One Taikoo Place

2019 FINAL RESULTS | ANALYST BRIEFING

12TH MARCH 2020

SWIRE PROPERTIES

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AGENDA

1. Results Highlights
2. Investment Portfolio
3. Trading Portfolio
4. Hotel Portfolio
5. Financial Highlights
6. Sustainable Development
7. Prospects
8. Q&A

Guy Bradley,
Chief Executive

Fanny Lung,
Finance Director

2019 FINAL RESULTS HIGHLIGHTS

- Underlying profit more than doubled driven by disposal gains and growth in recurring profit from property investment.
- Growth in dividends continued.
- Well placed to weather headwinds and to benefit from improved conditions in the future with a strong balance sheet, balanced portfolio and healthy project pipeline.

138% y-y

Underlying Profit

HK$ **24,130** M

5% y-y

Dividend per Share
(2019 Full Year)

HK$ **0.88**

3% y-y

Equity Attributable to Shareholders

HK$ **49.05**
per share

KEY DEVELOPMENTS

2019

APR

CITYPLAZA THREE/ CITYPLAZA FOUR [1]

Sale for HK$15bn completed.

JUL

625 KING'S ROAD OFFICE BUILDING

Sale of 50% interest for HK$2.4bn completed.

RESIDENTIAL PROJECT IN JAKARTA

over 400 units

Acquisition of a plot of land completed by 50%-owned JV.

AUG

CITYGATE OUTLETS EXTENSION

~ 0.3M sq ft GFA

Opened.

SEP

RESIDENTIAL PROJECT IN CHAI WAN

~ 0.7M sq ft GFA

Acquisition of a plot of land completed by 80%-owned JV.

OCT

RESIDENTIAL PROJECT IN WONG CHUK HANG

~ 0.6M sq ft GFA

Successfully tendered for a residential property development by 25%-owned JV.

NOV

EDEN

20 units

First residential project in Singapore completed.

625 King's Road Office Building

Cityplaza Three/ Cityplaza Four

Citygate Outlets' New Extension

EDEN

(1) *Cityplaza Three / Cityplaza Four is currently known as 14 Taikoo Wan Road / 12 Taikoo Wan Road respectively.*

Taikoo Place office towers

INVESTMENT PORTFOLIO

SWIRE PROPERTIES

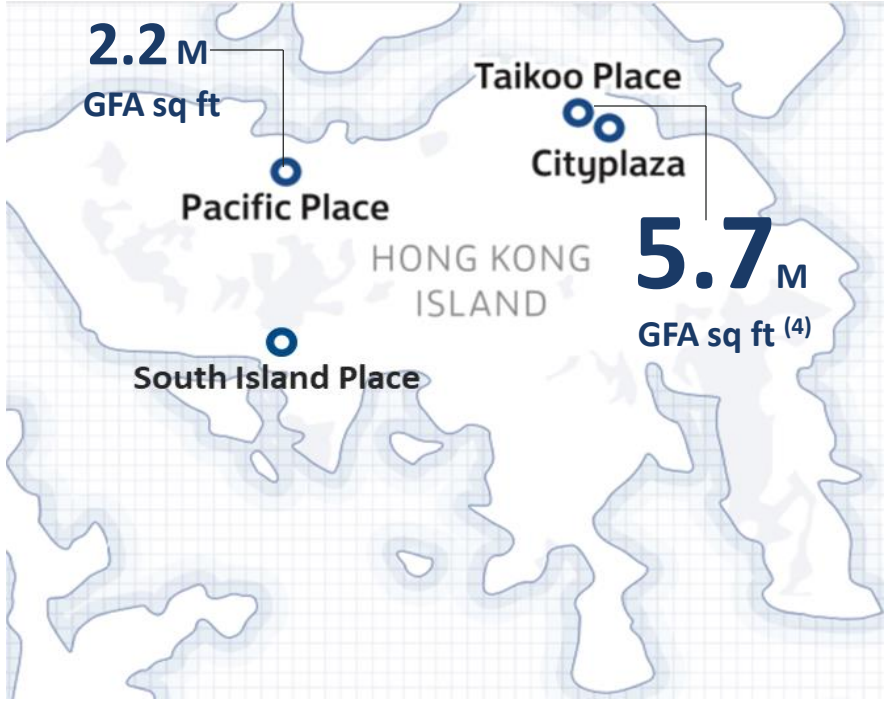
HONG KONG OFFICE

A BALANCED PORTFOLIO WITH TWO MAJOR CLUSTERS

Pacific Place	Rental Reversion [1]	Occupancy
	+ 19%	98%
	Latest Rentals (HK$ psf)	One/Two PP: 125 – 155 Three PP : 115 – 125

Taikoo Place Office Towers	Rental Reversion [1]	Occupancy
	+ 13%	99%
	Latest Rentals (HK$ psf)	high 40s to mid 50s

One Island East & One Taikoo Place	Rental Reversion [1][2]	Occupancy
	+ 11%	100%
	Latest Rentals (HK$ psf)	mid 50s to low 70s



↑ 1%

Attributable Valuation (vs 2018) HK$ **170.8** bn

(1) Reversion is the percentage change in rent on lease renewals, entry into new leases and rent reviews.
(2) Excluding One Taikoo Place which was completed in September 2018.
(3) Occupancy at 31st December 2019. GFA based on 100% basis.
(4) Total GFA of Taikoo Place office towers, One Island East and One Taikoo Place.

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HONG KONG RETAIL

HIGH OCCUPANCY MAINTAINED

- **The Mall, Pacific Place**
  - New stores located at the reconfigured area on Level 1 opened progressively since November 2019: adidas, Glasstique, I.T and Starbucks.
  - Department store, Harvey Nichols, reopened in its new format in late September 2019.
- **Citygate Outlets**
  - New extension opened in August 2019.

The Mall, Pacific Place

Citygate Outlets

The Mall, Pacific Place

Occupancy	Retail Sales [2]
100%	-16.8%

Cityplaza

Occupancy	Retail Sales
100%	-2.9%

Citygate Outlets

Occupancy	Retail Sales [3]
98%	-4.5%

Flattish

Attributable Valuation (vs 2018)

HK$ **48.4** bn

(1) Occupancy at 31st December 2019. Retail sales growth for the twelve months ended 31st December 2019.
(2) The department store (on Levels 1 and 2) at The Mall, Pacific Place was closed for reconfiguration and renovation at the end of May 2019. It reopened in its new format on Level 2 in late September 2019, whilst new shops located at the reconfigured area on Level 1 have been opening progressively since November 2019. No adjustment has been made to the retail sales figures to reflect sales lost as a result of such closure.
(3) Including Citygate Outlets' new extension, which opened in phases beginning in August 2019.

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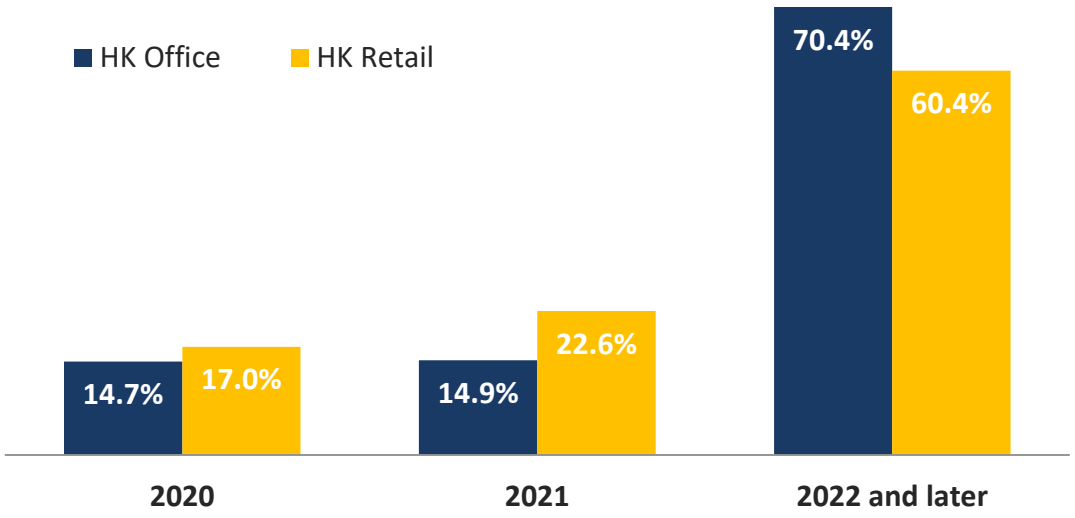
HONG KONG PORTFOLIO

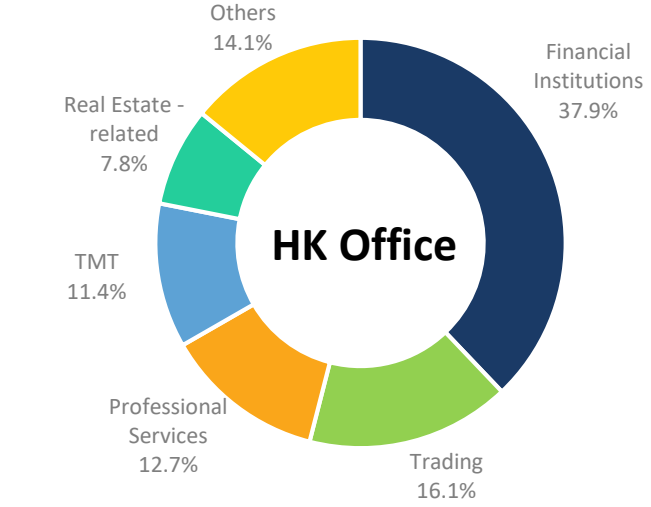
WELL-BALANCED LEASE EXPIRY PROFILE

Lease Expiry Profile [1][2]



- Strong and diverse tenant base.
- Top 10 office tenants occupied approx. 20% of office area in HK.
- Top 10 retail tenants occupied approx. 27% of retail area in HK.

HK Portfolio Tenant Mix [3]



(1) At 31st December 2019.
(2) Based on the percentage of attributable gross rental income for the month ended 31st December 2019.
(3) Based on the percentage of area at 31st December 2019.

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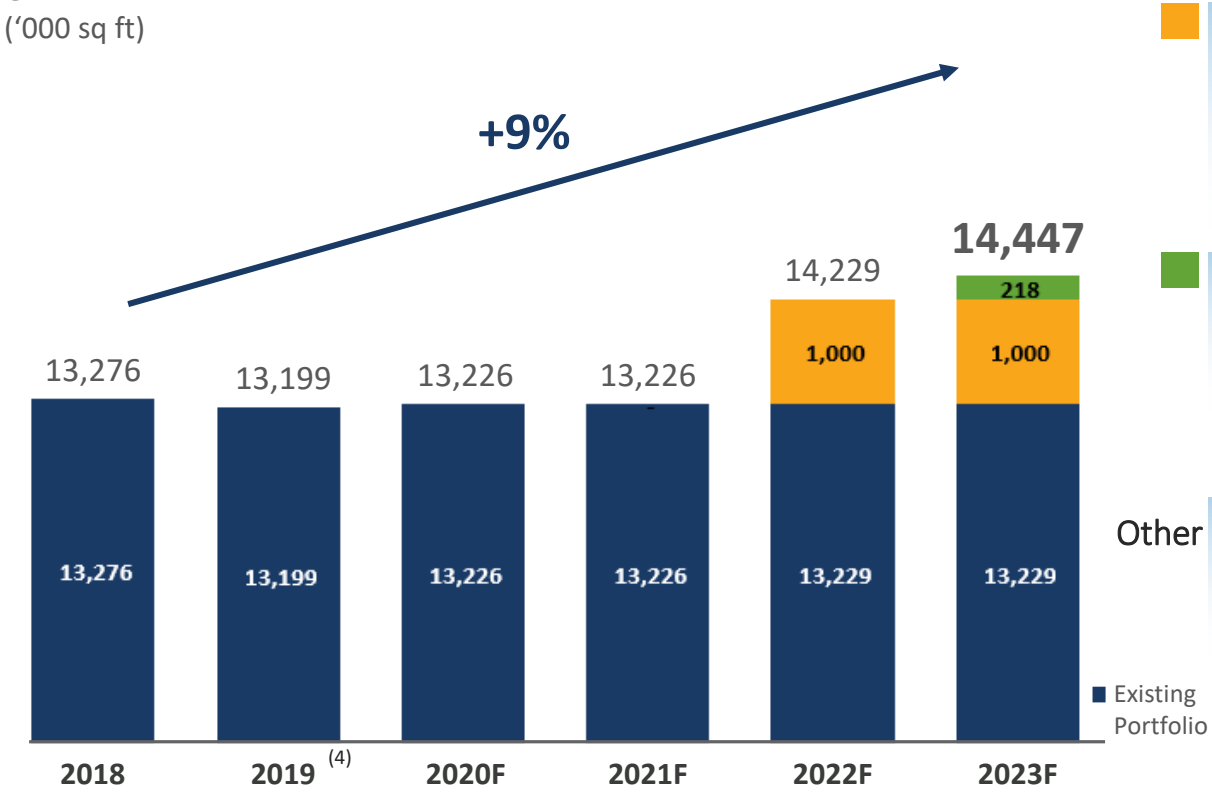
HONG KONG PORTFOLIO

CONTINUING EXPANSION OF EXISTING CLUSTERS

Expected Attributable GFA of Completed Property Portfolio in Hong Kong [1][2]



TWO TAIKOO PLACE
- 100% owned.
- Superstructure works in progress.

