ANNUAL REPORT

2024

SWIRE PROPERTIES

Stock Code: 01972

CONTENTS


SHANGRI-LA

COMPANY PROFILE

Swire Properties Limited (the "Company") is a leading developer, owner and operator of mixed-use, principally commercial, properties in Hong Kong and the Chinese Mainland, with a record of creating long-term value by placemaking and transforming urban areas. Our business comprises three elements: property investment, property trading, and hotel investment and management.

Founded in Hong Kong in 1972, the Company is listed on The Stock Exchange of Hong Kong Limited and, with its subsidiaries, employs around 5,800 people. The Company's shopping malls are home to more than 2,200 retail outlets. Its offices house a working population estimated to exceed 70,000.

In Hong Kong, we have spent over 50 years developing an industrial area into what is now Taikoo Place and Cityplaza, one of Hong Kong's largest business districts comprising office space, the largest shopping mall on Hong Kong Island and a hotel. Pacific Place, built on the former Victoria Barracks site, is one of Hong Kong's premier retail and business addresses. In the Chinese Mainland, the Company has six major commercial projects in operation in Beijing, Guangzhou, Chengdu and Shanghai, and has several projects under development in Beijing, Guangzhou, Shanghai, Sanya and Xi'an. Similar in scale to our developments in Hong Kong, our Chinese Mainland properties are in prime locations with excellent transport connections.

The Company has interests in the luxury and high-quality residential markets in Hong Kong, the Chinese Mainland, Indonesia, Vietnam and Thailand. There are also land banks in Miami, U.S.A. Swire Hotels develops and manages hotels in Hong Kong, the Chinese Mainland and the U.S.A., with a confirmed expansion plan to Japan.

The Company has a presence in the Brickell financial district in Miami, U.S.A., where it has investment properties. The Company has offices in South East Asia which explore opportunities in the property markets in the region.

CREATIVE TRANSFORMATION

Captures what we do and how we do it. It underlines the creative mindset and long-term approach that enables us to seek out new perspectives, and original thinking that goes beyond the conventional. It also encapsulates our ability to unlock the potential of places and create vibrant destinations that can engender further growth and create sustainable value for our stakeholders.


KEEP CLEAR
KEEP CLEAR

2024 HIGHLIGHTS

03

In Swire Properties' Arts Month, **SHELF II** was debuted at Taikoo Place as a permanent installation; **Enchanted Forest** and **Valkyrie Seondeok** were hosted at ArtisTree and Two Taikoo Place respectively. Entering the twelfth year of partnership with Art Basel Hong Kong, Pacific Place showcased **Doan**, an offsite art installation from the fair's Encounters sector.

Hong Kong

04

Partnered with the **Taskforce on Nature-related Financial Disclosures** to launch its nature-related risk management and disclosure framework in Hong Kong.

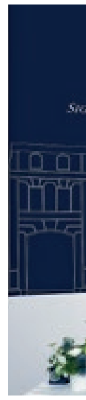
Hong Kong

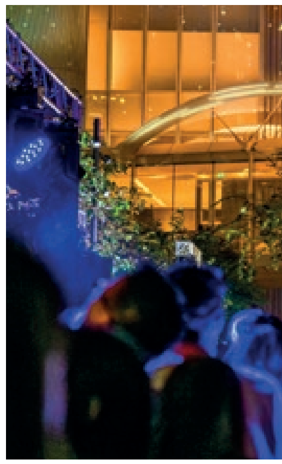
11

Revealed the plans to rename the existing, mixed-use INDIGO development with its Phase Two extension as **Taikoo Place Beijing**, marking the debut of the "Taikoo Place" brand in the Chinese Mainland.

Beijing


Artist's Impression





06

Deloitte China renewed a 10-year lease as anchor tenant of **One Pacific Place**.

Hong Kong

Acquired 50% stake in **Taikoo Li Julong Wan Guangzhou**, a retail portion of the mixed-use development.

Guangzhou

08

Announced a **share buy-back programme** of up to HK$1.5 billion until May 2025.

Hong Kong

Successfully bid for **No.387 Tianhe Road** which will be renovated as a luxury retail addition to **Taikoo Hui Guangzhou**.

Guangzhou

11

LVMH and Swire Properties formed a partnership to improve their ESG performance across LVMH stores, offices and F&B locations in the Chinese Mainland and Hong Kong.

Hong Kong and Chinese Mainland

12

Launched the pre-sales at **Lujiazui Taikoo Yuan Residences** in Shanghai, the Company's first residential project in the Chinese Mainland, which received an overwhelming response.

Shanghai


Artist's Impression

03 2025

Announced the name **Taikoo Li Julong Wan Guangzhou**, a new cultural and commercial landmark in the Greater Bay Area.

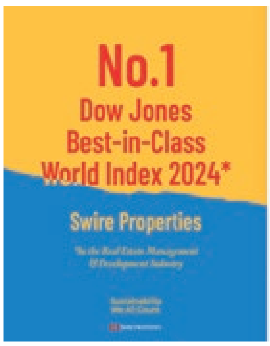
Guangzhou


Artist's Impression

11

Announced the completion of the 10-year **Taikoo Place Redevelopment Project**, which introduced two triple Grade-A office towers, Taikoo Square and Taikoo Garden, and new air-conditioned elevated walkways.

Hong Kong



01 2025

Rose to the top position globally in the **Dow Jones Best-in-Class World Index 2024** in the Real Estate Management & Development Industry category, realising the Company's SD 2030 vision six years ahead of schedule.

2024 SUSTAINABLE DEVELOPMENT HIGHLIGHTS

SD2030

"Our vision is to be the leading sustainable development performer in our industry globally by 2030."

– GUY BRADLEY, CHAIRMAN

Dow Jones Best-in-Class World Index **(formerly known as Dow Jones Sustainability World Index)**	Ranked 1st globally in the Real Estate Management and Development Industry category Dow Jones Best-in-Class World Index constituent company for the 8th consecutive year
GRESB REAL ESTATE sector leader 2024	Global Sector Leader – Listed (Mixed Use) for the 8th consecutive year Global Development Sector Leader (Mixed Use) for the 5th consecutive year
Hang Seng Corporate Sustainability Index Series Member 2024-2025 / AAA HKQAA	No. 1 for the 7th consecutive year and maintained the highest "AAA" rating
S&P Global Top 1% Corporate Sustainability Assessment 2024 Score 最佳 1% 中国企业标普全球CSA评分2023	S&P Sustainability Yearbook 2025 Top 1% S&P Global ESG Score in the Real Estate Management and Development industry S&P Sustainability Yearbook (China) 2024 Top 1% S&P Global ESG Score (China) in the Real Estate Management and Development industry

Hong Kong Management Association 2024 Best Annual Reports Awards

Sustainability Report 2023: Best Environmental, Social and Governance Reporting Award (Property Development & Investment industry);

Annual Report 2023: Gold Award (General category)

Hong Kong Institute of Certified Public Accountants Best Corporate Governance and ESG Awards 2024

Sustainability Report 2023: ESG Award (Top Accolade) in the Non-Hang Seng Index (Large Market Capitalisation) Category

Randstad Hong Kong Employer Brand Awards 2024

Most Attractive Employer in the Property and Real Estate Sector

Human Resources Online HR Distinction Awards 2024

"Gold" – Excellence in Strategic Talent Attraction

RICS Hong Kong Awards 2024

Taikoo Place: Environmental Impact Award

LEED v4.1 for Communities: Existing Communities

Taikoo Place: The first and only project in the Greater Bay Area to achieve Platinum certification (as at Dec 2024)

LEED "Campaign: Frontiers" Programme

Two Taikoo Place: The first and only Hong Kong project to be included in the 2024 Sustainable Frontiers List (as at Dec 2024)

LEED Zero Certification

Taikoo Hui, Guangzhou (Tower 2): The second and largest mixed-use office project globally (in terms of office building gross floor area) and the first mixed-use Chinese Mainland office to achieve LEED Zero Carbon and LEED Zero Energy certifications

INDIGO: The first development in the Chinese Mainland to receive LEED Zero Water certification

SUSTAINABLE DEVELOPMENT (SD) 2030 STRATEGY: 2024 HIGHLIGHTS

Places

Through effective placemaking and long-term placekeeping, we aim to continue to transform the places in which we invest so as to create value, whilst retaining their character, supporting communities and enhancing people's lives.

Youth Empowerment

Generated **over HK$60** million of social value from Swire Properties Placemaking Academy ("SPPA") through empowering youth to design, plan and execute our annual community event – White Christmas Street Fair since 2019

Sustainable Placemaking

Taikoo Place became the first and only project in the Greater Bay Area to achieve Platinum certification under LEED v.4.1 for Communities: Existing Communities[1]

Wellbeing

Launched the new Taikoo Square and Taikoo Garden, offering more than **70,000 sq. ft.** of green space, representing a nature-based solution to further enhance urban biodiversity, increase climate resilience, and promote the wellbeing of communities

People

We aim to create an environment where our employees will be healthier, happier and more productive, to invest in our employees and to provide rewarding career paths so as to develop a diverse and industry-leading team.

Talent Management

2025 KPI	2024 Progress
A **25%** increase in training hours/ employee/year[2]	**25** training hours/ employee/year (**↑105%**) **~173,900** training hours delivered

Occupational Health and Safety

2025 KPI	2024 Progress
Maintain Lost Time Injury Rate ("LTIR")	
Non-hotel operations: **≤1.2**	Non-hotel operations: **0.56**
Hotel operations: **≤2.0**	Hotel operations: **1.08**

Workplace Wellbeing

Revamped our **Workplace Wellbeing Framework** with three major focus areas: Built Environment, Workplace Interactions and HR Policy, Ways of Working

Launched **Working Parents Connect** to equip working parents with practical parenting knowledge and tools to promote an inclusive and supportive workplace

Diversity and Inclusion

2025 KPI	2024 Progress
Maintain a female representation of no less than **40%** in the workforce	**42.5%** of the workforce is female
Maintain a gender balance in strategic leadership	**40%** of strategic leader positions are held by women
Maintain gender pay ratio at **1:1**	Gender pay ratio (female to male)[3]: **1:0.97**

Volunteering

Our Community Ambassador Programme contributed **12,696** volunteer service hours, supporting **84** activities

Partners

We aim to continue to develop long-term, mutually beneficial relationships with our business partners and other key parties so as to improve our environmental, social and economic performance.

Suppliers

2025 KPI	2024 Progress
Reduce 5-year rolling accident rate[4] average in our Hong Kong development projects by **50%**	Achieved a **55%** reduction in accident rate

HK$447 million spent on sustainable procurement[5]

Tenants

2025 KPI	2024 Progress
50% of tenants in office portfolios[6] to sign the **Green Performance Pledge** to jointly improve environmental performance	**53%** of tenants (**129** tenants from over **4.5** million sq. ft. LFA) signed GPP

Collective reduction in electricity use intensity by 3.8%, saving nearly 750,000 kWh and waste diversion rate increased by 10 percentage points from all GPP participating tenants

Launched **Green Kitchen Initiative 3.0** including Sustainable Fit-out and Sustainable Operations Recognition Scheme to incorporate the latest technologies and equipment specifications; and established a new brand identity

Launched the **Green Retail Partnership Framework**, focusing on sustainable shop design, data sharing and shop operation performance improvements; forming a 3-year strategic partnership with a luxury retail conglomerate to improve ESG performance across their stores, offices and F&B locations

1 As at 31st December 2024.
2 Compared to the baseline year of 2016.
3 Gender pay ratio is calculated based on a non-weighted average methodology.
4 Using 2015-2019 (5-year average) as baseline. Accidental rate represents the number of reportable accidents per 1,000 contractor workers. It is calculated as the total number of reportable accidents multiplied by 1,000 and then divided by average daily number of contractor workers on-site.

Performance (Environment)

We aim to continue to design, construct and manage high quality developments that contribute positively to the environment and the communities in which we operate.

Climate Change

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

2025 KPI	2024 Progress
Absolute GHG emissions (Scope 1 and Scope 2)[7]:	
↓25%	↓40%

2030 KPI	2024 Progress
Value chain GHG emissions	
Scope 3 – Downstream Leased Assets:[8]	
↓28% per square metre	↓54%
Scope 3 – Capital Goods:[9]	
↓25% per square metre	↓18%

Energy

2025 KPI	2024 Progress
Reduction of electricity use intensity[7, 10]	
Hong Kong Portfolio[11]	Hong Kong Portfolio[11]
↓20%	↓19%
Chinese Mainland Portfolio[11]	Chinese Mainland Portfolio[11]
↓13%	↓9%

Resource and Circularity

2025 KPI	2024 Progress
Commercial waste diversion rate	
Hong Kong Portfolio[11]	Hong Kong Portfolio[11]
30%	28%
Chinese Mainland Portfolio[11]	Chinese Mainland Portfolio[11]
40%	45%

Building/Asset Investment

2025 KPI	2024 Progress
100% of wholly-owned[12] new development projects to achieve the highest environmental building assessment scheme rating	100% of new development projects[12] achieved the highest ratings 93% of wholly-owned existing developments[12] achieved the highest ratings

Performance (Economic)

We aim to deliver sustainable economic performance coupled with good corporate governance and high ethical standards.

Financial Performance

HK$6,768 million in underlying profit attributable to shareholders

Green Financing

2025 KPI	2024 Progress
Achieve a minimum of 50% of bond and loan facilities from green financing	~70% of current bond and loan facilities are from green financing

Issued green bonds, valued at **~HK$6.9** billion, of which **RMB3.5** billion was issued by way of a **dim sum bond**

Corporate Governance

2025 KPI	2024 Progress
Maintain no less than 30% of female representation on our Board	35.7% of our Board positions are held by female members

Disclosures and Recognitions

TNFD

We published our **first integrated Climate and Nature-related Financial Disclosures** as per Part D: Climate-related Disclosures of the HKEX ESG Code, ISSB IFRS S2 Climate-related Disclosures and TNFD recommendations

Dow Jones Best-in-Class World Index
(formerly known as Dow Jones Sustainability World Index)

Ranked No.1 globally, Member of the World Index – 8th consecutive year

S&P Global
Top 1%
Corporate Sustainability Assessment 2024 Score
最佳 1%
中国企业标普全球CSA评分2023

S&P Sustainability Yearbook

GRESB
REAL ESTATE
sector leader 2024

Global Sector Leader – 8th consecutive year

Hang Seng Corporate Sustainability Index Series Member 2024-2025
AAA

Ranked No. 1 – 7th consecutive year, "AAA" rating

FTSE4Good

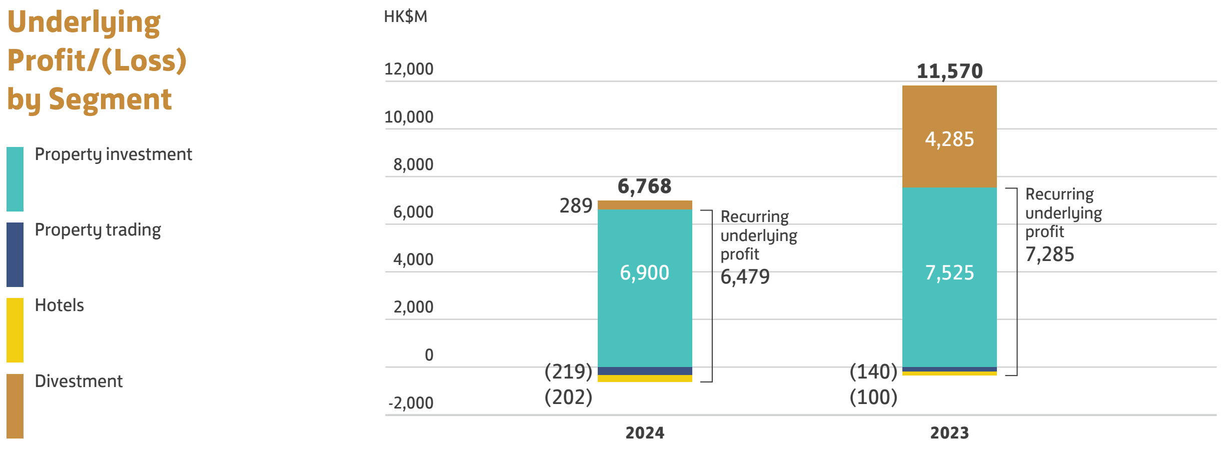
5 Products that meet specific sustainability criteria such as green certification or accreditation by reputable, independent third parties.
6 Measured by occupied lettable floor area ("LFA") of office portfolios at 100% basis comprising of Taikoo Place and Pacific Place in Hong Kong and Taikoo Hui Guangzhou.
7 Compared to the 2019 baseline.
8 Compared to the 2018 baseline.
9 Compared to baseline year 2016-2018.
10 The 2025 KPIs under Energy have been updated per our approved 1.5°C-aligned SBT. Energy Use Intensity has been renamed to "Electricity Use Intensity" in 2022 to reflect the use of electricity for the provision of shared services for and in the common parts of our buildings. The actual scope of this KPI remains unchanged.
11 Hong Kong portfolio and Chinese Mainland portfolio refer to our office and retail portfolios and hotels in Hong Kong and the Chinese Mainland respectively.
12 Joint venture projects and trading properties are excluded.

FINANCIAL HIGHLIGHTS

Results **For the year**	*Note*	**2024** **HK$M**	2023 HK$M	Change
Revenue		**14,428**	14,670	-2%
Profit/(Loss) attributable to the Company's shareholders				
Underlying	*(a), (b)*	**6,768**	11,570	-42%
Recurring underlying	*(a), (b)*	**6,479**	7,285	-11%
Reported		**(766)**	2,637	N/A
Cash generated from operations		**6,489**	7,492	-13%
Net cash outflow before financing		**(2,515)**	(8,416)	-70%
		HK$	HK$	
Earnings/(Loss) per share				
Underlying	*(c)*	**1.16**	1.98	-41%
Recurring underlying	*(c)*	**1.11**	1.25	-11%
Reported	*(c)*	**(0.13)**	0.45	N/A
Dividend per share				
First interim		**0.34**	0.33	+3%
Second interim		**0.76**	0.72	+6%
Financial Position **At 31st December**		**HK$M**	HK$M	
Total equity (including non-controlling interests)		**278,427**	288,149	-3%
Net debt		**43,746**	36,679	+19%
Gearing ratio	*(a)*	**15.7%**	12.7%	+3.0%pt.
		HK$	HK$	
Equity attributable to the Company's shareholders per share	*(a), (d)*	**47.35**	48.73	-3%

Notes:
(a) Refer to glossary on page 215 for definition.
(b) A reconciliation between reported (loss)/profit and underlying profit attributable to the Company's shareholders is provided on page 29.
(c) Refer to note 14 to the financial statements for the weighted average number of shares.
(d) Refer to note 33 to the financial statements for the number of shares at the year end.

Underlying Profit/(Loss) by Segment

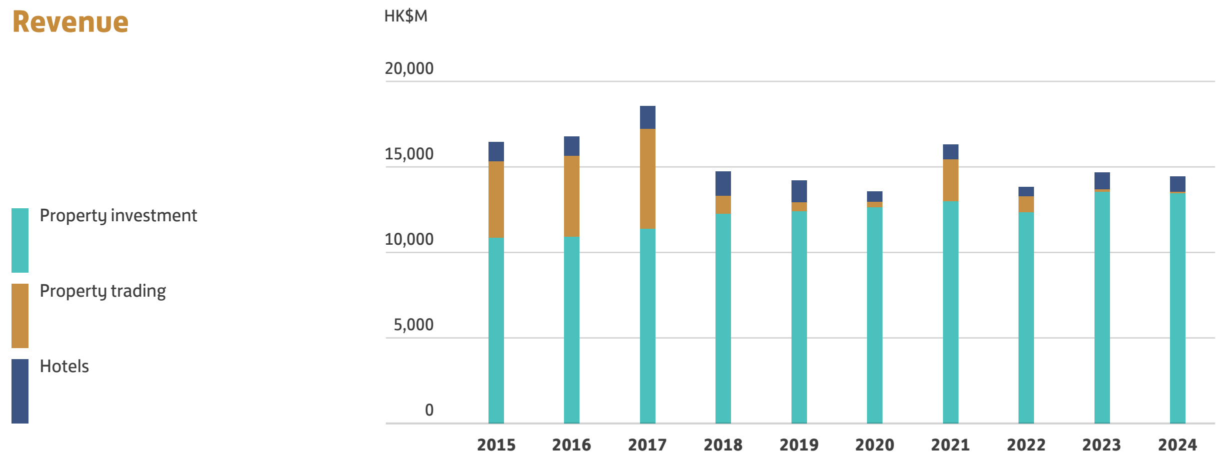


TEN-YEAR FINANCIAL SUMMARY

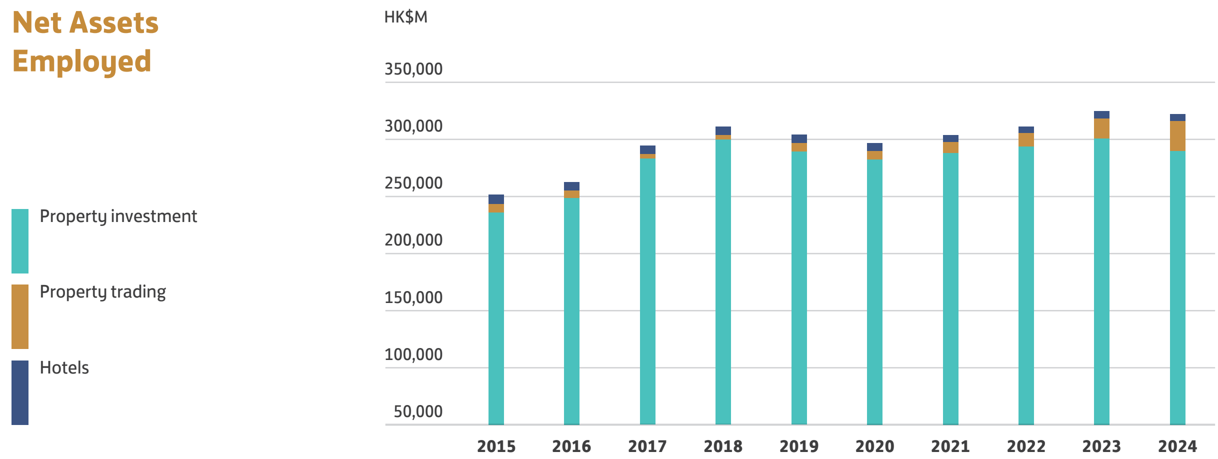
	2015 HK$M	2016 HK$M	2017 HK$M	2018 HK$M	2019 HK$M	2020 HK$M	2021 HK$M	2022 HK$M	2023 HK$M	**2024 HK$M**
STATEMENT OF PROFIT OR LOSS										
Revenue										
Property investment	10,857	10,902	11,380	12,254	12,410	12,635	12,981	12,340	13,525	**13,452**
Property trading	4,463	4,760	5,833	1,061	516	312	2,443	921	166	**88**
Hotels	1,127	1,130	1,345	1,404	1,296	641	894	565	979	**888**
	16,447	16,792	18,558	14,719	14,222	13,588	16,318	13,826	14,670	**14,428**
Profit/(Loss) Attributable to the Company's Shareholders										
Property investment	6,231	5,938	6,671	8,732	10,061	8,839	8,654	8,025	7,325	**7,234**
Property trading	1,089	1,199	1,111	99	(18)	(87)	601	171	(169)	**(233)**
Hotels	(303)	(117)	(43)	(41)	(70)	(524)	(307)	(341)	(100)	**(191)**
Change in fair value of investment properties	7,055	8,030	26,218	19,876	3,450	(4,645)	(1,836)	125	(4,419)	**(7,576)**
	14,072	15,050	33,957	28,666	13,423	3,583	7,112	7,980	2,637	**(766)**
Dividends for the year	4,154	4,154	4,505	4,914	5,148	5,324	5,558	5,850	6,143	**6,379**
Retained profit	9,918	10,896	29,452	23,752	8,275	(1,741)	1,554	2,130	(3,506)	**(7,145)**
STATEMENT OF FINANCIAL POSITION										
Net Assets Employed										
Property investment	235,917	248,466	283,045	299,659	289,185	282,257	288,246	293,752	300,678	**289,799**
Property trading	7,452	6,616	3,942	4,143	7,789	7,249	9,637	11,612	17,334	**26,108**
Hotels	7,928	7,520	7,738	7,394	7,229	7,243	6,061	5,841	6,816	**6,266**
	251,297	262,602	294,725	311,196	304,203	296,749	303,944	311,205	324,828	**322,173**
Financed by										
Equity attributable to the Company's shareholders	216,247	225,369	257,381	279,275	286,927	288,216	291,624	289,211	285,082	**275,326**
Non-controlling interests	1,702	1,856	1,997	2,016	1,984	1,928	1,986	3,047	3,067	**3,101**
Net debt	33,348	35,377	35,347	29,905	15,292	6,605	10,334	18,947	36,679	**43,746**
	251,297	262,602	294,725	311,196	304,203	296,749	303,944	311,205	324,828	**322,173**
	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	HK$	**HK$**
Earnings/(Loss) per share	2.41	2.57	5.80	4.90	2.29	0.61	1.22	1.36	0.45	**(0.13)**
Dividends per share	0.71	0.71	0.77	0.84	0.88	0.91	0.95	1.00	1.05	**1.10**
Equity attributable to shareholders per share	36.97	38.52	44.00	47.74	49.05	49.27	49.85	49.44	48.73	**47.35**
RATIOS										
Return on average equity attributable to the Company's shareholders	6.6%	6.8%	14.1%	10.7%	4.7%	1.2%	2.5%	2.7%	0.9%	**-0.3%**
Gearing ratio	15.3%	15.6%	13.6%	10.6%	5.3%	2.3%	3.5%	6.5%	12.7%	**15.7%**
Interest cover – times	13.56	15.48	38.81	33.29	28.85	12.93	20.78	48.26	9.96	**1.72**
Dividend payout ratio	29.5%	27.6%	13.3%	17.1%	38.4%	148.6%	78.1%	73.3%	233.0%	**N/A**
UNDERLYING										
Profit (HK$M)	7,078	7,112	7,834	10,148	24,130	12,166	9,532	8,706	11,570	**6,768**
Return on average equity attributable to the Company's shareholders	3.3%	3.2%	3.2%	3.8%	8.5%	4.2%	3.3%	3.0%	4.0%	**2.4%**
Earnings per share (HK$)	1.21	1.22	1.34	1.73	4.12	2.08	1.63	1.49	1.98	**1.16**
Interest cover – times	7.75	8.89	10.68	12.58	48.16	32.10	32.96	74.74	26.76	**8.92**
Dividend payout ratio	58.7%	58.4%	57.5%	48.4%	21.3%	43.8%	58.3%	67.2%	53.1%	**94.3%**

Notes:
1. The information for all years is shown in accordance with the Group's current accounting policies and disclosure practices. Consequently figures for years prior to 2024 may be different from those originally presented.
2. The equity attributable to the Company's shareholders and the returns by segment for 2024 and 2023 are shown in the Financial Review – Investment Appraisal and Performance Review on page 80.
3. Underlying profit is discussed on pages 29 to 31.
4. Refer to Glossary on page 215 for definitions and ratios.

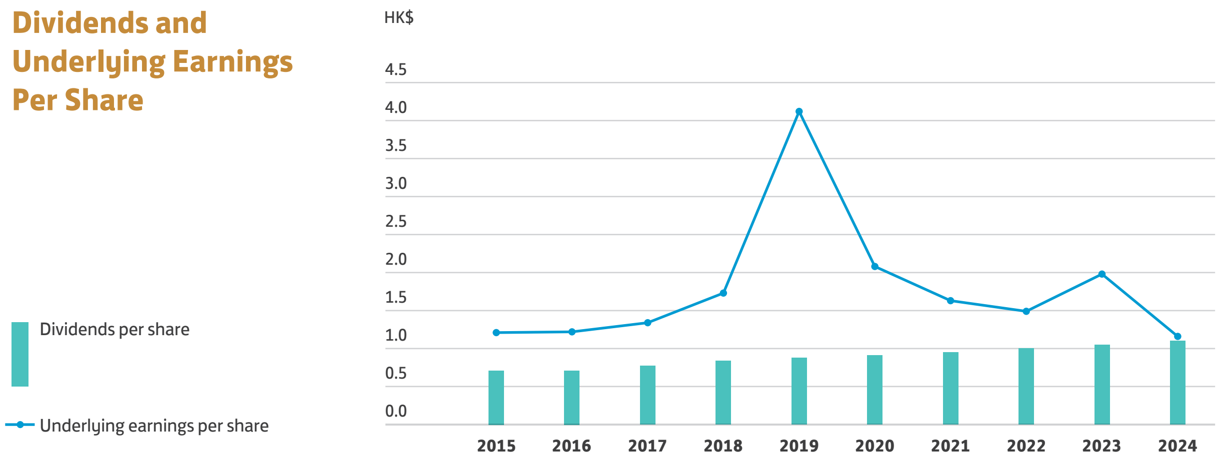
Revenue



Net Assets Employed

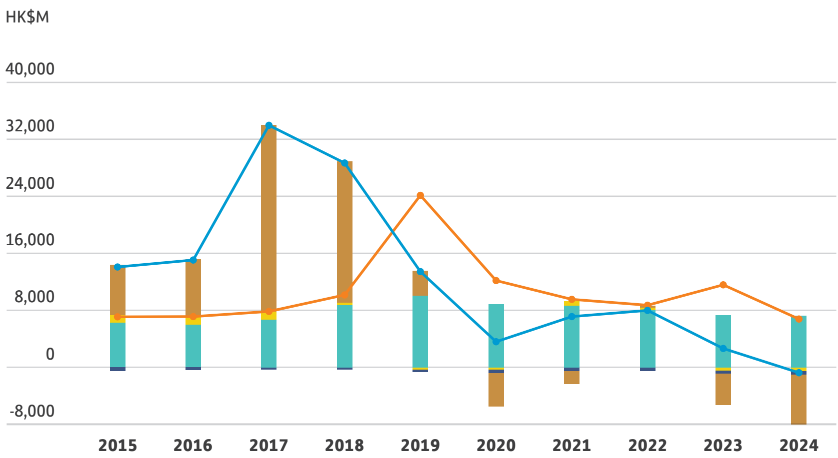


Dividends and Underlying Earnings Per Share



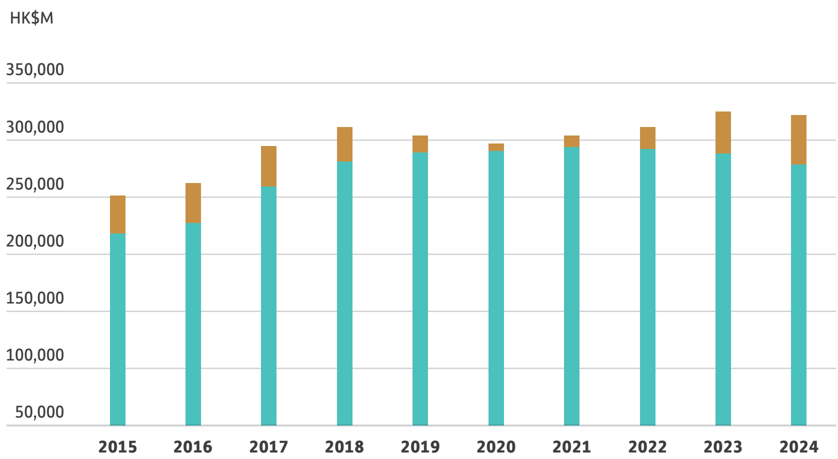
Profit/(Loss) Attributable to the Company's Shareholders

Property investment
Hotels
Property trading
Change in fair value of investment properties
Total attributable profit/(loss)
Total underlying profit



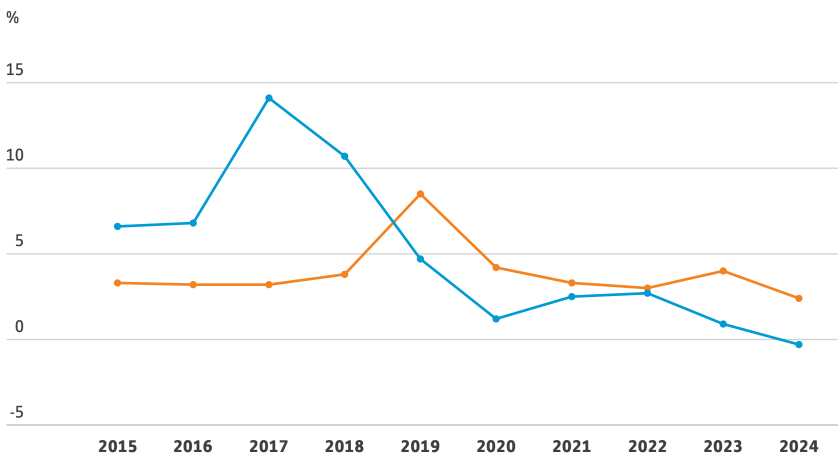
Total Equity and Net Debt

Total equity
Net debt



Returns on Average Equity

Group
Group – underlying



CHAIRMAN'S STATEMENT

Despite the ongoing economic uncertainty, we have every confidence that investing in Hong Kong, the Greater Bay Area and the wider Chinese Mainland, as well as South East Asia, continues to be the right thing to do.

Dear Shareholders,

I am pleased to report that in 2024, Swire Properties gave a positive performance despite adverse market conditions. We remain on track to deliver our long-term investment strategy, and have made significant progress in executing our HK$100 billion strategic investment plan, with 67% already committed. This serves as a clear roadmap for Swire Properties' growth, setting out our strategic expansion plans across our key markets of Hong Kong, the Chinese Mainland and South East Asia. Our successful capital recycling efforts have provided us with healthy liquidity and place us in a strong position to deliver on the next stages of our investment plan.

Last year was also notable for our sustainability achievements. The highlight was achieving the top ranking in the global Dow Jones Best-in-Class World Index 2024 in the 'Real Estate Management & Development Industry' category. This recognition reinforces our commitment to advancing our sustainability leadership, innovating and integrating sustainability across all our businesses.

Our results reflect the support given by our stakeholders and communities, as well as the team at Swire Properties, and I offer them my thanks. Hong Kong remains our home, and we are committed to playing our part in its ongoing economic recovery. We also anticipate a bright future in the Chinese Mainland, with our investments demonstrating our confidence in the long-term potential in the region.

Summary of Financial Results

Our recurring underlying profit attributable to shareholders decreased by HK$806 million from HK$7,285 million in 2023 to HK$6,479 million in 2024, which principally reflected higher net finance charges and a reduction in office rental income in Hong Kong. Our underlying profit was HK$6,768 million in 2024, compared to HK$11,570 million in 2023, primarily reflecting the substantial profit arising from the disposal of nine office floors of One Island East in Hong Kong in 2023, and a reduction in profit from the sale of car parking spaces in Hong Kong in 2024.

Our reported loss attributable to shareholders in 2024 was HK$766 million, compared to a profit of HK$2,637 million in 2023, mainly due to a fair value loss on investment properties of HK$6,299 million in 2024 compared to HK$4,401 million in 2023. A change in the fair value of investment properties is non-cash in nature and has no impact on our operating cash flows nor on underlying profit attributable to shareholders. Our balance sheet remains healthy. The overall financial position of the Company remains strong and the change in fair value is not expected to have any impact on our investment strategy.

Progressive Dividends and Share Buy-Back

We declared a second interim dividend for 2024 of HK$0.76 per share. This, together with the first interim dividend of HK$0.34 per share paid in October 2024, amounts to a full year dividend of HK$1.10 per share, representing a 5% increase over the dividend per share for 2023. The second interim dividend for 2024 will be paid on Thursday, 8th May 2025 to shareholders registered at the close of business on the record date, being Thursday, 3rd April 2025. Shares of the Company will be traded ex-dividend from Tuesday, 1st April 2025.

Our policy is to deliver sustainable growth in dividends and to pay out approximately half of our underlying profit in ordinary dividends over time. Riding on the benefit of our planned investments, our aim is to deliver mid-single digit annual growth in dividends.

Last year, the Board approved a share buy-back programme of up to HK$1.5 billion for the period up to the conclusion of the next annual general meeting to be held in May 2025. During 2024, the Company repurchased 47,778,600 shares for an aggregate cash consideration of HK$750 million at an average price of HK$15.7 per share.

Hong Kong Office Portfolio

Despite the subdued office market conditions in 2024, the 'flight-to-quality' trend remains strong, with prospective tenants favouring new, triple grade-A office buildings like One and Two Taikoo Place and Six Pacific Place. The completion of the latest phase of the Taikoo Place Redevelopment Project marks a significant milestone for the Company, transforming Taikoo Place into a modern Global Business District and providing a very competitive, credible alternative for tenants traditionally based in Central.

Pacific Place continues to attract top-tier tenants despite the challenging operating climate. In the first half of 2025, we will be opening a new bridge connecting Pacific Place to Harcourt Garden, which will significantly improve connectivity to the Admiralty MTR interchange and enhance accessibility in the district.

Growth in the Chinese Mainland

Recent economic headwinds aside, we remain bullish about our investments and have now secured over 90% of our HK$50 billion planned investment in the Chinese Mainland. The next few years will be dedicated to the completion of our new projects.

In Shanghai, our portfolio has expanded to four investments, making it our largest, most important market in the Chinese Mainland to date. In 2024, we unveiled Lujiazui Taikoo Yuan, one of the two mixed-use developments in Shanghai's Pudong New Area. This project marks the debut of Lujiazui Taikoo Yuan Residences, our first residential project in the Chinese Mainland and which saw a positive response to the initial sales launch. The Shanghai New Bund mixed-use project is also making good progress, having achieved an encouraging sales performance for the four residential towers.

In Beijing, we are enhancing our Taikoo Li Sanlitun development with the latest renovations catering to the growing demand for luxury retail, as well as supporting the Beijing Government's initiative to establish the capital as an international consumption centre. The North zone is undergoing extensive upgrading, and The Opposite House hotel site is currently being redeveloped as a new retail landmark for global flagship stores. We are introducing our Taikoo Place brand to Beijing by renaming the Greater INDIGO development as "Taikoo Place Beijing". Having increased our stake in August 2024, this project now represents our single largest investment in the Chinese Mainland.

Taikoo Li Chengdu is undergoing a second wave of trade-mix upgrading, which is now close to completion. Taikoo Li Xi'an will open its sales gallery in 2025, while our retail development in Sanya is also making good progress. We also remain focused on expanding our presence in the Greater Bay Area, given its strategic significance. In Guangzhou, Taikoo Hui Guangzhou, the city's leading luxury mall, will be expanded by the former Cultural Centre at 387 Tianhe Road, to meet the growing demand from luxury tenants. Taikoo Li Julong Wan Guangzhou, our investment in the retail portion of the transformational mixed-use development, will be launched in phases from the end of 2025.

Retail and Residential Overview

Our retail malls in Hong Kong have remained resilient despite the challenging market conditions, with all three maintaining full occupancy. Our shopping malls in the Chinese Mainland continue to perform well, with high foot traffic underscoring their appeal as preferred destinations.

In Hong Kong, we have spent the past few years building our residential pipeline in the city, and have five projects in various prime locations on Hong Kong Island. In South East Asia, we remain focused on Jakarta, Singapore, Ho Chi Minh City and Bangkok as our core markets. In the Chinese Mainland, we have been delighted by the sales performance of the Shanghai New Bund mixed-use project in Qiantan, and by the positive response to the pre-sales of Lujiazui Taikoo Yuan Residences.

Outlook

Over the short term, the office market in Hong Kong will likely remain subdued, while retail sales growth in the Chinese Mainland is expected to improve. For the rest of 2025, our priority will be executing our growth plans and enhancing the resilience of our existing portfolios.

Despite the ongoing economic uncertainty, we have every confidence that investing in Hong Kong, the Greater Bay Area and the wider Chinese Mainland, as well as South East Asia, continues to be the right thing to do. We remain committed to our key markets and believe we are well-positioned for when conditions improve in the future.

Guy Bradley
Chairman
Hong Kong, 13th March 2025

CHIEF EXECUTIVE'S STATEMENT

Our HK$100 billion investment plan underscores our commitment to responsible, long-term investments, and we have now been recognised as a global sustainability leader in our field.

Dear Shareholders,

As the Chairman has outlined, we have made substantial progress with our HK$100 billion investment plan since 2022. Our focus is now on execution and operational excellence to achieve our growth plans, to enhance profitability and to deliver long-term shareholder returns.

Despite significant headwinds in both the office and retail sectors in Hong Kong and the Chinese Mainland, we achieved solid results in 2024. Our business remains resilient and we are well prepared for long-term growth. The latest phase of the Taikoo Place Redevelopment Project is now complete and we have set a new benchmark for the office sector in Hong Kong, alongside our flagship, mixed-use development, Pacific Place. In the Chinese Mainland, the past three years have been marked by high levels of investment activity.

Our strong and diverse pipeline of residential, mixed-use and retail-led developments will extend over the next five years, as we continue to increase our gross floor area ("GFA") in our core markets. In addition, our placemaking strategy has enabled us to support our established projects by acquiring adjacent land or buildings, enabling us to reinforce and enhance each location.

Notwithstanding the current weak market conditions, our Company continues to set new standards for the industry and we are well-positioned to face the challenges that lie ahead. We remain committed to accelerating our digital transformation plans and adopting emerging technologies to promote innovation and increase efficiency.

2024 Financial Results at a Glance

Our full year result was impacted by the subdued office market in Hong Kong, with a lack of new demand coupled with continuous new supply coming onstream. Our portfolios have continued to demonstrate their resilience, thanks to our strong placemaking attributes, achievements in sustainability, industry-leading amenities and innovative tenant engagement initiatives.

Whilst our retail portfolio in Hong Kong experienced a solid recovery in 2023, the performance in 2024 was affected by macro-economic uncertainties. The ongoing trend of outbound travel and changes in tourist spending habits have negatively impacted the retail market. Nevertheless, our shopping malls are in high demand for our major retail tenants, and have achieved full occupancy. We continue to work on enhancing our retail trade mix to adapt to market changes. Our innovative marketing campaigns and loyalty programme initiatives are successfully attracting local shoppers and tourists to our malls.

In 2023, we reached an all-time high in terms of retail sales in the Chinese Mainland, following the easing of pandemic restrictions. Factors such as the weak Japanese yen, increased outbound travel, stock market volatility, and changing consumer behaviours have created an increasingly complex operating environment. Some of our malls have also experienced disruption due to upgrading plans and renovations. Despite these factors and noting the comparison with the high post-pandemic base of the previous year, retail sales growth in the Chinese Mainland has stabilised. At the same time the overall number of visitors to our malls has increased.

We recorded an underlying loss from our property trading activities in 2024 due to sales and marketing expenses incurred for several residential trading projects which will be launched over the next few years.

Our Future Prospects

Office

The Hong Kong office market is expected to remain subdued in 2025, with weak demand and oversupply maintaining downward pressure on rents. Despite signs of a modest recovery in Hong Kong's financial markets, the uncertain economic environment continues to contain new demand for office space.

However, the 'flight-to-quality' trend remains strong, and our successful placemaking strategy, along with our focus on sustainability, health and safety, and the well-being of tenants' employees, is highly valued by both existing and prospective tenants. As a result, our office portfolios in Pacific Place and Taikoo Place are well-positioned as the preferred choice for office relocations when the market rebounds.

The successful completion of the latest phase of the Taikoo Place Redevelopment Project marks a significant achievement in our Company's recent history, transforming the district from a former industrial area into a thriving, decentralised office hub and showcasing our commitment to long-term investment in our communities. Our focus on placemaking has been integral to this transformation, providing more open space and landscaped areas, including Taikoo Square, Taikoo Garden, and Taikoo Park, all interconnected with the ten office buildings.

The activation of these spaces through ground-floor retail, restaurants, and year-round community events has created a sense of wellbeing and vibrancy for tenants and visitors, redefining work-life balance. Our integrated planning approach and ongoing efforts in placemaking and placekeeping are key advantages, and have been fundamental in realising our vision for Taikoo Place as a Global Business District.

Looking ahead, we remain committed to upgrading and offering new products to maintain our competitive advantage. While the market is currently oversupplied, we are reviewing the timing for redevelopment of the Wah Ha Factory Building and Zung Fu Industrial Building to reflect market conditions.

Retail

Footfall and retail sales in Hong Kong are expected to continue to face challenges due to outbound travel and changing tourist spending habits. However, we are optimistic about the resilience of our shopping malls, thanks to the continued refinement of our trade mix, robust marketing campaigns and innovative loyalty programmes.

Our malls have benefitted from clear market positioning, attracting both local and international customers. We are committed to maintaining a vibrant and diverse trade mix and elevating the retail experience to capture the full market potential. The Christmas campaign at Pacific Place attracted record-breaking numbers of visitors, particularly from the Chinese Mainland. We are confident that the Government's multi-entry visa policy will benefit the market.

Footfall in our Chinese Mainland malls has continued to increase, highlighting their appeal as desirable retail landmarks. Retail sales stabilised in Q4 2024, reflecting improved consumer sentiment following the Government's stimulus measures which were announced in September 2024.

In 2025, retail sales growth is expected to pick up in the Chinese Mainland, driven by increased domestic demand and the progressive completion of renovation work in several malls. Inbound and outbound travel activity is expected to increase, together with a shift in spending behaviour compared to pre-pandemic patterns. In the long-term, onshore consumption is expected to dominate the retail market in the Chinese Mainland, with the number of luxury customers continuing to grow, thereby establishing the Chinese Mainland as one of the largest luxury markets globally.

Demand for retail space in 2025 is expected to remain selective. Luxury retailers will adopt a prudent approach to expanding in Beijing, Chengdu, and Shanghai, seeking high-potential, experiential locations. In Guangzhou, demand for suitable locations for luxury brands is expected to be sustained while overall demand for sports and leisure brands is increasing.

Structural and reconfiguration works are ongoing at Taikoo Li Sanlitun North in Beijing and at HKRI Taikoo Hui in Shanghai as a key part of our asset reinforcement strategy. We are also making good progress with our pipeline of new, mixed-use projects in Sanya, Xi'an, two projects in Shanghai and our two newest projects, the former Cultural Centre adjacent to Taikoo Hui Guangzhou and Taikoo Li Julong Wan Guangzhou, our latest retail project located in Liwan district. We are also introducing our flagship Taikoo Place brand to Beijing, repositioning Greater INDIGO as "Taikoo Place Beijing", to be rolled out in phases from mid-2026.

Residential

In Hong Kong, residential sales have increased due to interest rate cuts and relaxed mortgage measures. However, rebuilding confidence and restoring market sentiment will take time. Medium to long-term demand is expected to improve, supported by local buyers and increasing interest from Chinese Mainland buyers. We have a balanced trading pipeline in Hong Kong, and pre-sale plans are underway for our latest project, The Headland Residences, in Chai Wan.

The residential market for high-quality developments in prime locations in Tier-1 cities in the Chinese Mainland is expected to remain strong in the short term, as evidenced by the successful sales of Lujiazui Taikoo Yuan Residences in Shanghai in Q4 2024. The long-term outlook for Shanghai's luxury residential market is positive.

Thanks to several key factors including urbanisation, a growing middle class and the limited supply of luxury properties, residential markets are expected to improve in Jakarta, Ho Chi Minh City, and Bangkok. In Miami the luxury residential market remains robust, with South Florida attracting homebuyers due to its favourable climate, tax regime and strategic location as the gateway to Latin America.

Hotels

The speed of recovery for our hotels in Hong Kong has been slower than expected. In contrast, our hotels in the Chinese Mainland remained relatively stable while our managed hotel in Miami performed well.

The outlook for our hotel business in Hong Kong is cautiously optimistic, depending on the rate of recovery of international tourists and business travellers. In the Chinese Mainland, our hotel business is expected to improve steadily in 2025.

In accordance with our strategy to expand the hotel business through Hotel Management Agreements, we have several new hotels coming onstream over the next few years, including in Beijing, Shenzhen, Shanghai, Xi'an and Tokyo.

Sustainability Leadership

We have demonstrated global leadership in sustainable development, earning the highest ranking in the Dow Jones Best-in-Class World Index 2024. Our efforts have been further recognised with top positions in other indices and benchmarks, including the Global Real Estate Sustainability Benchmark ("GRESB") and the Hang Seng Corporate Sustainability Index. We have been named Global Sector Leader – Listed (Mixed Use) in GRESB for the eighth consecutive year and ranked No.1 in the Hang Seng Corporate Sustainability Index for the seventh year in a row, maintaining the highest "AAA" rating.

Our journey towards net-zero emissions is on track, driven by digital innovation and the adoption of new technologies. In 2024, we increased our off-site renewable electricity procurement for our Beijing portfolio to nearly 100%. Consequently, over 60% of electricity consumption in our Chinese Mainland portfolio now comes from renewable energy.

We continue to engage our tenants and suppliers through impactful initiatives like the Green Performance Pledge ("GPP") programme and Green Kitchen Initiative ("GKI"). In 2024 we launched the Green Retail Partnership ("GRP") Framework to focus on sustainable shop design and performance improvements. In November, we entered into a partnership with LVMH under the GRP to elevate sustainability performance across their stores, offices and F&B locations in the Chinese Mainland and Hong Kong.

The opening of Taikoo Square in 2024 marked a major milestone in realising our vision for urban biodiversity, showcasing our ambitious work in biophilic design and nature-based placemaking at Taikoo Place in Hong Kong.

In 2024, our community investment initiatives made a significant contribution. Through our Community Ambassador Programme, over 3,000 ambassadors dedicated their time to various community projects. In particular, our signature “Books for Love” campaign raised over HK$1.3 million for charity, whilst promoting literacy and reducing waste in the city.

We also held the “LITTLE FASHION FOR LOVE” event at the Quarryside community centre, in partnership with St. James’ Settlement’s Green Little, raising awareness amongst the younger generation about sustainable fashion.

We continue to empower youth through diverse programmes that foster creativity, leadership, and community engagement, preparing them to shape a sustainable future. In 2024, the Swire Properties Placemaking Academy organised our largest ever White Christmas Street Fair in numerous locations around Taikoo Place, attracting more than 80,000 visitors over five days and supporting local businesses and district tourism. Additionally, the Bi-city Youth Cultural Leadership Programme, now in its third edition, engaged 130 university students from Beijing and Hong Kong, fostering cultural exchange and nurturing future leaders.

Outlook

Despite the challenging market conditions, we are making good progress on many fronts. Our HK$100 billion investment plan underscores our commitment to responsible, long-term investments, and we have now been recognised as a global sustainability leader in our field.

We greatly appreciate the continued support of our shareholders and all our partners. I would also like to express my sincere gratitude to the team at Swire Properties for their collective efforts which have contributed so significantly to our achievements this year.

Tim Blackburn
Chief Executive
Hong Kong, 13th March 2025

KEY BUSINESS STRATEGIES

As a leading developer, owner and operator of mixed-use, principally commercial, properties in Hong Kong and the Chinese Mainland, our strategic objective is sustainable growth in shareholder value in the long term. To achieve this objective, we employ five strategies.

1. Create long-term value by conceiving, designing, developing, owning and managing transformational mixed-use and other projects in urban areas

   With our long-term placemaking vision, we will continue to design projects which we believe will have the necessary scale, mix of uses and transport links to become key commercial destinations and to transform the areas in which they are situated.

2. Maximise the earnings and value of our completed properties through active asset management and by reinforcing our assets through enhancement, redevelopment and new additions

   We manage our completed properties actively (including by optimising the mix of retail tenants and early renewal negotiations with office tenants) and with a view to the long term, to maintain consistently high levels of service and to enhance and reinforce our assets. By doing so, we believe that we will maximise the occupancy and earnings potential of our properties.

   Tenants increasingly scrutinise the sustainable development credentials of landlords and buildings. We aim to be at the forefront of sustainable development by incorporating relevant design elements, technologies and programmes to improve our performance in Environment, Social and Governance, and by engagement with tenants and others with whom we do business.

3. Develop luxury and high-quality residential property activities

Our residential developments will be aimed at buyers of luxury and high-quality properties, where we believe we have a competitive advantage. We will look to acquire appropriate sites for trading and investment with reasonable returns in the markets in Hong Kong.

We will seek residential development opportunities in the Chinese Mainland. These are likely to be ancillary to our mixed-use developments. However, in the right locations and cities we may also consider standalone residential development opportunities.

We will also actively explore residential trading opportunities in four target markets of Jakarta, Singapore, Bangkok and Ho Chi Minh City in South East Asia.

4. Focus principally on Hong Kong and the Chinese Mainland

In Hong Kong, we will continue to focus on reinforcing our existing investment property assets and on seeking new sites suitable for transformative developments and for residential projects.

In Chinese Mainland, we will expand our presence with large-scale mixed-use, commercial developments in Tier-1 and emerging Tier-1 cities. We will continue to leverage our established “Taikoo Li” and “Taikoo Hui” brands to develop iconic landmark properties.

While we will continue to concentrate on Hong Kong and the Chinese Mainland, we intend to expand selectively in South East Asia.

5. Manage our capital base conservatively

We intend to maintain a strong balance sheet supported by an active capital recycling strategy, with a view to investing in and financing our projects in a disciplined and targeted manner.

We aim to maintain exposure to a range of debt maturities and a range of debt types and lenders. Our current debt profile reflects a mix of revolving and term bank loans and medium term notes.

In implementing the above strategies, the principal risks and uncertainties facing by the Group are that the economies in which it operates (in particular Hong Kong and the Chinese Mainland) will not perform as well in the future as they have in the past and the uncertainties as to whether this will happen.

