the 45th to 54th floors (except for the 49th floor) disposed of.

Citygate



Pacific Place

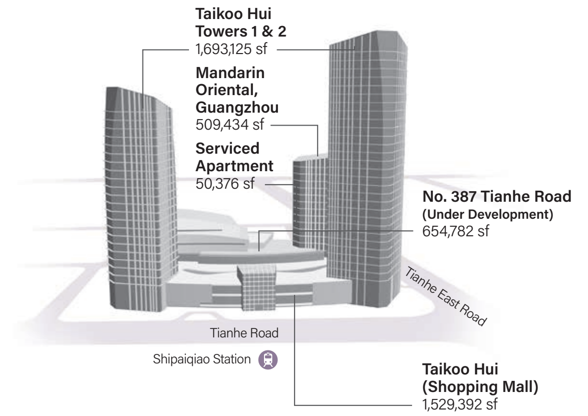


* Residential trading, floor area shown including the gross floor area of remaining residential units of 3,050 sf.

Chinese Mainland

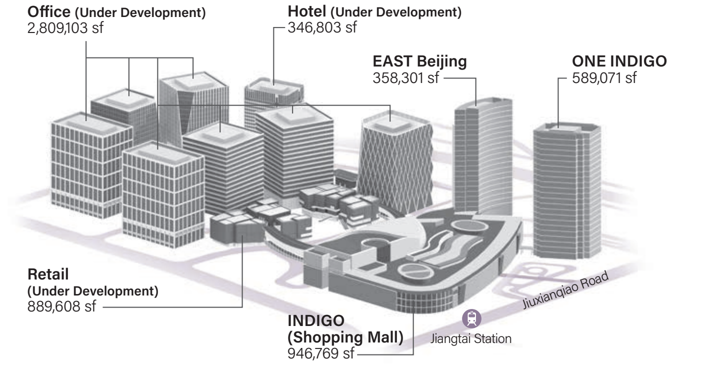
Taikoo Hui

Guangzhou



Taikoo Place Beijing

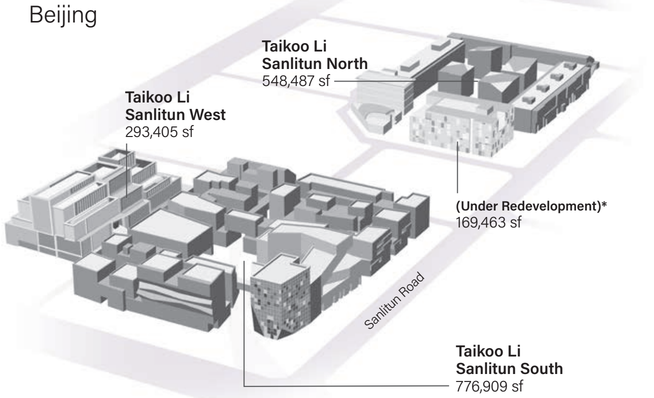
Beijing



Taikoo Place Beijing will combine the existing INDIGO with its Phase Two extension, planned to be completed in phases from mid 2026 onwards.

Taikoo Li Sanlitun

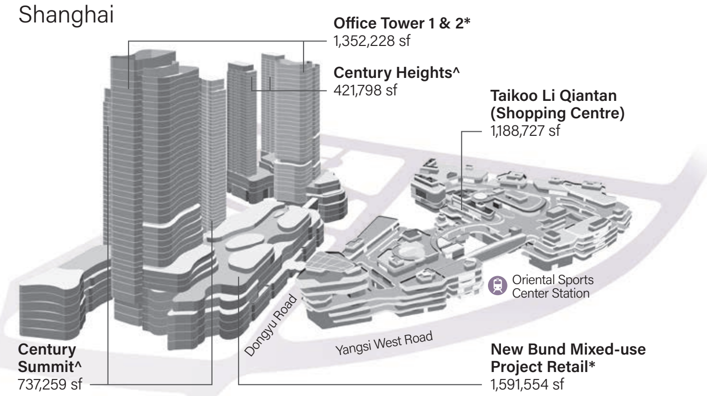
Beijing



* Subject to planning approval

Taikoo Li Qiantan and New Bund Mixed-use Project

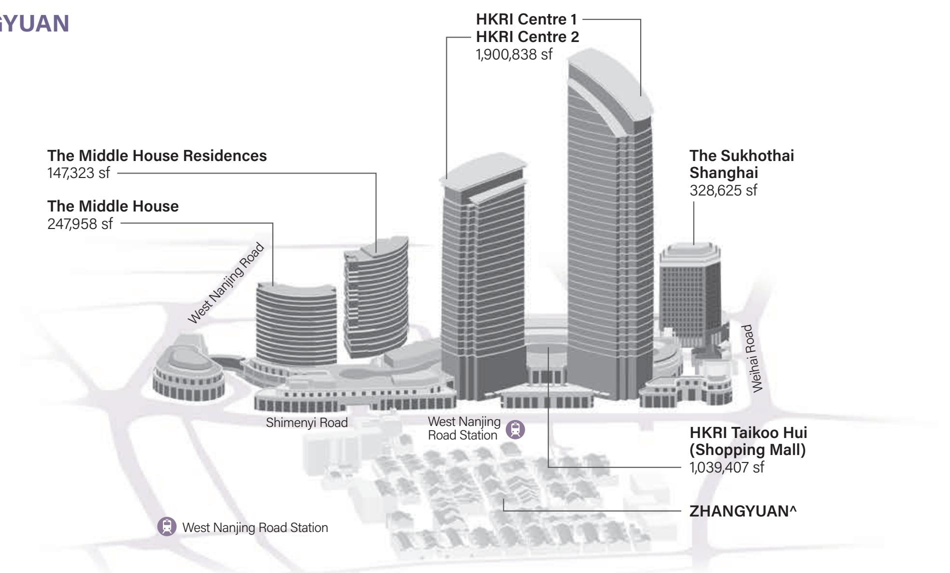
Shanghai



* Under Development
^ Residential trading under development

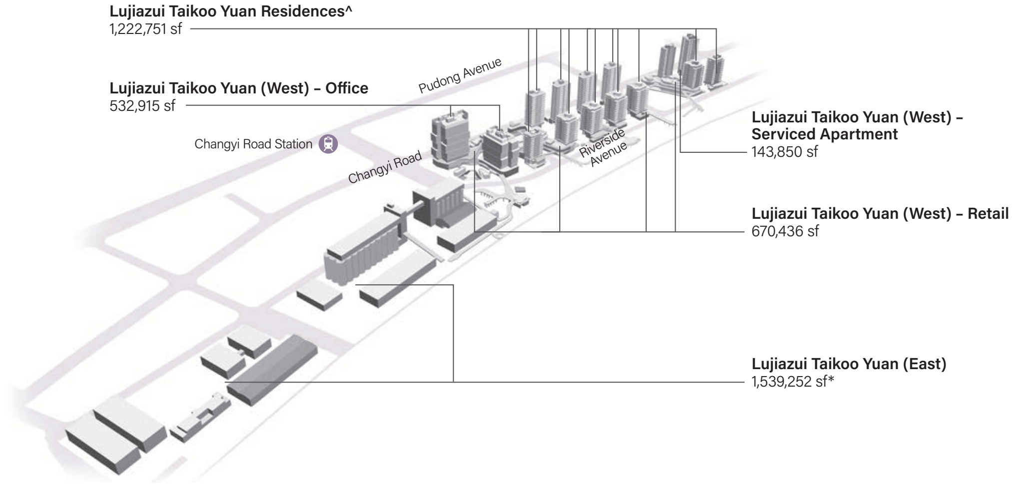
HKRI Taikoo Hui and ZHANGYUAN

Shanghai



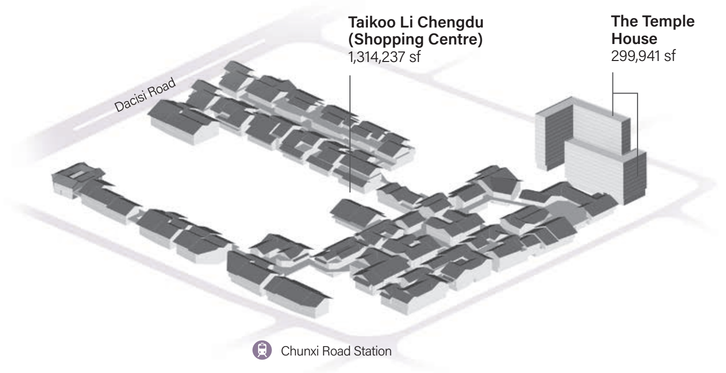
^ ZHANGYUAN, with gross floor area of 1,630,820 sf (including car parking spaces), is operated and managed by a joint venture which is 60% owned by Swire Properties. Swire Properties does not have an ownership interest in the compound.

Lujiazui Taikoo Yuan
(Under Development)
Shanghai

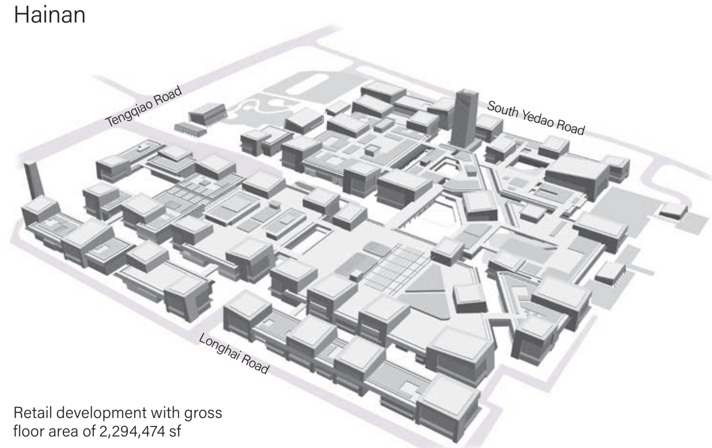


* Subject to planning approval
^ Residential trading

Taikoo Li Chengdu
Chengdu

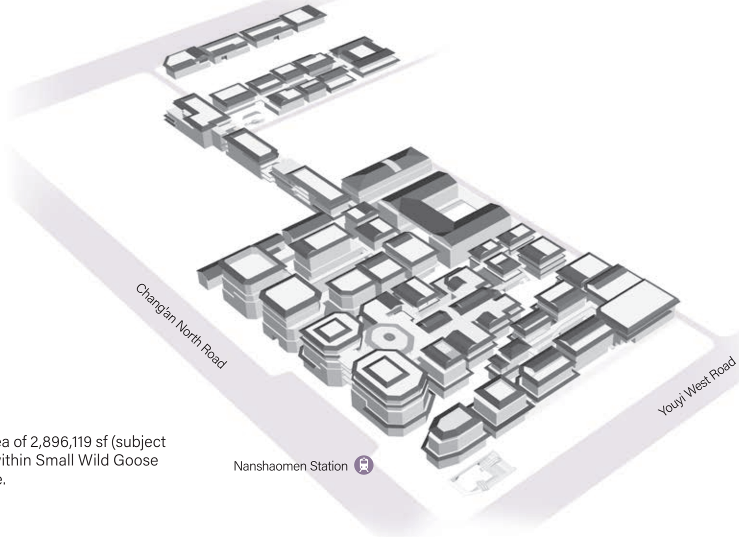


Taikoo Li Sanya (Under Development)
Hainan



Retail development with gross floor area of 2,294,474 sf

Taikoo Li Xi’an (Under Development)
Xi’an



Taikoo Li Xi’an with gross floor area of 2,896,119 sf (subject to planning approval) is located within Small Wild Goose Pagoda Protection Planning Zone.

Notes:
- Gross floor area figures are shown on a 100% basis.
- These diagrams are not to scale and are for illustration purposes only.
- These diagrams illustrate the major developments of Swire Properties. For details of other developments, please refer to the Schedule of Principal Group Properties on pages 242 to 251.

Profile of Capital Commitments for Investment Properties and Hotels

	Expenditure	Forecast expenditure				Total commitments[i]	Commitments relating to joint venture companies[ii]
	2024 HK$M	2025 HK$M	2026 HK$M	2027 HK$M	2028 and later HK$M	At 31st December 2024 HK$M	At 31st December 2024 HK$M
Hong Kong	**1,353**	1,473	390	560	9,125	**11,548**	**28**
Chinese Mainland	**4,246**	6,904	6,587	3,568	3,013	**20,072**	**11,548**
USA	**147**	–	37	–	–	**37**	**–**
Total	**5,746**	8,377	7,014	4,128	12,138	**31,657**	**11,576**

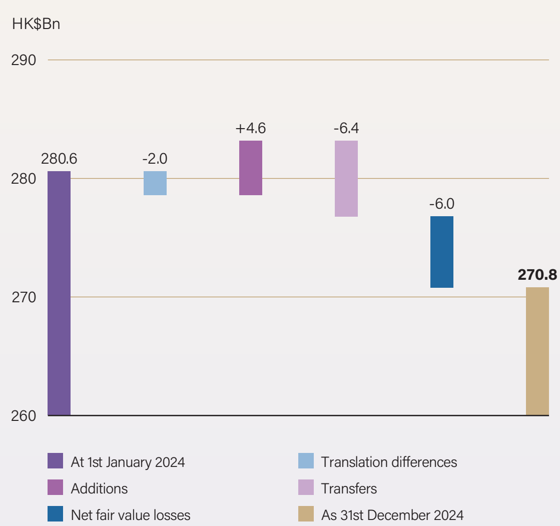
Notes:
(i) The capital commitments represent Swire Properties' capital commitments of HK$20,081 million plus Swire Properties' share of the capital commitments of joint venture companies of HK$11,576 million.
(ii) Swire Properties is committed to funding HK$845 million of the capital commitments of joint venture companies.

INVESTMENT PROPERTIES UNDER DEVELOPMENT | Taikoo Place Beijing (formerly known as INDIGO Phase Two) is an extension of the existing INDIGO development, with a gross floor area of approximately four million square feet. It will be an office-led mixed-use development and is planned to be completed in two phases from mid-2026. Superstructure works, mechanical and electrical installation works are in progress.

In June 2024, Swire Properties entered into an equity and debt transfer agreement with the China Life group and the Sino-Ocean group, pursuant to which Swire Properties and the China Life group have conditionally agreed to acquire a 14.895% and a 49.895% equity interest in the project company of Taikoo Place Beijing, respectively, from the Sino-Ocean group. The acquisitions were completed in early August. Following the completion of the acquisitions, Swire Properties' interest in Taikoo Place Beijing has increased from 35% to 49.895% and the China Life group owns a 49.895% interest in Taikoo Place Beijing. Taikoo Place Beijing has been renamed from INDIGO Phase Two since November 2024.

Taikoo Li Xi'an is located at the Small Wild Goose Pagoda historical and cultural zone in the Beilin district of Xi'an and is expected to be developed as a retail-led mixed-use development comprising retail and cultural facilities, a hotel and serviced residences. The estimated gross floor area is approximately 2.9 million square feet and is subject to change. Excavation and piling works are in progress. The project is expected to be completed in phases from 2027. The development is being conducted in collaboration with Xi'an Cheng Huan Cultural Investment and Development Co., Ltd. Swire Properties has a 70% interest in Taikoo Li Xi'an.

Movement in Investment Properties



Expected to be completed in phases from 2026, Taikoo Li Sanya* is Swire Properties' first-ever resort-style, premium retail project.

* Project name to be confirmed.
An artist's impression

Strategically located in the heart of Haitang Bay National Coastal Recreation Park in Sanya, Taikoo Li Sanya is Swire Properties' first-ever resort-style premium retail development including underground parking and other ancillary facilities, with a gross floor area of approximately 2.3 million square feet. In collaboration with China Tourism Group Duty Free Corporation Limited, the development will constitute Phase III of the Sanya International Duty-Free Complex. Basement and superstructure works are in progress. The development is expected to be completed in phases from 2026. Swire Properties has a 50% interest in this development.

The New Bund Mixed-use Project is situated within Shanghai's middle-ring road and spans a site area of approximately 686,000 square feet. Located at the intersection of three Shanghai metro lines, the site is adjacent to Taikoo Li Qiantan, Swire Properties' first joint venture development with the Lujiazui group. It is a mixed-use development comprising retail, office and residential components, with an approximate gross floor area of 4.1 million square feet (including retail floor area below ground). Office and residential towers have been topped out and façade works are in progress. Basement and retail construction works are also in progress. The development is expected to be completed in 2026. Around 95% of the total saleable area of the residential towers was pre-sold at 7th March 2025. Swire Properties has a 40% interest in the development.

Jointly developed with the Lujiazui group, Lujiazui Taikoo Yuan (formerly known as Shanghai Yangjing Mixed-use Project), situated along the Huangpu River and within the inner-ring road in Pudong district of Shanghai, will be developed into a mixed-use landmark comprising premium residential properties, retail, office and cultural facilities, and a hotel and serviced apartments as well. The estimated gross floor area is approximately 4.2 million square feet (including retail floor area below ground and residential portion for trading), subject to relevant plan approval. Basement construction and superstructure works are in progress. The development is expected to be completed in phases from 2026. The pre-sale of the first batch of the residential units was launched in December 2024, with 49 out of 50 units pre-sold up to 7th March 2025. Swire Properties has a 40% interest in the development.

As part of a mixed-use development with an approximate gross floor area of 5.7 million square feet located in Liwan district of Guangzhou, the centre of the Guangzhou-Foshan metropolis circle, Swire Properties is collaborating with the Guangzhou Pearl River Enterprises Group to develop the retail portion (Taikoo Li Julong Wan Guangzhou) of this mixed-use development. The site with a gross floor area of approximately 352,000 square feet was acquired as of 31st December 2024. The gross floor area will increase to approximately 1,615,000 square feet, subject to further relevant transaction agreements. Basement works are in progress. The overall development is planned to be completed in phases beginning from the first half of 2027. Prior to the first phase's completion, exhibitions, events, pop-up shops and activities will be conducted to activate the area starting from late 2025. Swire Properties has a 50% interest in the retail portion of the development.

In August 2024, Taikoo Hui in Guangzhou successfully bid for No. 387 Tianhe Road which is connected to its shopping mall via a public auction. With approximate gross floor area of 655,000 square feet, No. 387 Tianhe Road will be renovated as a luxury retail addition to Taikoo Hui. The refurbishment is expected to be completed from 2027. Swire Properties has a 97% interest in this property.

OTHERS | In 2021, Swire Properties formed a joint venture management company with Shanghai Jing'an Real Estate (Group) Co., Ltd. This company, in which Swire Properties has a 60% interest, is engaged in the revitalisation and management of the ZHANGYUAN shikumen compound in the Jing'an district of Shanghai. When the revitalisation is completed, the compound will have a gross floor area (including car parking spaces) of 673,871 square feet above ground and 956,949 square feet underground. There are over 40 shikumen blocks, with about 170 two or three-storey houses. There are connections to three metro lines and to HKRI Taikoo Hui. The first phase (the West zone) was completed and opened in November 2022. Construction and renovation works for the second phase (the East zone) are in progress. The second phase is planned to be completed and opened in late 2026. Swire Properties does not have an ownership interest in the compound.

USA

The first phase of the Brickell City Centre development comprises a shopping centre, two office towers (Two and Three Brickell City Centre, which were sold in 2020), a hotel with serviced apartments (EAST Miami, which was sold in 2021) managed by Swire Hotels and two residential towers (Reach and Rise) developed for sale. All the residential units at Reach and Rise have been sold.

Swire Properties owns 62.93% of the shopping centre at the Brickell City Centre development. The remaining interest in the shopping centre is owned by Simon Property Group (25%) and Bal Harbour Shops (BHS) (12.07%). In January 2025, BHS exercised its option to sell its interest to Swire Properties. Swire Properties expects to acquire BHS's interest in the second quarter of 2025.

The shopping centre was 100% leased (including by way of letters of intent) at 31st December 2024. Retail sales and gross rental income in 2024 increased by 3% and 9%, respectively, compared to the same period in 2023, reflecting an improved tenant mix and higher opening rate. The contributions from parking and digital advertising also increased.

As part of the active capital recycling strategy, Swire Properties will continue to explore divestment opportunities in the USA.

VALUATION OF INVESTMENT PROPERTIES

The portfolio of investment properties was valued at 31st December 2024 on the basis of market value (97% by value having been valued by Cushman & Wakefield Limited and 1% by value having been valued by another independent valuer). The amount of this valuation was HK$270,835 million, compared to HK$280,591 million at 31st December 2023.

The decrease in the valuation of the investment property portfolio primarily reflected a decrease in the fair value of the office investment properties in Hong Kong, transfer of investment property to assets classified as held for sale and foreign exchange translation losses in respect of the investment properties in the Chinese Mainland, partly offset by the additions in 2024 and an increase in the fair value of the existing retail investment properties in the Chinese Mainland (reflecting a reduction of 25 basis points in the capitalisation rates of certain properties and an increase in rent).

Under HKAS 40, hotel properties are not accounted for as investment properties. The hotel buildings are included within property, plant and equipment. The leasehold land is included within right-of-use assets. Both are recorded at cost less accumulated depreciation or amortisation and any provision for impairment.

HOTELS

The managed hotels in Hong Kong experienced challenges due to a slower-than-expected recovery of visitors. Food and beverage businesses were also soft. The performance of hotels in the Chinese Mainland remained relatively stable, while the operating result of the managed hotel in the USA was strong. The managed hotels (including restaurants and hotel management office) recorded an operating profit before depreciation of HK$17 million in 2024, compared with HK$88 million in 2023.

Swire Hotels has confirmed its expansion plans to open five new hotels, including in Tokyo in Japan, and Beijing, Shenzhen, Shanghai and Xi'an in the Chinese Mainland.

The Opposite House in Beijing was closed in June 2024 and is under redevelopment for retail use.

PROPERTY TRADING

Hong Kong

EIGHT STAR STREET at 8 Star Street, Wan Chai is a residential building (with retail outlets on the lowest two levels) of approximately 34,000 square feet. The occupation permit was obtained in May 2022. 35 out of 37 units had been sold at 7th March 2025. Sales of 35 units had been recognised up to 31st December 2024, with 2 of them in 2024.

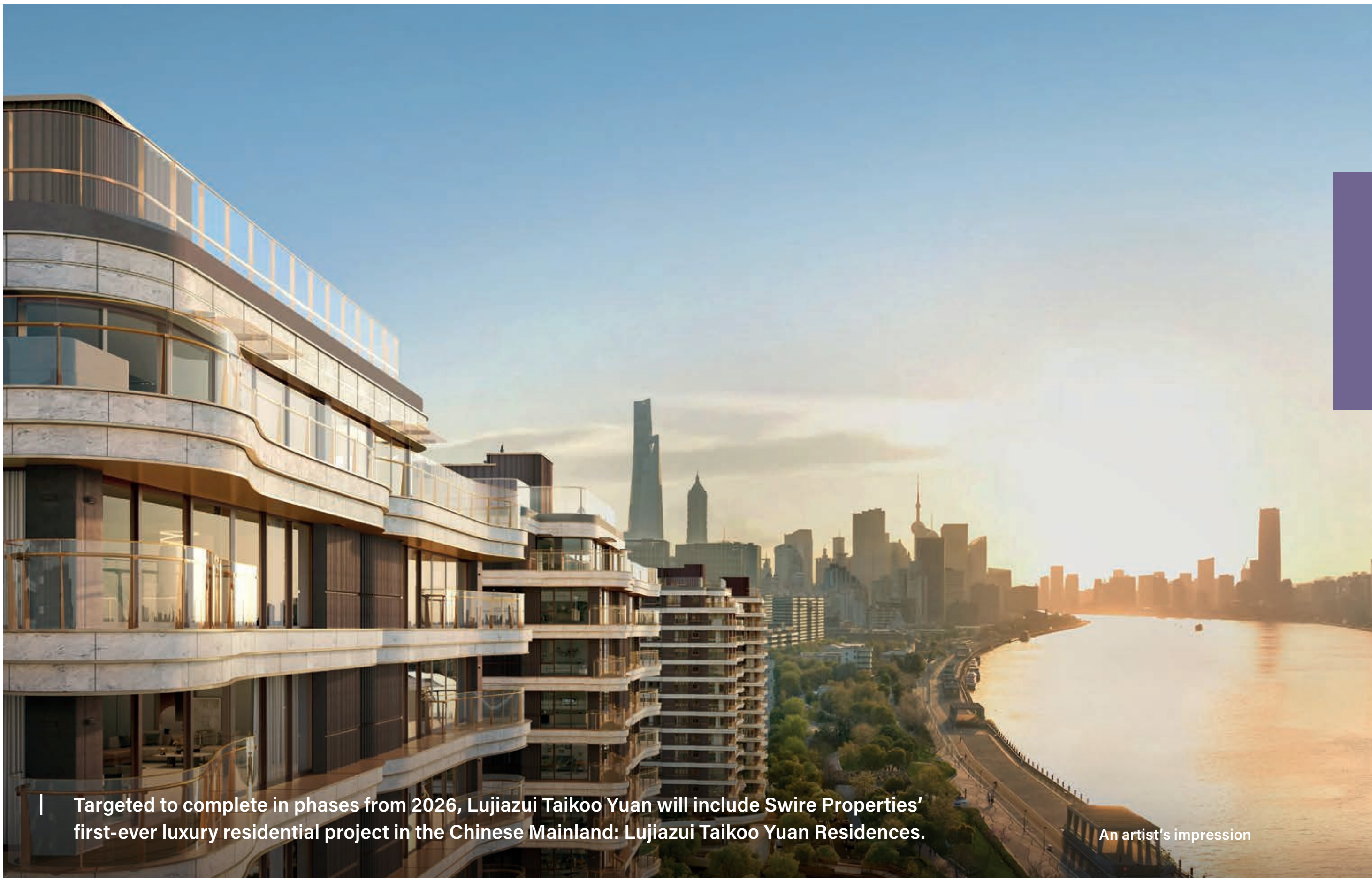
A joint venture formed by Swire Properties, Kerry Properties Limited and Sino Land Company Limited is undertaking a residential development, LA MONTAGNE, in Wong Chuk Hang. The development will comprise two residential towers (Phases 4A and 4B) with an aggregate gross floor area of approximately 638,000 square feet and about 800 residential units. Interior fit-out works are in progress. Pre-sales of Phase 4A started in July 2023. 163 out of 432 units had been pre-sold at 7th March 2025. Sales of these units are expected to be recognised in 2025. The occupation permit was obtained in November 2024 and the development is expected to be handed over to the purchasers in 2025. Swire Properties has a 25% interest in the joint venture.

Originally comprised of six three-storey semi-detached houses at 6 Deep Water Bay Road, the site is being redeveloped into two houses with an aggregate gross floor area of approximately 15,000 square feet. Façade works and interior fit out works are in the final stage. The development is expected to be completed in 2025.

In 2021, a project company held as to 80% by Swire Properties and as to 20% by China Motor Bus Company, Limited completed a land exchange with the HKSAR Government in respect of a plot of land in Chai Wan. The plot of land is being redeveloped into The Headland Residences (formerly known as Chai Wan Inland Lot No. 178), a residential complex (with retail outlet) with an aggregate gross floor area of approximately 694,000 square feet. Superstructure works are in progress at both Phase 1 and Phase 2 sites. The development is expected to be completed from 2025.

In June 2022, Swire Properties acquired (via a government land tender) a plot of land at 269 Queen's Road East in Wan Chai. The plot of land will be developed primarily for residential use with an aggregate gross floor area of approximately 116,000 square feet. Superstructure works are in progress. The development is expected to be completed in 2026.

In 2018, a joint venture company in which Swire Properties holds a 50% interest submitted a compulsory sale application in respect of the site at 983-987A King's Road and 16-94 Pan Hoi Street in Quarry Bay. In October 2023, the joint venture company obtained full ownership of the sites. Foundation works are in progress. In accordance with applicable town planning controls, it is expected that the site can be redeveloped for residential and retail uses with a gross floor area of approximately 440,000 square feet. The development is expected to be completed in 2028.



Targeted to complete in phases from 2026, Lujiazui Taikoo Yuan will include Swire Properties' first-ever luxury residential project in the Chinese Mainland: Lujiazui Taikoo Yuan Residences.

Chinese Mainland

In November 2023, Swire Properties completed the acquisition of 40% equity interest in developments from the Lujiazui group to develop two new landmarks (Shanghai New Bund Mixed-use Project and Lujiazui Taikoo Yuan) in Shanghai's Pudong New Area. These two sites will be developed into large-scale, mixed-use projects, including retail, office and premium residential components. Residential towers have been topped out and façade works are in progress at the New Bund plot while basement construction and superstructure works are in progress at Lujiazui Taikoo Yuan Residences. Around 95% of the total saleable area in the New Bund plot residential project has been pre-sold at 7th March 2025, with an expected completion date in 2026. The pre-sale of the first batch of 50 residential units in Lujiazui Taikoo Yuan Residences started in December 2024. 49 out of 50 units of the first batch had been pre-sold up to 7th March 2025, with an expected completion date from 2026 onwards.

Indonesia

In 2019, a joint venture between Swire Properties and Jakarta Setiabudi Internasional Group completed the acquisition of a plot of land in South Jakarta, Indonesia. The land is being developed for residential purposes with an aggregate gross floor area of approximately 1,123,000 square feet. Superstructure has been topped out. Façade and interior fit out works are in progress. The development is expected to comprise around 400 residential units to be completed in 2025. Swire Properties has a 50% interest in the joint venture. Pre-sales are in progress. 129 units had been pre-sold at 7th March 2025.

Vietnam

In 2020, Swire Properties agreed with City Garden Joint Stock Company to develop The River, a luxury residential property in Ho Chi Minh City, Vietnam. The development, which was completed in August 2022, comprises 525 luxury apartments in three towers. Swire Properties has an effective 20% interest in the development. Approximately 93% of the units had been sold up to August 2024. Swire Properties disposed of its interest in the remaining units of this project in October 2024. After the disposal, Swire Properties has no more interest in this development.

In 2021, Swire Properties made a minority investment in Empire City, a residential-led mixed-use development (with residential, retail, office, hotel and serviced apartment components) in Ho Chi Minh City, Vietnam. The development is under construction and is expected to be completed in phases up to 2030. Swire Properties invested in the development through an agreement with Gaw Capital Partners, an existing participant in the development. 53% of the residential units had been pre-sold or sold at 7th March 2025.

Thailand

In February 2023, Swire Properties acquired a 40% interest in a site located on Wireless Road in Lumphini sub-district in Pathum Wan district, Bangkok. In partnership with City Realty Co. Ltd., the site, which is under design stage, is expected to be developed for residential purposes with a site area of approximately 136,000 square feet. The Environmental Impact Assessment was approved in February 2025. The development is expected to comprise two towers with approximately 150 and 250 residential units respectively and to be completed in 2029.

USA

In July 2024, Swire Properties began the pre-sales of apartments at The Residences at The Mandarin Oriental, Miami, a luxury residential and hospitality project which is under planning. The development will consist of two towers on Brickell Key. The first tower will comprise luxury private residences. The second tower will comprise a new Mandarin Oriental hotel as well as private residences and hotel residences. The market response to pre-sales has been strong.

OUTLOOK

Although there are signs of slight recovery of Hong Kong's financial market due to interest rate cuts and gentle increase in IPO activities, the office market in Hong Kong is expected to remain subdued in 2025 as a result of the uncertainty of economic environment and corporate cost-cutting measures that hinder the growth of demand for office space. Weak demand and huge supply will continue to exert downward pressure on rents. Nevertheless, the 'flight-to-quality' trend continues to be prevalent and remains a critical office selection criterion by prospective tenants who favour new office buildings such as Two Taikoo Place and Six Pacific Place. Swire Properties' successful placemaking strategy (which continues to offer thriving office community) and prioritisation on sustainability, health and safety, and the wellbeing of tenants' employees, are highly valued by existing and potential tenants. The office portfolios in Pacific Place and Taikoo Place are well-positioned to continue to be the preferred choices of office locations when the market picks up.

In Guangzhou, significant new office supply in decentralised areas is expected to put downward pressure on rents. In Beijing, despite there being limited new supply in core areas, rents are expected to remain under pressure given weak demand. However, quality buildings with good ESG credentials are expected to be well-positioned for a recovery once demand improves. In Shanghai, significant new supply and existing vacant stock, coupled with weak demand is expected to put downward pressure on office rents. Overall, all cities continue to experience negative market sentiment due to economic uncertainties which are causing tenants to remain cautious. Office rents are expected to decline in 2025 and have yet to bottom out.

It is expected that footfall and tenants' sales in Hong Kong will continue to face a number of challenges particularly from the outbound travel trend and the changing tourist spending pattern. With Swire Properties' continuous trade mix refinement, strong marketing and promotion campaigns, and loyalty programme initiatives, it is anticipated that the footfall and sales performance of the malls will remain resilient.

Retail sales growth in the Chinese Mainland in 2025 is expected to gain pace driven by an improvement in domestic demand on the back of the recent stimulus measures, whilst retailers maintain a positive outlook in the medium to long term. Retailers are expected to focus on offering unique experiences, exclusive concepts and customer engagement, highlighting the importance of the unique positioning, brand mix and premium services across Swire Properties' portfolios. Inbound and outbound travels are anticipated to increase and a recalibration between onshore and offshore spending behaviour from customers as compared to pre-pandemic pattern is expected. However, in the long term, it is expected that onshore spending will still account for the majority of the total retail business in the Chinese Mainland. Meanwhile, the number of Chinese luxury customers is anticipated to keep increasing, highlighting the Chinese Mainland as one of the largest luxury retail markets globally.

The market demand on retail space is expected to be prudent in 2025. While retailers of luxury brands will remain cautious on expansions in Beijing, Chengdu and Shanghai where Swire Properties is operating, demand for spaces in key locations with high potentials and experiential offerings is expected to continue. In Guangzhou, demand for space from luxury brands is expected to be sustained. Overall, demand from sports and leisure brands is expected to increase.

In Hong Kong, residential sales have increased in light of the interest rate cuts and relaxation of mortgage measures. However, it is anticipated that market confidence and sentiment might take some time to be rebuilt after the end of interest rate hikes. Demand is expected to improve in the medium to long term, supported by local buyers and gradual increase in demand from the Chinese Mainland buyers. The residential market for high-quality developments in prime locations of Tier-1 cities in the Chinese Mainland is expected to remain strong in the short run with good sales results achieved for premium projects launched in Shanghai in 2024. The outlook for Shanghai's luxury residential market in prime locations is anticipated to be positive in the long run. With urbanisation, a growing middle class and a limited supply of luxury residential properties, the residential markets in Jakarta, Indonesia, Ho Chi Minh City, Vietnam and Bangkok, Thailand are expected to improve. The outlook for the luxury residential market in Miami remains robust. Florida is an attractive destination for homebuyers due to its favourable climate and tax regime, as well as its location as a gateway city to and from Latin America.

Outlook for the hotel business in Hong Kong is cautiously optimistic, subject to the speed of recovery of international tourists and business travellers. Hotel business in the Chinese Mainland is anticipated to improve steadily in 2025. The managed hotel in the USA is expected to perform well in 2025. Swire Properties is expanding its hotel management business, with a focus on extending its hotel brands in Asia Pacific through hotel management agreements.

Tim Blackburn

BEVERAGES DIVISION

Swire Coca-Cola brings refreshment to a franchise population of 941 million people in owned and managed franchise territories.

BEVERAGES DIVISION

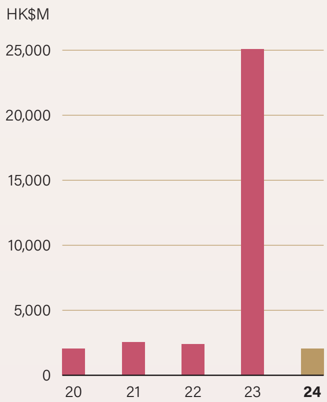
Swire Coca-Cola has the exclusive right to manufacture, market and distribute products of The Coca-Cola Company (TCCC) in eleven provinces and the Shanghai Municipality in the Chinese Mainland and in Hong Kong, Taiwan, Vietnam, Cambodia, Laos and an extensive area in the northern and central regions of Thailand. Swire Coca-Cola also provides management and administrative support services to Swire Pacific Holdings Inc. (doing business as Swire Coca-Cola, USA (SCCU)).

On 9th February 2024, Swire Coca-Cola acquired 39% of the issued share capital of ThaiNamthip Corporation Public Company Limited (formerly known as ThaiNamthip Corporation Ltd.) (TNTC) from The Coca-Cola Export Corporation, a wholly-owned subsidiary of TCCC. TNTC, together with its subsidiary in Laos (Lao Coca-Cola Bottling Co., Ltd. (LCCB)), is principally engaged in the business of manufacturing, distribution and sale of non-alcoholic ready-to-drink beverages bearing trademarks owned by TCCC in Laos as well as the northern and central regions of Thailand. On 30th September 2024, Swire Coca-Cola acquired further equity interest in TNTC and became indirectly interested in approximately 55.7% of its issued share capital. Accordingly, TNTC became a non-wholly-owned subsidiary of Swire Coca-Cola. A share restructure was completed on 27th December 2024 under which the remaining 30% issued share capital in LCCB not owned by TNTC were acquired with TNTC shares, reducing Swire Coca-Cola's equity interest in TNTC to approximately 55.6%. On 31st December 2024, Swire Coca-Cola disposed of 30% of the issued share capital of the franchise business in Cambodia to TNTC. The disposal of 30% of the charter capital of the franchise business in Vietnam to TNTC is subject to certain conditions including applicable regulatory approvals.

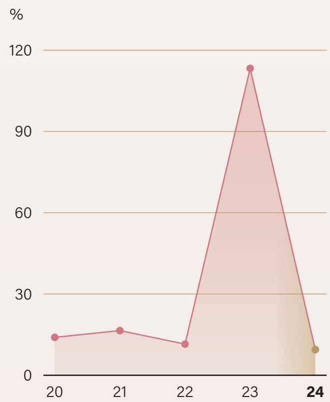
At the end of 2024, Swire Coca-Cola has ten wholly-owned franchise businesses (in Hong Kong, Taiwan, Vietnam, and in Fujian, Anhui, Guangxi, Jiangxi, Jiangsu and Hainan provinces and the cities of Zhanjiang and Maoming in Guangdong province in the Chinese Mainland) and eight non-wholly-owned franchise businesses (in Zhejiang, Guangdong (excluding the cities of Zhanjiang, Maoming and Zhuhai), Henan, Yunnan and Hubei provinces in the Chinese Mainland, Cambodia and recently Thailand and Laos). It holds six wholly-owned subsidiaries in the Chinese Mainland which supply still beverages to the franchise areas in the Chinese Mainland referred to above. It has a joint venture interest in a franchise in the Shanghai Municipality in the Chinese Mainland (Shanghai Shen-Mei).

At the end of 2024, Swire Coca-Cola manufactured 41 beverage brands and distributed them to a franchise population of 910 million people in franchise territories owned, while SCCU manufactured 36 beverage brands and distributed to a franchise population of 31 million people.

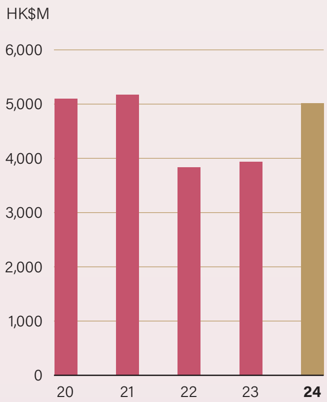
Profit Attributable to the Company's Shareholders



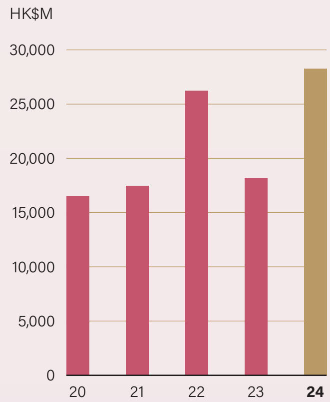
Return on Capital Employed



Net Cash Generated from Operating Activities



Capital Employed



STRATEGY

At Swire Coca-Cola, we win together by serving as constant and true advocates for our people, our customers, our community and our planet. Our strategic vision is to be a leading bottler for the Coca-Cola System through winning performance, capabilities, people and culture. To achieve this objective, Swire Coca-Cola has five strategic priorities:

Progressive People Development
We will maintain our role as one of the leading bottlers through the continuous development of our people's capabilities and the functional competencies of their teams. We will provide a modern and engaging working place to support our people to achieve their full career potential.

Portfolio of Leading Brands
We will protect and grow our sparkling business while collaborating with TCCC to build a future-oriented portfolio of market leading brands in other key categories.

Differentiated Commercial Competencies
We will strive for execution excellence, provide superior service, and continuously improve customer loyalty. Our revenue growth strategies will focus on providing consumers with the brands, products and packages that they want, when they want them, while concurrently delivering long-term sustainable growth for our customers and ourselves.

Market Speed and Agility
We collaborate with our business partners in an agile way to continuously seek new sources of value. We will continue to build and optimise processes and systems that will enable our front-line operations to compete in a dynamic and continually evolving marketplace.

Sustainability Ownership
Our 2030 sustainable development targets are integrated into our business plans. Sustainability considerations will be embedded in all our decision-making processes and every single Swire Coca-Cola employee will be empowered to contribute to our achievement of these targets.

Established in

1965

Annual Revenue

HK$ 37.9 billion

Annual Sales Volume

2,132
million unit cases

1,796
Owned^

336
Managed*

Present in

8 markets

7
Owned^

1
Managed*

Bottling Plants

42

36
Owned^

6
Managed*

Beverages Brands@

66

41
Owned^

36
Managed*

Consumers

941
million

910
Owned^

31
Managed*

Employees

47,726

39,509
Owned^

8,217
Managed*

^ Representing information on the franchise territories owned by Swire Coca-Cola in Greater China and South East Asia.
* The disposal of 100% equity interest in the franchise business in the USA was completed on 7th September 2023. Swire Coca-Cola continues to provide management and administrative support services to SCCU at an agreed annual management fee.
@ Eleven brands were both manufactured and distributed in the owned franchise territories and the managed franchise territories.

Franchise Territories Owned by Swire Coca-Cola

GREATER CHINA

Franchise population

726.7 million

Operating areas	Number of bottling plant(s)	Operating areas	Number of bottling plant(s)
Anhui	1	Hubei	2
Fujian	1	Jiangsu	2
Guangdong	5	Jiangxi	1
Guangxi	2	Shanghai	2
Hainan	1	Taiwan	1
Henan	2	Yunnan	1
Hong Kong	1	Zhejiang	3

SOUTH EAST ASIA

Franchise population

183.2 million

Operating areas	Number of bottling plant(s)	Operating areas	Number of bottling plant(s)
Cambodia	1	Thailand	5
Laos	1	Vietnam	4

Franchise Territories Managed by Swire Coca-Cola*

USA

Franchise population

31.5 million

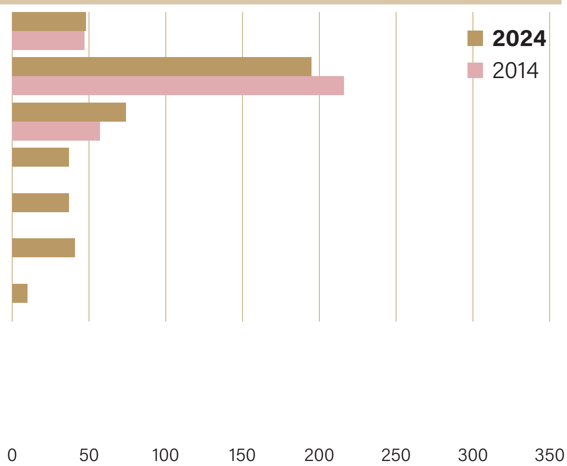
Operating areas#	Number of bottling plant(s)
Arizona	1
California	–
Colorado	1
Idaho	1
Kansas	–
Nebraska	–
Nevada	–
New Mexico	–
Oregon	1
South Dakota	–
Utah	1
Washington	1
Wyoming	–

* The disposal of 100% equity interest in the franchise business in the USA was completed on 7th September 2023. Swire Coca-Cola continues to provide management and administrative support services to SCCU at an agreed annual management fee.

\# Serving throughout parts of the 13 states listed above.

Per Capita Consumption in Franchise Territories

	Franchise population (millions) (end of 2024)	GDP per capita (US$)	Sales volume (million unit cases) 2024	2014
Chinese Mainland	**695.8**	**14,233**	**1,381**	816
Hong Kong	**7.5**	**53,297**	**61**	65
Taiwan	**23.4**	**33,184**	**72**	55
Vietnam(ii)	**101.3**	**4,479**	**154**	N/A
Cambodia(ii)	**17.7**	**2,071**	**28**	N/A
Thailand(iii)	**56.4**	**7,750**	**97**	N/A
Laos(iii)	**7.8**	**1,950**	**3**	N/A
	909.9		**1,796**	936
USA (managed by Swire Coca-Cola)	**31.5**	**64,763**	**336**	108
	941.4		**2,132**	1,044



Notes:
(i) A unit case comprises 24 8-ounce servings.
(ii) The acquisitions of the franchise businesses in Cambodia and Vietnam were completed on 25th November 2022 and 1st January 2023 respectively. Accordingly, the sales volume and per capita consumption information in 2014 are not applicable.
(iii) The acquisitions of the franchise businesses in Thailand and Laos were completed on 30th September 2024. The sales volume shown for 2024 represents the period from the completion of the acquisition to the end of the year. The sales volume and per capita consumption information in 2014 are not applicable.

2024 PERFORMANCE

Financial Highlights

	2024 HK$M	2023 HK$M
Revenue	**36,609**	51,844
EBITDA	**5,030**	28,807
Operating profit derived from		
Operating activities	**1,972**	3,334
Non-recurring items	**769**	22,868
Total operating profit	**2,741**	26,202
Share of post-tax profits from joint venture and associated companies	**223**	85
Attributable profit (excluding SCCU and non-recurring items)	**1,388**	1,081
Attributable profit from SCCU*	**–**	1,313
Attributable profit (excluding non-recurring items)	**1,388**	2,394
Non-recurring items		
Acquisition of TNTC	**651**	–
Write-off of a joint venture company	**–**	(239)
Fair value adjustments on acquisition of equity interests	**–**	35
Disposal of SCCU	**–**	22,907
Attributable profit (including non-recurring items)	**2,039**	25,097

* The 2023 figures represent those for the period up to the completion of disposal of SCCU on 7th September 2023.

Segment Financial Highlights

	Revenue		EBITDA		Attributable Profit	
	2024 HK$M	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M
Chinese Mainland						
Operating activities	**25,234**	24,725	**2,764**	2,577	**839**	755
Non-recurring item	**–**	–	**–**	35	**–**	35
	25,234	24,725	**2,764**	2,612	**839**	790
Hong Kong	**2,446**	2,417	**388**	392	**177**	194
Taiwan	**2,353**	2,275	**261**	244	**126**	123
Vietnam and Cambodia	**4,338**	4,504	**502**	572	**235**	198
Thailand and Laos						
Operating activities	**2,233**	–	**584**	–	**265**	–
Non-recurring item	**–**	–	**762**	–	**651**	–
	2,233	–	**1,346**	–	**916**	–
USA*						
Operating activities	**–**	17,923	**–**	2,354	**–**	1,313
Non-recurring item	**–**	–	**–**	23,103	**–**	22,907
	–	17,923	**–**	25,457	**–**	24,220
Net central costs and others						
Operating activities	**5**	–	**(231)**	(231)	**(254)**	(189)
Non-recurring item	**–**	–	**–**	(239)	**–**	(239)
	5	–	**(231)**	(470)	**(254)**	(428)
Operating activities excluding SCCU	**36,609**	33,921	**4,268**	3,554	**1,388**	1,081
Operating activities from SCCU	**–**	17,923	**–**	2,354	**–**	1,313
Non-recurring items	**–**	–	**762**	22,899	**651**	22,703
Swire Coca-Cola	**36,609**	51,844	**5,030**	28,807	**2,039**	25,097

* The 2023 figures represent those for the period up to the completion of disposal of SCCU on 7th September 2023.

Accounting for Swire Coca-Cola

For the year ended 31st December 2024, the ten wholly-owned franchise businesses (in Hong Kong, Taiwan, Vietnam, and in Fujian, Anhui, Guangxi, Jiangxi, Jiangsu and Hainan provinces and the cities of Zhanjiang and Maoming in Guangdong province in the Chinese Mainland), six non-wholly-owned franchise businesses (in Zhejiang, Guangdong (excluding the cities of Zhanjiang, Maoming and Zhuhai), Henan, Yunnan and Hubei provinces in the Chinese Mainland and Cambodia) and six wholly-owned still bottling businesses (in Guangdong, Guangxi, Hubei, Jiangsu and Zhejiang provinces in the Chinese Mainland) were accounted for as subsidiaries in the financial statements of Swire Pacific. SCCU was accounted for as a subsidiary in 2023 up to the completion of the disposal on 7th September 2023. For the franchise businesses in Thailand and Laos, they were accounted for as joint ventures with equity method of accounting between 9th February and 30th September 2024. After that, they were accounted for as subsidiaries. The division's joint venture interest in the Coca-Cola bottling unit of Shanghai Shen-Mei Beverage and Food Co., Ltd. was accounted for using the equity method of accounting. Swire Pacific recognised the share of net profit or loss from the joint venture interests as a single line-item in the consolidated statement of profit or loss. Revenue shown above included the revenue from those franchise businesses accounted for as subsidiaries. EBITDA and the attributable profits shown above included EBITDA and attributable profits of all franchise businesses.

Segment Performance

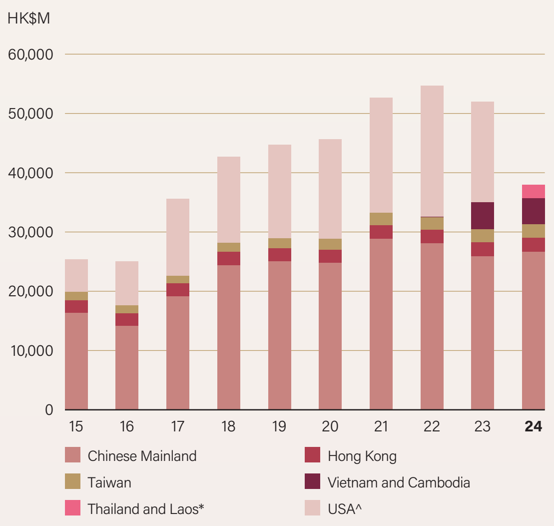
	Note	Percentage Change in 2024					
		Chinese Mainland	**Hong Kong**	**Taiwan**	**Vietnam and Cambodia**	**Thailand and Laos(iv)**	**Swire Coca-Cola(v)(vi)**
Active Outlets		**-1%**	**0%**	**10%**	**26%**	**N/A**	**26%**
Revenue	(i)	**3%**	**0%**	**7%**	**-4%**	**N/A**	**-27%**
Sales Volume	(ii)	**-1%**	**-2%**	**6%**	**-1%**	**N/A**	**-7%**
Gross Profit per unit case		**8%**	**2%**	**3%**	**-7%**	**N/A**	**-24%**
Water Use Ratio	(vii)	**-4%**	**2%**	**-1%**	**-1%**	**N/A**	**-2%**
Energy Use Ratio	(vii)	**-3%**	**-2%**	**7%**	**6%**	**N/A**	**3%**
LTIR	(vii)	**-11%**	**58%**	**64%**	**-63%**	**N/A**	**-59%**

	Note	Chinese Mainland	Hong Kong	Taiwan	Vietnam and Cambodia	Thailand and Laos(v)	Swire Coca-Cola(v)(vi)
EBITDA Margin	(iii)						
2024		**11.5%**	**16.6%**	**12.6%**	**13.2%**	**18.6%**	**12.5%**
2023		11.0%	16.8%	11.5%	13.8%	N/A	12.5%
EBIT Margin	(iii)						
2024		**5.6%**	**8.6%**	**8.5%**	**7.7%**	**13.6%**	**6.7%**
2023		5.1%	9.7%	7.9%	8.0%	N/A	7.4%

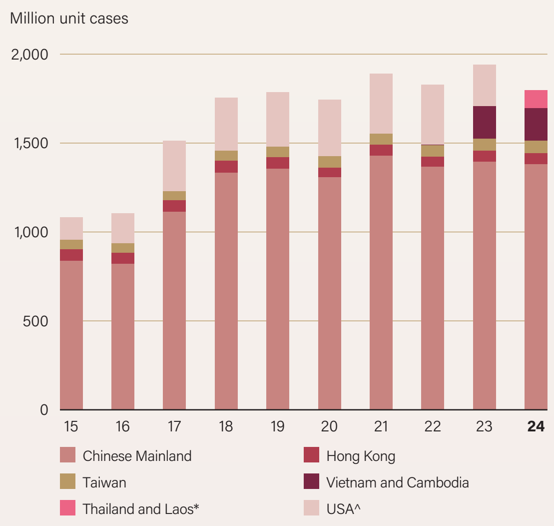
Notes:
(i) Revenue for Swire Coca-Cola, including that of Shanghai Shen-Mei and excluding sales to other bottlers, was HK$37,932 million (2023: HK$51,935 million).
(ii) The sales volume for the Chinese Mainland shown in the table above represents sales in 13 franchise territories.
(iii) (a) EBITDA and EBIT for Swire Coca-Cola (including that of Shanghai Shen-Mei and excluding non-recurring gains and central and other costs) were HK$4,751 million (2023: HK$6,476 million) and HK$2,534 million (2023: HK$3,858 million) respectively.
(b) EBITDA margin and EBIT margin represent EBITDA and EBIT expressed as percentages of revenue (which includes that of Shanghai Shen-Mei and excludes sales to other bottlers).
(iv) The percentage change figures of Thailand and Laos are not applicable as the franchise businesses in Thailand and Loas became subsidiaries only on 30th September 2024.
(v) The figures include the results of Thailand and Laos from 1st October 2024 to the end of the year, except for water use ratio, energy use ratio and LTIR.
(vi) The 2023 figures of Swire Coca-Cola include the results of the USA up to the completion of the disposal, except for active outlets as this is a year-end metric.
(vii) Refer to the Glossary on pages 254 and 255.

In April 2024, Swire Coca-Cola HK introduced the first 100% recycled PET Coca-Cola beverage bottles to the Hong Kong market.

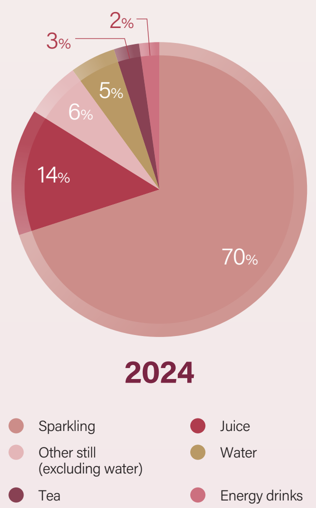
Revenue#

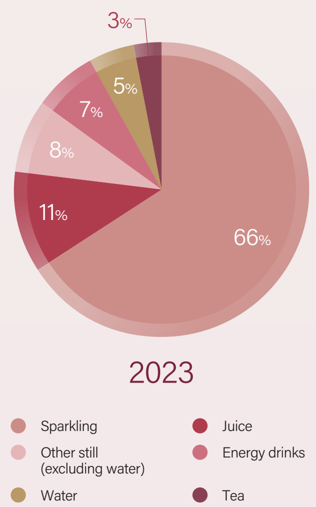


Sales Volume#



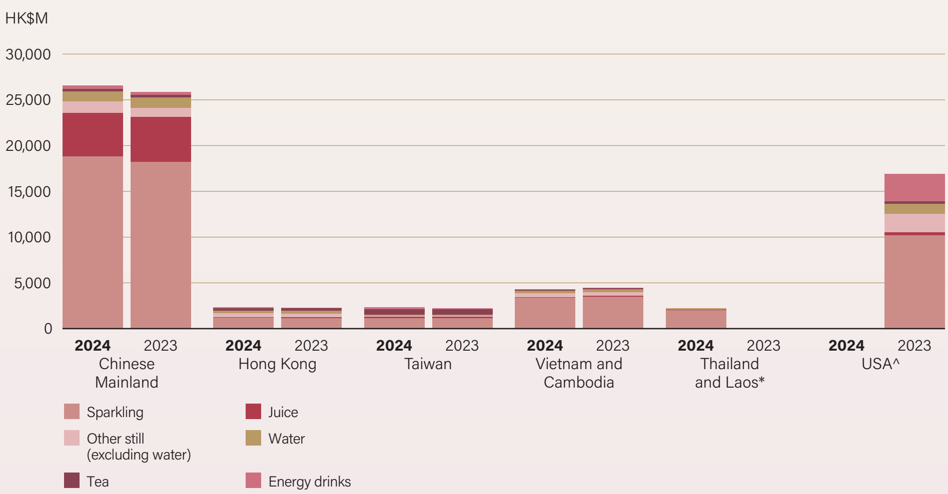
Revenue by Category#





Revenue and volume include those of Shanghai Shen-Mei and exclude sales to other bottlers.
* The 2024 figures for Thailand and Laos represent those for the period after the completion of acquisition on 30th September 2024 to the end of the year.
^ The 2023 figures for SCCU represent those for the period up to the completion of disposal of SCCU on 7th September 2023.

Revenue by Region and Category#



Revenue and volume include those of Shanghai Shen-Mei and exclude sales to other bottlers.

* The 2024 figures for Thailand and Laos represent those for the period after the completion of acquisition on 30th September 2024 to the end of the year.

^ The 2023 figures for SCCU represent those for the period up to the completion of disposal of SCCU on 7th September 2023.

Growth in Revenue and Volume in 2024 by Category#

	Chinese Mainland		Hong Kong		Taiwan		Vietnam and Cambodia	
	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume
Sparkling	3%	0%	1%	-1%	4%	5%	-4%	-2%
Juice	-2%	1%	7%	0%	-8%	-3%	-9%	-3%
Tea	-13%	4%	-4%	-12%	9%	8%	-9%	-1%
Energy drinks	41%	57%	15%	14%	26%	27%	5%	-15%
Other still (excluding water)	21%	37%	-4%	-4%	15%	9%	0%	6%
Water	0%	-13%	4%	0%	15%	4%	-6%	4%
	3%	-1%	0%	-2%	7%	6%	-4%	-1%

The revenue growth is measured in local currency terms, except Vietnam and Cambodia which are measured in Hong Kong dollars.

Revenue and volume include those of Shanghai Shen-Mei and exclude sales to other bottlers.

2024 RESULTS SUMMARY

Swire Coca-Cola made an attributable profit of HK$2,039 million in 2024. This included a non-recurring gain of HK$651 million, mainly due to the higher Thai Baht exchange rate during the relevant period and the remeasurement of Swire Coca-Cola's equity interest to fair value with the additional shares acquired when TNTC and LCCB became subsidiaries. Attributable profit in 2023 included principally a non-recurring gain of HK$22,907 million arising from the disposal of the franchise business in the USA. Excluding non-recurring items in both years, the recurring attributable profit in 2024 was HK$1,388 million, representing a 42% decrease from 2023.

The result in 2024 was adversely affected by the disposal of SCCU in the second half of 2023, partly offset by the contribution from the newly acquired franchise businesses in Thailand and Laos. Disregarding the effect of the disposal of SCCU (including the management fee received after the disposal), there was an increase of 20% in the recurring attributable profit from 2023. Swire Coca-Cola continues to receive an annual management fee for management and administrative support services it provides to SCCU.

Total revenue (including that of Shanghai Shen-Mei and excluding sales to other bottlers) decreased by 27% to HK$37,932 million. Sales volume decreased by 7% to 1,796 million unit cases. Revenue grew despite lower sales volume in the Chinese Mainland and Cambodia. Both revenue and volume increased in Taiwan. Revenue remained flat in Hong Kong and Vietnam despite lower sales volume.

EBITDA (including that of Shanghai Shen-Mei and excluding central and other costs) decreased by 27% to HK$4,751 million. The EBITDA margin remained flat at 12.5%.

On 9th February 2024, Swire Coca-Cola entered into an agreement and conditionally agreed to acquire (through purchases and subscriptions in two phases) a majority stake in TNTC for an aggregate consideration of approximately THB42,615.7 million (equivalent to approximately HK$9,470.1 million), subject to customary post-completion adjustments and excluding the deemed exercise of the put option. TNTC, together with its subsidiary in Laos, is principally engaged in the business of manufacturing, distribution and sale of non-alcoholic ready-to-drink beverages bearing trademarks owned by TCCC in Laos and the northern and central regions of Thailand.

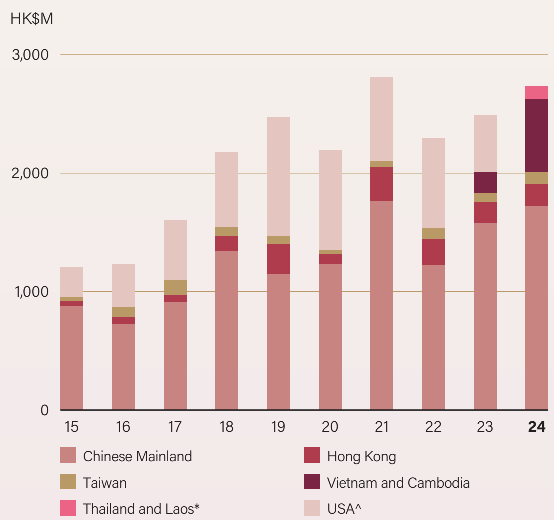
On the same date, TNTC conditionally agreed to acquire 30% of each of the issued share capital of the franchise business in Cambodia and the charter capital of the franchise business in Vietnam for an aggregate consideration of approximately US$271.1 million (equivalent to approximately HK$2,114.6 million), subject to customary post-completion adjustments.

On 9th February 2024, the first phase of the acquisition took place and Swire Coca-Cola became interested in 39% of the issued share capital of TNTC.

On 30th September 2024, the second phase of the acquisition was completed, and Swire Coca-Cola became indirectly interested in approximately 55.7% of the issued share capital of TNTC. Accordingly, TNTC became a non-wholly-owned subsidiary of Swire Coca-Cola.

A share restructure was completed on 27th December 2024 under which the remaining 30% issued share capital in LCCB not owned by TNTC were acquired with TNTC shares, reducing Swire Coca-Cola's equity interest in TNTC to approximately 55.6%.

Capital Expenditure



* The 2024 figures for Thailand and Laos represent those for the period after the completion of acquisition on 30th September 2024 to the end of the year.
^ The 2023 figures for SCCU represent those for the period up to the completion of disposal of SCCU on 7th September 2023.

In May 2024, Swire Coca-Cola began constructing its new Greater Bay Area Intelligent Green Factory in Guangdong, which will incorporate world-class technology and sustainability in its design, build and operations.

The disposal of 30% of the issued share capital of the franchise business in Cambodia to TNTC was completed on 31st December 2024. The disposal of 30% of the charter capital of the franchise business in Vietnam to TNTC remains subject to certain conditions including applicable regulatory approvals.

In 2024, Swire Coca-Cola continued to make significant investments in production assets, logistics infrastructures, merchandising equipment and digital capabilities. Capital commitments at 31st December 2024 were HK$4,773 million.

Chinese Mainland

Attributable profit from the Chinese Mainland was HK$839 million in 2024, a 6% increase from 2023. Excluding the non-recurring gain in 2023, the increase would have been 11%.

Revenue (including that of Shanghai Shen-Mei and excluding sales to other bottlers) increased by 3% in local currency terms.

Sparkling revenue increased by 3%. Energy drinks and coffee revenue increased by 41% and 1% respectively.

Total sales volume decreased by 1%.

The increase in revenue and lower raw material costs were partly offset by higher operating expenses and unfavourable exchange rate movements.

EBITDA and EBIT (including that of Shanghai Shen-Mei and excluding non-recurring gain and central and other costs) increased by 8% and 13% in local currency terms respectively. The EBITDA margin increased from 11.0% to 11.5%. The EBIT margin increased from 5.1% to 5.6%.

Hong Kong

Attributable profit from Hong Kong in 2024 was HK$177 million, a 9% decrease from 2023.

Revenue (excluding sales to other bottlers) remained flat in 2024. Sparkling revenue increased by 1%. Juice, energy drinks and water revenue increased by 7%, 15% and 4% respectively. Tea revenue decreased by 4%.

Total sales volume dropped by 2%.

The result was adversely impacted by higher raw material costs, operating expenses and depreciation charges.

EBITDA and EBIT (excluding central and other costs) decreased by 1% and 11% respectively. The EBITDA margin decreased from 16.8% in 2023 to 16.6% in 2024. The EBIT margin decreased from 9.7% to 8.6%.

Taiwan

Attributable profit from Taiwan in 2024 was HK$126 million, a 2% increase from 2023.

Revenue in local currency terms increased by 7%. This reflected effective revenue growth management and improved execution excellence.

Sparkling revenue increased by 4%. Still revenue increased by 10%. Coffee and energy drinks revenue increased by 19% and 26% respectively.

Total sales volume increased by 6%.

The increase in revenue was partly offset by higher raw material costs, operating expenses and depreciation charges. Attributable results were impacted by unfavourable exchange rate movements.

EBITDA and EBIT (excluding central and other costs) increased by 17% and 15% in local currency terms respectively. The EBITDA margin increased from 11.5% in 2023 to 12.6% in 2024. The EBIT margin increased from 7.9% to 8.5%.

Swire Coca-Cola has leveraged ThaiNamthip’s local expertise in Thailand and Laos to accelerate its development in South East Asia.

Vietnam and Cambodia

Attributable profit from Vietnam and Cambodia in 2024 was HK$235 million, an increase of 19% from 2023, principally due to less interest charges allocated to Vietnam and Cambodia.

Revenue decreased by 4% from 2023 in Hong Kong dollar terms due to the unfavourable exchange rate movements and intense market competition in Vietnam.

Sparkling revenue decreased by 4%. Energy drinks revenue increased by 5%.

Total sales volume decreased by 1%.

The decrease in revenue and higher expense on relocation of the Ho Chi Minh City plant were partly offset by the lower raw material costs and operating expenses. Results were also adversely affected by the depreciation of the Vietnamese Dong.

EBITDA and EBIT (excluding central and other costs) both decreased by 7%. The EBITDA margin decreased from 13.8% in 2023 to 13.2% in 2024. The EBIT margin decreased from 8.0% to 7.7%.

Thailand and Laos

Attributable profit of Thailand and Laos was HK$916 million. Excluding the non-recurring gain, attributable profit would be HK$265 million. EBITDA (excluding central and other costs) was HK$422 million. The EBITDA margin and EBIT margin were 18.6% and 13.6%, respectively. The Thailand market is highly competitive. Phase III of the sugar tax legislation has also adversely impacted the business. These challenges are being managed through close collaboration with TCCC.

OUTLOOK

Revenue growth is expected for the Chinese Mainland. This growth will be underpinned by a strong portfolio and packaging mix, enhanced market execution and efforts on revenue growth management. While rising raw material and operational costs may pose challenges, we are focused on driving efficiencies to mitigate margin pressures. Significant capital investment in plant and equipment continues to support the strengthening of our operational capabilities and long-term growth for this region.

In Hong Kong, the business environment remains challenging with increasing operating costs.

Sales and operations in Taiwan are expected to grow in 2025. Raw material prices and operating expenses are expected to increase.

In Vietnam, despite the headwinds in exchange rate and raw material prices, the business will focus on growing revenue, pricing opportunities, and cost efficiency to deliver steady profit. In Cambodia, volume is expected to grow and offset higher raw material prices and operational costs.

