SWIRE PROPERTIES

PRESS RELEASE

For Immediate Release

Swire Properties Announces 2015 Annual Results

	Note	**2015 HK$M**	2014 HK$M	Change
Results				
For the year				
Revenue		**16,447**	15,387	+6.9%
Operating profit		**16,207**	10,992	+47.4%
Profit attributable to the Company's shareholders				
Underlying	(a),(b)	**7,078**	7,152	-1.0%
Reported		**14,072**	9,516	+47.9%
Cash generated from operations		**10,616**	10,724	-1.0%
Net cash inflow before financing		**3,745**	2,881	+30.0%
		HK$	HK$	
Earnings per share				
Underlying	(c)	**1.21**	1.22	-0.8%
Reported	(c)	**2.41**	1.63	+47.9%
		HK$	HK$	
Dividends per share				
First interim		**0.23**	0.22	+4.5%
Second interim		**0.48**	0.44	+9.1%
		HK$M	HK$M	
Financial Position				
At 31st December				
Total equity (including non-controlling interests)		**217,949**	208,547	+4.5%
Net debt		**33,348**	34,071	-2.1%
Gearing ratio	(a)	**15.3%**	16.3%	-1.0%pt.
		HK$	HK$	
Equity attributable to the Company's shareholders per share	(a)	**36.97**	35.50	+4.1%

Notes:

(a) Refer to glossary on page 57 of the announcement of 2015 Final Results of Swire Properties Limited dated 10 March 2016 (the "Results Announcement") for definition.

(b) A reconciliation between reported profit and underlying profit attributable to the Company's shareholders is provided on page 6 of the Results Announcement.

(c) Refer to Note 9 in the financial statements in the Results Announcement for the weighted average number of shares.

Underlying profit/(loss) by segment	**2015 HK$M**	2014 HK$M
Property investment	**6,274**	6,074
Property trading	**1,107**	1,049
Hotels [(1)]	**(303)**	29
	7,078	7,152

(1) Including a loss of HK$229 million on disposal of four hotels in the U.K. in 2015

10 March 2016, Hong Kong - Swire Properties Limited today announced its annual results for 2015. Underlying profit attributable to shareholders, which principally adjusts for changes in the valuation of investment properties, decreased by HK$74 million from HK$7,152 million in 2014 to HK$7,078 million in 2015. The Directors have declared a second interim dividend of HK¢48 (2014: HK¢44) per share which, together with the first interim dividend of HK¢23 per share paid in October 2015, amounts to full year dividends of HK¢71 (2014: HK¢66) per share.

Adjusted so as to exclude a loss of HK$229 million on disposal of four hotels in the U.K., underlying profit increased to HK$7,307 million in 2015 from HK$7,152 million in 2014. The increase principally reflects good performances from the office portfolio in Hong Kong and from the retail portfolio in Mainland China. The underlying profit from property investment increased by 3%. There were higher profits from property trading, reflecting the sale of luxury residential properties in Hong Kong and the sale of offices in Mainland China. The hotel results were adversely affected by the loss on disposal referred to above and pre-opening costs at hotels in Chengdu in Mainland China and in Miami in the U.S.A.

Gross rental income was HK$10,716 million in 2015 compared to HK$10,320 million in 2014. Rental income increased both in Hong Kong and Mainland China, as rental reversions were generally positive. In Hong Kong, office occupancy levels were firm. Retail sales in Hong Kong were adversely affected by reduced spending by tourists. In Mainland China, retail sales of luxury goods were weak. However, sales in our retail portfolios increased and demand for our retail space was firm.

Operating profit from property trading increased in 2015, principally because of the completion of the sale of the majority of the units at the AREZZO development in Hong Kong.

In April 2015, Swire Properties and Sino-Ocean Land formally opened their joint-venture retail complex Sino-Ocean Taikoo Li Chengdu, which has an aggregate gross floor area ("GFA") of more than 1,248,000 square feet.

In April 2015, Swire Properties, Bal Harbour Shops and Simon Property Group agreed to develop the retail component of Brickell City Centre in Miami, U.S.A.. Under the agreement, Swire Properties will remain the primary developer of Brickell City Centre. At 31st December, 2015, the retail component was owned 61.5% by Swire Properties, 25% by Simon Property Group and 13.5% by Bal Harbour Shops.

In May 2015, Swire Properties entered into a joint venture with China Motor Bus Company, Limited ("CMB"). The joint venture was formed to acquire, subject to conditions (including the agreement of a land premium with the Hong Kong Government), a plot of land in Chai Wan, Hong Kong. The land, together with some adjoining land, is intended to be redeveloped as a residential development. The proposed development is expected to have an aggregate GFA of approximately 692,000 square feet. The joint venture is 80% held by Swire Properties and 20% held by CMB.

In July 2015, a framework agreement was entered into with a subsidiary of Shanghai Lujiazui Finance & Trade Zone Development Co., Ltd. signifying the parties' intention to develop jointly a retail project with an aggregate GFA of approximately 1,330,000 square feet in Qiantan, Pudong New District in Shanghai. Entry into the proposed joint venture and undertaking the project are subject to certain conditions precedent. If the joint venture is formed, it is expected that Swire Properties will have a 50% interest in the project.

In July 2015, the Temple House was opened at Sino-Ocean Taikoo Li Chengdu. The Temple House is the third of Swire Hotels' House Collective to be opened. It has 100 rooms and 42 serviced apartments.

In August 2015, Swire Properties opened Taikoo Place Apartments in Quarry Bay, Hong Kong. There are 111 serviced apartments with an aggregate GFA of approximately 63,000 square feet in this development.

In September 2015, Swire Properties started to sell houses in its WHITESANDS residential development on Lantau Island, Hong Kong. The development comprises 28 detached houses with an aggregate GFA of 64,410 square feet.

In March 2016, Swire Properties opened the first of two office towers in Phase I of the Brickell City Centre development in Miami, U.S.A.

In his published statement about the results for 2015, John Slosar, Chairman of Swire Properties said this about prospects,

"In Hong Kong, demand for office space improved in 2015. In 2016, high occupancy and limited supply will put upward pressure on rents in Central despite a slowdown in demand for office space by Mainland Chinese entities. High occupancy is expected to result in rents in Taikoo Place and Cityplaza being reasonably resilient despite increased supply in Kowloon East and other districts. In Guangzhou, office rents are expected to be stable in 2016 despite a substantial supply of new office space. In Beijing, office rents are expected to weaken in 2016 as substantial amounts of new office space become available and demand falls.

Demand for retail space in Hong Kong is expected generally to weaken in 2016. But there is growth in demand for quality space from tenants engaged in successful businesses. Overall retail sales are expected to grow modestly in Guangzhou and Beijing and steadily in Chengdu.

In Hong Kong, buyers of property have become more cautious in the light of expected interest rate increases and general economic uncertainties. Trading profits are expected to be recognised in 2016 from the sales of the remaining units at the Hong Kong developments and from the sales of units at the Reach and Rise developments in Miami.

Trading conditions for our hotels in Hong Kong and Mainland China are expected to be challenging in 2016."-

End -

About Swire Properties

Swire Properties develops and manages commercial, retail, hotel and residential properties, with a particular focus on mixed-use developments in prime locations at major mass transportation intersections. Swire Properties is listed on the Main Board of the Stock Exchange of Hong Kong and its investment portfolio in Hong Kong comprises Taikoo Place, Cityplaza and Pacific Place as its core holdings. In addition to Hong Kong, the Company has investments in Mainland China, the United States and Singapore.

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

For media enquiries, please contact:

Swire Properties Limited

Public Affairs Manager

Wayne Leung

Tel: (852) 2844 3038 / 9628 7993

Email: wayneleung@swireproperties.com

Senior Public Affairs Officer

Maggie Tam

Tel: (852) 2844 3036 / 9807 7399

Email: maggietam@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: 1972)

2015 Final Results

CONTENTS

	Page
Financial Highlights	1
Chairman's Statement	2
Review of Operations	5
Financing	32
Consolidated Financial Statements	36
Additional Information	55
Glossary	57
Financial Calendar and Information for Investors	58

FINANCIAL HIGHLIGHTS

	Note	**2015 HK$M**	2014 HK$M	Change
Results				
For the year				
Revenue		**16,447**	15,387	+6.9%
Operating profit		**16,207**	10,992	+47.4%
Profit attributable to the Company's shareholders				
Underlying	(a),(b)	**7,078**	7,152	-1.0%
Reported		**14,072**	9,516	+47.9%
Cash generated from operations		**10,616**	10,724	-1.0%
Net cash inflow before financing		**3,745**	2,881	+30.0%
		HK$	HK$	
Earnings per share				
Underlying	(c)	**1.21**	1.22	-0.8%
Reported	(c)	**2.41**	1.63	+47.9%
		HK$	HK$	
Dividends per share				
First interim		**0.23**	0.22	+4.5%
Second interim		**0.48**	0.44	+9.1%
		HK$M	HK$M	
Financial Position				
At 31st December				
Total equity (including non-controlling interests)		**217,949**	208,547	+4.5%
Net debt		**33,348**	34,071	-2.1%
Gearing ratio	(a)	**15.3%**	16.3%	-1.0%pt.
		HK$	HK$	
Equity attributable to the Company's shareholders per share	(a)	**36.97**	35.50	+4.1%

Notes:
(a) Refer to glossary on page 57 for definition.
(b) A reconciliation between reported profit and underlying profit attributable to the Company's shareholders is provided on page 6.
(c) Refer to Note 9 in the financial statements for the weighted average number of shares.

Underlying profit/(loss) by segment	**2015 HK$M**	2014 HK$M
Property investment	**6,274**	6,074
Property trading	**1,107**	1,049
Hotels [(1)]	**(303)**	29
	7,078	7,152

(1) Including a loss of HK$229 million on disposal of four hotels in the U.K. in 2015.

CHAIRMAN'S STATEMENT

Our consolidated profit attributable to shareholders for 2015 was HK$14,072 million, compared to HK$9,516 million in 2014. Underlying profit attributable to shareholders, which principally adjusts for changes in the valuation of investment properties, decreased by HK$74 million from HK$7,152 million in 2014 to HK$7,078 million in 2015.

Dividends

The Directors have declared a second interim dividend of HK¢48 (2014: HK¢44) per share which, together with the first interim dividend of HK¢23 per share paid in October 2015, amounts to full year dividends of HK¢71 (2014: HK¢66) per share. The second interim dividend, which totals HK$2,808 million (2014: HK$2,574 million), will be paid on Thursday, 5th May 2016 to shareholders registered at the close of business on the record date, being Friday, 8th April 2016. Shares of the Company will be traded ex-dividend from Wednesday, 6th April 2016.

Key Developments

In April 2015, Swire Properties and Sino-Ocean Land formally opened their joint-venture retail complex Sino-Ocean Taikoo Li Chengdu, which has an aggregate gross floor area ("GFA") of more than 1,248,000 square feet.

In April 2015, Swire Properties, Bal Harbour Shops and Simon Property Group agreed to develop the retail component of Brickell City Centre in Miami, U.S.A. Under the agreement, Swire Properties will remain the primary developer of Brickell City Centre. At 31st December, 2015, the retail component was owned 61.5% by Swire Properties, 25% by Simon Property Group and 13.5% by Bal Harbour Shops.