Early 2022

46-56 QUEEN'S ROAD EAST, 1A-11 LANDALE STREET, 2A-12 ANTON STREET
- 100% owned.
- Office development. Foundation works in progress.

2023

Other

WAH HA FACTORY BUILDING and ZUNG FU INDUSTRIAL BUILDING [3]
- ~779,000 sq ft GFA.
- Redevelopment for office and other commercial uses.
- Compulsory sale applications submitted in 2018.

TBD

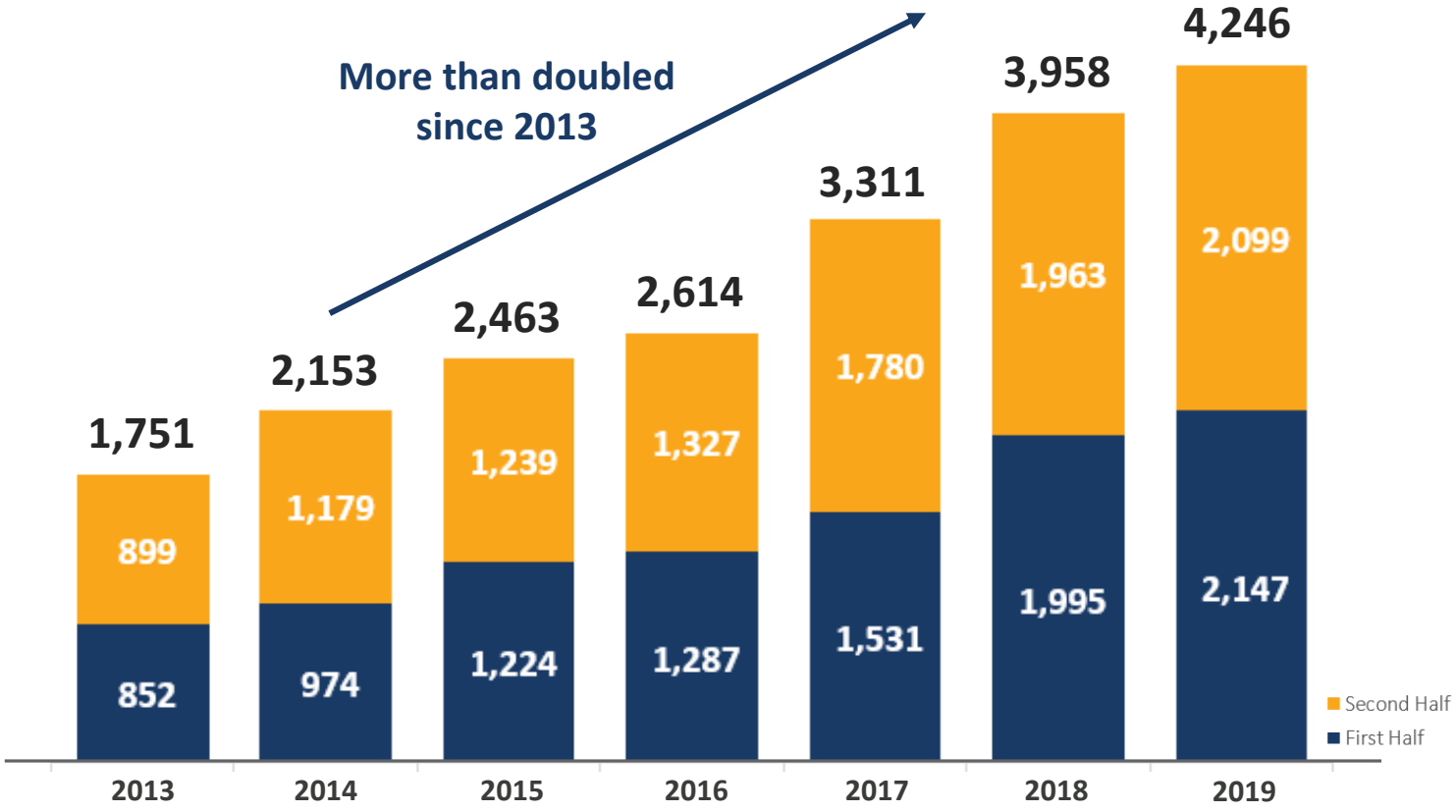
(1) Includes GFA of the hotels and excludes the two sites (Wah Ha Factory Building and Zung Fu Industrial Building) which are under compulsory sale applications.
(2) At 31st December 2019.
(3) Proposed development subject to the Company having successfully bid in the compulsory sale.
(4) The lower attributable GFA of the existing portfolio in 2019 primarily reflected the sale of 625 King's Road office building.

MAINLAND CHINA PORTFOLIO

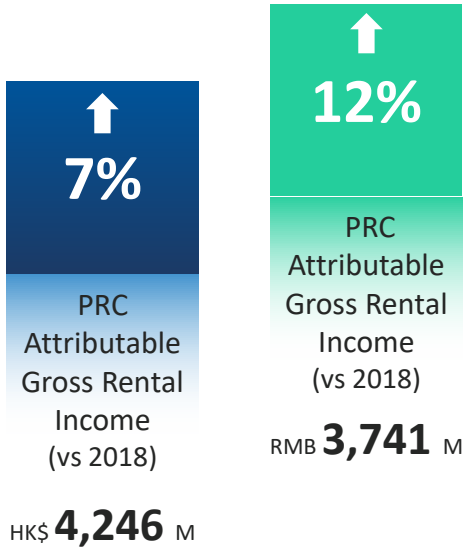
INCREASING CONTRIBUTIONS TO OVERALL PORTFOLIO

Attributable Gross Rental Income

HK$M



Attributable gross rental income from Mainland China contributed 30% of the Group's total in 2019.



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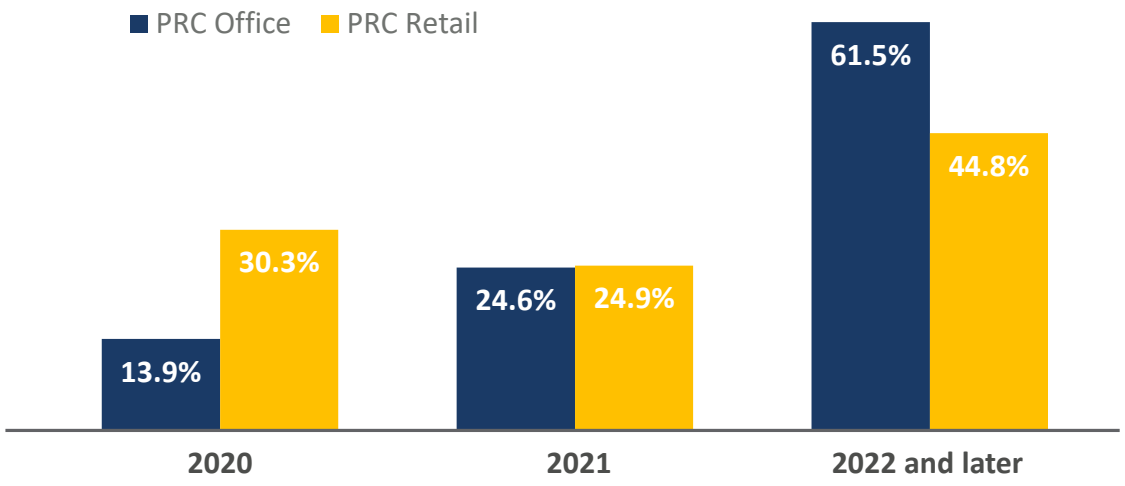
MAINLAND CHINA PORTFOLIO

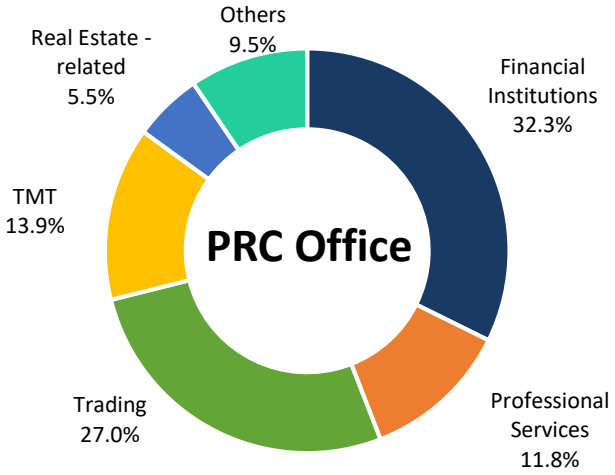
LEASE EXPIRY PROFILE AND TENANT MIX

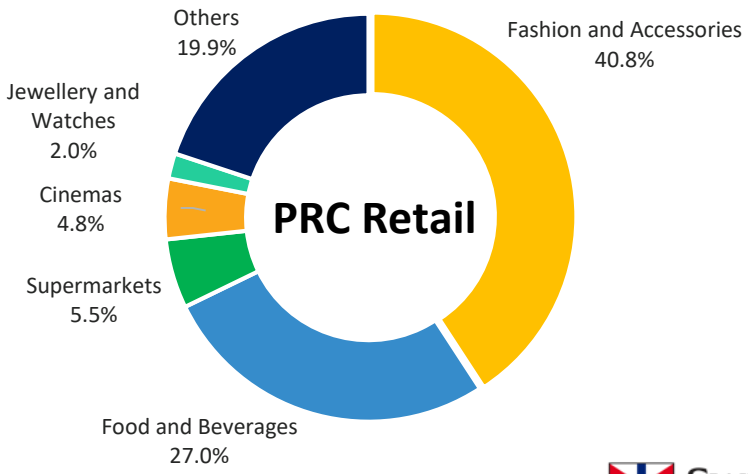
Lease Expiry Profile [1][2]



- Diversity in terms of both tenant base and lease expiry profile.

PRC Portfolio Tenant Mix [3]





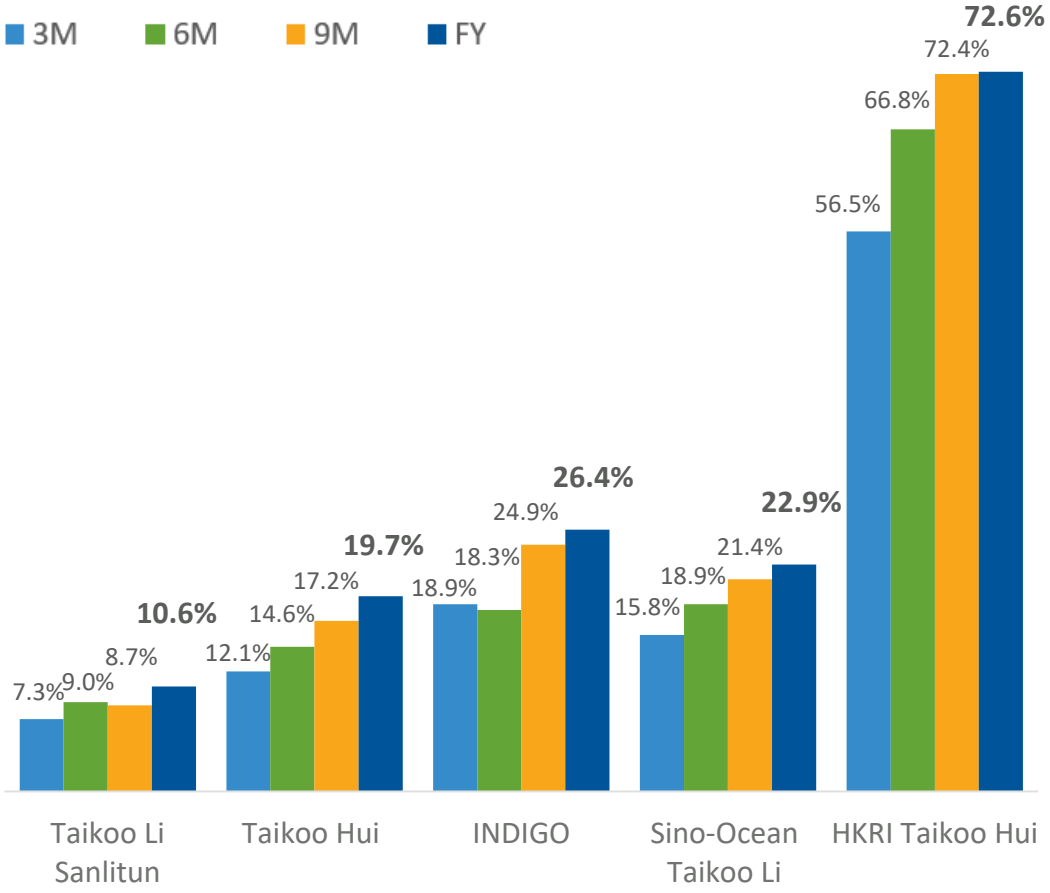
(1) At 31st December 2019.
(2) Based on the percentage of attributable gross rental income for the month ended 31st December 2019.
(3) Based on the percentage of area at 31st December 2019.