MANAGEMENT DISCUSSION & ANALYSIS

Lujiazui Taikoo Yuan Residences Show Flat, Shanghai

REVIEW OF OPERATIONS

	2024 HK$M	2023 HK$M
Revenue		
Gross Rental Income derived from		
Office	5,488	5,835
Retail	7,388	7,143
Residential	440	430
Other Revenue [1]	136	117
Property Investment	13,452	13,525
Property Trading	88	166
Hotels	888	979
Total Revenue	14,428	14,670
Operating Profit/(Losses) derived from		
Property investment		
From operations	8,250	8,261
Sale of interests in investment properties	(220)	(60)
Fair value losses in respect of investment properties	(5,996)	(2,829)
Property trading	(178)	(89)
Hotels	(154)	(103)
Total Operating Profit	1,702	5,180
Share of Post-tax Profit/(Losses) from Joint Venture and Associated Companies	826	(292)
(Loss)/Profit Attributable to the Company's Shareholders	(766)	2,637

[1] Other revenue is mainly estate management fees.

Additional information is provided in the following section to reconcile reported and underlying profit attributable to the Company's shareholders. These reconciling items principally adjust for the fair value movements on investment properties and the associated deferred tax in the Chinese Mainland and the U.S.A., and for other deferred tax provisions in relation to investment properties. In Hong Kong, the Group's investment properties recorded fair value losses of HK$9,207 million in 2024. In the Chinese Mainland and the U.S.A., investment properties recorded fair value gains of HK$2,647 million and HK$341 million respectively. There are further adjustments to remove the effect of the movement in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest, remeasurement gains on interests in joint venture companies which became subsidiary companies after completion of acquisition and a bargain purchase gain arising from the acquisition of an additional interest in a joint venture company. Amortisation of right-of-use assets classified as investment properties is charged to underlying profit.

Underlying Profit Reconciliation	Note	2024 HK$M	2023 HK$M
(Loss)/Profit Attributable to the Company's Shareholders per Financial Statements		**(766)**	2,637
Adjustments in respect of investment properties:			
Fair value losses in respect of investment properties	*(a)*	**6,219**	4,392
Deferred tax on investment properties	*(b)*	**1,283**	461
Fair value gains realised on sale of interests in investment properties	*(c)*	**534**	4,398
Depreciation of investment properties occupied by the Group	*(d)*	**22**	22
Non-controlling interests' share of fair value movements less deferred tax		**76**	8
Movement in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest	*(e)*	**55**	39
Remeasurement gains on interests in joint venture companies which became subsidiary companies after completion of acquisition	*(f)*	**–**	(306)
Reversal of impairment loss on a hotel held as part of a mixed-use development	*(g)*	**(11)**	–
Bargain purchase gain arising from the acquisition of an additional interest in a joint venture company	*(h)*	**(566)**	–
Less amortisation of right-of-use assets reported under investment properties	*(i)*	**(78)**	(81)
Underlying Profit Attributable to the Company's Shareholders		**6,768**	11,570
Profit from divestment		**(289)**	(4,285)
Recurring Underlying Profit Attributable to the Company's Shareholders		**6,479**	7,285

Notes:

(a) This represents the fair value movements as shown in the Group's consolidated statement of profit or loss and the Group's share of fair value movements of joint venture and associated companies.

(b) This represents deferred tax movements on the Group's investment properties, plus the Group's share of deferred tax movements on investment properties held by joint venture and associated companies. These comprise deferred tax on fair value movements on investment properties in the Chinese Mainland and the U.S.A., and deferred tax provisions made in respect of investment properties held for the long-term where it is considered that the liability will not reverse for some considerable time. It also includes certain tax adjustments arising from transfers of investment properties within the Group.

(c) Prior to the implementation of HKAS 40, changes in the fair value of investment properties were recorded in the revaluation reserve rather than the consolidated statement of profit or loss. On sale, fair value gains/(losses) were transferred from the revaluation reserve to the consolidated statement of profit or loss.

(d) Prior to the implementation of HKAS 40, no depreciation was charged on investment properties occupied by the Group.

(e) The value of the put option in favour of the owner of a non-controlling interest is calculated principally by reference to the estimated fair value of the portion of the underlying investment property in which the owner of the non-controlling interest is interested.

(f) The remeasurement gains on interests in joint venture companies were calculated principally by reference to the estimated market value of the underlying properties portfolio of the joint venture companies, netting off with all related cumulative exchange difference.

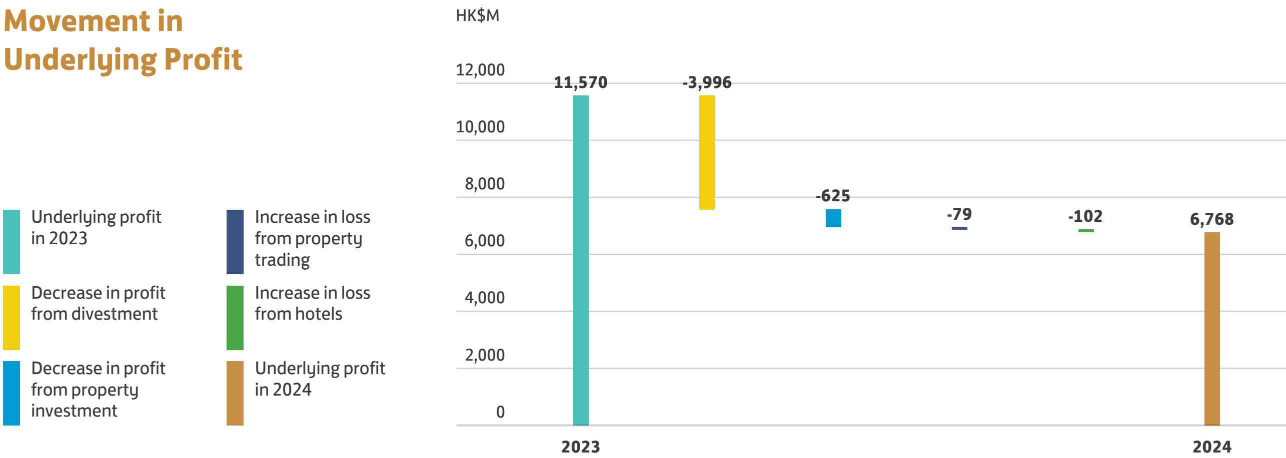
(g) Under HKAS 40, hotel properties are stated in the accounts at cost less accumulated depreciation and any provision for impairment losses, rather than at fair value. If HKAS 40 did not apply, wholly-owned and joint venture hotel properties held for the long-term as part of mixed-use property developments would be accounted for as investment properties. Accordingly, any increase or decrease in their values would be recorded in the revaluation reserve rather than in the consolidated statement of profit or loss.

(h) Bargain purchase gain arising from the acquisition of an additional interest in a joint venture company was calculated principally by reference to the market value of the underlying properties portfolio of the joint venture company in comparison with the consideration paid.

(i) HKFRS 16 amends the definition of investment property under HKAS 40 to include properties held by lessees as right-of-use assets to earn rentals or for capital appreciation or both, and requires the Group to account for such right-of-use assets at their fair value. The amortisation of such right-of-use assets is charged to underlying profit.

Underlying Profit

Movement in Underlying Profit



Our reported loss attributable to shareholders in 2024 was HK$766 million, compared to a profit of HK$2,637 million in 2023. There was a fair value loss on investment properties (after deducting non-controlling interests) of HK$6,299 million in 2024, compared to HK$4,401 million in 2023, mainly arising from the Hong Kong office portfolios for both years.

Underlying profit attributable to shareholders (which principally adjusts for changes in fair value of investment properties) decreased by HK$4,802 million from HK$11,570 million in 2023 to HK$6,768 million in 2024. The decrease primarily reflected the substantial profit arising from the disposal of certain office floors in Hong Kong in 2023, and a reduction in profit from the sale of car parking spaces in Hong Kong in 2024. Also, there were higher net finance charges (due to higher borrowings) and a reduction in rental income from Hong Kong office portfolios.

Recurring underlying profit (which excludes profit from divestment) was HK$6,479 million in 2024, compared to HK$7,285 million in 2023.

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

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

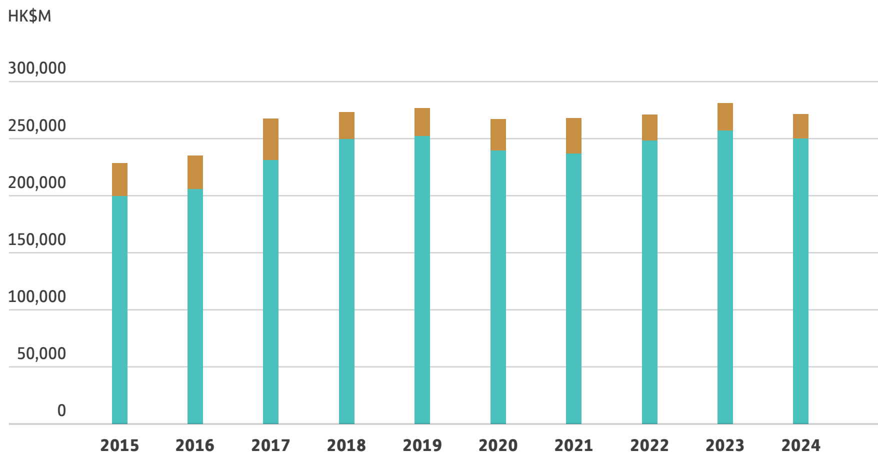
In the Chinese Mainland, the performance of our retail portfolio was stable. Retail sales declined in 2024 (compared with a strong rebound in 2023 following the lifting of pandemic-related restrictions) but the overall foot traffic increased notwithstanding the increase in outbound travel.

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

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

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

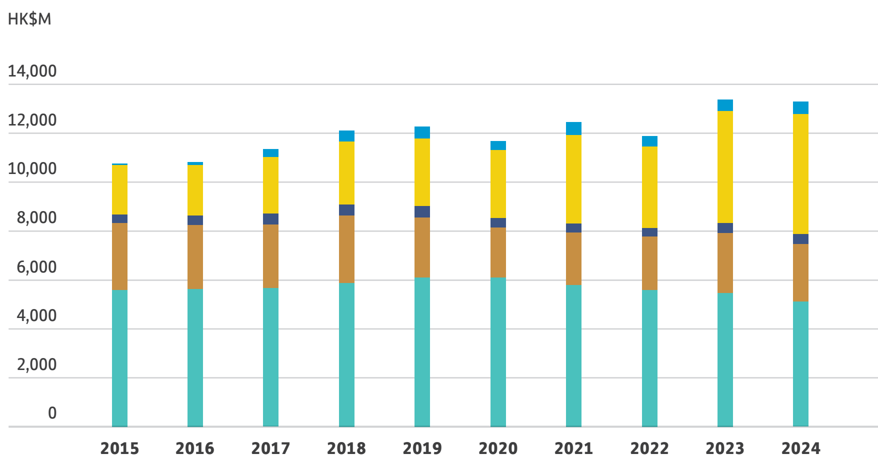
Valuation of Investment Properties



Completed

Under development

Gross Rental Income (After Deduction of Rental Concessions)



Hong Kong office

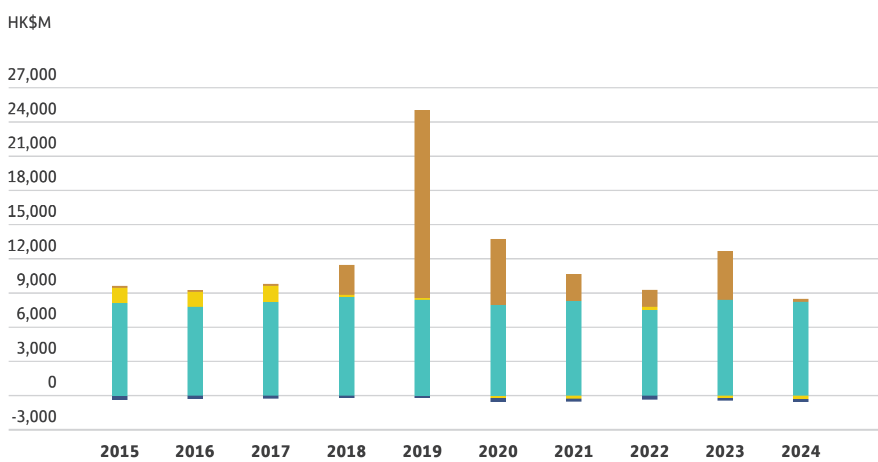
Hong Kong retail

Hong Kong residential

Chinese Mainland

U.S.A. and elsewhere

Underlying Operating Profit



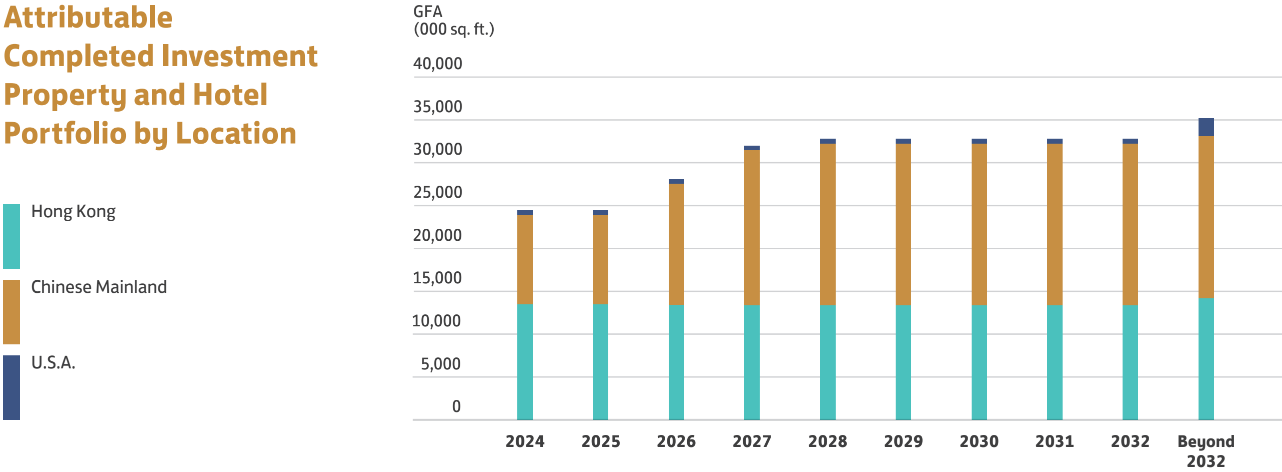
Property investment

Property trading

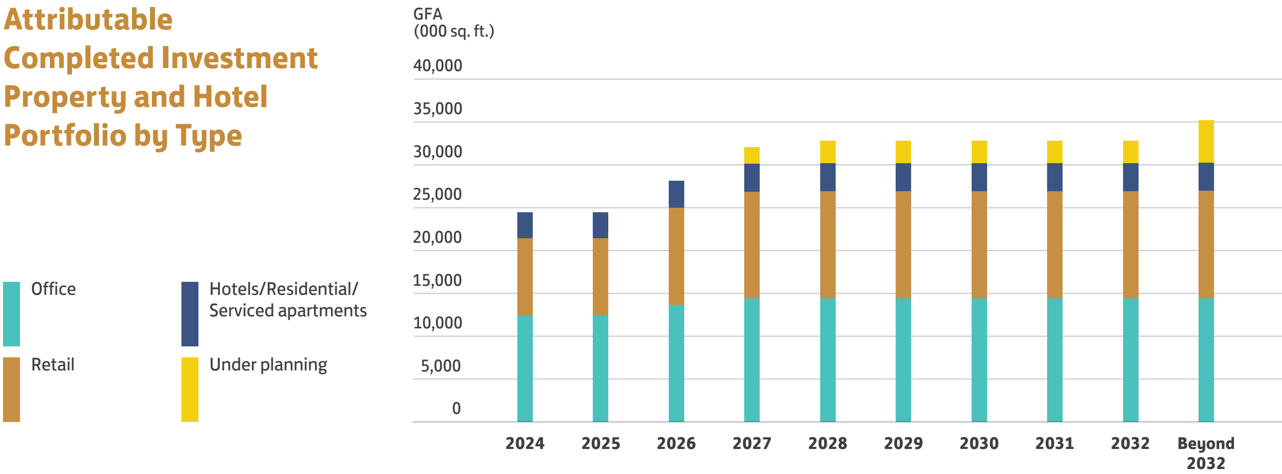
Hotels

Divestment

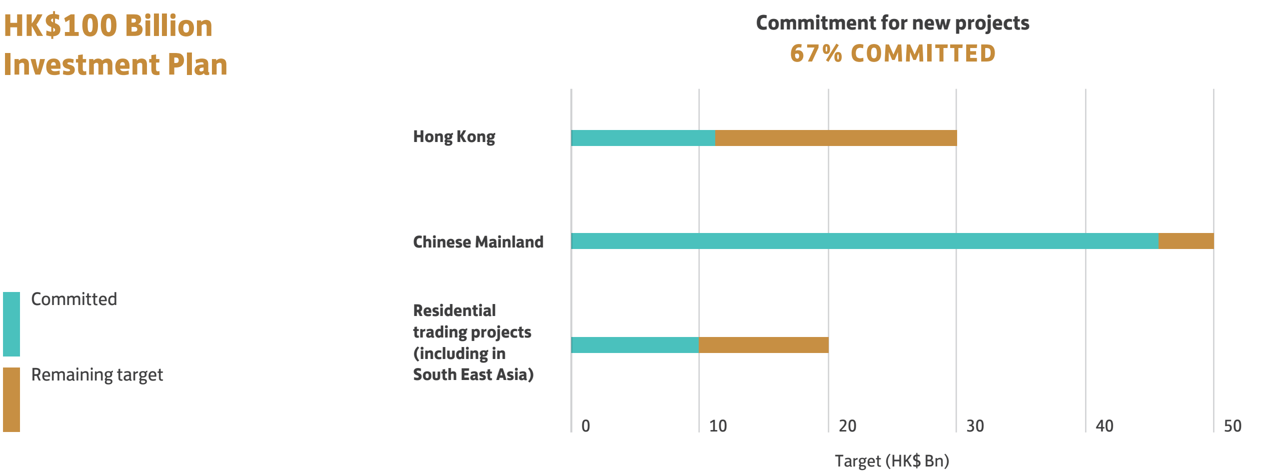
Attributable Completed Investment Property and Hotel Portfolio by Location



Attributable Completed Investment Property and Hotel Portfolio by Type



HK$100 Billion Investment Plan



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

Key Developments

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

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

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

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

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

Portfolio Overview

The aggregate gross floor area ("GFA") attributable to the Group at 31st December 2024 was approximately 40.4 million square feet.

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

The tables below illustrate the GFA (or expected GFA) attributable to the Group of the investment property and hotel portfolio at 31st December 2024.

Completed Investment Properties and Hotels
(GFA attributable to the Group in million square feet)

	Office	Retail	Hotels [1]	Residential/ Serviced Apartments	Under Planning	Total
Hong Kong	9.4	2.6	0.8	0.6	–	**13.4**
Chinese Mainland	2.9	6.2	1.1	0.2	–	**10.4**
U.S.A.	–	0.3	0.3	–	–	**0.6**
Total	**12.3**	**9.1**	**2.2**	**0.8**	**–**	**24.4**

Investment Properties and Hotels Under Development or Held for Future Development (expected GFA attributable to the Group in million square feet)

	Office	Retail	Hotels[1]	Residential/ Serviced Apartments	Under Planning	Total
Hong Kong	–	–	–	–	0.8	**0.8**
Chinese Mainland	2.2	3.5	0.2	0.1	2.5	**8.5**
U.S.A.	–	–	–	–	1.5[2]	**1.5**
Total	**2.2**	**3.5**	**0.2**	**0.1**	**4.8**	**10.8**

Total Investment Properties and Hotels (GFA (or expected GFA) attributable to the Group in million square feet)

	Office	Retail	Hotels[1]	Residential/ Serviced Apartments	Under Planning	Total
Total	**14.5**	**12.6**	**2.4**	**0.9**	**4.8**	**35.2**

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

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

The table below illustrates the GFA (or expected GFA) attributable to the Group of the trading property portfolio at 31st December 2024.

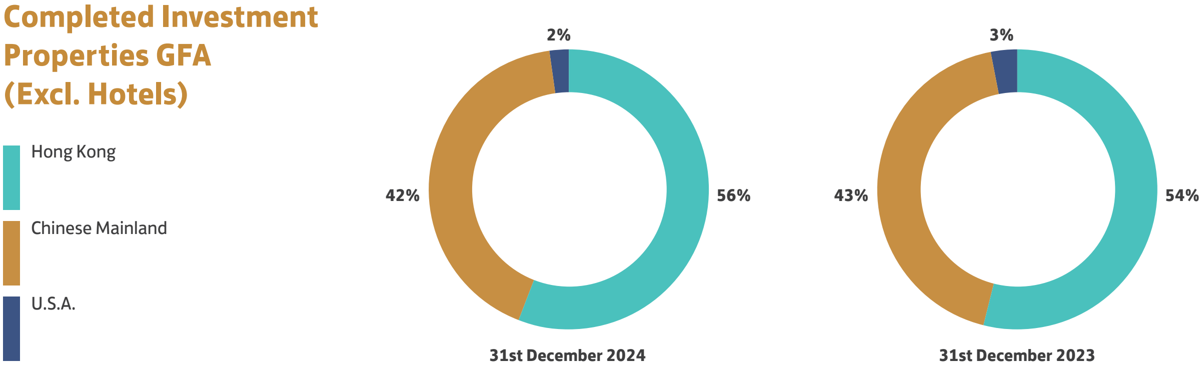
Trading Properties (GFA (or expected GFA) attributable to the Group in million square feet)

	Completed Development[1]	Under Development or Held for Development	Total
Hong Kong	0.1	1.0	**1.1**
Chinese Mainland	–	1.0	**1.0**
U.S.A. and elsewhere	–	3.1	**3.1**
Total	**0.1**	**5.1**	**5.2**

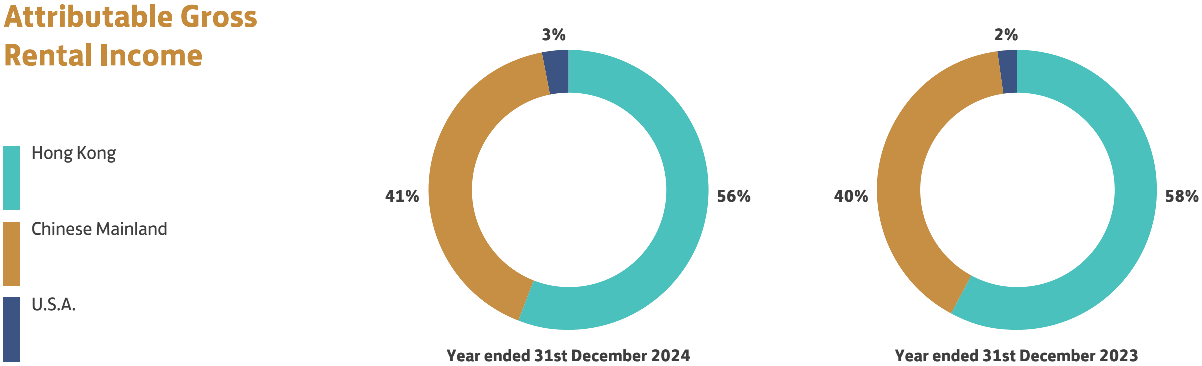
(1) Completed development in Hong Kong comprises EIGHT STAR STREET and LA MONTAGNE.

The charts below show the analysis of the Group's completed investment properties GFA (excluding hotels), gross rental income and net assets employed by region on an attributable basis.

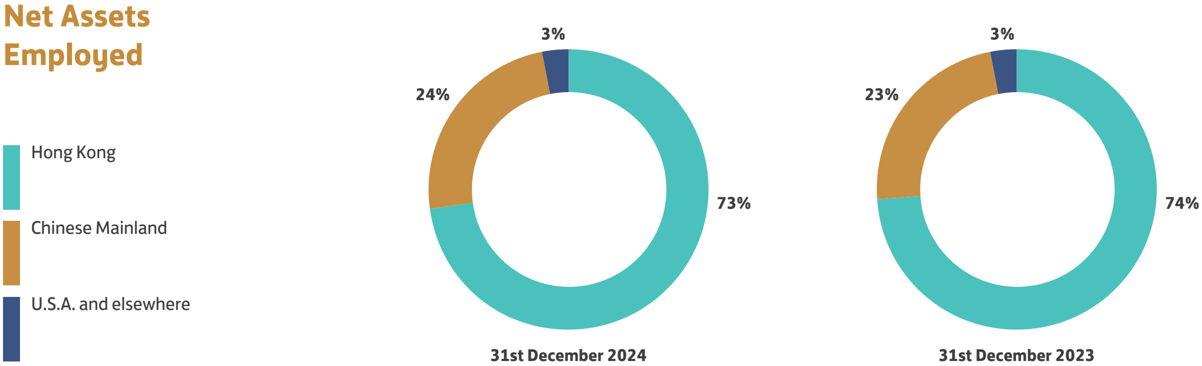
Completed Investment Properties GFA (Excl. Hotels)



Attributable Gross Rental Income



Net Assets Employed



Investment Properties – Hong Kong

Offices

Overview

The completed office portfolio in Hong Kong comprises an aggregate of 10.0 million square feet of space on a 100% basis. Total attributable gross rental income from our office properties in Hong Kong was HK$5,415 million in 2024. At 31st December 2024, our office properties, completed and under development, in Hong Kong were valued at HK$173,684 million. Of this amount, the Group's attributable interest was HK$164,895 million.

Hong Kong Office Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 31st December 2024)	Attributable Interest
Pacific Place	2,186,433	95%	100%
Taikoo Place – One Island East [1] and One Taikoo Place	2,322,772	94%	100%
Taikoo Place – Two Taikoo Place	994,973	69%	100%
Taikoo Place – Other Office Towers [2]	3,122,431	91%	50%/100%
Others [3]	1,382,061	82%	26.67%/50%/100%
Total	**10,008,670**		

(1) Excluding the 45th to 54th floors (except for the 49th floor) which have been disposed of.

(2) Including PCCW Tower, of which the Group owns 50%.

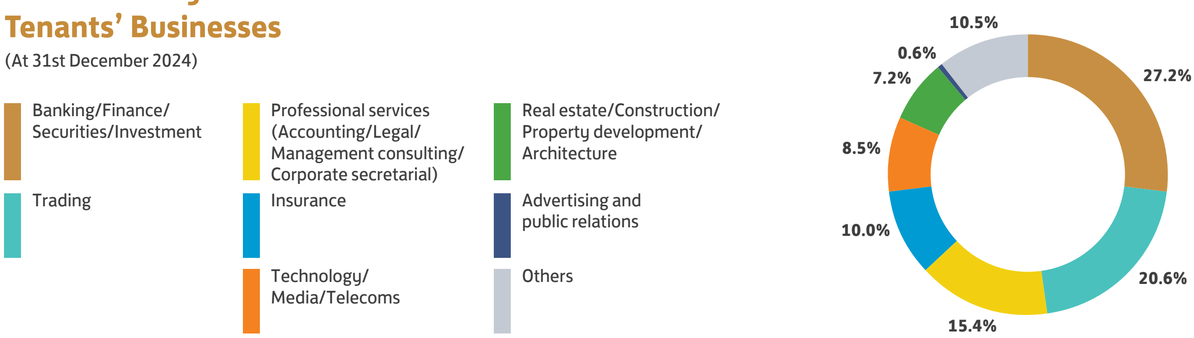
(3) Others comprise One Citygate (26.67% owned), Berkshire House (50% owned), SPACES.8QRE (wholly-owned), Five Pacific Place (wholly-owned), Six Pacific Place (wholly-owned) and South Island Place (50% owned).

Gross rental income from the Hong Kong office portfolio in 2024 was HK$5,109 million, representing a 7% decrease from 2023. Disregarding the revenue loss arising from the disposal of nine floors of One Island East, gross rental income decreased by 4%. Weak demand, high vacancy rate and new supplies continue to exert downward pressure on office rent. Despite these challenges, our office portfolio has remained resilient. Our commitments to enhancing our placemaking attributes, including tenant engagement programmes, amenity provision and progressive ESG initiatives, remain the key differentiation from other office landlords. At 31st December 2024, the office portfolio was 89% let. The two latest buildings, Two Taikoo Place and Six Pacific Place (which were completed in September 2022 and February 2024, respectively), were 69% and 53% let, respectively. Excluding Two Taikoo Place and Six Pacific Place, the rest of the office portfolio was 93% let.

The chart below shows the mix of tenants of the office properties by the principal nature of their businesses (based on internal classifications) as a percentage of the office area at 31st December 2024.

Office Area by Tenants' Businesses

(At 31st December 2024)



TAIKOO PLACE

HONG KONG

At 31st December 2024, the top ten office tenants (based on attributable gross rental income in the twelve months ended 31st December 2024) together occupied approximately 23% of the Group's total attributable office area in Hong Kong.

Pacific Place

The offices at One, Two, and Three Pacific Place showed resilience in 2024. These offices were 95% let at 31st December 2024.

New tenants included Hongkong Tianyi, VC Asset Management, Hemin Asset Management, Wellington Legal, Progeny, Arquitectonica, Three Capital Partners, Shikhara Capital, Cook Asia Limited, Emirates Shipping, and Carret Private Capital. Existing tenants including FWD Life Insurance, Moelis, Charles Russell, Willsun Fertility Hong Kong, and Richard Mille expanded their spaces. Renewals were notable among tenants such as Bank of Japan, Innova Strategies, Orient Wealth, China Huarong Overseas, CPE Advisors, Sculptor Capital, Moody's, Schroders, Neo Derm, Interactive Brokers, Woori Bank, Visa, Alpine Investment Management, Wells Fargo Bank, Tencent, Goodman, Old Peak, KVB Trading, and Richard Mille. John Swire & Sons, Centurium Capital, Cabral Investment, Mackenzie Investments, Eight Roads, and Northern Trust confirmed relocations within the portfolio upon lease expiry. KGI committed to a consolidation of its group companies in the portfolio alongside decade-long lease renewals from the anchor tenants of Deloitte and PAG.

At Six Pacific Place, the occupation permit was obtained in February 2024, and the building was 53% let at 31st December 2024, with commitments from Sotheby's, Bonhams, British American Tobacco, PineBridge Investments, Dun & Bradstreet, Arrowpoint Investment Partners, and Hugill & Ip.

Taikoo Place

The performance of One Taikoo Place and One Island East (excluding the nine floors disposed of) at Taikoo Place was steady. These two offices towers were 97% and 92% let, respectively, at 31st December 2024. In One Taikoo Place, AXA Investment Managers and MetLife Asia renewed their leases. In One Island East, CHANEL and Squarepoint Capital leased more space. Accenture, AllianceBernstein, Aon Hong Kong Limited, Capgemini, Covestro, Cushman & Wakefield, H&H Group and Swift renewed their leases.

Two Taikoo Place was 69% leased at 31st December 2024. Appleby, La Prairie and LVMH became tenants.

There are six other office towers at Taikoo Place (including PCCW Tower, in which we have a 50% interest). These offices were 91% let at 31st December 2024. Colt and F&F became tenants. AXA XL Insurance, LVMH and Quality Healthcare leased more space, while Ince & Co. relocated within the same portfolio. Amway Hong Kong, Baroque HK, BSI, CTBAT, Currenxie, GODIVA, Heng An Standard Life, HKEX, H-Kore, Joint Dynamics, Lenovo, LyondellBasell, Nikoyo (HK), OnTheList, Oreana Financial Services, RDM Asia, RELX (Greater China), Suntory Trading Hong Kong, The Walt Disney Company and Triton Limited renewed their leases.

South Island Place

The offices were 96% let at 31st December 2024. Tenants include KPMG, Fleet Management Limited, the Competition Commission and SCMP. The Group has a 50% interest in the development.

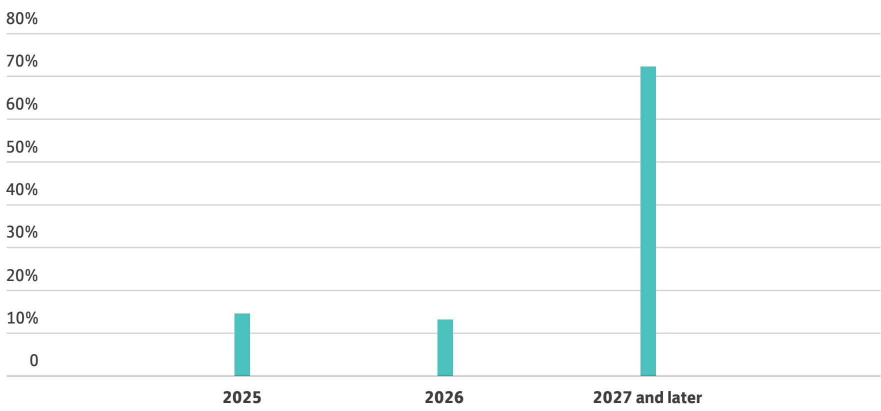
Hong Kong Office Market Outlook

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

The following chart shows the percentage of attributable gross rental income from the office properties in Hong Kong, for the month ended 31st December 2024, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 14.6% of the attributable gross rental income in the month of December 2024 are due to expire in 2025, with tenancies accounting for a further 13.1% of such rental income due to expire in 2026.

Office Lease Expiry Profile

(At 31st December 2024)



Retail

Overview

The completed retail portfolio in Hong Kong comprises an aggregate of 3.2 million square feet of space on a 100% basis. Total attributable gross rental income from our retail properties in Hong Kong decreased by 3%, to HK$2,556 million in 2024. At 31st December 2024, our retail properties in Hong Kong were valued at HK$52,874 million. Of this amount, the Group's attributable interest was HK$43,662 million.

The portfolio principally consists of The Mall at Pacific Place, Cityplaza at Taikoo Shing and Citygate Outlets at Tung Chung. The Group wholly owns The Mall and Cityplaza, and has a 26.67% interest in the Citygate development (comprising Citygate Outlets). The malls are managed by the Group.

Hong Kong Retail Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 31st December 2024)	Attributable Interest
The Mall, Pacific Place	711,182	100%	100%
Cityplaza	1,096,898	100%	100%
Citygate Outlets	803,582	100%	26.67%
Others [(1)]	549,525	100%	26.67%/60%/100%
Total	**3,161,187**		

(1) Others largely comprise Taikoo Shing neighbourhood shops and StarCrest retail premises (which are wholly-owned), Island Place retail premises (60% owned) and Tung Chung Crescent neighbourhood shops (26.67% owned).

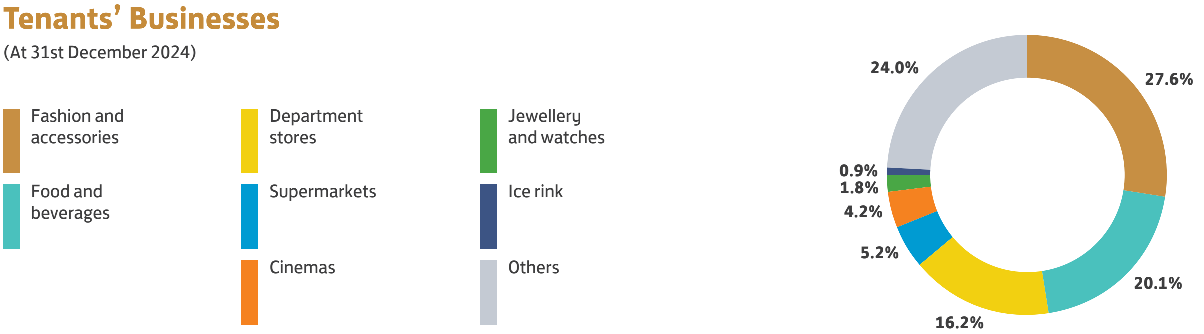
Gross rental income from the retail portfolio in Hong Kong was HK$2,369 million in 2024, representing a 3% decrease from 2023. Intensive marketing activities and activations were launched to attract both local customers and tourists to our malls. However, economic uncertainty, a strong US currency, continuous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

The malls were almost fully let throughout the year.

The chart below shows the mix of the tenants of the retail properties by the principal nature of their businesses (based on internal classifications) as a percentage of the retail area at 31st December 2024.

Retail Area by Tenants' Businesses

(At 31st December 2024)



PACIFIC PLACE

HONG KONG

At 31st December 2024, the top ten retail tenants (based on attributable gross rental income in the twelve months ended 31st December 2024) together occupied approximately 26% of the Group's total attributable retail area in Hong Kong.

The Mall at Pacific Place

The Mall at Pacific Place is in the mixed-use Pacific Place development. The offices and the four hotels at Pacific Place provide a flow of shoppers for The Mall.

The Mall was fully let. Despite a more competitive retail environment, tenant mix refinement and store upgrade to improve customer experience remain the key strategies. New retail and F&B brands were introduced. Anteprima Wirebag, Arc'teryx, Billionaire Boys Clubs/ICECREAM, Chicha San Chen, Descente, Jacadi, Little Cove Expresso, Maison Margiela, Manolo Blahnik, Messika, Open Dialogue, On, and Polo Ralph Lauren & Ralph's Coffee became tenants. CHANEL, COS, Goyard, Jaeger-LeCoultre, lululemon, MUJI and Watsons have expanded, while André Fu Living, Kelly & Walsh, Moynat, O.N.S, Puyi Optical and Tumi have relocated. The premises occupied by Aigle, American Vintage, BEYØRG® I ORGANIC SPA and Repetto were refitted.

Cityplaza

Cityplaza is the largest shopping mall on Hong Kong Island, with a total floor area of approximately 1.1 million square feet. The six-level mall has more than 170 shops and restaurants, a cinema, an indoor ice rink and over 800 indoor parking spaces. Continued improvements to the tenant mix, promotions and activities in the mall make it a one-stop lifestyle hub for shopping, dining and entertainment.

Cityplaza maintained full occupancy at 31st December 2024 despite the competitive retail landscape due to increasing outbound travels and online shopping trend. The mall welcomed various new tenants, including APM Monaco, Kometaki, Meet Fresh, MOISELLE, MORE YOGURT, OWNDAYS, Prince Bakery, RAINS, Rituals, Sam Edelman, Samsung, Skin Laundry, SNIDEL, Spicy Noodle and Tian Tian Authentic. lululemon has established a presence in the mall, offering shoppers a mix of athletic and casual styles. Decathlon has debuted at the mall as its largest store on Hong Kong Island, while MUJI has expanded to a new location featuring a food tasting area, coffee stand and water refill station. UNIQLO has also relocated to a new space, unveiling the first UNIQLO Coffee section, kids corner and sustainability embroidery service in Hong Kong.

Citygate Outlets

Citygate Outlets is the largest premium outlet mall in Hong Kong with approximately 200 shops and restaurants, and with two hotels. It is near tourist attractions and transportation links (Hong Kong International Airport and the Hong Kong-Zhuhai-Macao Bridge) which appeals to both local shoppers and tourists.

Citygate has maintained 100% occupancy throughout 2024 with ongoing trade mix refinement. New tenants included Bakehouse, Blue Bottle Coffee, CASETiFY OUTLET, FILA Shoe Space, M&S Food, Tory Burch and Vivienne Westwood.

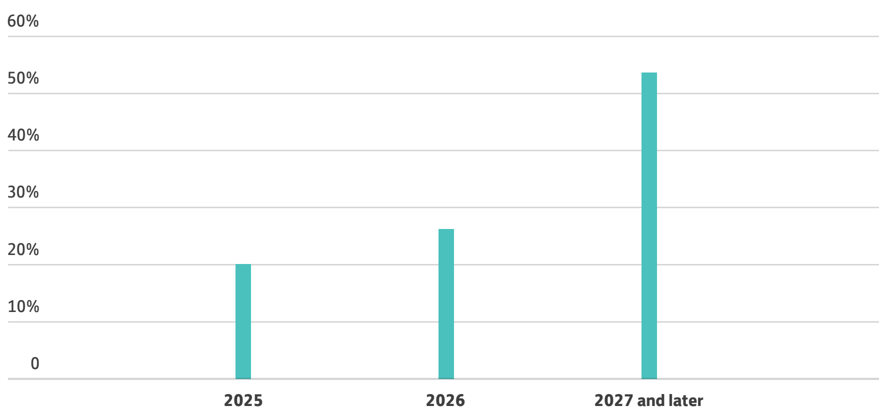
Hong Kong Retail Market Outlook

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

The following chart shows the percentage of attributable gross rental income from the retail properties in Hong Kong, for the month ended 31st December 2024, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 20.1% of the attributable gross rental income in the month of December 2024 are due to expire in 2025, with tenancies accounting for a further 26.2% of such rental income due to expire in 2026.

Retail Lease Expiry Profile

(At 31st December 2024)



Residential

The completed residential portfolio comprises Pacific Place Apartments at Pacific Place, EAST Apartments in Quarry Bay, STAR STUDIOS in Wan Chai and a number of luxury houses on Hong Kong Island and Lantau Island, with an aggregate GFA of approximately 0.6 million square feet. The residential portfolio was 76% let at 31st December 2024. Demand for our residential investment properties remains steady and is predominantly driven by local residents and growing interests from the Chinese Mainland and overseas.

Investment Properties Under Development

Wah Ha Factory Building, 8 Shipyard Lane and Zung Fu Industrial Building, 1067 King's Road

In 2018, the Group submitted compulsory sale applications in respect of these two sites in Quarry Bay. The Group obtained full ownership of Zung Fu Industrial Building and Wah Ha Factory Building in March 2022 and July 2023, respectively. The two sites are intended to be redeveloped for office and other commercial uses with an aggregate GFA of approximately 779,000 square feet.

9-39 Hoi Wan Street and 33-41 Tong Chong Street

In June 2022, the Group submitted a compulsory sale application in respect of this site in Quarry Bay. The gross site area is approximately 20,060 square feet. Proceeding with the development (the planning of which is being reviewed) is subject to the Group having successfully bid in the compulsory sale.

Others

Taikoo Shing Car Parking Spaces

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

One Island East, 18 Westlands Road

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

Investment Properties – Chinese Mainland

Overview

The property portfolio in the Chinese Mainland comprises an aggregate of 30.2 million square feet of space, 18.9 million square feet of which is attributable to the Group. Completed properties amount to 14.0 million square feet, with 16.2 million square feet under development. Total attributable gross rental income from investment properties in the Chinese Mainland was HK$6,154 million in 2024. At 31st December 2024, the investment properties in the Chinese Mainland were valued at HK$124,538 million. Of this amount, the Group's attributable interest was HK$89,007 million.

Chinese Mainland Property Portfolio [(1)]

	GFA (sq. ft.) (100% Basis)				
	Total	Investment Properties	Hotels	Under Planning	Attributable Interest
Completed					
Taikoo Li Sanlitun, Beijing [(2)]	1,618,801	1,618,801	–	–	100%
Taikoo Li Chengdu	1,654,565	1,461,428	193,137	–	100%
Taikoo Hui, Guangzhou	3,782,327	3,272,893	509,434	–	97%
INDIGO, Beijing [(3)]	1,894,141	1,535,840	358,301	–	50%
HKRI Taikoo Hui, Shanghai	3,731,964	3,155,381	576,583	–	50%
Taikoo Li Qiantan, Shanghai	1,188,727	1,188,727	–	–	50%
Hui Fang, Guangzhou	90,847	90,847	–	–	100%
Others	2,917	2,917	–	–	100%
Sub-Total	**13,964,289**	**12,326,834**	**1,637,455**	**–**	
Under Development					
Taikoo Li Sanlitun, Beijing [(2)]	169,463	169,463	–	–	100%
Taikoo Place Beijing (formerly known as INDIGO Phase Two, Beijing) [(4)]	4,045,514	3,698,711	346,803	–	49.895%
Taikoo Li Xi'an [(5)]	2,896,119	–	–	2,896,119	70%
Taikoo Li Sanya [(6)]	2,294,474	2,294,474	–	–	50%
Shanghai New Bund Mixed-use Project [(7)]	2,943,782	2,943,782	–	–	40%
Lujiazui Taikoo Yuan (formerly known as Shanghai Yangjing Mixed-use Project), Shanghai [(8)]	2,886,453	1,347,201	–	1,539,252	40%
Taikoo Li Julong Wan Guangzhou [(9)]	351,746	351,746	–	–	50%
No. 387 Tianhe Road, Guangzhou [(10)]	654,782	654,782	–	–	97%
Sub-Total	**16,242,333**	**11,460,159**	**346,803**	**4,435,371**	
Total	**30,206,622**	**23,786,993**	**1,984,258**	**4,435,371**	

(1) Including hotels and properties leased for investment.

(2) The Opposite House hotel was closed in June 2024 and is under redevelopment for retail use.

(3) INDIGO forms part of Taikoo Place Beijing.

(4) This is an office-led mixed-use development. The development is planned to be completed in two phases from mid-2026. The Group acquired a 14.895% equity interest of this development in August 2024. As a result, the Group's interest increased from 35% to 49.895%. Taikoo Place Beijing has been renamed from INDIGO Phase Two since November 2024.

(5) This is a retail-led mixed-use development. The total GFA is subject to change. The development is planned to be completed in phases from 2027.

(6) This is a retail-led development. The development is planned to be completed in phases from 2026. Project name has yet to be confirmed.

(7) This is a mixed-use development. The development is planned to be completed in 2026.

(8) This is a mixed-use development. The development scheme is being planned. The development is expected to be completed in phases from 2026.

(9) This is the retail portion of a mixed-use development in Liwan district of Guangzhou. GFA as shown above represented the sites acquired as of 31st December 2024. The GFA will increase to approximately 1,615,000 square feet, subject to further relevant transaction agreements. The Group has a 50% interest in the retail portion of the development. The development scheme is being planned. The overall development is planned to be completed in phases from the first half of 2027.

(10) This property, as an extension to the shopping mall of Taikoo Hui in Guangzhou, was acquired in August 2024. The refurbishment of the property is expected to be completed from 2027.

Gross rental income from the Group's investment property portfolio in the Chinese Mainland was HK$4,907 million in 2024, 7% higher than in 2023, reflecting the improvement to tenant mix in the cities where our malls operate and share of incremental rental income arising from the acquisitions of additional interests in Taikoo Li Chengdu during 2023, partly offset by lower turnover rents in 2024.

Retail

The completed retail portfolio in the Chinese Mainland comprises an aggregate of 7.8 million square feet of space, 6.2 million square feet of which is attributable to the Group. Total attributable gross rental income from our retail properties in the Chinese Mainland increased by 2%, to HK$5,225 million, in 2024. Disregarding changes in the value of the Renminbi, total attributable gross rental income increased by 4%. At 31st December 2024, our completed retail properties in the Chinese Mainland were valued at HK$68,966 million. Of this amount, the Group's attributable interest was HK$57,953 million.

The portfolio consists of Taikoo Li Sanlitun in Beijing, Taikoo Li Chengdu and Hui Fang in Guangzhou, which are wholly-owned by the Group, Taikoo Hui in Guangzhou, which is 97% owned, INDIGO in Beijing, HKRI Taikoo Hui and Taikoo Li Qiantan in Shanghai, each of which is 50% owned.

Chinese Mainland Completed Retail Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 31st December 2024)	Attributable Interest
Taikoo Li Sanlitun, Beijing	1,618,801	98%	100%
Taikoo Li Chengdu	1,354,624	96%	100%
Taikoo Hui, Guangzhou	1,529,392	100%	97%
INDIGO, Beijing	946,769	98%	50%
HKRI Taikoo Hui, Shanghai [(1)]	1,107,220	93%	50%
Taikoo Li Qiantan, Shanghai	1,188,727	98%	50%
Hui Fang, Guangzhou	90,847	78%	100%
Total	**7,836,380**		

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

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

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

The chart below shows the mix of the tenants of the retail properties by the principal nature of their businesses (based on internal classifications) as a percentage of the retail area at 31st December 2024.

Retail Area by Tenants' Businesses

(At 31st December 2024)

At 31st December 2024, the top ten retail tenants (based on attributable gross rental income in the twelve months ended 31st December 2024) together occupied approximately 24% of the Group's total attributable retail area in the Chinese Mainland.

Taikoo Li Sanlitun, Beijing

Taikoo Li Sanlitun is in the Sanlitun area of the Chaoyang district of Beijing. It was our first retail development in the Chinese Mainland. It comprises three neighbouring retail sites, South, North and West. There are approximately 282 retail outlets.

Taikoo Li Sanlitun South concentrates on contemporary fashion and designer brands. Apple, ARC'TERYX, ISSEY MIYAKE flagship store, i.t blue block, Maison Margiela flagship store, SEPHORA and World of Ralph Lauren are tenants. Improvement to tenant mix continued. In 2024, LOUIS VUITTON pop-up store, Acne Studios, Aesop, lululemon, Vivienne Westwood and EMPEROR CINEMAS have been opened. Tenants in Taikoo Li Sanlitun North are principally retailers of luxury, designer fashion and lifestyle brands. Alexander McQueen, BALENCIAGA, Bape, CANADA GOOSE, CELINE, Gucci, I.T, LOEWE and Moncler are tenants. BOTTEGA VENETA, Burberry and Jordan World of Flight opened stores in 2024. The Opposite House, adjacent to Taikoo Li Sanlitun North, was closed in 2024 and is under structural renovations for conversion into a new retail landmark for global flagship stores.

As an extension to Taikoo Li Sanlitun South, tenants in Taikoo Li Sanlitun West include DESCENTE Kinetic Lab Global Experience Centre, Nike Rise and UNIQLO Global Sanlitun Flagship Store.

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

TAIKOO LI CHENGDU

CHENGDU

Taikoo Li Chengdu

Taikoo Li Chengdu is in the Jinjiang district of Chengdu and is part of the Chunxi Road/Daci Temple shopping district. It is our second Taikoo Li project in the Chinese Mainland. Apple, BALENCIAGA, Boucheron, Cartier Maison, DIOR, Gucci, Harry Winston, Hermès, I.T, LOUIS VUITTON Maison and The Hall by LOUIS VUITTON, Moncler, MUJI, World of Ralph Lauren, Fangsuo, Olé Supermarket and a 1,720-seat Palace-j'aime cinema are tenants. In 2024, over 60 brands opened new stores or upgraded to their latest concept stores including Aesop, Abercrombie & Fitch, Birkenstock, DIOR, Falconeri, Goldwin, Goyard, Huawei, Lemaire, LE LABO, LOEWE flagship store, Montblanc flagship store, RIMOWA, Tiffany & Co. flagship store, and Song Restaurant and Café.

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

Taikoo Hui, Guangzhou

Taikoo Hui is in the Tianhe district of Guangzhou. Its mall is a popular shopping centre in Guangzhou. BOTTEGA VENETA, Cartier, CELINE, CHANEL, DIOR, FERRAGAMO, Gucci, Hermès, I.T, LAOPU GOLD, LOUIS VUITTON, Saint Laurent, Van Cleef & Arpels, UNIQLO, Victoria's Secret, Fangsuo and Olé Supermarket are tenants. Aesop, American Vintage, BREGUET, BYREDO, CONSOMMÉ, CREED, CURIEL, Dim bar, Diptyque, glance, HEFANG Jewelry, IRO, L'Artisan Parfumeur, LADERACH, LE LABO, LOEWE, MOODY TIGER, MIKIMOTO, NARS, Penhaligon's, RUXU, SALOMON, The North Face, UNDERBOBO, and Vivienne Westwood became tenants in 2024.

Retail sales and gross rental income at Taikoo Hui decreased by 11% and 6%, respectively, in 2024, reflecting the increased outbound travel. There were improvements in the tenant mix. The mall was 100% let at 31st December 2024.

In August 2024, Taikoo Hui successfully bid for No. 387 Tianhe Road in a public auction, with an approximate GFA of 655,000 square feet, which is connected to its shopping mall. The property will be renovated as a luxury retail addition to Taikoo Hui and the refurbishment is expected to be completed from 2027.

INDIGO, Beijing

INDIGO mall, part of Taikoo Place Beijing, is in the Jiangtai area in the Chaoyang district of Beijing. It is directly linked to the Beijing Metro Line 14 and is near the airport expressway. ARMANI EXCHANGE, Calvin Klein, DESCENTE, i.t, JEWELRIA CHOW TAI FOOK, KAILAS, Massimo Dutti, Max & Co., MUJI, NEIWAI Active, UNIQLO, SiSYPHE bookstore, sundan, BHG Market Place and a seven-house with 1,000-seat CGV cinema are tenants. AFU, AIMER, AIMER KIDS, AW Project, Barbour, CALL ME PANDA, CALZEDONIA, Erdos 1980, HAZZYS, icebreaker, jnby by JNBY, LACOSTE, LeSportsac, lululemon Men, RAPIDO GOLF, Samsonite, ZUCZUG Flat, Chao Jia Xiang, gaga, LADERACH, MANNER COFFEE and Qing Shui Ting became tenants in 2024. The mall has strengthened its market position in the northeast Beijing through its continuous tenant mix improvement.

Retail sales and gross rental income at INDIGO decreased by 4% and 2% respectively in 2024. The mall was 98% let at 31st December 2024.

HKRI Taikoo Hui, Shanghai

HKRI Taikoo Hui is on Nanjing West Road in the Jing'an district of Puxi, Shanghai. It has excellent transport connections, being next to the Nanjing West Road metro station (which serves three metro lines) and near the Yan'an Expressway.

