SWIRE PROPERTIES

PRESS RELEASE

For Immediate Release

Swire Properties Announces 2012 Annual Results

Results	**2012 HK$M**	2011 HK$M	Change
Turnover	**14,052**	9,581	+46.7%
Gains on revaluation of investment properties	**12,273**	20,345	-39.7%
Profit attributable to Company's shareholders			
Adjusted underlying[1]	**6,932**	4,372	+58.6%
Underlying[1]	**6,945**	12,932	-46.3%
Reported	**18,763**	25,126	-25.3%
	HK$	HK$	Change
Earnings per share			
Adjusted underlying[1]	**1.18**	0.77	+53.2%
Underlying[1]	**1.19**	2.27	-47.6%
Reported	**3.21**	4.40	-27.0%
	HK$	HK$	Change
Dividends per share			
Special interim	**-**	1.76	N/A
First interim	**0.22**	0.18	+22.2%
Second interim	**0.38**	-	N/A

Financial Position	**2012**	2011	Change
Net debt (HK$M)	**28,921**	27,700	+4.4%
Gearing Ratio	**15.0%**	15.7%	-0.7%pt
Net asset value per share[2] (HK$)	**32.93**	30.09	+9.4%

(1) Underlying profit adjusts principally for the impact of changes in the fair value of investment properties and the deferred tax on investment properties. Adjusted underlying profit further adjusts for the impact of the disposal of investment properties and net impairment losses from hotels and trading properties.

(2) Net asset value refers to total equity attributable to the Company's shareholders.

14 March 2013, Hong Kong - Swire Properties Limited today announced adjusted underlying attributable profits of HK$6,932 million for 2012, a 58.6% increase from HK$4,372 million in 2011.

Gross rental income of the Company's investment property portfolio increased by 5.4% to HK$9,015 million in 2012. In Hong Kong, there were positive rental reversions in the office portfolio throughout the year. Occupancy levels remained high despite a slowdown in leasing activity. Demand for retail space in Hong Kong continued to be robust in 2012. In Mainland China, the TaiKoo Hui development in Guangzhou made its first full year rental contribution in 2012, after its completion in the second half of 2011. Net rental contributions from Sanlitun Village improved from 2011, reflecting active management of the tenant portfolio, cost reductions and capital expenditure designed to enhance footfall and circulation.

Profits from property trading were HK$1,834 million in 2012. These principally arose from the completion of the sale of 98 units at the AZURA residential development in Hong Kong.

Despite improved performances from the managed and non-managed hotels in Hong Kong, the hotel operations recorded a lower underlying profit due to pre-opening expenses at the Mandarin Oriental in TaiKoo Hui and EAST, Beijing at INDIGO.

In December 2012, Swire Properties agreed to acquire eight residential units at Hampton Court, 2 Draycott Park in Singapore as investment properties.

In January 2013, Swire Properties and Bal Harbour Shops entered into a joint venture agreement to develop the retail component of Brickell CityCentre in Miami, Florida, U.S.A.

In March 2013, the company which owns the existing Citygate Outlets development at Tung Chung in Hong Kong (in which the Group has a 20% equity interest) won a tender to develop an adjacent commercial site.

Swire Properties Chairman Christopher Pratt commented on the company's prospects: "We are cautious about the outlook for office properties in Hong Kong in 2013. Demand from financial services companies for office space in Central is likely to remain soft, although rents at Pacific Place are expected to prove fairly resilient due to high occupancy. At Island East, rents are expected to remain robust owing to high occupancy and continued demand.

Despite slower growth in the second half of 2012, the Hong Kong retail market is expected to continue to benefit from local economic growth and from tourists from Mainland China. Demand for retail space, particularly at prime locations, continues to be strong. Rents are expected to continue to increase."

He added: "Demand for office space and rental rates are expected to remain stable in Mainland China in 2013. There has been some reduction in consumer confidence and lower growth in spending in Mainland

China, but retailers of internationally branded goods in the few high quality shopping malls remain popular. Retail rents are expected to be steady in 2013.

Profits from property trading in Hong Kong are expected to be lower in 2013 than in 2012, but nevertheless significant, with the completion of the ARGENTA development and the expected sale of the remaining units at the AZURA development. The effect of substantial increases and other changes in Hong Kong stamp duty on demand for luxury residential properties is uncertain. In the U.S.A., the residential market in downtown Miami is expected to continue to improve in 2013. Excess condominium supply has been largely absorbed and new condominium developments are being built.

In 2013, the hotel operations will benefit from the fact that EAST, Beijing will be in operation for its first full year and from a contribution from the Mandarin Oriental in TaiKoo Hui, Guangzhou."

- End -

About Swire Properties

Swire Properties develops and manages commercial, retail, hotel and residential properties, with a particular focus on mixed-use development in prime locations at major mass transportation intersections. Listed on the Main Board of the Stock Exchange of Hong Kong, the Company's investment portfolio in Hong Kong totals over 17 million sq ft (over 1.58 million sqm)* of gross floor area, with Island East and Pacific Place as its core holdings. In addition to Hong Kong, the Company has significant investments in Mainland China, the United States and the United Kingdom.

In Mainland China, Swire Properties has a portfolio amounting to over 13.5 million sq ft (approximately 1.26 million sqm)*, including five mixed-use developments in Beijing, Guangzhou, Chengdu and Shanghai. Of these, Sanlitun Village and INDIGO in Beijing and TaiKoo Hui in Guangzhou have opened.

Since 1980, the Company has been developing investment and trading properties on the island of Brickell Key in downtown Miami, Florida where it has created an acclaimed residential and commercial portfolio, including the new large-scale mixed-use project, Brickell CityCentre.

Through Swire Hotels, the Company also creates and manages intriguing urban hotels in Hong Kong, Mainland China and the United Kingdom, aimed at providing an exceptional experience for travellers who seek individuality, style and personalised service.

Visit Swire Properties' website at www.swireproperties.com.

** Gross floor area in respect of 100% of the properties excluding car park areas and not on an attributable basis.*

For media enquiries, please contact:

Swire Properties Limited

Ms May Lam-Kobayashi

Head of Public Affairs

Tel: (852) 2844 3888

Email: pad@swireproperties.com

Ms Lydia Tsui

Media Relations Manager

Tel: (852) 2844 3038

Email: lydiatsui@swireproperties.com

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

SWIRE PROPERTIES

SWIRE PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 01972)

2012 Final Results

CONTENTS

	Page
Financial Highlights	1
Chairman's Statement	2
Review of Operations	5
Financing	31
Financial Statements	34
Additional Information	49
Glossary	50
Financial Calendar and Information for Investors	51

FINANCIAL HIGHLIGHTS

Results	Note	2012 HK$M	2011 HK$M	Change
Turnover		**14,052**	9,581	+46.7%
Operating profit		**21,508**	26,945	-20.2%
Profit attributable to the Company's shareholders				
Adjusted underlying	(a),(c)	**6,932**	4,372	+58.6%
Underlying	(b),(c)	**6,945**	12,932	-46.3%
Reported		**18,763**	25,126	-25.3%
Cash generated from operations		**8,116**	7,396	+9.7%
Net cash inflow before financing		**1,474**	17,418	-91.5%

		HK$	HK$	Change
Earnings per share				
Adjusted underlying	(d)	**1.18**	0.77	+53.2%
Underlying	(d)	**1.19**	2.27	-47.6%
Reported	(d)	**3.21**	4.40	-27.0%

		HK$	HK$	Change
Dividends per share				
Special interim		**-**	1.76	N/A
First interim		**0.22**	0.18	+22.2%
Second interim		**0.38**	-	N/A

Financial Position		2012 HK$M	2011 HK$M	Change
Total equity (including non-controlling interest)		**193,256**	176,575	+9.4%
Net debt		**28,921**	27,700	+4.4%
Gearing Ratio	(b)	**15.0%**	15.7%	-0.7%pt

		HK$	HK$	Change
Equity attributable to the Company's shareholders per share				
Underlying	(b),(c)	**34.01**	30.90	+10.1%
Reported	(b)	**32.93**	30.09	+9.4%

Notes:
(a) Adjusted underlying profit excludes the impact of changes in the fair value of investment properties and the deferred tax on investment properties, as well as profit from the disposal of investment properties. Refer to glossary on page 50 for definition.
(b) Refer to glossary on page 50 for definition.
(c) A reconciliation between reported profit, underlying profit and adjusted underlying profit and reported equity and underlying equity attributable to the Company's shareholders is provided on pages 5 and 6.
(d) Refer to Note 9 in the accounts for the weighted average number of shares.

Underlying profit by segments	2012 HK$M	2011 HK$M
Property investment	**5,083**	4,343
Property trading	**1,834**	(71)
Hotels	**15**	100
Capital profits less impairments	**13**	8,560
	6,945	12,932

CHAIRMAN'S STATEMENT

Our consolidated profit attributable to shareholders for 2012 was HK$18,763 million, compared to HK$25,126 million in 2011. Adjusted underlying profit attributable to shareholders, which principally adjusts for changes in the valuation of investment properties and profits from the disposal of investment properties, increased by HK$2,560 million from HK$4,372 million in 2011 to HK$6,932 million in 2012.

Dividends

The Company's policy is to pay dividends which will average approximately 50% of the underlying profit attributable to shareholders over the economic cycle. We will reevaluate this policy in the light of our financial position and the prevailing economic climate.

The Directors have declared a second interim dividend in lieu of final dividend of HK¢38 (2011 interim dividend in lieu of final dividend: HK¢18) per share which, together with the first interim dividend of HK¢22 per share paid in October 2012, amount to full year dividends of HK¢60 per share. The second interim dividend, which totals HK$2,223 million (2011: interim dividend of HK$1,053 million), will be paid on Thursday, 2nd May 2013 to shareholders registered at the close of business on the record date, being Friday, 5th April 2013. Shares of the Company will be traded ex-dividend from Tuesday, 2nd April 2013.

The register of members will be closed on Friday, 5th April 2013, 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, 3rd April 2013.

Key Developments

In January 2012, our shares were listed on The Stock Exchange of Hong Kong Limited by way of introduction.

In January 2012, redevelopment works commenced at 23 Tong Chong Street in Quarry Bay. This property is being redeveloped into serviced apartments and is expected to be completed in late 2014.

In March 2012, the retail component of the INDIGO development in Beijing started to open in phases. The entire development, including retail, office and hotel components, officially opened in September 2012. The Group has a 50% economic interest in this development, which has a total area of 1.9 million square feet.

In March 2012, OPUS HONG KONG, a luxury residential property designed by Pritzker Prize winning architect Frank Gehry, was completed. Swire Properties was responsible for the redevelopment of this property, which is owned by Swire Pacific Limited, and is responsible for its leasing and management.

In May 2012, pre-sales started of units in the ARGENTA luxury residential development in Hong Kong. 6 of the 30 units have been pre-sold, with completion expected in the second half of 2013.

In May 2012, Swire Properties established a US$3 billion Medium Term Note Programme. Notes with a principal amount of US$500 million were issued under the programme in June 2012. Further notes with total principal amounts of HK$800 million and US$500 million were issued in August 2012 and March 2013 respectively.

In June 2012, the occupation permit for the property at 28 Hennessy Road, Hong Kong, a 145,390 square foot office building, was issued. Handover to tenants commenced in the second half of 2012.

In June 2012, development works commenced at the mixed-use development Brickell CityCentre in Miami, U.S.A. Phase 1 of the development, comprising retail, office, hotel and residential components, is scheduled to be completed in 2015.

In September 2012, the occupation permit for the AZURA residential development at Mid-Levels West, Hong Kong was issued. As at 13th March 2013, 111 units had been sold. Completion of the sales of 98 of these units took place in 2012. Completion of the sales of a further three units have taken place up to 13th March 2013. Completion of the sales of ten units will take place later in 2013.

In December 2012, Swire Properties hosted celebrations for its 40th anniversary at TaiKoo Place

in Island East, Hong Kong, where Swire Properties began operations in 1972.

In December 2012, Swire Properties agreed to acquire eight residential units at Hampton Court, 2 Draycott Park in Singapore as investment properties.

In January 2013, the Mandarin Oriental Hotel in TaiKoo Hui, Guangzhou, opened with 263 guest rooms and 24 serviced apartments.

In January 2013, Swire Properties and Bal Harbour Shops entered into a joint venture agreement to develop the retail component of Brickell CityCentre in Miami, Florida, U.S.A. The Group holds an 87.5% interest in the joint venture and will remain the primary developer while Bal Harbour Shops will contribute equity and its retail expertise as co-developer.