For Thailand and Laos, the competition landscape in the market is challenging. Competitors continue to invest significantly to drive sales volume. The implementation of further sugar tax will likely bring adverse financial impact to the business. Targeted initiatives and productivity improvements will help address some of these challenges.

Our diversified regional portfolio highlights our strategic approach to managing different market conditions and seizing growth opportunities.

Karen So

AVIATION DIVISION

Cathay Pacific is raising the bar for customer experience with the launch of its all-new Business class, the Aria Suite, onboard its Boeing 777-300ER fleet.


In an emergency
Pull lever down
Slide to open

AVIATION DIVISION

The Aviation Division comprises an associate interest in the Cathay group and the wholly-owned Hong Kong Aircraft Engineering Company (HAECO) group.

The Cathay group

Cathay Pacific Airways Limited (Cathay Pacific) is listed on The Stock Exchange of Hong Kong Limited. The Cathay group includes Cathay Pacific, Hong Kong Express Airways Limited (HK Express) and AHK Air Hong Kong Limited (Air Hong Kong) and associate interests in Air China Limited (Air China) and Air China Cargo Co., Ltd. (Air China Cargo). Cathay Pacific also has interests in companies providing flight catering and passenger and ramp handling services, and owns and operates a cargo terminal at Hong Kong International Airport.

At 31st December 2024, Cathay Pacific and HK Express offered scheduled passenger services to 88 destinations worldwide. Cathay Cargo offered scheduled freighter services to 41 destinations worldwide, in addition to utilising belly capacity on the group's passenger flights. There are also codeshare agreements in relation to 154 passenger destinations. At 31st December 2024, Cathay Pacific had 180 aircraft and had ordered 71 new aircraft for future delivery.

HK Express is a low-cost airline based in Hong Kong and offers scheduled services within Asia. At 31st December 2024, it had 41 aircraft and had ordered 22 new aircraft for future delivery.

Air Hong Kong operates express cargo services for DHL Express to 17 cities in Asia, the Middle East, Europe and Australia. At 31st December 2024, Air Hong Kong operated 15 freighters.

As at 31st December 2024, Cathay Pacific owned 15.09% of Air China, the national flag carrier and a leading provider of passenger, cargo and other airline-related services in the Chinese Mainland. Air China Cargo, in which the Cathay group owns an equity and an economic interest totalling 21.36%, is the leading provider of air cargo services in the Chinese Mainland.

The Cathay group employed more than 30,100 people (around 84% of them in Hong Kong) at 31st December 2024.

The HAECO group

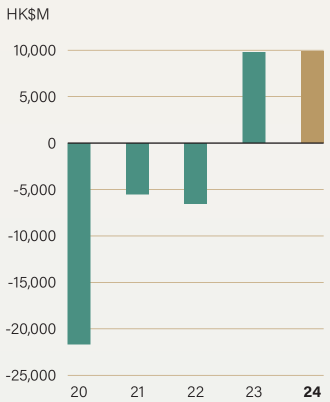
The HAECO group provides aviation maintenance and repair services. Its primary activities are aircraft maintenance and modification work in Hong Kong (by HAECO Hong Kong), in Xiamen (by HAECO Xiamen) and in the USA (by HAECO Americas), on-wing and off-wing engine support, and engine overhaul work in Hong Kong (by HAECO's 50% joint venture company, HAESL) and in Xiamen (by HAECO Engine Services (Xiamen)).

The HAECO group has subsidiaries and joint venture companies in the Chinese Mainland which offer a range of aircraft engineering services.

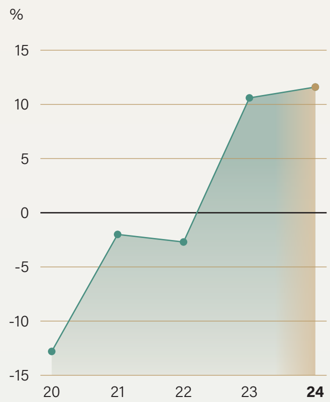
HAECO is a wholly-owned subsidiary of Swire Pacific.

Cathay group (100% Basis)

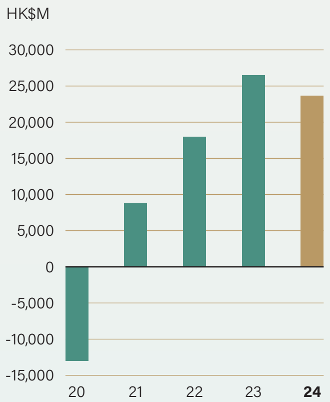
Profit/(Loss) Attributable to the Shareholders of Cathay Pacific



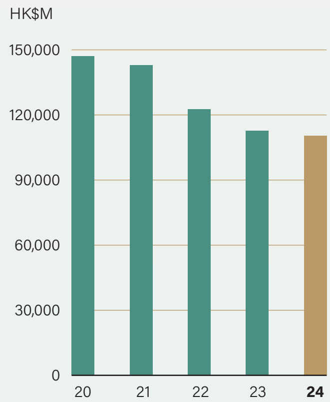
Return on Capital Employed



Net Cash Generated from/(Used in) Operating Activities

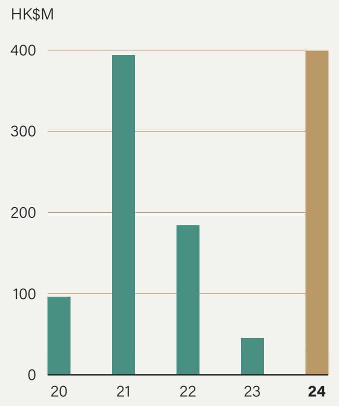


Capital Employed

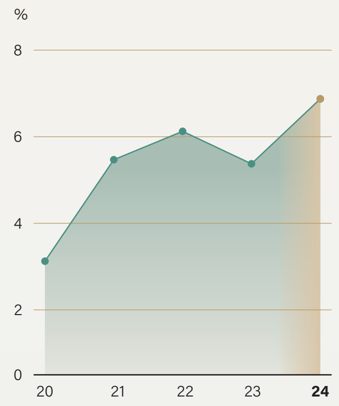


HAECO group

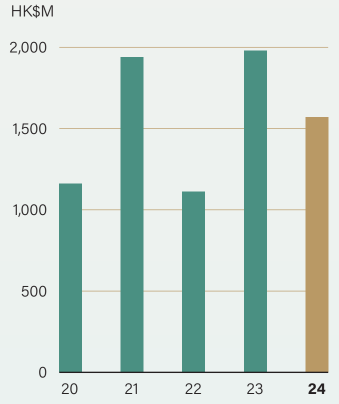
Profit Attributable to the Shareholders of HAECO



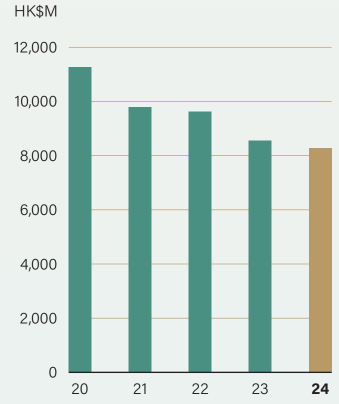
Return on Capital Employed



Net Cash Generated from Operating Activities



Capital Employed



STRATEGY

The strategic objective of Cathay Pacific (as a listed company in its own right) is sustainable growth in shareholder value over the long term. The strategies employed by Cathay Pacific in order to achieve this objective (and the strategic objectives of HAECO) are these:

- Excelling in customer service, operational and safety performance, productivity and the creation of value.
- Capitalising on the opportunities presented by the Greater Bay Area.
- Contributing to the development of Hong Kong as an international aviation and logistics centre.
- Developing Cathay Pacific's premium lifestyle travel brand.
- Developing HK Express as a successful low-cost carrier.
- Building on Cathay Pacific's digital leadership.
- Achieving net-zero carbon emissions by 2050.
- Developing and strengthening the HAECO brand.
- Increasing the range and depth of aircraft engineering services offered by HAECO.
- Maintaining and enhancing HAECO's high standards of service to aircraft engineering customers.

2024 PERFORMANCE

Financial Highlights

	2024 HK$M	2023 HK$M
HAECO group		
Revenue	**21,662**	17,787
Operating profit	**40**	224
Attributable profit	**399**	45
Cathay group		
Share of post-tax profit from associated companies	**4,449**	4,405
Attributable profit	**4,697**	3,393

Accounting for the Aviation Division
The Group accounts for its associate interest in the Cathay group using the equity method of accounting. The Group recognises its share of net profit or loss as a single line-item in the consolidated statement of profit or loss. For more information on the results and financial position of the Cathay group, please refer to the abridged financial statements on pages 238 and 239. The figures of the HAECO group and the Cathay group above do not include Swire Pacific's consolidation adjustments. In 2023, an impairment loss of HK$675 million was recognised for the Group's interest in HAESL, a joint venture company of the HAECO group. The impairment loss was part of the consolidation adjustments and was not included in the HAECO group's results.

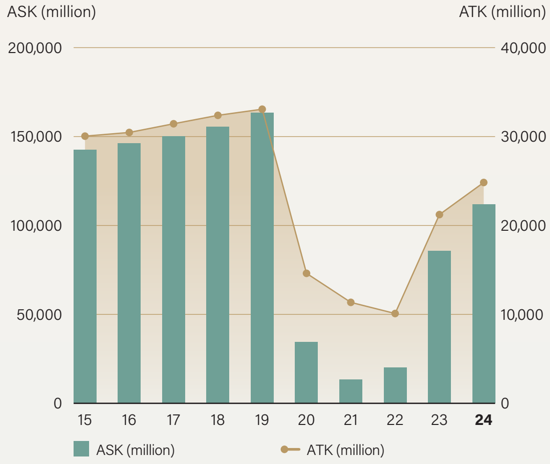
CATHAY PACIFIC

2024 Performance

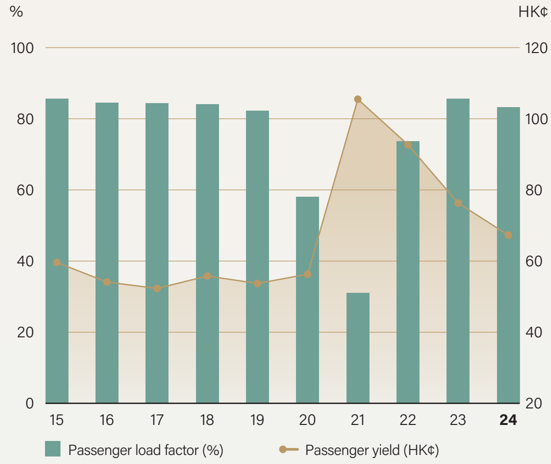
		2024	2023	Change
Available tonne kilometres (ATK)	Million	**24,836**	21,225	+17.0%
Revenue tonne kilometres (RTK)	Million	**17,362**	15,090	+15.1%
Cost per ATK (with fuel)*	HK$	**3.40**	3.55	-4.2%
Fuel consumption per million ATK	Barrels	**1,289**	1,241	+3.9%
Fuel consumption per million RTK	Barrels	**1,844**	1,746	+5.6%
Cost per ATK (without fuel)*	HK$	**2.36**	2.47	-4.5%
Aircraft utilisation (including parked aircraft)	Hours per day	**9.4**	7.7	+22.1%
Average age of fleet	Years	**11.8**	11.1	+0.7year
Passenger revenue	HK$M	**62,595**	55,951	+11.9%
Available seat kilometres (ASK)	Million	**111,789**	85,607	+30.6%
Revenue passenger kilometres (RPK)	Million	**93,016**	73,342	+26.8%
Passenger revenue per ASK	HK¢	**56.0**	65.4	-14.4%
Revenue passengers carried	’000	**22,827**	17,985	+26.9%
Passenger load factor	%	**83.2**	85.7	-2.5%pt
Passenger yield	HK¢	**67.3**	76.3	-11.8%
On-time performance (passenger)	%	**72.9**	76.2	-3.3%pt
Cargo revenue	HK$M	**24,000**	22,162	+8.3%
Available freight tonne kilometres (AFTK)	Million	**14,193**	13,069	+8.6%
Revenue freight tonne kilometres (RFTK)	Million	**8,503**	8,099	+5.0%
Cargo revenue per AFTK	HK$	**1.69**	1.70	-0.6%
Cargo carried	’000 Tonnes	**1,532**	1,381	+10.9%
Cargo load factor	%	**59.9**	62.0	-2.1%pt
Cargo yield	HK$	**2.82**	2.74	+2.9%

* Cost per ATK represents total operating costs divided by ATK for the year.

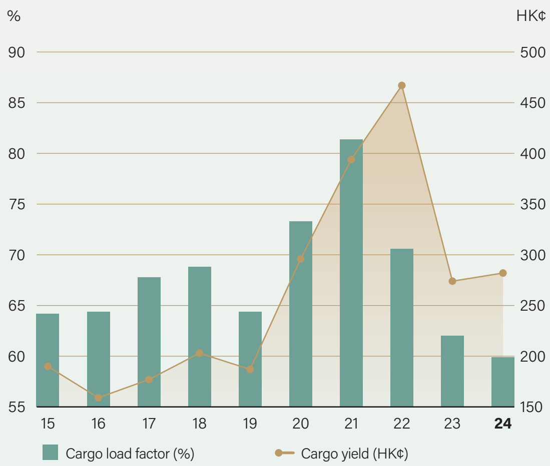
Capacity – Available Seat Kilometres and Available Tonne Kilometres



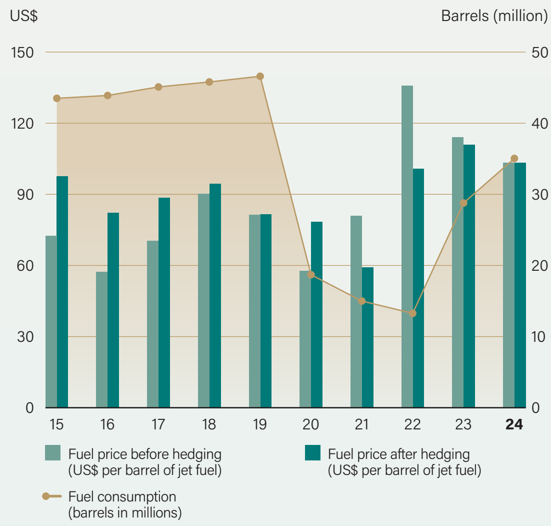
Passenger Services Load Factor and Yield



Cargo Services Load Factor and Yield



Fuel Price and Consumption



2024 AIRLINE INDUSTRY REVIEW

The Cathay group has achieved a number of milestones in 2024, as the group focused its efforts on completing the two-year rebuilding journey while also investing for the future. A key focus was on rebuilding connectivity at the Hong Kong international aviation hub to cater for the ongoing robust travel demand. In total, Cathay Pacific and HK Express launched passenger services to 15 destinations in 2024. However, passenger yields continued to normalise as the supply of flights increased to meet demand in the overall market.

Cargo performance was also strong, with the additional belly space provided by the increased passenger flights, which enabled the Cathay group to carry more cargo.

2024 RESULTS SUMMARY

The Cathay group's attributable profit on a 100% basis was HK$9,888 million in 2024, compared with a profit of HK$9,789 million in 2023. Cathay Pacific reported an attributable profit after tax of HK$9,799 million (2023: profit of HK$11,341 million). Its loss from subsidiaries was HK$199 million (2023: profit of HK$10 million). Its share of profits from associates (most of which are recognised three months in arrears) was HK$288 million (2023: loss of HK$1,562 million). The attributable profit for 2024 included a non-recurring non-cash gain of HK$578 million as a result of a dilution of the Cathay group's interest in Air China and Air China Cargo following the completion of Air China's H-shares offering in February 2024 and completion of A-shares offering in December 2024, as well as Air China Cargo's shares listing in December 2024.

Passenger Services

Cathay Pacific

Passenger revenue in 2024 was HK$62,595 million, an increase of 12% compared to 2023. Revenue passenger kilometres increased by 27%. Capacity, measured in available seat kilometres, increased by 31%. 22.8 million passengers were carried, an average of 62,500 passengers per day, 27% more than in 2023. The load factor was 83.2%, compared with 85.7% in 2023.

HK Express

HK Express reported a loss of HK$400 million for 2024 (2023: profit of HK$433 million). This was primarily due to increased pressure on yields caused by the rapid normalisation of airfares in regional markets amid increased capacity within the region, as well as the grounding of an average of five of the airline's A320neo aircraft due to industry-wide Pratt & Whitney engine issues.

Cargo Services

Cathay Pacific

The cargo revenue of Cathay Pacific in 2024 was HK$24,000 million, an increase of 8% compared to 2023. Revenue freight tonne kilometres increased by 5%. Capacity, measured by available freight tonne kilometres, increased by 9%. The load factor decreased by 2.1 percentage points to 59.9%. Yield increased by 3% to HK$2.82.

Air Hong Kong

Air Hong Kong recorded a profit in 2024, reflecting a consistently solid performance.

The Cathay group has marked a strong finish to its two-year rebuilding journey, with the group's two passenger airlines reaching 100% of pre-pandemic flights from January 2025.

Operating Costs

Non-fuel costs increased by 12% to HK$58,707 million. Total fuel costs for Cathay Pacific (before the effect of fuel hedging) increased by HK$2,262 million (or 10%) compared with 2023, due to the increase in capacity, although fuel prices were lower.

Fleet Profile

At 31st December 2024, the total number of aircraft in the Cathay group's fleet was 236.

Fleet Profile[i]

Aircraft type	Number at 31st December 2024	Leased[ii]				Orders[iii][ix][x]				Expiry of leases without asset transfer[ii]					
	Owned	With asset transfer	Without asset transfer	**Total**	Average age	25	26	27 and beyond	**Total**	25	26	27	28	29	30 and beyond
Cathay Pacific (Passenger aircraft):															
A321/ A320-200neo	5	6	5	**16**	2.1		3[xi]	11[iv]	**14**						5
A330-300	39		4	**43**	16.3					2	1		1		
A330-900								30	**30**						
A350-900	20	8	2	**30**	6.7								2		
A350-1000	11	7		**18**	5.1										
777-300	17			**17**	23.2										
777-300ER	24		12	**36**	12.2					1	4	1			6
777-9								21[xi]	**21**						
Cathay Pacific (Freighter):															
A350F								6	**6**						
747-400ERF	6			**6**	16.0										
747-8F	11	3		**14**	11.9										
Total	133	24	23	**180**	11.8	–	3	68	**71**	3	5	1	3	–	11
HK Express:															
A320-200	3[v]		3	**6**	16.8								2	1	
A320-200neo			10	**10**	5.8		2	6[iv][vi]	**8**				2	2	6
A321-200	2[v]		11	**13**	9.4					1	2				8
A321-200neo	5[v]	7[v]		**12**	0.7	4	3[xi]	7[iv][vi]	**14**						
Total	10	7	24	**41**	7.1	4	5	13	**22**	1	2	–	4	3	14
Air Hong Kong[vii][viii]:															
A300-600F			3	**3**	19.1					3					
A330-243F			2	**2**	13.0						2				
A330-300P2F			10	**10**	13.2						3		4	3	
Total	–	–	15	**15**	14.1	–	–	–	**–**	3	5	–	4	3	–
Grand total	**143**	**31**	**62**	**236**	**11.1**	**4**	**8**	**81**	**93**	**7**	**12**	**1**	**11**	**6**	**25**

Notes:
(i) The table does not reflect aircraft movements after 31st December 2024.
(ii) Leases without asset transfer components are accounted for in a similar manner to leases with asset transfer components under accounting standards. The majority of leases without asset transfer components in the above table are within the scope of HKFRS 16.
(iii) The group believes that based on its available unrestricted liquidity as at 31st December 2024, as well as its ready access to both loan and debt capital markets, it will have sufficient financing capacity to fund this material investment in the fleet.
(iv) Final number subject to reallocation between Cathay Pacific and HK Express.
(v) The aircraft are sub-leased to HK Express.
(vi) Final split between Airbus A320-200neo and A321-200neo subject to adjustment in accordance with future operational requirements.
(vii) The contractual arrangements relating to the freighters operated by Air Hong Kong do not constitute leases in accordance with HKFRS 16.
(viii) The group plans to replace its entire fleet of Airbus A300-600F freighters with second-hand A330F freighters. The remaining three A300-600F freighters are expected to be returned in 2025.
(ix) The group took delivery of 12 aircraft in 2024.
(x) The group also has the right to acquire 82 additional aircraft.
(xi) According to the latest expectation as at end of February 2025.

Air China and Air China Cargo

The Cathay group's share of the results of Air China and Air China Cargo is based on their financial statements drawn up three months in arrears. Consequently, the 2024 results include Air China's and Air China Cargo's results for the 12 months ended 30th September 2024, adjusted for any significant events or transactions for the period from 1st October 2024 to 31st December 2024.

For the 12 months ended 30th September 2024, financial results for Air China improved due to the recovery of the civil aviation market, increased fleet efficiency, and stricter cost management.

In February 2024, the Cathay group's interest in Air China was diluted from 16.26% to 15.87% as a result of Air China issuing new H shares to a specific investor. In December 2024, the Cathay group's interest in Air China was further diluted from 15.87% to 15.09% following the issuance of new A shares.

In December 2024, Air China Cargo was listed on the Shenzhen Stock Exchange, as a result, the Cathay group's interest in Air China Cargo was diluted from 24.00% to 21.36%.

OUTLOOK

With the launch of the Three-Runway System at Hong Kong International Airport, this paves the way for an exciting new era for the Hong Kong international aviation hub and for the Cathay group. The group has reached 100% of its pre-pandemic flights from January 2025. It will operate passenger services to more than 100 destinations around the world in 2025. Over the coming years, the group's HK$100 billion investment both in the air and on the ground will help to expand and modernise the fleet to achieve the goal of net-zero carbon emissions by 2050.

Ronald Lam

Cathay is investing over HK$100 billion in its fleet, cabin products, airport lounges and more to strengthen Hong Kong's international aviation hub status.

HONG KONG AIRCRAFT ENGINEERING COMPANY (HAECO) GROUP

Financial Highlights

	2024 HK$M	2023 HK$M
Revenue		
Airframe	**8,159**	7,056
Components	**2,337**	1,824
Engine	**11,011**	8,247
Cabin	**–**	474
Others	**155**	186
	21,662	17,787
Operating profit	**40**	224
Attributable profits/(losses)		
Airframe	**203**	74
Components	**(88)**	188
Engine	**739**	589
Cabin	**(10)**	(272)
Others	**(172)**	(114)
Attributable profit (excluding non-recurring items)	**672**	465
Airframe – gain on disposal of non-current assets at a joint venture company in the Chinese Mainland	**197**	–
Components – provision and fixed asset impairment for exiting ITM operation	**(470)**	–
Cabin – loss on disposal of cabin business	**–**	(420)
Attributable profit	**399**	45

Operating Highlights

		2024	2023
Airframe – base maintenance manhours sold			
HAECO Hong Kong	Million	**2.70**	2.62
HAECO Xiamen	Million	**4.18**	4.17
HAECO Americas	Million	**2.99**	2.71
Total	Million	**9.87**	9.50
Airframe – line maintenance movements handled			
Hong Kong	Thousand	**99**	83
Chinese Mainland	Thousand	**34**	22
Total	Thousand	**133**	105
Engines overhauled			
HAESL		**336**	300
HAECO Engine Services (Xiamen)		**110**	95

2024 AVIATION MAINTENANCE AND REPAIR INDUSTRY REVIEW

The industry experienced a strong post-pandemic recovery in 2024. Continuing robust demand for travel and air cargo drove the increase in demand for maintenance and repair of airframes, particularly line maintenance in Hong Kong.

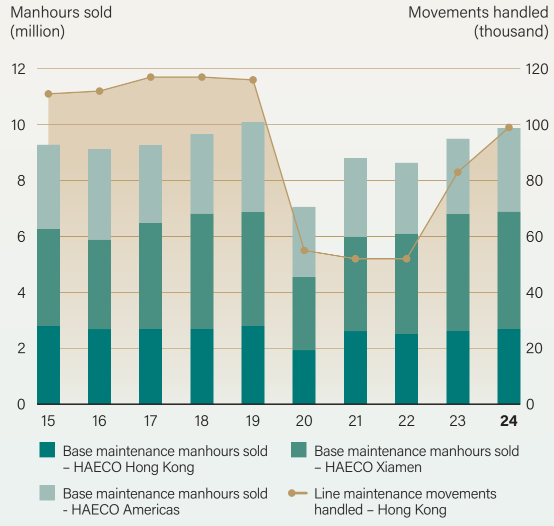
2024 RESULTS SUMMARY

The HAECO group reported an attributable profit of HK$399 million for 2024. This includes a share of non-recurring gain on disposal of non-current assets of HK$197 million in a joint venture company in the Chinese Mainland, and a share of non-recurring loss of HK$470 million representing a provision made for the costs of exiting the inventory technical management (ITM) operation that is anticipated to be completed in 2025 and impairment on fixed assets. This compares with an attributable profit of HK$45 million in 2023 which included a non-recurring loss on disposal of the cabin business of HK$420 million.

The HAECO group's recurring attributable profit for 2024 was HK$672 million, HK$207 million higher than the profit in 2023. The recurring profit increase was primarily attributable to a continuous recovery of line maintenance activity and a growth in the demand for engine overhaul at HAESL and HAECO Engine Services (Xiamen). The increase in base maintenance manhours sold and workload of most of the components businesses also contributed to the group's profit growth. The recurring attributable result of 2023 included the loss incurred in the operation of the cabin business which was disposed of in September 2023. These favourable factors more than compensated for the recurring loss incurred by HAECO ITM in 2024 (compared to a profit in 2023).

At 31st December 2024, HAECO had outstanding capital commitments of HK$4,136 million.

HAECO group – Key Operating Highlights



Airframe

The airframe business of the HAECO group delivered a recurring attributable profit of HK$203 million in 2024, a 174% increase from 2023. Revenue grew by 16% which was a combined outcome of the continuous recovery of line maintenance movements handled (27% more than in 2023) and growth in the base maintenance manhours sold in 2024 (4% more than in 2023). HAECO Hong Kong, HAECO Xiamen and HAECO Americas all did more base maintenance work in 2024.

The HAECO group recorded a share of non-recurring gain on non-current asset disposal of HK$197 million at an airframe joint venture company operating in the Chinese Mainland. The gain represented the compensation received, net of the carrying amount of non-current assets derecognised, after the relocation of hangars within the same airport which was completed in the first half of 2024.

HAECO Hong Kong

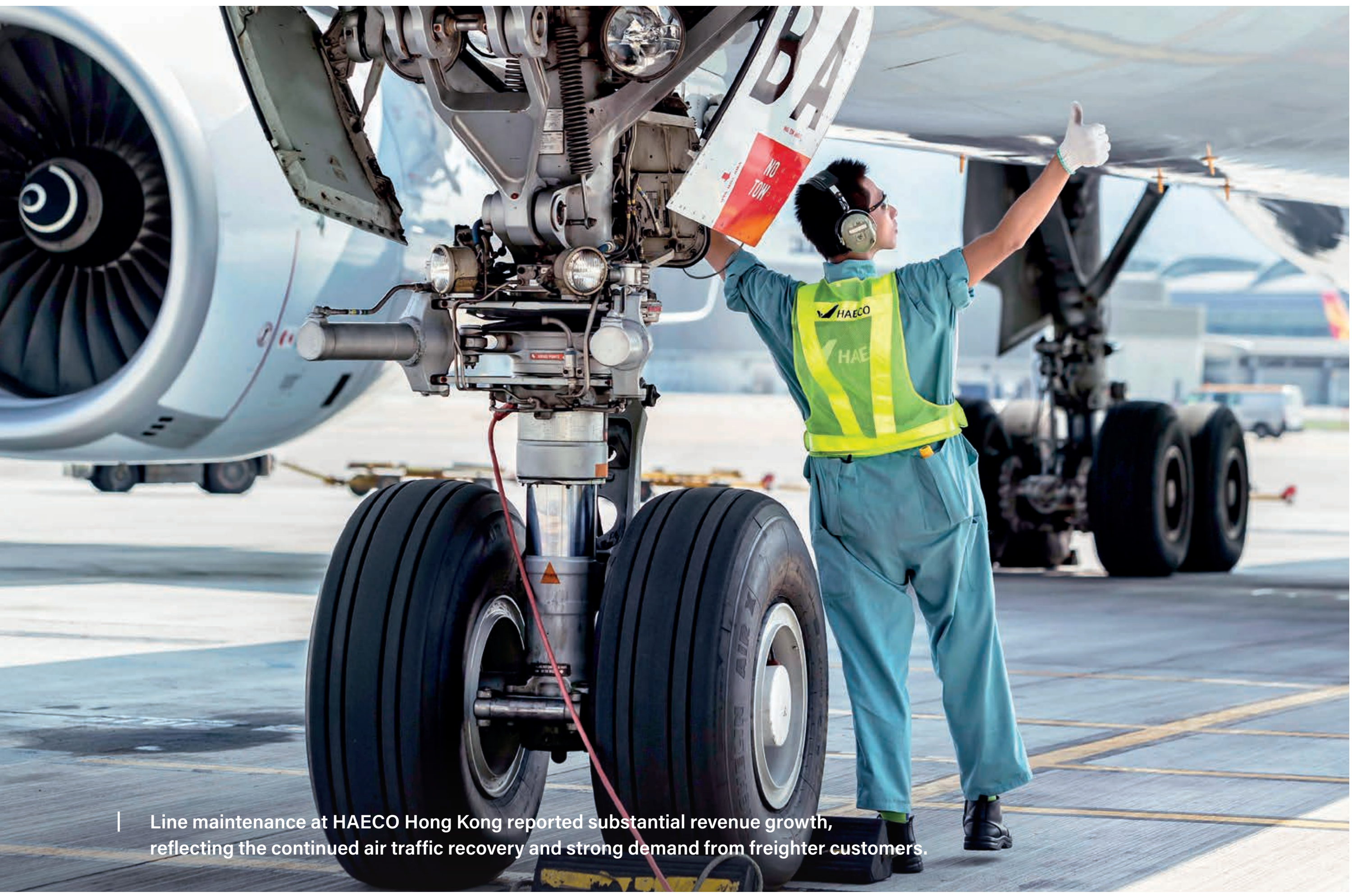
The airframe business of HAECO Hong Kong recorded a significantly lower loss in 2024 than in 2023. Line maintenance reported a substantial growth in revenue reflecting the continued recovery in air traffic and strong demand from freighter customers. Approximately 99,000 line maintenance aircraft movements were handled in 2024, an increase of 19% compared with 2023. 2.70 million base maintenance manhours were sold in 2024, which were 3% more than those sold in 2023, reflecting a stable demand.

HAECO Xiamen

In 2024, the attributable profit of HAECO Xiamen's airframe services was broadly the same as last year. 4.18 million base maintenance manhours were sold in 2024, a marginal increase of 0.01 million manhours over 2023, reflecting a stable demand for base maintenance.

HAECO Americas

The airframe business of HAECO Americas recorded a higher operating profit in 2024 than in 2023, mainly driven by higher volume of base maintenance work and improved productivity. Demand for base maintenance work was steady with output benefitting from an increase in skilled labour. 2.99 million manhours were sold in 2024, 10% higher than in 2023.



Line maintenance at HAECO Hong Kong reported substantial revenue growth, reflecting the continued air traffic recovery and strong demand from freighter customers.

Components

Revenue from the components business in 2024 grew by 28% versus 2023. However, a recurring attributable loss of HK$88 million was incurred in 2024, compared to a recurring attributable profit of HK$188 million in 2023. HAECO ITM suffered a substantial recurring loss in 2024, compared to a profit in 2023, as supply chain challenges significantly increased repair costs and turnaround time. The remaining components business (including component repair and overhaul business, HAECO Landing Gear Services and HAECO Composite Services) all performed well and recorded recurring profit increases in 2024.

HAECO ITM will discontinue its operation in 2025. The components business recorded a share of non-recurring loss of HK$470 million representing a provision made for the costs of exit that is anticipated to be completed in 2025 and impairment on fixed assets.

Engine

The attributable profit from the engine business was HK$739 million in 2024, a 25% increase from 2023. Revenue (comprising that of HAECO Engine Services (Xiamen) and the Global Engine Support business and excluding that of HAESL, which is not consolidated) grew by 34%. The profit growth mainly resulted from a strong demand for engine overhaul at HAESL and HAECO Engine Services (Xiamen).

HAESL

HAESL recorded an increase in attributable profit from 2023 to 2024. The increase reflected more engines being overhauled. Repair and overhaul services were performed on 336 engines, compared with 300 in 2023.

HAECO Engine Services (Xiamen)

HAECO Engine Services (Xiamen) recorded a substantial increase in attributable profit from 2023 to 2024. 82 performance restoration workscopes and 28 quick turn workscopes on GE90 aircraft engines were performed in 2024 (compared with 75 performance restoration workscopes and 20 quick turn workscopes in 2023). The profit growth reflected a strong demand for repair and overhaul of GE90 aircraft engines and modules.

Global Engine Support

Results of the Global Engine Support business (which provides on-wing and off-wing engine support from HAECO group's facilities mainly in Hong Kong, Dallas, Amsterdam and London) in 2024 improved from 2023 benefitting from the growth in demand for engine repair services in Hong Kong and Dallas.

OUTLOOK

Demand for base maintenance in 2025 is expected to remain stable. With air traffic in Hong Kong anticipated to further recover towards the pre-pandemic level, line maintenance work is expected to continue its growth in 2025. Demand for engine services is expected to remain strong in 2025.

The exit of the cabin business in 2023, and planned discontinuation of ITM's operation in 2025 align with HAECO's plans to focus on its core businesses and drive growth in areas where the group sees the most potential.

The steel structure roof closure and the installation of metal roofs on HAECO Xiamen's hangars at the new Xiamen airport were completed in 2024. The relocation project is progressing to mechanical, electrical and plumbing installation, interior renovations, and the construction of the enclosure structure, which are anticipated to complete by the end of 2025. The installation of maintenance, repair and overhaul equipment is currently underway and targeted to complete in 2026. The relocation to the new airport will be material to HAECO Xiamen's operations from 2026.

Richard Sell

HEALTHCARE

In April 2024, Swire Pacific completed the acquisition of a controlling stake in DeltaHealth, aligning with its strategy of becoming a long-term owner and operator of healthcare services.

HEALTHCARE

DeltaHealth

In April 2024, the Group completed the acquisition of a controlling stake in DeltaHealth China Limited (DeltaHealth), a healthcare provider in the Chinese Mainland specialising in cardiovascular care. DeltaHealth operates Shanghai DeltaHealth Hospital, a cardiovascular-focused general hospital, and DeltaWest Clinic, an outpatient clinic in the Gubei area of the Changning district. The acquisition marked the Group's first control position in healthcare and aligns with our healthcare strategy of being a long-term owner and operator of healthcare services.

Columbia China Healthcare

The Group has an associate investment in Columbia China Healthcare Co., Limited, which owns and operates private hospitals and senior housing in the Yangtze River Delta area.

Shenzhen New Frontier United Family Hospital and HEAL Medical Group

The Group has an associate investment in SHH Core Holding Limited, which owns Shenzhen New Frontier United Family Hospital, a private hospital operated by United Family Healthcare in Shenzhen and HEAL Medical Group. HEAL Medical Group operates three clinics in Hong Kong – HEAL Oncology, HEAL Medical and HEAL Fertility. In 2024, SHH Core Holding Limited issued additional shares to new investors, resulting in a dilution of shareholding from 20% to 16.97% and a gain on deemed disposal of HK$20 million was recorded. In February 2025, the shareholding was further diluted to 15.04% following another share issuance to new investors. In 2024, HEAL Medical Group also acquired Hong Kong Integrated Oncology Centre, a cancer treatment provider which operates three oncology centres in Hong Kong.

Indonesia Healthcare Corporation (IHC)

In July 2024, the Group made an investment in IHC, a hospital group in Indonesia. IHC comprises 37 majority-owned hospitals and operates 73 clinics throughout Indonesia. The investment in IHC marks the Group's first healthcare investment in South East Asia, and is in line with the Group's strategy to identify new healthcare opportunities in regions within Asia in which we already have a commercial presence.

2024 RESULTS SUMMARY

The attributable loss from the healthcare companies was HK$326 million in 2024, compared with a loss of HK$420 million in 2023. In 2023, an impairment charge of HK$250 million was made in respect of the investment in DeltaHealth.

OUTLOOK

With the investments described above, the Group has exposure to the healthcare sector in the Chinese Mainland and Indonesia. We have invested HK$3.1 billion (including committed investments) in the sector. We are actively working to grow our healthcare services platform and will continue to seek investment opportunities in major city clusters in the Chinese Mainland and in South East Asia. We will remain disciplined in our approach towards valuation, ensuring sustainable and stable returns for shareholders.

Jeffrey Staples

TRADING & INDUSTRIAL

2024 PERFORMANCE

Financial Highlights

	2024 HK$M	2023 HK$M
Revenue		
Swire Resources	2,279	2,402
Taikoo Motors	5,216	6,401
Swire Foods	1,511	1,659
Swire Environmental Services	127	185
	9,133	10,647
Operating profits/(losses)		
Swire Resources	66	108
Taikoo Motors	185	222
Swire Foods	24	23
Swire Environmental Services	31	63
Central costs	(10)	(16)
	296	400
Attributable profits/(losses)		
Swire Resources	50	90
Taikoo Motors	134	165
Swire Foods	11	7
Swire Environmental Services	26	53
Central costs	(10)	(16)
Attributable profit	211	299

2024 INDUSTRY REVIEW

Footwear and apparel business in Hong Kong and the Chinese Mainland

In 2024, footwear and apparel sales decreased by 10% in Hong Kong and was on a par with sales in 2023 in the Chinese Mainland.

Car sales in Taiwan

Car registrations in Taiwan decreased by 4% to 457,816 units in 2024.

Bakery sales in the Chinese Mainland

Retail sales of bakery products in the Chinese Mainland increased by 3% in 2024.

Sugar sales in the Chinese Mainland

The volume of sugar sold in the Chinese Mainland decreased by 1% to 34,172 million pounds in 2024.

2024 RESULTS SUMMARY

The attributable profit of the trading & industrial businesses in 2024 was HK$211 million, compared with an attributable profit of HK$299 million in 2023.

Swire Resources

The attributable profit of Swire Resources in 2024 was HK$50 million, compared with an attributable profit of HK$90 million in 2023. The decrease was due to significant outbound travel of locals and reduced spending of tourists.

Revenue and gross profit in 2024 were 5% lower than in 2023. Costs were tightly managed.

178 retail outlets were operated in Hong Kong and Macau at the end of 2024, eleven more than the end of 2023. Six retail outlets were operated in the Chinese Mainland at the end of 2024, the same number as at the end of 2023.

Taikoo Motors

The attributable profit of Taikoo Motors decreased to HK$134 million in 2024 from HK$165 million in 2023.

16,438 vehicles were sold in 2024, 16% fewer than in 2023. The drop in vehicle sales and profits were due to keen market competitions, particularly in product portfolio and pricing. However, aftersales revenue and profits grew steadily.

Swire Foods

Swire Foods reported an attributable profit of HK$11 million in 2024, compared with an attributable profit of HK$7 million in 2023.

Qinyuan Bakery recorded an attributable profit of HK$5 million in 2024 compared with an attributable profit of HK$3 million in 2023.

The revenue of Qinyuan Bakery decreased by 13% in 2024. The gross profit percentage decreased by 1 percentage point. The decrease in revenue was more than offset by enhancements in business model and cost structure. Qinyuan Bakery operated 413 stores at the end of 2024, compared with 363 stores at the end of 2023.

Taikoo Sugar recorded an attributable profit of HK$6 million in 2024, compared to a profit of HK$4 million in 2023. The increase in profit was mainly because of the absence of a one-off closure expense incurred for the factory in Shanghai in 2023. The 2024 volume of sugar sold decreased by 1%. Current trend of reduction in sugar consumption and northbound spending have put pressure on sales volume.

Swire Environmental Services

Swire Environmental Services made an attributable profit of HK$26 million in 2024, compared with an attributable profit of HK$53 million in 2023. The decrease was due to the expiry of a waste transfer services contract with the HKSAR Government in March 2024.

OUTLOOK

The trend of local outbound travel and changing tourist spending pattern are expected to remain similar as that in 2024. With cost management efforts, slight improvement in the profit of Swire Resources is anticipated.

At Taikoo Motors, vehicle sales continue to be challenging but aftersales will continue to expand given the growth of car population and new investment in workshop facilities.

Qinyuan Bakery will continue to rationalise its product range, and to make its supply chain more agile and efficient, all with a view to improving longer term performance.

At Taikoo Sugar, we expect sales to be under pressure in 2025 due to the changes in consumption trend in Hong Kong and overall softness in global economy. However, with product and channel revamp and efforts to improve cost efficiency, we expect to maintain our business performance in 2025.

The profit of Swire Environmental Services is expected to decline further in 2025 as a result of the full-year impact of the expiry of the waste transfer services contract.

David Cogman

FINANCIAL REVIEW

Additional information is provided below to reconcile reported and underlying profit attributable to the Company's shareholders. The reconciling items principally adjust for the fair value movements on investment properties and the associated deferred tax in the Chinese Mainland and the USA, and for other deferred tax provisions in relation to investment properties. Amortisation of right-of-use assets classified as investment properties is charged to underlying profit. There are further adjustments to remove the effect of remeasurement gains on interests in joint venture companies which became subsidiary companies after completion of acquisition and a bargain purchase gain arising from the acquisition of an additional interest in a joint venture company.

Audited Financial Information

	Note	2024 HK$M	2023 HK$M
Underlying profit			
Profit attributable to the Company's shareholders		**4,321**	28,853
Adjustments in respect of investment properties:			
Fair value losses in respect of investment properties	(i)	**6,197**	4,423
Deferred tax on investment properties	(ii)	**1,283**	461
Fair value gains realised on sale of interests in investment properties	(iii)	**534**	4,398
Depreciation of investment properties occupied by the Group	(iv)	**29**	29
Amortisation of right-of-use assets reported under investment properties	(v)	**(78)**	(81)
Remeasurement gains on interests in joint venture companies which became subsidiary companies after completion of acquisition	(vi)	**–**	(306)
Reversal of impairment loss on a hotel held as part of a mixed-use development	(vii)	**(11)**	–
Bargain purchase gain arising from the acquisition of an additional interest in a joint venture company	(viii)	**(566)**	–
Non-controlling interests' share of fair value movements less deferred tax		**(1,238)**	(1,600)
Underlying profit attributable to the Company's shareholders		**10,471**	36,177

Notes:
(i) This represents the fair value movements as shown in the Group's consolidated statement of profit or loss and the Group's share of fair value movements of joint venture and associated companies.
(ii) This represents deferred tax movements on the Group's investment properties, plus the Group's share of deferred tax movements on investment properties held by joint venture and associated companies. These comprise deferred tax on fair value movements on investment properties in the Chinese Mainland and the USA, and deferred tax provisions made in respect of investment properties held for the long term where it is considered that the liability will not reverse for some considerable time. It also includes certain tax adjustments arising from transfers of investment properties within the Group.
(iii) Prior to the implementation of HKAS 40, changes in the fair value of investment properties were recorded in the revaluation reserve rather than the consolidated statement of profit or loss. On sale, the fair value gains/(losses) were transferred from the revaluation reserve to the consolidated statement of profit or loss.
(iv) Prior to the implementation of HKAS 40, no depreciation was charged on investment properties occupied by the Group.
(v) HKFRS 16 amends the definition of investment property under HKAS 40 to include properties held by lessees as right-of-use assets to earn rentals or for capital appreciation or both, and requires the Group to account for such right-of-use assets at their fair value. The amortisation of such right-of-use assets is charged to underlying profit.
(vi) The remeasurement gains on interests in joint venture companies were calculated principally by reference to the estimated market value of the underlying properties portfolio of the joint venture companies, netting off with all related cumulative exchange difference.
(vii) Under HKAS 40, hotel properties are stated in the accounts at cost less accumulated depreciation and any provision for impairment losses, rather than at fair value. If HKAS 40 did not apply, wholly-owned and joint venture hotel properties held for the long term as part of mixed-use property developments would be accounted for as investment properties. Accordingly, any increase or decrease in their values would be recorded in the revaluation reserve rather than in the consolidated statement of profit or loss.
(viii) Bargain purchase gain arising from the acquisition of an additional interest in a joint venture company was calculated principally by reference to the market value of the underlying properties portfolio of the joint venture company in comparison with the consideration paid.

Recurring underlying profit is provided below to show the effect of significant non-recurring items.

	2024 HK$M	2023 HK$M
Underlying profit attributable to the Company's shareholders	**10,471**	36,177
Significant non-recurring items:		
Gain on disposals of interests in investment properties	**(237)**	(3,513)
Gain on disposals of property, plant and equipment, intangible assets and other investments	**(299)**	(23,425)
Net remeasurement gains on investments	**(592)**	–
Fair value gain of investments	**(155)**	–
Impairment of property, plant and equipment, right-of-use assets, investments and stocks	**96**	1,210
Recurring underlying profit (Note)	**9,284**	10,449

Note:
A more detailed definition is provided in the Glossary on page 254.

Recurring underlying profit by division is provided below.

	2024 HK$M	2023 HK$M
Property	**5,272**	5,942
Beverages	**1,388**	2,394
Aviation		
Cathay group (Note)	**3,978**	3,083
HAECO group and others (Note)	**654**	443
Trading & Industrial	**211**	299
Head Office, Healthcare and others	**(2,219)**	(1,712)
Recurring underlying profit	**9,284**	10,449

Note:
Including consolidation adjustments.

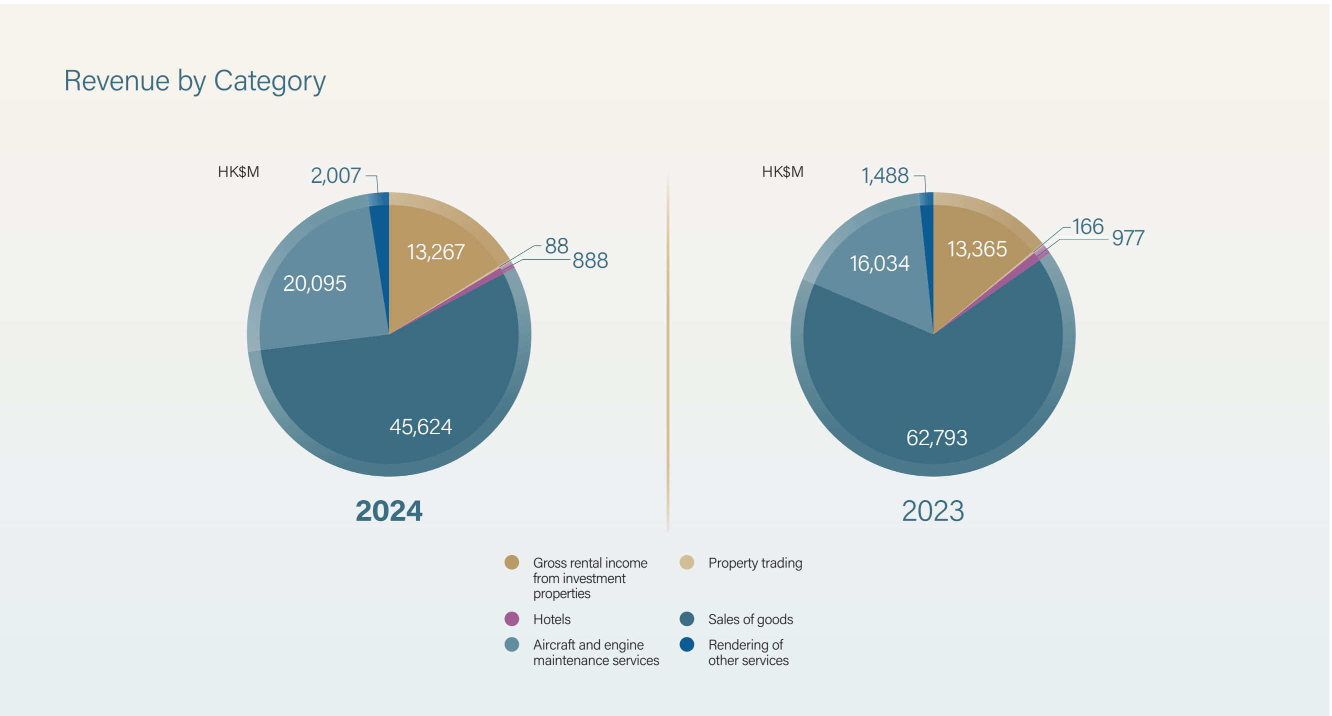
Commentary on and Analysis of Major Balances and Year on Year Variances in the Financial Statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes to the Financial Statements	**2024 HK$M**	2023 HK$M	Increase/(Decrease) HK$M	Increase/(Decrease) %
Revenue	4	**81,969**	94,823	(12,854)	-14%
Cost of sales	6	**(51,506)**	(59,674)	8,168	14%
Expenses	6	**(21,064)**	(23,717)	2,653	11%
Other net gains[(i)]	5	**815**	22,049	(21,234)	-96%
Change in fair value of investment properties		**(5,974)**	(2,860)	(3,114)	-109%
Operating profit		**4,240**	30,621	(26,381)	-86%
Net finance charges	9	**(2,411)**	(2,026)	(385)	-19%
Share of profits of joint venture companies	20(a)	**1,621**	617	1,004	163%
Share of profits of associated companies	20(b)	**4,335**	3,558	777	22%
Taxation	10	**(3,084)**	(2,932)	(152)	-5%
Profit for the year		**4,701**	29,838	(25,137)	-84%
Profit attributable to the Company's shareholders	35	**4,321**	28,853	(24,532)	-85%
Underlying profit attributable to the Company's shareholders	11	**10,471**	36,177	(25,706)	-71%

Note:
(i) The 2023 figures include the gain on disposals of SCCU of HK$23,103 million and the impairment charges on interests in joint venture and associated companies of HK$925 million.

Revenue



The decrease in revenue of HK$12,854 million in 2024 principally reflected lower revenue from Swire Coca-Cola (HK$15,235 million), the trading & industrial businesses (HK$1,514 million) and the Property Division (HK$242 million), partly offset by higher revenue from the HAECO group (HK$3,875 million) and inclusion of healthcare revenue as it became subsidiaries of the Group (HK$279 million).

In the Property Division, gross rental income from property investment decreased by HK$98 million in 2024. In Hong Kong, gross rental income decreased mainly reflecting a weak office market with subdued demand and a surplus supply, and loss of rental income arising from the disposal of nine floors of One Island East in December 2023. In the Chinese Mainland, gross rental income increased mainly because of tenant mix improvements in some of the malls after the completion of renovations and the full year contribution arising from the completion of the acquisition of the remaining 35% interest in Taikoo Li Chengdu in February 2023. In the USA, gross rental income increased principally due to the improvement in base rent with an improved tenant mix and higher opening rate. Revenue from property trading declined by HK$78 million compared to 2023 because of a reduction in the number of units sold. Property trading revenue in 2024 represented the proceeds of sales of 2 units at EIGHT STAR STREET in Hong Kong. Revenue from hotels dropped by 9% as hotels in Hong Kong experienced challenges due to a slower-than-expected recovery of visitors while the performance of hotels in the Chinese Mainland remained stable, except for the loss of revenue arising from the closure of The Opposite House in Beijing since June 2024.

In Swire Coca-Cola, sales revenue dropped after the disposal of the franchise business in the USA. Excluding the revenue from SCCU in both years, revenue increased by 8%, primarily due to contribution from the newly acquired franchise businesses in Thailand and Laos. In the Chinese Mainland, despite a drop in sales volume, there was an uptick in the revenue. The revenue in Hong Kong remained flat. Revenue increased in Taiwan, reflecting effective revenue growth management. In Vietnam, revenue was hampered by an intense market competition and unfavourable exchange rate movements, while that of Cambodia was slightly ahead of 2023.

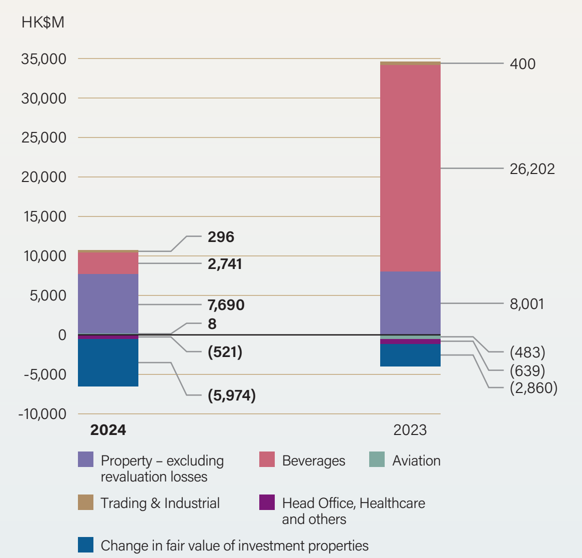
In the Aviation Division, revenue of the HAECO group grew by 22%. This principally reflected a strong demand for engine overhaul, a continuous recovery of line maintenance and more base maintenance manhours sold, partly offset by the loss of revenue from the cabin business which was disposed of in 2023.

Revenue of HK$279 million in the healthcare business represented the hospital services from DeltaHealth since the acquisition in April 2024.

In the trading & industrial businesses, revenue decreased by 14%, mainly due to lower sales at Swire Resources and fewer vehicles sold at Taikoo Motors.

Operating Profit

Operating Profit/(Loss)



The fair value loss on investment properties was HK$5,974 million in 2024. The loss in 2024 principally reflected lower rents from the investment properties in Hong Kong, partly offset by a fair value gain from investment properties in the Chinese Mainland due to higher rents from some of the malls and the reduction of capitalisation rate of certain investment properties, as well as a fair value gain at Brickell City Centre in the USA. The operating profit in 2024 included net remeasurement gains (including related exchange gains) of HK$710 million, as well as provisions of HK$547 million and impairment charges of HK$157 million in respect of the exit of the ITM operation, as compared to net divestment gains of HK$23,234 million and impairment charges of HK$1,304 million in 2023. Disregarding changes in the fair value of investment properties and the aforementioned non-recurring items in both years, operating profit decreased by HK$1,343 million in 2024. The decrease reflected the absence of operating profit from SCCU, lower operating profits from the Property Division and trading & industrial businesses, as well as an operating loss from the healthcare business.

The Property Division's operating profit (disregarding changes in the fair value of investment properties) decreased by HK$311 million. Income from property investment was weaker while administrative and selling expenses increased compared to 2023, principally reflecting high sales and marketing expenses on trading properties and inflation in 2024.

At Swire Coca-Cola, the 2024 operating profit included a gain on acquisition of the Thailand and Laos businesses of HK$769 million while the 2023 operating profit included HK$23,103 million gain on disposal of SCCU, HK$4 million gain related to the restructuring of CCBMH and HK$239 million provision in respect of a joint venture company. Disregarding these non-recurring items in both years and the operating profit from the USA business prior to the disposal, the operating profit increased by HK$391 million, primarily reflecting the contribution from Thailand and Laos after becoming subsidiary companies and higher contribution from the Chinese Mainland.

In the Aviation Division, the operating profit in 2024 included the provision and fixed asset impairment for exiting the ITM operation, while that in 2023 included an impairment charge on interests in a joint venture company. Disregarding these non-recurring items, operating profit of the HAECO group increased driven by the strong performances at airframe, engine and component businesses.

The operating profit for trading & industrial businesses was HK$296 million in 2024, 26% behind the prior year, primarily as a result of lower contributions from Swire Resources and Taikoo Motors.

The healthcare business recorded an operating loss as a result of the consolidation of DeltaHealth operation after the acquisition of a controlling stake.

Net Finance Charges

The increase in net finance charges reflected mainly higher level of borrowings in Hong Kong and the Chinese Mainland.

Share of Profits of Joint Venture Companies

The Property Division reported a bargain purchase gain arising from the acquisition of an additional interest in a joint venture company of HK$566 million in 2024. Disregarding the non-recurring item, the profits from joint venture companies rose by HK$14 million. This principally reflected the lower fair value loss on investment properties of HK$138 million in 2024, partly offset by the loss of contribution from Taikoo Li Chengdu as joint venture companies after becoming subsidiary companies of the Group.

At Swire Coca-Cola, profits from joint venture companies increased mainly due to eight months of share of profit from the Thailand and Laos franchise businesses.

In the Aviation Division, profits from joint venture companies in the HAECO group increased, principally reflected a gain on disposal of net assets at an airframe joint venture company operating in the Chinese Mainland and more engines being overhauled at HAESL.

Share of Profits of Associated Companies

Performance of the Cathay group remained strong with a share of profit of HK$4,449 million in 2024, an increase of HK$44 million from 2023. This reflected an ongoing robust travel demand, as well as increased flight frequency and destinations. Passenger revenue increased by 12%. Capacity increased, partly offset by lower load factor and yield. Profits from associates also improved.

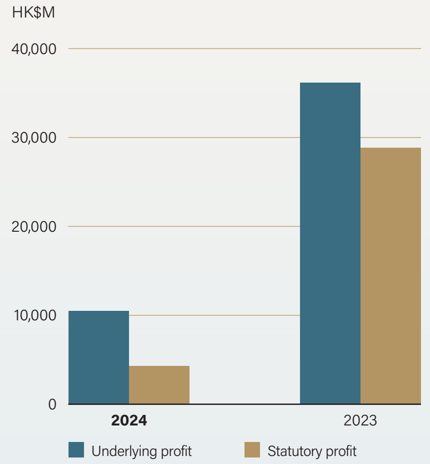
In the Property Division, the share of result from associated companies improved principally reflecting the fair value gain in respect of investment properties, compared to a fair value loss in 2023.

In the healthcare business, the share of losses of associated companies decreased from 2023, principally due to the absence of loss from DeltaHealth as associated companies after the change to subsidiary companies during 2024.

Taxation

The increase in taxation reflected an increase in deferred tax in relation to the fair value changes in respect of investment properties in the Chinese Mainland and the USA, partly offset by the absence of tax from SCCU.

Statutory Profit and Underlying Profit Attributable to the Company's Shareholders

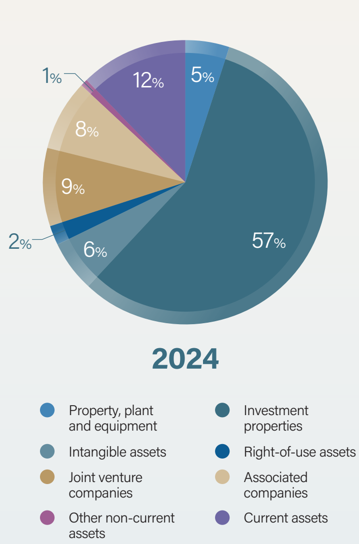


Disregarding investment property valuation adjustments, there is a drop of HK$25,706 million in underlying profit. The decrease in underlying profit principally reflected the absence of a gain from the sale of the USA business at the Beverages Division, lower gain from the sale of interests in investment properties at the Property Division and lower profits from the Property Division and the trading & industrial businesses, partly offset by the strong profit growth at the HAECO group.

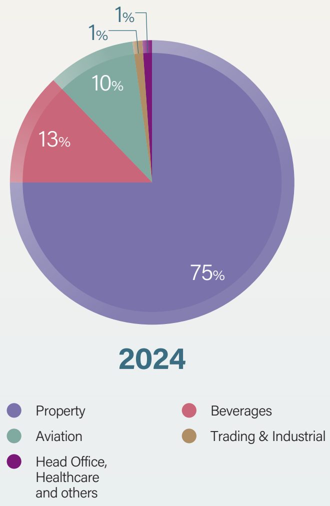
Consolidated Statement of Financial Position

	Notes to the Financial Statements	2024 HK$M	2023 HK$M	Increase/(Decrease) HK$M	%
Property, plant and equipment	14	**23,510**	20,799	2,711	13%
Investment properties	15	**270,950**	280,783	(9,833)	-4%
Intangible assets	16	**31,166**	18,041	13,125	73%
Right-of-use assets	17	**9,041**	8,766	275	3%
Joint venture companies	20(a)	**41,968**	39,332	2,636	7%
Associated companies	20(b)	**36,181**	35,113	1,068	3%
Properties for sale	24	**12,676**	9,121	3,555	39%
Stocks and work in progress	25	**7,948**	6,747	1,201	18%
Contract assets		**1,084**	1,033	51	5%
Trade and other receivables	26	**11,250**	9,020	2,230	25%
Bank balances and short-term deposits	27	**21,028**	14,082	6,946	49%
Assets classified as held for sale	28	**5,022**	543	4,479	825%
Other assets		**4,737**	4,372	365	8%
Total Assets		**476,561**	447,752	28,809	6%
Trade and other payables	29	**36,526**	28,819	7,707	27%
Loans and bonds	30	**91,591**	69,218	22,373	32%
Lease liabilities	31	**5,021**	5,079	(58)	-1%
Deferred tax liabilities	32	**19,799**	16,660	3,139	19%
Liabilities associated with assets classified as held for sale	28	**43**	–	43	N/A
Other liabilities		**4,914**	3,202	1,712	53%
Total Liabilities		**157,894**	122,978	34,916	28%
Net Assets		**318,667**	324,774	(6,107)	-2%
Equity attributable to the Company's shareholders	34, 35	**258,300**	268,129	(9,829)	-4%
Non-controlling interests	36	**60,367**	56,645	3,722	7%
Total Equity		**318,667**	324,774	(6,107)	-2%

Total Assets by Category



Total Assets by Division



Property, Plant and Equipment

The increase in property, plant and equipment principally reflected the value of assets acquired in Thailand and Laos at the Beverages Division and in the healthcare business, as well as capital expenditure in the Chinese Mainland at Swire Coca-Cola, partly offset by disposals and depreciation.

Investment Properties

The decrease in investment properties was principally due to a fair value loss of HK$5,974 million, transfer of certain investment properties to assets classified as held for sale and properties for sale of HK$4,755 million and HK$1,682 million respectively, and foreign exchange translation losses of HK$2,012 million, partly offset by additions during the year of HK$4,641 million. The additions included capital expenditure at the Taikoo Place redevelopment and Six Pacific Place in Hong Kong, Taikoo Li Xi'an, No.387 Tianhe Road in Guangzhou, and other projects in Hong Kong and the Chinese Mainland. The foreign exchange translation losses were principally in respect of investment properties in the Chinese Mainland.

Intangible Assets

The increase in intangible assets in 2024 principally reflected the acquisition of franchise rights and goodwill relating to the Coca-Cola bottling businesses in Thailand and Laos and goodwill from the acquisition of DeltaHealth.

Right-of-Use Assets

The increase in right-of-use assets was mainly due to leases acquired by Swire Coca-Cola and leases signed by the Beverages Division, the HAECO group and the trading & industrial businesses, partially offset by depreciation of existing assets.

Joint Venture Companies and Loans Due from Joint Venture Companies

The increase principally reflected the increase in equity to joint venture companies, the acquisition of additional interest in a joint venture company and movements in loans due from joint venture companies at the Property Division, as well as share of profits of joint venture companies, partly offset by the share of foreign exchange translation losses.

Associated Companies and Loans Due from Associated Companies

The increase principally reflected an increase in the share of net assets from the Cathay group, partly offset by the transfer of DeltaHealth from associated companies to subsidiary companies.

Properties for Sale

The increase in properties for sale principally reflected the transfer of properties at 6 Deep Water Bay Road in Hong Kong from investment property under development, and the development expenditures of The Headland Residences and 269 Queen's Road East in Hong Kong, partly offset by the sales of 2 units at EIGHT STAR STREET in Hong Kong.

Stocks and Work in Progress

The increase in stocks and work in progress was principally due to the acquisition of stocks when the Coca-Cola bottling businesses in Thailand and Laos were acquired, as well as the increase in stocks from the HAECO group and trading & industrial businesses.

Trade and Other Receivables

The increase was mainly due to higher receivable balances from the acquired businesses and deposits received from a development project and placed in escrow at the Property Division.

Bank Balances and Short-Term Deposits/ Loans and Bonds

The increase in net borrowings of HK$15,427 million reflected the drawdown of bank loans and the issuance of medium term notes.

Assets Classified as Held for Sale/ Liabilities Associated with Assets Classified as Held for Sale

Assets classified as held for sale in 2024 mainly represented Swire Properties' interests in certain investment properties in the USA identified for sale. The balance at 2023 year end represented 384 car parking spaces at Taikoo Shing, Hong Kong, which were completely sold during 2024.

Trade and Other Payables

The increase in trade and other payables principally reflected the interest-bearing advances from an associated company at the Property Division, a put option over non-controlling interests from Swire Coca-Cola and higher payable balance from acquired businesses.

Lease Liabilities

Lease liabilities represented the recognition of liabilities relating to leased assets.

Deferred Tax Liabilities

The increase in deferred tax liabilities principally reflected the additional deferred tax from acquired subsidiaries and deferred tax charges for the year, partly offset by foreign exchange translation losses in the Chinese Mainland.

Equity Attributable to the Company's Shareholders

The movement in equity attributable to the Company's shareholders in 2024 consisted of the total comprehensive income for the year attributable to the Company's shareholders (HK$741 million) less dividends paid to shareholders (HK$4,586 million), repurchase of the Company's shares (HK$3,851 million) and equity transactions with shareholders and non-controlling interests at Property, Beverages and Aviation Divisions (HK$2,133 million).

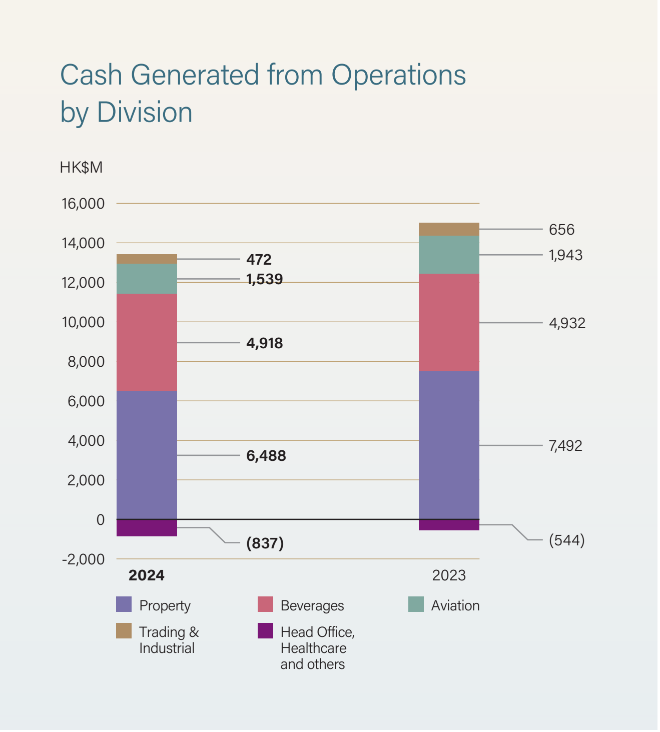
Non-Controlling Interests

Non-controlling interests principally consisted of the 17.5% non-controlling interest in Swire Properties and the newly acquired 44.4% non-controlling interests of the franchise businesses in Thailand and Laos at Swire Coca-Cola.

