



2019 Q3 BUSINESS UPDATE

12TH NOVEMBER 2019

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2019 Q3 BUSINESS HIGHLIGHTS

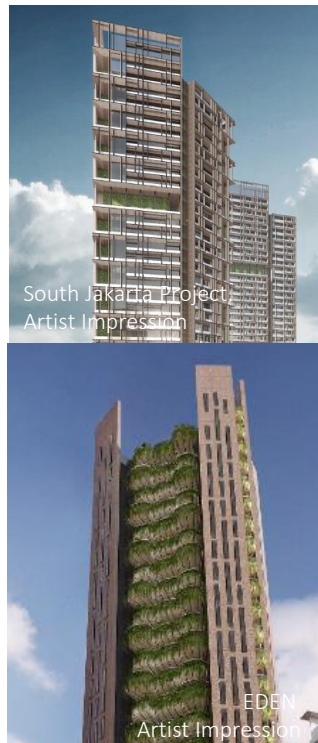
- ❑ Robust operating performance from Hong Kong office and Mainland China retail portfolios.
- ❑ Keeping the strong project pipeline on track that will support long-term rental growth and sustainable dividends.
- ❑ Well-positioned for opportunities with a strong balance sheet.



UPCOMING PROJECTS

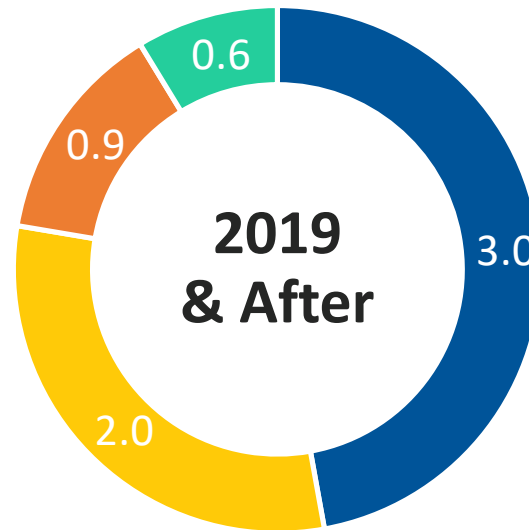
A STRONG AND DIVERSE PIPELINE PROGRESSING WELL

Expected Attributable GFA of Upcoming Projects
GFA ('M sq ft)



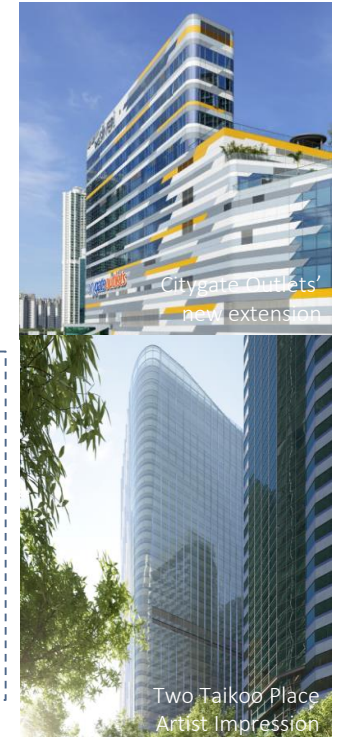
- **EDEN, Singapore (2019)**
- **Residential project, South Jakarta (2023 & After)**

- **Taikoo Li Sanlitun West (2020)**
- **Taikoo Li Qiantan (2020)**
- **One Brickell City Centre, Miami (2023 & After)**



- **Citygate Outlets' new extension (2019)**
- **Two Taikoo Place (2021/2022)**
- **Offices in Quarry Bay and Wan Chai (2023 & After) ⁽¹⁾**

- **21-31 Wing Fung Street (2022)**
- **Residential projects in Quarry Bay, Chai Wan and Wong Chuk Hang (2023 & After) ⁽²⁾**



Investment Properties

Trading Properties

■ Hong Kong

■ Mainland China

■ Southeast Asia

■ U.S.A.

(1) Including (i) 46-56 Queen's Road East, 1A-11 Landale Street and 2A-12 Anton Street and (ii) Wah Ha Factory Building and Zung Fu Industrial Building (subject to successful bids in compulsory sales) .

(2) Including (i) 983-987A King's Road and 16-94 Pan Hoi Street, Quarry Bay (subject to successful bids in compulsory sales 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.

(3) Expected years of completion are shown above except for Citygate Outlets' new extension and EDEN, which actual years of completion are shown for.

HONG KONG OFFICE

RESILIENT PERFORMANCE SUPPORTED BY A BALANCED PORTFOLIO

Overall Hong Kong Office Occupancy ⁽⁴⁾



Pacific Place

Occupancy ⁽²⁾	Reversion ⁽¹⁾
99%	18%



Taikoo Place
Office Towers

Occupancy ⁽²⁾	Reversion ⁽¹⁾
99%	13%



One Island East &
One Taikoo Place

Occupancy ⁽²⁾	Reversion ^{(1) (3)}
100%	11%

Latest Rentals (HK\$ psf)

One/Two Pacific Place	130 – 160
Three Pacific Place	115 – 125
Taikoo Place	high 40s to mid 50s
One Island East & One Taikoo Place	mid 50s to low 70s

(1) Reversion is the percentage change in rent on lease renewals, entry into new leases and rent reviews for the nine months ended 30th September 2019.

(2) Occupancy at 30th September 2019.

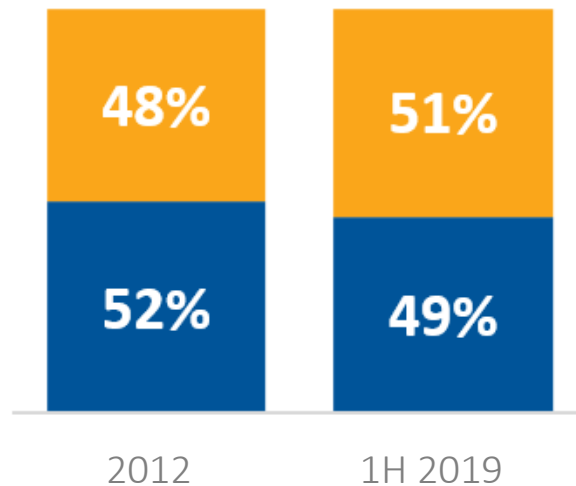
(3) Excluding One Taikoo Place which was completed in September 2018.