In March 2013, the company which owns the existing Citygate Outlets development at Tung Chung in Hong Kong (in which the Group has a 20% equity interest) won a tender to develop an adjacent commercial site.

Operating Performance

The increase in adjusted underlying profit from HK$4,372 million in 2011 to HK$6,932 million in 2012 principally reflects a contribution of HK$1,834 million from property trading. Underlying profits from property investment also increased. This reflected positive rental reversions in Hong Kong, improved performance at Sanlitun Village and the first full year contribution from the TaiKoo Hui development, offset in part by the loss of rental income following the disposal of Festival Walk and pre-opening expenses at INDIGO. Despite improved performances from the managed and non-managed hotels in Hong Kong, the hotel operations recorded a lower underlying profit due to pre-opening expenses at the Mandarin Oriental in TaiKoo Hui and EAST, Beijing at INDIGO.

Gross rental income was HK$9,015 million in 2012 compared to HK$8,557 million in 2011. There were positive rental reversions in the Hong Kong office portfolio throughout the year. Occupancy levels remained high despite a slowdown in leasing activity. Demand for retail space in Hong Kong continued to be robust during 2012.

In Mainland China, the TaiKoo Hui development in Guangzhou made its first full year rental contribution in 2012, after its completion in the second half of 2011. Net rental contributions from Sanlitun Village improved from 2011, reflecting active management of the tenant portfolio, cost reductions and capital expenditure designed to enhance footfall and circulation.

The significant profits from property trading principally arose from the completion of the sale of 98 units at the AZURA residential development in Hong Kong.

Net finance charges were HK$1,367 million, a 7.5% decrease from HK$1,477 million in 2011. The decrease reflected interest income received from a loan to our joint venture partner at the Daci Temple development in Chengdu, a lower finance charge arising from the movement in the fair value of a put option held by the owner of the non-controlling interest at Sanlitun Village, Beijing and lower finance charges in Hong Kong due to lower average borrowing levels, partially offset by higher net finance charges in Mainland China on borrowings incurred to fund capital expenditure at Sanlitun Village, Beijing and TaiKoo Hui, Guangzhou.

Net investment property valuation gains in the Group's subsidiaries, plus the Group's share of investment property valuation gains in jointly controlled and associated companies, before deferred tax relating to investment properties in Mainland China in 2012, was HK$12,865 million, compared to a net gain in 2011 of HK$21,066 million.

Finance

Net debt as at 31st December 2012 was HK$28,921 million, compared with HK$27,700 million as at 31st December 2011. Gearing decreased by 0.7 percentage points from 15.7% to 15.0%. Cash and undrawn committed facilities totalled HK$9,278 million as at 31st December 2012, compared with HK$9,183 million as at 31st December 2011. Swire Properties will continue to refinance (as necessary on maturity) inter-group funding provided by Swire Pacific and will do so on a stand-alone basis without recourse to Swire Pacific.

Sustainable Development

The Company recognises the importance of acting responsibly towards those with whom it deals, including employees and the communities in which we operate, and towards the natural environment. In 2012, TaiKoo Hui, our mixed-use development in Guangzhou, achieved LEED Gold certification and our INDIGO development in Beijing achieved LEED Platinum and Gold certifications. The Group is providing US$1 million per year in research funding over the period 2012 to 2014 to our Joint Research Centre for Building Energy Efficiency and Sustainability with Tsinghua University.

Prospects

We are cautious about the outlook for office properties in Hong Kong in 2013. Demand from financial services companies for office space in Central is likely to remain soft, although rents at Pacific Place are expected to prove resilient due to high occupancy. At Island East, rents are expected to remain robust owing to very high occupancy and stronger demand.

Despite slower growth in the second half of 2012, the Hong Kong retail market is expected to continue to benefit from local economic growth and from tourists from Mainland China. Demand for retail space, particularly at prime locations, continues to be strong. Rents are expected to continue to increase.

Demand for office space and rental rates are expected to remain stable in Mainland China in 2013. There has been some reduction in consumer confidence and lower growth in spending in Mainland China, but retailers of internationally branded goods in the few high quality shopping malls remain popular. Retail rents are expected to be steady in 2013.

Profits from property trading in Hong Kong are expected to be lower in 2013 than in 2012, but nevertheless significant, with the completion of the ARGENTA development and the expected sale of the remaining units at the AZURA development. The effect of substantial increases and other changes in Hong Kong stamp duty on demand for luxury residential properties is uncertain. In the U.S.A., the residential market in downtown Miami is expected to continue to improve gradually in 2013. Excess condominium supply has been largely absorbed and new condominium developments are being built.

In 2013, the hotel operations will benefit from the fact that EAST, Beijing will be in operation for its first full year and from a contribution from the Mandarin Oriental in TaiKoo Hui, Guangzhou.

On behalf of the shareholders and my fellow Directors, I wish to express our appreciation to all our employees, whose commitment and hard work have been central to our continuing success.

By Order of the Board
SWIRE PROPERTIES LIMITED
Christopher Pratt
Chairman
Hong Kong, 14th March 2013

REVIEW OF OPERATIONS

	2012 HK$M	2011 HK$M
Turnover		
Gross rental income derived from		
Offices	**5,008**	4,537
Retail	**3,675**	3,710
Residential	**332**	310
Other revenue [(1)]	**108**	94
Property investment	**9,123**	8,651
Property trading	**4,147**	213
Hotels	**782**	717
Total turnover	**14,052**	9,581
Operating profit/(loss) derived from		
Property investment	**6,879**	6,743
Valuation gains on investment properties	**12,273**	20,345
Property trading	**2,395**	(50)
Hotels	**(39)**	(93)
Total operating profit	**21,508**	26,945
Share of post-tax profits from jointly controlled and associated companies	**821**	1,007
Attributable profit	**18,763**	25,126

(1) Other revenue is mainly estate management fees

Additional information is provided in the following section to reconcile reported and underlying profit and equity attributable to the Company's shareholders. These reconciling items principally adjust for the net revaluation movements on investment properties and the associated deferred tax in Mainland China and for other deferred tax provisions in relation to investment properties. There is a further adjustment 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 in Sanlitun Village. Adjusted underlying profit excludes profits from the disposal of investment properties and net impairment losses from our hotels and trading properties.

	Note	2012 HK$M	2011 HK$M
Underlying profit			
Profit attributable to the Company's shareholders per accounts		**18,763**	25,126
Adjustments re investment properties:			
Revaluation of investment properties	(a)	**(12,865)**	(21,066)
Deferred tax on investment properties	(b)	**664**	526
Realised profit on sale of investment properties	(c)	**176**	8,020
Depreciation of investment properties occupied by the Group	(d)	**15**	22
Non-controlling interests' share of revaluation movements less deferred tax		**17**	45
Movement in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest in Sanlitun Village	(e)	**175**	259
Underlying profit attributable to the Company's shareholders		**6,945**	12,932
Other significant items:			
Profit on sale of investment properties		**(9)**	(8,615)
Net impairment (reversal) / loss		**(4)**	55
Adjusted underlying profit attributable to the Company's shareholders		**6,932**	4,372

	Note	**2012 HK$M**	2011 HK$M
Underlying equity			
Equity attributable to the Company's shareholders per accounts		**192,614**	176,043
Deferred tax on investment properties		**3,949**	3,285
Unrecognised valuation gains on hotels held as part of mixed-use developments	(f)	**1,736**	912
Revaluation of investment properties occupied by the Group		**646**	476
Cumulative depreciation of investment properties occupied by the Group		**38**	33
Underlying equity attributable to the Company's shareholders		**198,983**	180,749
Underlying non-controlling interests		**648**	576
Underlying equity		**199,631**	181,325

Notes:

(a) This represents the net revaluation movements as shown in the consolidated income statement and the Group's share of net revaluation movements of jointly controlled 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 jointly controlled and associated companies. These principally comprise the deferred tax on revaluation movements on investment properties in Mainland China 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.

(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 income statement. On sale, the revaluation gains were transferred from the revaluation reserve to the consolidated income statement.

(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 in Sanlitun Village is calculated principally by reference to the estimated fair value of the portions of the Sanlitun Village investment property in which the minority partner is interested.

(f) 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, those hotel properties owned by subsidiary and jointly controlled companies and held for the long-term as part of mixed-use property developments would be accounted for as investment properties. Accordingly, any increase or write-down in their value would be recorded in the revaluation reserve rather than the consolidated income statement.

Underlying Profit

Adjusted underlying profit in 2012 increased by HK$2,560 million, from HK$4,372 million to HK$6,932 million. This principally reflected an increase in profits from property trading of HK$1,905 million, which in turn arose largely from the sale of residential units at AZURA in Hong Kong. Profits from property investment increased by HK$474 million, due to higher rental income in Hong Kong, an improvement in performance at Sanlitun Village in Beijing and the first full year contribution from the TaiKoo Hui development in Guangzhou, partially offset by loss of rental income from Festival Walk following its disposal in August 2011 and pre-opening expenses at INDIGO in Beijing. The hotel portfolio recorded a lower profit in 2012 as the improved results of the managed hotels and non-managed hotels were more than offset by pre-opening expenses at EAST, Beijing and the Mandarin Oriental Hotel in TaiKoo Hui. The movement in non-recurring items reflected the absence of one-off expenses incurred in connection with the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited.

Portfolio Overview

The aggregate gross floor area ("GFA") attributable to the Group as at 31st December 2012 was approximately 29.6 million square feet.

Out of the aggregate GFA attributable to the Group, approximately 25.1 million square feet are investment properties, comprising completed investment properties of approximately 20.8 million square feet and investment properties under development or held for future development of approximately 4.3 million square feet. In Hong Kong, this investment property portfolio comprises approximately 14.4 million square feet attributable to the Group of primarily Grade A office and retail premises, hotels, serviced apartments and other luxury residential accommodation. In Mainland China, Swire Properties has interests in five major commercial mixed-use developments in prime locations in Beijing, Shanghai, Guangzhou and Chengdu. These developments are expected to comprise approximately 8.4 million square feet of attributable GFA when they are all completed. Outside Hong Kong and Mainland China, the investment property portfolio comprises the Brickell CityCentre project in Miami in the U.S.A. and interests in hotels in the U.S.A. and the U.K.

The tables below illustrate the GFA (attributable to the Group) of the investment property portfolio as at 31st December 2012.

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

	Office	Retail	Hotels (1)	Residential/ Serviced Apartments	**Total**
Hong Kong	10.6	2.4	0.7	0.6	**14.3**
Mainland China	2.0	3.0	0.9	0.1	**6.0**
U.S.A. and Others	-	-	0.5	-	**0.5**
TOTAL	**12.6**	**5.4**	**2.1**	**0.7**	**20.8**

Investment Properties under development or held for future development
(expected GFA attributable to the Group in million square feet)

	Office	Retail	Hotels (1)	Residential/ Serviced Apartments	**Total**
Hong Kong	-	-	-	0.1	**0.1**
Mainland China	0.9	1.1	0.4	-	**2.4**
U.S.A.	1.0	0.5	0.2	0.1	**1.8**
TOTAL	**1.9**	**1.6**	**0.6**	**0.2**	**4.3**

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

	Office	Retail	Hotels (1)	Residential/ Serviced Apartments	**Total**
TOTAL	**14.5**	**7.0**	**2.7**	**0.9**	**25.1**

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

The trading property portfolio comprises land, apartments and offices under development in Hong Kong, in Miami in the U.S.A. and in Mainland China, together with the remaining units for sale at AZURA and 5 Star Street in Hong Kong and at the ASIA residential development in Miami in the U.S.A..

The table below illustrates the GFA (or expected GFA) attributable to the Group of the trading property portfolio as at 31st December 2012.

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

	Completed	Under Development or held for future development	**Total**
Hong Kong	0.1	0.8	**0.9**
Mainland China	-	0.7	**0.7**
U.S.A.	-	2.9	**2.9**
TOTAL	**0.1**	**4.4**	**4.5**

Investment Properties – Hong Kong

Offices

Overview

The completed office portfolio in Hong Kong comprises an aggregate of 10.9 million square feet of space on a 100% basis. Total attributable gross rental income from our office properties in Hong Kong was HK$4,985 million in 2012. As at 31st December 2012, our office properties in Hong Kong were valued at HK$124,620 million. Of this amount, Swire Properties' attributable interest represented HK$120,873 million.