Consolidated Statement of Cash Flows

	Notes to the Financial Statements	**2024 HK$M**	2023 HK$M	Increase/ (Decrease) HK$M
Cash generated from operations	43(a)	**12,580**	14,479	(1,899)
Net interest paid		**(2,803)**	(2,848)	45
Tax paid		**(2,064)**	(2,142)	78
Dividends received		**2,745**	428	2,317
Investing activities				
Purchase of property, plant and equipment and right-of-use assets	43(b)	**(4,411)**	(3,441)	(970)
Additions of investment properties		**(4,169)**	(2,771)	(1,398)
Purchase of intangible assets		**(154)**	(158)	4
Proceeds from disposals of property, plant and equipment and right-of-use assets		**835**	331	504
Proceeds from disposals of investment properties		**454**	5,291	(4,837)
Proceeds from disposals of subsidiary companies, net of cash disposed of		**–**	30,430	(30,430)
Proceeds from disposals of investments at fair value		**583**	–	583
Payment for acquisition of subsidiary companies, net of cash acquired	42	**(1,819)**	(3,255)	1,436
Purchase of shares in and equity to joint venture companies		**(6,271)**	(1,147)	(5,124)
Purchase of shares in associated companies		**(135)**	(10,477)	10,342
Purchase of investments at fair value		**(400)**	(341)	(59)
Net loans to joint venture companies		**(96)**	(1,476)	1,380
Net loans from/(to) associated companies		**138**	(46)	184
Others		**847**	90	757
Net cash (used in)/generated from businesses and investments		**(4,140)**	22,947	(27,087)
Dividends paid	35, 36	**(6,117)**	(17,572)	11,455
Capital contribution from non-controlling interests		**64**	16	48
Purchase of non-controlling interests		**(755)**	–	(755)
Repurchase of the Company's shares	34	**(3,878)**	(851)	(3,027)
Loans drawn and refinancing	43(c)	**34,925**	23,462	11,463
Repayment of loans and bonds	43(c)	**(12,702)**	(25,886)	13,184
Advances from an associated company	43(c)	**2,049**	–	2,049
Principal elements of lease payments	43(c)	**(965)**	(895)	(70)
Cash paid to shareholders and net funding by/ (repayment of) external debt/lease liabilities		**12,621**	(21,726)	34,347
Increase in cash and cash equivalents		**8,481**	1,221	7,260

Cash Generated from Operations



Tax Paid

The decrease in tax paid in 2024 principally reflected the absence of tax paid by SCCU after disposal in 2023, partly offset by higher tax paid by the Property Division.

Dividends Received

Dividends received in 2024 principally comprised dividends from Cathay Pacific, Swire Coca-Cola Thailand and Laos businesses and HAESL.

Purchase of Property, Plant and Equipment and Right-of-Use Assets

Purchase of property, plant and equipment and right-of-use assets in 2024 principally comprised the purchase of new production, marketing and distribution equipment by Swire Coca-Cola and addition to the new Xiamen airport by the HAECO group.

Additions of Investment Properties

The additions of investment properties in 2024 principally reflected capital expenditure on the Taikoo Place redevelopment, Six Pacific Place, No. 387 Tianhe Road, Guangzhou, Taikoo Li Xi'an and on other projects in Hong Kong and the Chinese Mainland.

Proceeds from Disposals of Property, Plant and Equipment and Right-of-Use Assets

The 2024 and 2023 proceeds from disposals of property, plant and equipment and right-of-use assets represented principally compensation received for the Xiamen airport relocation.

Proceeds from Disposals of Investment Properties

The proceeds from disposals of investment properties in 2024 principally reflected the disposal of Taikoo Shing car parking spaces in Hong Kong.

Proceeds from Disposals of Subsidiary Companies

The 2023 proceeds from disposals of subsidiary companies comprised the proceeds received from the disposal of SCCU and the settlement of a deferred payment for the sale of the Cityplaza One office tower in Hong Kong.

Proceeds from Disposals of Investments at Fair Value

The proceeds from disposals of investments at fair value related to the partial disposal of investments in Cadeler.

Payment for Acquisition of Subsidiary Companies, Net of Cash Acquired

In 2024, the acquisitions mainly represented the acquisition of franchise businesses at Thailand and Laos and the residual payment for the acquisition of bottling businesses at Vietnam and Cambodia by Swire Coca-Cola, as well as the acquisition of the healthcare business of DeltaHealth in the Chinese Mainland.

Purchase of Shares in and Equity to Joint Venture Companies

Purchase of shares in joint venture companies primarily reflected the 39% equity interests in the Thailand and Laos businesses of Swire Coca-Cola, prior to becoming subsidiary companies of the Group and additional interests in Taikoo Place Beijing and other joint venture investments at the Property Division.

Purchase of Non-Controlling Interests

Purchase of non-controlling interests principally represented the funds invested for Swire Properties' share buy-back programme.

Repurchase of the Company's Shares

Purchase of the Company's share represented the funds invested for Swire Pacific's share buy-back programme.

Loans Drawn and Refinancing

In 2024, loans drawn and refinancing comprised new financing under the Group's medium term note programmes and new loans and drawdowns under financing facilities from banks.

Advances from an Associated Company

The amount in 2024 represented interest-bearing advances from an associated company at the Property Division.

Investment Appraisal and Performance Review

	Capital employed		Capital commitments (Note)	
	2024 HK$M	2023 HK$M	**2024 HK$M**	2023 HK$M
Property investment	**289,585**	300,447	**31,064**	24,823
Property trading	**26,108**	17,334	**–**	–
Hotels	**6,266**	6,816	**593**	392
Property – overall	**321,959**	324,597	**31,657**	25,215
Beverages	**28,248**	18,172	**4,773**	4,699
Aviation	**38,310**	37,529	**4,136**	5,297
Trading & Industrial	**2,881**	2,693	**2**	4
Head Office, Healthcare and others	**2,853**	1,998	**468**	932
Total capital employed	**394,251**	384,989	**41,036**	36,147
Less: net debt	**(70,563)**	(55,136)		
Less: lease liabilities	**(5,021)**	(5,079)		
Less: non-controlling interests	**(60,367)**	(56,645)		
Equity attributable to the Company's shareholders	**258,300**	268,129		

	Equity attributable to the Company's shareholders		Return on average equity attributable to the Company's shareholders	
	2024 HK$M	2023 HK$M	**2024**	2023
Property investment	**218,209**	226,552	**-0.1%**	1.0%
Property trading	**3,985**	2,491	**-6.1%**	-4.8%
Hotels	**4,773**	4,536	**-3.5%**	-1.8%
Property – overall	**226,967**	233,579	**-0.3%**	0.9%
Beverages	**30,671**	21,771	**7.8%**	111.4%
Aviation	**35,461**	34,412	**13.4%**	10.3%
Trading & Industrial	**2,257**	2,260	**9.3%**	13.8%
Head Office, Healthcare and others	**(37,056)**	(23,893)		
Total	**258,300**	268,129	**1.6%**	11.0%

Note:
The capital commitments represent the Group's capital commitments plus the Group's share of the capital commitments of joint venture companies.

FINANCING

Capital Structure

The Group aims to maintain a capital structure that is appropriate for long-term credit ratings of A1 to A3 on Moody's scale, A+ to A- on Standard & Poor's scale and A+ to A- on Fitch's scale. Actual credit ratings may depart from these levels from time to time due to macro-economic or other circumstances. At 31st December 2024, the Company's long-term credit ratings were A3 from Moody's, A- from Standard & Poor's and A- from Fitch, and Swire Properties' long-term credit ratings were A2 from Moody's and A from Fitch.

Changes in Financing

Analysis of changes in financing during the year

Audited Financial Information

	Loans and bonds				
	due within one year HK$M	due after one year HK$M	Lease liabilities HK$M	Total 2024 HK$M	Total 2023 HK$M
At 1st January	10,605	58,613	5,079	74,297	73,289
Loans drawn and refinancing	3,100	31,825	–	34,925	23,462
Repayment of loans and bonds	(12,623)	(79)	–	(12,702)	(25,886)
Reclassification	14,718	(14,718)	–	–	–
Principal elements of lease payments	–	–	(965)	(965)	(895)
New leases arranged during the year	–	–	678	678	967
Change in composition of the Group	112	708	401	1,221	2,901
Effect of exchange differences	(161)	(635)	(75)	(871)	75
Other non-cash movements	15	111	(97)	29	384
At 31st December	15,766	75,825	5,021	96,612	74,297

Sources of Finance

Audited Financial Information

At 31st December 2024, committed loan facilities and debt securities amounted to HK$113,658 million, of which HK$22,092 million (19%) were undrawn. In addition, there were lease liabilities amounting to HK$5,021 million. The Group had undrawn uncommitted facilities totalling HK$11,296 million. Sources of gross borrowings at 31st December 2024 comprised:

	Available HK$M	Drawn HK$M	Undrawn expiring within one year HK$M	Undrawn expiring beyond one year HK$M	Total undrawn HK$M
Committed facilities					
Loans and bonds					
Bonds	49,655	49,655	–	–	–
Bank loans	64,003	41,911	2,753	19,339	22,092
Total committed facilities	113,658	91,566	2,753	19,339	22,092
Uncommitted facilities					
Bank loans and overdrafts	11,621	325	11,296	–	11,296
Total	125,279	91,891	14,049	19,339	33,388

Note:
The figures above are stated before unamortised loan fees of HK$300 million.

i) Loans and Bonds

Audited Financial Information

For accounting purposes, the loans and bonds are classified as follows:

	2024			2023		
	Drawn, before unamortised loan fees HK$M	Unamortised loan fees HK$M	Carrying value HK$M	Drawn, before unamortised loan fees HK$M	Unamortised loan fees HK$M	Carrying value HK$M
Short-term loans – unsecured	300	–	300	–	–	–
Long-term loans and bonds at amortised cost	91,591	(300)	91,291	69,531	(313)	69,218
Less: amount due within one year included under current liabilities	(15,473)	7	(15,466)	(10,613)	8	(10,605)
	76,118	(293)	75,825	58,918	(305)	58,613

The maturity of long-term loans and bonds is as follows:

	2024 HK$M	2023 HK$M
Bank loans (secured)		
Repayable within one year	513	94
Repayable between one and two years	690	463
Repayable between two and five years	2,680	1,354
Repayable after five years	560	809
Bank loans (unsecured)		
Repayable within one year	4,531	6,369
Repayable between one and two years	11,211	1,968
Repayable between two and five years	21,605	16,056
Other borrowings (unsecured)		
Repayable within one year	10,422	4,142
Repayable between one and two years	9,298	10,563
Repayable between two and five years	21,427	17,613
Repayable after five years	8,354	9,787
	91,291	69,218
Amount due within one year included under current liabilities	(15,466)	(10,605)
	75,825	58,613

	2024 HK$M	2023 HK$M
The maturity of lease liabilities is as follows:		
Within one year	912	873
Between one and two years	700	673
Between two and five years	1,261	1,200
Over five years	2,148	2,333
	5,021	5,079
Amount due within one year included under current liabilities	(912)	(873)
	4,109	4,206

ii) Bank Balances and Short-Term Deposits

The Group had bank balances and short-term deposits of HK$21,028 million at 31st December 2024 compared to HK$14,082 million at 31st December 2023.

Maturity Profile and Refinancing

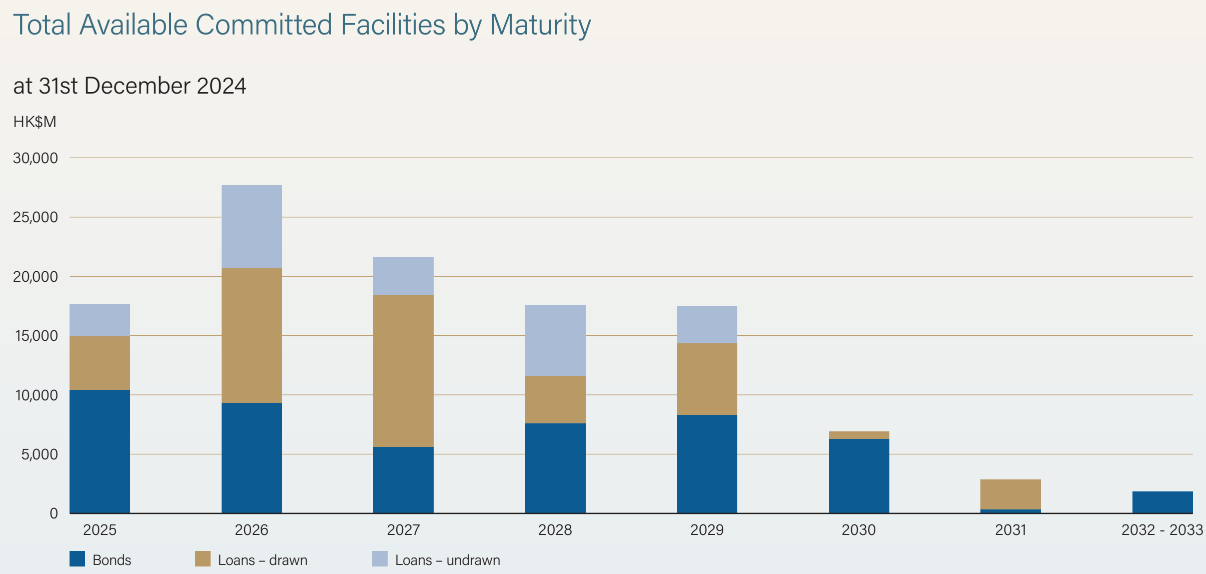
Bank loans and other borrowings are repayable on various dates up to 2033 (2023: 2033).

The weighted average term and cost of the Group's debt is:

	2024	2023
Weighted average term of debt	**2.7 years**	2.9 years
Weighted average cost of debt (Note)	**4.0%**	4.0%

Note:
On a gross debt basis.

The maturity profile of the Group's available committed loan facilities and debt securities is set out below:



Currency Profile

An analysis of the carrying amounts of gross borrowings and lease liabilities by currency (after cross-currency swaps) is shown below:

Audited Financial Information

	2024					2023				
	Loans and bonds HK$M	%	Lease liabilities HK$M	%	Total HK$M	Loans and bonds HK$M	%	Lease liabilities HK$M	%	Total HK$M
Currency										
Hong Kong dollar	66,938	73%	2,679	54%	69,617	50,924	74%	2,907	57%	53,831
Renminbi	20,840	23%	860	17%	21,700	14,755	21%	1,113	22%	15,868
United States dollar	3,523	4%	211	4%	3,734	3,539	5%	195	4%	3,734
Others	290	0%	1,271	25%	1,561	–	0%	864	17%	864
Total	91,591	100%	5,021	100%	96,612	69,218	100%	5,079	100%	74,297

Finance Charges

Audited Financial Information

At 31st December 2024, 64% of the Group's gross borrowings were on a fixed rate basis and 36% were on a floating rate basis (2023: 76% and 24%).

The exposure of the Group's loans and bonds to interest rate changes (after interest rate swaps) can be illustrated as follows:

		Fixed interest rate maturing in:			
	Floating interest rate HK$M	1 year or less HK$M	1 to 5 years HK$M	Over 5 years HK$M	Total HK$M
At 31st December 2024	33,273	10,723	39,240	8,355	91,591
At 31st December 2023	16,504	6,346	36,581	9,787	69,218

Finance Charges (continued)

Audited Financial Information

Interest charged and earned during the year was as follows:

	2024 HK$M	2023 HK$M
Interest charged		
Bank loans and overdrafts	1,688	1,494
Other loans and bonds	1,537	1,466
Fair value (gain)/loss on derivative instruments		
Cross-currency and interest rate swaps: cash flow hedges, transferred from other comprehensive income	(68)	(57)
Cross-currency swaps not qualifying as hedges	(1)	6
Amortised loan fees – loans at amortised cost	127	110
	3,283	3,019
Lease liabilities	189	201
Fair value loss on put options over non-controlling interests in subsidiary companies	49	9
Other financing costs	184	163
Capitalised on		
Investment properties	(407)	(510)
Properties for sale	(314)	(270)
	2,984	2,612
Less: interest income		
Short-term deposits and bank balances	391	411
Other loans	182	175
	573	586
Net finance charges	2,411	2,026

The capitalised interest rates on loans and bonds borrowed for the development of investment properties and properties for sale were between 3.10% and 6.20% per annum (2023: 3.20% and 6.20% per annum).

The amount transferred from other comprehensive income in respect of cash flow hedges in 2024 included HK$35 million relating to currency basis (2023: HK$24 million).

The total interest charged on borrowings held at amortised cost (after interest rate swaps) was HK$3,283 million (2023: HK$3,019 million).

The interest rates per annum, before swaps, at the year-end date were as follows:

	2024				2023			
	HK$ %	RMB %	US$ %	Others %	HK$ %	RMB %	US$ %	Others %
Short-term loans	–	–	–	1.96-2.00	–	–	–	–
Long-term loans and bonds	2.00-6.80	2.75-3.95	2.88-5.46	0.88	2.00-6.64	2.75-3.85	2.88-6.48	0.58

Covenants and Credit Triggers

Audited Financial Information

There are no specific covenants given by the Group in relation to its debt facilities which would require debt repayment or termination of a facility should its credit rating be revised by the credit rating agencies.

The Company has given financial covenants in respect of gearing limits and maintenance of minimum consolidated net worth, to secure funding for itself and its subsidiaries. These covenants are set out below:

	Covenant requirements	**2024**	2023
Gearing			
Consolidated borrowed money/consolidated net worth	≤200%	**22.1%**	17.0%
Consolidated borrowed money and lease liabilities/consolidated net worth	≤200%	**23.7%**	18.5%

	HK\$M	**HK\$M**	HK\$M
Maintenance of minimum consolidated tangible net worth			
Consolidated tangible net worth	≥20,000	**287,501**	306,733

These financial covenants, together with long-term credit rating objective, establish the framework within which the capital structure of the Group is determined.

To date, none of the covenants have been breached.

Capital Management

Audited Financial Information

The Group's primary objectives when managing capital are to safeguard the Group's ability to operate as a going concern, so that it can continue to provide returns for shareholders, and to secure access to finance at a reasonable cost.

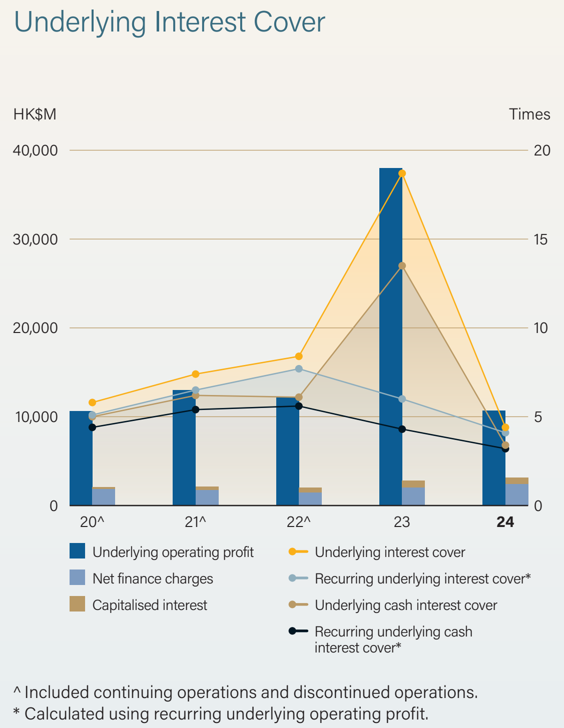
The Group considers a number of factors in monitoring its capital structure, principally the gearing ratio, cash interest cover and the return cycle of its investments. For the purpose of the gearing ratio, the Group defines net debt as total borrowings (comprising borrowings net of security deposits) less short-term deposits and bank balances. Capital comprises total equity, as shown in the consolidated statement of financial position.

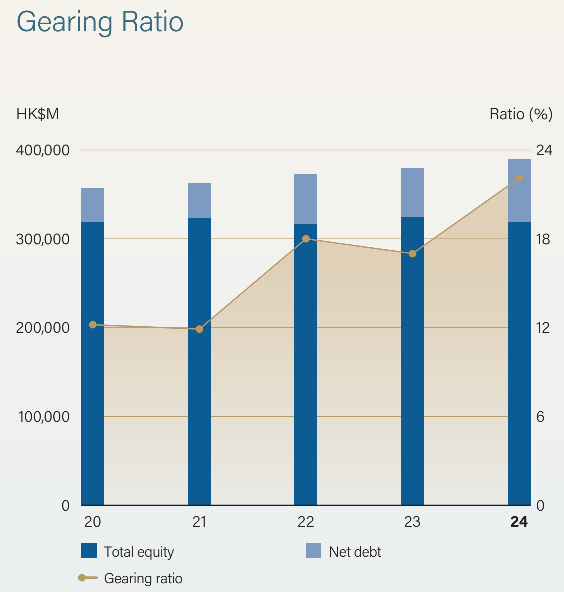
In order to maintain or adjust the gearing ratio, the Group may adjust the amount of dividends paid to shareholders, repurchase shares, raise new debt financing or sell assets to reduce debt. The gearing ratios at 31st December 2024 and 31st December 2023 were as follows:

	2024 HK\$M	2023 HK\$M
Total borrowings	**91,591**	69,218
Less: short-term deposits and bank balances	**(21,028)**	(14,082)
Net debt	**70,563**	55,136
Total equity	**318,667**	324,774
Gearing ratio	**22.1%**	17.0%
Gearing ratio – including lease liabilities (Note)	**23.7%**	18.5%
Interest cover – times	**1.8**	15.1
Cash interest cover – times	**1.4**	10.9
Underlying cash interest cover – times	**3.4**	13.5
Return on average equity attributable to the Company's shareholders	**1.6%**	11.0%

Note:
Lease liabilities amounted to HK\$5,021 million at 31st December 2024 compared to HK\$5,079 million at 31st December 2023 (refer to note 31 to the financial statements).

The following graphs illustrate the underlying interest cover and the gearing ratios for each of the last five years:





Debt in Joint Venture and Associated Companies

In accordance with Hong Kong Financial Reporting Standards, the net debt of Swire Pacific reported in the consolidated statement of financial position does not include the share of net debt in its joint venture and associated companies. These companies had the following net debt positions at the end of 2024 and 2023:

	Total net debt/(cash) of joint venture and associated companies		Portion of net debt/(cash) shared by the Group		Debt guaranteed by Swire Pacific or its subsidiaries	
	2024 HK$M	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M
Property	**17,996**	17,239	**6,572**	5,620	**4,145**	3,996
Beverages	**(1,754)**	(2,209)	**(726)**	(922)	**–**	–
Aviation						
Cathay group	**30,063**	23,765	**13,524**	15,080	**–**	–
HAECO group	**573**	431	**365**	260	**–**	–
Trading & Industrial	**(32)**	(33)	**(13)**	(13)	**–**	–
Head Office, Healthcare and others	**1,367**	2,089	**228**	428	**–**	–
	48,213	41,282	**19,950**	20,453	**4,145**	3,996

If the share of net debt in joint venture and associated companies were to be added to the Group's net debt, gearing would rise to 28.4% at 31st December 2024 (2023: 23.3%).

The lease liabilities of these companies at the end of 2024 and 2023 were as follows:

	Total lease liabilities of joint venture and associated companies		Portion of lease liabilities shared by the Group	
	2024 HK$M	2023 HK$M	**2024 HK$M**	2023 HK$M
Property	**259**	117	**106**	47
Beverages	**54**	84	**29**	45
Aviation				
Cathay group	**27,878**	28,999	**12,541**	13,048
HAECO group	**3**	11	**1**	6
Head Office, Healthcare and others	**104**	249	**17**	5
	28,298	29,460	**12,694**	13,151

Financial Risk Management

Audited Financial Information

Structure and Policies

In the normal course of business the Group is exposed to financial risks attributable to interest rates, currencies, credit, commodities and liquidity.

The Finance Committee oversees the management of the Group's financial risks, including setting the Group's financial risk profile and related risk management policies and procedures, within an agreed framework authorised by the Board. These policies and procedures are implemented by the head office treasury department and divisional finance functions. The Finance Committee consists of the Finance Director, Divisional Finance Directors and other senior finance executives. The Finance Committee meets quarterly to review financial risks at Group and divisional levels. In 2024, the Finance Committee met four times.

The treasury department manages the funding needs of the Group's non-listed subsidiaries, as well as resulting interest rate, currency, credit and liquidity risks. Operating subsidiaries manage currency, credit and commodity exposures that are specific to their trading transactions.

It is the Group's policy not to enter into derivative transactions for speculative purposes. Derivatives are used solely for management of an underlying risk and the Group minimises its exposure to market risk by applying hedge accounting for derivative instruments. By applying hedge accounting, gains and losses on derivatives offset the losses and gains on the assets, liabilities or transactions being hedged. Accounting for derivative financial instruments and hedging activities is discussed on pages 194 to 196.

The Group's listed subsidiary (Swire Properties Limited) and the Group's joint venture and associated companies arrange their financial and treasury affairs on a stand-alone basis. The Company may provide financial support by way of guarantees to its non-listed joint venture and associated companies in cases where significant cost savings are available and risks are acceptable.

Interest Rate Exposure

The Group's interest rate risk arises primarily from borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group earns interest income on cash deposits and some loans due from joint venture and associated companies.

Financial Risk Management (continued)

Audited Financial Information (continued)

The Group maintains a significant proportion of debt on a fixed rate basis with a view to increasing certainty of funding costs. The level of fixed rate debt for the Group is decided after taking into consideration the potential impact of higher interest rates on profit, interest cover and the expected cash flows of the Group's businesses and investments. The Group uses interest rate swaps to manage its long-term interest rate exposure. The Finance Directors of the Group and Swire Properties Limited approve all interest rate hedges prior to implementation.

On a quarterly basis, the treasury department calculates the effect of the Group's exposure to interest rate fluctuations on forecast earnings and cash flows by performing sensitivity testing with varying forecast interest rates. The treasury department reports the results of this testing to the Finance Committee. Refer to page 150 for details of the sensitivity testing performed at 31st December 2024.

Currency Exposure

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States dollars and Chinese Renminbi. Foreign exchange risk arises from the foreign currency denomination of commercial transactions, assets and liabilities, and net investments in foreign operations.

The Group's policy is to hedge in full all highly probable transactions in each major currency where their value or time to execution gives rise to a significant currency exposure, provided that the cost of the foreign exchange forward or other derivative contract is not prohibitively expensive having regard to the underlying exposure.

Exposure to movements in exchange rates on transactions is minimised by using appropriate hedging instruments where active markets for the relevant currencies exist. At 31st December 2024, the Group had hedged its significant foreign currency funding exposures, by fixing the foreign exchange rates with forward contracts and cross-currency swaps.

Exposure arising from the Group's investments in operating subsidiaries with net assets denominated in foreign currencies is reduced, where practical, by providing funding in the same currency.

Foreign currency funding and deposit exposure is monitored by the treasury department on a continuous basis. The Finance Directors of the Group and Swire Properties Limited approve all foreign currency hedges prior to implementation.

Refer to page 151 for a sensitivity analysis of the Group's exposure to currency risk arising from recognised financial assets or financial liabilities denominated in a currency other than the functional currency at 31st December 2024.

Credit Exposure

The Group's credit risk is primarily attributable to trade and other receivables with wholesale customers, derivative financial instruments, receivables from joint venture companies and associated companies and cash and deposits with banks and financial institutions. Individual operating entities are responsible for setting credit terms appropriate to their industry and assessing the credit profile of individual customers.

Standard settlement terms within the Beverages Division and the HAECO group are 30 days from the date of invoice. In accordance with the provisions of Swire Properties' standard tenancy agreements, rentals and other charges are due on the first day of each calendar month. For hospital operation, the credit terms for insurance companies are generally within 1 month to 6 months, while payment in advance is normally required for individual customers. Typically sales to retail customers within Swire Resources are made by cash or major credit cards. The Group has no significant credit risk with any one customer.

Financial Risk Management (continued)

Audited Financial Information (continued)

When depositing surplus funds or entering into derivative contracts, the Group controls its exposure to non-performance by counterparties by dealing with investment grade counterparties to the extent possible, setting approved counterparty limits and applying monitoring procedures. Counterparty credit exposure limits for financial institutions are proposed by the treasury department and approved by the Finance Director. The treasury department monitors the counterparties' credit ratings and issues an approved list of counterparties with their limits on a quarterly basis to all subsidiaries. Group companies require prior approval from the Group's treasurer to deal with banks not on the approved list. In addition, the Group and the Company monitor the exposure to credit risk in respect of the financial assistance provided to subsidiaries, joint venture companies and associated companies through exercising control or significant influence over their financial and operating policy decisions and reviewing their financial positions on a regular basis.

The Group is not required by its counterparties to provide collateral or any other form of security against any change in the market value of derivatives. There are no specific conditions that would require the termination of derivative contracts should the credit rating of Swire Pacific be downgraded.

The maximum credit risk in respect of contingencies is disclosed in note 39 to the financial statements.

Liquidity Risk

The Group takes liquidity risk into consideration when deciding its sources of funds and their tenors, so as to avoid over reliance on funds from any one source and to prevent substantial refinancing in any one period. The Group maintains significant undrawn committed revolving credit facilities and cash deposits in order to reduce liquidity risk further and to allow for flexibility in meeting funding requirements.

The Group aims to maintain immediate access to committed funds to meet its refinancing for the following nine months on a rolling basis and capital commitments for the following 12 months on a rolling basis.

The treasury departments of Swire Pacific and its listed subsidiary (Swire Properties Limited) produce a forecast funding plan for the Group on a quarterly basis and a summary forecast on a monthly basis, in order to assess committed and probable funding requirements. The plan includes an analysis of debt refinancing by year and by source of funds. The Group's treasurer presents the forecast funding plan together with funding proposals to the Finance Director on a regular basis, and to the Finance Committee. Refer to page 152 for details of the Group's contractual obligations at 31st December 2024.

Price Risk

The Group is exposed to price risk in relation to listed equity securities held as equity investments at fair value. Management regularly reviews the expected returns from holding such investments, on an individual basis.

CORPORATE GOVERNANCE REPORT

Corporate and Governance Culture

Swire Pacific is committed to ensuring that its affairs are conducted in accordance with its corporate and governance culture and values of integrity, originality, excellence, humility, teamwork, continuity and high ethical standards, which form a coherent set of principles that are relevant across the Company's business and underpin everything it does. This reflects its belief that, in the achievement of its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, Swire Pacific believes that shareholder value will be maximised in the long term and that its employees, those with whom it does business and the communities in which it operates will all benefit.

Corporate governance is the process by which the Board instructs management of the Group to conduct its affairs with a view to ensuring that its objectives are met. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to shareholders
- that the interests of those who deal with the Company are safeguarded
- that overall business risk is understood and managed appropriately
- the delivery of high-quality products and services to the satisfaction of customers
- that high standards of ethics are maintained
- a commitment to sustainable development which supports long-term growth.

The Board provides guidance to management by defining the purpose, values and strategic direction of the Group, and plays an important role in establishing and instilling a culture that reinforces the values of acting lawfully, ethically and responsibly. The Company's Corporate Code of Conduct ensures that the corporate culture and expected behaviours are clearly communicated to everyone in the Group. Appropriate policies and procedures are in place to promote and reinforce the need for employees and others who deal with the Company to act with honesty and integrity and to raise concerns about actual or suspected cases of impropriety. Indicators used for assessing and monitoring social and corporate governance related data (including staff turnover rates, whistleblowing data, and breaches of the Company's Corporate Code of Conduct) are set out in the 2024 Sustainability Report of the Company. The Group offers competitive remuneration and benefits designed to attract, motivate and retain talented people at all levels. Having regard to the corporate culture reflected in the policies and practices of the Group, the Board is satisfied that the purpose, values and strategic directions of the Group are aligned with its culture.

Corporate Governance Statement

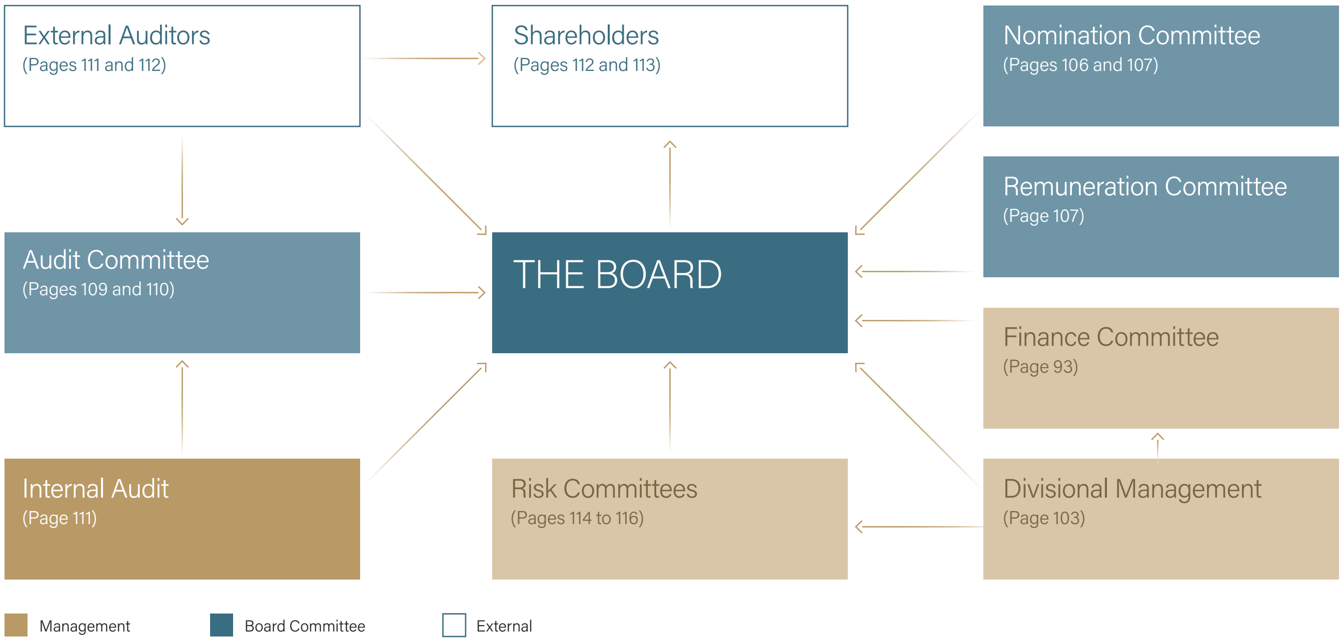
The Corporate Governance Code (the CG Code) as published by The Stock Exchange of Hong Kong Limited sets out the principles of good corporate governance and provides two levels of recommendation:

- code provisions, with which issuers are expected to comply, but with which they may choose not to comply, provided they give considered reasons and explanations for non-compliance
- recommended best practices, with which issuers are encouraged to comply, but which are provided for guidance only.

The Company supports the principles-based approach of the CG Code and the flexibility this provides for the adoption of corporate policies and procedures which recognise the individuality of companies. Swire Pacific has adopted its own corporate governance code which is available on its website (www.swirepacific.com). Corporate governance does not stand still; it evolves with the business and operating environment. The Company is always ready to learn and adopt best practices. As part of its commitment to enhance corporate governance standards within the region, Swire Pacific is a member of the Asian Corporate Governance Association.

The Company complied with all the code provisions set out in the CG Code contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Listing Rules) throughout the year covered by the annual report.

Governance Structure



Note:
The Risk and Finance Committees report to the Board through the Audit Committee.

The Board of Directors

Role of the Board

The Company is governed by a Board of Directors, which has responsibility for strategic leadership and control of the Group designed to maximise shareholder value, while taking due account of the interests of those with whom the Group does business and others.

Responsibility for achieving the Company's objectives and running the business on a day-to-day basis is delegated to divisional management. The Board exercises a number of reserved powers which include:

- maintaining and promoting the culture of the Company
- formulation of long-term strategy
- approving public announcements, including financial statements
- committing to major acquisitions, divestments and capital projects
- authorising significant changes to the capital structure and material borrowings
- any issue, or buy-back, of equity securities under the relevant general mandates
- approving treasury policy
- setting dividend policy
- approving appointments to the Board
- ensuring that appropriate management development and succession plans are in place
- setting the Group remuneration policy
- approving annual budgets and forecasts
- reviewing operational and financial performance
- reviewing the effectiveness of the Group's risk management and internal control systems
- ensuring the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting and environmental, social and governance (ESG) functions
- overseeing sustainable development matters.

To assist it in fulfilling its duties, the Board has three primary committees, the Audit Committee (see pages 109 and 110), the Nomination Committee (see pages 106 and 107) and the Remuneration Committee (see page 107).

Chairman and Chief Executive

The CG Code requires that the roles of Chairman and Chief Executive be separate and not performed by the same individual to ensure there is a clear division of responsibilities between the running of the Board and the executives who run the business.

Guy Bradley, the Chairman, is responsible for:

- leadership of the Board
- setting its agenda and taking into account any matters proposed by other Directors for inclusion in the agenda
- facilitating effective contributions from and dialogue with all Directors and constructive relations between them
- ensuring that all Directors are properly briefed on issues arising at Board meetings and that they receive accurate, timely and clear information
- obtaining consensus amongst the Directors
- ensuring, through the Board, that good corporate governance practices and procedures are followed.

Each division of the Group has one or more executive directors who are responsible for implementing the policies and strategies set by the Board in order to ensure the successful day-to-day management of the Group's individual businesses (see page 103).

Throughout the year, there was a clear division of responsibilities between the Chairman and the respective Chief Executives responsible for the divisions of the Group.

Board Composition

The Board is structured with a view to ensuring it is of a high calibre and has a balance of skills, experience and diversity of perspectives appropriate to the Company's business so that it works effectively as a team, and that individuals or groups do not dominate any decision-making.

The Board comprises the Chairman, three other Executive Directors and eight Non-Executive Directors. Their biographical details are set out in the section of this annual report headed Directors and Officers and are posted on the Company's website.

Guy Bradley, David Cogman, Patrick Healy and Martin Murray are directors and/or employees of the John Swire & Sons Limited (Swire) group. Gordon McCallum and Merlin Swire are shareholders, directors and employees of the Swire group. Before he ceased to be a Director of the Company, Zhang Zhuo Ping was a director and an employee of the Swire group.

The Non-Executive Directors bring independent advice, judgement and, through constructive challenge, scrutiny of executives and review of performance and risks. The Audit, Nomination and Remuneration Committees of the Board comprise only Non-Executive Directors.

Six of the eight Non-Executive Directors are Independent Non-Executive Directors, which represent at least one-third of the Board of Directors.

The Independent Non-Executive Directors:

- provide open and objective challenge to management and other Board members
- raise intelligent questions and challenge constructively and with vigour
- bring outside knowledge of the businesses and markets in which the Group operates, providing informed insight and responses to management.

Board Independence

The Company has in place effective mechanisms to ensure that independent views and input are available to the Board. The Nomination Committee, a majority of which is comprised of Independent Non-Executive Directors, assesses the suitability and independence of potential candidates to be appointed as Independent Non-Executive Directors and reviews the independence of each Independent Non-Executive Director annually. The Independent Non-Executive Directors meet with the Chairman at least once annually without the presence of other Directors and they can interact with management and other Directors including the Chairman through formal and informal means. Independent professional advice is also available to all Directors whenever necessary. A review of these mechanisms is conducted on an annual basis to ensure their effectiveness.

Confirmation has been received from all Independent Non-Executive Directors that they are independent as regards the factors set out in Rule 3.13 of the Listing Rules. None of them holds cross-directorships or has significant links with other Directors through involvements in other companies or bodies. The Board considers that all of the Independent Non-Executive Directors are independent in character and judgement.

Rose Lee and Gordon Orr have served as Independent Non-Executive Directors for more than nine years. The Directors are of the opinion that they remain independent, notwithstanding their length of tenure. Rose Lee and Gordon Orr continue to demonstrate the attributes of an Independent Non-Executive Director noted above and there is no evidence that their tenure has had any impact on their independence. During their tenure, Rose Lee and Gordon Orr were not involved in the daily management of the Company nor in any relationship or circumstances which would materially interfere with their exercise of independent judgement. Rose Lee has not held any interests in the shares of the Company and Gordon Orr holds not more than 1% of the number of issued shares of the Company. They have demonstrated strong independence by providing impartial views and exercising independent judgment at Board and Board committee meetings. Drawing upon experience and skills acquired through their other directorships and offices, they are also capable of bringing fresh and objective perspectives to the Board. The Board believes that their detailed knowledge of the Group's business and their external experience continue to be of significant benefit to the Company, and that they maintain an independent view of its affairs.

Taking into account all of the circumstances described in this section, the Company considers all of the Independent Non-Executive Directors to be independent as regards the factors set out in Rule 3.13 of the Listing Rules.

Responsibilities of Directors

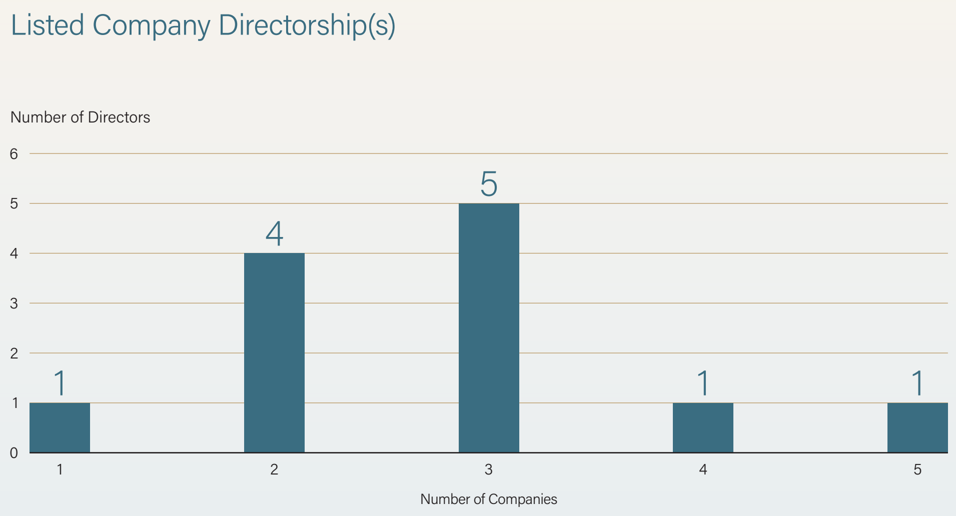
On appointment, the Directors receive information about the Group including:

- the role of the Board and the matters reserved for its attention
- the role and terms of reference of Board committees
- the Group's corporate governance practices and procedures
- the powers delegated to management
- the latest financial information.

Directors update their skills, knowledge and understanding of the Company's businesses through their participation at meetings of the Board and its committees and through regular meetings with management at the head office and in the divisions. Directors are regularly updated by the Company Secretary on their legal and other duties as Directors of a listed company.

Through the Company Secretary, Directors are able to obtain appropriate professional training and advice.

Each Director ensures that he/she can give sufficient time and attention to the affairs of the Group. All Directors disclose to the Board on their first appointment their interests as a Director or otherwise in other companies or organisations and such declarations of interests are updated regularly. No Director was a director of more than five listed companies at 31st December 2024.



Details of Directors' other appointments are shown in their biographies in the section of this annual report headed Directors and Officers.

Board Processes

All committees of the Board follow the same processes as the full Board.

The dates of the 2024 Board meetings were determined in 2023 and any amendments to this schedule were notified to Directors at least 14 days before regular meetings. Appropriate arrangements are in place to allow Directors to include items in the agenda for regular Board meetings.

Agendas and accompanying Board papers are circulated with sufficient time to allow the Directors to prepare before meetings.

The Chairman takes the lead to ensure that the Board acts in the best interests of the Company, that there is effective communication with the shareholders and that their views are communicated to the Board as a whole.

Board decisions are made by vote at Board meetings and supplemented by the circulation of written resolutions between Board meetings.

Minutes of Board meetings are taken by the Company Secretary and, together with any supporting papers, are made available to all Directors. The minutes record the matters considered by the Board, the decisions reached, and any concerns raised or dissenting views expressed by Directors. Draft and final versions of the minutes are sent to all Directors for their comment and records respectively.

Board meetings are structured so as to encourage open discussion, frank debate and active participation by Directors in meetings.

Directors meet at least once annually to discuss the Company's strategy, including investment and divestment plans and other strategic initiatives. The strategy session also serves as a platform for raising new initiatives and ideas.

The Board is provided with such information and explanations as are necessary to enable them to make an informed assessment of the financial and other information put before the Board. Queries raised by Directors are answered fully and promptly.

When necessary, the Independent Non-Executive Directors meet privately to discuss matters which are their specific responsibility. One such meeting was held in 2024.

The Chairman meets at least annually with the Independent Non-Executive Directors without the presence of other Directors.

Board Activities

The Board met six times in 2024, including a strategy session. The attendance of individual Directors at meetings of the Board and its committees is set out in the table below. Average attendance at Board meetings was 96%. All Directors attended Board meetings in person or through electronic means of communication during the year.

	Meetings Attended/Held					Continuous Professional Development
Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee	2024 Annual General Meeting	Type of Training (Notes)
Executive Directors						
Guy Bradley – Chairman	6/6				✓	A, B
David Cogman	6/6				✓	A, B
Patrick Healy	6/6				✓	A, B
Martin Murray	6/6				✓	A, B
Zhang Zhuo Ping (resigned on 1st September 2024)	4/5				✓	A, B
Non-Executive Directors						
Gordon McCallum	6/6				✓	A, B
Merlin Swire	6/6		1/1	2/2	✓	A, B
Independent Non-Executive Directors						
Paul Etchells	6/6	4/4			✓	A, B
Rose Lee	5/6			2/2	✓	A, B
Edith Ngan	5/6	4/4			✓	A, B
Gordon Orr	6/6		1/1	2/2	✓	A, B
Xu Ying	6/6		1/1		✓	A, B
Bonnie Zhang	6/6	4/4			✓	A, B
Average attendance	96%	100%	100%	100%	100%	

Notes:
A: Received training materials about matters relevant to their duties as Directors including on ESG.
B: Attended training by external advisers about applicable laws and regulations and topics pertinent to the business of the Company.

Key areas of the activities of the Board during the year are summarised below.

Leadership and People	– Reviewed the structure, size, composition of the Board and the independence of the INEDs – Discussed updates from the Nomination Committee on matters including the Company's progress in achieving measurable objectives on board diversity, updates on employee diversity and the implementation and effectiveness of the Group's diversity policy – Considered and approved the recommendations from the Nomination Committee on re-election of Directors at the 2024 Annual General Meeting – Discussed updates from the Remuneration Committee on matters including compensation of the Executive Directors of the Company, gender pay equity and CEO pay ratio of the Group
Strategy	– Discussed the Group's 10-year plan regarding its business strategies and projections – Discussed the long-term strategies of each of the Group's key operating companies – Discussed the Group's investment and divestment strategies – Considered and approved the Group's investments, acquisitions or disposals, overall portfolio direction and investment plans, capital allocation strategy and growth objectives – Discussed updates on the Group's geographic portfolio and macro-economic developments
Financial and Business Performance	– Reviewed and approved the interim and annual results announcements as well as the interim and annual reports – Discussed and approved the 2024 and 2025 annual budget and longer-term financial plans – Reviewed business updates and operating results of the Group's core divisions, their operating environments and performance outlook – Reviewed implementation status of the Group's capital allocation strategy – Discussed development progress of projects and investments – Approved and declared the second interim dividend for 2023 and the first interim dividend for 2024 – Reviewed and approved the Group's major financing arrangements and fund-raising activities
Audit, Risk Management and Internal Control	– Discussed updates from the Audit Committee on matters relating to results announcements and annual/interim reports, compliance with regulatory and statutory requirements, reviewed the effectiveness of the Company's risk management process and internal control systems, findings from the Group Internal Audit Department, significant accounting and audit issues and codes and policies of the Company – Approved the Group's 2025 audit strategy and reviewed progress on the 2024 audit programme – Reviewed the Group's corporate risk register and key items including geopolitical risks, cybersecurity risks, sustainability-related risks and other major risks, and discussed the relevant risk management measures – Discussed the digital strategy and data governance of the Group – Reviewed the Group's health and safety performance, including its performance in meeting safety targets, hazards reporting system, safety management measures and health and wellbeing initiatives
Governance and Compliance	– Chairmen of the various Board committees updated the Board on their committee meetings, including key matters discussed and issues raised in the meetings – Reviewed the continuing connected transactions conducted by the Group – Reviewed and approved regulatory announcements to be published by the Company – Reviewed updates on the Company's legal and compliance matters – Reviewed the terms of reference adopted by the Company – Received declarations of interest from Directors
Sustainability	– Reviewed and approved the sustainability report of the Company – Discussed the Group's progress towards meeting the environmental and social targets under SwireTHRIVE, performance in key sustainability indices, regulatory developments towards sustainability, climate-related, and other key ESG matters

Continuous Professional Development

The Company makes available continuous professional development for all Directors at the expense of the Company so as to develop and refresh their knowledge and skills.

All Directors have been provided with "A Guide on Directors' Duties" issued by the Companies Registry, "Guidelines for Directors" issued by the Hong Kong Institute of Directors and "Corporate Governance Guide for Boards and Directors" issued by The Stock Exchange of Hong Kong Limited and other training materials on various topics, including ESG matters and regulatory updates issued by The Stock Exchange of Hong Kong Limited or external advisers. They were invited to attend seminars and conferences about financial, commercial, economic, risk management, legal, regulatory and other business matters.

Directors' and Officers' Insurance

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and Officers.

Conflicts of Interest

If a Director has a material conflict of interest in relation to a transaction or proposal to be considered by the Board, the individual is required to declare such interest and abstains from voting. The matter is considered at a Board meeting and voted on by Directors who have no material interest in the transaction.

Delegation by the Board

Responsibility for delivering the Company's strategies and objectives, as established by the Board, and responsibility for day-to-day management is delegated to the head of each business unit. These individuals have been given clear guidelines and directions as to their powers and, in particular, the circumstances under which they should report back to, and obtain prior approval from, the Board before making commitments on behalf of the Company.

The Board monitors management's performance against the achievement of financial and non-financial measures, the principal items monitored being:

- detailed monthly reports dealing with health and safety (and other ESG matters), profit performance, capital allocation, credit metrics and portfolio strategy
- internal and external audit reports
- feedback from customers, others with whom the Group does business, trade associations and service providers.

Securities Transactions

The Company has adopted a code of conduct (the Securities Code) regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the Model Code) contained in Appendix C3 to the Listing Rules. These rules are available on the Company's website.

A copy of the Securities Code has been sent to each Director of the Company and is sent to each Director twice annually, immediately before the two financial period ends, with a reminder that the Director cannot deal in the securities and derivatives of the Company during the blackout period before the Group's interim and annual results have been published, and that all their dealings must be conducted in accordance with the Securities Code.

Under the Securities Code, Directors are required to notify the Chairman and receive a dated written acknowledgement before dealing in the securities and derivatives of the Company and, in the case of the Chairman himself, he must notify the Chairman of the Audit Committee and receive a dated written acknowledgement before any dealing.

On specific enquiries made, all the Directors of the Company have confirmed that they have complied with the required standard set out in the Model Code and the Securities Code.

Directors' interests at 31st December 2024 in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) are set out in the section of this annual report headed Directors' Report.

Appointment and Re-election

Potential new Directors are identified and considered by the Nomination Committee for appointment by the Board. A Director appointed by the Board is subject to election by shareholders at the first annual general meeting after his or her appointment, and all Directors are subject to re-election by shareholders every three years.

Potential new Board members are identified on the basis of skills, knowledge and experience which, on assessment by the Directors, will enable them to make a positive contribution to the diversity and performance of the Board. The Company reviews the composition of the Board on a continuing basis by keeping track of the tenure of Directors and the need for new Directors to be appointed and maintaining a pipeline of candidates comprising internal and external candidates as may be identified from time to time. Executive search agencies may be engaged as appropriate to identify external candidates with the desirable skillsets. The composition of the Board includes directors who are appointed as Independent Non-Executive Directors, nomination from substantial shareholder and executives of the Company.

In assessing the suitability of a proposed candidate (including Directors eligible for election or re-election), the following non-exhaustive list of factors will be considered:

- the corporate strategy of the Company
- the structure, size, composition and needs of the Board
- the potential contributions a candidate can bring to the Board, including the desirable skillsets, experience and other attributes that are complementary to the Board
- the qualifications, integrity and expected time commitment of the candidate
- various aspects of diversity (including gender, age, cultural and educational background, and ethnicity) with reference to the Board Diversity Policy of the Company
- the independence of a candidate to be appointed as an Independent Non-Executive Director.

On 11th March 2025, the Nomination Committee, having reviewed the Board's composition and after taking into account the requirement that all Directors are subject to election or re-election (as the case may be) in accordance with the Company's Articles of Association, nominated Guy Bradley, Patrick Healy, Gordon Orr and Xu Ying for recommendation to shareholders for re-election at the 2025 Annual General Meeting. Rose Lee also retires this year but does not offer herself for re-election. The nominations were made in accordance with objective criteria (including gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service, number of directorships of listed companies and the legitimate interests of the Company's principal shareholders), with due regard for the benefits of diversity, as set out in the Board Diversity Policy. The Nomination Committee is satisfied with the independence of Gordon Orr and Xu Ying having regard to the criteria set out in the Listing Rules. On 13th March 2025, the Board, having considered the recommendation of the Nomination Committee and having taken into account the respective contributions of Guy Bradley, Patrick Healy, Gordon Orr and Xu Ying to the Board and their firm commitment to their roles, recommended all of them for re-election at the 2025 Annual General Meeting. The particulars of the Directors standing for re-election are set out in the section of this annual report headed Directors and Officers and will also be set out in the circular to shareholders to be distributed with this annual report and posted on the Company's website.

Full details of changes in the Board during the year and to the date of this report are provided in the section of this annual report headed Directors' Report.

Board Diversity

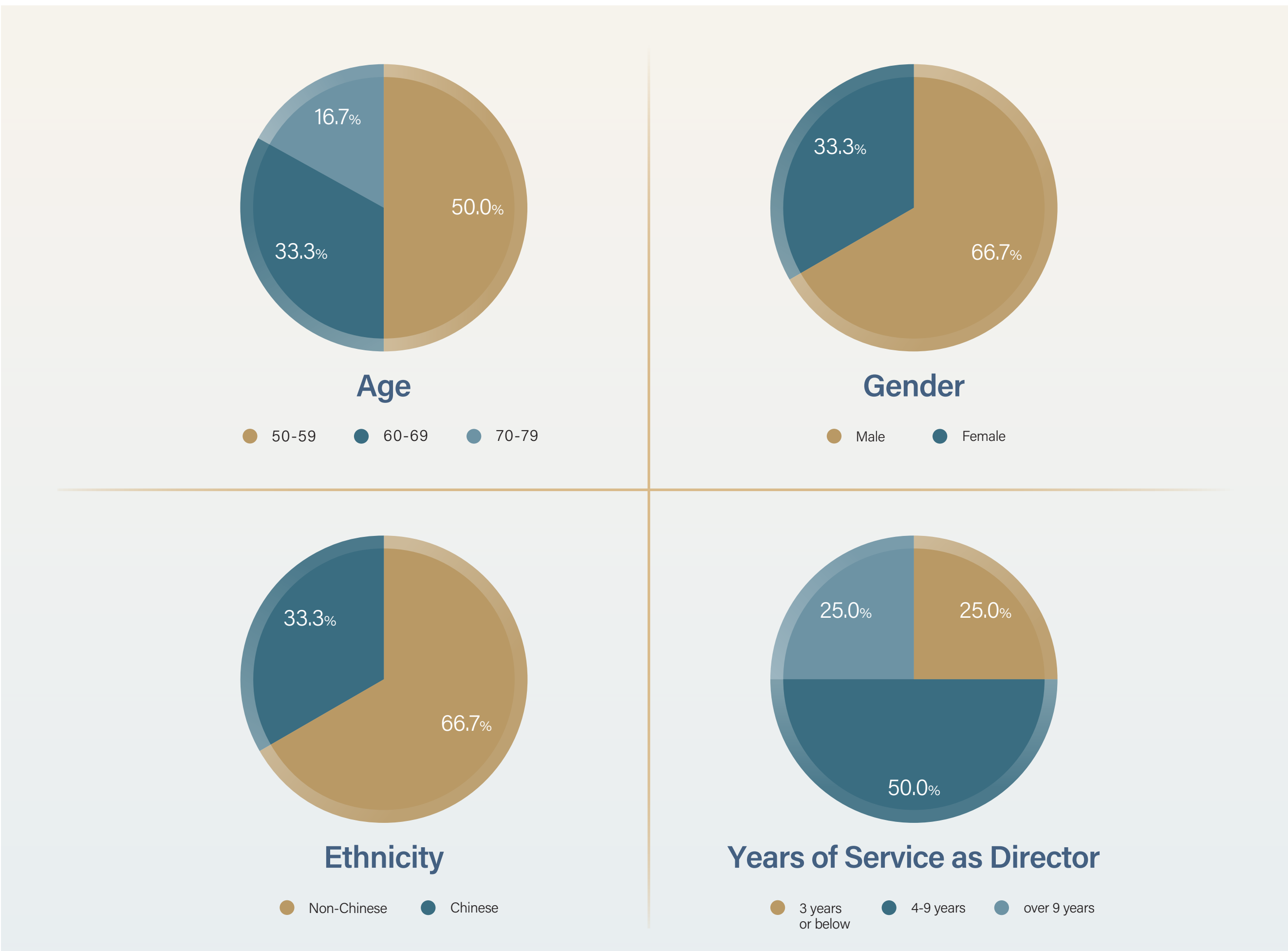
The Board has adopted a Board Diversity Policy, which is available on the Company's website. Responsibility for the implementation, monitoring and annual review of this policy has been delegated to the Nomination Committee.

The Board's composition reflects a balance of skills, experience and diversity of perspectives among its members that are relevant to the Company's strategy, governance and business and contributes to the Board's effectiveness.

Skills, Expertise and Experience

Skill	Directors
Related Industry Experience	
Real Estate/Hotels/Retail	11
Beverages	8
Aviation & Logistics	10
Executive Leadership and Strategy	12
Relevant Market Experience	12
Accounting/Finance and Risk Management	12
Digital	8
ESG	11
Portfolio Management/Capital Allocation	10

Executive Directors   Non-Executive Directors   *(out of 12 Directors)*



In order to achieve a diversity of perspectives among members of the Board, it is the policy of the Company to consider a number of factors when deciding on appointments to the Board and the continuation of those appointments. Such factors include gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and the legitimate interests of the Company's principal shareholders.

The Company has achieved its target of having female Board members account for 30% of total Board members by 2024. Following the Board change in September 2024, female representation on the Board is now 33.3%. The Company aims to maintain not less than 30% of female members on the Board on average over any three-year cycle.

The female representation in the workforce at 31st December 2024 was 32.4% (excluding Cathay group and Hong Kong Aero Engine Services Limited). Details of gender diversity in the workforce are disclosed in the section of this annual report headed Sustainability Review, and in the 2024 Sustainability Report of the Company.

The Company has adopted the following measures to develop a pipeline of potential successors to the Board:

- the Company keeps track of the tenure of Directors and the need for new or replacement directors to be appointed (as the case may be), and maintains a running list of candidates comprising internal and external candidates as may be identified from time to time
- principles and key criteria for evaluating candidates for directorship are set out in the Nomination Committee's terms of reference and the Company's Board Diversity Policy
- the skills and experience of existing Directors help set the criteria for internal and external candidate search
- executive search agencies may be engaged as appropriate to identify external candidates with desirable skillsets.

Nomination Committee

The Nomination Committee consists of three Non-Executive Directors, Gordon Orr, Merlin Swire and Xu Ying. Two of the Committee members are Independent Non-Executive Directors, one of whom, Gordon Orr, is Chairman. All the members served for the whole of 2024.

The terms of reference of the Nomination Committee comply with the CG Code and are posted on the Company's website.

The Nomination Committee's duties include:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy
- to identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorship
- to assess the independence of the Independent Non-Executive Directors
- to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman
- to review the implementation and effectiveness of the Company's policy on board diversity on an annual basis.

The Nomination Committee met once in 2024. A summary of its work is as follows:

- conducted (i) an annual review of the structure, size and composition (including the skills, knowledge and experience) of the Board and considered that the Board's composition reflects an appropriate mix of skills, experience and diversity among its members that are relevant to the Company's strategy, governance and business and contributes to the Board's effectiveness; (ii) an annual assessment of the independence of each Independent Non-Executive Director and considered all of the Independent Non-Executive Directors to be independent; and (iii) an annual review of the implementation and effectiveness of the Company's Board Diversity Policy and considered it to be appropriate
- reviewed the Board's target of maintaining not less than 30% of female Board members and considered it to be appropriate
- made recommendations to the Board in respect of the proposed re-election of the Directors retiring at the 2024 Annual General Meeting.

The Nomination Committee assessed the Board's diversity by reviewing a comparison against industry and peer group companies, and the relevant experience and skillsets of the Directors. The Committee considered that:

- the ratios for the objective criteria (e.g. age, gender and ethnicity) amongst Board members were reasonable
- the Company was in a good position in terms of gender diversity compared with its peers
- the Board shall maintain not less than 30% of female members on the Board.

Remuneration Committee

Full details of the remuneration of the Directors are provided in note 8 to the financial statements.

The Remuneration Committee comprises three Non-Executive Directors, Gordon Orr, Rose Lee and Merlin Swire. Two of the Committee members are Independent Non-Executive Directors, one of whom, Gordon Orr, is Chairman. All the members served for the whole of 2024.

The terms of reference of the Remuneration Committee have been reviewed with reference to the CG Code and are posted on the Company's website.

The Remuneration Committee reviews and approves the remuneration proposals with respect to the Executive Directors of the Company, with reference to the Company's Remuneration Policy and the Board's corporate goals and objectives.

The Remuneration Committee exercises the powers of the Board to determine the remuneration packages of individual Executive Directors (including salaries, bonuses, benefits in kind and the terms on which they participate in any provident fund or other retirement benefit scheme), taking into consideration salaries paid by comparable companies, time commitments and responsibilities and employment conditions elsewhere in the Group.

In order to be able to attract and retain employees with the appropriate skills, experience and of suitable calibre, the Swire group provides a competitive remuneration package designed to be commensurate, overall, with those of its peer group. This typically comprises salary, housing, retirement benefits, allowances, medical benefits and a discretionary bonus related to the overall profit of the Swire Pacific group. Although the remuneration for Executive Directors is not entirely linked to the profits of the business in which they are working, it is considered that, given the different profitability of businesses within the Group, these arrangements have contributed considerably to the maintenance of a flexible, motivated and high-calibre management team within the Group.

The Remuneration Committee reviewed the structure and levels of remuneration paid to Executive Directors at its meeting in October 2024. At this meeting, the Committee considered a report prepared for it by Mercer Limited, an independent firm of consultants, which confirmed that the remuneration of the Company's Executive Directors was competitive with that paid to equivalent positions in peer group companies.

No Director takes part in the determination of his or her own remuneration.

The following fee levels have been approved by the Board:

Fee	**2024 HK$**	2025 HK$
Director's Fee	**690,000**	690,000
Fee for Audit Committee Chairman	**268,000**	268,000
Fee for Audit Committee Member	**186,000**	186,000
Fee for Nomination Committee Chairman	**83,000**	83,000
Fee for Nomination Committee Member	**60,000**	60,000
Fee for Remuneration Committee Chairman	**83,000**	83,000
Fee for Remuneration Committee Member	**60,000**	60,000

Details of emoluments paid to each Director in 2024 are set out in note 8 to the financial statements.

Accountability and Audit

Financial Reporting

The Board acknowledges its responsibility for:

- the proper stewardship of the Company's affairs, to ensure the integrity of financial information
- preparing annual and interim financial statements and other related information that give a true and fair view of the Group's affairs and of its results and cash flows for the relevant periods, in accordance with Hong Kong Financial Reporting Standards and the Hong Kong Companies Ordinance
- selecting appropriate accounting policies and ensuring that these are consistently applied
- making judgements and estimates that are prudent and reasonable
- ensuring that the application of the going concern assumption is appropriate.

Risk Management and Internal Control

The Board acknowledges its responsibility to establish, maintain and review the effectiveness of the Group's risk management and internal control systems. This responsibility is primarily fulfilled on its behalf by the Audit Committee as discussed on pages 109 and 110.

The foundation of strong risk management and internal control systems is dependent on the ethics and culture of the organisation, the quality and competence of its personnel, the direction provided by the Board, and the effectiveness of management.

Since profits are, in part, the reward for successful risk taking in business, the risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key components of the Group's control structure are as follows:

Culture: The Board believes that good corporate governance reflects the culture of an organisation. This is more significant than any written procedures.

The Company aims at all times to act ethically and with integrity, and to instill this behaviour in all its employees by example from the Board down. The Company has a Corporate Code of Conduct, which is posted on its website.

The Company is committed to developing and maintaining high professional and ethical standards. These are reflected in the rigorous selection process and career development plans for all employees. The organisation prides itself on being a long-term employer which instills in individuals, as they progress through the Group, a thorough understanding of the Company's ways of thinking and acting.

Channels of communication are clearly established, allowing employees a means of communicating their views upwards with a willingness on the part of more senior personnel to listen. Employees are aware that, whenever the unexpected occurs, attention should be given not only to the event itself, but also to determining the cause.

Through the Company's Corporate Code of Conduct, employees are encouraged (and instructed as to how) to report control deficiencies or suspicions of impropriety to those who are in a position to take necessary action. The Company has a Whistleblowing Policy and system for employees and those who deal with the Group to raise concerns, in confidence and with anonymity, where desired, about actual or suspected cases of impropriety in any matter related to the Group. The policy is available on the Company's website.

The Company has an Anti-Bribery and Corruption Policy which sets out the Company's policy and systems that promote and support compliance with applicable anti-bribery and corruption laws and regulations, and enhances the provisions relating to bribery and corruption in the Company's Corporate Code of Conduct. The policy is available on the Company's website.

Risk assessment: The Board of Directors and the management each have a responsibility to identify and analyse the risks underlying the achievement of business objectives, and to determine how such risks should be managed and mitigated.

The Board has adopted the three lines of defence model of risk governance. The first line manages risks. The second line oversees the management of risks. The third line assesses the effectiveness of risk controls. The model is designed to ensure that the Board has assurance as to the effectiveness of risk management in the Group's businesses and that conflicts of interest are minimised.

The first line of defence is the executive management of the operating companies, with input from specialist committees comprised of subject matter experts from within the Group. The Finance Committee sets policies for the management of financial risks (for example interest rate, foreign exchange, liquidity and credit risks), implements the policy (by, for example, hedging) and monitors the financial exposure of the Company and the operating companies.

The second line of defence consists of (i) the Group Risk Management Committee (GRMC) (supported by risk forums dealing with IT, data and technology risks; ESG risks; human resources, health and safety risks and government, regulatory and legal risks) and (ii) risk officers and risk committees and other bodies responsible for risk in operating companies. The Company also has a Risk Committee (in addition to GRMC) which considers the risks relating to the Company itself.

The third line of defence is provided by the Group Internal Audit Department (GIAD).

The Finance Committee, GRMC and GIAD report to the Board through the Audit Committee.

The senior officer responsible for the management of risk in the Company is the Finance Director, who chairs GRMC, the Company's Risk Committee and the Finance Committee. For further information about these committees, see the Risk Management section of this report.

Management structure: The Group has a clear organisational structure that, to the extent required, delegates the day-to-day responsibility for the design, documentation and implementation of procedures and monitoring of risk. Individuals appreciate where they will be held accountable in this process.

A control self-assessment process requires the management in each material business unit to assess, through the use of detailed questionnaires, the adequacy and effectiveness of risk management and internal controls over the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with applicable laws and regulations. This process and its results are reviewed by internal auditors and form part of the Audit Committee's annual assessment of control effectiveness.