(4) Occupancy excluded techno-centres as at 31st December 2016 and 2017. Occupancy included space allocated to prospective tenants who had signed letters of intent as at 31st December 2018.

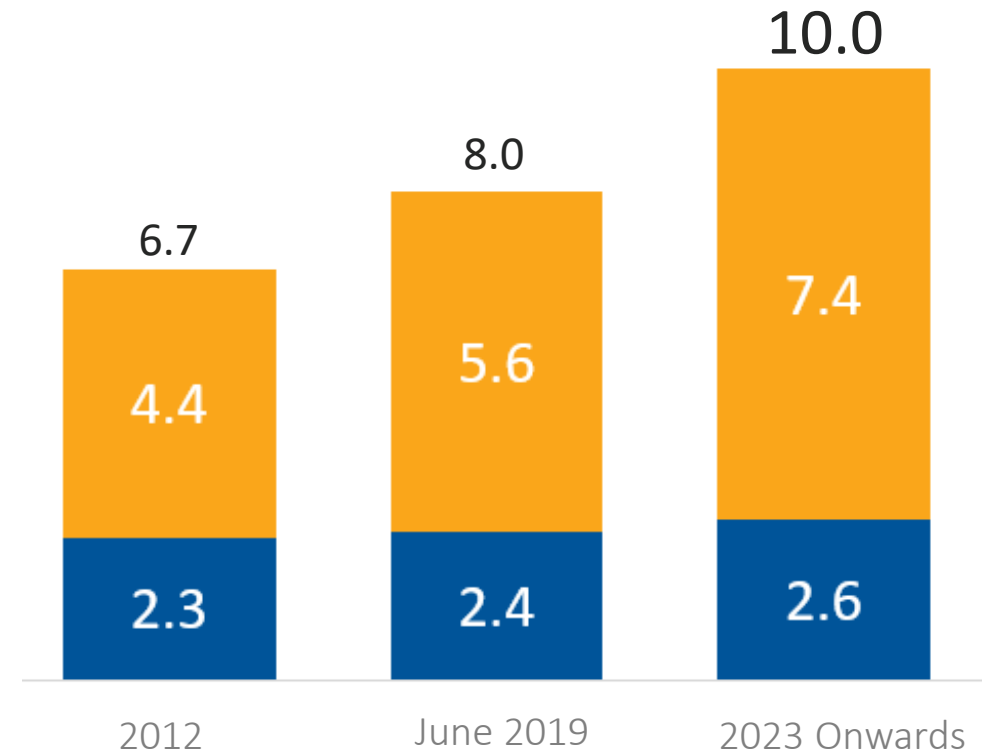
HONG KONG OFFICE

INCREASING CONTRIBUTIONS FROM TAIKOO PLACE

Attributable Gross Rental Income



Expected Attributable GFA of Completed Office Properties
M' sq ft



■ Pacific Place ■ Taikoo Place

6 (1) Total attributable gross rental income and GFA shown above include Pacific Place and Taikoo Place portfolios only, representing part of the whole Hong Kong office portfolio.

(2) Pacific Place includes Pacific Place office towers, Generali Tower and 28 Hennessy Road. Taikoo Place includes One Island East, One Taikoo Place, Oxford House, Cambridge House, Devon House, Dorset House, Lincoln House, PCCW Tower (50% owned) and Berkshire House (50% owned).

HONG KONG RETAIL

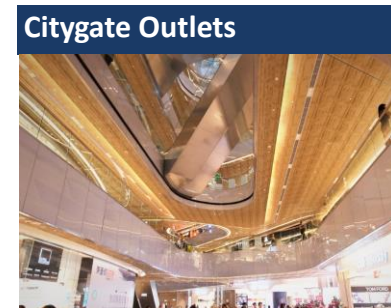
NEW DEVELOPMENT ENHANCING RETAIL OFFERINGS

❑ Citygate Outlets

- New extension opened in August 2019.

❑ The Mall, Pacific Place

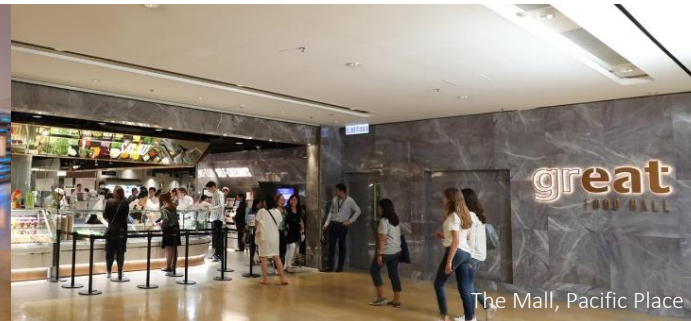
- Department store, Harvey Nichols, reopened in its new format in late September 2019.
- Great Food Hall revamped to offer a wide range of international food and grocery options.
- 2H 2019 new stores - first in Hong Kong Italian café Emmer, with more to come before Christmas: Balenciaga, Adidas and Glasstique.



Occupancy	Retail Sales ⁽²⁾
100%	-11.8%

Occupancy	Retail Sales
100%	-0.8%

Occupancy	Retail Sales ⁽³⁾
99%	-3.1%



(1) Occupancy at 30th September 2019. Retail sales year-on-year growth for the nine months ended 30th September 2019.