Hong Kong Office Portfolio

	Gross Floor Area (sq.ft.) (100% Basis)	Occupancy (as at 31st Dec 2012)	Attributable Interest
Pacific Place	2,186,433	97%	100%
Cityplaza	1,632,930	98%	100%
TaiKoo Place Office Towers (1)	3,136,541	99%	50% / 100%
One Island East	1,537,011	100%	100%
Techno Centres (2)	1,816,876	100%	100%
Others (3)	606,977	99%	20% / 50%/100%
Total	**10,916,768**		

(1) Including PCCW Tower of which Swire Properties owns 50%.
(2) The occupancy rate at 31st December 2012 excludes Somerset House as the property is planned for redevelopment in 2013.
(3) Others comprise One Citygate (20% owned) , 625 King's Road (50% owned) and 28 Hennessy Road (wholly-owned), which was completed in the fourth quarter of 2012. The occupancy rate at 31st December 2012 excludes 28 Hennessy Road.

Gross rental income from the Group's Hong Kong office portfolio for 2012 increased by 7% over 2011, to HK$4,798 million. The Hong Kong offices performed well in 2012. Demand for space was strong in the first half, both from new tenants and from existing tenants taking expansion space. Demand slowed in the second half, but growth in rental income continued as a result of reversionary rent increases. Occupancy rates at Pacific Place and Island East remained high throughout the year. As at 31st December 2012, the overall office portfolio as shown in the table above was 98% let.

The table 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 attributable to the Group as at 31st December 2012.

Office Area Attributable to the Group by Tenants' Trades
(As at 31st December 2012)

Banking/Finance/Securities/Investment	31.3%
Professional Services (Accounting/Legal/Management Consulting/Corporate Secretarial)	9.8%
Insurance	7.0%
Technology/Media/Telecoms	16.3%
Real Estate/Construction/Development/Architecture	8.7%
Trading	15.5%
Advertising and Public Relations	3.8%
Others	7.6%

As at 31st December 2012, the top ten office tenants (based on rental income in the twelve months ended 31st December 2012) together occupied approximately 21% of the total office area in Hong Kong.

Pacific Place

The offices at One, Two and Three Pacific Place performed relatively well in 2012 despite increased vacancy in Central and thin demand from Central based tenants. The occupancy rate was 97% as at 31st December 2012. Major new lettings concluded in 2012 were Watson Farley Williams, Beijing Poly International Auctions and Neo Derm. Korean Exchange Bank, Bank of Japan, Michael Page, Erste Group Bank, Denis Chang Chambers, Kim Eng Securities, Mirae Asset Investment Management, MGPA and Goodman renewed their leases.

Island East

Cityplaza One, Three and Four performed strongly in 2012. The occupancy rate was 98% as at 31st December 2012. New tenants in 2012 included Jardine Lloyd Thompson and Deloitte. Nikon, OTIS, MetLife, Nokia, Juniper Networks, MSIG Insurance, Cathay Pacific Holidays and Guardian Property Management & Savills Property Management renewed their leases.

The TaiKoo Place Office Towers comprise six office towers (including PCCW Tower, in which we have a 50% interest). The occupancy rate was 99% at 31st December 2012. Major new lettings and existing tenants taking additional space in 2012 were B.A.T. China, Bulgari, China CITIC Bank International, LVMH Watch & Jewelery, Lenovo, QBE and Wrigley's. ANZ, BP Asia, Benoy, Cable & Wireless, Cargill, Godiva, JC Decaux, Logitech, McDonald's, Philippe Charriol, Pure Yoga, RBS, RSA, Turner Broadcasting System and The Stock Exchange of Hong Kong renewed their leases.

One Island East, our landmark property in Island East, had an occupancy rate of 100% as at 31st December 2012.

The three Techno Centres performed strongly despite the planned redevelopment of Somerset House in 2013. As at 31st December 2012, the occupancy rate of the other two Techno Centres (Cornwall House and Warwick House) was 100%.

Hong Kong Office Market Outlook

We remain cautious about the outlook for 2013. Demand, particularly from the finance sector, is likely to remain soft due to uncertain market conditions. However, occupancy at Pacific Place is high and there are no major leases expiring until the latter part of 2013. Rents in Pacific Place are therefore expected to prove fairly resilient in 2013.

Our completed office portfolio expanded in the fourth quarter of 2012 with the completion of 28 Hennessy Road (145,390 square feet). Two of the 24 floors have been leased. The property continues to attract interest from smaller businesses currently based in Central.

Refurbishment at our 81,346 square feet property at 8 Queen's Road East is expected to be completed in the first half of 2013. The entire building has been leased for a ten-year term.

At Island East, rentals are expected to remain robust due to high occupancy. Somerset House, one of the techno-centres, is planned for redevelopment in 2013.

The following table shows the percentage of the total rental income attributable to the Group from the office properties in Hong Kong, for the month ended 31st December 2012, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 17% of the rental income in the month of December 2012 are due to expire in 2013, with a further 19% due to expire in 2014.

Office Lease Expiry Profile (As at 31st December 2012)	
2013	17.0%
2014	18.5%
2015 & Beyond	64.5%

Retail

Overview

The completed retail portfolio in Hong Kong comprises an aggregate of 2.8 million square feet of space on a 100% basis, principally The Mall, Pacific Place, Cityplaza in Island East, and Citygate Outlets at Tung Chung. The malls are wholly-owned by Swire Properties (except for Citygate Outlets, in which Swire Properties has a 20% interest) and are managed by Swire Properties. Total attributable gross rental income from our retail properties in Hong Kong was HK$2,572 million in 2012. As at 31st December 2012, our retail properties in Hong Kong were valued at HK$49,725 million. Of this amount, Swire Properties attributable interest represented HK$44,606 million.

Hong Kong Retail Portfolio

	Gross Floor Area (sq.ft.) (100% Basis)	Occupancy (as at 31st Dec 2012)	Attributable Interest
The Mall, Pacific Place	711,182	100%	100%
Cityplaza Mall	1,105,227	100%	100%
Citygate Outlets	462,439	100%	20%
Others (1)	530,467	100%	20%/60%/100%
Total	**2,809,315**		

(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 retail premises (20% owned).

Rental income from the retail portfolio in Hong Kong improved in 2012, with positive rental reversions throughout the portfolio, reflecting strong demand for retail space and the lack of supply in prime locations.

Gross rental income from the retail portfolio was HK$2,496 million in 2012, a decrease of 16% from 2011, due to the loss of rental contribution from Festival Walk following its disposal. Disregarding Festival Walk, gross rental income from the retail portfolio increased by 5% from 2011. Rental reversions were generally positive and were particularly strong at Pacific Place, reflecting strong demand for retail space and the expectation of continued strong retail sales in 2013.

Retail sales in the principal malls managed by the Group were 4.7% higher in 2012 than in 2011. Occupancy at the Group's wholly-owned malls was effectively 100% throughout the year.

The table below show 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 attributable to the Group as at 31st December 2012.

Retail Area Attributable to the Group by Tenants' Trades (As at 31st December 2012)

Department Stores	23.1%
Food & Beverages	14.6%
Cinemas	5.0%
Jewellery & Watches	1.6%
Fashion & Accessories	23.3%
Ice Rinks	1.1%
Supermarket	3.4%
Others	27.9%

As at 31st December 2012, the top ten retail tenants (based on rental income in the twelve months ended 31st December 2012) together occupied approximately 30% of our total retail area in Hong Kong.

The Mall, Pacific Place

The Mall at Pacific Place is an integral part of the mixed-use Pacific Place development. The office and the four hotels at Pacific Place provide a secure flow of shoppers for the mall. Retail sales at The Mall increased by 0.3% in 2012, after adjusting for closures or fitting out of department stores reflecting changes in tenants. Average same store growth in 2012 (disregarding major shops which were closed or fitted out in 2011 and 2012) was 3.3%.

The Mall remained virtually fully let during the year, with the only void periods resulting from tenant changes. The space previously occupied by Lane Crawford has been reconfigured to include Burberry's flagship store and a beauty gallery to house retailers of upscale cosmetic and skin care brands. An additional arcade has been created to enhance pedestrian flow within the Mall.

Cityplaza Mall

Cityplaza is one of the most popular regional shopping centres in Hong Kong and is the biggest such centre on Hong Kong Island. It principally serves Hong Kong residents, but the opening of the adjacent EAST Hotel resulted in higher patronage from visitors from outside Hong Kong. Retail sales increased by 6.0% in 2012. The property was virtually fully occupied during 2012.

Citygate Outlets

Sales at Citygate Outlets, the only outlet mall in Hong Kong, increased by 21.2% in 2012. The tenth floor of One Citygate, the office building which is connected to the outlet mall, was converted to retail use in December 2011, with encouraging results. Citygate Outlets remained virtually fully let at all times in 2012.

Hong Kong Retail Market Outlook

Despite uncertainties in the global economy and slower growth in the sale of luxury goods in the second half of 2012, the Hong Kong retail market is expected to continue to benefit from local economic growth and from tourists from Mainland China. Demand for retail space, particularly at prime locations, continues to be strong. Rents are expected to continue to increase.

The following table shows the percentage of the total rental income attributable to the Group from the retail properties in Hong Kong, for the month ended 31st December 2012, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 15% of the rental income in the month of December 2012 are due to expire in 2013, with a further 21% due to expire in 2014.

Retail Lease Expiry Profile (As at 31st December 2012)	
2013	14.6%
2014	21.1%
2015 & Beyond	64.3%

Residential

The completed residential portfolio comprises Pacific Place Apartments at Pacific Place in Hong Kong and a small number of luxury houses and apartments on Hong Kong Island, with a total floor area of 483,711 square feet.

Occupancy at the residential portfolio was approximately 86% at 31st December 2012, reflecting a reduction in demand for space at Pacific Place Apartments in the last quarter of 2012.

Demand for our residential properties is expected to remain stable in 2013.

Investment Properties Under Construction

8 Queen's Road East

Swire Properties has leased the whole of 8 Queen's Road East, a 19-storey commercial building with 81,346 square feet of space, for a ten year term. Refurbishment of the building is scheduled to be completed later in the first half of 2013.

23 Tong Chong Street

The property at 23 Tong Chong Street in Quarry Bay is being redeveloped into serviced apartments and is expected to be completed in 2014. The aggregate floor area upon completion will be approximately 75,000 square feet.

Investment Properties – Mainland China

Overview

The property portfolio in Mainland China comprises an aggregate of 13.5 million square feet of space (9.1 million square feet attributable to the Group), of which 7.3 million square feet are completed properties with the remaining 6.2 million square feet under development. Total attributable gross rental income from our investment properties in Mainland China was HK$1,457 million in 2012. As at 31st December 2012, our investment property portfolio in Mainland China was valued at HK$44,269 million. Of this amount, Swire Properties' attributable interest represented HK$31,341 million.

Property Portfolio [1] – Mainland China

	Gross Floor Area (sq.ft.) (100% Basis)				
	Total	Investment Properties	Hotels, Trading Properties and Others	Year of Opening	Attributable interest
Completed					
Sanlitun Village, Beijing [2] [3]	1,465,771	1,296,308	169,463	2008	80%/ 100%
TaiKoo Hui, Guangzhou[4]	3,840,197	3,256,013	584,184	2011	97%
INDIGO, Beijing[5]	1,893,226	1,534,957	358,269	2011	50%
Beaumonde Retail Podium, Guangzhou	90,847	90,847	-	2008	100%
Others [6]	29,584	2,898	26,686	N/A	100%
Sub-Total	**7,319,625**	**6,181,023**	**1,138,602**		
Under Development					
Dazhongli Project, Shanghai	3,469,398	2,926,204	543,194	2016	50%
Daci Temple Project, Chengdu [7]	2,712,077	1,223,674	1,488,403	2014	50%
Sub-Total	**6,181,475**	**4,149,878**	**2,031,597**		
Total	**13,501,100**	**10,330,901**	**3,170,199**		

(1) Including the hotel and property trading components of these projects.
(2) Village North opened in 2010.
(3) Swire Properties owns 80% of the retail component of Sanlitun Village.
(4) The hotel and serviced apartments at TaiKoo Hui officially opened in January 2013.
(5) The office at INDIGO opened in 2011 while the retail mall and hotel opened in 2012.
(6) Including Longde Building and Tianhe Xinzuo residential apartments, which were acquired in 2005 and 2006 respectively.
(7) The office portion of the Daci Temple project is being developed for trading purposes.