Controls and review: The control environment comprises policies and procedures intended to ensure that relevant management directives are carried out and actions that may be needed to address risks are taken. These may include approvals and verifications, reviews, safeguarding of assets and segregation of duties. Control activities can be divided into operations, financial reporting and compliance, although there may, on occasion, be some overlap between them. The typical control activities adopted by Group companies include:

- analytical reviews: for example, conducting reviews of actual performance versus budgets, forecasts, prior periods and competitors
- direct functional or activity management: reviews of performance reports, conducted by managers in charge of functions or activities
- information-processing: performing controls intended to check the authorisation of transactions and the accuracy and completeness of their reporting, for example exception reports
- physical controls: ensuring equipment, inventories, securities and other assets are safeguarded and subjected to periodic checks
- performance indicators: carrying out analyses of different sets of data, operational and financial, examining the relationships between them and taking corrective action where necessary
- segregation of duties: dividing and segregating duties among different people, with a view to strengthening checks and minimising the risk of errors and abuse.

The Company has in place effective processes and systems for the identification, capture and reporting of operational, financial and compliance-related information in a form and time frame intended to ensure that staff carry out their designated responsibilities.

Internal audit: Independent of management, GIAD reports directly to the Audit Committee and performs regular reviews of key risk areas and monitors compliance with Group accounting, financial and operational procedures. The role of GIAD is discussed further on page 111.

Audit Committee

The Audit Committee, consisting of three Independent Non-Executive Directors, Paul Etchells, Edith Ngan and Bonnie Zhang, assists the Board in discharging its responsibilities for corporate governance and financial reporting. Paul Etchells is the Chairman of the Audit Committee. All the members served for the whole of 2024.

The terms of reference of the Audit Committee follow the guidelines set out by the Hong Kong Institute of Certified Public Accountants and comply with the CG Code. They are available on the Company's website.

The Audit Committee met four times in 2024. Regular attendees at the meetings are the Finance Director, the Group Head of Internal Audit, the external auditors, the General Manager of Group Finance, the Chief Risk Officer, the Chief Information Security Officer and the Group Head of Sustainability.
The Audit Committee meets at least twice a year with the external auditors, and at least once a year with the Group Head of Internal Audit, in each case without the presence of management. Each meeting receives written reports from GRMC, the external auditors and GIAD.

The work of the Committee during 2024 included reviews of the following matters:

- the completeness, accuracy and integrity of formal announcements relating to the Group's performance including the 2023 annual and 2024 interim reports and announcements, with recommendations to the Board for approval
- the Group's compliance with regulatory and statutory requirements
- the Group's risk management and internal control systems
- the Group's risk management processes
- the Group's cybersecurity
- the approval of the 2025 annual internal audit programme and review of progress on the 2024 programme
- periodic reports from GIAD and progress in resolving any matters identified in them
- significant accounting and audit issues
- the Company's policy regarding connected transactions and the nature of such transactions
- the relationship with the external auditors as discussed on pages 111 and 112
- external quality assessment of GIAD
- the Company's compliance with the CG Code
- the Company's policies.

In 2025, the Committee has reviewed, and recommended to the Board for approval, the 2024 financial statements.

Assessing the Effectiveness of Risk Management and Internal Control Systems

On behalf of the Board, the Audit Committee reviews annually the continued effectiveness of the Group's risk management and internal control systems dealing with risk and financial accounting and reporting, the effectiveness and efficiency of operations, compliance with laws and regulations, and risk management functions.

This assessment considers:

- the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the risk management and internal control systems, the work and effectiveness of internal audit and the assurances provided by the Finance Director
- the changes in the nature and extent of significant risks (including ESG risks) since the previous review and the Group's ability to respond to changes in its business and the external environment
- the extent and frequency with which the results of monitoring are communicated, enabling the Committee to build up a cumulative assessment of the state of control in the Group and the effectiveness with which risk is being managed
- the incidence of any significant control failings or weaknesses that have been identified at any time during the period and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition
- the effectiveness of the Company's processes in relation to financial reporting and statutory and regulatory compliance
- areas of risk identified by management
- significant risks reported by GIAD and GRMC
- work programmes proposed by GIAD and the external auditors
- significant issues arising from internal and external audit reports
- the results of management's control self-assessment exercise.

As a result of the above review, the Board confirms, and management has also confirmed to the Board, that the Group's risk management and internal control systems are effective and adequate and have complied with the CG Code provisions on risk management and internal control throughout the year and up to the date of this annual report.

Company Secretary

The Company Secretary is an employee of the Company and is appointed by the Board. The Company Secretary is responsible for facilitating the Board's processes and communications among Board members, with shareholders and with management. The Company Secretary undertakes at least 15 hours of relevant professional training annually to update skills and knowledge.

Group Internal Audit Department

The Swire group has had GIAD in place for 29 years. GIAD plays a critical role in monitoring the governance of the Group. The department is staffed by 29 audit professionals and conducts audits of the Group and of other companies in the Swire group. The 29 professionals include a team based in the Chinese Mainland which reports to the Group Head of Internal Audit in Hong Kong.

GIAD reports directly to the Audit Committee without the need to consult with management, and via the Audit Committee to the Board. GIAD has unrestricted access to all areas of the Group's business units, assets, records and personnel in the course of conducting its work.

The annual internal audit programme and resources are reviewed and agreed with the Audit Committee.

Scope of Work

Business unit audits are designed to provide assurance that the risk management and internal control systems of the Company are implemented properly and operating effectively, and that the risks associated with the achievement of business objectives are being properly identified, monitored and managed.

The frequency of each audit is determined by GIAD using its own risk assessment methodology, which is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) internal control framework, considering such factors as recognised risks, organisational change, overall materiality of each unit, previous internal audit results, external auditors' comments, output from the work of GRMC and management's views. Each business unit is typically audited at least once every three years. Acquired businesses would normally be audited within 12 months. 34 assignments were conducted for Swire Pacific in 2024.

In addition, GIAD assists the Audit Committee in carrying out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems through its review of the process by which management has completed the annual control self-assessment, and the results of this assessment.

Furthermore, GIAD conducts ad-hoc projects and investigative work as may be required by management or the Audit Committee.

Audit Conclusion and Response

Copies of internal audit reports are sent to the Chairman of the Board, the Finance Director and the external auditors. The results of each review are also presented to the Audit Committee. Management is required to provide action plans in response to internal audit recommendations, including those aimed at resolving material internal control defects. These are agreed by GIAD, included in its reports and followed up with a view to ensuring that they are satisfactorily undertaken.

External Auditors

The Audit Committee acts as a point of contact, independent from management, with the external auditors (the auditors). The auditors, PricewaterhouseCoopers, have direct access to the Chairman of the Audit Committee, who meets with them periodically without management present.

The Audit Committee's duties in relation to the auditors include:

- recommending to the Board, for approval by shareholders, the auditors' appointment
- approval of the auditors' terms of engagement
- consideration of the letters of representation to be provided to the auditors in respect of the interim and annual financial statements
- review of reports and other ad-hoc papers from the auditors
- annual appraisal of the quality and effectiveness of the auditors
- assessment of the auditors' independence and objectivity, including the monitoring of non-audit services provided, with a view to ensuring that their independence and objectivity are not, and are not seen to be, compromised
- approval of audit and non-audit fees.

Auditors' Independence

Independence of the auditors is of critical importance to the Audit Committee, the Board and shareholders. The auditors write annually to the members of the Audit Committee confirming that they are independent accountants in accordance with the Code of Ethics for Professional Accountants of the Hong Kong Institute of Certified Public Accountants and that they are not aware of any matters which may reasonably be thought to bear on their independence. The Audit Committee assesses the independence of the auditors by considering and discussing each such letter (and having regard to the fees payable to the auditors for audit and non-audit work and the nature of the non-audit work) at a meeting of the Audit Committee.

Provision of Non-audit Services

In deciding whether the auditors should provide non-audit services the following key principles are considered:

- the auditors should not audit their own firm's work
- the auditors should not make management decisions
- the auditors' independence should not be impaired
- quality of service.

In addition, the Company has a protocol in place for approval of the provision of non-audit services by the auditors. Any services which may be considered to be in conflict with the role of the auditors must be submitted to the Audit Committee for approval prior to engagement, regardless of the amounts involved. The protocol is updated from time to time to ensure compliance.

The fees in respect of audit and non-audit services provided to the Group by the auditors for 2024 amounted to approximately HK$61 million and HK$42 million respectively. Fees paid to the auditors are disclosed in note 6 to the financial statements.

Inside Information

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company:

- is required to disclose inside information as soon as reasonably practicable in accordance with the Securities and Futures Ordinance and the Listing Rules
- conducts its affairs with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission
- has included in its Corporate Code of Conduct a strict prohibition on the unauthorised use of confidential or inside information.

Shareholders

Communication with Shareholders and Investors

The Board recognise their responsibility to represent the interests of all shareholders and to maximise shareholder value. Communication with shareholders and accountability to shareholders is a high priority of the Company.

The Company has a Shareholders' Communication Policy which is available on the Company's website. The Shareholders' Communication Policy aims to ensure that shareholders and the investment community are provided with appropriate and timely access to material information about the Company. It sets out the Company's framework for promoting effective communication with its shareholders so as to enable them to exercise their rights as shareholders in an informed manner, and to allow the investment community to engage actively with the Company.

The methods used to communicate with shareholders include the following:

- the Finance Director is available for meetings with major shareholders, investors and analysts over two-month periods immediately after the announcement of the interim and annual results and at certain other times during the year. In addition, the Finance Director attended meetings with analysts and investors and conducted analyst briefings during the year. In 2024, the Company conducted two international equity non-deal roadshows in Hong Kong, Singapore, London, and Edinburgh as well as one bond non-deal roadshow in Hong Kong and Singapore. The Finance Director met with more than 70 investors in total during the year.
- through the Company's website. This includes electronic copies of financial reports, webcasts of analyst presentations given at the time of the interim and annual results announcements, slides of presentations given at investor conferences, latest news, public announcements and general information about the Group's businesses
- through publication of interim and annual reports
- through the annual general meeting as discussed below and other general meetings that may be convened.

Shareholders may send their enquiries and concerns to the Board by post or email at ir@swirepacific.com. The relevant contact details are set out in the Financial Calendar and Information for Investors section of this annual report. The Company's Shareholders' Communication Policy also sets out channels for shareholders to communicate their views on various matters.

The Audit Committee reviews the implementation and effectiveness of the Shareholders' Communication Policy annually. Having considered the multiple channels of communication in place as described above, it is satisfied that the Shareholders' Communication Policy has been properly implemented and is effective.

The Annual General Meeting

The annual general meeting is an important forum to engage with shareholders. The most recent annual general meeting was held on 9th May 2024. The meeting was open to shareholders. The Directors who attended the meeting are shown in the table on page 101.

At the annual general meeting, separate resolutions were proposed for each issue and were voted on by poll. The procedures for conducting a poll were explained at the meeting prior to the polls being taken. The agenda items were:

- receiving the report of the Directors and the audited financial statements for the year ended 31st December 2023
- re-electing Directors
- re-appointing the auditors and authorising the Directors to set their remuneration
- a general mandate authorising the Directors to make on-market share buy-backs
- a general mandate authorising the Directors to allot and issue shares up to 20% of the number of shares of any class then in issue, provided that the aggregate number of the shares of any class so allotted wholly for cash would not exceed 5% of the number of the shares of that class then in issue.

Minutes of the meeting together with voting results are available on the Company's website.

Dividend Policy

The Company has a policy on the payment of dividends, which is set out in the section of this annual report headed Directors' Report.

Shareholder Engagement

Pursuant to Article 95 of the Company's Articles of Association, if a shareholder wishes to propose a person other than a retiring Director for election as a Director at a general meeting, he or she should deposit a written notice of nomination at the registered office of the Company within the 7-day period commencing on and including the day after the despatch of the notice of the meeting. The procedures for nominating candidates to stand for election as Directors at general meetings are set out in the Corporate Governance section of the Company's website.

If they wish to propose a resolution relating to other matters to be considered at a general meeting, shareholders are requested to follow the requirements and procedures set out in the Corporate Governance section of the Company's website.

Shareholder(s) representing at least 5% of the total voting rights of all members may request the Board to convene a general meeting. The objects of the meeting must be stated in the related requisition deposited at the Company's registered office. Detailed requirements and procedures are set out in the Corporate Governance section of the Company's website.

Other Information for Shareholders

Key shareholder dates for 2025 are set out in the section of this annual report headed Financial Calendar and Information for Investors and in the Financial Calendar on the Company's website.

No amendment has been made to the Company's Articles of Association during the year.

From information publicly available to the Company and within the knowledge of its Directors, at least 25% of the Company's total issued share capital is held by the public. Details of substantial shareholders' and other interests are included in the section of this annual report headed Directors' Report.

RISK MANAGEMENT

Effective risk management is critical in ensuring that the Group achieves its strategic objectives and protects its reputation, market position and financial strength. The Company and its operating companies adhere to the Group's Enterprise Risk Management (ERM) policy. The ERM policy requires the identification, assessment, management, monitoring and reporting of current and emerging risks that are material to the Group.

Group Risk Governance Structure

The Board has ultimate responsibility for establishing, implementing, and overseeing an effective ERM framework, including its design and implementation. The Board is supported by the Audit Committee in this regard.

The Group has adopted the three lines of defence model of risk governance, which is designed to minimise conflicts of interest and establish independent oversight of risk management. The Group's enterprise risk management framework is aligned with international standards.

In the first line, the management of each operating company identifies, analyses and reports on the risks for which it is responsible. Risks are mitigated to the extent practical through management actions and controls implemented by the first line. Where risks cannot be eliminated, the related economic returns are required to reflect the risk. When risks originating within an operating company becomes material to the Group, the first line within the operating company is responsible for escalating these risks to the Group for further management.

The first line's risk management responsibilities are supported by a number of Group functional committees. For financial risks, the Finance Committee sets the parameters for managing financial risks and oversees how the operating companies manage these risks within those parameters. For non-financial risks, functional committees such as IT, Legal, HR, Sustainability and Government Affairs Committees oversee operating company activities including risk mitigation. Senior Group and divisional management are members of these functional committees.

The second line refers to the internal processes and functions that help manage risk within the Company by supporting the first line and providing assurance to the Board that key risks are being managed effectively. There are two second line risk management committees at the Group level: the Group Risk Management Committee (GRMC) and the Swire Pacific Risk Management Committee (SPACRMC). Within the Company, the second line is supported by the Group Risk Management function led by the Chief Risk Officer.

Reporting to the Audit Committee, the GRMC oversees the management of non-financial risks at Group and operating company levels. The GRMC comprises the Finance Director of the Group, the Director, People, the Group General Counsel, the Chief Risk Officer and heads of the Group's major operating businesses. The GRMC is mandated to (i) regularly review the Group's risk profile, (ii) oversee the management of major risks at Group and operating company levels, (iii) identify emerging risks and potential sources of future risk and (iv) analyse risk events which materialise, with a view to resolving and learning from them.

In relation to risks with a Group dimension, the GRMC is supported by risk forums in areas of human resources, health and safety; IT, data and technology; government, regulatory and legal; as well as environment and sustainable development. For risks specific to operating companies not material or relevant to the Group, the GRMC is supported by second line bodies in the operating companies.

The SPACRMC oversees risks specific to the Company itself, identifies risks which have a Group dimension and proposes approaches to the management of such risks to GRMC.

The GRMC and SPACRMC are chaired by the Finance Director, who is supported by the Chief Risk Officer.

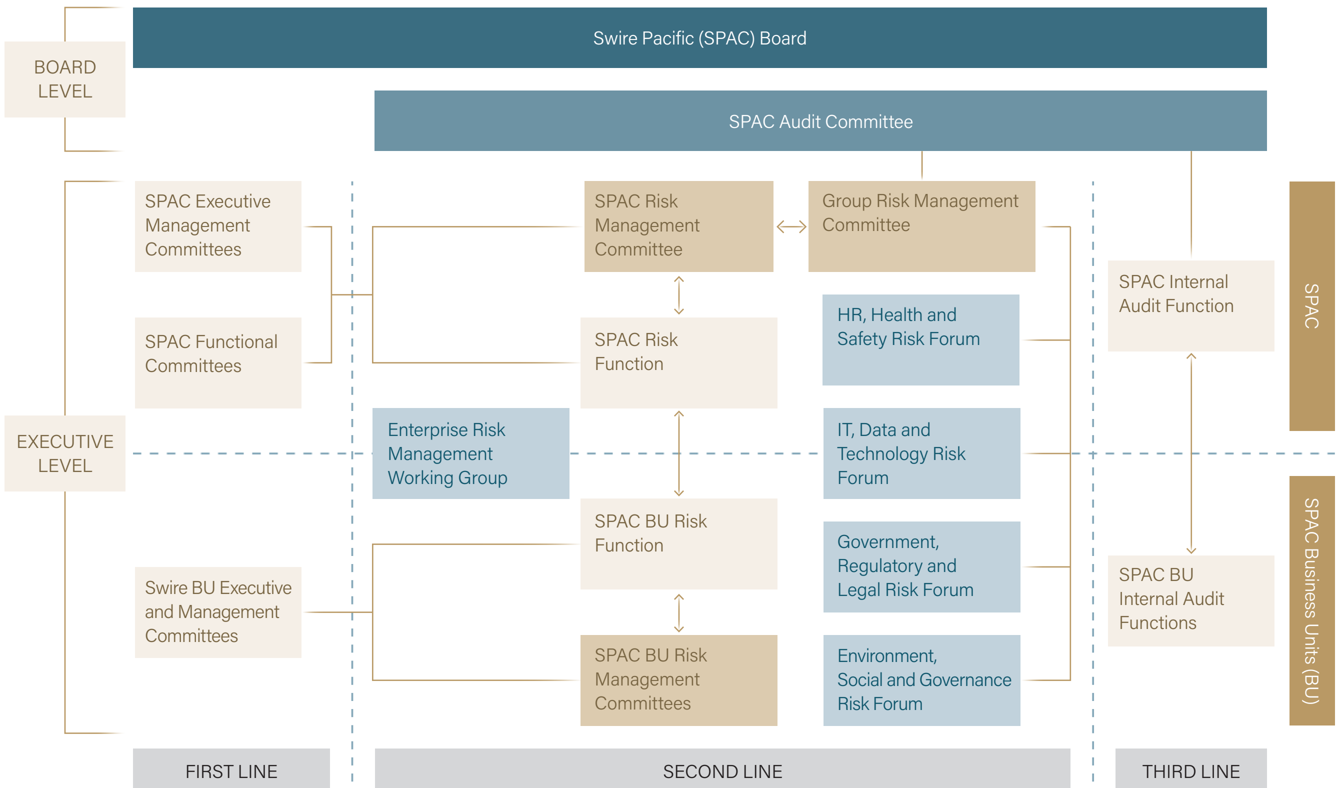
The third line encompasses the independent assurance functions that evaluate the effectiveness of the Company's risk management, control, and governance processes. It is primarily represented by the Group Internal Audit Department, which provides objective assessments over the adequacy and effectiveness of both the first and second lines of defence.

Group Internal Audit validates whether risk management processes are implemented properly and operating effectively, and whether the risks which could impact our ability to achieve our business objectives are being properly identified, assessed and mitigated.

The boards and management of the operating companies are responsible for the management of risks at their respective businesses. Risk management governance practices vary between operating companies – commensurate with their nature, size, and operating and regulatory environments – with some having dedicated board and executive risk committees, while others manage risks through their respective audit or executive management committees.

The risk governance structure of the Company is established as follows.

Risk Governance Structure



Risks that have a Group dimension will be considered by the GRMC, and, where appropriate, by the Audit Committee and the Board. Operating companies mitigate and monitor these risks in their respective businesses.

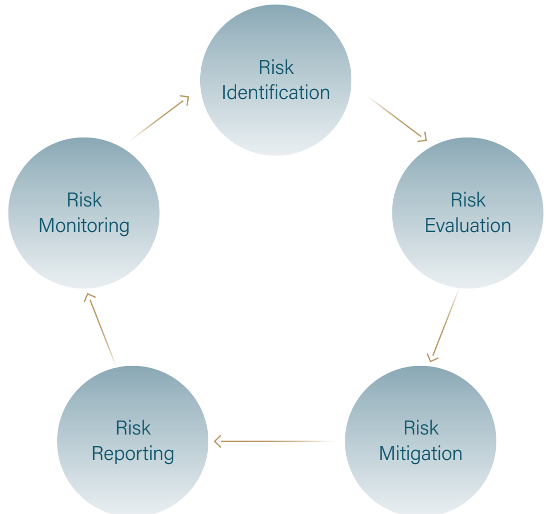
The risk forums oversee risks within their remit that are considered material to the Group. They advise the GRMC on emerging risks which may affect the Group, analyse risk events that have materialised and develop best practices for managing those risks.

The GRMC reviews Group and divisional risk registers and considers how effectively risks are being managed. It establishes policies applicable to operating companies and promotes risk culture in the Group. On occasion, the Board or Audit Committee may also identify risks relevant to the Group's businesses, which will be cascaded to the GRMC and relevant operating companies for consideration within their risk registers and further handling.

Group ERM Process

The Company and the operating companies across the Group have adopted a common ERM approach, involving the following key steps:

- **Identification:** Risks are identified through a variety of sources and categorised by reference to a common risk classification.
- **Evaluation:** The identified risks are assessed on their potential financial and non-financial impacts, and on the vulnerabilities associated with them. Non-financial impacts include dimensions such as reputation, regulatory compliance, and potential for significant business interruption while vulnerabilities pay regard to the effectiveness of related internal controls, the Company's readiness to respond, and the degree of externality associated with the risk amongst other factors. The combined assessment of impact and vulnerability allow more significant risks to be prioritised for management attention.
- **Mitigation:** Designated risk owners are responsible for devising mitigation strategies aimed at reducing exposure to key risks and executing the agreed action plans.
- **Reporting and Monitoring:** Continuous tracking of key risks, progress and effectiveness of related mitigating actions, and escalation of material exposures and incidents to the appropriate governance bodies to ensure timely management and mitigation.



The ERM process incorporates both a "top down" and "bottom up" approach. The Board provides guidance from the top on its risk priorities, and the operating companies assess their risks from their respective perspectives. Material risks are reported to the GRMC and consolidated into a Group risk register, which is reviewed by the Audit Committee and the Board on a regular basis.

Integration of the ERM Framework into Business Processes

Risk management is an integral part of business management, with the ERM framework seamlessly integrated into fundamental business decision-making processes. This comprehensive approach ensures that potential risks are identified, assessed, and mitigated throughout the business life cycle:

- Key risks are identified and analysed at the Board level during strategic planning.
- The budgeting and planning cycle includes a focus on improving the Company's risk profile.
- Satisfactory delivery of action plans to mitigate key risks are considered in performance management.
- Significant changes in risk profile are included in regular management reporting.
- Risk assessments are performed as part of due diligence on major investments.

Key Risk Management Focus Areas

The Group is exposed to a broad range of risks. Current key risks and uncertainties faced by the Company are highlighted below. Key risks specific to our operating companies are specified in their respective risk registers.

Key Focus Areas and Risk Description	Risk Trend	Mitigation
Economic slowdown A global economic slowdown that may lead to a substantial decline in business activities, revenue and profit.	← →	– Specific mitigation measures devised by operating companies to address a potential economic slowdown. – Close monitoring of financial risk exposures impacted by macro-economic conditions including but not limited to foreign exchange risk, interest rate risk, liquidity risk, and credit risk. – Adoption of financial risk mitigation strategies in accordance with Group treasury policies.
Business environment risk The business environment risk associated with Hong Kong's continual adaption to the evolving global dynamics and the ability to leverage its strengths to maintain its position as an international financial and aviation hub.	← →	– Regular review of strategy and investments by the Board. – Strategic diversification of business interests with focus in the Chinese Mainland and South East Asia. – Enhancing corporate affairs capabilities and reinforcing relationships with governments in order to contribute to public policy development. – Continual integration into Greater Bay Area development.
Geopolitical risk Disruption to our businesses and operations caused by potential global or regional instability and conflict, or imposition of disadvantageous economic sanctions that may affect key operational, client, or supply chain infrastructure.	↑	– Monitoring of news media reports, trends and prevailing public and government opinions. – Having crisis management and business continuity plans in place. – Managing relationships with key third parties. – Regular review of capital allocation of existing portfolio and potential markets.
Talent and labour Competitive and shallowing talent market paired with rising costs and expectations creating challenges in the recruitment and retention of top talent.	↑	– Effective policies and processes relating to recruitment, performance appraisal, learning and development, succession planning, staff wellbeing, equity, diversity and inclusion, and compensation and benefits. – Developing digital capabilities by hiring appropriate staff and providing up-skill training for existing staff. – Hiring external senior management where appropriate and providing high potential employees expedited opportunities for advancement.
Cybersecurity and data protection Risk of IT systems being attacked leading to material business disruptions, data and regulatory breaches and reputational damage.	↓	– Having appropriate policies (including relating to personal data), training programmes and penetration testing in place. – Adoption of globally-accepted cybersecurity maturity standards. – Dedicated governance including a first line IT Committee and second line mechanisms including a GRMC-endorsed risk forum to oversee IT, data and technology risks and to recommend best practice. – Leveraging external expertise for certain cybersecurity matters and system testing, when appropriate. – Conducting regular cybersecurity crisis and incident response drills to enhance preparedness. – Implementing mandatory cybersecurity risk assessment processes when engaging with vendors providing business-critical applications. – Appointment of Data Protection Officer to ensure oversight and governance of data privacy practices.

Key Focus Areas and Risk Description	Risk Trend	Mitigation
Existential reputational risk event Failure to promptly and effectively mitigate and respond to unexpected, high-velocity, and high-impact reputational risk events that could pose an existential threat to the Group's brand and standing.	← →	– Implementation of an escalation and reporting protocol involving relevant functions and senior management. – Regularly updating and testing crisis management and business continuity plans. – Utilising specialist resources as required. – Conducting crisis management drills with operating companies.
Inadequate/inappropriate adoption of AI The risk from the inappropriate use of AI, including biased decisions and data privacy issues. Risk also includes inadequate use of AI which can lead to missed opportunities for efficiency and innovation.	↓	– Oversight of technology development relevant to each operating company. – Dedicated GRMC risk forum to oversee technology risks. – Implementation of a set of generative AI application guidelines with relevant governance practices to be established in each operating company.
ESG integration The reputation, regulatory compliance, and business risks associated with the failure to meet expectations from stakeholder groups including regulators, customers, rating agencies, and international standard setters. Includes the risk of the Company not meeting its publicly stated sustainability-related commitments.	↓	– Detailed short/medium-term and long-term ESG targets with clearly articulated action plans aligned with resources to meet them. – Dedicated governance including a GRMC risk forum to oversee ESG performance. – Development of Group climate transition plan. – Monitoring of performance against targets included in regular management reporting. – Formation of a new governance body to oversee sustainability matters across the Group, chaired by the Finance Director and comprised of Finance Directors and sustainability heads of major operating companies as well as the Chief Risk Officer.
Climate change Physical risks to people and property increasing as a result of climate change leading to a potential revaluation of assets as well as other business disruptions.	← →	– Dedicated governance including a GRMC risk forum to oversee environmental and other risks relating to sustainable development and to recommend best practice. – Adopting cloud-based climate risk tool to assess physical climate risk of physical assets. – Conducting climate scenario analysis. – Adopting appropriate targets and monitoring of actions and performance. – Having contingency plans in place to respond to extreme weather events.
Wellbeing and occupational health & safety Employee wellbeing issues leading to poor morale, high turnover and low productivity. Major occupational health and safety incidents at work resulting in the loss of lives or serious injuries, business interruption, and/or significant damage to property as well as negative impact on the Company's reputation.	NEW	– Having in place policies and processes relating to staff wellbeing and occupational health & safety. – Implementation of internationally recognised safety management system. – Implementation of system to encourage hazard reporting and analysis of incidents to prevent recurrence. – Dedicated governance including a GRMC risk forum to oversee health & safety performance, incident lesson learnt and to recommend best practice.
Emerging risk: Supply chain resilience Possible supply chain interruptions from shocks including natural catastrophes, geopolitical events, or resource outages would significantly disrupt the operations of our operating companies, potentially leading to increased costs, reduced productivity, and loss of customer trust.	EMERGING	– Close monitoring of geopolitical trends and events through news media reports, and prevailing public and government opinion. – Having crisis management and business continuity plans in place. – Managing relationships with key third parties. – Review of contract terms and conditions to ensure viable alternatives upon disruptions, and close management of product lifecycles in operating companies.

↑ Risk level increased during the year 2024 ↓ Risk level decreased during the year 2024 ← → Risk level remained broadly the same

DIRECTORS AND OFFICERS

Executive Directors

BRADLEY, Guy Martin Coutts, JP, aged 59, has been a Director of the Company and its Chairman since August 2021. He is also Chairman of John Swire & Sons (H.K.) Limited and Swire Properties Limited and a Director of Cathay Pacific Airways Limited. He was a Director of the Company from January 2015 to May 2017. He joined the Swire group in 1987 and has worked with the group in the Hong Kong SAR, Papua New Guinea, Japan, the United States, Vietnam, the Chinese Mainland, the Taiwan region and the Middle East. He is a chartered surveyor, a fellow of The Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors. He is also Deputy Chairman of The Hong Kong General Chamber of Commerce and Vice-President of The Real Estate Developers Association of Hong Kong.

COGMAN, David Peter, aged 51, has been a Director of the Company since August 2017. He is also a Director of John Swire & Sons (H.K.) Limited. He joined McKinsey & Company in 1997 and was a partner in McKinsey's Hong Kong office. He joined the Swire group in 2017. He is Chairman of the Board of Governors of The Hong Kong Philharmonic Orchestra and a member of the M+ Business and Finance Committee of M Plus Museum Limited.

HEALY, Patrick, aged 59, has been a Director of the Company since August 2021. He is also Chair of Cathay Pacific Airways Limited and Swire Coca-Cola Limited and a Director of John Swire & Sons (H.K.) Limited and Air China Limited. He was a Director of Swire Properties Limited from January 2015 to August 2021. He joined the Swire group in 1988 and has worked with the group in the Hong Kong SAR, Germany and the Chinese Mainland.

MURRAY, Martin James, OBE, aged 58, has been a Director of the Company (and its Finance Director) since April 2021. He is also a Director of John Swire & Sons (H.K.) Limited and Swire Properties Limited. He was previously a Director and Chief Financial Officer of Cathay Pacific Airways Limited and before that Deputy Finance Director of the Company. He joined the Swire group in 1995 and has worked with the group in the Hong Kong SAR, the United States, Singapore and Australia. He is a member of The Institute of Chartered Accountants of Scotland and the Hong Kong Institute of Certified Public Accountants and a council member of The Hong Kong Management Association. He is responsible for the Group's ESG strategy and the sustainable development office and is an Asia Pacific Chapter Member of the Accounting for Sustainability CFO Leadership Network and a council member of the World Business Council for Sustainable Development.

Non-Executive Directors

MCCALLUM, Gordon Douglas, aged 64, has been a Director of the Company since May 2022. He is a Director of John Swire & Sons Limited and Chairman of its wholly-owned subsidiary, Argent Energy Holdings Limited. He is also Chairman of Zopa Group Limited and Zopa Bank Limited and a Director of Cathay Pacific Airways Limited. He was previously a Director of Virgin Atlantic Airways Limited and associated companies in the Virgin Atlantic group.

SWIRE, Merlin Bingham, aged 51, has been a Director of the Company since January 2009. He is also Deputy Chairman, Chief Executive Officer and a shareholder of John Swire & Sons Limited and a Director of Swire Properties Limited and Cathay Pacific Airways Limited. He was Chairman of the Company and Swire Properties Limited from July 2018 to August 2021. He joined the Swire group in 1997 and has worked with the group in the Hong Kong SAR, Australia, the Chinese Mainland and London.

Independent Non-Executive Directors

ETCHELLS, Paul Kenneth, aged 74, has been a Director of the Company since May 2017. He is also an Independent Non-Executive Director of Samsonite Group S.A. He was employed by the Swire group in the Hong Kong SAR from 1976 to 1998. He was employed by The Coca-Cola Company from July 1998 to June 2010 and worked in the United States, the Chinese Mainland and the Hong Kong SAR.

LEE, Wai Mun Rose, JP, aged 72, has been a Director of the Company since July 2012. She is an Independent Non-Executive Director of CK Asset Holdings Limited. She is a Fellow of The Hong Kong Institute of Bankers. She is also a Vice Patron of The Community Chest of Hong Kong, a member of the Board of Governors of Saint Francis University and Caritas Bianchi College of Careers and a member of the Investment Committee of the Board of the West Kowloon Cultural District Authority. She was an Independent Non-Executive Director of CK Hutchison Holdings Limited from June 2015 to December 2023, MTR Corporation Limited from May 2018 to May 2024 and a Member of the Board of the West Kowloon Cultural District Authority from October 2018 to October 2024.

NGAN, Edith Manling, aged 60, has been a Director of the Company since June 2022. She is an Independent Non-Executive Director of Asia Financial Holdings Limited, Blue Moon Group Holdings Limited and Tencent Music Entertainment Group. She was an Independent Non-Executive Director of HKBN Ltd. from September 2022 to September 2023. She sits on various government advisory committees and Boards.

ORR, Gordon Robert Halyburton, aged 62, has been a Director of the Company since August 2015. He is an Independent Non-Executive Director of EQT Partners AB, Lenovo Group Limited, Meituan and Fidelity China Special Situations PLC. He joined McKinsey & Company in 1986 and retired in 2015. He was a member of McKinsey's global shareholder board from 2003 to 2015, a Board member of the China-Britain Business Council from 2015 to 2024 and a Director of Sondrel (Holdings) plc from October 2022 to January 2024.

XU, Ying, aged 61, has been a Director of the Company since August 2021. She is the President of Wumei Technology Group and an Independent Non-Executive Director of Naspers Limited and Prosus N.V. She is also a member of the World Retail Congress Advisory Board.

ZHANG, Yi Bonnie, aged 51, has been a Director of the Company since June 2022. She is the Chief Financial Officer of Sina Corporation and an Independent Director of Hesai Group and Yatsen Holding Limited. She was a Director of Dada Nexus Limited and CreateAI Holdings Inc.

Company Secretary

LOMAS, Bernadette Mak, aged 59, has been Company Secretary since February 2022. She is also Group General Counsel of the Group. She is qualified to practise law in the Hong Kong SAR and in the State of New York. Prior to joining the Group, she was Group General Counsel and Company Secretary of a leading Hong Kong listed company.

Notes:
1. The Audit Committee comprises Paul Etchells (committee chairman), Edith Ngan and Bonnie Zhang.
2. The Nomination Committee comprises Gordon Orr (committee chairman), Merlin Swire and Xu Ying.
3. The Remuneration Committee comprises Gordon Orr (committee chairman), Rose Lee and Merlin Swire.
4. All the Executive Directors and Non-Executive Directors are employees of the John Swire & Sons Limited group.

DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements for the year ended 31st December 2024, which are set out on pages 144 to 239.

Principal Activities

The principal activity of Swire Pacific Limited (the Company) is that of a holding company, and the principal activities of its principal subsidiary, joint venture and associated companies are shown on pages 227 to 237. An analysis of the Group's performance for the year by reportable business segment and geographical area is set out in note 7 to the financial statements.

Consolidated Financial Statements

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (collectively referred to as the Group) together with the Group's interests in joint venture and associated companies. Details of the joint venture and associated companies are provided under note 20 to the financial statements.

Dividends

The Directors have declared second interim dividends of HK$2.10 per 'A' share and HK$0.42 per 'B' share which, together with the first interim dividends of HK$1.25 per 'A' share and HK$0.25 per 'B' share paid in October 2024, amount to full year dividends of HK$3.35 per 'A' share and HK$0.67 per 'B' share, compared to full year dividends (including the special interim dividends paid in September 2023) of HK$11.32 per 'A' share and HK$2.264 per 'B' share in respect of 2023. The second interim dividends will be paid on Friday, 9th May 2025 to shareholders registered at the close of business on the record date, being Friday, 11th April 2025. Shares of the Company will be traded ex-dividend from Wednesday, 9th April 2025.

The Company's dividend policy is to deliver sustainable growth in dividends and to pay out not less than half of its recurring underlying profit (excluding the Company's share of the results of Cathay Pacific, but including all dividends received from that company) by way of ordinary dividends over time.

Closure of Register of Members

The register of members will be closed on Friday, 11th April 2025, during which day no transfer of shares will be effected. In order to qualify for entitlement to the second interim dividends, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 10th April 2025.

To facilitate the processing of proxy voting for the annual general meeting to be held on 15th May 2025, the register of members will be closed from 12th May 2025 to 15th May 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 9th May 2025.

Business Review

A fair review of the Group's business, a description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year and an indication of the likely future development of the Group's business (including, in each case to the extent necessary for an understanding of the development, performance or position of the Group's business, key performance indicators) are provided in the sections of this annual report headed Chairman's Statement, 2024 Performance Review and Outlook, Financial Review, Financing and Risk Management and in the Notes to the Financial Statements. To the extent necessary for an understanding of the development, performance or position of the Group's business, a discussion of the Group's environmental policies and performance and an account of the Group's key relationships with its employees, customers and suppliers and others that have a significant impact on the Group and on which the Group's success depends are provided in the section of this annual report headed Sustainability Review. A discussion of the Group's compliance with the relevant laws and regulations that have a significant impact on the Group is provided in the sections of this annual report headed Sustainability Review, Corporate Governance Report, Risk Management and Directors' Report. Detailed information on the Group's sustainability performance is provided in the 2024 Sustainability Report of the Company.

Reserves

Movements in the reserves of the Group and the Company during the year are set out in notes 35 and 37(b) respectively to the financial statements.

Share Capital

During the year under review, pursuant to the share buy-back programme announced by the Company on 5th December 2023 (the Share Buy-back Programme), the Company bought back an aggregate of 50,091,000 'A' shares and 54,547,500 'B' shares on The Stock Exchange of Hong Kong Limited (the Stock Exchange) at an aggregate cost (excluding transaction fees) of HK$3,841 million. All the shares bought back were subsequently cancelled.

The Board is of the view that the implementation of the Share Buy-back Programme is in the best interests of the Company and the shareholders as a whole. Share buy-backs demonstrate the Company's confidence in its business outlook and prospects and should, ultimately, benefit the Company and create value for the shareholders.

Details of the Share Buy-backs made during the year and the Company's share capital are set out in note 34 to the financial statements.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year and the Group has not adopted any share option scheme.

At 31st December 2024, taking into account the shares bought back and cancelled, 805,569,500 'A' shares and 2,865,850,000 'B' shares were in issue (31st December 2023: 856,824,500 'A' shares and 2,922,337,500 'B' shares). The term of the Share Buy-back Programme will expire at the conclusion of the 2025 annual general meeting.

Accounting Policies

The material accounting policies of the Group are set out in the relevant Notes to the Financial Statements (if they relate to a particular item) and in the section of this annual report headed Accounting Policies.

Auditors

PricewaterhouseCoopers retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditors of the Company is to be proposed at the forthcoming annual general meeting.

Financial Review

A review of the consolidated results, consolidated statement of financial position and consolidated statement of cash flows of the Group is shown in the section of this annual report headed Financial Review. A ten-year summary of the financial performance of the Group is shown in the section of this annual report headed Summary of Past Performance.

Corporate Governance

The Company complied with all the code provisions set out in the Corporate Governance Code (the CG Code) contained in Part 2 of Appendix C1 to the Listing Rules throughout the year covered by the annual report.

Details of the Company's corporate governance practices are set out in the section of this annual report headed Corporate Governance Report.

Environmental, Social and Governance

For the year covered by the annual report, the Company has complied with all the applicable provisions set out in Part C of the Environmental, Social and Governance Reporting Guide contained in Appendix C2 of the Listing Rules, which is applicable for the year ended 31st December 2024. The Company has also referenced the climate-related disclosures set out in part D of the revised Environmental, Social and Governance Reporting Code contained in Appendix C2, which became effective for financial year commencing on or after 1st January 2025. This disclosure will be included in the 2024 Sustainability Report of the Company.

Donations

During the year, the Group made donations (including cash contributions and in-kind contributions) for charitable purposes of HK$92 million, including subsidiaries acquired during the year. Total donations amounted to HK$143 million including donations by the Swire Group Charitable Trust and Cathay group.

Fixed Assets

For details of movements in fixed assets refer to notes 14 and 15 to the financial statements.

The annual valuation of the Group's investment property portfolio, whether completed or in the course of development, was carried out by professionally qualified valuers (97% by value having been valued by Cushman & Wakefield Limited and 1% by value having been valued by another independent valuer) on the basis of market value at 31st December 2024. This valuation resulted in a decrease of HK$5,974 million in the carrying value of the investment property portfolio.

A schedule of the principal properties of the Group and its joint venture and associated companies is given in the section of this annual report headed Schedule of Principal Group Properties.

Borrowings

For details of the Group's borrowings refer to the section of this annual report headed Financing.

Interest

For details of the amount of interest capitalised by the Group refer to page 90.

Major Customers and Suppliers

During the year, less than 30% of the Group's sales and less than 30% of the Group's purchases were attributable to the Group's five largest customers and suppliers respectively.

Directors

All the present Directors of the Company whose names are listed in the section of this annual report headed Directors and Officers served throughout the calendar year 2024. Zhang Zhuo Ping resigned as a Director with effect from 1st September 2024.

Independence Confirmation

All of the Independent Non-Executive Directors (listed in the section of this annual report headed Directors and Officers) has confirmed their independence as regards the factors in Rule 3.13 of the Listing Rules and the Company considers all of them to be independent.

Term of Appointment

Article 93 of the Company's Articles of Association provides for all Directors to retire at the third annual general meeting following their election by ordinary resolution. In accordance therewith, Guy Bradley, Patrick Healy, Gordon Orr and Xu Ying retire this year and, being eligible, offer themselves for re-election. Rose Lee also retires this year but does not offer herself for re-election.

Each of the Directors has entered into a letter of appointment, which constitutes a service contract, with the Company for a term of up to three years until retirement under Article 91 or Article 93 of the Articles of Association of the Company, which will be renewed for a term of three years upon each election or re-election. No Director has a service contract with the Company which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

Fees and Emoluments

Full details of Directors' fees and emoluments are set out in note 8 to the financial statements.

Directors' fees paid to the Independent Non-Executive Directors during the year totalled HK$5.9 million. They received no other emoluments from the Group.

Directors' Interests

At 31st December 2024, the register maintained under Section 352 of the Securities and Futures Ordinance (SFO) showed that Directors held the following interests in the shares of Swire Pacific Limited and its associated corporations (within the meaning of Part XV of the SFO), John Swire & Sons Limited and Swire Properties Limited:

	Capacity					
	Beneficial interest					
	Personal	Family	Trust interest	Total no. of shares	Percentage of voting shares (comprised in the class) (%)	Note
Swire Pacific Limited						
'A' shares						
Paul Etchells	–	12,000	–	12,000	0.0015	
Gordon Orr	9,000	–	–	9,000	0.0011	
'B' shares						
Gordon McCallum	77,500	–	–	77,500	0.0027	

	Capacity					
	Beneficial interest					
	Personal	Family	Trust interest	Total no. of shares	Percentage of issued share capital (comprised in the class) (%)	Note
John Swire & Sons Limited						
Ordinary Shares of £1						
Gordon McCallum	46,177	–	–	46,177	0.05	
Merlin Swire	2,193,550	630,000	20,175,819	22,999,369	23.00	1
8% Cum. Preference Shares of £1						
Gordon McCallum	64,247	–	–	64,247	0.07	
Merlin Swire	3,966,125	–	16,917,930	20,884,055	23.20	1

	Capacity					
	Beneficial interest					
	Personal	Family	Trust interest	Total no. of shares	Percentage of voting shares (%)	Note
Swire Properties Limited						
Ordinary Shares						
Paul Etchells	–	8,400	–	8,400	0.00014	

Note:
1. Merlin Swire was a trustee and/or potential beneficiary of trusts which held 8,852,483 ordinary shares and 6,705,528 preference shares in John Swire & Sons Limited included under Trust interest and did not have any beneficial interest in those shares.

Other than as stated above, no Director or Chief Executive of the Company had any interest or short position, whether beneficial or non-beneficial, in the shares or underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Neither during nor prior to the year under review has any right been granted to, or exercised by, any Director of the Company, or to or by the spouse or minor child of any Director, to subscribe for shares, warrants or debentures of the Company.

Other than as stated in this report, no transaction, arrangement or contract of significance to which the Group was a party and in which a Director or an entity connected with a Director is or was materially interested, either directly or indirectly, subsisted during or at the end of the year.

At no time during the year was the Company, or any of its associated corporations, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Interests in Competing Businesses

None of the Directors or their respective close associates has any competing interests which need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

Directors of Subsidiaries

The names of all directors who have served on the boards of the subsidiaries of the Company during the year ended 31st December 2024 or during the period from 1st January 2025 to the date of this report are kept at the Company's registered office and made available for inspection by the members of the Company in accordance with Section 390(6) of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

Permitted Indemnity

Subject to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), every Director is entitled under the Company's Articles of Association to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he or she may sustain or incur in or about the execution or discharge of his or her duties and/or the exercise of his or her powers and/or otherwise in relation to or in connection with his or her duties, powers or office. To the extent permitted by such Ordinance, the Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of companies in the Group.

Substantial Shareholders' and Other Interests

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that at 31st December 2024 the Company had been notified of the following interests in the shares of the Company held by substantial shareholders and other persons:

Long position	'A' shares	Percentage of voting shares (comprised in the class) (%)	'B' shares	Percentage of voting shares (comprised in the class) (%)	Note
Substantial Shareholders					
John Swire & Sons Limited	442,879,720	54.98	2,131,969,282	74.39	1

Note:
1. John Swire & Sons Limited (Swire) was deemed to be interested in a total of 442,879,720 'A' shares and 2,131,969,282 'B' shares of the Company at 31st December 2024, comprising:
   (a) 885,861 'A' shares and 13,367,962 'B' shares directly owned by Swire;
   (b) 12,632,302 'A' shares and 37,597,019 'B' shares directly owned by its wholly-owned subsidiary Taikoo Limited;
   (c) 39,580,357 'A' shares and 1,482,779,222 'B' shares directly owned by its wholly-owned subsidiary John Swire & Sons (H.K.) Limited; and
   (d) the following shares directly owned by wholly-owned subsidiaries of John Swire & Sons (H.K.) Limited: 2,055,000 'B' shares owned by Canterbury Holdings Limited, 322,603,700 'A' shares and 123,945,000 'B' shares owned by Elham Limited, 39,461,000 'A' shares and 373,003,444 'B' shares owned by Shrewsbury Holdings Limited, 99,221,635 'B' shares owned by Tai-Koo Limited and 27,716,500 'A' shares owned by Waltham Limited.

At 31st December 2024, the Swire group was interested in 63.05% of the equity of the Company and controlled 70.13% of the voting rights attached to shares in the Company.

Public Float

Rule 8.08(1) of the Listing Rules requires that at least 25% of an issuer's total number of issued shares must at all times be held by the public. The Company has been granted by the Stock Exchange a waiver from strict compliance with Listing Rule 8.08(1) such that the Company's public float percentage continues to be calculated based on its issued share capital as if its shares still had nominal values. From information that is publicly available to the Company and within the knowledge of its Directors at the date of this report, at least 25% of the Company's total issued share capital (calculated as described in the previous sentence) is held by the public.

Continuing Connected Transactions

During the year ended 31st December 2024, the Group had the following continuing connected transactions, details of which are set out below:

(a) Services Agreements

There are agreements for services (Services Agreements), in respect of which John Swire & Sons (H.K.) Limited (JS&SHK), a wholly-owned subsidiary of John Swire & Sons Limited (Swire), provided to the Company and some of its subsidiary and associated companies advice and expertise of the directors and senior officers of the Swire group, including (but not limited to) assistance in negotiating with regulatory and other governmental or official bodies, certain staff services (including full or part time services of members of the staff of the Swire group), certain central services and such other services as may be agreed from time to time, and procured for the Company and its subsidiary, joint venture and associated companies the use of relevant trademarks owned by Swire. No fee is payable in consideration of such procuration obligation or such use. The procuration obligation would fall away if the Services Agreements were terminated or not renewed.

In return for these services, JS&SHK receives annual service fees calculated (A) in the case of the Company, as 2.5% of the dividends receivable from associates and joint ventures of the Company, where there are no agreements for services with such companies, and (B) in the case of its subsidiaries and associates with such agreements, as 2.5% of their relevant consolidated profits before taxation and non-controlling interests after certain adjustments. The fees for each year are payable in cash in arrear in two instalments, an interim payment by the end of October and a final payment by the end of April of the following year, adjusted to take account of the interim payment. The Company also reimburses the Swire group at cost for most of the expenses incurred in the provision of the services.

The Services Agreements took effect from 1st January 2005, were renewed on 1st October 2007, were amended and restated on 18th September 2008, were renewed again on 1st October 2010, 14th November 2013 and 1st October 2016, were further amended and restated on 9th August 2019 and were renewed again on 1st October 2019 and 1st October 2022. The current term of the Services Agreements is from 1st January 2023 to 31st December 2025 and they are renewable for successive periods of three years thereafter unless either party to them gives to the other notice of termination of not less than three months expiring on any 31st December.

Particulars of the fees paid and the expenses reimbursed for the year ended 31st December 2024 are given in note 41 to the financial statements.

(b) Tenancy Framework Agreement

The Company, JS&SHK and Swire Properties Limited (Swire Properties) entered into a tenancy framework agreement (Tenancy Framework Agreement) on 14th August 2014 to govern existing and future tenancy agreements between members of the Group, members of the JS&SHK group and members of the Swire Properties group. The Tenancy Framework Agreement, which took effect from 1st January 2014 and was renewed on 1st October 2015, 1st October 2018 and 1st October 2021, was renewed again on 1st October 2024 for a term of three years from 1st January 2025 to 31st December 2027. It is renewable for successive periods of three years thereafter unless any party to it gives to the other parties notice of termination of not less than three months expiring on any 31st December. Pursuant to the Tenancy Framework Agreement, members of the Group, members of the JS&SHK group and members of the Swire Properties group enter into tenancy agreements from time to time on normal commercial terms based on prevailing market rentals.

Particulars of the aggregate rentals payable to the Group under tenancies subject to the Tenancy Framework Agreement for the year ended 31st December 2024 are given in note 41 to the financial statements.

(c) Management Services Agreement

Swire Coca-Cola Limited (SCCL), John Swire & Sons Limited and Swire Pacific Holdings Inc. (SPHI) entered into a management services agreement (Management Services Agreement) on 18th July 2023 for the provision of management and administrative support services by SCCL to SPHI and its subsidiaries. The initial term of the Management Services Agreement is from 7th September 2023 until 27th April 2037 (both days inclusive), and thereafter, subject to mutual agreement, will be renewed on the same terms for successive terms of 10 years, unless terminated earlier pursuant to its terms.

Particulars of the management fee payable by SPHI to SCCL for the year ended 31st December 2024 are given in note 41 to the financial statements.

The Swire group was interested in 63.05% of the equity of the Company and controlled 70.13% of the voting rights attached to shares in the Company at 31st December 2024. JS&SHK, as a wholly-owned subsidiary of Swire, is therefore a connected person of the Company under the Listing Rules. The transactions under the Services Agreements, the Tenancy Framework Agreement and the Management Services Agreement are continuing connected transactions in respect of which announcements dated 11th August 2022, 9th May 2024 and 18th July 2023 respectively were published.

As directors and/or employees of the Swire group, Guy Bradley, David Cogman, Patrick Healy and Martin Murray are interested in the Services Agreements and the Tenancy Framework Agreement. As shareholders, directors and employees of the Swire group, Gordon McCallum and Merlin Swire are interested in the Services Agreements, the Tenancy Framework Agreement and the Management Services Agreement. Before he ceased to be a director of the Company, Zhang Zhuo Ping as a director and an employee of the Swire group was interested in the Services Agreement and the Tenancy Framework Agreement.

The Independent Non-Executive Directors of the Company, who are not interested in any connected transactions with the Group, have reviewed and confirmed that the continuing connected transactions as set out above have been entered into by the Group in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company have also reviewed the continuing connected transactions and confirmed to the Board that nothing has come to their attention that causes them to believe that these transactions have not been approved by the Board of the Company; that these transactions were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; that these transactions were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and that the relevant annual caps have been exceeded.

Discloseable Transactions

(a) Acquisition of Coca-Cola Bottling Operations in Thailand and Laos and Disposal of Minority Interests in Coca-Cola Bottling Operations in Cambodia and Vietnam

On 9th February 2024, Swire Beverages (South East Asia) Pte. Ltd. (the Purchaser), a wholly-owned subsidiary of the Company, entered into definitive agreements with The Coca-Cola Export Corporation and Bevsite Limited (as sellers), ThaiNamthip Corporation Public Company Limited (formerly known as ThaiNamthip Corporation Ltd.) (TNTC) and ThaiNamthip Limited respectively, pursuant to which the Purchaser conditionally agreed to acquire (through purchases and subscriptions in two phases) a majority stake in TNTC for an aggregate consideration of approximately THB42,615.7 million (equivalent to approximately HK$9,470.1 million), subject to customary post-completion adjustments and excluding the deemed exercise of an option to sell additional shares in TNTC to the Purchaser (the Acquisition). The Purchaser will be interested in approximately 55.7% of the issued share capital of TNTC upon completion of the Acquisition. The Acquisition was completed in two phases on 9th February 2024 and 30th September 2024.

In connection with the Acquisition, on 9th February 2024, CC Cambodia Holdings Pte. Ltd. and Coca-Cola Indochina Pte. Ltd., each a wholly-owned subsidiary of the Company and as a seller, respectively entered into a share purchase agreement (SPA) and a capital transfer agreement (CTA) with TNTC as the purchaser, pursuant to which TNTC conditionally agreed to acquire 30% of each of the issued share capital of Cambodia Beverage Company Limited (the Cambodia Subsidiary) and the charter capital of Coca-Cola Beverages Viet Nam Limited Liability Company (the Vietnam Subsidiary) for an aggregate consideration of approximately US$271.1 million (equivalent to approximately HK$2,114.6 million), subject to customary post-completion adjustments (the Disposal). Upon completion of the Disposal, each of the Cambodia Subsidiary and the Vietnam Subsidiary would become a non-wholly owned subsidiary of the Company. The Cambodia SPA was completed on 31st December 2024 while the completion of the Vietnam CTA remains subject to certain conditions including applicable regulatory approvals.

The Acquisition and Disposal constitute a discloseable transaction of the Company under the Listing Rules (classified by reference to the larger of the Acquisition or Disposal), in respect of which announcements dated 9th February 2024, 30th September 2024 and 31st December 2024 were published.

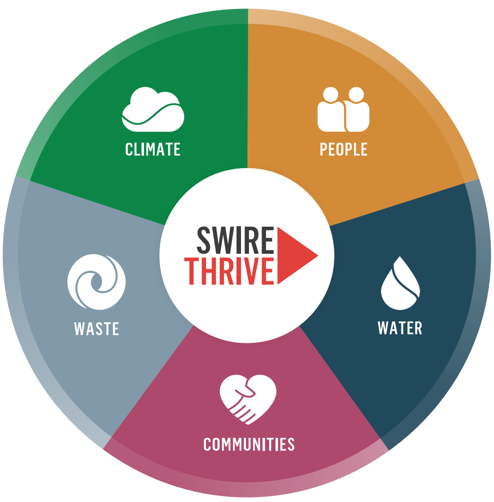
On behalf of the Board

Guy Bradley
Chairman
Hong Kong, 13th March 2025

SUSTAINABILITY REVIEW

SUSTAINABILITY REVIEW

Sustainable development is integral to our approach to business and investment. Providing quality products and services that our customers can trust, investing in our people and communities, and protecting shared natural resources is not only the right thing to do, it is fundamental to our ability to create long-term value for our shareholders. Through SwireTHRIVE 2.0, our sustainable development strategy, we aim for innovation and continuous improvement in five areas: Climate, Waste, Water, People and Communities.



We have stretching near-term targets to reduce carbon, water and waste. Our ambition is to achieve net-zero carbon emissions, water neutrality and zero waste to landfill by 2050. Acquisitions that occurred after December 2023, the target setting year, are excluded from our commentary on performance against targets, but included in commentary on overall performance.

Environmental, social and governance topics not covered by SwireTHRIVE are important to our investors, regulators and customers. We have policies on human rights, biodiversity and sustainable procurement.

Governance of Sustainability

Our Board is ultimately accountable for sustainability matters. It is kept informed of sustainability risks and performance by the Swire Group Sustainability Committee and Group Risk Management Committee, which report to the Board via the Audit Committee. The Group Head of Sustainability reports monthly to the Group's Finance Director, who is an Executive Director of the Company, and briefs the Board and division heads twice a year on sustainability matters.

There are group risk forums which are relevant to SwireTHRIVE. They deal with environment, social and governance, human resources and health and safety. For details, see the Risk Management sections of this report and of our 2024 Sustainability Report. Other Group committees and working groups relevant to SwireTHRIVE are the Swire Group Environment Committee, the Health and Safety Committee, the Diversity & Inclusion Steering Committee and the Philanthropy Committee.

The Sustainable Development Office is responsible for the environmental areas of SwireTHRIVE. Our Group Risk Management and Diversity, Equity & Inclusion departments and the Swire Trust also have SwireTHRIVE responsibilities.

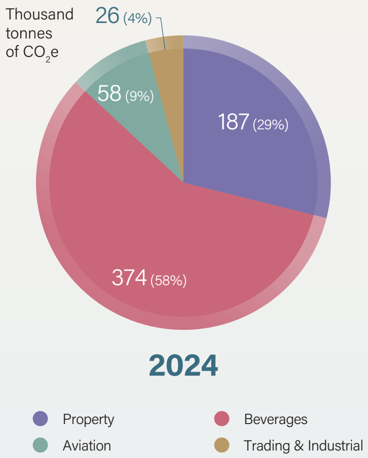
Sustainable Development Fund

The Swire Pacific Sustainable Development Fund offers financial support to operating companies for projects which can deliver significant environmental benefits, but which cannot be justified by reference to our cost of capital targets. The fund has supported trials of innovative green technology projects. In 2024, funding of about HK$91 million was approved for 9 projects at various operating companies.

Sustainable Finance

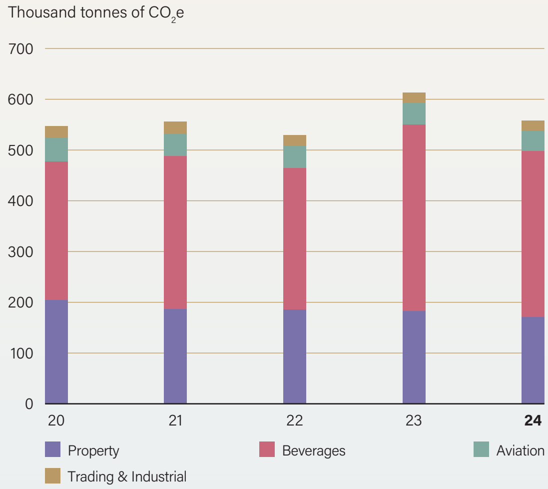
At the end of 2024, sustainable finance (where part of the cost is linked to the achievement of sustainability targets) represented more than 55% of our total financing.

Total Scope 1 and 2 GHG Emissions by Division



Notes:
1. Swire Pacific tracks its energy consumption and GHG emissions through utility bills and purchase or service records. When such records are not yet available, consumption is captured through direct measurements (e.g. readings of submeters). These figures are updated upon availability of records.
2. Totals may not be the exact sum of numbers shown due to rounding.

Scope 2 GHG Emissions by Division



Note:
Swire Pacific tracks its energy consumption and GHG emissions through utility bills and purchase or service records. When such records are not yet available, consumption is captured through direct measurements (e.g. readings of submeters). These figures are updated upon availability of records. The figures for 2023 have been updated to reflect such availability.

Climate

The world must halve emissions by 2030 and reach net-zero emissions by 2050 to avoid the worst effects of climate change. Reducing our greenhouse gas (GHG) emissions is a business imperative. We must ensure that our assets and operations can withstand and adapt to climate-related risks.

Climate Risk

We consider the physical, regulatory and financial impact of climate change on our businesses. The results of our physical and transition scenario analysis are included in our climate risk disclosures, available in our 2024 Sustainability Report. These follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) which are now fully incorporated into the IFRS Sustainability Disclosure Standards.

Greenhouse Gas Emissions

Our target is to reduce by 50% our scope 1 and 2 GHG emissions by 2030 from their 2018 levels. We aim to reach net-zero GHG emissions by 2050.

In 2024, our scope 1 and 2 GHG emissions[(i)] were 645 thousand tonnes of carbon dioxide equivalent (CO_2e), an 11% decrease from 2023. Businesses covered by our 2030 target achieved a 40% reduction in scope 1 and 2 emissions against a 2018 baseline. Swire Properties and Swire Coca-Cola accounted for 87% of the Group's operational emissions in 2024. They have set science based targets (SBTs) which have been approved by the Science Based Targets initiative (SBTi).

In 2024, Cathay Pacific's GHG emissions were 14,133 thousand tonnes of CO_2e. We report 44.985% of them (our percentage ordinary shareholding interest in Cathay Pacific at year end), or 6,358 thousand tonnes of CO_2e. Cathay Pacific has committed to achieving net-zero carbon emissions by 2050, for sustainable aviation fuel to represent 10% of its fuel consumption by 2030,

Note:
(i) Performance disclosed in this report is based on the location-based method. Refer to the Swire Pacific 2024 Sustainability Report for our market-based performance.

and to improve its emission intensity by 12% per revenue tonne kilometres (RTK) by 2030 from a 2019 baseline. In 2024, its carbon intensity, measured in grammes of CO_2 per RTK, decreased by 3% compared with 2023.

Since 2023, we have piloted internal carbon pricing. We use carbon fees and shadow pricing. The carbon fee for each operating company is based on its most recent financial year's operational GHG emissions and budgets are set aside for decarbonisation projects based on the carbon fee.

Shadow pricing is applied to projects exceeding a threshold value. Swire Coca-Cola, Swire Properties and HAECO (which account for more than 95% of our GHG emissions) are participating in this initiative.

Energy

Electricity consumption is our largest source of scope 1 and 2 GHG emissions. In 2024, our GHG emissions (primarily derived from purchased electricity) were 565 thousand tonnes of CO_2e, an 8% decrease from 2023. Across the Group we retrofitted buildings and improved operational procedures. Energy saving and increased use of renewable electricity helped.

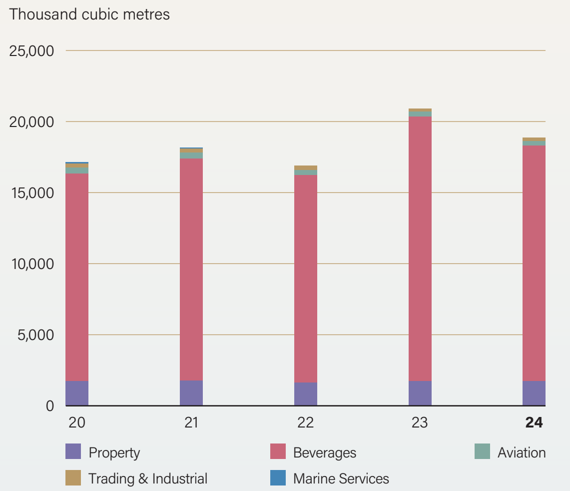
In line with the Group Green Building Policy, new and substantially renovated buildings over a threshold construction floor area should obtain the highest or second highest international or local building environmental certification. All existing buildings without major renovations or refurbishments are encouraged to obtain similar standard where practicable.

Swire Properties designs, constructs and operates properties with a view to reducing energy use. At the end of 2024, 100% of its wholly-owned new projects under development achieved the highest green building rating, 96% of its wholly-owned existing buildings were certified green buildings, and over 97% of its 2024 gross rental income came from certified green buildings.

In 2024, Swire Properties' absolute scope 1 and 2 GHG emissions achieved a reduction of 40% compared with a 2019 baseline year. In its wholly-owned portfolios, 53% of office tenants have signed the Green Performance Pledge to jointly improve environmental performance by 2025. Tenants are supported in identifying ways in which they can reduce energy, waste and water consumption.

In 2024, more than 36.3 million kWh of electricity was generated from renewable sources at Swire Properties, Swire Coca-Cola and HAECO. Two Swire Properties' developments and eight

Water Withdrawal by Division



Note:
Swire Pacific tracks its water consumption through utility bills and purchase or service records. When such records are not yet available, consumption is captured through direct measurements (e.g. readings of submeters). These figures are updated upon availability of records. The figures for 2023 have been updated to reflect such availability.

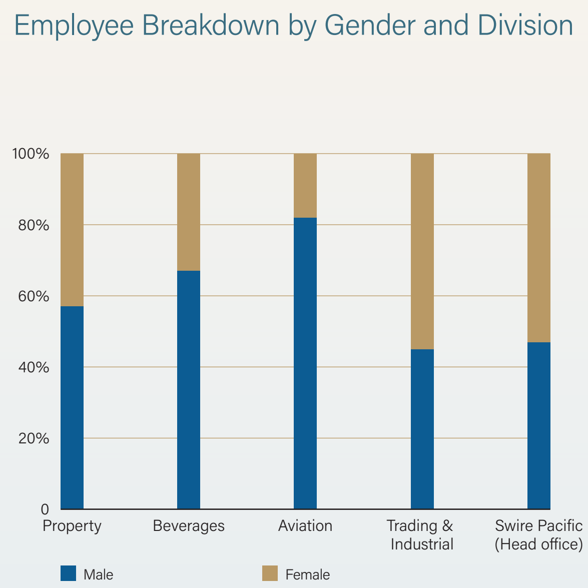
Swire Coca-Cola bottling plants in the Chinese Mainland are powered by 100% renewable electricity. In 2024, 32.9% of the electricity used by the Group came from renewable sources.

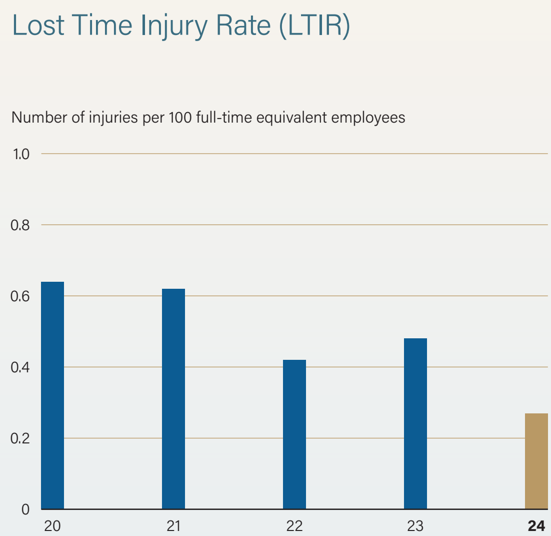
Waste

We aim to minimise the total amount of waste we generate and seek to divert as much as possible from landfill, through recycling, reuse and reducing waste at source.

In 2024, the Group generated 74,458 tonnes of waste, an 18% decrease from 2023. Swire Properties and Swire Coca-Cola account for more than 90% of the Group's waste. Our targets are to divert 65% and 100% of our non-hazardous waste from landfill by 2030 and 2050, respectively. Businesses covered by our 2030 target maintained the same waste diversion rate as in 2023.