SWIRE PROPERTIES

MAINLAND CHINA RETAIL PORTFOLIO

STRONG RETAIL SALES GROWTH AND OCCUPANCY

2019 Retail Sales Growth



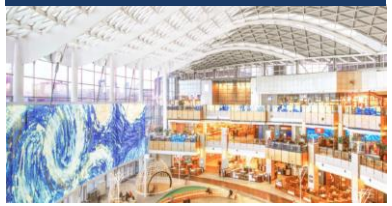
Taikoo Li Sanlitun

Occupancy **100%**

Taikoo Hui

Occupancy **99%**

INDIGO



Occupancy **100%**

Sino-Ocean Taikoo Li Chengdu

Occupancy **97%**

HKRI Taikoo Hui

Occupancy **98%**

40.3
HK$bn

Attributable Valuation
(at 31st December 2019)

(1) Retail sales year-on-year growth quoted in RMB.
(2) Occupancy at 31st December 2019.

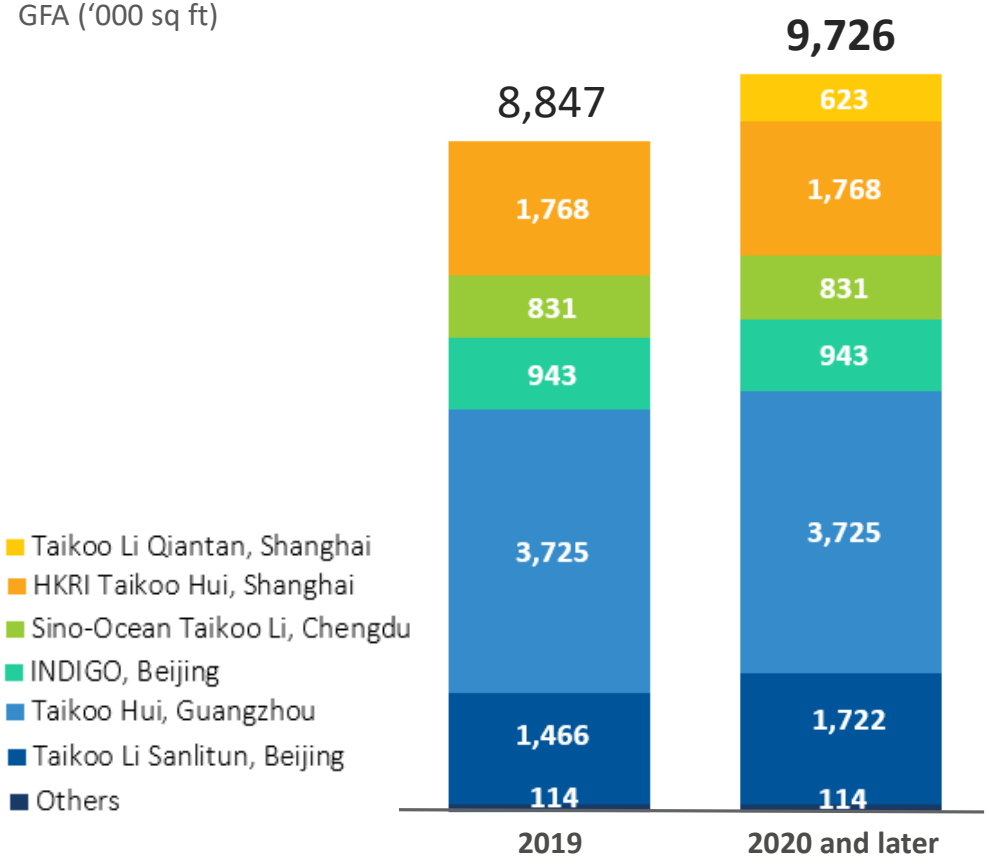
SWIRE PROPERTIES

MAINLAND CHINA PROJECT PIPELINE

CONTINUING EXPANSION OF RETAIL PORTFOLIO

Attributable GFA of PRC Completed Property Portfolio [1]

GFA ('000 sq ft)



TAIKOO LI SANLITUN WEST

- Refurbishment as an extension to Taikoo Li Sanlitun.
- Expected completion by the end of 2020. ~ 256,000 sq ft GFA

TAIKOO LI QIANTAN

- 50%-owned; a low-rise retail development.
- Construction and pre-leasing in progress.
- Expected completion by the end of 2020. ~1,250,000 sq ft GFA [2]

Artist Impression
Taikoo Li Sanlitun West

Taikoo Li Qiantan

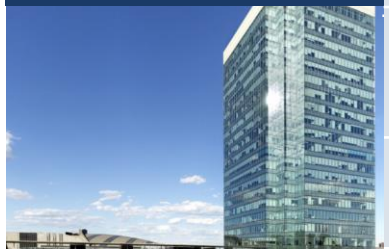
(1) Includes GFA of the hotel but excludes GFA of car parks at these projects at 31st December 2019.
(2) GFA on 100% basis.

MAINLAND CHINA OFFICE AND MIAMI PORTFOLIOS

HIGHER RENTAL INCOME

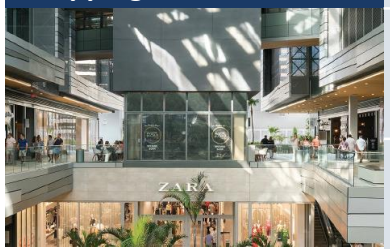
Mainland China

Taikoo Hui	Office Occupancy	
	97%	
	Latest Rentals (RMB psm)	mid 100s – low 200s

INDIGO	Office Occupancy	
	76%	
	Latest Rentals (RMB psm)	high 200s – low 300s

HKRI Taikoo Hui	Office Occupancy	
	99%	
	Latest Rentals (RMB psm)	mid 300s – mid 400s

Brickell City Centre Miami

Shopping Mall	Retail Occupancy (1)	
	90%	
	Retail Sales (2)	+14.1%

Offices	Office Occupancy
	~100%

(1) Taking into account letters of intent.
(2) Retail sales growth for the twelve months ended 31st December 2019.
(3) Occupancy at 31st December 2019.

TRADING PORTFOLIO

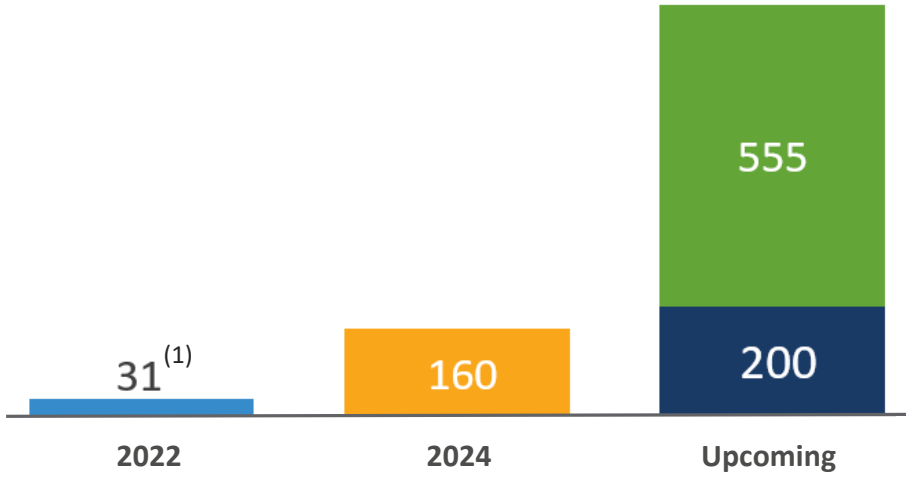
SWIRE PROPERTIES

TRADING PORTFOLIO

SUCCESSFUL LANDBANK REPLENISHMENT IN HONG KONG

Expected Attributable Residential GFA Completions in Hong Kong

GFA ('000 sq ft)



946
'000 sq ft

HK Residential –
Expected Attri. Completed GFA
(at 31st December 2019)

21-31 WING FUNG STREET

- 100% owned.
- Superstructure works in progress.

WONG CHUK HANG STATION PACKAGE FOUR PROPERTY DEVELOPMENT

- 25% owned.
- Schematic design in progress.

~800 units

CHAI WAN INLAND LOT NO. 88 (2)

- 80% owned.
- The acquisition of the relevant land completed in September 2019.

983-987A KING'S ROAD AND 16-94 PAN HOI STREET, QUARRY BAY (2)

- 50% owned.
- Compulsory sale application submitted in 2018.

(1) Excluding a retail podium of approximately 2,835 sq ft which will be retained for investment purposes.
(2) Proposed developments subject to the JV having successfully bid in the compulsory sale and applicable town planning controls (for 983-987A King's Road and 16-94 Pan Hoi Street) and agreement with the Hong Kong government (for Chai Wan Inland Lot No. 88).

TRADING PORTFOLIO

COMPLEMENTED BY PRESENCE OUTSIDE HONG KONG

Miami

Reach

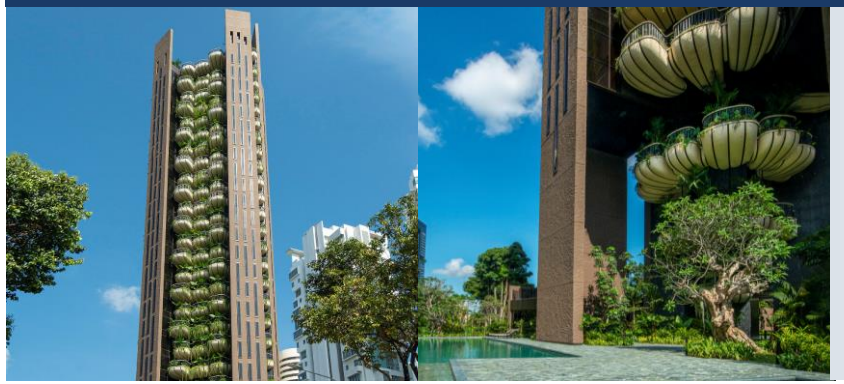
Average Price	Units Sold [1]
mid US$ **600**s psf [2]	**93% / 364**

Rise

Average Price	Units Sold [1]
high US$ **600**s psf [2]	**72% / 282**

Singapore and Jakarta

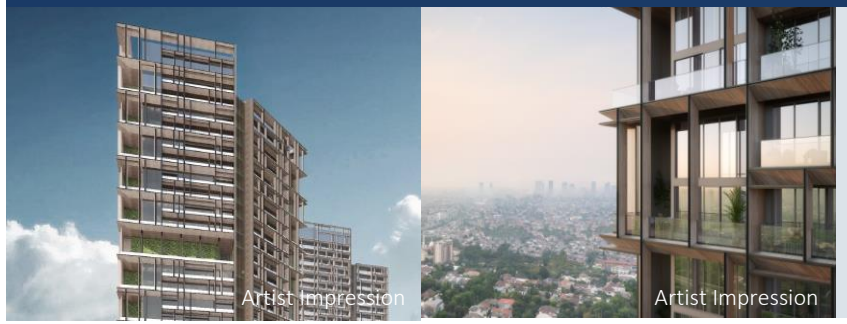
EDEN, Singapore



- 100% owned.
- 20 residential units.
- Completed in November 2019 and available for sale.

~77,200 sq ft GFA

South Jakarta Project



- 50% owned.
- Over 400 residential units.
- To be completed in 2023.
- Demolition works completed. Foundation works expected to commence soon.

~1.1M sq ft GFA [3]

(1) At 10th March 2020. The profit from the sale of one unit from Reach and 10 units from Rise is expected to be recognised in 2020.
(2) Average selling price is based on saleable area.
(3) GFA on 100% basis.

The Opposite House

HOTEL PORTFOLIO

SWIRE PROPERTIES

HOTEL PORTFOLIO

MIXED RESULTS

Managed Hotels

- Operating profit (before depreciation) : HK$ **168** M in 2019, 16% lower than in the previous year.
- Improved results in Shanghai and Miami offset by a deterioration in results in Hong Kong in 2H 2019 (reflecting social unrest).

Non-managed Hotels

- The Silveri Hong Kong – MGallery [1] (206 rooms and suites) at Tung Chung opening later in 1H 2020.

The Silveri Hong Kong - MGallery

(1) 20% owned.