In May 2015, Swire Properties entered into a joint venture with China Motor Bus Company, Limited ("CMB"). The joint venture was formed to acquire, subject to conditions (including the agreement of a land premium with the Hong Kong Government), a plot of land in Chai Wan, Hong Kong. The land, together with some adjoining land, is intended to be redeveloped as a residential development. The proposed development is expected to have an aggregate GFA of approximately 692,000 square feet. The joint venture is 80% held by Swire Properties and 20% held by CMB.

In July 2015, a framework agreement was entered into with a subsidiary of Shanghai Lujiazui Finance & Trade Zone Development Co., Ltd. signifying the parties' intention to develop jointly a retail project with an aggregate GFA of approximately 1,330,000 square feet in Qiantan, Pudong New District in Shanghai. Entry into the proposed joint venture and undertaking the project are subject to certain conditions precedent. If the joint venture is formed, it is expected that Swire Properties will have a 50% interest in the project.

In July 2015, the Temple House was opened at Sino-Ocean Taikoo Li Chengdu. The Temple House is the third of Swire Hotels' House Collective to be opened. It has 100 rooms and 42 serviced apartments.

In August 2015, Swire Properties opened Taikoo Place Apartments in Quarry Bay, Hong Kong. There are 111 serviced apartments with an aggregate GFA of approximately 63,000 square feet in this development.

In September 2015, Swire Properties started to sell houses in its WHITESANDS residential development on Lantau Island, Hong Kong. The development comprises 28 detached houses with an aggregate GFA of 64,410 square feet.

In March 2016, Swire Properties opened the first of two office towers in Phase I of the Brickell City Centre development in Miami, U.S.A.

Operating Performance

Adjusted so as to exclude a loss of HK$229 million on disposal of four hotels in the U.K., underlying profit increased to HK$7,307 million in 2015 from HK$7,152 million in 2014. The increase principally reflects good performances from the office portfolio in Hong Kong and from the retail portfolio in Mainland China. The underlying profit from property investment increased by 3%. There were higher profits from property trading, reflecting the sale of luxury residential properties in Hong Kong and the sale of offices in Mainland China. The hotel results were adversely affected by the loss on disposal referred to above and pre-opening costs at hotels in Chengdu in Mainland China and in Miami in the U.S.A.

Gross rental income was HK$10,716 million in 2015 compared to HK$10,320 million in 2014. Rental income increased both in Hong Kong and Mainland China, as rental reversions were generally positive. In Hong Kong, office occupancy levels were firm. Retail sales in Hong Kong were adversely affected by reduced spending by tourists. In Mainland China, retail sales of luxury goods were weak. However, sales in our retail portfolios increased and demand for our retail space was firm.

Operating profit from property trading increased in 2015, principally because of the completion of the sales of the majority of the units at the AREZZO development in Hong Kong.

On an attributable basis, net investment property valuation gains in 2015, after deferred tax relating to investment properties in Mainland China and the U.S.A., were HK$7,055 million, compared to net gains of HK$2,437 million in 2014.

Finance

Net debt at 31st December 2015 was HK$33,348 million, compared with HK$34,071 million at 31st December 2014. Gearing decreased from 16.3% at 31st December 2014 to 15.3% at 31st December 2015. The decrease in net debt was mainly due to receipt of sales proceeds from trading properties in Hong Kong and in Miami, partially offset by expenditure on investment and trading properties in Hong Kong and on the Brickell City Centre development in Miami. Cash and undrawn committed facilities totalled HK$12,193 million at 31st December 2015, compared with HK$9,622 million at 31st December 2014.

Sustainable Development

We recognise the importance of acting responsibly towards those with whom we interact, our employees, the communities in which we operate and the natural environment. As a leading property developer, we are committed to building and managing our developments sustainably.

During 2015, Swire Properties was included in the Dow Jones Sustainability Indices and in the Hang Seng Corporate Sustainability Index. We were ranked first in Hong Kong and in the top 20 in Asia at The Channel NewsAsia Sustainability Ranking 2015.

Prospects

In Hong Kong, demand for office space improved in 2015. In 2016, high occupancy and limited supply will put upward pressure on rents in Central despite a slowdown in demand for office space by Mainland Chinese entities. High occupancy is expected to result in rents in Taikoo Place and Cityplaza being reasonably resilient despite increased supply in Kowloon East and other districts. In Guangzhou, office rents are expected to be stable in 2016 despite a substantial supply of new office space. In Beijing, office rents are expected to weaken in 2016 as substantial amounts of new office space become available and demand falls.

Demand for retail space in Hong Kong is expected generally to weaken in 2016. But there is growth in demand for quality space from tenants engaged in successful businesses. Overall retail sales are expected to grow

modestly in Guangzhou and Beijing and steadily in Chengdu.

In Hong Kong, buyers of property have become more cautious in the light of expected interest rate increases and general economic uncertainties. Trading profits are expected to be recognised in 2016 from the sales of the remaining units at the Hong Kong developments and from the sales of units at the Reach and Rise developments in Miami.

Trading conditions for our hotels in Hong Kong and Mainland China are expected to be challenging in 2016.

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.

John Slosar
Chairman
Hong Kong, 10th March 2016

REVIEW OF OPERATIONS

	2015 HK$M	2014 HK$M
Revenue		
Gross Rental Income derived from		
Offices	**5,972**	5,707
Retail	**4,366**	4,260
Residential	**378**	353
Other Revenue [(1)]	**141**	136
Property Investment	**10,857**	10,456
Property Trading	**4,463**	3,842
Hotels	**1,127**	1,089
Total Revenue	**16,447**	15,387
Operating Profit/(Loss) derived from		
Property investment	**8,097**	7,878
Valuation gains on investment properties	**7,116**	1,956
Property trading	**1,328**	1,180
Hotels [(2)]	**(334)**	(22)
Total Operating Profit	**16,207**	10,992
Share of Post-tax Profits from Joint Venture and Associated Companies	**1,241**	1,604
Profit Attributable to the Company's Shareholders	**14,072**	9,516

(1) Other revenue is mainly estate management fees.
(2) Including a loss of HK$229 million on disposal of four hotels in the U.K. in 2015.

Additional information is provided in the following section to reconcile reported and underlying profit attributable to the Company's shareholders. These reconciling items principally adjust for net revaluation movements on investment properties and the associated deferred tax in Mainland China and the U.S.A., 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.

	Note	2015 HK$M	2014 HK$M
Underlying Profit			
Profit attributable to the Company's shareholders per financial statements		**14,072**	9,516
Adjustments in respect of investment properties:			
Revaluation of investment properties	(a)	**(8,186)**	(3,148)
Deferred tax on investment properties	(b)	**1,090**	710
Realised profit on sale of properties	(c)	**28**	29
Depreciation of investment properties occupied by the Group	(d)	**17**	16
Non-controlling interests' share of revaluation movements less deferred tax		**41**	1
Movements in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest	(e)	**16**	28
Underlying Profit Attributable to the Company's Shareholders		**7,078**	7,152
Loss on disposal of four hotels in the U.K.		**229**	-
Adjusted Underlying Profit Attributable to the Company's Shareholders		**7,307**	7,152

Notes:

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

(b) This represents deferred tax movements on the Group's investment properties, plus the Group's share of deferred tax movements on investment properties held by joint venture companies. These principally comprise deferred tax on revaluation movements on investment properties in Mainland China and the U.S.A., and deferred tax provisions made in respect of investment properties held for the long-term where it is considered that the liability will not reverse for some considerable time.

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

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

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

Underlying Profit

Movement in Underlying Profit

	HK$M
Underlying profit in 2014	7,152
Increase in profit from property investment	200
Increase in profit from property trading	58
Decrease in profit from hotels [(1)]	(332)
Underlying Profit in 2015	**7,078**

(1) Including a loss of HK$229 million on disposal of four hotels in the U.K. in 2015.

Adjusted so as to exclude a loss of HK$229 million on disposal of four hotels in the U.K., underlying profit increased to HK$7,307 million in 2015 from HK$7,152 million in 2014. The increase principally reflects good performances from the office portfolio in Hong Kong and from the retail portfolio in Mainland China. The underlying profit from property investment increased by 3%. There were higher profits from property trading, reflecting the sale of luxury residential properties in Hong Kong and the sale of offices in Mainland China. The hotel results were adversely affected by the loss on disposal referred to above and pre-opening costs at hotels in Chengdu in Mainland China and in Miami in the U.S.A.

Portfolio Overview

The aggregate GFA attributable to the Group at 31st December 2015 was approximately 30.8 million square feet.

Out of the aggregate GFA attributable to the Group, approximately 27.2 million square feet are investment properties, comprising completed investment properties of approximately 21.3 million square feet and investment properties under development or held for future development of approximately 5.9 million square feet. In Hong Kong, the investment property portfolio comprises approximately 15.8 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 8.7 million square feet of attributable GFA when they are all completed. Outside Hong Kong and Mainland China, the investment property portfolio principally comprises the Brickell City Centre project and interests in hotels in Miami in the U.S.A.

The tables below illustrate the GFA (attributable to the Group) of the investment property portfolio at 31st December 2015.

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

	Office	Retail	Hotels [1]	Residential/ Serviced Apartments	Under Planning	Total
Hong Kong	10.2	2.5	0.7	0.6	-	**14.0**
Mainland China	2.0	3.9	1.0	0.1	-	**7.0**
U.S.A.	-	-	0.3	-	-	**0.3**
TOTAL	**12.2**	**6.4**	**2.0**	**0.7**	**-**	**21.3**

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	Under Planning	**Total**
Hong Kong	1.7	-	-	-	0.1	**1.8**
Mainland China	0.9	0.5	0.2	0.1	-	**1.7**
U.S.A. and elsewhere	0.3	0.3	0.2	0.2	1.4 [2]	**2.4**
TOTAL	**2.9**	**0.8**	**0.4**	**0.3**	**1.5**	**5.9**

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

	Office	Retail	Hotels [1]	Residential/ Serviced Apartments	Under Planning	**Total**
TOTAL	**15.1**	**7.2**	**2.4**	**1.0**	**1.5**	**27.2**

(1) Hotels are accounted for under property, plant and equipment in the financial statements.
(2) A site with GFA of 558,000 square feet is accounted for under properties held for development in the financial statements.

The trading portfolio comprises a luxury residential project under development (ALASSIO) on Hong Kong Island, two residential towers under development (Reach and Rise) at the Brickell City Centre development in Miami, U.S.A., the remaining portion of the office property (Pinnacle One) at Sino-Ocean Taikoo Li Chengdu in Mainland China and the remaining residential units at completed developments. The completed residential developments available for sale are the WHITESANDS, AREZZO and MOUNT PARKER RESIDENCES developments in Hong Kong and the completed ASIA development in Miami. There are also land banks in Miami and Fort Lauderdale in Florida, U.S.A.

The table below illustrates the GFA (or expected GFA) attributable to the Group of the trading property portfolio at 31st December 2015.

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

	Completed	Under Development or Held for Development	**Total**
Hong Kong	0.1	0.2	**0.3**
Mainland China	0.3	-	**0.3**
U.S.A.	-	3.0	**3.0**
TOTAL	**0.4**	**3.2**	**3.6**

Investment Properties – Hong Kong

Offices

Overview

The completed office portfolio in Hong Kong comprises an aggregate of 10.5 million square feet of space on a 100% basis. Total attributable gross rental income from our office properties in Hong Kong was HK$5,897 million in 2015. At 31st December 2015, our office properties in Hong Kong were valued at HK$132,477 million. Of this amount, Swire Properties' attributable interest was HK$126,266 million.