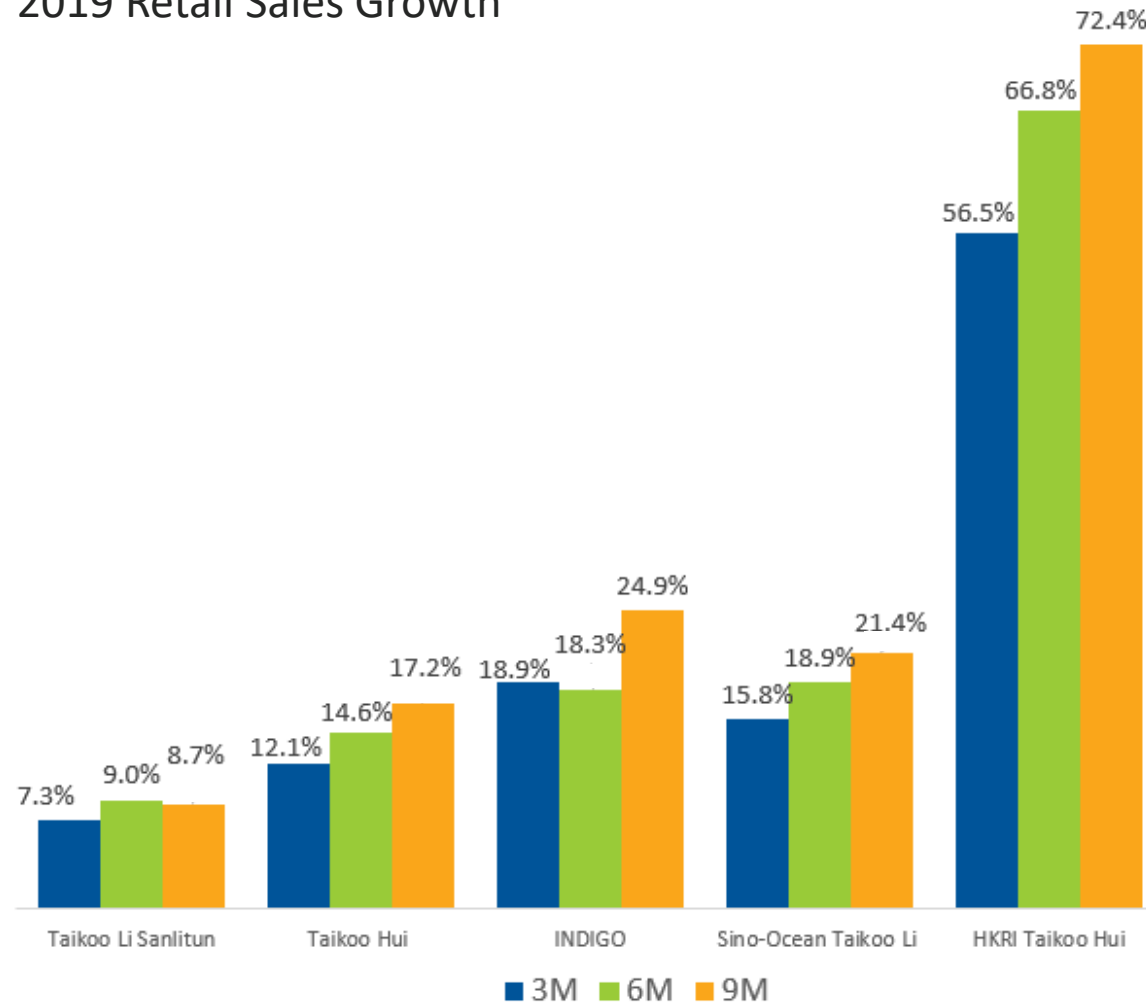
(2) The department store (on Levels 1 and 2) at The Mall, Pacific Place was closed for reconfiguration and renovation in the end of May 2019. It reopened in its new format on Level 2 in late September 2019, whilst the remaining retail area on Level 1 is being reconfigured and renovated. No adjustment has been made to the retail sales figures to reflect sales lost as a result of such closure.

(3) Including Citygate Outlets' new extension at which shops have been opening progressively since August 2019.

MAINLAND CHINA PORTFOLIO ⁽¹⁾

SUSTAINABLY STRONG RETAIL SALES GROWTH THROUGHOUT 2019

2019 Retail Sales Growth



Occupancy

100%

Retail

Year of Opening : 2008/2010

Occupancy

100%

Retail

76%

Office

Year of Opening : 2011/2012

Occupancy

98%

Retail

99%

Office

Year of Opening : 2016/2017

Occupancy

98%

Retail

Year of Opening : 2014

Occupancy

100%

Retail

98%

Office

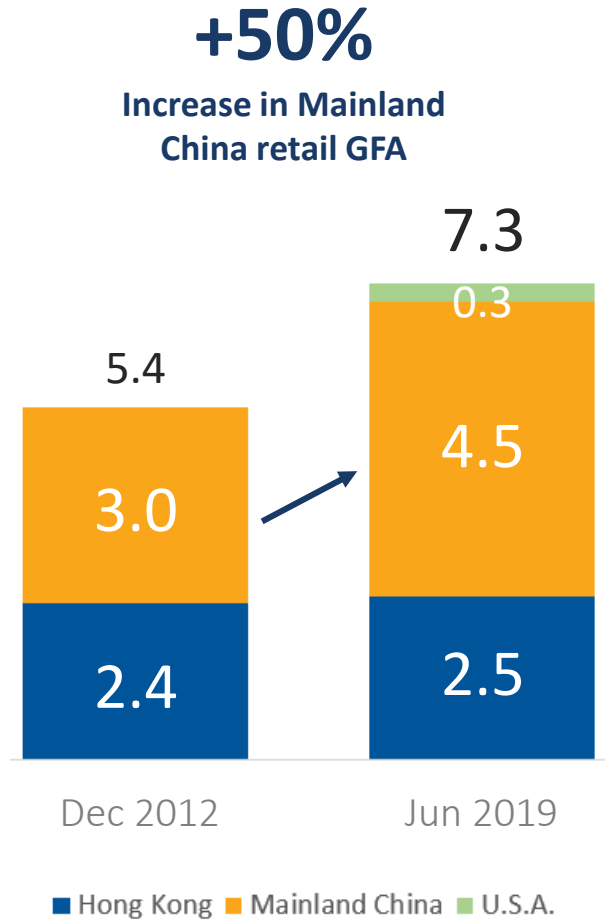
Year of Opening : 2011

8 (1) Excluding Pinnacle One which was developed for trading purposes.
 (2) Retail sales year-on-year growth quoted in RMB.
 (3) Occupancy at 30th September 2019.