One Taikoo Place

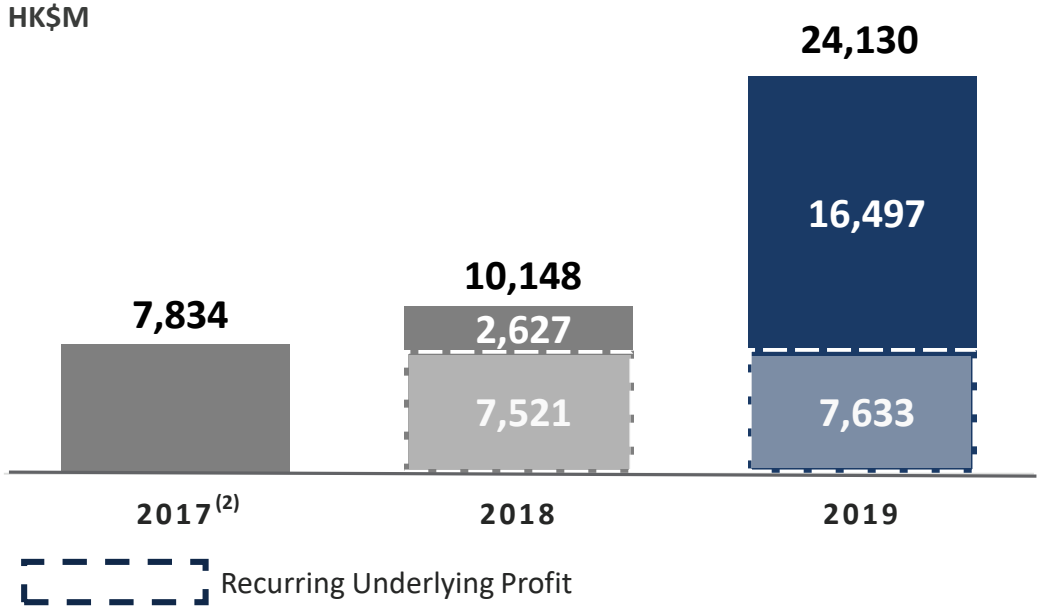
FINANCIAL HIGHLIGHTS

SWIRE PROPERTIES

UNDERLYING PROFIT MORE THAN DOUBLE

Underlying Profit

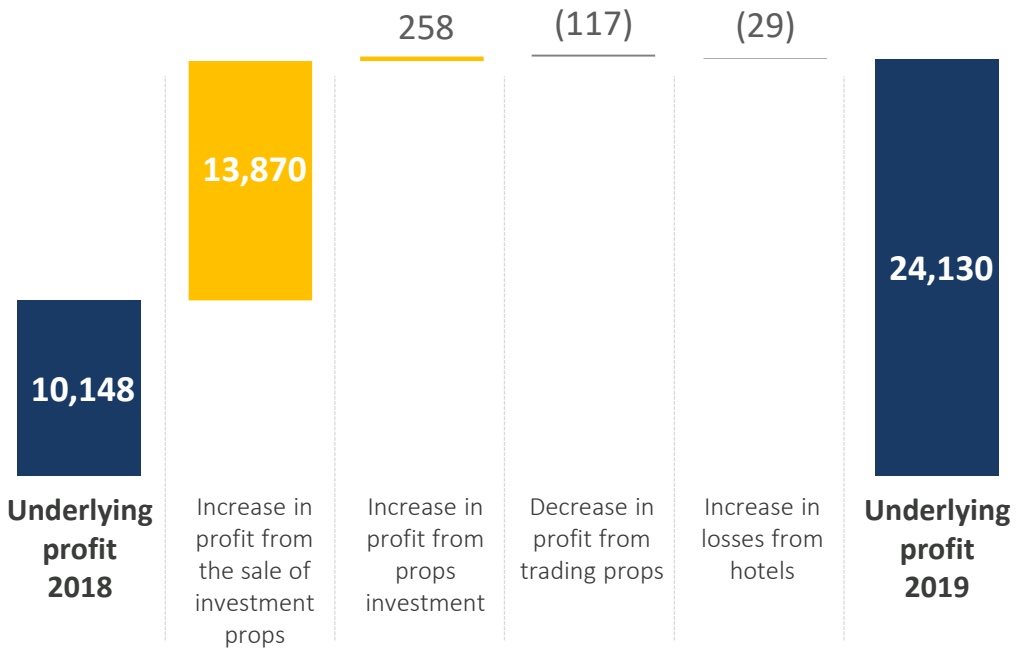
HK$M



Underlying Profit by Segment (HK$M)	FY 2018	FY 2019	Change
Property investment	7,463	**7,721**	↑ 3%
Property trading	99	**(18)**	n.m.
Hotels	(41)	**(70)**	n.m.
Sale of interests in investment properties	2,627	**16,497**	n.m.
Total	**10,148**	**24,130**	↑ **138%**

Movement in Underlying Profit

HK$M



Recurring underlying profit increased by 1% in 2019, principally reflected higher underlying profit from property investment in Mainland China.

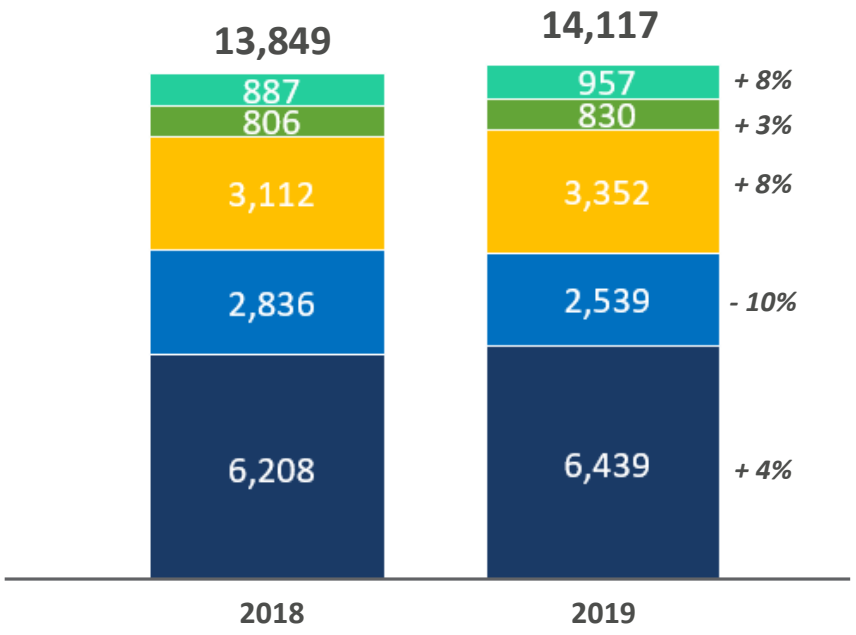
(1) 2019 Final Results Summary is included in the Appendix.
(2) Underlying profit in 2017 included a profit on sale of interests in investment properties of HK$ 21 M.

RENTAL INCOME

POSITIVE GROWTH DESPITE RETAIL RENTAL SUBSIDIES

Attributable Gross Rental Income [1]

HK$M



2% Attributable Gross Rental Income [1] HK$ **14,117** M

HK OFFICE +4%
- Positive rental reversions, firm occupancy and a full year of rental income from One Taikoo Place.
- Partly offset by rental loss from disposals.

HK RETAIL -10% (-1% excluding rental subsidies)
- Rental subsidies and lower retail sales in 2H 2019.
- Almost fully let during 2019.

MAINLAND CHINA RETAIL +8%
- Positive rental reversions and firm occupancy.
- Higher retail sales.

MAINLAND CHINA OFFICE +3%
- Positive rental reversions despite weak demand for office space.

OTHERS +8%
- Satisfactory growth in rental income in Miami due to improved occupancy and higher retail sales.

(1) Reported gross rental income (excluding rental contributions from JVCs and associates) was HK$ 6,100 M for Hong Kong office portfolio, HK$ 2,437 M for Hong Kong retail portfolio, HK$ 2,376 M for Mainland China retail portfolio and HK$ 380 M for Mainland China office portfolio.

DIVIDENDS

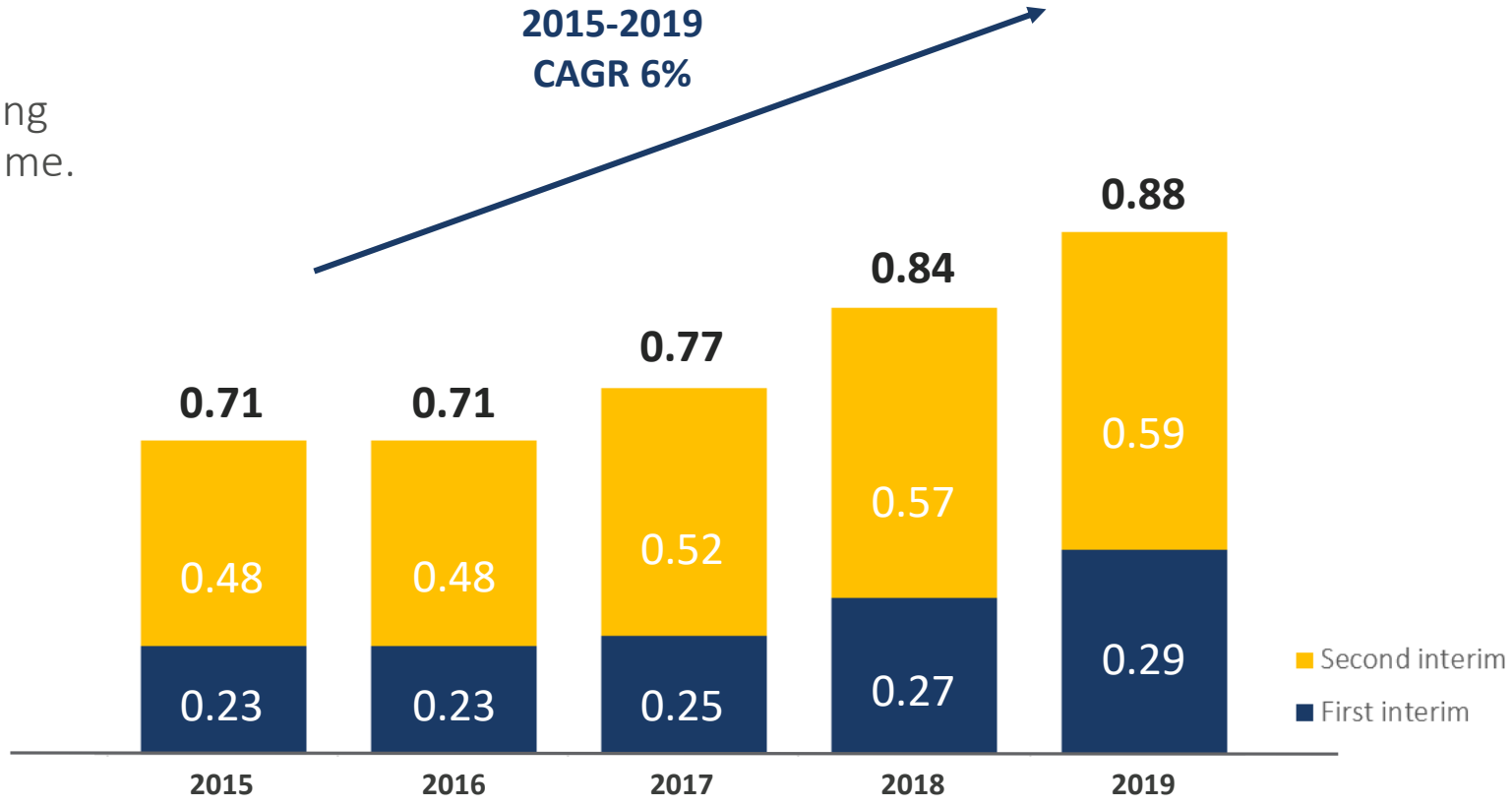
CONTINUED GROWTH DESPITE NEAR-TERM UNCERTAIN BUSINESS OUTLOOK

Dividend Policy

To deliver sustainable growth in dividends and to pay out approximately half of our underlying profits in ordinary dividend over time.

Dividend Per Share

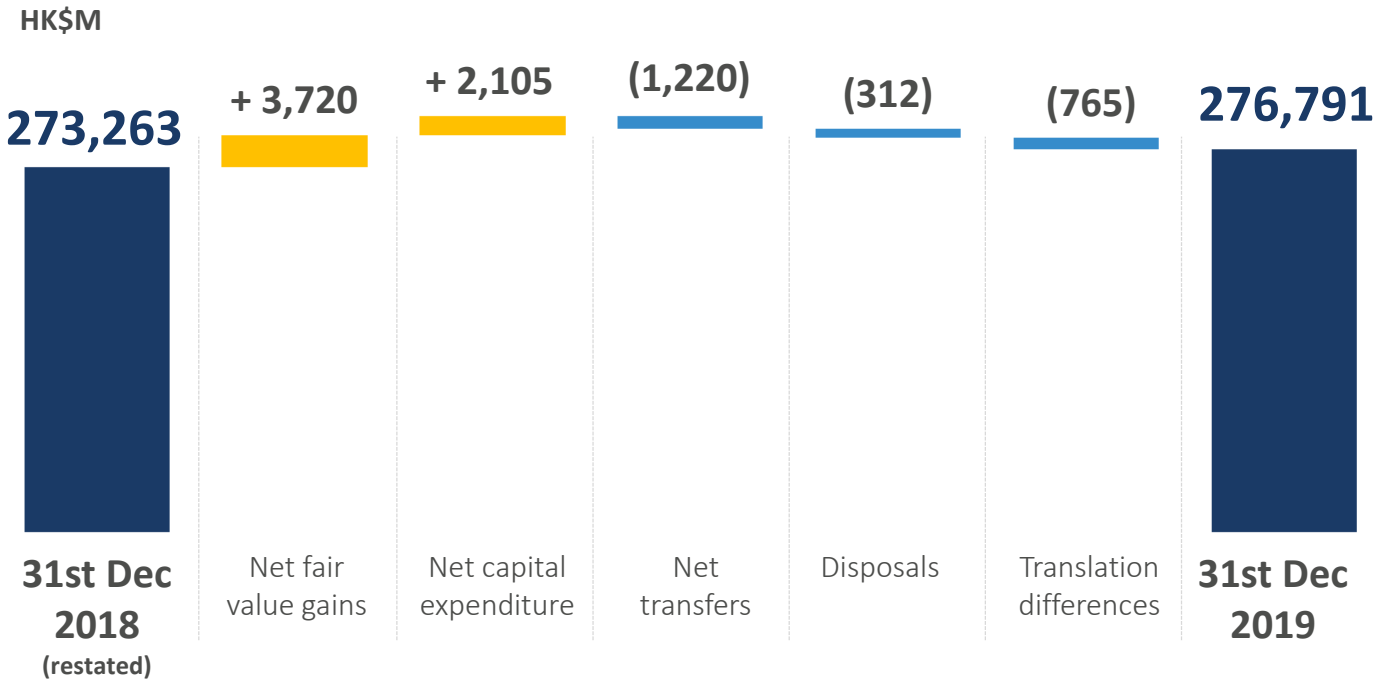
HK$/sh



SWIRE PROPERTIES

MOVEMENT IN INVESTMENT PROPERTIES

Movement in Investment Properties [1]
(excl. hotels and investment properties held under JVCs)



The increase in the valuation of the investment property portfolio is mainly due to modest increases in the valuation of the office properties in Hong Kong and of the investment properties in Mainland China following rental increases, partly offset by a decrease in valuation of the retail properties in Hong Kong.

