



ORIGINAL. ALWAYS.
50 YEARS OF SWIRE PROPERTIES

2022 INTERIM RESULTS | ANALYST BRIEFING

11TH AUGUST 2022

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AGENDA

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

Tim Blackburn,
Chief Executive

Fanny Lung,
Finance Director



SOLID PERFORMANCE DESPITE HEADWINDS

 **HK\$ 4,319 M**

+118% 1H 2022 Reported profit
(1H 2021 at HK\$1,984M)

 **HK\$ 3,643 M**

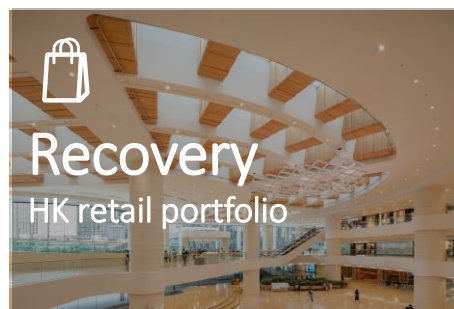
- 2% 1H 2022 Recurring profit
(1H 2021 at HK\$3,716M)

 **HK\$ 4,140 M**

- 8% 1H 2022 Underlying profit
(1H 2021 at HK\$4,513M)

 **HK\$ 49.61 / share**

- 1% Equity attri. to shareholders
(Dec 2021 at HK\$49.94 / share)




96%
Overall Occupancy

~ 50%
Pre-leasing at
Two Taikoo Place

Stable
Rental income

Almost
Fully Let ⁽¹⁾

 **2-5%**
1H Retail sales affected
by COVID-19 fifth wave

 **9%**
Attri. retail gross rental

 **19%**
1H Retail sales affected by
COVID-19 outbreaks ⁽²⁾


Contributions from
Taikoo Li Sanlitun West
Taikoo Li Qiantan

HK\$ 100 billion
potential / pipeline
investments

Investments
Taikoo Li Xi'an
Zung Fu Industrial Building
269 Queen's Road East
Citygate (increased **6.67%** interests)

Divestment
Taikoo Shing car parks
Fort Lauderdale site

Aiming for
Mid-Single-Digit
dividend growth

HK\$ 0.32  **3%**
2022 First interim dividend
(1H2021 at HK\$0.31 per share)

(1) HK retail occupancy by malls: 96% at The Mall, Pacific Place; 100% at Cityplaza; 100% at Citygate Outlets and 100% others.

(2) Attributable retail sales for all the malls (excluding Taikoo Li Sanlitun West and Taikoo Li Qiantan) in our Chinese Mainland portfolio, compared with same period in 2021.

MAKING GOOD PROGRESS ON ALL FRONTS

Hong Kong



◀ Zung Fu Industrial Building

Obtained 100% ownership for potential office redevelopment.

269 Queen's Road East ▶

Acquired a site (via government land tender) in Wan Chai for residential use.



Artist Impression

◀ EIGHT STAR STREET

- Occupation permit obtained
- 28 out of 37 units pre-sold ⁽³⁾.

Citygate / MGallery ▶

- Increased interest to 26.67%
- MGallery opened in phases



Divestment

- ▲ **Fort Lauderdale, Florida** Sale of a land parcel completed.

- ▲ **Taikoo Shing carparks, HK** Sales of 164 car parking spaces at Taikoo Shing in HK recognised in 1H 2022.

Chinese Mainland



Artist Impression

- ▲ **Taikoo Li Xi'an** Acquired a site (via government land tender) at Small Wild Goose Pagoda historical and cultural zone ⁽¹⁾.

Hotels

The House Collective ▶ Shenzhen / Tokyo

Announced plans for two new, third party owned hotels to be managed by Swire Hotels ⁽²⁾.



THE HOUSE
COLLECTIVE
屋舍系列

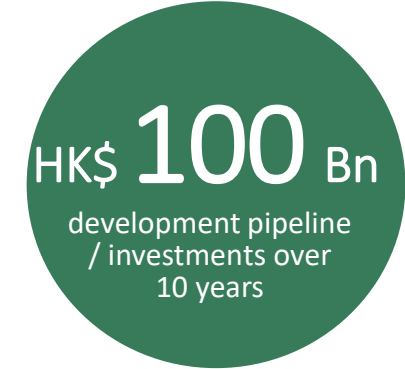


Image by Prolog
Copyright: Prolog
Courtesy of: Tokyu Corporation

- (1) Through a project company (70% owned).
- (2) Through hotel management agreements.
- (3) As of 9th August 2022.

HK\$100 BILLION+ STRATEGIC INVESTMENTS OVER 10 YEARS

AIMING FOR MID-SINGLE-DIGIT DIVIDEND GROWTH

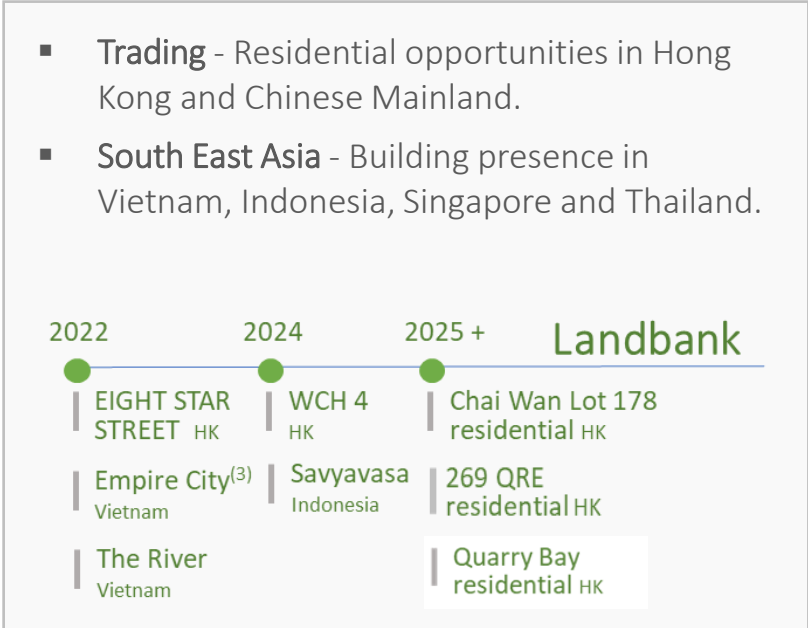
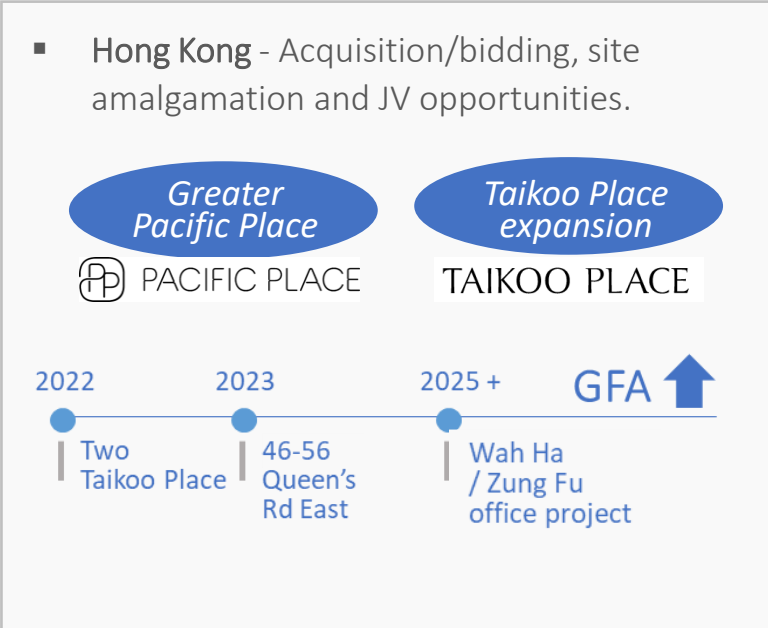
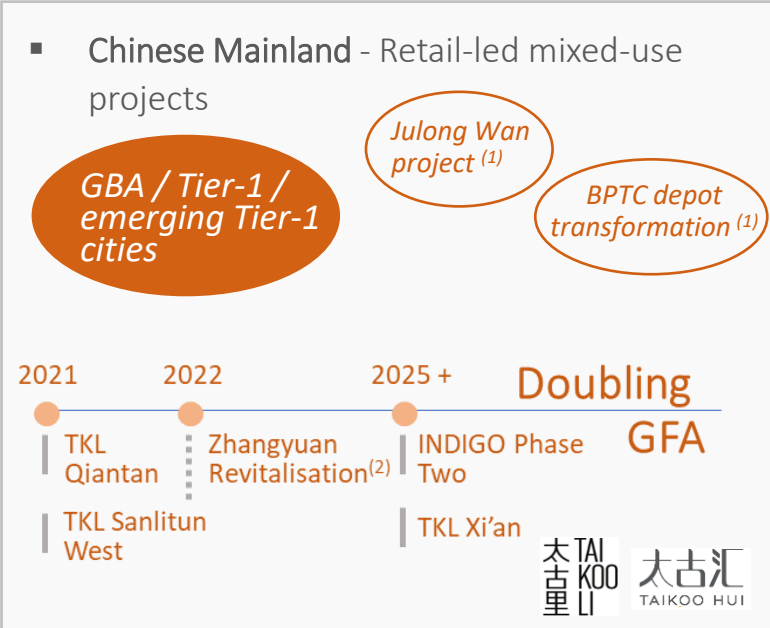


> HK\$ 50 Bn Chinese Mainland

> HK\$ 30 Bn Hong Kong

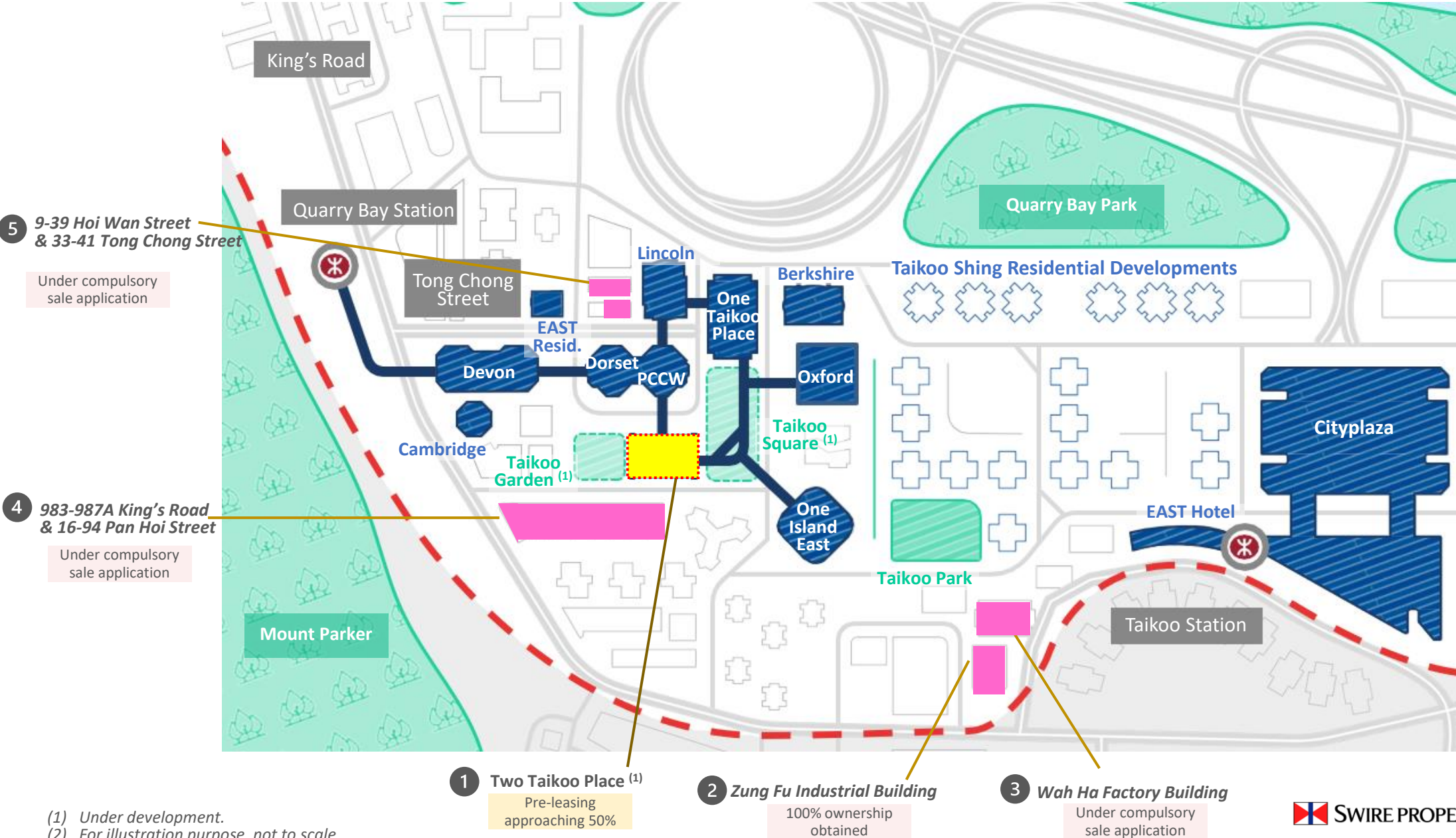
> HK\$ 20 Bn Trading / South East Asia

- Taikoo Li Xi'an
- 100% ownership at Zung Fu
- Increased stake at Citygate
- Compulsory sale applications at Quarry Bay
- 269 Queen's Road East, HK
- Chai Wan Lot 178, HK



(1) Under LOI, Framework or Cooperation Agreement.
 (2) For leasing and management only. The Group does not have an ownership interest in the compound.
 (3) In phases up to 2027.

PLACEMAKING AT TAIKOO PLACE – “GLOBAL BUSINESS DISTRICT”



TAIKOO LI XI'AN IN THE MAKING

~ **3.0** M sq ft
GFA ⁽¹⁾

retail | serviced residences
business apartments | hotel
cultural facilities

Fifth City
Chinese Mainland

UNESCO
World Heritage
Urban Regeneration
(expected completion by end of 2025)

Largest
Taikoo Li concept
to-date

70:30 JV
with Xi'an Cheng Huan
Cultural Investment and
Development Co., Ltd.



(1) Estimated GFA on a 100% basis, including above ground and below ground, subject to further planning.

(2) Estimated investment cost (including land cost) on a 100% basis. On an attributable basis, the development cost attributable to the Company is estimated to be RMB 7 billion.

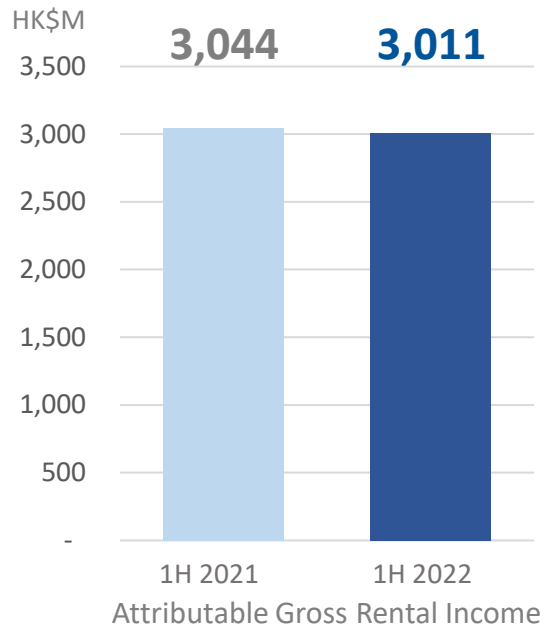


INDIGO Phase Two, Beijing
Artist impression

INVESTMENT
PORTFOLIO

HONG KONG OFFICE

RESILIENT PERFORMANCE IN A CHALLENGING ENVIRONMENT



96% Taikoo Place
97% Pacific Place

↓ 1% vs 1H 2021
HK\$ 3,011 M Attri. Gross Rental

Flattish vs Dec 2021
HK\$ 171.4 bn Attri. Valuation



Pacific Place

97% Occupancy ⁽¹⁾

↓ 18% Reversion ⁽²⁾

\$100-120 1/2 PP ⁽³⁾

\$95 3 PP ⁽³⁾



One Island East / One Taikoo Place

98% Occupancy ⁽¹⁾

0% Reversion ⁽²⁾

mid 50s – low 70s ⁽³⁾

Other Taikoo Place Office Towers

94% Occupancy ⁽¹⁾

↓ 3% Reversion ⁽²⁾

mid 40s – low 50s ⁽³⁾

(1) Occupancy as at 30th June 2022.