Hong Kong Office Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 31st December 2015)	Attributable Interest
Pacific Place	2,186,433	100%	100%
Cityplaza	1,632,930	100%	100%
Taikoo Place Office Towers [(1)]	3,136,717	99%	50%/100%
One Island East	1,537,011	99%	100%
Techno Centres [(2)]	893,516	100%	100%
Others [(3)]	1,077,161	98%	20%/50%/100%
Total	**10,463,768**		

(1) Including PCCW Tower, of which Swire Properties owns 50%.
(2) Excluding Somerset House (the redevelopment of which into a Grade-A office building commenced in 2014) and approximately 187,000 square feet in Cornwall House owned by the Hong Kong Government.
(3) Others comprise One Citygate (20% owned), 625 King's Road (50% owned), Berkshire House (50% owned), Generali Tower (wholly-owned) and 28 Hennessy Road (wholly-owned).

Gross rental income from the Group's Hong Kong office portfolio increased by 4% to HK$5,587 million in 2015. This principally reflected positive rental reversions at Taikoo Place and Cityplaza. Occupancy improved everywhere. At 31st December 2015, the office portfolio was 99% 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 at 31st December 2015.

Office Area by Tenants' Trades (At 31st December 2015)

Banking/Finance/Securities/Investment	25.5%
Technology/Media/Telecoms	15.1%
Trading	16.8%
Insurance	11.1%
Real estate/Construction/Property development/Architecture	8.8%
Professional services (Accounting/Legal/Management consulting/Corporate secretarial)	7.7%
Advertising and public relations	3.8%
Others	11.2%

At 31st December 2015, the top ten office tenants (based on attributable gross rental income in the twelve months ended 31st December 2015) together occupied approximately 22% of the Group's total attributable office area in Hong Kong.

Pacific Place

The offices at One, Two and Three Pacific Place performed well in 2015. The occupancy rate was almost 100% at 31st December 2015. Lipman Karas LLP, e-Kong Group, Take Good Investment, China Merchant Capital and Tai Capital became tenants. Fidelity, Visa, HKSH Healthcare, Sequoia Capital and Interactive Brokers leased more space. Deloitte, Credit Agricole Group, Watson Farley Williams and Erste Group Bank AG renewed their leases.

Cityplaza

Demand for space in the three office towers (Cityplaza One, Three and Four) was strong in 2015. They were almost fully let at 31st December 2015. The Economist, New World Dynamics, Fubon Life Insurance, Fortinet and Brocade Communication became tenants. Deloitte, Thomson Reuters, Nikon, Juniper Networks, Wong Tung and Partners and VMware renewed their leases.

Taikoo Place

There are six office towers at Taikoo Place (including PCCW Tower, in which we have a 50% interest). The occupancy rate was 99% at 31st December 2015. Aspen Asia, Baroque, Campbell Soup, Laing O'Rourke, PANASIA Aluminium and Dimension Data became tenants. Prudential, FWD, BNP Paribas, Vodafone, China CITIC Bank, RGA Reinsurance and AXA Technology Services leased more space. AXA, The Stock Exchange of Hong Kong, Philippe Charriol, Godiva, CTBAT, Cerebos and Rackspace renewed their leases.

One Island East, our landmark property in Taikoo Place, had an occupancy rate of 99% at 31st December 2015. Prudential, Allied World Assurance Company and SK Hynix became tenants. Neo Derm, Amgen Asia and TCC leased more space. AIG, Aedas and Citrix renewed their leases.

The Techno Centres (Cornwall House and Warwick House) performed strongly in 2015 despite their forthcoming redevelopment. At 31st December 2015, their occupancy rate was 100%.

Hong Kong Office Market Outlook

In 2016, high occupancy and limited supply will put upward pressure on rents in Central despite a slowdown in demand for office space by Mainland Chinese entities. High occupancy is expected to result in rents in Taikoo Place and Cityplaza being reasonably resilient despite increased supply in Kowloon East and other districts.

The following table shows the percentage of the total rental income attributable to the Group from its office properties in Hong Kong for the month ended 31st December 2015, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 11.3% of rental income in the month of December 2015 are due to expire in 2016, with tenancies accounting for a further 19.8% of such rental income due to expire in 2017.

Office Lease Expiry Profile (At 31st December 2015)	
2016	11.3%
2017	19.8%
2018 and later	68.9%

Retail

Overview

The completed retail portfolio in Hong Kong comprises an aggregate of 2.8 million square feet of space on a 100% basis. The portfolio principally consists of The Mall at Pacific Place, Cityplaza in Taikoo Shing 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$2,813 million in 2015. At 31st December 2015, our retail properties in Hong Kong were valued at HK$54,990 million. Of this amount, Swire Properties' attributable interest was HK$48,607 million.

Hong Kong Retail Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 31st December 2015)	Attributable Interest
The Mall, Pacific Place	711,182	100%	100%
Cityplaza	1,105,227	100%	100%
Citygate Outlets	462,428	100%	20%
Others [(1)]	556,818	100%	20%/60%/100%
Total	**2,835,655**		

(1) Others largely comprise Taikoo Shing neighbourhood shops and StarCrest retail premises (which are wholly-owned), Island Place retail premises (60% owned) and Tung Chung Crescent neighbourhood shops (20% owned).

The Hong Kong retail portfolio's gross rental income increased marginally, to HK$2,725 million, in 2015. This reflected positive rental reversions. The Group's malls were almost fully let throughout the year.

Retail sales decreased by 12% and 10% in 2015 at The Mall, Pacific Place and at Citygate Outlets respectively, reflecting reduced spending by tourists. Retail sales at Cityplaza were stable following completion of an enhancement project at the mall in 2014.

The table below shows the mix of the tenants of the retail properties by the principal nature of their businesses (based on internal classifications) as a percentage of the retail area at 31st December 2015.

Retail Area by Tenants' Trades (At 31st December 2015)

Fashion and accessories	28.8%
Department stores	16.9%
Food and beverages	15.6%
Cinemas	7.0%
Supermarkets	5.1%
Jewellery and watches	1.7%
Ice rink	0.9%
Others	24.0%

At 31st December 2015, the top ten retail tenants (based on attributable gross rental income in the twelve months ended 31st December 2015) together occupied approximately 26% of our total attributable 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 offices and the four hotels at Pacific Place provide a secure flow of shoppers for the Mall. There was a 12% decrease in retail sales at The Mall in 2015, reflecting reduced spending by tourists.

The Mall was almost fully let during the year, with the only void periods resulting from tenant changes. Beyorg, Cosmoparis, Kurt Geiger, Kokomi, 2/3 Dolci and Tea WG Salon & Boutique became tenants during the year.

Cityplaza

Cityplaza is one of the most popular regional shopping centres in Hong Kong and is the largest shopping centre on Hong Kong Island. It principally serves customers who live or work in the eastern part of Hong Kong Island. The adjacent hotel (EAST, Hong Kong) generates patronage from international businesses based at the Cityplaza and Taikoo Place offices and generally from overseas visitors.

Cityplaza was almost fully let in 2015. There were some changes in the tenant mix following the 2014 completion of an enhancement project. Eslite Spectrum and Massimo Dutti became tenants. Retail sales were stable in 2015.

Citygate Outlets

Sales at Citygate Outlets, which was almost fully let during the year, decreased by 10% in 2015, reflecting reduced spending by tourists. The centre is in a good location near tourist attractions and transport links. It continues to attract tourists, albeit fewer of them, and local shoppers. Demand from retailers for space remains relatively strong, reflecting the fact that it is a premium outlet mall.

Hong Kong Retail Market Outlook

Demand for retail space in Hong Kong is expected generally to weaken in 2016. But there is growth in demand for quality space from tenants engaged in successful businesses.

The following table shows the percentage of the total rental income attributable to the Group from its retail properties in Hong Kong, for the month ended 31st December 2015, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 22.1% of rental income in the month of December 2015 are due to expire in 2016, with tenancies accounting for a further 26.1% of such rental income due to expire in 2017.

Retail Lease Expiry Profile (At 31st December 2015)	
2016	22.1%
2017	26.1%
2018 and later	51.8%

Residential

The completed residential portfolio comprises Pacific Place Apartments at Pacific Place, Taikoo Place Apartments at Taikoo Place and a small number of luxury houses and apartments on Hong Kong Island, with an aggregate GFA of approximately 546,467 square feet. Average occupancy at Pacific Place Apartments improved in 2015. Demand for fully furnished apartments at Pacific Place Apartments is expected to be stable in 2016.

Taikoo Place Apartments, comprising 111 serviced apartments in Quarry Bay, opened in August 2015. Occupancy built up gradually.

Investment Properties Under Development

Tung Chung Town Lot No. 11

This commercial site adjacent to Citygate Outlets is being developed into a commercial building with an aggregate retail and hotel GFA of approximately 477,700 square feet. Excavation and foundation works are proceeding. The development is expected to be completed in 2017. Swire Properties has a 20% interest in the development.

New Kowloon Inland Lot No. 6312

This commercial site at the junction of Wang Chiu Road and Lam Lee Street in Kowloon Bay is being developed into an office building with an aggregate GFA of approximately 555,000 square feet. Substructure and superstructure works are proceeding. The development is expected to be completed in 2017.

Taikoo Place Redevelopment

Somerset House in Taikoo Place is being redeveloped into a 50-storey office building with an aggregate GFA of approximately 1,020,000 square feet. Excavation and foundation works are proceeding. The redevelopment is expected to be completed in 2018. The second phase of the Taikoo Place redevelopment (the redevelopment of Cornwall House and Warwick House into an office building) is being planned. The redevelopment will include landscaped space aggregating approximately 69,000 square feet.

8-10 Wong Chuk Hang Road

This commercial site at 8-10 Wong Chuk Hang Road is being developed into an office building with an aggregate GFA of approximately 382,500 square feet. Excavation and foundation works are proceeding. The development is expected to be completed in 2018. Swire Properties has a 50% interest in the development.

Investment Properties – Mainland China

Overview

The property portfolio in Mainland China comprises an aggregate of 13.0 million square feet of space (9.1 million square feet attributable to the Group), of which 9.5 million square feet are completed properties, with the remaining 3.5 million square feet under development. Total attributable gross rental income from our investment properties in Mainland China grew by 14% to HK$2,463 million in 2015. At 31st December 2015, our investment property portfolio in Mainland China was valued at HK$59,104 million. Of this amount, Swire Properties' attributable interest was HK$41,808 million.