Single use plastic can damage the environment unless it is recovered and recycled. In line with The Coca-Cola Company's World Without Waste initiative, Swire Coca-Cola has the following aims:





- By 2025, primary packaging will be 100% recyclable
- By 2030, primary packaging will comprise 50% recycled content

New Life Plastics, a subsidiary in Hong Kong in which we have equity interest, can process 35,000 tonnes of PET and HDPE per annum.

Water

Our businesses depend on water. Some of them use it extensively. Water stress can affect our suppliers, the communities in which we operate and the biodiversity of the areas in which we operate. We aim to use water responsibly and sustainably, and to protect our water sources.

We comply with wastewater treatment laws. By doing this, we protect our own resources and help the communities in which we operate and live to have access to safe, good quality water. Our target is to reduce our water usage (except in Coca-Cola beverages) by 30% from a 2018 frozen efficiency baseline. We aim to achieve water neutrality by 2050.

In 2024, we used 18.9 million cubic metres of water, 10% less than in 2023. Businesses covered by our 2030 target achieved a 23% reduction in water use against a 2018 baseline.

In 2024, Swire Coca-Cola accounted for 88% of our water use. Its water intensity (the amount of water needed to produce a litre of beverage), decreased by 4% in 2024 to 1.81 from 1.88 in 2023.

Swire Coca-Cola aims to return to the environment water in amounts equivalent to those which it uses in its products.

People

We aim to be an employer of choice that attracts and retains the most talented people. We do this by creating safe, healthy and inclusive workplaces where everyone is treated with respect and has equal opportunities to succeed.

At the end of 2024, the Swire Pacific Group (excluding the Cathay group and HAESL) employed approximately 57,000 people. The majority of our people are based in Hong Kong and the Chinese Mainland.

Staff turnover is monitored with a view to identifying areas of improvement and managing issues as they arise. In 2024, the turnover rate was 13%, the same as 2023.

Health and Safety

We aim to conduct our operations in a manner which safeguards the health and safety of our people, contractors, suppliers, customers and visitors to our business premises and the communities in which we operate. We aim to improve our health and safety management systems continuously with a view to causing zero harm.

In 2024, the number of injuries per 100 full-time equivalent employees (lost time injury rate or LTIR) decreased by 44% to 0.27 from 0.48 in 2023.

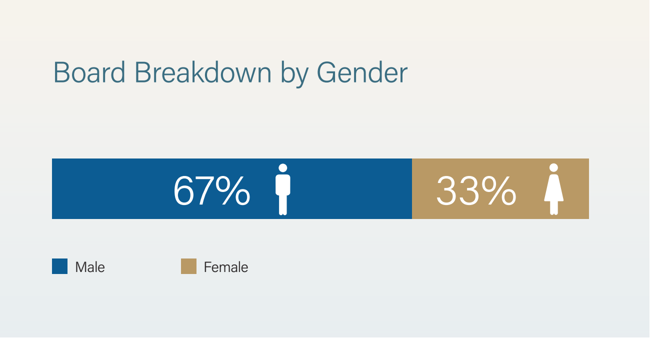
Regrettably there was one work-related employee fatality occurred at HAECO Xiamen in 2024. Following full investigation, enhanced mitigation measures were implemented.

We aim to continuously improve our health and safety performance and culture through systems improvements, training, learning and transparent reporting. We expect our contractors to observe high safety standards. Regrettably, there was one work-related fatality of a contracted worker in 2024. This incident occurred in HAECO Xiamen construction site at the new airport. Following thorough investigations HAECO Xiamen has enhanced its contractor safety management protocols.

We care about the mental and physical health and wellbeing of our people. Group initiatives include health checks, employee assistance programmes with 24-hour confidential hotlines, and policies on flexible working and parental leave. We will continue to enhance our wellbeing strategy in 2025.

Diversity, Equity and Inclusion

We believe in creating an environment where people feel comfortable at work and are able to realise their full potential. We are committed to creating an inclusive and supportive working environment for our people regardless of their age, gender, gender identity, sexual orientation, relationships, family status, disability, race, ethnicity, nationality and religious or political beliefs.



We have set diversity targets including 30% of women on our board of directors (Board) by 2024. Women represent 33.3% of our Board.

We have provided unconscious bias training to those responsible for recruitment and promotion. Employees are required to comply with applicable employment and other laws. We provide training in order to assist our people to better understand their rights and obligations under Hong Kong anti-discrimination legislation.

Training and Development

We need an agile and well-trained workforce in order to respond to competitive and changing business environment. We provide on-the-job training, mentoring and coaching classroom training and online learning. All new joiners take part in induction programmes that include anti-discrimination and anti-corruption training as well as site visits to our businesses.

Our in-house leadership development company designs and provides learning and development programmes for management staff. Managers attend business management and executive programmes at INSEAD and Stanford. Training programmes emphasise sustainability and contribute to the development of a strong corporate culture and a style of leadership that is consistent with our values.

We recruit high-calibre individuals with a view to developing them into future leaders within the Group. They are trained in management, finance and human resources. They have access to coaching and mentoring.

Our summer internship programme gives exceptional students the opportunity to gain experience of working at Swire. Interns learn about our values and what we do, and then work on business projects at our operating companies.

We communicate with our people on a regular basis via our intranet, newsletters, surveys and staff forums.

Communities

We believe that when the communities in which we operate prosper, so do we. We concentrate on doing things where we believe we can make a difference. We support our communities with monetary donations, provision of products and services and with the time and energy of our staff, and through the Swire Group Charitable Trust (the Trust).

In 2024, the Swire Trust supported 45 education, marine conservation, arts, and other community and collaborative network building programme grants, completed 9 projects and distributed approximately HK$47 million. The Swire Trust continues to support inspirational projects in the respective three focus areas, connecting the Company's staff, the Trust's NGO partners, and the community to build social capital, create opportunities, and motivate positive change in Hong Kong.

Our employees contributed 1,176 hours of service in 2024 via the Swire Trust staff engagement programme. During the year, the Group including our operating companies made charitable contributions (cash and in-kind) of HK$132 million.

Engaging with Suppliers

Operating companies are committed where possible to purchasing products which do not adversely affect the environment. Our guidelines on doing so are in accordance with international standards.

Our Supplier Corporate Social Responsibility Code of Conduct deals with regulatory compliance, forced labour, child labour, health and safety, environmental issues, compensation and working hours, human rights, subcontractor management, ethics and reporting.

Our businesses engage with thousands of suppliers. They supply goods and services which include aircraft parts, fuel, sugar, auditing, office supplies and uniforms. A group-wide assessment has been carried out to identify the potential ESG risks associated with our key suppliers. We prefer to work with suppliers that share our high standards and values. We share information and best practices with suppliers and encourage them to adopt appropriate sustainability and other standards.

Reporting and Recognition

Our sustainability performance is disclosed in detail in a separate Sustainability Report, which is available on our website. It has been prepared with reference to the Global Reporting Initiative (GRI) Standards and the ESG Reporting Code for listed companies issued by The Stock Exchange of Hong Kong Limited. Deloitte Touche Tohmatsu has provided a limited assurance report in respect of selected sustainability information of Swire Pacific for the year ended 31st December 2024. Further information on the scope and boundaries of our sustainability data and the full limited assurance report can be found at https://www.swirepacific.com/en/sustainability/sustainability-reports

Swire Pacific is included in the Dow Jones Best-in-Class Asia Pacific Index, the Hang Seng Corporate Sustainability Index, the Hang Seng Corporate Sustainability Benchmark Index, the Hang Seng (Mainland and HK) Corporate Sustainability Index, the S&P Global Sustainability Yearbook 2025 and Sustainability Yearbook (China) 2025, and the MSCI ACWI ESG Leaders, Hong Kong ESG Leaders, ACWI ESG Universal and ACWI SRI Indices. We received a AA rating from MSCI. Swire Pacific is included in the 2023 Bloomberg Gender-Equality Index.

Swire Properties was ranked first in the world in the Dow Jones Best-in-Class World Index (DJSI World) 2024 in the Real Estate Management & Development Industry category. It is the Global Sector Leader (Listed) and the Global Development Sector Leader (Mixed Use sector) on the Global Real Estate Sustainability Benchmark (GRESB). It is ranked number one in the Hang Seng Corporate Sustainability Index and is included in the FTSE4Good.

In 2024, Swire Pacific achieved a score of A- for CDP Climate Change. Swire Coca-Cola achieved a score of B for CDP Water Security.

FINANCIAL CONTENTS

FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT

羅兵咸永道

To the Shareholders of Swire Pacific Limited
(incorporated in Hong Kong with limited liability)

Opinion

What we have audited

The consolidated financial statements of Swire Pacific Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 144 to 239, comprise:

- the consolidated statement of financial position as at 31st December 2024;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties *Refer to note 15 in the consolidated financial statements.* The fair value of the Group's investment properties amounted to HK$270,950 million at 31st December 2024, with a fair value loss of HK$5,974 million recorded in the consolidated statement of profit or loss for the year. Valuations were obtained from third party valuers (the "valuers") in respect of 98% of the investment properties (including those held for sale) as at 31st December 2024. The valuations are dependent on certain key assumptions that require significant management judgement and estimates, including capitalisation rates and market rents. The valuations of investment properties under development are also dependent upon the estimated costs to complete and expected developer's profit margin. We focused on the valuation of investment properties due to the significant judgement and estimates involved in determining the valuation.	Our procedures in relation to management's valuation of investment properties included: – Understanding management's controls and processes for determining the valuation of investment properties and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied; – Evaluating the valuers' competence, capabilities, independence and objectivity; – Reviewing the external valuation reports to assess the appropriateness of methodologies used; – Meeting the valuers to discuss and challenge the valuations and key assumptions used; – Comparing the capitalisation rates, market rents and expected developer's profit margin used by the valuers to an estimated range, determined by reference to publicly available information and recent lettings of the subject properties on a sample basis by our in-house valuation experts; – Checking, on a sample basis, the accuracy and completeness of the rental data provided by management to the valuers by agreeing them to the Group's records; and – For investment properties under development, comparing the estimated construction costs to complete with the Group's budgets and testing, on a sample basis, the construction costs to supporting documentation such as quantity surveyor reports and signed contracts, where applicable. We found the key assumptions were supported by the available evidence. We found the disclosures in note 15 to be appropriate.

Key Audit Matter	How our audit addressed the Key Audit Matter
Key audit matters in relation to Cathay Pacific Airways Limited ("Cathay Pacific") *Refer to note 20 in the consolidated financial statements and the abridged financial statements of Cathay Pacific on pages 238 and 239.* The Group's 44.985% interest in Cathay Pacific is accounted for under the equity method. The Group's share of profit after tax from Cathay Pacific for the year ended 31st December 2024 was HK$4,449 million and the Group's interest in Cathay Pacific was HK$24,057 million as at 31st December 2024. Swire Pacific management reviews regularly whether there are any indicators of impairment of the Group's interest in Cathay Pacific by reference to the requirements of the prevailing accounting standards. Based on Swire Pacific management's assessment, the Group did not identify any indicators of potential impairment as at 31st December 2024. The market value of the Group's interest in Cathay Pacific as at 31st December 2024 was HK$27,635 million which is above the Group's carrying value. Cathay Pacific management assessed the carrying value of goodwill for impairment in Cathay Pacific's own financial statements, as summarised in "Assessing impairment of goodwill" below. The key audit matters relating to the Group's share of profit and net assets of Cathay Pacific are summarised below. The amounts noted below are those in the Cathay Pacific's financial statements (i.e. on a 100% basis).	Cathay Pacific is a significant associate of the Group and is audited by a non-PwC auditor ("the CX Auditor"). We have met with the CX Auditor and we have discussed their identified audit risks and audit approach, the results of their work and the key audit matters identified; and we have reviewed their key working papers. We have evaluated management's review for possible impairment indicators based on Cathay Pacific's financial performance for the year ended 31st December 2024, inquiries of Cathay Pacific management and the CX Auditor as well as our knowledge of the industry by reference to publicly available aviation industry reports. After considering the procedures performed by us in respect of Swire Pacific management's review for possible impairment indicators of the Group's interest in Cathay Pacific and our review of the audit work of the CX Auditor, we have determined that the audit work performed and evidence obtained are sufficient for our purpose. We have discussed the key audit matters relating to Cathay Pacific with Swire Pacific management and we have evaluated the impact on our audit of the consolidated financial statements. The procedures performed by the CX Auditor on the respective key audit matters are summarised below.

Key Audit Matter	How our audit addressed the Key Audit Matter
Key audit matters in relation to Cathay Pacific Airways Limited ("Cathay Pacific") *(continued)* *Refer to note 20 in the consolidated financial statements and the abridged financial statements of Cathay Pacific on pages 238 and 239.* **Assessing impairment of goodwill** – The carrying value of Cathay Pacific's goodwill arising from business combinations amounted to HK$11,615 million as at 31st December 2024. Cathay Pacific management is required to conduct an impairment assessment on the carrying value of the Cathay Pacific's cash-generating units ("CGUs"): – Annually where the carrying value of the CGUs includes goodwill; and/or – When indicators of impairment are identified. Cathay Pacific management performs an impairment assessment of the CGU by comparing the carrying value of each CGU with its recoverable amount, which is the higher of its fair value less costs of disposal and value in use based on discounted cash flow forecasts. The preparation of discounted cash flow forecasts involves estimating future cash flows and discount rates. The CX Auditor identified the assessment of impairment of goodwill as a key audit matter because of the significance of the carrying value of such assets to the consolidated financial statements of Cathay Pacific and because the preparation of discounted cash flow forecasts involves estimating future cash flows and discount rates which are subject to a significant degree of judgement and could be subject to management bias.	– Assessing Cathay Pacific management's identification of the CGUs and the allocation of assets to the CGUs for the purpose of impairment assessments; – Assessing Cathay Pacific management's view on whether there is impairment indicators on the carrying value of Cathay Pacific's CGU; – Assessing whether Cathay Pacific management had performed impairment testing in accordance with the requirements of the prevailing accounting standards; – Meeting with Cathay Pacific management and reviewing board minutes and other papers to understand Cathay Pacific's latest operating plans; – Involving the CX Auditor's internal valuation specialists to assess the methodology and significant assumptions including discount rates adopted by Cathay Pacific management in its impairment assessments; – Evaluating the assumptions adopted in the preparation of the discounted cash flow forecasts, including projected future growth rates for income and expenses and discount rates; – Performing sensitivity analyses on the key assumptions, including expected growth rates and discount rates adopted in the discounted cash flow forecasts and assessing whether there were any indicators of management bias in the selection of these assumptions; and – Comparing the value in use for the CGUs that has been estimated by Cathay Pacific management to Cathay Pacific's market capitalisation.

Key Audit Matter	How our audit addressed the Key Audit Matter
***Key audit matters in relation to Cathay Pacific Airways Limited ("Cathay Pacific")** (continued)* *Refer to note 20 in the consolidated financial statements and the abridged financial statements of Cathay Pacific on pages 238 and 239.* **Revenue recognition** – Cathay Pacific's revenue amounted to HK$104,371 million for the year ended 31st December 2024. Passenger and cargo sales are recognised as Cathay Pacific's revenue when the related transportation service is provided. The value of the sales for which the related transportation service has not yet been provided at the end of the reporting period, adjusted for breakage, is recorded as a contract liability. The value attributed to programme awards under Cathay Pacific's customer loyalty programme, Asia Miles, is recognised as a contract liability. This arises as members of the programme accumulate Asia Miles by travelling on Cathay Pacific's flights or when Cathay Pacific sells Asia Miles to participating partners in the programme. The amount is subsequently recognised as revenue when the related goods or services are provided subsequent to the redemption of the Asia Miles. Cathay Pacific management allocates the amount received in relation to mileage earning flights, based on stand-alone selling price, between the flight and Asia Miles earned by members of the programme. Cathay Pacific management's judgement is exercised in estimating the fair value of an Asia Mile and estimating the amount of breakage on award of Asia Miles. Cathay Pacific maintains sophisticated information technology systems in order to track the point of service provision for each sale and also to track the issuance and subsequent redemption and utilisation of Asia Miles. The CX Auditor identified revenue recognition as a key audit matter because revenue is one of Cathay Pacific's key performance indicators and it involves complicated information technology systems and allocation of revenue between flights and Asia Miles, all of which give rise to an inherent risk that revenue could be recorded in the incorrect period or could be subject to manipulation to meet targets or expectations.	– Assessing the design, implementation and operating effectiveness of Cathay Pacific management's general information technology controls and key application controls over Cathay Pacific's information technology systems which govern revenue recognition, including access controls, controls over programme changes, interfaces between different systems and key manual internal controls over revenue recognition; – Performing substantive tests of detail on revenue; – Inspecting underlying documentation for revenue related journal entries which met specified risk-based criteria; – Assessing Cathay Pacific management's estimate of the unit stand-alone selling price and the amount of breakage on award of Asia Miles and the allocation of the amount received in relation to mileage earning flights between the flight and contract liability attributable to Asia Miles earned by members; and – Inspecting contracts with major partners of the Asia Miles programme to assess if there were any terms and conditions that may have affected the accounting treatment of the related Asia Miles.
	We found that, in the context of our audit of the consolidated financial statements of Swire Pacific Limited, Cathay Pacific management's judgements and estimates associated with the key audit matters noted in respect of the Group's share of profit and interest in Cathay Pacific were supported by the available evidence.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon. The other information does not include the specific information presented therein that is identified as being an integral part of the consolidated financial statements and, therefore, covered by our audit opinion on the consolidated financial statements.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is John J. Ryan.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 13th March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st December 2024

	Note	**2024 HK$M**	2023 HK$M
Revenue	4	**81,969**	94,823
Cost of sales		**(51,506)**	(59,674)
Gross profit		**30,463**	35,149
Distribution costs		**(11,440)**	(14,985)
Administrative expenses		**(9,355)**	(8,432)
Other operating expenses		**(269)**	(300)
Other net gains/(losses)	5	**815**	(129)
Gain on disposals of subsidiary companies – Swire Coca-Cola, USA		**–**	23,103
Impairment charges on interests in joint venture and associated companies		**–**	(925)
Change in fair value of investment properties		**(5,974)**	(2,860)
Operating profit		**4,240**	30,621
Finance charges		**(2,984)**	(2,612)
Finance income		**573**	586
Net finance charges	9	**(2,411)**	(2,026)
Share of profits of joint venture companies	20(a)	**1,621**	617
Share of profits of associated companies	20(b)	**4,335**	3,558
Profit before taxation		**7,785**	32,770
Taxation	10	**(3,084)**	(2,932)
Profit for the year		**4,701**	29,838
Profit for the year attributable to:			
The Company's shareholders	35	**4,321**	28,853
Non-controlling interests	36	**380**	985
		4,701	29,838
Underlying profit attributable to the Company's shareholders	11	**10,471**	36,177

	Note	**HK$**	HK$
Earnings per share from profit attributable to the Company's shareholders:	13		
'A' share – basic		**3.06**	19.96
'B' share – basic		**0.61**	3.99
'A' share – diluted		**2.74**	19.66
'B' share – diluted		**0.55**	3.93

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31st December 2024

	2024 HK$M	2023 HK$M
Profit for the year	4,701	29,838
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluation of property previously occupied by the Group		
gains recognised during the year	3	43
deferred tax	–	(12)
Defined benefit plans		
remeasurement gains/(losses) recognised during the year	145	(117)
deferred tax	(16)	9
Changes in the fair value of equity investments at fair value through other comprehensive income		
losses recognised during the year	(18)	(15)
deferred tax	(3)	(2)
Share of other comprehensive (loss)/income of joint venture and associated companies	(51)	78
Net translation differences	(787)	(221)
	(727)	(237)
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges		
gains/(losses) recognised during the year	55	(191)
transferred to net finance charges	(68)	(57)
transferred from operating profit	176	11
deferred tax	(15)	46
Share of other comprehensive (loss)/income of joint venture and associated companies		
recognised during the year	(1,074)	(988)
reclassified to profit or loss on deemed disposal	–	228
reclassified to profit or loss on disposal	(16)	–
Net translation differences		
recognised during the year	(2,826)	(1,041)
reclassified to profit or loss on disposal	–	(45)
	(3,768)	(2,037)
Other comprehensive loss for the year, net of tax	(4,495)	(2,274)
Total comprehensive income for the year	206	27,564
Total comprehensive income/(loss) attributable to:		
The Company's shareholders	741	26,798
Non-controlling interests	(535)	766
	206	27,564

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December 2024

	Note	31st December 2024 HK$M	31st December 2023 HK$M
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	23,510	20,799
Investment properties	15	270,950	280,783
Intangible assets	16	31,166	18,041
Right-of-use assets	17	9,041	8,766
Properties held for development	18	1,201	1,210
Joint venture companies	20(a)	26,932	24,479
Loans due from joint venture companies	20(a)	15,036	14,853
Associated companies	20(b)	35,528	34,781
Loans due from associated companies	20(b)	653	332
Investments at fair value	22	2,160	1,993
Other receivables	26	62	312
Derivative financial instruments	23	79	84
Deferred tax assets	32	711	567
Retirement benefit assets	33	146	68
		417,175	407,068
Current assets			
Properties for sale	24	12,676	9,121
Stocks and work in progress	25	7,948	6,747
Contract assets		1,084	1,033
Trade and other receivables	26	11,188	8,708
Taxation receivable		427	430
Derivative financial instruments	23	13	20
Bank balances and short-term deposits	27	21,028	14,082
		54,364	40,141
Assets classified as held for sale	28	5,022	543
		59,386	40,684
Current liabilities			
Trade and other payables	29	35,189	27,586
Contract liabilities		3,386	2,146
Taxation payable		704	571
Derivative financial instruments	23	26	33
Short-term loans	30	300	–
Long-term loans and bonds due within one year	30	15,466	10,605
Lease liabilities due within one year	31	912	873
		55,983	41,814
Liabilities associated with assets classified as held for sale	28	43	–
		56,026	41,814
Net current assets/(liabilities)		3,360	(1,130)
Total assets less current liabilities		420,535	405,938
Non-current liabilities			
Long-term loans and bonds	30	75,825	58,613
Long-term lease liabilities	31	4,109	4,206
Derivative financial instruments	23	454	331
Other payables	29	1,337	1,233
Deferred tax liabilities	32	19,799	16,660
Retirement benefit liabilities	33	344	121
		101,868	81,164
NET ASSETS		318,667	324,774
EQUITY			
Share capital	34	1,294	1,294
Reserves	35	257,006	266,835
Equity attributable to the Company's shareholders		258,300	268,129
Non-controlling interests	36	60,367	56,645
TOTAL EQUITY		318,667	324,774

Guy Bradley
Martin Murray
Paul Etchells
Directors
Hong Kong, 13th March 2025

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December 2024

	Note	2024 HK$M	2023 HK$M
Operating activities			
Cash generated from operations	43(a)	12,580	14,479
Interest paid		(3,461)	(3,363)
Interest received		658	515
Tax paid		(2,064)	(2,142)
		7,713	9,489
Dividends received from joint venture and associated companies		2,745	428
Net cash generated from operating activities		10,458	9,917
Investing activities			
Purchase of property, plant and equipment and right-of-use assets	43(b)	(4,411)	(3,441)
Additions of investment properties		(4,169)	(2,771)
Purchase of intangible assets		(154)	(158)
Proceeds from disposals of property, plant and equipment and right-of-use assets		835	331
Proceeds from disposals of investment properties		454	5,291
Proceeds from disposals of subsidiary companies, net of cash disposed of		–	30,430
Proceeds from disposals of investments at fair value		583	–
Payment for acquisition of subsidiary companies, net of cash acquired	42	(1,819)	(3,255)
Purchase of shares in joint venture companies		(5,239)	(791)
Purchase of shares in associated companies		(135)	(10,477)
Equity to joint venture companies		(1,032)	(356)
Purchase of investments at fair value		(400)	(341)
Loans to joint venture companies		(779)	(1,754)
Loans to associated companies		(298)	(63)
Repayment of loans by joint venture companies		605	435
Repayment of loans by associated companies		436	17
Advances from/(to) joint venture companies		78	(157)
Decrease in deposits maturing after more than three months		854	169
Initial leasing costs incurred		(7)	(79)
Net cash (used in)/generated from investing activities		(14,598)	13,030
Net cash (outflow)/inflow before financing activities		(4,140)	22,947
Financing activities			
Loans drawn and refinancing	43(c)	34,925	23,462
Repayment of loans and bonds	43(c)	(12,702)	(25,886)
Advances from an associated company	43(c)	2,049	–
Principal elements of lease payments	43(c)	(965)	(895)
		23,307	(3,319)
Capital contribution from non-controlling interests		64	16
Purchase of non-controlling interests		(755)	–
Repurchase of the Company's shares	34	(3,878)	(851)
Dividends paid to the Company's shareholders	35	(4,586)	(16,108)
Dividends paid to non-controlling interests	36	(1,531)	(1,464)
Net cash generated from/(used in) financing activities		12,621	(21,726)
Increase in cash and cash equivalents		8,481	1,221
Cash and cash equivalents at 1st January		11,831	10,758
Effect of exchange differences		(491)	(148)
Cash and cash equivalents at 31st December		19,821	11,831
Represented by:			
Bank balances and short-term deposits maturing within three months			
Included in bank balances and short-term deposits	27	19,730	11,831
Included in assets classified as held for sale		91	–
		19,821	11,831

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2024

	Attributable to the Company's shareholders					
	Share capital HK$M	Revenue reserve HK$M	Other reserves HK$M	Total HK$M	Non-controlling interests HK$M	Total equity HK$M
At 1st January 2024	1,294	266,875	(40)	268,129	56,645	324,774
Profit for the year	–	4,321	–	4,321	380	4,701
Other comprehensive income/(loss)	–	70	(3,650)	(3,580)	(915)	(4,495)
Total comprehensive income/(loss) for the year	–	4,391	(3,650)	741	(535)	206
Capital contribution from non-controlling interests	–	–	–	–	55	55
Repurchase of the Company's shares	–	(3,851)	–	(3,851)	–	(3,851)
Dividends paid	–	(4,586)	–	(4,586)	(1,535)	(6,121)
Change in composition of the Group	–	(2,133)	–	(2,133)	5,737	3,604
At 31st December 2024	1,294	260,696	(3,690)	258,300	60,367	318,667

	Attributable to the Company's shareholders					
	Share capital HK$M	Revenue reserve HK$M	Other reserves HK$M	Total HK$M	Non-controlling interests HK$M	Total equity HK$M
At 1st January 2023	1,294	255,167	1,995	258,456	57,480	315,936
Profit for the year	–	28,853	–	28,853	985	29,838
Other comprehensive loss	–	(20)	(2,035)	(2,055)	(219)	(2,274)
Total comprehensive income/(loss) for the year	–	28,833	(2,035)	26,798	766	27,564
Capital contribution from non-controlling interests	–	–	–	–	26	26
Repurchase of the Company's shares	–	(878)	–	(878)	–	(878)
Dividends paid	–	(16,108)	–	(16,108)	(1,464)	(17,572)
Change in composition of the Group	–	(139)	–	(139)	(163)	(302)
At 31st December 2023	1,294	266,875	(40)	268,129	56,645	324,774

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

General Information

The Company is a limited liability company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. The principal activity of the Company is that of a holding company. The principal activities of its major subsidiary, joint venture and associated companies are shown on pages 227 to 237.

The audited financial statements are set out on pages 144 to 239 and also include the "Audited Financial Information" under Financial Review on page 74 and Financing on pages 86 to 95.

1. Changes in Accounting Policies and Disclosures

(a) The following revised standards and interpretation were required to be adopted by the Group effective from 1st January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current and Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
HK-Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

None of the revised standards and interpretation had a significant effect on the Group's consolidated financial statements or accounting policies.

(b) On 22nd February 2023, the Hong Kong Institute of Certified Public Accountants (HKICPA) published the Financial Reporting Alert 44 to highlight the potential accounting impact of the abolition of the Mandatory Provident Fund (MPF)-Long Service Payment (LSP) offsetting mechanism (the Abolition) on entities in Hong Kong and, in particular, two broad tentative approaches to analyse the issue. The Group has adopted the approach to treat the offsetable accrued benefits as deemed employee contributions. Under this approach, the accrued benefits arising from employer's MPF contributions that have been vested with the employees and which would be used to offset the respective employees' LSP benefits are treated as a deemed contribution towards the employee's LSP benefits.

(c) The Group has not early adopted the following relevant new and revised standards and interpretation that have been issued but are effective for annual periods beginning on or after 1st January 2025 and such standards have not been applied in preparing these consolidated financial statements.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangability[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Annual Improvements Project	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HK-Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 To be applied by the Group from 1st January 2025.
2 To be applied by the Group from 1st January 2026.
3 To be applied by the Group from 1st January 2027.
4 The effective date is to be determined.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. Based on preliminary assessment, except for HKFRS 18 which may have impact to the presentation of consolidated financial statements in 2027 financial year, none of the remaining new and revised standards and interpretation are expected to have a significant effect on the Group's consolidated financial statements.

1. Changes in Accounting Policies and Disclosures (continued)

(d) In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two) (i.e. BEPS 2.0), and various governments around the world have issued, or are in the process of issuing, legislation on this. In conjunction with the ultimate holding company of the Group, an assessment was completed on the various regions that the Group has operations and no material exposure was identified. In October 2024, the HKSAR Government released the outcome of the consultation on the implementation of Global Minimum Tax (GloBE) and Hong Kong minimum top-up tax (HKMTT). Hong Kong will implement the Income Inclusion Rule and the Undertaxed Profits Rule as part of its domestic implementation of the GloBE Rules, as well as implementing HKMTT, for fiscal years beginning on or after 1st January 2025. Other respective governments of the Group's major operating regions (except for Vietnam) have not substantively enacted the legislation on Pillar Two as of the date of approval of these 2024 financial statements.

2. Financial Risk Management

The Group's approach to financial risk management is discussed on pages 93 to 95 under the heading "Audited Financial Information".

Interest rate exposure

The impact on the Group's consolidated statements of profit or loss and other comprehensive income of a 100 basis-points increase or decrease in market interest rates from the rates applicable at 31st December, with all other variables held constant, would have been:

	100 basis-points increase in interest rates HK$M	100 basis-points decrease in interest rates HK$M
At 31st December 2024		
Impact on profit or loss: (loss)/gain	**(117)**	**117**
Impact on other comprehensive income: gain/(loss)	**129**	**(130)**
At 31st December 2023		
Impact on profit or loss: (loss)/gain	(48)	48
Impact on other comprehensive income: gain/(loss)	176	(178)

This analysis is based on a hypothetical situation, as in practice market interest rates rarely change in isolation, and should not be considered a projection of likely future profits or losses. The analysis assumes the following:

- Changes in market interest rates affect the interest income or expense of floating rate financial instruments
- Changes in market interest rates only affect interest income or expense in relation to fixed rate financial instruments if these are recognised at fair value
- Changes in market interest rates affect the fair value of derivative financial instruments
- All other financial assets and liabilities are held constant

2. Financial Risk Management (continued)

Currency exposure

The following analysis details the Group's exposure to currency risk from recognised financial assets and financial liabilities denominated in a currency other than the functional currency.

The impact on the Group's consolidated statements of profit or loss and other comprehensive income of a weakening or strengthening in the United States dollar against the Hong Kong dollar from the year-end rate of 7.7632 (2023: 7.8141), with all other variables held constant, would have been:

	Weakening in US$ to lower peg limit (7.75) HK$M	Strengthening in US$ to upper peg limit (7.85) HK$M
At 31st December 2024		
Impact on profit or loss: gain	**1**	**12**
Impact on other comprehensive income: gain	**–**	**2**
At 31st December 2023		
Impact on profit or loss: (loss)/gain	(6)	5
Impact on other comprehensive income: gain/(loss)	3	(1)

The impact on the Group's consolidated statements of profit or loss and other comprehensive income of a weakening or strengthening in the Renminbi against the Hong Kong dollar from the year-end rate of 1.0636 (2023: 1.1016), with all other variables held constant, would have been:

	Weakening in RMB by 5% HK$M	Strengthening in RMB by 5% HK$M
At 31st December 2024		
Impact on profit or loss: gain/(loss)	**1**	**(1)**
Impact on other comprehensive income	**–**	**–**
At 31st December 2023		
Impact on profit or loss: gain/(loss)	3	(3)
Impact on other comprehensive income	–	–

This analysis is based on a hypothetical situation, as in practice market exchange rates rarely change in isolation, and should not be considered a projection of likely future profits or losses. The analysis assumes the following:

- All foreign currency cash flow hedges are highly effective
- Currency risk does not arise from financial assets or liabilities denominated in the functional currencies of the Company and its subsidiary companies
- Currency risk does not arise from financial instruments that are non-monetary items

Credit exposure

The Group has the following major types of assets that are subject to the expected credit loss model:

- Trade and other receivables
- Contract assets
- Other financial assets at amortised cost

2. Financial Risk Management (continued)

Credit exposure (continued)

Trade receivables and contract assets

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables and contract assets. As the Group's historical credit loss experience does not indicate different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the Group's different customer segments. The expected loss rates are based on historical payment profiles. These rates are adjusted to reflect current and forward-looking information about economic conditions.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators include the failure of a debtor to engage in a repayment plan with the Group, and the failure to make contractual payments for a period of greater than 120 days past due. Impairment charges on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited to the same line item.

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables and loans due from related parties. Loans due from joint venture and associated companies and other related companies are considered to have a low credit risk as the financial positions and performances of these companies are regularly monitored and reviewed by management of the Group.

Liquidity exposure

The tables below analyse the contractual undiscounted cash flows of the Group's non-derivative financial liabilities and net-settled derivative financial liabilities by relevant maturity groupings based on the remaining periods at the year-end date to the earliest contractual maturity dates.

At 31st December 2024	Note	**Carrying amount HK$M**	**Total contractual undiscounted cash flow HK$M**	**Within 1 year or on demand HK$M**	**More than 1 year but less than 2 years HK$M**	**More than 2 years but less than 5 years HK$M**	**More than 5 years HK$M**
Trade and other payables (excluding deposits received on sale of investment properties)	29	**36,123**	**36,123**	**33,937**	**590**	**1,252**	**344**
Borrowings (including interest obligations)	30	**91,591**	**97,900**	**17,881**	**22,737**	**48,131**	**9,151**
Lease liabilities	31	**5,021**	**6,127**	**1,082**	**841**	**1,567**	**2,637**
Derivative financial instruments	23	**480**	**480**	**26**	**3**	**323**	**128**
Financial guarantee contracts	39	**–**	**4,271**	**4,271**	**–**	**–**	**–**
		133,215	**144,901**	**57,197**	**24,171**	**51,273**	**12,260**

At 31st December 2023	Note	Carrying amount HK$M	Total contractual undiscounted cash flow HK$M	Within 1 year or on demand HK$M	More than 1 year but less than 2 years HK$M	More than 2 years but less than 5 years HK$M	More than 5 years HK$M
Trade and other payables (excluding deposits received on sale of investment properties)	29	28,550	28,852	26,758	586	1,158	350
Borrowings (including interest obligations)	30	69,218	75,747	12,710	14,587	37,318	11,132
Lease liabilities	31	5,079	6,121	1,046	816	1,524	2,735
Derivative financial instruments	23	364	364	33	2	203	126
Financial guarantee contracts	39	–	4,132	4,132	–	–	–
		103,211	115,216	44,679	15,991	40,203	14,343

3. Critical Accounting Estimates and Judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, inevitably, seldom be equal to the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed in the relevant notes as follows:

(a) Valuation and impairment of assets (notes 16, 20 and 42)

(b) Fair value of investment properties (note 15)

(c) Accounting for Cathay Pacific Airways Limited (note 20(b))

4. Revenue

Accounting Policy

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. Provided the collectability of the related receivable is probable, revenue is recognised as follows:

(a) Rental income is recognised when a lease commences. According to the contractual terms, leased properties do not have alternative uses to the Group after the leasing periods stipulated in the signed tenancy agreements commence. Rental income is recognised on a straight-line basis over the shortest of (i) the remaining lease term, (ii) the period to the next rent review date and (iii) the period from the commencement date of the lease to the first break option date (if any), exclusive of any turnover rent (if applicable) and other charges and reimbursements (if any). Where the lease includes a rent-free period, the rental income foregone is allocated evenly over the lease term. Turnover rent is recognised when the lessee's revenue transaction is recognised. Rental income forgiven (not recognised as an expected credit loss of operating lease receivables) is treated as a lease modification, and the revised future lease income under the new lease, including any prepaid or accrued lease income relating to the original lease, is subsequently recognised as income on a straight-line basis.

(b) The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the buyers. According to the contractual terms, the properties generally do not have alternative uses to the Group after the signing of sales contracts with the buyers. However, in Hong Kong, the Chinese Mainland and the USA, an enforceable right to payment does not arise until legal title to the property has been transferred to the buyer. Therefore, revenue is recognised upon completion of the transfer of legal title to the buyer.

(c) Sales of goods are recognised when control of the goods has transferred, being when the goods are delivered to the customer, the customer has full discretion over the use of the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Sales of goods in the Group's beverages and retail operations happen at a point in time and do not include any significant separate performance obligations.

(d) Sales of services, including aircraft and engine maintenance services and services provided by hotel operations and hospital operations, are recognised when the services are rendered. For certain engine maintenance contracts, revenue is recognised over time rather than at a point in time.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

4. Revenue (continued)

Accounting Policy (continued)

Definition of terms

Contract asset: An entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditional on something other than the passage of time (for example, the entity's future performance).

Contract liability: An entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment received, a contract asset is recognised. If the payments received exceed the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognised in the amount which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Contract asset and contract liability are defined in HKFRS 15 "Revenue from Contracts with Customers". These two terms do not apply to rental income from lease agreements, which is specifically excluded from the scope of HKFRS 15.

Revenue represents sales by the Company and its subsidiary companies to external customers which comprises:

	2024 HK\$M	2023 HK\$M
Gross rental income from investment properties	**13,267**	13,365
Property trading	**88**	166
Hotels	**888**	977
Sales of goods	**45,624**	62,793
Aircraft and engine maintenance services	**20,095**	16,034
Rendering of other services	**2,007**	1,488
Total	**81,969**	94,823

	2024 HK\$M	2023 HK\$M
Revenue recognised in the current reporting period that was related to the contract liability balance at the beginning of the year	**2,046**	1,095

Of the contract liabilities of HK\$3,386 million outstanding at 31st December 2024 (2023: HK\$2,146 million), HK\$2,749 million (2023: HK\$2,078 million) is expected to be recognised as revenue within one year and the remaining balance of HK\$637 million (2023: HK\$68 million) after one year.

4. Revenue (continued)

The following table shows unsatisfied performance obligations resulting from contracts with customers.

	2024 HK$M	2023 HK$M
Aggregate amount of transaction prices allocated to revenue contracts that are partly or fully unsatisfied at the end of the year	12,397	4,923

Of the amount disclosed above at 31st December 2024, HK$7,111 million (2023: HK$4,855 million) is expected to be recognised as revenue within one year and the remaining balance of HK$5,286 million (2023: HK$68 million) after one year.

5. Other Net Gains/(Losses)

	Note	2024 HK$M	2023 HK$M
Loss on disposals of subsidiary companies		–	(420)
Gain arising from the acquisition of interests in joint venture companies		625	551
Loss arising from the acquisition of interests in an associated company		(59)	–
Gain on deemed disposals of associated companies		20	37
Gain on disposal of investment at fair value through profit or loss		139	–
Loss on disposals of investment properties		–	(16)
Loss on disposals of property, plant and equipment		(76)	(86)
Loss on disposals of assets classified as held for sale		(220)	(44)
Change in fair value of assets classified as held for sale		(2)	(442)
Net foreign exchange gains/(losses)		440	(237)
Fair value gains on investments at fair value through profit or loss		134	395
Fair value losses on cross-currency swaps transferred from cash flow hedge reserve		(167)	(6)
Fair value losses on forward foreign exchange contracts not qualifying as hedges		(20)	(19)
(Impairment charges)/reversal of impairment charges recognised on			
– property, plant and equipment	14	(159)	4
– convertible notes receivable, unlisted		–	(140)
Provision for restructuring		(547)	–
Provision for amount due from and other payable of a joint venture company		–	(239)
Dividend income on equity investments		–	1
Government subsidies		171	142
Others		536	390
Total		815	(129)

6. Expenses by Nature

Expenses included in cost of sales, distribution costs, administrative expenses and other operating expenses are analysed as follows:

	Note	2024 HK$M	2023 HK$M
Direct rental outgoings in respect of investment properties(i)		3,347	3,266
Cost of goods sold(ii)		34,754	43,173
Write-down of stocks and work in progress		123	227
Impairment charges on trade receivables		38	88
Depreciation of property, plant and equipment	14	2,627	2,947
Depreciation of right-of-use assets			
– leasehold land held for own use		45	50
– land use rights		56	53
– property		938	886
– plant and equipment		17	41
Amortisation of			
– intangible assets	16	244	284
– initial leasing costs in respect of investment properties		52	96
– others		2	8
Staff costs(ii)		15,905	18,194
Other lease expenses(iii)		216	210
Auditors' remuneration			
– audit services		61	60
– tax services		11	15
– other services		31	25
Other expenses		14,103	13,768
Total cost of sales, distribution costs, administrative expenses and other operating expenses		72,570	83,391

Notes:
(i) Direct rental outgoings in respect of investment properties include impairment charges relating to expected credit losses on forgiveness of lease payments of operating lease receivables, i.e. rent concession granted to tenants during the year, under HKFRS 9 of HK$27 million (2023: HK$36 million).
(ii) The cost of goods sold on a divisional basis are: Property of HK$62 million (2023: HK$119 million), Beverages of HK$19,430 million (2023: HK$28,212 million), Aviation of HK$8,581 million (2023: HK$6,881 million) and Trading & Industrial of HK$6,681 million (2023: HK$7,961 million). The staff costs on a divisional basis are: Property of HK$2,364 million (2023: HK$2,115 million), Beverages of HK$6,499 million (2023: HK$9,792 million), Aviation of HK$5,682 million (2023: HK$5,062 million), Trading & Industrial of HK$1,111 million (2023: HK$1,177 million) and Head Office, Healthcare and others of HK$249 million (2023: HK$48 million).
(iii) These expenses relate to short-term leases, leases of low-value assets and leases with variable payments, net of rent concessions received (2024: nil; 2023: HK$3 million). They are directly charged to the consolidated statement of profit or loss and are not included in the measurement of lease liabilities under HKFRS 16.

7. Segment Information

The Group is organised on a divisional basis: Property, Beverages, Aviation and Trading & Industrial.

Accounting Policy

Segment information is reported in a manner consistent with the Group's internal financial reporting provided to the Executive Directors for making strategic decisions. A reportable segment comprises either one or more operating segments which can be aggregated together because they share similar economic characteristics or single operating segments which are disclosable separately because they cannot be aggregated or because they exceed certain quantitative thresholds.

The reportable segments within each of the divisions are classified according to the nature of the business. The Head Office is also considered to be a reportable segment as discrete financial information is available for the Head Office activities and regularly provided to the Board.

7. Segment Information (continued)

(a) Information about reportable segments

Analysis of Consolidated Statement of Profit or Loss

Year ended 31st December 2024

	External revenue HK$M	Inter-segment revenue HK$M	Operating profit/(loss) HK$M	Finance charges HK$M	Finance income HK$M	Share of profits/(losses) of joint venture companies HK$M	Share of profits/(losses) of associated companies HK$M	Tax (charge)/credit HK$M	Profit/(loss) for the year HK$M	Profit/(loss) attributable to the Company's shareholders HK$M	Underlying profit/(loss) attributable to the Company's shareholders HK$M	Depreciation and amortisation charged to operating profit/(loss) HK$M
Property												
Property investment	13,403	49	8,022	(1,213)	230	1,323	(5)	(1,038)	7,319	6,164	5,855	(312)
Change in fair value of investment properties	–	–	(5,974)	–	–	(529)	83	(1,058)	(7,478)	(6,443)	–	–
Property trading	88	–	(178)	–	3	(21)	14	(54)	(236)	(199)	(180)	(29)
Hotels	888	–	(154)	(11)	–	(69)	30	13	(191)	(163)	(166)	(182)
	14,379	**49**	**1,716**	**(1,224)**	**233**	**704**	**122**	**(2,137)**	**(586)**	**(641)**	**5,509**	**(523)**
Beverages												
Chinese Mainland	25,234	–	1,262	(45)	41	64	10	(386)	946	839	839	(1,428)
Hong Kong	2,444	2	201	(5)	–	–	–	(19)	177	177	177	(187)
Taiwan	2,353	–	166	(2)	1	–	–	(39)	126	126	126	(95)
Vietnam and Cambodia	4,338	–	265	(10)	82	–	–	(102)	235	235	235	(237)
Thailand and Laos(i)	2,233	–	1,078	(32)	42	149	–	(138)	1,099	916	916	(119)
Net central costs and others	5	–	(231)	(3)	2	–	–	(39)	(271)	(254)	(254)	–
	36,607	**2**	**2,741**	**(97)**	**168**	**213**	**10**	**(723)**	**2,312**	**2,039**	**2,039**	**(2,066)**
Aviation												
Cathay group(ii)	–	–	–	–	–	–	4,449	–	4,449	4,449	4,449	–
HAECO group(iii)	21,662	–	40	(156)	62	698	–	(163)	481	399	399	(794)
Others	–	–	(32)	–	–	5	(133)	–	(160)	(151)	(151)	(32)
	21,662	**–**	**8**	**(156)**	**62**	**703**	**4,316**	**(163)**	**4,770**	**4,697**	**4,697**	**(826)**
Trading & Industrial												
Swire Resources	2,279	–	66	(21)	9	1	–	(5)	50	50	50	(296)
Taikoo Motors	5,216	–	185	(14)	–	–	–	(37)	134	134	134	(159)
Swire Foods	1,410	101	24	(4)	3	–	–	(12)	11	11	11	(64)
Swire Environmental Services	127	–	31	–	1	–	–	(6)	26	26	26	(5)
Central costs	–	–	(10)	–	–	–	–	–	(10)	(10)	(10)	–
	9,032	**101**	**296**	**(39)**	**13**	**1**	**–**	**(60)**	**211**	**211**	**211**	**(524)**
Head Office, Healthcare and others												
Healthcare and others(iv)	279	–	(235)	(33)	22	–	(113)	1	(358)	(337)	(337)	(42)
Net income/(expenses)	10	81	(286)	(1,513)	153	–	–	(2)	(1,648)	(1,648)	(1,648)	–
	289	**81**	**(521)**	**(1,546)**	**175**	**–**	**(113)**	**(1)**	**(2,006)**	**(1,985)**	**(1,985)**	**(42)**
Inter-segment elimination	**–**	**(233)**	**–**	**78**	**(78)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**81,969**	**–**	**4,240**	**(2,984)**	**573**	**1,621**	**4,335**	**(3,084)**	**4,701**	**4,321**	**10,471**	**(3,981)**

Notes:

Sales between business segments are accounted for at competitive market prices charged to unaffiliated customers for similar goods and services. Interest charged by the Head Office to the business segments is based on market interest rates and the Group's cost of debt.

(i) The share of profit from the joint venture companies in Thailand and Laos was HK$149 million (before becoming a subsidiary). The remeasurement gain and related exchange gains in respect of TNTC included under operating profit/(loss) was HK$769 million.

(ii) After the share issuance of Air China in February and December 2024, the Cathay group's equity interests in Air China was reduced from 16.26% to 15.09%. After the listing of Air China Cargo in December 2024, the Cathay group's equity interests in Air China Cargo was reduced from 24.00% to 21.36%. Gain on deemed disposal of interests in Air China and Air China Cargo under share of profits of the Cathay group was HK$260 million (HK$578 million on a 100% basis). A gain on the repurchase of convertible bonds under share of profits of the Cathay group was HK$48 million (HK$106 million on a 100% basis). The share of profits also included a reversal of impairment charges and fair value gain on equity investments of HK$30 million (HK$67 million on a 100% basis).

(iii) A provision for restructuring of HK$547 million and an impairment charge of HK$157 million in relation to the exit of the ITM operation were included under operating profit/(loss). Gain on disposal of non-current assets at a joint venture company in the Chinese Mainland included under share of profits/(losses) of joint venture companies was HK$197 million (HK$549 million on a 100% basis).

(iv) The remeasurement loss in respect of DeltaHealth and the gain on deemed disposal of interest in SHH Core included under operating profit/(loss) were HK$59 million and HK$20 million respectively.

7. Segment Information (continued)

(a) Information about reportable segments (continued)

Analysis of Consolidated Statement of Profit or Loss (continued)

Year ended 31st December 2023

	External revenue HK$M	Inter-segment revenue HK$M	Operating profit/(loss) HK$M	Finance charges HK$M	Finance income HK$M	Share of profits/(losses) of joint venture companies HK$M	Share of profits/(losses) of associated companies HK$M	Tax (charge)/credit HK$M	Profit/(loss) for the year HK$M	Profit/(loss) attributable to the Company's shareholders HK$M	Underlying profit/(loss) attributable to the Company's shareholders HK$M	Depreciation and amortisation charged to operating profit/(loss) HK$M
Property												
Property investment	13,482	43	8,193	(725)	203	866	7	(1,116)	7,428	6,001	9,652	(322)
Change in fair value of investment properties	–	–	(2,860)	–	–	(667)	(454)	(461)	(4,442)	(3,649)	–	–
Property trading	166	–	(89)	–	15	(46)	–	(52)	(172)	(139)	(115)	–
Hotels	977	2	(103)	(13)	–	(29)	31	13	(101)	(82)	(82)	(201)
	14,625	45	5,141	(738)	218	124	(416)	(1,616)	2,713	2,131	9,455	(523)
Beverages												
Chinese Mainland	24,725	–	1,110	(56)	47	65	25	(313)	878	790	790	(1,412)
Hong Kong	2,415	2	225	(8)	–	–	–	(23)	194	194	194	(167)
Taiwan	2,275	–	160	(1)	–	–	–	(36)	123	123	123	(84)
Vietnam and Cambodia	4,504	–	318	(145)	127	–	–	(102)	198	198	198	(254)
USA(i)	17,923	–	24,856	(44)	31	–	–	(623)	24,220	24,220	24,220	(601)
Net central costs and others(ii)	–	–	(467)	–	2	(5)	–	39	(431)	(428)	(428)	(2)
	51,842	2	26,202	(254)	207	60	25	(1,058)	25,182	25,097	25,097	(2,520)
Aviation												
Cathay group(iii)	–	–	–	–	–	–	4,405	–	4,405	4,405	4,405	–
HAECO group(iv)	17,787	–	224	(155)	55	427	–	(181)	370	45	45	(766)
Others(v)	–	–	(707)	–	–	3	(360)	–	(1,064)	(1,057)	(1,057)	(44)
	17,787	–	(483)	(155)	55	430	4,045	(181)	3,711	3,393	3,393	(810)
Trading & Industrial												
Swire Resources	2,402	–	108	(15)	7	3	–	(13)	90	90	90	(264)
Taikoo Motors	6,401	–	222	(13)	–	–	–	(44)	165	165	165	(157)
Swire Foods	1,567	92	23	(7)	4	–	–	(13)	7	7	7	(84)
Swire Environmental Services	185	–	63	–	1	–	–	(11)	53	53	53	(7)
Central costs	–	–	(16)	–	–	–	–	–	(16)	(16)	(16)	–
	10,555	92	400	(35)	12	3	–	(81)	299	299	299	(512)
Head Office, Healthcare and others												
Healthcare and others(vi)	–	–	(393)	–	–	–	(165)	–	(558)	(558)	(558)	–
Net income/(expenses)	14	82	(246)	(1,656)	320	–	–	4	(1,578)	(1,578)	(1,578)	–
Others(vii)	–	–	–	–	–	–	69	–	69	69	69	–
	14	82	(639)	(1,656)	320	–	(96)	4	(2,067)	(2,067)	(2,067)	–
Inter-segment elimination	–	(221)	–	226	(226)	–	–	–	–	–	–	–
Total	94,823	–	30,621	(2,612)	586	617	3,558	(2,932)	29,838	28,853	36,177	(4,365)

Notes:
Sales between business segments are accounted for at competitive market prices charged to unaffiliated customers for similar goods and services. Interest charged by the Head Office to the business segments is based on market interest rates and the Group's cost of debt.

(i) Gain on disposals of subsidiary companies (Swire Coca-Cola, USA) included under operating profit/(loss) was HK$23,103 million.
(ii) Provision for amount due from and other payable of a joint venture company included under operating profit/(loss) was HK$239 million.
(iii) After the share issuance of Air China in January 2023, the Cathay group's equity interest in Air China was reduced from 18.13% to 16.26%. Gain on deemed disposal of interest in Air China under share of profits of the Cathay group was HK$868 million (HK$1,929 million on a 100% basis). The share of profits also included a reversal of impairment charges of HK$94 million (HK$208 million on a 100% basis).
(iv) Loss on disposals of subsidiary companies included under operating profit/(loss) in relation to the HAECO group was HK$420 million.
(v) Impairment charge included under operating profit/(loss) in relation to HAESL was HK$675 million.
(vi) Impairment charges included under operating profit/(loss) in relation to interest in DeltaHealth and a convertible note receivable were HK$250 million and HK$140 million respectively.
(vii) Gain on deemed disposal of interest in Cadeler included under operating profit/(loss) was HK$37 million.

7. Segment Information (continued)

(a) Information about reportable segments (continued)

Analysis of total assets of the Group

At 31st December 2024

	Segment assets HK$M	Joint venture companies(i) HK$M	Associated companies(i) HK$M	Bank deposits HK$M	Total assets HK$M	Additions to non-current assets(ii) HK$M
Property						
Property investment	283,680	27,660	3,316	4,940	319,596	4,880
Property trading	15,235	6,760	6,968	51	29,014	85
Hotels	4,157	1,710	592	130	6,589	68
	303,072	**36,130**	**10,876**	**5,121**	**355,199**	**5,033**
Beverages						
Swire Coca-Cola	**48,795**	**1,378**	**394**	**11,101**	**61,668**	**2,805**
Aviation						
Cathay group	–	–	24,057	–	24,057	–
HAECO group	13,778	2,282	–	2,815	18,875	1,759
Others	3,846	2,134	–	–	5,980	–
	17,624	**4,416**	**24,057**	**2,815**	**48,912**	**1,759**
Trading & Industrial						
Swire Resources	909	41	–	257	1,207	229
Taikoo Motors	3,059	–	–	21	3,080	338
Swire Foods	536	3	–	347	886	80
Swire Environmental Services	57	–	–	50	107	2
Other activities	(4)	–	–	19	15	–
	4,557	**44**	**–**	**694**	**5,295**	**649**
Head Office, Healthcare and others	**3,336**	**–**	**854**	**1,297**	**5,487**	**8**
	377,384	**41,968**	**36,181**	**21,028**	**476,561**	**10,254**

Notes:
(i) The assets relating to joint venture and associated companies include the loans due from these companies.
(ii) In this analysis, additions to non-current assets during the year exclude joint venture and associated companies, financial instruments, deferred tax assets, retirement benefit assets and non-current assets acquired in business combinations.

7. Segment Information (continued)

(a) Information about reportable segments (continued)

Analysis of total assets of the Group (continued)

At 31st December 2023

	Segment assets HK$M	Joint venture companies(i) HK$M	Associated companies(i) HK$M	Bank deposits HK$M	Total assets HK$M	Additions to non-current assets(ii) HK$M
Property						
Property investment	288,836	25,799	8,366	4,854	327,855	3,206
Property trading	10,869	6,057	2,167	127	19,220	–
Hotels	4,594	2,201	259	116	7,170	67
	304,299	34,057	10,792	5,097	354,245	3,273
Beverages						
Swire Coca-Cola	32,087	1,115	533	4,642	38,377	2,564
Aviation						
Cathay group	–	–	22,777	–	22,777	–
HAECO group	12,510	1,987	–	2,447	16,944	1,011
Others	3,880	2,130	–	–	6,010	–
	16,390	4,117	22,777	2,447	45,731	1,011
Trading & Industrial						
Swire Resources	1,006	40	–	287	1,333	432
Taikoo Motors	2,873	–	–	44	2,917	293
Swire Foods	592	3	–	335	930	144
Swire Environmental Services	76	–	–	47	123	–
Other activities	2	–	–	2	4	–
	4,549	43	–	715	5,307	869
Head Office, Healthcare and others	1,900	–	1,011	1,181	4,092	2
	359,225	39,332	35,113	14,082	447,752	7,719

Notes:
(i) The assets relating to joint venture and associated companies include the loans due from these companies.
(ii) In this analysis, additions to non-current assets during the year exclude joint venture and associated companies, financial instruments, deferred tax assets, retirement benefit assets and non-current assets acquired in business combinations.

7. Segment Information (continued)

(a) Information about reportable segments (continued)

Analysis of total liabilities and non-controlling interests of the Group

At 31st December 2024

	Segment liabilities HK\$M	Current and deferred tax liabilities HK\$M	Inter-segment borrowings/ (advances) HK\$M	External borrowings HK\$M	Lease liabilities HK\$M	Total liabilities HK\$M	Non-controlling interests HK\$M
Property							
Property investment	10,185	14,886	(21,889)	48,347	516	52,045	49,342
Property trading	2,718	137	21,329	–	–	24,184	845
Hotels	193	–	560	–	4	757	1,059
	13,096	**15,023**	**–**	**48,347**	**520**	**76,986**	**51,246**
Beverages							
Swire Coca-Cola	**17,310**	**5,009**	**487**	**–**	**939**	**23,745**	**7,252**
Aviation							
HAECO group	7,465	322	1,276	44	2,467	11,574	1,767
Others	–	–	–	–	–	–	110
	7,465	**322**	**1,276**	**44**	**2,467**	**11,574**	**1,877**
Trading & Industrial							
Swire Resources	664	2	(61)	–	440	1,045	–
Taikoo Motors	701	15	–	290	572	1,578	–
Swire Foods	277	13	(6)	–	75	359	–
Swire Environmental Services	35	(5)	–	–	2	32	–
Other activities	18	–	6	–	–	24	–
	1,695	**25**	**(61)**	**290**	**1,089**	**3,038**	**–**
Head Office, Healthcare and others	**1,213**	**124**	**(1,702)**	**42,910**	**6**	**42,551**	**(8)**
	40,779	**20,503**	**–**	**91,591**	**5,021**	**157,894**	**60,367**

7. Segment Information (continued)

(a) Information about reportable segments (continued)

Analysis of total liabilities and non-controlling interests of the Group (continued)

At 31st December 2023

	Segment liabilities HK$M	Current and deferred tax liabilities HK$M	Inter-segment borrowings/ (advances) HK$M	External borrowings HK$M	Lease liabilities HK$M	Total liabilities HK$M	Non-controlling interests HK$M
Property							
Property investment	8,196	14,358	(15,773)	41,169	599	48,549	52,754
Property trading	1,670	89	14,422	–	–	16,181	548
Hotels	237	1	1,351	–	8	1,597	1,037
	10,103	14,448	–	41,169	607	66,327	54,339
Beverages							
Swire Coca-Cola	13,272	2,291	–	–	722	16,285	321
Aviation							
HAECO group	5,382	373	997	40	2,542	9,334	1,985
Trading & Industrial							
Swire Resources	723	24	(60)	–	542	1,229	–
Taikoo Motors	746	45	–	–	561	1,352	–
Swire Foods	301	15	(6)	–	104	414	–
Swire Environmental Services	25	1	–	–	1	27	–
Other activities	19	–	6	–	–	25	–
	1,814	85	(60)	–	1,208	3,047	–
Head Office, Healthcare and others	879	34	(937)	28,009	–	27,985	–
	31,450	17,231	–	69,218	5,079	122,978	56,645

7. Segment Information (continued)

(a) Information about reportable segments (continued)

Analysis of external revenue of the Group – Timing of revenue recognition

	Year ended 31st December 2024				Year ended 31st December 2023			
	At a point in time HK$M	Overtime HK$M	Rental income on leases HK$M	Total HK$M	At a point in time HK$M	Overtime HK$M	Rental income on leases HK$M	Total HK$M
Property								
Property investment	–	136	13,267	13,403	–	117	13,365	13,482
Property trading	88	–	–	88	166	–	–	166
Hotels	395	493	–	888	465	512	–	977
	483	629	13,267	14,379	631	629	13,365	14,625
Beverages								
Chinese Mainland	25,234	–	–	25,234	24,725	–	–	24,725
Hong Kong	2,444	–	–	2,444	2,415	–	–	2,415
Taiwan	2,353	–	–	2,353	2,275	–	–	2,275
Vietnam and Cambodia	4,338	–	–	4,338	4,504	–	–	4,504
Thailand and Laos	2,233	–	–	2,233	–	–	–	–
USA	–	–	–	–	17,923	–	–	17,923
Others	5	–	–	5	–	–	–	–
	36,607	–	–	36,607	51,842	–	–	51,842
Aviation								
HAECO group	169	21,493	–	21,662	640	17,147	–	17,787
Trading & Industrial								
Swire Resources	2,279	–	–	2,279	2,402	–	–	2,402
Taikoo Motors	5,209	7	–	5,216	6,399	2	–	6,401
Swire Foods	1,379	31	–	1,410	1,527	40	–	1,567
Swire Environmental Services	–	127	–	127	–	185	–	185
	8,867	165	–	9,032	10,328	227	–	10,555
Head Office, Healthcare and others	70	219	–	289	–	14	–	14
Total	46,196	22,506	13,267	81,969	63,441	18,017	13,365	94,823

(b) Information about geographical areas

The activities of the Group are principally based in Hong Kong and the Chinese Mainland.

An analysis of revenue and non-current assets of the Group by principal markets is outlined below:

	Revenue		Non-current assets (Note)	
	2024 HK$M	2023 HK$M	2024 HK$M	2023 HK$M
Hong Kong	19,196	18,816	224,031	233,545
Chinese Mainland	45,681	42,013	81,914	76,995
Taiwan	7,430	8,508	1,668	1,688
South East Asia	6,575	4,505	24,442	9,261
USA	2,949	20,863	3,445	7,854
Others	138	118	368	256
Total	81,969	94,823	335,868	329,599

Note:
In this analysis, the total of non-current assets excludes joint venture and associated companies (and loans advanced to these companies), investments at fair value, other receivables, derivative financial instruments, deferred tax assets and retirement benefit assets.

8. Directors' and Executive Officers' Emoluments

(a) The total emoluments of Directors which are disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Cash			Non-cash				
	Salary/ fees[i] HK$'000	Bonus[ii] HK$'000	Allowance and benefits HK$'000	Retirement scheme contributions HK$'000	Bonus paid into retirement scheme[ii] HK$'000	Housing benefits HK$'000	**Total 2024 HK$'000**	Total 2023 HK$'000
Executive Directors								
Guy Bradley	7,752	7,829	188	2,465	7,829	9,889	35,952	28,601
David Cogman	4,269	6,717	2,209	17	–	–	13,212	10,647
Patrick Healy	6,960	7,202	2,207	2,213	7,202	–	25,784	20,588
Martin Murray	4,154	4,098	2,285	1,321	4,098	–	15,956	11,778
Zhang Zhuo Ping (until 31st August 2024)	1,612	3,968	503	651	–	–	6,734	6,309
Non-Executive Directors								
Gordon McCallum	–	–	–	–	–	–	–	–
Merlin Swire	–	–	–	–	–	–	–	–
Samuel Swire (until 12th January 2023)	–	–	–	–	–	–	–	–
Independent Non-Executive Directors								
Paul Etchells	1,358	–	–	–	–	–	1,358	1,255
Chien Lee (until 11th May 2023)	–	–	–	–	–	–	–	625
Rose Lee	750	–	–	–	–	–	750	750
Edith Ngan	876	–	–	–	–	–	876	810
Gordon Orr	1,256	–	–	–	–	–	1,256	1,293
Xu Ying	823	–	–	–	–	–	823	729
Bonnie Zhang	876	–	–	–	–	–	876	810
Total 2024	30,686	29,814	7,392	6,667	19,129	9,889	103,577	N/A
Total 2023	29,560	18,986	7,519	6,137	12,011	9,982	N/A	84,195

Notes:
(i) Independent Non-Executive Directors received fees as members of the Board and its committees. Executive Directors received salaries.
(ii) Bonuses are not yet approved for 2024. The amounts disclosed above are related to services as Executive Directors for 2023 but paid and charged to the Group in 2024.
(iii) The total emoluments of Executive Directors are charged to the Group in accordance with the amount of time spent on its affairs.
(iv) The Directors' emoluments shown in the table above include the emoluments received from an associated company by a Director who was nominated by the Company to act as a director of the associated company.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group are as follows:

	Year ended 31st December	
	2024	2023
Number of individuals:		
Executive Directors[i]	4	3
Executive Officers	1	2
	5	5

8. Directors' and Executive Officers' Emoluments (continued)

(b) Five highest paid individuals (continued)

Emoluments paid to the Executive Officers are as follows:

	Year ended 31st December	
	2024 HK$'000	2023 HK$'000
Cash:		
Salary	**4,233**	6,874
Bonus(ii)	**4,055**	6,345
Allowance and benefits	**3,219**	3,294
Non-cash:		
Retirement scheme contributions	**1,346**	6,126
Bonus paid into retirement scheme	**4,055**	2,434
Housing benefits	**–**	322
	16,908	25,395

Notes:
(i) Details of the emoluments paid to these Directors are included in the disclosure set out in note 8(a) above.
(ii) Bonuses are not yet approved for 2024. The amounts disclosed above are related to services as Executive Officers for 2023 but paid and charged to the Group in 2024.

The number of the above Executive Officers whose emoluments fell within the following bands:

	Year ended 31st December	
	2024	2023
HK$17,000,000 – HK$16,500,000	**1**	–
HK$14,000,000 – HK$13,500,000	**–**	1
HK$12,000,000 – HK$11,500,000	**–**	1
	1	2

9. Net Finance Charges

Accounting Policy

Interest costs incurred are charged to the consolidated statement of profit or loss except for those interest charges attributable to the acquisition, construction or production of qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale) which are recognised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

Interest income on financial assets at fair value through profit or loss (FVPL) is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at fair value through other comprehensive income (FVOCI) calculated using the effective interest method is recognised on a time proportion basis in the consolidated statement of profit or loss as part of finance income. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income in other net gains/(losses). Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Refer to the table with the heading "Audited Financial Information" on page 90 for details of the Group's net finance charges.

10. Taxation

Accounting Policy

The tax charge comprises current and deferred tax. The tax charge is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in the consolidated statement of other comprehensive income or directly to equity.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations relating to the Group's ordinary business activities for which the ultimate tax determination is uncertain. The Group recognised liabilities for potential tax exposures based on estimates of whether additional taxes will be due. If the Group concludes it is probable that a taxation authority will accept an uncertain tax treatment, the Group determines the taxable profit/(tax loss) consistently with the tax treatment used in the relevant income tax filings. If the Group concludes it is not probable that a taxation authority will accept an uncertain tax treatment, the Group reflects the effect of uncertainty for each uncertain tax treatment by using either (a) the most likely amount – the single most likely amount in a range of possible outcomes or (b) the expected value – the sum of the probability-weighted amounts in a range of possible outcomes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences affect the income tax and deferred tax provisions in the year in which the outcomes become known.