The Group's gross rental income from our investment properties in Mainland China in 2012 amounted to HK$1,373 million, comprising HK$194 million from office properties and HK$1,179 million from retail properties.

The table below illustrates the expected growth in attributable area of the completed property portfolio in Mainland China.

Attributable Area of Completed Property Portfolio in Mainland China

(sq ft.)	2012	2013	2014	2015	2016 & Onwards
Sanlitun Village, Beijing	1,206,509	1,206,509	1,206,509	1,206,509	1,206,509
TaiKoo Hui, Guangzhou	3,724,991	3,724,991	3,724,991	3,724,991	3,724,991
INDIGO, Beijing	946,613	946,613	946,613	946,613	946,613
Beaumonde Retail Podium, Guangzhou	90,847	90,847	90,847	90,847	90,847
Dazhongli Project, Shanghai	-	-	-	-	1,734,699
Daci Temple Project, Chengdu	-	1,233,087	1,356,039	1,356,039	1,356,039
Others	29,584	29,584	29,584	29,584	29,584
Total	**5,998,544**	**7,231,631**	**7,354,583**	**7,354,583**	**9,089,282**

Completed Investment Properties

Sanlitun Village, Beijing

Sanlitun Village, Beijing

	Gross Floor Area (sq.ft.) (100% Basis)	Occupancy (as at 31st Dec 2012)	Attributable Interest
Retail – Village South	776,909	97%	80%
Retail – Village North	519,399	90%	80%
Hotel – The Opposite House (1)	169,463	66%	100%
Total	**1,465,771**		

(1) The hotel is accounted for under property, plant and equipment in the accounts and the occupancy rate is the average for the year 2012.

Sanlitun Village, a low-density complex, comprises two neighbouring retail sites and a hotel in the Chaoyang District of Beijing. Sanlitun Village has over 200 shops and restaurants, including flagship stores, shops selling lifestyle brands, and restaurants serving regional and international cuisines.

Village South concentrates on global fashion and lifestyle brands with a youthful appeal, including Mainland China's first Adidas global brand centre and first Apple store. During 2012, 27 new tenants were introduced in Village South, so further increasing the diversity of the tenants. Village North focuses on international and Chinese designer fashion brands, as well as restaurants and cafés. Miu Miu opened a flagship store at Village North in 2012, its largest in Asia.

Gross rental income at Sanlitun Village increased steadily in 2012, primarily reflecting increases in base rents at both Village South and Village North. As at 31st December 2012, occupancy rates were 97% at Village South and 90% at Village North.

Sanlitun Village, with its open-plan architecture inspired by the concept of courtyards and hutongs, has become a Beijing fashion destination. Swire Properties will continue to invest in improvement works designed to enhance footfall and circulation, and to reinforce the property's positioning. Demand for retail space remains strong in Beijing, with owners of international brands continuing to focus heavily on Mainland China. This is expected to have a positive impact on occupancy and rents.

Swire Properties owns 80% of the retail component of Sanlitun Village with the remaining 20% interest held by Gateway China Fund I, a fund managed by Gaw Capital. The fund has an option to sell its 20% interest to Swire Properties before the end of 2013. As at 31st December 2012, Sanlitun Village (excluding The Opposite House) was valued at HK$9,790 million. Of this amount, Swire Properties' 80% attributable interest represented HK$7,832 million.

Beijing Retail Market Outlook

Retail rents in Beijing are expected to grow steadily in 2013. This reflects continued demand from retailers of international and local brands. Enquiries and inspections are strong. Owners of a diverse range of brands want to enter the Mainland China market. There is strong demand for space to be used for large flagship stores.

TaiKoo Hui, Guangzhou

TaiKoo Hui, Guangzhou

	Gross Floor Area (sq.ft.) (100% Basis)	Occupancy (as at 31st Dec 2012)	Attributable Interest
Retail	1,472,730	99%	97%
Office	1,731,766	79%	97%
Hotel (1)	584,184	N/A	97%
Serviced Apartments	51,517	N/A	97%
Total	**3,840,197**		97%

(1) The hotel is accounted for under property, plant and equipment in the accounts and was opened in January 2013.

TaiKoo Hui is Swire Properties' largest investment property in Mainland China. It is a large-scale retail-led complex in the Tianhe Central Business District of Guangzhou, with a total area of approximately 3.84 million square feet. Located at a transport hub, it has direct access to the city's metro system and is close to the East Railroad Station, which connects to Hong Kong. It incorporates a prime shopping mall, two Grade A office towers, a 5-star hotel with serviced apartments managed by the Mandarin Oriental Hotel Group and a cultural centre under development, together with approximately 700 car parking spaces, all of which are interconnected.

The shopping mall opened in September 2011 and, as at 31st December 2012, approximately 99% of the floor area was leased and 98% of the shops were open and trading. Approximately 70% of the mall is tenanted by retailers selling international brand names, with a number of brands making their debuts in Guangzhou. Sales of luxury brands were encouraging in 2012 while some of the mass market brands which are new to Guangzhou gained momentum. Tenants have committed to take (or have agreed terms in relation to) approximately 79% of the floor area of the two office towers. HSBC, which is the largest tenant, occupies 29 floors, representing approximately 47% of the total office floor area. The remaining vacant area is located in the high zone of office tower 1, which is expected to command the best terms among all the office floors.

Retail sales are expected to increase in 2013. People are becoming more aware of TaiKoo Hui, the mix of tenants is improving, more tenants are moving in and Mandarin Oriental, Guangzhou was opened in January 2013.

Swire Properties has a 97% stake in TaiKoo Hui, which is a joint venture with Guangzhou Da Yang Properties Investment Limited (under the Guangzhou Daily Group). As at 31st December 2012, the development (excluding the hotel) was valued at HK$12,983 million. Of this amount, Swire Properties' 97% attributable interest represented HK$12,594 million.

Guangzhou Market Outlook

TaiKoo Hui has established its position in the retail market and has attracted strong demand from international brands. Total retail sales in Guangzhou grew steadily in 2012. This trend is expected to continue in 2013. New retail malls were opened in Baiyun District and Zhujiang New Town in 2012.

The supply of office space increased significantly following completion of new office towers in Zhujiang New Town. This has added to the already large existing stock of office space. The absorption rate in Guangzhou is low and rental levels are under pressure. This is expected to continue in 2013.

INDIGO, Beijing

INDIGO, Beijing

	Gross Floor Area (sq.ft.) (100% Basis)	Occupancy (as at 31st Dec 2012)	Attributable Interest
Retail	939,493	84%	50%
Office	595,464	95%	50%
Hotel (1)	358,269	N/A	50%
Total	**1,893,226**		50%

(1) The hotel is accounted for under property, plant and equipment in the accounts and was opened in September 2012.

INDIGO is a retail-led mixed-use development in the Jiang Tai area of Chaoyang district in Beijing. It comprises an upmarket shopping mall, a Grade A office tower (ONE INDIGO) and a 369-room lifestyle business hotel EAST, Beijing. It has more than 1,200 car parking spaces and will be served by the Beijing Metro Line 14, which is due to open in 2014.

The development was officially opened in September 2012. The shopping mall is 84% leased and approximately 70% of the shops are open and trading. GAP, H&M, Food Republic and Lenovo are the key tenants. The brands available in the mall are intended to be attractive to residents of the affluent Jiuxianqiao, Lido, Wangjing and Shunyi districts, which are close by. The office tower is 95% leased with a little over one floor remaining vacant. Daimler Benz, Nestle and Alstom are key tenants. Patrons of EAST, Beijing come from offices in Wangjing and from INDIGO's own offices.

INDIGO is a 50:50 joint venture with Sino-Ocean Land Holdings Limited. As at 31st December 2012, the development (excluding the hotel) was valued at HK$5,166 million. Of this amount, Swire Properties' 50% attributable interest represented HK$2,583 million.

Beijing Office Market Outlook

Demand in the Beijing office market continues to exceed supply. New supply in 2012 was the lowest in the last decade and 2013 supply is also expected to be limited. Vacancy rates are slightly above 5%. Rental increases and limited supply in the central business district continue to stimulate demand for office space in other areas.

Investment Properties Under Development

Dazhongli Project, Shanghai

Dazhongli Project, Shanghai

	Gross Floor Area (sq.ft.) (100% Basis)	Attributable Interest
Retail	1,081,362	50%
Office	1,844,842	50%
Hotels (1)	543,194	50%
Total	**3,469,398**	50%

(1) The hotels are accounted for under property, plant and equipment in the accounts.

The Dazhongli project is a large-scale retail-led mixed-use development which will comprise approximately 3.47 million square feet (excluding car parking spaces) upon completion. It occupies a prime location with significant frontage on Nanjing West Road, one of Shanghai's major shopping thoroughfares. It has excellent transport connections, being adjacent to an existing metro line and two planned metro stations. The project comprises a retail mall, two office towers and three hotels, and is expected to become a landmark development in Shanghai.

Site clearance and resettlement works have largely been completed. Foundation, excavation and basement construction works have commenced. The development is expected to open in phases from 2016 onwards.

The Dazhongli project is a 50:50 joint venture with HKR International Limited. As at 31st December 2012, the development (excluding the hotel) was valued at HK$13,750 million. Of this amount, Swire Properties' 50% attributable interest represented HK$6,875 million.

Shanghai Market Outlook

The prospects for the Shanghai commercial property market remain good. In the central business area of Puxi demand for Grade A office space is strong, vacancy rates are low and new supply will be less than in other areas of Shanghai. Demand for retail space in Shanghai is robust. Many new retailers are entering the market and space in good quality new developments is quickly taken up. Dazhongli's public transport links and prominent position in the central business area of Puxi places it in a strong position to take advantage of these positive market trends.

Daci Temple Project, Chengdu

Daci Temple Project, Chengdu

	Gross Floor Area (sq.ft.) (100% Basis)	Attributable Interest
Retail	1,141,598	50%
Hotel (1)	163,828	50%
Serviced Apartments	82,076	50%
Office (2)	1,324,575	50%
Total	**2,712,077**	**50%**

(1) The hotel is accounted for under property, plant and equipment in the accounts.
(2) The office portion of the Daci Temple project is being developed for trading purposes.

The Daci Temple project, located in the Jinjiang District of Chengdu and near to the popular Chunxi Road shopping district, will be accessible from an interchange station for Chengdu's metro lines 2 and 3. Metro line 2 opened in September 2012 and line 3 is expected to open in 2015. With a site area of 761,869 square feet, the project will form a large-scale urban development comprising a street style retail complex, a boutique hotel with about 100 guest rooms, serviced apartments and a Grade A office tower.

Consisting of 2-3 storey retail blocks and open space with a basement connected to the metro, the retail complex is designed to integrate harmoniously with the cultural heritage of the ancient Daci Temple and neighbouring historic buildings.

Excavation and foundation works have commenced and the development is expected to open in phases from 2014 onwards.

The office tower is being developed for trading purposes.

The Daci Temple development is a 50:50 joint venture with Sino-Ocean Land Holdings Limited. In January 2012, the Group entered into an arrangement with Sino-Ocean Land Limited, a wholly-owned subsidiary of Sino-Ocean Land Holdings Limited to fund the whole of the remaining land premium (and associated taxes) payable in respect of the Daci Temple project and certain working capital requirements. This arrangement was varied in January 2013. Please refer to Note 15 to the accounts for further details.

As at 31st December 2012, the Daci Temple development (excluding the hotel and office trading components) was valued at HK$2,256 million. Of this amount, Swire Properties' 50% attributable interest represented HK$1,128 million.

Chengdu Market Outlook

The Chengdu retail market grew strongly in 2012. Newly completed retail malls offered a new type of shopping to Chengdu citizens. Demand to rent and buy office space, both from local companies and from outside Chengdu, was also strong in 2012.

More new retail malls will be completed in the next three years. Well planned and designed malls in prime locations are expected to be attractive to retailers, given continued strong growth in retail sales. Rentals can be expected to remain strong for malls in central locations.

The opening of metro line 2 has improved the competitive position of Jinjiang District compared with other business districts in Chengdu. The supply of space on major commercial streets and in the city centre is still limited. The Fortune Global Forum is to be held in Chengdu in 2013. This should benefit the office market. The market for renting and buying office space in major commercial streets is expected to remain active.

Investment Properties – U.S.A.

