

---

## Media Information

For immediate release

13<sup>th</sup> March 2025

### **Swire Pacific records strong recurring underlying profit of HK\$9,284 million for 2024**

- *Good financial results in an increasingly challenging operating environment*
- *Continued focus on shareholder value; 5% increase in ordinary dividends*
- *A strong year for Aviation; solid performances from Property and Beverages*

---

**13<sup>th</sup> March 2025, Hong Kong** – Swire Pacific Limited (“the Group”) today released its 2024 Annual Results, recording a recurring underlying profit of HK\$9,284 million for the year under review, compared with a recurring underlying profit of HK\$10,449 million in 2023.

The results reflect both the Group’s solid financial position and its ability to withstand current economic challenges. In keeping with the upward trajectory seen in 2023, the Aviation Division was the main driver of underlying profit, with strong performances from both the Cathay group and the HAECO group. The Property Division continued to perform solidly despite challenging market conditions in Hong Kong and the Chinese Mainland. The Beverages Division also gave a solid performance in 2024.

Guy Bradley, Chairman of Swire Pacific, said, “Our strategy is one of long-term investment and capital recycling, and our strong financial position allows us to cope with near-term economic uncertainty. We’ve also continued to focus hard on delivering value for shareholders through our progressive dividend policy and share buy-back programme. You can take those, collectively, as a deliberate display of confidence despite the current market conditions.”

During 2024, the Group repurchased 50,091,000 ‘A’ shares and 54,547,500 ‘B’ shares for an aggregate cash consideration of HK\$3,841 million at an average price of HK\$65.5 per ‘A’ share and HK\$10.3 per ‘B’ share. Full-year dividends are HK\$3.35 per ‘A’ share and HK\$0.67 per ‘B’ share, an increase of 5% on ordinary dividends for 2023.

### **Business performance and strategic developments**

Swire Properties delivered a solid recurring underlying profit and global sustainability leadership, despite tough market conditions. Attributable recurring underlying profit for 2024 was HK\$5,272 million, an 11% decrease on 2023’s profit of HK\$5,942 million, mainly reflecting lower office rental income from Hong Kong.

Swire Properties made substantial progress with its HK\$100 billion investment plan, with approximately 67% of the investment pipeline already committed. In Hong Kong, the Taikoo Place Redevelopment Project was completed in November, transforming Taikoo Place into an industry-leading global business district. In June 2024, Swire Properties increased its stake in INDIGO Phase Two in Beijing. The project is now Swire Properties’ single biggest investment in the Chinese Mainland and has been renamed Taikoo Place Beijing. Construction is also ongoing at Taikoo Li Xi’an, Taikoo Li Sanya, the New Bund Mixed-use Project and Lujiazui Taikoo Yuan in Shanghai, and in Guangzhou, 387 Tianhe Road and Taikoo Li Julong Wan Guangzhou.

## Media Information

---

Swire Coca-Cola gave a solid performance in 2024 as it continued to grow its footprint in South East Asia. The business reported a recurring profit of HK\$1,388 million in 2024, compared with HK\$2,394 million in 2023. The decrease in profit was mainly driven by the disposal of Swire Coca-Cola, USA in the second half of 2023, partly offset by the profit contribution from newly acquired franchise businesses in Thailand and Laos. Excluding the effect of the disposal of Swire Coca-Cola, USA, recurring profit increased by 20%. Recurring profit from the Chinese Mainland increased by 11%. In February 2024, Swire Coca-Cola entered into an agreement and conditionally agreed to acquire, in two phases, a majority stake in ThaiNamthip Corporation Public Company Limited (“ThaiNamthip”), which owns and operates the Coca-Cola franchise in northern and central Thailand and, through its non-wholly owned subsidiary, in Laos. As of 31<sup>st</sup> December 2024, Swire Coca-Cola became interested in approximately 55.6% of the issued share capital of ThaiNamthip.