	Note	**2024 HK$M**	2023 HK$M
Current taxation			
Hong Kong profits tax		**421**	500
Chinese Mainland Enterprise Income Tax		**1,281**	1,045
Other taxes		**463**	949
Under/(over)-provisions in prior years		**3**	(25)
		2,168	2,469
Deferred taxation	32		
Change in fair value of investment properties		**627**	106
Origination and reversal of temporary differences		**289**	357
		916	463
		3,084	2,932

Hong Kong profits tax is calculated at 16.5% (2023: 16.5%) on the estimated assessable profits for the year. Under the Law of the People's Republic of China on Enterprise Income Tax (the EIT Law) and Implementation Regulation of the EIT Law, the tax rate of the Chinese Mainland subsidiaries is 25% (2023: 25%). Other taxes are calculated at tax rates applicable in jurisdictions in which the Group is assessable for tax.

10. Taxation (continued)

The tax charge on the Group's profit before taxation differs from the theoretical amount that would arise using the Hong Kong profits tax rate of the Company as follows:

	2024 HK$M	2023 HK$M
Profit before taxation	7,785	32,770
Calculated at a tax rate of 16.5% (2023: 16.5%)	1,284	5,407
Share of results of joint venture and associated companies	(982)	(467)
Effect of different tax rates in other jurisdictions	620	470
Change in fair value of investment properties	1,411	640
Income not subject to tax	(156)	(4,052)
Expenses not deductible for tax purposes	393	584
Unused tax losses not recognised	330	95
Utilisation of previously unrecognised tax losses	(38)	(15)
Recognition of previously unrecognised tax losses	(21)	(118)
Deferred tax assets written off	35	–
Under/(over)-provisions in prior years	3	(25)
Withholding tax	293	332
Others	(88)	81
Tax charge	3,084	2,932

The Group's share of joint venture companies' tax charges of HK$471 million (2023: HK$337 million) and share of associated companies' tax charges of HK$644 million (2023: HK$365 million) respectively are included in the share of results of joint venture and associated companies shown in the consolidated statement of profit or loss.

11. Underlying Profit Attributable to the Company's Shareholders

Accounting Policy

Underlying profit attributable to the Company's shareholders is provided for greater understanding of the Group's underlying business performance. Underlying profit principally adjusts for fair value movements on investment properties and the associated deferred tax and for other deferred tax provisions in relation to investment properties.

Refer to the table with the heading "Audited Financial Information" on page 74 for details of the Group's underlying profit attributable to the Company's shareholders.

12. Dividends

Accounting Policy

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or declared by the Company's directors, where appropriate.

	2024 HK$M	2023 HK$M
First interim dividend paid on 10th October 2024 of HK$1.25 per 'A' share and HK$0.25 per 'B' share (2023: HK$1.20 and HK$0.24)	1,745	1,730
Special interim dividend paid on 19th September 2023 of HK$8.120 per 'A' share and HK$1.624 per 'B' share	–	11,703
Second interim dividend declared on 13th March 2025 of HK$2.10 per 'A' share and HK$0.42 per 'B' share (2023 actual dividend paid: HK$2.00 and HK$0.40)	2,866	2,841
	4,611	16,274

12. Dividends (continued)

The second interim dividend is not accounted for in 2024 because it had not been declared or approved at the year-end date. The actual amount payable in respect of 2024 will be accounted for as an appropriation of the revenue reserve in the year ending 31st December 2025 when declared. The amount payable in respect of the second interim dividend for 2024 is calculated based on the number of shares in issue at 7th March 2025. In determining the number of shares in issue, shares repurchased by the Company but not yet cancelled are excluded, as none of the shares repurchased but not yet cancelled by the Company would receive the aforesaid dividend. At 7th March 2025, the number of repurchased shares pending cancellation were 8,261,500 'A' shares and 3,245,000 'B' shares. The Company would not hold any repurchased shares as treasury shares.

The second interim dividend paid during the year ended 31st December 2023 does not include the amount of the dividend in respect of the shares of the Company which were repurchased prior to 10th April 2024.

13. Earnings Per Share (Basic and Diluted)

Basic earnings per share is calculated by dividing the profit attributable to the Company's shareholders of HK$4,321 million (2023: HK$28,853 million) by the daily weighted average number of 833,526,329 'A' shares and 2,895,346,755 'B' shares in issue during the year (2023: 859,770,567 'A' shares and 2,927,357,623 'B' shares), in the proportion five to one.

Diluted earnings per share is calculated by dividing the profit attributable to the Company's shareholders of HK$3,864 million (2023: HK$28,417 million) (adjusted by the attributable effect of dilutive potential ordinary shares of Cathay Pacific of HK$457 million (2023: HK$436 million)) by the daily weighted average number of 833,526,329 'A' shares and 2,895,346,755 'B' shares in issue during the year (2023: 859,770,567 'A' shares and 2,927,357,623 'B' shares), in the proportion of five to one.

14. Property, Plant and Equipment

Accounting Policy

Property, plant and equipment is carried at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of purchases in foreign currency of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

With the exception of freehold land, all other items of property, plant and equipment are depreciated at rates sufficient to write off their original costs to estimated residual values using the straight-line method over their anticipated useful lives in the following manner:

Property	2% to 5% per annum
Plant and machinery	5% to 50% per annum

The assets' expected useful lives and residual values are regularly reviewed and adjusted, if appropriate, at the end of each reporting period to take into account operational experience and changing circumstances.

On the transfer of owner-occupied property to investment property, increases in the carrying amount arising on revaluation of land and buildings are credited to the consolidated statement of other comprehensive income and shown as property revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in the consolidated statement of other comprehensive income and debited against property revaluation reserve directly in equity; all other decreases are charged to the consolidated statement of profit or loss.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised within other net gains/(losses) in the consolidated statement of profit or loss. When revalued assets are sold, the amounts included in the property revaluation reserve are transferred to revenue reserve.

14. Property, Plant and Equipment (continued)

	Note	Property HK$M	Plant and machinery HK$M	Total HK$M
Cost				
At 1st January 2024		17,258	23,521	40,779
Translation differences		(325)	(652)	(977)
Acquisition of subsidiary companies		1,311	1,125	2,436
Additions		1,821	2,753	4,574
Disposals		(59)	(2,617)	(2,676)
Net transfers to investment properties	15	(705)	–	(705)
Transfer from properties for sale		–	51	51
Transfer to assets classified as held for sale		–	(13)	(13)
Other net transfers		4	(4)	–
At 31st December 2024		19,305	24,164	43,469
Accumulated depreciation and impairment				
At 1st January 2024		7,722	12,258	19,980
Translation differences		(127)	(301)	(428)
Depreciation for the year	6	538	2,089	2,627
Impairment charges	5	(13)	172	159
Disposals		(42)	(1,862)	(1,904)
Net transfers to investment properties	15	(471)	–	(471)
Transfer to assets classified as held for sale		–	(4)	(4)
At 31st December 2024		7,607	12,352	19,959
Net book value				
At 31st December 2024		11,698	11,812	23,510

14. Property, Plant and Equipment (continued)

	Note	Property HK$M	Plant and machinery HK$M	Total HK$M
Cost				
At 1st January 2023		19,673	26,171	45,844
Translation differences		(112)	(155)	(267)
Acquisition of subsidiary companies		828	2,529	3,357
Disposal of subsidiary companies		(3,723)	(6,902)	(10,625)
Additions		725	2,843	3,568
Disposals		(26)	(1,007)	(1,033)
Net transfers to investment properties	15	(113)	–	(113)
Other net transfers		(40)	42	2
Revaluation surplus		46	–	46
At 31st December 2023		17,258	23,521	40,779
Accumulated depreciation and impairment				
At 1st January 2023		8,473	15,175	23,648
Translation differences		(41)	(88)	(129)
Disposal of subsidiary companies		(1,265)	(4,408)	(5,673)
Depreciation for the year	6	603	2,344	2,947
Reversal of impairment charges	5	–	(4)	(4)
Disposals		(17)	(763)	(780)
Net transfers to investment properties	15	(31)	–	(31)
Other net transfers		–	2	2
At 31st December 2023		7,722	12,258	19,980
Net book value				
At 31st December 2023		9,536	11,263	20,799

Property and plant and machinery include amounts of HK$2,277 million (2023: HK$815 million) and HK$639 million (2023: HK$320 million) respectively which represent advance payments and deposits under contracts with third parties in respect of assets under construction.

At 31st December 2024, property, plant and equipment of HK$428 million (2023: HK$460 million) are pledged as security for secured loans and other borrowings.

15. Investment Properties

Accounting Policy

Investment property comprises freehold land, leasehold land and buildings held for long-term rental yields or for capital appreciation or for both, and that are not occupied by the Group. Property held by the lessee as a right-of-use asset is classified and accounted for as an investment property when the rest of the definition of investment property is met.

Investment properties (including those under development) are carried at fair value and are valued twice a year. The majority of investment properties are valued by independent valuers. The valuations are performed in accordance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors and are on the basis of market value related to individual properties, and separate values are not attributed to land and buildings. These values represent their fair values in accordance with HKFRS 13. Land and buildings that are being developed for future use as investment properties and investment properties that are being redeveloped for continuing use as investment properties are measured at fair value and included as investment properties under development. Changes in fair values are recognised in the consolidated statement of profit or loss.

Subsequent expenditure is charged to an investment property's carrying amount only when it is probable that future economic benefits associated with that expenditure will flow to the Group and the cost can be measured reliably. All other repair and maintenance costs in respect of an investment property are expensed in the consolidated statement of profit or loss during the financial period in which they are incurred.

If an investment property becomes owner-occupied or property for sale, it is reclassified as property, plant and equipment, leasehold land under right-of-use assets or properties for sale respectively, and its fair value at the date of reclassification becomes its deemed cost for accounting purposes.

Expenditure incurred in leasing out the Group's investment properties during development is deferred and amortised on a straight-line basis in the consolidated statement of profit or loss upon occupation of the property over a period not exceeding the terms of the leases.

Critical Accounting Estimates and Judgements

Cushman & Wakefield Limited, an independent property valuer, was engaged to carry out a valuation of the major portion of the Group's investment property portfolio at 31st December 2024. This valuation was carried out in accordance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors, which define market value as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties each acted knowledgeably, prudently and without compulsion". The assumptions are principally in respect of market rents and yields.

Management has reviewed the independent property valuation and compared it with its own assumptions, with reference to comparable sales transaction data where such information is available, and has concluded that the independent property valuation of the Group's investment property portfolio is reasonable.

15. Investment Properties (continued)

	Note	Completed HK$M	Under development HK$M	Total HK$M
At 1st January 2024		**256,105**	**24,486**	**280,591**
Translation differences		**(1,867)**	**(145)**	**(2,012)**
Additions		**899**	**3,742**	**4,641**
Transfer between categories		**4,283**	**(4,283)**	**–**
Net transfers (to)/from property, plant and equipment	14	**(49)**	**283**	**234**
Net transfers (to)/from right-of-use assets		**(216)**	**8**	**(208)**
Transfer to properties for sale		**–**	**(1,682)**	**(1,682)**
Transfer to assets classified as held for sale		**(4,755)**	**–**	**(4,755)**
Net fair value losses		**(4,955)**	**(1,019)**	**(5,974)**
		249,445	**21,390**	**270,835**
Add: initial leasing costs		**115**	**–**	**115**
At 31st December 2024		**249,560**	**21,390**	**270,950**

	Note	Completed HK$M	Under development HK$M	Total HK$M
At 1st January 2023		247,513	23,078	270,591
Translation differences		(1,146)	(55)	(1,201)
Acquisition of subsidiary companies		15,230	–	15,230
Additions		915	1,957	2,872
Disposals		(4,006)	–	(4,006)
Net transfers from property, plant and equipment	14	82	–	82
Net transfers to right-of-use assets		(108)	(9)	(117)
Net fair value losses		(2,375)	(485)	(2,860)
		256,105	24,486	280,591
Add: initial leasing costs		192	–	192
At 31st December 2023		256,297	24,486	280,783

Geographical Analysis of Investment Properties

	2024 HK$M	2023 HK$M
Held in Hong Kong		
On medium-term leases (10 to 50 years)	**29,782**	30,976
On long-term leases (over 50 years)	**180,627**	188,385
	210,409	219,361
Held in the Chinese Mainland		
On short-term leases (less than 10 years)	**858**	975
On medium-term leases (10 to 50 years)	**58,684**	54,985
	59,542	55,960
Held in the USA		
Freehold	**884**	5,270
	270,835	280,591

15. Investment Properties (continued)

At 31st December 2024, investment properties of HK$17,782 million (2023: HK$14,948 million) are pledged as security for secured loans and other borrowings.

On 17th November 2023, Swire Properties and the Securities and Futures Commission entered into sale and purchase agreements for the sale of Swire Properties' interest in the 42nd to 54th floors (excluding the 49th floor) of the One Island East office tower in Hong Kong, for a total cash consideration of HK$5,400 million. Sale of the 45th to 54th floors (excluding the 49th floor) was completed in December 2023 and a loss on disposal was recognised in the consolidated statement of profit or loss during 2023.

The 42nd to 44th floors of One Island East with a total fair value of HK$1,342 million, are included in the investment properties at 31st December 2024. The sale of each of these floors will be completed in accordance with the terms specified in the sale and purchase agreements before the end of 2028.

Additions include capital expenditure in response to climate change. Such expenditure is intended to reduce carbon emission and energy use, with a view to mitigating climate-related risks and to meet carbon reduction targets.

Valuation processes and techniques underlying management's estimate of fair value

The Group's investment properties were valued at their fair values at 31st December 2024. 97% by value were valued by Cushman & Wakefield Limited and 1% by value were valued by another independent valuer, in each case on the basis of market value. The independent professionally qualified valuers hold recognised relevant professional qualifications in the jurisdictions in which they valued the Group's investment properties and have recent experience in the locations and types of investment properties valued. The remaining properties were valued by management. The valuation is based on the highest and best use of the properties.

The valuation of the Group's completed investment property portfolio is derived by capitalising the rental income derived from existing tenancies with due provision for reversionary income potential and by making reference to recent comparable sales transactions available in the relevant property market.

The valuation of the Group's investment properties under development is derived by making reference to market capitalisation rates and recent comparable sales transactions in the relevant property market (on the assumption that the properties had already been completed at the valuation date). It also takes into account the construction cost already incurred and the estimated cost to be incurred to complete the project plus the developer's estimated profit and a margin for risk.

The fair values of the Group's investment properties are sensitive to changes in both observable and unobservable inputs. If capitalisation rates increase, the fair values decrease. If market rents increase, the fair values increase. If estimated costs to complete or the developer's estimated profit and margin for risk increase, the fair values decrease. The opposite is true for decreases in these inputs.

There are inter-relationships between observable and unobservable inputs. Expected vacancy rates may have an impact on yields, with higher vacancy rates resulting in higher yields. For investment properties under development, increases in construction costs that enhance the properties' features may result in an increase in future rental values. An increase in future rental income may be linked with higher costs.

The Group reviews the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between management and the independent valuers at least once every half year, in line with the Group's half year reporting dates.

During the valuation, Cushman & Wakefield has, consistent with the relevant valuation standards, where applicable and to the extent that current market participants would, considered the environmental, social and governance factors of the subject properties in the valuations, as observed from inspection and the information provided by the Group.

15. Investment Properties (continued)

Fair value hierarchy

The Group's investment properties are measured at fair value and categorised within the fair value hierarchy as follows:

	Completed				Under development			
	Hong Kong HK$M	Chinese Mainland HK$M	USA HK$M	Total HK$M	Hong Kong HK$M	Chinese Mainland HK$M	Total HK$M	Total HK$M
Level 2	1,008	400	–	1,408	5,373	–	5,373	6,781
Level 3	194,386	52,767	884	248,037	9,642	6,375	16,017	264,054
Total	195,394	53,167	884	249,445	15,015	6,375	21,390	270,835
Add: initial leasing costs								115
At 31st December 2024								270,950

	Completed				Under development			
	Hong Kong HK$M	Chinese Mainland HK$M	USA HK$M	Total HK$M	Hong Kong HK$M	Chinese Mainland HK$M	Total HK$M	Total HK$M
Level 2	1,122	417	–	1,539	5,589	–	5,589	7,128
Level 3	197,079	52,217	5,270	254,566	15,571	3,326	18,897	273,463
Total	198,201	52,634	5,270	256,105	21,160	3,326	24,486	280,591
Add: initial leasing costs								192
At 31st December 2023								280,783

Notes:
The levels in the hierarchy represent the following:
Level 2 – Investment properties measured at fair value using inputs other than quoted prices but where those inputs are based on observable market data.
Level 3 – Investment properties measured at fair value using inputs not based on observable market data.

The above investment properties principally comprise commercial and residential properties completed and under development in Hong Kong and the Chinese Mainland. The Group also has other investment property in the Brickell City Centre in Miami which was completed in 2016. Because of the unique nature of the Group's investment properties, most of them are valued by reference to a level 3 fair value measurement.

The change in level 3 fair value of investment properties during the year is as follows:

	Completed				Under development			
	Hong Kong HK$M	Chinese Mainland HK$M	USA HK$M	Total HK$M	Hong Kong HK$M	Chinese Mainland HK$M	Total HK$M	Total HK$M
At 1st January 2024	197,079	52,217	5,270	254,566	15,571	3,326	18,897	273,463
Translation differences	–	(1,817)	(36)	(1,853)	–	(145)	(145)	(1,998)
Additions	699	134	64	897	748	2,951	3,699	4,596
Transfer between categories	4,283	–	–	4,283	(4,283)	–	(4,283)	–
Net transfers (to)/from property, plant and equipment	(51)	2	–	(49)	–	283	283	234
Net transfers (to)/from right-of-use assets	(218)	2	–	(216)	–	–	–	(216)
Transfer to properties for sale	–	–	–	–	(1,682)	–	(1,682)	(1,682)
Transfer to assets classified as held for sale	–	–	(4,755)	(4,755)	–	–	–	(4,755)
Net fair value (losses)/gains	(7,406)	2,229	341	(4,836)	(712)	(40)	(752)	(5,588)
At 31st December 2024	194,386	52,767	884	248,037	9,642	6,375	16,017	264,054

15. Investment Properties (continued)

Fair value hierarchy (continued)

	Completed				Under development			
	Hong Kong HK$M	Chinese Mainland HK$M	USA HK$M	Total HK$M	Hong Kong HK$M	Chinese Mainland HK$M	Total HK$M	Total HK$M
At 1st January 2023	203,420	37,710	5,049	246,179	14,051	3,266	17,317	263,496
Translation differences	–	(1,144)	11	(1,133)	–	(58)	(58)	(1,191)
Acquisition of subsidiary companies	–	14,994	–	14,994	–	–	–	14,994
Additions	629	241	43	913	1,620	338	1,958	2,871
Disposals	(4,006)	–	–	(4,006)	–	–	–	(4,006)
Net transfers (to)/from property, plant and equipment	(37)	119	–	82	–	–	–	82
Net transfers to right-of-use assets	(108)	–	–	(108)	–	–	–	(108)
Net fair value (losses)/gains	(2,819)	297	167	(2,355)	(100)	(220)	(320)	(2,675)
At 31st December 2023	197,079	52,217	5,270	254,566	15,571	3,326	18,897	273,463

Information about level 3 fair value measurements using significant unobservable inputs is as follows:

At 31st December 2024	**Valuation technique**	**Market rent per month[(i)] HK$ per sq. ft. (lettable)**	**Capitalisation rates**
Completed			
Hong Kong	**Income capitalisation**	**Mid 10's – Low 500's**	**2.50% – 5.25%**
Chinese Mainland	**Income capitalisation**	**Less than 10 – Low 300's**	**5.50% – 6.50%**
USA[(ii)]	**Income capitalisation**	**N/A**	**6.00%**
Under development			
Hong Kong	**Residual[(iii)]**	**Low 60's**	**3.75%**
Chinese Mainland	**Residual[(iii)]**	**High 30's – Low 100's**	**5.50% – 5.75%**
Chinese Mainland	**Sales comparison**	**–**	**–**

At 31st December 2023	Valuation technique	Market rent per month[(i)] HK$ per sq. ft. (lettable)	Capitalisation rates
Completed			
Hong Kong	Income capitalisation	Mid 10's – Low 500's	2.50% – 4.75%
Chinese Mainland	Income capitalisation	Less than 10 – High 200's	5.50% – 6.50%
USA	Income capitalisation	Less than 10 – Mid 70's	5.50% – 6.00%
Under development			
Hong Kong	Residual[(iii)]	Low 60's – Low 100's	1.20% – 3.75%
Chinese Mainland	Sales comparison	–	–

Notes:
(i) Market rent is determined in accordance with the definition of that term in the HKIS Valuation Standards 2024 of The Hong Kong Institute of Surveyors, which is "the estimated amount for which all interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion". It is in effect the rental income (exclusive of usual outgoings) which a property would be expected to earn if it were vacant and available to let. It is not necessarily the same as the rent which a tenant is actually committed to pay.
(ii) Investment properties in the USA of HK$4,755 million was transferred to assets classified as held for sale as at 31st December 2024. The main valuation inputs used for these properties were effective market rents per month ranging from less than HK$10 to mid HK$70's per square feet and capitalisation rate of 5.50% determined by an independent valuer at 31st December 2024.
(iii) In using the residual method to make fair value measurements of investment properties, two additional unobservable inputs have been used. These are the estimated costs to complete the development and the developer's estimated profit and margin for risk.

16. Intangible Assets

Accounting Policy

(a) Goodwill
Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the assets transferred, the liabilities incurred to the former owners of the acquired asset and the equity interests issued by the Group. Goodwill is treated as an asset of the entity acquired and, where attributable to a foreign entity, is translated at the period-end closing rate.

Goodwill is stated at cost less accumulated impairment. Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing, which is performed annually, or more often if an impairment indicator exists. Impairment charges recognised in respect of goodwill are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Computer software
Computer software licences acquired are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives of 3 to 10 years.

Costs associated with maintaining computer software programmes are recognised as expenses as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software costs recognised as assets are amortised over their estimated useful lives of 3 to 10 years.

(c) Service, franchise and operating rights
Service, franchise and operating rights acquired are shown at historical cost. Service, franchise and operating rights acquired in a business combination are recognised at fair value at the acquisition date.

Service, franchise and operating rights that have a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of service, franchise and operating rights over their estimated useful lives of 10 to 40 years.

Service, franchise and operating rights that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

(d) Customer relationships
Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are subsequently carried at cost less accumulated amortisation. Customer relationships are amortised over their estimated useful lives of 7.5 to 15 years.

16. Intangible Assets (continued)

	Note	Goodwill HK$M	Computer software HK$M	Service, franchise and operating rights HK$M	Customer relationships HK$M	Others HK$M	Total HK$M
Cost							
At 1st January 2024		10,627	1,170	8,144	603	284	20,828
Translation differences		(268)	(17)	(1,067)	(3)	(1)	(1,356)
Acquisition of subsidiary companies		1,629	75	12,879	–	–	14,583
Additions		–	119	–	–	34	153
Disposals		–	(14)	–	–	–	(14)
Transfer to assets classified as held for sale		–	–	–	–	(198)	(198)
Other net transfers		–	2	2	–	–	4
At 31st December 2024		11,988	1,335	19,958	600	119	34,000
Accumulated amortisation and impairment							
At 1st January 2024		1,186	653	378	370	200	2,787
Translation differences		(5)	(11)	(3)	(2)	(3)	(24)
Amortisation for the year	6	–	140	39	41	24	244
Disposals		–	(13)	–	–	–	(13)
Transfer to assets classified as held for sale		–	–	–	–	(160)	(160)
At 31st December 2024		1,181	769	414	409	61	2,834
Net book value							
At 31st December 2024		10,807	566	19,544	191	58	31,166

	Note	Goodwill HK$M	Computer software HK$M	Service, franchise and operating rights HK$M	Customer relationships HK$M	Others HK$M	Total HK$M
Cost							
At 1st January 2023		8,205	1,208	6,920	999	316	17,648
Translation differences		(121)	(5)	(54)	1	–	(179)
Acquisition of subsidiary companies		2,666	20	4,645	–	–	7,331
Disposal of subsidiary companies		(724)	(156)	(2,608)	(397)	(9)	(3,894)
Additions		–	161	–	–	–	161
Disposals		–	(77)	–	–	–	(77)
Other net transfers		601	19	(759)	–	(23)	(162)
At 31st December 2023		10,627	1,170	8,144	603	284	20,828
Accumulated amortisation and impairment							
At 1st January 2023		1,675	728	521	612	182	3,718
Translation differences		2	(2)	2	1	–	3
Disposal of subsidiary companies		(491)	(140)	(231)	(293)	(8)	(1,163)
Amortisation for the year	6	–	122	86	50	26	284
Disposals		–	(53)	–	–	–	(53)
Other net transfers		–	(2)	–	–	–	(2)
At 31st December 2023		1,186	653	378	370	200	2,787
Net book value							
At 31st December 2023		9,441	517	7,766	233	84	18,041

16. Intangible Assets (continued)

Impairment test of goodwill and indefinite-lived franchise rights

Critical Accounting Estimates and Judgements

The Group believes that certain franchise agreements will continue to be renewed at each expiration date and they have therefore been assigned indefinite useful lives.

At each reporting date, an assessment is made as to whether there is any indication that goodwill or any indefinite-lived franchise rights may be impaired. These tests require the use of estimates to calculate recoverable amounts. The calculation of recoverable amounts considers estimates of both value in use and fair value less costs of disposal. The determination of recoverable amounts and any impairment charges is determined based on the higher of value in use and fair value less costs of disposal.

The value in use calculations use financial budgets and plans covering five-year periods unless a longer period can be justified. Key assumptions used in the financial budgets and plans are revenue growth and margins. The discount rates applicable to the future cash flows reflect the specific risks relating to the relevant CGUs. Cash flows beyond these periods are extrapolated using rates of growth and profitability not exceeding historical results.

Intangible assets acquired in recent transactions are more susceptible to impairment given they are initially recorded at fair value based on macroeconomic conditions and forecasts existing at the time of the acquisition. Consequently if operating results and/or macroeconomic conditions deteriorate there is a higher risk of impairment of such acquired assets.

Goodwill is allocated to the Group's CGUs, after impairment, identified by divisional business segment and geographic location.

	Note	2024 HK$M	2023 HK$M
Swire Properties – Taikoo Li Chengdu	a	1,294	1,341
Swire Coca-Cola – Hong Kong and Chinese Mainland	b	2,104	2,183
Swire Coca-Cola – Vietnam and Cambodia	c	2,055	2,124
Swire Coca-Cola – Thailand and Laos	d, 42(b)	1,127	–
HAECO – Hong Kong and Chinese Mainland	e	3,510	3,510
HAECO – USA	f	283	283
DeltaHealth	f, 42(a)	434	–
		10,807	9,441

Notes:

(a) The recoverable amount of this CGU is determined using the calculation of the fair value less costs of disposal. It mainly represents the fair value of investment properties of Taikoo Li Chengdu by reference to the valuation performed by independent valuers at each reporting date, less costs of disposal estimated by management based on the Group's experience with disposal of assets and on industry benchmarks. The results of the impairment test using these inputs show that the recoverable amount exceeds the carrying amount of the CGU. The Group therefore concluded that no impairment was required for the goodwill at 31st December 2024 and 2023.

The main valuation inputs used were effective market rents per month ranging from approximately HK$10 to HK$300 (2023: HK$10 to HK$200) per square feet and capitalisation rates ranging from 5.50% to 6.50% (2023: 5.75% to 6.50%) determined by an independent valuer at 31st December 2024 and the costs of disposal estimated by Swire Properties' management. Reasonably possible changes in the key assumptions would not result in an impairment.

16. Intangible Assets (continued)

Impairment test of goodwill and indefinite-lived franchise rights (continued)

(b) The recoverable amount of Swire Coca-Cola's businesses in Hong Kong and the Chinese Mainland has been determined using a value in use calculation. The calculation uses cash flow projections covering a five-year period based on financial budgets and plans prepared by management. A weighted average pre-tax discount rate of 9.5% (2023: 9.5%) has been applied and cash flows beyond the five-year period are assumed not to grow by more than 2.0% (2023: 2.0%) per annum. Reasonably possible changes in the key assumptions would not result in an impairment.

(c) The recoverable amount of Swire Coca-Cola's businesses in Vietnam and Cambodia has been determined using a value in use calculation. The calculation uses cash flow projections covering a ten-year period based on financial budgets and plans prepared by management. A ten-year forecast is considered appropriate in order to take into account the new grow opportunities in these developing markets. A weighed average pre-tax discount rate of 10.0% (2023: 13.0%) has been applied and cash flows beyond the ten-year period are assumed not to grow by more than 5.0% (2023: 5.0%) per annum. Reasonably possible changes in the key assumptions would not result in an impairment.

(d) The recoverable amount of Swire Coca-Cola's businesses in Thailand and Laos has been determined using a value in use calculation. The calculation uses cash flow projections covering a ten-year period based on financial budgets and plans prepared by management. A ten-year forecast is considered appropriate in order to take into account the new growth opportunities in these developing markets. A weighted average pre-tax discount rate of 10.5% has been applied and cash flows beyond the ten-year period are assumed not to grow by more than 3.0% per annum. Reasonably possible changes in the key assumptions would not result in an impairment.

(e) The recoverable amount of HAECO's businesses in Hong Kong and the Chinese Mainland has been determined using a value in use calculation. It represents the present value of estimates of cash flow projections covering a five-year period based on financial budgets and plans prepared by management. A weighted average pre-tax discount rate of 9.5% (2023: 12.0%) has been applied and cash flows beyond the five-year period are assumed not to grow by more than 3.0% (2023: 3.0%) per annum. Reasonably possible changes in the key assumptions would not result in an impairment.

(f) The recoverable amounts of these CGUs are derived on a value in use basis using financial budgets and plans prepared by management. Reasonably possible changes in the key assumptions would not result in an impairment.

17. Right-of-use Assets

Accounting Policy

The Group (acting as lessee) leases land, offices, warehouses, retail stores and equipment. Except for certain long-term leasehold land in Hong Kong, rental contracts are typically made for fixed periods of 1 to 50 years but may have extension and early termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets may not be used as security for borrowing purposes.

Leases are recognised by lessees as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each financial period.

Assets and liabilities arising from leases are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payment of penalties for terminating the lease, if the lease term used in the computation assumes the lessee exercises an option to terminate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. However, if the ownership of the underlying asset is expected to be transferred to the Group by the end of the lease term and if the cost of the right-of-use asset has already included the exercise price of a purchase option, depreciation is calculated on a straight-line basis to write off cost over the anticipated useful life of the underlying asset to its estimated residual value.

Payments by lessees associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as expenses in the consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise information technology equipment and small items of office furniture.

17. Right-of-use Assets (continued)

The recognised right-of-use assets relate to the following types of assets:

	2024 HK$M	2023 HK$M
Leasehold land held for own use	3,535	3,334
Land use rights	1,334	1,206
Property	4,028	4,180
Plant and equipment	144	46
Total	9,041	8,766

The Group is the registered owner or occupant of its leasehold land and land use rights. Upfront payments were made to acquire these interests in land and there are no ongoing payments to be made under the terms of the land leases (so that no lease liabilities are recognised) except government rents and rates and other payments to the relevant government authorities, which may vary from time to time. Details relating to these interests in land are as follows:

	2024		2023	
	Leasehold land held for own use HK$M	Land use rights HK$M	Leasehold land held for own use HK$M	Land use rights HK$M
Held in Hong Kong				
On medium-term leases (10 to 50 years)	481	4	425	4
On long-term leases (over 50 years)	2,554	–	2,421	–
Held outside of Hong Kong				
On medium-term leases (10 to 50 years)	448	1,330	488	1,202
On long-term leases (over 50 years)	52	–	–	–
	3,535	1,334	3,334	1,206

Lease arrangements for other types of assets are negotiated on an individual asset basis and contain a wide range of different terms and conditions, including lease payments and lease terms.

At 31st December 2024, right-of-use assets of HK$92 million (2023: HK$99 million) are pledged as security for secured loans and other borrowings.

Additions to right-of-use assets and additions to right-of-use assets arising from acquisition of subsidiary companies during the year ended 31st December 2024 were HK$678 million and HK$561 million (2023: HK$963 million and HK$626 million) respectively.

No disposal to right-of-use assets arising from disposal of subsidiary companies during the year ended 31st December 2024 (2023: HK$450 million).

During the year ended 31st December 2024, total cash outflow for leases was included in the consolidated statement of cash flows as (a) interest paid of HK$186 million (2023: HK$203 million) under "operating activities", (b) payment for short-term and low-value assets leases and variable lease payments of HK$216 million (2023: HK$210 million) recorded in cash generated from operations under "operating activities", and (c) principal elements of lease payments of HK$965 million (2023: HK$895 million) under "financing activities".

18. Properties Held for Development

Accounting Policy

Properties held for development comprise freehold land at cost and related costs of preliminary works, and are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Properties held for development are not expected to be sold or developed within the Group's normal operating cycle and are classified as non-current assets.

	2024 HK$M	2023 HK$M
Properties held for development		
Freehold land	**982**	989
Development costs	**219**	221
	1,201	1,210

19. Subsidiary Companies

Accounting Policy

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The principal subsidiary companies of Swire Pacific Limited are shown on pages 227 to 237.

Swire Pacific Limited has a material non-controlling interest in one subsidiary company, Swire Properties Limited (Swire Properties). During the year, the Group's interest in Swire Properties increased from 82% to 82.5%. In 2024, Swire Properties repurchased 47,778,600 shares for a total aggregate price of HK$750 million (excluding transaction fees), including 12,000,000 shares repurchased but not yet cancelled. There are no significant differences between the recognised financial information presented in the table below and the corresponding information in the separate consolidated financial statements of Swire Properties.

Summarised Statement of Financial Position

	Swire Properties	
	At 31st December	
	2024 HK$M	2023 HK$M
Current:		
Assets	**27,091**	18,344
Liabilities	**(19,780)**	(17,789)
Total current net assets	**7,311**	555
Non-current:		
Assets	**328,108**	335,901
Liabilities	**(57,206)**	(48,538)
Total non-current net assets	**270,902**	287,363
Net assets	**278,213**	287,918
Non-controlling interests	**51,246**	54,339

19. Subsidiary Companies (continued)

Summarised Statement of Profit or Loss

	Swire Properties	
	For the year ended 31st December	
	2024 HK$M	2023 HK$M
Revenue	**14,428**	14,670
(Loss)/profit for the year attributable to shareholders	**(751)**	2,599
Other comprehensive loss	**(2,037)**	(863)
Total comprehensive (loss)/income attributable to shareholders	**(2,788)**	1,736
Total comprehensive (loss)/income allocated to non-controlling interests	**(471)**	312
Dividends paid to non-controlling interests	**1,116**	1,064

Summarised Statement of Cash Flows

	Swire Properties	
	For the year ended 31st December	
	2024 HK$M	2023 HK$M
Net cash generated from operating activities	**3,762**	5,445
Net cash used in investing activities	**(6,277)**	(13,861)
Net cash generated from financing activities	**2,757**	9,065
Net increase in cash and cash equivalents	**242**	649
Cash and cash equivalents at 1st January	**5,097**	4,502
Effect of exchange differences	**(127)**	(54)
Cash and cash equivalents at 31st December	**5,212**	5,097

20. Interests in Joint Venture and Associated Companies

Accounting Policy

Joint venture companies are those companies' interests in which are held for the long term and over which the Group is in a position to exercise joint control with other venturers in accordance with contractual arrangements, and where the Group has rights to the net assets of those companies.

Associated companies are those companies over which the Group has significant influence, but not control or joint control, over their management including participation in financial and operating policy decisions, generally accompanying a shareholding representing between 20% and 50% of the voting rights.

In the Group's consolidated statement of financial position, its interests in joint venture and associated companies are accounted for using the equity method of accounting and are initially recognised at cost. The excess of the cost of investment in joint venture and associated companies over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition represents goodwill. The Group's interests in joint venture and associated companies include goodwill identified on acquisitions, net of any accumulated impairment loss.

Critical Accounting Estimates and Judgements

The Group assesses at the end of each reporting period whether there is any objective evidence that its interests in joint venture and associated companies are impaired. Such objective evidence includes whether there have been any significant adverse changes in the technological, market, economic or legal environment in which the joint venture and associated companies operate or whether there has been a significant or prolonged decline in value below their cost. If there is an indication that an interest in a joint venture or associated company is impaired, the Group assesses whether the entire carrying amount of the investment (including goodwill) is recoverable. An impairment loss is recognised in the consolidated statement of profit or loss equal to the amount by which the carrying amount is higher than the higher of the investment's fair value less costs of disposal and value in use. Any reversal of such impairment loss in subsequent periods is credited to the consolidated statement of profit or loss.

(a) Interests in joint venture companies

	2024 HK$M	2023 HK$M
Share of net assets, unlisted	**26,188**	23,722
Goodwill	**744**	757
Joint venture companies	**26,932**	24,479
Loans due from joint venture companies less provisions		
– Interest-free	**11,597**	11,722
– Interest-bearing at 3.0% to 6.5% per annum (2023: 3.0% to 11.0% per annum)	**3,439**	3,131
	15,036	14,853

The loans due from joint venture companies are unsecured and have no fixed terms of repayment. These loans are considered to have low credit risk. The financial positions and performances of these companies are regularly monitored and reviewed by the management of the Group.

20. Interests in Joint Venture and Associated Companies (continued)

(a) Interests in joint venture companies (continued)

The Group's interest in joint venture companies includes HK$3,688 million (2023: HK$3,651 million) in respect of the Group's interest in HAESL. The recoverable amount has been determined using a value in use calculation representing the present value of estimates of cash flow projections covering a five-year period based on financial budgets prepared by management. A pre-tax discount rate of 9.0% (2023: 12.6%) has been applied and cash flows beyond the five-year period are assumed not to grow by more than 3.0% (2023: 3.0%) per annum. Reasonably possible changes in the key assumptions would not result in an impairment.

On 9th February 2024, the Group entered into an agreement and conditionally agreed to acquire (through purchases and subscriptions in two phases) a controlling stake in ThaiNamthip Corporation Public Company Limited (formerly known as ThaiNamthip Corporation Ltd.) (TNTC) for an aggregation consideration of approximately THB42,615.7 million (equivalent to approximately HK$9,470.1 million), subject to customary post-completion adjustments and excluding the deemed exercise of the put option.

The Group became interested in 39% of the issued share capital of TNTC on 9th February 2024. On 30th September 2024, the Group acquired a further 16.7% equity interests in TNTC. TNTC became a non-wholly owned subsidiary company of the Group after completion. Details of the purchase consideration, the net identifiable assets acquired and goodwill are disclosed in note 42(b).

In June 2024, Swire Properties entered into an equity and debt transfer agreement with the China Life Insurance Company Limited (China Life) group and the Sino-Ocean Group Holding Limited (Sino-Ocean) group, pursuant to which Swire Properties and the China Life group have conditionally agreed to acquire a 14.895% and a 49.895% equity interest in the project company of Taikoo Place Beijing (formerly known as INDIGO Phase Two), respectively, from the Sino-Ocean group for a consideration of approximately RMB891 million and RMB2,984 million, respectively. Following the completion of the acquisitions in early August, Swire Properties' interest has increased from 35% to 49.895% and the China Life group owns a 49.895% interest in Taikoo Place Beijing. The Group continues to use equity accounting for its interests in the development. Sino-Ocean group sold its interest in Taikoo Place Beijing at a loss to improve its liquidity and to obtain immediate funds to meet its financial needs and commitments. The fair value of the additional interests is considered in excess of the consideration payable by the Group. As a result, a bargain purchase gain of HK$566 million is recognised in the share of profit/loss of joint venture companies during the year.

The Group's share of the assets and liabilities and results of joint venture companies is summarised below:

	2024 HK$M	2023 HK$M
Non-current assets	**44,298**	42,369
Current assets	**17,783**	16,456
Current liabilities	**(8,111)**	(9,142)
Non-current liabilities	**(27,782)**	(25,961)
Net assets	**26,188**	23,722
Revenue	**27,512**	20,546
Expenses	**(25,420)**	(19,592)
Profit before taxation	**2,092**	954
Taxation	**(471)**	(337)
Profit for the year (Note)	**1,621**	617
Other comprehensive (loss)/income	**(587)**	26
Total comprehensive income for the year	**1,034**	643

Note:
Share of profits of joint venture companies amounted to HK$1,621 million, which comprised the Group's share of joint venture companies' profit for the year of HK$1,055 million (2023: HK$617 million) and a bargain purchase gain arising from the acquisition of an additional interest in a joint venture company of HK$566 million (2023: nil).

Capital commitments and contingencies in respect of joint venture companies are disclosed in notes 38(a) and 39(a) respectively.

The principal joint venture companies of the Group are shown on pages 227 to 237.

20. Interests in Joint Venture and Associated Companies (continued)

(b) Interests in associated companies

Critical Accounting Estimates and Judgements

Under HKFRS 10, the Company is required to consolidate as subsidiaries in its financial statements, companies which it controls. The Company controls another company if it has (i) power over the other company, (ii) exposure or rights to variable returns from its involvement with the other company and (iii) ability to use its power over the other company to affect the amount of the Company's returns. All three of these requirements must be met. The Company has considered whether to consolidate Cathay Pacific as a subsidiary in its financial statements in the light of the provisions of HKFRS 10.

Under HKFRS 10, the Company will be taken to have power over Cathay Pacific if the Company has rights which give the Company the current ability to direct the activities of Cathay Pacific which significantly affect the Company's returns from Cathay Pacific.

As the Company holds less than half (44.985%) of the voting rights in Cathay Pacific, the Company does not have power over Cathay Pacific by virtue of holding a majority of those voting rights. The Company has accordingly considered other relevant factors in order to determine whether it has such power. The Company is party to a shareholders agreement dated 8th June 2006 (the Shareholders Agreement) between itself, Air China Limited (Air China) and others in relation to the affairs of Cathay Pacific, as subsequently amended. The Shareholders Agreement contains provisions relating to the composition of the board of Cathay Pacific (including Air China being obliged to use its votes as a shareholder of Cathay Pacific to support the Company appointing a majority of the board of directors of Cathay Pacific). The Company is of the view, having considered the terms of the Shareholders Agreement, the terms of an operating agreement dated 8th June 2006 between Cathay Pacific and Air China and the way in which the board of Cathay Pacific governs the affairs of Cathay Pacific in practice, that the Company does not have power over Cathay Pacific for the purposes of HKFRS 10. It follows that, as one of the three requirements in HKFRS 10 for consolidation has not been met, the Company should not consolidate Cathay Pacific as a subsidiary in the Company's financial statements and should account for its interest in Cathay Pacific as an associated company.

	2024 HK$M	2023 HK$M
Share of net assets		
– Listed in Hong Kong	**23,300**	22,020
– Unlisted	**10,421**	10,939
	33,721	32,959
Goodwill	**1,807**	1,822
Associated companies	**35,528**	34,781
Loans due from associated companies less provisions		
– Interest-free	**242**	169
– Interest-bearing at 5.0% to 6.3% per annum (2023: 7.2% to 10.0% per annum)	**411**	163
	653	332

The loans due from associated companies are unsecured and have no fixed terms of repayment, except for interest-bearing loans due from associated companies of HK$40 million and HK$298 million which are repayable in 2027 and 2029 respectively (2023: HK$40 million repayable in 2027). These loans are considered to have low credit risk. The financial positions and performances of these companies are regularly monitored and reviewed by the management of the Group.

At 31st December 2024, Swire Properties' 40% equity interests in an associated company of HK$7,136 million (2023: nil) are pledged as security for securing advances from another associated company as disclosed in note 29.

20. Interests in Joint Venture and Associated Companies (continued)

(b) Interests in associated companies (continued)

In September 2024, Cathay Pacific repurchased and cancelled all the warrants issued in August 2020 for a total consideration of HK$1.5 billion.

In February 2021, Cathay Pacific issued convertible bonds in an amount of HK$6.74 billion. In May and December 2024, 1,508,931 ordinary shares were allotted and issued on exercise of the conversion rights of the Cathay Pacific convertible bonds. Consequently, Swire Pacific's interest was diluted and reduced from 44.995% to 44.985%. The gain on deemed disposal of interests in Cathay group was HK$0.9 million (2023: HK$0.3 million). In January 2025, HK$4,558 million in aggregate principal amount of the bonds was repurchased and the outstanding principal amount of the bonds was HK$2,164 million after the completion of the repurchase. The gain on convertible bonds repurchase under share of profits of the Cathay group was HK$48 million (HK$106 million on a 100% basis) for the year ended 31st December 2024.

In February 2024, Air China issued 393 million new H shares to a specific investor with proceeds of the issuance totalling HK$2 billion. Consequently, Cathay Pacific's interest was diluted from 16.26% to 15.87%. In December 2024, Air China issued 855 million new A shares to another investor with proceeds of the issuance totalling RMB6 billion. Consequently, Cathay Pacific's interest was further diluted from 15.87% to 15.09%. In December 2024, Air China Cargo was listed on the Shenzhen Stock Exchange. Consequently, Cathay Pacific's interest was diluted from 24.00% to 21.36%. The gain on deemed disposal of interests in Air China and Air China Cargo under share of profits of the Cathay group was HK$260 million (HK$578 million on a 100% basis) for the year ended 31st December 2024. Cathay Pacific considers it retains significant influence over Air China and Air China Cargo and has continued to account for its interests as associated companies.

The carrying amount of the Group's interest in Cathay Pacific at 31st December 2024 was HK$24,057 million (2023: HK$22,777 million). The market value of the shares held in Cathay Pacific at 31st December 2024 was HK$27,635 million (2023: HK$23,638 million), which is higher than the carrying amount.

On 22nd April 2024, the Group acquired 20% equity interests in Nanjing Jinhe Yikang Biotechnology Co., Ltd. for a consideration of RMB79 million.

On 30th April 2024, the Group acquired a further 67.4% equity interests in an existing associated company, DeltaHealth China Limited. The company became a subsidiary of the Group after completion. Details of the purchase consideration, the net identifiable assets acquired and goodwill are disclosed in note 42(a).

The Group's share of assets and liabilities and results of associated companies is summarised below:

	2024 HK$M	2023 HK$M
Non-current assets	**75,793**	73,631
Current assets	**19,261**	17,297
Current liabilities	**(24,847)**	(21,469)
Non-current liabilities	**(36,370)**	(36,251)
Non-controlling interests	**(40)**	(12)
Others	**(76)**	(237)
Net assets	**33,721**	32,959
Revenue	**47,445**	42,727
Expenses	**(42,466)**	(38,804)
Profit before taxation	**4,979**	3,923
Taxation	**(644)**	(365)
Profit for the year	**4,335**	3,558
Other comprehensive loss	**(554)**	(708)
Total comprehensive income for the year	**3,781**	2,850

The principal associated companies of the Group are shown on pages 227 to 237. In addition, Cathay Pacific is considered individually material to the Group and abridged financial statements are shown on pages 238 and 239.

Contingencies in respect of Cathay Pacific are disclosed in note 39(b).

21. Financial Instruments by Category

Accounting Policy

Financial Assets

(a) Classification
The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through the consolidated statement of other comprehensive income or through the consolidated statement of profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in the consolidated statement of profit or loss or the consolidated statement of other comprehensive income (OCI). For investment in debt instruments, this will depend on the business model in relation to which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition
Purchases and sales of financial assets are recognised on their trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement
At initial recognition, except for trade debtors, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs in respect of financial assets at FVPL are expensed in the consolidated statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments:
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of profit or loss and presented in other net gains/(losses) together with foreign exchange gains and losses.

(ii) FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the consolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit or loss and recognised in other net gains/(losses). Interest income from these financial assets is included in finance income using the effective interest method. Foreign exchange gains and losses are presented in other net gains/(losses).

21. Financial Instruments by Category (continued)

Accounting Policy (continued)

Financial Assets (continued)

(c) Measurement (continued)
  (iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the consolidated statement of profit or loss and presented net within other net gains/(losses) in the period in which it arises.

  Equity instruments:
  The Group subsequently measures all equity investments at fair value. Dividends from such investments are recognised in the consolidated statement of profit or loss as other net gains/(losses) when the Group's right to receive payments is established. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of profit or loss following the derecognition of the investment.

  Changes in the fair value of equity investments at FVPL are recognised in other net gains/(losses) in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment
  The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

  The Group applies the simplified approach permitted by HKFRS 9 to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables and contract assets.

  The measurement of expected credit losses of operating lease receivable includes consideration of expectations of forgiveness of lease income recognised as part of the relevant receivable.

Financial Liabilities

The Group classifies its financial liabilities in the following measurement categories:

(i) At fair value through profit or loss
  Derivatives are included within this category unless they are designated as hedges.

(ii) Derivatives used for hedging
  Derivative instruments are classified within this category if they qualify for hedge accounting.

(iii) Amortised cost
  This category comprises non-derivative financial liabilities with fixed or determinable payments and fixed maturities.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the financial statements where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

21. Financial Instruments by Category (continued)

The accounting policies applied to financial instruments are shown below by line item:

Assets as per consolidated statement of financial position

	Note	At fair value through profit or loss HK$M	At fair value through other comprehensive income HK$M	Derivatives used for hedging HK$M	Amortised cost HK$M	Total carrying amount HK$M	Fair value HK$M
At 31st December 2024							
Loans due from joint venture companies	20(a)	–	–	–	15,036	15,036	15,036
Loans due from associated companies	20(b)	–	–	–	653	653	653
Investments at fair value	22	1,757	403	–	–	2,160	2,160
Derivative financial assets	23	5	–	87	–	92	92
Trade and other receivables excluding prepayments	26	–	–	–	10,191	10,191	10,191
Bank balances and short-term deposits	27	–	–	–	21,028	21,028	21,028
Total		1,762	403	87	46,908	49,160	49,160
At 31st December 2023							
Loans due from joint venture companies	20(a)	–	–	–	14,853	14,853	14,853
Loans due from associated companies	20(b)	–	–	–	332	332	332
Investments at fair value	22	1,707	286	–	–	1,993	1,993
Derivative financial assets	23	5	–	99	–	104	104
Trade and other receivables excluding prepayments	26	–	–	–	8,023	8,023	8,023
Bank balances and short-term deposits	27	–	–	–	14,082	14,082	14,082
Total		1,712	286	99	37,290	39,387	39,387

Liabilities as per consolidated statement of financial position

	Note	At fair value through profit or loss HK$M	Derivatives used for hedging HK$M	Amortised cost HK$M	Total carrying amount HK$M	Fair value HK$M
At 31st December 2024						
Trade and other payables excluding non-financial liabilities	29	653	–	34,085	34,738	34,738
Derivative financial liabilities	23	8	472	–	480	480
Short-term loans	30	–	–	300	300	300
Long-term loans and bonds due within one year	30	–	–	15,466	15,466	12,267
Lease liabilities due within one year	31	–	–	912	912	912
Long-term loans and bonds due after one year	30	–	–	75,825	75,825	74,253
Lease liabilities due after one year	31	–	–	4,109	4,109	4,109
Total		661	472	130,697	131,830	127,059
At 31st December 2023						
Trade and other payables excluding non-financial liabilities	29	638	–	26,875	27,513	27,513
Derivative financial liabilities	23	15	349	–	364	364
Long-term loans and bonds due within one year	30	–	–	10,605	10,605	10,575
Lease liabilities due within one year	31	–	–	873	873	873
Long-term loans and bonds due after one year	30	–	–	58,613	58,613	57,111
Lease liabilities due after one year	31	–	–	4,206	4,206	4,206
Total		653	349	101,172	102,174	100,642

The trade and other payables included a put option for existing shareholders to sell additional shares in TNTC. The put option is measured at amortised cost.

21. Financial Instruments by Category (continued)

The fair values of financial instruments traded in active markets are based on quoted market prices at the year-end date. The quoted market prices used for financial assets held by the Group are the then current bid prices.

The fair values of financial instruments that are not traded in active markets are determined by using valuation techniques such as estimated discounted cash flows or based on quotes from market makers, which use assumptions that are based on market conditions existing at each year-end date.

The book values of trade and other receivables and trade and other payables approximate their fair values.

The fair value of borrowings is not equal to their carrying value, but is based on cash flows discounted using assumptions sourced from the relevant financial institutions or quotes from market makers or alternative market participants supported by observable inputs, such as interest rates. Non-current borrowings would be categorised within level 2 of the fair value hierarchy if they were accounted for at fair value.

Financial instruments that are measured at fair value are included in the following fair value hierarchy:

Assets as per consolidated statement of financial position

	Note	Level 1 HK$M	Level 2 HK$M	Level 3 HK$M	Total carrying amount HK$M
At 31st December 2024					
Investments at fair value through other comprehensive income	22(a)				
– Listed equity investments		**65**	**–**	**–**	**65**
– Unlisted equity investments		**–**	**–**	**338**	**338**
Investments at fair value through profit or loss					
– Listed equity investments	22(b)	**764**	**–**	**–**	**764**
– Unlisted equity investments	22(b)	**–**	**–**	**674**	**674**
– Unlisted debt investments	22(c)	**–**	**–**	**319**	**319**
Derivative financial assets	23	**–**	**92**	**–**	**92**
Total		**829**	**92**	**1,331**	**2,252**
At 31st December 2023					
Investments at fair value through other comprehensive income	22(a)				
– Listed equity investments		42	–	–	42
– Unlisted equity investments		–	–	244	244
Investments at fair value through profit or loss	22(b)				
– Listed equity investments		1,075	–	–	1,075
– Unlisted equity investments		–	–	632	632
Derivative financial assets	23	–	104	–	104
Total		1,117	104	876	2,097

21. Financial Instruments by Category (continued)

Liabilities as per consolidated statement of financial position

	Note	Level 1 HK$M	Level 2 HK$M	Level 3 HK$M	Total carrying amount HK$M
At 31st December 2024					
Derivative financial liabilities	23	–	480	–	480
Put option over a non-controlling interest in the USA	29	–	–	653	653
Total		–	480	653	1,133
At 31st December 2023					
Derivative financial liabilities	23	–	364	–	364
Put option over a non-controlling interest in the USA	29	–	–	613	613
Put option over a non-controlling interest in a subsidiary company	29	–	–	25	25
Total		–	364	638	1,002

Notes:
The levels in the hierarchy represent the following:
Level 1 – Financial instruments measured at fair value using quoted prices in active markets.
Level 2 – Financial instruments measured at fair value using inputs other than quoted prices but where those inputs are based on observable market data.
Level 3 – Financial instruments measured at fair value using inputs not based on observable market data.

The Group's policy is to recognise any transfer into and out of fair value hierarchy levels as at the date of the event or change in circumstances that causes the transfer.

The change in level 3 financial instruments for the year is as follows:

	Unlisted investments HK$M	Put options over non-controlling interests HK$M
At 1st January 2024	876	638
Translation differences	(7)	(4)
Additions	387	–
Disposal	(3)	–
Acquisition of subsidiary companies	78	–
Distribution	–	(30)
Change in fair value during the year recognised in		
– profit or loss*	–	49
At 31st December 2024	1,331	653
* Including unrealised losses recognised on balances held at 31st December 2024	–	(49)

21. Financial Instruments by Category (continued)

	Unlisted investments HK$M	Put options over non-controlling interests HK$M	Contingent consideration HK$M
At 1st January 2023	883	659	1,654
Translation differences	2	1	11
Additions	209	–	–
Disposal of subsidiary companies	(88)	–	(1,740)
Distribution	–	(31)	–
Change in fair value during the year recognised in			
– profit or loss*	7	9	113
– other comprehensive income*	3	–	–
Payment of consideration	–	–	(38)
Impairment	(140)	–	–
At 31st December 2023	876	638	–
* Including unrealised gains/(losses) recognised on balances held at 31st December 2023	10	(9)	–

There has been no change in the valuation techniques for level 2 and level 3 fair value hierarchy classifications.

The fair value of derivatives used for hedging in level 2 has been based on quotes from market makers or discounted cash flow valuation techniques and is supported by observable inputs. The most significant observable inputs are market interest rates, exchange rates, yields and commodity prices.

The fair value estimate of the put option over a non-controlling interest in the USA classified within level 3 is determined using a discounted cash flow valuation technique and contains a number of unobservable inputs, including the expected fair value of the associated investment property at the expected time of exercise, the expected time of exercise itself and the discount rate used. The expected time of exercise is in 2025 and the impact of discounting is insignificant (2023: 6.3%). In January 2025, the non-controlling interest exercised its option to sell its interest to the Group. The Group expects to acquire the interest in the second quarter of 2025.

The investment property's fair value at the expected time of exercise is itself subject to a number of unobservable inputs, which are similar to the inputs for the Group's other completed investment properties, including the expected fair market rent and the expected capitalisation rate. If the investment property's expected fair value at the time of exercise is higher, the fair value of the put option would also be higher at 31st December 2024. If the expected time of exercise is later or if the discount rate is higher, the fair value of the put option would be lower. The opposite is true for an earlier time of exercise or a lower discount rate.

The fair value of unlisted investments classified within level 3 are determined using a discounted cash flow valuation technique. The significant unobservable inputs used are expected future growth rates and discount rates. Changing these unobservable inputs based on reasonable alternative assumptions would not significantly change the valuation of unlisted investments.

The Group's finance departments perform the valuations of financial instruments required for reporting purposes, including level 3 fair values. The valuations are reviewed and approved by Divisional Finance Directors.

22. Investments at Fair Value

		2024 HK$M	2023 HK$M
(a)	Equity investments at fair value through other comprehensive income		
	Shares listed in Hong Kong	26	42
	Shares listed overseas	39	–
	Unlisted investments	338	244
		403	286
(b)	Equity investments at fair value through profit or loss		
	Shares listed overseas	764	1,075
	Unlisted investments	674	632
		1,438	1,707
(c)	Debt investments at fair value through profit or loss		
	Unlisted investments	319	–
	Total	2,160	1,993

On 24th July 2024, the Group made an investment in Indonesia Healthcare Corporation. The investment is classified as an unlisted debt investment at fair value through profit or loss and will mature in 2028. As at 31st December 2024, the Group assessed the fair value of the investment with reference to the discounted cash flows which applied a discount rate of 13.5%.

23. Derivative Financial Instruments

Accounting Policy

Derivatives are initially recognised at fair value on the dates derivative contracts are entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either: (a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); (b) hedges of highly probable forecast transactions (cash flow hedges); or (c) hedges of net investments in foreign operations (net investment hedges).

The Group documents at the inception of transactions the economic relationship between hedging instruments and hedged items, including whether the derivatives that are used in hedging transactions are expected to offset changes in cash flows of hedged items. The Group also documents its risk management objectives and strategy for undertaking various hedge transactions.

(a) Cash flow hedges that qualify for hedge accounting
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit or loss.

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item (aligned time value) are recognised within OCI in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Group designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item (aligned forward element) is recognised within OCI in the costs of hedging reserve within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

23. Derivative Financial Instruments (continued)

Accounting Policy (continued)

When cross-currency swap contracts are used to hedge future cash flow, the Group designates only the change in fair value of the swap contract after exclusion of the foreign currency basis spread component as the hedging instrument. Gains or losses relating to the effective portion of the swap contract after exclusion of the foreign currency basis spread component are recognised in the cash flow hedge reserve within equity. The change in fair value of the foreign currency basis spread of the swap contract, to the extent it relates to the hedged item, is recognised separately as a cost of hedging on a systematic and rational basis over the period of the hedging relationship within OCI in equity. Hedge ineffectiveness is recognised in the consolidated statement of profit or loss within finance costs.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects the consolidated statement of profit or loss, as follows:

(i) Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in the consolidated statement of profit or loss as the hedged item affects the consolidated statement of profit or loss (for example through cost of sales).

(ii) The gains or losses relating to the effective portion of (a) the interest rate swaps hedging variable rate borrowings and (b) cross-currency swap contracts hedging borrowings in foreign currency are recognised in the consolidated statement of profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss and deferred costs of hedging existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately transferred to the consolidated statement of profit or loss.

(b) Net investment hedges
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of a hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit or loss.

Gains and losses accumulated in equity are transferred to the consolidated statement of profit or loss when the foreign operation is disposed of.

(c) Derivatives that do not qualify for hedge accounting
Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the consolidated statement of profit or loss.

(d) Rebalancing of hedge relationships
If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the consolidated statement of profit or loss at the time of the hedge relationship rebalancing.

23. Derivative Financial Instruments (continued)

	2024		2023	
	Assets HK$M	**Liabilities HK$M**	Assets HK$M	Liabilities HK$M
Cross-currency swaps – cash flow hedges[(i)]	37	451	50	329
Interest rate swaps – cash flow hedges	49	–	40	–
Forward foreign exchange contracts				
– cash flow hedges	1	21	9	20
– not qualifying as hedges	–	8	–	13
Commodity swaps – not qualifying as hedges	5	–	5	2
Total	92	480	104	364
Analysed as:				
– Current	13	26	20	33
– Non-current	79	454	84	331
	92	480	104	364

Notes:

(i) The cross-currency swaps principally hedge the foreign currency risk relating to US$ note issues. Gains and losses recognised in the consolidated statement of other comprehensive income on cross-currency swaps at 31st December 2024 are expected to affect the consolidated statement of profit or loss in the years to redemption of the notes (up to and including 2030). The total notional principal amount of the outstanding cross-currency swap contracts at 31st December 2024 was HK$20,492 million (2023: HK$18,747 million). In most of the cases, the hedging instruments have a one-to-one hedge ratio with the hedged items.

(ii) For the years ended 31st December 2024 and 31st December 2023 all cash flow hedges qualifying for hedge accounting were highly effective.

24. Properties for Sale

Accounting Policy

Properties for sale comprise freehold and leasehold land at cost, construction costs and interest costs capitalised and are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Properties under development are active construction projects which are expected to be sold within the Group's normal operating cycle and are classified as current assets. Completed properties are available for immediate sale and are classified as current assets.

	2024 HK$M	2023 HK$M
Properties for sale		
Properties under development		
– development costs	3,837	1,586
– leasehold land	8,751	7,389
Completed properties		
– development costs	54	84
– leasehold land	34	62
	12,676	9,121

25. Stocks and Work in Progress

Accounting Policy

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost represents average unit cost and net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses. The costs of finished goods and work in progress comprise direct material and labour costs and an appropriate proportion of production overhead expenses less provisions for foreseeable losses. Cost also includes the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw materials or stocks.

	2024 HK$M	2023 HK$M
Goods for sale	**4,035**	3,519
Manufacturing materials	**1,321**	1,150
Production and service supplies	**2,592**	2,078
	7,948	6,747

26. Trade and Other Receivables

Accounting Policy

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components. Other receivables are recognised initially at fair value. Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for loss allowance. Trade and other receivables in the consolidated statement of financial position are stated net of such provisions.

	2024 HK$M	2023 HK$M
Trade debtors	**3,862**	2,701
Amounts due from immediate holding company	**4**	3
Amounts due from joint venture companies	**166**	169
Amounts due from associated companies	**345**	286
Prepayments and accrued income	**2,438**	2,242
Other receivables	**4,435**	3,619
	11,250	9,020
Amounts due after one year included under non-current assets	**(62)**	(312)
	11,188	8,708

The amounts due from joint venture and associated companies are unsecured, interest free (except where specified) and on normal trade credit terms.

The analysis of the age of trade debtors at the year end (based on their invoice dates) is as follows:

	2024 HK$M	2023 HK$M
Up to three months	**3,638**	2,539
Between three and six months	**163**	129
Over six months	**61**	33
	3,862	2,701

26. Trade and Other Receivables (continued)

Other receivables include rent free and other lease incentives to tenants of HK$1,609 million (2023: HK$1,451 million), which are amortised over the relevant lease terms.

Group companies have different credit policies, depending on the requirements of their markets and the businesses in which they operate. Analyses of the age of debtors are prepared and closely monitored with a view to minimising credit risk associated with receivables. There is no concentration of credit risk with respect to trade and other receivables, as the Group has a large number of customers.

At 31st December 2024, trade debtors of HK$53 million (2023: HK$96 million) were impaired and the expected credit losses for the remaining trade and other receivables are not significant. The amount of the provision was HK$52 million at 31st December 2024 (2023: HK$95 million).

The maximum exposure to credit risk at 31st December 2024 and 31st December 2023 is the carrying value of trade debtors, amounts due from joint venture and associated companies, accrued income and other receivables disclosed above. The carrying value of rental deposits from tenants held as security against trade debtors at 31st December 2024 was HK$2,942 million (2023: HK$2,965 million).

27. Bank Balances and Short-Term Deposits

Accounting Policy

Cash and cash equivalents comprise cash in hand, amounts repayable on demand from banks and financial institutions and short-term highly liquid investments which were within three months of maturity when acquired, less bank overdrafts.

	2024 HK$M	2023 HK$M
Bank balances and short-term deposits maturing within three months	**19,730**	11,831
Short-term deposits maturing after more than three months	**1,298**	2,251
	21,028	14,082

The effective interest rates on short-term deposits of the Group ranged from 0.01% to 5.5% per annum (2023: 0.01% to 8.1% per annum); these deposits have maturities from 7 to 365 days (2023: 7 to 365 days).

The maximum exposure to credit risk in respect of bank balances and short-term deposits at 31st December 2024 and 31st December 2023 is the carrying value of the bank balances and short-term deposits disclosed above.

28. Assets Classified as Held for Sale/Liabilities Associated with Assets Classified as Held for Sale

Accounting Policy

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs of disposal, except for assets such as deferred tax assets, financial assets and investment property that are carried at fair value.

Non-current assets classified as held for sale and the assets associated with the disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities associated with the disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

As at 31st December 2024, assets classified as held for sale and liabilities associated with assets classified as held for sale represent Swire Properties' interests in certain investment properties in the USA and fixed assets of Swire Coca-Cola. Management believes that the disposal is highly probable within one year and the carrying value of these assets will be recovered principally through sale rather than through continuing use. Accordingly, the assets and liabilities in relation to the operations of these assets were reclassified as held for sale and was measured at the lower of carrying amount and fair value less costs of disposal, except for investment properties which are carried at fair value.

As at 31st December 2023, assets classified as held for sale represented Swire Properties' 100% interest in investment properties comprising 384 car parking spaces at stages I to IX of the Taikoo Shing residential development in Hong Kong. All these car parking spaces were sold during the year.

29. Trade and Other Payables

Accounting Policy

Trade and other payables (except a put option over a non-controlling interest in a subsidiary company) are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

	2024 HK$M	2023 HK$M
Trade creditors	6,606	5,988
Amounts due to immediate holding company	106	166
Amounts due to joint venture companies	11	12
Amounts due to associated companies	79	20
Interest-bearing advances from joint venture companies at 2.85%-5.26% per annum (2023: 2.85%-5.19% per annum)	656	599
Interest-bearing advances from associated companies at 0.35%-7.36% per annum (2023: nil)	2,207	–
Advances from a non-controlling interest	1,476	1,236
Rental deposits from tenants	2,942	2,965
Deposits received on sale of investment properties	403	269
Put options over non-controlling interests	2,514	638
Accrued capital expenditure	1,972	1,457
Other accruals	8,745	7,681
Other payables	8,809	7,788
	36,526	28,819
Amounts due after one year included under non-current liabilities	(1,337)	(1,233)
	35,189	27,586

The amounts due to and advances from immediate holding, joint venture and associated companies, and non-controlling interests are unsecured and have no fixed terms of repayment. Included in the interest-bearing advances from associated companies, a balance of HK$2,021 million is secured by Swire Properties' 40% equity interests in another associated company and repayable in 2027 or with a 60-day notice from the lending associated company. Apart from the amounts due to joint venture and associated companies, which are interest-bearing as specified above, the balances are interest free.