1%

Investment Props. Valuation (2019) HK$ **276,791** M

(1) Valuation before initial leasing costs is shown above.

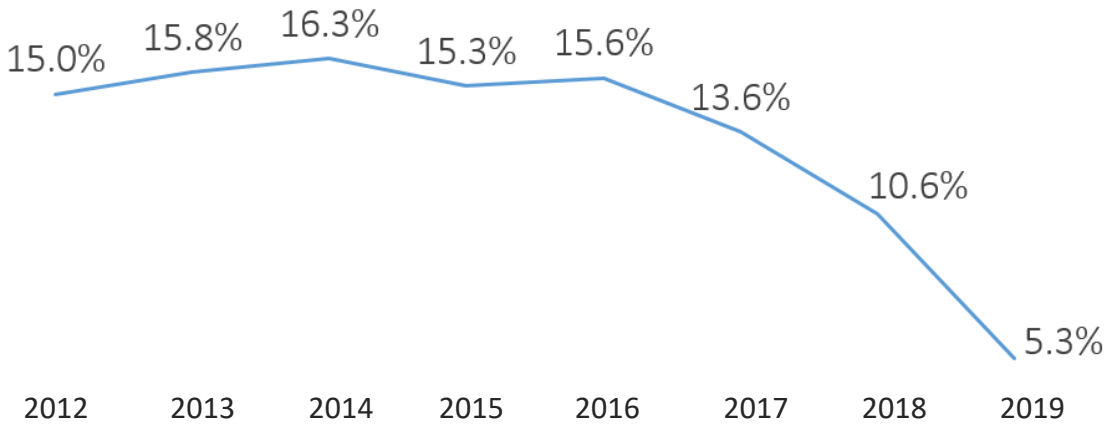
SWIRE PROPERTIES

NET DEBT AND GEARING

VERY STRONG BALANCE SHEET

Net Debt Reconciliation (HK$M)			
Net debt at 31st December 2018			**(29,905)**
Net rental, fee receipts and proceeds from property trading / development	**10,538**		
Net proceeds from disposals of investment properties	**16,354**		
Capex – PP&E and property investment and development cost for property trading		**(3,138)**	
Cashflow from JVCs, associates and other investments		**(1,542)**	
Dividends paid to the Company's shareholders		**(5,031)**	
Other net cash paid		**(2,020)**	
Sub-total	**26,892**	**(11,731)**	**15,161**
Lease liabilities			**(548)**
Net debt at 31st December 2019			**(15,292)**

Gearing [1]



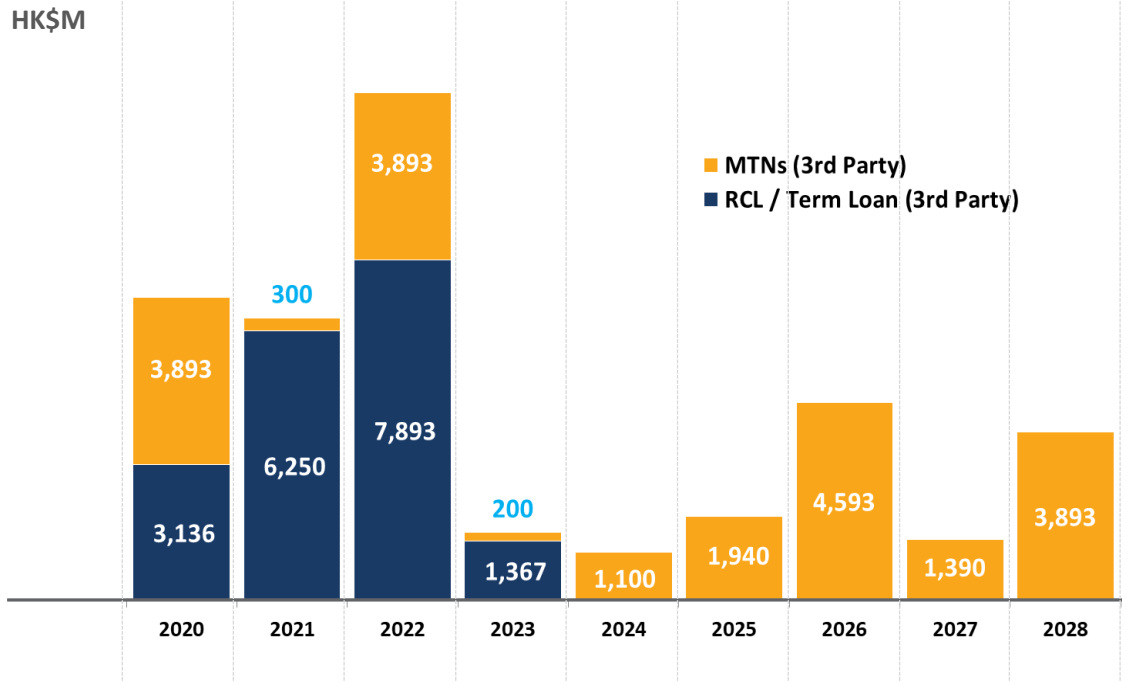
Financial Ratios [1]	2015	2016	2017	2018	2019
Total equity (HK$M)	217,949	227,225	259,378	281,291	**288,911**
Net debt (HK$M)	33,348	35,377	35,347	29,905	**15,292**
Gearing	15.3%	15.6%	13.6%	10.6%	**5.3%**
Underlying interest cover (x)	7.8	8.9	10.7	12.6	**48.2**
Underlying cash interest cover (x)	5.9	6.3	7.5	9.7	**31.5**
Weighted average cost of debt (on gross debt basis)	4.1%	3.7%	3.5%	3.3%	**3.4%**

(1) Financial ratios at respective December year-ends.

MATURITY PROFILE & LIQUIDITY

Maturity Profile of Available Committed Facilities (at 31st December 2019)

Total	**39,848**	**7,029**	**6,550**	**11,786**	**1,567**	**1,100**	**1,940**	**4,593**	**1,390**	**3,893**
Drawn	**29,765**	6,229	1,825	7,936	859	1,100	1,940	4,593	1,390	3,893



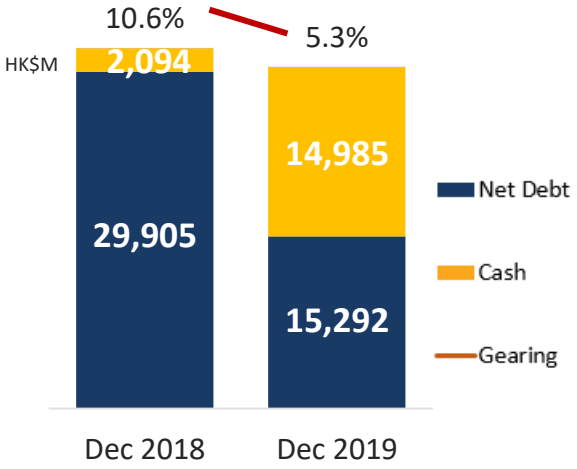
HK$M	Dec 2018	Dec 2019
Cash	2,094	**14,985**
Undrawn - committed	12,053	**10,083**
	14,147	**25,068**
Undrawn - uncommitted	858	**747**
	15,005	**25,815**

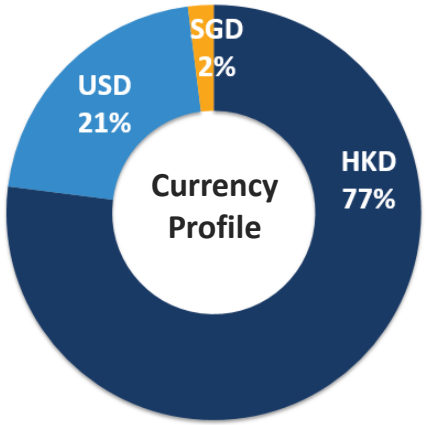
Fixed : Floating

79% : 21%

Credit Rating

Fitch "A"
Moody's "A2"





Major financing activities in 2019

- Prepayment of term loan facilities and repayment of revolving loan facilities totalling HK$ 1,700 M and RMB 399 M.
- Refinancing of a loan facility of SG$ 150 M.
- First sustainability-linked loan amounting to HK$ 500 M, with financing mechanism linked to year-on-year ESG performance target.

Cash & Undrawn Committed Facilities

HK$ 25,068 M

Available Committed Facilities

HK$ 39,848 M

SWIRE PROPERTIES

CAPITAL COMMITMENTS

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

HK$M	Expenditure	Forecast Expenditure				Commitments*
	2019	2020	2021	2022	2023 & later	At 31st Dec 2019
Hong Kong	**2,460**	1,832	5,479	2,123	5,301	**14,735**
Mainland China	**643**	1,365	44	202	254	**1,865**
U.S.A. and elsewhere	**168**	3	-	-	-	**3**
Total	**3,271**	3,200	5,523	2,325	5,555	**16,603**

* *The capital commitments represent the Group's capital commitments of HK$ 15,716 M plus the Group's share of the capital commitments of joint venture companies of HK$ 887 M. The Group was committed to funding HK$ 483 M of the capital commitments of joint venture companies.*

Taikoo Place

SUSTAINABLE DEVELOPMENT

SWIRE PROPERTIES

GREEN BUILDING PERFORMANCE

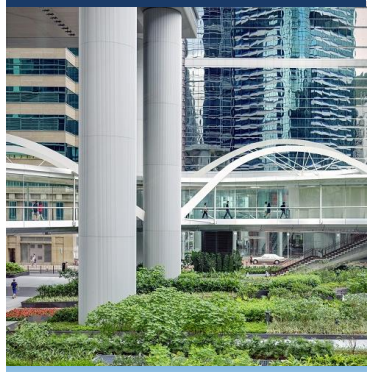
ALL NEW PROJECTS ACHIEVED HIGHEST RATINGS

WELL CERTIFICATION

One Taikoo Place

Final Platinum, the first commercial building in Asia

Two Taikoo Place



Platinum Precertification

Taikoo Li Qiantan

Platinum Precertification

LEED CERTIFICATION

INDIGO

Final Platinum under LEED EBOM v4.1, the first mixed-use development in the world

Sino-Ocean Taikoo Li Chengdu

Final Platinum under LEED EBOM v4.1, the first open-plan lane-driven commercial complex in the world

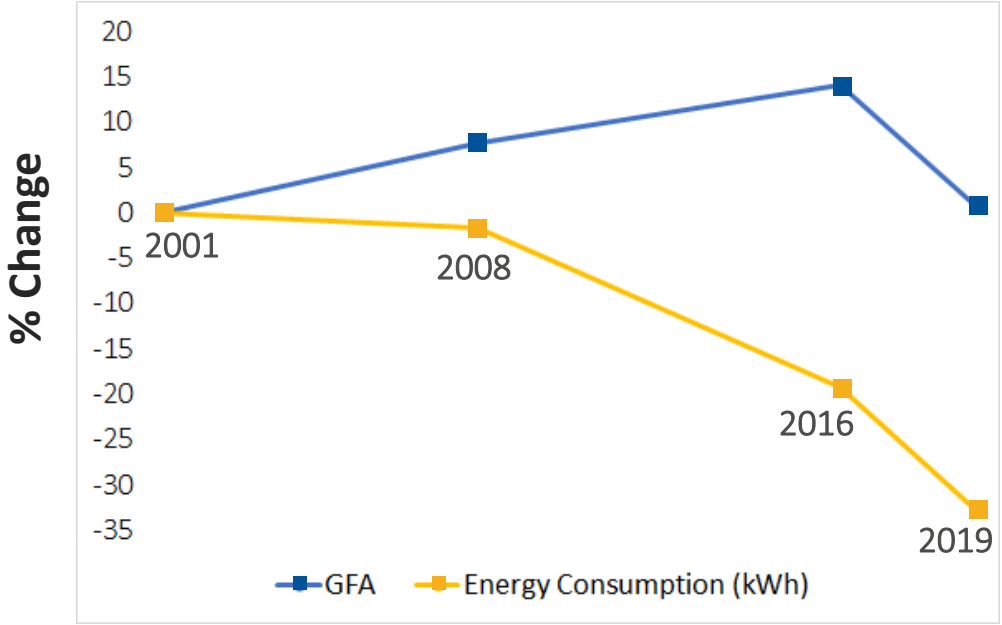
100% Projects under development achieved **highest** green building certification ratings [1]

97% of all existing buildings are **certified green buildings** [1]

(1) At 31st December 2019.