HKRI Taikoo Hui is our second Taikoo Hui development in the Chinese Mainland. Starbucks Reserve Roastery, CANADA GOOSE, COS, Diptyque, drivepro lab, Ermenegildo Zegna, Fred, Guerlain, Golden Goose, IWC, lululemon, LOEWE, Max Mara, Nio, RIMOWA, self-portrait, SPACE, Tesla, Ho Hung Kee, KANPAI CLASSIC, Shanghai Club, The Cheesecake Factory, Venchi and a city'super supermarket are tenants. Ahma Handmade, BALENCIAGA, BEIGEL TREE, Joyce Beauty, L'Artisan Parfumeur, Moncler, Penhaligon's and Rolex became tenants in 2024.

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

Taikoo Li Qiantan, Shanghai

Jointly developed with a subsidiary of Shanghai Lujiazui Finance & Trade Zone Development Co., Ltd., Taikoo Li Qiantan is a retail development in Qiantan, Pudong new district in Shanghai. Connected with three metro lines, it has an aggregate GFA of 1,188,727 square feet and space for around 270 shops. It is our second development in Shanghai and the third Taikoo Li project in the Chinese Mainland.

Taikoo Li Qiantan is a popular mall with both luxury retail and experiential offerings. Audemars Piguet, Bvlgari, DIOR, Cartier, Gucci, Hermès, Huawei, Lotus Nyo, LOUIS VUITTON, Moncler, Tiffany & Co., Van Cleef & Arpels, Tsutaya, Xin Rong Ji, and the 656-seat MOViE MOViE are tenants. 59 new stores were opened in 2024 including "first in China" concept stores such as LOUIS VUITTON's Le Chocolat by Maxime Federic, Frame Denim, and Evidens.

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

Chinese Mainland Retail Market Outlook

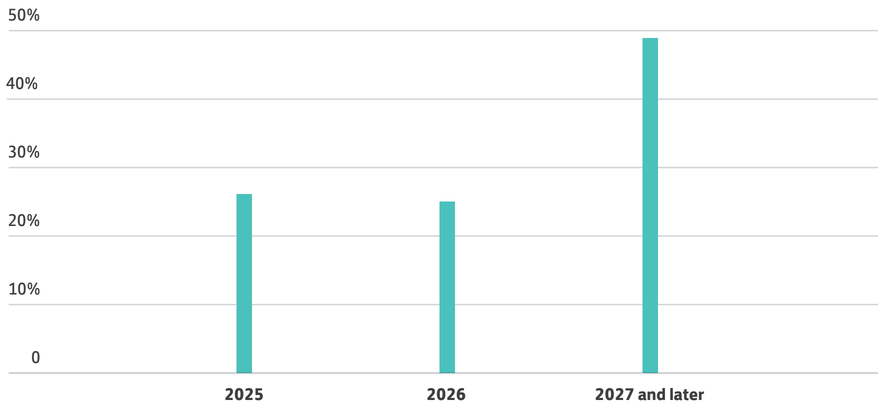
Retail sales growth in the Chinese Mainland in 2025 is expected to gain pace driven by an improvement in domestic demand on the back of the recent stimulus measures, whilst retailers maintain a positive outlook in the medium to long-term. Retailers are expected to focus on offering unique experiences,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

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

The following chart shows the percentage of attributable gross rental income from the retail properties in the Chinese Mainland, for the month ended 31st December 2024, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 26.1% of the attributable gross rental income in the month of December 2024 are due to expire in 2025, with tenancies accounting for a further 25% of such rental income due to expire in 2026.

Retail Lease Expiry Profile

(At 31st December 2024)



Offices

The completed office portfolio in the Chinese Mainland comprises an aggregate of 4.2 million square feet of space, 2.9 million square feet of which is attributable to the Group. Total attributable gross rental income from our office properties in the Chinese Mainland decreased by 1% to HK$846 million in 2024. Disregarding changes in the value of the Renminbi, total attributable gross rental income increased by 1%. At 31st December 2024, our completed office properties in the Chinese Mainland were valued at HK$19,455 million. Of this amount, the Group's attributable interest was HK$12,063 million.

The portfolio comprises of Taikoo Hui in Guangzhou, which is 97% owned, and INDIGO in Beijing and HKRI Taikoo Hui in Shanghai, each of which is 50% owned.

Chinese Mainland Completed Office Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 31st December 2024)	Attributable Interest
Taikoo Hui, Guangzhou	1,693,125	90%	97%
INDIGO, Beijing	589,071	83%	50%
HKRI Taikoo Hui, Shanghai	1,900,838	96%	50%
Total	**4,183,034**		

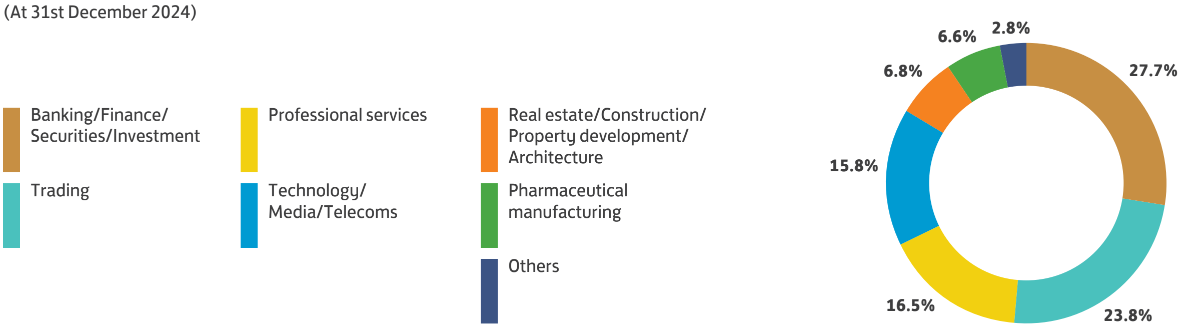
Demand for office space in Beijing, Shanghai and Guangzhou remained weak amid economic uncertainty. Tenants continue to adopt a cautious approach to their real estate decisions. In Guangzhou, new supply in decentralised areas continued to put downward pressure on rents. In Shanghai, increased availability continued to exert downward pressure on rents. In Beijing, demand was weak putting downward pressure on rents, although new supply in core areas was limited.

The Group's gross rental income from office properties in the Chinese Mainland increased by 4% to HK$379 million in 2024. Disregarding changes in the value of the Renminbi, gross rental income increased by 6%.

The chart below shows the mix of the tenants of the office properties by the principal nature of their businesses (based on internal classifications) as a percentage of the office area at 31st December 2024.

Office Area by Tenants' Businesses

(At 31st December 2024)



At 31st December 2024, the top ten office tenants (based on attributable gross rental income in the twelve months ended 31st December 2024) together occupied approximately 45% of the Group's total attributable office area in the Chinese Mainland.

Taikoo Hui, Guangzhou

There are two office towers in Taikoo Hui, Guangzhou. They were 90% let at 31st December 2024. Demand for office space in 2024 was weak. New supply in decentralised areas put downward pressure on rents. Canon, CapitaLand, CHANEL, Everwin Law, FedEx, HSBC, Microsoft, Roche, Samsung, SK, Sumitomo Corporation, TOYOTA and UOB are tenants. Eyugame, SGLA Law Firm and Donoo leased more space in 2024. Hair Code, Harmony Excellence and Vialto Partners became tenants in 2024.

INDIGO, Beijing

ONE INDIGO, part of Taikoo Place Beijing, was 83% let at 31st December 2024. Demand for office space in 2024 was weak. Increased office vacancy rates, particularly in Wangjing area of the Chaoyang district exerted downward pressure on rents. The main tenants are technology, media and telecoms companies. Alcon, CJ Group, Disney, Eli Lilly, Mitsubishi, Rolls Royce, Schlumberger and Western Cloud are tenants. Bell Cloud Technology and Cathay Pacific became tenants in 2024.

HKRI TAIKOO HUI

SHANGHAI

HKRI Taikoo Hui, Shanghai

There are two office towers at HKRI Taikoo Hui in Shanghai. They were 96% let at 31st December 2024. Demand for office space in 2024 was weaker than anticipated. New supply and higher vacancy rates in Nanjing West Road put pressure on rents. The main tenants are financial services companies, pharmaceutical companies, law firms, gaming companies and retailers. Abbvie, Advent Capital, Alliance Bernstein, Amore Pacific, Bank of China, Bally, Beautiful Tree, BioNTech, Blackstone, Canali, CITIC Capital, Clifford Chance, Electronic Arts, Eli Lilly, Fangda Partners, Fidelity, H&M, Harry Winston, Jimmy Choo, JLL, JunHe, KKR, Michael Kors, Towers Research Capital, Versace, Warburg Pincus and Warner Brothers are tenants. Electronic Arts and Harry Winston leased more space in 2024. Authentic Brands Group and Ami Paris became tenants in 2024.

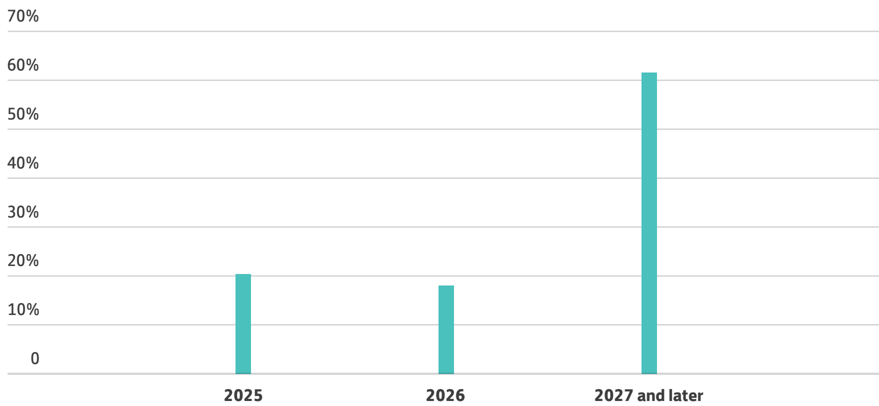
Chinese Mainland Office Market Outlook

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

The following chart shows the percentage of attributable gross rental income from the office properties in the Chinese Mainland, for the month ended 31st December 2024, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 20.4% of the attributable gross rental income in the month of December 2024 are due to expire in 2025, with tenancies accounting for a further 18% of such rental income due to expire in 2026.

Office Lease Expiry Profile

(At 31st December 2024)



Serviced Apartments

There are 24 serviced apartments at the Mandarin Oriental in Taikoo Hui Guangzhou, 42 serviced apartments at The Temple House in Taikoo Li Chengdu and 102 serviced apartments at The Middle House Residences in HKRI Taikoo Hui Shanghai.

The performance of the serviced apartments in 2024 was mixed. Occupancy at the Mandarin Oriental in Guangzhou, The Temple House in Chengdu and The Middle House Residences in Shanghai was 88%, 52% and 84% respectively at 31st December 2024.

Chinese Mainland Serviced Apartments Market Outlook

The performance of the serviced apartments is expected to remain stable in 2025.

Investment Properties Under Development

Taikoo Place Beijing (formerly known as INDIGO Phase Two, Beijing)

Taikoo Place Beijing is an extension of the existing INDIGO development, with a GFA of approximately 4 million square feet. It will be an office-led mixed-use development and is planned to be completed in two phases from mid-2026. Superstructure works, mechanical and electrical installation works are in progress.

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

Taikoo Li Xi’an

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

Taikoo Li Sanya

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

Shanghai New Bund Mixed-use Project

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

Lujiazui Taikoo Yuan (formerly known as Shanghai Yangjing Mixed-use Project), Shanghai

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

Taikoo Li Julong Wan Guangzhou

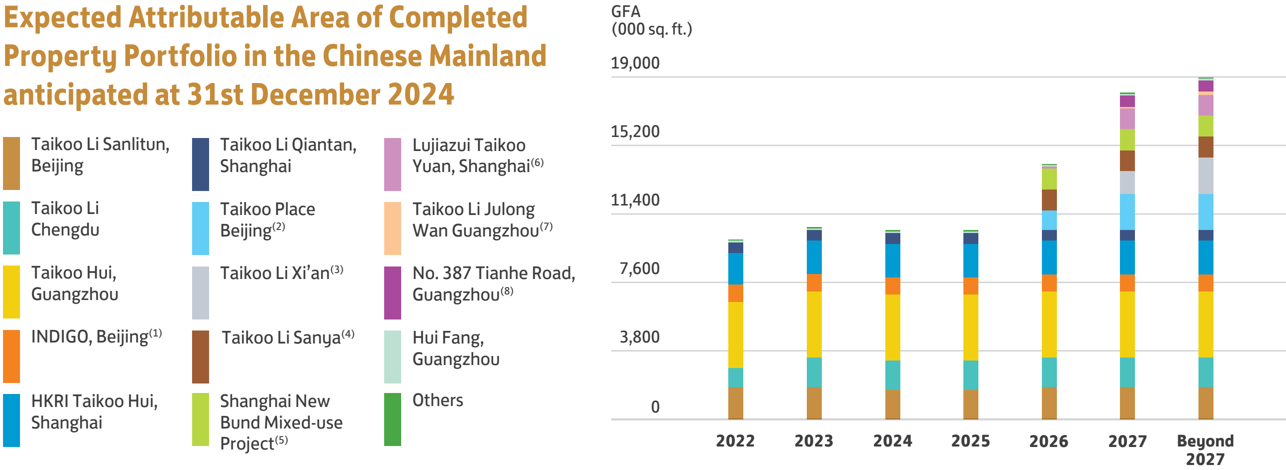
As part of a mixed-use development with an approximate GFA of 5.7 million square feet located in Liwan district of Guangzhou, the centre of the Guangzhou-Foshan metropolis circle, the Group is collaborating with the Guangzhou Pearl River Enterprises Group to develop the retail portion of this mixed-use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

No. 387 Tianhe Road, Guangzhou

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

The chart below illustrates the expected attributable area of the completed property portfolio in the Chinese Mainland anticipated at 31st December 2024.

Expected Attributable Area of Completed Property Portfolio in the Chinese Mainland anticipated at 31st December 2024



(1) INDIGO forms part of Taikoo Place Beijing.

(2) Formerly known as INDIGO Phase Two, Beijing, the development is expected to be completed in phases from mid-2026. The Group acquired a 14.895% interest of this development in August 2024. As a result, the Group's interest increased from 35% to 49.895%. Taikoo Place Beijing has been renamed from INDIGO Phase Two since November 2024.

(3) The development is expected to be completed in phases from 2027.

(4) The development is expected to be completed in phases from 2026. Project name has yet to be confirmed.

(5) The development is expected to be completed in 2026.

(6) Formerly known as Shanghai Yangjing Mixed-use Project, the development is expected to be completed in phases from 2026.

(7) The development is expected to be completed in phases from the first half of 2027. GFA as shown above represented the sites acquired as of 31st December 2024. The GFA will increase to approximately 1,615,000 square feet, subject to further relevant transaction agreements.

(8) The refurbishment of the property is expected to be completed from 2027 and form part of Taikoo Hui, Guangzhou.

Others

ZHANGYUAN, Shanghai

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

BRICKELL CITY CENTRE

MIAMI

Investment Properties – U.S.A.

Overview

Brickell City Centre, Miami

Brickell City Centre is an urban mixed-use development in the Brickell financial district of Miami, U.S.A. It has a site area of 504,017 square feet (approximately 11.6 acres).

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

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

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

Brickell City Centre, Miami

	GFA (sq. ft.)[1] (100% Basis)	Attributable Interest
Completed		
Shopping centre	496,508	62.9%
Held for Development or Sale		
Brickell City Centre land	1,510,000	100%
Total	**2,006,508**	

(1) Represents leasable/saleable area except for the car parking spaces, roof top and circulation areas.

As part of our active capital recycling strategy, we will continue to explore divestment opportunities in the U.S.A.

Miami Market Outlook

In Miami, retail sales at the Brickell City Centre mall are expected to continue to benefit from an improving tenant mix and population growth in central Miami.

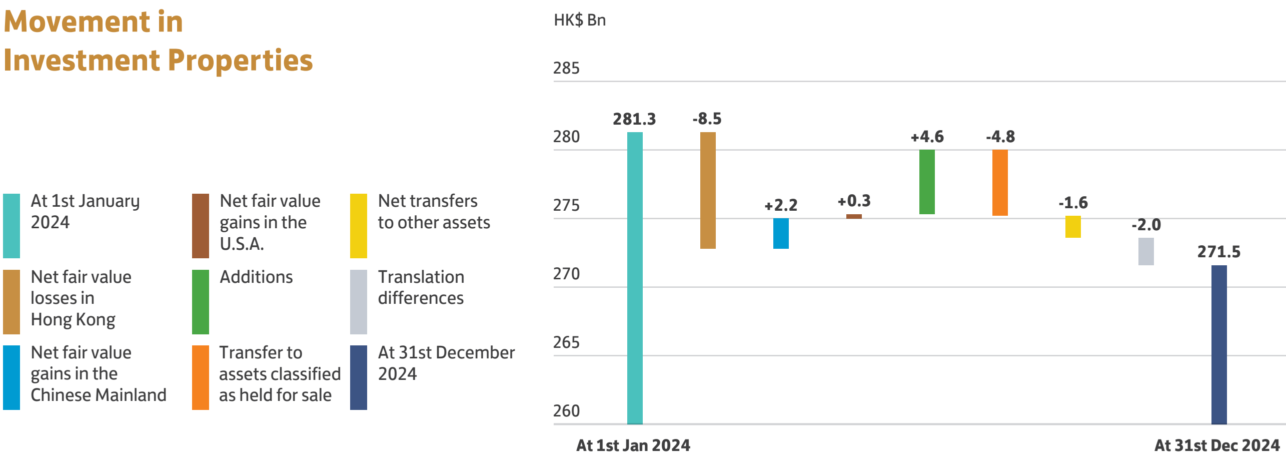
Valuation of Investment Properties

The portfolio of investment properties was valued at 31st December 2024 on the basis of market value (97% by value having been valued by Cushman & Wakefield Limited and 1% by value having been valued by another independent valuer). The amount of this valuation was HK$271,502 million, compared to HK$281,271 million at 31st December 2023.

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

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

Movement in Investment Properties



Property Trading

Overview

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

Property Trading Portfolio (At 31st December 2024)

	GFA (sq. ft.) (100% Basis)	Actual/Expected Construction Completion Date	Attributable Interest
Completed			
Hong Kong			
– EIGHT STAR STREET, Wan Chai	2,178[(1)]	2022	100%
– LA MONTAGNE, Wong Chuk Hang	519,366[(1)]	2024	25%
Under Development			
Hong Kong			
– 6 Deep Water Bay Road	15,000	2025	100%
– The Headland Residences (formerly known as Chai Wan Inland Lot No. 178)	692,276[(2)]	from 2025	80%
– 269 Queen's Road East, Wan Chai	102,990[(3)]	2026	100%
– 983-987A King's Road and 16-94 Pan Hoi Street, Quarry Bay	440,000[(4)]	2028	50%
Chinese Mainland			
– Shanghai New Bund Mixed-use Project	1,159,057[(5)]	2026	40%
– Lujiazui Taikoo Yuan Residences, Shanghai	1,222,751[(4)(6)]	from 2026	40%
Indonesia			
– Savyavasa, South Jakarta	1,122,728	2025	50%
Vietnam			
– Empire City, Ho Chi Minh City	5,357,318	2030	15.73%
Thailand			
– Wireless Road Project, Bangkok	1,632,067[(4)]	2029	40%
Held for Development or sale			
U.S.A.			
– South Brickell Key, Miami, Florida	550,000	under planning	100%
– Brickell City Centre, Miami, Florida – North Squared site	523,000[(7)]	N/A	100%

(1) Remaining saleable area.
(2) Excluding a retail shop of approximately 2,002 sq. ft.
(3) Excluding a retail podium of approximately 13,197 sq. ft.
(4) Total GFA subject to change.
(5) Residential GFA only.
(6) Excluding the public rental housing of approximately 71,925 sq. ft. to be handed over to the Government upon completion.
(7) Represents saleable area.

Hong Kong

EIGHT STAR STREET, Wan Chai

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

LA MONTAGNE, Wong Chuk Hang

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

6 Deep Water Bay Road

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

The Headland Residences (formerly known as Chai Wan Inland Lot No. 178), Chai Wan

In 2021, a project company held as to 80% by the Group and as to 20% by China Motor Bus Company, Limited completed a land exchange with the HKSAR Government in respect of a plot of land in Chai Wan. The plot of land is being redeveloped into a residential complex (with retail outlet) with an aggregate GFA of approximately 694,000 square feet. Superstructure works are in progress at both Phase 1 and Phase 2 sites. The development is expected to be completed from 2025.

269 Queen's Road East, Wan Chai

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

983-987A King's Road and 16-94 Pan Hoi Street, Quarry Bay

In 2018, a joint venture company in which the Group holds a 50% interest submitted a compulsory sale application in respect of this site in Quarry Bay. In October 2023, the joint venture company obtained full ownership of the sites. Foundation works are in progress. In accordance with applicable town planning controls, it is expected that the site can be redeveloped for residential and retail uses with a GFA of approximately 440,000 square feet. The development is expected to be completed in 2028.

Hong Kong Residential Market Outlook

In Hong Kong, residential sales have increased in light of the interest rate cuts and relaxation of mortgage measures. However, it is anticipated that market confidence and sentiment might take some time to be rebuilt after the end of interest rate hikes. Demand is expected to improve in the medium to long-term, supported by local buyers and gradual increase in demand from the Chinese Mainland buyers.

Chinese Mainland

New Bund Plot and Lujiazui Taikoo Yuan Residences, Shanghai

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

The pre-sale of the first batch of 50 residential units in Lujiazui Taikoo Yuan Residences started in December 2024. 49 out of 50 units of the first batch had been pre-sold up to 7th March 2025, with an expected completion date from 2026 onwards.

Chinese Mainland Residential Market Outlook

The residential market for high-quality developments in prime locations of Tier-1 cities is expected to remain strong in the short run with good sales results achieved for premium projects launched in Shanghai in 2024. The outlook for Shanghai's luxury residential market in prime locations is anticipated to be positive in the long run.

Indonesia

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

Vietnam

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

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

Thailand

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

U.S.A.

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

Indonesia, Vietnam, Thailand and U.S.A. Residential Market Outlook

With urbanisation, a growing middle class and a limited supply of luxury residential properties, the residential markets in Jakarta, Indonesia, Ho Chi Minh City, Vietnam and Bangkok, Thailand are expected to improve. The outlook for the luxury residential market in Miami remains robust. Florida is an attractive destination for homebuyers due to its favourable climate and tax regime, as well as its location as a gateway city to and from Latin America.

Estate Management

The Group manages 18 residential estates which it has developed. It also manages OPUS HONG KONG, a residential property in Hong Kong which the Group redeveloped for Swire Pacific Limited. The management services include day to day assistance for residents, management, maintenance, cleaning, security and renovation of common areas and facilities. The Group places great emphasis on maintaining good relationships with residents.

EAST HONG KONG

HONG KONG

Hotels

Managed Hotels and Restaurants

Overview

The Group owns and manages (through Swire Hotels) hotels in Hong Kong, the Chinese Mainland, and the U.S.A. The House Collective, comprising The Upper House in Hong Kong, The Temple House in Chengdu, and The Middle House in Shanghai, is a group of small and distinctive luxury hotels. The Opposite House in Beijing was closed in June 2024 and is under redevelopment for retail use. There are EAST hotels in Hong Kong, Beijing, and Miami. EAST Miami ceased to be owned by the Group since October 2021 but is managed by the Group under a third-party hotel management agreement. There are confirmed plans to open five new hotels, including in Tokyo in Japan, and Beijing, Shenzhen, Shanghai and Xi'an in the Chinese Mainland. The Group also has interests in non-managed hotels in Hong Kong, Guangzhou, Shanghai, and Miami.

The managed hotels in Hong Kong experienced challenges due to a slower than expected recovery of visitors. Food and beverage businesses were also soft. The performance of hotels in the Chinese Mainland remained relatively stable, while the operating results of the managed hotel in the U.S.A. was strong.

The managed hotels (including restaurants and hotel management office) recorded an operating profit before depreciation of HK$17 million in 2024, compared with HK$88 million in 2023.

The Upper House

At The Upper House, a 117-room luxury hotel at Pacific Place in Hong Kong, revenue per available room was stable, while the food and beverage business remained soft. In 2024, the hotel was ranked number five in The World's 50 Best Hotels. It also received awards from Condé Nast Traveler, Travel and Leisure Asia, and World Spa Awards.

EAST Hong Kong

At EAST Hong Kong, a 331-room hotel in Taikoo Shing, revenue per available room was stable, while the food and beverage business was soft.

The Opposite House

The Opposite House was a 99-room luxury hotel at Taikoo Li Sanlitun, Beijing. It was closed in June 2024 and is under redevelopment for retail use.

EAST Beijing

EAST Beijing is a 365-room hotel at INDIGO in Beijing, in which the Company has a 50% interest. Occupancy and revenue per available room improved steadily. The hotel was named as Contemporary Lifestyle Hotel of the Year by That's Beijing.

The Temple House

The Temple House has 100 hotel rooms and 42 serviced apartments at Taikoo Li Chengdu. Revenue per available room dropped in 2024 as compared to a strong performance in 2023. The hotel was ranked by Condé Nast Traveler as the number six of the Best Hotels in China. The Mi Xun Spa was awarded Grand Jury Awards in SpaChina Wellness and Spa Awards 2024, and China's Best Wellness Retreat in the World Spa Awards 2024. The Mi Xun Tea House was awarded with 1-star in the MICHELIN Guide Chengdu 2025.

The Middle House

The Middle House in which the Company has a 50% interest has 111 hotel rooms and 102 serviced apartments at HKRI Taikoo Hui, Shanghai. Revenue per available room was stable. The hotel was ranked by Condé Nast Traveler as number three of the Best Hotels in China. Mi Xun Spa was named as Best Spa Design in China in the Haute Grandeur Global Awards.

EAST Miami

EAST Miami at the Brickell City Centre development in Miami has 263 hotel rooms and 89 serviced apartments. The hotel was sold to a third party in October 2021. It continues to be managed by Swire Hotels. Its revenue per available room was stable in 2024. Its overall performance was strong.

Hotel Portfolio (managed by Swire Hotels)

	No. of Rooms (100% Basis)	Attributable Interest
Completed		
Hong Kong		
– The Upper House	117	100%
– EAST Hong Kong	331	100%
– Headland Hotel [(1)]	501	0%
Chinese Mainland		
– The Opposite House [(2)]	N/A	N/A
– EAST Beijing	365	50%
– The Temple House [(3)]	142	100%
– The Middle House [(3)]	213	50%
U.S.A.		
– EAST Miami [(4)]	352	0%
Total	**2,021**	

(1) Headland Hotel is owned by Airline Property Limited, a wholly-owned subsidiary of Cathay Pacific Airways Limited.
(2) The Opposite House was closed in June 2024 and is under redevelopment for retail use.
(3) Comprising one hotel tower and one serviced apartment tower.
(4) EAST Miami (including serviced apartments in the hotel tower) is owned by a third party.

Non-managed Hotels

Overview

The Group has ownership interests in (but does not manage) hotels with 3,125 rooms in aggregate.

Hotel Portfolio (not managed by the Group)

	No. of Rooms (100% Basis)	Attributable Interest
Completed		
Hong Kong		
– Island Shangri-La Hong Kong	544	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 (1)	287	97%
– The Sukhothai Shanghai	201	50%
U.S.A.		
– Mandarin Oriental, Miami	326	75%
Total	**3,125**	

(1) Including serviced apartments in the hotel tower.

The performance of non-managed hotels in Hong Kong and the Chinese Mainland was stable. Operating performance of the non-managed hotel in the U.S.A. was weaker than that in 2023 due to lower room rates and higher operating expenses. The Mandarin Oriental, Guangzhou is a leading luxury hotel in Guangzhou. The Chinese restaurant at the hotel, Jiang by Chef Fei, obtained a 2-star Michelin award for the sixth consecutive year. The Sukhothai Shanghai is a luxury hotel in Shanghai.

Hotels Market Outlook

Outlook for the hotel business in Hong Kong is cautiously optimistic, subject to the speed of recovery of international tourists and business travellers. Hotel business in the Chinese Mainland is anticipated to improve steadily in 2025. The managed hotel in the U.S.A. is expected to perform well in 2025.

We are expanding our hotel management business, with a focus on extending our hotel brands in Asia Pacific through hotel management agreements.

Capital Commitments

Capital Expenditure and Commitments

Capital expenditure in 2024 on Hong Kong investment properties and hotels, including the Group's share of the capital expenditure of joint venture companies, amounted to HK$1,353 million (2023: HK$2,319 million). Outstanding capital commitments at 31st December 2024 were HK$11,548 million (2023: HK$9,919 million), including the Group's share of the capital commitments of joint venture companies of HK$28 million (2023: HK$22 million).

Capital expenditure in 2024 on Chinese Mainland investment properties and hotels, including the Group's share of the capital expenditure of joint venture companies, amounted to HK$4,246 million (2023: HK$935 million). Outstanding capital commitments at 31st December 2024 were HK$20,072 million (2023: HK$15,271 million), including the Group's share of the capital commitments of joint venture companies of HK$11,548 million (2023: HK$7,106 million). The Group is committed to funding HK$845 million (2023: HK$797 million) of the capital commitments of joint venture companies. In addition to this, the Group is committed to make capital injections into joint venture companies of HK$1,549 million (2023: HK$275 million).

Capital expenditure in 2024 on investment properties and hotels in the U.S.A. amounted to HK$147 million (2023: HK$49 million). Outstanding capital commitments at 31st December 2024 were HK$37 million (2023: HK$25 million).

Profile of Capital Commitments for Investment Properties and Hotels

	Expenditure	Forecast Expenditure				Total Commitments[1]	Commitments relating to Joint Venture Companies[2]
	2024 HK$M	2025 HK$M	2026 HK$M	2027 HK$M	2028 and later HK$M	At 31st December 2024 HK$M	At 31st December 2024 HK$M
Hong Kong	1,353	1,473	390	560	9,125	11,548	28
Chinese Mainland	4,246	6,904	6,587	3,568	3,013	20,072	11,548
U.S.A.	147	–	37	–	–	37	–
Total	5,746	8,377	7,014	4,128	12,138	31,657	11,576

(1) The capital commitments represent the Group's capital commitments of HK$20,081 million plus the Group's share of the capital commitments of joint venture companies of HK$11,576 million.

(2) The Group is committed to funding HK$845 million of the capital commitments of joint venture companies.

Development Highlights

TAIKOO PLACE BEIJING

Taikoo Place Beijing, which comprises the existing INDIGO complex and the upcoming Phase Two extension, will be Swire Properties' debut of "Taikoo Place" brand in the Chinese Mainland.

The expansive commercial complex will feature eight Grade-A office towers, a premium shopping mall with indoor and outdoor concepts, and a new EAST lifestyle hotel and serviced apartments, transforming the area into one of the most popular leisure, retail and business destinations in Chaoyang district and for the capital city.

The entire development will enjoy seamless connectivity, with walkways linking buildings and amenity spaces, together with direct subway connectivity for easy access. At the heart of all these exciting new offerings is "The Delphi", a dedicated communal space that will nurture creativity and promote collaboration and wellness. The development will also feature extensive green spaces, positioning Taikoo Place Beijing as a unique urban oasis in the city.

Estimated Completion Year	Site Area	Estimated Gross Floor Area	Owners
From **mid-2026**	**136,667 sqm**	**551,807 sqm**	**Swire Properties** (49.895%) **China Life group** (49.895%)

Debuting the Successful Taikoo Place Brand in the Chinese Mainland

Artist's Impression

New Commercial and Cultural Destination in Guangzhou

Development Highlights

TAIKOO LI JULONG WAN GUANGZHOU

Taikoo Li Julong Wan Guangzhou is a retail development strategically located at the vibrant heart of the Baietan area in Guangzhou's Liwan district. The area has emerged as the CBD of the Western Guangzhou, with Julong Wan playing a crucial role in its development.

The project will be the Company's sixth Taikoo Li project and first in the Greater Bay Area. It will embrace an innovative low-rise, open-plan and lane-driven design that embodies the distinctive brand DNA of Taikoo Li, and offer an unparalleled fusion of retail, local heritage, riverside natural elements, and cultural experiences.

The development will enjoy excellent connectivity, with easy access to metro lines, including the only circle line in the city, which forms a convenient transportation network that connects various urban areas of Guangzhou.

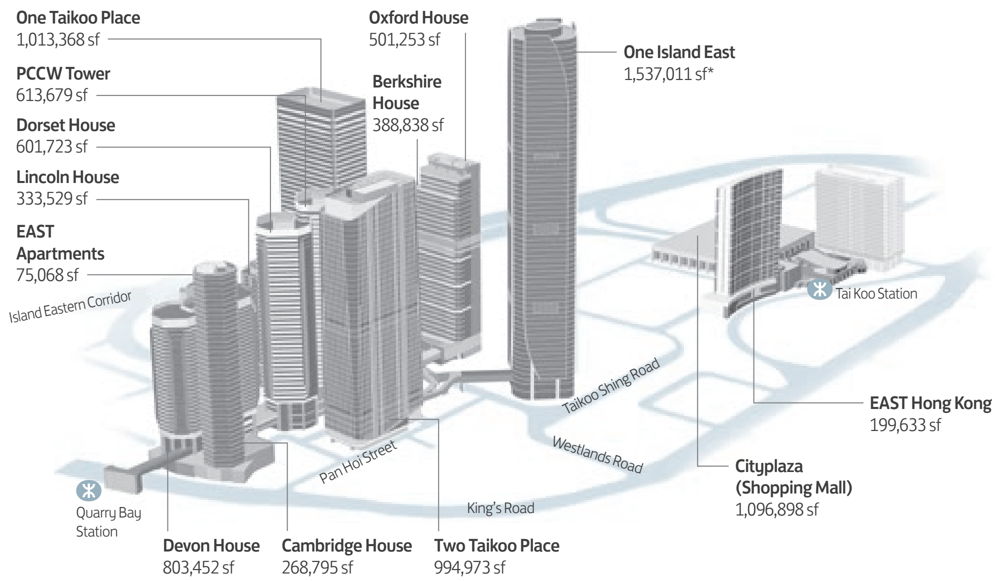
Taikoo Li Julong Wan Guangzhou will be part of a mixed-use development comprising offices and other commercial element to be developed by Guangzhou Pearl River Enterprises Group. The overall development is planned to be completed in phases beginning from the first half of 2027.

Activation Starts	Estimated Completion Year	Estimated Gross Floor Area	Owners
From end of 2025	From first half of 2027	Approximately 150,000 sqm	Swire Properties (50%) Guangzhou Pearl River Enterprises Group (50%)

Pacific Place, Hong Kong

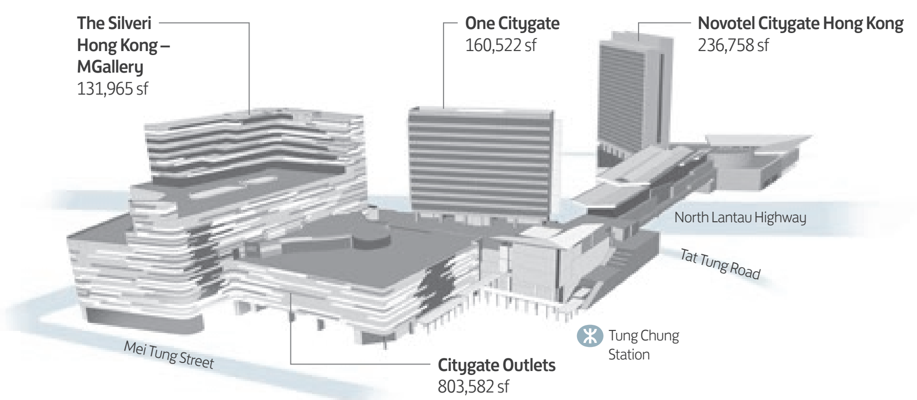
HONG KONG

Taikoo Place and Cityplaza

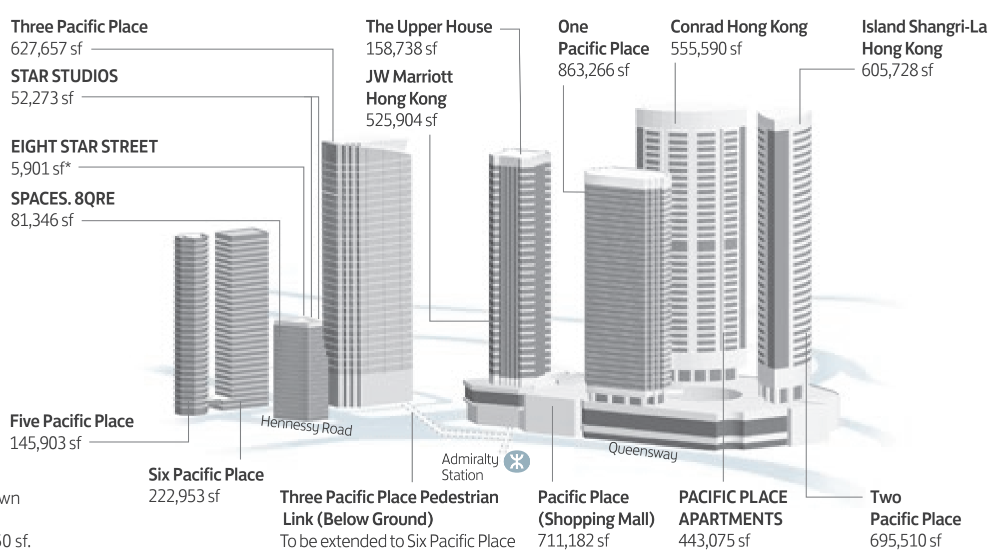


* Including the 45th to 54th floors (except for the 49th floor) disposed of.

Citygate



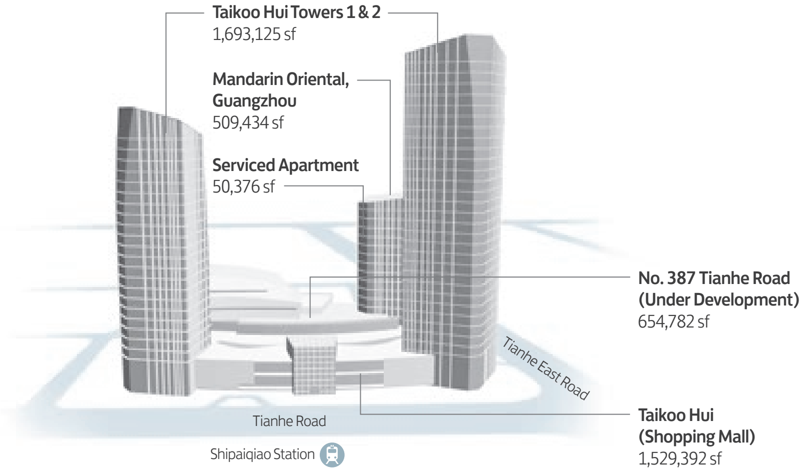
Pacific Place



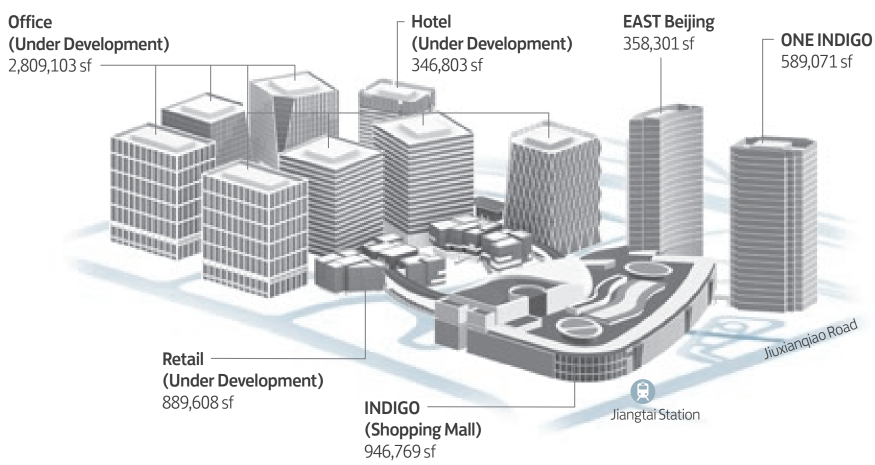
* Residential trading, floor area shown including the gross floor area of remaining residential units of 3,050 sf.

CHINESE MAINLAND

Taikoo Hui
GUANGZHOU

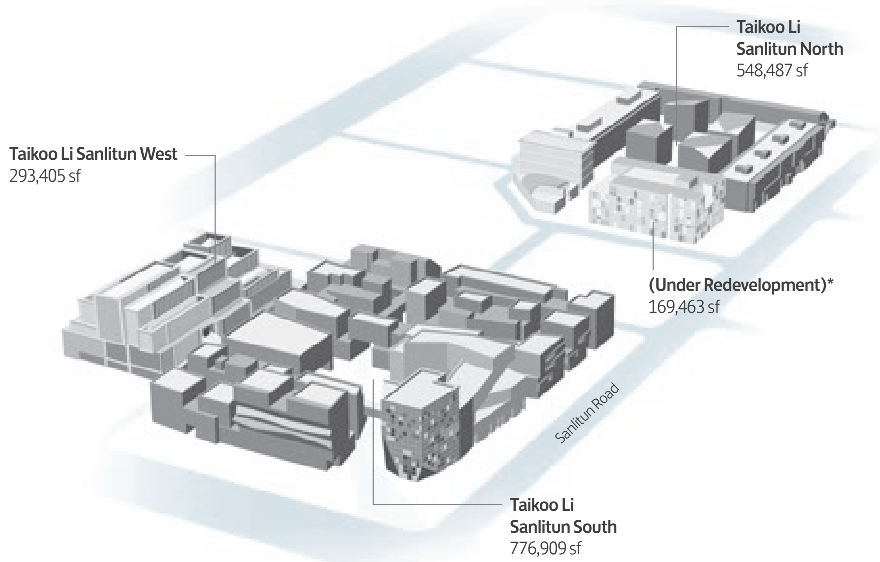


Taikoo Place Beijing
BEIJING



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

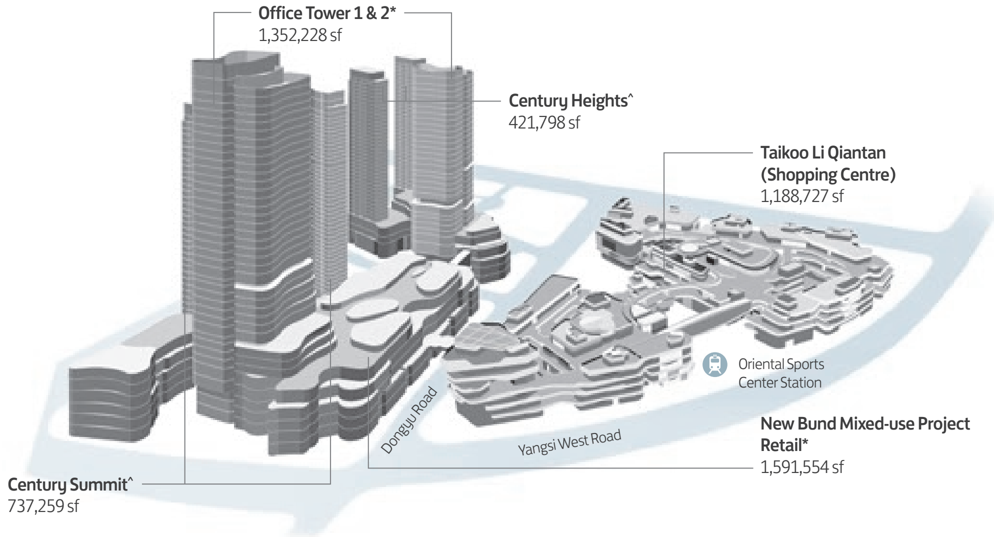
Taikoo Li Sanlitun
BEIJING



* Subject to planning approval

Taikoo Li Qiantan and New Bund Mixed-use Project

SHANGHAI

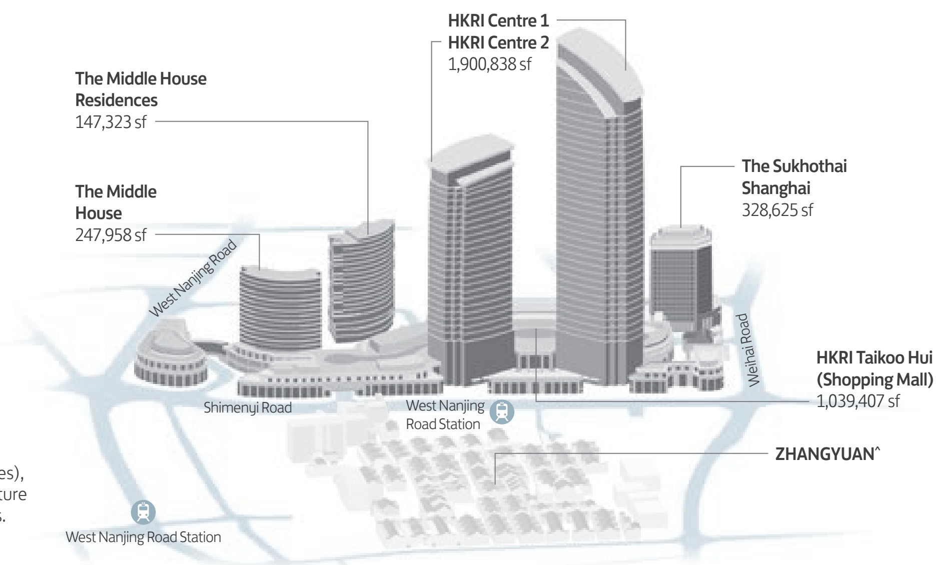


* Under Development

^ Residential trading under development

HKRI Taikoo Hui and ZHANGYUAN

SHANGHAI

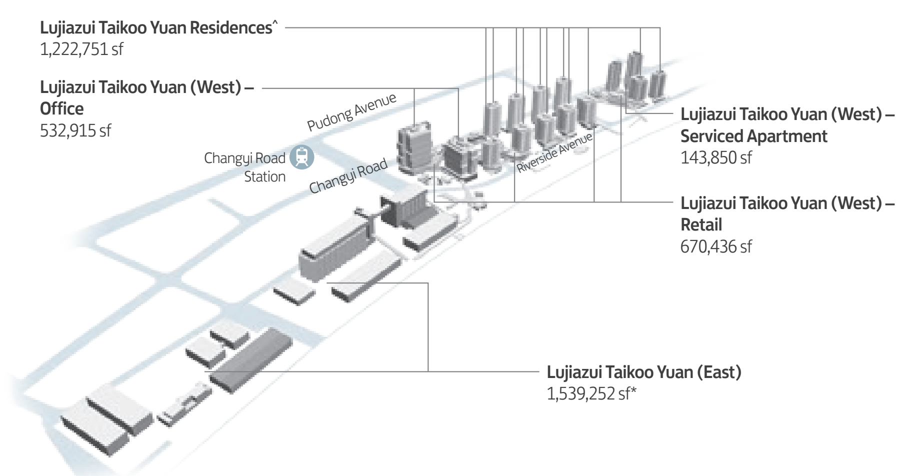


^ ZHANGYUAN, with gross floor area of 1,630,820 sf (including car parking spaces), is operated and managed by a joint venture which is 60% owned by Swire Properties. Swire Properties does not have an ownership interest in the compound.

Lujiazui Taikoo Yuan

(UNDER DEVELOPMENT)

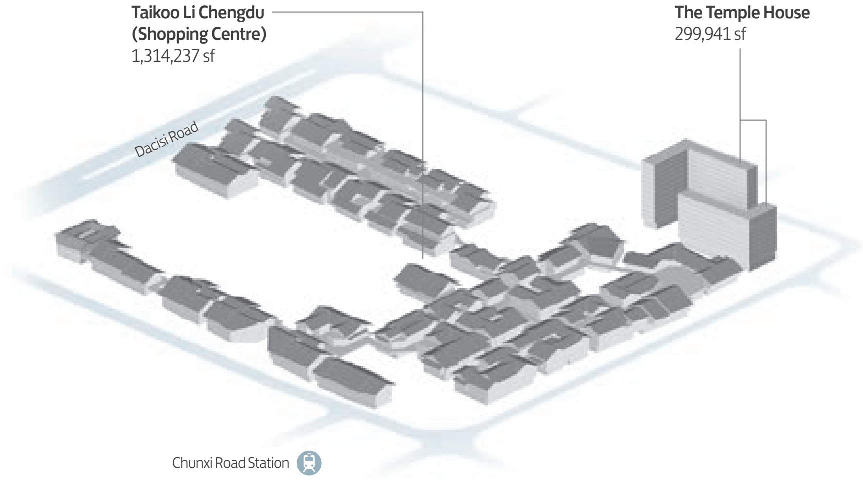
SHANGHAI



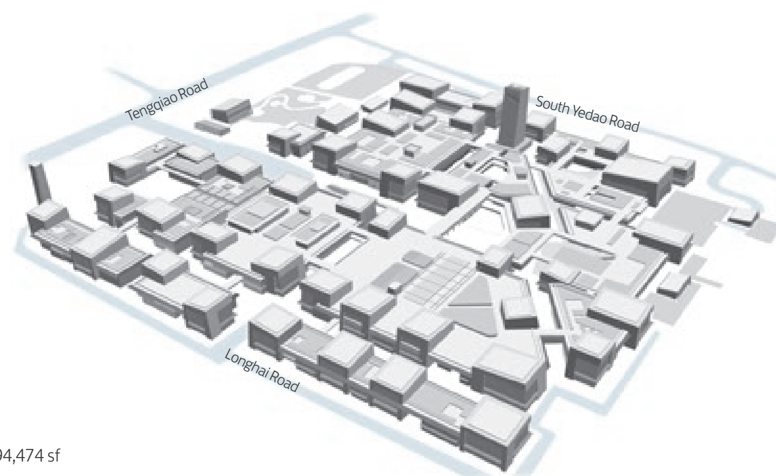
* Subject to planning approval

^ Residential trading

Taikoo Li Chengdu
CHENGDU

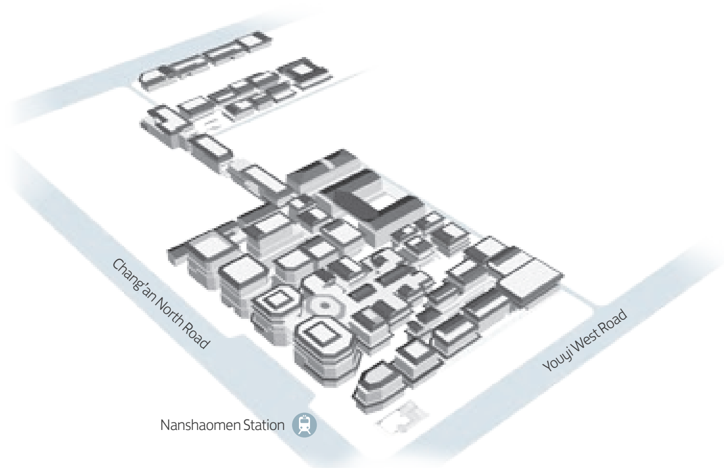


Taikoo Li Sanya
(UNDER DEVELOPMENT)
HAINAN



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

Taikoo Li Xi'an
(UNDER DEVELOPMENT)
XI'AN



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

Notes:
Gross floor area figures are shown on a 100% basis.
These diagrams are not to scale and are for illustration purposes only.
These diagrams illustrate the major developments of Swire Properties. For details of other developments, please refer to the Schedule of Principal Group Properties on pages 205 to 214.

FINANCIAL REVIEW

References are to “Notes to the Financial Statements” on pages 143 to 198.

Consolidated Statement of Profit or Loss

	2024 HK$M	2023 HK$M	Reference
Revenue	**14,428**	14,670	Note 4
The decrease in revenue of HK$242 million compared to 2023 was principally due to lower gross rental income from property investment, lower revenue from hotels and property trading. Gross rental income from property investment decreased by HK$92 million. In Hong Kong, gross rental income decreased by HK$428 million, mainly reflecting a weak office market with subdued demand and a surplus supply, and loss of rental income arising from the disposal of nine floors of One Island East in December 2023. In the Chinese Mainland, gross rental income increased by HK$313 million, mainly reflecting the tenant mix improvements in some of the malls after the completion of renovations and the full year contribution arising from the completion of the acquisition of the remaining 35% interest in Taikoo Li Chengdu in February 2023. In the U.S.A., gross rental income increased, principally due to the improvement in base rent with an improved tenant mix and higher opening rate. Revenue from hotels decreased by HK$91 million. Hotels in Hong Kong experienced challenges due to a slower than expected recovery of visitors while the performance of the hotels in the Chinese Mainland remained relatively stable, except for the loss of revenue arising from the closure of The Opposite House in Beijing since June 2024. Revenue from property trading decreased by HK$78 million from 2023. In 2024, revenue was recognised from the sale of 2 units of EIGHT STAR STREET in Hong Kong whereas revenue from the sale of 6 units of EIGHT STAR STREET was recognised in 2023.			