It was another strong year for Aviation, with the Cathay group hitting a number of milestones. Profit on a 100% basis for the Cathay group in 2024 was HK\$9,888 million, compared with a profit of HK\$9,789 million in 2023. The result was driven by the ongoing robust demand for travel and the strong performance of the cargo business. The Cathay group has reached 100% of pre-pandemic passenger flights from January 2025. In July 2024, the Cathay group repurchased the remaining 50% of preference shares from the HKSAR Government and paid preference share dividends. In September 2024, the Cathay group completed the buy-back of all the warrants issued to the HKSAR Government in 2020 as part of its recapitalisation. In early January 2025, the Cathay group repurchased about 68% of the guaranteed convertible bonds due in 2026.

With the focus now fully on the future, the Cathay group announced more than HK\$100 billion in new investments to coincide with the commencement of the Three-Runway System at Hong Kong International Airport. This major new investment programme includes more than 100 new-generation aircraft that the Cathay group started taking delivery of during the year, along with new world-leading cabin interiors, flagship lounges and digital innovations.

The HAECO group achieved a recurring profit of HK\$672 million, excluding the cost of exiting the inventory technical management operation and a gain on asset disposal at a joint venture company in the Chinese Mainland. This compares with 2023’s profit of HK\$465 million, excepting the loss on disposal of the cabin solutions business. The profit increase was primarily attributable to the continued recovery of line maintenance activity and a growth in the demand for engine overhaul at HAESL and HAECO Engine Services (Xiamen).

Regarding sustainability, Swire Pacific continued to be included in the Dow Jones Best-in-Class Asia Pacific Index and the FTSE4Good Index. Swire Pacific also received an AA+ rating from the Hang Seng Corporate Sustainability Index, and is included in the Hang Seng Corporate Sustainability Benchmark and Hang Seng ESG 50 indices. In January 2025, Swire Properties obtained the top position globally in the Dow Jones Best-in-Class World Index in the Real Estate Management & Development Industry category.

Looking ahead, Mr Bradley, said, “For us, Hong Kong remains the right place to be and we are confident about its future. As a city with direct access to the Chinese Mainland market, Hong Kong is also unrivalled for its international connectivity within the region. And that’s why we continue to invest in Hong Kong – both now and for the years to come.”

Full results are attached to this press release and are available at [www.swirepacific.com](http://www.swirepacific.com).

– End –

---

## Media Information

### **About Swire Pacific Limited**

Swire Pacific (HKEX: 00019/00087) is a Hong Kong-listed international conglomerate with a diversified portfolio of market leading businesses. The company has a long history in Greater China, where the name Swire or Taikoo (太古) has been established for over 150 years. Swire Pacific's strategy is focused on Greater China and South East Asia, where we seek to grow our core businesses of Property, Beverages, and Aviation, as well as new areas of growth, such as healthcare. Swire Pacific is the largest shareholder in two other listed companies in Hong Kong: Swire Properties Limited and Cathay Pacific Airways Limited. Swire Pacific is listed on the Hang Seng Corporate Sustainability Index, the Dow Jones Best-in-Class Asia Pacific Index and the MSCI ESG Indices.

Visit Swire Pacific's website at [www.swirepacific.com](http://www.swirepacific.com)

For media enquiries, please contact:

Ms Agnes Yeung  
Manager, Group Public Affairs, Swire Pacific Limited  
Tel: (852) 2840 8077 / (852) 9102 7163  
Email: [agnesyeung@jsshk.com](mailto:agnesyeung@jsshk.com)