Mainland China Property Portfolio [(1)]

	GFA (sq. ft.) (100% Basis)			
	Total	Investment Properties	Hotels, Trading Properties and Others	Attributable Interest
Completed				
Taikoo Li Sanlitun, Beijing	1,465,771	1,296,308	169,463	100%
TaiKoo Hui, Guangzhou	3,840,197	3,256,013	584,184	97%
INDIGO, Beijing	1,893,226	1,534,957	358,269	50%
Sino-Ocean Taikoo Li Chengdu [(2)]	2,207,031	1,376,317	830,714	50%
Hui Fang, Guangzhou	90,847	90,847	-	100%
Others	5,825	2,913	2,912	100%
Sub-Total	**9,502,897**	**7,557,355**	**1,945,542**	
Under Development				
HKRI Taikoo Hui, Shanghai [(3)]	3,468,936	3,080,883	388,053	50%
Sub-Total	**3,468,936**	**3,080,883**	**388,053**	
Total	**12,971,833**	**10,638,238**	**2,333,595**	

(1) Including the hotel and property trading portions of these projects.
(2) The retail portion of Sino-Ocean Taikoo Li Chengdu officially opened in April 2015. The office portion of Sino-Ocean Taikoo Li Chengdu, Pinnacle One, was developed for trading purposes. The Temple House hotel (including 42 serviced apartments) opened in July 2015.
(3) HKRI Taikoo Hui (formerly known as the Dazhongli project) is expected to open in phases from 2016.

The Group's gross rental income from investment properties in Mainland China increased by 6% to HK$2,014 million in 2015, of which HK$1,641 million was from retail properties and HK$360 million was from office properties.

The table below illustrates the actual and expected growth in attributable area of the completed property portfolio (excluding the property trading portion) in Mainland China.

Attributable Area of Completed Property Portfolio (excluding the property trading portion) in Mainland China

(sq. ft.)	2015	2016	2017 and later
Taikoo Li Sanlitun, Beijing	1,465,771	1,465,771	1,465,771
TaiKoo Hui, Guangzhou	3,724,991	3,724,991	3,724,991
INDIGO, Beijing	946,613	946,613	946,613
Sino-Ocean Taikoo Li Chengdu	802,264	802,264	802,264
Hui Fang, Guangzhou	90,847	90,847	90,847
HKRI Taikoo Hui, Shanghai	-	1,113,676	1,734,468
Others	5,825	5,825	5,825
Total	**7,036,311**	**8,149,987**	**8,770,779**

Completed Investment Properties

Taikoo Li Sanlitun, Beijing

Taikoo Li Sanlitun, Beijing

	GFA (sq. ft.) (100% Basis)	Occupancy (at 31st December 2015)	Attributable Interest
Taikoo Li Sanlitun	1,296,308	94%	100%

Situated in the Sanlitun area of the Chaoyang district of Beijing, Taikoo Li Sanlitun was our first retail development to be opened in Mainland China. It comprises two neighbouring retail sites, South and North. There are approximately 230 retail outlets.

Taikoo Li Sanlitun South concentrates on contemporary fashion and lifestyle brands, with tenants including the largest adidas store in the world, the first Apple store in Mainland China, H&M, Starbucks, Uniqlo, Page One bookstore and a 1,597-seat Megabox cinema. COS, APM MONACO, Cath Kidston, Jo Malone, Juice and Kurt Geiger became tenants in 2015. Tenants in Taikoo Li Sanlitun North are principally international and local retailers of designer fashion and lifestyle brands including Alexander McQueen, Christian Louboutin, Givenchy, I.T. Beijing Market, Kenzo, Moncler and Miu Miu. Joseph, Sacai and Sandro Men became tenants in 2015.

Gross rental income at Taikoo Li Sanlitun recorded satisfactory growth in 2015. Retail sales grew by 3%. The overall occupancy rate was 94% at 31st December 2015.

Demand for retail space in Taikoo Li Sanlitun remains solid as it reinforces its position as a fashionable retail destination. This is expected to have positive impact on occupancy and rents.

Beijing Retail Market Outlook

Retail sales are expected to grow modestly in Beijing in 2016. Demand for luxury goods has weakened but demand for fashion and lifestyle brands and food and beverages is expected to remain solid.

TaiKoo Hui, Guangzhou

TaiKoo Hui, Guangzhou

	GFA (sq. ft.) (100% Basis)	Occupancy (at 31st December 2015)	Attributable Interest
Retail	1,472,730	99%	97%
Office	1,731,766	100%	97%
Serviced apartments	51,517	79%	97%
Total	**3,256,013**		**97%**

TaiKoo Hui is a large-scale retail-led mixed-use development in a prime location in the Tianhe district of Guangzhou. The development comprises a shopping mall, two Grade-A office towers, a cultural centre owned by a third party and a 287-room Mandarin Oriental hotel with serviced apartments.

Gross rental income grew satisfactorily in 2015. Retail sales increased by 16% in 2015. Tenants include Chanel, Hermes, I.T., Louis Vuitton, Uniqlo, Fangsuo bookstore and Ole Supermarket. Agent Provocateur, Jeeves, Jo Malone, Pandora and Venchi became tenants in 2015. At 31st December 2015, the occupancy rate of the shopping mall was 99%.

At 31st December 2015, the occupancy rate of the office towers at TaiKoo Hui was 100%.

The Mandarin Oriental, Guangzhou is a leading luxury hotel in Guangzhou. Its performance improved in 2015.

Swire Properties has a 97% interest in the TaiKoo Hui development, which is a joint venture with Guangzhou Da Yang Properties Investment Limited.

Guangzhou Market Outlook

Office rents are expected to be stable in 2016 despite a substantial supply of new office space.

Retail sales are expected to grow modestly in Guangzhou in 2016. Demand for retail space for occupation by outlets selling high quality brands and food and beverage outlets is strong.

INDIGO, Beijing

INDIGO, Beijing

	GFA (sq. ft.) (100% Basis)	Occupancy (at 31st December 2015)	Attributable Interest
Retail	939,493	97%	50%
Office	595,464	92%	50%
Total	**1,534,957**		**50%**

INDIGO is a retail-led mixed-use development in the Jiang Tai area in the Chaoyang district of Beijing. The development consists of a shopping mall, a Grade-A office tower (ONE INDIGO) and a 369-room business hotel (EAST, Beijing). It is directly linked to the Beijing Metro Line 14 (an extension of which to the Beijing South Railway Station was opened at the end of 2015) and is near the airport expressway.

Occupancy at the shopping mall was 97% at 31st December 2015 and 94% of the shops were open. Retail sales increased by 30% in 2015. Tenants include H&M, Massimo Dutti, Muji, Page One bookstore, BHG supermarket and a seven-house, 1,000-seat CGV cinema. Aigle, Awfully Chocolate, Bobbi Brown, CK Performance, Pandora and Under Armour became tenants in 2015.

ONE INDIGO was 92% leased at 31st December 2015. Business at EAST, Beijing improved despite increasing competition.

INDIGO is a 50:50 joint venture with Sino-Ocean Land Holdings Limited.

Beijing Office Market Outlook

Office rents in Beijing are expected to weaken in 2016 as substantial amounts of new office space become available and demand falls.

Sino-Ocean Taikoo Li Chengdu

Sino-Ocean Taikoo Li Chengdu

	GFA (sq. ft.) (100% Basis)	Occupancy (at 31st December 2015)	Attributable Interest
Retail	1,248,738	88%	50%
Serviced apartments	127,579	37%	50%
Total	**1,376,317**		**50%**

Sino-Ocean Taikoo Li Chengdu is in the Jinjiang district of Chengdu and is part of the Chunxi Road/Daci Temple shopping district. It is a large-scale retail-led development consisting of a retail complex, a boutique hotel (The Temple House) which has 100 guest rooms and 42 serviced apartments, and a Grade-A office tower (Pinnacle One). It is directly connected to the Chunxi Road metro station.

Sino-Ocean Taikoo Li Chengdu is our second Taikoo Li project in Mainland China. It officially opened in April 2015. adidas, Apple, Cartier, Gucci, Hermes, I.T/i.t, Muji, ZARA, Fangsuo bookstore, Ole Supermarket and a 1,720-seat Palace Cinema are tenants. At 31st December 2015, tenants had committed (including by way of letters of intent) to take 88% of the retail space and 83% of the total lettable retail space was open for business.

The Temple House (including its serviced apartments) opened in July 2015.

Sino-Ocean Taikoo Li Chengdu is a 50:50 joint venture with Sino-Ocean Land Holdings Limited.

Chengdu Retail Market Outlook

Retail sales are expected to grow steadily in Chengdu in 2016. Demand for retail space for occupation by outlets selling high quality brands and food and beverage outlets is stable. However, retailers of luxury brands are becoming more cautious in their selection of outlets.

Investment Properties Under Development

HKRI Taikoo Hui, Shanghai

HKRI Taikoo Hui, Shanghai

	GFA (sq. ft.) (100% Basis)	Attributable Interest
Retail	1,096,905	50%
Office	1,836,543	50%
Hotels [(1)]	388,053	50%
Serviced apartments	147,435	50%
Total	**3,468,936**	**50%**

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

HKRI Taikoo Hui is a large-scale retail-led mixed-use development. It occupies a prime location on Nanjing West Road, one of Shanghai's major shopping and business thoroughfares, in the Jingan district of Puxi, Shanghai. It has excellent transport connections, being adjacent to the existing Nanjing West Road metro station (which serves three metro lines) and near the Yan'an Expressway. The project comprises a retail mall, two office towers and three hotels (which include serviced apartments) and is expected to become a landmark development in Shanghai.

Structural work has been substantially completed. Interior decoration and mechanical and electrical installation works for the two office towers and the shopping mall are proceeding. The development is expected to open in phases from 2016.

HKRI Taikoo Hui is a 50:50 joint venture with HKR International Limited.

Shanghai Market Outlook

There is limited new supply of office space in Puxi business district in the coming years. Demand for office space from domestic financial institutions and professional firms is robust. Slower Mainland China economic growth has made foreign corporations cautious about expansion.

Demand for luxury goods is weak. However, there is demand for quality space from retailers of new brands who want to enter the Shanghai market.

Investment Properties – U.S.A.

Brickell City Centre, Miami

Brickell City Centre, Miami

	GFA (sq. ft.) [3] (100% Basis)	Attributable Interest
Phase I		
Retail	490,000	61.5%
Office	260,000	100%
Serviced apartments	109,000	100%
Hotel [1]	218,000	100%
Residential [2]	1,134,000	100%
Carpark, roof top and circulation areas	2,706,000	100%
Total Phase I	4,917,000	
Phase II		
Residential [2]	523,000 [4]	100%
Future mixed-use tower	1,444,000 [4]	100%
Total Phase I and Phase II	**6,884,000**	

(1) The hotel is accounted for under property, plant and equipment in the financial statements.
(2) The residential portion of Brickell City Centre is being developed for trading purposes.
(3) Represents leasable/saleable area except for the carpark, roof top and circulation areas.
(4) These developments are still being planned. The GFA is under review.

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

Phase I of the development consists of a shopping centre, two office buildings (Two Brickell City Centre and Three Brickell City Centre), EAST Miami hotel and serviced apartments (to be operated by EAST) and two residential towers (Reach and Rise). The residential towers are being developed for sale. A light rail system station within the site is being renovated as part of the development. Construction work on Phase I commenced in 2012, with completion expected during 2016.

Swire Properties has entered into agreements with Bal Harbour Shops and Simon Property Group to develop the retail component of Brickell City Centre. Swire Properties will remain the primary developer of the Brickell City Centre project.

At 31st December 2015, Swire Properties owned 100% of the office, hotel and residential portions and 61.5% of the retail portion of the Brickell City Centre project. The remaining interest in the retail portion was held by Simon Property Group (25%) and Bal Harbour Shops (13.5%). Bal Harbour Shops has an option, exercisable from the second anniversary of the grand opening of the retail component, to sell its interest to Swire Properties.