Other payables due after one year under non-current liabilities include deposits received for the sale of Swire Properties' interest in the 42nd to 44th floors of the One Island East office tower in Hong Kong. The sale of each of these floors will be completed in accordance with the terms specified in the sale and purchase agreements before the end of 2028.

The analysis of the age of trade creditors at the year end (based on their invoice dates) is as follows:

	2024 HK$M	2023 HK$M
Up to three months	6,136	5,767
Between three and six months	411	165
Over six months	59	56
	6,606	5,988

30. Borrowings

Accounting Policy

Borrowings are recognised initially at fair value and subsequently measured at amortised cost. Transaction costs incurred are included in respect of those not held at fair value through profit or loss. Borrowings are subsequently stated at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the consolidated statement or profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the period-end date.

For disclosure purposes, the fair value of borrowings stated at amortised cost is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

During the year ended 31st December 2024 the Group was, and up to date of this annual report the Group has been, in compliance with the loan covenants under the Group's borrowings and available banking facilities.

During the year ended 31st December 2024, the Group designated the Renminbi-denominated borrowings of HK$16,433 million (2023: HK$12,062 million) to hedge the exposure arising from the net investments in subsidiaries with major operations in the Chinese Mainland. Gains arising from the hedging instrument of HK$481 million (2023: losses of HK$8 million) have been recognised in other comprehensive income as an effective hedge.

Refer to the tables with the heading "Audited Financial Information" on pages 86 to 95 for details of the Group's borrowings.

31. Lease Liabilities

	2024 HK$M	2023 HK$M
Maturity profile at year end is as follows:		
Within one year	**912**	873
Between one and two years	**700**	673
Between two and five years	**1,261**	1,200
Over five years	**2,148**	2,333
	5,021	5,079
Amount due within one year included under current liabilities	**(912)**	(873)
	4,109	4,206

At 31st December 2024, the weighted average incremental borrowing rate applied in measuring the lease liabilities was 4.00% per annum (2023: 3.82% per annum).

For the accounting policy in respect of lease liabilities, please refer to right-of-use assets (note 17).

32. Deferred Taxation

Accounting Policy

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the recognition, has no impact on taxable or accounting profit or loss, it is not recognised. Tax rates enacted or substantively enacted by the period-end date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiary, joint venture and associated companies, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax relating to investment properties in Hong Kong and the USA is calculated having regard to the presumption that the value of these properties is capable of being recovered entirely through sale. This presumption is rebutted in relation to investment properties in the Chinese Mainland, because the business model applicable to them is to consume substantially all the economic benefits embodied in them over time rather than through sale. Accordingly, deferred tax relating to investment properties in the Chinese Mainland is determined on the basis of recovery through use.

Deferred tax assets and liabilities are netted off when the taxes relate to the same taxation authority and where offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately in the consolidated statement of financial position:

	2024 HK$M	2023 HK$M
Deferred tax assets	**711**	567
Deferred tax liabilities	**(19,799)**	(16,660)
	(19,088)	(16,093)

Substantially all deferred tax balances are to be recovered or settled after more than 12 months.

The movement on the net deferred tax liabilities account is as follows:

	Note	**2024 HK$M**	2023 HK$M
At 1st January		**16,093**	12,812
Translation differences		**(537)**	(222)
Acquisition of subsidiary companies		**2,584**	3,375
Disposal of subsidiary companies		**–**	(137)
Charged to profit or loss	10	**916**	463
Charged/(credited) to other comprehensive income		**34**	(41)
Other net transfers		**(2)**	(157)
At 31st December		**19,088**	16,093

32. Deferred Taxation (continued)

The movement in deferred tax assets and liabilities (prior to offsetting balances within the same taxation jurisdiction) during the year is as follows:

Deferred tax liabilities

	Accelerated tax depreciation		Valuation of investment properties		Right-of-use assets		Others		Total	
	2024 HK$M	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M
At 1st January	**6,103**	5,789	**8,111**	6,091	**577**	581	**3,291**	2,819	**18,082**	15,280
Translation differences	**(61)**	(29)	**(276)**	(170)	**(9)**	(14)	**(217)**	(42)	**(563)**	(255)
Acquisition of subsidiary companies	**64**	367	**–**	2,084	**53**	38	**2,624**	1,062	**2,741**	3,551
Disposal of subsidiary companies	**–**	(437)	**–**	–	**–**	–	**–**	(538)	**–**	(975)
Charged/(credited) to profit or loss	**333**	413	**627**	106	**(24)**	(28)	**173**	187	**1,109**	678
Charged/(credited) to other comprehensive income	**3**	–	**–**	–	**–**	–	**29**	(40)	**32**	(40)
Other net transfers	**–**	–	**–**	–	**–**	–	**–**	(157)	**–**	(157)
At 31st December	**6,442**	6,103	**8,462**	8,111	**597**	577	**5,900**	3,291	**21,401**	18,082

Deferred tax assets

	Provisions		Tax losses		Lease liabilities		Others		Total	
	2024 HK$M	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M
At 1st January	**168**	424	**737**	534	**587**	552	**497**	958	**1,989**	2,468
Translation differences	**(10)**	(20)	**(1)**	(1)	**(8)**	2	**(7)**	(14)	**(26)**	(33)
Acquisition of subsidiary companies	**–**	65	**–**	47	**48**	39	**109**	25	**157**	176
Disposal of subsidiary companies	**–**	(222)	**–**	–	**–**	(8)	**–**	(608)	**–**	(838)
Credited/(charged) to profit or loss	**58**	(79)	**29**	158	**(40)**	2	**146**	134	**193**	215
(Charged)/credited to other comprehensive income	**–**	–	**–**	–	**–**	–	**(2)**	1	**(2)**	1
Other net transfers	**12**	–	**1**	(1)	**–**	–	**(11)**	1	**2**	–
At 31st December	**228**	168	**766**	737	**587**	587	**732**	497	**2,313**	1,989

Deferred tax assets are recognised in respect of tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of HK$4,492 million (2023: HK$3,052 million) to carry forward against future taxable income.

These amounts are analysed as follows:

	Unrecognised tax losses	
	2024 HK$M	2023 HK$M
No expiry date	**2,925**	1,755
Expiring in 2024	**–**	93
Expiring in 2025	**158**	135
Expiring in 2026	**109**	110
Expiring in 2027	**189**	68
Expiring in 2028 (2023: 2028 or after)	**108**	891
Expiring in 2029 or after	**1,003**	N/A
	4,492	3,052

33. Retirement Benefits

The Group operates a number of defined benefit and defined contribution retirement benefit schemes for its employees, the assets of which are generally held in separate trustee administered funds.

A defined benefit scheme is a retirement plan that defines the benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The Group has an obligation to provide participating employees with these benefits.

A defined contribution scheme is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in current and prior periods.

Accounting Policy

For defined benefit schemes, retirement benefit costs are assessed using the projected unit credit method. Under this method, the cost of providing retirement benefits is charged to the consolidated statement of profit or loss so as to spread the regular cost over the service lives of employees.

The asset or liability recognised in the consolidated statement of financial position is the present value of the cost of providing these benefits (the defined benefit obligation) less the fair value of the plan assets at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries and is determined by discounting the estimated future cash flows using interest rates payable in respect of high quality corporate bonds. The plan assets are valued on a bid price basis.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the consolidated statement of other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the consolidated statement of profit or loss. Any differences between the implicit and actual return on assets are charged as remeasurements to the consolidated statement of other comprehensive income.

For defined contribution schemes, the Group's contributions are charged to the consolidated statement of profit or loss in the periods to which the contributions relate.

The Group's obligations and expenses in respect of defined benefit schemes are dependent on a number of factors that are determined using a number of actuarial assumptions. The details of the actuarial assumptions used, including applicable sensitivities are disclosed in note 33(f).

For the year ended 31st December 2024, disclosures in respect of defined benefit schemes are based on valuations prepared by Mercer (Hong Kong) Limited at 31st December 2024. For the year ended 31st December 2023, disclosures are based on valuations prepared by Mercer (Hong Kong) Limited at 31st December 2021 which were updated to reflect the position at 31st December 2023 by Cannon Trustees Limited, the main administration manager of the Group's defined benefit schemes. Schemes in Taiwan, Cambodia and Thailand are valued by independent qualified actuaries. The method of accounting and the frequency of valuations are similar to those used for defined benefit schemes.

The majority of the Group's schemes are final salary guaranteed lump sum defined benefit plans.

Contributions to the defined benefit retirement schemes are made in accordance with the funding rates recommended by independent qualified actuaries to ensure that the plans will be able to meet their liabilities as they become due. The funding rates are subject to annual review and are determined by taking into consideration the difference between the market values of the plans' assets and the present value of accrued past service liabilities, on an ongoing basis, as computed by reference to actuarial valuations. The principal schemes in Hong Kong are valued by qualified actuaries for funding purposes under the provision of Hong Kong's Occupational Retirement Schemes Ordinance. The latest actuarial valuations indicate that the funding level was 103% (2023: 100%) of the accrued liabilities on an ongoing basis. The Group expects to make contributions of HK$184 million to its defined benefit schemes in 2025.

33. Retirement Benefits (continued)

New employees in Hong Kong are offered the choice of joining the defined benefit retirement schemes, the defined contribution retirement schemes or the mandatory provident fund (MPF) scheme. Where staff elect to join the MPF scheme, both the Company and the staff are required to contribute 5% of the employees' relevant monthly income (capped at HK$30,000). Staff may elect to contribute more than the minimum as a voluntary contribution. Employees engaged outside Hong Kong are covered by appropriate local arrangements.

(a) The amounts recognised in the consolidated statement of financial position are as follows:

	2024 HK$M	2023 HK$M
Present value of funded obligations	3,929	3,626
Fair value of plan assets	(3,731)	(3,573)
Net retirement benefit liabilities	198	53
Represented by:		
Retirement benefit assets	(146)	(68)
Retirement benefit liabilities	344	121
	198	53

(b) Changes in the present value of the defined benefit obligations are as follows:

	2024 HK$M	2023 HK$M
At 1st January	3,626	4,994
Translation differences	(10)	13
Transfer of members	(5)	(10)
Acquisition of subsidiary companies	276	–
Disposal of subsidiary companies	–	(1,665)
Current service cost	206	206
Interest expense	147	214
Actuarial (gains)/losses from changes in financial assumptions	(34)	105
Experience losses	67	189
Employee contributions	–	1
Benefits paid	(344)	(421)
At 31st December	3,929	3,626

The weighted average duration of the defined benefit obligations is 7.3 years (2023: 7.5 years).

(c) Changes in the fair value of plan assets are as follows:

	2024 HK$M	2023 HK$M
At 1st January	3,573	4,905
Translation differences	(7)	10
Transfer of members	(5)	(10)
Disposal of subsidiary companies	–	(1,553)
Interest income	148	219
Return on plan assets, excluding interest income	178	178
Contributions by employers	184	242
Benefits paid	(340)	(418)
At 31st December	3,731	3,573

There were no plan amendments during the year.

33. Retirement Benefits (continued)

(d) Net expenses recognised in the consolidated statement of profit or loss are as follows:

	2024 HK$M	2023 HK$M
Current service cost	206	206
Net interest cost	(1)	(5)
	205	201

The above net expenses were included in costs of sales, distribution costs and administrative expenses in the consolidated statement of profit or loss.

The actual return on defined benefit plan assets was a gain of HK$326 million (2023: gain of HK$397 million).

(e) The plan assets are invested in the Swire Group Unitised Trust (the Unitised Trust). The Unitised Trust has four sub-funds in which the assets may be invested in accordance with separate and distinct investment policies and objectives. The Unitised Trust and sub-funds are overseen by an investment committee, which meets four times a year.

The make-up of the Unitised Trust is the result of the asset allocation of each plan. The asset allocation of each plan targets a mix of equities, fixed income, absolute return funds and short duration bond sub-funds.

The management of the assets within the sub-funds is delegated by the investment committee to a number of reputable investment managers. The plan assets comprise:

	2024 HK$M	2023 HK$M
Equities		
Asia Pacific	180	202
Europe	157	165
North America	640	576
Emerging markets	692	611
Bonds		
Global	926	878
Emerging markets	77	75
Absolute return funds	697	653
Cash	362	413
	3,731	3,573

At 31st December 2024, the prices of 35% of equities and 11% of bonds were quoted on active markets (31st December 2023: 34% and 17% respectively). The remainder of the prices were not quoted on active markets.

The most significant risk facing the defined benefit schemes of the Group is market risk. This risk embodies the potential for losses and gains and includes price risk, interest rate risk and currency risk as well as factors specific to an individual investment and its issuer and risk specific to a certain market. Market risk is managed principally through diversification of investments by the appointed investment managers. Investment managers enter into agreements that stipulate the performance objective of the investments, which is referenced to a recognised benchmark. The investment committee monitors the overall market risk position on a quarterly basis.

33. Retirement Benefits (continued)

(f) The significant actuarial assumptions used are as follows:

	2024		2023	
	Hong Kong %	Others %	Hong Kong %	Others %
Discount rate	4.39	1.60-6.00	4.26	1.20-6.00
Expected rate of future salary increases	3.50-5.40	2.75-7.00	2.50-4.00	3.00-10.00

The sensitivity of the defined benefit obligations to changes in actuarial assumptions is:

	Increase/(decrease) in defined benefit obligations		
	Change in assumption	Increase in assumption HK$M	Decrease in assumption HK$M
At 31st December 2024			
Discount rate	0.5%	(126)	135
Expected rate of future salary increases	0.5%	134	(127)
At 31st December 2023			
Discount rate	0.5%	(138)	145
Expected rate of future salary increases	0.5%	142	(137)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions the same method has been applied as when calculating the retirement benefit liability recognised within the consolidated statement of financial position.

(g) Defined contribution retirement schemes
Total retirement benefit costs charged to the consolidated statement of profit or loss for the year ended 31st December 2024 amounted to HK$574 million (2023: HK$705 million), including HK$369 million (2023: HK$504 million) in respect of defined contribution schemes.

34. Share Capital

	'A' shares	'B' shares	Total HK$M
Issued and fully paid with no par value			
At 1st January 2024	856,824,500	2,922,337,500	1,294
Repurchased in 2023 and cancelled during the year	(2,626,500)	(3,455,000)	–
Repurchased and cancelled during the year	(48,628,500)	(53,032,500)	–
At 31st December 2024	805,569,500	2,865,850,000	1,294

	'A' shares	'B' shares	Total HK$M
Issued and fully paid with no par value			
At 1st January 2023	865,823,000	2,941,142,500	1,294
Repurchased in 2022 and cancelled during the year	–	(3,697,500)	–
Repurchased and cancelled during the year	(8,998,500)	(15,107,500)	–
At 31st December 2023	856,824,500	2,922,337,500	1,294

During the year, the Company repurchased 50,091,000 'A' shares and 54,547,500 'B' shares on The Stock Exchange of Hong Kong Limited for a total aggregate price of HK$3,841 million (excluding transaction fees). The repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid for the repurchased 'A' shares and 'B' shares was paid wholly out of the distributable profits of the Company included in its revenue reserve.

34. Share Capital (continued)

Details of shares acquired by month are as follows:

'A' shares	Number purchased	Highest price paid HK$	Lowest price paid HK$	Total[i] HK$M
Month				
January	4,320,500	66.50	59.55	272
February	3,301,500	66.40	60.20	208
March	5,205,000	67.50	60.40	333
April	4,642,500	67.00	59.75	294
May	4,941,000	70.00	65.00	339
June	3,969,500	70.00	65.65	272
July	1,355,500	70.00	65.95	93
August	4,677,000	70.00	63.45	309
September	4,887,500	66.95	60.30	312
October	6,284,500	70.00	62.25	413
November	3,179,000	68.25	62.75	207
December	3,327,500[ii]	70.00	64.80	229[iii]
	50,091,000			3,281

'B' shares	Number purchased	Highest price paid HK$	Lowest price paid HK$	Total[i] HK$M
Month				
January	4,070,000	10.32	9.06	39
February	3,977,500	10.30	9.12	38
March	5,392,500	10.62	9.55	55
April	4,730,000	10.70	9.60	48
May	6,935,000	11.08	10.26	74
June	4,007,500	10.70	9.98	42
July	5,302,500	11.10	10.04	57
August	4,980,000	10.50	9.78	50
September	3,080,000	10.56	9.44	31
October	6,285,000	11.14	9.98	65
November	3,017,500	10.60	10.12	31
December	2,770,000[ii]	11.28	10.34	30[iii]
	54,547,500			560

Notes:
(i) Excluding transaction fees of HK$10 million for 'A' shares and 'B' shares.
(ii) Including 1,462,500 'A' shares and 1,515,000 'B' shares that were repurchased but not yet cancelled as at 31st December 2024.
(iii) Including HK$4 million payable after 31st December 2024.

Except for voting rights, which are equal, the entitlements of 'A' and 'B' shareholders are in proportion five to one.

35. Reserves

	Note	Revenue reserve HK$M	Property revaluation reserve HK$M	Investment revaluation reserve HK$M	Cash flow hedge reserve HK$M	Translation reserve HK$M	Total HK$M
At 1st January 2024		266,875	2,462	(170)	35	(2,367)	266,835
Profit for the year		4,321	–	–	–	–	4,321
Other comprehensive income							
Revaluation of property previously occupied by the Group							
– gains recognised during the year		–	2	–	–	–	2
Defined benefit plans							
– remeasurement gains recognised during the year		133	–	–	–	–	133
– deferred tax		(16)	–	–	–	–	(16)
Changes in the fair value of equity investments at fair value through other comprehensive income							
– losses recognised during the year		–	–	(18)	–	–	(18)
– deferred tax		–	–	(3)	–	–	(3)
– reclassified to revenue reserve on disposal		2	–	(2)	–	–	–
Cash flow hedges							
– gains recognised during the year		–	–	–	34	–	34
– transferred to net finance charges		–	–	–	(58)	–	(58)
– transferred from operating profit		–	–	–	176	–	176
– deferred tax		–	–	–	(13)	–	(13)
Share of other comprehensive income of joint venture and associated companies							
– recognised during the year		(33)	–	(2)	101	(1,041)	(975)
– reclassified to profit or loss on disposal		(16)	–	–	–	–	(16)
Net translation differences		–	–	–	–	(2,826)	(2,826)
Total comprehensive income for the year		4,391	2	(25)	240	(3,867)	741
Repurchase of the Company's shares		(3,851)	–	–	–	–	(3,851)
2023 second interim dividend	12	(2,841)	–	–	–	–	(2,841)
2024 first interim dividend	12	(1,745)	–	–	–	–	(1,745)
Change in composition of the Group (Note)		(2,133)	–	–	–	–	(2,133)
At 31st December 2024		260,696	2,464	(195)	275	(6,234)	257,006

Note:
As at 31st December 2024, the change in composition of the Group comprised share buy-back of Swire Properties of HK$791 million (increase in ownership of HK$1,411 million net of repurchase of Swire Properties shares of HK$620 million), less a put option over non-controlling interests at Beverages Division of HK$1,837 million, net transactions with non-controlling interests at Beverages and Aviation Divisions of HK$37 million, buy-back of warrants by Cathay Pacific of HK$692 million (HK$1,538 million on a 100% basis) and repurchase of convertible bonds by Cathay Pacific of HK$358 million (HK$796 million on a 100% basis).

35. Reserves (continued)

	Note	Revenue reserve HK$M	Property revaluation reserve HK$M	Investment revaluation reserve HK$M	Cash flow hedge reserve HK$M	Translation reserve HK$M	Total HK$M
At 1st January 2023		255,167	2,437	(152)	738	(1,028)	257,162
Profit for the year		28,853	–	–	–	–	28,853
Other comprehensive income							
Revaluation of property previously occupied by the Group							
– gains recognised during the year		–	35	–	–	–	35
– deferred tax		–	(10)	–	–	–	(10)
Defined benefit plans							
– remeasurement losses recognised during the year		(108)	–	–	–	–	(108)
– deferred tax		9	–	–	–	–	9
Changes in the fair value of equity investments at fair value through other comprehensive income							
– losses recognised during the year		–	–	(15)	–	–	(15)
– deferred tax		–	–	(2)	–	–	(2)
Cash flow hedges							
– losses recognised during the year		–	–	–	(178)	–	(178)
– transferred to net finance charges		–	–	–	(50)	–	(50)
– transferred from operating profit		–	–	–	11	–	11
– deferred tax		–	–	–	44	–	44
Share of other comprehensive income of joint venture and associated companies							
– recognised during the year		79	–	(1)	(530)	(481)	(933)
– reclassified to profit or loss on deemed disposal		–	–	–	–	228	228
Net translation differences		–	–	–	–	(1,041)	(1,041)
– reclassified to profit or loss on disposal		–	–	–	–	(45)	(45)
Total comprehensive income for the year		28,833	25	(18)	(703)	(1,339)	26,798
Repurchase of the Company's shares		(878)	–	–	–	–	(878)
2022 second interim dividend		(2,675)	–	–	–	–	(2,675)
2023 first interim dividend	12	(1,730)	–	–	–	–	(1,730)
2023 special interim dividend	12	(11,703)	–	–	–	–	(11,703)
Change in composition of the Group		(139)	–	–	–	–	(139)
At 31st December 2023		266,875	2,462	(170)	35	(2,367)	266,835

(a) The Group's revenue reserve includes retained revenue reserves from joint venture companies amounting to HK$9,758 million (2023: HK$8,616 million) and retained revenue reserves from associated companies amounting to HK$11,931 million (2023: HK$10,796 million).

(b) The Group's revenue reserve includes HK$2,866 million (2023: HK$2,841 million) representing the declared second interim dividend for the year (note 12).

(c) As at 31st December 2024, the Group's cash flow hedge reserve includes a credit of HK$48 million (net of tax) (2023: credit of HK$128 million) relating to the currency basis element of the Group's derivatives which is recognised separately as a cost of hedging.

36. Non-controlling Interests

The movement of non-controlling interests during the year is as follows:

	2024 HK$M	2023 HK$M
At 1st January	56,645	57,480
Share of profits less losses for the year	380	985
Share of revaluation of property previously occupied by the Group		
– gains recognised during the year	1	8
– deferred tax	–	(2)
Share of defined benefit plans		
– remeasurement gains/(losses) recognised during the year	12	(9)
Share of cash flow hedges		
– gains/(losses) recognised during the year	21	(13)
– transferred to net finance charges	(10)	(7)
– deferred tax	(2)	2
Share of other comprehensive (loss)/income of joint venture and associated companies	(150)	23
Share of net translation differences	(787)	(221)
Share of total comprehensive income	(535)	766
Capital contribution from non-controlling interests	55	26
Dividends declared and/or paid	(1,535)	(1,464)
Change in composition of the Group (Note)	5,737	(163)
At 31st December	60,367	56,645

Note:
As at 31st December 2024, the change in composition of the Group comprised acquisition of non-wholly owned subsidiaries at Beverages Division and Healthcare business of HK$7,234 million and net transactions with non-controlling interests at Beverages and Aviation Divisions of HK$46 million, offset by repurchase of Swire Properties shares of HK$132 million and a decrease in non-controlling interests of Swire Properties of HK$1,411 million.

37. Company Statement of Financial Position and Reserves

(a) Company Statement of Financial Position

	Note	2024 HK$M	2023 HK$M
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		1	1
Subsidiary companies		44,162	33,350
Associated companies		9,896	9,896
Equity investments at fair value		789	1,117
Deferred tax assets		1	–
Retirement benefit assets		–	7
		54,849	44,371
Current assets			
Trade and other receivables		58	56
Taxation receivable		427	427
Bank balances and short-term deposits		76	200
		561	683
Current liabilities			
Trade and other payables		41,259	32,951
		41,259	32,951
Net current liabilities		(40,698)	(32,268)
Total assets less current liabilities		14,151	12,103
NET ASSETS		14,151	12,103
EQUITY			
Equity attributable to the Company's shareholders			
Share capital	34	1,294	1,294
Reserves	37(b)	12,857	10,809
TOTAL EQUITY		14,151	12,103

Guy Bradley
Martin Murray
Paul Etchells
Directors
Hong Kong, 13th March 2025

37. Company Statement of Financial Position and Reserves (continued)

(b) The movement of the Company's reserves during the year is as follows:

	Note	Revenue reserve HK$M	Investment revaluation reserve HK$M	Total HK$M
At 1st January 2024		**10,843**	**(34)**	**10,809**
Profit for the year		**10,500**	**–**	**10,500**
Other comprehensive income				
Defined benefit plans				
– remeasurement losses recognised during the year		**(6)**	**–**	**(6)**
– deferred tax		**8**	**–**	**8**
Changes in the fair value of equity investments at fair value through other comprehensive income				
– losses recognised during the year		**–**	**(17)**	**(17)**
Total comprehensive income for the year		**10,502**	**(17)**	**10,485**
Repurchase of the Company's shares		**(3,851)**	**–**	**(3,851)**
2023 second interim dividend	12	**(2,841)**	**–**	**(2,841)**
2024 first interim dividend	12	**(1,745)**	**–**	**(1,745)**
At 31st December 2024		**12,908**	**(51)**	**12,857**
At 1st January 2023		8,913	(6)	8,907
Profit for the year		18,925	–	18,925
Other comprehensive income				
Defined benefit plans				
– remeasurement losses recognised during the year		(11)	–	(11)
– deferred tax		2	–	2
Changes in the fair value of equity investments at fair value through other comprehensive income				
– losses recognised during the year		–	(28)	(28)
Total comprehensive income for the year		18,916	(28)	18,888
Repurchase of the Company's shares		(878)	–	(878)
2022 second interim dividend		(2,675)	–	(2,675)
2023 first interim dividend	12	(1,730)	–	(1,730)
2023 special interim dividend	12	(11,703)	–	(11,703)
At 31st December 2023		10,843	(34)	10,809

(i) Distributable reserves of the Company at 31st December 2024 amounted to HK$12,908 million (2023: HK$10,843 million).

(ii) The Company's revenue reserve includes HK$2,866 million (2023: HK$2,841 million) representing the declared second interim dividend for the year (note 12).

38. Capital Commitments

	2024 HK$M	2023 HK$M
(a) The Group's outstanding capital commitments at the year end in respect of:		
Property, plant and equipment and others		
Contracted but not provided for	**2,735**	3,112
Authorised by Directors but not contracted for	**6,289**	7,422
Investment properties		
Contracted but not provided for	**5,597**	5,795
Authorised by Directors but not contracted for	**14,196**	12,012
	28,817	28,341
The Group's share of capital commitments of joint venture companies at the year end (Note)		
Contracted but not provided for	**2,983**	923
Authorised by Directors but not contracted for	**9,236**	6,883
	12,219	7,806

Note:
Of which the Group is committed to funding HK$845 million (2023: HK$797 million).

At 31st December 2024, the Group was committed to inject capital of HK$1,549 million (2023: HK$275 million) to joint venture companies.

(b) At 31st December 2024, the Group had unprovided contractual obligations for future repairs and maintenance in respect of investment properties of HK$521 million (2023: HK$267 million).

39. Contingencies

Accounting Policy

Contingent liabilities are possible obligations that arise from past events and the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 "Financial Instruments" and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 "Revenue from Contracts with Customers".

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

39. Contingencies (continued)

	2024 HK$M	2023 HK$M
(a) Guarantees provided in respect of:		
Bank loans and other liabilities of joint venture companies	4,145	3,997
Bank guarantees given in lieu of utility deposits and others	126	135
	4,271	4,132

At 31st December 2024, the future account receivable of DeltaHealth China Limited and the registered share capital of two of its subsidiary companies totalling of HK$2,419 million (2023: nil) are pledged as security for secured loans and other borrowings.

The Group has assessed the fair value of the above guarantees and does not consider them to be material. They have therefore not been recognised in the consolidated statement of financial position.

(b) Cathay Pacific

Cathay Pacific remains the subject of antitrust proceedings in various jurisdictions. The proceedings are focused on issues relating to pricing and competition. Cathay Pacific is represented by legal counsel in connection with these matters.

The proceedings and civil actions are ongoing and the outcomes are subject to uncertainties. Cathay Pacific is not in a position to assess the full potential liabilities but makes provisions based on facts and circumstances in line with the accounting policy set out above in this note.

In November 2010, the European Commission issued a decision in its airfreight investigation finding that, amongst other things, Cathay Pacific and a number of other international cargo carriers agreed cargo surcharge levels and that such agreements infringed European competition law. The European Commission imposed a fine of Euros 57.12 million on Cathay Pacific. However, the European Commission's finding against Cathay Pacific and the imposition of this fine was annulled by the General Court in December 2015 and the fine of Euros 57.12 million was refunded to Cathay Pacific in February 2016. The European Commission issued a new decision against Cathay Pacific and the other airlines involved in the case in March 2017. The same fine of Euros 57.12 million was imposed on Cathay Pacific, which was paid by Cathay Pacific in June 2017. Cathay Pacific filed an appeal to the General Court against this decision, and on 30th March 2022 the General Court partially annulled the decision, and a refund of a portion of the fine, Euros 10 million, was paid to Cathay Pacific in June 2022. Cathay Pacific filed an appeal to the European Court of Justice (ECJ) in early June 2022 and a final ECJ judgment is expected within the first half of 2025.

Cathay Pacific is a defendant in a number of civil claims, including class litigation and third party contribution claims, in a number of countries, including Germany, the Netherlands and Norway alleging violations of applicable competition laws arising from Cathay Pacific's alleged conduct relating to its air cargo operations. Cathay Pacific is represented by legal counsel and is defending these actions.

40. Lease Commitments

Accounting Policy

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Receipts by the Group as lessor under operating leases (net of any incentives paid to lessees) are recognised as income in the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

For commenced leases (which are not identified as low-value or short-term leases) undertaken by the Group as a lessee, right-of-use assets and the corresponding lease liabilities are recognised in the financial statements when the leased assets became available for use. Commitments in respect of leases payable by the Group as lessees represent the future lease payments for (i) committed leases which have not yet commenced at the year-end date and (ii) short-term leases.

(a) Lessor – lease receivables

The leases for investment properties typically run for periods of three to six years. The retail turnover-related rental income received from investment properties during the year amounted to HK$1,072 million (2023: HK$1,224 million).

The future aggregate minimum lease receipts under non-cancellable operating leases were receivable by the Group at the year end as follows:

	2024 HK$M	2023 HK$M
Investment properties		
Within one year	**8,698**	8,736
Between one and two years	**7,145**	6,888
Between two and three years	**5,300**	5,134
Between three and four years	**3,387**	3,401
Between four and five years	**2,391**	1,990
After five years	**4,570**	2,932
	31,491	29,081

Assets held for deployment on operating leases at the year end were as follows:

	Investment properties	
	2024 HK$M	2023 HK$M
Investment properties at fair value	**249,445**	256,105

(b) Lessee

The future aggregate lease payments under leases committed but not yet commenced were payable by the Group at the year end as follows:

	2024 HK$M	2023 HK$M
Land and buildings		
Within one year	**44**	45
Between one and five years	**174**	65
Over five years	**172**	72
	390	182
Equipment		
Within one year	**8**	1
	398	183

At 31st December 2024, there were no short-term lease commitments which were significantly dissimilar to those relating to the portfolio of short-term leases for which expenses were recognised for the year ended 31st December 2024 (2023: none).

41. Related Party Transactions

Accounting Policy

Related parties of the Group are individuals and companies, including subsidiary, fellow subsidiary, joint venture and associated companies and key management of the Group or the parent of the Group (including close members of their families), where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

There are agreements for services (Services Agreements), in respect of which John Swire & Sons (H.K.) Limited (JS&SHK) provides services to various companies in the Group and under which costs are reimbursed and fees payable. In return for these services, JS&SHK receives annual fees calculated (A) in the case of the Company, as 2.5% of the dividends receivable from joint venture and associated companies of the Company, where there are no agreements for services with such companies, and (B) in the case of its subsidiaries and associated companies with such agreements, as 2.5% of their relevant consolidated profits before taxation and non-controlling interests after certain adjustments. The Services Agreements were renewed on 1st October 2022 for three years expiring on 31st December 2025. For the year ended 31st December 2024, service fees payable amounted to HK$270 million (2023: HK$300 million). Expenses of HK$380 million (2023: HK$354 million) were reimbursed at cost; in addition, HK$614 million (2023: HK$545 million) in respect of shared administrative services was reimbursed.

Under a tenancy framework agreement (Tenancy Framework Agreement) between JS&SHK, the Company and Swire Properties Limited dated 14th August 2014, members of the Group enter into tenancy agreements with members of the JS&SHK group from time to time on normal commercial terms based on prevailing market rentals. The Tenancy Framework Agreement was renewed on 1st October 2021 for a term of three years expiring on 31st December 2024. The Tenancy Framework Agreement was renewed on 1st October 2024 for a further term of three years from 1st January 2025 to 31st December 2027. For the year ended 31st December 2024, the aggregate rentals payable to the Group by the JS&SHK group under tenancies to which the Tenancy Framework Agreement applies amounted to HK$104 million (2023: HK$105 million).

Under the management services agreement (Management Services Agreement) between Swire Coca-Cola Limited (SCCL), John Swire & Sons Limited (Swire) and Swire Pacific Holdings Inc. (SPHI) dated 18th July 2023, members of the Group enter into management services agreement with members of the Swire group for the provision of management and administrative support services by SCCL to SPHI group from time to time on normal commercial terms. The Management Services Agreement covers the service period from 7th September 2023 until 27th April 2037. For the year ended 31st December 2024, the management fees payable by SPHI to SCCL under the Management Services Agreement amounted to HK$168 million (2023: HK$40 million).

41. Related Party Transactions (continued)

In addition, the following is a summary of significant transactions between the Group and related parties (including transactions under the Tenancy Framework Agreement and Management Services Agreement), which were carried out in the normal course of the Group's business, in addition to those transactions disclosed elsewhere in the financial statements.

		Joint venture companies		Associated companies		Fellow subsidiary companies		Immediate holding company	
	Note	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M
Revenue from	(i)								
– Sales of beverage drinks		**479**	484	**24**	20	**–**	–	**–**	–
– Sales of goods		**1,061**	1,119	**–**	–	**–**	–	**–**	–
– Rendering of services		**101**	88	**13**	14	**170**	42	**2**	2
– Aircraft and engine maintenance		**46**	38	**2,875**	2,590	**–**	–	**–**	–
– Rental of properties	(ii)	**–**	–	**1**	2	**–**	–	**104**	105
Purchase of beverage drinks	(i)	**78**	92	**–**	–	**–**	–	**–**	–
Purchase of other goods	(i)	**13**	9	**143**	129	**–**	–	**–**	–
Purchase of services	(i)	**21**	15	**15**	5	**13**	14	**–**	–
Interest income	(iii)	**151**	131	**8**	7	**–**	–	**–**	–
Interest charges	(iii)	**11**	15	**8**	2	**–**	–	**–**	–

Notes:
(i) Sales and purchases of goods and rendering of services to and from related parties were conducted in the normal course of business at prices and on terms no less favourable to the Group than those charged to/by and contracted with other customers/suppliers of the Group.
(ii) Swire Properties has, in the normal course of its business, entered into lease agreements with related parties to lease premises for varying periods up to six years. The leases were entered into on normal commercial terms.
(iii) Loans advanced to joint venture and associated companies at 31st December 2024 are disclosed in note 20. Amounts due from and to joint venture and associated companies and advances from these companies are disclosed in notes 26 and 29.

The amounts due from and to the immediate holding company at 31st December 2024 are disclosed in notes 26 and 29. These balances arise in the normal course of business, are non-interest-bearing and have no fixed settlement dates.

Remuneration of key management, which includes executive and non-executive directors and executive officers, is disclosed in note 8.

42. Business Combination

(a) Acquisition of equity interests in DeltaHealth

On 30th April 2024, in addition to its existing 22% interest, the Group acquired a further 67.4% equity interests in an existing associated company, DeltaHealth. This company became a non-wholly owned subsidiary of the Group after completion. The acquisition expanded the Group's healthcare business.

Details of the purchase consideration, the net identifiable assets acquired and goodwill are as follows:

	Fair value HK$M
Property, plant and equipment	737
Intangible assets	5
Right-of-use assets	212
Stocks and work in progress	23
Trade and other receivables	64
Bank balances and short-term deposits maturing within three months	78
Trade and other payables	(145)
Long-term loans and bonds, secured	(806)
Lease liabilities	(8)
Deferred tax liabilities: fair value adjustments on acquisition	(63)
Net identifiable assets acquired	97
Less: Non-controlling interests acquired	(11)
Goodwill	434
	520
Satisfied by:	
Purchase consideration settled in cash	379
Fair value of the equity interests previously held by the Group	141
	520
Analysis of the net outflow of cash and cash equivalents for acquisition:	
Purchase consideration settled in cash	379
Less: Cash and cash equivalents acquired	(78)
Net cash outflow on acquisition	301

The loss arising from remeasuring the fair value of the existing interests in DeltaHealth held by the Group before the acquisition amounted to HK$59 million. It is recognised in the consolidated statement of profit or loss within other net gains/(losses).

The fair value of the acquired assets (including identifiable intangible assets) was HK$97 million and included land and buildings with a fair value of HK$898 million. The fair value of the land was determined by making reference to recent comparable sales transactions in the property market, while the fair value of the building was determined using the cost approach.

The fair value of the acquired trade and other receivables was HK$64 million and included trade receivables with a fair value of HK$50 million. None of these are expected to be uncollectible.

The goodwill is mainly attributed to the growth opportunity. These benefits do not qualify for separate recognition of intangible assets and are not expected to be deductible for tax purposes.

The non-controlling interests were recognised at the non-controlling interest's proportionate share of the acquired subsidiary's fair value of net identifiable assets.

42. Business Combination (continued)

(a) Acquisition of equity interests in DeltaHealth (continued)

Acquisition-related costs of HK$3 million have been recognised in the consolidated statement of profit or loss.

The acquired business contributed revenue of HK$279 million and a loss after taxation of HK$175 million to the Group for the period from the date of completion of its acquisition (30th April 2024) to 31st December 2024.

If the acquisition had occurred on 1st January 2024, the acquired business would have contributed pro-forma revenue of HK$430 million and a loss after taxation of HK$254 million for the year ended 31st December 2024. These amounts have been calculated using the results of the acquired business and adjusting them for the additional depreciation that would have been charged assuming fair value adjustments to property, plant and equipment had applied from 1st January 2024, together with the consequential tax effects.

(b) Acquisition of equity interests from TCCC in Thailand and Laos

On 30th September 2024, in addition to its existing 39% interest, Swire Coca-Cola acquired a further 16.7% equity interests in TNTC through capital injections into TNTC and purchase of shares from Bevsite Limited. TNTC became a non-wholly owned subsidiary of the Group after completion. The acquisition expanded the Group's beverages business in South East Asia.

Details of the purchase consideration, the net identifiable assets acquired and goodwill are as follows (on a provisional basis):

	Provisional fair value HK$M
Property, plant and equipment	1,624
Intangible assets	12,953
Right-of-use assets	426
Joint venture companies	231
Investments at fair value	124
Derivative financial assets	4
Stocks and work in progress	648
Trade and other receivables	989
Bank balances and short-term deposits maturing within three months	4,241
Trade and other payables	(1,609)
Taxation payable	(73)
Derivative financial liabilities	(4)
Long-term loans and bonds, unsecured	(24)
Lease liabilities	(417)
Deferred tax liabilities	
– Fair value adjustments on acquisition	(2,629)
– Others	116
Retirement benefit liabilities	(293)
Net identifiable assets acquired	16,307
Less: Non-controlling interests acquired	(7,223)
Goodwill	1,195
	10,279

42. Business Combination (continued)

(b) Acquisition of equity interests from TCCC in Thailand and Laos (continued)

	HK$M
Satisfied by:	
Purchase consideration settled in cash	5,227
Fair value of the equity interests previously held by the Group	4,982
Consideration payable	70
	10,279
Analysis of the net outflow of cash and cash equivalents for acquisition:	
Purchase consideration settled in cash	5,227
Less: Cash and cash equivalents acquired	(4,241)
Net cash outflow on acquisition	986

The gain (including related exchange gains) arising from remeasuring the fair value of the existing interests in TNTC held by the Group before the acquisition amounted to HK$625 million. It is recognised in the consolidated statement of profit or loss within other net gains/(losses).

The fair value of the acquired assets (including identifiable intangible assets) is provisional pending final valuations and measurement period adjustments made by reference to completion accounts. The fair value of the franchise rights acquired was determined using discounted cash flow valuation techniques. The key assumptions included the discount rate and future revenues and margins.

The fair value of the acquired receivables was HK$989 million and included trade receivables with a fair value of HK$656 million, of which HK$8 million are expected to be uncollectible.

The goodwill is mainly attributable to the new growth opportunity. These benefits do not qualify for separate recognition of intangible assets and are not expected to be deductible for tax purposes.

The non-controlling interests were recognised at the non-controlling interest's proportionate share of the acquired subsidiary's fair value of net identifiable assets.

Acquisition-related costs of HK$108 million have been recognised in the consolidated statement of profit or loss.

The acquired business contributed revenue of HK$2,233 million and a profit after taxation of HK$364 million to the Group for the period from the date of completion of its acquisition (30th September 2024) to 31st December 2024.

If the acquisition had occurred on 1st January 2024, the acquired business would have contributed pro-forma revenue of HK$8,934 million and a profit after taxation of HK$795 million for the year ended 31st December 2024. These amounts have been calculated using the results of the acquired business and adjusting them for:

- differences between the accounting policies of the Group and the acquired business, and
- the additional depreciation and amortisation that would have been charged assuming fair value adjustments to property, plant and equipment, intangible assets and other assets had applied from 1st January 2024, together with the consequential tax effects.

On 27th December 2024, a share restructure was completed under which the remaining 30% issued share capital in Laos not owned by TNTC were acquired with TNTC's shares. The Group's interest in TNTC was reduced to approximately 55.6%.

42. Business Combination (continued)

(c) Payment for the acquisition in 2023

During the year, the Group paid HK$532 million in respect of the acquisition of equity interests from TCCC in Vietnam and Cambodia in 2023. The amount has been disclosed as payment for acquisition of subsidiary companies, net of cash acquired in the consolidated statement of cash flows.

(d) Disposal of 30% equity interests in the franchise business in Cambodia to TNTC

During the year, the Group disposed of 30% equity interests in the franchise business in Cambodia to TNTC at a proceed of HK$391 million. The difference of HK$53 million between the amount of non-controlling interests adjusted (being the proportionate share of the carrying amount of the net assets of Cambodia subsidiary) and the consideration received has been credited to revenue reserve.

43. Notes to the Consolidated Statement of Cash Flows

(a) Reconciliation of operating profit to cash generated from operations

	2024 HK$M	2023 HK$M
Operating profit	4,240	30,621
Gain on disposals of subsidiary companies	–	(22,683)
Gain arising from the acquisition of interests in joint venture companies	(625)	(323)
Loss arising from the acquisition of interests in an associated company	59	–
Gain on deemed disposals of associated companies	(20)	(37)
Gain on disposal of investment at fair value through profit or loss	(139)	–
Loss on disposals of investment properties	–	16
Loss on disposals of property, plant and equipment	76	86
Loss on disposals of assets classified as held for sale	220	44
Change in fair value of investment properties	5,974	2,860
Change in fair value of assets classified as held for sale	2	442
Depreciation, amortisation and impairment charges	4,140	5,426
Provision for restructuring	547	–
Provision for amount due from and other payable of a joint venture company	–	239
Other items	(690)	(461)
Operating profit before working capital changes	13,784	16,230
Increase in properties for sale	(1,601)	(589)
Increase in stocks and work in progress	(792)	(724)
Increase in contract assets	(51)	(192)
Increase in trade and other receivables	(1,771)	(1,641)
Increase in trade and other payables and contract liabilities	3,011	1,395
Cash generated from operations	12,580	14,479

43. Notes to the Consolidated Statement of Cash Flows (continued)

(b) Purchase of property, plant and equipment and right-of-use assets

	2024 HK$M	2023 HK$M
Property	1,366	656
Plant and machinery	2,856	2,688
Right-of-use assets	189	97
Total	4,411	3,441

The above purchase amounts do not include interest capitalised on property, plant and equipment.

(c) Analysis of changes in financing during the year

	Loans and bonds		Lease liabilities	
	2024 HK$M	2023 HK$M	2024 HK$M	2023 HK$M
At 1st January	69,218	68,373	5,079	4,916
New leases entered during the year	–	–	678	967
Net cash inflow/(outflow) from financing activities				
– Loans drawn and refinancing	34,925	23,462	–	–
– Repayment of loans and bonds	(12,702)	(25,886)	–	–
– Principal elements of lease payments	–	–	(965)	(895)
Change in composition of the Group	820	3,151	401	(250)
Effect of exchange differences	(796)	81	(75)	(6)
Other non-cash movements	126	37	(97)	347
At 31st December	91,591	69,218	5,021	5,079

During the year ended 31st December 2024, advances from an associated company of HK$2,049 million were reported under "financing activities" in the consolidated statement of cash flows. As at 31st December 2024, after taking into account of a negative currency adjustment of HK$28 million, the outstanding balances of these advances of HK$2,021 million were recorded in the consolidated statement of financial position under trade and other payables as disclosed in note 29.

44. Immediate and Ultimate Holding Company

The immediate holding company is John Swire & Sons (H.K.) Limited, a company incorporated in Hong Kong.

The ultimate holding company is John Swire & Sons Limited, a company incorporated in the United Kingdom.

ACCOUNTING POLICIES

Apart from the material accounting policies presented within the corresponding notes to the financial statements, the other material accounting policies applied in the preparation of these consolidated financial statements are set out below.

1. Basis of Preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS) issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements have been prepared under the historical cost convention as modified in relation to the revaluation of certain financial assets and financial liabilities (including investments at fair value and derivative instruments), investment properties and defined benefit assets/liabilities, each of which are carried at fair value, and assets held for sale which are carried at fair value less costs of disposal.

2. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Swire Pacific Limited, its subsidiary companies (together referred to as the Group) and the Group's interests in joint venture and associated companies.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are generally expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquired subsidiary either at fair value or at the non-controlling interest's proportionate share of the acquired subsidiary's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired subsidiary and the acquisition-date fair value of any previous equity interest in the acquired subsidiary over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the consolidated statement of profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests where control is not lost are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the consolidated statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture company or financial asset. In addition, any amounts previously recognised in the consolidated statement of other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in the consolidated statement of other comprehensive income are reclassified to the consolidated statement of profit or loss.

Where the Group enters into a contract that contains an obligation (for example a written put option exercisable by the contract counterparty) to acquire shares in a partly-owned subsidiary company from the owner of the non-controlling interest, which is not part of a business combination, the Group records a financial liability in respect of the present value of the redemption amount with a corresponding charge directly to equity. Changes to the value of the financial liability are recognised in the consolidated statement of profit or loss within net finance charges.

The Group's share of its joint venture and associated companies' post-acquisition profits or losses is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in the consolidated statement of other comprehensive income is recognised in the consolidated statement of other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses equals or exceeds its interest in the joint venture or associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associated company.

The Group recognises the disposal of an interest in a joint venture company when it ceases to have joint control and the risks and rewards of ownership have passed to the acquirer.

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in the consolidated statement of other comprehensive income is reclassified to the consolidated statement of profit or loss where appropriate.

Unrealised gains on transactions between the Group and its joint venture and associated companies are eliminated to the extent of the Group's interest in these companies. Unrealised losses on assets transferred between the Group and its joint venture and associated companies are also eliminated unless the transactions provide evidence of impairment of the assets transferred. Accounting policies of joint venture and associated companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in respect of investments in associated companies are recognised in the consolidated statement of profit or loss.

3. Subsidiary Companies

Investments in subsidiary companies in the Company's standalone financial statements are stated at cost less provision for any impairment losses. Income from subsidiary companies is accounted for on the basis of dividends received and receivable. Long-term loans to subsidiary companies are considered to be quasi-equity in nature where there are no defined repayment terms and no expectation of repayment.

4. Joint Venture and Associated Companies

In the Company's statement of financial position, its investments in joint venture and associated companies are stated at cost less provision for any impairment losses. Income from joint venture and associated companies is recognised by the Company on the basis of dividends received and receivable. Long-term loans to joint venture and associated companies are subject to expected credit losses assessment. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

5. Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss, except when deferred in the consolidated statement of other comprehensive income as qualifying cash flow hedges or qualifying net investment hedges.

When a gain or loss on a non-monetary item is recognised directly in the consolidated statement of other comprehensive income, any associated translation difference is also recognised directly in the consolidated statement of other comprehensive income. When a gain or loss on a non-monetary item is recognised in the consolidated statement of profit or loss, any associated translation difference is also recognised in the consolidated statement of profit or loss.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in the statement of other comprehensive income and accumulated in a separate component in equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to the consolidated statement of other comprehensive income. When a foreign operation is partly disposed of or sold, exchange differences that were recorded in equity are reclassified to the consolidated statement of profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

6. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

PRINCIPAL SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

Showing proportion of capital owned at 31st December 2024

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up share/ Registered capital	Principal activities
PROPERTY					
Subsidiary companies:					
Incorporated in Hong Kong:					
Achieve Bright Limited	82.50	–	100	100 shares (HK$100)	Property trading
Citiluck Development Limited	82.50	–	100	1,000 shares (HK$1,000)	Property investment
Cityplaza Holdings Limited	82.50	–	100	100 shares (HK$1,000)	Property investment
Coventry Estates Limited	82.50	–	100	4 shares (HK$40)	Property investment
Joyful Sincere Limited •	66	–	100	1 share (HK$1)	Property trading
One Queen's Road East Limited	82.50	–	100	200 shares (HK$200)	Property investment
Pacific Place Holdings Limited	82.50	–	100	2 shares (HK$2)	Property investment
Redhill Properties Limited	82.50	–	100	250,000 shares (HK$7,300,000)	Property investment
Swire Properties (Finance) Limited	82.50	–	100	1,000,000 shares (HK$1,000,000)	Financial services
Swire Properties Limited	82.50	82.50	–	5,814,221,400 shares (HK$10,449,437,325.77)	Holding company
Swire Properties Management Limited	82.50	–	100	2 shares (HK$20)	Property management
Swire Properties MTN Financing Limited	82.50	–	100	1 share (HK$1)	Financial services
Swire Properties Real Estate Agency Limited	82.50	–	100	2 shares (HK$20)	Real estate agency
Taikoo Place Holdings Limited	82.50	–	100	2 shares (HK$2)	Property investment
Incorporated in the Chinese Mainland:					
(Domestic company)					
Beijing Tianlian Real Estate Company Limited ^ •	82.50	–	100	Registered capital of RMB865,000,000	Holding company
(Sino-foreign joint ventures)					
Taikoo Hui (Guangzhou) Development Company Limited ^	80.03	–	97	Registered capital of RMB3,550,400,000	Property investment
Xi'an Tengyun Real Estate Company Limited ^	57.75	–	70	Registered capital of RMB3,653,743,600	Property investment
(Wholly foreign owned enterprises)					
Beijing Anye Property Management Company Limited ^	82.50	–	100	Registered capital of RMB160,170,485.20	Property investment
Beijing Sanlitun Hotel Management Company Limited ^	82.50	–	100	Registered capital of RMB800,000,000	Property investment
Beijing Sanlitun North Property Management Company Limited ^	82.50	–	100	Registered capital of RMB2,784,000,000	Property investment
Beijing Sanlitun South Property Management Company Limited ^	82.50	–	100	Registered capital of RMB1,598,000,000	Property investment
Chengdu Qianhao Real Estate Company Limited	82.50	–	100	Registered capital of US$329,000,000	Property investment
Sunshine Melody (Guangzhou) Properties Management Limited	82.50	–	100	Registered capital of RMB295,000,000	Property investment
Swire Properties (China) Investment Company Limited ^	82.50	–	100	Registered capital of US$30,000,000	Holding company

Notes:
1. This table lists the principal subsidiary, joint venture and associated companies of the Group including those which, in the opinion of the Directors, materially contribute to the net income of the Group or hold a material portion of the assets or liabilities of the Group. To give full details of these companies would, in the opinion of the Directors, result in particulars of excessive length.
2. Unless otherwise stated, the principal country of operation of each subsidiary is the same as its country of incorporation.
3. * Group interest held through joint venture or associated companies.
4. • Companies not audited by PricewaterhouseCoopers. These companies accounted for approximately 13.5% of attributable net assets at 31st December 2024.
5. ^ Translated name.

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up share/ Registered capital	Principal activities
PROPERTY (continued)					
Subsidiary companies (continued):					
Incorporated in the USA:					
50A Developer LLC	82.50	–	100	Limited Liability Company	Property trading and investment
BCC Hotel Management Services LLC	82.50	–	100	Limited Liability Company	Hotel management
BCC Parking LLC	82.50	–	100	Limited Liability Company	Property investment and property management services
Brickell City Centre Plaza LLC	82.50	–	100	Limited Liability Company	Property investment
Brickell City Centre Project LLC	82.50	–	100	Limited Liability Company	Property trading and investment
Brickell City Centre Retail LLC	51.92	–	87.93	Limited Liability Company	Property investment
OID Holding Company LLC	82.50	–	100	Limited Liability Company	Property trading and investment
OID T1 Developer LLC	82.50	–	100	Limited Liability Company	Property trading
OID T2 Developer LLC	82.50	–	100	Limited Liability Company	Property trading
Swire Jadeco LLC	82.50	–	100	Limited Liability Company	Property trading
Swire Properties Inc	82.50	–	100	1,000 shares of US$0.01 each	Holding company
Swire Properties One LLC	82.50	–	100	Limited Liability Company	Holding company
Swire Properties US Inc	82.50	–	100	1,000 shares of US$0.01 each	Holding company
Swire Realty LLC	82.50	–	100	Limited Liability Company	Real estate agency
Incorporated in the British Virgin Islands:					
Apex Best Investments Limited (operates in Hong Kong)	82.50	–	100	1 share of US$1	Property investment
Boom View Holdings Limited (operates in Hong Kong)	82.50	–	100	2 shares of US$1 each	Property investment
Cherish Shine Limited (operates in Hong Kong)	82.50	–	100	1 share of US$1	Property investment
Da Long Limited (operates in Hong Kong)	82.50	–	100	1 share of US$1	Property investment
Gold Fountain Ventures Limited (operates in Hong Kong)	82.50	–	100	1 share of US$1	Property investment
Great City China Holdings Limited (operates in the Chinese Mainland)	82.50	–	100	100 shares of US$1 each	Holding company
High Grade Ventures Limited (operates in Hong Kong)	82.50	–	100	1 share of US$1	Property trading and investment
Keen Elite Group Limited (operates in Hong Kong)	82.50	–	100	1 share of US$1	Property investment
Novel Ray Limited (operates in Hong Kong)	82.50	–	100	1 share of US$1	Property investment
One Pacific Place Limited (operates in Hong Kong)	82.50	–	100	1 share of US$1	Property investment
Park Concept Group Limited (operates in Hong Kong)	82.50	–	100	1 share of US$1	Property investment
Prosperous Dynasty Limited (operates in Hong Kong)	82.50	–	100	1 share of US$1	Property investment
Sound Dragon Trading Co., Ltd. (operates in Hong Kong)	82.50	–	100	1 share of US$1	Property investment
Sino Flagship Investments Limited (operates in Hong Kong)	82.50	–	100	1 share of US$1	Property investment
Swire and Island Communication Developments Limited • (operates in Hong Kong)	49.50	–	60	100 shares of HK$10 each and 1 non-voting dividend share of HK$10	Property investment
Swire Properties China Holdings Limited (operates in Hong Kong)	82.50	–	100	1 share of US$1	Holding company

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up share/ Registered capital	Principal activities
PROPERTY (continued)					
Joint venture companies:					
Incorporated in Hong Kong:					
Hareton Limited •	41.25	–	50	100 shares (HK$1,000)	Property investment
Pacific Grace Limited	41.25	–	*	2 shares (HK$2)	Property investment
Richly Leader Limited	41.25	–	50	1,000,000,000 shares (HK$700,000,000)	Property investment
Incorporated in the USA:					
Swire Brickell Key Hotel, Ltd.	61.88	–	75	Limited Partnership	Hotel investment
Incorporated in the British Virgin Islands:					
Dazhongli Properties Limited (operates in the Chinese Mainland)	41.25	–	50	1,000 shares of US$1 each	Holding company
Fortune Access Holdings Limited (operates in Hong Kong)	20.63	–	25	100 shares of US$1 each	Holding company
Newfoundworld Investment Holdings Limited (operates in Hong Kong)	22	–	26.67	15 shares of US$1 each	Holding company
Parico Resources Limited • (operates in Hong Kong)	41.25	–	*	2 shares of US$1 each	Holding company
Incorporated in the Chinese Mainland:					
(Domestic companies)					
Beijing Linlian Real Estate Company Limited ^ •	41.25	–	50	Registered capital of RMB400,000,000	Property investment
Shanghai Kaiye Commercial Management Company Limited ^	49.50	–	60	Registered capital of RMB10,000,000	Property management
(Sino-foreign joint ventures)					
Beijing Xingtaitonggang Properties Company Limited ^ •	41.16	–	49.90	Registered capital of RMB9,500,000,000	Property investment
Guangzhou Jushi Investment Development Company Limited ^	41.25	–	50	Registered capital of RMB3,670,000,000	Property investment
Shanghai Qianxiu Company Limited ^	41.25	–	50	Registered capital of RMB1,549,777,000	Property investment
Sanya CDF Seaside Investment & Development Company Limited ^ •	41.25	–	50	Registered capital of RMB2,500,000,000	Property investment
(Wholly foreign owned enterprise)					
Guan Feng (Shanghai) Real Estate Development Company Limited ^	41.25	–	*	Registered capital of US$1,136,530,000	Property investment
Incorporated in Indonesia:					
PT Jantra Swarna Dipta	41.25	–	50	1,728,176 shares of Rp1,000,000 each	Property trading
Incorporated in Thailand:					
City Dynamic Co., Ltd. •	33	–	40	165,000,000 shares of Baht10 each	Property trading
Associated companies:					
Incorporated in Hong Kong:					
Greenroll Limited •	16.50	–	20	45,441,000 shares (HK$454,410,000)	Hotel investment
Queensway Hotel Limited •	16.50	–	*	100,000 shares (HK$1,000,000)	Hotel investment

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up share/ Registered capital	Principal activities
PROPERTY (continued)					
Associated companies (continued):					
Incorporated in Hong Kong (continued):					
Shangri-La International Hotels (Pacific Place) Limited	16.50	–	20	10,005,000 shares (HK$10,005,000)	Hotel investment
Incorporated in the Chinese Mainland:					
(Sino-foreign joint ventures)					
Shanghai Dongmao Real Estate Limited ^	33	–	40	Registered capital of RMB16,000,000,000	Property investment
Shanghai Yaolong Investment Limited ^	33	–	40	Registered capital of RMB2,200,000,000	Property trading and investment
Incorporated in Vietnam:					
City Garden Thu Thiem Limited Liability Company •	16.50	–	*	Charter capital of VND969,797,500,000	Property trading
BEVERAGES					
Subsidiary companies:					
Incorporated in Hong Kong:					
Mount Limited	100	–	100	1 share (HK$1)	Holding company
New Life Plastics Limited	56.67	–	56.67	30,000,000 shares (HK$30,000,000)	Waste plastics recycling
Swire Beverages Holdings Limited	100	100	–	50,010,002 shares (HK$5,001,000,200)	Holding company
Swire Coca-Cola HK Limited	100	–	100	2,400,000 shares (HK$24,000,000)	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola Limited	100	–	100	14,600 shares (US$7,300,000)	Holding company and sale of non-alcoholic beverages
Swire Recycling Limited	100	–	100	10,000 shares (HK$10,000)	Holding company
Top Noble Limited	100	–	100	1 share (HK$1)	Holding company
Swire Beverages Group Management Services Limited	100	–	100	1 share (HK$1)	Holding company
Incorporated in the Chinese Mainland:					
(Domestic company)					
Swire Coca-Cola Beverages Fuzhou Limited ^	100	–	100	Registered capital of RMB48,000,000	Manufacture and sale of non-alcoholic beverages
(Sino-foreign joint ventures)					
Coca-Cola Bottlers Manufacturing (Wuhan) Company Limited	100	–	100	Registered capital of US$57,111,958	Manufacture and sale of non-carbonated beverages
Swire Coca-Cola Beverages Hubei Limited	95.80	–	95.80	Registered capital of US$17,988,000	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola Beverages Wenzhou Limited	80	–	92.85	Registered capital of RMB71,300,000	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola Beverages Zhejiang Limited	80	–	80	Registered capital of US$20,000,000	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola Beverages Zhengzhou Ltd.	94.44	–	94.44	Registered capital of US$18,000,000	Manufacture and sale of non-alcoholic beverages
Swire Guangdong Coca-Cola (Huizhou) Limited	62.96	–	85.19	Registered capital of US$5,000,000	Manufacture and sale of non-alcoholic beverages
Swire Guangdong Coca-Cola Limited	62.96	–	62.96	Registered capital of RMB510,669,000	Manufacture and sale of non-alcoholic beverages

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up share/ Registered capital	Principal activities
BEVERAGES (continued)					
Subsidiary companies (continued):					
Incorporated in the Chinese Mainland (continued):					
(Wholly foreign owned enterprises)					
Coca-Cola Bottlers Manufacturing (Dongguan) Company Limited ^	100	–	100	Registered capital of US$141,218,820	Manufacture and sale of non-carbonated beverages
Coca-Cola Bottlers Manufacturing (Foshan) Company Limited ^	100	–	100	Registered capital of US$31,496,700	Manufacture and sale of non-carbonated beverages
Coca-Cola Bottlers Manufacturing (Hangzhou) Company Limited ^	100	–	100	Registered capital of US$22,631,066	Manufacture and sale of non-carbonated beverages
Coca-Cola Bottlers Manufacturing (Nanning) Company Limited	100	–	100	Registered capital of US$11,841,731	Manufacture and sale of non-carbonated beverages
Coca-Cola Bottlers Manufacturing (Suzhou) Company Limited	100	–	100	Registered capital of US$10,502,829	Manufacture and sale of non-carbonated beverages
Swire BCD Co., Ltd.	100	–	100	Registered capital of US$60,000,000	Holding company
Swire Beverages Shared Services (Xi'an) Limited ^	100	–	100	Registered capital of RMB20,000,000	Management services
Swire Coca-Cola Beverages Guangxi Limited	100	–	100	Registered capital of US$15,200,000	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola Beverages Hainan Limited	100	–	100	Registered capital of US$11,700,000	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola Beverages Hefei Ltd.	100	–	100	Registered capital of US$12,000,000	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola Beverages Jiangsu Limited	100	–	100	Registered capital of US$19,000,000	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola Beverages Jiangxi Limited	100	–	100	Registered capital of RMB40,000,000	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola Beverages Luohe Limited	94.44	–	100	Registered capital of RMB115,180,000	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola Beverages Xiamen Ltd.	100	–	100	Registered capital of US$52,737,000	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola Beverages Yunnan Limited	95.10	–	95.10	Registered capital of US$8,800,000	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola (China) Co., Ltd.	100	–	100	Registered capital of RMB100,000,000	Procurement and management services
Swire Coca-Cola Supply Chain Management (Hainan) Co., Ltd. ^	100	–	100	Registered capital of RMB100,000,000	Procurement and management services
Swire Guangdong Coca-Cola Zhanjiang Limited	100	–	100	Registered capital of RMB23,000,000	Manufacture and sale of non-alcoholic beverages
Xiamen Luquan Industries Company Limited	100	–	100	Registered capital of RMB63,370,000	Manufacture and sale of non-alcoholic beverages
Incorporated in Bermuda:					
Swire Pacific Industries Limited	100	–	100	12,000 shares of US$1 each	Holding company
Incorporated in the British Virgin Islands:					
SPHI Holdings Limited	100	–	100	2 shares of US$1 each	Holding company
Swire Coca-Cola Beverages Limited (operates in Taiwan)	100	–	100	1,599,840,000 'A' shares of US$0.01 each and 200,160,000 'B' shares of US$0.01 each	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola (S&D) Limited (operates in Taiwan)	100	–	100	20,100 shares of US$1 each	Sale of non-alcoholic beverages
Incorporated in the USA:					
Earthwise Investing, Inc.	100	–	100	1,000 shares of US$0.01 each	Sustainability fund investment

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up share/ Registered capital	Principal activities
BEVERAGES (continued)					
Subsidiary companies (continued):					
Incorporated in Singapore:					
CC Cambodia Holdings Pte. Ltd.	100	–	100	Issued and paid-up capital of SGD11,904,302 and US$24,100,000	Holding company
Coca-Cola Indochina Pte Ltd	100	–	100	Issued and paid-up capital of SGD667,136,300 and US$199,600,000	Holding company
Swire Beverages (South East Asia) Pte. Ltd.	100	–	100	Issued capital of US$1,250,000,000 and paid-up capital of US$1,226,010,000	Holding company
Incorporated in Cambodia:					
Cambodia Beverage Company Ltd.	86.69	–	100	Registered capital of US$43,392,000	Manufacture and sale of non-alcoholic beverages
Incorporated in Vietnam:					
Coca-Cola Beverages Viet Nam Limited Liability Company	100	–	100	Registered capital of VND12,376,606,243,429	Manufacture and sale of non-alcoholic beverages
Incorporated in Thailand:					
ThaiNamthip Corporation Public Company Limited (formerly known as ThaiNamthip Corporation Limited) •	55.59	–	55.59	Registered capital of THB11,024,130,370	Manufacture and sale of non-alcoholic beverages
Incorporated in Laos:					
Lao Coca-Cola Bottling Co., Ltd. •	55.59	–	100	Registered capital of LAK875,997,600,000	Manufacture and sale of non-alcoholic beverages
Joint venture companies:					
Incorporated in the Chinese Mainland:					
(Sino-foreign co-operative joint ventures)					
Shanghai Shen-Mei Beverage and Food Co., Ltd. •	53.85	–	53.85	Registered capital of US$93,218,600	Manufacture and sale of non-alcoholic beverages and beverage base
Shanghai Shen-Mei Minfa Beverage and Food Co., Ltd. ^ •	53.85	–	*	Registered capital of RMB100,000,000	Manufacture and sale of non-alcoholic beverages
Swire Coca-Cola (Suzhou) Beverages Limited •	53.85	–	*	Registered capital of RMB100,000,000	Manufacture and sale of non-alcoholic beverages
Incorporated in Thailand:					
Asset Thai Co., Ltd. •	47.77	–	49	Registered capital of THB1,631,200,000	Property business
Associated companies:					
Incorporated in Hong Kong:					
Coca-Cola Bottlers Manufacturing Holdings Limited	41	–	41	30,000 shares issued and HK$2,093,950,029.67 paid	Holding company