LONG-TERM DECARBONISATION

DECOUPLING GFA GROWTH AND ENERGY CONSUMPTION



GFA

Energy Consumption

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

1st and only property developer
in Hong Kong

GHG emissions reduction targets in line with the goals of the Paris Agreement to limit global warming to 2°C

Scope 1 & 2
GHG Intensity [1]

35% By 2025

52% By 2030

Scope 3
GHG Intensity

28% Downstream Leased Assets [1]

25% Capital Goods [2]

By 2030

(1) Compared to the baseline year of 2018.
(2) Compared to the baseline years of 2016-2018.
(3) GHG refers to greenhouse gas.
(4) 2019 highlights of SD 2030 Strategy are included in the Appendix.

SWIRE PROPERTIES

One Island East

PROSPECTS

SWIRE PROPERTIES

PROSPECTS

OFFICE PORTFOLIO

- ✓ High occupancy to result in relatively resilient office rents at Taikoo Place developments and in the central business district of Jing'an, Shanghai.
- ❖ Weak demand to exert downward pressure on office rents in the central district of Hong Kong, central business districts of Guangzhou and Beijing.

RETAIL PORTFOLIO and HOTELS

- ❖ COVID-19 adversely affecting retail investment properties and hotel business in Hong Kong and Mainland China.
- ❖ Social unrest and economic uncertainty adversely affecting retail sales in Hong Kong.

RESIDENTIAL ACCOMMODATION

- ❖ Demand weakened in Hong Kong but expected to be resilient in the medium and long term due to a limited supply of housing and low interest rates.

OVERALL

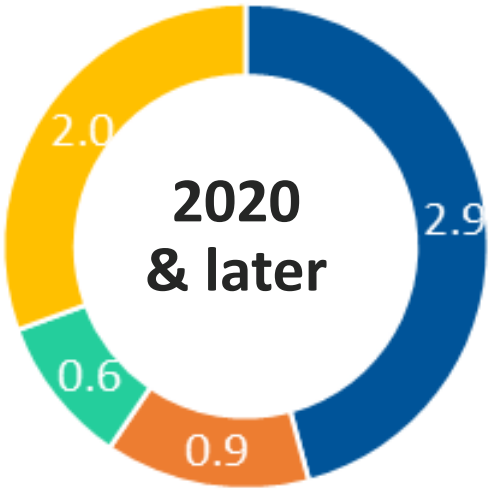
- ✓ Well-placed with a balanced portfolio and a strong balance sheet.
- ✓ A healthy project pipeline to support future rental income growth.
- ❖ Lower rental income expected from the retail properties and serviced apartments in 2020.

UPCOMING PROJECTS

A STRONG PIPELINE ACROSS MARKETS

Expected Attributable GFA of Upcoming Projects

GFA (M sq ft)



	MAINLAND CHINA	HONG KONG	SOUTHEAST ASIA and U.S.A.
2020	Taikoo Li Qiantan Taikoo Li Sanlitun West		
2022		Two Taikoo Place 21-31 Wing Fung Street	
2023		Office development in Wan Chai [1]	Residential project, South Jakarta
2024 & later		Residential projects in Quarry Bay, Chai Wan and Wong Chuk Hang [2] Office development in Quarry Bay [3]	Brickell City Centre (Future development)

Investment Properties ■ Hong Kong ■ Mainland China ■ Southeast Asia ■ U.S.A. Trading Properties

(1) Representing 46-56 Queen's Road East, 1A-11 Landale Street and 2A-12 Anton Street.
(2) Including (i) 983-987A King's Road and 16-94 Pan Hoi Street, Quarry Bay (subject to the JV having successfully bid in the compulsory sale and applicable town planning controls); (ii) Chai Wan Inland Lot No. 88 (subject to agreement with the Hong Kong government) and (iii) Wong Chuk Hang Station Package Four Property Development.
(3) Representing Wah Ha Factory Building and Zung Fu Industrial Building (subject to the Company having successfully bid in the compulsory sale).
(4) Expected years of completion are shown above.

Taikoo Place

Q&A

SWIRE PROPERTIES

South Island Place

APPENDIX

SWIRE PROPERTIES

SD 2030 STRATEGY: 2019 HIGHLIGHTS

Performance (Economic)

Green Financing

Launched our first sustainability-linked loan of HK$500 million

100% of the net proceeds from our first green bond allocated to green projects and Green Bond Report 2019 published

Disclosure & Reporting

MEMBER OF Dow Jones Sustainability Indices In collaboration with SAM

Top ten globally; No. 1 in Asia; Member of the World Index

GRESB REAL ESTATE Sector Leader 2019

Global Sector Leader

Hang Seng Corporate Sustainability Index Series Member 2019-2020

Highest total score among constituents; "AAA" rating

People

Talent Retention

>169,000 training hours delivered

26 training hours/employee/year

Safety, Health & Wellbeing

Lost time injury rate (LTIR): 1.63

Diversity & Inclusion

Gender remuneration ratio (female to male): 1 to 1

Women hold 51% of management positions

Launched a flexible working policy and supporting guidelines

Places

Impact Reporting

To publish our first Places Impact Report about Taikoo Place in March 2020

One Taikoo Place achieved Final Platinum under WELL, the first commercial building in Asia

INDIGO achieved Final Platinum under LEED EBOM v4.1, the first mixed-use development in the world

Partners

Suppliers

Organised our first sustainability engagement event for suppliers and business partners in Hong Kong

HK$48 million of green procurement[1]

Tenants

To date, 8 F&B tenants in Hong Kong and Mainland China have been recognised with Green Kitchen Awards

9 million kWh potential energy savings from free energy audits for Hong Kong and Mainland China tenants (since 2008)

Performance (Environment)

Climate Change

Carbon Intensity[2]

Hong Kong[3]	Mainland China[3]
⬇ 28.0%	⬇ 19.9%

First Science-based Targets set by a Hong Kong and Mainland China developer to drive long-term decarbonisation

Energy

Energy Consumption[4]

Hong Kong[5]	Mainland China[3]
⬇ 62.7 M kWh/year	⬇ 23.2 M kWh/year
⬇ 26.9%	⬇ 19.4%

Waste

Commercial Waste Diversion Rate[6]

Hong Kong[7]	Mainland China[7]
21.7%	32.5%

Building Asset/ Investments

97% of all existing buildings[8] are certified green buildings, of which 84% achieved the highest ratings[9]

[1] Products that meet specific environmental criteria such as green certification or accreditation by reputable, independent third parties.
[2] Carbon Intensity reduction targets reference the business-as-usual ("BAU") baseline year of 2008 for our Hong Kong portfolio and the first BAU baseline year for which a complete calendar year of data was available for projects in our Mainland China portfolio.
[3] Hong Kong portfolio and Mainland China portfolio refer to our office and retail portfolios in Hong Kong and Mainland China respectively, excluding hotels.
[4] Energy consumption refers to purchased electricity for the provision of shared services for and in the common parts of our buildings, with reference to the BAU baseline year of 2008 for our Hong Kong portfolio and the first BAU baseline year for which a complete calendar year of data was available for projects in our Mainland China portfolio.
[5] Hong Kong portfolio refers to our office and retail portfolios and hotels in Hong Kong.
[6] For Mainland China portfolio, this refers to the commercial waste recycling rate.
[7] Hong Kong portfolio and Mainland China portfolio refer to our office and retail portfolios and hotels in Hong Kong and Mainland China respectively.
[8] Measured as the percentage of total gross floor area.
[9] BEAM Plus/LEED/China Green Building Design Label/WELL certification.

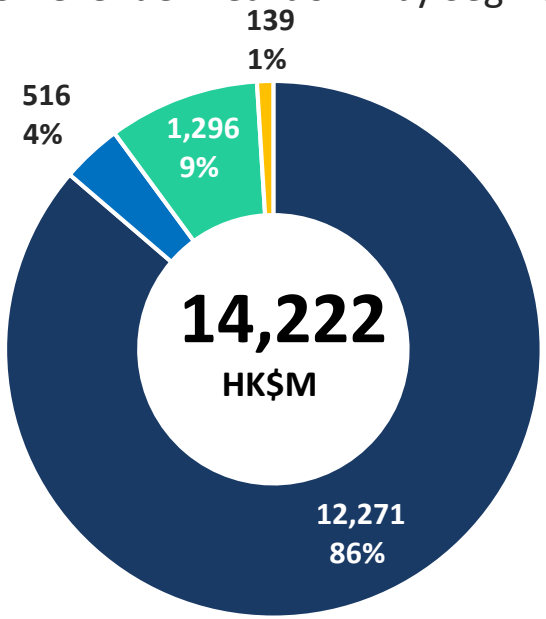
2019 FINAL RESULTS SUMMARY

HK$M	FY 2018	FY 2019	Change
Revenue	14,719	14,222	↓ 3%
Valuation gains on investment properties	19,452	3,720	↓ 81%
Operating profit	29,365	14,397	↓ 51%
Underlying profit	10,148	24,130	↑ 138%
Recurring underlying profit	7,521	7,633	↑ 1%
Reported profit	28,666	13,423	↓ 53%
Underlying earnings per share *(HK$ per share)*	1.74	4.12	↑ 138%
Recurring underlying earnings per share *(HK$ per share)*	1.29	1.30	↑ 1%
Reported earnings per share *(HK$ per share)*	4.90	2.29	↓ 53%
First interim dividend per share *(HK$ per share)*	0.27	0.29	↑ 7%
Second interim dividend per share *(HK$ per share)* (1)	0.57	0.59	↑ 4%
HK$M	**Dec 2018**	**Dec 2019**	**Change**
NAV attributable to the Company's shareholders (2)	279,275	286,927	↑ 3%
Net debt	29,905	15,292	↓ 49%
Gearing ratio	10.6%	5.3%	↓ 5.3%pt.
NAV per share *(HK$ per share)*	47.74	49.05	↑ 3%

(1) Second interim dividend for 2019 was declared on 12th March 2020 and will be paid on 7th May 2020.
(2) NAV refers to total equity attributable to the Company's shareholders.

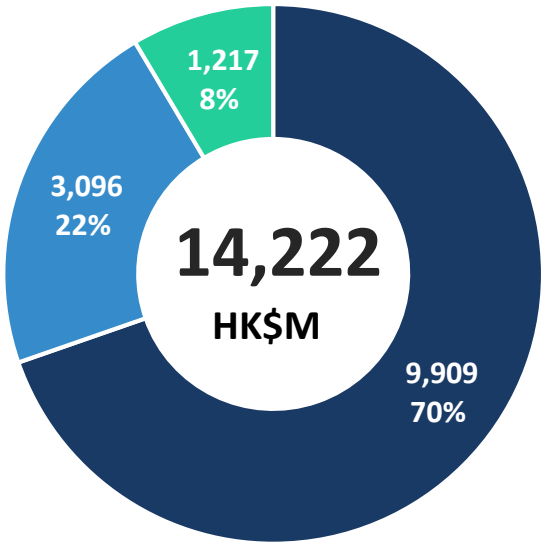
REVENUE ANALYSIS

2019 Revenue Breakdown by Segment



Comparison	FY 2018	FY 2019
Rental Income	12,117	**12,271**
Property Trading	1,061	**516**
Hotels	1,404	**1,296**
Others	137	**139**
Total	14,719	**14,222**

2019 Revenue Breakdown by Region



Comparison	FY 2018	FY 2019
Hong Kong	10,704	**9,909**
Mainland China	2,903	**3,096**
U.S.A.	1,112	**1,217**
Total	14,719	**14,222**

The turnover decreased by 3% principally due to lower revenue from property trading and from hotels, partly offset by higher gross rental income from investment properties.