Brickell CityCentre, Miami

Brickell CityCentre, Miami

	Gross Floor Area (sq.ft.) (100% Basis)	Attributable Interest
Retail	505,000	87.5%
Office	982,000	100%
Serviced Apartments	102,000	100%
Hotel (1)	218,000	100%
Residential (2)	1,128,000	100%
Carpark / Circulation	2,494,000	100%
Total	5,429,000	

(1) The hotel is accounted for under property, plant and equipment in the accounts.
(2) The residential portion of the Brickell CityCentre is being developed for trading purposes.

Brickell CityCentre is an urban mixed-use development located in the Brickell financial district of Miami, Florida with a site area of approximately 394,000 square feet (9.1 acres). The development incorporates a multi-level open air shopping centre with two levels of below ground parking. A light rail Metromover station is within the site. Swire Properties owns 100% of the office, hotel and residential portions, and 87.5% of the retail portion, of this development.

The development is scheduled in two phases. Phase I is expected to comprise a retail component, a 264-room hotel, 87 serviced apartments, two office buildings and two residential towers. The residential towers are being developed for sale. Subject to market conditions, Phase II will provide additional office and car parking spaces. Construction work on Phase I commenced in 2012 with completion scheduled in the latter half of 2015.

With little existing or expected retail competition in the area of similar scale and quality, it is believed that Brickell CityCentre will generate rental rates comparable to those at leading shopping centres in Greater Miami.

As at 31st December 2012, the Brickell CityCentre development (excluding the hotel and residential trading components) was valued at HK$554 million.

Miami Market Outlook

The overall property market in urban Miami is expected to improve in 2013. The retail market is expected to be strong. Although currently over-supplied, the office market is showing some signs of improvement as vacancies continue to decline.

Valuation of Investment Properties

The portfolio of investment properties was valued at 31st December 2012 (96% by value having been valued by DTZ Debenham Tie Leung) on the basis of open market value. The amount of this valuation, before associated deferred tax in Mainland China, was HK$201,981 million compared to HK$187,198 million at 31st December 2011 and HK$195,041 million at 30th June 2012.

The increase in the valuation of the investment property portfolio principally reflects higher rental income.

Under HKAS 40, hotel properties are not accounted for as investment properties but are included within property, plant and equipment at cost less accumulated depreciation and any provision for impairment losses.

Audited Financial Information
Investment Properties

	Group		
	Completed HK$M	Under Development HK$M	Total HK$M
At 1st January 2012	**174,951**	**12,247**	**187,198**
Translation differences	**190**	**-**	**190**
Additions	**394**	**1,812**	**2,206**
Disposals	**-**	**(2)**	**(2)**
Transfer upon completion	**2,253**	**(2,253)**	**-**
Other net transfers from property, plant and equipment	**111**	**5**	**116**
Fair value gains	**11,800**	**473**	**12,273**
	189,699	**12,282**	**201,981**
Add: Initial leasing costs	**315**	**-**	**315**
At 31st December 2012	**190,014**	**12,282**	**202,296**
At 1st January 2011	161,508	17,307	178,815
Translation differences	374	421	795
Additions	145	4,705	4,850
Change in composition of Group	(18,263)	-	(18,263)
Transfer upon completion	11,142	(11,142)	-
Other net transfers from property, plant and equipment	265	38	303
Other net transfers from property held for development	104	249	353
Fair value gains	19,676	669	20,345
	174,951	12,247	187,198
Add: Initial leasing costs	290	-	290
At 31st December 2011	175,241	12,247	187,488

Geographical Analysis of Investment Properties

	Group	
	2012 HK$M	2011 HK$M
Held in Hong Kong:		
On medium-term leases (10 to 50 years)	**25,350**	25,151
On long-term leases (over 50 years)	**152,883**	140,358
	178,233	165,509
Held in Mainland China:		
On medium-term leases (10 to 50 years)	**23,194**	21,298
Held in U.S.A.:		
Freehold	**554**	391
	201,981	187,198

Property Trading

The trading portfolio comprises six luxury residential projects under development in Hong Kong (four on Hong Kong Island, one in Kowloon and one on Lantau Island), two residential towers under development in Brickell CityCentre in Miami, U.S.A., an office property under development in the Daci Temple project in Chengdu in Mainland China, and the remaining residential units at the completed developments of AZURA and 5 Star Street in Hong Kong and ASIA in Miami. There are also land banks in Miami and Fort Lauderdale in Florida, U.S.A.

Property Trading Portfolio

	Gross Floor Area (sq.ft.) (100% Basis)	Actual / Expected Construction Completion Date	Attributable Interest
Completed			
Hong Kong			
- 5 Star Street (1)	1,331	2010	100%
- AZURA (1)	48,686	2012	87.5%
U.S.A.			
- ASIA, Miami (1)	33,264	2008	100%
Under Development			
Hong Kong			
- ARGENTA	75,805	2013	100%
- 33 Seymour Road (Phase 1)	165,792	2014	100%
- 33 Seymour Road (Phase 2)	195,531	2016	100%
- MOUNT PARKER RESIDENCES	151,954	2013	80%
- DUNBAR PLACE	88,555	2013	50%
- Cheung Sha, South Lantau	64,412	2015	100%
Mainland China			
- Daci Temple Project, Chengdu (office portion)	1,324,575	2013	50%
U.S.A.			
- Brickell CityCentre, Miami, Florida (residential portion)	1,128,000	2015	100%
Held for Development			
U.S.A.			
- Fort Lauderdale, Florida	787,414	N/A	75%
- South Brickell Key, Miami, Florida	421,800	N/A	100%
- Brickell CityCentre, North Squared, Miami, Florida	500,000	N/A	100%
Total	**4,987,119**		

(1) Remaining unsold units as at 31st December 2012.

The following table shows the expected timing of completion of our residential projects in Hong Kong.

Expected Attributable Residential GFA Completions in Hong Kong in 2013-2016

GFA (sq ft.)	2013	2014	2015	2016 & Onwards
MOUNT PARKER RESIDENCES	121,563	-	-	-
ARGENTA	75,805	-	-	-
DUNBAR PLACE	44,278	-	-	-
33 Seymour Road (Phase 1)	-	165,792	-	-
33 Seymour Road (Phase 2)	-	-	-	195,531
Cheung Sha, South Lantau	-	-	64,412	-
Total	241,646	165,792	64,412	195,531

Audited Financial Information
Properties Held For Development and For Sale

	Group	
	2012	2011
	HK$M	HK$M
Properties held for development		
Freehold land	**188**	124
Properties for sale		
Completed properties		
- development costs	**401**	270
- freehold land	**4**	7
- leasehold land	**145**	4
Properties under development		
- development costs	**1,762**	1,329
- freehold land	**175**	175
- leasehold land	**4,461**	5,063
	6,948	6,848

Hong Kong

Residential developments in Mid-Levels West, Hong Kong

Swire Properties owns four sites in Mid-Levels West, a residential district on Hong Kong Island.

(a) AZURA, 2A Seymour Road

Swire Properties holds a 87.5% interest in this development comprising a 50-storey tower of 126 units and 45 car parking spaces with a total GFA of 206,306 square feet. The development was completed in the second half of 2012. As at 13th March 2013, 111 units had been sold. Completion of the sales of 98 of these units took place in 2012. Completion of the sales of a further three units have taken place up to 13th March 2013. Completion of the sales of ten units will take place later in 2013. The development is managed by Swire Properties.

(b) ARGENTA, 63 Seymour Road

ARGENTA is wholly-owned by Swire Properties. The superstructure works are in progress. The development is expected to be completed and available for hand over to the purchasers in 2013, and will consist of a 37-storey tower of 30 whole-floor residential units and 28 car parking spaces with an aggregate GFA of 75,805 square feet. Six units (each together with a car parking space) have been pre-sold.

(c) 33 Seymour Road (Phases 1 and 2)

33 Seymour Road is wholly-owned by the Group. Superstructure works at Phase 1 of the development are in progress and the development of Phase 1 is expected to be completed in 2014 and available for hand over to purchasers in 2015. It will consist of a 48-storey tower of 127 residential units with an aggregate GFA of 165,792 square feet upon completion.

Foundation works at Phase 2 of the development (formerly 92-102 Caine Road) are in progress and the development is expected to be completed in 2016 and available for hand over to purchasers in 2017. The development consists of a 50-storey tower of 197 residential units and 43 car parking spaces with an aggregate GFA of 195,531 square feet.

Swire Properties plans, subject to receipt of the necessary approvals, to upgrade certain pedestrian walkways, widen a number of pavements and build a pedestrian staircase next to Phase 2, in order to improve pedestrian flow between Castle Road and Caine Road.

MOUNT PARKER RESIDENCES, 1 Sai Wan Terrace (formerly 1 Sai Wan Terrace)

Swire Properties has an 80% interest in MOUNT PARKER RESIDENCES, a residential development in Quarry Bay, Hong Kong. The development is expected to be completed in the second half of 2013 and available for hand over to purchasers in 2014. It will comprise 92 residential units and 69 basement car parking spaces, with an aggregate GFA of 151,954 square feet upon completion.

DUNBAR PLACE, 23 Dunbar Road (formerly 148 Argyle Street)

DUNBAR PLACE is a residential development in Ho Man Tin, Kowloon. Swire Properties has a 50% interest in the development. The development is expected to be completed in 2013 and available for hand over to purchasers in 2014. It will have an aggregate GFA of approximately 88,555 square feet upon completion and will consist of a 23-storey tower with 53 residential units and 57 car parking spaces.

Cheung Sha, South Lantau

Two adjacent residential sites at the junction of Tung Chung Road and South Lantau Road in Cheung Sha, Lantau Island were acquired in 2011 and are wholly-owned by the Group. The sites will be developed into detached houses with an aggregate GFA of 64,412 square feet. The development is expected to be completed and available for hand over to purchasers in 2015.

Hong Kong Residential Market Outlook

The effect of substantial increases and other changes in Hong Kong stamp duty on demand for luxury residential properties is uncertain.

U.S.A.

ASIA, located on the northern edge of Brickell Key in downtown Miami, is a luxury high-rise residential condominium with 123 units. The average size of these units is approximately 2,300 square feet. Sales of 16 units were completed in 2012. 110 units have been sold and a further three units have been leased as at 13th March 2013.

The residential portion of Brickell CityCentre is being developed for trading purposes and will comprise 820 units in two high-rise condominium towers. Completion of this development is expected in 2015.

The residential market for properties in urban Miami is expected to continue to improve in 2013 with higher sales prices and rental rates. The excess condominium supply is now largely absorbed and construction is underway at several new condominium projects.

Leasing and Management Business

Swire Properties was responsible for the redevelopment and is responsible for the leasing and management of OPUS HONG KONG, a property owned by Swire Pacific at 53 Stubbs Road. The property is a prime residential development consisting of a 12-storey residential building with ten whole-floor units and two double-level garden apartments designed by Pritzker Prize winning architect Frank Gehry.

Estate Management

Through subsidiaries, Swire Properties undertakes the management of 15 estates which it has developed, including AZURA, Robinson Place, The Orchards, and Taikoo Shing. The services provided include concierge services and assistance to the residents, cleaning and maintenance of common areas, and renovation of buildings. Swire Properties places great emphasis on its relationships with occupants of the existing estates which it manages and intends to provide high quality estate management at the estates which it is developing.

Hotels

Managed Hotels

Overview

Swire Hotels owns and manages hotels in Hong Kong, Mainland China and the U.K., comprising the "House Collection", "EAST", and "Chapter Hotels". The House Collection, presently comprising The Upper House in Hong Kong and The Opposite House in Beijing, is a group of small and distinctive hotels in Asia providing highly personalised experiences for guests. EAST hotels are lifestyle business hotels. Chapter Hotels are local hotels in regional towns and cities in the U.K..

Hotels Portfolio (Managed by the Group)

	No. of rooms (100% Basis)	Attributable Interest
Completed		
Hong Kong		
- The Upper House	117	100%
- EAST, Hong Kong	345	100%
- Headland Hotel (1)	501	0%
Mainland China		
- The Opposite House	99	100%
- EAST, Beijing (2)	369	50%
U.K.		
- The Montpellier Chapter, Cheltenham	61	100%
- Avon Gorge Hotel, Bristol	75	100%
- The Magdalen Chapter, Exeter (3)	59	100%
- Hotel Seattle, Brighton	71	100%
Under Development		
Mainland China		
- Dazhongli Project (Hotel), Shanghai	100	50%
- Daci Temple Project (Hotel), Chengdu (4)	142	50%
U.S.A.		
- EAST, Miami	351	100%
Total	**2,290**	

(1) Headland Hotel is owned by Airline Hotel Limited, a wholly-owned subsidiary of Cathay Pacific Airways Limited.
(2) EAST, Beijing opened in September 2012.
(3) Refurbishment of the hotel in Exeter was completed in 2012.
(4) Including serviced apartments in the same building.