(2) Reversion is the percentage change in rent on lease renewals, entry into new leases and rent reviews.

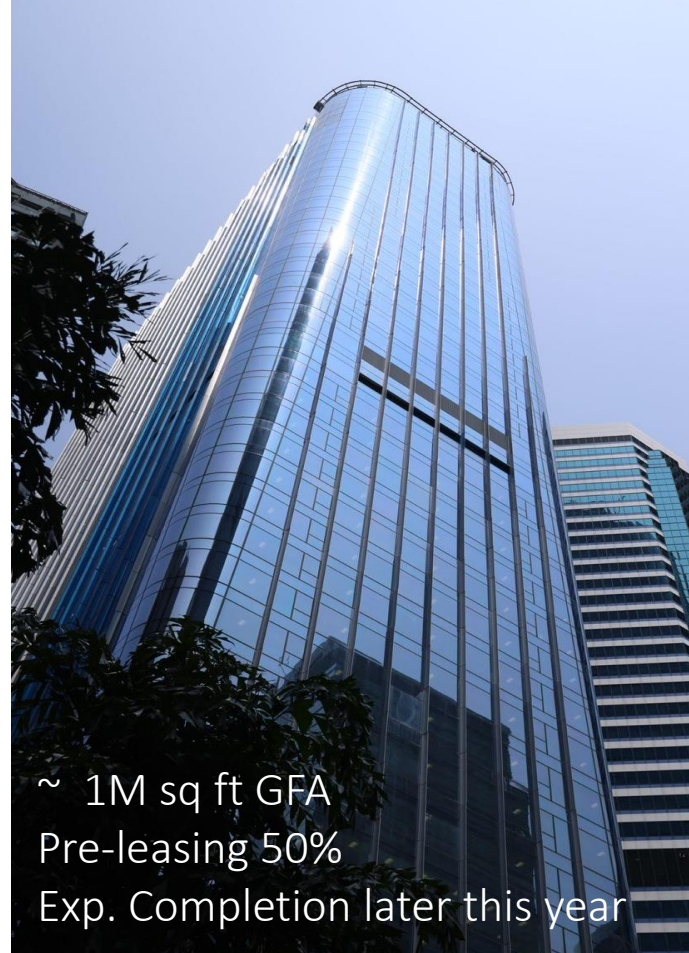
(3) Refers to latest monthly rentals in HK\$ psf.

HONG KONG OFFICE DEVELOPMENT IN PROGRESS

8 Queen's Road East



Two Taikoo Place

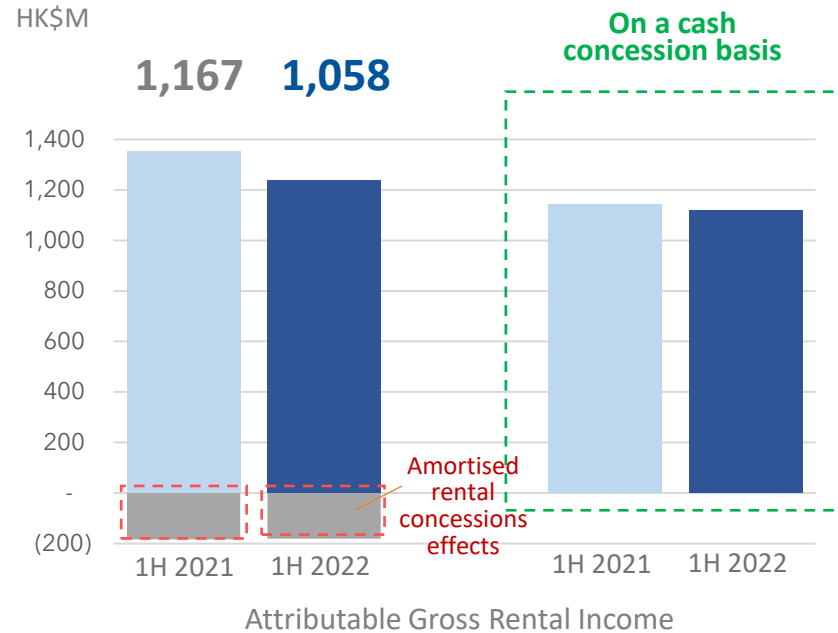


46 – 56 Queen's Road East



HONG KONG RETAIL

1Q MARKET DISRUPTED BY COVID-19 FIFTH WAVE, STRONG REBOUND IN 2Q



Almost **Fully** let

↓ 2%
vs 1H 2021
(on a cash
concession basis)

HK\$ 1,058 M
Attri. Gross Rental

↑ 1%
vs Dec 2021

HK\$ 46.1 bn
Attri. Valuation



PP Mall

96% Occupancy⁽²⁾

↓ 2% Retail sales⁽³⁾



Cityplaza

100% Occupancy⁽²⁾

↓ 5% Retail sales⁽³⁾



Citygate

100% Occupancy⁽²⁾

↓ 2% Retail sales⁽³⁾

(1) Attributable gross rental income (including amortised rental concessions) decreased by 9% in the period. On a cash concession basis, attributable gross rental decreased by 2%.

(2) Occupancy as at 30th June 2022.

(3) Retail sales year-on-year growth for the six months ended 30th June 2022.

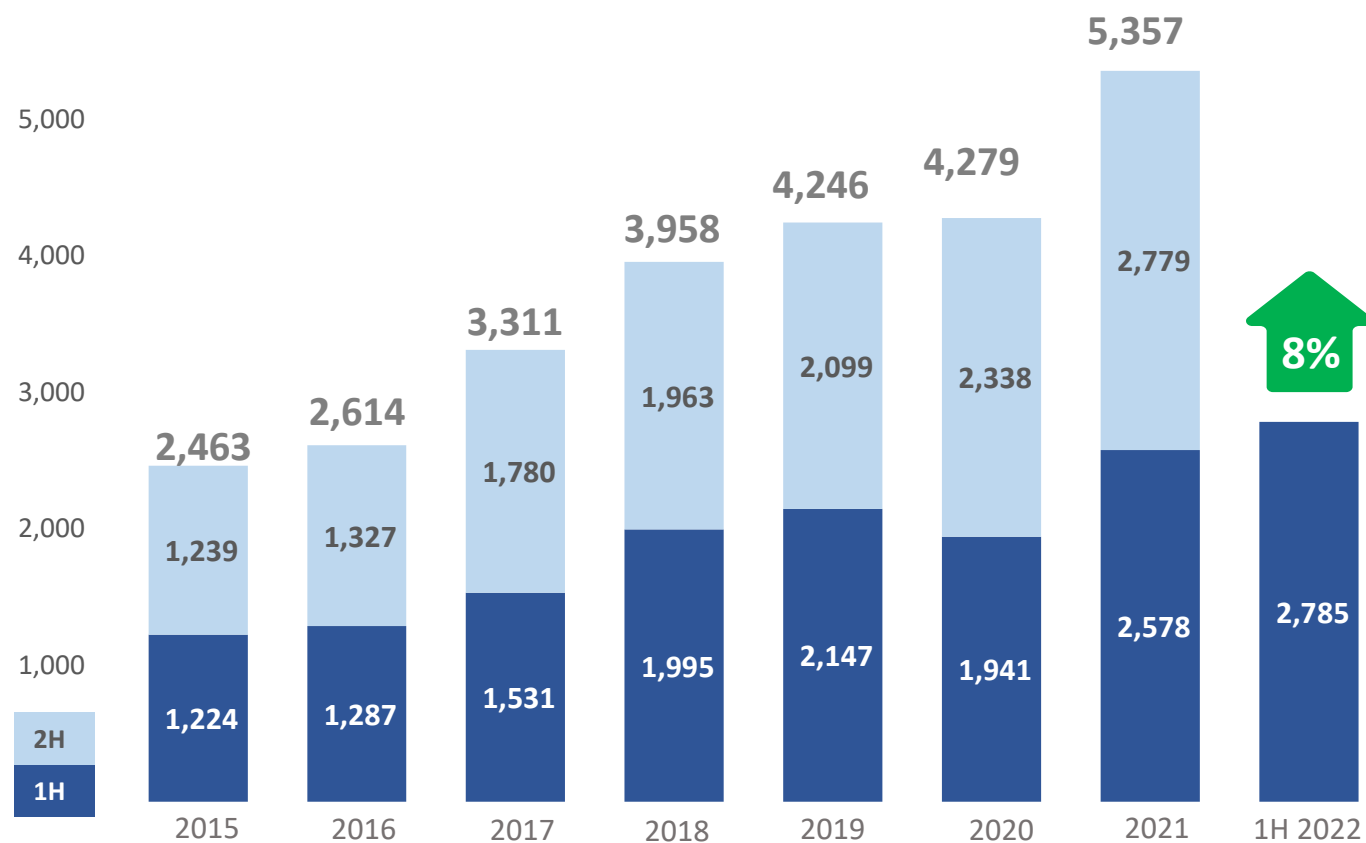
CHINESE MAINLAND PORTFOLIO

ENLARGED RETAIL SCALE DRIVING RENTAL GROWTH

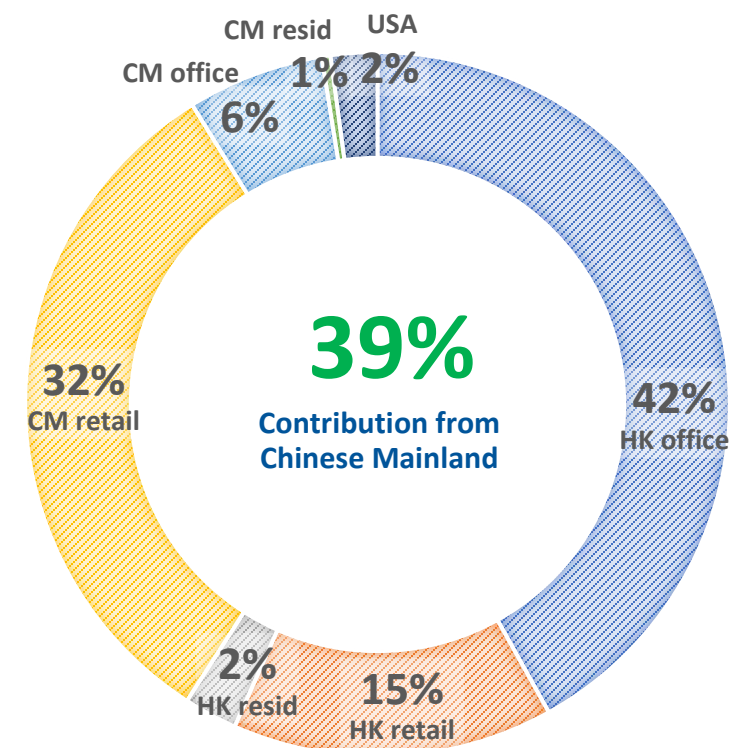
- Chinese Mainland overall portfolio contributed **39%** of attributable gross rental income in 1H 2022.
- Chinese Mainland **retail** is the **second largest** rental contributor.

Chinese Mainland Attributable Gross Rental Income

HK\$M

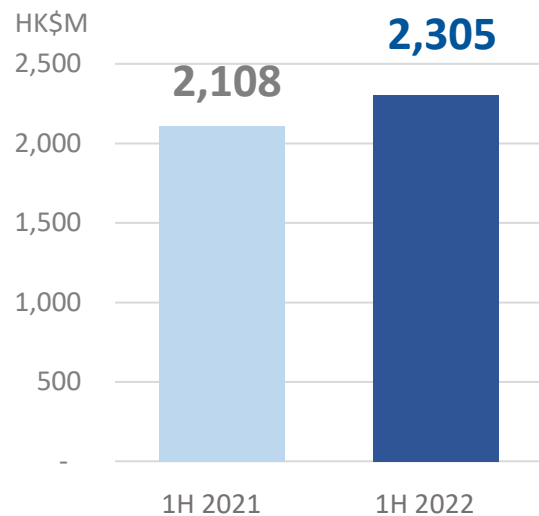


Attributable Gross Rental Income by Region



CHINESE MAINLAND RETAIL

ROBUST START BUT AFFECTED TO VARYING DEGREES IN 2Q; RECOVERING STEADILY



Attributable Gross Rental Income

Sino-Ocean Taikoo Li Chengdu



96% Occupancy ⁽¹⁾
 ↓ 8% Retail sales ⁽³⁾



Taikoo Li Sanlitun

98% Occupancy ⁽¹⁾
 ↓ 26% Retail sales ^{(3) (4)}



INDIGO

100% Occupancy ⁽¹⁾
 ↓ 25% Retail sales ⁽³⁾



HKRI Taikoo Hui

98% Occupancy ⁽¹⁾
 ↓ 53% Retail sales ⁽³⁾



Taikoo Li Qiantan

91% Occupancy ^{(1) (2)}
 Opened in Sept 2021



Taikoo Hui

99% Occupancy ⁽¹⁾
 ↓ 7% Retail sales ⁽³⁾

(1) Occupancy as at 30th June 2022.

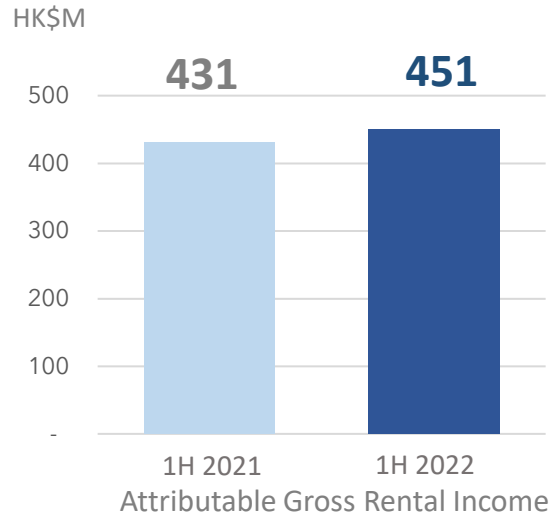
(2) Including space allocated to prospective tenants who have signed letters of intent.

(3) Retail sales year-on-year growth.

(4) Including Taikoo Li Sanlitun West which launched in December 2021.

CHINESE MAINLAND OFFICE

SOLID PERFORMANCE



94-100%
Overall Occupancy

↑ 5%
vs 1H 2021

HK\$ 451 M
Attri. Gross Rental

↓ 6%
vs Dec 2021

HK\$ 13.6 bn
Attri. Valuation



**Taikoo Hui Offices,
Guangzhou**

94% Occupancy ⁽¹⁾
mid 100s – low 200s ⁽²⁾



**ONE INDIGO,
Beijing**

95% Occupancy ⁽¹⁾
high 200s – mid 300s ⁽²⁾



**HKRI Centre 1&2,
Shanghai**

100% Occupancy ⁽¹⁾
mid 300s – mid 400s ⁽²⁾

⁽¹⁾ Occupancy as at 30th June 2022.