#### **Disclaimer**

*This document may contain forward-looking statements that reflect the Company's beliefs, plans or expectations about the future or future events. These forward-looking statements are based on a number of assumptions, estimates and projections, and are therefore subject to inherent risks, uncertainties and other factors beyond the Company's control. The actual results or outcomes of events may differ materially and/or adversely due to a number of factors, including changes in the economies and industries in which the Group operates (in particular in Hong Kong and the Chinese Mainland), macro-economic and geopolitical uncertainties, changes in the competitive environment, data quality, foreign exchange rates, interest rates and commodity prices, and the Group's ability to identify and manage risks to which it is subject. Nothing contained in these forward-looking statements is, or shall be, relied upon as any assurance or representation as to the future or as a representation or warranty otherwise. Neither the Company nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update these forward-looking statements or to adapt them to future events or developments or to provide supplemental information in relation thereto or to correct any inaccuracies.*

*References in this document to Hong Kong are to Hong Kong SAR, to Macau are to Macao SAR and to Taiwan are to the Taiwan region.*

*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 PACIFIC LIMITED**

(Incorporated in Hong Kong with limited liability)

**(Stock Codes: 00019 and 00087)**

## **2024 Annual Results**

**2024 Performance Highlights**

	Note	2024	2023	Change
Return on equity		<b>1.6%</b>	11.0%	-9.4%pt
Dividend per 'A' share (HK\$)		<b>3.35</b>	11.32	-70%
		<b>HK\$M</b>	HK\$M	
Profit attributable to the Company's shareholders				
As reported		<b>4,321</b>	28,853	-85%
Underlying profit	(i)	<b>10,471</b>	36,177	-71%
Recurring underlying profit	(i)	<b>9,284</b>	10,449	-11%
Revenue		<b>81,969</b>	94,823	-14%
Operating profit		<b>4,240</b>	30,621	-86%
Operating profit excluding change in fair value of investment properties		<b>10,214</b>	33,481	-69%
Change in fair value of investment properties		<b>(5,974)</b>	(2,860)	N/A
Cash generated from operations		<b>12,580</b>	14,479	-13%
Net cash (outflow)/inflow before financing		<b>(4,140)</b>	22,947	-118%
Total equity (including non-controlling interests)		<b>318,667</b>	324,774	-2%
Net debt		<b>70,563</b>	55,136	+28%
Gearing ratio (excluding lease liabilities)		<b>22.1%</b>	17.0%	+5.1%pt
		<b>HK\$</b>	HK\$	
Earnings per share (basic)	(ii)			
As reported				
'A' share		<b>3.06</b>	19.96	
'B' share		<b>0.61</b>	3.99	-85%
Underlying				
'A' share		<b>7.41</b>	25.03	
'B' share		<b>1.48</b>	5.01	-70%
Dividends per share				
'A' share		<b>3.35</b>	11.32	
'B' share		<b>0.67</b>	2.26	-70%
Equity attributable to the Company's shareholders per share	(iii)			
'A' share		<b>187.35</b>	186.03	+1%
'B' share		<b>37.47</b>	37.21	

**2024 Sustainability Performance**

	2024	2023	Change
GHG emissions from direct operations – location based (Thousand tonnes of CO <sub>2</sub> e)	<b>638</b>	723	-12%
Energy consumed (GJ Million)	<b>5.1</b>	6.1	-16%
Water withdrawn (cbm Million)	<b>18.9</b>	20.9	-10%
LTIR (Number of injuries per 100 full-time equivalent employees)	<b>0.27</b>	0.48	-44%
Employee fatalities (Number of fatalities)	<b>1</b>	1	-

## Notes:

- (i) Reconciliations between the reported and underlying profit, and between underlying profit and recurring underlying profit are provided on pages 46 and 47.
- (ii) Refer to note 7 to the financial statements for the daily weighted average number of shares in issue throughout the year.
- (iii) Refer to note 10 to the financial statements for the number of shares at the year end.

## Corporate Statement

### **Sustainable Growth**

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

Our aims are to deliver sustainable growth in shareholder value, achieved through sound returns on equity over the long term, and to return value to shareholders through sustainable growth in ordinary dividends. Our strategy is focused on Greater China and South East Asia, where we seek to grow our core Property, Beverages and Aviation divisions. We are targeting new areas of growth, such as healthcare.