Consolidated Statement of Profit or Loss *(continued)*

	2024 HK$M	2023 HK$M	Reference
Gross Profit Gross profit decreased by HK$216 million. Gross profit from property investment, hotels and property trading decreased by HK$173 million, HK$41 million and HK$21 million respectively. Gross profit from property investment decreased, principally due to lower office gross profit in Hong Kong partly offset by higher retail gross profit in the Chinese Mainland. Gross profit from hotel business decreased, mainly due to lower hotel revenue in Hong Kong and the loss of revenue from The Opposite House in the Chinese Mainland. Gross profit from property trading reflected the recognition of profits on the sale of EIGHT STAR STREET units in Hong Kong.	**10,170**	10,386	
Operating Profit The decrease in operating profit of HK$3,478 million was principally due to an increase in fair value loss on investment properties in 2024. A fair value loss on investment properties of HK$5,996 million was recorded in 2024, compared to HK$2,829 million in 2023. Investment properties in Hong Kong recorded a fair value loss of HK$8,522 million, principally due to lower rents, while investment properties in the Chinese Mainland recorded a fair value gain of HK$2,185 million, principally due to higher rents for some of the malls and the reduction of 25 basis points in the capitalisation rate of certain investment properties. The investment properties at Brickell City Centre in Miami, U.S.A. recorded a fair value gain of HK$341 million, mainly due to higher rents. Administrative and selling expenses increased by HK$137 million compared to 2023. The increase principally reflected higher sales and marketing expenses on trading properties and inflation in 2024.	**1,702**	5,180	Note 8(a)

Consolidated Statement of Profit or Loss *(continued)*

	2024 HK$M	2023 HK$M	Reference
Net Finance Charges The increase of HK$471 million was principally due to a higher level of borrowings in Hong Kong and the Chinese Mainland.	**991**	520	Note 10
Share of Profit Less Losses of Joint Venture Companies The increase of HK$580 million principally reflected a bargain purchase gain arising from the acquisition of an additional interest in a joint venture company of HK$566 million and a lower fair value loss on investment properties of HK$138 million in 2024, partly offset by loss of contribution from Taikoo Li Chengdu as joint venture companies after turning into subsidiary companies of the Group.	**704**	124	Note 8(a)
Share of Profit Less Losses of Associated Companies The profit of HK$122 million in 2024, compared to a loss of HK$416 million in 2023, primarily reflected the fair value gain on investment properties of HK$83 million in 2024, compared to the fair value loss of HK$454 million in 2023.	**122**	(416)	Note 8(a)
Taxation The increase of HK$521 million was principally due to an increase in deferred tax in relation to the fair value changes in respect of investment properties in the Chinese Mainland and the U.S.A.	**2,138**	1,617	Note 11
(Loss)/Profit Attributable to the Company's Shareholders The loss of HK$766 million in 2024, compared to a profit of HK$2,637 million in 2023, principally reflected an increase in the fair value loss on investment properties of HK$3,167 million, lower revenue, higher net finance charges and taxation in 2024, partly offset by higher share of profit less losses of joint venture and associated companies.	**(766)**	2,637	Note 8(a)

Consolidated Statement of Financial Position

	2024 HK$M	2023 HK$M	Reference
Property, Plant and Equipment The decrease in property, plant and equipment was primarily due to the transfer of property for investment property use, the depreciation for the year and foreign exchange translation losses (principally in respect of leasehold buildings in the Chinese Mainland), partly offset by additions to plant and equipment for the year.	**3,404**	3,644	Note 15
Investment Properties The decrease in investment properties of HK$9,846 million was principally due to a fair value loss of HK$5,996 million, transfer of certain investment properties to assets classified as held for sale and properties for sale of HK$4,755 million and HK$1,682 million respectively, and foreign exchange translation losses of HK$2,011 million, partly offset by additions during the year (after netting off cost written back) of HK$4,645 million. The additions reflected capital expenditure at the Taikoo Place redevelopment and Six Pacific Place in Hong Kong, Taikoo Li Xi'an, No.387 Tianhe Road in Guangzhou, and other projects in Hong Kong and the Chinese Mainland. The foreign exchange translation losses were principally in respect of investment properties in the Chinese Mainland.	**271,617**	281,463	Note 16
Joint Venture Companies and Loans Due from Joint Venture Companies The increase of HK$2,073 million principally reflected (i) increases in equity to joint venture companies, (ii) the acquisition of additional interest in a joint venture company, (iii) movements in loans due from joint venture companies and (iv) the Company's share of profits of joint venture companies (net off fair value loss), partly offset by (v) the Company's share of foreign exchange translation losses in respect of joint venture companies in the Chinese Mainland.	**36,130**	34,057	Note 20
Associated Companies and Loans Due from Associated Companies The increase of HK$84 million principally reflected the Company's share of profits of associated companies (including fair value gain), partly offset by the Company's share of foreign exchange translation losses in respect of associated companies in the Chinese Mainland.	**10,876**	10,792	Note 21
Properties For Sale The increase of HK$3,555 million primarily reflected the transfer of properties at 6 Deep Water Bay Road in Hong Kong from investment property under development, and the development expenditures of The Headland Residences and 269 Queen's Road East in Hong Kong, partly offset by the sales of 2 units at EIGHT STAR STREET in Hong Kong.	**12,676**	9,121	Note 23

Consolidated Statement of Financial Position *(continued)*

	2024 HK$M	2023 HK$M	Reference
Trade and Other Receivables The increase of HK$699 million mainly reflected deposits received from a development project and placed in escrow.	**4,205**	3,506	Note 24
Assets Classified as Held For Sale At 31st December 2024, the balance represents interests in certain investment properties in the U.S.A. identified for sale. At 31st December 2023, the balance represents 384 car parking spaces at Taikoo Shing, Hong Kong, which were completely sold during 2024.	**5,012**	543	Note 26
Trade and Other Payables The increase of HK$2,230 million principally reflected the interest-bearing advances from an associated company and an increase in advances from a non-controlling interest.	**11,993**	9,763	Note 27
Long-Term Loans and Bonds (including the component due within one year) The increase of HK$7,178 million was principally due to the drawdown of bank loans in Hong Kong and the Chinese Mainland and the issue of medium term notes in Hong Kong.	**48,347**	41,169	Note 29
Deferred Tax Liabilities The increase of HK$694 million principally reflected the deferred tax charges for the year, partly offset by foreign exchange translation losses in the Chinese Mainland.	**14,776**	14,082	Note 31
Equity Attributable to the Company's Shareholders The decrease in equity attributable to the Company's shareholders represents the total negative comprehensive income for the year attributable to the Company's shareholders (HK$2,803 million), repurchase of the Company's shares and dividends paid to the Company's shareholders.	**275,326**	285,082	Notes 33 and 34
Non-Controlling Interests The increase in non-controlling interests of HK$34 million mainly reflected profits earned by the owners of non-controlling interests and capital contribution from an owner of non-controlling interest, partly offset by foreign exchange translation losses in respect of entities in which there are non-controlling interests and dividends paid to the owners of non-controlling interests.	**3,101**	3,067	Note 36

Consolidated Statement of Cash Flows

	2024 HK$M	2023 HK$M	Reference
Cash Generated from Operations Cash generated from operations of HK$6,489 million principally comprised cash inflows from property investment of approximately HK$9,493 million and from property trading of approximately HK$58 million, partly offset by operating expenses of approximately HK$1,799 million and expenditure on properties for sale of approximately HK$1,209 million (after netting off contribution from a non-controlling interest).	**6,489**	7,492	Note 41(a)
Tax Paid The increase principally reflected more tax paid in Hong Kong and the Chinese Mainland.	**1,276**	963	
Purchase of Property, Plant and Equipment The increase principally reflected additions of plant and equipment in Hong Kong.	**276**	217	Note 41(b)
Additions of Investment Properties The amount in 2024 principally reflected capital expenditure on the Taikoo Place redevelopment, Six Pacific Place, No. 387 Tianhe Road, Guangzhou, Taikoo Li Xi'an and on other projects in Hong Kong and the Chinese Mainland.	**4,169**	2,771	
Proceeds from Disposal of Investment Properties The amount in 2024 principally reflected the proceeds from disposal of Taikoo Shing car parking spaces in Hong Kong.	**454**	5,291	
Purchase of Shares in Joint Venture Companies, Equity and Loans (Net of Repayment) to Joint Venture Companies The amount in 2024 principally reflected an increase in shareholding and equity injected in joint venture companies of HK$1,744 million, and net movements of loans with joint venture companies of HK$174 million.	**1,918**	2,316	
Purchase of Shares and Loans (Net of Repayment) to Associated Companies The amount in 2024 principally reflected loans to associated companies.	**298**	10,380	
Loans Drawn and Refinanced, and Bonds Issued (Net of Repayment of Loans, Bonds and Lease Liabilities) The amount in 2024 principally reflected the drawdown of bank loans in Hong Kong and the Chinese Mainland and the issue of medium term notes in Hong Kong, partly offset by repayment of loans.	**7,694**	15,053	

Investment Appraisal and Performance Review

	Net Assets Employed		Capital Commitments[1]	
	2024 HK$M	2023 HK$M	2024 HK$M	2023 HK$M
Property investment	**289,799**	300,678	**31,064**	24,823
Property trading	**26,108**	17,334	**–**	–
Hotels	**6,266**	6,816	**593**	392
Total net assets employed	**322,173**	324,828	**31,657**	25,215
Less: net debt	**(43,746)**	(36,679)		
Less: non-controlling interests	**(3,101)**	(3,067)		
Equity attributable to the Company's shareholders	**275,326**	285,082		

	Equity Attributable to the Company's Shareholders[2]		Return on Average Equity Attributable to the Company's Shareholders[2]	
	2024 HK$M	2023 HK$M	2024	2023
Property investment	**264,708**	276,512	**-0.1%**	1.0%
Property trading	**4,832**	3,038	**-5.9%**	-4.8%
Hotels	**5,786**	5,532	**-3.4%**	-1.8%
Total	**275,326**	285,082	**-0.3%**	0.9%

(1) The capital commitments represent the Group's capital commitments plus the Group's share of the capital commitments of joint venture companies.

(2) Refer to Glossary on page 215 for definitions.

FINANCING

- Capital Structure
- Medium Term Note Programme
- Changes in Financing
- Net Debt
- Sources of Finance
  – Loans and Bonds
  – Bank Balances and Short-term Deposits
- Maturity Profile and Refinancing
- Currency Profile
- Finance Charges
- Gearing Ratio and Interest Cover
- Capital Management
- Attributable Net Debt
- Debt in Joint Venture and Associated Companies

Capital Structure

The Group aims to maintain a capital structure which enables it to invest in and finance projects in a disciplined and targeted manner.

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

The Group considers a number of factors in monitoring its capital structure, which principally include the gearing ratio, cash interest cover and the return cycle of its investments.

Medium Term Note Programme

In 2012, Swire Properties MTN Financing Limited, a wholly-owned subsidiary of the Company, established a US$3 billion Medium Term Note ("MTN") Programme. The aggregate nominal amount of the MTN Programme was increased to US$4 billion in 2017. Notes issued under the MTN Programme are unconditionally and irrevocably guaranteed by the Company. At 31st December 2024, the MTN Programme was rated A by Fitch and (P)A2 by Moody's, in each case in respect of notes with a maturity of more than one year.

The MTN Programme enables the Group to raise money directly from the capital markets. Under the MTN Programme, notes may be issued in United States dollars or in other currencies, in various amounts and for various tenors.

Changes in Financing

Audited Financial Information

During the year, the Group raised approximately HK$10,822 million. This comprised:

- term and revolving loan facilities aggregating HK$3,892 million
- medium term notes aggregating HK$6,930 million

During the year, the Group made various repayments of debt. This comprised:

- repayment of term and revolving loan facilities aggregating HK$6,435 million
- repayment of medium term notes of HK$1,100 million

	Loans and bonds				
	due within one year HK$M	due after one year HK$M	Lease liabilities HK$M	Total 2024 HK$M	2023 HK$M
At 1st January	7,563	33,606	607	41,776	23,449
Loans drawn and refinanced	800	7,608	–	8,408	11,523
Bonds issued	–	6,904	–	6,904	6,742
Bonds matured	(1,100)	–	–	(1,100)	(200)
Repayment of loans	(6,435)	–	–	(6,435)	(2,930)
Acquisition of subsidiary companies	–	–	–	–	3,193
New leases arranged during the year	–	–	12	12	62
Principal elements of lease payments	–	–	(83)	(83)	(82)
Reclassification	6,073	(6,073)	–	–	–
Currency adjustment	(156)	(505)	(17)	(678)	(43)
Other non-cash movements	15	47	1	63	62
At 31st December	6,760	41,587	520	48,867	41,776

Net Debt

Audited Financial Information

Net debt at 31st December 2024 was HK$43,746 million, compared with HK$36,679 million at 31st December 2023. The increase in net debt principally reflected capital and development expenditure and investment in joint venture companies in Hong Kong and the Chinese Mainland.

The Group's borrowings are principally denominated in Hong Kong dollars, Renminbi and United States dollars. Outstanding borrowings at 31st December 2024 and 2023 were as follows:

	2024 HK$M	2023 HK$M
Borrowings included in non-current liabilities		
Bank borrowings	19,596	13,159
Bonds	21,991	20,447
Borrowings included in current liabilities		
Bank borrowings	1,844	6,463
Bonds	4,916	1,100
Total borrowings	48,347	41,169
Lease liabilities		
Included in non-current liabilities	434	527
Included in current liabilities	86	80
Less: short-term deposits and bank balances	5,121	5,097
Net debt	43,746	36,679

Sources of Finance

Audited Financial Information

At 31st December 2024, committed loan facilities and debt securities amounted to HK$56,643 million, of which HK$8,156 million (14%) remained undrawn. In addition, the Group had undrawn uncommitted facilities totalling HK$400 million. Sources of funds at 31st December 2024 comprised:

	Available HK$M	Drawn HK$M	Undrawn Expiring Within One Year HK$M	Undrawn Expiring After One Year HK$M
Facilities from third parties				
Term loans	10,173	9,617	–	556
Revolving loans	19,514	11,914	1,400	6,200
Bonds	26,956	26,956	–	–
Total committed facilities	56,643	48,487	1,400	6,756
Uncommitted facilities				
Bank loans and overdrafts	400	–	400	–
Total	57,043	48,487	1,800	6,756

Note:
The figures above are stated before unamortised loan fees of HK$140 million.

i) Loans and Bonds

Audited Financial Information

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

	2024			2023		
	Drawn, Before Unamortised Loan Fees HK$M	Unamortised Loan Fees HK$M	Carrying Value HK$M	Drawn, Before Unamortised Loan Fees HK$M	Unamortised Loan Fees HK$M	Carrying Value HK$M
Long-term loans and bonds at amortised cost	48,487	(140)	48,347	41,341	(172)	41,169
Less: amount due within one year included under current liabilities	6,765	(5)	6,760	7,569	(6)	7,563
	41,722	(135)	41,587	33,772	(166)	33,606

ii) Bank Balances and Short-term Deposits

The Group had bank balances and short-term deposits of HK$5,121 million at 31st December 2024, compared to HK$5,097 million at 31st December 2023.

Maturity Profile and Refinancing

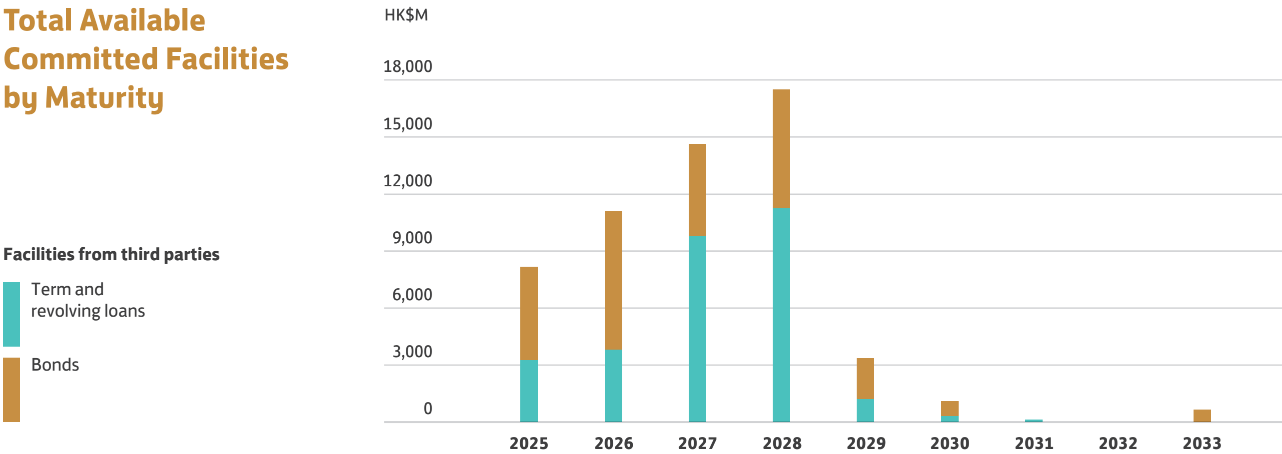
Bank loans and other borrowings are repayable on various dates up to 2033 (2023: up to 2033). The weighted average term and cost of the Group's debt are:

	2024	2023
Weighted average term of debt	2.5 Years	3.0 Years
Weighted average cost of debt	4.0%	4.1%

Note:
The weighted average cost of debt above is stated on gross debt basis.

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

Total Available Committed Facilities by Maturity



Audited Financial Information

The table below sets forth the maturity profile of the Group's borrowings:

	2024		2023	
	HK$M		HK$M	
Bank borrowings and bonds from third parties due				
Within 1 year	6,760	14%	7,563	18%
1-2 years	11,090	23%	6,073	15%
2-5 years	28,626	59%	25,256	61%
After 5 years	1,871	4%	2,277	6%
Total	48,347	100%	41,169	100%
Less: Amount due within one year included under current liabilities	6,760		7,563	
Amount due after one year included under non-current liabilities	41,587		33,606	

Currency Profile

Audited Financial Information

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

	2024		2023	
	HK$M		HK$M	
Currency				
Hong Kong dollars	**27,531**	**57%**	25,243	61%
Renminbi	**17,337**	**36%**	12,427	30%
United States dollars	**3,479**	**7%**	3,499	9%
Total	**48,347**	**100%**	41,169	100%

Finance Charges

Audited Financial Information

An analysis of outstanding borrowings by reference to whether they bear interest at fixed or floating rates is shown below:

	2024		2023	
	HK$M		HK$M	
Fixed	**31,076**	**64%**	27,955	68%
Floating	**17,411**	**36%**	13,386	32%
Sub-total	**48,487**	**100%**	41,341	100%
Less: Unamortised loan fee	**140**		172	
Total	**48,347**		41,169	

The exposure of the Group's borrowings to fixed and floating interest rates can be illustrated as follows:

		Fixed Interest Rates Maturing in:			
	Floating Interest Rates HK$M	1 Year or Less HK$M	1 to 5 Years HK$M	Over 5 Years HK$M	Total HK$M
At 31st December 2024	**17,333**	**5,215**	**24,352**	**1,447**	**48,347**
At 31st December 2023	13,277	3,301	23,122	1,469	41,169

Audited Financial Information *(continued)*

Interest charged and earned during the year was as follows:

	2024 HK$M	2023 HK$M
Interest charged on:		
Bank loans and overdrafts	**952**	743
Bonds	**782**	614
Interest-bearing advances from joint venture companies and associated companies	**5**	2
Lease liabilities	**19**	21
Net fair value (gains)/losses on derivative instruments		
Cash flow hedges – transferred from other comprehensive income	**(55)**	(41)
Cross-currency swaps not qualifying as hedges	**(1)**	1
Other financing costs	**169**	125
	1,871	1,465
Losses on the movement in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest	**74**	53
Capitalised on:		
Investment properties	**(407)**	(510)
Properties for sale	**(314)**	(270)
	1,224	738
Interest income on:		
Short-term deposits and bank balances	**(74)**	(64)
Loans to joint venture and associated companies	**(159)**	(136)
Others	**–**	(18)
	(233)	(218)
Net finance charges	**991**	520

The capitalised interest rates on funds both borrowed generally and used for the development of investment properties and properties for sale were between 3.1% and 6.2% per annum (2023: 3.2% and 6.2% per annum).

The amount transferred from other comprehensive income in respect of cash flow hedges in 2024 includes HK$12 million (2023: HK$12 million) relating to currency basis.

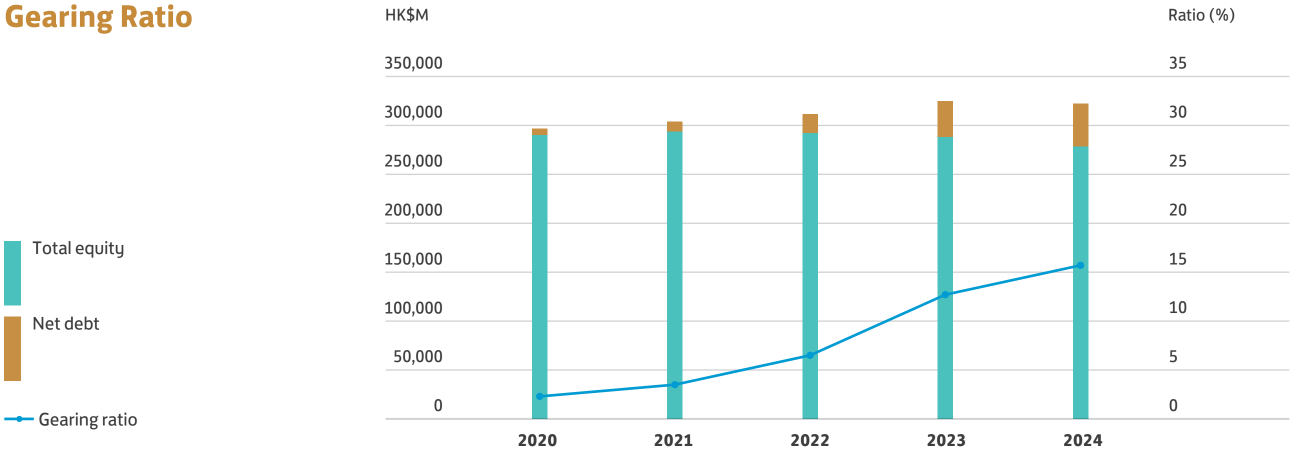
The interest rates per annum (after cross-currency and interest rate swaps) at 31st December were as follows:

	2024			2023		
	HKD %	RMB %	USD %	HKD %	RMB %	USD %
Long-term loans and bonds	**2.4-6.0**	**3.0-3.6**	**5.1-5.3**	2.4-6.6	3.0-3.9	6.1-6.3

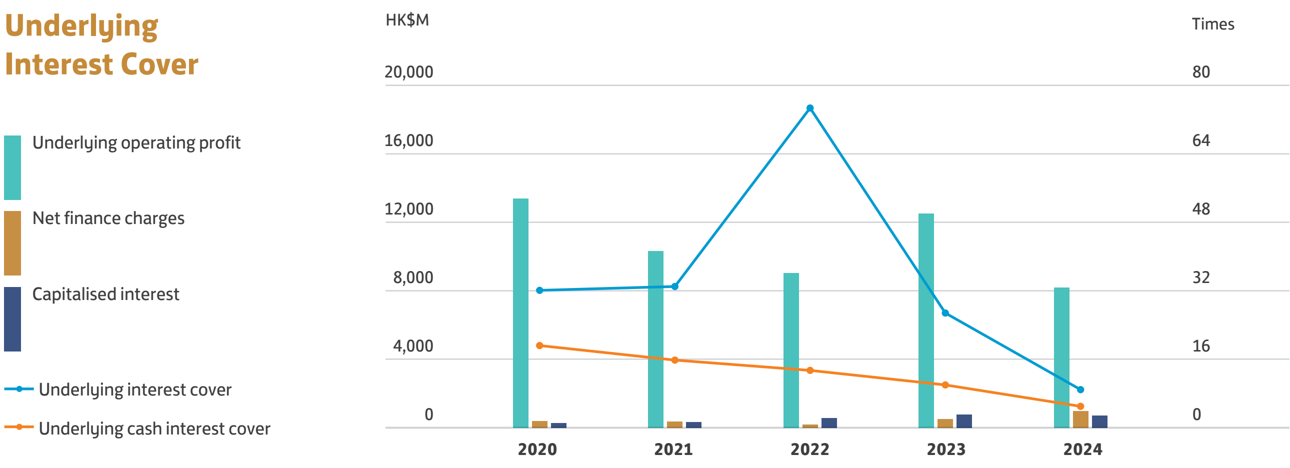
Gearing Ratio and Interest Cover

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

Gearing Ratio



Underlying Interest Cover



	2024	2023
Gearing ratio [(1)]	**15.7%**	12.7%
Interest cover – times [(1)]		
Per financial statements	**1.7**	10.0
Underlying	**8.9**	26.8
Cash interest cover – times [(1)]		
Per financial statements	**1.0**	4.0
Underlying	**5.0**	10.0

(1) Refer to Glossary on page 215 for definitions.

Capital Management

Audited Financial Information

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

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

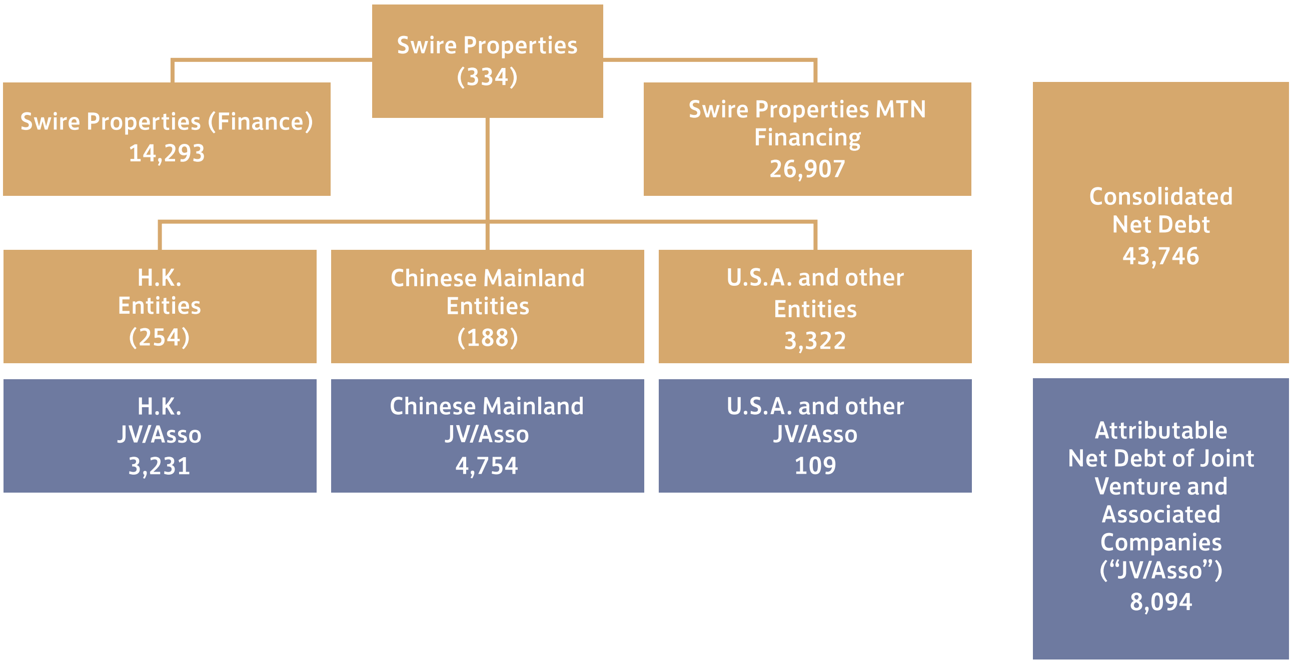
In order to maintain or adjust the gearing ratio, the Group may adjust the amount of dividends paid to shareholders, repurchase shares, raise new debt financing or sell assets to reduce debt. The gearing ratios at 31st December 2024 and 31st December 2023 were as follows:

	2024 HK$M	2023 HK$M
Total borrowings	**48,347**	41,169
Lease liabilities	**520**	607
Less: Short-term deposits and bank balances	**5,121**	5,097
Net debt	**43,746**	36,679
Total equity	**278,427**	288,149
Gearing ratio	**15.7%**	12.7%

The Group has given certain covenants under facilities from third-parties, including maintenance of a minimum amount of tangible net worth. The Group has significant headroom on all covenants, and does not expect any breach in the foreseeable future.

Attributable Net Debt

The chart below illustrates, by entity, the Group's attributable net debt (in HK$ million):



Debt in Joint Venture and Associated Companies

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

	Net Debt of Joint Venture and Associated Companies		Portion of Net Debt Attributable to the Group		Debt Guaranteed by the Group	
	2024 HK$M	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M
Hong Kong Entities	**8,964**	10,228	**3,231**	3,444	**2,376**	2,408
Chinese Mainland Entities	**9,068**	7,042	**4,754**	3,403	**1,579**	1,449
U.S.A. and other Entities	**223**	86	**109**	64	**190**	139
Total	**18,255**	17,356	**8,094**	6,911	**4,145**	3,996

If the attributable portion of the net debt in joint venture and associated companies were to be added to the Group's net debt, gearing would rise to 18.6%.

CORPORATE GOVERNANCE & SUSTAINABILITY

HKRI Taikoo Hui, Shanghai


J.D.V
LG1

CORPORATE GOVERNANCE

Corporate and Governance Culture

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

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

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

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

Corporate Governance Statement

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

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

The Company supports the principles-based approach of the CG Code and the flexibility this provides for the adoption of corporate policies and procedures which recognise the individuality of companies. Swire Properties has adopted its own corporate governance code which is available on its website (www.swireproperties.com). Corporate governance does not stand still; it evolves with the business and operating environment. The Company is always ready to learn and adopt best practices.

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

The Board of Directors

Role of the Board

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

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

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

To assist it in fulfilling its duties, the Board has three primary committees, the Audit Committee (see pages 105 to 106), the Nomination Committee (see pages 102 to 103) and the Remuneration Committee (see page 103).

Chairman and Chief Executive

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

Guy Bradley, the Chairman, is responsible for:

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

Tim Blackburn, the Chief Executive, is responsible for implementing the policies and strategies set by the Board in order to ensure the successful day-to-day management of the Group's business.

Throughout the year, there was a clear division of responsibilities between the Chairman and the Chief Executive.

Board Composition

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

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

Tim Blackburn, Guy Bradley, Fanny Lung, Mabelle Ma, Martin Murray and Richard Sell are directors and/or employees of the John Swire & Sons Limited ("Swire") group. Adam Fenwick and Merlin Swire are shareholders, directors and/or employees of and Raymond Lim is an adviser to the Swire group.

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

Five of the ten Non-Executive Directors are Independent Non-Executive Directors, which represents at least one-third of the Board of Directors.

The Independent Non-Executive Directors:

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

Board Independence

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

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

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

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

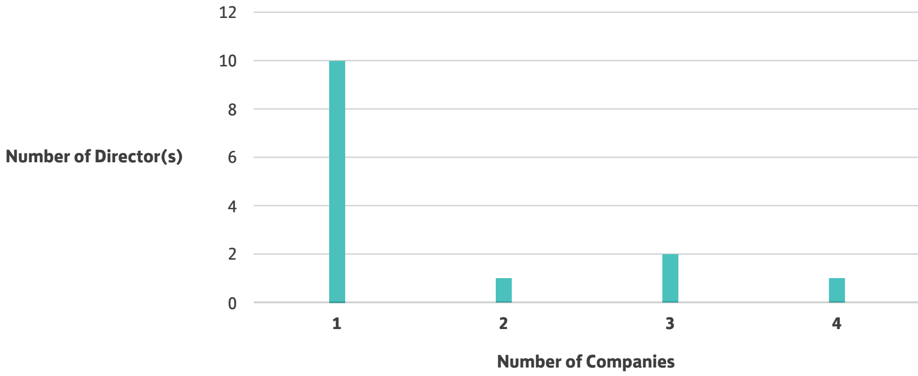
Responsibilities of Directors

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

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

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

LISTED COMPANY DIRECTORSHIP(S)



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

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

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

Board Processes

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

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

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

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

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

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

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

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

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

When necessary, the Independent Non-Executive Directors meet privately to discuss matters which are their specific responsibility.

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

Board Activities

The Board met six times in 2024, including a strategy session. The attendance of individual Directors at meetings of the Board and its committees is set out in the table below. Average attendance at Board meetings was 99%. All Directors attended Board meetings in person or through electronic means of communication during the year.

	Meetings Attended/Held					Continuous Professional Development
Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee	2024 Annual General Meeting	Type of Training (Notes)
Executive Directors						
Guy Bradley – Chairman	6/6				√	A, B
Tim Blackburn	6/6				√	A, B
Fanny Lung	6/6				√	A, B
Mabelle Ma	6/6				√	A, B
Non-Executive Directors						
Adam Fenwick	6/6		1/1	2/2	√	A, B
Raymond Lim	6/6				√	A, B
Martin Murray	6/6	4/4			√	A, B
Richard Sell	6/6				√	A, B
Merlin Swire	6/6				√	A, B
Independent Non-Executive Directors						
Lily Cheng (resigned on 7th May 2024)	2/3	1/1			X	A, B
Thomas Choi	6/6		1/1	2/2	√	A, B
Spencer Fung	6/6	3/3	1/1	2/2	√	A, B
May Wu	6/6	4/4			√	A, B
Yan Yan (appointed on 7th May 2024)	3/3				N/A	A, B
Angela Zhu	6/6				√	A, B
Average attendance	99%	100%	100%	100%	93%	

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

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

Leadership and People	• Reviewed the structure, size, composition of the Board and the independence of the INEDs • Discussed updates from the Nomination Committee on matters including the Company's progress in achieving measurable objectives on board diversity, updates on employee diversity and the implementation and effectiveness of the Group's diversity policy • Considered and approved the recommendations from the Nomination Committee on election and re-election of Directors at the 2024 Annual General Meeting • Discussed updates from the Remuneration Committee on matters including compensation of the Executive Directors of the Company, gender pay equity and CEO pay ratio of the Group
Strategy	• Discussed the Group's 10-year plan regarding its 2025-2034 business strategies and projections • Discussed the Group's investment and divestment strategies • Considered and approved the Group's investments, acquisitions or disposals, overall portfolio direction and investment plans, capital allocation strategy and growth objectives • Reviewed the Group's progress under the HK$100 billion investment plan • Discussed updates on the Group's geographic portfolio and macro-economic developments
Financial and Business Performance	• Reviewed and approved the interim and annual results announcements as well as the interim and annual reports • Discussed and approved the 2024 annual budget and longer-term financial plans • Reviewed business updates and operating results of the Group, its operating environment and performance outlook • Reviewed implementation status of the Group's capital allocation strategy • Discussed development progress of projects and investments • Approved and declared the second interim dividend for 2023 and the first interim dividend for 2024 • Reviewed and approved the Group's major financing arrangements and fund-raising activities

Audit, Risk Management and Internal Control	• Discussed updates from the Audit Committee on matters relating to results announcements and annual/interim reports, compliance with regulatory and statutory requirements, reviewed the effectiveness of the Company's risk management process and internal control systems, findings from the Group Internal Audit Department, significant accounting and audit issues and codes and policies of the Company • Approved the Group's 2025 audit strategy and reviewed progress on the 2024 audit programme • Reviewed the Group's corporate risk register and key items including geopolitical risks, cybersecurity risks, sustainability-related risks and other major risks, and discussed the relevant risk management measures • Discussed the digital strategy and data governance of the Group • Reviewed the Group's health and safety performance, including its performance in meeting safety targets, hazards reporting system, safety management measures and health and well-being initiatives
Governance and Compliance	• Chairmen of the various Board committees updated the Board on their committee meetings, including key matters discussed, and issues raised in the meetings • Reviewed the continuing connected transactions conducted by the Group • Reviewed and approved regulatory announcements to be published by the Company • Reviewed updates on the Company's legal and compliance matters • Reviewed the terms of reference adopted by the Company • Received declarations of interest from Directors
Sustainability	• Reviewed and approved the Sustainability Report 2023 of the Company • Discussed the Group's progress towards meeting the decarbonisation and other ESG targets under SD 2030 Strategy, performance in key sustainability indices, regulatory developments towards sustainability, climate-related and other key ESG matters

Continuous Professional Development

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

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

Directors' and Officers' Insurance

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

Conflicts of Interest

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

Delegation by the Board

Responsibility for delivering the Company's strategies and objectives, as established by the Board, and responsibility for day-to-day management is delegated to the Chief Executive. The Chief Executive has been given clear guidelines and directions as to his powers and, in particular, the circumstances under which he should report back to, and obtain prior approval from, the Board before making commitments on behalf of the Company.

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

- detailed monthly management accounts consisting of statements of profit or loss, financial position and cash flows compared to budget, together with forecasts
- internal and external audit reports
- feedback from customers, others with whom the Group does business, trade associations and service providers.

Securities Transactions

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

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

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

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

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

Appointment and Re-election

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

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

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

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

During 2024, the Nomination Committee identified Yan Yan as a potential new candidate for directorship. On 4th March 2024, having regard to the qualifications and merits of the candidate and the benefits of diversity on the Board, the Nomination Committee nominated Yan Yan as an Independent Non-Executive Director. The Nomination Committee is satisfied with the independence of Yan Yan having regard to the criteria set out in the Listing Rules. On 22nd April 2024, the Board, having considered the recommendation of the Nomination Committee and having taken into account the skills, professional experience, cultural and educational background and diversity of perspectives that Yan Yan could bring and contribute to the Board, appointed her as an Independent Non-Executive Director with effect from the conclusion of the Company's 2024 Annual General Meeting held on 7th May 2024.

On 4th March 2025, the Nomination Committee, having reviewed the Board's composition and after taking into account the requirement that all Directors are subject to election or re-election (as the case may be) in accordance with the Company's Articles of Association, nominated Guy Bradley, Tim Blackburn, Adam Fenwick, Spencer Fung, Mabelle Ma, Merlin Swire and Yan Yan for recommendation to shareholders for election or re-election at the 2025 Annual General Meeting. The nominations were made in accordance with objective criteria (including gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service, number of directorships of listed companies and the legitimate interests of the Company's principal shareholders), with due regard for the benefits of diversity, as set out in the Board Diversity Policy. The Nomination Committee is satisfied with the independence of Spencer Fung and Yan Yan having regard to the criteria set out in the Listing Rules.

On 11th March 2025, the Board, having considered the recommendation of the Nomination Committee and having taken into account the respective contributions of Guy Bradley, Tim Blackburn, Adam Fenwick, Spencer Fung, Mabelle Ma, Merlin Swire and Yan Yan to the Board and their firm commitment to their roles, recommended all of them for election or re-election (as the case may be) at the 2025 Annual General Meeting.

The particulars of the Directors standing for election or re-election are set out in the section of this annual report headed Directors and Officers and will also be set out in the circular to shareholders to be distributed with this annual report and posted on the Company's website.

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

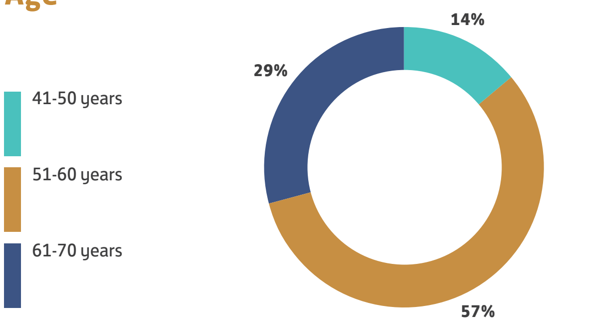
Board Diversity

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

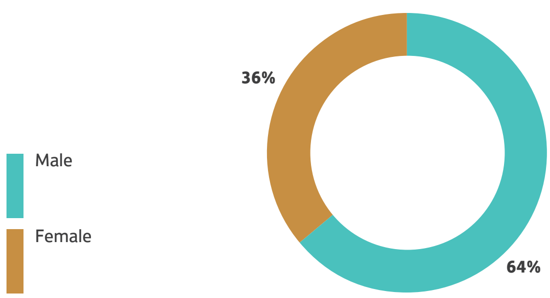
The Board's composition reflects a balance of skills, experience and diversity of perspectives among its members that are relevant to the Company's strategy, governance and business and contributes to the Board's effectiveness.

SKILLS, EXPERTISE AND EXPERIENCE

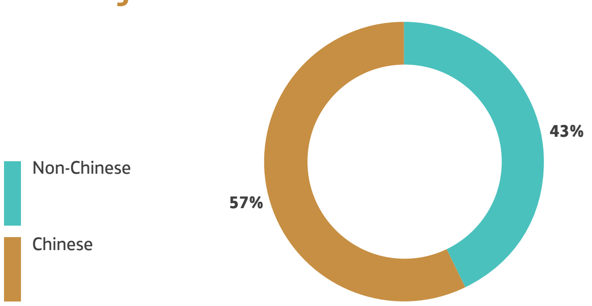
Age



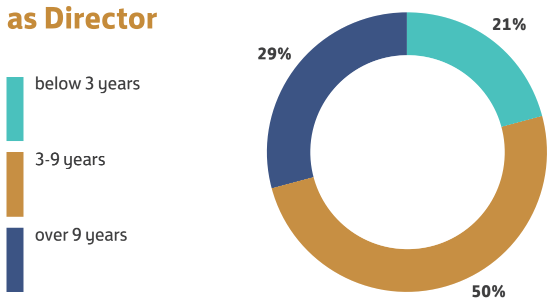
Gender



Ethnicity



Years of Service as Director



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

The Board is committed to maintaining an appropriate percentage of female Board members, which shall be not less than 30% at all times. The female representation on the Board at the date of this report is 36%.

The Company is also committed to maintaining a gender balance in the workforce with a target of keeping the female ratio at not less than 40% at all times. The female representation in the workforce at 31st December 2024 was 42.5%. Details of gender diversity in the workforce are disclosed in the section of this annual report headed Sustainability Review and in the Sustainability Report 2024 of the Company.

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

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

Nomination Committee

The Nomination Committee comprises three Non-Executive Directors, Angela Zhu, Thomas Choi and Adam Fenwick. Two of the Committee members are Independent Non-Executive Directors, one of whom, Angela Zhu, is Chairman. Angela Zhu succeeded Spencer Fung as the Chairman of the Nomination Committee with effect from the conclusion of the 2024 Annual General Meeting held on 7th May 2024. All the other members served for the whole of 2024.

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

The Nomination Committee's duties include:

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

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

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

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

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

Remuneration Committee

Full details of the remuneration of the Directors are provided in note 9 to the financial statements.

The Remuneration Committee comprises three Non-Executive Directors, Spencer Fung, Thomas Choi and Adam Fenwick. Two of the Committee members are Independent Non-Executive Directors, one of whom, Spencer Fung, is Chairman. All the members served for the whole of 2024.

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

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

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

In order to be able to attract and retain employees with the appropriate skills, experience and of suitable calibre, the Swire group provides a competitive remuneration package designed to be commensurate, overall, with those of its peer group. This typically comprises salary, housing, retirement benefits, allowances, medical benefits and a discretionary bonus.

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

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

The following fee levels have been approved by the Board:

Fee	2024 HK$	2025 HK$
Director's Fee	575,000	575,000
Fee for Audit Committee Chairman	268,000	268,000
Fee for Audit Committee Member	186,000	186,000
Fee for Nomination Committee Chairman	83,000	83,000
Fee for Nomination Committee Member	60,000	60,000
Fee for Remuneration Committee Chairman	83,000	83,000
Fee for Remuneration Committee Member	60,000	60,000

Details of emoluments paid to each Director in 2024 are set out in note 9 to the financial statements.

Accountability and Audit

Financial Reporting

The Board acknowledges its responsibility for:

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

Risk Management and Internal Control

The Board acknowledges its responsibility to establish, maintain and review the effectiveness of the Group's risk management and internal control systems. This responsibility is primarily fulfilled on its behalf by the Audit Committee as discussed on pages 105 to 106.

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

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

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

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

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

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

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

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

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

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

The Company has implemented the three lines of defence model of risk governance which is designed to minimise conflicts of interest and ensure independent oversight of risk management. Details of the three lines of defence model are set out in the section of this annual report headed Risk Management.

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

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

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

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

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

Internal audit: Independent of management, the Group Internal Audit Department ("GIAD") reports directly to the Audit Committee and performs regular reviews of key risk areas and monitors compliance with Group accounting, financial and operational procedures. The role of GIAD is discussed further on page 107.

Audit Committee

The Audit Committee, consisting of three Non-Executive Directors, May Wu, Spencer Fung and Martin Murray, assists the Board in discharging its responsibilities for corporate governance and financial reporting. Two of the Committee members are Independent Non-Executive Directors, one of whom, May Wu, is Chairman. Spencer Fung succeeded Lily Cheng as a member of the Audit Committee with effect from the conclusion of the 2024 Annual General Meeting held on 7th May 2024. All the other members served for the whole of 2024.

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

The Audit Committee met four times in 2024. Regular attendees at the meetings are the Finance Director, the General Manager, Group Finance, the Group Head of Internal Audit, the Digital and IT Director and the external auditors. The Audit Committee meets at least twice a year with the external auditors, and at least once a year with the Group Head of Internal Audit, in each case without the presence of management. Each meeting receives written reports from the external auditors and GIAD. The external valuer (Cushman & Wakefield Limited) also attended two of the meetings.

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

- the completeness, accuracy and integrity of formal announcements relating to the Group's performance including the 2023 annual and 2024 interim reports and announcements, with recommendations to the Board for approval
- the Group's compliance with regulatory and statutory requirements
- the Group's risk management and internal control systems
- the Group's risk management processes
- the Group's cybersecurity and policy and governance mechanisms in relation to AI
- the approval of the 2025 annual internal audit programme and review of progress on the 2024 programme
- periodic reports from GIAD and progress in resolving any matters identified in them
- significant accounting and audit issues
- the Company's policy regarding connected transactions and the nature of such transactions
- the relationship with the external auditors as discussed on pages 107 to 108
- the external quality assessment of GIAD
- the Company's compliance with the CG Code
- the Company's policies

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

Assessing the Effectiveness of Risk Management and Internal Control Systems

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

This assessment considers:

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

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

Company Secretary

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

Group Internal Audit Department

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

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

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

Scope of Work

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

The frequency of each audit is determined by GIAD using its own risk assessment methodology, which is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) internal control framework, considering such factors as recognised risks, organisational change, overall materiality of each unit, previous internal audit results, external auditors' comments, output from the work of the Swire Pacific Group Risk Management Committee and management's views. Each business unit is typically audited at least once every three years. Acquired businesses would normally be audited within 12 months. 11 assignments were conducted for Swire Properties in 2024.

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

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

Audit Conclusion and Response

Copies of internal audit reports are sent to the Chairman of the Board, the Chief Executive, the Finance Director and the external auditors. The results of each review are also presented to the Audit Committee.

Management is required to provide action plans in response to internal audit recommendations, including those aimed at resolving material internal control defects. These are agreed by GIAD, included in its reports and followed up with a view to ensuring that they are satisfactorily undertaken.

External Auditors

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

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

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

Auditors' Independence

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

Provision of Non-audit Services

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

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

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

Fees paid to the auditors are disclosed in note 7 to the financial statements.

Inside Information

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

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

Shareholders

Communication with Shareholders and Investors

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

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

The methods used to communicate with shareholders include the following:

- the Chief Executive and Finance Director make themselves available for meetings with major shareholders, investors and analysts over two-month periods immediately after the announcement of the interim and annual results and at certain other times during the year. In addition, they attended regular meetings with analysts and investors in Hong Kong, analyst briefings, investor group briefings, overseas roadshows and investor conferences during the year
- through the Company's website. This includes electronic copies of financial reports, webcasts of analyst presentations given at the time of the interim and annual results announcements, slides of presentations given at investor conferences, latest news, public announcements and general information about the Group's businesses
- through publication of interim and annual reports
- through the annual general meeting as discussed below and other general meetings that may be convened

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

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

The Annual General Meeting

The annual general meeting is an important forum to engage with shareholders. The most recent annual general meeting was held on 7th May 2024. The meeting was open to shareholders. The Directors who attended the meeting are shown in the table on page 96.

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

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

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

Dividend Policy

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

Shareholder Engagement

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

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

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

Other Information for Shareholders

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

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

From information publicly available to the Company and within the knowledge of its Directors, at least 10.28% (being the minimum public float percentage which the Company is required to maintain) of the Company's total number of issued shares are held by the public. Details of substantial shareholders' and other interests are included in the section of this annual report headed Directors' Report.

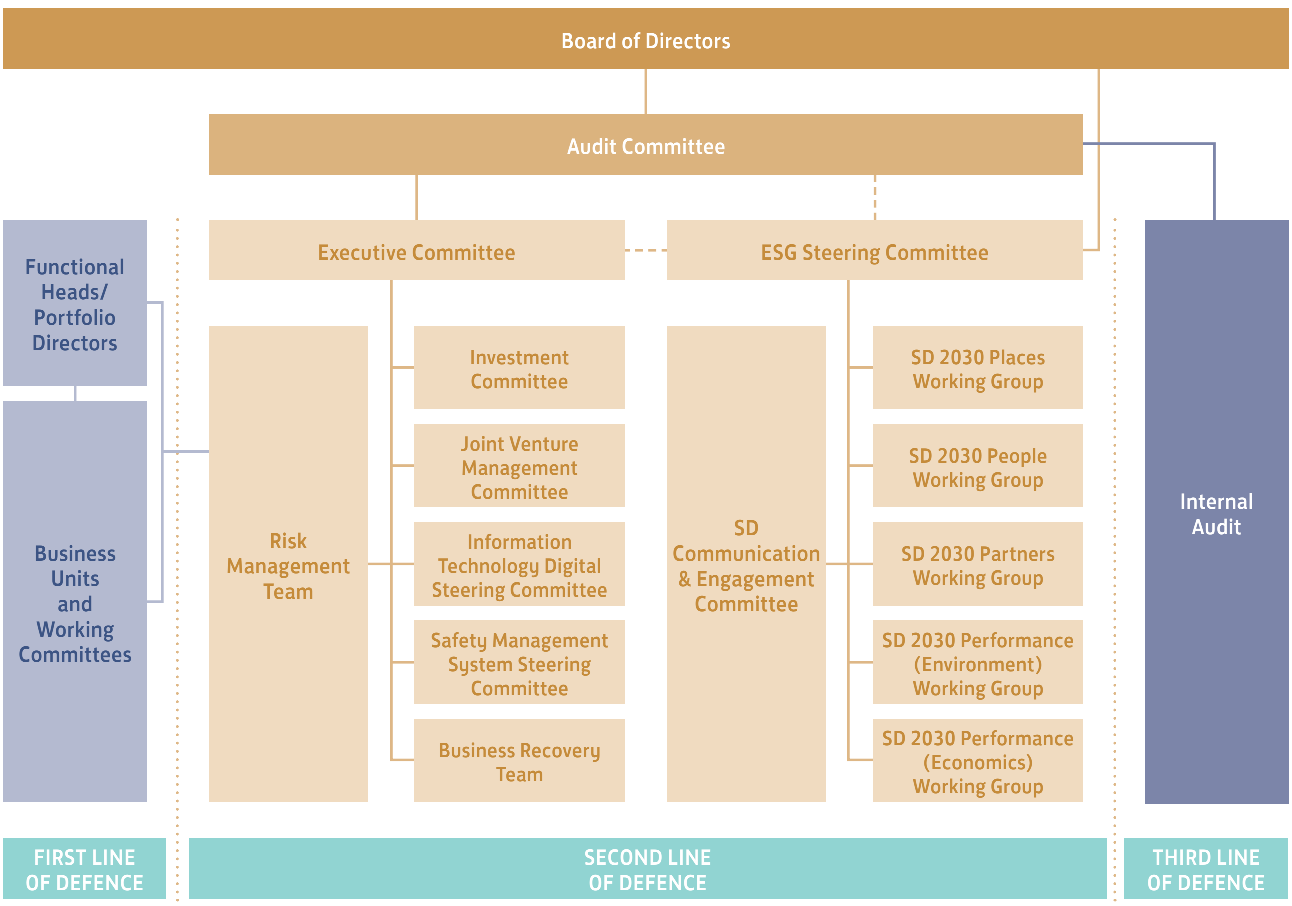
RISK MANAGEMENT

The Board is responsible for determining the **Risk Appetite** and maintaining the **Risk Governance Structure** that facilitate the **Risk Management Process** to identify and analyse the **Risk Profile** underlying for the achievement of business objectives of the Company, and to determine how such risks should be managed and mitigated, thereby striking a balance between threats and opportunities. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems, and management provides confirmations to the Board on the effectiveness of these systems.

The effectiveness of the risk management process and internal control systems is subject to audit by internal audit, with support from external specialists where necessary.

Further discussion of risk management is set out in the sections of the Corporate Governance Report headed "Accountability and Audit – Risk Management and Internal Control", "Audit Committee – Assessing the Effectiveness of Risk Management and Internal Control Systems" and "Group Internal Audit Department – Scope of Work" on pages 104 to 105, page 106 and page 107 respectively.

Risk Governance Structure



Risk Appetite

The Board acknowledges its responsibility to determine the nature and extent of the risks the Company is willing to take in achieving the Company's strategic objectives whilst not exposing the Company to excessive risk of financial losses, business disruption, negative reputation, regulatory incompliance and people's health and safety. The Company has established and maintains an appropriate and effective risk management process and internal control systems to retain only risks that are manageable and at a reasonable level, whilst exploring and capturing opportunities where appropriate. In alignment with our risk appetite, the Company has established a risk assessment matrix and corporate risk register to evaluate and prioritise the key risks by taking into account of both financial and non-financial impact, as well as impact to our Sustainable Development 2030 ("SD 2030") Strategy. Moreover, the Company's vulnerability and exposure to the key risks are assessed regularly to ensure that the appropriate internal controls and mitigating measures are in place for preventing and responding to any major incidents.