Phase II of the Brickell City Centre project is planned to be a mixed-use development comprising retail, office, hotel and residential space and including an 80-storey tower to be called One Brickell City Centre. Phase II will incorporate the site at 700 Brickell Avenue acquired by Swire Properties in July 2013. Development of this site will connect the Brickell City Centre development with Brickell Avenue. Swire Properties owns 100% of Phase II.

Miami Market Outlook

Retail sales (especially of luxury goods) have recently declined slightly. This has made some retailers more cautious about expansion.

The office market continues to recover from the adverse effects of the 2008 recession. There is little new supply.

Valuation of Investment Properties

The portfolio of investment properties was valued at 31st December 2015 (93% by value were valued by DTZ Debenham Tie Leung, an independent valuer, and 96% by value in total were valued by independent valuers) on the basis of open market value. The amount of this valuation was HK$228,449 million, compared to HK$218,720 million at 31st December 2014.

The modest increase in the valuation of the investment property portfolio is mainly due to an increase in the valuation of the offices in Hong Kong outside Central district.

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.

Property Trading

Overview

The trading portfolio comprises a luxury residential project under development (ALASSIO) on Hong Kong Island, two residential towers under development (Reach and Rise) at the Brickell City Centre development in Miami, U.S.A., the remaining portion of the office property (Pinnacle One) at Sino-Ocean Taikoo Li Chengdu in Mainland China and the remaining residential units at completed developments. The completed residential developments available for sale are the WHITESANDS, AREZZO and MOUNT PARKER RESIDENCES developments in Hong Kong and the completed ASIA development in Miami. There are also land banks in Miami and Fort Lauderdale in Florida, U.S.A.

Property Trading Portfolio

	GFA (sq. ft.) (100% Basis)	Actual/Expected Construction Completion Date	Attributable Interest
Completed [1]			
Hong Kong			
- 5 Star Street	408 [2]	2010	100%
- AREZZO	22,704 [2]	2015	100%
- WHITESANDS	62,957 [2]	2015	100%
- MOUNT PARKER RESIDENCES	2,748 [2]	2013	80%
Mainland China			
- Pinnacle One, Chengdu	602,504	2014	50%
U.S.A.			
- ASIA, Miami	5,359 [2]	2008	100%
Under Development			
Hong Kong			
- ALASSIO (formerly known as 100 Caine Road)	195,533	2016	100%
U.S.A.			
- Reach, Brickell City Centre, Miami, Florida	567,000 [2]	Early 2016	100%
- Rise, Brickell City Centre, Miami, Florida	567,000 [2]	Early 2016	100%
Held for Development			
U.S.A.			
- Fort Lauderdale, Florida	825,000	N/A	75%
- South Brickell Key, Miami, Florida	550,000	N/A	100%
- Brickell City Centre, Miami, Florida - North Square site	523,000	N/A	100%

(1) Remaining unsold units/portion at 31st December 2015.
(2) Area shown reflects saleable area (square feet).

Hong Kong

Residential developments in Mid-Levels West, Hong Kong

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

(a) AZURA, 2A Seymour Road

All 126 units at the AZURA development, on Seymour Road, had been sold at 31st December 2015. The profit from the sales of four units was recognised in 2015. The property is managed by Swire Properties.

(b) ARGENTA, 63 Seymour Road

All 30 units at the ARGENTA development, on Seymour Road, had been sold at 31st December 2015. The profit from the sales of three units was recognised in 2015. The property is managed by Swire Properties.

(c) AREZZO, 33 Seymour Road

AREZZO, the residential development at 33 Seymour Road, was completed in January 2015. 112 of the 127 units had been sold at 8th March 2016. The profit from the sales of 112 units was recognised in 2015. The property is managed by Swire Properties.

(d) ALASSIO, 100 Caine Road

Superstructure work is in progress and the development is expected to be completed in 2016 and available for handover to purchasers in 2017. The development consists of a 50-storey tower of 197 residential units with an aggregate GFA of 195,533 square feet.

DUNBAR PLACE, 23 Dunbar Road

All 53 units at DUNBAR PLACE, a residential development in Ho Man Tin, Kowloon, have been sold. The profit from the sale of the last unit was recognised in the first half of 2015. The property is managed by Swire Properties.

MOUNT PARKER RESIDENCES, 1 Sai Wan Terrace

91 of the 92 units at the MOUNT PARKER RESIDENCES development in Quarry Bay had been sold at 8th March 2016. The profit from the sales of nine units was recognised in 2015. The property is managed by Swire Properties.

WHITESANDS, 160 South Lantau Road

The development consists of 28 detached houses with an aggregate GFA of 64,410 square feet. The development was completed in September 2015 and is available for handover to purchasers. Sales of the houses commenced in September 2015. One house had been sold at 8th March 2016, with the profit recognised in 2015. The property is managed by Swire Properties.

Hong Kong Residential Market Outlook

In Hong Kong, buyers of property have become more cautious in the light of expected interest rate increases and general economic uncertainties. Some trading profits are expected to be recognised in 2016 from sales of the remaining units at the WHITESANDS, AREZZO and MOUNT PARKER RESIDENCES developments.

Mainland China

At Sino-Ocean Taikoo Li Chengdu, 89% of the office's total gross floor area (approximately 1.15 million square feet) and 350 car park spaces were presold in August 2013. In 2015, the profit from the sales of approximately 52% of the presold gross floor area was recognised. The sale of the remaining presold gross floor area and 350 car park spaces is being cancelled as part of the consideration has not been received according to schedule.

U.S.A.

The residential portion of Phase I of the Brickell City Centre development is being developed for trading purposes. There will be 780 units in Reach and Rise, with an aggregate GFA of 1,134,000 square feet.

We started to sell units in Reach in June 2014 and units in Rise in November 2014. In 2015, a total of 150 units were sold in Reach and Rise. 335 units in Reach and 160 units in Rise had been sold at 8th March 2016. The development is almost completed and will be available for handover to purchasers in the first half of 2016.

Since the ASIA development was completed in 2008, 122 out of the 123 units have been sold. One penthouse unit, which was not offered for sale in 2015, remains unsold.

Miami Residential Market Outlook

The residential property market in urban Miami has experienced a marked increase in supply since late 2014. In addition, the strengthening of the US dollar in 2015 has made Miami properties more expensive in local currency terms for buyers from outside the United States. Sales momentum has slowed.

Profits from property trading in Miami are expected to be recognised in 2016 upon handover of the presold units and on further sales of units at the Reach and Rise developments in Miami.

Estate Management

Swire Properties manages 20 residential estates which it has developed. It also manages OPUS, a residential property in Hong Kong which Swire Properties redeveloped for Swire Pacific. The management services include day to day assistance for occupants, management, maintenance, cleaning, security and renovation of common areas and facilities. Swire Properties places great emphasis on maintaining good relationships with occupants.

Hotels

Managed Hotels and Restaurants

Overview

Swire Hotels owns and manages hotels in Hong Kong, Mainland China and the U.S.A. The House Collective, comprising The Upper House in Hong Kong, The Opposite House in Beijing and The Temple House in Chengdu, is a group of small and distinctive hotels. EAST hotels are business hotels.

In 2015, trading conditions in Hong Kong were difficult because of a reduction in the number of visitors to Hong Kong. Our hotels in Mainland China were adversely affected by the economic slowdown and increased competition.

In December 2015, Swire Properties disposed of its four hotels in the U.K.

There are three hotels under development, EAST, Miami and two hotels (including serviced apartments) at HKRI Taikoo Hui in Shanghai. EAST, Miami is part of Phase I of the Brickell City Centre development and is expected to open in 2016.

Hotel 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, Beijing	99	100%
- EAST, Beijing	369	50%
- The Temple House, Chengdu [2]	142	50%
Under Development		
Mainland China		
- Hotels at HKRI Taikoo Hui, Shanghai [2]	213	50%
U.S.A.		
- EAST, Miami [2]	352	100%
Total	**2,138**	

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

The Upper House

At The Upper House, a 117-room luxury hotel at Pacific Place, revenue per available room was stable in 2015. During the year, the hotel received the Conde Nast Traveler Reader's Choice Award - Top 40 Hotels in China and the USA Today - 10 Best Boutique Hotels in the World award and was ranked No.19 in the TripAdvisor 2015 Travellers' Choice Awards. The hotel's Café Gray Deluxe received the SCMP 100 Top Tables Award, the Hong Kong Tatler Best Restaurant Guide - Best Bar award and was mentioned by Hotels Magazine in the 2015 Great Hotel Restaurants awards.

EAST, Hong Kong

At EAST, Hong Kong, a 345-room hotel in Taikoo Shing, revenue per available room decreased in 2015, reflecting the reduced number of visitors to Hong Kong. During the year, the hotel received a Hong Kong's Top 10 Business Hotels award from The Art of Business Travel Asia Pacific, a Top Boutique Hotels In HK award from Little Steps Asia and a Certificate of Excellence award from TripAdvisor for its Sugar bar.

The Opposite House

The Opposite House is a 99-room luxury hotel at Taikoo Li Sanlitun, Beijing. Its revenue per available room in 2015 was adversely affected by weak demand and increased competition. During the year, the hotel received a Gold List award from Condé Nast Traveler. The hotel's Jing Yaa Tang restaurant received a Merit Award - Best Chinese Hotel Dining and a Readers' Choice - Chef of the Year award from Time Out Beijing (English). Its Sureno restaurant received an Outstanding for Romantic Dinner award from the Beijinger. Its Mesh bar obtained an Outstanding for Business Networking award from The Beijinger.

EAST, Beijing

EAST, Beijing is a 369-room business hotel at the INDIGO development in Beijing, in which Swire Properties holds a 50% interest. Revenue per available room grew and occupancy improved in 2015. During the year, the hotel's Xian bar received Best Hotel Bar and Best Live Music Venue awards from the Best of Beijing Awards.

The Temple House

The Temple House consists of 100 hotel rooms and 42 serviced apartments, the latter known as The Temple House Residences. It opened in July 2015 and is part of the Sino-Ocean Taikoo Li Chengdu project in which Swire Properties holds a 50% interest. It is building up occupancy levels.

EAST, Miami

EAST, Miami is under development as part of Phase I of the Brickell City Centre development. It is expected to open in the first half of 2016.

Swire Restaurants

Swire Hotels owns and manages restaurants in Hong Kong. Plat du Jour is a French bistro in Quarry Bay. PUBLIC is a restaurant at One Island East. Ground PUBLICs are cafés at One Island East and in North Point. The Continental is a European restaurant at Pacific Place. Mr & Mrs Fox is a restaurant with an international menu in Quarry Bay. A second Plat du Jour opened at Pacific Place in February 2016.

Non-managed Hotels

Overview

Swire Properties has ownership interests in (but does not manage) hotels with 2,934 rooms in aggregate.

Hotel Portfolio (not managed by the Group)

	No. of Rooms (100% Basis)	Attributable Interest
Completed		
Hong Kong		
- Island Shangri-La Hong Kong	565	20%
- JW Marriott Hotel Hong Kong	602	20%
- Conrad Hong Kong	513	20%
- Novotel Citygate Hong Kong	440	20%
Mainland China		
- Mandarin Oriental, Guangzhou (1)	287	97%
U.S.A.		
- Mandarin Oriental, Miami	326	75%
Under Development		
Mainland China		
- Hotel at HKRI Taikoo Hui, Shanghai	201	50%
Total	**2,934**	

(1) Including serviced apartments.