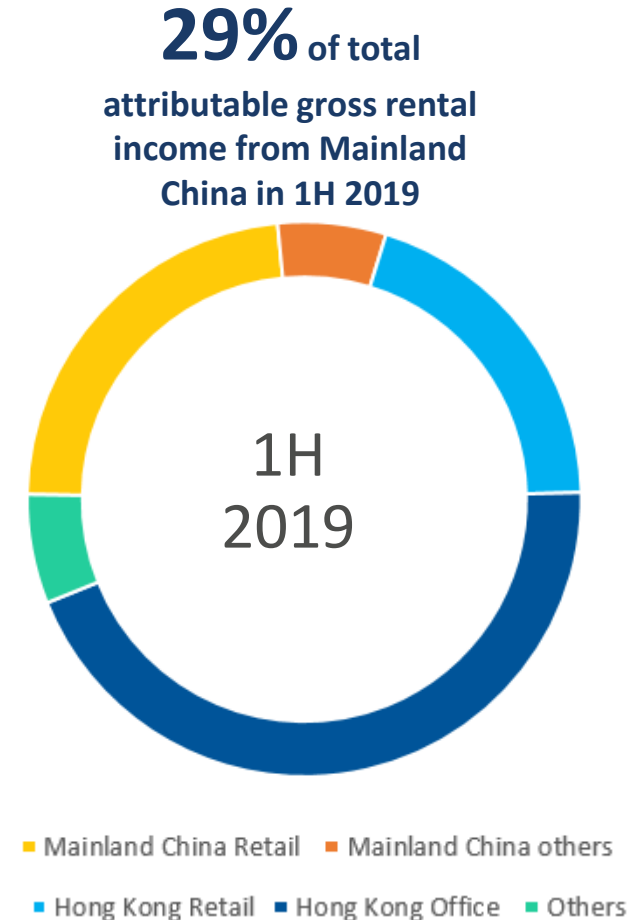
MAINLAND CHINA RETAIL PORTFOLIO

GROWTH OUTPACING HONG KONG RETAIL PORTFOLIO

Attributable Completed Retail GFA
M' sq ft



Attributable Gross Rental Income



BRICKELL CITY CENTRE, MIAMI

RISING RETAIL SALES AND STEADY OFFICE

Shopping Mall



Retail sales

+ 33.7%

Occupancy ⁽¹⁾

87%

RETAIL TENANTS:

Saks Fifth Avenue, Apple, Zara, CMX The VIP Cinema,
La Centrale Italian Food Hall

Offices



Occupancy

100%

OFFICE TENANTS:

wework, Akerman, KPMG, McKinsey&Company,
Bloomberg, Interaudi Bank

10 (1) Taking into account letters of intent.

(2) Occupancy at 30th September 2019 for shopping mall and at 30th June 2019 for offices. Retail sales year-on-year growth for the nine months ended 30th September 2019.

TRADING PORTFOLIO

PROJECTS IN SINGAPORE AND JAKARTA UPCOMING

Miami

Reach	
Average Price	Units Sold ⁽¹⁾
mid US\$ 600s psf ⁽²⁾	94% / 365

Rise	
Average Price	Units Sold ⁽¹⁾
high US\$ 600s psf ⁽²⁾	72% / 282



Singapore and Jakarta

EDEN, Singapore



Artist Impression

- First residential project in Singapore.
- 100% owned.
- 20 residential units.
- Completed in November 2019.

~77,200 sq ft GFA

South Jakarta Project



Artist Impression

- First residential project in Indonesia.
- 50% owned.
- Over 400 residential units.
- Demolition works in progress.
- To be completed in 2023.

~1.1M sq ft GFA

Hong Kong

Wong Chuk Hang Station Package Four

- Won the bid in a consortium formed with Kerry Properties Limited and Sino Land Company Limited in October 2019.

~638,300 sq ft GFA

21-31 Wing Fung Street

- 100% owned.
- Foundation works in progress.
- To be completed in 2022.

~30,500 sq ft GFA ⁽³⁾

11 (1) At 5th November 2019. The profit from the sale of four of these units from Reach and 23 of these units from Rise is expected to be recognised in 2H 2019.

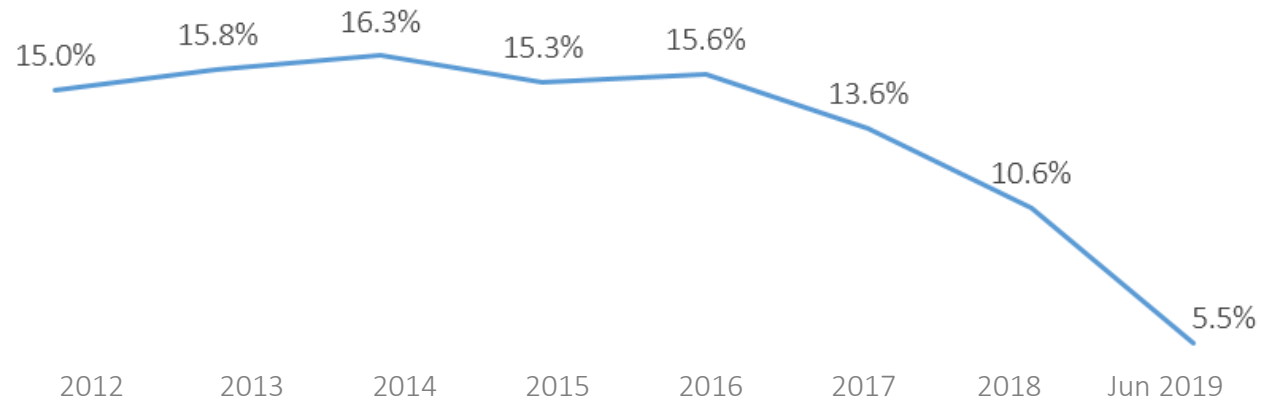
(2) Average selling price is based on saleable area.

(3) Excluding a retail podium of approximately 3,000 sq ft which will be retained by the Company for investment purposes.