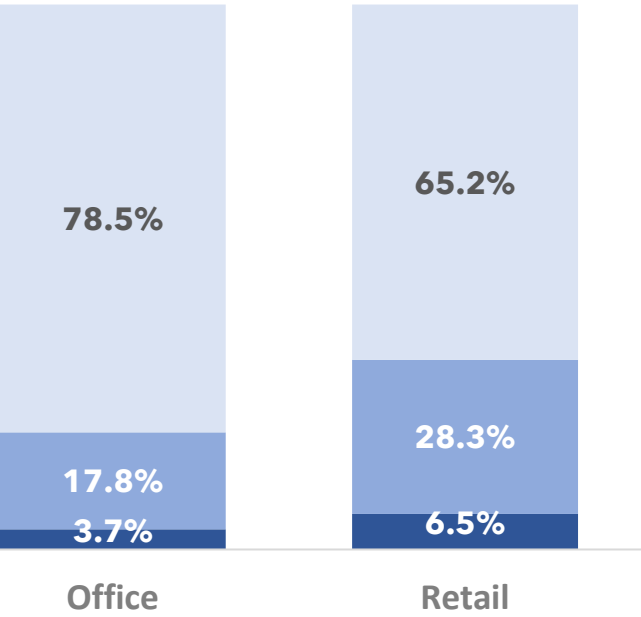
⁽²⁾ Refers to latest monthly rentals in RMB psm.

LEASE EXPIRY PROFILE

WELL SPREAD-OUT EXPIRY PROFILE FROM A DIVERSE TENANT BASE

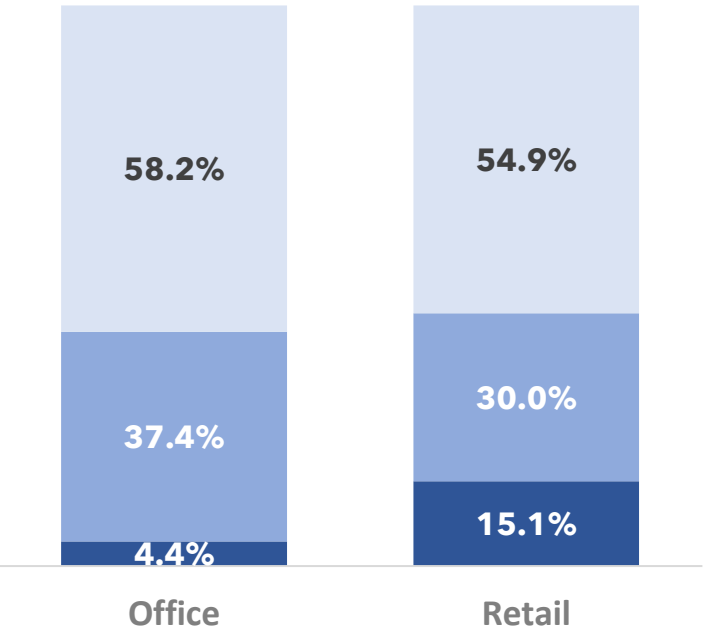
Lease Expiry Profile as at 30th Jun 2022

Hong Kong Portfolio

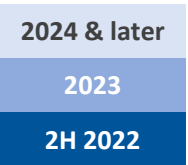


- Top 10 office tenants occupied approx. 24% office area in HK.
- Top 10 retail tenants occupied approx. 26% retail area in HK.

Chinese Mainland Portfolio

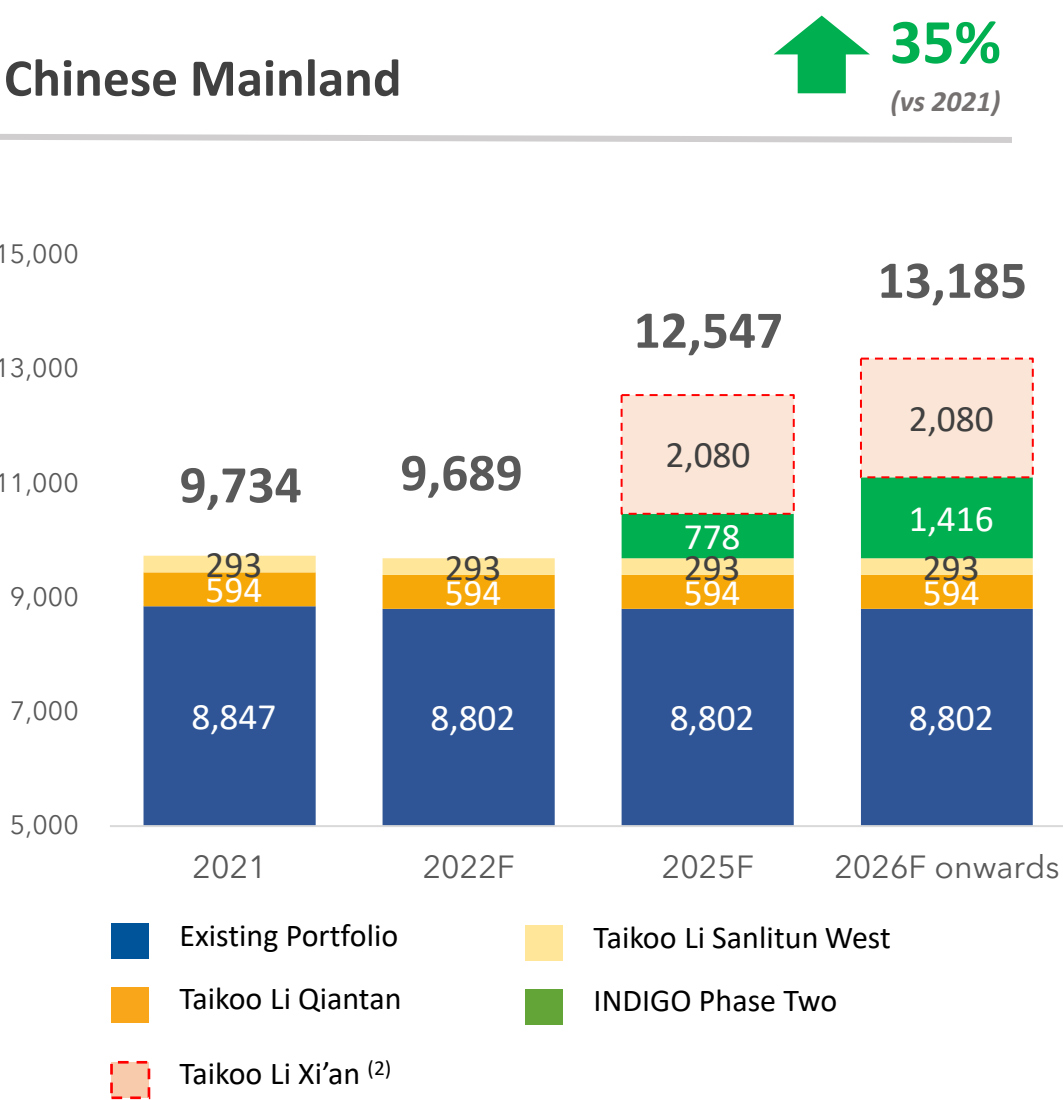
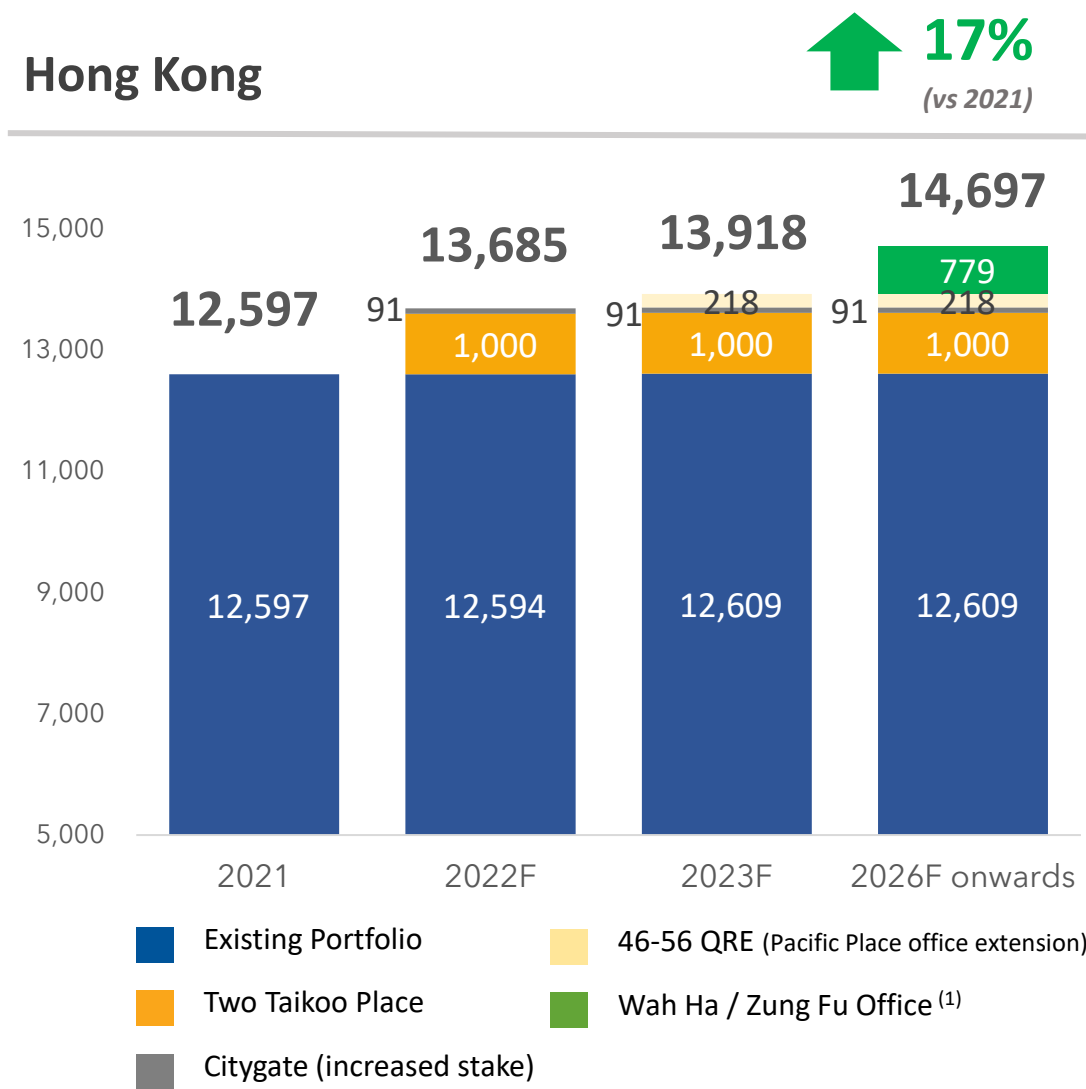


- Top 10 office tenants occupied approx. 47% office area in Chinese Mainland.
- Top 10 retail tenants occupied approx. 18% retail area in Chinese Mainland.



DUAL GROWTH ENGINES

Expected Attributable GFA of Completed Investment Property (incl. Hotels)
(‘000 sq ft)



(1) Subject to the Company having successfully bid in a compulsory sale.

(2) Estimated GFA on an attributable basis for illustrative purposes. Including GFA of serviced residences and business apartments. Subject to further planning.

MIAMI RETAIL

STRONG DOMESTIC DEMAND



- Strong domestic demand driving growth in retail sales.

93%
Overall Occupancy

↑ 36%
1H 2022 Retail Sales



TRADING
PORTFOLIO

HONG KONG TRADING PORTFOLIO

BUILDING A STRONG PIPELINE; EIGHT STAR STREET TO RECORD PROFIT IN 2H



1 EIGHT STAR STREET

37 Residential units 28 Pre-sold ⁽¹⁾

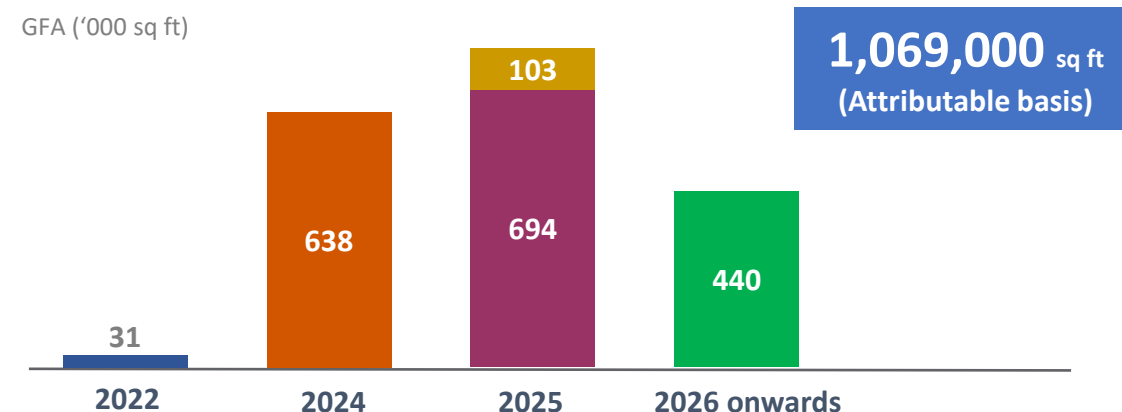
Occupation permit issued

Interior fitting out works
in progress

~ HK\$39,000 psf Average selling price

Expected Residential GFA Completions in Hong Kong (100% Basis)

GFA ('000 sq ft)



2 Wong Chuk Hang Station Package Four

25% Interest

Exp. Completion (2024)

Superstructure works
in progress

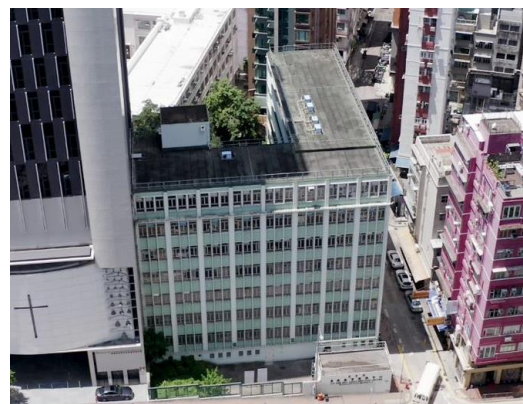
4 269 Queen's Road East

100% Interest

Acquisition via land tender

Exp. Completion (2025)

Obtaining legal title



3 Chai Wan Inland Lot No. 178

80% Interest

Exp. Completion (2025)

Foundation works
in progress

5 983-987A King's Road / 16-94 Pan Hoi Street, Quarry Bay ⁽²⁾

50% Interest

Compulsory sale application
submitted in 2018

(1) As at 9th August 2022.

(2) Subject to the related joint venture having successfully bid in a compulsory sale and in accordance with applicable town planning controls.

OVERSEAS TRADING PORTFOLIO

BUILDING PRESENCE IN SOUTH EAST ASIA



Ho Chi Minh City, Vietnam

The River

20% Interest

525 Luxury apartments

Exp. Completion (2022)

~ 90% Pre-sold ⁽¹⁾

0.8 M sq ft
(100% basis)

Artist Impression



Empire City

15.73% Minority interest

Mixed-use (Residential-led)

Exp. Completion
in phases (up to 2027)

~ 45% Pre-sold ⁽¹⁾

7.1 M sq ft
(100% basis)

Artist Impression



Jakarta, Indonesia

Savyavasa

50% Interest

> 400 Residential units

Launch for pre-sale in March 2022

Exp. Completion (2024)

1.1 M sq ft
(100% basis)

Artist Impression

Expected Residential GFA Completions in South East Asia

1.85 M sq ft
(Attributable basis)

(1) As at 9th August 2022.



EAST Hong Kong

HOTEL
PORTFOLIO

HOTEL PORTFOLIO

EXTENDING OUR REACH

- Challenging trading conditions in Hong Kong and the Chinese Mainland
- Strong performance in the U.S.A.
- Recorded EBITDA loss ⁽¹⁾ of HK\$74M at managed hotels in 1H 2022 (vs EBITDA profit of HK\$4M in 1H 2021).
- The Silveri Hong Kong – MGallery ⁽²⁾ at Citygate opening in phases.
- Announced plans for two new, third party owned hotels under The House Collective brand in Tokyo and Shenzhen. Both hotels will be managed by Swire Hotels.