### **Our Values**

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

### **Our Core Principles**

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

### **Our Investment Principles**

- We aim to build a portfolio of businesses that collectively deliver a steady dividend stream over time.
- We are long-term investors. We prefer to have controlling interests in our businesses and to manage them for long-term growth. We do not rule out minority investments in appropriate circumstances.
- We concentrate on businesses where we can contribute expertise, and where our expertise can add value.
- We invest in businesses that provide high-quality products and services and that are leaders in their markets.
- We divest from businesses which have reached their full potential under our ownership, and recycle the capital released into existing or new businesses.

### **Our Businesses**

With three core divisions (Property, Beverages and Aviation), Swire Pacific undertakes a wide range of commercial activities.

Swire Properties' shopping malls are home to more than 2,200 retail outlets. Its offices house a working population estimated to exceed 70,000. In Hong Kong, Swire Properties is one of the largest commercial landlords and operators of retail space, principally through the ownership and management of its core centres at Pacific Place and Taikoo Place. In the Chinese Mainland, it has major mixed-use commercial developments, in Beijing, Guangzhou, Chengdu, Shanghai, Xi'an and Sanya. In the USA, it has investment properties in Miami.

**Corporate Statement (continued)**

As at 31st December 2024, our Beverages Division sold the products of The Coca-Cola Company to a franchise population of 910 million people in Greater China and South East Asia. It also provides management and administrative support services to Swire Coca-Cola, USA which serves a franchise population of 31 million people in the USA. Swire Coca-Cola manufactures and distributes products comprising 41 beverage brands in franchise territories owned.

Cathay Pacific, with its subsidiaries HK Express and Air Hong Kong, had 236 aircraft at the end of 2024. At 31st December 2024, Cathay Pacific and HK Express offered scheduled passenger services to 88 destinations worldwide (an additional 154 with codeshare agreements). Cathay Cargo offered scheduled freighter services to 41 destinations worldwide, in addition to utilising belly capacity on the group's passenger flights. Cathay Pacific had an interest of 15.09% in Air China as at 31st December 2024.

HAECO is one of the world's leading aircraft engineering and maintenance service providers. It operates from bases in Hong Kong, the Chinese Mainland, the USA and Europe, serving close to 400 airlines and other customers globally.

We have investments in the healthcare sector in the Yangtze River Delta and the Greater Bay Area in the Chinese Mainland and in Indonesia. We will continue to seek investment opportunities in private healthcare services, particularly in major city clusters in the Chinese Mainland and in South East Asia.

Swire Pacific is one of Hong Kong's largest and oldest employers, where we have over 40,000 employees. In the Chinese Mainland, we have over 36,000 employees. Globally, we employ over 87,000 people.

## Chairman's Statement

### Dear Shareholders,

I am pleased with our financial results for 2024, particularly given the increasingly difficult operating environment. Along with our solid financial position, these results demonstrate that, collectively, our businesses are well-positioned to withstand current economic challenges. In keeping with the upward trajectory seen in 2023, our Aviation Division was the main driver of our underlying profit, with strong performances from both the Cathay group and the HAECO group. The Property Division continued to perform solidly despite challenging market conditions in Hong Kong and the Chinese Mainland. Our Beverages Division also gave a solid performance in 2024.

In 2024, the consolidated profit attributable to shareholders was HK\$4,321 million, compared with HK\$28,853 million in 2023. The underlying profit attributable to shareholders for the period under review, adjusted for losses caused by the changes in the fair value of investment properties, was HK\$10,471 million compared with HK\$36,177 million in 2023. Excluding changes in the fair value of investment properties and significant non-recurring items, Swire Pacific recorded a recurring underlying profit of HK\$9,284 million in 2024, compared with HK\$10,449 million in 2023.

