

CORPORATE STATEMENT

SUSTAINABLE GROWTH

Swire Pacific is a Hong Kong based international conglomerate with a diversified portfolio of market leading businesses. The Company has a long history in Greater China, where the name Swire or 太古 has been established for over 150 years.

Our aims are to deliver sustainable growth in shareholder value, achieved through sound returns on equity over the long term, and to return value to shareholders through sustainable growth in ordinary dividends.

Our Values

Integrity, endeavour, excellence, humility, teamwork, continuity.

Our Core Principles

- We focus on Asia, principally Greater China, because of its strong growth potential and because it is where the Group has long experience, deep knowledge and strong relationships.
- We mobilise capital, talent and ideas across the Group. Our scale and diversity increase our access to investment opportunities.
- We are prudent financial managers. This enables us to execute long-term investment plans irrespective of short-term financial market volatility.
- We recruit the best people and invest heavily in their training and development. The welfare of our people is critical to our long-term success.
- We build strong and lasting relationships, based on mutual benefit, with those with whom we do business.

- We invest in sustainable development, because it is the right thing to do and because it supports long-term growth through innovation and improved efficiency.
- We are committed to the highest standards of corporate governance and to the preservation and development of the Swire brand and reputation.

Our Investment Principles

- We aim to build a portfolio of businesses that collectively deliver a steady dividend stream over time.
- We are long term investors. We prefer to have controlling interests in our businesses and to manage them for long term growth.
- We concentrate on businesses where we can contribute expertise, and where our expertise can add value.
- We invest in businesses that provide high-quality products and services and that are leaders in their markets.
- We divest from businesses which have reached their full potential under our ownership, and recycle the capital released into existing or new businesses.

OUR BUSINESSES

Operating within five divisions (Property, Aviation, Beverages, Marine Services and Trading & Industrial), Swire Pacific undertakes a wide range of commercial activities.

Swire Properties' shopping malls are home to more than 1,700 retail outlets. Its offices house a working population estimated to exceed 78,000. In Hong Kong, Swire Properties is one of the largest commercial landlords and operators of retail space, principally through the ownership and management of its core centres at Pacific Place and Taikoo Place. In Mainland China, it has developed five retail led mixed-use projects, in Beijing, Shanghai, Guangzhou and Chengdu. In the USA, it has a mixed-use development in Miami.

Cathay Pacific, with its subsidiaries Cathay Dragon and Air Hong Kong, operated 212 aircraft at the end of 2018, connecting Hong Kong to 109 destinations worldwide, including 26 in Mainland China. The Cathay Pacific group is the world's 9th largest carrier of international passengers, and the 2nd largest carrier of international air cargo. Cathay Pacific has an interest of 18.13% in Air China.

HAECO is a leading provider of international aircraft maintenance and repair services. In 2018, the HAECO group, operating from bases in Hong Kong, Mainland China and the USA, performed work for more than 300 airline and other customers.

Our Beverages Division sold the products of The Coca-Cola Company to a franchise population of 728 million people in Greater China and the USA at the end of 2018. These products comprised 16 carbonated and 45 non-carbonated brands.

At the end of 2018, the Swire Pacific Offshore group operated a fleet of 77 specialist vessels supporting the offshore energy industry in every major offshore production and exploration region outside the USA.

Swire Resources operated 201 footwear and apparel retail outlets in Hong Kong, Macau and Mainland China at the end of 2018. Taikoo Motors sells passenger cars, commercial vehicles, motorcycles and scooters, principally in Taiwan. Taikoo Sugar operates a branded sugar distribution business in Hong Kong and Mainland China. Our bakery business in south west China operated 651 stores at the end of 2018.

Swire Pacific is one of Hong Kong's largest and oldest employers, where we have over 41,000 employees. In Mainland China, we have approximately 33,000 employees. Globally, we employ approximately 93,000 staff.