Committed to developing our two distinctive brands and expanding into new markets through hotel management agreements



The Upper House



Image by Proloog
Copyright: Snøhetta
Courtesy of: Tokyu Corporation

Planned third party owned hotel in Tokyo to be managed by Swire Hotels

(1) For managed hotels – including restaurants and taking into account central costs.

(2) 26.67% owned.

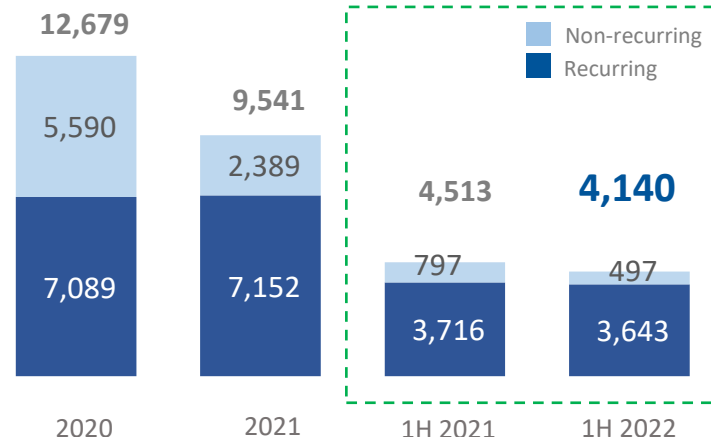


FINANCIAL
HIGHLIGHTS

UNDERLYING PROFIT

SOLID RESULTS DEMONSTRATING BUSINESS RESILIENCE DESPITE SHORT-TERM SETBACKS

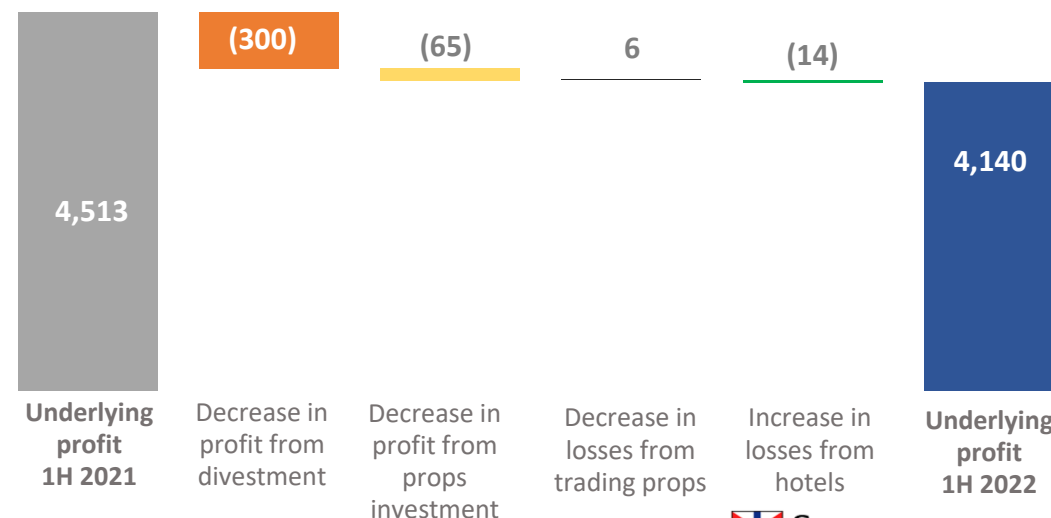
Underlying Profit
HK\$M



- Recurring underlying profit reduced slightly by 2%, reflecting lower retail rental income from Hong Kong and higher operating costs as well as increased losses from hotels, partly offset by higher retail rental income from the Chinese Mainland.
- 1H 2022 underlying profit decreased by 8%, reflecting lower divestment gains compared with 1H 2021.

By Segment (HK\$M)	1H 2021	1H 2022	Change
Property investment	3,908	3,843	↓ 1.7%
Property trading	(28)	(22)	n.m.
Hotels	(164)	(178)	n.m.
Recurring Underlying Profit	3,716	3,643	↓ 2.0%
Divestment	797	497	n.m.
Underlying Profit	4,513	4,140	↓ 8.3%

Movement in Underlying Profit
HK\$M

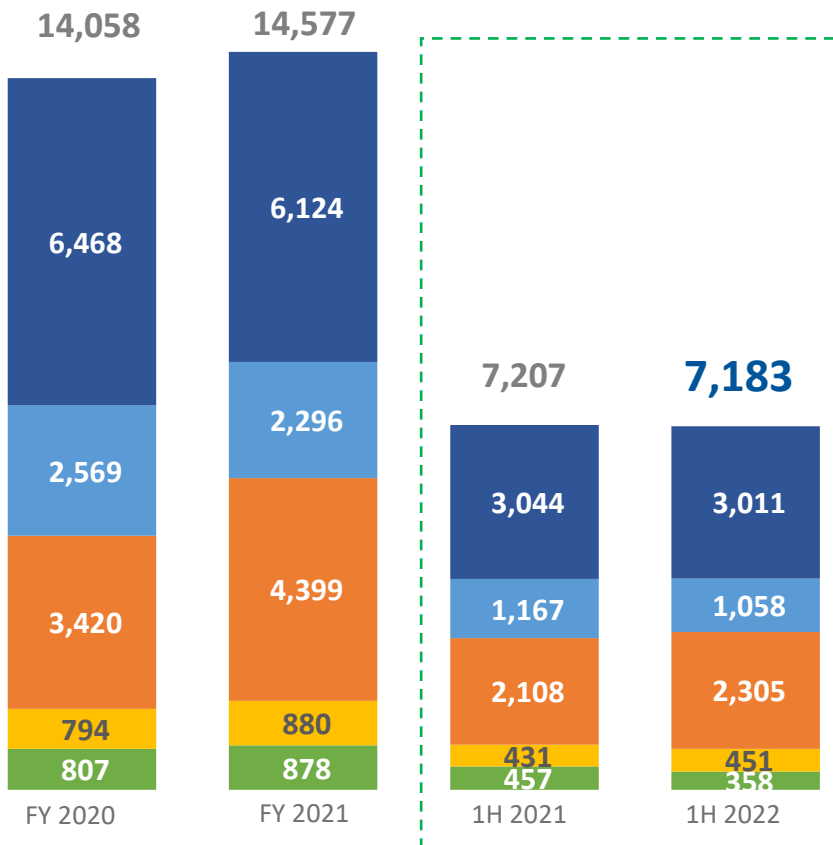


(1) 2022 Interim Results summary is included in the Appendix.

RENTAL INCOME

BALANCED PORTFOLIO WEATHERING SHORT-TERM HEADWINDS

Attributable Gross Rental Income
HK\$M



Flattish
vs 1H 2021

HK\$ 7,183 M
Attributable ⁽¹⁾
Gross Rental Income

HK Office
↓ 1%

- Resilient overall portfolio, with firm occupancy.
- Decline in business activity due to the fifth COVID-19 wave.

HK Retail
↓ 9%

- Severely disrupted by the fifth COVID-19 wave with significant drop in sales and footfall in 1Q.
- Local consumption started to recover in 2Q due to pent up demand and gradual relaxation of social distancing measures.
- On a cash rental concessions basis, attributable rental income decreased by 2%.

CM Retail
↑ 9%

- Retail sales began the year strongly but affected to varying degrees by COVID-19 resurgence, particularly in Shanghai and Beijing in 2Q.
- Increase in rental reflected contributions from the newly opened Taikoo Li Sanlitun West and Taikoo Li Qiantan.

CM Office
↑ 5%

- Solid performance.
- Improved occupancy in Beijing and Shanghai.

Others
↓ 22%

- Loss of rental from EAST Miami (serviced apartments) which was sold in Nov 2021.
- Demand for residential investment properties in Hong Kong was primarily local.

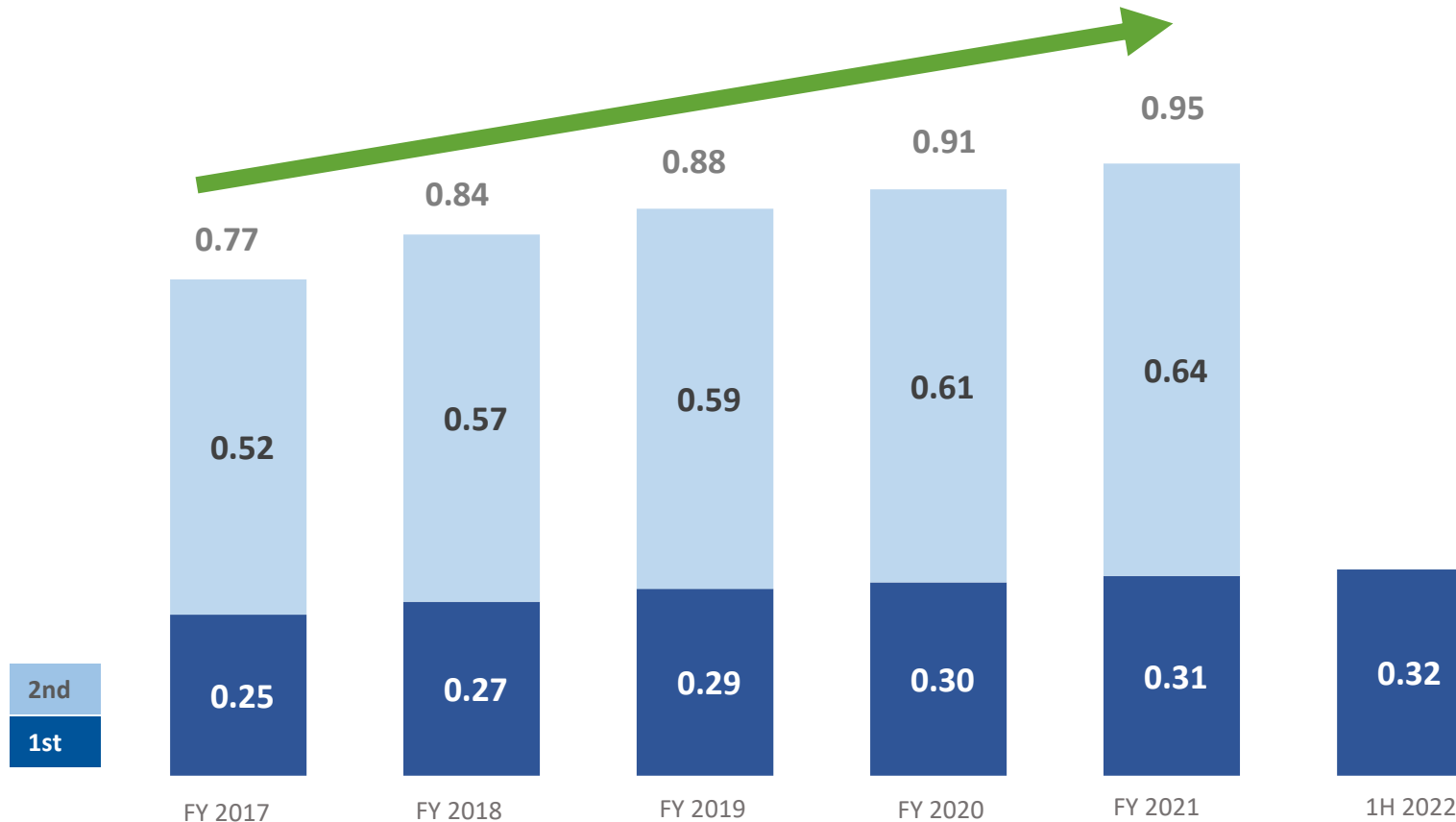
(1) Reported gross rental income was HK\$6,003M, comprising HK\$2,843M for HK office, HK\$1,002M for HK retail, HK\$1,586M for Chinese Mainland retail, HK\$191M for Chinese Mainland office and HK\$381M other rental income.

DIVIDEND RETURN

AIMING TO DELIVER MID-SINGLE-DIGIT GROWTH

Dividend Per Share

HK\$ / Share



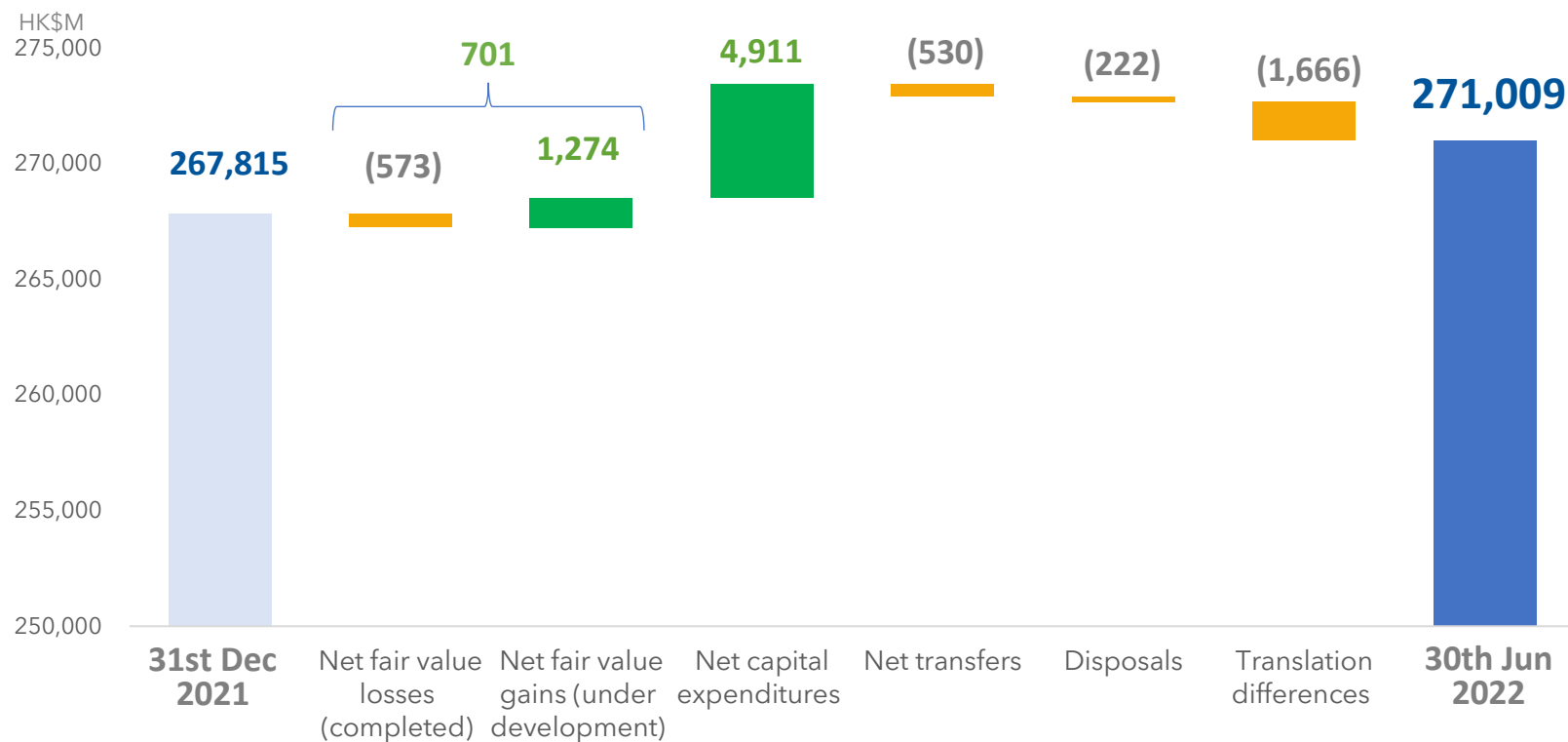
- Aiming to deliver mid-single-digit annual growth with investments
- Sustainable growth and to pay out approximately half of our underlying profit in ordinary dividends over time.
- Full year (2017-2021) CAGR at 5.4%



INVESTMENT PROPERTIES VALUATION

CONTINUOUS CAPEX IN INVESTMENT PROPERTIES

Movement in Investment Properties Valuation ⁽¹⁾
(excl hotels and investment properties held under JVCs)



- For completed investment properties, there were fair value losses in the office investment properties in Hong Kong and the Chinese Mainland, partly offset by fair value gains in the car parking spaces and investment properties in U.S.A.
- There were fair value gains in respect of certain properties held for development in Hong Kong.
- Net additions primarily due to the land acquisition of Taikoo Li Xi'an.
- There were exchange losses in respect of the investment properties in the Chinese Mainland.
- There was no change in the capitalisation rate for most of the properties.