STRONG BALANCE SHEET

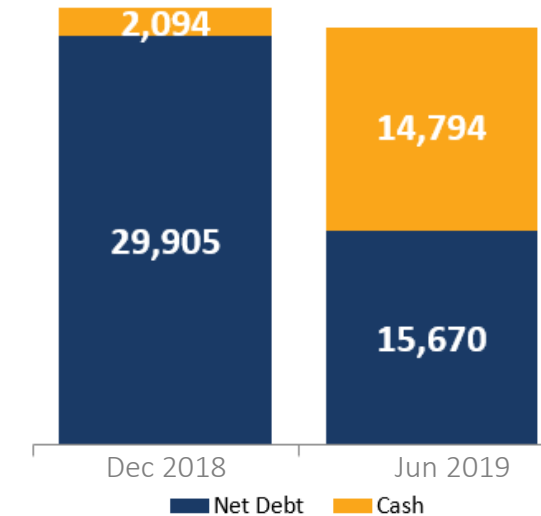
HISTORICALLY LOW GEARING LEVEL

Net Gearing (as at 31st December)⁽¹⁾



Financial Ratios ⁽²⁾	2015	2016	2017	2018	June 2019
Total equity (HK\$M)	217,949	227,225	259,378	281,291	286,714
Net debt (HK\$M)	33,348	35,377	35,347	29,905	15,670
Underlying interest cover (x)	7.8	8.9	10.7	12.6	59.6
Underlying cash interest cover (x)	5.9	6.3	7.5	9.7	41.8

Net Debt and Cash
HK\$'M



Credit Rating

Fitch "A"

Moody's "A2"

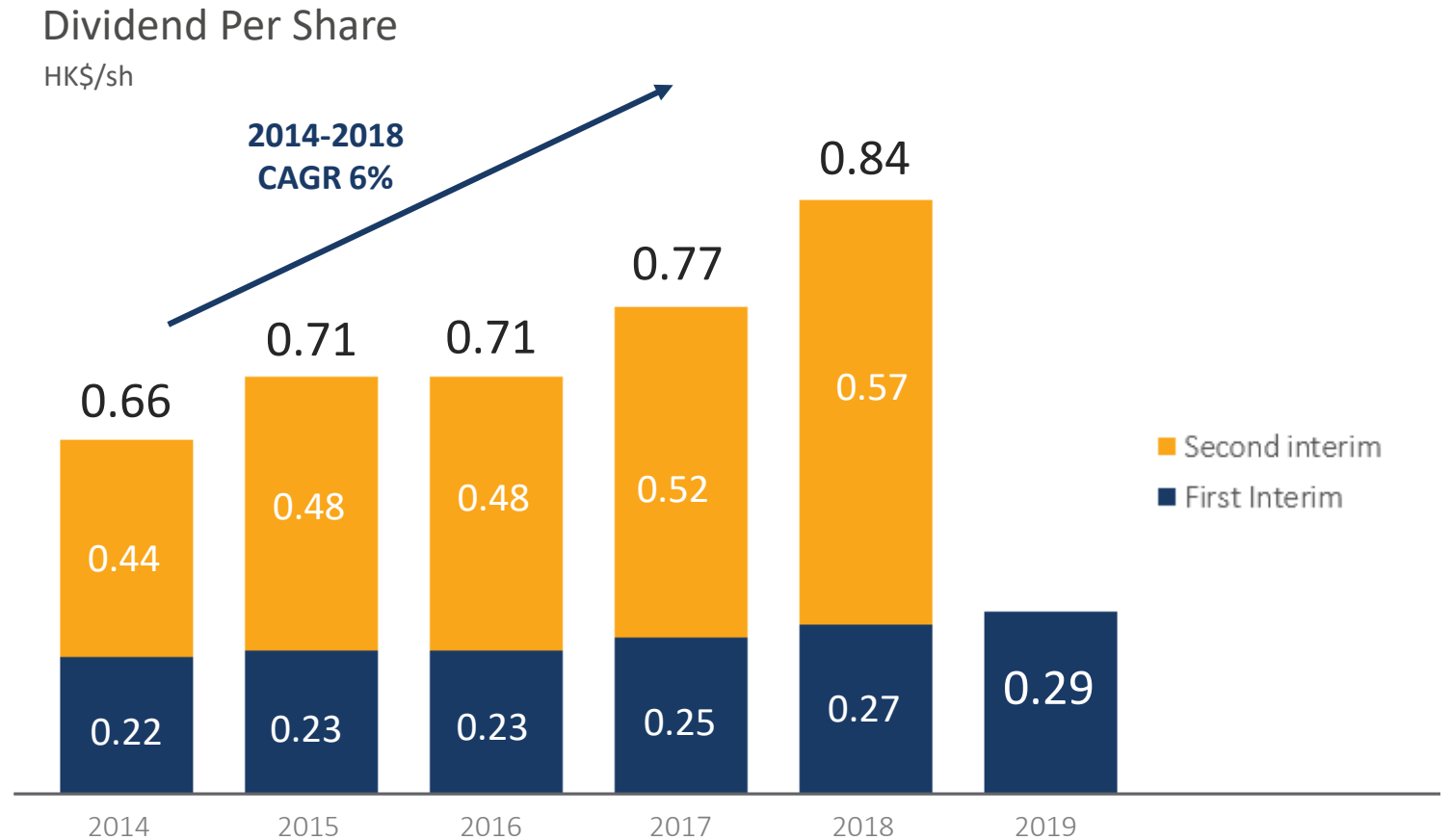
12 (1) Except for 30th June 2019.

(2) Financial ratios as at respective December year-ends except for 30th June 2019.

SUSTAINABLE GROWTH IN DIVIDENDS

Dividend Policy

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



WELL-POSITIONED FOR NEW INVESTMENT OPPORTUNITIES

- ❑ Retail-led mixed-use development projects in Mainland China.
- ❑ Continued transformation at Pacific Place and Taikoo Place commercial hubs in Hong Kong.
- ❑ More residential property activities in Hong Kong and Southeast Asia.