The Board has ultimate responsibility for risk management, overseeing its design and implementation. The Board is supported by the Audit Committee.

The Company has implemented the three lines of defence model of risk governance. The model is designed to minimise conflicts of interest and ensure independent oversight of risk management.

In the first line of defence, the management of each business and operating unit identifies, analyses and reports the risks for which it is responsible. Risks are mitigated, minimised and eliminated, where practicable and economically viable. Where risk cannot be eliminated, the related economic returns are required to reflect the level of risk retained and to balance threats against opportunities. The first line of defence is supervised by the functional heads and portfolio directors.

The second line of defence led by the Executive Committee ("ExCom") supports the first line and provides assurance to the Board that risk is being managed effectively. The ExCom chaired by the Chief Executive (also acting in the capacity of Executive Director) comprises two other Executive Directors and six executive officers. It manages all the risks to which the Company is subject and is responsible for the design, implementation and monitoring of the relevant risk management processes and internal control systems of the Company. Among each ExCom meetings in general, review of the corporate risk register will be conducted to evaluate the Company's risk profile and exposure, to oversee the management of major risks, to identify emerging and potential risks and to analyse risk events which materialise, with a view to their resolution and to learning from them. Sensitivity analysis or deep dive sessions on contemporary risk area such as geopolitical, economic or operational issues are conducted by ExCom as appropriate. Matters of significance that arise are reported as appropriate to the Audit Committee and ultimately to the Board of Directors.

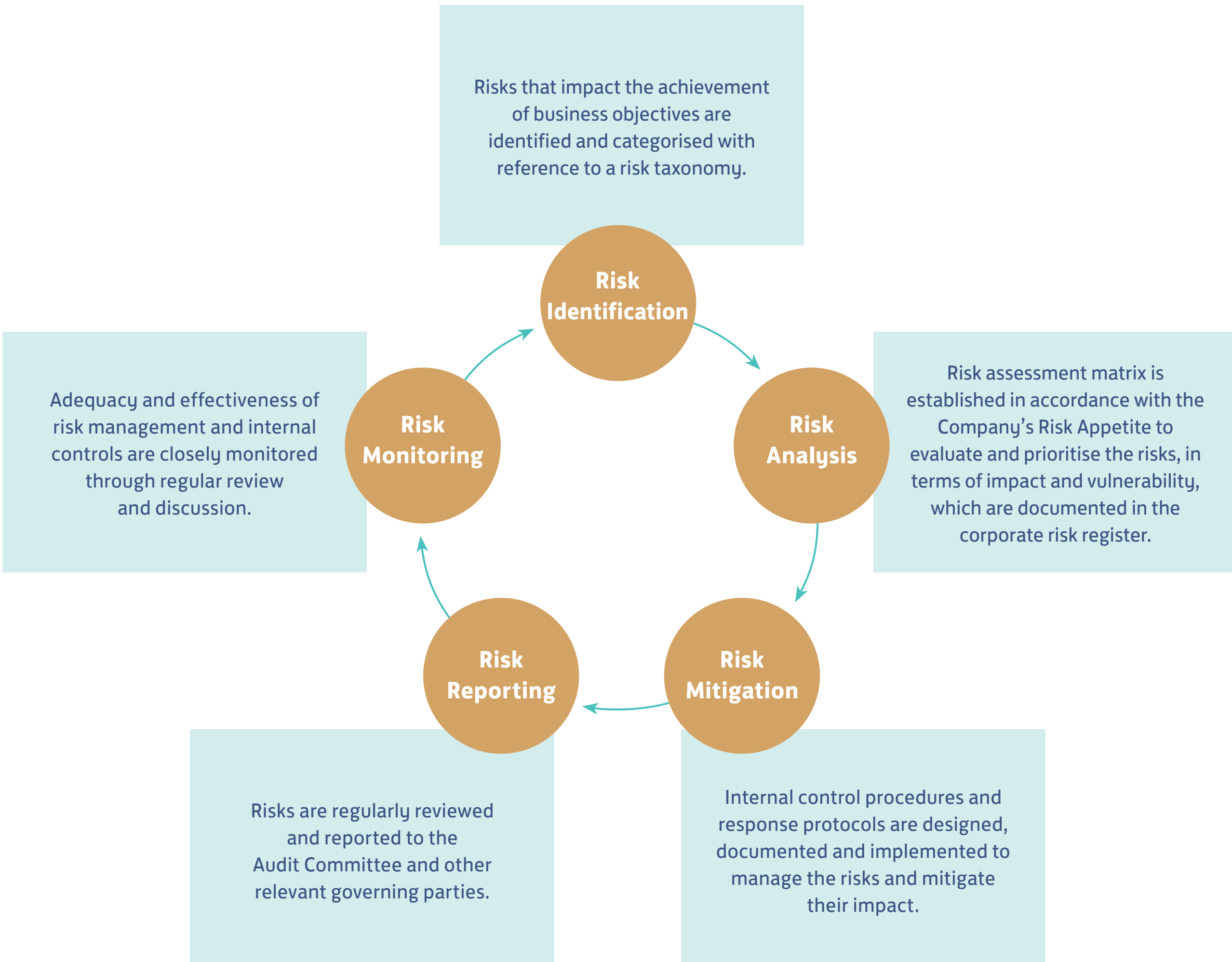
ExCom is supported by committees with specialisation in respective corporate and operating functions across the Company including investment appraisal, joint venture management, health and safety, crisis management, information security and data protection. ExCom is also supported by the risk management team headed by the Finance Director. In relation to the Company's SD 2030 Strategy, the Environmental, Social and Governance ("ESG") Steering Committee has been set up and reports to the Board. The ESG Steering Committee is supported by working groups to manage the ESG risks and opportunities, including climate-related and nature-related ones with respect to the five SD pillars: Places, People, Partners, Performance (Environment) and Performance (Economic).

It is also supported by the SD Communication & Engagement Committee to oversee the implementation of communication and engagement initiatives. The ESG Steering Committee reports material SD and ESG issues (including climate-related and nature-related risks and opportunities) and the progress made towards key performance indicators to the Board. The Chairman of the Audit Committee, who is also an independent non-executive director of the Company and reports to the Board, is a member of the ESG Steering Committee. Details of the responsibilities of each SD 2030 Working Groups are documented in the SD Governance section of our Sustainability Report 2024.

The third line of defence is provided by the Group Internal Audit Department to assist the Audit Committee in carrying out analysis and independent assessment of the adequacy and effectiveness of the risk management and the internal control systems through a systematic review of the processes and internal controls. Details of the scope of work is set out on page 107.

Risk Management Process

The following diagram illustrates the key risk management processes of the Company.



Risk Profile

The Company has established a risk assessment matrix to evaluate and prioritise its risks in terms of the impact and vulnerability. The following table provides a profile of our key risks (listed in alphabetical order), including what we consider to be Swire Properties' principal existing and emerging risks, their possible impacts, risk trend and mitigating measures that are in place or under development. The Group's approach to financial risk management is discussed in note 2 to the financial statements.

Existing Risks and Possible Impacts	Risk Trend	Mitigation Measures
Brand and image The failure to maintain brand position and perception may make us less competitive. Social media, in particular, is considered as a high velocity risk which, if not properly managed, may cause disproportionate negative impact on the Company's brand, image and reputation.	↔	• Crisis communication and social media policies are in place and are updated and tested regularly to ensure consistent, responsible and responsive communication (including when handling major incidents) in order to safeguard the Company's reputation. • Closely monitor social media in order to evaluate and provide responses to negative social media content. • Engagement with third parties to understand their perceptions of the Company and to anticipate current and potential economic, political, social or environmental issues that may adversely affect our reputation.
Business disruption Severe disruption to the business caused by acts of man or acts of nature such as extreme weather and pandemics may have adverse financial effects to the Company.	↓	• A business recovery plan for major incidents, and other business compliance measures for specific scenarios, operational emergencies and health and safety, are in place and are regularly updated and tested. • Strategic plans are regularly reviewed to maintain business resilience and sustainability. • Conduct site surveys and consult professional advisors to ensure properties in earthquake and hurricane zones are built to meet the relevant building codes and safety standards. • Purchase insurance to the extent practicable to cover financial loss due to property damage, business interruption and third-party liabilities.

↑ Risk level increased during the year 2024

↓ Risk level decreased during the year 2024

↔ Risk level remained broadly the same

Existing Risks and Possible Impacts	Risk Trend	Mitigation Measures
Business risks Economic slowdown and uncertainties in the cities we operate may lead to substantial decline in business activities, revenue and profit. Disruptive business models and technologies as well as demographic factors are changing the behaviour and needs of tenant rapidly, leading to a new form of demand and space design.		• Pace new projects with market demands. • Expand the Company's presence in other markets, and explore other commercial opportunities in the longer run. • Monitor and evaluate disruptive business models, with a view to making our operations more robust. • Continue to carry out improvements to our retail trade mix alongside with experiential shopping, innovative and customer-focused campaigns, loyalty programme initiatives and premium lounges, and crossover promotions between Hong Kong and the Chinese Mainland from helping to broaden our reach to customers.
Climate change Extreme weather conditions and climate change may increase the risks of physical damage to properties and adversely affect their valuation.		• A Climate Change Policy is in place and is updated regularly. • Conduct climate risk assessments at all portfolios to manage the risks and to explore the opportunities arising from the transition to a target of net-zero carbon emission. • Science-based targets and net-zero vision have been established to achieve long-term decarbonisation, supported by investment in energy efficiency and renewable energy adoption. • Monitor and reduce carbon emissions from construction activities and embodied carbon from major building and construction materials with the use of innovative technologies. • Piloting the use of internal carbon pricing ("ICP") to determine the potential impacts of carbon emissions for our investments, quantify carbon risks to our business operations and better reallocate capital towards low-carbon investment and opportunities.
Cybersecurity and data protection Threats to customers, tenants and staff from cyber-attacks on our websites, applications, internet services, data and emails result in business interruption, financial loss and reputational damage.		• Policies on information and cyber security are in place with regular updates. • Staff trainings, incident response drills and simulation tests are conducted regularly to raise the awareness of data security across the Company. • Regular evaluation and upgrading of the latest technologies on information security. • Insurance policy for cyber and crime are in place to transfer the risk and to reduce financial losses.

Existing Risks and Possible Impacts	Risk Trend	Mitigation Measures
Development risks Delay in the completion of developments may have an adverse financial effect by delaying the timing of property sales and leasing. Cost inflation may also lead to significant financial impact due to economic volatilities, supply chain issues and labour shortage.	↔	• Closely work with contractors to monitor and manage construction progress to avoid delays in case of changing design and unexpected circumstances. • Stringent contractor prequalification requirements including financial position, manpower resources, and resilience against geopolitical impact. • Build in contingencies for statutory approvals and communicate with government authorities on a timely basis.
Political risks Changes in the global and local political landscape, policies and priorities may have significant impact on the business environment. Geopolitical risk and international tensions may impact the maintenance of the optimal portfolio mix. Any trade restrictions and international sanctions may adversely affect operating costs and tenant portfolio.	↔	• Regular review of investment strategy, business model and capital allocation in response to any impact of international tensions and geopolitical risk. • Maintain high level of sensitivities to political and social issues by closely monitoring social media and government policies with a timely response. • Engagement with government authorities to anticipate political developments in order to plan appropriate responses and to ensure compliance with applicable laws and regulations. • Maintain robust corporate governance practice through oversight functions (internal audit, risk management, the company secretary, legal counsel and independent non-executive directors). • Conduct regular screening and monitoring on key business partners with reference to international sanctions.
Third-party risks Misaligned interests, cultural fit and reneging on commitments of joint venture partners may lead to project delays, financial and reputational impact. Changes in financial position resulting in liquidity problems, changes in leadership and stance of joint venture partners resulting in a withdrawal or reduction of their shareholdings, contribution and commitments.	↓	• Conduct proper due diligence for potential joint venture partners and perform regular assessment as to credit rating and business performance. • Ensure a robust drafting of legal documents to include dispute resolution mechanism and exit strategy. • Ensure joint venture to adopt or to develop corporate codes with the same standard as that of Swire Properties. • Maintain robust governance structure to ensure open and timely discussions with joint venture partners by means of regular board meetings with proper agendas, maintenance of financial budgets, proper documentation of actions and responsibilities, pro-active partnership management and engagement to minimise miscommunication or disputes.

Emerging Risks and Possible Impacts	Risk Trend	Mitigation Measures
Nature and biodiversity risks Deteriorating natural environment and biodiversity loss may impact material availability and adversely affect construction costs. Delay in response to growing market demand for nature-inclusive design in properties may have adverse financial effects on the Company.	↑	• A Biodiversity policy is in place and is updated regularly. • Participate in the Taskforce on Nature-related Financial Disclosures (TNFD) to formulate a global risk management and disclosure framework and contribute to collective nature-positive goals. • Partner with university to conduct a biodiversity assessment at our Hong Kong office portfolio to evaluate the state of urban biodiversity after the completion of the redevelopment and propose measures to further enhance urban biodiversity in future developments. • Conduct screening study of our global portfolio with biodiversity indicators to define a priority list and nature profile, and to identify the dependencies and impacts on natural assets and ecosystem services. • Explore opportunities to integrate nature-based solutions in future new development projects to further enhance urban biodiversity, increase climate resilience and promote tenant wellbeing.
Supply chain resilience Possible supply chain interruptions arising from incidents including geopolitical events, resource outages and natural catastrophes (due to extreme weather events and climate change) that would significantly disrupt the operations and construction activities, potentially leading to increased costs, reduced productivity, and loss of customer trust.	↑	• Close monitoring of geopolitical trends and events through news media reports, and prevailing public and government opinion. • Having crisis management and business continuity plans in place. • Managing relationships with key third parties. • Review of contract terms and conditions to ensure viable alternatives upon disruptions, and close management of product lifecycles in operating companies. • Perform supplier ESG screening (including climate resilience) and improvement recommendations for major suppliers via international ESG assessment and ratings provider.

DIRECTORS AND OFFICERS

Executive Directors

BRADLEY, Guy Martin Coutts, JP, aged 59, has been a Director of the Company since January 2008 and its Chairman since August 2021. He is also Chairman of John Swire & Sons (H.K.) Limited and Swire Pacific Limited, and a Director of Cathay Pacific Airways Limited. He was the Company's Chief Executive from January 2015 to August 2021 and a Director of Swire Pacific Limited from January 2015 to May 2017. He joined the Swire group in 1987 and has worked with the group in the Hong Kong SAR, Papua New Guinea, Japan, the United States, Vietnam, the Chinese Mainland, the Taiwan region and the Middle East. He is a chartered surveyor, a fellow of The Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors. He is also Deputy Chairman of The Hong Kong General Chamber of Commerce and Vice-President of The Real Estate Developers Association of Hong Kong.

BLACKBURN, Timothy Joseph, aged 54, has been a Director and Chief Executive of the Company since August 2021. He is also a Director of John Swire & Sons (H.K.) Limited. He joined the Swire group in 1994 and has worked with the group in the Hong Kong SAR, Australia, Papua New Guinea, Singapore, London and the Chinese Mainland. He is a chartered surveyor and a member of The Royal Institution of Chartered Surveyors and a Global Governing Trustee of the Urban Land Institute. He is also a Built Environment Pathway Board member of the World Business Council for Sustainable Development.

LUNG, Ngan Yee Fanny, aged 58, has been Finance Director of the Company since October 2017. She was previously Group Director Finance of Hong Kong Aircraft Engineering Company Limited. She joined the Swire group in 1992. She is a member of the 8th Hainan Provincial Committee of the Chinese People's Political Consultative Conference. She is also a member of the Hong Kong Institute of Certified Public Accountants, a member of the Institute of Management Accountants and a fellow of the Association of Chartered Certified Accountants.

MA, Suk Ching Mabelle, aged 57, has been a Director of the Company since August 2021. She is also the Director Development and Valuations of the Company. She joined the Swire group in 1996. She is a chartered surveyor, a member of The Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors. She has worked in the real estate industry for over 30 years.

Non-Executive Directors

FENWICK, Nicholas Adam Hodnett, aged 64, has been a Director of the Company since May 2018. He is also a Director of John Swire & Sons Limited. He was employed by the Swire group from 1985 to 1995 and worked for the group in the Hong Kong SAR, Singapore, the Taiwan region, the Philippines and the United States.

LIM, Siang Keat Raymond, aged 65, has been a Director of the Company since July 2013. He is also Senior Adviser to John Swire & Sons (S.E. Asia) Limited. He is Non-Executive Chairman of APS Asset Management Pte Ltd. He was a Member of the Singapore Parliament from 2001 to 2015.

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

SELL, Richard Lawrence, aged 48, has been a Director of the Company since October 2023. He is also a Director of John Swire & Sons (H.K.) Limited, the Chief Executive Officer of Hong Kong Aircraft Engineering Company Limited and a Director of Hong Kong Aero Engine Services Limited. He was the Chief Executive Officer of Hong Kong Aero Engine Services Limited from July 2021 to June 2023. He joined the Swire group in 1999 and has worked with the group in the Hong Kong SAR, Singapore, India and Europe.

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

Independent Non-Executive Directors

CHOI, Tak Kwan Thomas, aged 69, has been a Director of the Company since May 2019. He is a fellow of The Royal Institution of Chartered Surveyors in the United Kingdom and The Hong Kong Institute of Surveyors. He is also an Authorised Person (Surveyor). He was a member of the Appeal Tribunal Panel (Buildings) from December 2000 to November 2013. He was employed by the Company in Hong Kong from 1981 to 2002. He was employed by China Resources (Holdings) Company Limited and worked in the Chinese Mainland from 2002 until his retirement in 2016.

FUNG, Spencer Theodore, aged 51, has been a Director of the Company since December 2012. He is Group Executive Chairman of Li & Fung. Prior to Li & Fung, Mr. Fung co-founded an eCommerce startup HelloAsia in Silicon Valley and was a manager in the Audit and Assurance team at PricewaterhouseCoopers. He is also an Alternate Representative of Hong Kong, China to APEC Business Advisory Council and a member of the General Committee of The Hong Kong Exporters' Association, Young Presidents' Organization and the Board of Trustees at Northeastern University.

WU, May Yihong, aged 57, has been a Director of the Company since May 2017. She is an Independent Director of Noah Holdings Limited, the Chairwoman of its Compensation Committee and a member of its Corporate Governance and Nomination Committee. Ms. Wu is also an Independent Non-Executive Director of Alibaba Health Information Technology Limited, the Chairwoman of its Audit Committee and a member of its Nomination Committee and Remuneration Committee, and an Independent Director of MakeMyTrip Limited, the Chairperson of its Audit Committee and a member of its Compensation Committee. She is also an Executive Director of Shanghai Sunnyview Eldercare Company Limited. She was Board Advisor of Homeinns Hotel Group from 2019 to 2023, its Chief Strategy Officer from 2010 to 2019 and its Chief Financial Officer from 2006 to 2010.

YAN, Yan, aged 61, has been a Director of the Company since May 2024. She is a Managing Director of Rava Partners, an investment company that partners with entrepreneurs to build physical infrastructure in the growing sectors of Asia's economy, such as logistics/industrial, digital assets, life sciences/healthcare, education, and other specialised asset classes. She was Managing Director of Blackstone Asia from 2018 to 2020, during which time she focused on real asset investment and mergers and acquisitions. Prior to that, Ms. Yan held various positions with SOHO China from 1996 to 2018 where she served as the company's President, Chief Financial Officer and Chief Operating Officer, responsible for the company's management, business development and project acquisitions. In the early part of her career, she had held various management roles in Henderson (China) Investment Co. Ltd. and the Sheraton Hotels group. Ms. Yan has over thirty years of experience in real asset investment, development, and operations.

ZHU, Changlai Angela, aged 49, has been a Director of the Company since May 2023. She is the founder and Chief Executive Officer of Shanghai Dechang E-commerce Co., Ltd., trading as Chapter Home, a home lifestyle brand in the Chinese Mainland. She was a consultant and an Executive in Residence at Warburg Pincus Asia LLC, specialising in the consumer retail sector, and a Non-Executive Director of the Southeast Asia Retail Board of IKANO Pte Ltd from 2021 to 2022. Prior to these roles, she worked for the IKEA Group from 1996 to 2021 and held various positions including Global Commercial Director of IKEA Retail Services AB from 2018 to 2021 and Chief Executive Officer of China of IKEA (China) Investment Co., Ltd. from 2013 to 2018.

Company Secretary

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

Notes:
1. The Audit Committee comprises May Wu (committee chairman), Spencer Fung and Martin Murray.
2. The Nomination Committee comprises Angela Zhu (committee chairman), Thomas Choi and Adam Fenwick.
3. The Remuneration Committee comprises Spencer Fung (committee chairman), Thomas Choi and Adam Fenwick.
4. Tim Blackburn, Guy Bradley, Fanny Lung, Mabelle Ma, Martin Murray, Richard Sell and Merlin Swire are employees of the John Swire & Sons Limited group.

DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements for the year ended 31st December 2024, which are set out on pages 138 to 204.

Principal Activities

The principal activities of Swire Properties Limited and its subsidiaries (collectively referred to as the "Group") are: (i) property investment, that is the development, leasing and management of commercial, retail and some residential properties; (ii) property trading, that is the development and construction of properties, principally residential apartments, for sale; and (iii) investment in and operation of hotels.

The principal activities of the Company's principal subsidiary, joint venture and associated companies are shown on pages 202 to 204. An analysis of the Group's performance for the year by reportable business segment and geographical area is set out in note 8 to the financial statements.

Consolidated Financial Statements

The consolidated financial statements incorporate the financial statements of the Group together with the Group's interests in joint venture and associated companies. Details of the joint venture and associated companies are provided in notes 20 and 21 to the financial statements.

Dividends

The Directors have declared a second interim dividend of HK$0.76 per share which, together with the first interim dividend of HK$0.34 per share paid in October 2024, amount to full year dividend of HK$1.10 (2023: HK$1.05) per share. The second interim dividend will be paid on Thursday, 8th May 2025 to shareholders registered at the close of business on the record date, being Thursday, 3rd April 2025. Shares of the Company will be traded ex-dividend as from Tuesday, 1st April 2025.

The Company's dividend policy is to deliver sustainable growth in dividends and to pay out approximately half of our underlying profit in ordinary dividends over time.

Closure of Register of Members

The register of members will be closed on Thursday, 3rd April 2025, during which day no transfer of shares will be effected. In order to qualify for entitlement to the second interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 2nd April 2025.

To facilitate the processing of proxy voting for the annual general meeting to be held on 13th May 2025, the register of members will be closed from 8th May 2025 to 13th May 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 7th May 2025.

Business Review

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

Reserves

Movements in the reserves of the Group and the Company during the year are set out in notes 34 and 35 to the financial statements.

Share Capital

During the year under review, pursuant to the share buy-back programme announced by the Company on 30th August 2024 ("Share Buy-back Programme"), the Company bought back an aggregate of 47,778,600 shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate cost (excluding transaction fees) of HK$750 million. All the shares bought back were subsequently cancelled.

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

Details of share buy-backs made during the year and the Company's share capital are set out in note 33 to the financial statements.

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

At 31st December 2024, taking into account the shares bought back and cancelled, 5,814,221,400 shares were in issue (31st December 2023: 5,850,000,000 shares). The term of the Share Buy-Back Programme will expire on the date falling one day prior to the 2025 Annual General Meeting.

Accounting Policies

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

Auditors

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

Financial Review

A review of the consolidated results, financial position and cash flows of the Group is shown in the section of this annual report headed Financial Review. A ten-year financial summary of the results and of the assets and liabilities of the Group is shown in the section of this annual report headed Ten-Year Financial Summary.

Corporate Governance

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

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

Environmental, Social and Governance

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

Donations

During the year, the Group made donations for charitable purposes of HK$90 million and donations towards various scholarships of HK$0.3 million.

Fixed Assets

For details of movements in fixed assets refer to notes 15 and 16 to the financial statements.

The annual valuation of the Group's investment property portfolio, whether completed or in the course of development, was carried out by professionally qualified valuers (97% by value having been valued by Cushman & Wakefield Limited and 1% by value having been valued by another independent valuer) on the basis of market value at 31st December 2024. This valuation resulted in a decrease of HK$5,996 million (2023: HK$2,829 million) in the carrying value of the investment property portfolio. Such decrease was principally due to the increase in the fair value loss on the office investment properties in Hong Kong.

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

Borrowings

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

Interest

For details of the amount of interest capitalised by the Group refer to page 86.

Major Customers and Suppliers

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

Directors

Yan Yan was appointed as a Director with effect from the conclusion of the Company's 2024 annual general meeting held on 7th May 2024 ("2024 AGM").

Before her appointment became effective, on 26th April 2024, Yan Yan had obtained the legal advice referred to in Rule 3.09D of the Listing Rules from a firm of solicitors qualified to advise on Hong Kong law and had confirmed that she understood her obligations as a director of a listed issuer.

All the other Directors of the Company whose names are listed in the section of this annual report headed Directors and Officers served throughout the calendar year 2024. Lily Cheng resigned as a Director with effect from the conclusion of the Company's 2024 AGM.

Independence Confirmation

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

Term of Appointment

Article 93 of the Company's Articles of Association provides for all Directors to retire at the third annual general meeting following their election by ordinary resolution. In accordance therewith, Guy Bradley, Tim Blackburn, Adam Fenwick, Spencer Fung, Mabelle Ma and Merlin Swire retire this year and, being eligible, offer themselves for re-election. Yan Yan, having been appointed to the Board under Article 91 since the last annual general meeting, also retire this year and offer herself for election.

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

Fees and Emoluments

Full details of Directors' fees and emoluments are set out in note 9 to the financial statements.

Directors' fees paid to the Independent Non-Executive Directors during the year totalled HK$3.6 million. They received no other emoluments from the Group.

Directors' Interests

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

	Capacity					
	Beneficial interest				Percentage of issued share capital (comprised in the class)	
	Personal	Family	Trust interest	Total no. of shares	(%)	Note
John Swire & Sons Limited						
Ordinary Shares of £1						
Adam Fenwick	–	–	3,136,000	3,136,000	3.14	(1)
Merlin Swire	2,193,550	630,000	20,175,819	22,999,369	23.00	(2)
8% Cum. Preference Shares of £1						
Adam Fenwick	–	–	2,822,400	2,822,400	3.14	(1)
Merlin Swire	3,966,125	–	16,917,930	20,884,055	23.20	(2)

Notes:

(1) Adam Fenwick was a trustee of a trust which held 3,136,000 ordinary shares and 2,822,400 preference shares in John Swire & Sons Limited included under trust interest and did not have any beneficial interest in those shares.

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

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

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

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

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

Directors' Interests in Competing Businesses

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

Directors of Subsidiaries

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

Permitted Indemnity

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

Substantial Shareholders' and Other Interests

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

Long position	Number of shares	Percentage of voting shares (%)	Type of interest	Note
Swire Pacific Limited	4,796,765,835	82.50	Beneficial owner	(1)
John Swire & Sons Limited	4,796,765,835	82.50	Attributable interest	(2)

Notes:

(1) Swire Pacific Limited was interested in 4,796,765,835 shares of the Company as beneficial owner.

(2) John Swire & Sons Limited and its wholly-owned subsidiary John Swire & Sons (H.K.) Limited were deemed to be interested in a total of 4,796,765,835 shares of the Company, in which Swire Pacific Limited was interested, by virtue of the John Swire & Sons Limited group being interested in 63.05% of the equity of Swire Pacific Limited and controlling 70.13% of the voting rights attached to shares in Swire Pacific Limited.

Public Float

Rule 8.08(1) of the Listing Rules requires that at least 25% of an issuer's total number of issued shares must at all times be held by the public. The Company has been granted by the Stock Exchange a waiver from strict compliance with Listing Rule 8.08(1) so as to allow a lower public float percentage of 10% (or such higher percentage as was held by the public upon completion of the listing of the shares of the Company on the Stock Exchange). On such completion on 18th January 2012, the public float percentage was approximately 10.28%. From information that is publicly available to the Company and within the knowledge of its Directors at the date of this report, at least 10.28% of the Company's total number of issued shares are held by the public.

Continuing Connected Transactions

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

(a) Services Agreement

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

In return for these services, JS&SHK receives annual service fees calculated as 2.5% of the Company's consolidated profit before taxation and non-controlling interests after certain adjustments. The fees for each year are payable in cash in arrear in two instalments, an interim payment by the end of October and a final payment by the end of April of the following year, adjusted to take account of the interim payment. The Company also reimburses the Swire group at cost for most of the expenses incurred in the provision of the services.

The Services Agreement, which was entered into between JS&SHK and the Company on 1st December 2004, took effect from 1st January 2005, was renewed on 1st October 2007, was amended and restated with effect from 1st January 2010, was renewed again on 1st October 2010, 14th November 2013 and 1st October 2016, was amended and restated on 9th August 2019 and was renewed again on 1st October 2019 and 1st October 2022. The current term of the Services Agreement is from 1st January 2023 to 31st December 2025 and it is renewable for successive periods of three years thereafter unless either party to it gives to the other notice of termination of not less than three months expiring on any 31st December.

Particulars of the fees paid and the expenses reimbursed for the year ended 31st December 2024 are given in note 40 to the financial statements.

(b) Tenancy Framework Agreement

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

For the year ended 31st December 2024, the aggregate rentals payable to the Group under tenancies subject to the Tenancy Framework Agreement totalled HK$152 million.

At 31st December 2024, the Swire group was interested in 63.05% of the equity of Swire Pacific and controlled 70.13% of the voting rights attached to shares in Swire Pacific and Swire Pacific owned 82.50% of the Company's total number of issued shares. JS&SHK, as a wholly-owned subsidiary of Swire, and Swire Pacific are therefore connected persons of the Company under the Listing Rules. The transactions under the Services Agreement and the Tenancy Framework Agreement are continuing connected transactions in respect of which announcements dated 11th August 2022 and 9th May 2024 respectively were published.

As directors and/or employees of (or in one case as an adviser to) the Swire group, Tim Blackburn, Guy Bradley, Raymond Lim, Fanny Lung, Martin Murray and Richard Sell are interested in the Services Agreement and the Tenancy Framework Agreement. Adam Fenwick and Merlin Swire are so interested as shareholders, directors and/or employees of the Swire group.

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

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

On behalf of the Board

Guy Bradley
Chairman
Hong Kong, 13th March 2025

SUSTAINABILITY REVIEW

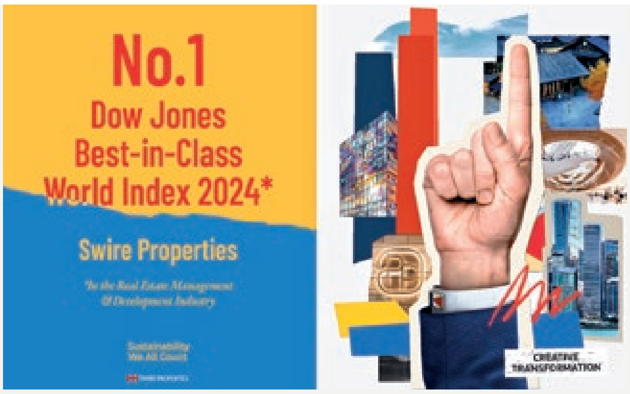
We believe that long-term value creation is dependent on the sustainable development of our business and the communities in which we operate.

In 2024, Swire Properties continued its Sustainable Development (SD) 2030 Strategy which incorporates specific commitments and is designed to integrate sustainability into every aspect of our business. Our SD 2030 Strategy has five pillars:

SD2030

Places | People | Partners | Performance (Environment) | Performance (Economic)

The details of our 2025 and 2030 targets and SD initiatives can be found in our Sustainability Report 2024.



Achieved the No. 1 position globally in Dow Jones Best-in-Class World Index 2024

Over HK$60 million in social value created from Swire Properties Placemaking Academy (2019-2023)

Hong Kong

Sustainability We All Count – No. 1 Position in Dow Jones Best-in-Class World Index 2024

Swire Properties has achieved the No. 1 position globally in the Dow Jones Best-in-Class World Index 2024 in the Real Estate Management & Development Industry category, climbing from the second place last year. This significant accomplishment underscores our commitment to sustainability and reflects the invaluable support from our stakeholders, embodying the ethos of our "Sustainability We All Count" campaign. We achieved our SD 2030 vision of becoming a global leader in sustainability performance six years ahead of our target, and shall remain dedicated to continuing driving meaningful changes and achieving greater advancements in sustainability.

Places

Places are at the heart of, and central to, the achievement of our SD 2030 Strategy.

White Christmas Street Fair 2024

In December, ten university students from Swire Properties Placemaking Academy ("SPPA"), mentored by our management, industry experts and thought leaders, designed, planned and executed the White Christmas Street Fair 2024, the biggest to date. Themed "CampUnity", the event was filled with festive experiences and attractions. In addition, four secondary school students from the Placemaking Academy Junior Programme in collaboration with the E-League Programme by the Eastern District Office of the Home Affairs Department received professional trainings to become emcees at the event. The event supported SCMP-led Operation Santa Claus and raised a total of HK$1.1 million this year, bringing the total amount raised over the past 12 years to over HK$10 million.

Sustainability remained an important element. This year, 40,000 used coffee capsules were upcycled into Christmas string lights. On-site rental tableware was available to reduce single-use plastic waste. Through careful planning in the design and event installations, the Street Fair achieved a waste diversion rate of 93.8% from landfills. With support from the University of Hong Kong, we established a monetisation framework to quantify the social value created for SPPA participants and the broader community. Since 2019, the SPPA programme has generated an estimated social value over HK$60 million. These findings will inform our methodology for assessing the social impact of our community engagement initiatives.

PROJECT AFTER 6: Padel Tour 2024

A pop-up padel court was installed at Taikoo Place from May to August 2024, catering to our community's growing emphasis on wellness and work-life harmony. This full-scale professional court located outside One Island East, allowed the community a free experience of this emerging racquet sport. The event attracted over 6,400 participants.

PROJECT AFTER 6: Padel Tour 2024 at Taikoo Place focused on wellness

Hong Kong

"Bi-city Youth Cultural Leadership Programme" entered its third edition

Hong Kong and Chinese Mainland

Swire Properties Arts Month

Swire Properties Arts Month returned in March 2024, featuring a new permanent art piece, SHELF II, by renowned British sculptor Antony Gormley, which added to Taikoo Place's public art collection. This year also marked the 12th year of partnership between Swire Properties and Art Basel Hong Kong. The fair's hallmark Encounter sector featured an offsite installation 'Doan', by First Nations Australian artist Daniel Boyd, at Pacific Place. Taikoo Place also played host two textile art installations by Portuguese visual artist Joana Vasconcelos, including ArtisTree Selects: Enchanted Forest, and Valkyrie Seondeok at Two Taikoo Place.

Youth Empowerment

"Bi-city Youth Cultural Leadership Programme", a youth initiative of Hong Kong Palace Museum with Swire Properties as the Lead Sponsor, entered its third edition. The Programme fosters cultural exchange between university students in Beijing and Hong Kong, cultivating 15 young cultural talents in its recent edition to create next generation vibrant and sustainable places where arts and culture can thrive.

Diversity and Inclusion in Miami

Brickell City Centre partnered with the Miami Hispanic Cultural Arts Center and the Cuban Classical Ballet of Miami to present a performing arts programme, immersing audience in the vibrant and multifaceted world of Hispanic cultures. The Centre also hosted the 'Freedom to Express' programme during pride month, honouring the LGBTQ+ community and bringing together more than 1,500 people in partnership with brands like Equinox and Chambord.

People

The contributions of our employees are critical to our success.

Employees

Swire Properties employs over 6,900 people (including joint venture companies which the Group jointly operates and manages) across our operating region. Attracting and developing talented colleagues is central to our success. We are an equal opportunities employer and aim to provide a work environment that is respectful, challenging, rewarding and safe.

In 2024, we offered more than 173,900 hours of training and development in leadership and management, technology, IT, sustainability, diversity and inclusion, languages, health and safety and employee wellness.

To promote diversity and inclusion, we set a gender balance target of maintaining female representation at no less than 40%. In 2024, 42.5% of our workforce is female.

"BOOKS FOR LOVE @ $10" raised a total of HK$1.36 million

Hong Kong

129 office tenants enrolled in Green Performance Pledge

Hong Kong and Chinese Mainland

This year, we revamped our Workplace Wellbeing Framework, emphasising three key areas: Built Environment, Workplace Interactions, and HR Policies. The diversity, equity, inclusion, belonging ("DEIB") assessment, completed in March 2024, included interviews, focus groups, and an evaluation of talent management practices in Hong Kong and the Chinese Mainland. The findings will form the development of a DEIB roadmap. Additionally, we launched the Working Parents Connect employee support group in December, establishing key priorities that will shape our focus areas for the coming years.

Health & Safety

In 2024, we continued to advance our Zero Harm commitment, achieving a 10.1% reduction in lost time injuries, while the lost day rate increased 10.7% compared to 2023.

Our dedication to Zero Harm was further demonstrated through extensive resources allocation to safety initiatives across our properties and hotel operations. The 2023-2025 Health and Safety Roadmap successfully raised awareness and mitigated workplace hazards.

We launched a safety campaign focusing on confined spaces, enhancing awareness and risk management in collaboration with contractors. We assessed over 2,000 confined space locations, provided professional training for engineers, evaluated contractor safety capabilities, and implemented robotic technology for inspections of high-risk areas.

Additionally, we continued our partnerships with contractors to adopt innovative technologies that enhance site safety during construction. At Taikoo Li Xi'an, we implemented a trial of remote control tower cranes, significantly reducing the risks associated with repeated climbing.

Volunteering

Our Community Ambassador team plays a crucial role in creating connections with our communities. In 2024, 3,371 Community Ambassadors in Hong Kong contributed a total of 9,384 hours of service from 48 community engagement activities.

The signature initiative "BOOKS FOR LOVE @ $10" mobilised 6,000 volunteers and attracted 45,000 book lovers during the 8-day physical event at Taikoo Place. The initiative raised a total of HK$1.36 million, including the online pre-sale. "LITTLE FASHION FOR LOVE", the green initiative that collects and sells pre-loved kidswear, attracted over 5,000 visitors to the 2-day charity sale, raising more than HK$60,000.

In the Chinese Mainland, 1,890 Ambassadors contributed 3,140 hours of service from 32 community engagement activities. From June to July 2024, over 1,100 Community Ambassadors volunteered for the annual "Walk for Love" programme, with 287,445 kilometre of accumulated walks achieved. The initiative raised funds to purchase 490 cotton-filled vests for the children at Wenle Central Boarding School in Qinghai.

Entered into a partnership with LVMH under the Green Retail Partnership

Hong Kong and Chinese Mainland

Tong Chong Street Market 2024 attracted over 180,000 footfalls over nine days

Hong Kong

Partners

Our business partners play a critical part in the success of our SD 2030 Strategy.

Suppliers

We include our suppliers in our approach to sustainable development. We have our supplier code of conduct to address and manage risks related to regulatory compliance, environmental protection, health and safety, labour practices, human rights, product responsibility and sustainable purchasing in our supply chain. We also further expanded our supplier ESG screening to all active suppliers, assessing their ESG risk exposure specific to their country of operation and industry. In 2024, HK$447 million worth of sustainable products and services were procured.

Tenants

We work closely with our commercial tenants to integrate sustainability into their fit-out and operations through our bespoke engagement programmes.

In 2024, sign-ups for the Green Performance Pledge ("GPP") exceeded our 2025 target, with 129 office tenants enrolled, representing over 4.5 million square feet or 53% of occupied office lettable floor in Hong Kong and the Chinese Mainland. We hosted 8 GPP Academy workshops, attracting over 280 participants from more than 55 companies, and launched a website and newsletter series.

Over 120 outlets in Hong Kong and the Chinese Mainland participated in our Green Kitchen Initiative, promoting sustainable practices among F&B tenants. In 2024, we also launched a new Sustainable Operations Recognition Scheme and upgraded the Sustainable Fit-out Recognition Scheme to enhance support for tenants' sustainable fit-out and operations.

Notably, we announced our strategic partnership for sustainability with luxury conglomerate LVMH to engage its brands in our bespoke tenant engagement programmes. LVMH is also the launch partner for our new Green Retail Partnership. Together, we developed the Eco-design Checklist with targeted recommendations to improve the sustainability performance of upcoming LVMH stores.

Tong Chong Street Market 2024

The Tong Chong Street Market 2024 took place in November, featuring the inaugural nine-hole golf experience across Taikoo Place portfolio. The event featured popular local F&B offerings from 20 vendors and included musical performances, attracting over 180,000 footfalls in 9 days.

Performance (Environment)

As a leading property developer, we are committed to building and managing our developments sustainably.

Climate Change

In 2024, we continued to progress steadily towards our 1.5°C-aligned science-based targets, as part of our core strategy to reach net-zero emissions by 2050, achieving a

Smart Reusable Programme expanded to include reusable food boxes in Taikoo Place

Hong Kong

Over 40 walking tours conducted at Taikoo Square to promote biodiversity

Hong Kong

40% absolute Scope 1 and 2 carbon reduction compared to the 2019 baseline. We continued to adopt innovative low-carbon technologies and invested in energy research and development.

We also advanced the use of low carbon emission construction materials. We are proud to be one of the first three real estate developers to endorse the Collaboration Statement on Low Carbon Emissions Steel for Real Estate in the Chinese Mainland – an initiative convened by the "China Iron and Steel Association (CISA)", "Urban Land Institute (ULI) Greenprint" and "World Steel Association (WSA)", committing to integrate low carbon emissions steel into our procurement processes, and enhance the transparency in lifecycle emissions.

Energy

In 2024, our electricity-use intensity decreased by 15% compared to the 2019 baseline at our Hong Kong and Chinese Mainland properties. The reduction reflected better monitoring of heating, ventilation and air-conditioning ("HVAC") systems via our cloud-based smart-energy management platform; upgrading chillers; installation of variable speed drives and energy valves; and more energy-efficient lighting.

We also replaced 7 chillers at One Island East with variable speed drive high-efficiency chillers, projected to save 1.14 million kWh annually. Our retro-commissioning efforts at HKRI Taikoo Hui and Taikoo Li Qiantan, along with reductions in cooling and heating energy use, are expected to save a total of approximately 14.41 million kWh annually.

Taikoo Hui, Guangzhou (Tower 2) set a benchmark as the first mixed-use office building in the Chinese Mainland to receive both LEED Zero Carbon and LEED Zero Energy certifications.

Resources & Circularity

In 2024, we continued working with our hotels, restaurants and tenants to promote food waste reduction and recycling. 75% of our F&B tenants in our Hong Kong portfolio participated in our food waste recycling programme. We also concluded waste audits for 20 F&B tenants and engaged over 60 F&B tenants in monthly inspections, offering practical insights to enhance waste separation.

Our pioneering Smart Reusable Programme expanded to include reusable food boxes in Taikoo Place, and reusable cups have also been launched in Cityplaza. The reuse network in Cityplaza, Pacific Place and Taikoo Place now covers 33 F&B outlets and has helped saved over 36,000 disposables from landfills since its inception in 2020.

To digitalise waste data collection and gamify tenants' waste reduction journey, in 2024, we have made smart waste monitoring solutions available to all office tenants in Hong Kong. 63 tenants in Citygate, Pacific Place and Taikoo Place now have their waste recorded and monitored digitally.

Recognised by Randstad as the Most Attractive Employer in the Property and Real Estate Sector

Hong Kong

Sustainability Report 2023 received Best Environmental, Social and Governance Reporting Award

Hong Kong

Biodiversity

The newly completed Taikoo Square and Taikoo Garden exemplify Swire Properties' commitment to biophilic design, promoting urban biodiversity through over 70,000 sq. ft. of green space. Featuring more than 260 carefully selected native and exotic plant species, these gardens enhance ecological value and provide open spaces for the community. Over 40 walking tours, with approximately 750 participants from Government, business partners, professional bodies, and media, have been conducted at Taikoo Square to promote the importance of biodiversity.

Green Building

In 2024, Taikoo Place became the first and the only project in the Greater Bay Area to achieve Platinum certification under LEED v.4.1 for Communities: Existing (as of December 2024). ONE INDIGO was recognised as the first project in the Chinese Mainland to achieve LEED Zero Water certification. Most recently, Two Taikoo Place was featured on the 2024 Sustainable Frontiers List, becoming the only project in Hong Kong included in the LEED "Campaign: Frontiers" programme.

At the RICS Awards Hong Kong 2024, Taikoo Place received the Environmental Impact Award, and Two Taikoo Place was honoured as the winner of the Construction Project Management Team of the Year. Furthermore, Two Taikoo Place won the Urban Land Institute (ULI) 2024 Asia Pacific Awards for Excellence at the ULI Asia Pacific Summit in Tokyo, marking Taikoo Place's second recognition since 2020.

Performance (Economic)

We believe that long-term value creation depends on the sustainable development of our business.

Details of our financial performance in 2024 can be found in other parts of this report.

As of 31st December 2024, approximately 70% of our financing came from green bonds, sustainability-linked loans and green loans. In 2024, we issued green bonds totalling approximately HK$6.9 billion, of which RMB3.5 billion was issued by way of dim sum bond in September 2024.

This year, we have launched an integrated Climate and Nature-related Financial Disclosures in our Sustainability Report. This section is prepared in alignment with the Environmental, Social and Governance (ESG) Reporting Guide contained in Appendix C2 to the Listing Rules from the Stock Exchange of Hong Kong Limited (HKEX) and with reference to the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations and the updated ESG Reporting Code from the HKEX, which takes effect on 1st January, 2025.

Further details of our sustainable development performance, including details of our SD 2030 Strategy, can be found in our Sustainability Report 2024.

Taikoo Place, Hong Kong

FINANCIAL CONTENTS

AUDITOR'S REPORT AND ACCOUNTS

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT

pwc

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

Opinion

What we have audited

The consolidated financial statements of Swire Properties Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 138 to 204, comprise:

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

Our opinion

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

Basis for Opinion

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

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

Independence

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

Key Audit Matters

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

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Key Audit Matter	*How our audit addressed the Key Audit Matter*
Valuation of investment properties *Refer to note 16 to the Group's consolidated financial statements* The fair value of the Group's investment properties amounted to HK$271,617 million at 31st December 2024, with a fair value loss of HK$5,996 million recorded in the consolidated statement of profit or loss for the year. Valuations were obtained from third party valuers (the "valuers") in respect of 98% of the investment properties as at 31st December 2024. The valuations are dependent on certain key assumptions that require significant management judgement and estimates, including capitalisation rates and market rents. The valuations of investment properties under development are also dependent upon the estimated costs to complete and expected developer's profit margin. We focused on the valuation of investment properties due to the significant judgement and estimates involved in determining the valuation.	Our procedures in relation to management's valuation of investment properties included: • Understanding management's controls and processes for determining the valuation of investment properties and assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied; • Evaluating the valuers' competence, capabilities, independence and objectivity; • Reviewing the external valuation reports to assess the appropriateness of methodologies used; • Meeting the valuers to discuss and challenge the valuations and key assumptions used; • Comparing the capitalisation rates, market rents and expected developer's profit margin used by the valuers to an estimated range, determined by reference to publicly available information and recent lettings of the subject properties on a sample basis by our in-house valuation experts; • Checking, on a sample basis, the accuracy and completeness of the rental data provided by management to the valuers by agreeing them to the Group's records; and • For investment properties under development, comparing the estimated construction costs to complete with the Group's budgets and testing, on a sample basis, the construction costs to supporting documentation such as quantity surveyor reports and signed contracts, where applicable. We found the key assumptions were supported by the available evidence. We found the disclosures in note 16 to be appropriate.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon. The other information does not include the specific information presented therein that is identified as being an integral part of the consolidated financial statements and, therefore, covered by our audit opinion on the consolidated financial statements.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tsang Nga Kwan.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 13th March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31st December 2024

	Note	2024 HK$M	2023 HK$M
Revenue	4	**14,428**	14,670
Cost of sales	5	**(4,258)**	(4,284)
Gross profit		**10,170**	10,386
Administrative and selling expenses		**(2,195)**	(2,058)
Other operating expenses		**(182)**	(205)
Other net losses	6	**(95)**	(114)
Change in fair value of investment properties		**(5,996)**	(2,829)
Operating profit		**1,702**	5,180
Finance charges		**(1,224)**	(738)
Finance income		**233**	218
Net finance charges	10	**(991)**	(520)
Share of profit less losses of joint venture companies		**704**	124
Share of profit less losses of associated companies		**122**	(416)
Profit before taxation		**1,537**	4,368
Taxation	11	**(2,138)**	(1,617)
(Loss)/Profit for the year		**(601)**	2,751
(Loss)/Profit for the year attributable to:			
The Company's shareholders	34	**(766)**	2,637
Non-controlling interests	36	**165**	114
		(601)	2,751
		HK$	HK$
(Loss)/Earnings per share from (loss)/profit attributable to the Company's shareholders (basic and diluted)	14	**(0.13)**	0.45

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31st December 2024

	2024 HK$M	2023 HK$M
(Loss)/Profit for the year	**(601)**	2,751
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluation of properties previously occupied by the Group		
– gains recognised during the year	**1**	46
– deferred tax	**–**	(11)
Defined benefit plans		
– remeasurement gains/(losses) recognised during the year	**132**	(56)
– deferred tax	**(22)**	9
Net translation differences recognised during the year	**(59)**	(25)
	52	(37)
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges		
– gains/(losses) recognised during the year	**120**	(38)
– transferred to net finance charges	**(55)**	(41)
– deferred tax	**(10)**	13
Share of other comprehensive income of joint venture and associated companies		
– recognised during the year	**(856)**	(103)
– reclassified to profit or loss on deemed disposal	**–**	228
Net translation differences recognised during the year	**(1,347)**	(904)
	(2,148)	(845)
Other comprehensive income for the year, net of tax	**(2,096)**	(882)
Total comprehensive income for the year	**(2,697)**	1,869
Total comprehensive income attributable to:		
The Company's shareholders	**(2,803)**	1,780
Non-controlling interests	**106**	89
	(2,697)	1,869

The above consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December 2024

	Note	2024 HK$M	2023 HK$M
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*15*	**3,404**	3,644
Investment properties	*16*	**271,617**	281,463
Intangible assets	*17*	**1,444**	1,555
Right-of-use assets	*18*	**2,786**	2,655
Properties held for development	*19*	**1,201**	1,210
Joint venture companies	*20*	**21,167**	19,276
Loans due from joint venture companies	*20*	**14,963**	14,781
Associated companies	*21*	**10,296**	10,583
Loans due from associated companies	*21*	**580**	209
Derivative financial instruments	*30*	**65**	57
Deferred tax assets	*31*	**108**	88
Financial assets at fair value through profit or loss		**638**	623
Retirement benefit assets	*32*	**66**	–
		328,335	336,144
Current assets			
Properties for sale	*23*	**12,676**	9,121
Stocks		**75**	77
Trade and other receivables	*24*	**4,205**	3,506
Derivative financial instruments	*30*	**2**	–
Cash and cash equivalents	*25*	**5,121**	5,097
		22,079	17,801
Assets classified as held for sale	*26*	**5,012**	543
		27,091	18,344
Current liabilities			
Trade and other payables	*27*	**11,993**	9,763
Contract liabilities		**637**	5
Taxation payable		**261**	378
Long-term loans and bonds due within one year	*29*	**6,760**	7,563
Lease liabilities due within one year	*28*	**86**	80
		19,737	17,789
Liabilities associated with assets classified as held for sale	*26*	**43**	–
		19,780	17,789
Net current assets		**7,311**	555
Total assets less current liabilities		**335,646**	336,699
Non-current liabilities			
Long-term loans and bonds	*29*	**41,587**	33,606
Long-term lease liabilities	*28*	**434**	527
Derivative financial instruments	*30*	**19**	22
Other payables	*27*	**403**	268
Deferred tax liabilities	*31*	**14,776**	14,082
Retirement benefit liabilities	*32*	**–**	45
		57,219	48,550
NET ASSETS		**278,427**	288,149
EQUITY			
Share capital	*33*	**10,449**	10,449
Reserves	*34*	**264,877**	274,633
Equity attributable to the Company's shareholders		**275,326**	285,082
Non-controlling interests	*36*	**3,101**	3,067
TOTAL EQUITY		**278,427**	288,149

Guy Bradley
May Wu
Directors

Hong Kong, 13th March 2025

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st December 2024

	Note	2024 HK$M	2023 HK$M
Operating activities			
Cash generated from operations	*41(a)*	**6,489**	7,492
Interest paid		**(1,709)**	(1,222)
Interest received		**133**	104
Tax paid		**(1,276)**	(963)
		3,637	5,411
Dividends received from joint venture companies		**125**	34
Net cash from operating activities		**3,762**	5,445
Investing activities			
Purchase of property, plant and equipment	*41(b)*	**(276)**	(217)
Additions of investment properties		**(4,169)**	(2,771)
Purchase of intangible assets		**(46)**	(64)
Proceeds from disposal of investment properties		**454**	5,291
Proceeds from disposal of subsidiary companies, net of cash disposed of		**–**	535
Payment for acquisition of subsidiary companies, net of cash acquired		**–**	(3,699)
Purchase of shares in joint venture companies		**(712)**	(791)
Purchase of shares in associated companies		**–**	(10,397)
Purchase of financial assets at fair value through profit or loss		**(17)**	(161)
Equity to joint venture companies		**(1,032)**	(356)
Loans to joint venture companies		**(779)**	(1,604)
Repayment of loans by joint venture companies		**605**	435
Loans to associated companies		**(298)**	–
Repayment of loans by associated companies		**–**	17
Initial leasing costs incurred		**(7)**	(79)
Net cash used in investing activities		**(6,277)**	(13,861)
Net cash outflow before financing activities		**(2,515)**	(8,416)
Financing activities			
Loans drawn and refinanced		**8,408**	11,523
Bonds issued		**6,904**	6,742
Repayment of loans and bonds		**(7,535)**	(3,130)
Advances from an associated company	*41(c)*	**2,049**	–
Principal elements of lease payments		**(83)**	(82)
		9,743	15,053
Capital contribution from non-controlling interests		**33**	16
Repurchase of the Company's shares	*33*	**(723)**	–
Dividends paid to the Company's shareholders	*34*	**(6,201)**	(5,909)
Dividends paid to non-controlling interests	*36*	**(95)**	(95)
Net cash from financing activities		**2,757**	9,065
Increase in cash and cash equivalents		**242**	649
Cash and cash equivalents at 1st January		**5,097**	4,502
Effect of exchange differences		**(127)**	(54)
Cash and cash equivalents at 31st December		**5,212**	5,097
Represented by:			
Bank balances and short-term deposits maturing within three months			
– Include in bank balances and short-term deposits	*25*	**5,121**	5,097
– Include in assets classified as held for sale		**91**	–
		5,212	5,097

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December 2024

	Note	Attributable to the Company's shareholders					
	Note	Share capital HK$M	Revenue reserve HK$M	Other reserves HK$M	Total HK$M	Non-controlling interests HK$M	Total equity HK$M
At 1st January 2024		**10,449**	**276,689**	**(2,056)**	**285,082**	**3,067**	**288,149**
Loss for the year		**–**	**(766)**	**–**	**(766)**	**165**	**(601)**
Other comprehensive income		**–**	**110**	**(2,147)**	**(2,037)**	**(59)**	**(2,096)**
Total comprehensive income for the year	*34, 36*	**–**	**(656)**	**(2,147)**	**(2,803)**	**106**	**(2,697)**
Capital contribution from non-controlling interests		**–**	**–**	**–**	**–**	**23**	**23**
Repurchase of the Company's shares		**–**	**(752)**	**–**	**(752)**	**–**	**(752)**
Dividends paid		**–**	**(6,201)**	**–**	**(6,201)**	**(95)**	**(6,296)**
At 31st December 2024		**10,449**	**269,080**	**(4,203)**	**275,326**	**3,101**	**278,427**

		Attributable to the Company's shareholders					
	Note	Share capital HK$M	Revenue reserve HK$M	Other reserves HK$M	Total HK$M	Non-controlling interests HK$M	Total equity HK$M
At 1st January 2023		10,449	280,008	(1,246)	289,211	3,047	292,258
Profit for the year		–	2,637	–	2,637	114	2,751
Other comprehensive income		–	(47)	(810)	(857)	(25)	(882)
Total comprehensive income for the year	*34, 36*	–	2,590	(810)	1,780	89	1,869
Capital contribution from non-controlling interests		–	–	–	–	26	26
Dividends paid		–	(5,909)	–	(5,909)	(95)	(6,004)
At 31st December 2023		10,449	276,689	(2,056)	285,082	3,067	288,149

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

General Information

The Company is a limited liability company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. The principal activity of the Company is that of a holding company. The principal activities of its major subsidiary, joint venture and associated companies are shown on pages 202 to 204.