We have been investing heavily across our core markets in our Property, Beverages and Aviation divisions. Now, as we look to the future, we are in a solid financial and strategic position to execute these investments over the coming years. We are confident that our prudent management and long-term investment strategy will help us cope with any near-term economic uncertainty that lies ahead.

Our results in 2024 would not have been possible without our people and I extend my special thanks to them.

Swire has been operating in Hong Kong for over 150 years. Today, we are as steadfast as ever in our commitment to the city, and to strengthening its status as an international financial centre and aviation hub. We also fully support its continued economic integration into the Greater Bay Area (GBA). We remain confident that Hong Kong will continue to flourish and that the city's long-term future is bright.

### Strategic Developments

Throughout 2024, we focused on delivering value for our shareholders through our progressive dividend policy and the share buy-back programme. Meanwhile, we continued to invest in our core markets of Hong Kong, the Chinese Mainland and South East Asia across our Property, Beverages and Aviation divisions.

Swire Properties made substantial progress with its HK\$100 billion investment plan, with approximately 67% of the investment pipeline already committed. In the Chinese Mainland, HK\$50 billion has been allocated for the creation of large-scale, retail-focused developments under the Taikoo Li and Taikoo Hui brands, as well as to enhance existing projects. Over 90% of this investment in the Chinese Mainland has now been committed. In Hong Kong, Swire Properties has planned to commit up to HK\$30 billion for the future expansion of its flagship commercial portfolios Pacific Place and Taikoo Place. Furthermore, an investment of up to HK\$20 billion has been set aside for residential trading projects in Hong Kong, the Chinese Mainland and South East Asia. In Hong Kong, the handover of office floors to tenants is now in progress at Six Pacific Place, which is the newest addition to the Pacific Place office portfolio. In November 2024, Swire Properties announced the completion of the Taikoo Place Redevelopment Project. The project commenced in 2014 and is a new milestone for the commercial flagship development, transforming Taikoo Place into an industry-leading global business district with modern workspaces, diverse amenities, active tenant engagement programmes and unrivalled ESG credentials.



**Chairman's Statement (continued)**

In June 2024, Swire Properties increased its stake in INDIGO Phase Two in Beijing. The project is now Swire Properties' single biggest investment in the Chinese Mainland. The project has been renamed Taikoo Place Beijing, marking the debut of the Taikoo Place brand in the Chinese Mainland. In August 2024, Taikoo Hui in Guangzhou bid successfully for the former Cultural Centre at 387 Tianhe Road, which will be renovated as a luxury retail addition to Taikoo Hui. Taikoo Li Julong Wan Guangzhou, Swire Properties' first Taikoo Li development in the GBA, will be launched in phases from the end of 2025. In December 2024, the pre-sales of the first batch of Lujiazui Taikoo Yuan Residences in Shanghai, which is Swire Properties' residential debut in the Chinese Mainland, commenced. Sales have been very strong, marking an encouraging launch in a new market. Construction is ongoing at other projects: Taikoo Li Xi'an, Taikoo Li Sanya, the New Bund Mixed-use Project and Lujiazui Taikoo Yuan in Shanghai.

Throughout 2024, Swire Coca-Cola increased its footprint in South East Asia. In February 2024, Swire Coca-Cola entered into an agreement and conditionally agreed to acquire, in two phases, a majority stake in ThaiNamthip Corporation Public Company Limited, which owns and operates the Coca-Cola franchise in an extensive area in the northern and central regions of Thailand and, through its non-wholly owned subsidiary, in Laos, for an aggregate consideration of approximately THB42,615.7 million (approximately HK\$9,470.1 million). The first phase of the acquisition was completed in February 2024 and the second phase was completed in September 2024. ThaiNamthip acquired the remaining 30% equity interest not owned by it in the Laos subsidiary by way of a share swap in December 2024, and also completed its acquisition of 30% of the issued share capital of the Cambodia franchise business. As of 31st December 2024, Swire Coca-Cola became interested in approximately 55.6% of the issued share capital of ThaiNamthip. In May 2024, Swire Coca-Cola broke ground on the Greater Bay Area Intelligent Green Factory in Guangdong. This state-of-the-art facility represents a RMB1.25 billion investment and is set to become Swire Coca-Cola's largest green, intelligent and diversified plant in the Chinese Mainland.