↑ 1%
vs Dec 2021

HK\$ 271,009 M
Investment Props Valuation
(Jun 2022)

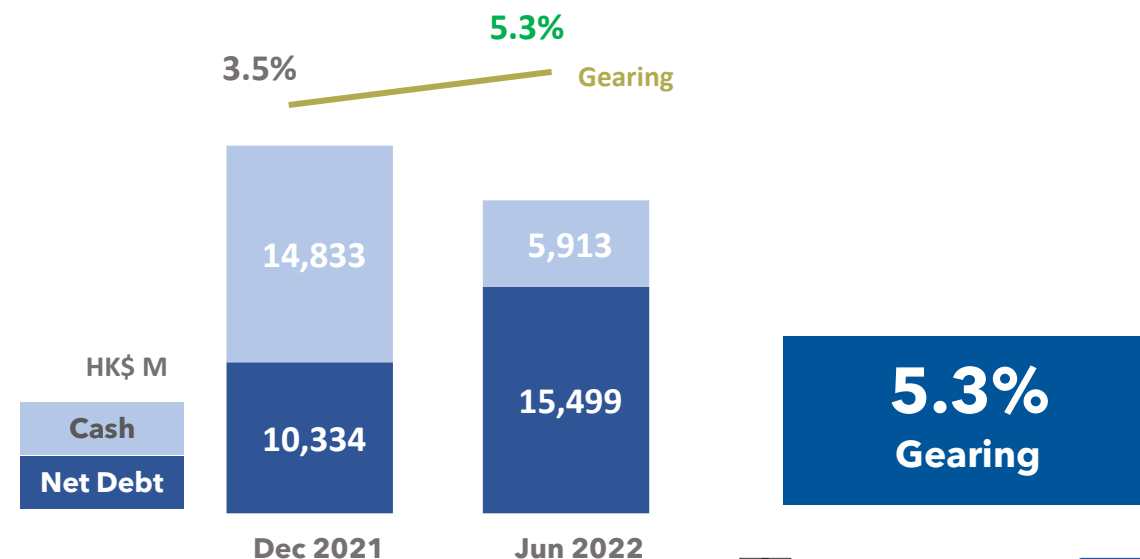
(1) Valuation before initial leasing costs.

NET DEBT AND GEARING

STRONG FINANCIAL FOOTING

Net Debt Reconciliation (HK\$M)			
Net debt at 31st December 2021			(10,334)
Net rental, fee receipts and proceeds from property trading / development	5,114		
Net proceeds from disposals of investment props	375		
Capex – PP&E and props investment and development cost for props trading		(5,447)	
Cashflow from JVCs, associates and other investments		(428)	
Dividends paid to the Company's shareholders		(3,744)	
Tax paid		(518)	
Other net cash paid		(510)	
Sub-total			(5,158)
Lease liabilities movement			(7)
Net debt at 30th June 2022			(15,499)

Financial Ratios ⁽¹⁾	2018	2019	2020	2021	Jun 2022
Total equity (HK\$M)	281,291	288,911	290,680	294,158	293,236
Net debt (HK\$M)	29,905	15,292	6,605	10,334	15,499
Gearing	10.6%	5.3%	2.3%	3.5%	5.3%
Underlying interest cover (x)	12.6	48.2	33.5	33.0	84.4
Underlying cash interest cover (x)	9.7	31.5	20.1	15.8	13.5



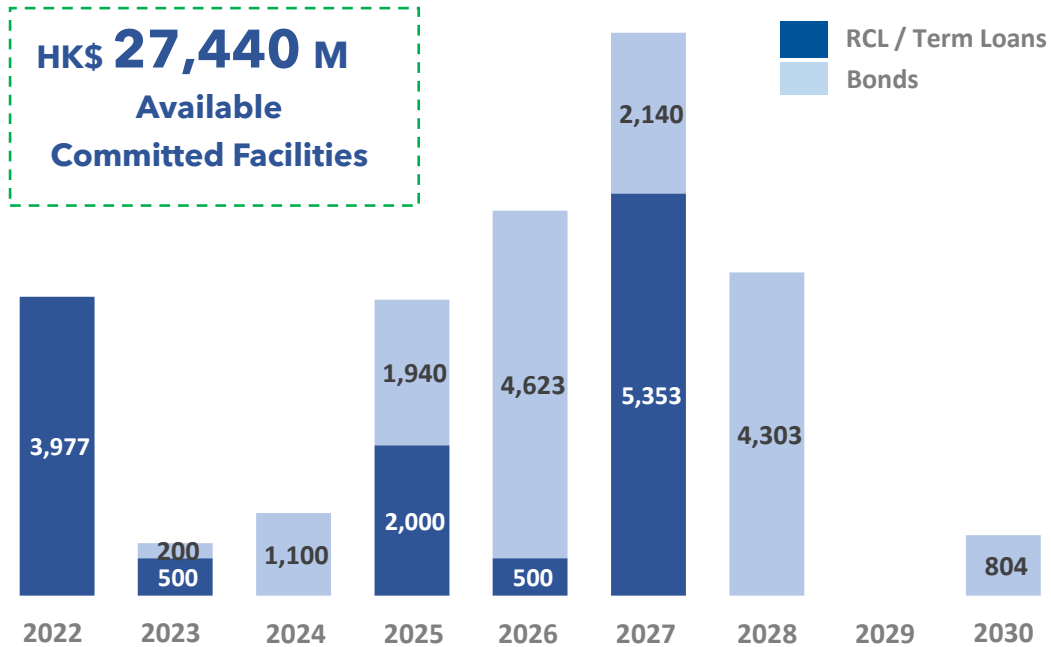
(1) Financial ratios as at respective Dec year-ends except for June 2022.

MATURITY PROFILE AND LIQUIDITY

WELL SPREAD MATURITY PROFILE AND AMPLE LIQUIDITY HEADROOM

Maturity Profile of Available Committed Facilities (at 30th Jun 2022)

HK\$M

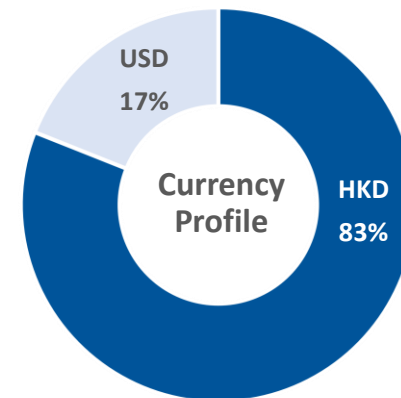


- During 1H 2022, the Group repaid and prepaid term and revolving loan facilities of HK\$3,207M and repaid medium term notes of HK\$3,923M.

Fixed : Floating
72% : 28%

Fitch "A"
Moody's "A2"

HK\$M	Dec 2021	Jun 2022
Available committed facilities	29,318	27,440
Drawn - committed	(24,668)	(20,940)
Undrawn - committed	4,650	6,500
Cash	14,833	5,913
	19,483	12,413
Undrawn - uncommitted	400	400
	19,883	12,813



HK\$ 12,413 M
Cash & Undrawn Committed Facilities

~45%
Green Financing

CAPITAL COMMITMENTS

Profile of Capital Commitments for Investment Properties and Hotels – at 30th Jun 2022

HK\$M	Expenditure	Forecast Expenditure				Total Commitments ⁽¹⁾	Commitments relating to JVCs ⁽²⁾
	Six months ended 30th Jun 2022	Six months ending 31st Dec 2022	2023	2024	2025 & later	At 30th Jun 2022	At 30th Jun 2022
Hong Kong	1,287	4,260	1,629	755	6,397	13,041	76
Chinese Mainland	3,547	1,847	2,287	3,315	5,119	12,568	4,486
U.S.A.	18	2	-	-	-	2	-
Total	4,852	6,109	3,916	4,070	11,516	25,611	4,562

(1) The capital commitments represent the Group's capital commitments of HK\$21,049 M plus the Group's share of the capital commitments of joint venture companies of HK\$4,562 M.

(2) The Group was committed to funding HK\$147 M of the capital commitments of joint venture companies in the Chinese Mainland.

ACTIVE CAPITAL RECYCLING

Disposal Proceeds (Investment Properties & Hotels)

Asset Disposal HK\$ Bn	Disposal Proceeds						Total
	Before 2019	2019	2020	2021	2022	2023 +	
Cityplaza One	-	-	8.2	1.1	-	0.5 ⁽¹⁾	9.8
Cityplaza Three & Four ⁽²⁾	3.0	12.0	-	-	-	-	15.0
625 King's Road Office Building (50% basis)	-	2.4	-	-	-	-	2.4
Kowloon Bay Office Building	6.5	-	-	-	-	-	6.5
Other non-core properties in Hong Kong and U.S.A.	2.0	2.0	1.4	3.9 ⁽³⁾	0.8 ⁽⁴⁾	-	10.1
Total	11.5	16.4	9.6	5.0	0.8	0.5	43.8

- Underlying profit from divestment of **HK\$497M** was recognised in 1H 2022 (1H 2021: HK\$797M).

(1) Sale proceeds of HK\$0.5 bn to be received in 2023.

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

(3) Sale proceeds from Taikoo Shing carparks and EAST Miami.

(4) Sales proceeds from Taikoo Shing carparks and a site at Fort Lauderdale in Florida.

Fighting Climate Change, Together We Can!

Your actions matter. Join Team 1.5°C and do more.



SUSTAINABLE
DEVELOPMENT



Sustainability
We All Count



Sustainable
Development
Report 2021



ESG Update
for Investors
(Jun 2022)

Find out more about **SD2030**

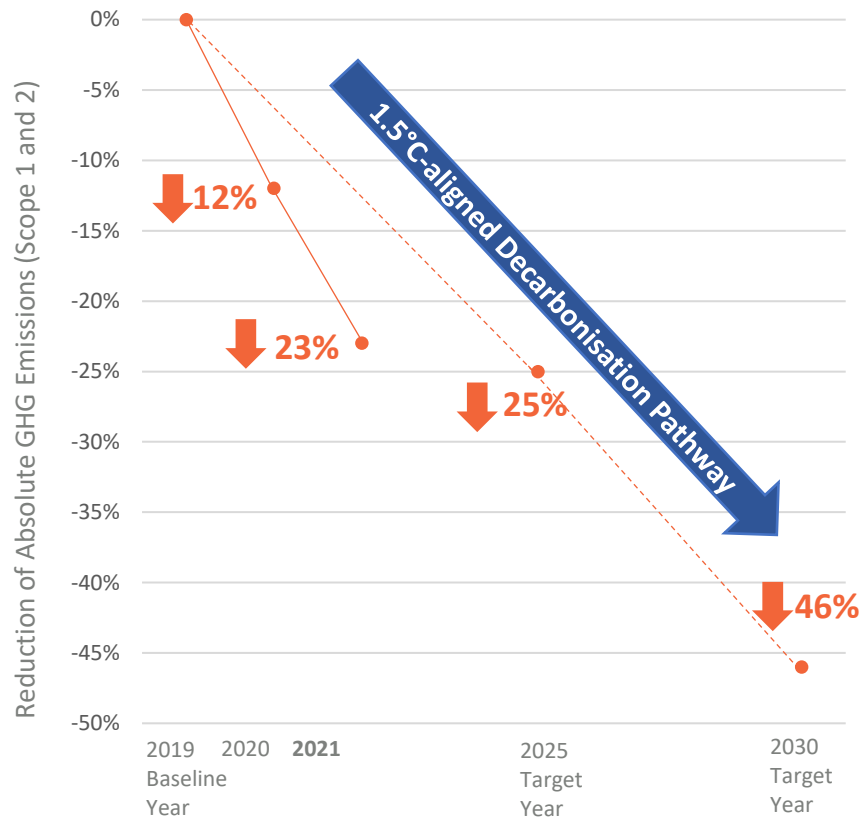


ACCELERATING ACTIONS TO ACHIEVE NET ZERO

MAKING STEADY PROGRESS TOWARDS 1.5°C-ALIGNED SBT



Progress against SBT Scope 1 and 2 targets



Carbon Reduction Initiatives



Continue Rollout of Smart Energy Management Platform

~500,000 kWh

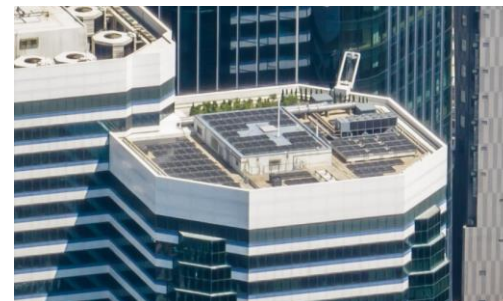
saved since implementation (Q2 2021)



Pilot of Integrated Direct Current Microgrid

Taikoo Li Sanlitun, Beijing -10%

estimated carbon emissions compared to conventional energy generation systems



On-site Renewable Energy Generation

In April 2022, completed installation of an on-site

65 kW PV system at

Dorset House, Taikoo Place

GREEN BUILDING PERFORMANCE

GREEN BUILDING LEADER RECOGNISED BY AWARDS AND CERTIFICATIONS

By 2025, **100%** wholly-owned new development⁽¹⁾ and **90%** wholly-owned existing developments⁽¹⁾ to achieve the highest environmental building assessment scheme rating



Taikoo Hui, Guangzhou achieved **Platinum** under LEED Operations and Maintenance Version 4



Taikoo Li Sanlitun, Beijing achieved **Platinum** under LEED Operations and Maintenance Version 4.1



Pioneer Award

in Green Building Leadership – Facilities Management



1st and only developer to win this top award in the “Green Building Leadership Category” for three years running

Grand Award

in New Building Category: Projects Under Construction and/or Design (Commercial)

Two Taikoo Place being the 2nd building at Taikoo Place to obtain a Grand Award

(1) Excluding joint venture projects and trading properties.

BESPOKE TENANT ENGAGEMENT PROGRAMME

ADVANCING ENVIRONMENTAL PERFORMANCE THROUGH COLLECTIVE EFFORT

Sustainable Office Solutions (SOS)



Inventory



Reuse



Recycle



Repurpose

18 tonnes

of waste diverted from landfill⁽¹⁾



60

F&B tenants recognised with Green Kitchen Awards ⁽¹⁾

Green Performance Pledge (GPP)



Commit
to collaborate
on sustainability



Share data and
review baseline
performance



Take action
to meet agreed
SD goals



Recognise
tenants' good
performance

Latest Progress⁽¹⁾



36

tenants participated

1.8m sf / 22.4%

of our HK office occupied LFA

2025 Target

50% of office tenants in wholly-owned portfolios⁽²⁾ sign a GPP

⁽¹⁾ As of Jun 2022.

⁽²⁾ Measured by occupied lettable floor area ("LFA") of wholly-owned office portfolios, which are Taikoo Place and Pacific Place in Hong Kong and Taikoo Hui in Guangzhou.