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up share/ Registered capital	Principal activities
AVIATION					
Subsidiary companies:					
Incorporated in Hong Kong:					
HAECO ITM Limited	83.50	–	70 & *	100 shares (HK$100)	Aircraft inventory technical management
Hong Kong Aircraft Engineering Company Limited	100	100	–	1,000,000 shares (HK$185,193,750)	Aircraft overhaul and maintenance
Incorporated in the Chinese Mainland:					
(Sino-foreign joint ventures)					
HAECO Composite Structures (Jinjiang) Co., Ltd.	82.53	–	84.10 & *	Registered capital of US$11,663,163	Composite material aeronautic parts/systems repair, manufacturing and sales
Shanghai Taikoo Aircraft Engineering Services Company Limited ^ •	69.40	–	75	Registered capital of US$3,700,000	Line maintenance
Taikoo Engine Services (Xiamen) Company Limited	77.27	–	76.59 & *	Registered capital of US$113,000,000	Overhaul and maintenance of commercial aero engines
Taikoo (Xiamen) Aircraft Engineering Company Limited	62.64	–	58.55 & *	Registered capital of US$41,500,000	Aircraft overhaul and maintenance
Taikoo (Xiamen) Landing Gear Services Company Limited	90.33	–	90.82 & *	Registered capital of US$83,090,000	Landing gear repair and overhaul
(Wholly foreign owned enterprise)					
HAECO Component Overhaul (Xiamen) Limited	100	–	100	Registered capital of US$18,600,000	Aircraft component repair and overhaul
Incorporated in the USA:					
HAECO Americas, LLC	100	–	100	Limited Liability Company	Aircraft overhaul and maintenance
HAECO Global Engine Support, LLC •	100	–	100	Limited Liability Company	On-wing and off-wing engine support
HAECO USA, Inc.	100	–	100	100 shares of US$1	Holding company
Incorporated in the United Kingdom:					
HAECO Global Engine Support Ltd •	100	–	100	1 share of GBP1	On-wing and off-wing engine support
Joint venture companies:					
Incorporated in Hong Kong:					
Goodrich Asia-Pacific Limited	49	–	49	9,200,000 shares (HK$9,200,000)	Repair and maintenance of aircraft wheel and brake systems
Hong Kong Aero Engine Services Limited	50	–	50	20 shares (HK$200)	Overhaul, repair and modification of commercial aero engines
Incorporated in the Chinese Mainland:					
(Sino-foreign joint ventures)					
Goodrich TAECO Aeronautical Systems (Xiamen) Company Limited	21.92	–	35	Registered capital of US$5,000,000	Repair and maintenance of aircraft fuel control, flight control and electrical components
Honeywell TAECO Aerospace (Xiamen) Company Limited •	31.26	–	35	Registered capital of US$5,000,000	Aircraft component repair and overhaul
Taikoo (Shandong) Aircraft Engineering Company Limited •	36.26	–	40	Registered capital of RMB200,000,000	Airframe maintenance and line maintenance services

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up share/ Registered capital	Principal activities
AVIATION (continued)					
Associated companies:					
Incorporated in Hong Kong:					
AHK Air Hong Kong Limited •	44.98	–	*	1,000,000 shares (HK$90,670,000)	Cargo airline
Airline Property Limited •	44.98	–	*	2 shares (HK$20)	Property investment
Airline Stores Property Limited •	44.98	–	*	2 shares (HK$20)	Property investment
Airline Training Property Limited •	44.98	–	*	2 shares (HK$20)	Property investment
Asia Miles Limited •	44.98	–	*	2 shares (HK$2)	Travel reward programme
Cathay Holidays Limited •	44.98	–	*	40,000 shares (HK$4,000,000)	Travel tour operator
Cathay Pacific Aircraft Leasing (H.K.) Limited •	44.98	–	*	1 share (HK$1)	Aircraft financing facilitator
Cathay Pacific Airways Limited •	44.98	44.98	–	6,439,409,250 ordinary shares (Total HK$28,840,853,478.25)	Operation of scheduled airline services
Cathay Pacific Catering Services (H.K.) Limited •	44.98	–	*	600 shares (HK$600,000)	Airline catering
Cathay Pacific Finance Limited •	44.98	–	*	1 share (HK$1)	Aircraft financing facilitator
Cathay Pacific MTN Financing (HK) Limited •	44.98	–	*	1 share (HK$1)	Financial services
Cathay Pacific Services Limited •	44.98	–	*	1 share (HK$1)	Cargo terminal
Hong Kong Airport Services Limited •	44.98	–	*	100 shares (HK$100)	Aircraft ramp handling
Hong Kong Aviation and Airport Services Limited •	44.98	–	*	2 shares (HK$2)	Property investment
Hong Kong Express Airways Limited •	44.98	–	*	1,000,000 shares (HK$3,174,607,160)	Operation of scheduled airline services
Vogue Laundry Service Limited •	44.98	–	*	3,700 shares (HK$1,850,000)	Laundry and dry cleaning
Incorporated in the Chinese Mainland:					
Air China Cargo Co., Ltd. •	9.61	–	*	Registered capital of RMB12,010,704,725	Cargo airline
Air China Limited •	6.79	–	*	4,955,610,672 'H' shares of RMB1 each and 12,492,810,328 'A' shares of RMB1 each	Airline
(Wholly foreign owned enterprise)					
Guangzhou Guo Tai Information Processing Company Limited •	44.98	–	*	Registered capital of HK$8,000,000	Information processing
Incorporated in Cayman Islands:					
Cathay Pacific Finance III Limited •	44.98	–	*	1 share of US$1	Financial services
Incorporated in the Isle of Man:					
Cathay Pacific Aircraft Services Limited •	44.98	–	*	10,000 shares of US$1 each	Aircraft acquisition facilitator
Incorporated in India:					
Connaught Network Services Private Limited •	44.98	–	*	90,000 shares of INR100 each	Information processing

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up share/ Registered capital	Principal activities
TRADING & INDUSTRIAL — INDUSTRIAL					
Subsidiary companies:					
Incorporated in Hong Kong:					
Swire Bakery Limited	100	–	100	1 share (US$1)	Holding company
Swire Foods Holdings Limited	100	100	–	1 share (HK$1)	Holding company
Swire Industrial Limited	100	100	–	2 shares (HK$2)	Holding company
Swire Waste Management Limited	100	–	100	1 'A' share (HK$1) and 1 'B' share (HK$1)	Provision of waste management services
Swire Green-Tech Solutions Limited	100	–	100	1 share (HK$1)	Provision of green-tech solutions
Taikoo Sugar Limited	100	–	100	300,000 shares (HK$4,360,000)	Packing and trading of branded food products
Incorporated in the Chinese Mainland:					
(Domestic companies)					
Chongqing Heed Food Company Limited ^	100	–	100	Registered capital of RMB100,000	Production and trading of bakery products
Chongqing Qinyuan Catering Management Co., Ltd. ^	100	–	100	Registered capital of RMB5,000,000	Bakery chain stores
Taikoo Sugar Chengdu Limited ^ •	100	–	100	Registered capital of RMB5,000,000	Packing and trading of branded food products
(Wholly foreign owned enterprises)					
Chongqing New Qinyuan Bakery Co., Ltd	100	–	100	Registered capital of RMB75,595,238	Production and trading of bakery products
Reservoir Management Services (Shanghai) Company Limited ^ •	100	–	100	Registered capital of RMB200,000	Provision of business consultancy services
Swire Foods Trading (China) Limited ^ •	100	–	100	Registered capital of HK$63,500,000	Trading of branded food products
Taikoo Sugar (China) Limited ^ •	100	–	100	Registered capital of HK$61,350,000	Packing and trading of branded food products
TRADING & INDUSTRIAL — TRADING					
Subsidiary companies:					
Incorporated in Hong Kong:					
Bel Air Motors Limited (operates in Taiwan)	100	–	100	1 share (HK$1)	Automobile distribution
Beldare Motors Limited (operates in Taiwan)	100	–	100	10,000 shares (HK$1,000,000)	Automobile distribution
Chevon Holdings Limited	85	–	85	160,000,000 shares (HK$160,000,000)	Holding company
Chevon (Hong Kong) Limited	85	–	100	1,000,000 shares (HK$1,000,000)	Marketing, distribution and retailing of branded casual apparel and accessories
International Automobiles Limited	100	–	100	10,000 shares (US$10,000)	Automobile distribution
Liberty Motors Limited (operates in Taiwan)	100	–	100	2 shares (HK$20)	Automobile distribution
Swire Resources Limited	100	–	100	4,010,000 shares (HK$40,100,000)	Marketing, distribution and retailing of branded sports and casual footwear, apparel and accessories
Swire Trading Limited	100	100	–	2 shares (HK$20)	Holding company
Taikoo Commercial Vehicles Limited (operates in Taiwan)	100	–	100	2,000 shares (HK$2,000)	Automobile distribution
Yuntung Motors Limited (operates in Taiwan)	100	–	100	2 shares (HK$2)	Automobile distribution

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up share/ Registered capital	Principal activities
TRADING & INDUSTRIAL — TRADING (continued)					
Subsidiary companies (continued):					
Incorporated in Macau:					
Swire Resources (Macau) Limited •	100	–	100	2 shares (MOP25,000)	Marketing, distribution and retailing of branded sports and casual footwear, apparel and accessories
Incorporated in the Chinese Mainland:					
(Wholly foreign owned enterprises)					
Chevon (Shanghai) Trading Company Limited ^	85	–	100	Registered capital of US$12,000,000	Marketing, distribution and retailing of branded casual apparel and accessories
Swire Resources (Shanghai) Trading Company Limited ^	100	–	100	Registered capital of US$6,040,000	Marketing, distribution and retailing of branded sports and casual footwear, apparel and accessories
Incorporated in Taiwan:					
Biao Yi Limited ^ •	100	–	100	10,000,000 shares of NT$1 each	Automobile distribution
Incorporated in the British Virgin Islands and operate in Taiwan:					
Biao Da Motors Limited	100	–	100	1 share of US$1	Automobile distribution
Supreme Motors Limited •	100	–	100	1 share of US$1	Automobile distribution
Taikoo Motorcycle Limited	100	–	100	1 share of US$1	Automobile distribution
Taikoo Motors Limited	100	–	100	1 share of US$1	Automobile distribution
Joint venture company:					
Incorporated in Hong Kong:					
Intermarket Agencies (Far East) Limited	70	–	70	7 'A' shares (HK$70) and 3 'B' shares (HK$30)	Marketing, distribution and retailing of branded sports and casual footwear, apparel and accessories
OTHERS					
Subsidiary companies:					
Incorporated in Hong Kong:					
Global Food Venture Investment Limited	100	100	–	1 share (HK$1)	Holding company
Swire Finance Limited	100	100	–	1,000 shares (HK$10,000)	Financial services
Swire Pacific MTN Financing (HK) Limited	100	100	–	1 share (HK$1)	Financial services
Incorporated in the Cayman Islands:					
Swire Pacific MTN Financing Limited	100	100	–	1 share of US$1	Financial services
Incorporated in the Cayman Islands and operates in the Chinese Mainland:					
DeltaHealth China Limited	89.42	–	89.42	35,228,989 shares and 1,083,378,480 convertible preferred shares of US$0.001 each	Holding company

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up share/ Registered capital	Principal activities
OTHERS (continued)					
Subsidiary companies (continued):					
Incorporated in the Chinese Mainland:					
(Domestic company)					
Shanghai DeltaWest Clinic Co., Ltd. ^	89.42	–	100	Registered capital of RMB160,000,000	Provision of healthcare services
(Sino-foreign owned enterprise)					
Shanghai DeltaHealth Hospital Co., Ltd. ^	89.42	–	100	Registered capital of US$305,500,000	Provision of healthcare services
Incorporated in Indonesia:					
PT Swire Investments Indonesia •	100	–	100	3,088,000 shares of Rp100,000 each	Management consultancy
Associated companies:					
Incorporated in the Cayman Islands and operates in the Chinese Mainland:					
Columbia China Healthcare Co., Limited •	13.59	–	13.59	837,333,333.32 shares of US$0.0001 each	Holding company for provision of healthcare services
Incorporated in the British Virgin Islands and operates in the Chinese Mainland:					
SHH Core Holding Limited •	16.97	–	16.97	24,389,975 shares of US$0.00001 each	Holding company for provision of healthcare services

CATHAY PACIFIC AIRWAYS LIMITED – ABRIDGED FINANCIAL STATEMENTS

To provide shareholders with information on the consolidated results and consolidated financial position of the Group's significant listed associated company, Cathay Pacific Airways Limited, the following is a summary of its audited consolidated statement of profit or loss and consolidated statement of other comprehensive income for the year ended 31st December 2024 and consolidated statement of financial position at 31st December 2024, modified to conform to the Group's financial statements presentation.

Consolidated Statement of Profit or Loss

For the year ended 31st December 2024

	2024 HK$M	2023 HK$M
Revenue	**104,371**	94,485
Operating expenses	**(91,194)**	(81,486)
Operating profit before non-recurring items	**13,177**	12,999
Gains on deemed partial disposals of associated companies	**578**	1,929
Net reversal of impairment and other gains or charges	**173**	197
Operating profit	**13,928**	15,125
Finance charges	**(3,897)**	(3,961)
Finance income	**841**	1,228
Net finance charges	**(3,056)**	(2,733)
Share of profits/(losses) of associated companies	**331**	(1,534)
Profit before taxation	**11,203**	10,858
Taxation	**(1,315)**	(1,068)
Profit for the year	**9,888**	9,790
Profit for the year attributable to:		
Ordinary shareholders of Cathay Pacific	**9,607**	9,067
Preference shareholder of Cathay Pacific	**281**	722
Non-controlling interests	**–**	1
	9,888	9,790

	HK¢	HK¢
Earnings per share attributable to Cathay Pacific's ordinary shareholders:		
Basic	**149.2**	140.8
Diluted	**133.2**	125.8

Consolidated Statement of Other Comprehensive Income

For the year ended 31st December 2024

	2024 HK$M	2023 HK$M
Profit for the year	**9,888**	9,790
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Defined benefit plans	**(110)**	157
Revaluation of equity investments designated at fair value through other comprehensive income (non-recycling)	**(5)**	(2)
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	**362**	(1,201)
Share of other comprehensive loss of associated companies	**(220)**	(252)
Net translation differences	**(486)**	(555)
Other comprehensive loss for the year, net of tax	**(459)**	(1,853)
Total comprehensive income for the year	**9,429**	7,937
Total comprehensive income attributable to:		
Ordinary shareholders of Cathay Pacific	**9,148**	7,214
Preference shareholder of Cathay Pacific	**281**	722
Non-controlling interests	**–**	1
	9,429	7,937

Consolidated Statement of Financial Position

At 31st December 2024

	2024 HK$M	2023 HK$M
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	116,457	116,088
Intangible assets	14,420	14,539
Investments in associated companies	16,371	16,046
Other long-term receivables and investments	3,598	3,608
Deferred tax assets	1,152	1,085
	151,998	151,366
Current assets		
Stock	1,386	967
Trade and other receivables	7,326	6,252
Liquid funds	10,534	15,530
	19,246	22,749
Current liabilities		
Interest-bearing liabilities	11,626	10,523
Trade and other payables	18,477	17,238
Contract liabilities	18,365	15,223
Taxation	1,771	2,509
	50,239	45,493
Net current liabilities	(30,993)	(22,744)
Total assets less current liabilities	121,005	128,622
Non-current liabilities		
Interest-bearing liabilities	56,849	57,771
Other long-term payables	3,462	2,810
Other long-term contract liabilities	197	252
Deferred tax liabilities	7,990	7,756
	68,498	68,589
NET ASSETS	52,507	60,033
EQUITY		
Share capital	28,841	28,828
Reserves	23,659	31,198
Equity attributable to Cathay Pacific's shareholders	52,500	60,026
Non-controlling interests	7	7
TOTAL EQUITY	52,507	60,033

SUMMARY OF PAST PERFORMANCE

	2015 HK$M	2016 HK$M	2017 HK$M	2018 HK$M
Ratios				
Return on equity	6.1%	4.4%	10.9%	9.0%
Derived from:				
Recurring underlying profit/(loss)	*4.2%*	*2.3%*	*2.0%*	*2.8%*
Net non-recurring items	*0.3%*	*-0.9%*	*0.0%*	*0.4%*
Net property valuation adjustments	*1.6%*	*3.0%*	*8.9%*	*5.8%*
5-year average	*8.1%*	*5.9%*	*6.5%*	*7.1%*
Gearing ratio (excluding lease liabilities)	22.6%	23.5%	23.7%	19.3%
Statement of Profit or Loss				
Revenue				
Property	16,351	16,691	18,443	14,604
Beverages	17,172	18,420	34,066	41,189
Aviation	12,095	13,760	14,546	14,892
Trading & Industrial	9,245	9,276	10,163	10,896
Marine Services	5,988	4,237	3,066	3,018
Head Office, Healthcare and others	34	5	5	7
	60,885	62,389	80,289	84,606
Profit/(loss) attributable to the Company's shareholders				
Property	11,494	12,357	27,731	23,437
Beverages	976	813	2,441	1,630
Aviation	3,017	441	(1,002)	1,781
Trading & Industrial	155	114	69	2,904
Marine Services	(1,255)	(3,013)	(2,232)	(5,033)
Head Office, Healthcare and others	(958)	(1,068)	(937)	(1,090)
	13,429	9,644	26,070	23,629
Dividends for the year	5,867	3,159	3,155	4,505
Share repurchases	35	–	165	9
Retained profit less share repurchases	7,527	6,485	22,750	19,115
Statement of Financial Position				
Capital employed				
Property – cost and working capital	89,009	90,797	95,846	92,805
– valuation surplus	162,217	171,591	198,496	217,858
Beverages	5,833	7,845	17,274	16,657
Aviation	39,311	42,606	44,798	45,449
Trading & Industrial	4,445	5,246	5,631	2,252
Marine Services	22,293	18,170	16,755	13,014
Head Office, Healthcare and others	462	(41)	(192)	(253)
	323,570	336,214	378,608	387,782
Financed by				
Equity attributable to the Company's shareholders	218,449	224,879	253,163	270,424
Non-controlling interests	45,537	47,289	52,931	54,691
Net debt	59,584	64,046	72,514	62,667
Lease liabilities	–	–	–	–
	323,570	336,214	378,608	387,782
	HK$	HK$	HK$	HK$
'A' Shares				
Earnings/(loss) per share – basic	8.93	6.41	17.34	15.74
Dividends per share	3.90	2.10	2.10	3.00
Equity attributable to shareholders per share	145.22	149.50	168.58	180.09
'B' Shares				
Earnings/(loss) per share – basic	1.79	1.28	3.47	3.15
Dividends per share	0.78	0.42	0.42	0.60
Equity attributable to shareholders per share	29.04	29.90	33.72	36.02
Underlying				
Profit/(loss) (HK$M)	9,892	3,063	4,742	8,523
Return on equity (historic cost)	11.2%	3.6%	5.4%	9.3%
Earnings/(loss) per 'A' share – basic (HK$)	6.58	2.04	3.15	5.68
Earnings/(loss) per 'B' share – basic (HK$)	1.32	0.41	0.63	1.14
Cash interest cover – times	4.6	2.6	4.0	5.0
Dividend payout ratio	59.3%	103.1%	66.5%	52.9%

^ Included continuing operations and discontinued operations.

2019 HK$M	2020^ HK$M (Restated)	2021^ HK$M (Restated)	2022^ HK$M	2023 HK$M	**2024 HK$M**
3.3%	–4.3%	1.3%	1.6%	11.0%	**1.6%**
2.7%	*–0.4%*	*1.8%*	*1.4%*	*4.0%*	*3.5%*
–0.8%	*–2.9%*	*0.2%*	*0.4%*	*9.8%*	*0.4%*
1.4%	*–1.0%*	*–0.7%*	*–0.2%*	*–2.8%*	*–2.3%*
6.7%	*4.7%*	*4.0%*	*2.2%*	*2.6%*	*2.2%*
14.2%	12.2%	11.9%	18.0%	17.0%	**22.1%**
14,135	13,542	16,275	13,788	14,625	**14,379**
43,316	45,080	53,925	54,223	51,842	**36,607**
15,901	11,483	11,464	13,828	17,787	**21,662**
9,843	8,308	9,553	9,321	10,555	**9,032**
2,451	1,889	1,601	524	–	**–**
6	10	12	9	14	**289**
85,652	80,312	92,830	91,693	94,823	**81,969**
11,007	2,967	5,840	6,546	2,131	**(641)**
1,686	2,076	2,549	2,392	25,097	**2,039**
1,550	(9,751)	(2,380)	(3,072)	3,393	**4,697**
(452)	12	94	(307)	299	**211**
(3,634)	(5,240)	(1,118)	359	–	**–**
(1,150)	(1,484)	(1,628)	(1,723)	(2,067)	**(1,985)**
9,007	(11,420)	3,357	4,195	28,853	**4,321**
4,505	2,553	3,904	4,391	16,274	**4,611**
–	–	–	2,643	878	**3,851**
4,502	(13,973)	(547)	(2,839)	11,701	**(4,141)**
95,777	96,499	104,969	111,413	133,505	**137,021**
208,172	200,053	198,788	199,608	191,092	**184,938**
17,177	16,514	17,474	26,233	18,172	**28,248**
47,187	42,956	40,590	35,904	37,529	**38,310**
3,249	2,813	2,527	2,353	2,693	**2,881**
10,120	3,557	943	–	–	**–**
(125)	270	2,324	2,100	1,998	**2,853**
381,557	362,662	367,615	377,611	384,989	**394,251**
273,352	262,266	266,515	258,456	268,129	**258,300**
56,142	56,344	57,105	57,480	56,645	**60,367**
46,688	38,900	38,655	56,759	55,136	**70,563**
5,375	5,152	5,340	4,916	5,079	**5,021**
381,557	362,662	367,615	377,611	384,989	**394,251**
HK$	HK$	HK$	HK$	HK$	**HK$**
6.00	(7.61)	2.24	2.81	19.96	**3.06**
3.00	1.70	2.60	3.00	11.32	**3.35**
182.04	174.66	177.49	177.75	186.03	**187.35**
1.20	(1.52)	0.45	0.56	3.99	**0.61**
0.60	0.34	0.52	0.60	2.26	**0.67**
36.41	34.93	35.50	35.55	37.21	**37.47**
17,797	(4,390)	5,293	4,748	36,177	**10,471**
18.2%	–3.9%	5.2%	4.8%	34.8%	**9.8%**
11.85	(2.92)	3.52	3.18	25.03	**7.41**
2.37	(0.58)	0.70	0.64	5.01	**1.48**
10.5	5.3	6.2	6.1	13.5	**3.4**
25.3%	N/A	73.8%	92.5%	45.0%	**44.0%**

SCHEDULE OF PRINCIPAL GROUP PROPERTIES

At 31st December 2024

	Gross floor areas in square feet							
	Hong Kong		Chinese Mainland		USA and Elsewhere		Totals	
	Held through subsidiaries	Held through other companies	Held through subsidiaries	Held through other companies	Held through subsidiaries	Held through other companies	Held through subsidiaries	Held through subsidiaries and other companies
Completed properties for investment								
Retail	2,321,552	223,903	4,593,664	1,621,358	496,508	–	7,411,724	9,256,985
Office	8,463,132	735,314	1,693,125	1,244,955	–	–	10,156,257	12,136,526
Residential/Serviced apartment	555,551	–	157,180	73,662	–	–	712,731	786,393
Hotels	358,371	435,770	702,571	467,442	–	258,750	1,060,942	2,222,904
	11,698,606	1,394,987	7,146,540	3,407,417	496,508	258,750	19,341,654	24,402,808
Property developments for investment								
Retail	–	–	824,245	2,671,776	–	–	824,245	3,496,021
Office	–	–	–	2,155,659	–	–	–	2,155,659
Residential/Serviced apartment	–	–	–	57,540	–	–	–	57,540
Hotels	–	–	–	173,037	–	–	–	173,037
Under planning	779,000	–	2,896,119	615,701	1,510,000*	–	5,185,119	5,800,820
	779,000	–	3,720,364	5,673,713	1,510,000	–	6,009,364	11,683,077
Completed properties for sale								
Residential/Serviced apartment	3,050	159,576	–	–	–	–	3,050	162,626
	3,050	159,576	–	–	–	–	3,050	162,626
Property developments for sale								
Retail	15,199	–	–	–	–	–	15,199	15,199
Residential/Mixed-use	810,266	220,000	–	952,723	1,073,000	2,056,897	1,883,266	5,112,886
	825,465	220,000	–	952,723	1,073,000	2,056,897	1,898,465	5,128,085
	13,306,121	1,774,563	10,866,904	10,033,853	3,079,508	2,315,647	27,252,533	41,376,596

* Brickell City Centre land is currently under planning. The site is included under "Properties held for development" in the financial statements.

Notes:

1. All properties held through subsidiary companies are wholly-owned except for Island Place (60% owned), The Headland Residences (formerly known as Chai Wan Inland Lot No. 178) (80% owned), Taikoo Hui, Guangzhou (97% owned), Taikoo Li Xi'an (70% owned), No. 387 Tianhe Road, Guangzhou (97% owned) and Brickell City Centre (Retail: 62.93% owned). The above summary table includes the floor areas of these six properties in 100%.
2. "Other companies" comprise joint venture, associated companies and financial assets at fair value through profit or loss. The floor areas of properties held through such companies are shown on an attributable basis.
3. Gross floor areas in Hong Kong and the Chinese Mainland exclude car parking spaces; there are about 9,195 completed car parking spaces in Hong Kong and the Chinese Mainland, which are held by subsidiaries and other companies for investment.
4. When a Hong Kong property is held under a renewable lease, the expiry date of the renewal period is shown.
5. All properties in the USA are freehold.
6. Gross floor areas for all properties in the USA represent saleable or leasable areas for completed and nearly completed properties, which exclude car parking spaces; there are about 1,976 completed car parking spaces held by subsidiaries and other companies for investment.

Completed properties for investment in Hong Kong	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Office							
1. Pacific Place							
One Pacific Place	88 Queensway, Admiralty	2135	115,066 (part)	863,266	–	1988	
Two Pacific Place	88 Queensway, Admiralty	2047	203,223 (part)	695,510	–	1990	
2. Three Pacific Place	1 Queen's Road East, Wan Chai	2050-2852	40,236	627,657	111	2004/2007	Linked to The Mall at Pacific Place and Admiralty MTR station.
3. Devon House, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	70,414 (part)	803,452	311	1993	Linked to Dorset House and Cambridge House.
4. Dorset House, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	238,582 (part)	601,723	204	1994	Linked to Devon House and PCCW Tower.
5. Lincoln House, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	238,582 (part)	333,529	164	1998	Linked to PCCW Tower and One Taikoo Place.
6. Oxford House, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881/ 2899	33,434	501,253	182	1999	Linked to One Taikoo Place.
7. Cambridge House, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	70,414 (part)	268,795	–	2003	Linked to Devon House.
8. One Island East, Taikoo Place	18 Westlands Road, Taikoo Place, Quarry Bay	2881/ 2899	109,929 (part)	1,309,404	–	2008	Linked to Two Taikoo Place. Floor area is approximation and excludes nine floors which were disposed to SFC on 21st December 2023.
9. One Taikoo Place, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	238,582 (part)	1,013,368	82	2018	Linked to Lincoln House and Oxford House.
10. Two Taikoo Place, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	238,582 (part)	994,973	346	2022	Linked to PCCW Tower and One Island East.
11. SPACES. 8QRE	8 Queen's Road East, Wan Chai	2089/ 2103/2113	4,612	81,346	–	2013 (Refurbishment)	With ground floor retail.
12. Five Pacific Place	28 Hennessy Road, Wan Chai	2843	9,622	145,903	–	2012	
13. Six Pacific Place	50 Queen's Road East, Wan Chai	2843	14,433	222,953	88	2024	
	Total held through subsidiaries			8,463,132	1,488		
14. PCCW Tower, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	238,582 (part)	613,679	217	1994	Linked to Dorset House, Lincoln House and Two Taikoo Place. Floor area shown represents the whole development, in which Swire Properties owns a 50% interest.
15. Berkshire House, Taikoo Place	25 Westlands Road, Taikoo Place, Quarry Bay	2047	25,926	388,838	84	1998	Floor area shown represents the whole development, in which Swire Properties owns a 50% interest.
16. One Citygate	20 Tat Tung Road, Tung Chung, Lantau Island	2047	358,557 (part)	160,522	63	1999/ 2000	Above Citygate Outlets. Floor area shown represents the whole of the office area of the development, in which Swire Properties owns a 26.67% interest.
17. South Island Place	8 Wong Chuk Hang Road, Wong Chuk Hang	2064	25,260	382,499	137	2018	Floor area shown represents the whole development, in which Swire Properties owns a 50% interest.
	Total held through joint venture companies			1,545,538	501		
	– of which attributable to Swire Properties			735,314			
Retail							
1. Pacific Place							
The Mall at Pacific Place	88 Queensway, Admiralty	2135/ 2047	318,289 (part)	711,182	426	1988/1990	Shopping centre with restaurants and a cinema. Access to Admiralty MTR station. Pacific Place also comprises serviced apartments and hotels, details of which are given in the Residential and Hotel categories below.

Completed properties for investment in Hong Kong	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Retail (continued)							
2. Cityplaza	18 Taikoo Shing Road, Taikoo Shing	2899	334,475 (part)	1,096,898	845	1983/ 1987/ 1997/ 2000	Shopping centre with restaurants, ice-skating rink, cinema and access to Tai Koo MTR station.
3. Commercial areas in Stages I – X of Taikoo Shing	Taikoo Shing	2081/ 2889/ 2899	–	329,777	1,104	1977-1985	Neighbourhood shops, schools and car parking spaces.
4. Island Place	500 King's Road, North Point	2047	106,498 (part)	150,223	288	1996	Floor area shown represents the whole shopping centre podium, in which Swire Properties owns a 60% interest.
5. StarCrest	9 Star Street, Wan Chai	2047	40,871 (part)	13,112	83	1999	Floor area shown represents the whole of the retail podium.
6. EAST Apartments, Taikoo Place	23 Tong Chong Street, Taikoo Place, Quarry Bay	2881	8,664 (part)	12,312	–	2014	Floor area shown represents the whole of a 3-storey retail podium (excluding serviced suites above).
7. STAR STUDIOS I & II	8-10 & 18 Wing Fung Street, Wan Chai	2056/ 2852	6,775 (part)	5,197	–	2016 (Refurbishment)	Floor area shown represents the retail area (excluding residential apartments).
8. EIGHT STAR STREET	8 Star Street, Wan Chai	2856	3,609 (part)	2,851	–	2022	Floor area shown represents the whole of the retail podium.
	Total held through subsidiaries			2,321,552	2,746		
9. Tung Chung Crescent	Tung Chung Crescent Tung Chung, Lantau Island	2047	331,658 (part)	36,053	75	1998/ 1999	Floor area shown represents the retail space, in which Swire Properties owns a 26.67% interest.
10. Citygate Outlets	18-20 Tat Tung Road, Tung Chung, Lantau Island	2047/ 2063	466,476 (part)	803,582	1,197	1999/ 2000/ 2019	Floor area shown represents the whole of the retail area of the development, in which Swire Properties owns a 26.67% interest.
	Total held through joint venture companies			839,635	1,272		
	– of which attributable to Swire Properties			223,903			
Residential							
1. Pacific Place Apartments	88 Queensway, Admiralty	2047	203,223 (part)	443,075	–	1990	270 serviced suites within the Conrad Hong Kong Hotel tower.
2. EAST Apartments, Taikoo Place	23 Tong Chong Street, Taikoo Place, Quarry Bay	2881	8,664 (part)	62,756	–	2014	106 serviced suites above a 3-storey retail podium. Floor area shown excludes retail portion.
3. STAR STUDIOS I & II	8-10 & 18 Wing Fung Street, Wan Chai	2056/ 2852	6,775 (part)	47,076	–	2016 (Refurbishment)	120 apartments above ground floor shops. Floor area shown excludes retail area (5,197 square feet).
4. House B, 36 Island Road, Deep Water Bay	36 Island Road, Deep Water Bay	2097	20,733 (part)	2,644	–	1980	One detached house.
	Total held through subsidiaries			555,551	–		
Hotel							
1. EAST Hong Kong	29 Taikoo Shing Road, Taikoo Shing	2899	146,184 (part)	199,633	–	2009	331-room hotel.
2. The Upper House, Pacific Place	88 Queensway, Admiralty	2135	115,066 (part)	158,738	–	2009 (Refurbishment)	117-room hotel above the JW Marriott Hotel.
	Total held through subsidiaries			358,371	–		
3. JW Marriott Hotel, Pacific Place	88 Queensway, Admiralty	2135	115,066 (part)	525,904	–	1988	608-room hotel, in which Swire Properties owns a 20% interest.
4. Conrad Hong Kong Hotel, Pacific Place	88 Queensway, Admiralty	2047	203,223 (part)	555,590	–	1990	513-room hotel, in which Swire Properties owns a 20% interest.
5. Island Shangri-La Hotel, Pacific Place	88 Queensway, Admiralty	2047	203,223 (part)	605,728	–	1991	544-room hotel, in which Swire Properties owns a 20% interest.
	Total held through associated companies			1,687,222	–		
	– of which attributable to Swire Properties			337,444			

Completed properties for investment in Hong Kong	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Hotel (continued)							
6. Novotel Citygate Hong Kong, Citygate	51 Man Tung Road, Tung Chung, Lantau Island	2047	358,557 (part)	236,758	25	2005	440-room hotel, in which Swire Properties owns a 26.67% interest.
7. The Silveri Hong Kong – MGallery, Citygate	16 Tat Tung Road, Tung Chung, Lantau Island	2063	107,919 (part)	131,965	5	2019	206-room hotel, in which Swire Properties owns a 26.67% interest.
	Total held through joint venture companies			368,723	30		
	– of which attributable to Swire Properties			98,326			

Completed properties for investment in the Chinese Mainland	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Retail							
1. Taikoo Li Sanlitun (Taikoo Li Sanlitun South)	19 Sanlitun Road, Chaoyang district, Beijing	2044 (2054 for car parks)	566,332 (part)	776,909	417	2007	Shopping centre with restaurants and cinema.
2. Taikoo Li Sanlitun (Taikoo Li Sanlitun North)	11 Sanlitun Road, Chaoyang district, Beijing	2044 (2054 for car parks)	566,332 (part)	519,399	340	2007	Shopping centre with restaurants.
3. Taikoo Li Sanlitun (Taikoo Li Sanlitun West)	58 Workers' Stadium North Road, Chaoyang district, Beijing	2033	40,102	293,405	50	2021	Shopping centre with restaurants leased by Swire Properties.
4. Building 15	15 Sanlitun North, Chaoyang district, Beijing	2048	4,861	19,011	–	2000s	Commercial building acquired by Swire Properties.
5. The Red	Building 15A, Sanlitun North, Chaoyang district, Beijing	2027	7,641	10,077	–	2000s	Shopping centre leased by Swire Properties.
6. Hui Fang	75 Tianhe East Road, Tianhe district, Guangzhou	2044	174,377 (part)	90,847	100	2008	Shopping centre with restaurants.
7. Taikoo Hui	383 Tianhe Road, Tianhe district, Guangzhou	2051	526,941 (part)	1,529,392	718	2011	Shopping centre with restaurants. Floor area shown represents the retail portion, in which Swire Properties owns a 97% interest.
8. Taikoo Li Chengdu	Daci Temple Area, 9 Dongda Street, Jinjiang district, Chengdu	2051	814,604 (part)	1,314,237	1,051	2014	Shopping centre with restaurants and cinema. Floor area shown represents the retail portion.
9. Heritage Buildings in Taikoo Li Chengdu	Daci Temple Area, 9 Dongda Street, Jinjiang district, Chengdu	2034	N/A	40,387	–	2014	Heritage Buildings leased from the local government as part of the retail operation of Taikoo Li Chengdu.
	Total held through subsidiaries			4,593,664	2,676		
10. INDIGO	18 Jiuxianqiao Road, Chaoyang district, Beijing	2044 (2054 for car parks)	628,279 (part)	946,769	617	2012	Shopping centre with restaurants and cinema. Floor area shown represents the retail portion, in which Swire Properties owns a 50% interest.
11. HKRI Taikoo Hui	No. 789 Nanjing Road (West), Jing'an district, Shanghai	2049	676,091 (part)	1,039,407	391	2016	Floor area shown represents the retail portion, in which Swire Properties owns a 50% interest.
12. Metrolink in HKRI Taikoo Hui	No. 789 Nanjing Road (West), Jing'an district, Shanghai	2035	N/A	67,813	–	2018	Shopping corridor leased from Shanghai Shentong Metro and operated by HKRI Taikoo Hui, in which Swire Properties owns a 50% interest.
13. Taikoo Li Qiantan	No. 500, Dongyu Road, Pudong district, Shanghai	2053	638,125	1,188,727	907	2020	Swire Properties owns a 50% interest.
	Total held through joint venture companies			3,242,716	1,915		
	– of which attributable to Swire Properties			1,621,358			

Completed properties for investment in the Chinese Mainland	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Office							
1. Taikoo Hui Towers 1 & 2	383 Tianhe Road, Tianhe district, Guangzhou	2051	526,941 (part)	1,693,125	–	2011	Floor area shown represents the office portion, in which Swire Properties owns a 97% interest.
	Total held through subsidiaries			1,693,125	–		
2. ONE INDIGO	20 Jiuxianqiao Road, Chaoyang district, Beijing	2054	631,072 (part)	589,071	392	2011	Floor area shown represents the office portion, in which Swire Properties owns a 50% interest.
3. HKRI Centre 1 and HKRI Centre 2	288 Shimen Road (No. 1), Jing'an district, Shanghai	2059	676,091 (part)	1,900,838	670	2016	Floor area shown represents the office portion, in which Swire Properties owns a 50% interest.
	Total held through joint venture companies			2,489,909	1,062		
	– of which attributable to Swire Properties			1,244,955			
Hotel							
1. Mandarin Oriental, Guangzhou	389 Tianhe Road, Tianhe district, Guangzhou	2051	526,941 (part)	Hotel: 509,434 Serviced apartment: 50,376 559,810	– –	2012	263-room hotel and 24 serviced apartments, in which Swire Properties owns a 97% interest.
2. The Temple House	Daci Temple Area, 9 Dongda Street, Jinjiang district, Chengdu	2051	814,604 (part)	Hotel: 193,137 Serviced apartment: 106,804 299,941	– –	2015	100-room hotel and 42 serviced apartments.
	Total held through subsidiaries			859,751	–		
3. EAST Beijing	22 Jiuxianqiao Road, Chaoyang district, Beijing	2044 (2054 for office and car parks)	631,072 (part)	358,301	236	2012	365-room hotel, in which Swire Properties owns a 50% interest.
4. The Sukhothai Shanghai Hotel	380 Weihai Road, Jing'an district, Shanghai	2049	676,091 (part)	Hotel: 328,625	87	2018	201-room hotel, in which Swire Properties owns a 50% interest.
The Middle House	366 Shi Men Yi Road, Jing'an district, Shanghai			Hotel: 247,958	52	2018	111-room hotel, in which Swire Properties owns a 50% interest.
The Middle House Residences	366 Shi Men Yi Road, Jing'an district, Shanghai			Serviced apartment: 147,323 723,906	52	2018	102 serviced apartments, in which Swire Properties owns a 50% interest.
	Total held through joint venture companies			1,082,207	427		
	– of which attributable to Swire Properties			541,104			

Completed properties for investment in the United States	Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Retail						
1. Brickell City Centre – retail portion	701 S. Miami Avenue, Miami, Florida 33131	380,670 (part)	496,508	1,137	2016	Floor area shown represents the whole shopping centre, in which Swire Properties owns a 62.93% interest.
2. Car parking spaces for Two Brickell City Centre, Three Brickell City Centre, EAST Residences and EAST Miami	Brickell City Centre 701 S. Miami Avenue, Miami, Florida 33131	380,670 (part)	–	389	2016	Swire Properties owns the 389 car parking spaces of the sold properties.
	Total held through subsidiaries		496,508	1,526		

Completed properties for investment in the United States	Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Hotel						
1. Mandarin Oriental, Miami	500 Brickell Key Drive, Miami, Florida 33131	120,233	345,000	600	2000	326-room luxury hotel in central Miami, in which Swire Properties owns a 75% interest.
	Total held through joint venture companies		345,000	600		
	– of which attributable to Swire Properties		258,750			

Property developments for investment in Hong Kong	Lot number	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Stage of completion	Expected completion date	Remarks
Under planning								
1. 8 Shipyard Lane and 1067 King's Road	QBML 2 & Ext sE ss2 QBML 2 & Ext sE ss6	2899	51,937	Under planning: 779,000	To be determined	Under Planning	To be determined	
	Total held through subsidiaries			779,000	–			

Property developments for investment in the Chinese Mainland	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Stage of completion	Expected completion date	Remarks
Retail								
1. No. 387 Tianhe Road, Guangzhou	No. 387 Tianhe Road, Guangzhou, connected to the shopping mall at Taikoo Hui Guangzhou	2041	326,848	Under planning: 654,782	To be determined	Development scheme under planning	From 2027	To be refurbished as a luxury retail extension to Taikoo Hui. Floor area shown represents the retail portion, in which Swire Properties owns a 97% interest.
2. The Opposite House under redevelopment	On the north of current Taikoo Li Sanlitun, Beijing	2044 (2054 for car parks)	566,332 (part)	169,463	54	Demolition work in progress	2026	Redevelopment of a complex retail landmark.
	Total held through subsidiaries			824,245	54			
3. Taikoo Li Sanya	Next to and on the west of current Phase II of the Sanya International Duty-Free Complex	2063	2,233,401	Under planning: 2,294,474 (under design & further review)	2,582	Basement and superstructure works in progress	From 2026	A premium, resort-style, retail-led development in the Haitang district of Sanya. Swire Properties owns a 50% interest.
4. Taikoo Place Beijing (formerly known as INDIGO Phase Two, Beijing) – retail portion	Next to and on the east of current INDIGO, Beijing	2060	842,807 (part)	Under planning: 889,608	To be determined	Superstructure and mechanical and electrical installation works in progress	From mid-2026	An office-led, mixed-use extension of the existing INDIGO project comprising a shopping mall, office towers, and a hotel. Swire Properties owns a 49.895% interest.
5. Taikoo Li Julong Wan, Guangzhou	Located between Fangcun Avenue and the Pearl River in the Baietan Julong Wan Area of Liwan district, Guangzhou	2063	432,551	Under planning: 351,746	To be determined	Basement works in progress	From first half of 2027	Prior to the first phase's completion, exhibitions, events, pop-up shops and activities will be conducted to activate the area starting from late 2025. Swire Properties owns a 50% interest.
	Total held through joint venture companies			3,535,828	2,582			
	– of which attributable to Swire Properties			1,766,980				
6. Shanghai New Bund Mixed-use Project – retail portion	Next to and on the east of current Taikoo Li Qiantan, Pudong district, Shanghai	2053	686,789 (part)	Under planning: 1,591,554	1,674 (total for retail and office)	Basement and retail construction in progress	2026	A mixed-use development comprising retail, office and residential uses, directly opposite Taikoo Li Qiantan. Swire Properties owns a 40% interest.

Property developments for investment in the Chinese Mainland	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Stage of completion	Expected completion date	Remarks
Retail (continued)								
7. Lujiazui Taikoo Yuan (West), Shanghai (formerly known as Shanghai Yangjing Mixed-use Project) – retail portion	E08-4, E10-2, and E12-1 Plots in Yangjing Riverside, Pudong district, Shanghai	2061	831,659 (part)	Under planning: 670,436	849 (total for retail and office)	Basement structure works and superstructure works are in progress	From 2026	West portion of Lujiazui Taikoo Yuan, a mixed-use development comprising premium residential, retail, office and cultural facilities, potentially a lifestyle hotel as well. Swire Properties owns a 40% interest.
	Total held through associated companies			2,261,990	2,523			
	– of which attributable to Swire Properties			904,796				
Office								
1. Taikoo Place Beijing (formerly known as INDIGO Phase Two, Beijing) – office portion	Next to and on the east of current INDIGO, Beijing	2070	842,807 (part)	Under planning: 2,809,103	To be determined	Superstructure and mechanical and electrical installation works in progress	From mid-2026	An office-led, mixed-use extension of the existing INDIGO project comprising a shopping mall, office towers, and a hotel. Swire Properties owns a 49.895% interest.
	Total held through joint venture companies			2,809,103	–			
	– of which attributable to Swire Properties			1,401,602				
2. Shanghai New Bund Mixed-use Project – office portion	Next to and on the east of current Taikoo Li Qiantan, Pudong district, Shanghai	2063	686,789 (part)	Under planning: 1,352,228	1,674 (total for retail and office)	Office towers topped out	2026	A mixed-use development comprising retail, office and residential uses, directly opposite Taikoo Li Qiantan. Swire Properties owns a 40% interest.
3. Lujiazui Taikoo Yuan (West), Shanghai (formerly known as Shanghai Yangjing Mixed-use Project) – office portion	E08-4, E10-2, and E12-1 Plots in Yangjing Riverside, Pudong district, Shanghai	2071	831,659 (part)	Under planning: 532,915	849 (total for retail and office)	Basement structure works and superstructure works are in progress	From 2026	West portion of Lujiazui Taikoo Yuan, a mixed-use development comprising premium residential, retail, office and cultural facilities, potentially a lifestyle hotel as well. Swire Properties owns a 40% interest.
	Total held through associated companies			1,885,143	2,523			
	– of which attributable to Swire Properties			754,057				
Hotel								
1. Taikoo Place Beijing (formerly known as INDIGO Phase Two, Beijing) – hotel portion	Next to and on the east of current INDIGO, Beijing	2060	842,807 (part)	Under planning: 346,803	To be determined	Superstructure and mechanical and electrical installation works in progress	From late-2027	An office-led, mixed-use extension of the existing INDIGO project comprising a shopping mall, office towers, and a hotel. Swire Properties owns a 49.895% interest.
	Total held through joint venture companies			346,803	–			
	– of which attributable to Swire Properties			173,037				

Property developments for investment in the Chinese Mainland	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Stage of completion	Expected completion date	Remarks
Serviced Apartment								
1. Lujiazui Taikoo Yuan (West), Shanghai (formerly known as Shanghai Yangjing Mixed-use Project) – serviced apartment portion	E08-4, E10-2, and E12-1 Plots in Yangjing Riverside, Pudong district, Shanghai	2091	831,659 (part)	Under planning: 143,850	146	Superstructure works are in progress	From 2026	West portion of Lujiazui Taikoo Yuan, a mixed-use development comprising premium residential, retail, office and cultural facilities, potentially a lifestyle hotel as well. Swire Properties owns a 40% interest.
	Total held through associated companies			143,850	146			
	– of which attributable to Swire Properties			57,540				
Under planning								
1. Taikoo Li Xi'an	The Small Wild Goose Pagoda historical and cultural zone, Beilin district, Xi'an	2064	1,383,129	Under planning: 2,896,119	To be determined	Excavation and piling works in progress	From 2027	Retail-led mixed-use development comprising retail and cultural facilities in addition to a hotel and serviced residences. Swire Properties owns a 70% interest.
	Total held through subsidiaries			2,896,119	–			
2. Lujiazui Taikoo Yuan (East), Shanghai (formerly known as Shanghai Yangjing Mixed-use Project)	E13-1 and E13-3 Plots in Yangjing Riverside, Pudong district, Shanghai	2061 for retail 2071 for office and culture	803,759	Under planning: 1,539,252	To be determined	Design scheme under development	From 2027	East portion of Lujiazui Taikoo Yuan, a mixed-use development comprising premium residential, retail, office and cultural facilities, potentially a lifestyle hotel as well. Swire Properties owns a 40% interest.
	Total held through associated companies			1,539,252	–			
	– of which attributable to Swire Properties			615,701				

Property developments in the United States	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
Under planning					
1. Brickell City Centre land, Miami, Florida	123,347	Under planning: 1,510,000	To be determined	To be determined	
	Total held through subsidiaries	1,510,000	–		

Completed properties for sale in Hong Kong	Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Residential						
1. EIGHT STAR STREET	No. 8 Star Street, Wan Chai	3,609 (part)	3,050	–	2022	Residential block comprising 37 units over retail podium. As of 31st December 2024, sales of 35 units had been closed. Floor area shown represents the gross floor area of remaining 2 residential units.
	Total held through subsidiaries		3,050	–		
2. LA MONTAGNE, Wong Chuk Hang	Site D, THE SOUTHSIDE 11 Heung Yip Road, Wong Chuk Hang	738,199 (part)	638,305	138	2024	Floor area shown represents the whole Wong Chuk Hang Station Package Four development, in which Swire Properties owns a 25% interest.
	Total held through joint venture companies		638,305	138		
	– of which attributable to Swire Properties		159,576			

Property developments for sale in Hong Kong	Lot number	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
Residential							
1. 6 Deep Water Bay Road	RBL 613 RP	2099	28,202	15,000	To be determined	2025	Floor area shown is an approximation.
2. The Headland Residences (formerly known as Chai Wan Inland Lot No. 178)	CWIL 178	2071	96,876 (part)	692,276	To be determined	From 2025	The residential portion of the whole development, in which Swire Properties owns a 80% interest.
3. 269 Queen's Road East	IL 9061	2072	13,203 (part)	102,990	To be determined	2026	Residential block over retail podium. Floor area shown represents the residential portion of the development.
	Total held through subsidiaries			810,266	–		
4. 983-987A King's Road and 16-94 Pan Hoi Street	QBML 1 sJ ss1 QBML 1 sJ ss2 QBML 1 sJ ss3 QBML 1 sJ ss4 QBML 1 sJ ss5 QBML 1 sJ ss6 QBML 1 sJ ss7 QBML 1 sJ RP QBML 1 sK ss1 QBML 1 sK ss2 QBML 1 sK ss3 QBML 1 sK ss4 QBML 1 sK ss5 QBML 1 sK RP QBML 1 sL ss1 QBML 1 sL RP	2881	42,018	Residential/ Retail: 440,000	To be determined	2028	Residential blocks over retail podium. Floor area shown represents the whole development, in which Swire Properties owns a 50% interest. The area shown is subject to change.
	Total held through joint venture companies			440,000	–		
	– of which attributable to Swire Properties			220,000			
Retail							
1. The Headland Residences (formerly known as Chai Wan Inland Lot No. 178)	CWIL 178	2071	96,876 (part)	2,002	To be determined	2025	The retail portion of the whole development, in which Swire Properties owns a 80% interest.
2. 269 Queen's Road East	IL 9061	2072	13,203 (part)	13,197	To be determined	2026	The retail portion of the whole development.
	Total held through subsidiaries			15,199	–		

Property developments for sale in the Chinese Mainland	Lot number/Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
1. Shanghai New Bund Mixed-use Project	Next to and on the east of current Taikoo Li Qiantan, Pudong district, Shanghai	686,789 (part)	Residential/ Mixed-use: 1,159,057	1,156	2025	A mixed-use development comprising retail, office and residential uses, directly opposite Taikoo Li Qiantan. As of December 2024, approximately 94% of residential properties have been pre-sold. Swire Properties owns a 40% interest.
2. Lujiazui Taikoo Yuan Residences, Shanghai	E08-4, E10-2, and E12-1 Plots in Yangjing Riverside, Pudong district, Shanghai	831,659 (part)	Residential/ Mixed-use: 1,222,751	1,026	From 2026	11 residential towers in Lujiazui Taikoo Yuan, a mixed-use development comprising premium residential, retail, office and cultural facilities, potentially a lifestyle hotel as well. As of December 2024, approximately 95% of phase 1 residential properties have been pre-sold. Swire Properties owns a 40% interest. Floor area shown excludes the public rental housing of approximately 71,925 square feet to be handed over to the Government upon completion.
	Total held through associated companies		2,381,808	2,182		
	– of which attributable to Swire Properties		952,723			

Property developments for sale in Indonesia	Lot number/Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
1. Savyavasa, South Jakarta	Jalan Wijaya II No. 37A Kebayoran Baru, South Jakarta	227,982	Residential: 1,122,728	1,079	2025	Residential tower with 402 units, in which Swire Properties owns a 50% interest.
	Total held through joint venture companies		1,122,728	1,079		
	– of which attributable to Swire Properties		561,364			

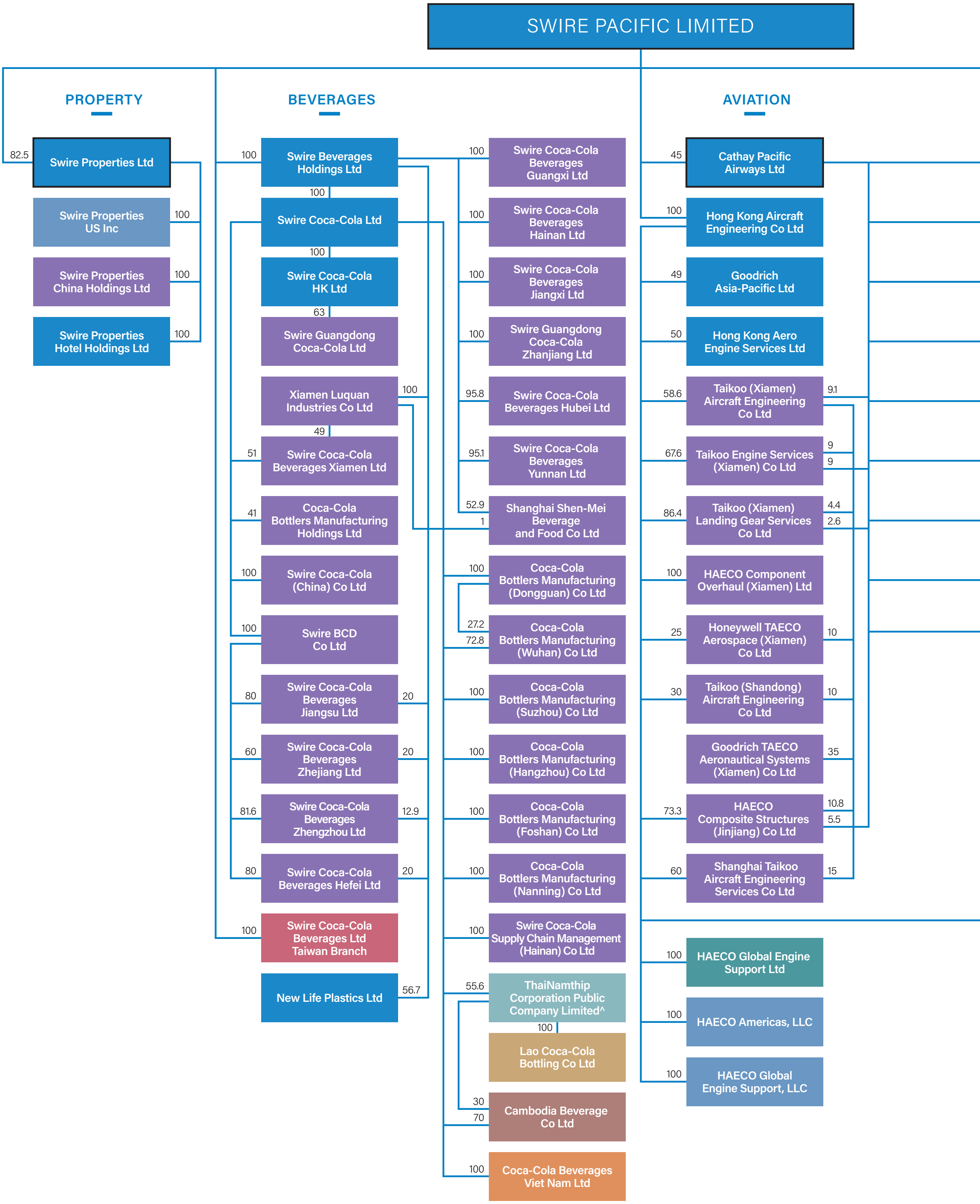
Property developments for sale in Vietnam	Lot number/Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
1. Empire City, Ho Chi Minh City	Empire City, Area 2B, Thu Thiem New Urban Area, Thu Duc City, Ho Chi Minh City	1,103,461	Residential/ Mixed-use: 5,357,318	4,667	In phases up to 2030	A residential-led mixed-use project comprising luxury residential condominiums, an office tower, a hotel, serviced apartments and a retail mall. To be completed in phases up to 2030. Swire Properties effectively owns a 15.73% interest. Gross floor area excludes 172,295 sqm of parking (although this is included in Swire Properties' investment).
	Total held through financial assets at fair value through profit or loss		5,357,318	4,667		
	– of which attributable to Swire Properties		842,706			

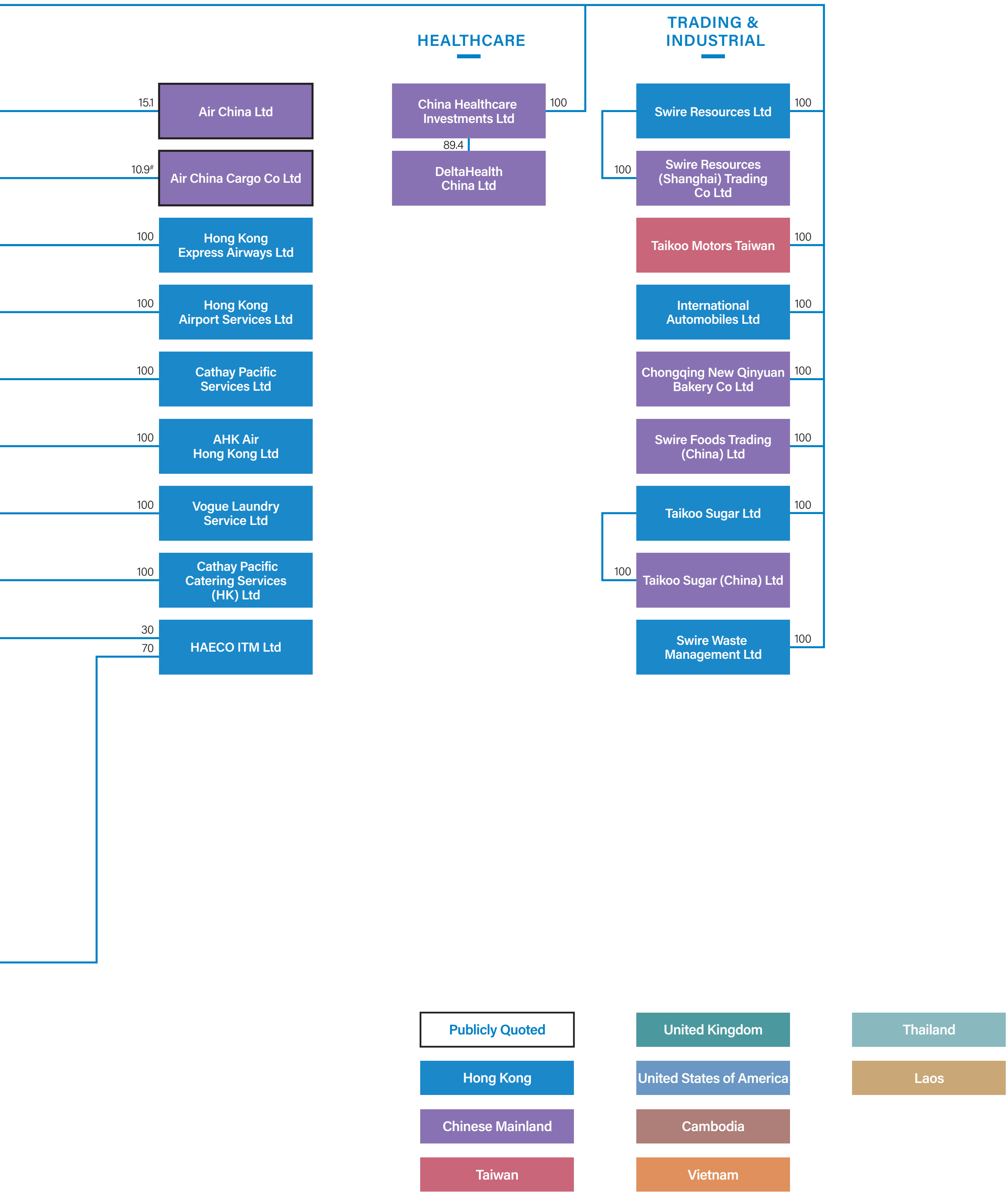
Property developments for sale in Thailand	Lot number/Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
1. Wireless Road, Bangkok	Wireless Road, Lumpini, Pathumwan, Bangkok	136,186	Residential: 1,632,067	1,000	2029	A freehold luxury condominium project located in the prime Lumphini sub-district, Bangkok. The project is expected to be completed in 2029. Swire Properties holds 40% interest in the project.
	Total held through joint venture companies		1,632,067	1,000		
	– of which attributable to Swire Properties		652,827			

Property developments for sale in the United States	Lot number/Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
1. South Brickell Key, Miami, Florida	750 Claughton Island Drive, Miami, Florida	105,372	Residential: 550,000	395	–	Swire Properties has announced plans to develop a luxury residential and hospitality project on Brickell Key, Miami.
2. North Squared, Miami, Florida	9 Southeast 6th Street, Miami, Florida	380,670 (part)	Residential: 523,000	544	–	The development on the North Squared site is currently on hold.
	Total held through subsidiaries		1,073,000	939		

GROUP STRUCTURE CHART

at 31st December 2024





* This organisation chart is for illustrative purposes only and does not represent the legal structure of the Group.

\# Shareholding held through subsidiary at 10.9%, another 10.46% held through an economic interest with total holding at 21.36%.

^ Formerly known as ThaiNamthip Corporation Ltd.

GLOSSARY

References in this document to Hong Kong are to Hong Kong SAR (HKSAR), to Macau are to Macao SAR and to Taiwan are to the Taiwan region.

Financial

Underlying profit or loss
Reported profit or loss adjusted principally for the impact of (i) changes in the fair value of investment properties, (ii) deferred tax on investment properties and (iii) amortisation of right-of-use assets reported under investment properties.

Recurring underlying profit or loss
Underlying profit or loss adjusted for significant credits and charges of a non-recurring nature, including gains and losses on the sale of businesses and investment properties and non-cash impairments.

EBIT
Earnings before interest and tax.

EBITDA
Earnings before interest, tax, depreciation and amortisation.

Capital employed
Total equity plus net debt and lease liabilities.

Consolidated net worth
Total of share capital, reserves and non-controlling interests.

Consolidated tangible net worth
Consolidated net worth less goodwill and other intangible assets.

Equity attributable to the Company's shareholders
Equity excluding non-controlling interests.

Gross borrowings
Total of loans, bonds and overdrafts.

Net debt or consolidated borrowed money
Total of loans, bonds and overdrafts net of cash, bank deposits and bank balances.

Beverages

Water use ratio represents the litres of water used to produce a litre of production. It is calculated as total water used divided by total production volume. Production volume only includes volume produced by Swire Coca-Cola and excludes volume that is purchased from third parties.

Energy use ratio represents the energy consumed (measured in Mega joules) used to produce a litre of production. Energy consumed consists of all energy consumed, except for fuel used in fleet operations. Production volume only includes volume produced by Swire Coca-Cola and excludes volume that is purchased from third parties.

Aviation

Available tonne kilometres (ATK)
Overall capacity, measured in tonnes available for the carriage of passengers, excess baggage, cargo on each sector multiplied by the sector distance.

Available seat kilometres (ASK)
Passenger seat capacity, measured in seats available for the carriage of passengers on each sector multiplied by the sector distance.

Available freight tonne kilometres (AFTK)
Cargo capacity, measured in tonnes available for the carriage of freight on each sector multiplied by the sector distance.

Revenue tonne kilometres (RTK)
Traffic volume, measured in tonnes from the carriage of passengers, excess baggage, cargo on each sector multiplied by the sector distance.

Revenue passenger kilometres (RPK)
Number of passengers carried on each sector multiplied by the sector distance.

Revenue freight tonne kilometres (RFTK)
Amount of cargo, measured in tonnes, carried on each sector multiplied by the sector distance.

On-time performance
Departure within 15 minutes of scheduled departure time.

Sustainability

Carbon Dioxide Equivalent (CO_2e)
A measure of the global warming potential of releases of the six greenhouse gases specified by the Kyoto protocol. These are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6).

Greenhouse Gas (GHG)
A gas that contributes to the greenhouse effect by absorbing infrared radiation.

– **Scope 1 emissions** are direct GHG emissions from sources that are owned or controlled by the Group.

– **Scope 2 emissions** are indirect GHG emissions from consumption of purchased electricity, heat and steam as well as GHG emissions from the generation and transportation of Towngas in Hong Kong from the production plant to users.

– **Scope 3 emissions** are GHG emissions in an organisation's supply chain or generated by its customers.

Cubic metres (cbm)
A metric unit of volume or capacity equal to 1,000 litres or 1.0 metric tonne of water.

Global Reporting Initiative (GRI)
(www.globalreporting.org)
An international independent organisation that helps businesses, governments and other organisations understand and communicate their impact on issues such as climate change, human rights, governance and social wellbeing.

Lost Day Rate represents the number of lost scheduled working days per 100 employees per year. It is calculated as the total days lost multiplied by 200,000 and then divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year.

Lost Time Injury Rate (LTIR) represents the number of injuries per 100 employees per year. It is calculated as the total injuries multiplied by 200,000 and then divided by total hours worked. The factor 200,000 is the annual hours worked by 100 employees, based on 40 hours per week for 50 weeks a year. The definitions of an injury and the number of hours worked may vary slightly in different jurisdictions and in different industries. In such cases local legal definitions and industry norms will take precedence.

Total injuries are the number of injuries in the year which result in lost time of a minimum of one scheduled working day.

Ratios

Financial

$$\text{Earnings/(loss) per share} = \frac{\text{Profit/(loss) attributable to the Company's shareholders}}{\text{Weighted average number of shares in issue during the year}}$$

$$\text{Return on Equity} = \frac{\text{Profit/(loss) attributable to the Company's shareholders}}{\text{Average equity during the year attributable to the Company's shareholders}}$$

$$\text{Return on capital employed} = \frac{\text{Profit/(loss) before net interest after taxation}}{\text{Average capital employed}}$$

$$\text{Interest cover} = \frac{\text{Operating profit/(loss)}}{\text{Net finance charges}}$$

$$\text{Cash interest cover} = \frac{\text{Operating profit/(loss)}}{\text{Total of net finance charges and capitalised interest}}$$

$$\text{Dividend payout ratio} = \frac{\text{Dividends paid and declared}}{\text{Underlying profit/(loss) attributable to the Company's shareholders}}$$

$$\text{Gearing ratio} = \frac{\text{Net debt}}{\text{Total equity}}$$

Aviation

$$\text{Passenger/Cargo load factor} = \frac{\text{Revenue passenger kilometres/Revenue freight tonne kilometres}}{\text{Available seat kilometres/Available cargo tonne kilometres}}$$

$$\text{Passenger/Cargo yield} = \frac{\text{Passenger revenue/Cargo revenue}}{\text{Revenue passenger kilometres/Revenue freight tonne kilometres}}$$

$$\text{Cost per ATK} = \frac{\text{Total operating expenses at Cathay Pacific}}{\text{ATK of Cathay Pacific}}$$

FINANCIAL CALENDAR AND INFORMATION FOR INVESTORS

Financial Calendar 2025

Annual Report available to shareholders	8th April
'A' and 'B' shares trade ex-dividend	9th April
Share registers closed for second interim dividends entitlement	11th April
Payment of 2024 second interim dividends	9th May
Share registers closed for attending and voting at Annual General Meeting	12th – 15th May
Annual General Meeting	15th May
Interim results announcement	August
First interim dividends payable	October

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Tel: Calls within USA – toll free: 1-888-269-2377
International callers: 1-201-680-6825

Stock Codes

Stock Codes	'A'	'B'
Hong Kong Stock Exchange	19	87
ADR	SWRAY	SWRBY

Except for voting rights, which are equal, the entitlements of 'A' and 'B' shareholders are in the proportion 5 to 1.

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Certified Public Accountants and
Registered Public Interest Entity Auditor

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Request for Feedback

In order that we may improve our reporting, we would be grateful to receive your comments on our public announcements and disclosures via e-mail to ir@swirepacific.com

Disclaimer

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