1. Changes in Accounting Policies and Disclosures

(a) The following revised standards and interpretation were required to be adopted by the Group effective from 1st January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
HK-Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

None of the revised standards and interpretation had a significant effect on the Group's consolidated financial statements or accounting policies.

(b) On 22nd February 2023, the Hong Kong Institute of Certified Public Accountants ("HKICPA") published the Financial Reporting Alert 44 to highlight the potential accounting impact of the abolition of the Mandatory Provident Fund ("MPF")-Long Service Payment ("LSP") offsetting mechanism (the "Abolition") on entities in Hong Kong and, in particular, two broad tentative approaches to analyse the issue. The Group has adopted the approach to treat the offsetable accrued benefits as deemed employee contributions. Under this approach, the accrued benefits arising from employer's MPF contributions that have been vested with the employees and which would be used to offset the respective employees' LSP benefits are treated as a deemed contribution towards the employee's LSP benefits.

(c) The Group has not early adopted the following relevant new and revised standards and interpretation that have been issued but are effective for annual periods beginning on or after 1st January 2025 in preparing these consolidated financial statements.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangability[1]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Annual Improvements Project	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HK-Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 To be applied by the Group from 1st January 2025.
2 To be applied by the Group from 1st January 2026.
3 To be applied by the Group from 1st January 2027.
4 The effective date is to be determined.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. Based on a preliminary assessment, except for HKFRS 18 which may have impact to the presentation of financial statements in 2027 financial year, none of the remaining new and revised standards and interpretation are expected to have a significant effect on the Group's consolidated financial statements.

1. Changes in Accounting Policies and Disclosures *(continued)*

(d) In December 2021, the Organisation for Economic Co-operation and Development ("OECD") issued model rules for a new global minimum tax framework ("Pillar Two") (i.e. BEPS 2.0), and various governments around the world have issued, or are in the process of issuing, legislation on this. In conjunction with the ultimate holding company of the Group, an assessment was completed on various regions that the Group has operations and no material exposure is noted. In October 2024, the HKSAR Government released the outcome of the consultation on the implementation of Global Minimum Tax ("GloBE") and Hong Kong minimum top-up tax ("HKMTT"), summarising the stakeholders' feedback and the Government's responses. Hong Kong will implement the Income Inclusion Rule and the Undertaxed Profits Rule as part of its domestic implementation of the GloBE Rules, as well as implementing HKMTT, for fiscal years beginning on or after 1st January 2025. Other respective governments of the Group's major operating regions have not substantively enacted the legislation on Pillar Two as of the date of approval of these 2024 financial statements.

2. Financial Risk Management

Financial risk factors

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

Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Interest rate exposure

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

The Group uses interest rate swaps to manage its long-term interest rate exposure.

The impact on the Group's consolidated statements of profit or loss and other comprehensive income of a 100 basis-points increase or decrease in market interest rates from the rates applicable at 31st December, with all other variables held constant, would have been:

	100 basis-points increase in interest rates HK$M	100 basis-points decrease in interest rates HK$M
At 31st December 2024		
Impact on profit or loss: (losses)/gains	**(123)**	**123**
Impact on other comprehensive income: gains/(losses)	**72**	**(73)**
At 31st December 2023		
Impact on profit or loss: (losses)/gains	(83)	83
Impact on other comprehensive income: gains/(losses)	99	(102)

2. Financial Risk Management *(continued)*

(i) Interest rate exposure (continued)

This analysis is based on a hypothetical situation, as in practice market interest rates rarely change in isolation, and should not be considered a projection of likely future profit or losses. The analysis assumes the following:

- Changes in market interest rates affect the interest income or expense of floating rate financial instruments
- Changes in market interest rates only affect interest income or expense in relation to fixed rate financial instruments if these are recognised at fair value
- Changes in market interest rates affect the fair value of derivative financial instruments
- All other financial assets and liabilities are held constant

(ii) Currency exposure

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

The Group is not subject to any significant foreign currency risk as the revenue, expenses and borrowings of the Group's foreign operating subsidiaries are denominated in the functional currencies of those operations. However, the Group is exposed to insignificant foreign exchange risk on US dollar medium-term notes and the Group managed this exposure by hedging through cross-currency swap contracts entered by the Group.

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

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

The impact on the Group's consolidated statements of profit or loss and other comprehensive income of a strengthening or weakening in the Hong Kong dollar against the US dollar from the year-end rate of 7.7632 (2023: 7.8141), with all other variables held constant, would have been:

	Strengthening in HKD to lower peg limit (7.75) HK$M	Weakening in HKD to upper peg limit (7.85) HK$M
At 31st December 2024		
Impact on profit or loss	**–**	**–**
Impact on other comprehensive income	**–**	**–**
At 31st December 2023		
Impact on profit or loss	–	–
Impact on other comprehensive income: gains/(losses)	2	(1)

2. Financial Risk Management *(continued)*

(ii) Currency exposure (continued)

The analysis is based on a hypothetical situation, as in practice market exchange rates rarely change in isolation, and should not be considered a projection of likely future profits or losses. The analysis assumes the following:

- All foreign currency cash flow hedges are highly effective
- Currency risk does not arise from financial assets or liabilities denominated in the functional currencies of the Company and its subsidiary companies
- Currency risk does not arise from financial instruments that are non-monetary items

(iii) Credit exposure

The Group's credit risk is primarily attributable to trade and other receivables, derivative financial instruments, receivables from joint venture companies and associated companies and cash and deposits with banks and financial institutions.

Risk management
The exposure to these credit risks is closely monitored on a continuous basis by reference to established credit policies. For banks and financial institutions, only independently rated parties with investment grade credit ratings are accepted as counterparties. Tenants are assessed and rated based on their credit quality, taking into account their financial position, past experience and other factors. The Group does not grant credit terms to its customers, except to corporate customers in the hotel division where commercial trade credit terms are given. The Group also holds non-interest-bearing rental deposits as security against trade debtors. In addition, the Group and the Company monitor the exposure to credit risk in respect of the financial assistance provided to subsidiary, joint venture and associated companies through exercising control, joint control or significant influence over their financial and operating policy decisions and reviewing their financial positions on a regular basis.

The Group has the following major types of assets that are subject to the expected credit loss model:

- Trade receivables
- Other financial assets at amortised cost

Trade receivables
The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. As the Group's historical credit loss experience does not indicate different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the Group's different customer segments. The expected loss rates are based on historical payment profiles. These rates are adjusted to reflect current and forward-looking information about economic conditions.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators include the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment charges on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited to the same line item.

Other financial assets at amortised cost
Other financial assets at amortised cost include other receivables and loans due from related parties. Loans due from joint venture, associated and other related companies are considered to have low credit risk as the financial positions and performances of these companies are regularly monitored and reviewed by management of the Group.

2. Financial Risk Management *(continued)*

(iv) Liquidity exposure

The Group takes liquidity risk into consideration when deciding its sources of funds and their tenors, so as to avoid over reliance on funds from any one source and to prevent substantial refinancing in any one period. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the head office. The head office monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements.

The tables below analyse the contractual undiscounted cash flows of the Group's non-derivative financial liabilities and net-settled derivative financial liabilities by relevant maturity groupings based on the remaining periods at the year-end date to the earliest contractual maturity dates.

At 31st December 2024

	Note	Carrying amount HK$M	Total contractual undiscounted cash flow HK$M	Within 1 year or on demand HK$M	More than 1 year but less than 2 years HK$M	More than 2 years but less than 5 years HK$M	More than 5 years HK$M
Trade creditors	*27*	**933**	**933**	**933**	**–**	**–**	**–**
Rental deposits from tenants	*27*	**2,942**	**2,942**	**756**	**590**	**1,251**	**345**
Other payables	*27*	**7,465**	**7,465**	**7,465**	**–**	**–**	**–**
Put option in respect of a non-controlling interest	*27*	**653**	**653**	**653**	**–**	**–**	**–**
Lease liabilities	*28*	**520**	**593**	**102**	**85**	**191**	**215**
Borrowings (including interest obligations)	*29*	**48,347**	**51,851**	**8,076**	**12,059**	**29,753**	**1,963**
Derivative financial instruments	*30*	**19**	**19**	**–**	**–**	**19**	**–**
Financial guarantee contracts	*38*	**–**	**4,208**	**4,208**	**–**	**–**	**–**
		60,879	**68,664**	**22,193**	**12,734**	**31,214**	**2,523**

At 31st December 2023

	Note	Carrying amount HK$M	Total contractual undiscounted cash flow HK$M	Within 1 year or on demand HK$M	More than 1 year but less than 2 years HK$M	More than 2 years but less than 5 years HK$M	More than 5 years HK$M
Trade creditors	*27*	1,046	1,046	1,046	–	–	–
Rental deposits from tenants	*27*	2,965	2,965	871	586	1,158	350
Other payables	*27*	5,138	5,138	5,138	–	–	–
Put option in respect of a non-controlling interest	*27*	613	613	613	–	–	–
Lease liabilities	*28*	607	701	99	100	215	287
Borrowings (including interest obligations)	*29*	41,169	45,531	9,053	7,207	26,830	2,441
Derivative financial instruments	*30*	22	22	–	–	22	–
Financial guarantee contracts	*38*	–	4,069	4,069	–	–	–
		51,560	60,085	20,889	7,893	28,225	3,078

3. Critical Accounting Estimates and Judgements

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, inevitably, seldom be equal to the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed in the relevant notes as follows:

(a) Impairment of property, plant and equipment (note 15)
(b) Fair value of investment properties (note 16)
(c) Impairment of goodwill (note 17)

4. Revenue

Accounting Policy

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain benefits from the good or service. Provided the collectability of the related receivable is probable, revenue is recognised as follows:

(a) Rental income is recognised when a lease commences. According to the contractual terms, leased properties do not have alternative uses to the Group after the leasing period stipulated in the signed tenancy agreements commence. Rental income is recognised on a straight-line basis over the shortest of (i) the remaining lease term, (ii) the period to the next rent review date and (iii) the period from the commencement date of the lease to the first break option date (if any), exclusive of any turnover rent (if applicable) and other charges and reimbursements (if any). Where the lease includes a rent-free period, the rental income foregone is allocated evenly over the lease term. Turnover rent is recognised when the lessee's revenue transaction is recognised. Rental income forgiven (not recognised as an expected credit loss of operating lease receivables) is treated as a lease modification, and the revised future lease income under the new lease, including any prepaid or accrued lease income relating to the original lease is subsequently recognised as income on a straight-line basis.

(b) The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the buyers. According to the contractual terms, the properties generally do not have alternative uses to the Group after the signing of sales contracts with the buyers. However, in Hong Kong, the Chinese Mainland and the U.S.A., an enforceable right to payment does not arise until legal title of the property has been transferred to the buyer. Therefore, revenue is recognised upon completion of the transfer of legal title to the buyer.

(c) Sale of goods are recognised when control of the goods has transferred, being when the goods are delivered to the customer, the customer has full discretion over the use of the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Sales of food and beverages happen at a point in time and do not include any significant separate performance obligations.

(d) Sales of services, including services provided by hotel operations and estate management, are recognised when the services are rendered. Revenue is recognised over time rather than at a point in time.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

4. Revenue *(continued)*

Accounting Policy *(continued)*

Definition of terms

Contract asset: An entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditional on something other than the passage of time (for example, the entity's future performance).

Contract liability: An entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer.

When the Group enters into sale and purchase contracts for properties or sale contracts for services other than tenancy agreements, if the performance obligations fulfilled by the Group exceed the total payments received to date, a contract asset is recognised; if the total payments received to date exceed the performance obligation fulfilled, a contract liability is recognised. Deposits received upon signing of sale and purchase contracts, or sale contracts are recognised as contract liabilities.

Contract asset and contract liability are defined in HKFRS 15 "Revenue from Contracts with Customers". These two terms do not apply to rental income from lease agreements, which is specifically excluded from the scope of HKFRS 15.

Revenue represents sales by the Company and its subsidiary companies to external customers which comprises:

	2024 HK$M	2023 HK$M
Gross rental income from investment properties	**13,316**	13,408
Property trading	**88**	166
Hotels	**888**	979
Rendering of other services	**136**	117
	14,428	14,670

	2024 HK$M	2023 HK$M
Revenue recognised in the current reporting period that was related to the contract liability balance at the beginning of the year	**5**	14

Of the contract liabilities of HK$637 million outstanding at 31st December 2024 (2023: HK$5 million), HK$637 million is expected to be recognised as revenue after one year (2023: HK$5 million was expected to be recognised as revenue within one year).

The following table shows unsatisfied performance obligations resulting from contracts with customers.

	2024 HK$M	2023 HK$M
Aggregate amount of the transaction price allocated to revenue contracts that are partially or fully unsatisfied at the end of the year	**5,286**	46

Of the amount disclosed above at 31st December 2024, HK$5,286 million is expected to be recognised as revenue after one year (2023: HK$46 million was expected to be recognised as revenue within one year).

5. Cost of Sales

	2024 HK$M	2023 HK$M
Direct rental outgoings in respect of investment properties that		
– generated rental income	**3,034**	2,984
– did not generate rental income	**313**	282
	3,347	3,266
Property trading	**62**	119
Hotels	**849**	899
	4,258	4,284

6. Other Net Losses

	2024 HK$M	2023 HK$M
Gains arising from the acquisition of interests in joint venture companies	**–**	551
Losses on disposal of investment properties	**–**	(16)
Losses on disposal of property, plant and equipment	**(10)**	(2)
Losses on disposal of assets classified as held for sale	**(220)**	(44)
Change in fair value of assets classified as held for sale	**(2)**	(442)
Reversal on impairment loss on a hotel held as part of a mixed-use development	**15**	–
Net foreign exchange gains/(losses)	**2**	(240)
Others	**120**	79
	(95)	(114)

7. Expenses by Nature

Expenses included in cost of sales, administrative and selling expenses, and other operating expenses are analysed as follows:

	2024 HK$M	2023 HK$M
Impairment charged on trade receivables (note (i))	**33**	40
Depreciation of property, plant and equipment (note 15)	**313**	275
Depreciation of right-of-use assets		
– leasehold land held for own use	**31**	29
– property	**48**	49
Amortisation of		
– intangible assets (note 17)	**71**	66
– initial leasing costs in respect of investment properties	**52**	96
Staff costs (note (ii))	**2,364**	2,115
Other lease expenses (note (iii))	**33**	31
Auditors' remuneration		
– audit services	**14**	14
– tax services	**1**	2
– other services	**5**	4

Notes:

(i) The amounts include impairment charges relating to expected credit losses on forgiveness of lease payments of operating lease receivables, i.e. rent concessions granted to tenants during the year, under HKFRS 9 of HK$27 million (2023: HK$36 million).

(ii) The staff costs on a divisional basis are: Property investment of HK$1,810 million (2023: HK$1,576 million), Property trading of HK$94 million (2023: HK$90 million) and Hotels of HK$460 million (2023: HK$449 million).

(iii) These expenses relate to short-term leases and leases of low-value assets. They are directly charged to the consolidated statement of profit or loss and are not included in the measurement of lease liabilities under HKFRS 16.

8. Segment Information

The Group is organised on a divisional basis: Property investment, Property trading and Hotels. The reportable segments within each of the three divisions are classified according to the nature of the business.

Accounting Policy

Segment information is reported in a manner consistent with the Group's internal financial reporting provided to the Executive Directors for making strategic decisions. A reportable segment comprises either one or more operating segments which can be aggregated together because they share similar economic characteristics or single operating segments which are discloseable separately because they cannot be aggregated or because they exceed certain quantitative thresholds.

(a) Information about reportable segments

Analysis of Consolidated Statement of Profit or Loss

	External revenue HK\$M	Inter-segment revenue HK\$M	Operating profit/(losses) after depreciation and amortisation HK\$M	Finance charges HK\$M	Finance income HK\$M	Share of profit less losses of joint venture companies HK\$M	Share of profit less losses of associated companies HK\$M	Profit/(Losses) before taxation HK\$M	Taxation HK\$M	Profit/(Losses) for the year HK\$M	Profit/(Losses) attributable to the Company's shareholders HK\$M	Depreciation and amortisation charged to operating profit HK\$M
Year ended 31st December 2024												
Property investment	**13,452**	**3**	**8,030**	**(1,213)**	**230**	**1,323**	**(5)**	**8,365**	**(1,039)**	**7,326**	**7,234**	**(304)**
Property trading	**88**	**–**	**(178)**	**–**	**3**	**(21)**	**14**	**(182)**	**(54)**	**(236)**	**(233)**	**(29)**
Hotels	**888**	**5**	**(154)**	**(11)**	**–**	**(69)**	**30**	**(204)**	**13**	**(191)**	**(191)**	**(182)**
Change in fair value of investment properties	**–**	**–**	**(5,996)**	**–**	**–**	**(529)**	**83**	**(6,442)**	**(1,058)**	**(7,500)**	**(7,576)**	**–**
Inter-segment elimination	**–**	**(8)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	14,428	**–**	**1,702**	**(1,224)**	**233**	**704**	**122**	**1,537**	**(2,138)**	**(601)**	**(766)**	**(515)**
Year ended 31st December 2023												
Property investment	13,525	3	8,201	(725)	203	866	7	8,552	(1,117)	7,435	7,325	(314)
Property trading	166	–	(89)	–	15	(46)	–	(120)	(52)	(172)	(169)	–
Hotels	979	5	(103)	(13)	–	(29)	31	(114)	13	(101)	(100)	(201)
Change in fair value of investment properties	–	–	(2,829)	–	–	(667)	(454)	(3,950)	(461)	(4,411)	(4,419)	–
Inter-segment elimination	–	(8)	–	–	–	–	–	–	–	–	–	–
	14,670	–	5,180	(738)	218	124	(416)	4,368	(1,617)	2,751	2,637	(515)

Note:
Sales between business segments are accounted for at competitive prices charged to unaffiliated customers for similar goods and services.

8. Segment Information *(continued)*

(a) Information about reportable segments *(continued)*

Analysis of total assets of the Group

	Segment assets HK$M	Joint venture companies* HK$M	Associated companies* HK$M	Bank deposits and cash HK$M	Total assets HK$M	Additions to non-current assets (Note) HK$M
At 31st December 2024						
Property investment	**283,907**	**27,660**	**3,316**	**4,940**	**319,823**	**4,880**
Property trading	**15,235**	**6,760**	**6,968**	**51**	**29,014**	**85**
Hotels	**4,157**	**1,710**	**592**	**130**	**6,589**	**68**
	303,299	**36,130**	**10,876**	**5,121**	**355,426**	**5,033**
At 31st December 2023						
Property investment	289,079	25,799	8,366	4,854	328,098	3,206
Property trading	10,869	6,057	2,167	127	19,220	–
Hotels	4,594	2,201	259	116	7,170	67
	304,542	34,057	10,792	5,097	354,488	3,273

* The assets relating to joint venture and associated companies include the loans due from these companies.

Note:
In this analysis, additions to non-current assets during the year exclude joint venture and associated companies, financial assets at fair value through profit or loss and other comprehensive income, financial instruments, deferred tax assets and retirement benefit assets.

Analysis of total liabilities and non-controlling interests of the Group

	Segment liabilities HK$M	Current and deferred tax liabilities HK$M	External borrowings HK$M	Lease liabilities HK$M	Total liabilities HK$M	Non-controlling interests HK$M
At 31st December 2024						
Property investment	**10,184**	**14,900**	**26,458**	**516**	**52,058**	**3,055**
Property trading	**2,718**	**137**	**21,329**	**–**	**24,184**	**–**
Hotels	**193**	**–**	**560**	**4**	**757**	**46**
	13,095	**15,037**	**48,347**	**520**	**76,999**	**3,101**
At 31st December 2023						
Property investment	8,196	14,370	25,396	599	48,561	3,025
Property trading	1,670	89	14,422	–	16,181	1
Hotels	237	1	1,351	8	1,597	41
	10,103	14,460	41,169	607	66,339	3,067

8. Segment Information *(continued)*

(a) Information about reportable segments *(continued)*

Analysis of external revenue of the Group – Timing of revenue recognition

	At a point in time HK$M	Over time HK$M	Rental income on leases HK$M	Total HK$M
Year ended 31st December 2024				
Property investment	**–**	**136**	**13,316**	**13,452**
Property trading	**88**	**–**	**–**	**88**
Hotels	**395**	**493**	**–**	**888**
	483	**629**	**13,316**	**14,428**
Year ended 31st December 2023				
Property investment	–	117	13,408	13,525
Property trading	166	–	–	166
Hotels	465	514	–	979
	631	631	13,408	14,670

(b) Information about geographical areas

The activities of the Group are principally based in Hong Kong, the Chinese Mainland and the U.S.A.

An analysis of revenue and non-current assets of the Group by principal markets is outlined below:

	Revenue		Non-current assets (Note)	
	2024 HK$M	2023 HK$M	**2024 HK$M**	2023 HK$M
Hong Kong	**8,620**	9,136	**215,660**	224,443
Chinese Mainland	**5,284**	5,034	**62,566**	59,436
U.S.A.	**524**	500	**2,226**	6,648
	14,428	14,670	**280,452**	290,527

Note:
In this analysis, the total of non-current assets excludes joint venture and associated companies (and loans advanced to these companies), financial assets at fair value through profit or loss and other comprehensive income, financial instruments, deferred tax assets and retirement benefit assets.
Of the joint venture and associated companies balances, HK$7,105 million (2023: HK$7,635 million) is based in Hong Kong, HK$23,686 million (2023: HK$21,566 million) is based in the Chinese Mainland and HK$672 million (2023: HK$658 million) is based in U.S.A. and elsewhere.

9. Directors' and Executive Officers' Emoluments

(a) The total emoluments of Directors of the Company disclosed pursuant to section 383 (1) of the Hong Kong Companies Ordinance and the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Cash				Non-cash				
	Salary HK\$'000	Fees HK\$'000	Discretionary bonus (note (i)) HK\$'000	Allowance and benefits HK\$'000	Retirement scheme contributions HK\$'000	Discretionary bonus paid into retirement scheme HK\$'000	Housing and other benefits (note (ii)) HK\$'000	Total 2024 HK\$'000	Total 2023 HK\$'000
For the year ended 31st December 2024									
Executive Directors									
Guy Bradley (Chairman) (note (iii))	**684**	**–**	**691**	**16**	**218**	**691**	**872**	**3,172**	2,524
Tim Blackburn (note (iv))	**4,233**	**–**	**4,055**	**3,219**	**1,346**	**4,055**	**–**	**16,908**	13,585
Fanny Lung (note (iv))	**4,220**	**–**	**5,225**	**1,189**	**1,511**	**–**	**–**	**12,145**	10,145
Mabelle Ma	**3,908**	**–**	**2,766**	**798**	**508**	**–**	**58**	**8,038**	7,567
Non-Executive Directors									
Adam Fenwick	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Raymond Lim	**–**	**575**	**–**	**–**	**–**	**–**	**–**	**575**	575
Martin Murray	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Richard Sell (note (v))	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Merlin Swire	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	–
Independent Non-Executive Directors									
Lily Cheng (note (vi))	**–**	**266**	**–**	**–**	**–**	**–**	**–**	**266**	761
Thomas Choi	**–**	**695**	**–**	**–**	**–**	**–**	**–**	**695**	695
Spencer Fung	**–**	**808**	**–**	**–**	**–**	**–**	**–**	**808**	741
Jinlong Wang (note (vii))	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	203
May Wu	**–**	**843**	**–**	**–**	**–**	**–**	**–**	**843**	843
Yan Yan (note (viii))	**–**	**375**	**–**	**–**	**–**	**–**	**–**	**375**	–
Angela Zhu (note (ix))	**–**	**629**	**–**	**–**	**–**	**–**	**–**	**629**	373
Total 2024	**13,045**	**4,191**	**12,737**	**5,222**	**3,583**	**4,746**	**930**	**44,454**	N/A
Total 2023	12,288	4,191	8,736	5,291	3,398	2,866	1,242	N/A	38,012

Notes:
(i) The bonuses disclosed above are related to services as Executive Directors for the previous year.
(ii) Other benefits include medical and insurance benefits and overseas tax subsidies.
(iii) The total emoluments are charged to the Group in accordance with the amount of time spent on its affairs.
(iv) The total emoluments are fully charged to the Group.
(v) Richard Sell was appointed as a Non-Executive Director of the Company with effect from 17th October 2023.
(vi) Lily Cheng resigned as an Independent Non-Executive Director of the Company with effect from the conclusion of the Company's 2024 annual general meeting held on 7th May 2024 (the "2024 AGM").
(vii) Jinlong Wang retired as an Independent Non-Executive Director of the Company with effect from the conclusion of the Company's 2023 annual general meeting held on 9th May 2023 (the "2023 AGM").
(viii) Yan Yan was appointed as an Independent Non-Executive Director of the Company with effect from the conclusion of the Company's 2024 AGM.
(ix) Angela Zhu was appointed as an Independent Non-Executive Director of the Company with effect from the conclusion of the Company's 2023 AGM.

9. Directors' and Executive Officers' Emoluments *(continued)*

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group are as follows:

	Year ended 31st December	
	2024	2023
Number of individuals:		
Executive Directors (note (i))	**3**	3
Executive Officers (note (ii))	**2**	2
	5	5

Notes:
(i) Details of the emoluments paid to these Executive Directors are included in the disclosure set out in note 9(a) above.
(ii) Details of the emoluments paid to the above executive officers are as follows.

	Year ended 31st December	
	2024 HK$'000	2023 HK$'000
Cash:		
Salary	**6,128**	5,901
Discretionary bonus (Note)	**3,910**	3,523
Allowance and benefits	**677**	714
Non-cash:		
Retirement scheme contributions	**790**	820
Housing and other benefits	**8,348**	6,723
	19,853	17,681

Note:
The bonuses disclosed above are related to services for the previous year.

The number of the above Executive Officers whose emoluments fell within the following bands:

	Year ended 31st December	
	2024	2023
HK$11,000,001 – HK$11,500,000	**1**	–
HK$10,000,001 – HK$10,500,000	**–**	1
HK$8,500,001 – HK$9,000,000	**1**	–
HK$7,500,001 – HK$8,000,000	**–**	1
	2	2

10. Net Finance Charges

Accounting Policy

Interest costs incurred are charged to the consolidated statement of profit or loss except for those interest charges attributable to the acquisition, construction or production of qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale) which are recognised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

Interest income on financial assets at fair value through profit or loss ("FVPL") is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at fair value through other comprehensive income ("FVOCI") calculated using the effective interest method is recognised on a time proportion basis in the consolidated statement of profit or loss as part of finance income. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other net gains/(losses). Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Refer to the table with heading "Audited Financial Information" on page 86 for details of the Group's net finance charges.

11. Taxation

Accounting Policy

The tax charge comprises current and deferred tax. The tax charge is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in the consolidated statement of other comprehensive income or directly to equity.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

	2024		2023	
	HK$M	**HK$M**	HK$M	HK$M
Current taxation				
Hong Kong Profits Tax	**421**		494	
Chinese Mainland Enterprise Income Tax ("EIT")	**643**		650	
Other taxes	**103**		15	
Over-provisions in prior years	**(5)**		(28)	
		1,162		1,131
Deferred taxation (note 31)				
Change in fair value of investment properties	**629**		106	
Origination and reversal of temporary differences	**347**		380	
		976		486
		2,138		1,617

Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) on the estimated assessable profits for the year. Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the Chinese Mainland EIT is calculated at 25% (2023: 25%) on the estimated assessable profits for the year. Other taxes are calculated at tax rates applicable in jurisdictions in which the Group is assessable for tax.

11. Taxation *(continued)*

The tax charge on the Group's profit before taxation differs from the theoretical amount that would arise using the Hong Kong profits tax rate of the Company as follows:

	2024 HK$M	2023 HK$M
Profit before taxation	**1,537**	4,368
Calculated at a tax rate of 16.5% (2023: 16.5%)	**254**	721
Share of results of joint venture and associated companies	**(136)**	48
Effect of different tax rates in other jurisdictions	**467**	263
Fair value losses on investment properties	**1,415**	635
Income not subject to tax	**(56)**	(123)
Expenses not deductible for tax purposes	**104**	79
Unused tax losses not recognised	**39**	28
Utilisation of previously unrecognised tax losses	**(22)**	(12)
Recognition of previously unrecognised tax losses	**(11)**	(27)
Withholding tax	**89**	33
Over-provisions in prior years	**(5)**	(28)
Tax charge	**2,138**	1,617

The Group's share of joint venture companies' tax charges of HK$234 million (2023: HK$241 million) and share of associated companies' tax charges of HK$32 million (2023: tax credits of HK$149 million) respectively are included in the share of results of joint venture and associated companies shown in the consolidated statement of profit or loss.

12. Profit Attributable to the Company's Shareholders

Of the profit attributable to the Company's shareholders, HK$4,207 million (2023: HK$5,763 million) is dealt with in the financial statements of the Company.

13. Dividends

Accounting Policy

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or declared by the Company's Directors, where appropriate.

	2024 HK$M	2023 HK$M
First interim dividend paid on 9th October 2024 of HK$0.34 per share (2023: HK$0.33)	**1,989**	1,931
Second interim dividend declared on 13th March 2025 of HK$0.76 per share (2023: HK$0.72)	**4,390**	4,212
	6,379	6,143

The first interim dividend paid for the year ended 31st December 2024 does not include the amount of the dividend in respect of the shares of the Company which were repurchased prior to 4th September 2024.

13. Dividends *(continued)*

The second interim dividend is not accounted for in 2024 because it had not been declared or approved at the year-end date. The actual amount payable in respect of 2024 will be accounted for as an appropriation of the revenue reserve in the year ending 31st December 2025 when declared. The amount payable in respect of the second interim dividend for 2024 is calculated based on the number of shares in issue at 7th March 2025. In determining the number of shares in issue, shares repurchased by the Company but not yet cancelled are excluded, as none of the shares repurchased but not yet cancelled by the Company would receive the aforesaid dividend. At 7th March 2025, the number of repurchased shares pending cancellation were 15,000,000 shares. The Company would not hold any repurchased shares as treasury shares.

14. (Loss)/Earnings Per Share (Basic and Diluted)

Basic loss (2023: earnings) per share is calculated by dividing the loss attributable to the Company's shareholders of HK$766 million (2023: profit of HK$2,637 million) by the daily weighted average number of 5,845,544,241 ordinary shares in issue during the year (2023: 5,850,000,000 ordinary shares).

Diluted (loss)/earnings per share is equal to basic (loss)/earnings per share as there was no dilutive potential share outstanding for the year ended 31st December 2024 (2023: same).

15. Property, Plant and Equipment

Accounting Policy

Property, plant and equipment is carried at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

With the exception of freehold land, all other items of property, plant and equipment are depreciated at rates sufficient to write off their original costs to estimated residual values using the straight-line method over their anticipated useful lives in the following manner:

Buildings	2% to 5% per annum
Plant and equipment	10% to 33⅓% per annum

The assets' expected useful lives and residual values are regularly reviewed and adjusted, if appropriate, at the end of each reporting period to take into account operational experience and changing circumstances.

On the transfer of owner-occupied property to investment property, increases in the carrying amount arising on revaluation of land and buildings are credited to the consolidated statement of other comprehensive income and shown as property revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in the consolidated statement of other comprehensive income and debited against property revaluation reserve directly in equity; all other decreases are charged to the consolidated statement of profit or loss.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised within other net gains/(losses) in the consolidated statement of profit or loss. When revalued assets are sold, the amounts included in the property revaluation reserve are transferred to revenue reserve.

Critical Accounting Estimates and Judgements

At each reporting date or whenever a change in circumstances occurs, both internal and external sources of information are considered to assess whether there is an indication that assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated using fair value less costs of disposal and/or value in use calculations as appropriate. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognised to reduce the asset to its recoverable amount. Such impairment charges are recognised in the consolidated statement of profit or loss within other net gains/(losses).

15. Property, Plant and Equipment *(continued)*

	Land and buildings HK$M	Plant and equipment HK$M	Total HK$M
Cost:			
At 1st January 2024	**4,537**	**2,312**	**6,849**
Translation differences	**(75)**	**(35)**	**(110)**
Additions	**4**	**303**	**307**
Disposals	**–**	**(133)**	**(133)**
Net transfers to investment properties (note 16)	**(702)**	**–**	**(702)**
Transfers from properties for sale	**–**	**51**	**51**
At 31st December 2024	**3,764**	**2,498**	**6,262**
Accumulated depreciation and impairment:			
At 1st January 2024	**1,471**	**1,734**	**3,205**
Translation differences	**(28)**	**(24)**	**(52)**
Charge for the year (note 7)	**104**	**209**	**313**
Disposals	**–**	**(123)**	**(123)**
Reversal of impairment losses	**(15)**	**–**	**(15)**
Transfers to investment properties (note 16)	**(470)**	**–**	**(470)**
At 31st December 2024	**1,062**	**1,796**	**2,858**
Net book value:			
At 31st December 2024	**2,702**	**702**	**3,404**

	Land and buildings HK$M	Plant and equipment HK$M	Total HK$M
Cost:			
At 1st January 2023	4,165	2,012	6,177
Translation differences	(45)	(12)	(57)
Acquisition of subsidiary companies	488	144	632
Additions	9	208	217
Disposals	–	(40)	(40)
Net transfers to investment properties (note 16)	(126)	–	(126)
Revaluation surplus	46	–	46
At 31st December 2023	4,537	2,312	6,849
Accumulated depreciation and impairment:			
At 1st January 2023	1,398	1,614	3,012
Translation differences	(11)	(3)	(14)
Charge for the year (note 7)	114	161	275
Disposals	–	(38)	(38)
Transfers to investment properties (note 16)	(30)	–	(30)
At 31st December 2023	1,471	1,734	3,205
Net book value:			
At 31st December 2023	3,066	578	3,644

At 31st December 2024, property, plant and equipment of HK$428 million (2023: HK$460 million) are pledged as security for secured loans and other borrowings.

Refer to the table with heading "Audited Financial Information" on page 86 for details of the Group's capitalised interest rates and the amount of interest capitalised.

16. Investment Properties

Accounting Policy

Investment property comprises freehold land, leasehold land and buildings held for long-term rental yields or for capital appreciation or for both, and that are not occupied by the Group. Property held by the lessee as a right-of-use asset is classified and accounted for as an investment property when the rest of the definition of investment property is met.

Investment properties (including those under development) are carried at fair value and are valued twice a year. The majority of investment properties are valued by independent valuers. The valuations are performed in accordance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors and are on the basis of market value related to individual properties, and separate values are not attributed to land and buildings. These values represent their fair values in accordance with HKFRS 13. Land and buildings that are being developed for future use as investment properties and investment properties that are being redeveloped for continuing use as investment properties are measured at fair value and included as investment properties under development. Changes in fair values are recognised in the consolidated statement of profit or loss.

Subsequent expenditure is charged to an investment property's carrying amount only when it is probable that future economic benefits associated with that expenditure will flow to the Group and the cost can be measured reliably. All other repair and maintenance costs in respect of an investment property are expensed in the consolidated statement of profit or loss during the financial period in which they are incurred.

If an investment property becomes owner-occupied or property for sale, it is reclassified as property, plant and equipment, leasehold land under right-of-use assets or properties for sale respectively, and its fair value at the date of reclassification becomes its deemed cost for accounting purposes.

Expenditure incurred in leasing out the Group's investment properties during development is deferred and amortised on a straight-line basis in the consolidated statement of profit or loss upon occupation of the property over a period not exceeding the term of the leases.

Critical Accounting Estimates and Judgements

Cushman & Wakefield Limited, an independent property valuer, was engaged to carry out a valuation of the major portion of the Group's investment property portfolio at 31st December 2024. This valuation was carried out in accordance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors, which define market value as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties each acted knowledgeably, prudently and without compulsion". The assumptions are principally in respect of market rents and yields.

Management has reviewed the independent property valuation and compared it with its own assumptions, with reference to comparable sales transaction data where such information is available, and has concluded that the independent property valuation of the Group's investment property portfolio is reasonable.

16. Investment Properties *(continued)*

	Completed HK$M	Under Development HK$M	Total HK$M
At 1st January 2024	**256,786**	**24,485**	**281,271**
Translation differences	**(1,866)**	**(145)**	**(2,011)**
Additions	**924**	**3,742**	**4,666**
Cost written back	**(21)**	**–**	**(21)**
Transfer between categories	**4,283**	**(4,283)**	**–**
Net transfers (to)/from property, plant and equipment (note 15)	**(51)**	**283**	**232**
Net transfers (to)/from right-of-use assets	**(211)**	**9**	**(202)**
Transfer to properties for sale	**–**	**(1,682)**	**(1,682)**
Transfer to assets classified as held for sale	**(4,755)**	**–**	**(4,755)**
Net fair value losses	**(4,977)**	**(1,019)**	**(5,996)**
	250,112	**21,390**	**271,502**
Add: Initial leasing costs	**115**	**–**	**115**
At 31st December 2024	**250,227**	**21,390**	**271,617**
At 1st January 2023	248,114	23,077	271,191
Translation differences	(1,144)	(56)	(1,200)
Acquisition of subsidiary companies	15,230	–	15,230
Additions	975	1,957	2,932
Cost written back	(55)	–	(55)
Disposals	(4,006)	–	(4,006)
Net transfers from property, plant and equipment (note 15)	96	–	96
Net transfers to right-of-use assets	(80)	(8)	(88)
Net fair value losses	(2,344)	(485)	(2,829)
	256,786	24,485	281,271
Add: Initial leasing costs	192	–	192
At 31st December 2023	256,978	24,485	281,463

16. Investment Properties *(continued)*

Geographical Analysis of Investment Properties

	2024 HK$M	2023 HK$M
Held in Hong Kong		
On medium-term leases (10 to 50 years)	**29,801**	30,994
On long-term leases (over 50 years)	**181,275**	189,043
	211,076	220,037
Held in the Chinese Mainland		
On short-term leases (less than 10 years)	**858**	975
On medium-term leases (10 to 50 years)	**58,684**	54,989
	59,542	55,964
Held in the U.S.A.		
Freehold	**884**	5,270
	271,502	281,271

At 31st December 2024, investment properties of HK$17,782 million (2023: HK$14,948 million) are pledged as security for secured loans and other borrowings.

On 17th November 2023, the Group and the Securities and Futures Commission entered into sale and purchase agreements for the sale of the Group's interest in the 42nd to 54th floors (excluding the 49th floor) of the One Island East office tower in Hong Kong, for a total cash consideration of HK$5,400 million. Sale of the 45th to 54th floors (excluding the 49th floor) was completed in December 2023 and a loss on disposal was recognised in the consolidated statement of profit or loss during 2023.

The 42nd to 44th floors of One Island East with a total fair value of HK$1,342 million, are included in the investment properties at 31st December 2024. The sale of each of these floors will be completed in accordance with the terms specified in the sale and purchase agreements before the end of 2028.

Additions include capital expenditure in response to climate change. Such expenditure is intended to reduce carbon emission and energy use, with a view to mitigating climate-related risks and to meet carbon reduction targets. For further details, refer to the Sustainability Review section on pages 125 to 131.

Refer to the table with heading "Audited Financial Information" on page 86 for details of the Group's capitalised interest rates and the amount of interest capitalised.

Valuation processes and techniques underlying management's estimate of fair value

The Group's investment properties were valued at their fair values at 31st December 2024. 97% by value were valued by Cushman & Wakefield Limited and 1% by value were valued by another independent valuer, in each case on the basis of market value. The independent professionally qualified valuers hold recognised relevant professional qualifications in the jurisdictions in which they valued the Group's investment properties and have recent experience in the locations and types of investment properties valued. The remaining properties were valued by management. The valuation is based on the highest and best use of the properties.

The valuation of the Group's completed investment property portfolio is derived by capitalising the rental income derived from existing tenancies with due provision for reversionary income potential and by making reference to recent comparable sales transactions available in the relevant property market.

The valuation of the Group's investment properties under development is derived by making reference to market capitalisation rates and recent comparable sales transactions in the relevant property market (on the assumption that the properties had already been completed at the valuation date). It also takes into account the construction cost already incurred and the estimated cost to be incurred to complete the project plus the developer's estimated profit and a margin for risk.

16. Investment Properties *(continued)*

Valuation processes and techniques underlying management's estimate of fair value *(continued)*

The fair values of the Group's investment properties are sensitive to changes in both observable and unobservable inputs. If capitalisation rates increase, the fair values decrease. If market rents increase, the fair values increase. If estimated costs to complete or the developer's estimated profit and margin for risk increase, the fair values decrease. The opposite is true for decreases in these inputs.

There are inter-relationships between observable and unobservable inputs. Expected vacancy rates may have an impact on yields, with higher vacancy rates resulting in higher yields. For investment properties under development, increases in construction costs that enhance the properties' features may result in an increase in future rental values. An increase in future rental income may be linked with higher costs.

The Group reviews the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between management and the independent valuers at least once every half year, in line with the Group's half year reporting dates.

During the valuation, Cushman & Wakefield has, consistent with the relevant valuation standards, where applicable and to the extent that current market participants would, considered the environmental, social and governance factors of the subject properties in the valuations, as observed from inspection and the information provided by the Group.

Fair value hierarchy

The Group's investment properties are measured at fair value and categorised within the fair value hierarchy as follows:

	Completed				**Under Development**			
	Hong Kong HK$M	**Chinese Mainland HK$M**	**U.S.A. HK$M**	**Total HK$M**	**Hong Kong HK$M**	**Chinese Mainland HK$M**	**Total HK$M**	**2024 Total HK$M**
Level 2	**1,008**	**400**	**–**	**1,408**	**5,373**	**–**	**5,373**	**6,781**
Level 3	**195,053**	**52,767**	**884**	**248,704**	**9,642**	**6,375**	**16,017**	**264,721**
Total	**196,061**	**53,167**	**884**	**250,112**	**15,015**	**6,375**	**21,390**	**271,502**
Add: initial leasing costs								**115**
At 31st December 2024								**271,617**

	Completed				Under Development			
	Hong Kong HK$M	Chinese Mainland HK$M	U.S.A. HK$M	Total HK$M	Hong Kong HK$M	Chinese Mainland HK$M	Total HK$M	2023 Total HK$M
Level 2	1,122	417	–	1,539	5,588	–	5,588	7,127
Level 3	197,756	52,221	5,270	255,247	15,571	3,326	18,897	274,144
Total	198,878	52,638	5,270	256,786	21,159	3,326	24,485	281,271
Add: initial leasing costs								192
At 31st December 2023								281,463

Notes:
The levels in the hierarchy represent the following:
Level 2 – Investment properties measured at fair value using inputs other than quoted prices but where those inputs are based on observable market data.
Level 3 – Investment properties measured at fair value using inputs not based on observable market data.

The above investment properties principally comprise commercial and residential properties completed and under development in Hong Kong and the Chinese Mainland. The Group also has other investment property in the Brickell City Centre in Miami which was completed in 2016. Because of the unique nature of the Group's investment properties, most of them are valued by reference to a level 3 fair value measurement.

16. Investment Properties *(continued)*

Fair value hierarchy *(continued)*

The change in level 3 fair value of investment properties during the year is as follows:

	Completed				Under Development			
	Hong Kong HK$M	Chinese Mainland HK$M	U.S.A. HK$M	Total HK$M	Hong Kong HK$M	Chinese Mainland HK$M	Total HK$M	2024 Total HK$M
At 1st January 2024	**197,756**	**52,221**	**5,270**	**255,247**	**15,571**	**3,326**	**18,897**	**274,144**
Translation differences	**–**	**(1,817)**	**(36)**	**(1,853)**	**–**	**(145)**	**(145)**	**(1,998)**
Additions	**721**	**138**	**64**	**923**	**748**	**2,951**	**3,699**	**4,622**
Cost written back	**(17)**	**(4)**	**–**	**(21)**	**–**	**–**	**–**	**(21)**
Transfer between categories	**4,283**	**–**	**–**	**4,283**	**(4,283)**	**–**	**(4,283)**	**–**
Net transfers (to)/from property, plant and equipment	**(51)**	**–**	**–**	**(51)**	**–**	**283**	**283**	**232**
Net transfers to right-of-use assets	**(211)**	**–**	**–**	**(211)**	**–**	**–**	**–**	**(211)**
Transfer to properties for sale	**–**	**–**	**–**	**–**	**(1,682)**	**–**	**(1,682)**	**(1,682)**
Transfer to assets classified as held for sale	**–**	**–**	**(4,755)**	**(4,755)**	**–**	**–**	**–**	**(4,755)**
Net fair value (losses)/gains	**(7,428)**	**2,229**	**341**	**(4,858)**	**(712)**	**(40)**	**(752)**	**(5,610)**
At 31st December 2024	**195,053**	**52,767**	**884**	**248,704**	**9,642**	**6,375**	**16,017**	**264,721**

	Completed				Under Development			
	Hong Kong HK$M	Chinese Mainland HK$M	U.S.A. HK$M	Total HK$M	Hong Kong HK$M	Chinese Mainland HK$M	Total HK$M	2023 Total HK$M
At 1st January 2023	204,017	37,714	5,049	246,780	14,052	3,264	17,316	264,096
Translation differences	–	(1,144)	11	(1,133)	–	(56)	(56)	(1,189)
Acquisition of subsidiary companies	–	14,994	–	14,994	–	–	–	14,994
Additions	682	241	52	975	1,619	338	1,957	2,932
Cost written back	(46)	–	(9)	(55)	–	–	–	(55)
Disposals	(4,006)	–	–	(4,006)	–	–	–	(4,006)
Net transfers (to)/from property, plant and equipment	(23)	119	–	96	–	–	–	96
Net transfers to right-of-use assets	(80)	–	–	(80)	–	–	–	(80)
Net fair value (losses)/gains	(2,788)	297	167	(2,324)	(100)	(220)	(320)	(2,644)
At 31st December 2023	197,756	52,221	5,270	255,247	15,571	3,326	18,897	274,144

16. Investment Properties *(continued)*

Information about level 3 fair value measurements using significant unobservable inputs

	Fair value HK$M	Valuation technique	Market rent per month[1] HK$ per sq. ft. (lettable)	Capitalisation rate
At 31st December 2024				
Completed				
Hong Kong	**195,053**	**Income capitalisation**	**Mid 10's – Low 500's**	**2.50% – 5.25%**
Chinese Mainland	**52,767**	**Income capitalisation**	**Less than 10 – Low 300's**	**5.50% – 6.50%**
U.S.A.[2]	**884**	**Income capitalisation**	**N/A**	**6.00%**
Sub-total	**248,704**			
Under development				
Hong Kong	**9,642**	**Residual[3]**	**Low 60's**	**3.75%**
Chinese Mainland	**2,536**	**Residual[3]**	**High 30's – Low 100's**	**5.50% – 5.75%**
Chinese Mainland	**3,839**	**Sales comparison**	**–**	**–**
Sub-total	**16,017**			
Total (Level 3)	**264,721**			
At 31st December 2023				
Completed				
Hong Kong	197,756	Income capitalisation	Mid 10's – Low 500's	2.50% – 4.75%
Chinese Mainland	52,221	Income capitalisation	Less than 10 – High 200's	5.50% – 6.50%
U.S.A.	5,270	Income capitalisation	Less than 10 – Mid 70's	5.50% – 6.00%
Sub-total	255,247			
Under development				
Hong Kong	15,571	Residual[3]	Low 60's – Low 100's	1.20% – 3.75%
Chinese Mainland	3,326	Sales comparison	–	–
Sub-total	18,897			
Total (Level 3)	274,144			

1 Market rent is determined in accordance with the definition of that term in the HKIS Valuation Standards 2024 of The Hong Kong Institute of Surveyors, which is "the estimated amount for which all interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion". It is in effect the rental income (exclusive of usual outgoings) which a property would be expected to earn if it were vacant and available to let. It is not necessarily the same as the rent which a tenant is actually committed to pay.

2 Investment properties in the U.S.A. of HK$4,755 million was transferred to assets classified as held for sale as at 31st December 2024. The main valuation inputs used for these properties were effective market rents per month ranging from less than HK$10 to mid HK$70's per square feet and capitalisation rate of 5.50% determined by an independent valuer at 31st December 2024.

3 In using the residual method to make fair value measurements of investment properties, two additional unobservable inputs have been used. These are the estimated costs to complete the development and the developer's estimated profit and margin for risk.

17. Intangible Assets

Accounting Policy

(a) Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the assets transferred, the liabilities incurred to the former owners of the acquired asset and the equity interests issued by the Group. Goodwill is treated as an asset of the entity acquired and, where attributable to a foreign entity, is translated at the period-end closing rate.

Goodwill is stated at cost less accumulated impairment. Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing, which is performed annually, or more often if an impairment indicator exists. Impairment charges recognised in respect of goodwill are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Computer software

Computer software licences acquired are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives of three to five years.

Costs associated with maintaining computer software programmes are recognised as expenses as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software costs recognised as assets are amortised over their estimated useful lives of three to five years.

Critical Accounting Estimates and Judgements

The Group recognised HK$1,419 million of goodwill when it took control of Taikoo Li Chengdu in the Chinese Mainland during 2023. The goodwill is mainly attributable to the growth opportunity in the Chinese Mainland. It also represents the premium paid over the market price to obtain control of the business.

Goodwill is subject to impairment test at each reporting date and when there is indication that the carrying value may not be recoverable. These tests require the use of estimates to calculate recoverable amounts.