3%

Revenue (2019) HK$ **14,222** M

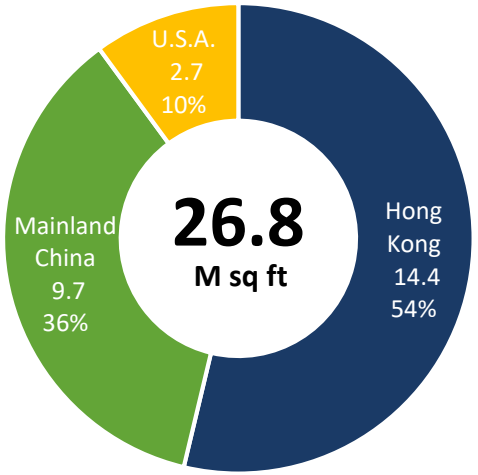
SWIRE PROPERTIES

PROPERTY PORTFOLIO AT 31ST DECEMBER 2019

Investment Props / Hotels Attributable GFA (M sq ft)	Office	Retail	Hotels [1]	Resid./Serviced Apartments	Under Planning	Total
Completed						
Hong Kong	*9.3*	*2.5*	*0.8*	*0.6*	-	***13.2***
Mainland China	*2.9*	*4.5*	*1.2*	*0.2*	-	***8.8***
U.S.A.	*0.3*	*0.3*	*0.5*	*0.1*	-	***1.2***
Sub-Total (A)	**12.5**	**7.3**	**2.5**	**0.9**	-	***23.2***
Under Development or Held for Future Development						
Hong Kong	*1.2*	-	-	-	-	***1.2***
Mainland China	-	*0.9*	-	-	-	***0.9***
U.S.A.	-	-	-	-	*1.5 [2]*	***1.5***
Sub-Total (B)	**1.2**	**0.9**	**-**	-	**1.5**	**3.6**
TOTAL = (A) + (B)	**13.7**	**8.2**	**2.5**	**0.9**	**1.5**	**26.8**

Trading Props Attributable GFA (M sq ft)	Completed Prop Held for Sale	Under Development / Held for Development	Total
Hong Kong	-	*0.7*	***0.7***
U.S.A. and elsewhere	*0.3*	*2.5*	***2.8***
Total	**0.3**	**3.2**	**3.5**

Attributable Investment Props by Region (GFA M sq ft)



Attributable Investment Portfolio	Attributable Trading Portfolio
26.8 M sq ft	3.5 M sq ft

Total Attributable Property Portfolio

30.3 M sq ft

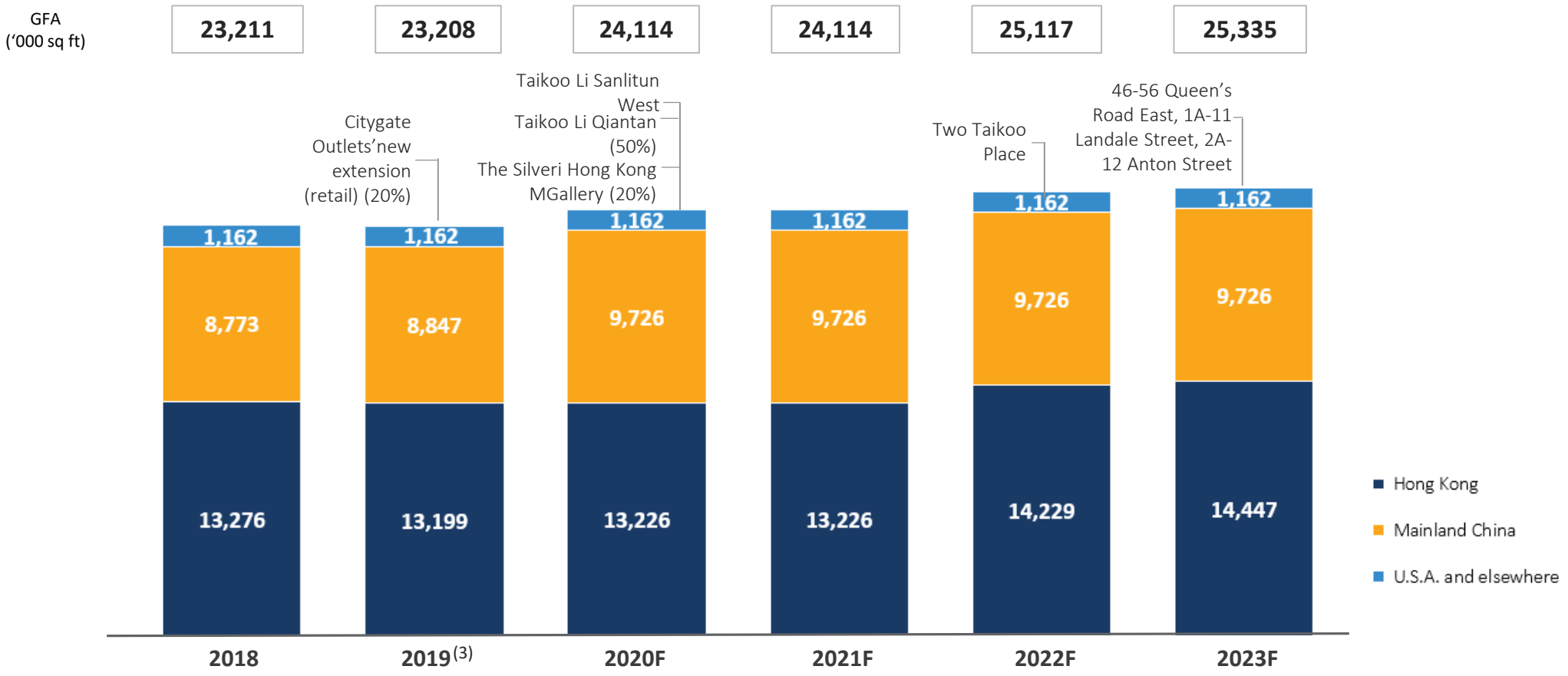
(1) Hotels are accounted for in the financial statements under property, plant and equipment and, where applicable, the leasehold land portion is accounted for under right-of-use assets.

(2) This property is accounted for under properties held for development in the financial statements.

SWIRE PROPERTIES

COMPLETED INVESTMENT PORTFOLIO

Expected Attributable GFA of Completed Investment Portfolio (incl. Hotels) (1)(2)



(1) Hotels are accounted for in the financial statements under property, plant and equipment and, where applicable, the leasehold land portion is accounted for under right-of-use assets.

(2) Excludes GFA of property trading components, two sites (Wah Ha Factory Building, No. 8 Shipyard Lane and Zung Fu Industrial Building, No. 1067 King's Road), and car parks but includes GFA of the hotel portion of these projects.

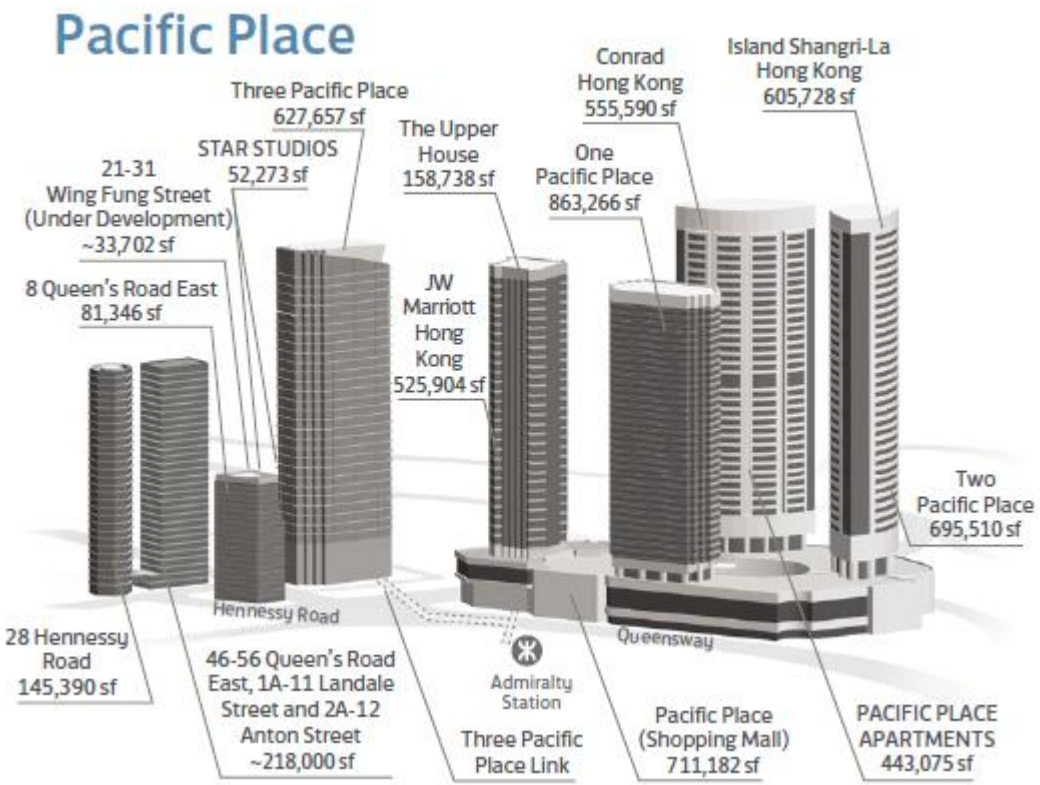
(3) The lower attributable GFA of the Hong Kong portfolio in 2019 primarily reflected the sale of 625 King's Road office building.

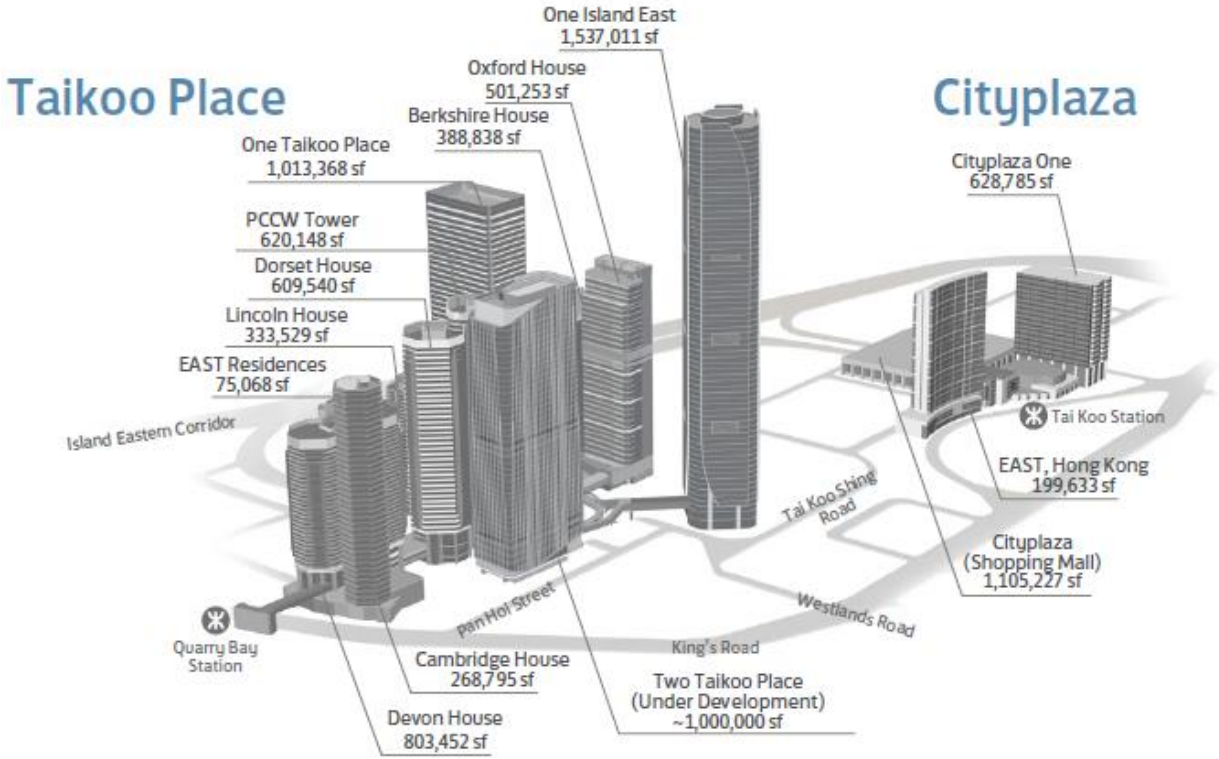
KEY BUSINESS STRATEGIES

- Continue to create long-term value by conceiving, designing, developing, owning and managing transformational mixed-use and other projects in urban areas.
- Maximise the earnings and value of our completed properties through active asset management and by reinforcing our assets through enhancement, redevelopment and new additions.
- Continue with our luxury and high quality residential property activities.
- Remain focused principally on Hong Kong and Mainland China.
- Manage our capital base conservatively.

Taikoo Place

HONG KONG PORTFOLIO MAP

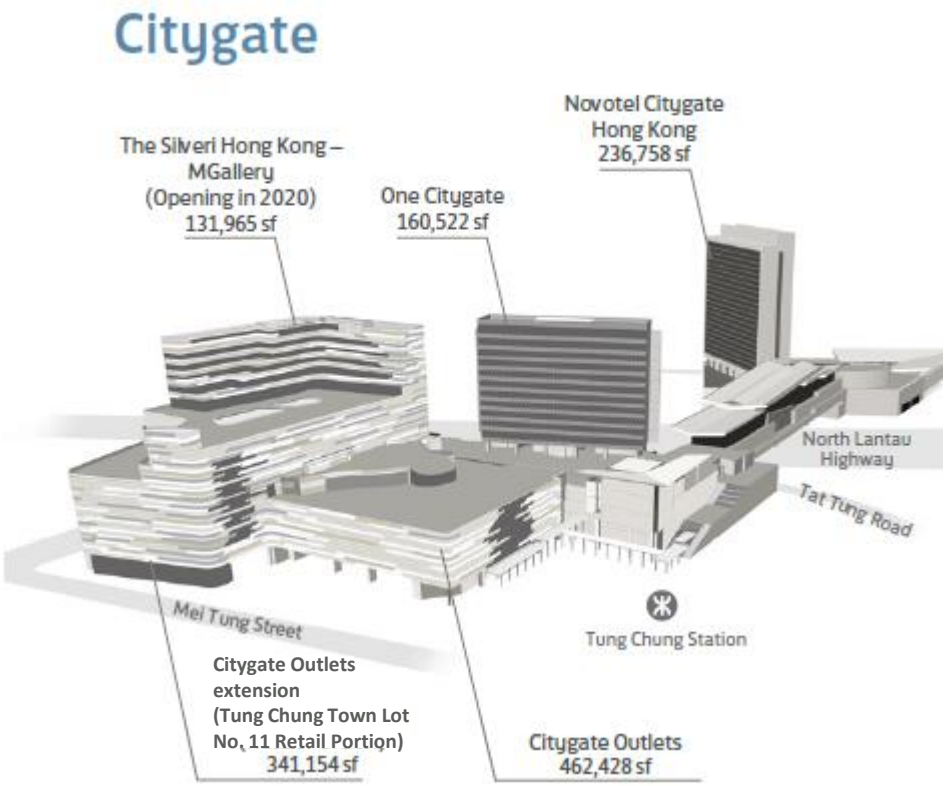




(1) The simplified maps are not to scale and are for illustrative purpose only.
(2) GFA figures are for reference only.