GREEN FINANCING

INCREASING USE OF SUSTAINABILITY-LINKED LOANS

~45% of our current bond and loan facilities come from green financing

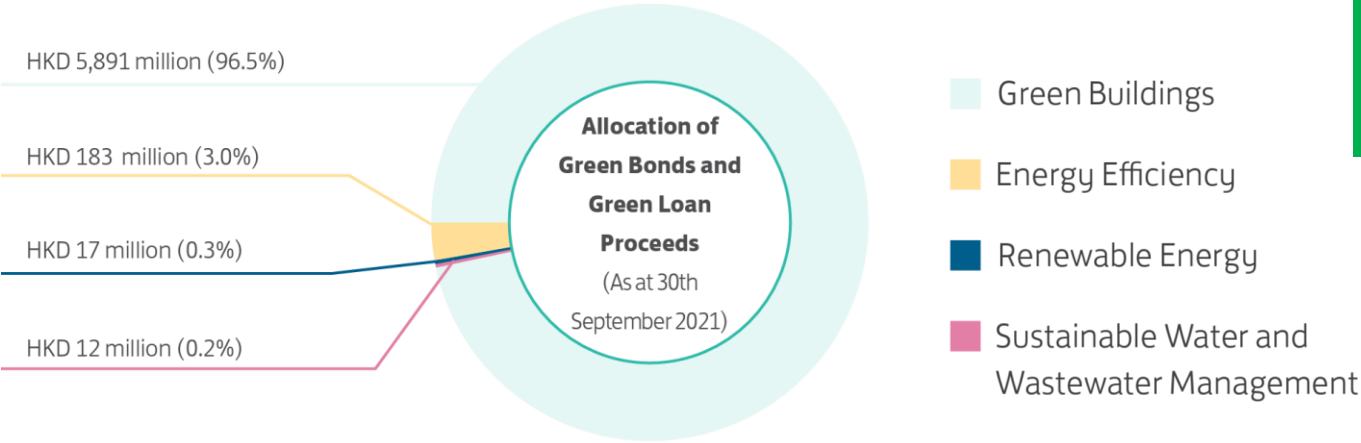
2025 TARGET

Achieve a minimum of **50%** of bond and loan facilities from **green financing**

As at September 2021

2022

100% of Green Bond Proceeds Utilised ⁽²⁾



3 sustainability-linked loan facilities totalling **HK\$3.5 billion** were secured ⁽¹⁾

(1) At 30th Jun 2022

(2) At 30th Sep 2021

EMPHASIS ON HEALTH & WELLNESS

INVESTING IN OUR EMPLOYEES AND LAUNCHING MORE HEALTH AND SAFETY INITIATIVES

Talent Attraction



Hong Kong's Most Attractive Employer

in the Randstad Hong Kong Employer Brand Research 2022⁽¹⁾

- Second time topping this award since 2020
- Placed in Top 4 Most Attractive Employer for 6 consecutive years

Occupational Health and Safety

Established **Zero Harm Commitment** and **Zero Harm Framework and Roadmap**

- 4 engagement areas: leadership, structure, process and culture

New

H&S Target for Contractor Workers⁽³⁾

Reduce 5-year rolling average⁽²⁾ of **Accident Rate⁽⁴⁾ per 1,000 contractor workers** in our Hong Kong Projects

2025 Target:

↓ **50%**

2030 Target:

↓ **70%**

(1) Based on 3,027 locally-based respondents.

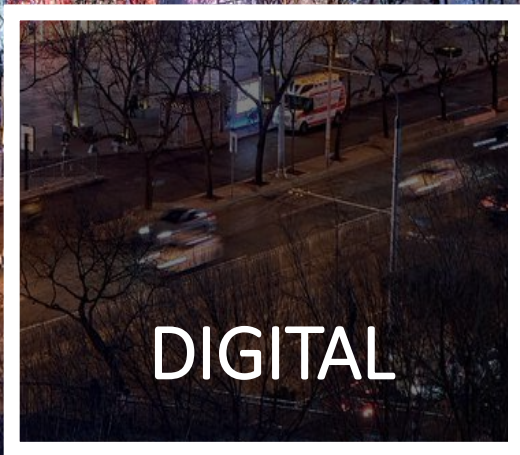
(2) Using 2015-2019 (5-year average) as baseline.

(3) Refers to contractor workers at Project site.

(4) Accident rate per 1,000 contractor worker is calculated as the no. of reportable accident (sick days of more than 3 days) x 1000 divided by average daily no. of workers on site.



Taikoo Li Sanlitun, Beijing



DIGITAL ACHIEVEMENTS

RETAIL APPLICATIONS

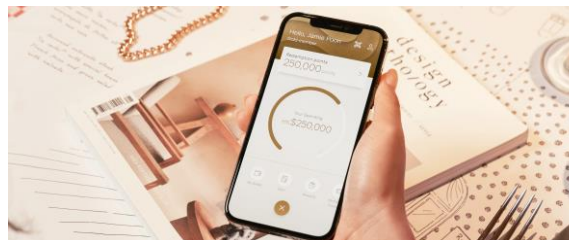
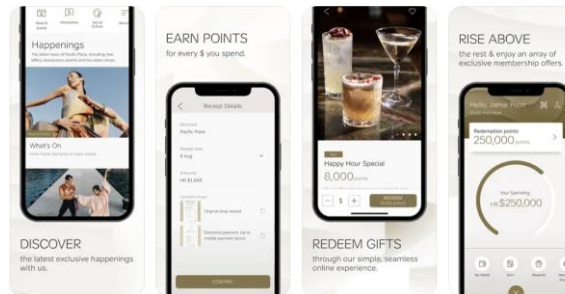
Taikoo+ (HK)

42,000+ app downloads
17,000+ registered members
2,500+ daily average users
41% member penetration



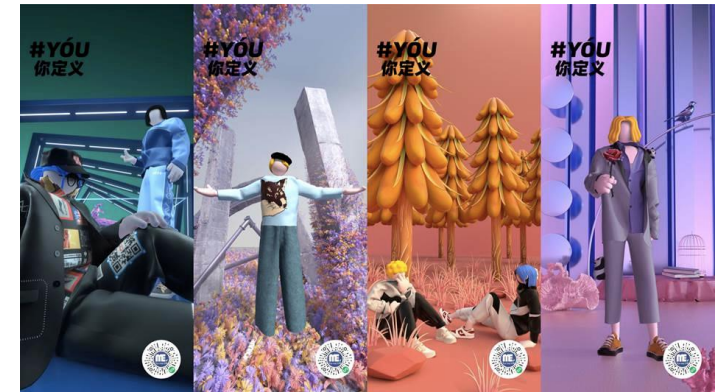
HK1CRM (HK)

Enhanced customer experience
(e.g. rewards redemption **20-30% more efficient**)



Personally Yours Campaign (Chinese Mainland)

Over 50 million engagements

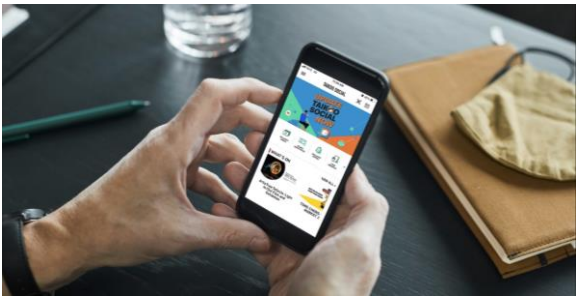


DIGITAL ACHIEVEMENTS

OFFICE, HOTELS, RESIDENTIAL APPLICATIONS

Taikoo Social

45,000+ registered users
84% tenant penetration



Digital Bookings Platforms (The House Collective)

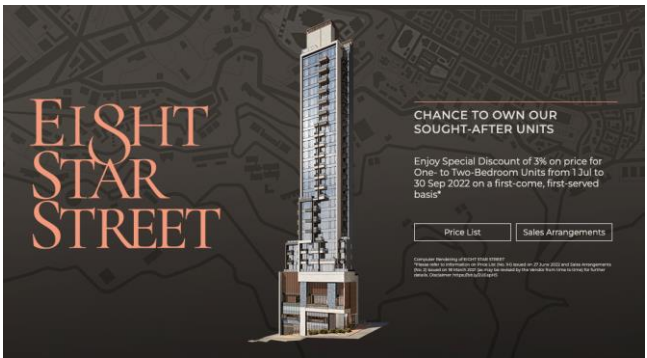


From room booking to latest happenings, a faster and smarter experience with just a fingertip away

Scan the QR code and sign up for exclusive limited time offers

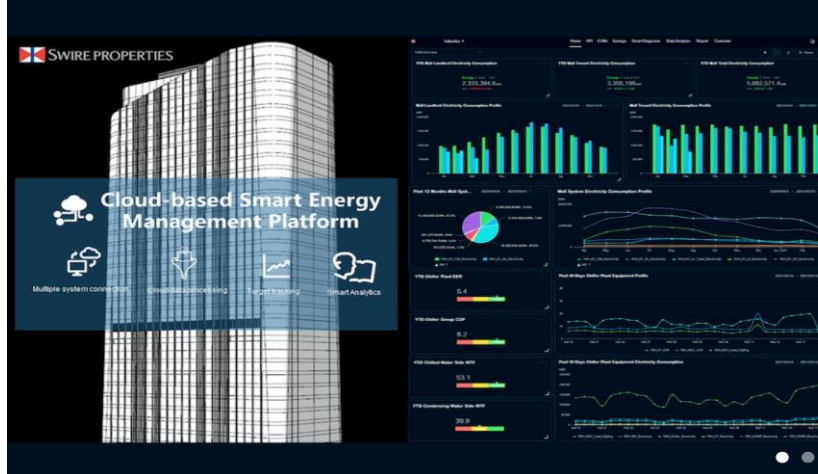
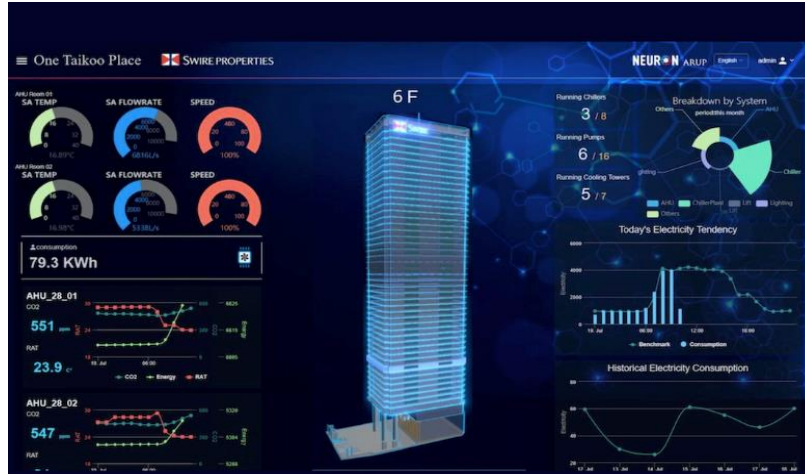


Direct Sales (Eight Star Street)



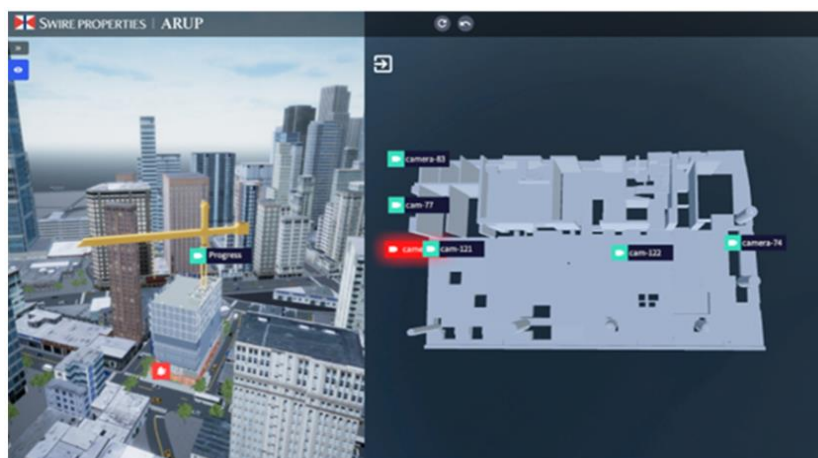
DIGITAL ACHIEVEMENTS

SMART & SUSTAINABLE BUILDINGS; CONSTRUCTION EFFICIENCY AND SAFETY



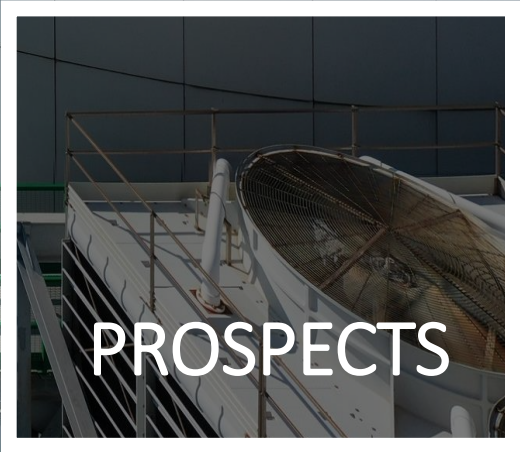
AI-enabled building

- AI and IoT-powered with machine learning.
- Operational transformation by analysing and learning from large historical data sets.
- Automatically discover trends and perform energy forecasts, optimise building systems, detect faults and allow predictive maintenance.



Construction safety & efficiency

- Safety helmets implemented in construction sites.
- Partnering with a consultant in co-developing and trialling the CONDUCTOR system - Unleashing synergy for smart construction.



PROSPECTS

The Loop, Taikoo Place

2022 – CELEBRATING 50 YEARS OF SUCCESS



PROSPECTS

GAINING GROUND ON ALL FRONTS WITH COMPELLING GROWTH STRATEGY

1

Despite new supply and increased vacancy, our HK office portfolio remains well placed, with high occupancy, benefiting from the flight-to-quality trend and our Taikoo Place / Pacific Place placemaking strategy.

2

The full recovery of HK retail depends on reopening of borders. There have been signs of recovery following relaxation of social distancing measures. Our malls are well placed to keep up the positive momentum.

3

We expect demand for retail space in Chinese Mainland will be stable and to recover steadily. Continue to expand our footprint especially in the Greater Bay Area.

4

A balanced portfolio with strong fundamentals. Well-positioned for growth supported by our active asset management and transformative placemaking strategy.

5

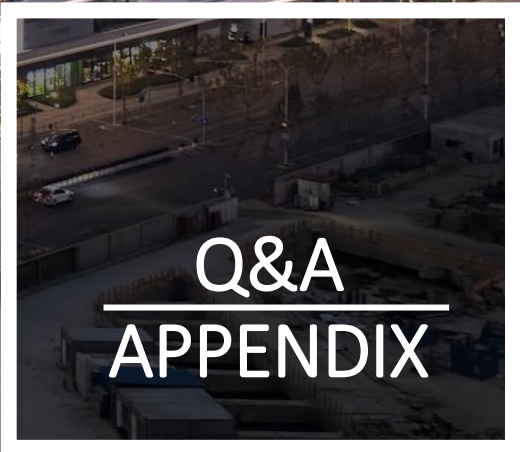
Ambitious investment pipeline of over HK\$100 billion in our core markets over the next 10 years to deliver mid-single-digit dividend growth.

An aerial photograph of a coastal area in Hong Kong, featuring a dense cluster of modern high-rise apartment buildings and commercial skyscrapers. The buildings are situated on a peninsula or along a curved shoreline, with a large body of water in the foreground and background. In the distance, green hills and more city buildings are visible under a blue sky with scattered clouds. The text "END OF PRESENTATION" is overlaid in the center of the image.

END OF PRESENTATION



Taikoo Li Qiantan, Shanghai



2022 INTERIM RESULTS SUMMARY

SOLID FINANCIAL RESULTS

HK\$M	1H 2021	1H 2022	Change
Revenue	9,068	6,698	↓ 26%
Valuation (losses)/gains on investment properties	(2,525)	701	n.m.
Operating profit	2,467	4,860	↑ 97%
Underlying profit	4,513	4,140	↓ 8%
Recurring underlying profit	3,716	3,643	↓ 2%
Reported profit	1,984	4,319	↑ 118%
Underlying earnings per share (HK\$)	0.77	0.71	↓ 8%
Recurring underlying earnings per share (HK\$)	0.64	0.62	↓ 2%
Reported earnings per share (HK\$)	0.34	0.74	↑ 118%
First interim dividend per share (HK\$)	0.31	0.32	↑ 3%
HK\$M	Dec 2021	Jun 2022	Change
NAV attributable to the Company's shareholders ⁽²⁾	292,155	290,201	↓ 1%
Net debt	10,334	15,499	↑ 50%
Gearing ratio	3.5%	5.3%	↑ 1.8%pt
NAV per share (HK\$)	49.94	49.61	↓ 1%

(1) First interim dividend for 2022 was declared on 11th August 2022 and will be paid on 6th October 2022.