The Cathay group had another very successful year as it focused on completing its two-year rebuild and investing for the future, reaching 100% of pre-pandemic passenger flights from January 2025. In July 2024, the Cathay group repurchased the remaining 50% of preference shares from the HKSAR Government at a redemption amount of HK\$9.75 billion. A total of HK\$2.4 billion was paid in preference share dividends. In September 2024, the Cathay group completed the buy-back of all the warrants issued to the HKSAR Government in 2020 as part of its recapitalisation for a total consideration of approximately HK\$1.5 billion. In early January 2025, the Cathay group repurchased about 68%, or HK\$4.6 billion, of the HK\$6.7 billion 2.75% guaranteed convertible bonds due in 2026. With the focus now fully on the future, the Cathay group announced more than HK\$100 billion in new investments to coincide with the commencement of the Three-Runway System at Hong Kong International Airport. This major new investment programme includes more than 100 new-generation aircraft that the Cathay group started taking delivery of during the year, along with new world-leading cabin interiors, flagship lounges and digital innovations. In 2024, the Cathay group also worked hard to expand its global network, launching passenger flights to 15 additional destinations throughout the year.

**Business Performance**

Our financial results in 2024 reflect the ongoing recovery of the aviation industry, which benefitted the Cathay group and the HAECO group, as well as the industry and economic challenges that Swire Properties faced. Overall, Swire Coca-Cola continued to give a solid performance.

**Chairman's Statement (continued)****Property Division**

**Swire Properties'** attributable recurring underlying profit for 2024 was HK\$5,272 million, an 11% decrease on 2023's profit of HK\$5,942 million. The decrease reflected lower office rental income from Hong Kong, partly due to the loss of revenue contributions arising from the disposal of nine floors of One Island East in December 2023. The office market remained weak amidst subdued demand and increased supply. However, the office portfolio has remained resilient. The retail market in Hong Kong was soft. Trade mix improvement, marketing campaigns and loyalty programme initiatives were continuously and actively carried out to attract local customers and tourists.

In the Chinese Mainland, retail sales normalised in 2024 due to an increase in outbound travel and depreciation in certain foreign currencies, but started to stabilise in the last quarter of 2024, reflecting the improved consumer confidence after stimulus measures announced by the Central Government at the end of September 2024. Foot traffic increased, notwithstanding the increase in outbound travel. Operating results for Swire Hotels were affected by a slower-than-expected recovery of visitors to Hong Kong. Property trading recorded a loss due to sales and marketing expenses.

**Beverages Division**

At **Swire Coca-Cola**, the business reported a recurring profit of HK\$1,388 million in 2024, compared with HK\$2,394 million in 2023. The decrease in profit was mainly driven by the disposal of Swire Coca-Cola, USA in the second half of 2023, partly offset by the profit contribution from newly acquired franchise businesses in Thailand and Laos. Excluding the effect of the disposal of Swire Coca-Cola, USA, recurring profit increased by 20%. There was a one-off gain of HK\$651 million due to a remeasurement of Swire Coca-Cola's equity interest to fair value on the closing of the acquisition of additional shares in ThaiNamthip in September 2024, as well as a related gain due to the higher Thai Baht exchange rate.

Recurring profit from the Chinese Mainland increased by 11% with the increase in revenue and lower raw material costs. Profit increases were also seen in Taiwan and South East Asia, although the business in Vietnam was affected by fierce competition, plant relocation costs and unfavourable exchange rate movements. In Hong Kong, revenue remained flat.