One Taikoo Place

Q&A



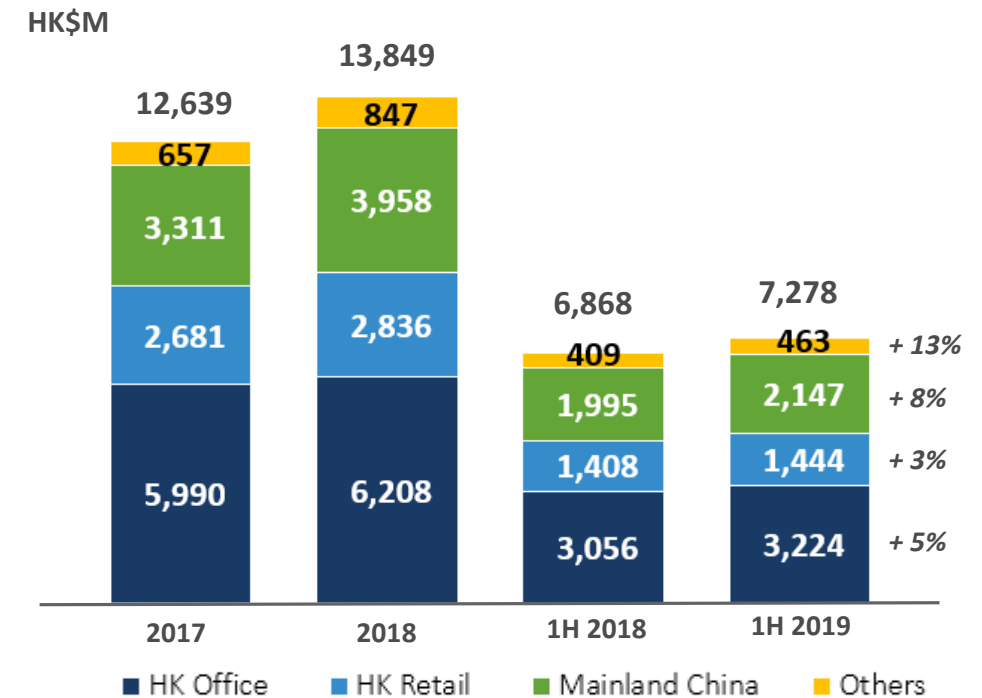
Taikoo Place

APPENDIX

2019 INTERIM RESULTS SUMMARY

HK\$M	1H 2018	1H 2019	Change
Revenue	7,309	7,510	↑ 3%
Valuation gains on investment properties	15,535	3,837	↓ 75%
Operating profit	21,309	9,725	↓ 54%
Underlying profit	6,219	18,606	↑ 199%
Recurring underlying profit	3,732	4,049	↑ 8%
Reported profit	21,205	8,973	↓ 58%
Underlying earnings per share (HK\$ per share)	1.06	3.18	↑ 199%
Recurring underlying earnings per share (HK\$ per share)	0.64	0.69	↑ 8%
Reported earnings per share (HK\$ per share)	3.62	1.53	↓ 58%
First interim dividend per share (HK\$ per share)	0.27	0.29	↑ 7%
HK\$M	Dec 2018	Jun 2019	Change
NAV attributable to the Company's shareholders ⁽²⁾	279,275	284,680	↑ 2%
Net debt	29,905	15,670	↓ 48%
Gearing ratio	10.6%	5.5%	↓ 5.1%pt.
NAV per share (HK\$ per share)	47.74	48.66	↑ 2%

Attributable Gross Rental Income ⁽³⁾



(1) First interim dividend for 2019 was declared on 8th August 2019 and paid on 3rd October 2019.

(2) NAV refers to total equity attributable to the Company's shareholders.

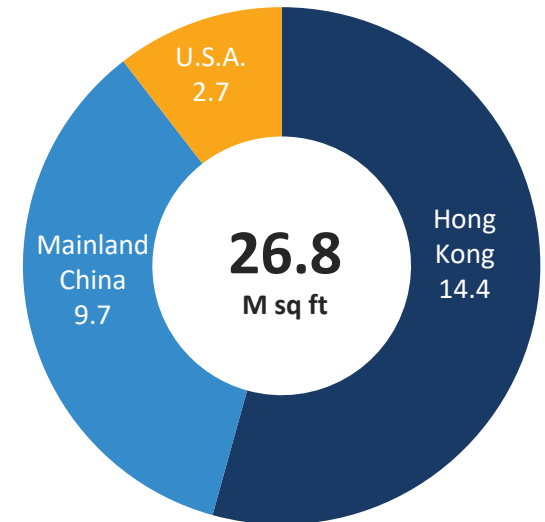
(3) Reported 1H 2019 gross rental income (excluding rental contributions from JVCs and associates) was HK\$ 3,047 M for Hong Kong office portfolio, HK\$ 1,404 M for Hong Kong retail portfolio and HK\$ 1,395 M for investment properties in Mainland China.

PROPERTY PORTFOLIO AT 30TH JUNE 2019

Investment Props / Hotels Attributable GFA (M sq ft)	Office	Retail	Hotels ⁽¹⁾	Resid./Serviced apartments	Under Planning	Total
Completed						
<i>Hong Kong</i>	9.3	2.5	0.8	0.6	-	13.2
<i>Mainland China</i>	2.9	4.5	1.2	0.2	-	8.8
<i>U.S.A.</i>	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						
<i>Hong Kong</i>	1.2	-	-	-	-	1.2
<i>Mainland China</i>	-	0.9	-	-	-	0.9
<i>U.S.A.</i>	-	-	-	-	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
<i>Hong Kong ⁽³⁾</i>	-	-	-
<i>Mainland China</i>	0.2	-	0.2
<i>U.S.A. and elsewhere</i>	0.3	2.0	2.3
Total	0.5	2.0	2.5

Attributable Investment Props by Region
(GFA M sq ft)