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

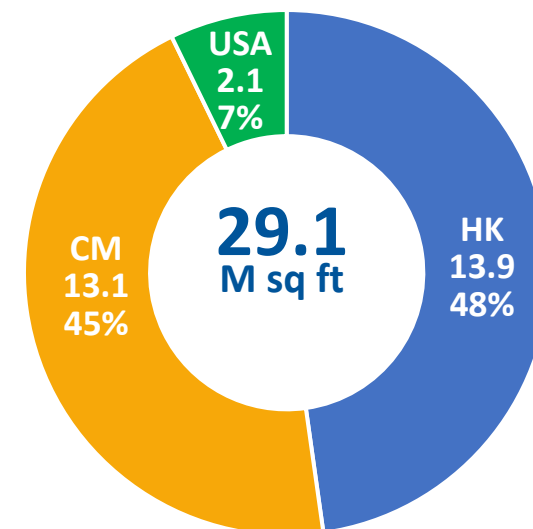
PROPERTY PORTFOLIO AT A GLANCE

A LEADING PROPERTY DEVELOPER, OWNER AND OPERATOR

Investment Props / Hotels Attributable GFA (M sq ft)	Office	Retail	Hotels ⁽¹⁾	Residential / Serv. Apts	Under Planning	Total
Completed						
<i>Hong Kong</i>	8.7	2.6	0.8	0.6	-	12.7
<i>Chinese Mainland</i>	2.9	5.4	1.1	0.2	-	9.6
<i>U.S.A.</i>	-	0.3	0.3	-	-	0.6
Sub-Total (A)	11.6	8.3	2.2	0.8	-	22.9
Under Development or Held for Future Development						
<i>Hong Kong</i>	1.2	-	-	-	-	1.2
<i>Chinese Mainland</i>	-	-	-	-	3.5	3.5
<i>U.S.A.</i>	-	-	-	-	1.5 ⁽²⁾	1.5
Sub-Total (B)	1.2	-	-	-	5.0	6.2
TOTAL = (A) + (B)	12.8	8.3	2.2	0.8	5.0	29.1

Trading Props Attributable GFA (M sq ft)	Completed Development Held for Sale	Under Development / Held for Development	Total
<i>Hong Kong</i>	0.0	0.7	0.7
<i>U.S.A. and elsewhere</i>	-	3.0	3.0
Total	0.0	3.7	3.7

Attributable Investment Props / Hotels by Region (GFA M sq ft)



Attributable Investment Portfolio	Attributable Trading Portfolio
29.1 M sq ft	3.7 M sq ft

Total Attributable Property Portfolio

32.8 M sq ft

As at 30th June 2022

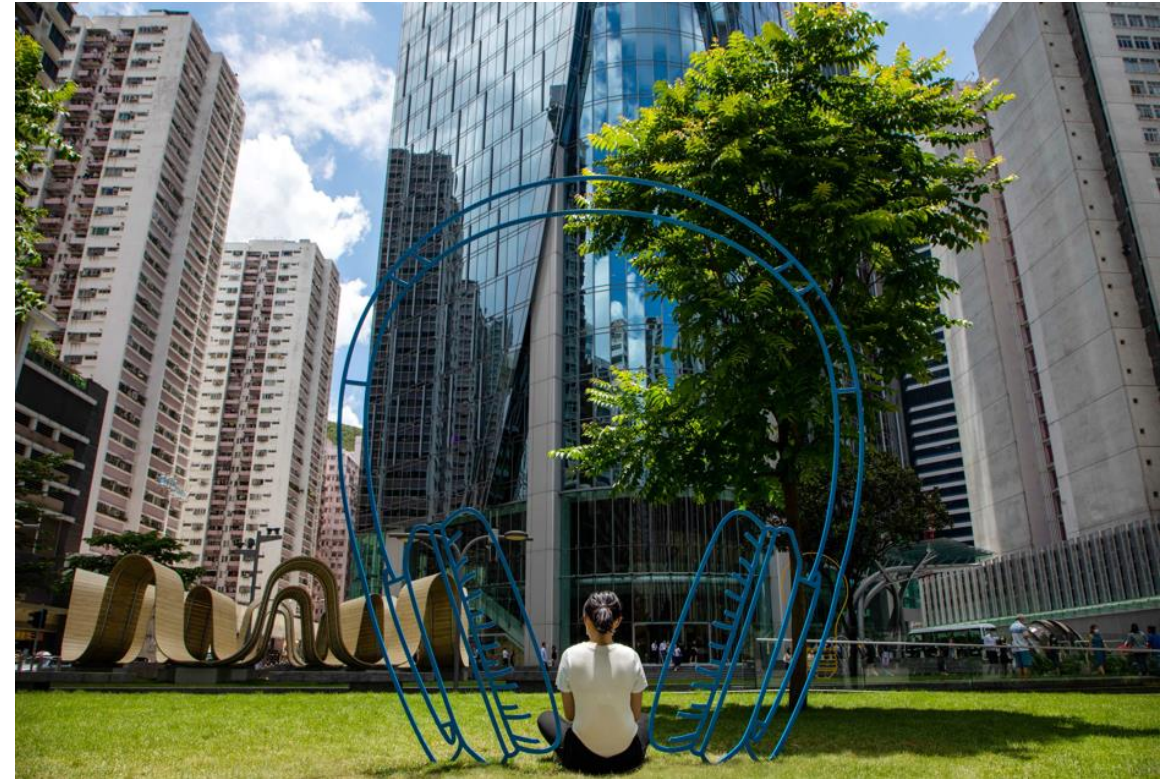
(1) Hotels are accounted for in the financial statements under property, plant and equipment and, where applicable, the leasehold land portion is accounted for under right-of-use assets.

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

KEY BUSINESS STRATEGIES

SUSTAINABLE GROWTH IN SHAREHOLDER VALUE IN THE LONG TERM

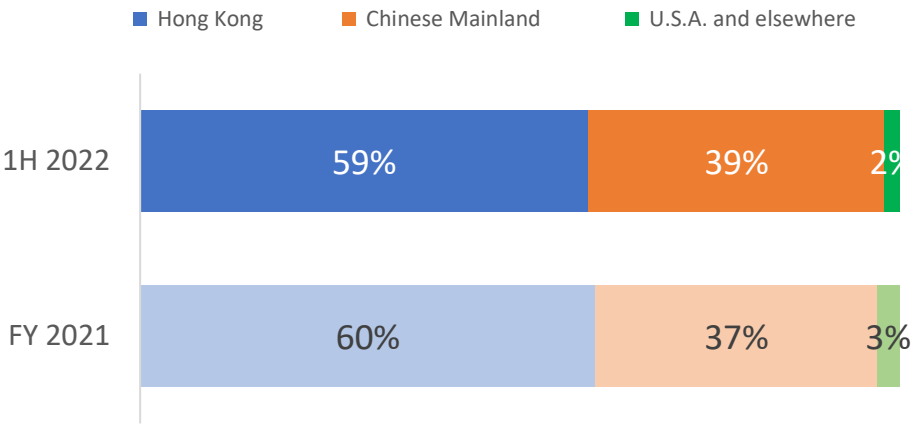
- Continue to create long-term value by conceiving, designing, developing, owning and managing transformational mixed-use and other projects in urban areas.
- Maximise the earnings and value of our completed properties through active asset management and by reinforcing our assets through enhancement,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



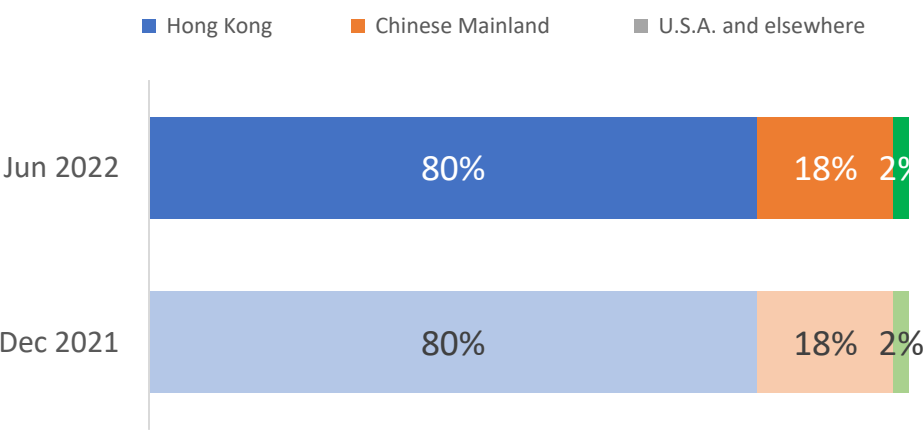
GEOGRAPHICAL ANALYSIS

TOWARDS A MORE BALANCED PORTFOLIO

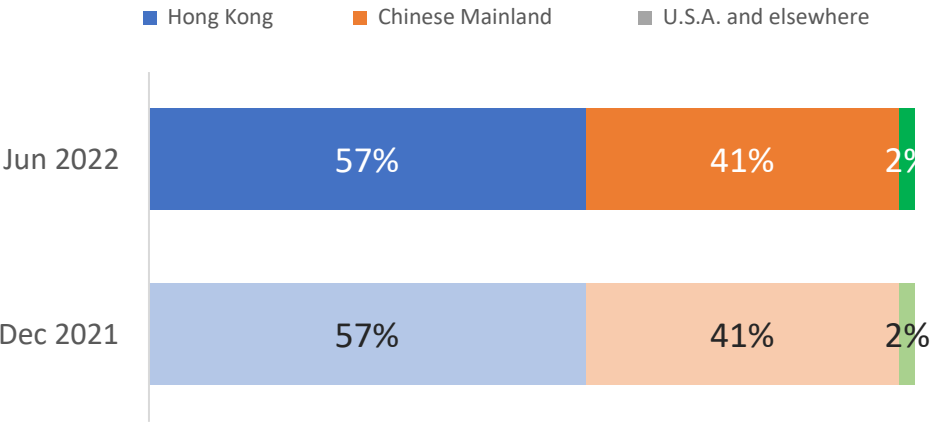
Attributable Gross Rental Income by Region



Net Assets Employed



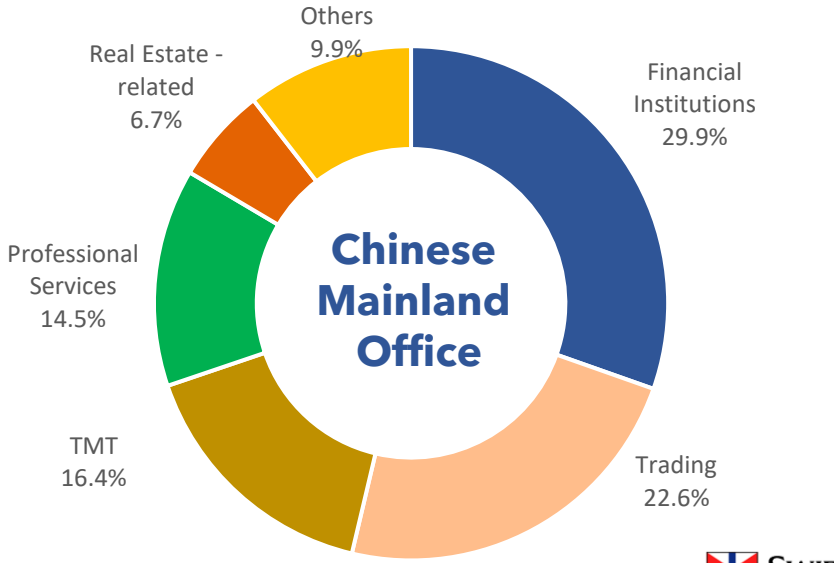
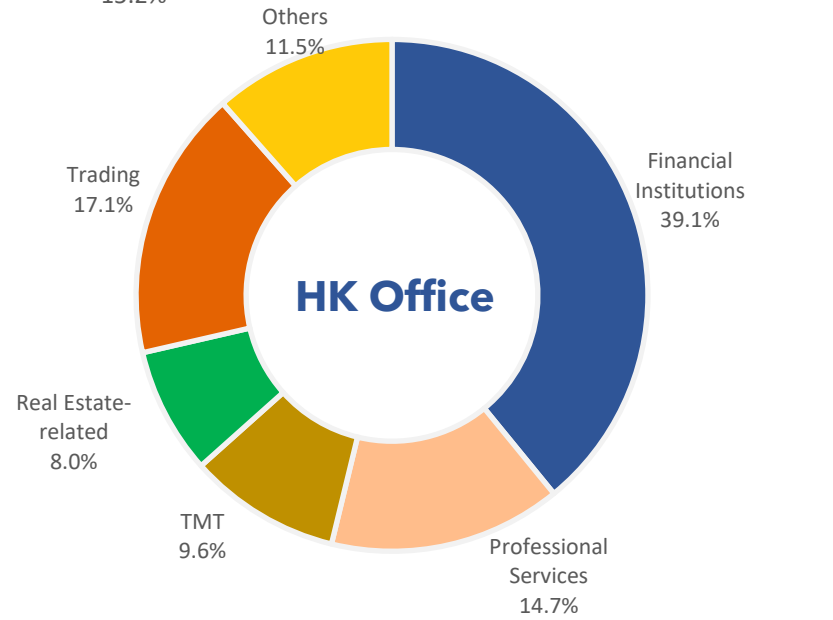
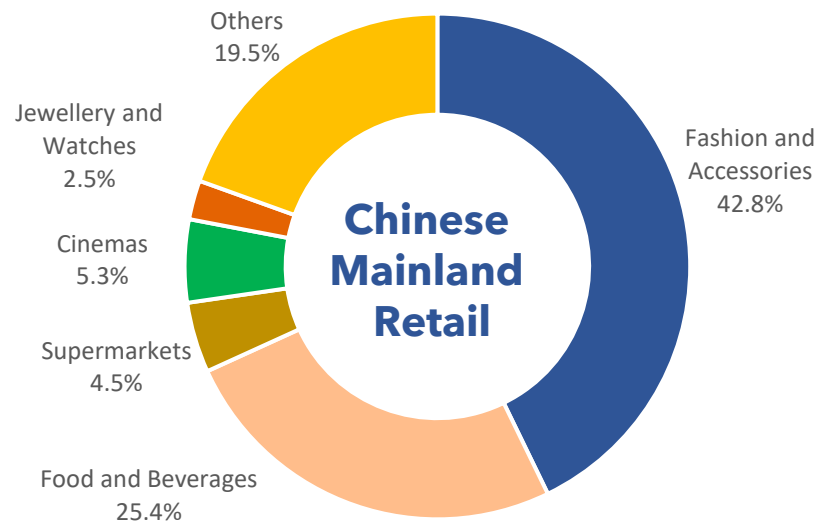
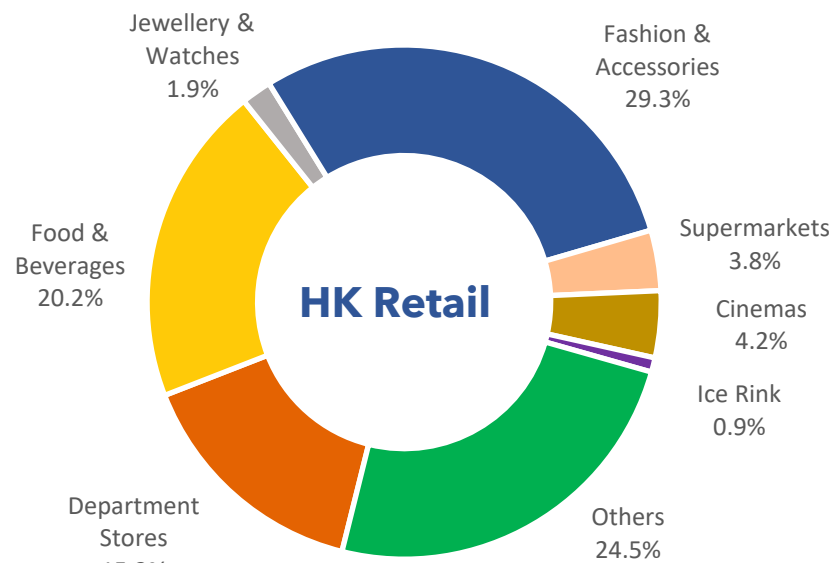
Completed Investment Properties GFA (excl. Hotels)



As at 30th June 2022

TENANT MIX

A BALANCED TENANT PROFILE



HONG KONG PROJECTS

REINFORCING THE TWO GLOBAL BUSINESS DISTRICTS

Taikoo Place



Two Taikoo Place

- ~ 1M sq ft GFA
- 100% owned
- Interior fit out works in progress
- Exp. Completion 2022

Wah Ha / Zung Fu redevelopment

- ~ 779,000 sq ft GFA
- 100% owned
- Full ownership obtained at Zung Fu Industrial Building
- Compulsory sale applications submitted in 2018.