The performance of the non-managed hotels in Hong Kong was adversely affected by the reduced number of visitors to Hong Kong in 2015. The performance of the Mandarin Oriental, Miami in the U.S.A. improved substantially in 2015 due to higher occupancy and better food and beverage results. The Mandarin Oriental, Guangzhou, which opened in January 2013, has established itself as a leading luxury hotel in Guangzhou. Its performance improved in 2015 despite an over-supply of hotel rooms in Guangzhou.

Hotels Market Outlook

Trading conditions for our hotels in Hong Kong and in Mainland China are expected to be challenging in 2016. The hotel market in Miami is expected to remain strong despite an increase in the supply of hotel rooms in 2016.

Capital Commitments

Capital Expenditure and Commitments

Capital expenditure in 2015 on Hong Kong investment properties and hotels, including the Group's share of the capital expenditure of joint venture companies, amounted to HK$2,731 million (2014: HK$4,657 million). Outstanding capital commitments at 31st December 2015 were HK$16,029 million (2014: HK$17,497 million), including the Group's share of the capital commitments of joint venture companies of HK$1,363 million (2014: HK$1,418 million). The Group is committed to funding HK$689 million (2014: HK$1,017 million) of the capital commitments of joint venture companies in Hong Kong.

Capital expenditure in 2015 on Mainland China investment properties and hotels, including the Group's share of the capital expenditure of joint venture companies, amounted to HK$1,497 million (2014: HK$2,272 million). Outstanding capital commitments at 31st December 2015 were HK$2,520 million (2014: HK$4,646 million), including the Group's share of the capital commitments of joint venture companies of HK$1,885 million (2014: HK$4,051 million). The Group is committed to funding HK$501 million (2014: HK$1,617 million) of the capital commitments of joint venture companies in Mainland China.

Capital expenditure in 2015 on investment properties and hotels in the U.S.A. and elsewhere amounted to HK$2,372 million (2014: HK$2,051 million). Outstanding capital commitments at 31st December 2015 were HK$1,249 million (2014: HK$1,997 million).

Profile of Capital Commitments for Investment Properties and Hotels

	Expenditure	Forecast year of expenditure				Commitments*
	2015	2016	2017	2018	2019 and later	**At 31st Dec 2015**
	HK$M	HK$M	HK$M	HK$M	HK$M	**HK$M**
Hong Kong	**2,731**	4,436	3,477	2,530	5,586	**16,029**
Mainland China	**1,497**	1,416	633	461	10	**2,520**
U.S.A. and elsewhere	**2,372**	828	162	156	103	**1,249**
Total	**6,600**	6,680	4,272	3,147	5,699	**19,798**

* The capital commitments represent the Group's capital commitments of HK$16,550 million plus the Group's share of the capital commitments of joint venture companies of HK$3,248 million. The Group is committed to funding HK$1,190 million of the capital commitments of joint venture companies.

FINANCING

Sources of Finance

At 31st December 2015, committed loan facilities and debt securities amounted to HK$45,106 million, of which HK$7,807 million (17.3%) remained undrawn. In addition, the Group had undrawn uncommitted facilities totalling HK$1,553 million. Sources of funds at 31st December 2015 comprised:

Audited Financial Information

	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	9,260	2,453	750	6,057
Term loans	12,791	11,791	-	1,000
Bonds	10,891	10,891	-	-
Facilities from Swire Finance				
Bonds	9,835	9,835	-	-
Perpetual capital securities	2,329	2,329	-	-
Total committed facilities	45,106	37,299	750	7,057
Uncommitted facilities				
Bank loans and overdrafts	2,145	592	1,553	-
Total	**47,251**	**37,891**	**2,303**	**7,057**

Note: The figures above are stated before unamortised loan fees of HK$157 million.

At 31st December 2015, 61% of the Group's gross borrowings were on fixed rate basis and 39% were on floating rate basis (2014: 57% and 43% respectively).

The Group had bank balances and short-term deposits of HK$4,386 million at 31st December 2015, compared to HK$2,874 million at 31st December 2014.

Maturity Profile and Refinancing

Bank loans and other borrowings are repayable on various dates up to 2025 (2014: up to 2024). The weighted average term and cost of the Group's debt are:

	2015	2014
Weighted average term of debt	**3.1 years**	3.4 years
Weighted average term of debt (excluding perpetuals)	**3.2 years**	3.5 years
Weighted average cost of debt	**4.3%**	4.4%
Weighted average cost of debt (excluding perpetuals)	**4.0%**	4.1%

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

		Maturity Profile									
(HK$M)	**Total**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Facilities from third parties											
Revolving credit and term loans	22,051	2,765	8,534	1,310	4,608	1,810	2,465	465	94	-	-
Bonds	10,891	-	500	-	300	3,876	-	3,875	-	600	1,740
Facilities from Swire Finance											
Bonds	9,835	4,658	-	5,177	-	-	-	-	-	-	-
Perpetual capital securities [1]	2,329	-	2,329	-	-	-	-	-	-	-	-
Total	**45,106**	**7,423**	**11,363**	**6,487**	**4,908**	**5,686**	**2,465**	**4,340**	**94**	**600**	**1,740**

(1) 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:

Audited Financial Information

	2015		2014	
	HK$M		HK$M	
Bank and other borrowings due				
Within 1 year	**2,602**	**7%**	2,402	6%
1 - 2 years	**8,009**	**21%**	2,038	5%
2 - 5 years	**7,783**	**21%**	7,966	22%
After 5 years	**7,180**	**19%**	10,584	29%
Borrowings from Swire Finance due				
Within 1 year	**4,658**	**12%**	1,799	5%
1 - 2 years	**2,329**	**6%**	4,655	13%
2 - 5 years	**5,173**	**14%**	7,501	20%
Total	**37,734**	**100%**	36,945	100%
Less: Amount due within one year included under current liabilities	**7,260**		4,201	
Amount due after one year included under non-current liabilities	**30,474**		32,744	

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 the Swire Pacific group.

Currency Profile

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

Audited Financial Information

	2015		2014	
	HK$M		HK$M	
Currency				
Hong Kong dollar	**26,718**	**71%**	26,728	72%
United States dollar	**6,917**	**18%**	4,966	14%
Renminbi	**3,858**	**10%**	5,242	14%
Singapore dollar	**241**	**1%**	9	-
Total	**37,734**	**100%**	36,945	100%

Gearing Ratio and Interest Cover

	2015	2014
Gearing ratio*	**15.3%**	16.3%
Interest cover – times *		
Per financial statements	**13.6**	9.0
Underlying	**7.8**	7.6
Cash interest cover – times *		
Per financial statements	**10.4**	6.7
Underlying	**5.9**	5.6

* Refer to Glossary on page 57 for definitions.

Debt in Joint Venture and Associated Companies

In accordance with Hong Kong Financial Reporting Standards, the net debt of Swire Properties reported in the consolidated statement of financial position does not include the net debt of its joint venture and associated companies. These companies had the following net debt positions at the end of 2015 and 2014:

	Net Debt of Joint Venture and Associated Companies		**Portion of Net Debt Attributable to the Group**		**Debt Guaranteed by the Group**	
	2015	2014	**2015**	2014	**2015**	2014
	HK$M	HK$M	**HK$M**	HK$M	**HK$M**	HK$M
Hong Kong Entities	**2,987**	3,367	**1,641**	1,714	**975**	975
Mainland China Entities	**10,098**	7,363	**5,049**	3,682	**1,803**	-
U.S.A. Entities	**568**	597	**426**	448	**493**	502
	13,653	11,327	**7,116**	5,844	**3,271**	1,477

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

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss
For the year ended 31st December 2015

	Note	**2015 HK$M**	2014 HK$M
Revenue	2	**16,447**	15,387
Cost of sales	3	**(5,781)**	(5,176)
Gross profit		**10,666**	10,211
Administrative and selling expenses		**(1,166)**	(1,010)
Other operating expenses		**(215)**	(221)
Other net (losses)/gains	4	**(194)**	56
Change in fair value of investment properties		**7,116**	1,956
Operating profit		**16,207**	10,992
Finance charges		**(1,291)**	(1,324)
Finance income		**96**	97
Net finance charges	6	**(1,195)**	(1,227)
Share of profits less losses of joint venture companies		**1,100**	1,444
Share of profits less losses of associated companies		**141**	160
Profit before taxation		**16,253**	11,369
Taxation	7	**(2,057)**	(1,646)
Profit for the year		**14,196**	9,723
Profit for the year attributable to:			
The Company's shareholders		**14,072**	9,516
Non-controlling interests		**124**	207
		14,196	9,723
Dividends			
First interim – paid		**1,346**	1,287
Second interim – declared on 10th March 2016 (2014: 19th March 2015)		**2,808**	2,574
	8	**4,154**	3,861
		HK$	HK$
Earnings per share for profit attributable to the Company's shareholders (basic and diluted)	9	**2.41**	1.63

Consolidated Statement of Other Comprehensive Income
For the year ended 31st December 2015

	2015	2014
	HK$M	HK$M
Profit for the year	**14,196**	9,723
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluation of properties previously occupied by the Group		
- gains recognised during the year	**13**	5
- deferred tax	**-**	(1)
Defined benefit plans		
- remeasurement losses recognised during the year	**(79)**	(94)
- deferred tax	**13**	16
	(53)	(74)
Items that can be reclassified subsequently to profit or loss		
Cash flow hedges		
- (losses)/gains recognised during the year	**(110)**	105
- transferred to net finance charges	**2**	1
- deferred tax	**18**	(17)
Share of other comprehensive losses of joint venture and associated companies	**(462)**	(84)
Net translation differences on foreign operations		
- movement during the year	**(1,168)**	(486)
- reclassification to profit or loss on disposal of four hotels in the U.K.	**142**	-
	(1,578)	(481)
Other comprehensive losses for the year, net of tax	**(1,631)**	(555)
Total comprehensive income for the year	**12,565**	9,168
Total comprehensive income attributable to:		
The Company's shareholders	**12,460**	8,968
Non-controlling interests	**105**	200
	12,565	9,168