Attributable
Investment Portfolio
26.8 M sq ft

Attributable
Trading Portfolio
2.5 M sq ft

Total Attributable Property Portfolio

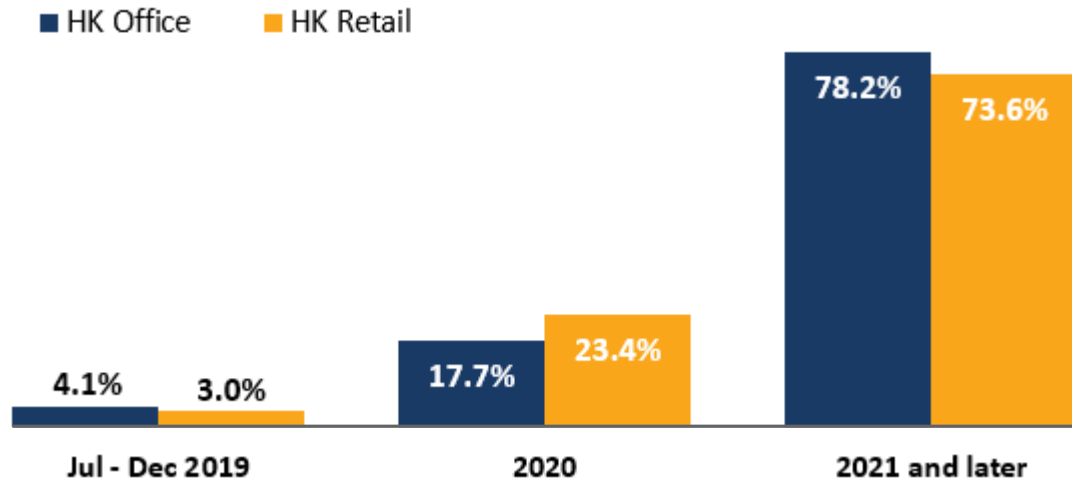
29.3 M sq ft

18 (1) Hotels are accounted for under property, plant and equipment in the financial statements.
(2) This property is accounted for under properties held for development in the financial statements.
(3) This aggregate GFA in Hong Kong is less than 0.1 M.

HONG KONG PORTFOLIO

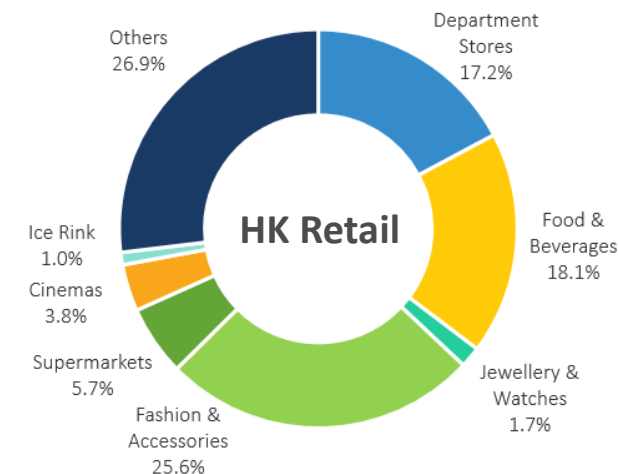
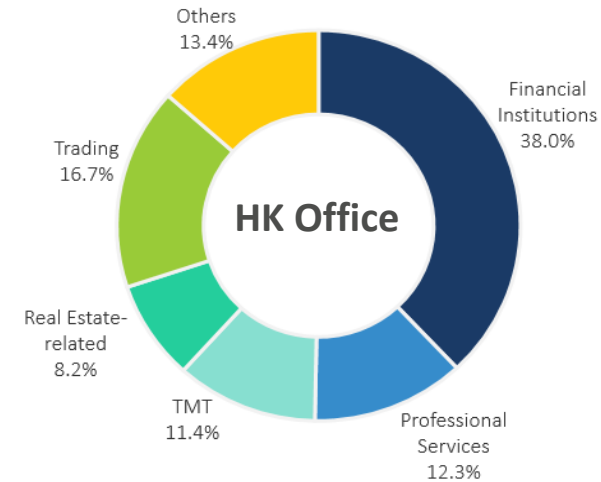
LEASES EXPIRING IN 2019 MOSTLY COMMITTED (AS AT 30TH JUNE 2019)

Lease Expiry Profile ⁽¹⁾⁽²⁾



- Strong and diverse tenant base.
- Well-balanced lease expiry profile.
- Top 10 office tenants occupied approx. 21% of office area in HK.
- Top 10 retail tenants occupied approx. 27% of retail area in HK.

HK Portfolio Tenant Mix ⁽³⁾



19 (1) At 30th June 2019.
 (2) Based on the percentage of attributable gross rental income for the month ended 30th June 2019.
 (3) Based on the percentage of area at 30th June 2019.


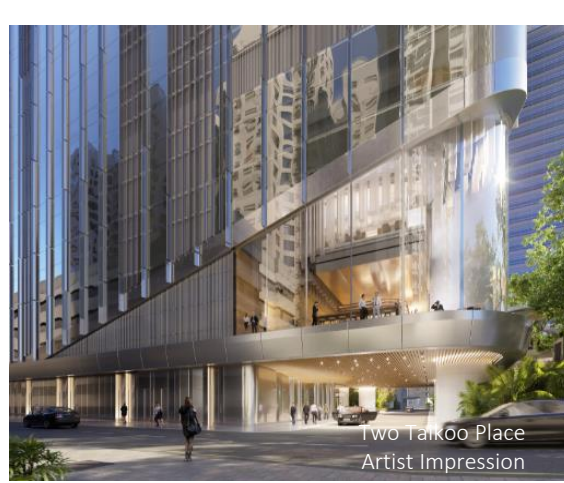
CAPITAL COMMITMENTS

Profile of Capital Commitments for Investment Properties and Hotels – at 30th June 2019

HK\$M	Expenditure	Forecast Expenditure				Commitments*
	Six months ended 30th Jun 2019	Six months ended 31st Dec 2019	2020	2021	2022 & later	At 30th Jun 2019
Hong Kong	1,023	1,323	3,928	2,783	6,786	14,820
Mainland China	72	721	868	225	144	1,958
U.S.A. and elsewhere	115	8	-	-	-	8
Total	1,210	2,052	4,796	3,008	6,930	16,786

* The capital commitments represent the Group's capital commitments of HK\$ 15,180 M plus the Group's share of the capital commitments of joint venture companies of HK\$ 1,606 M. The Group was committed to funding HK\$ 363 M of the capital commitments of joint venture companies.