Pacific Place



46 – 56 Queen's Road East

- Pacific Place office extension
- ~ 218,000 sq ft GFA
- 100% owned
- Superstructure works in progress
- Exp. Completion 2023

CHINESE MAINLAND PROJECTS

SCALING UP INVESTMENT AND ASSET REINFORCEMENT IN BEIJING AND SHANGHAI

Beijing



Taikoo Li Sanlitun West

- Taikoo Li Sanlitun retail extension
- ~ 293,000 sq ft GFA
- 100% owned
- Opened in December 2021



INDIGO Phase Two

- INDIGO extension
- ~ 4.0M sq ft GFA ⁽¹⁾
- over 2x current INDIGO
- 35% owned
- Foundation works in progress
- Phased opening in 2025 and 2026

Shanghai



Taikoo Li Qiantan

- ~ 1.2M sq ft GFA ⁽¹⁾
- 50% owned
- Opened in September 2021
- 91% leased ⁽²⁾



Zhangyuan Revitalisation

- Revitalising historic Zhangyuan Shikumen Compound
- Leasing and management
- ~ 1.4M sq ft GFA (above ground 0.6M sq ft / below ground 0.8M sq ft)
- JV management company - 60% owned
- Phased opening in 4Q 2022 and 2025

⁽¹⁾ On a 100% basis.

⁽²⁾ Including letter of intent.

HONG KONG PORTFOLIO MAP

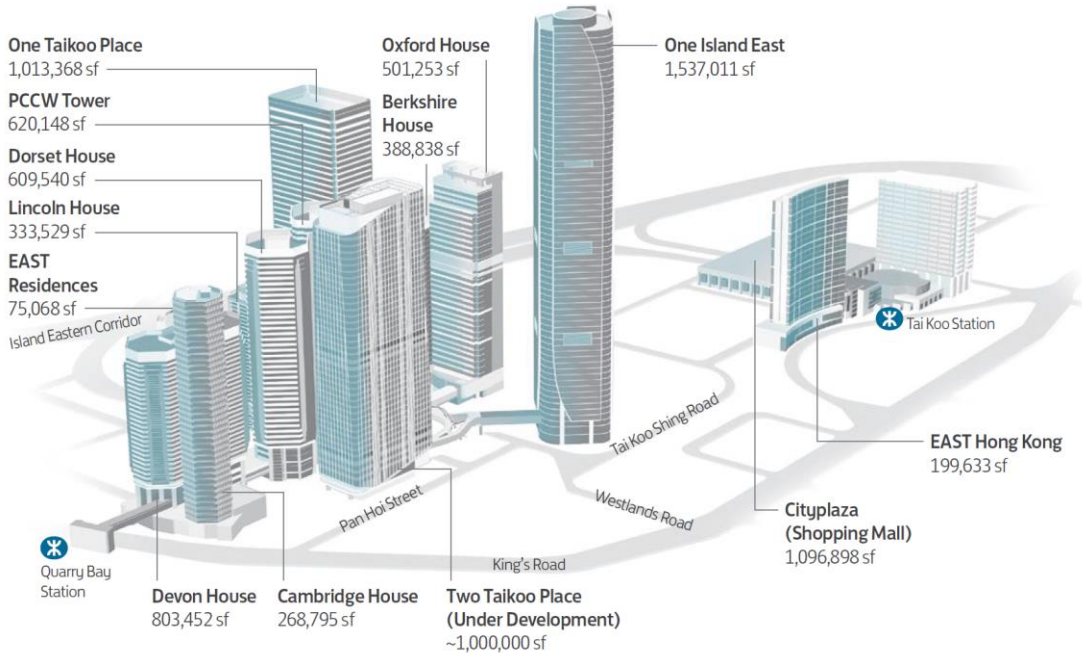
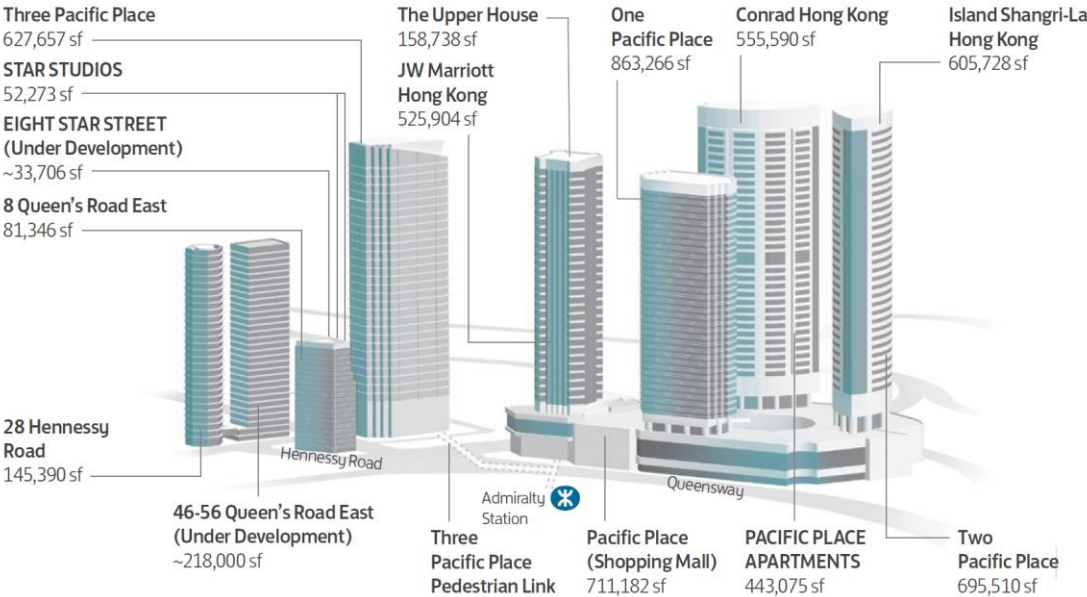
Completed Investment Props (incl. Hotels) (100% basis)

 **5.47** M sq ft GFA
Pacific Place

4.1 M (Attri. basis)

Investment Props under Development (100% basis)

 **0.22** M sq ft GFA
46-56 Queen's Road East



Completed Investment Props (incl. Hotels) (100% basis)

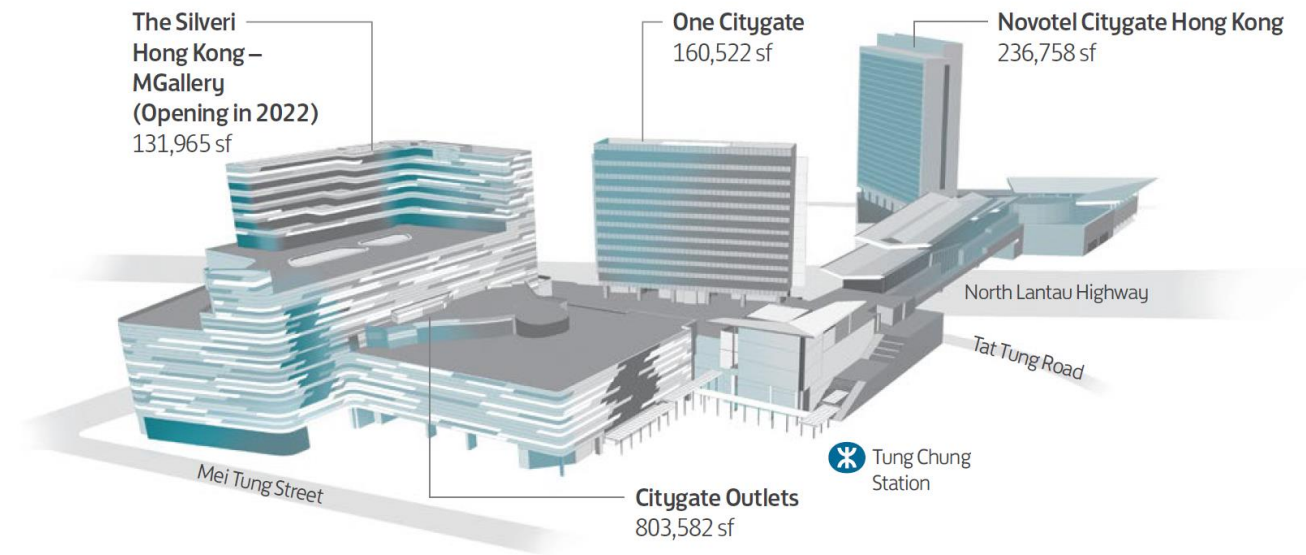
 **7.45** M sq ft GFA
Taikoo Place & Cityplaza

6.9 M (Attri. basis)

Investment Props under Development (100% basis)

 **1.0** M sq ft GFA
Two Taikoo Place

HONG KONG PORTFOLIO MAP



Completed Investment Props (incl. Hotels) (100% basis)

**1.33** M sq ft GFA
Citygate

0.35 M (Attri. basis)

CHINESE MAINLAND – GUANGZHOU & CHENGDU PORTFOLIO

Completed Investment Props (incl.
Hotel) (100% basis)



3.78 M sq ft GFA

Taikoo Hui,
Guangzhou

3.67 M (97% basis)



Taikoo Hui
Taikoo Hui Towers 1&2
Mandarin Oriental Guangzhou

Retail occupancy **99%**
Office occupancy **94%**

Sino-Ocean Taikoo Li
The Temple House

Occupancy **96%**



Completed Investment Props (incl.
Hotel) (100% basis)



1.66 M sq ft GFA

Sino-Ocean Taikoo Li
Chengdu

0.83 M (50% basis)

CHINESE MAINLAND – BEIJING PORTFOLIO

Completed Investment Props (incl.
Hotel) (100% basis)



1.79 M sq ft GFA
Taikoo Li Sanlitun



The Opposite House

TKL Sanlitun South

TKL Sanlitun North

TKL Sanlitun West (Opened in Dec 2021)

Occupancy **98%**

INDIGO Mall
ONE INDIGO
EAST, Beijing
INDIGO Phase Two
(under development)

Retail occupancy **100%**
Office occupancy **95%**



Completed Investment Props (incl.
Hotel) (100% basis)



1.89 M sq ft GFA
INDIGO

0.94 M (50% basis)

Investment Props under Development
(100% basis)



4.05 M sq ft GFA
INDIGO Phase Two

1.42 M (35% basis)



SWIRE PROPERTIES

50TH

58

CHINESE MAINLAND – SHANGHAI PORTFOLIO

Completed Investment Props (incl.
Hotels) (100% basis)



3.54 M sq ft GFA
HKRI Taikoo Hui,
Shanghai

1.77 M (50% basis)



HKRI Taikoo Hui Mall

HKRI Centre 1&2

The Middle House

The Sukhothai Shanghai

The Middle House Residences

Retail occupancy **98%**
Office occupancy **100%**

Taikoo Li Qiantan (opened in Sept 2021)

Leased & committed ~ **91%**



Completed Investment Props
(100% basis)



1.19 M sq ft GFA
Taikoo Li Qiantan

0.59 M (50% basis)

MIAMI, U.S.A. PORTFOLIO



Completed Investment Props (incl. Hotels) (100% basis)



0.5 M sq ft GFA
Brickell City Centre

0.31 M (Attri. Basis)

Shopping Mall

Retail occupancy ⁽¹⁾ **93%**

Under planning (100% basis)



1.97 M sq ft GFA
One Brickell City Centre
/ Other developments

(1) Including space allocated to prospective tenants who have signed letters of intent.

HOTEL PORTFOLIO

Managed Hotels ⁽¹⁾		No. of Rooms	Interest
		(100% basis)	
Hong Kong	The Upper House	117	100%
	EAST, Hong Kong	331	100%
	Headland Hotel ⁽²⁾	501	0%
Chinese Mainland	The Opposite House, Beijing	99	100%
	EAST, Beijing	369	50%
	The Temple House, Chengdu ⁽³⁾	142	50%
	The Middle House, Shanghai ⁽³⁾	213	50%
U.S.A.	EAST, Miami ⁽⁴⁾	352	0%
Sub-Total		2,124	

Owned but Non-managed Hotels		No. of Rooms	Interest
		(100% basis)	
Hong Kong	Island Shangri-La Hong Kong	561	20%
	JW Marriott Hotel Hong Kong	608	20%
	Conrad Hong Kong	513	20%
	Novotel Citygate Hong Kong	440	26.67%
	The Silveri Hong Kong - MGallery	206	26.67%
Chinese Mainland	Mandarin Oriental, Guangzhou ⁽⁵⁾	287	97%
	The Sukhothai, Shanghai	201	50%
U.S.A.	Mandarin Oriental, Miami	326	75%
Sub-Total		3,142	

(1) The table excludes the planned two new, third party owned hotels in Shenzhen and Tokyo to be managed by Swire Hotels.

(2) Headland Hotel is owned by Airline Property Limited, a wholly-owned subsidiary of Cathay Pacific Airways Limited.

(3) Comprising one hotel tower and one serviced apartment tower.

(4) EAST Miami (including the serviced apartments in the hotel tower) is owned by a third party.

(5) Including serviced apartments in the hotel tower.



2,124

Total managed rooms

BUSINESS OUTLOOK

HK Office

- Weak market reflecting increased vacancy rates and new supply. Increasing competition will exert downward pressure on rents.
- But flight-to-quality will benefit us. Demand should increase assuming border reopening and improvements in financial markets.
- Our office portfolio remains resilient with high occupancy.
- Continue to reinforce and expand our two core portfolios in Taikoo Place and Pacific Place.

HK Retail

- Overall traffic and retail sales will continue to improve assuming progressive relaxation of social distancing measures continues.
- The second phase of the HKSAR Government's voucher scheme will help to boost retail sales. A full recovery depends on border reopening.
- Continue to offer shopping incentives to maintain positive momentum.

Trading

- Resilient demand for residential in Hong Kong.
- Stable luxury residential markets in Indonesia and Vietnam.

CM Retail

- Demand for retail space is expected to be stable and to recover steadily over 2H 2022.
- Strong demand from luxury brands in Guangzhou and Chengdu. Stable demand from fashion, cosmetics and lifestyle brands, as well as F&B outlets in Shanghai.
- Taikoo Li Xi'an on track. Accelerating pace of growth in first-tier cities and emerging first-tier cities including GBA region.

CM Office

- Office demand and market sentiment to recover.
- Shanghai and Guangzhou office market remains under pressure with new supply.

U.S.A.

- Retail sales are expected to grow on strong domestic demand.

Hotels

- Hotels outlook remains challenging in the Chinese Mainland and Hong Kong.
- Embarked on an active expansion strategy for our hotel management business.

Capital

- Strategic capital management and HK\$100 billion investment plan to drive future growth.
- Accelerating sustainable leadership and digital transformation of our business.



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50 YEARS OF SWIRE PROPERTIES