The goodwill is allocated to property investment segment of Taikoo Li Chengdu in the Chinese Mainland. Management has determined the recoverable amount of this CGU by assessing the fair value less cost of disposal of the underlying assets. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

17. Intangible Assets *(continued)*

	Goodwill HK$M	Computer Software HK$M	Others HK$M	Total HK$M
Cost:				
At 1st January 2024	**1,341**	**393**	**205**	**1,939**
Translation differences	**(47)**	**–**	**(2)**	**(49)**
Additions	**–**	**46**	**–**	**46**
Transfer to assets classified as held for sale	**–**	**–**	**(198)**	**(198)**
At 31st December 2024	**1,294**	**439**	**5**	**1,738**
Accumulated amortisation:				
At 1st January 2024	**–**	**239**	**145**	**384**
Translation differences	**–**	**–**	**(1)**	**(1)**
Amortisation for the year (note 7)	**–**	**50**	**21**	**71**
Transfer to assets classified as held for sale	**–**	**–**	**(160)**	**(160)**
At 31st December 2024	**–**	**289**	**5**	**294**
Net book value:				
At 31st December 2024	**1,294**	**150**	**–**	**1,444**

	Goodwill HK$M	Computer Software HK$M	Others HK$M	Total HK$M
Cost:				
At 1st January 2023	–	321	205	526
Translation differences	(78)	–	–	(78)
Acquisition of subsidiary companies	1,419	8	–	1,427
Additions	–	64	–	64
At 31st December 2023	1,341	393	205	1,939
Accumulated amortisation:				
At 1st January 2023	–	195	123	318
Amortisation for the year (note 7)	–	44	22	66
At 31st December 2023	–	239	145	384
Net book value:				
At 31st December 2023	1,341	154	60	1,555

Amortisation of HK$71 million (2023: HK$66 million) is included in cost of sales and administrative expenses in the consolidated statement of profit or loss.

Impairment test of goodwill

The recoverable amount of CGU in Taikoo Li Chengdu in the Chinese Mainland is determined by using the calculation of the fair value less cost of disposal. It mainly represents the fair value of investment properties of Taikoo Li Chengdu by reference to the valuation performed by independent valuers at each reporting date, less cost of disposals estimated by management based on the Group's experience with disposal of assets and on industry benchmarks. The results of the impairment test using these inputs show that the recoverable amount exceeds the carrying amount of the CGU. The Group therefore concluded that no impairment was required to such goodwill at 31st December 2024 and 2023.

The main valuation inputs used were effective market rents per month ranging from approximately HK$10 to HK$300 (2023: HK$10 to HK$200) per square feet and capitalisation rates ranging from 5.50% to 6.50% (2023: 5.75% to 6.50%) determined by an independent valuer at 31st December 2024 and the cost of disposal estimated by the Group's management. Reasonably possible changes in the key assumptions would not result in an impairment.

18. Right-of-use Assets

Accounting Policy

The Group (acting as lessee) leases land, offices, warehouses and equipment. Except for certain long-term leasehold land in Hong Kong, rental contracts are typically made for fixed periods of 1 to 50 years but may have extension and early termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets may not be used as security for borrowing purposes.

Leases are recognised by lessees as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each financial period.

Assets and liabilities arising from leases are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payment of penalties for terminating the lease, if the lease term used in the computation assumes the lessee exercises an option to terminate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. However, if the ownership of the underlying asset is expected to be transferred to the Group by the end of the lease term and if the cost of the right-of-use asset has already included the exercise price of a purchase option, depreciation is calculated on a straight-line basis to write off the cost over the anticipated useful life of the underlying asset to its estimated residual value.

Payments by lessees associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as expenses in the consolidated statement of profit or loss. Short-term leases are leases with a lease term of twelve months or less. Low-value assets comprise information technology equipment and small items of office furniture.

18. Right-of-use Assets *(continued)*

The recognised right-of-use assets relate to the following types of assets:

	2024 HK$M	2023 HK$M
Leasehold land held for own use	**2,671**	2,502
Property	**115**	153
	2,786	2,655

The Group is the registered owner or occupant of its leasehold land. Upfront payments were made to acquire these interests in land and there are no ongoing payments to be made under the terms of the land leases (so that no lease liabilities are recognised) except, government rents and rates and other payments to the relevant government authorities, which may vary from time to time. Details relating to these interests in land are as follows:

	Leasehold land held for own use	
	2024 HK$M	2023 HK$M
Held in Hong Kong		
On medium-term leases (10-50 years)	**386**	338
On long-term leases (over 50 years)	**2,193**	2,065
	2,579	2,403
Held in the Chinese Mainland		
On medium-term leases (10-50 years)	**92**	99
	2,671	2,502

Lease arrangements for other types of assets are negotiated on an individual asset basis and contain a wide range of different terms and conditions including lease payments and lease terms.

At 31st December 2024, right-of-use assets of HK$92 million (2023: HK$99 million) are pledged as security for secured loans and other borrowings.

Properties occupied by the Group are transferred to investment properties following the end of occupation by the Group. The valuation increase from carrying amount to fair value in respect of such transfers during the year ended 31st December 2024 was HK$1 million (2023: HK$46 million).

Additions to right-of-use assets during the year ended 31st December 2024 were HK$12 million (2023: HK$62 million).

During the year ended 31st December 2024, cash outflows for leases were included in the consolidated statement of cash flows as (a) interest paid of HK$19 million (2023: HK$21 million) under "operating activities", (b) payment for short-term and low-value assets leases of HK$33 million (2023: HK$31 million) recorded in cash generated from operations under "operating activities" and (c) principal elements of lease payments of HK$83 million (2023: HK$82 million) under "financing activities".

19. Properties Held for Development

Accounting Policy

Properties held for development comprise freehold land at cost and related costs of preliminary works, and are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Properties held for development are not expected to be sold or developed within the Group's normal operating cycle and are classified as non-current assets.

	2024 HK$M	2023 HK$M
Properties held for development		
Freehold land	**982**	989
Development cost	**219**	221
	1,201	1,210

20. Interests in Joint Venture Companies

Accounting Policy

Joint venture companies are those companies interests in which are held for the long term; and over which the Group is in a position to exercise joint control with other venturers in accordance with contractual arrangements, and where the Group has rights to the net assets of those companies. The use of the equity method by the Group to account for the investment in joint venture companies is disclosed in the "Basis of Consolidation" of the Accounting Policies on pages 199 to 201.

	2024 HK$M	2023 HK$M
Share of net assets, unlisted	**21,167**	19,276
Loans due from joint venture companies less provisions		
– Interest-free	**11,524**	11,650
– Interest-bearing at 3% to 6.5% per annum (2023: 3% to 11% per annum)	**3,439**	3,131
	14,963	14,781

The loans due from joint venture companies are unsecured and have no fixed terms of repayment. These loans are considered to have low credit risk. The financial positions and performances of these companies are regularly monitored and reviewed by the management of the Group.

In June 2024, the Group entered into an equity and debt transfer agreement with the China Life Insurance Company Limited ("China Life") group and the Sino-Ocean Group Holding Limited ("Sino-Ocean") group, pursuant to which the Group and the China Life group have conditionally agreed to acquire a 14.895% and a 49.895% equity interest in the project company of Taikoo Place Beijing (formerly known as INDIGO Phase Two), respectively, from the Sino-Ocean group for a consideration of approximately RMB891 million and RMB2,984 million, respectively. Following the completion of the acquisitions in early August, the Group's interest has increased from 35% to 49.895% and the China Life group owns a 49.895% interest in Taikoo Place Beijing. The Group continues to use equity accounting for its interests in the development. Sino-Ocean group sold its interest in Taikoo Place Beijing at a loss to improve its liquidity and to obtain immediate funds to meet its financial needs and commitments. The fair value of the additional interests is considered in excess of the consideration payable by the Group. As a result, a bargain purchase gain of HK$566 million is recognised in the share of profit less losses of joint venture companies during the year.

20. Interests in Joint Venture Companies *(continued)*

The Group's share of assets and liabilities and results of joint venture companies is summarised below:

	2024 HK$M	2023 HK$M
Non-current assets	**40,333**	38,587
Current assets	**10,878**	9,747
Current liabilities	**(3,005)**	(3,572)
Non-current liabilities	**(27,039)**	(25,486)
Net assets	**21,167**	19,276
Revenue	**2,496**	2,755
Change in fair value of investment properties	**(332)**	(517)
Expenses	**(1,792)**	(1,873)
Profit before taxation	**372**	365
Taxation	**(234)**	(241)
Profit for the year*	**138**	124
Other comprehensive income	**(525)**	(195)
Total comprehensive income for the year	**(387)**	(71)

* Share of profit less losses of joint venture companies amounted to HK$704 million, which comprised of the Group's share of joint venture companies' profit for the year of HK$138 million (2023: HK$124 million) and a bargain purchase gain arising from the acquisition of an additional interest in a joint venture company of HK$566 million (2023: nil).

Capital commitments and contingencies in respect of joint venture companies are disclosed in notes 37 and 38.

The principal joint venture companies of Swire Properties Limited are shown on pages 202 to 204. There are no joint venture companies that are considered individually material to the Group.

21. Interests in Associated Companies

Accounting Policy

Associated companies are those companies over which the Group has significant influence, but not control or joint control, over their management including participation in financial and operating policy decisions, generally accompanying a shareholding representing between 20% and 50% of the voting rights. The use of the equity method by the Group to account for the investment in associated companies is disclosed in the "Basis of Consolidation" of the Accounting Policies on pages 199 to 201.

	2024 HK$M	2023 HK$M
Share of net assets, unlisted	**9,650**	9,913
Goodwill	**646**	670
Associated companies	**10,296**	10,583
Loans due from associated companies less provisions		
– Interest-free	**242**	169
– Interest-bearing at 5% to 6.3% per annum (2023: 7.2% per annum)	**338**	40
	580	209

The loans due from associated companies are unsecured and have no fixed terms of repayment, except for interest-bearing loans due from associated companies of HK$40 million and HK$298 million which are repayable in 2027 and 2029 respectively (2023: HK$40 million repayable in 2027). These loans are considered to have low credit risk. The financial positions and performances of these companies are regularly monitored and reviewed by the management of the Group.

21. Interests in Associated Companies *(continued)*

At 31st December 2024, the Group's 40% equity interests in an associated company of HK$7,136 million (2023: nil) are pledged as security to secure advances from another associated company as disclosed in note 27.

The Group's share of assets and liabilities and results of associated companies is summarised below:

	2024 HK$M	2023 HK$M
Non-current assets	**8,099**	10,584
Current assets	**9,764**	5,911
Current liabilities	**(6,881)**	(5,076)
Non-current liabilities	**(1,332)**	(1,506)
Net assets	**9,650**	9,913
Revenue	**288**	286
Profit/(Loss) for the year	**122**	(416)
Other comprehensive income	**(331)**	92
Total comprehensive income for the year	**(209)**	(324)

The principal associated companies of Swire Properties Limited are shown on pages 202 to 204. There are no associated companies that are considered individually material to the Group.

22. Financial Instruments by Category

Accounting Policy

Financial Assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through the consolidated statement of other comprehensive income ("OCI") or through the consolidated statement of profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in the consolidated statement of profit or loss or the consolidated statement of OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Purchases and sales of financial assets are recognised on their trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, except for trade debtors, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs in respect of financial assets at FVPL are expensed in the consolidated statement of profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

- Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

22. Financial Instruments by Category *(continued)*

Accounting Policy *(continued)*

Financial Assets *(continued)*

(c) Measurement (continued)

(i) Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of profit or loss and presented in other net gains/(losses) together with foreign exchange gains and losses.

(ii) FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the consolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit or loss and recognised in other net gains/(losses). Interest income from these financial assets is included in finance income using the effective interest method. Foreign exchange gains and losses are presented in other net gains/(losses).

(iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the consolidated statement of profit or loss and presented net within other net gains/(losses) in the period in which it arises.

– Equity instruments:

The Group subsequently measures all equity investments at fair value. Dividends from such investments are recognised in the consolidated statement of profit or loss as other net gains/(losses) when the Group's right to receive payments is established. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of profit or loss following the derecognition of the investment.

Changes in the fair value of equity investments at FVPL are recognised in other net gains/(losses) in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the simplified approach permitted by HKFRS 9 to measure expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables.

The measurement of expected credit losses of operating lease receivable includes consideration of expectations of forgiveness of lease income recognised as part of that receivable.

(e) Significant increases in credit risk

In assessing whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers that a default event occurs when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse to actions such as realising security. The Group considers information that is reasonable and supportable, including historical experience and forward-looking information that is available.

(f) Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery.

Financial liabilities

Non-derivative financial liabilities with fixed or determinable payments and fixed maturities are measured at amortised cost. They are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the period-end date.

Put options in respect of non-controlling interests in subsidiary companies included in trade and other payables are measured at fair value through the consolidated statement of profit or loss.

22. Financial Instruments by Category *(continued)*

The accounting policies applied to financial instruments are shown below by line item:

	Note	At fair value through profit or loss HK$M	Derivatives used for hedging HK$M	Amortised cost HK$M	Total carrying amount HK$M	Fair value HK$M
Assets as per consolidated statement of financial position						
At 31st December 2024						
Loans due from joint venture companies	*20*	**–**	**–**	**14,963**	**14,963**	**14,963**
Loans due from associated companies	*21*	**–**	**–**	**580**	**580**	**580**
Trade and other receivables excluding prepayments	*24*	**–**	**–**	**4,097**	**4,097**	**4,097**
Cash and cash equivalents	*25*	**–**	**–**	**5,121**	**5,121**	**5,121**
Derivative financial assets	*30*	**–**	**67**	**–**	**67**	**67**
Financial assets at fair value through profit or loss						
– Unlisted equity investments		**638**	**–**	**–**	**638**	**638**
Total		**638**	**67**	**24,761**	**25,466**	**25,466**
At 31st December 2023						
Loans due from joint venture companies	*20*	–	–	14,781	14,781	14,781
Loans due from associated companies	*21*	–	–	209	209	209
Trade and other receivables excluding prepayments	*24*	–	–	3,399	3,399	3,399
Cash and cash equivalents	*25*	–	–	5,097	5,097	5,097
Derivative financial assets	*30*	–	57	–	57	57
Financial assets at fair value through profit or loss						
– Unlisted equity investments		623	–	–	623	623
Total		623	57	23,486	24,166	24,166
Liabilities as per consolidated statement of financial position						
At 31st December 2024						
Trade and other payables excluding non-financial liabilities	*27*	**653**	**–**	**11,337**	**11,990**	**11,990**
Long-term loans and bonds	*29*	**–**	**–**	**48,347**	**48,347**	**48,145**
Lease liabilities	*28*	**–**	**–**	**520**	**520**	**520**
Derivative financial liabilities	*30*	**–**	**19**	**–**	**19**	**19**
Total		**653**	**19**	**60,204**	**60,876**	**60,674**
At 31st December 2023						
Trade and other payables excluding non-financial liabilities	*27*	613	–	9,146	9,759	9,759
Long-term loans and bonds	*29*	–	–	41,169	41,169	40,598
Lease liabilities	*28*	–	–	607	607	607
Derivative financial liabilities	*30*	–	22	–	22	22
Total		613	22	50,922	51,557	50,986

22. Financial Instruments by Category *(continued)*

The fair values of financial instruments traded in active markets are based on quoted market prices at the year-end date. The quoted market prices used for financial assets held by the Group are the current bid prices.

The fair values of financial instruments that are not traded in active markets are determined by using valuation techniques such as estimated discounted cash flows or based on quotes from market makers, which use assumptions that are based on market conditions existing at each year-end date.

The book values of trade and other receivables and trade and other payables approximate their fair values.

The fair value of current borrowings equals their carrying value, as the impact of discounting is not significant. The fair value of non-current borrowings is not equal to their carrying value but is based on cash flows discounted using assumptions sourced from the relevant financial institutions or quotes from market makers or alternative market participants supported by observable inputs, such as interest rates. Non-current borrowings would be categorised within level 2 of the fair value hierarchy if they were accounted for at fair value.

Financial instruments that are measured at fair value are included in the following fair value hierarchy:

	Level 2 HK$M	Level 3 HK$M	Total carrying amount HK$M
Assets as per consolidated statement of financial position			
At 31st December 2024			
Derivatives used for hedging (note 30)	**67**	**–**	**67**
Financial assets at fair value through profit or loss			
– Unlisted equity investments	**–**	**638**	**638**
	67	**638**	**705**
At 31st December 2023			
Derivatives used for hedging (note 30)	57	–	57
Financial assets at fair value through profit or loss			
– Unlisted equity investments	–	623	623
	57	623	680
Liabilities as per consolidated statement of financial position			
At 31st December 2024			
Derivatives used for hedging (note 30)	**19**	**–**	**19**
Put option in respect of a non-controlling interest (note 27)	**–**	**653**	**653**
	19	**653**	**672**
At 31st December 2023			
Derivatives used for hedging (note 30)	22	–	22
Put option in respect of a non-controlling interest (note 27)	–	613	613
	22	613	635

Notes:

The levels in the hierarchy represent the following:

Level 2 – Financial instruments measured at fair value using inputs other than quoted prices but where those inputs are based on observable market data.

Level 3 – Financial instruments measured at fair value using inputs not based on observable market data.

22. Financial Instruments by Category *(continued)*

The fair value of derivatives used for hedging in level 2 has been based on quotes from market makers or alternative market participants supported by observable inputs. The most significant observable inputs are market interest rates, exchange rates and yields.

There were no transfers of financial instruments between level 2 and level 3 fair value hierarchy classifications and there were no transfers into or out of level 3 fair value hierarchy classifications. The Group's policy is to recognise any transfer into and out of fair value hierarchy levels at the date of the event or change in circumstances that caused the transfer.

There has been no change in the valuation techniques for level 2 and level 3 fair value hierarchy classifications.

The Group's finance department performs the valuations of financial instruments required for reporting purposes, including level 3 fair values. The valuations are reviewed and approved by the Finance Director.

The following table presents the changes in level 3 financial instruments for the year ended 31st December 2024:

	Financial assets at fair value through profit or loss HK$M	Put option in respect of a non-controlling interest HK$M
At 1st January 2024	**623**	**613**
Translation differences	**–**	**(4)**
Additions	**15**	**–**
Distribution during the year	**–**	**(30)**
Change in fair value recognised as net finance charges*	**–**	**74**
At 31st December 2024	**638**	**653**
*** Included unrealised losses recognised on balances held at 31st December 2024**	**–**	**74**
At 1st January 2023	460	590
Additions	163	–
Distribution during the year	–	(30)
Change in fair value recognised as net finance charges*	–	53
At 31st December 2023	623	613
* Included unrealised losses recognised on balances held at 31st December 2023	–	53

The fair value of unlisted investments classified within level 3 is predominately determined using quotes from market makers, which use assumptions that are based on market conditions existing at each year-end date. The significant unobservable inputs used are yields and market prices. Changing these unobservable inputs based on reasonable alternative assumptions would not significantly change the valuation of the investments.

The fair value estimate of the put option over a non-controlling interest in the U.S.A. classified within level 3 is determined using a discounted cash flow valuation technique and contains a number of unobservable inputs, including the expected fair value of the associated investment property at the expected time of exercise, the expected time of exercise itself and the discount rate used. The expected time of exercise is in 2025 and the impact of discounting is insignificant (2023: 6.3%). In January 2025, the non-controlling interest exercised its option to sell its interest to the Group. The Group expects to acquire the interest in the second quarter of 2025.

The investment property's fair value at the expected time of exercise is itself subject to a number of unobservable inputs which are similar to the inputs for the Group's other completed investment properties, including the expected fair market rent and the expected capitalisation rate. If the investment property's expected fair value at the time of exercise is higher, the fair value of the put option would also be higher at 31st December 2024. If the expected time of exercise is later or if the discount rate is higher, the fair value of the put option would be lower. The opposite is true for an earlier time of exercise or a lower discount rate.

23. Properties for Sale

Accounting Policy

Properties for sale comprise freehold and leasehold land at cost, construction costs and interest costs capitalised and are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Properties under development are active construction projects which are expected to be sold within the Group's normal operating cycle and are classified as current assets. Completed properties are available for immediate sale and are classified as current assets.

	2024 HK$M	2023 HK$M
Properties for sale		
Properties under development		
– development costs	**3,837**	1,586
– leasehold land	**8,751**	7,389
Completed properties		
– development costs	**54**	84
– leasehold land	**34**	62
	12,676	9,121

Refer to the table with heading "Audited Financial Information" on page 86 for details of the Group's capitalised interest rates and the amount of interest capitalised.

24. Trade and Other Receivables

Accounting Policy

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components. Other receivables are recognised initially at fair value. Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for loss allowance. Trade and other receivables in the consolidated statement of financial position are stated net of such provisions.

	2024 HK$M	2023 HK$M
Trade debtors	**448**	500
Prepayments and accrued income	**115**	116
Amounts due from an intermediate holding company	**–**	1
Other receivables	**3,642**	2,889
	4,205	3,506

The analysis of the age of trade debtors at the year end (based on their invoice dates) is as follows:

	2024 HK$M	2023 HK$M
Up to 3 months	**413**	468
Between 3 and 6 months	**16**	14
Over 6 months	**19**	18
	448	500

24. Trade and Other Receivables *(continued)*

Other receivables include rent free and other lease incentives to tenants of HK$1,609 million (2023: HK$1,451 million), which are amortised over the relevant lease terms.

There is no concentration of credit risk with respect to trade and other receivables, as the Group has a large number of customers.

The Group does not grant any credit terms to its customers, except to corporate customers in the hotel division where commercial trade credit terms are given. The Group also holds non-interest-bearing rental deposits as security against trade debtors. At 31st December 2024, trade debtors of HK$149 million (2023: HK$154 million) were past due. The majority of the amount past due is under three months. These relate to a number of independent customers for whom there is no recent history of default. The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at 31st December 2024 and 31st December 2023 is the carrying value of trade debtors and other receivables disclosed above. The carrying value of rental deposits from tenants held as security against trade debtors at 31st December 2024 was HK$2,942 million (2023: HK$2,965 million).

25. Cash and Cash Equivalents

Accounting Policy

In the consolidated statement of cash flows, cash and cash equivalents comprise cash in hand, amounts repayable on demand from banks and financial institutions and short-term highly liquid investments which were within three months of maturity when acquired, less bank overdrafts. In the consolidated statement of financial position, cash and cash equivalents exclude bank overdrafts which are shown within borrowings in current liabilities.

	2024 HK$M	2023 HK$M
Short-term deposits maturing within three months	**73**	838
Bank balances	**5,048**	4,259
	5,121	5,097

The effective interest rates on short-term deposits of the Group at 4.0% per annum (2023: ranged from 4.5% to 6.1% per annum).

The maximum exposure to credit risk in respect of bank balances and short-term deposits at 31st December 2024 and 31st December 2023 is the carrying value of the bank balances and short-term deposits disclosed above.

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

Accounting Policy

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to disposal, except for assets such as deferred tax assets, financial assets and investment property that are carried at fair value.

Non-current assets classified as held for sale and the assets associated with the disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities associated with the disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

As at 31st December 2024, assets classified as held for sale and liabilities associated with assets classified as held for sale represent the Group's interests in certain investment properties in the U.S.A. Management believes that the disposal is highly probable within one year and the carrying value of these assets will be recovered principally through sale rather than through continuing use. Accordingly, the assets and liabilities in relation to the operations of these assets were reclassified as held for sale and were measured at the lower of carrying amount and fair value less costs to sell, except for investment properties which are carried at fair value.

As at 31st December 2023, assets classified as held for sale represented the Group's 100% interest in investment properties comprising 384 car parking spaces at stages I to IX of the Taikoo Shing residential development in Hong Kong. All these car parking spaces were sold during the year.

27. Trade and Other Payables

Accounting Policy

Trade and other payables (except put options over non-controlling interests in subsidiary companies) are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Put options in respect of non-controlling interests in subsidiary companies are measured at the fair value of the expected redemption amounts, and are designated as fair value through profit or loss.

	2024 HK$M	2023 HK$M
Trade creditors	**933**	1,046
Rental deposits from tenants	**2,942**	2,965
Deposits received on sale of investment properties	**403**	269
Put option in respect of a non-controlling interest	**653**	613
Other payables		
Accrued capital expenditure	**1,233**	1,155
Amounts due to an intermediate holding company	**92**	112
Amounts due to an associated company	**37**	13
Advances from a non-controlling interest	**1,476**	1,236
Interest-bearing advances from an associated company at 0.35% per annum	**2,021**	–
Others	**2,606**	2,622
	7,465	5,138
	12,396	10,031
Amounts due after one year included under non-current liabilities	**(403)**	(268)
	11,993	9,763

27. Trade and Other Payables *(continued)*

Amounts due to an intermediate holding company, an associated company and a non-controlling interest are unsecured, interest-free and have no fixed term of repayment. Interest-bearing advances from an associated company are secured by the Group's 40% equity interests in another associated company and repayable in 2027 or with a 60-day notice from the lending company.

Other payables due after one year under non-current liabilities represent deposits received for the sale of the Group's interests in the 42nd to 44th floors of the One Island East office tower in Hong Kong. The sale of each of these floors will be completed in accordance with the terms specified in the sale and purchase agreements before the end of 2028.

The analysis of the age of trade creditors at the year end (based on their invoice dates) is as follows:

	2024 HK$M	2023 HK$M
Up to 3 months	**933**	1,046

28. Lease Liabilities

	2024 HK$M	2023 HK$M
Maturity profile at the year end is as follows:		
Within 1 year	**86**	80
Between 1 and 2 years	**71**	84
Between 2 and 5 years	**162**	180
Over 5 years	**201**	263
	520	607
Amounts due within one year included under current liabilities	**(86)**	(80)
	434	527

At 31st December 2024, the weighted average incremental borrowing rate applied in measuring the lease liabilities was 3.4% per annum (2023: 3.4% per annum).

For the accounting policy in respect of lease liabilities, please refer to right-of-use assets (note 18).

29. Borrowings

Accounting Policy

Borrowings are recognised initially at fair value and subsequently measured at amortised cost. Transaction costs incurred are included in respect of those not held at fair value through profit or loss. Transaction costs are incremental costs that are directly attributable to the initiation of the borrowings, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the period-end date.

For disclosure purposes, the fair value of borrowings stated at amortised cost is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Refer to the tables with the headings "Audited Financial Information" on pages 82 to 85 for details of the Group's borrowings.

29. Borrowings *(continued)*

	2024 HK$M	2023 HK$M
Long-term bank loans – secured		
Repayable within 1 year	**447**	94
Repayable between 1 and 2 years	**457**	463
Repayable between 2 and 5 years	**2,339**	1,354
Repayable after 5 years	**424**	809
	3,667	2,720
Long-term bank loans – unsecured		
Repayable within 1 year	**1,397**	6,369
Repayable between 1 and 2 years	**3,326**	593
Repayable between 2 and 5 years	**13,049**	9,940
	17,772	16,902
Other borrowings – unsecured		
Repayable within 1 year	**4,916**	1,100
Repayable between 1 and 2 years	**7,307**	5,017
Repayable between 2 and 5 years	**13,238**	13,962
Repayable after 5 years	**1,447**	1,468
	26,908	21,547
Total	**48,347**	41,169
Amounts due within one year included under current liabilities		
– secured	**447**	94
– unsecured	**6,313**	7,469
	6,760	7,563
Amounts due after one year included under non-current liabilities		
– secured	**3,220**	2,626
– unsecured	**38,367**	30,980
	41,587	33,606

During the year ended 31st December 2024, the Group designated certain Renminbi-denominated borrowings in total of HK$13,699 million (2023: HK$9,727 million) to hedge the exposure arising from the net investments in subsidiary, joint venture and associated companies with major operations in the Chinese Mainland. Gains arising from these hedging instruments of HK$389 million (2023: Losses of HK$50 million) have been recognised in other comprehensive income as an effective hedge.

(a) The effective interest rates per annum (before interest rate and cross-currency swaps) at 31st December were as follows:

	2024			2023		
	HKD %	RMB %	USD %	HKD %	RMB %	USD %
Long-term loans and bonds	**2.4-6.0**	**3.0-3.6**	**3.5-5.3**	2.4-6.6	3.0-3.9	3.5-6.3

There were no uncommitted bank loans at 31st December 2024 and 2023. Bank loans and other borrowings are repayable on various dates up to 2033 (2023: up to 2033).

(b) The carrying amounts of these long-term bank loans and other borrowings (before cross-currency swaps) are denominated in the following currencies:

	2024 HK$M	2023 HK$M
Hong Kong dollars	**19,268**	13,929
Renminbi	**17,837**	15,927
United States dollars	**11,242**	11,313
	48,347	41,169

30. Derivative Financial Instruments

Accounting Policy

Derivatives are initially recognised at fair value on the dates derivative contracts are entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either: (a) hedges of highly probable forecast transactions ("cash flow hedges"); or (b) hedges of net investments in foreign operations ("net investment hedges").

The Group documents at the inception of the transactions the economic relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting cash flows of hedged items. The Group also documents its risk management objectives and strategy for undertaking various hedge transactions.

(a) Cash flow hedges that qualify for hedge accounting

All of the Group's derivatives relate to cash flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit or loss.

When cross-currency swap contracts are used to hedge future cash flow, the Group designates only the change in fair value of the swap contract after exclusion of the foreign currency basis spread component as the hedging instrument. Gains or losses relating to the effective portion of the swap contract after exclusion of the foreign currency basis spread component are recognised in the cash flow hedge reserve within equity. The change in fair value of the foreign currency basis spread of the swap contract, to the extent it relates to the hedged item, is recognised separately as a cost of hedging on a systematic and rational basis over the period of the hedging relationship within OCI in equity. Hedge ineffectiveness is recognised in the consolidated statement of profit or loss within finance costs.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects the consolidated statement of profit or loss. The gains or losses relating to the effective portion of (a) the interest rate swaps hedging variable rate borrowings and (b) cross-currency swap contracts hedging borrowings in foreign currency are recognised in the consolidated statement of profit or loss within finance costs at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statement of profit or loss.

(b) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of a hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit or loss.

Gains and losses accumulated in equity are transferred to the consolidated statement of profit or loss when the foreign operation is disposed of.

(c) Rebalancing of hedge relationships

If the hedge ratio for risk management purpose is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the consolidated statement of profit or loss at the time of the hedge relationship rebalancing.

30. Derivative Financial Instruments *(continued)*

	2024		2023	
	Assets HK$M	**Liabilities HK$M**	Assets HK$M	Liabilities HK$M
Interest rate and cross-currency swaps				
– cash flow hedges				
– due within one year	**2**	**–**	–	–
– due after one year	**65**	**19**	57	22

The interest rate swaps hedge long-term interest rate exposures. The cross-currency swaps hedge the foreign currency risk relating to US dollar note issues. Gains and losses recognised in the consolidated statement of other comprehensive income on interest rate and cross-currency swaps at 31st December 2024 are expected to affect the consolidated statement of profit or loss in the years to redemption of the notes and expiry of loans (up to and including 2028).

The notional principal amounts of the outstanding derivative financial instruments are as follows:

	2024 HK$M	2023 HK$M
Cross-currency swaps	**7,763**	7,814
Interest rate swaps	**2,950**	2,950

In most of the cases, the hedging instruments have a one-to-one hedge ratio with the hedged items.

For the years ended 31st December 2024 and 31st December 2023, all cash flow hedges qualifying for hedge accounting were highly effective.

31. Deferred Taxation

Accounting Policy

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the recognition, has no impact on taxable or accounting profit or loss, it is not recognised. Tax rates enacted or substantively enacted by the period-end date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiary, joint venture and associated companies, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax relating to investment properties in Hong Kong and the U.S.A. is calculated having regard to the presumption that the value of these properties is capable of being recovered entirely through sale. This presumption is rebutted in relation to investment properties in the Chinese Mainland, because the business model applicable to them is to consume substantially all the economic benefits embodied in them over time rather than through sale. Accordingly, deferred tax relating to investment properties in the Chinese Mainland is determined on the basis of recovery through use.

31. Deferred Taxation *(continued)*

Deferred tax assets and liabilities are netted off when the taxes relate to the same taxation authority and where offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately in the consolidated statement of financial position:

	2024 HK$M	2023 HK$M
Deferred tax assets	**108**	88
Deferred tax liabilities	**(14,776)**	(14,082)
At 31st December	**(14,668)**	(13,994)

Substantially all deferred tax balances are to be recovered or settled after more than 12 months.

The movement on the net deferred tax liabilities account is as follows:

	2024 HK$M	2023 HK$M
At 1st January	**13,994**	11,184
Translation differences	**(334)**	(201)
Acquisition of subsidiary companies	**–**	2,536
Charged to profit or loss (note 11)	**976**	486
Charged/(Credited) to other comprehensive income	**32**	(11)
At 31st December	**14,668**	13,994

The movement in deferred tax assets and liabilities (prior to offsetting balances within the same taxation jurisdiction) during the year is as follows:

Deferred tax liabilities

	Accelerated tax depreciation		Valuation of investment properties		Right-of-use assets		Others		Total	
	2024 HK$M	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M
At 1st January	**5,590**	4,856	**8,111**	6,091	**170**	161	**1,042**	811	**14,913**	11,919
Translation differences	**(59)**	(31)	**(278)**	(170)	**(5)**	(2)	**(3)**	(2)	**(345)**	(205)
Acquisition of subsidiary companies	**–**	348	**–**	2,084	**–**	10	**–**	96	**–**	2,538
Charged/(Credited) to profit or loss	**409**	417	**629**	106	**(7)**	1	**133**	139	**1,164**	663
Charged/(Credited) to other comprehensive income	**–**	–	**–**	–	**–**	–	**10**	(2)	**10**	(2)
At 31st December	**5,940**	5,590	**8,462**	8,111	**158**	170	**1,182**	1,042	**15,742**	14,913

31. Deferred Taxation *(continued)*

Deferred tax assets

	Tax losses		Lease liabilities		Others		Total	
	2024 HK$M	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M
At 1st January	**429**	323	**136**	136	**354**	276	**919**	735
Translation differences	**(2)**	1	**(5)**	(2)	**(4)**	(3)	**(11)**	(4)
Acquisition of subsidiary companies	**–**	–	**–**	11	**–**	(9)	**–**	2
Credited/(Charged) to profit or loss	**62**	105	**(16)**	(9)	**142**	81	**188**	177
(Charged)/Credited to other comprehensive income	**–**	–	**–**	–	**(22)**	9	**(22)**	9
At 31st December	**489**	429	**115**	136	**470**	354	**1,074**	919

Deferred tax assets are recognised in respect of tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of HK$2,404 million (2023: HK$2,449 million) to carry forward against future taxable income.

These amounts are analysed as follows:

	Unrecognised tax losses	
	2024 HK$M	2023 HK$M
No expiry date	**1,282**	1,289
Expiring within 1 year	**58**	86
Expiring between 1 and 5 years	**320**	315
Expiring between 5 and 10 years	**186**	–
Expiring between 10 and 20 years	**558**	759
	2,404	2,449

32. Retirement Benefits

The Group operates a number of defined benefit and defined contribution retirement benefit schemes for its employees, the assets of which are held in separate trustee administered funds.

A defined benefit scheme is a retirement plan that defines the benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The Group has an obligation to provide participating employees with these benefits.

A defined contribution scheme is a retirement plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

32. Retirement Benefits *(continued)*

Accounting Policy

For defined benefit schemes, retirement benefit costs are assessed using the projected unit credit method. Under this method, the cost of providing retirement benefits is charged to the consolidated statement of profit or loss so as to spread the regular cost over the service lives of employees.

The asset or liability recognised in the consolidated statement of financial position is the present value of the cost of providing these benefits (the defined benefit obligation) less the fair value of the plan assets at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries and is determined by discounting the estimated future cash outflows using interest rates payable in respect of high quality corporate bonds. The plan assets are valued on a bid price basis.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the consolidated statement of other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the consolidated statement of profit or loss. Any differences between the implicit and actual return on assets are charged as remeasurements to the consolidated statement of other comprehensive income.

For defined contribution schemes, the Group's contributions are charged to the consolidated statement of profit or loss in the periods to which the contributions relate.

The Group's obligations and expenses in respect of defined benefit schemes are dependent on a number of factors that are determined using a number of actuarial assumptions. The details of the actuarial assumptions used, including applicable sensitivities are disclosed in note 32(f).

For the year ended 31st December 2024, disclosures in respect of defined benefit schemes are based on valuations prepared by Mercer (Hong Kong) Limited at 31st December 2024. For the year ended 31st December 2023, disclosures are based on valuations prepared by Mercer (Hong Kong) Limited at 31st December 2021, which were updated to reflect the position at 31st December 2023 by Cannon Trustees Limited, the main administration manager of the Group's defined benefit schemes.

The majority of the Group's schemes are final salary guaranteed lump sum defined benefit plans.

Contributions to the defined benefit retirement schemes are made in accordance with the funding rates recommended by independent qualified actuaries to ensure that the plans will be able to meet their liabilities as they become due. The funding rates are subject to annual review and are determined by taking into consideration the difference between the market values of the plans' assets and the present value of accrued past service liabilities, on an ongoing basis, as computed by reference to actuarial valuations. The principal schemes in Hong Kong are valued by qualified actuaries for funding purposes under the provisions of Hong Kong's Occupational Retirement Schemes Ordinance. The latest actuarial valuations indicate that the funding level for the year was 109% (2023: 104%) of the accrued liabilities on an ongoing basis. The Group expects to make contributions of HK$87 million to its defined benefit schemes in 2025.

Most new employees in Hong Kong are offered the choice of joining the defined benefit retirement schemes or the mandatory provident fund ("MPF") scheme. Where staff elect to join the MPF scheme, both the Company and the staff are required to contribute 5% of the employees' relevant monthly income (capped at HK$30,000). Staff may elect to contribute more than the minimum as a voluntary contribution. Employees engaged outside Hong Kong are covered by appropriate local arrangements.

(a) The amounts recognised in the consolidated statement of financial position are as follows:

	2024 HK$M	2023 HK$M
Present value of funded obligations	**1,237**	1,200
Fair value of plan assets	**(1,303)**	(1,155)
Net retirement benefit (assets)/liabilities	**(66)**	45
Represented by:		
Retirement benefit assets	**(66)**	–
Retirement benefit liabilities	**–**	45
	(66)	45

32. Retirement Benefits *(continued)*

(b) Changes in the present value of the defined benefit obligations are as follows:

	2024 HK$M	2023 HK$M
At 1st January	**1,200**	1,018
Current service cost	**101**	88
Interest expense	**50**	50
Actuarial (gains)/losses from changes in financial assumptions	**(14)**	105
Experience (gains)/losses	**(32)**	17
Transfer	**(4)**	(7)
Benefits paid	**(64)**	(71)
At 31st December	**1,237**	1,200

The weighted average duration of the defined benefit obligations is 8.42 years (2023: 10.92 years).

(c) Changes in the fair value of plan assets are as follows:

	2024 HK$M	2023 HK$M
At 1st January	**1,155**	1,032
Interest income	**50**	53
Return on plan assets, excluding interest income	**86**	66
Contributions by employers	**80**	82
Transfer	**(4)**	(7)
Benefits paid	**(64)**	(71)
At 31st December	**1,303**	1,155

There were no plan amendments, curtailments or settlements during the year.

(d) Net expenses recognised in the consolidated statement of profit or loss are as follows:

	2024 HK$M	2023 HK$M
Current service cost	**101**	88
Net interest cost	**–**	(3)
	101	85

The above net expenses were included in cost of sales and administrative expenses in the consolidated statement of profit or loss.

Total retirement benefit costs charged to the consolidated statement of profit or loss for the year ended 31st December 2024 amounted to HK$119 million (2023: HK$105 million), including HK$18 million (2023: HK$20 million) in respect of defined contribution schemes.

The actual return on defined benefit plan assets was a gain of HK$136 million (2023: HK$119 million).

32. Retirement Benefits *(continued)*

(e) The plan assets are invested in the Swire Group Unitised Trust ("the Unitised Trust"). The Unitised Trust has four sub-funds in which the assets may be invested in accordance with separate and distinct investment policies and objectives. The Unitised Trust and sub-funds are overseen by an investment committee, which meets four times a year.

The make-up of the Unitised Trust is the result of the asset allocation of each plan. The asset allocation of each plan targets a mix of equities, fixed income, absolute return funds and short duration bond sub-funds.

The management of the assets within the sub-funds is delegated by the investment committee to a number of reputable investment managers. The plan assets comprise:

	Defined benefit plans	
	2024 HK$M	2023 HK$M
Equities		
Asia Pacific	**92**	95
Europe	**80**	78
North America	**327**	270
Emerging markets	**354**	286
Bonds		
Global	**87**	97
Emerging markets	**17**	16
Absolute return funds	**333**	300
Cash	**13**	13
	1,303	1,155

At 31st December 2024, the prices of 35% of equities and 11% of bonds were quoted on active markets (2023: 34% and 17% respectively). The remainder of the prices were not quoted on active markets.

The most significant risk facing the defined benefit schemes of the Group is market risk. This risk embodies the potential for losses and gains and includes price risk, interest rate risk and currency risk as well as factors specific to an individual investment and its issuer and risk specific to a certain market. Market risk is managed principally through diversification of investments by the appointed investment managers. Investment managers enter into agreements that stipulate the performance objective of the investments, which is referenced to a recognised benchmark. The investment committee monitors the overall market risk position on a quarterly basis.

32. Retirement Benefits *(continued)*

(f) The significant actuarial assumptions used are as follows:

	2024	2023
Discount rate	**4.39%**	4.26%
Expected rate of future salary increases	**4.00% to 5.40% p.a.**	4.00% to 6.90% p.a.

The sensitivity of the defined benefit obligations to changes in actuarial assumptions is:

	2024 Increase/(Decrease) in defined benefit obligation			2023 Increase/(Decrease) in defined benefit obligation		
	Change in assumption	**Increase in assumption HK$M**	**Decrease in assumption HK$M**	Change in assumption	Increase in assumption HK$M	Decrease in assumption HK$M
Discount rate	**0.5%**	**(50)**	**54**	0.5%	(65)	69
Expected rate of future salary increases	**0.5%**	**54**	**(51)**	0.5%	69	(65)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions the same method has been applied as when calculating the retirement benefit liability recognised within the consolidated statement of financial position.

33. Share Capital

	Ordinary shares	**HK$M**
Issued and fully paid with no par value:		
At 1st January 2024	**5,850,000,000**	**10,449**
Repurchased and cancelled during the year	**(35,778,600)**	**–**
At 31st December 2024	**5,814,221,400**	**10,449**
At 1st January 2023 and 31st December 2023	5,850,000,000	10,449

During the year ended 31st December 2024, the Company repurchased 47,778,600 ordinary shares on The Stock Exchange of Hong Kong Limited for a total aggregate price of HK$750 million (excluding transaction fees). The repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid for the repurchased ordinary shares was paid wholly out of the distributable profits of the Company included in its revenue reserve.

There was no purchase, sale or redemption by the Company of its shares during the year ended 31st December 2023.

Details of shares acquired by month are as follows:

	Number purchased	**Highest price paid HK$**	**Lowest price paid HK$**	**Total(i) HK$M**
September	**11,178,600**	**16.04**	**13.44**	**163**
October	**12,000,000**	**17.00**	**15.60**	**196**
November	**12,600,000**	**16.60**	**15.36**	**202**
December	**12,000,000(ii)**	**16.22**	**15.16**	**189(iii)**
	47,778,600			**750**

Notes:
(i) Excluding transaction fees of HK$2 million for shares repurchased.
(ii) These shares were repurchased but not yet cancelled as at 31st December 2024.
(iii) Including HK$29 million payable after 31st December 2024.

34. Reserves

	Revenue reserve HK$M	Merger reserve HK$M	Property revaluation reserve HK$M	Cash flow hedge reserve HK$M	Translation reserve HK$M	Total HK$M
At 1st January 2024	276,689	(1,108)	2,042	(57)	(2,933)	274,633
Loss for the year	(766)	–	–	–	–	(766)
Other comprehensive income						
Revaluation of properties previously occupied by the Group						
– gains recognised during the year	–	–	1	–	–	1
Defined benefit plans						
– remeasurement gains recognised during the year	132	–	–	–	–	132
– deferred tax	(22)	–	–	–	–	(22)
Cash flow hedges						
– gains recognised during the year	–	–	–	120	–	120
– transferred to net finance charges	–	–	–	(55)	–	(55)
– deferred tax	–	–	–	(10)	–	(10)
Share of other comprehensive income of joint venture and associated companies						
– recognised during the year	–	–	–	–	(856)	(856)
Net translation differences recognised during the year	–	–	–	–	(1,347)	(1,347)
Total comprehensive income for the year	(656)	–	1	55	(2,203)	(2,803)
Repurchase of the Company's shares	(752)	–	–	–	–	(752)
2023 second interim dividend (note 13)	(4,212)	–	–	–	–	(4,212)
2024 first interim dividend (note 13)	(1,989)	–	–	–	–	(1,989)
At 31st December 2024	269,080	(1,108)	2,043	(2)	(5,136)	264,877

34. Reserves *(continued)*

	Revenue reserve HK$M	Merger reserve HK$M	Property revaluation reserve HK$M	Cash flow hedge reserve HK$M	Translation reserve HK$M	Total HK$M
At 1st January 2023	280,008	(1,108)	2,007	9	(2,154)	278,762
Profit for the year	2,637	–	–	–	–	2,637
Other comprehensive income						
Revaluation of properties previously occupied by the Group						
– gains recognised during the year	–	–	46	–	–	46
– deferred tax	–	–	(11)	–	–	(11)
Defined benefit plans						
– remeasurement losses recognised during the year	(56)	–	–	–	–	(56)
– deferred tax	9	–	–	–	–	9
Cash flow hedges						
– losses recognised during the year	–	–	–	(38)	–	(38)
– transferred to net finance charges	–	–	–	(41)	–	(41)
– deferred tax	–	–	–	13	–	13
Share of other comprehensive income of joint venture and associated companies						
– recognised during the year	–	–	–	–	(103)	(103)
– reclassified to profit or loss on deemed disposal	–	–	–	–	228	228
Net translation differences recognised during the year	–	–	–	–	(904)	(904)
Total comprehensive income for the year	2,590	–	35	(66)	(779)	1,780
2022 second interim dividend	(3,978)	–	–	–	–	(3,978)
2023 first interim dividend (note 13)	(1,931)	–	–	–	–	(1,931)
At 31st December 2023	276,689	(1,108)	2,042	(57)	(2,933)	274,633

(a) The Group's revenue reserve includes retained earnings from joint venture companies amounting to HK$10,647 million (2023: HK$9,999 million) and accumulated losses from associated companies amounting to HK$359 million (2023: HK$426 million).

(b) The Group's revenue reserve includes HK$4,390 million (2023: HK$4,212 million) representing the declared second interim dividend for the year (note 13).

(c) The Group adopted merger accounting in accordance with Accounting Guideline 5, Merger Accounting for Common Control Combinations (issued by the HKICPA) to account for the acquisition of all the shares of Swire Properties US Inc and Swire Properties One LLC in January 2010. These companies were wholly-owned subsidiaries of the immediate holding company of Swire Properties Limited.

(d) At 31st December 2024, the Group's cash flow hedge reserve includes HK$1 million (net of tax) (2023: HK$38 million) relating to the currency basis element of the Group's derivatives which is recognised separately as a cost of hedging.

35. Company Statement of Financial Position and Reserves

(a) Company Statement of Financial Position

At 31st December 2024	Note	**2024 HK$M**	2023 HK$M
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**49**	45
Intangible assets		**139**	144
Right-of-use assets		**10**	24
Subsidiary companies		**121,109**	132,599
Loans due from joint venture companies		**3,651**	2,967
Associated companies		**3**	3
Retirement benefit assets		**62**	–
		125,023	135,782
Current assets			
Trade and other receivables		**84**	66
Taxation recoverable		**–**	12
Cash and cash equivalents		**345**	960
		429	1,038
Current liabilities			
Trade and other payables		**20,784**	29,479
Taxation payable		**14**	–
Lease liabilities due within one year		**10**	14
		20,808	29,493
Net current liabilities		**(20,379)**	(28,455)
Total assets less current liabilities		**104,644**	107,327
Non-current liabilities			
Long-term lease liabilities		**1**	11
Deferred tax liabilities		**33**	21
Retirement benefit liabilities		**–**	33
		34	65
NET ASSETS		**104,610**	107,262
EQUITY			
Equity attributable to the Company's shareholders			
Share capital	*33*	**10,449**	10,449
Reserves	*35(b)*	**94,161**	96,813
TOTAL EQUITY		**104,610**	107,262

Guy Bradley
May Wu
Directors

Hong Kong, 13th March 2025

35. Company Statement of Financial Position and Reserves *(continued)*

(b) The movement of the Company reserves during the year are as follows:

	Revenue reserve HK$M
Company	
At 1st January 2024	**96,813**
Profit for the year (note 12)	**4,207**
Other comprehensive income	
Defined benefit plans	
– remeasurement gains recognised during the year	**113**
– deferred tax	**(19)**
Total comprehensive income for the year	**4,301**
Repurchase of the Company's shares	**(752)**
2023 second interim dividend (note 13)	**(4,212)**
2024 first interim dividend (note 13)	**(1,989)**
At 31st December 2024	**94,161**
Company	
At 1st January 2023	97,001
Profit for the year (note 12)	5,763
Other comprehensive income	
Defined benefit plans	
– remeasurement losses recognised during the year	(50)
– deferred tax	8
Total comprehensive income for the year	5,721
2022 second interim dividend	(3,978)
2023 first interim dividend (note 13)	(1,931)
At 31st December 2023	96,813

(i) Distributable reserves of the Company at 31st December 2024 amounted to HK$94,161 million (2023: HK$96,813 million).

(ii) The Company's revenue reserve includes HK$4,390 million (2023: HK$4,212 million) representing the declared second interim dividend for the year (note 13).

36. Non-controlling Interests

The movement of non-controlling interests during the year is as follows:

	2024 HK$M	2023 HK$M
At 1st January	**3,067**	3,047
Share of profit less losses for the year	**165**	114
Share of net translation differences	**(59)**	(25)
Share of total comprehensive income	**106**	89
Capital contribution from non-controlling interests	**23**	26
Dividends paid	**(95)**	(95)
At 31st December	**3,101**	3,067

37. Capital Commitments

	2024 HK$M	2023 HK$M
(a) The Group's outstanding capital commitments at the year end in respect of:		
Property, plant and equipment		
Contracted but not provided for	**28**	35
Authorised by Directors but not contracted for	**260**	245
Investment properties		
Contracted but not provided for	**5,597**	5,795
Authorised by Directors but not contracted for	**14,196**	12,012
	20,081	18,087
The Group's share of capital commitments of joint venture companies at the year end (Note)		
Contracted but not provided for	**2,825**	850
Authorised by Directors but not contracted for	**8,751**	6,278
	11,576	7,128

Note:
Of which the Group is committed to funding HK$845 million (2023: HK$797 million).

At 31st December 2024, the Group was committed to inject capital of HK$1,549 million (2023: HK$275 million) into joint venture companies.

(b) At 31st December 2024, the Group had unprovided contractual obligations for future repairs and maintenance on investment properties of HK$521 million (2023: HK$267 million).

38. Contingencies

Accounting Policy

Contingent liabilities are possible obligations that arise from past events and the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

– the amount determined in accordance with the expected credit loss model under HKFRS 9 “Financial Instruments” and

– the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 “Revenue from Contracts with Customers”.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

	2024 HK$M	2023 HK$M
Guarantees provided in respect of:		
Bank loans and other liabilities of joint venture companies	**4,145**	3,996
Bank guarantees given in lieu of utility deposits and others	**63**	73
	4,208	4,069

The Group has assessed the fair value of the above guarantees and does not consider them to be material. They have therefore not been recognised in the consolidated statement of financial position.

39. Lease Commitments

Accounting Policy

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Receipts by the Group as a lessor under operating leases (net of any incentives paid to lessees) are recognised as income in the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

For commenced leases (which are not identified as low-value or short-term leases) undertaken by the Group as a lessee, right-of-use assets and the corresponding lease liabilities are recognised in the financial statements when the leased assets become available for use. Commitments in respect of leases payable by the Group as a lessee represent the future lease payments for (i) committed leases which have not yet commenced at the year-end date and (ii) short-term leases.

The Group acts as both lessor and lessee under operating leases. Details of the Group's commitments under non-cancellable operating leases are set out as follows:

(a) Lessor – lease receivables

The leases for investment properties typically run for periods of three to six years. The retail turnover-related rental income received from investment properties during the year amounted to HK$1,072 million (2023: HK$1,224 million).

The future aggregate minimum lease receipts under non-cancellable operating leases were receivable by the Group at the year end as follows:

	2024 HK$M	2023 HK$M
Investment properties		
Within 1 year	**8,726**	8,753
Between 1 and 2 years	**7,168**	6,908
Between 2 and 3 years	**5,319**	5,150
Between 3 and 4 years	**3,396**	3,414
Between 4 and 5 years	**2,391**	1,997
After 5 years	**4,570**	2,932
	31,570	29,154

Assets held for deployment on operating leases at the year end were as follows:

	2024 HK$M	2023 HK$M
Investment properties at fair value	**250,112**	256,786

(b) Lessee

At 31st December 2024, there were no future lease payments under leases committed but not yet commenced by the Group and no short-term leases commitments which were significantly dissimilar to those relating to the portfolio of short-term leases for which expenses were recognised for the year ended 31st December 2024 (2023: none).

40. Related Party Transactions

Accounting Policy

Related parties of the Group are individuals and companies, including subsidiary, fellow subsidiary, joint venture and associated companies and key management of the Group or the parent of the Group (including close members of their families), where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

There is an agreement for services ("Services Agreement"), in respect of which John Swire & Sons (H.K.) Limited ("JS&SHK"), an intermediate holding company, provides services to various companies in the Group and under which costs are reimbursed and fees payable. In return for these services, JS&SHK receives annual fees calculated as 2.5% of the Group's relevant consolidated profit before taxation and non-controlling interests after certain adjustments. The Services Agreement was renewed on 1st October 2022 for three years expiring on 31st December 2025. For the year ended 31st December 2024, service fees payable amounted to HK$182 million (2023: HK$205 million). Expenses of HK$126 million (2023: HK$111 million) were reimbursed at cost; in addition, HK$118 million (2023: HK$103 million) in respect of shared administrative services was reimbursed.