HONG KONG PROJECTS UNDER DEVELOPMENT

Tung Chung	Quarry Bay	Chai Wan
 <p>Citygate Outlets' new extension</p> <p>~474,000 sq ft GFA</p> <ul style="list-style-type: none"> 20% owned. Shops have been opening progressively since August 2019. <p>2019</p>	<p>Two Taikoo Place</p> <p>~1M sq ft GFA</p> <ul style="list-style-type: none"> 100% owned. Superstructure works in progress. <p>2021/2022</p>	 <p>Chai Wan Inland Lot No. 88 ⁽¹⁾</p> <p>~0.7M sq ft GFA</p> <ul style="list-style-type: none"> 80% owned. <p>TBD</p>
<p>Wah Ha Factory Building and Zung Fu Industrial Building ⁽¹⁾</p> <p>~779,000 sq ft GFA</p> <ul style="list-style-type: none"> Compulsory sale applications submitted in 2018. <p>TBD</p>	<p>983-987A King's Road and 16-94 Pan Hoi Street, Quarry Bay ⁽¹⁾</p> <p>~0.4M sq ft GFA</p> <ul style="list-style-type: none"> 50% owned. Redevelopment for residential and retail uses. Compulsory sale application submitted in 2018. <p>TBD</p>	<p>46-56 Queen's Road East, 1A-11 Landale Street, 2A-12 Anton Street</p> <p>~218,000 sq ft GFA</p> <ul style="list-style-type: none"> 100% owned. Foundation works in progress. <p>2023</p>
	Retail-Led Investment Properties	Trading Properties ⁽²⁾
		Office-Led Investment Properties

(1) Proposed developments subject to successful bids in compulsory sales (for Wah Ha Factory Building and Zung Fu Industrial Building); successful bids in compulsory sales 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).

(2) Excluding 21-31 Wing Fung Street and Wong Chuk Hang Station Package Four.

MAINLAND CHINA PROJECTS UNDER DEVELOPMENT

Shanghai



Taikoo Li Qiantan

~ 1,250,000 sq ft GFA ⁽¹⁾

- 50%-owned; a low-rise retail development.
- Construction of basement and superstructure in progress.
- Expected completion in late 2020.

Beijing



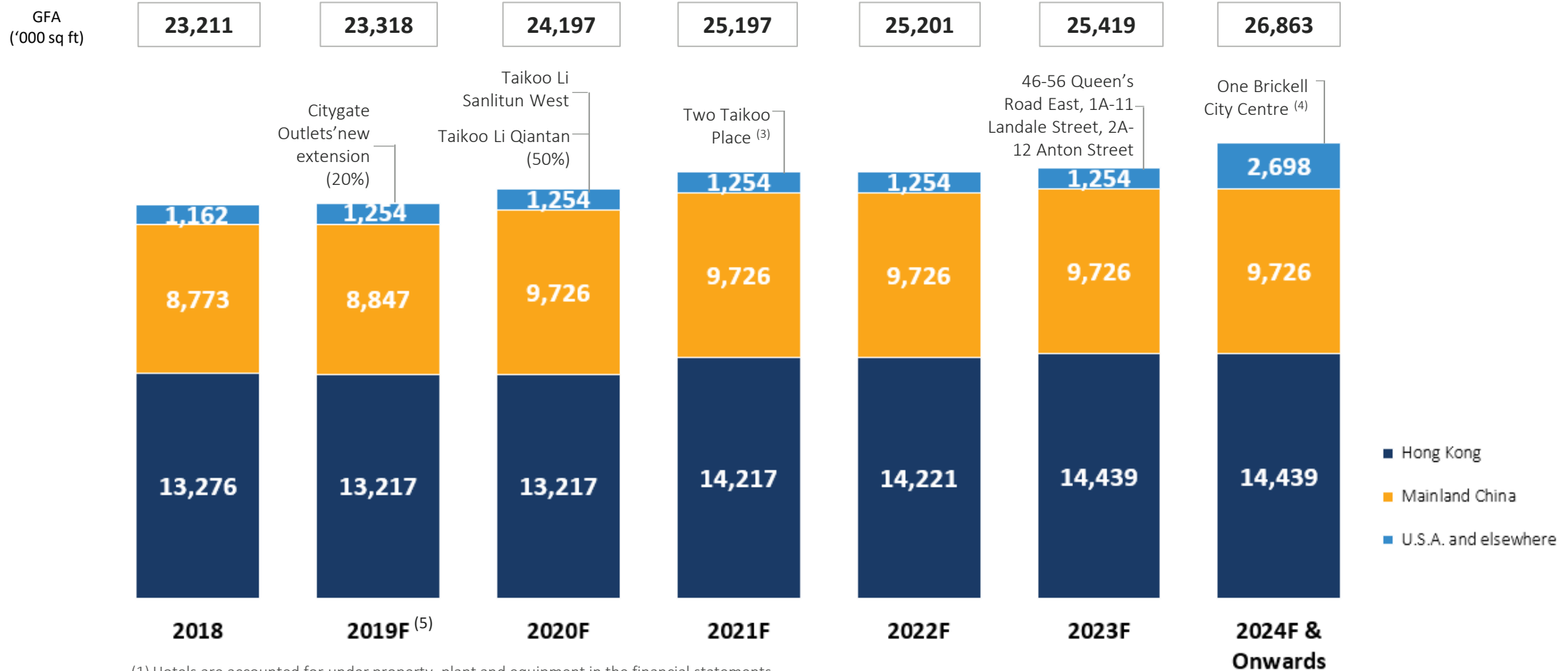
Taikoo Li Sanlitun West

~ 256,000 sq ft GFA

- Refurbishment as an extension to Taikoo Li Sanlitun.
- Expected completion in 2020.

COMPLETED INVESTMENT PORTFOLIO

Expected Attributable GFA of Completed Investment Portfolio (incl. Hotels) as at 30th June 2019 ⁽¹⁾⁽²⁾



(1) Hotels are accounted for under property, plant and equipment in the financial statements.

(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) Two Taikoo Place is expected to be completed in 2021 or 2022.

(4) Development under planning.

(5) The lower attributable GFA of the Hong Kong portfolio in 2019 primarily reflected the transfer of 625 King's Road office building to assets held for sale.