**Aviation Division**

At the **Cathay** group, profit on a 100% basis was HK\$9,888 million (including exceptional gains of HK\$751 million) in 2024, compared with a profit of HK\$9,789 million (including exceptional gains of HK\$2.1 billion) in 2023). The result was driven by the ongoing robust demand for travel and the strong performance of the cargo business. In 2024, the Cathay group continued to rebuild connectivity at its home hub by adding more passenger flights and destinations to its network. The additional belly space from increased passenger flights also enabled it to offer more cargo capacity, resulting in higher tonnage carried in 2024.

The results of the Cathay group's associate businesses are reported three months in arrears. The results improved compared with 2023.

The **HAECO** group performed well in 2024, achieving a recurring profit of HK\$672 million, excluding the cost of exiting the inventory technical management operation and a gain on asset disposal at a joint venture company in the Chinese Mainland. This compares with 2023's profit of HK\$465 million, excepting the loss on disposal of the cabin solutions business. The profit increase was primarily attributable to the continued recovery of line maintenance activity and a growth in the demand for engine overhaul at HAESL and HAECO Engine Services (Xiamen). The increase in base maintenance manhours sold and workload of most of the components businesses also contributed to the HAECO group's profit growth.

**Chairman's Statement (continued)****Other Businesses**

In April 2024, we completed the acquisition of a controlling stake in DeltaHealth, marking our first time as the major shareholder in a healthcare business. In July 2024, we made a minority investment in Indonesia Healthcare Corporation.

Taken together, our trading & industrial businesses continued to deliver a stable result in 2024, although the performance of Swire Resources was affected by outbound travel and that of Taikoo Motors was impacted by a drop in vehicle sales.

**Progressive Dividends and Share Buy-Back**

Our focus remains on delivering sustainable, steady returns to our shareholders through our progressive dividend policy. The Directors are pleased to declare a second interim dividend of HK\$2.10 per 'A' share and HK\$0.42 per 'B' share which, together with the dividends paid in October 2024, amount to full-year dividends of HK\$3.35 per 'A' share and HK\$0.67 per 'B' share. This represents an increase of 5% on the ordinary dividends for 2023.

The second interim dividend will be paid on 9th May 2025 to shareholders registered at the close of business on the record date, being Friday, 11th April 2025. Shares of the Company will be traded ex-dividend from Wednesday, 9th April 2025.

We continued to improve our shareholder returns with our share buy-back programme of up to HK\$6 billion, which will run through to the conclusion of the Company's annual general meeting to be held in May 2025. During 2024, the Company repurchased 50,091,000 'A' shares and 54,547,500 'B' shares for an aggregate cash consideration of HK\$3,841 million at an average price of HK\$65.5 per 'A' share and HK\$10.3 per 'B' share.

**Financial Strength**

Our financial position remains solid. At the end of 2024, our available liquidity was HK\$43.1 billion. Weighted average cost of debt remained at a healthy level of 4.0%, with 64% of Swire Pacific's gross borrowing being on a fixed-rate basis. Our gearing ratio was 22.1%. With our very robust balance sheet, we are in a good position to execute our investments in our core markets, as well as explore opportunities for growth in the future, despite the likely economic uncertainty ahead.

**Sustainability**

Swire Pacific's commitment to sustainability is long-established. Throughout 2024, we remained focused on our most material sustainability areas through our SwireTHRIVE strategy. Our businesses continued to invest in sustainability, launch new initiatives and establish impactful partnerships to support their goals.

Last year, Swire Pacific continued to be included in the Dow Jones Best-in-Class Asia Pacific Index (formerly DJSI) and the FTSE4Good Index. Swire Pacific also received an AA+ rating from the Hang Seng Corporate Sustainability Index, and is included in the Hang Seng Corporate Sustainability Benchmark and Hang Seng ESG 50 indices.