SWIRE PROPERTIES

HONG KONG PORTFOLIO MAP (CONT'D)



(1) The simplified maps are not to scale and are for illustrative purpose only.
(2) GFA figures are for reference only.

SWIRE PROPERTIES

COMPLETED PRC PORTFOLIO – BEIJING

Taikoo Li Sanlitun

1.47 M sq ft GFA[1]

Project Summary (100% Basis)	
Components	TKL Sanlitun South TKL Sanlitun North TKL Sanlitun West The Opposite House (TOH)
Interest	Retail : 100% TOH : 100%
Yr of Opening	2008 (TKL South) 2008 (TOH) 2010 (TKL North) Expected in 2020 (TKL West)
Retail Sales	Occupancy
+ 10.6%	**100%**

INDIGO

1.89 M sq ft GFA

Project Summary (100% Basis)		
Components	Retail ONE INDIGO EAST, Beijing	
Interest	50%	
Yr of Opening	2011 / 2012	
Retail Sales	Occupancy	
+ 26.4%	**100%** *Retail*	**76%** *Office*

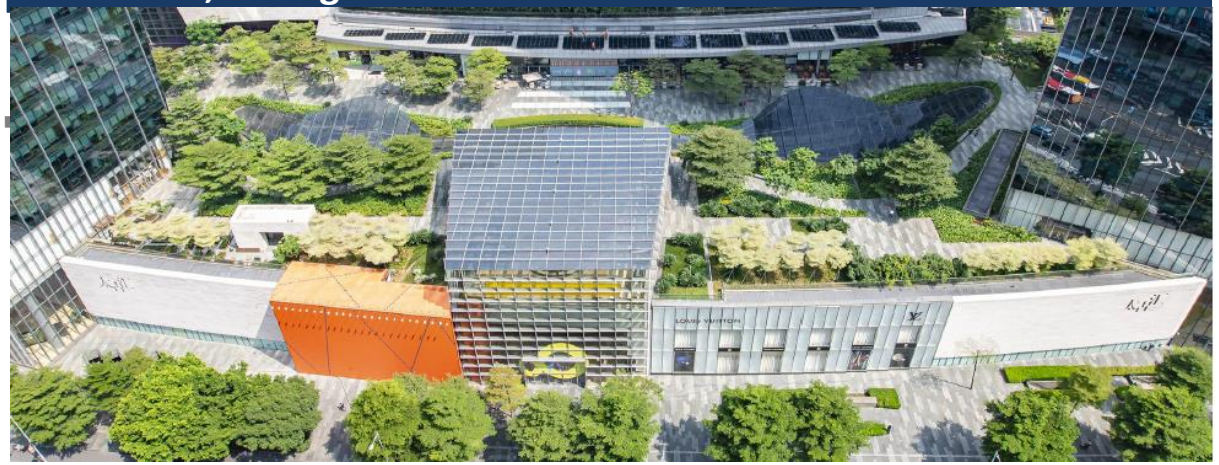
(1) Excluding Taikoo Li Sanlitun West which is expected to be completed by the end of 2020.
(2) Occupancy at 31st December 2019. GFA based on 100% basis. Retail sales year-on-year growth for the twelve months ended 31st December 2019.

SWIRE PROPERTIES

COMPLETED PRC PORTFOLIO – GUANGZHOU AND CHENGDU

Taikoo Hui, Guangzhou

3.84 M sq ft GFA



Project Summary (100% Basis)		
Components	Retail Taikoo Hui Towers 1&2 Mandarin Oriental GZ	
Interest	97%	
Yr of Opening	2011 / 2012 / 2013	
Retail Sales	Occupancy	
+ 19.7%	**99%** *Retail*	**97%** *Office*

Sino-Ocean Taikoo Li, Chengdu

1.66 M sq ft GFA

Project Summary (100% Basis)	
Components	Retail The Temple House
Interest	50%
Yr of Opening	2014 / 2015
Retail Sales	Occupancy
+ 22.9%	**97%** *Retail*

(1) Occupancy at 31st December 2019. GFA based on 100% basis. Retail sales year-on-year growth for the twelve months ended 31st December 2019.

COMPLETED PRC PORTFOLIO – SHANGHAI

HKRI Taikoo Hui

3.54 M sq ft GFA

Project Summary (100% Basis)		
Components	Retail HKRI Centre 1 & Centre 2 The Middle House and The Sukhothai Shanghai The Middle House Residences	
Interest	50%	
Yr of Opening	2016 / 2017 / 2018	
Retail Sales	Occupancy	
+ 72.6%	**98%** *Retail*	**99%** *Office*

(1) Occupancy at 31st December 2019. GFA based on 100% basis. Retail sales year-on-year growth for the twelve months ended 31st December 2019.

U.S.A. PORTFOLIO – MIAMI

Brickell City Centre

BCC: 1.30 M sq ft GFA OBCC: 1.97 M sq ft GFA

Project Summary (100% Basis)	
Components	Retail Two and Three Brickell City Centre EAST Miami *(w Serv Apmt)* 2 Condo Towers *(Reach / Rise)* One BCC and a Condo Tower (under planning)
Interest	Retail: 62.93% Others: 100%
Yr of Opening	2016 (BCC) TBC (OBCC & others)
Retail Sales	Occupancy
+ 14.1%	**90%** *Retail* (2) **~100%** *Office*

(1) Occupancy at 31st December 2019. GFA based on 100% basis. Retail sales year-on-year growth for the twelve months ended 31st December 2019.
(2) Retail occupancy after taking into account letters of intent.

COMPLETED U.S.A. TRADING PORTFOLIO

Trading Properties (At 10th March 2020)	**Total Units**	**Units Sold**	**Actual Completion**	**Actual Handover from**	**Units for which Profit Recognised or Expected to be Recognised (Year)**	**Interest**
Miami, Florida, U.S.A.						
Reach, Brickell City Centre	390	364	2016	2016	347(2016), 12(2017), 2(2018), 2(2019) and 1(2020) (1)	100%
Rise, Brickell City Centre	390	282	2016	2016	171(2016), 28(2017), 35(2018), 38(2019) and 10(2020) (1)	100%

(1) The profit from the sale of these units is expected to be recognised in 2020.

HOTEL PORTFOLIO

Managed Hotels		No. of Rooms	Interest
Completed		(100% basis)	
Hong Kong	The Upper House	117	100%
	EAST, Hong Kong	345	100%
	Headland Hotel [1]	501	0%
Mainland China	The Opposite House, Beijing	99	100%
	EAST, Beijing	369	50%
	The Temple House, Chengdu [2]	142	50%
	The Middle House, Shanghai [2]	213	50%
U.S.A.	EAST, Miami [3]	352	100%
Sub-Total		**2,138**	
Total		**2,138**	

Owned but Non-managed Hotels		No. of Rooms	Interest
Completed		(100% basis)	
Hong Kong	Island Shangri-La Hong Kong	565	20%
	JW Marriott Hotel Hong Kong	608	20%
	Conrad Hong Kong	513	20%
	Novotel Citygate Hong Kong	440	20%
Mainland China	Mandarin Oriental, Guangzhou [3]	287	97%
	The Sukhothai, Shanghai	201	50%
U.S.A.	Mandarin Oriental, Miami	326	75%
Sub-Total		**2,940**	
Under development			
Hong Kong	The Silveri Hong Kong - MGallery	206	20%
Total		**3,146**	

2,138

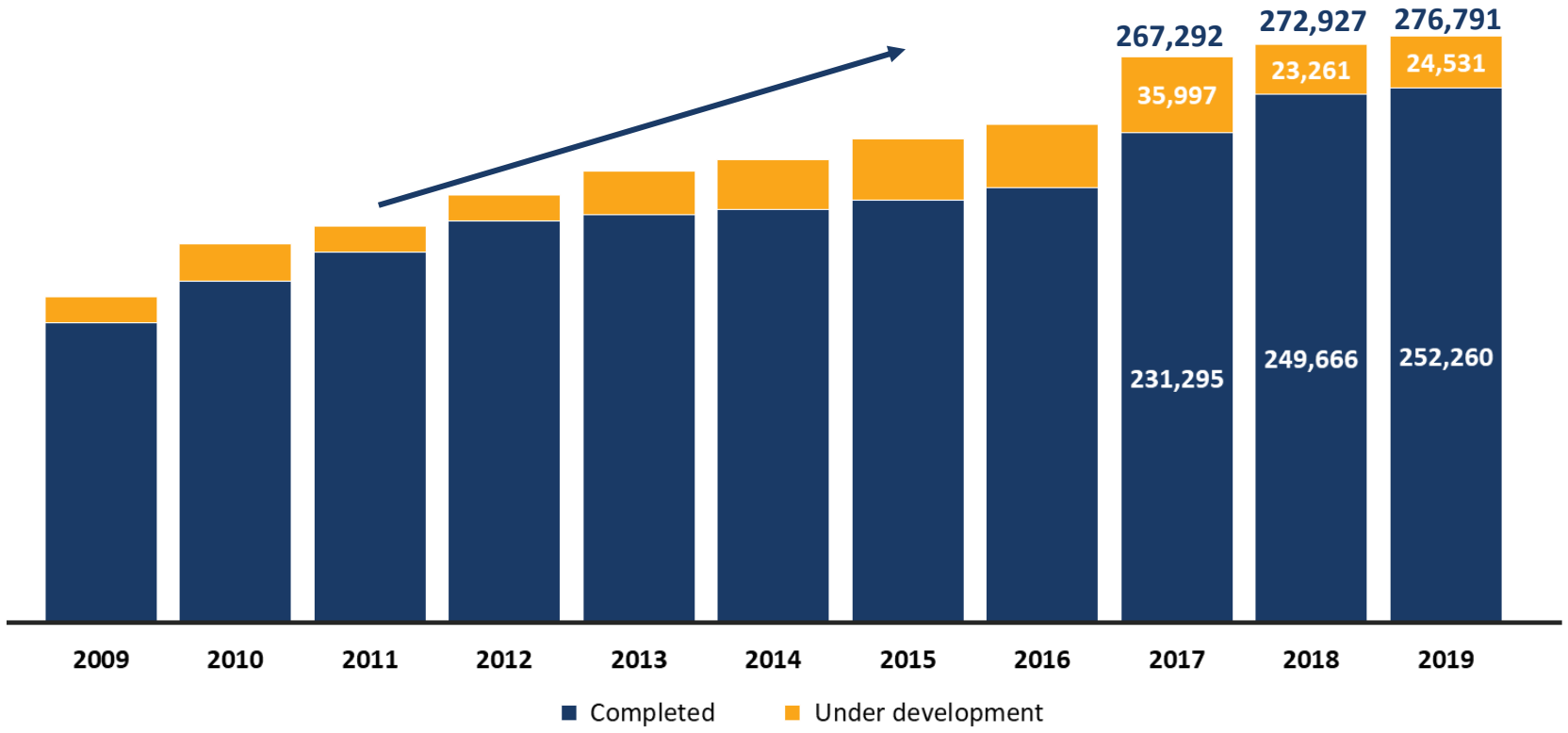
Total Managed Rooms

(1) Headland Hotel is owned by Airline Property Limited, a wholly-owned subsidiary of Cathay Pacific Airways Limited.
(2) Comprising one hotel tower and one serviced apartment tower.
(3) Including serviced apartments in a hotel tower.

VALUATION OF COMPLETED INVESTMENT PROPERTIES

2009 – 2019 Valuation of Completed Investment Properties (excl. Hotels)

HK$M



80% Valuation of investment properties portfolio almost doubled in 10 years

Consistent value creation through continuous property investment and asset reinforcement.

Per December 2019 financial statements on accounting basis (before initial leasing costs). Hotels are accounted for under property, plant and equipment in the financial statements. Valuation after 2010 does not include Festival Walk (which was sold in August 2011 for HK$ 18.8 bn). Valuation after 2017 excludes Cityplaza Three and Cityplaza Four, of which the sale was completed in April 2019 for HK$ 15.0 bn. Valuation after 2018 excludes 625 King's Road office building. The sale of Swire Properties' entire 50% interest in a company that owned 625 King's Road office building was completed in July 2019 for HK$ 2.4 bn.

SWIRE PROPERTIES

SWIRE PROPERTIES

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