The Upper House

The Upper House, a 117-room luxury hotel at Pacific Place, continued to be recognised for its customer service and achieved strong market penetration and revenue growth in 2012, with revenue per available room increasing by 9% from 2011. In 2012, it received the "Best Overseas Business Hotels 2012" award from Condé Nast Traveller, an award from Fodor's 100 Hotel Awards 2012, a "Certificate of Excellence for The Year of 2012" award from TripAdvisor and a "Hong Kong & Macau Best Restaurants" award from Asia Tatler Dining.

EAST, Hong Kong

EAST, Hong Kong, a 345-room hotel at Island East, has established a loyal following from office tenants in Cityplaza and TaiKoo Place. Occupancy and average room rates were strong in 2012, with revenue per available room increasing by 5% from 2011. In 2012, it received the "2012 Travelers' Choice Award" and a "Certificate of Excellence for The Year of 2012" award from TripAdvisor, a "Top 10 Hong Kong Boutique Hotels" award from the Guardian and a "50 Stunning Rooftop Bars and Restaurants" award from CNNGo.

The Opposite House

Revenue per available room increased by 3% in 2012 at The Opposite House, a 99-room luxury hotel at Sanlitun Village, Beijing. Its accommodation, restaurant and bar businesses improved and it maintained a leading market position. The hotel received the Condé Nast Traveller's "Gold List 2012: Best for Food" award and Miele Guide's "One of Asia's Finest Restaurants 2011/2012" award during the year.

EAST, Beijing

EAST, Beijing is a 369-room business lifestyle hotel at the INDIGO development in Beijing, in which Swire Properties holds a 50% interest. The hotel has been gradually building a loyal corporate clientele since its opening in September 2012.

U.K. Hotels

Swire Properties owns four hotels in the United Kingdom, one each in Cheltenham, Bristol, Brighton and Exeter. The Magdalen Chapter Hotel in Exeter re-opened in June 2012 following a major refurbishment. Occupancy and room rates were satisfactory during 2012 although trading conditions were challenging in the U.K. market.

Hotels Market Outlook

The hotels in Hong Kong are expected to continue to benefit from growth in the number of visitors from Mainland China and are well positioned in both the business and tourism sectors.

In Mainland China, The Opposite House is expected to see further growth in its accommodation, restaurant and bar businesses. EAST, Beijing will make its first full year contribution in 2013.

The trading environment in the U.K. remains challenging.

Non-managed Hotels

Swire Properties has ownership interests in (but does not manage) hotels with 3,065 rooms in aggregate. The Mandarin Oriental in TaiKoo Hui, 97% owned by Swire Properties and which opened in January 2013, has 263 rooms and 24 serviced apartments.

.

Hotels Portfolio (Not managed by the Group)

	No. of rooms (100% Basis)	Attributable Interest
Completed		
Hong Kong		
- Island Shangri-La Hong Kong	565	20%
- JW Marriott Hotel Hong Kong	602	20%
- Conrad Hong Kong	513	20%
- Novotel Citygate Hong Kong	440	20%
U.S.A.		
- Mandarin Oriental, Miami	326	75%
Mainland China		
- Mandarin Oriental, Guangzhou (1)	287	97%
Under Development		
Mainland China		
- Dazhongli Project (Hotels), Shanghai	332	50%
Total	**3,065**	

(1) Including 24 serviced apartments in the same building. The development was officially opened in January 2013.

The non-managed hotels in Hong Kong performed strongly during the year. Trading conditions also improved at the Mandarin Oriental, Miami in 2012.

Capital Commitments

Capital Expenditure and Commitments for Investment Properties and Hotels

Capital expenditure in 2012 on Hong Kong investment properties and hotels, including completed projects, amounted to HK$1,828 million (2011: HK$3,104 million). Outstanding capital commitments at 31st December 2012 were HK$5,405 million (31st December 2011: HK$6,740 million).

Capital expenditure in 2012 on Mainland China investment properties and hotels, including the Group's share of the capital expenditure of jointly controlled companies, amounted to HK$1,776 million (2011: HK$3,180 million). Outstanding capital commitments at 31st December 2012 were HK$7,546 million (2011: HK$8,430 million), including the Group's share of the capital commitments of jointly controlled companies of HK$6,620 million (2011: HK$7,101 million). The Group is committed to funding HK$818 million (31st December 2011: HK$1,828 million) of the capital commitments of jointly controlled companies in Mainland China.

Capital expenditure in 2012 on the investment properties and hotels in the U.S.A., Singapore and the U.K. amounted to HK$239 million (2011: HK$102 million). Outstanding capital commitments at 31st December 2012 were HK$2,963 million (2011: HK2,510 million).

Profile of Capital Commitments for Investment Properties and Hotels

	Expenditure	Forecast year of expenditure				Commitments*
	2012	2013	2014	2015	2016 & beyond	**At 31st Dec 2012**
	HK$M	HK$M	HK$M	HK$M	HK$M	**HK$M**
Hong Kong	**1,828**	879	548	606	3,372	**5,405**
Mainland China	**1,776**	3,680	2,361	831	674	**7,546**
U.S.A. and others	**239**	1,360	1,603	-	-	**2,963**
Total	**3,843**	5,919	4,512	1,437	4,046	**15,914**

* The capital commitments represents the Group's capital commitments of HK$9,294 million plus the Group's share of the capital commitments of jointly controlled companies of HK$6,620 million. The Group is committed to funding HK$818 million of the capital commitments of jointly controlled companies.

Financing

Sources of Finance

At 31st December 2012, committed loan facilities and debt securities amounted to HK$36,777 million, of which HK$7,338 million (20.0%) remained undrawn. In addition, the Group had undrawn uncommitted facilities totalling HK$1,408 million. Sources of funds at 31st December 2012 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				
Revolving credit and short-term loans	**3,960**	**1,238**	**337**	**2,385**
Term loans	**9,677**	**8,261**	**-**	**1,416**
Bonds	**4,676**	**4,676**	**-**	**-**
Facilities from Swire Finance				
Revolving credit	**4,000**	**800**	**1,500**	**1,700**
Bonds	**12,135**	**12,135**	**-**	**-**
Perpetual capital securities	**2,329**	**2,329**	**-**	**-**
Total committed facilities	**36,777**	**29,439**	**1,837**	**5,501**
Uncommitted facilities				
Bank loans, overdrafts and other loans	**2,952**	**1,544**	**1,266**	**142**
Total	**39,729**	**30,983**	**3,103**	**5,643**

At 31st December 2012, 61% of the Group's gross borrowings were on fixed rate basis and 39% were on a floating rate basis (2011:66% and 34% respectively).

The Group had bank balances and short-term deposits of HK$1,940 million at 31st December 2012, compared to HK$1,180 million at 31st December 2011.

Maturity Profile and Refinancing

Bank loans and other borrowings are repayable on various dates up to 2022 (2011: up to 2018). The weighted average term and cost of the Group's debt are:

	2012	2011
Weighted average term of debt	**3.6 years**	2.9 years
Weighted average term of debt (excluding perpetuals)	**3.5 years**	2.8 years
Weighted average cost of debt	**4.8%**	4.6%
Weighted average cost of debt (excluding perpetuals)	**4.5%**	4.4%

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

		Maturity Profile							
(HK$M)	**Total**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2022**
Facilities from third parties									
Revolving credit and term loans	13,637	1,215	6,672	2,750	2,000	1,000	-	-	-
Bonds	4,676	-	-	-	-	500	-	300	3,876
Facilities from Swire Finance									
Revolving credit	4,000	1,500	-	2,500	-	-	-	-	-
Bonds	12,135	2,300	-	-	4,658	-	5,177	-	-
Perpetual capital securities	2,329	-	-	-	-	2,329	-	-	-
Total	**36,777**	**5,015**	**6,672**	**5,250**	**6,658**	**3,829**	**5,177**	**300**	**3,876**

Note: The perpetual capital securities have no fixed maturity date. In the above table their maturity is presented as their first call date, 13th May 2017.

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

	2012	2011
	HK$M	HK$M
Bank and other borrowings:		
Within 1 year	**2,365**	1,687
1 - 2 years	**6,603**	93
2 - 5 years	**2,502**	5,726
After 5 years	**4,151**	-
Borrowings from Swire Finance:		
Within 1 year	**2,299**	6,943
1 - 2 years	**-**	2,296
2 - 5 years	**7,773**	4,638
After 5 years	**5,168**	7,497
Total	**30,861**	28,880
Amount due within one year included under current liabilities	**(4,664)**	(8,630)
Amount due after one year included under non-current liabilities	**26,197**	20,250

Upon maturity of the financing arrangements provided by Swire Finance Limited, the Group will obtain new funding (as necessary) on a stand-alone basis without recourse to Swire Pacific.

Currency Profile

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

	2012		2011	
	HK$M		HK$M	
Currency				
Hong Kong dollar	**21,060**	**68%**	20,598	71%
United States dollar	**1,524**	**5%**	1,182	4%
Renminbi	**8,214**	**27%**	7,040	25%
Others	**63**	**-**	60	-
Total	**30,861**	**100%**	28,880	100%

Gearing Ratio and Interest Cover

The following table illustrates the gearing ratio, interest cover and cash interest cover for each of the last two years:

	2012	2011
Gearing ratio*		
Per accounts	**15.0%**	15.7%
Underlying	**14.5%**	15.3%
Interest cover – times *		
Per accounts	**15.7**	18.2
Underlying	**7.9**	12.0
Cash interest cover – times *		
Per accounts	**12.3**	14.5
Underlying	**6.0**	9.2

* Refer to Glossary on page 50 for definition

FINANCIAL STATEMENTS

Consolidated Income Statement
For the year ended 31st December 2012

	Note	2012 HK$M	2011 HK$M
Turnover	2	**14,052**	9,581
Cost of sales	3	**(3,770)**	(2,334)
Gross profit		**10,282**	7,247
Administrative expenses		**(873)**	(1,029)
Other operating expenses		**(214)**	(130)
Profit on sale of interest in Festival Walk		**-**	595
Other net gains/ (losses)	4	**40**	(83)
Change in fair value of investment properties		**12,273**	20,345
Operating profit		**21,508**	26,945
Finance charges		**(1,483)**	(1,504)
Finance income		**116**	27
Net finance charges	6	**(1,367)**	(1,477)
Share of profits less losses of jointly controlled companies		**660**	851
Share of profits less losses of associated companies		**161**	156
Profit before taxation		**20,962**	26,475
Taxation	7	**(1,863)**	(1,296)
Profit for the year		**19,099**	25,179
Profit for the year attributable to:			
The Company's shareholders		**18,763**	25,126
Non-controlling interests		**336**	53
		19,099	25,179
Dividends			
Special interim - paid		**-**	10,014
First interim - declared on 15th March 2012		**-**	1,053
First interim - paid		**1,287**	-
Second interim - declared on 14th March 2013		**2,223**	-
	8	**3,510**	11,067
		HK$	HK$
Earnings per share for profit attributable to the Company's shareholders (basic and diluted)	9	**3.21**	4.40

Consolidated Statement of Comprehensive Income
For the year ended 31st December 2012

	2012	2011
	HK$M	HK$M
Profit for the year	**19,099**	25,179
Other comprehensive income		
Cash flow hedges		
- fair value losses recognised during the year	**(84)**	-
- transferred to net finance charges	**1**	-
- deferred tax	**14**	-
Revaluation of properties previously occupied by the Group		
- gain recognised during the year	**36**	186
- deferred tax	**(8)**	-
Share of other comprehensive income of jointly controlled and associated companies	**30**	276
Net translation differences on foreign operations	**160**	517
Other comprehensive income for the year, net of tax	**149**	979
Total comprehensive income for the year	**19,248**	26,158
Total comprehensive income attributable to:		
The Company's shareholders	**18,911**	26,105
Non-controlling interests	**337**	53
	19,248	26,158

Note: Other than cash flow hedges and revaluation of properties previously occupied by the Group as disclosed above, items shown within other comprehensive income have no tax effect.