Consolidated Statement of Financial Position
At 31st December 2015

	Note	2015 HK$M	2014 HK$M
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**8,052**	7,703
Investment properties	10	**228,640**	218,955
Intangible assets		**127**	82
Properties held for development	11	**942**	920
Joint venture companies		**19,392**	18,207
Associated companies		**534**	535
Available-for-sale assets		**6**	98
Derivative financial instruments		**-**	33
Deferred tax assets		**90**	63
		257,783	246,596
Current assets			
Properties under development and for sale	12	**7,615**	7,979
Stocks and work in progress		**72**	77
Trade and other receivables	13	**2,848**	2,821
Amount due from immediate holding company - Swire Pacific Limited		**20**	8
Short-term deposits maturing after three months		**28**	-
Cash and cash equivalents		**4,358**	2,874
		14,941	13,759
Current liabilities			
Trade and other payables	14	**8,943**	7,674
Tax payable		**541**	519
Bank overdrafts and short-term loans		**592**	551
Long-term loans due within one year		**2,010**	1,851
Loans due to a fellow subsidiary company - Swire Finance Limited		**4,658**	1,799
		16,744	12,394
Net current (liabilities)/assets		**(1,803)**	1,365
Total assets less current liabilities		**255,980**	247,961
Non-current liabilities			
Long-term loans and bonds		**22,972**	20,588
Loans due to a fellow subsidiary company - Swire Finance Limited		**7,502**	12,156
Other payables	14	**509**	470
Derivative financial instruments		**84**	4
Deferred tax liabilities		**6,787**	6,105
Retirement benefit liabilities		**177**	91
		38,031	39,414
NET ASSETS		**217,949**	208,547
EQUITY			
Share capital	15	**10,449**	10,449
Reserves	16	**205,798**	197,242
Equity attributable to the Company's shareholders		**216,247**	207,691
Non-controlling interests		**1,702**	856
TOTAL EQUITY		**217,949**	208,547

Consolidated Statement of Cash Flows
For the year ended 31st December 2015

	2015 HK$M	2014 HK$M
Operating activities		
Cash generated from operations	**10,616**	10,724
Interest paid	**(1,510)**	(1,575)
Interest received	**96**	98
Profits tax paid	**(1,267)**	(760)
	7,935	8,487
Dividends received from joint venture and associated companies	**235**	786
Net cash from operating activities	**8,170**	9,273
Investing activities		
Purchase of property, plant and equipment	**(558)**	(615)
Additions to investment properties	**(3,616)**	(4,336)
Purchase of intangible assets	**(18)**	(15)
Purchase of available-for-sale assets	**(4)**	(23)
Proceeds from disposals of property, plant and equipment	**1**	1
Proceeds from disposals of investment properties	**34**	7
Proceeds from disposal of subsidiary companies – U.K. hotels	**373**	-
Proceeds from disposal of a joint venture company	**-**	32
Proceeds from disposal of an associated company	**1**	-
Proceeds from disposal of an available-for-sale asset	**98**	-
Loans to joint venture companies	**(836)**	(1,934)
Repayment of loans by joint venture companies	**167**	535
Repayment of loans by associated companies	**31**	21
Increase in deposits maturing after three months	**(28)**	-
Initial leasing costs incurred	**(70)**	(65)
Net cash used in investing activities	**(4,425)**	(6,392)
Net cash inflow before financing	**3,745**	2,881
Financing activities		
Loans drawn and refinancing	**3,689**	10,004
Bonds issued	**1,740**	600
Repayment of loans	**(2,645)**	(8,674)
	2,784	1,930
Capital contribution from a non-controlling interest	**767**	-
(Decrease)/Increase in loans due to a fellow subsidiary company	**(1,800)**	600
Purchase of shares in an existing subsidiary company	**-**	(1,256)
Dividends paid to the Company's shareholders	**(3,920)**	(3,627)
Dividends paid to non-controlling interests	**(10)**	(144)
Net cash used in financing activities	**(2,179)**	(2,497)
Increase in cash and cash equivalents	**1,566**	384
Cash and cash equivalents at 1st January	**2,874**	2,521
Currency adjustment	**(82)**	(31)
Cash and cash equivalents at end of the year	**4,358**	2,874
Represented by:		
Bank balances and short-term deposits maturing within three months	**4,358**	2,874

1. Segment information

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

(a) Information about reportable segments

Analysis of Consolidated Statement of Profit or Loss

	External revenue	Inter-segment revenue	Operating profit/(loss) after depreciation and amortisation	Finance charges	Finance income	Share of profits less losses of joint venture 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 2015												
Property investment	**10,857**	**23**	**8,097**	**(1,242)**	**92**	**274**	**-**	**7,221**	**(966)**	**6,255**	**6,231**	**(153)**
Property trading	**4,463**	**-**	**1,328**	**(6)**	**3**	**57**	**-**	**1,382**	**(231)**	**1,151**	**1,089**	**-**
Hotels	**1,127**	**3**	**(334)**	**(43)**	**1**	**(59)**	**141**	**(294)**	**(12)**	**(306)**	**(303)**	**(192)**
Change in fair value of investment properties	**-**	**-**	**7,116**	**-**	**-**	**828**	**-**	**7,944**	**(848)**	**7,096**	**7,055**	**-**
Inter-segment elimination	**-**	**(26)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	16,447	**-**	**16,207**	**(1,291)**	**96**	**1,100**	**141**	**16,253**	**(2,057)**	**14,196**	**14,072**	**(345)**
Year ended 31st December 2014												
Property investment	10,456	11	7,878	(1,278)	92	308	-	7,000	(945)	6,055	6,029	(164)
Property trading	3,842	-	1,180	-	5	226	-	1,411	(211)	1,200	1,020	(7)
Hotels	1,089	2	(22)	(46)	-	(46)	160	46	(16)	30	30	(189)
Change in fair value of investment properties	-	-	1,956	-	-	956	-	2,912	(474)	2,438	2,437	-
Inter-segment elimination	-	(13)	-	-	-	-	-	-	-	-	-	-
	15,387	-	10,992	(1,324)	97	1,444	160	11,369	(1,646)	9,723	9,516	(360)

Note: Sales between business segments are accounted for at competitive prices charged to unaffiliated customers for similar goods and services.

1. Segment information (continued)

(a) Information about reportable segments (continued)

Analysis of total assets of the Group

	Segment assets HK$M	Joint venture companies HK$M	Associated companies HK$M	Bank deposits and cash HK$M	Total assets HK$M	Additions to non-current assets (note) HK$M
At 31st December 2015						
Property investment	**232,986**	**17,307**	**-**	**3,901**	**254,194**	**4,677**
Property trading and development	**9,093**	**815**	**-**	**401**	**10,309**	**42**
Hotels	**6,333**	**1,270**	**534**	**84**	**8,221**	**490**
	248,412	**19,392**	**534**	**4,386**	**272,724**	**5,209**
At 31st December 2014						
Property investment	223,021	16,046	28	2,092	241,187	4,452
Property trading and development	9,417	891	-	612	10,920	176
Hotels	6,301	1,270	507	170	8,248	554
	238,739	18,207	535	2,874	260,355	5,182

Note: In this analysis, additions to non-current assets during the year exclude joint venture and associated companies, available-for-sale assets, financial instruments, deferred tax assets and retirement benefit assets.

Analysis of total liabilities and non-controlling interests of the Group

	Segment liabilities HK$M	Current and deferred tax liabilities HK$M	Gross borrowings HK$M	Total liabilities HK$M	Non-controlling interests HK$M
At 31st December 2015					
Property investment	**7,287**	**7,089**	**32,212**	**46,588**	**1,395**
Property trading and development	**2,217**	**239**	**4,655**	**7,111**	**286**
Hotels	**209**	**-**	**867**	**1,076**	**21**
	9,713	**7,328**	**37,734**	**54,775**	**1,702**
At 31st December 2014					
Property investment	6,147	6,341	30,344	42,832	612
Property trading and development	1,815	283	6,056	8,154	224
Hotels	277	-	545	822	20
	8,239	6,624	36,945	51,808	856

1. Segment information (continued)

(b) Information about geographical areas

The activities of the Group are principally based in Hong Kong, Mainland China and the U.S.A.

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

	Revenue		Non-current assets (note)	
	2015	2014	**2015**	2014
	HK$M	HK$M	**HK$M**	HK$M
Hong Kong	**13,917**	12,967	**202,797**	194,894
Mainland China	**2,335**	2,210	**27,254**	27,354
U.S.A.	**26**	23	**6,740**	4,324
U.K. and others	**169**	187	**970**	1,088
	16,447	15,387	**237,761**	227,660

Note: In this analysis, the total of non-current assets excludes joint venture and associated companies, available-for-sale assets, financial instruments, deferred tax assets and retirement benefit assets.

2. Revenue

Revenue represents sales by the Company and its subsidiary companies to external customers and comprises:

	2015	2014
	HK$M	HK$M
Gross rental income from investment properties	**10,716**	10,320
Property trading	**4,463**	3,842
Hotels	**1,127**	1,089
Rendering of other services	**141**	136
	16,447	15,387

3. Cost of sales

	2015	2014
	HK$M	HK$M
Direct rental outgoings in respect of investment properties that		
- generated rental income	**1,750**	1,698
- did not generate rental income	**210**	88
	1,960	1,786
Property trading	**2,733**	2,439
Hotels	**1,052**	924
Rendering of other services	**36**	27
	5,781	5,176

4. Other net (losses)/gains

	2015	2014
	HK$M	HK$M
Loss on disposal of four hotels in the U.K.	**(229)**	-
Profit on disposal of investment properties	**13**	6
Loss on disposal of property, plant and equipment	**-**	(1)
Impairment reversals on trading properties	**-**	45
Net foreign exchange losses	**(12)**	(2)
Recognition of income on forfeited deposits on trading properties	**12**	2
Others	**22**	6
	(194)	56

5. Expenses by nature

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

	2015	2014
	HK$M	HK$M
Depreciation of property, plant and equipment	**266**	263
Amortisation of		
- intangible assets	**12**	8
- initial leasing costs on investment properties	**67**	89
Staff costs	**1,474**	1,397
Operating lease rentals		
- properties	**68**	65
- plant and equipment	**3**	3
Auditors' remuneration		
- audit services	**11**	11
- tax services	**6**	7
- other services	**-**	1

6. Net finance charges

	2015	2014
	HK$M	HK$M
Interest charged on:		
Bank loans and overdrafts	**(441)**	(525)
Bonds	**(337)**	(302)
Loans from fellow subsidiary companies	**(699)**	(715)
Loans from joint venture and related companies	**(8)**	(14)
Fair value loss on derivative instruments		
Cash flow hedges - transferred from other comprehensive income	**(2)**	(1)
Other financing costs	**(148)**	(152)
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	**(16)**	(28)
Capitalised on:		
Investment properties	**199**	185
Properties under development and for sale	**150**	221
Hotels	**11**	7
	(1,291)	(1,324)
Interest income on:		
Short-term deposits and bank balances	**28**	29
Loans to joint venture companies	**67**	42
Others	**1**	26
	96	97
Net finance charges	**(1,195)**	(1,227)

7. Taxation

	2015		2014	
	HK$M	**HK$M**	HK$M	HK$M
Current taxation:				
Hong Kong profits tax	**(1,107)**		(988)	
Overseas taxation	**(196)**		(74)	
Over/(Under)-provisions in prior years	**2**		(6)	
		(1,301)		(1,068)
Deferred taxation:				
Changes in fair value of investment properties	**(592)**		(265)	
Origination and reversal of temporary differences	**(164)**		(313)	
		(756)		(578)
		(2,057)		(1,646)

Hong Kong profits tax is calculated at 16.5% (2014: 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

	2015	2014
	HK$M	HK$M
First interim dividend paid on 5th October 2015 of HK¢23 per share (2014: HK¢22)	**1,346**	1,287
Second interim dividend declared on 10th March 2016 of HK¢48 per share (2014: HK¢44)	**2,808**	2,574
	4,154	3,861

The second interim dividend is not accounted for in 2015 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 2016.