Under a tenancy framework agreement (the "Tenancy Framework Agreement") between JS&SHK, Swire Pacific Limited ("Swire Pacific") and the Company dated 14th August 2014, members of the Group enter into tenancy agreements with members of the JS&SHK group and members of the Swire Pacific group from time to time on normal commercial terms based on prevailing market rentals. The Tenancy Framework Agreement was renewed on 1st October 2021 for a term of three years expiring on 31st December 2024. In May 2024, it was announced that the Tenancy Framework Agreement will be renewed on 1st October 2024 for a further term of three years from 1st January 2025 to 31st December 2027. For the year ended 31st December 2024, the aggregate rentals payable to the Group by members of the JS&SHK group and members of the Swire Pacific group under tenancies to which the Tenancy Framework Agreement applies amounted to HK$104 million (2023: HK$105 million) and HK$48 million (2023: HK$43 million) respectively.

The above transactions under the Services Agreement and the Tenancy Framework Agreement are continuing connected transactions, in respect of which the Company has complied with the disclosure requirements of Chapter 14A of the Listing Rules.

In addition, the following is a summary of significant transactions between the Group and related parties (including transactions under the Tenancy Framework Agreement), which were carried out in the normal course of the Group's business, in addition to those transactions disclosed elsewhere in the financial statements.

		Joint venture companies		Associated companies		Fellow subsidiary companies		Immediate holding company		Intermediate holding company		Other related parties	
	Note	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M	**2024 HK$M**	2023 HK$M
Purchase of services	*(a)*	**–**	–	**–**	–	**38**	37	**–**	–	**–**	–	**–**	–
Rendering of services	*(a)*	**83**	69	**–**	–	**–**	–	**–**	–	**1**	1	**–**	–
Rental revenue	*(b)*	**–**	–	**–**	–	**48**	43	**–**	–	**104**	105	**1**	1
Rental expenses	*(b)*	**14**	10	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Revenue from hotels		**14**	16	**–**	–	**1**	3	**1**	–	**4**	2	**5**	4
Interest income	*(c)*	**151**	129	**8**	7	**–**	–	**–**	–	**–**	–	**–**	–
Interest charges	*(c)*	**–**	2	**5**	–	**–**	–	**–**	–	**–**	–	**–**	–

Notes:

(a) Purchase and rendering of services from and to related parties were conducted in the normal course of business at prices and on terms no less favourable to the Group than those charged by/to and contracted with other suppliers/customers of the Group.

(b) The Group has, in the normal course of its business, entered into lease agreements with related parties to lease premises for varying periods up to six years. The leases were entered into on normal commercial terms.

(c) Loans advanced to joint venture and associated companies at 31st December 2024 are disclosed in notes 20 and 21. Advances from associated companies are disclosed in note 27.

Remuneration of key management, which includes Executive and Non-Executive Directors and Executive Officers, is disclosed in note 9.

41. Notes to the Consolidated Statement of Cash Flows

(a) Reconciliation of operating profit to cash generated from operations

	2024 HK$M	2023 HK$M
Operating profit	**1,702**	5,180
Change in fair value of investment properties	**5,996**	2,829
Change in fair value of assets classified as held for sale	**2**	442
Depreciation	**392**	353
Amortisation of initial leasing costs on investment properties	**52**	96
Amortisation of intangible assets	**71**	66
Net gains arising from the acquisition of interests in joint venture companies	**–**	(323)
Reversal on impairment loss on a hotel held as part of a mixed-use development	**(15)**	–
Losses on disposal of investment properties	**–**	16
Losses on disposal of property, plant and equipment	**10**	2
Losses on disposal of assets classified as held for sale	**220**	44
Other items	**(115)**	8
Operating profit before working capital changes	**8,315**	8,713
Increase in properties for sale	**(1,601)**	(589)
Decrease in stocks	**2**	1
Increase in trade and other receivables	**(797)**	(902)
(Decrease)/Increase in trade and other payables	**(35)**	281
Increase/(Decrease) in contract liabilities	**632**	(9)
Decrease in retirement benefit liabilities	**(27)**	(3)
Cash generated from operations	**6,489**	7,492

(b) Purchase of property, plant and equipment

	2024 HK$M	2023 HK$M
Land and buildings	**10**	14
Plant and equipment	**266**	203
Total	**276**	217

The above purchase amounts do not include interest capitalised on property, plant and equipment.

(c) Analysis of changes in financing during the year

During the year ended 31st December 2024, advances from an associated company of HK$2,049 million were reported under "financing activities" in the consolidated statement of cash flows. As at 31st December 2024, after taking into account of a negative currency adjustment of HK$28 million, the outstanding balances of these advances of HK$2,021 million were recorded in the consolidated statement of financial position under "trade and other payables" as disclosed in note 27.

Refer to the tables with the headings "Audited Financial Information" on page 82 for details of the changes in financing for loans and bonds, and lease liabilities during the year.

42. Immediate and Ultimate Holding Company

The immediate holding company is Swire Pacific Limited, a company incorporated and listed in Hong Kong.

The ultimate holding company is John Swire & Sons Limited, a company incorporated in the United Kingdom.

ACCOUNTING POLICIES

Apart from the material accounting policies presented within the corresponding notes to the financial statements, the other material accounting policies applied in the preparation of these consolidated financial statements are set out below:

1. Basis of Preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. The consolidated financial statements include "Audited Financial Information" in the Financing section on pages 81 to 89. The consolidated financial statements have been prepared under the historical cost convention as modified in relation to the revaluation of investment properties, put options in respect of non-controlling interests, financial assets at fair value through profit or loss and other comprehensive income, defined benefits assets and derivative financial instruments, each of which are carried at fair value.

2. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of Swire Properties Limited, its subsidiary companies (together referred to as the "Group") and the Group's interests in joint venture and associated companies.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are generally expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquired subsidiary either at fair value or at the non-controlling interest's proportionate share of the acquired subsidiary's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired subsidiary and the acquisition-date fair value of any previous equity interest in the acquired subsidiary over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the consolidated statement of profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests where control is not lost are also recorded in equity.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the consolidated statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture company or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in the consolidated statement of other comprehensive income are reclassified to the consolidated statement of profit or loss.

Where the Group enters into a contract that contains an obligation (for example a written put option exercisable by the contract counterparty) to acquire shares in a partly-owned subsidiary company from the owner of the non-controlling interest, which is not part of a business combination, the Group records a financial liability in respect of the present value of the redemption amount with a corresponding charge directly to equity. Changes to the value of the financial liability are recognised in the consolidated statement of profit or loss within net finance charges.

2. Basis of Consolidation *(continued)*

In the Group's consolidated statement of financial position, its interests in joint venture and associated companies are accounted for using the equity method of accounting and are initially recognised at cost. The excess of the cost of investment in joint venture and associated companies over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition represents goodwill. The Group's interests in joint venture and associated companies include goodwill identified on acquisitions, net of any accumulated impairment loss.

The Group's share of its joint venture and associated companies' post-acquisition profits or losses is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in the consolidated statement of other comprehensive income is recognised in the consolidated statement of comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses equals or exceeds its interest in the joint venture or associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associated company.

The Group assesses at the end of each reporting period whether there is any objective evidence that its interests in joint venture and associated companies are impaired. Such objective evidence includes whether there has been any significant adverse changes in the technological, market, economic or legal environment in which the joint venture and associated companies operate or whether there has been a significant or prolonged decline in value below their cost. If there is an indication that an interest in a joint venture or associated company is impaired, the Group assesses whether the entire carrying amount of the investment (including goodwill) is recoverable. An impairment loss is recognised in the consolidated statement of profit or loss for the amount by which the carrying amount is higher than the higher of the investment's fair value less costs of disposal or value-in-use. Any reversal of such impairment loss in subsequent periods is credited to the consolidated statement of profit or loss.

The Group recognises the disposal of an interest in a joint venture company when it ceases to have joint control and the risks and rewards of ownership have passed to the acquirer.

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in the consolidated statement of other comprehensive income are reclassified to the consolidated statement of profit or loss where appropriate.

Unrealised gains on transactions between the Group and its joint venture and associated companies are eliminated to the extent of the Group's interest in these companies. Unrealised losses on assets transferred between the Group and its joint venture and associated companies are also eliminated unless the transactions provide evidence of impairment of the assets transferred. Accounting policies of joint venture and associated companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in respect of investments in associated companies are recognised in the consolidated statement of profit or loss.

3. Subsidiary Companies

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in subsidiary companies in the Company's standalone financial statements are stated at cost less provision for any impairment losses. Income from subsidiary companies is accounted for on the basis of dividends received and receivable. Long-term loans to subsidiary companies are considered to be quasi-equity in nature where there is no defined repayment terms and no expectation of repayment.

4. Joint Venture and Associated Companies

In the Company's statement of financial position, its investments in joint venture and associated companies are stated at cost less provision for any impairment losses. Income from joint venture and associated companies is recognised by the Company on the basis of dividends received and receivable. Long-term loans to joint venture and associated companies are subject to expected credit losses assessment. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

5. Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss, except when deferred in the consolidated statement of other comprehensive income as qualifying cash flow hedges or qualifying net investment hedges.

When a gain or loss on a non-monetary item is recognised directly in the consolidated statement of other comprehensive income, any associated translation difference is also recognised directly in the consolidated statement of other comprehensive income. When a gain or loss on a non-monetary item is recognised in the consolidated statement of profit or loss, any associated translation difference is also recognised in the consolidated statement of profit or loss.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in the statement of other comprehensive income and accumulated in a separate component in equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to the consolidated statement of other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are reclassified in the consolidated statement of profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

6. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

PRINCIPAL SUBSIDIARY, JOINT VENTURE AND ASSOCIATED COMPANIES

Showing proportion of capital owned at 31st December 2024

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up shares/Registered capital	Principal activities
Subsidiary companies:					
Incorporated in Hong Kong with limited liability and operating in Hong Kong:					
Achieve Bright Limited	100	100	–	100 shares (HK$100)	Property trading
Citiluck Development Limited	100	–	100	1,000 shares (HK$1,000)	Property investment
Cityplaza Holdings Limited	100	100	–	100 shares (HK$1,000)	Property investment
Coventry Estates Limited	100	–	100	4 shares (HK$40)	Property investment
Joyful Sincere Limited (d)	80	–	100	1 share (HK$1)	Property trading
One Queen's Road East Limited	100	–	100	200 shares (HK$200)	Property investment
Pacific Place Holdings Limited	100	100	–	2 shares (HK$2)	Property investment
Redhill Properties Limited	100	100	–	250,000 shares (HK$7,300,000)	Property investment
Swire Properties (Finance) Limited	100	100	–	1,000,000 shares (HK$1,000,000)	Financial services
Swire Properties Management Limited	100	100	–	2 shares (HK$20)	Property management
Swire Properties MTN Financing Limited	100	100	–	1 share (HK$1)	Financial services
Swire Properties Real Estate Agency Limited	100	100	–	2 shares (HK$20)	Real estate agency
Taikoo Place Holdings Limited	100	100	–	2 shares (HK$2)	Property investment
Incorporated in the Chinese Mainland with limited liability and operating in the Chinese Mainland:					
(Sino-foreign joint ventures)					
Taikoo Hui (Guangzhou) Development Company Limited(b)	97	–	97	Registered capital of RMB3,550,400,000	Property investment
Xi'an Tengyun Real Estate Company Limited(b)	70	–	70	Registered capital of RMB3,653,743,600	Property investment
(Wholly foreign owned enterprises)					
Beijing Anye Property Management Company Limited(b)	100	–	100	Registered capital of RMB160,170,485.20	Property investment
Beijing Sanlitun Hotel Management Company Limited(b)	100	–	100	Registered capital of RMB800,000,000	Property investment
Beijing Sanlitun North Property Management Company Limited(b)	100	–	100	Registered capital of RMB2,784,000,000	Property investment
Beijing Sanlitun South Property Management Company Limited(b)	100	–	100	Registered capital of RMB1,598,000,000	Property investment
Chengdu Qianhao Real Estate Company Limited	100	–	100	Registered capital of US$329,000,000	Property investment
Sunshine Melody (Guangzhou) Properties Management Limited	100	–	100	Registered capital of RMB295,000,000	Property investment
Swire Properties (China) Investment Company Limited(b)	100	–	100	Registered capital of US$30,000,000	Holding company
(Domestic company)					
Beijing Tianlian Real Estate Company Limited(b)(d)	100	–	100	Registered capital of RMB865,000,000	Holding company

Notes:

(a) This table lists the principal subsidiary, joint venture and associated companies of the Group including those which, in the opinion of the Directors, materially contribute to the net income of the Group or hold a material portion of the assets or liabilities of the Group. To give full details of these companies would, in the opinion of the Directors, result in particulars of excessive length.

(b) Translated name.

(c) Group interest held through joint venture and associated companies.

(d) Companies the accounts of which are not audited by PricewaterhouseCoopers. These companies accounted for approximately 6.5% of attributable net assets at 31st December 2024.

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up shares/Registered capital	Principal activities
Subsidiary companies (continued):					
Incorporated in the United States with limited liability and operating in the United States:					
50A Developer LLC	100	–	100	Limited Liability Company	Property trading and investment
BCC Hotel Management Services LLC	100	–	100	Limited Liability Company	Hotel management
BCC Parking LLC	100	–	100	Limited Liability Company	Property investment and property management services
Brickell City Centre Plaza LLC	100	–	100	Limited Liability Company	Property investment
Brickell City Centre Project LLC	100	–	100	Limited Liability Company	Property trading and investment
Brickell City Centre Retail LLC	62.93	–	87.93	Limited Liability Company	Property investment
OID Holding Company LLC	100	–	100	Limited Liability Company	Property trading and investment
OID T1 Developer LLC	100	–	100	Limited Liability Company	Property trading
OID T2 Developer LLC	100	–	100	Limited Liability Company	Property trading
Swire Jadeco LLC	100	–	100	Limited Liability Company	Property trading
Swire Properties Inc	100	–	100	1,000 shares of US$0.01 each	Holding company
Swire Properties One LLC	100	–	100	Limited Liability Company	Holding company
Swire Properties US Inc	100	–	100	1,000 shares of US$0.01 each	Holding company
Swire Realty LLC	100	–	100	Limited Liability Company	Real estate agency
Incorporated in the British Virgin Islands with limited liability and operating in Hong Kong:					
Apex Best Investments Limited	100	100	–	1 share of US$1	Property investment
Boom View Holdings Limited	100	100	–	2 shares of US$1 each	Property investment
Cherish Shine Limited	100	100	–	1 share of US$1	Property investment
Da Long Limited	100	100	–	1 share of US$1	Property investment
Gold Fountain Ventures Limited	100	100	–	1 share of US$1	Property investment
High Grade Ventures Limited	100	100	–	1 share of US$1	Property trading and investment
Keen Elite Group Limited	100	–	100	1 share of US$1	Property investment
Novel Ray Limited	100	100	–	1 share of US$1	Property investment
One Pacific Place Limited	100	–	100	1 share of US$1	Property investment
Park Concept Group Limited	100	100	–	1 share of US$1	Property investment
Prosperous Dynasty Limited	100	100	–	1 share of US$1	Property investment
Sound Dragon Trading Co., Ltd.	100	100	–	1 share of US$1	Property investment
Sino Flagship Investments Limited	100	–	100	1 share of US$1	Property investment
Swire and Island Communication Developments Limited(d)	60	60	–	100 shares of HK$10 each and 1 non-voting dividend share of HK$10	Property investment
Swire Properties China Holdings Limited	100	100	–	1 share of US$1	Holding company
Incorporated in the British Virgin Islands with limited liability and operating in the Chinese Mainland:					
Great City China Holdings Limited	100	–	100	100 shares of US$1 each	Holding company
Joint venture companies:					
Incorporated in Hong Kong with limited liability and operating in Hong Kong:					
Hareton Limited(d)	50	–	50	100 shares (HK$1,000)	Property investment
Pacific Grace Limited	50	–	(c)	2 shares (HK$2)	Property investment
Richly Leader Limited	50	–	50	1,000,000,000 shares (HK$700,000,000)	Property investment
Incorporated in the United States with limited liability and operating in the United States:					
Swire Brickell Key Hotel, Ltd.	75	–	75	Limited Partnership	Hotel investment

	Attributable to the Group %	Owned directly %	Owned by subsidiaries %	Issued and fully paid up shares/Registered capital	Principal activities
Joint venture companies (continued):					
Incorporated in the British Virgin Islands with limited liability:					
Dazhongli Properties Limited (operating in the Chinese Mainland)	50	–	50	1,000 shares of US$1 each	Holding company
Fortune Access Holdings Limited (operating in Hong Kong)	25	–	25	100 shares of US$1 each	Holding company
Newfoundworld Investment Holdings Limited (operating in Hong Kong)	26.67	–	26.67	15 shares of US$1 each	Holding company
Parico Resources Limited(d) (operating in Hong Kong)	50	–	(c)	2 shares of US$1 each	Holding company
Incorporated in the Chinese Mainland with limited liability and operating in the Chinese Mainland:					
(Domestic companies)					
Beijing Linlian Real Estate Company Limited(b)(d)	50	–	50	Registered capital of RMB400,000,000	Property investment
Shanghai Kaiye Commercial Management Company Limited(b)	60	–	60	Registered capital of RMB10,000,000	Property management
(Wholly foreign owned enterprise)					
Guan Feng (Shanghai) Real Estate Development Company Limited(b)	50	–	(c)	Registered capital of US$1,136,530,000	Property investment
(Sino-foreign joint ventures)					
Beijing Xingtaitonggang Properties Company Limited(b)(d)	49.895	–	49.895	Registered capital of RMB9,500,000,000	Property investment
Guangzhou Jushi Investment Development Company Limited(b)	50	–	50	Registered capital of RMB3,670,000,000	Property investment
Shanghai Qianxiu Company Limited(b)	50	–	50	Registered capital of RMB1,549,777,000	Property investment
Sanya CDF Seaside Investment & Development Company Limited(b)(d)	50	–	50	Registered capital of RMB2,500,000,000	Property investment
Incorporated in Indonesia with limited liability and operating in Indonesia:					
PT Jantra Swarna Dipta	50	–	50	1,728,176 shares of Rp1,000,000 each	Property trading
Incorporated in Thailand with limited liability and operating in Thailand:					
City Dynamic Co., Ltd.(d)	40	–	40	165,000,000 shares of Baht10 each	Property trading
Associated companies:					
Incorporated in Hong Kong with limited liability and operating in Hong Kong:					
Greenroll Limited(d)	20	20	–	45,441,000 shares (HK$454,410,000)	Hotel investment
Queensway Hotel Limited(d)	20	–	(c)	100,000 shares (HK$1,000,000)	Hotel investment
Shangri-La International Hotels (Pacific Place) Limited	20	20	–	10,005,000 shares (HK$10,005,000)	Hotel investment
Incorporated in the Chinese Mainland with limited liability and operating in the Chinese Mainland:					
(Sino-foreign joint ventures)					
Shanghai Dongmao Real Estate Limited(b)	40	–	40	Registered capital of RMB16,000,000,000	Property investment
Shanghai Yaolong Investment Limited(b)	40	–	40	Registered capital of RMB2,200,000,000	Property trading and investment
Incorporated in Vietnam with limited liability and operating in Vietnam:					
City Garden Thu Thiem Limited Liability Company(d)	20	–	(c)	Charter capital of VND969,797,500,000	Property trading

SCHEDULE OF PRINCIPAL GROUP PROPERTIES

At 31st December 2024

	Gross floor areas in square feet							
	Hong Kong		Chinese Mainland		U.S.A. and Elsewhere		Totals	
	Held through subsidiaries	Held through other companies	Held through subsidiaries	Held through other companies	Held through subsidiaries	Held through other companies	Held through subsidiaries	Held through subsidiaries and other companies
Completed properties for investment								
Retail	2,321,552	223,903	4,593,664	1,621,358	496,508	–	7,411,724	9,256,985
Office	8,463,132	735,314	1,693,125	1,244,955	–	–	10,156,257	12,136,526
Residential/Serviced apartment	555,551	–	157,180	73,662	–	–	712,731	786,393
Hotels	358,371	435,770	702,571	467,442	–	258,750	1,060,942	2,222,904
	11,698,606	1,394,987	7,146,540	3,407,417	496,508	258,750	19,341,654	24,402,808
Property developments for investment								
Retail	–	–	824,245	2,671,776	–	–	824,245	3,496,021
Office	–	–	–	2,155,659	–	–	–	2,155,659
Residential/Serviced apartment	–	–	–	57,540	–	–	–	57,540
Hotels	–	–	–	173,037	–	–	–	173,037
Under planning	779,000	–	2,896,119	615,701	1,510,000*	–	5,185,119	5,800,820
	779,000	–	3,720,364	5,673,713	1,510,000	–	6,009,364	11,683,077
Completed properties for sale								
Residential/Serviced apartment	3,050	159,576	–	–	–	–	3,050	162,626
	3,050	159,576	–	–	–	–	3,050	162,626
Property developments for sale								
Retail	15,199	–	–	–	–	–	15,199	15,199
Residential/Mixed-use	810,266	220,000	–	952,723	1,073,000	2,056,897	1,883,266	5,112,886
	825,465	220,000	–	952,723	1,073,000	2,056,897	1,898,465	5,128,085
	13,306,121	1,774,563	10,866,904	10,033,853	3,079,508	2,315,647	27,252,533	41,376,596

* Brickell City Centre land is currently under planning. The site is included under "Properties held for development" in the financial statements.

Notes:

1. All properties held through subsidiary companies are wholly-owned except for Island Place (60% owned), The Headland Residences (formerly known as Chai Wan Inland Lot No. 178) (80% owned), Taikoo Hui, Guangzhou (97% owned), Taikoo Li Xi'an (70% owned), No. 387 Tianhe Road, Guangzhou (97% owned) and Brickell City Centre (Retail: 62.93% owned). The above summary table includes the floor areas of these six properties in 100%.
2. "Other companies" comprise joint venture, associated companies and financial assets at fair value through profit or loss. The floor areas of properties held through such companies are shown on an attributable basis.
3. Gross floor areas in Hong Kong and the Chinese Mainland exclude car parking spaces; there are about 9,195 completed car parking spaces in Hong Kong and the Chinese Mainland, which are held by subsidiaries and other companies for investment.
4. When a Hong Kong property is held under a renewable lease, the expiry date of the renewal period is shown.
5. All properties in the U.S.A. are freehold.
6. Gross floor areas for all properties in the U.S.A. represent saleable or leasable areas for completed and nearly completed properties, which exclude car parking spaces; there are about 1,976 completed car parking spaces held by subsidiaries and other companies for investment.

Completed properties for investment in Hong Kong	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Office							
1. Pacific Place							
One Pacific Place	88 Queensway, Admiralty	2135	115,066 (part)	863,266	–	1988	
Two Pacific Place	88 Queensway, Admiralty	2047	203,223 (part)	695,510	–	1990	
2. Three Pacific Place	1 Queen's Road East, Wan Chai	2050-2852	40,236	627,657	111	2004/2007	Linked to The Mall at Pacific Place and Admiralty MTR station.
3. Devon House, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	70,414 (part)	803,452	311	1993	Linked to Dorset House and Cambridge House.
4. Dorset House, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	238,582 (part)	601,723	204	1994	Linked to Devon House and PCCW Tower.
5. Lincoln House, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	238,582 (part)	333,529	164	1998	Linked to PCCW Tower and One Taikoo Place.
6. Oxford House, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881/2899	33,434	501,253	182	1999	Linked to One Taikoo Place.
7. Cambridge House, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	70,414 (part)	268,795	–	2003	Linked to Devon House.
8. One Island East, Taikoo Place	18 Westlands Road, Taikoo Place, Quarry Bay	2881/2899	109,929 (part)	1,309,404	–	2008	Linked to Two Taikoo Place. Floor area is approximation and excludes nine floors which were disposed to SFC on 21st December 2023.
9. One Taikoo Place, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	238,582 (part)	1,013,368	82	2018	Linked to Lincoln House and Oxford House.
10. Two Taikoo Place, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	238,582 (part)	994,973	346	2022	Linked to PCCW Tower and One Island East.
11. SPACES. 8QRE	8 Queen's Road East, Wan Chai	2089/ 2103/2113	4,612	81,346	–	2013 (Refurbishment)	With ground floor retail.
12. Five Pacific Place	28 Hennessy Road, Wan Chai	2843	9,622	145,903	–	2012	
13. Six Pacific Place	50 Queen's Road East, Wan Chai	2843	14,433	222,953	88	2024	
	Total held through subsidiaries			**8,463,132**	**1,488**		
14. PCCW Tower, Taikoo Place	979 King's Road, Taikoo Place, Quarry Bay	2881	238,582 (part)	613,679	217	1994	Linked to Dorset House, Lincoln House and Two Taikoo Place. Floor area shown represents the whole development, in which the Group owns a 50% interest.
15. Berkshire House, Taikoo Place	25 Westlands Road, Taikoo Place, Quarry Bay	2047	25,926	388,838	84	1998	Floor area shown represents the whole development, in which the Group owns a 50% interest.
16. One Citygate	20 Tat Tung Road, Tung Chung, Lantau Island	2047	358,557 (part)	160,522	63	1999/ 2000	Above Citygate Outlets. Floor area shown represents the whole of the office area of the development, in which the Group owns a 26.67% interest.
17. South Island Place	8 Wong Chuk Hang Road, Wong Chuk Hang	2064	25,260	382,499	137	2018	Floor area shown represents the whole development, in which the Group owns a 50% interest.
	Total held through joint venture companies			**1,545,538**	**501**		
	– of which attributable to the Group			**735,314**			

Completed properties for investment in Hong Kong	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Retail							
1. Pacific Place							
The Mall at Pacific Place	88 Queensway, Admiralty	2135/2047	318,289 (part)	711,182	426	1988/1990	Shopping centre with restaurants and a cinema. Access to Admiralty MTR station. Pacific Place also comprises serviced apartments and hotels, details of which are given in the Residential and Hotel categories below.
2. Cityplaza	18 Taikoo Shing Road, Taikoo Shing	2899	334,475 (part)	1,096,898	845	1983/ 1987/ 1997/ 2000	Shopping centre with restaurants, ice-skating rink, cinema and access to Tai Koo MTR station.
3. Commercial areas in Stages I - X of Taikoo Shing	Taikoo Shing	2081/ 2889/2899	–	329,777	1,104	1977-1985	Neighbourhood shops, schools and car parking spaces.
4. Island Place	500 King's Road, North Point	2047	106,498 (part)	150,223	288	1996	Floor area shown represents the whole shopping centre podium, in which the Group owns a 60% interest.
5. StarCrest	9 Star Street, Wan Chai	2047	40,871 (part)	13,112	83	1999	Floor area shown represents the whole of the retail podium.
6. EAST Apartments, Taikoo Place	23 Tong Chong Street, Taikoo Place, Quarry Bay	2881	8,664 (part)	12,312	–	2014	Floor area shown represents the whole of a 3-storey retail podium (excluding serviced suites above).
7. STAR STUDIOS I & II	8-10 & 18 Wing Fung Street, Wan Chai	2056/2852	6,775 (part)	5,197	–	2016 (Refurbishment)	Floor area shown represents the retail area (excluding residential apartments).
8. EIGHT STAR STREET	8 Star Street, Wan Chai	2856	3,609 (part)	2,851	–	2022	Floor area shown represents the whole of the retail podium.
	Total held through subsidiaries			**2,321,552**	**2,746**		
9. Tung Chung Crescent	Tung Chung Crescent Tung Chung, Lantau Island	2047	331,658 (part)	36,053	75	1998/ 1999	Floor area shown represents the retail space, in which the Group owns a 26.67% interest.
10. Citygate Outlets	18-20 Tat Tung Road, Tung Chung, Lantau Island	2047/ 2063	466,476 (part)	803,582	1,197	1999/ 2000/ 2019	Floor area shown represents the whole of the retail area of the development, in which the Group owns a 26.67% interest.
	Total held through joint venture companies			**839,635**	**1,272**		
	– of which attributable to the Group			**223,903**			
Residential							
1. Pacific Place Apartments	88 Queensway, Admiralty	2047	203,223 (part)	443,075	–	1990	270 serviced suites within the Conrad Hong Kong Hotel tower.
2. EAST Apartments, Taikoo Place	23 Tong Chong Street, Taikoo Place, Quarry Bay	2881	8,664 (part)	62,756	–	2014	106 serviced suites above a 3-storey retail podium. Floor area shown excludes retail portion.
3. STAR STUDIOS I & II	8-10 & 18 Wing Fung Street, Wan Chai	2056/2852	6,775 (part)	47,076	–	2016 (Refurbishment)	120 apartments above ground floor shops. Floor area shown excludes retail area (5,197 square feet).
4. House B, 36 Island Road, Deep Water Bay	36 Island Road, Deep Water Bay	2097	20,733 (part)	2,644	–	1980	One detached house.
	Total held through subsidiaries			**555,551**	**–**		
Hotel							
1. EAST Hong Kong	29 Taikoo Shing Road, Taikoo Shing	2899	146,184 (part)	199,633	–	2009	331-room hotel.
2. The Upper House, Pacific Place	88 Queensway, Admiralty	2135	115,066 (part)	158,738	–	2009 (Refurbishment)	117-room hotel above the JW Marriott Hotel.
	Total held through subsidiaries			**358,371**	**–**		

Completed properties for investment in Hong Kong	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Hotel *(continued)*							
3. JW Marriott Hotel, Pacific Place	88 Queensway, Admiralty	2135	115,066 (part)	525,904	–	1988	608-room hotel, in which the Group owns a 20% interest.
4. Conrad Hong Kong Hotel, Pacific Place	88 Queensway, Admiralty	2047	203,223 (part)	555,590	–	1990	513-room hotel, in which the Group owns a 20% interest.
5. Island Shangri-La Hotel, Pacific Place	88 Queensway, Admiralty	2047	203,223 (part)	605,728	–	1991	544-room hotel, in which the Group owns a 20% interest.
	Total held through associated companies			**1,687,222**	**–**		
	– of which attributable to the Group			**337,444**			
6. Novotel Citygate Hong Kong, Citygate	51 Man Tung Road, Tung Chung, Lantau Island	2047	358,557 (part)	236,758	25	2005	440-room hotel, in which the Group owns a 26.67% interest.
7. The Silveri Hong Kong – MGallery, Citygate	16 Tat Tung Road, Tung Chung, Lantau Island	2063	107,919 (part)	131,965	5	2019	206-room hotel, in which the Group owns a 26.67% interest.
	Total held through joint venture companies			**368,723**	**30**		
	– of which attributable to the Group			**98,326**			

Completed properties for investment in the Chinese Mainland	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Retail							
1. Taikoo Li Sanlitun (Taikoo Li Sanlitun South)	19 Sanlitun Road, Chaoyang district, Beijing	2044 (2054 for car parks)	566,332 (part)	776,909	417	2007	Shopping centre with restaurants and cinema.
2. Taikoo Li Sanlitun (Taikoo Li Sanlitun North)	11 Sanlitun Road, Chaoyang district, Beijing	2044 (2054 for car parks)	566,332 (part)	519,399	340	2007	Shopping centre with restaurants.
3. Taikoo Li Sanlitun (Taikoo Li Sanlitun West)	58 Workers' Stadium North Road, Chaoyang district, Beijing	2033	40,102	293,405	50	2021	Shopping centre with restaurants leased by the Group.
4. Building 15	15 Sanlitun North, Chaoyang district, Beijing	2048	4,861	19,011	–	2000s	Commercial building acquired by the Group.
5. The Red	Building 15A, Sanlitun North, Chaoyang district, Beijing	2027	7,641	10,077	–	2000s	Shopping centre leased by the Group.
6. Hui Fang	75 Tianhe East Road, Tianhe district, Guangzhou	2044	174,377 (part)	90,847	100	2008	Shopping centre with restaurants.
7. Taikoo Hui	383 Tianhe Road, Tianhe district, Guangzhou	2051	526,941 (part)	1,529,392	718	2011	Shopping centre with restaurants. Floor area shown represents the retail portion, in which the Group owns a 97% interest.
8. Taikoo Li Chengdu	Daci Temple Area, 9 Dongda Street, Jinjiang district, Chengdu	2051	814,604 (part)	1,314,237	1,051	2014	Shopping centre with restaurants and cinema. Floor area shown represents the retail portion.
9. Heritage Buildings in Taikoo Li Chengdu	Daci Temple Area, 9 Dongda Street, Jinjiang district, Chengdu	2034	N/A	40,387	–	2014	Heritage Buildings leased from the local government as part of the retail operation of Taikoo Li Chengdu.
	Total held through subsidiaries			**4,593,664**	**2,676**		

Completed properties for investment in the Chinese Mainland	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Retail *(continued)*							
10. INDIGO	18 Jiuxianqiao Road, Chaoyang district, Beijing	2044 (2054 for car parks)	628,279 (part)	946,769	617	2012	Shopping centre with restaurants and cinema. Floor area shown represents the retail portion, in which the Group owns a 50% interest.
11. HKRI Taikoo Hui	No. 789 Nanjing Road (West), Jing'an district, Shanghai	2049	676,091 (part)	1,039,407	391	2016	Floor area shown represents the retail portion, in which the Group owns a 50% interest.
12. Metrolink in HKRI Taikoo Hui	No. 789 Nanjing Road (West), Jing'an district, Shanghai	2035	N/A	67,813	–	2018	Shopping corridor leased from Shanghai Shentong Metro and operated by HKRI Taikoo Hui, in which the Group owns a 50% interest.
13. Taikoo Li Qiantan	No. 500, Dongyu Road, Pudong district, Shanghai	2053	638,125	1,188,727	907	2020	The Group owns a 50% interest.
	Total held through joint venture companies			**3,242,716**	**1,915**		
	– of which attributable to the Group			**1,621,358**			
Office							
1. Taikoo Hui Towers 1 & 2	383 Tianhe Road, Tianhe district, Guangzhou	2051	526,941 (part)	1,693,125	–	2011	Floor area shown represents the office portion, in which the Group owns a 97% interest.
	Total held through subsidiaries			**1,693,125**	**–**		
2. ONE INDIGO	20 Jiuxianqiao Road, Chaoyang district, Beijing	2054	631,072 (part)	589,071	392	2011	Floor area shown represents the office portion, in which the Group owns a 50% interest.
3. HKRI Centre 1 and HKRI Centre 2	288 Shimen Road (No. 1), Jing'an district, Shanghai	2059	676,091 (part)	1,900,838	670	2016	Floor area shown represents the office portion, in which the Group owns a 50% interest.
	Total held through joint venture companies			**2,489,909**	**1,062**		
	– of which attributable to the Group			**1,244,955**			
Hotel							
1. Mandarin Oriental, Guangzhou	389 Tianhe Road, Tianhe district, Guangzhou	2051	526,941 (part)	Hotel: 509,434	–	2012	263-room hotel and 24 serviced apartments, in which the Group owns a 97% interest.
				Serviced apartment: 50,376	–		
				559,810			
2. The Temple House	Daci Temple Area, 9 Dongda Street, Jinjiang district, Chengdu	2051	814,604 (part)	Hotel: 193,137	–	2015	100-room hotel and 42 serviced apartments.
				Serviced apartment: 106,804	–		
				299,941			
	Total held through subsidiaries			**859,751**	**–**		
3. EAST Beijing	22 Jiuxianqiao Road, Chaoyang district, Beijing	2044 (2054 for office and car parks)	631,072 (part)	358,301	236	2012	365-room hotel, in which the Group owns a 50% interest.

Completed properties for investment in the Chinese Mainland	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Hotel *(continued)*							
4. The Sukhothai Shanghai Hotel	380 Weihai Road, Jing'an district, Shanghai	2049	676,091 (part)	Hotel: 328,625	87	2018	201-room hotel, in which the Group owns a 50% interest.
The Middle House	366 Shi Men Yi Road, Jing'an district, Shanghai			Hotel: 247,958	52	2018	111-room hotel, in which the Group owns a 50% interest.
The Middle House Residences	366 Shi Men Yi Road, Jing'an district, Shanghai			Serviced apartment: 147,323	52	2018	102 serviced apartments, in which the Group owns a 50% interest.
				723,906			
	Total held through joint venture companies			**1,082,207**	**427**		
	– of which attributable to the Group			**541,104**			

Completed properties for investment in the United States	Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Retail						
1. Brickell City Centre – retail portion	701 S. Miami Avenue, Miami, Florida 33131	380,670 (part)	496,508	1,137	2016	Floor area shown represents the whole shopping centre, in which the Group owns a 62.93% interest.
2. Car parking spaces for Two Brickell City Centre, Three Brickell City Centre, EAST Residences and EAST Miami	Brickell City Centre 701 S. Miami Avenue, Miami, Florida 33131	380,670 (part)	–	389	2016	The Group owns the 389 car parking spaces of the sold properties.
	Total held through subsidiaries		**496,508**	**1,526**		
Hotel						
1. Mandarin Oriental, Miami	500 Brickell Key Drive, Miami, Florida 33131	120,233	345,000	600	2000	326-room luxury hotel in central Miami, in which the Group owns a 75% interest.
	Total held through joint venture companies		**345,000**	**600**		
	– of which attributable to the Group		**258,750**			

Property developments for investment in Hong Kong	Lot number	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Stage of completion	Expected completion date	Remarks
Under planning								
1. 8 Shipyard Lane and 1067 King's Road	QBML 2 & Ext sE ss2 QBML 2 & Ext sE ss6	2899	51,937	Under planning: 779,000	To be determined	Under Planning	To be determined	
	Total held through subsidiaries			**779,000**	**–**			

Property developments for investment in the Chinese Mainland	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Stage of completion	Expected completion date	Remarks
Retail								
1. No. 387 Tianhe Road, Guangzhou	No. 387 Tianhe Road, Guangzhou, connected to the shopping mall at Taikoo Hui Guangzhou	2041	326,848	Under planning: 654,782	To be determined	Development scheme under planning	From 2027	To be refurbished as a luxury retail extension to Taikoo Hui. Floor area shown represents the retail portion, in which the Group owns a 97% interest.
2. The Opposite House under redevelopment	On the north of current Taikoo Li Sanlitun, Beijing	2044 (2054 for car parks)	566,332 (part)	169,463	54	Demolition work in progress	2026	Redevelopment of a complex retail landmark.
	Total held through subsidiaries			**824,245**	**54**			

Property developments for investment in the Chinese Mainland	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Stage of completion	Expected completion date	Remarks
Retail *(continued)*								
3. Taikoo Li Sanya	Next to and on the west of current Phase II of the Sanya International Duty-Free Complex	2063	2,233,401	Under planning: 2,294,474 (under design & further review)	2,582	Basement and superstructure works in progress	From 2026	A premium, resort-style, retail-led development in the Haitang district of Sanya. The Group owns a 50% interest.
4. Taikoo Place Beijing (formerly known as INDIGO Phase Two, Beijing) – retail portion	Next to and on the east of current INDIGO, Beijing	2060	842,807 (part)	Under planning: 889,608	To be determined	Superstructure and mechanical and electrical installation works in progress	From mid-2026	An office-led, mixed-use extension of the existing INDIGO project comprising a shopping mall, office towers, and a hotel. The Group owns a 49.895% interest.
5. Taikoo Li Julong Wan, Guangzhou	Located between Fangcun Avenue and the Pearl River in the Baietan Julong Wan Area of Liwan district, Guangzhou	2063	432,551	Under planning: 351,746	To be determined	Basement works in progress	From first half of 2027	Prior to the first phase's completion, exhibitions, events, pop-up shops and activities will be conducted to activate the area starting from late 2025. The Group owns a 50% interest.
	Total held through joint venture companies			**3,535,828**	**2,582**			
	– of which attributable to the Group			**1,766,980**				
6. Shanghai New Bund Mixed-use Project – retail portion	Next to and on the east of current Taikoo Li Qiantan, Pudong district, Shanghai	2053	686,789 (part)	Under planning: 1,591,554	1,674 (total for retail and office)	Basement and retail construction in progress	2026	A mixed-use development comprising retail, office and residential uses, directly opposite Taikoo Li Qiantan. The Group owns a 40% interest.
7. Lujiazui Taikoo Yuan (West), Shanghai (formerly known as Shanghai Yangjing Mixed-use Project) – retail portion	E08-4, E10-2, and E12-1 Plots in Yangjing Riverside, Pudong district, Shanghai	2061	831,659 (part)	Under planning: 670,436	849 (total for retail and office)	Basement structure works and superstructure works are in progress	From 2026	West portion of Lujiazui Taikoo Yuan, a mixed-use development comprising premium residential, retail, office and cultural facilities, potentially a lifestyle hotel as well. The Group owns a 40% interest.
	Total held through associated companies			**2,261,990**	**2,523**			
	– of which attributable to the Group			**904,796**				
Office								
1. Taikoo Place Beijing (formerly known as INDIGO Phase Two, Beijing) – office portion	Next to and on the east of current INDIGO, Beijing	2070	842,807 (part)	Under planning: 2,809,103	To be determined	Superstructure and mechanical and electrical installation works in progress	From mid-2026	An office-led, mixed-use extension of the existing INDIGO project comprising a shopping mall, office towers, and a hotel. The Group owns a 49.895% interest.
	Total held through joint venture companies			**2,809,103**	**–**			
	– of which attributable to the Group			**1,401,602**				
2. Shanghai New Bund Mixed-use Project – office portion	Next to and on the east of current Taikoo Li Qiantan, Pudong district, Shanghai	2063	686,789 (part)	Under planning: 1,352,228	1,674 (total for retail and office)	Office towers topped out	2026	A mixed-use development comprising retail, office and residential uses, directly opposite Taikoo Li Qiantan. The Group owns a 40% interest.
3. Lujiazui Taikoo Yuan (West), Shanghai (formerly known as Shanghai Yangjing Mixed-use Project) – office portion	E08-4, E10-2, and E12-1 Plots in Yangjing Riverside, Pudong district, Shanghai	2071	831,659 (part)	Under planning: 532,915	849 (total for retail and office)	Basement structure works and superstructure works are in progress	From 2026	West portion of Lujiazui Taikoo Yuan, a mixed-use development comprising premium residential, retail, office and cultural facilities, potentially a lifestyle hotel as well. The Group owns a 40% interest.
	Total held through associated companies			**1,885,143**	**2,523**			
	– of which attributable to the Group			**754,057**				

Property developments for investment in the Chinese Mainland	Address	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Stage of completion	Expected completion date	Remarks
Hotel								
1. Taikoo Place Beijing (formerly known as INDIGO Phase Two, Beijing) – hotel portion	Next to and on the east of current INDIGO, Beijing	2060	842,807 (part)	Under planning: 346,803	To be determined	Superstructure and mechanical and electrical installation works in progress	From late-2027	An office-led, mixed-use extension of the existing INDIGO project comprising a shopping mall, office towers, and a hotel. The Group owns a 49.895% interest.
	Total held through joint venture companies			**346,803**	**–**			
	– of which attributable to the Group			**173,037**				
Serviced Apartment								
1. Lujiazui Taikoo Yuan (West), Shanghai (formerly known as Shanghai Yangjing Mixed-use Project) – serviced apartment portion	E08-4, E10-2, and E12-1 Plots in Yangjing Riverside, Pudong district, Shanghai	2091	831,659 (part)	Under planning: 143,850	146	Superstructure works are in progress	From 2026	West portion of Lujiazui Taikoo Yuan, a mixed-use development comprising premium residential, retail, office and cultural facilities, potentially a lifestyle hotel as well. The Group owns a 40% interest.
	Total held through associated companies			**143,850**	**146**			
	– of which attributable to the Group			**57,540**				
Under planning								
1. Taikoo Li Xi'an	The Small Wild Goose Pagoda historical and cultural Zone, Beilin district, Xi'an	2064	1,383,129	Under planning: 2,896,119	To be determined	Excavation and piling works in progress	From 2027	Retail-led mixed-use development comprising retail and cultural facilities in addition to a hotel and serviced residences. The Group owns a 70% interest.
	Total held through subsidiaries			**2,896,119**	**–**			
2. Lujiazui Taikoo Yuan (East), Shanghai (formerly known as Shanghai Yangjing Mixed-use Project)	E13-1 and E13-3 Plots in Yangjing Riverside, Pudong district, Shanghai	2061 for retail 2071 for office and culture	803,759	Under planning: 1,539,252	To be determined	Design scheme under development	From 2027	East portion of Lujiazui Taikoo Yuan, a mixed-use development comprising premium residential, retail, office and cultural facilities, potentially a lifestyle hotel as well. The Group owns a 40% interest.
	Total held through associated companies			**1,539,252**	**–**			
	– of which attributable to the Group			**615,701**				

Property developments in the United States	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
Under planning					
1. Brickell City Centre land, Miami, Florida	123,347	Under planning: 1,510,000	To be determined	To be determined	
Total held through subsidiaries		**1,510,000**	**–**		

Completed properties for sale in Hong Kong	Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Residential						
1. EIGHT STAR STREET	No. 8 Star Street, Wan Chai	3,609 (part)	3,050	–	2022	Residential block comprising 37 units over retail podium. As of 31st December 2024, sales of 35 units had been closed. Floor area shown represents the GFA of remaining 2 residential units.
	Total held through subsidiaries		**3,050**	**–**		

Completed properties for sale in Hong Kong	Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Year of completion	Remarks
Residential *(continued)*						
2. LA MONTAGNE, Wong Chuk Hang	Site D, THE SOUTHSIDE 11 Heung Yip Road, Wong Chuk Hang	738,199 (part)	638,305	138	2024	Floor area shown represents the whole Wong Chuk Hang Station Package Four development, in which the Group owns a 25% interest.
	Total held through joint venture companies		**638,305**	**138**		
	– of which attributable to the Group		**159,576**			

Property developments for sale in Hong Kong	Lot number	Leasehold expiry	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
Residential							
1. 6 Deep Water Bay Road	RBL 613 RP	2099	28,202	15,000	To be determined	2025	Floor area shown is an approximation.
2. The Headland Residences (formerly known as Chai Wan Inland Lot No. 178)	CWIL 178	2071	96,876 (part)	692,276	To be determined	From 2025	The residential portion of the whole development, in which the Group owns a 80% interest.
3. 269 Queen's Road East	IL 9061	2072	13,203 (part)	102,990	To be determined	2026	Residential block over retail podium. Floor area shown represents the residential portion of the development.
	Total held through subsidiaries			**810,266**	**–**		
4. 983-987A King's Road and 16-94 Pan Hoi Street	QBML 1 sJ ss1 QBML 1 sJ ss2 QBML 1 sJ ss3 QBML 1 sJ ss4 QBML 1 sJ ss5 QBML 1 sJ ss6 QBML 1 sJ ss7 QBML 1 sJ RP QBML 1 sK ss1 QBML 1 sK ss2 QBML 1 sK ss3 QBML 1 sK ss4 QBML 1 sK ss5 QBML 1 sK RP QBML 1 sL ss1 QBML 1 sL RP	2881	42,018	Residential/ Retail: 440,000	To be determined	2028	Residential blocks over retail podium. Floor area shown represents the whole development, in which the Group owns a 50% interest. The area shown is subject to change.
	Total held through joint venture companies			**440,000**	**–**		
	– of which attributable to the Group			**220,000**			
Retail							
1. The Headland Residences (formerly known as Chai Wan Inland Lot No. 178)	CWIL 178	2071	96,876 (part)	2,002	To be determined	2025	The retail portion of the whole development, in which the Group owns a 80% interest.
2. 269 Queen's Road East	IL 9061	2072	13,203 (part)	13,197	To be determined	2026	The retail portion of the whole development.
	Total held through subsidiaries			**15,199**	**–**		

Property developments for sale in the Chinese Mainland	Lot number/Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
1. Shanghai New Bund Mixed-use Project	Next to and on the east of current Taikoo Li Qiantan, Pudong district, Shanghai	686,789 (part)	Residential/ Mixed-use: 1,159,057	1,156	2025	A mixed-use development comprising retail, office and residential uses, directly opposite Taikoo Li Qiantan. As of December 2024, approximately 94% of residential properties have been pre-sold. The Group owns a 40% interest.

Property developments for sale in the Chinese Mainland	Lot number/Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
2. Lujiazui Taikoo Yuan Residences, Shanghai	E08-4, E10-2, and E12-1 Plots in Yangjing Riverside, Pudong district, Shanghai	831,659 (part)	Residential/ Mixed-use: 1,222,751	1,026	From 2026	11 residential towers in Lujiazui Taikoo Yuan, a mixed-use development comprising premium residential, retail, office and cultural facilities, potentially a lifestyle hotel as well. As of December 2024, approximately 95% of phase 1 residential properties have been pre-sold. The Group owns a 40% interest. Floor area shown excludes the public rental housing of approximately 71,925 square feet to be handed over to the Government upon completion.
	Total held through associated companies		**2,381,808**	**2,182**		
	– of which attributable to the Group		**952,723**			

Property developments for sale in Indonesia	Lot number/Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
1. Savyavasa, South Jakarta	Jalan Wijaya II No. 37A Kebayoran Baru, South Jakarta	227,982	Residential: 1,122,728	1,079	2025	Residential tower with 402 units, in which the Group owns a 50% interest.
	Total held through joint venture companies		**1,122,728**	**1,079**		
	– of which attributable to the Group		**561,364**			

Property developments for sale in Vietnam	Lot number/Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
1. Empire City, Ho Chi Minh City	Empire City, Area 2B, Thu Thiem New Urban Area, Thu Duc City, Ho Chi Minh City	1,103,461	Residential/ Mixed-use: 5,357,318	4,667	In phases up to 2030	A residential-led mixed-use project comprising luxury residential condominiums, an office tower, a hotel, serviced apartments and a retail mall. To be completed in phases up to 2030. The Group effectively owns a 15.73% interest. GFA excludes 172,295 sqm of parking (although this is included in the Group's investment).
	Total held through financial assets at fair value through profit or loss		**5,357,318**	**4,667**		
	– of which attributable to the Group		**842,706**			

Property developments for sale in Thailand	Lot number/Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
1. Wireless Road, Bangkok	Wireless Road, Lumpini, Pathumwan, Bangkok	136,186	Residential: 1,632,067	1,000	2029	A freehold luxury condominium project located in the prime Lumphini sub-district, Bangkok. The project is expected to be completed in 2029. The group holds 40% interest in the project.
	Total held through joint venture companies		**1,632,067**	**1,000**		
	– of which attributable to the Group		**652,827**			

Property developments for sale in the United States	Lot number/Address	Site area in square feet	Gross floor area in square feet	Number of car parks	Expected completion date	Remarks
1. South Brickell Key, Miami, Florida	750 Claughton Island Drive, Miami, Florida	105,372	Residential: 550,000	395	–	The Group has announced plans to develop a luxury residential and hospitality project on Brickell Key, Miami.
2. North Squared, Miami, Florida	9 Southeast 6th Street, Miami, Florida	380,670 (part)	Residential: 523,000	544	–	The development on the North Squared site is currently on hold.
	Total held through subsidiaries		**1,073,000**	**939**		

GLOSSARY

References in this document to Hong Kong are to Hong Kong SAR ("HKSAR").

Attributable gross rental income Gross rental income less amount shared by non-controlling interests plus the Group's share of gross rental income of joint venture and associated companies, and adjusted with related rental concession recognised in the consolidated statement of profit or loss.

Equity attributable to the Company's shareholders Equity before non-controlling interests.

Gross borrowings Total of loans, bonds and overdrafts.

Net assets employed Total equity plus net debt.

Net debt Total borrowings and lease liabilities less short-term deposits and bank balances.

Underlying profit Reported profit adjusted principally for the impact of (i) changes in the fair value of investment properties, (ii) deferred tax on investment properties and (iii) amortisation of right-of-use assets reported under investment properties.

Recurring underlying profit Underlying profit adjusted for significant credits and charges of a non-recurring nature, including gains or losses on the sale of interests in investment properties.

Ratios

$$\text{(Loss)/Earnings per share} = \frac{\text{(Loss)/Profit attributable to the Company's shareholders}}{\text{Weighted average number of shares in issue during the year}}$$

$$\text{Return on average equity attributable to the Company's shareholders} = \frac{\text{(Loss)/Profit attributable to the Company's shareholders}}{\text{Average equity during the year attributable to the Company's shareholders}}$$

$$\text{Equity attributable to the Company's shareholders per share} = \frac{\text{Equity before non-controlling interests}}{\text{Number of shares in issue at the end of the year}}$$

$$\text{Gearing ratio} = \frac{\text{Net debt}}{\text{Total equity}}$$

$$\text{Interest cover} = \frac{\text{Operating profit}}{\text{Net finance charges}}$$

$$\text{Cash interest cover} = \frac{\text{Operating profit}}{\text{Total of net finance charges and capitalised interest}}$$

$$\text{Dividend payout ratio} = \frac{\text{Dividends paid and declared}}{\text{(Loss)/Profit attributable to the Company's shareholders}}$$

FINANCIAL CALENDAR AND INFORMATION FOR INVESTORS

Financial Calendar 2025

Shares traded ex-dividend	1st April
Share register closed for 2024 second interim dividend entitlement	3rd April
Annual Report available to shareholders	9th April
Payment of 2024 second interim dividend	8th May
Share register closed for attending and voting at Annual General Meeting	8th –13th May
Annual General Meeting	13th May
Interim results announcement	August
2025 first interim dividend payable	October

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Request for Feedback

In order that we may improve our reporting, we would be grateful to receive your comments on our public announcements and disclosures via e-mail to ir@swireproperties.com.

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