Consolidated Statement of Financial Position at 31st December 2012

	Note	2012 HK$M	2011 HK$M
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**6,837**	6,615
Investment properties		**202,296**	187,488
Leasehold land and land use rights		**-**	3
Intangible assets		**8**	7
Properties held for development		**188**	124
Jointly controlled companies		**14,878**	13,000
Associated companies		**721**	639
Available-for-sale assets		**9**	9
Deferred tax assets		**68**	57
Retirement benefit assets		**117**	108
		225,122	208,050
Current assets			
Properties under development and for sale		**6,948**	6,848
Stocks and work in progress		**69**	69
Trade and other receivables	10	**2,930**	1,945
Amount due from immediate holding company - Swire Pacific Limited		**51**	142
Cash and cash equivalents		**1,940**	1,180
		11,938	10,184
Current liabilities			
Trade and other payables	11	**7,155**	8,088
Taxation payable		**710**	445
Bank overdrafts and short-term loans		**1,057**	1,023
Long-term loans due within one year		**1,308**	664
Loans due to a fellow subsidiary company - Swire Finance Limited		**2,299**	6,943
		12,529	17,163
Net current liabilities		**(591)**	(6,979)
Total assets less current liabilities		**224,531**	201,071
Non-current liabilities			
Long-term loans and bonds		**13,256**	5,819
Loans due to a fellow subsidiary company - Swire Finance Limited		**12,941**	14,431
Derivative financial instruments		**83**	-
Deferred tax liabilities		**4,995**	4,246
		31,275	24,496
NET ASSETS		**193,256**	176,575
EQUITY			
Share capital	12	**5,850**	5,850
Reserves	13	**186,764**	170,193
Equity attributable to the Company's shareholders		**192,614**	176,043
Non-controlling interests		**642**	532
TOTAL EQUITY		**193,256**	176,575

Consolidated Statement of Cash Flows
For the year ended 31st December 2012

	2012 HK$M	2011 HK$M
Operating activities		
Cash generated from operations	8,116	7,396
Interest paid	(1,576)	(1,664)
Interest received	27	38
Profits tax paid	(875)	(485)
	5,692	5,285
Dividends received from jointly controlled and associated companies and available-for-sale assets	153	415
Net cash from operating activities	5,845	5,700
Investing activities		
Purchase of property, plant and equipment	(488)	(548)
Additions to investment properties	(2,516)	(4,717)
Purchase of intangible assets	(5)	(5)
Proceeds from disposals of property, plant and equipment	16	1
Proceeds from disposal of Festival Walk	-	18,305
Purchase of shares in jointly controlled companies	(5)	-
Loans to jointly controlled companies	(1,387)	(2,294)
Repayment of loans by jointly controlled companies	129	1,169
Initial leasing costs incurred	(115)	(193)
Net cash (used in) / generated from investing activities	(4,371)	11,718
Net cash inflow before financing	1,474	17,418
Financing activities		
Bank loans drawn and refinancing	4,029	2,206
Bonds Issued	4,676	-
Repayment of bank loans	(681)	(628)
	8,024	1,578
Proceeds from issuance of ordinary shares	-	4,500
Capital contribution from non-controlling interests	-	12
Decrease in loans due to a fellow subsidiary company- Swire Finance Limited	(6,173)	(10,875)
Dividends paid to the Company's shareholders	(2,340)	(12,439)
Dividends paid to non-controlling interests	(227)	(12)
Net cash used in financing activities	(716)	(17,236)
Increase in cash and cash equivalents	758	182
Cash and cash equivalents at 1st January	1,179	1,023
Currency adjustment	(1)	(26)
Cash and cash equivalents at 31st December	1,936	1,179
Represented by:		
Bank balances and short-term deposits maturing within three months	1,940	1,180
Bank overdrafts	(4)	(1)
	1,936	1,179

1. Segment information

(a) Information about reportable segments

Analysis of Consolidated Income Statement

	External turnover	Inter-segment turnover	Operating profit/(loss) after depreciation and amortisation	Finance charges	Finance income	Share of profits less losses of jointly controlled companies	Share of profits less losses of associated companies	Profit /(loss) before taxation	Tax charge	Profit /(loss) for the year	Profit/(loss) attributable to the Company's shareholders	Depreciation and amortisation charged to operating profit
	HK$M	HK$M	HK$M	HK$M	HK$M	HK$M	HK$M	HK$M	HK$M	HK$M	HK$M	HK$M
Year ended 31st December 2012												
Property investment	**9,123**	**8**	**6,879**	**(1,443)**	**113**	**146**	**-**	**5,695**	**(771)**	**4,924**	**4,906**	**(171)**
Property trading	**4,147**	**-**	**2,395**	**-**	**3**	**(14)**	**-**	**2,384**	**(422)**	**1,962**	**1,659**	**(20)**
Hotels	**782**	**2**	**(39)**	**(40)**	**-**	**(40)**	**160**	**41**	**(29)**	**12**	**14**	**(123)**
Change in fair value of investment properties	**-**	**-**	**12,273**	**-**	**-**	**568**	**1**	**12,842**	**(641)**	**12,201**	**12,184**	**-**
Inter-segment elimination	**-**	**(10)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	14,052	**-**	**21,508**	**(1,483)**	**116**	**660**	**161**	**20,962**	**(1,863)**	**19,099**	**18,763**	**(314)**
Year ended 31st December 2011												
Property investment	8,651	8	6,743	(1,464)	24	123	-	5,426	(760)	4,666	4,656	(163)
Property trading	213	-	(50)	(5)	3	59	-	7	(3)	4	7	(9)
Hotels	717	2	(93)	(35)	-	(7)	155	20	(53)	(33)	(33)	(120)
Change in fair value of investment properties	-	-	20,345	-	-	676	1	21,022	(480)	20,542	20,496	-
Inter-segment elimination	-	(10)	-	-	-	-	-	-	-	-	-	-
	9,581	-	26,945	(1,504)	27	851	156	26,475	(1,296)	25,179	25,126	(292)

1. Segment information (continued)

(a) Information about reportable segments (continued)

Analysis of total assets of the Group

	Segment assets HK$M	Jointly controlled companies HK$M	Associated companies HK$M	Bank deposits HK$M	Total assets HK$M	Additions to non-current assets (note) HK$M
At 31st December 2012						
Property investment	**206,717**	**12,737**	**55**	**1,529**	**221,038**	**2,396**
Property trading and development	**7,272**	**1,063**	**-**	**345**	**8,680**	**66**
Hotels	**5,532**	**1,078**	**666**	**66**	**7,342**	**414**
	219,521	**14,878**	**721**	**1,940**	**237,060**	**2,876**
At 31st December 2011						
Property investment	190,771	11,303	55	1,003	203,132	5,117
Property trading and development	7,479	842	-	76	8,397	2
Hotels	5,165	855	584	101	6,705	586
	203,415	13,000	639	1,180	218,234	5,705

Note: In this analysis, additions to non-current assets during the year exclude financial instruments (which include jointly controlled and associated companies and available-for-sale assets), 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	Gross borrowings HK$M	Total liabilities HK$M	Non-controlling interests HK$M
At 31st December 2012					
Property investment	**6,516**	**5,236**	**25,482**	**37,234**	**557**
Property trading and development	**557**	**469**	**4,688**	**5,714**	**85**
Hotels	**165**	**-**	**691**	**856**	**-**
	7,238	**5,705**	**30,861**	**43,804**	**642**
At 31st December 2011					
Property investment	6,184	4,672	22,852	33,708	532
Property trading and development	1,721	19	5,409	7,149	-
Hotels	183	-	619	802	-
	8,088	4,691	28,880	41,659	532

1. Segment information (continued)

(a) Information about reportable segments (continued)

The Swire Properties Group is organised on a divisional basis: Property investment, Property trading and development, and Hotels. The reportable segments within each of the three divisions are classified according to the nature of the business.

(b) Information about geographical areas

The activities of the Group are principally based in Hong Kong, Mainland China, the United States of America and the United Kingdom.

An analysis of turnover and non-current assets of the Group by principal markets is outlined below:

	Turnover		**Non-current assets***	
	2012	2011	**2012**	2011
	HK$M	HK$M	**HK$M**	HK$M
Hong Kong	**12,217**	8,392	**182,390**	169,779
Mainland China	**1,516**	932	**25,544**	23,378
United States of America	**187**	146	**829**	569
United Kingdom	**132**	111	**566**	511
	14,052	9,581	**209,329**	194,237

* In this analysis, the total of non-current assets excludes financial instruments (which include jointly controlled and associated companies and available-for-sale assets), deferred tax assets and retirement benefit assets.

2. Turnover

Turnover represents sales by the Company and its subsidiary companies to external customers and comprises revenue from:

	2012	2011
	HK$M	HK$M
Gross rental income from investment properties	**9,015**	8,557
Property trading	**4,147**	213
Hotels	**782**	717
Rendering of services	**108**	94
	14,052	9,581

3. Cost of sales

	2012	2011
	HK$M	HK$M
Direct rental outgoings in respect of investment properties that		
- generated rental income	**(1,490)**	(1,471)
- did not generate rental income	**(102)**	(46)
	(1,592)	(1,517)
Property trading	**(1,435)**	(199)
Hotels	**(691)**	(584)
Rendering of services	**(52)**	(34)
	(3,770)	(2,334)

4. Other net gains / (losses)

	2012	2011
	HK$M	HK$M
Profit on sale of investment properties	**12**	-
Loss on sale of property, plant and equipment	**(1)**	-
Impairment reversals / (losses) on hotel and trading properties	**4**	(100)
Net foreign exchange gains / (losses)	**4**	(6)
Provision written back	**-**	19
Recognition / (reversal) of income on forfeited deposits on trading properties	**9**	(16)
Others	**12**	20
	40	(83)

5. Expenses by type

Expenses included in cost of sales, administrative and other operating expenses are analysed as follows:

	2012	2011
	HK$M	HK$M
Depreciation of property, plant and equipment	**222**	224
Amortisation of		
- intangible assets	**3**	3
- initial leasing costs on investment properties	**89**	65
Staff costs	**1,295**	1,137

6. Net finance charges

	2012	2011
	HK$M	HK$M
Interest charged on:		
Bank loans and overdrafts	**(527)**	(418)
Bonds:		
Wholly repayable within five years	**(4)**	-
Not wholly repayable within five years	**(95)**	-
Loan from a fellow subsidiary company	**(925)**	(1,096)
Loans from jointly controlled companies	**(4)**	(2)
Fair value losses on derivative instruments:		
Cash flow hedges - transferred from other comprehensive income	**(1)**	-
Other financing costs	**(134)**	(104)
Loss 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 in a subsidiary	**(175)**	(259)
Capitalised on:		
Investment properties	**95**	197
Properties under development and for sale	**244**	155
Hotels	**43**	23
	(1,483)	(1,504)
Interest income on:		
Short-term deposits and bank balances	**11**	12
Loan to a fellow subsidiary company	**-**	2
Loans to jointly controlled companies	**13**	9
Others	**92**	4
	116	27
Net finance charges	**(1,367)**	(1,477)

7. Taxation

	2012		2011	
	HK$M	**HK$M**	HK$M	HK$M
Current taxation:				
Hong Kong profits tax	**(1,124)**		(628)	
Overseas taxation	**(11)**		(12)	
(Under)/ over-provisions in prior years	**(4)**		20	
		(1,139)		(620)
Deferred taxation:				
Changes in fair value of investment properties	**(252)**		(386)	
Origination and reversal of temporary differences	**(472)**		(290)	
		(724)		(676)
		(1,863)		(1,296)

Hong Kong profits tax is calculated at 16.5% (2011: 16.5%) on the estimated assessable profits for the year. Overseas tax is calculated at tax rates applicable in jurisdictions in which the Group is assessable for tax.

8. Dividends

	2012	2011
	HK$M	HK$M
First special interim dividend paid on 30th September 2011	**-**	4,514
Second special interim dividend paid on 8th November 2011	**-**	5,500
First interim dividend (in lieu of final dividend) declared on 15th March 2012 of HK¢18 per share	**-**	1,053
First interim dividend of HK¢22 per share paid on 4th October 2012	**1,287**	-
Second interim dividend (in lieu of final dividend) declared on 14th March 2013 of HK¢38 per share	**2,223**	-
	3,510	11,067

The second interim dividend is not accounted for in 2012 because it had not been declared at the year end date. The actual amount will be accounted for as an appropriation of the revenue reserve in the year ending 31st December 2013.

The register of members will be closed on Friday, 5th April 2013, 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, 3rd April 2013.