The Directors have declared a second interim dividend of HK¢48 (2014: HK¢44) per share which, together with the first interim dividend of HK¢23 per share paid in October 2015, amounts to full year dividends of HK¢71 (2014: HK¢66) per share. The second interim dividend, which totals HK$2,808 million (2014: HK$2,574 million), will be paid on Thursday, 5th May 2016 to shareholders registered at the close of business on the record date, being Friday, 8th April 2016. Shares of the Company will be traded ex-dividend from Wednesday, 6th April 2016.

The register of members will be closed on Friday, 8th April 2016, 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 Thursday, 7th April 2016.

8. Dividends (continued)

To facilitate the processing of proxy voting for the annual general meeting to be held on 10th May 2016, the register of members will be closed from 5th May 2016 to 10th May 2016, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 4th May 2016.

9. Earnings per share (basic and diluted)

Earnings per share is calculated by dividing the profit attributable to the Company's shareholders of HK$14,072 million (2014: HK$9,516 million) by the weighted average number of 5,850,000,000 ordinary shares in issue during 2015 (2014: 5,850,000,000 ordinary shares).

10. Investment properties

	Completed HK$M	Under Development HK$M	Total HK$M
At 1st January 2015	**194,991**	**23,729**	**218,720**
Translation differences	**(1,202)**	**(36)**	**(1,238)**
Additions	**207**	**4,285**	**4,492**
Disposals	**-**	**(21)**	**(21)**
Transfer from properties under development and for sale	**-**	**19**	**19**
Net transfers to property, plant and equipment	**(573)**	**(66)**	**(639)**
Net fair value gains	**5,957**	**1,159**	**7,116**
	199,380	**29,069**	**228,449**
Add: Initial leasing costs	**126**	**65**	**191**
At 31st December 2015	**199,506**	**29,134**	**228,640**
At 1st January 2014	192,609	20,814	213,423
Translation differences	(574)	(25)	(599)
Additions	389	3,932	4,321
Disposals	-	(1)	(1)
Transfer upon completion	1,270	(1,270)	-
Transfer from deferred expenditure	19	1	20
Transfer to properties under development and for sale	-	(146)	(146)
Net transfers (to)/from property, plant and equipment	(265)	11	(254)
Net fair value gains	1,543	413	1,956
	194,991	23,729	218,720
Add: Initial leasing costs	235	-	235
At 31st December 2014	195,226	23,729	218,955

Geographical Analysis of Investment Properties

	2015 HK$M	2014 HK$M
Held in Hong Kong:		
On medium-term leases (10 to 50 years)	**31,138**	29,838
On long-term leases (over 50 years)	**166,502**	160,481
	197,640	190,319
Held in Mainland China:		
On medium-term leases (10 to 50 years)	**25,199**	25,164
Held in U.S.A. and elsewhere:		
Freehold	**5,610**	3,237
	228,449	218,720

11. Properties held for development

	2015	2014
	HK$M	HK$M
Freehold land	**795**	794
Development cost	**147**	126
	942	920

12. Properties under development and for sale

	2015	2014
	HK$M	HK$M
Properties for sale		
Properties under development		
- development costs	**4,205**	4,005
- freehold land	**349**	350
- leasehold land	**1,433**	3,069
Completed properties		
- development costs	**1,045**	345
- freehold land	**1**	1
- leasehold land	**582**	209
	7,615	7,979

13. Trade and other receivables

	2015	2014
	HK$M	HK$M
Trade debtors	**293**	275
Prepayments and accrued income	**488**	253
Other receivables	**2,067**	2,293
	2,848	2,821

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

	2015	2014
	HK$M	HK$M
Under three months	**287**	271
Between three and six months	**4**	2
Over six months	**2**	2
	293	275

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

14. Trade and other payables

	2015	2014
	HK$M	HK$M
Trade creditors	**1,210**	1,337
Amounts due to intermediate holding company	**96**	110
Amounts due to a fellow subsidiary company	**76**	77
Amounts due to an associated company	**70**	106
Interest-bearing advances from fellow subsidiary companies at 3.50% to 4.62% (2014: 4.23% to 4.62%)	**382**	400
Interest-bearing advances from joint venture and related companies at 2.75% to 3.38% (2014: 3.38%)	**239**	250
Advances from a non-controlling interest	**34**	-
Rental deposits from tenants	**2,389**	2,295
Put option in favour of a non-controlling interest - non-current	**509**	470
Accrued capital expenditure	**1,171**	497
Other payables	**3,276**	2,602
	9,452	8,144
Amount due after one year included under non-current liabilities	**(509)**	(470)
	8,943	7,674

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

	2015	2014
	HK$M	HK$M
Under three months	**1,210**	1,337

15. Share capital

	Ordinary shares	HK$M
Issued and fully paid:		
At 1st January 2014	5,850,000,000	5,850
Transition to no-par value regime on 3rd March 2014 (note 16)	-	4,599
At 31st December 2014	5,850,000,000	10,449
At 1st January 2015 and 31st December 2015	**5,850,000,000**	**10,449**

The transition to the no-par value regime under the Hong Kong Companies Ordinance occurred automatically on 3rd March 2014. On that date, the share premium account became part of share capital in accordance with section 37 of Schedule 11 to the Ordinance. This did not affect the number of shares in issue or the relative entitlements of any of the members. Since that date, all changes in share capital have been made in accordance with the requirements of Parts 4 and 5 of the Ordinance.

There was no purchase, sale or redemption by the Company of its shares during the years ended 31st December 2015 and 31st December 2014.

16. Reserves

	Revenue reserve HK$M	Share premium HK$M	Merger reserve HK$M	Property revaluation reserve HK$M	Cash flow hedge reserve HK$M	Translation reserve HK$M	Total HK$M
At 1st January 2015	194,278	-	(1,108)	1,676	24	2,372	197,242
Profit for the year	14,072	-	-	-	-	-	14,072
Other comprehensive income							
Revaluation of properties previously occupied by the Group							
- gain recognised during the year	-	-	-	13	-	-	13
Defined benefit plans							
- remeasurement losses recognised during the year	(79)	-	-	-	-	-	(79)
- deferred tax	13	-	-	-	-	-	13
Cash flow hedges							
- losses recognised during the year	-	-	-	-	(110)	-	(110)
- transferred to net finance charges	-	-	-	-	2	-	2
- deferred tax	-	-	-	-	18	-	18
Share of other comprehensive losses of joint venture and associated companies	-	-	-	-	-	(462)	(462)
Net translation differences on foreign operations							
- movement during the year	-	-	-	-	-	(1,149)	(1,149)
- reclassification to profit or loss on disposal of four hotels in the U.K.	-	-	-	-	-	142	142
Total comprehensive income/(losses) for the year	14,006	-	-	13	(90)	(1,469)	12,460
Change in composition of the Group	16	-	-	-	-	-	16
2014 second interim dividend (note 8)	(2,574)	-	-	-	-	-	(2,574)
2015 first interim dividend (note 8)	(1,346)	-	-	-	-	-	(1,346)
At 31st December 2015	204,380	-	(1,108)	1,689	(66)	903	205,798

16. Reserves (continued)

	Revenue reserve HK$M	Share premium HK$M	Merger reserve HK$M	Property revaluation reserve HK$M	Cash flow hedge reserve HK$M	Translation reserve HK$M	Total HK$M
At 1st January 2014	188,467	4,599	(1,108)	1,672	(64)	2,934	196,500
Profit for the year	9,516	-	-	-	-	-	9,516
Other comprehensive income							
Revaluation of properties previously occupied by the Group							
- gain recognised during the year	-	-	-	5	-	-	5
- deferred tax	-	-	-	(1)	-	-	(1)
Defined benefit plans							
- remeasurement losses recognised during the year	(94)	-	-	-	-	-	(94)
- deferred tax	16	-	-	-	-	-	16
Cash flow hedges							
- gains recognised during the year	-	-	-	-	105	-	105
- transferred to net finance charges	-	-	-	-	1	-	1
- deferred tax	-	-	-	-	(17)	-	(17)
Share of other comprehensive losses of joint venture and associated companies	-	-	-	-	(1)	(83)	(84)
Net translation differences on foreign operations	-	-	-	-	-	(479)	(479)
Total comprehensive income/(loss) for the year	9,438	-	-	4	88	(562)	8,968
Transfer to share capital (note 15)	-	(4,599)	-	-	-	-	(4,599)
2013 second interim dividend	(2,340)	-	-	-	-	-	(2,340)
2014 first interim dividend (note 8)	(1,287)	-	-	-	-	-	(1,287)
At 31st December 2014	194,278	-	(1,108)	1,676	24	2,372	197,242

17. Changes in accounting standards and disclosures

(a) The following amendments to standards were required to be adopted by the Group effective from 1st January 2015:

HKFRSs (Amendment)	Annual Improvements to HKFRSs 2010-2012 Cycle
	Annual Improvements to HKFRSs 2011-2013 Cycle
HKAS 19 (Amendment)	Defined Benefit Plans – Employee Contributions

The adoption of these amendments has had no significant impact on the Group's financial statements.

(b) Hong Kong Companies Ordinance (Cap. 622)

The requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) started to apply in respect of the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

18. Requirement in connection with publication of "non-statutory accounts" under Section 436 of the Hong Kong Companies Ordinance Cap. 622

The non-statutory accounts (within the meaning of section 436 of the Companies Ordinance (Cap. 622) (the "Ordinance") in this document are not specified financial statements (within such meaning). The specified financial statements for the year ended 31st December 2015 have not been but will be delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Ordinance. An auditor's report has been prepared on those specified financial statements. That report was not qualified or otherwise modified, did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report and did not contain a statement under section 406(2) or 407(2) or (3) of the Ordinance.

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 covered by the annual report 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 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 2015 annual report.

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

Annual Report

The 2015 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 7th April 2016.

List of Directors

At the date of this announcement, the Directors of the Company are:

Executive Directors: J.R. Slosar (Chairman), G.M.C. Bradley, M.M.S. Low, D.C.Y. Ho and G.J. Ongley;
Non-Executive Directors: M. Cubbon, P. Healy, R.S.K. Lim 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.

By Order of the Board
Swire Properties Limited
John Slosar
Chairman
Hong Kong, 10th March 2016

GLOSSARY

Terms

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

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

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

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

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

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

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

$$\text{Interest cover} = \frac{\text{Operating profit}}{\text{Net finance charges}}$$

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

FINANCIAL CALENDAR AND INFORMATION FOR INVESTORS

Financial Calendar 2016

Share trade ex-dividend	6th April
Annual Report available to shareholders	7th April
Share register closed for 2015 second interim dividend entitlement	8th April
Payment of 2015 second interim dividend	5th May
Share register closed for attending and voting at Annual General Meeting	5th – 10th May
Annual General Meeting	10th May
Interim results announcement	August 2016
2016 first interim dividend payable	October 2016

Registered Office

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

Stock Code

Hong Kong Stock Exchange	1972
ADR	SWROY

Registrars

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

Auditors

PricewaterhouseCoopers

Investor Relations

E-mail: ir@swireproperties.com

Depositary

The Bank of New York Mellon
BNY Mellon Shareowner Services
P.O. BOX 30170
College Station, TX 77842-3170
USA

Website:
www.mybnymdr.com
E-mail:
shrrelations@cpushareownerservices.com
Tel:
Calls within USA – toll free:
1-888-BNY-ADRS
International callers:
1-201-680-6825

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.