To facilitate the processing of proxy voting for the Annual General Meeting to be held on 7th May 2013, the register of members will be closed from 2nd May 2013 to 7th May 2013, 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 Tuesday, 30th April 2013.

9. Earnings per share (basic and diluted)

Earnings per share are calculated by dividing the profit attributable to the Company's shareholders of HK$18,763 million (2011: HK$25,126 million) by the weighted average number of 5,850,000,000 ordinary shares in issue during 2012 (2011: 5,704,027,397 ordinary shares).

10. Trade and other receivables

	2012	2011
	HK$M	HK$M
Trade debtors	**278**	284
Prepayments and accrued income	**186**	125
Other receivables	**2,466**	1,536
	2,930	1,945

The analysis of the age of trade debtors at year-end (based on the invoice date) is as follows:

	2012	2011
	HK$M	HK$M
Under three months	**269**	272
Between three and six months	**6**	5
Over six months	**3**	7
	278	284

The Group does not grant credit terms to its customers, except to corporate customers in the hotel business where commercial trade credit terms are given. The Group also holds rental deposits as security against trade debtors.

11. Trade and other payables

	2012	2011
	HK$M	HK$M
Trade creditors	**1,064**	1,788
Amounts due to intermediate holding company	**161**	79
Amounts due to a fellow subsidiary company	**79**	102
Amounts due to an associated company	**41**	-
Amounts due to a jointly controlled company	**2**	2
Interest-bearing advances from a jointly controlled company at 1.58% (2011: 1.55%)	**350**	225
Advances from non-controlling interests	**240**	234
Rental deposits from tenants	**1,953**	1,780
Put option over non-controlling interest in Sanlitun Village	**1,112**	937
Accrued capital expenditure	**763**	1,215
Other payables	**1,390**	1,726
	7,155	8,088

The analysis of the age of trade creditors at year-end is as follows:

	2012	2011
	HK$M	HK$M
Under three months	**970**	1,529
Between three and six months	**94**	259
	1,064	1,788

12. Share capital

	2012	2011
	HK$M	HK$M
Authorised:		
At 31st December 2012 and 2011		
30,000,000,000 ordinary shares of HK$1 each	**30,000**	30,000
Issued and fully paid:		
At 31st December 2012 and 2011		
5,850,000,000 ordinary shares of HK$1 each	**5,850**	5,850

On 30th November 2011, the Company issued 160,000,000 shares to Swire Pacific Limited for a total cash consideration of HK$4,500 million (being HK$28.125 per share). Following this share issue, the Company has a total of 5,850,000,000 fully paid shares in issue.

There was no purchase, sale or redemption by the Company of its shares during the year ended 31st December 2012.

13. Reserves

	Revenue reserve HK$M	Share premium account HK$M	Merger account reserve HK$M	Property revaluation reserve HK$M	Cash flow hedge reserve HK$M	Translation reserve HK$M	Total HK$M
Group							
At 1st January 2011	150,317	259	(1,108)	1,448	-	1,271	152,187
Profit for the year	25,126	-	-	-	-	-	25,126
Other comprehensive income							
Revaluation of properties previously occupied by the Group							
- gain recognised during the year	-	-	-	186	-	-	186
Share of other comprehensive income of jointly controlled and associated companies	-	-	-	-	-	276	276
Net translation differences on foreign operations	-	-	-	-	-	517	517
Total comprehensive income for the year	25,126	-	-	186	-	793	26,105
Issuance of new ordinary shares	-	4,340	-	-	-	-	4,340
2010 final dividend	(2,425)	-	-	-	-	-	(2,425)
2011 special interim dividends (note 8)	(10,014)	-	-	-	-	-	(10,014)
At 31st December 2011	163,004	4,599	(1,108)	1,634	-	2,064	170,193
At 1st January 2012	163,004	4,599	(1,108)	1,634	-	2,064	170,193
Profit for the year	18,763	-	-	-	-	-	18,763
Other comprehensive income							
Revaluation of properties previously occupied by the Group							
- gain recognised during the year	-	-	-	36	-	-	36
- deferred tax	-	-	-	(8)	-	-	(8)
Cash flow hedges							
- fair value loss recognised during the year	-	-	-	-	(84)	-	(84)
- transferred to net finance charges	-	-	-	-	1	-	1
- deferred tax	-	-	-	-	14	-	14
Share of other comprehensive income of jointly controlled and associated companies	-	-	-	-	-	30	30
Net translation differences on foreign operations	-	-	-	-	-	159	159
Total comprehensive income for the year	18,763	-	-	28	(69)	189	18,911
2011 first interim dividend- in lieu of final dividend (note 8)	(1,053)	-	-	-	-	-	(1,053)
2012 first interim dividend (note 8)	(1,287)	-	-	-	-	-	(1,287)
At 31st December 2012	179,427	4,599	(1,108)	1,662	(69)	2,253	186,764

14. Changes in accounting standards

The following relevant amendments were required to be adopted by the Group effective from 1st January 2012:

HKAS 12 (Amendment)	Income taxes
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets

The Group early adopted the amendment to HKAS 12 in 2010.

HKFRS 7 (Amendment) introduces new disclosure requirements on transfers of financial assets. Disclosure is required (by class of asset) of the nature and carrying amount of, and a description of the risks and rewards of, financial assets that have been transferred to another party yet remain on the entity's balance sheet. The gain or loss on the transferred assets and any retained interest in those assets must be disclosed. In addition, other disclosures must enable users to understand the amount of any associated liabilities, and the relationship between the financial assets and associated liabilities. The disclosures must be presented by type of involvement. For example, the retained exposure could be presented by type of financial instrument (such as guarantees, call or put options), or by type of transfer (such as factoring of receivables, securitisations or securities lending). It also introduces new disclosures in respect of risk exposures arising from transferred financial assets that are either fully derecognised or derecognised not in their entirety, yet the entity still has continuing involvement in them. The amendment has had no significant impact on the results and financial position of the Group.

The adoption of the other revisions, amendments and interpretations has had no effect on the Group's annual accounts.

15. Events after the reporting period

In January 2012, the Group entered into an agreement with Sino-Ocean Land Limited to fund the whole of the remaining land premium (and associated taxes) payable in respect of the Daci Temple project and certain working capital requirements in an aggregate amount of US$230 million. Following this transaction, the Group's interest in the project was increased to 81%, reflecting its contribution to the overall funding of the project. Sino-Ocean Land had a call option, exercisable for one year commencing from the date of the agreement, to purchase the Group's additional interest in the project for an amount equal to one half of the additional funding plus interest at the rate of 10% per annum. The Group had the right, exercisable for one year commencing one week before the end of the call option period, to require Sino-Ocean Land to purchase the Group's additional interest in the project for an amount equal to one half of the above additional funding plus interest at the rate of 10% per annum.

In January 2013, the above arrangements were amended. Sino-Ocean Land purchased half of the Group's additional interest in the project and the options in respect of the remaining part of the additional interest were extended for a further year. The effect of the amended arrangements was to reduce the Group's interest in the project to 63% and to increase Sino-Ocean Land's interest in the project to 37%. Until the extended options described above are exercised or lapse, the Group's remaining additional interest in the project will be accounted for as a secured loan and the Group's existing interest will continue to be accounted for as a 50% interest in a jointly controlled entity.

In January 2013, the Group and Bal Harbour Shops entered into an agreement in respect of the joint venture which is to develop the retail component of Brickell CityCentre in Miami, Florida, U.S.A. The Group holds an 87.5% interest in the joint venture and will remain the primary developer while Bal Harbour Shops will contribute equity and its retail expertise as co-developer.

In March 2013, the Group issued medium-term notes of US$500 million.

In March 2013, the company which owns the existing Citygate Outlets development at Tung Chung in Hong Kong (in which the Group has a 20% equity interest) won a tender to develop an adjacent commercial site.

ADDITIONAL INFORMATION

Corporate Governance

The Company is committed to maintaining a high standard of corporate governance. The Company complied with all the code provisions set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year with the following exceptions which it believes do not benefit shareholders:

- Sections A.5.1 to A.5.4 of the CG Code in respect of the establishment, terms of reference and resources of a nomination committee. The Board has considered the merits of establishing a nomination committee but has concluded that it is in the best interests of the Company and potential new appointees that the Board collectively reviews and approves the appointment of any new Director as this allows a more informed and balanced decision to be made by both the potential Director and the Board as to suitability for the role.

The Company has adopted codes of conduct regarding securities transactions by Directors and by relevant employees (as defined in the CG Code) 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 10 to the Listing Rules.

On specific enquiries made, all Directors have confirmed that, in respect of the accounting period covered by the annual report, they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions.

Details of the Company's corporate governance principles and processes will be available in the 2012 annual report.

The annual results have been reviewed by the Audit Committee of the Company.

Annual Report

The 2012 Annual Report containing all the information required by the Listing Rules will be published on the Stock Exchange website and the Company website www.swireproperties.com. Printed copies will be available to shareholders on 5th April 2013.

List of Directors

As at the date of this announcement, the Directors of the Company are:

Executive Directors: C.D. Pratt (Chairman), M. Cubbon, M.M.S. Low, G.M.C. Bradley, D.C.Y. Ho and G.J. Ongley;
Non-Executive Directors: J.W.J. Hughes-Hallett, P.A. Kilgour and M.B. Swire;
Independent Non-Executive Directors: S.E. Bradley, J.C.C. Chan, P.K. Etchells, S.T. Fung and S.C. Liu.

GLOSSARY

Terms

Adjusted underlying profit Underlying profit less profit from the disposal of investment properties and net impairment losses from hotels and trading properties.

Attributable gross rental income Gross rental income less amount shared by non-controlling interests plus the Group's share of gross rental income of jointly controlled and associated companies.

Equity attributable to the Company's shareholders Equity before non-controlling interests.

Gross borrowings Total of loans, bonds, overdrafts and perpetual capital securities.

Gross rental income 100% of gross rental income of Group companies.

Net assets employed Total equity plus net debt.

Net debt Gross borrowings net of bank deposits and bank balances.

Underlying equity attributable to the Company's shareholders Reported equity before non-controlling interests, adjusted for the impact of deferred tax on investment properties, unrecognized valuation gains on hotels held as part of mixed-use developments, revaluation of investment properties occupied by the Group and cumulative depreciation of investment properties occupied by the Group.

Underlying profit Reported profit adjusted principally for the impact of changes in the fair value of investment properties and the deferred tax on investment properties.

Ratios

$$\text{Earnings/(loss) per share} = \frac{\text{Profit/(loss) attributable to the Company's shareholders}}{\text{Weighted average number of shares in issue during the year}}$$

$$\text{Return on average equity attributable to the Company's shareholders} = \frac{\text{Profit/(loss) attributable to the Company's shareholders}}{\text{Average equity during the year attributable to the Company's shareholders}}$$

$$\text{Return on average underlying equity attributable to the Company's shareholders} = \frac{\text{Underlying profit/(loss) attributable to the Company's shareholders}}{\text{Average underlying equity during the year attributable to the Company's shareholders}}$$

$$\text{Interest cover} = \frac{\text{Operating profit/(loss)}}{\text{Net finance charges}}$$

$$\text{Cash interest cover} = \frac{\text{Operating profit/(loss)}}{\text{Total of net finance charges and capitalised interest}}$$

$$\text{Dividend cover} = \frac{\text{Profit/(loss) attributable to the Company's shareholders}}{\text{Dividends paid and proposed}}$$

$$\text{Gearing ratio} = \frac{\text{Net debt}}{\text{Total equity}}$$

FINANCIAL CALENDAR AND INFORMATION FOR INVESTORS

Financial Calendar 2013

Share trade ex-dividend	2nd April
Share register closed for 2012 second interim dividend entitlement	5th April
Annual Report available to shareholders	5th April
Payment of 2012 second interim dividend	2nd May
Share register closed for attending and voting at Annual General Meeting	2nd – 7th May
Annual General Meeting	7th May
Interim results announcement	August 2013
2013 first interim dividend payable	October 2013

Registered Office

Swire Properties Limited
33rd Floor, One Pacific Place
88 Queensway
Hong Kong

Registrars

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Hong Kong
Website: www.computershare.com

Stock Code

Hong Kong Stock Exchange 01972

Auditors

PricewaterhouseCoopers

Investor Relations

E-mail: ir@swireproperties.com

Public Affairs

E-mail: pad@swireproperties.com
Tel: (852) 2844-3888
Fax: (852) 2918-9960
Website: www.swireproperties.com

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