In January 2025, Swire Properties obtained the top position globally in the Dow Jones Best-in-Class World Index in the Real Estate Management & Development Industry category. Swire Properties' Taikoo Place development obtained the Leadership in Energy and Environmental Design (LEED) Communities certification (Gold Rating) in 2024, making it the first and only development in Hong Kong to do so. In the Chinese Mainland, the company co-signed a landmark statement aimed at accelerating the market transformation to low-carbon-emissions steel manufacturing for the real estate industry.

**Chairman's Statement (continued)**

At Swire Coca-Cola, 42% of electricity use in its core operations came from renewable sources by the end of 2024. Eight of its bottling plants in the Chinese Mainland now operate using 100% renewable energy.

The Cathay group welcomed the successful launch of the Hong Kong Sustainable Aviation Fuel Coalition (HKSAFC) as its co-initiator. For the HAECO group, 2024 saw the installation of the largest single-site solar energy generation system in Hong Kong.

We are also preparing for emerging regulatory requirements, enhancing our internal controls on sustainability-related processes and data, and developing our approach to assessing nature risk.

**Looking Ahead**

In 2025 we will strive to continue delivering value for our shareholders, with a focus on the execution phase of the recent investments we have made across our core markets. We will also continue to look for opportunities to expand our businesses, particularly in the GBA.

Swire Properties' flagship brands in Hong Kong and the Chinese Mainland continue to be highly sought-after. The company will continue to focus on executing its HK\$100 billion investment plan. In Hong Kong, the office market is likely to remain subdued. Nevertheless, the office portfolios in Pacific Place and Taikoo Place are well-positioned as preferred choices of office location when the market picks up. In the Chinese Mainland, retail sales growth is expected to gain pace due to an improvement in domestic demand and recent stimulus measures.

At Swire Coca-Cola, revenue growth is expected for the Chinese Mainland supported by a strong portfolio and packaging mix, enhanced market execution and efforts on revenue growth management. While the business environment in Hong Kong remains challenging, sales and operations in Taiwan are expected to grow in 2025. The franchise in Vietnam will focus on revenue growth, pricing opportunities and cost efficiency to deliver steady profit, despite the headwinds in exchange rate and raw material prices. Volume is expected to grow in Cambodia. In Thailand and Laos, the competitive landscape is challenging. Nevertheless, Swire Coca-Cola's diversified regional portfolio will help it navigate market conditions and take advantage of opportunities to grow.

The launch of the Three-Runway System paves the way for an exciting new era for Hong Kong's status as an international aviation hub and for the Cathay group, which will operate passenger flights to more than 100 destinations around the world in 2025. The Cathay group's HK\$100 billion investment plan is ongoing. At the HAECO group, demand for base maintenance work is expected to be stable, while line maintenance work is expected to continue its growth in 2025. Demand for engine services should remain strong. The relocation project to the new Xiamen airport is underway, with construction expected to be complete by the end of 2025. The installation of maintenance, repair and overhaul equipment continues and is targeted for completion in 2026.

Once again, our businesses have shown their collective strength in the face of challenges. We will build on these strengths in 2025 as we continue to deliver value for our shareholders.

**Guy Bradley**

Chairman

Hong Kong, 13th March 2025

## REVIEW OF OPERATIONS

### PROPERTY DIVISION

#### OVERVIEW OF THE BUSINESS

Swire Properties is a leading developer, owner and operator of mixed-use, principally commercial, properties in Hong Kong and the Chinese Mainland, with a record of creating long-term value by placemaking and transforming urban areas.

Swire Properties' business comprises three main areas:

#### Property Investment

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

#### Hotel Investment and Management

Swire Properties wholly-owns and manages, through Swire Hotels, two hotels in Hong Kong, The Upper House at Pacific Place and EAST Hong Kong at Taikoo Shing. Swire Properties has a 20% interest in each of the JW Marriott, Conrad Hong Kong and Island Shangri-La hotels at Pacific Place and a 26.67% interest in the Novotel Citygate and The Silveri Hong Kong - MGallery in Tung Chung. In the Chinese Mainland, Swire Hotels manages three hotels. The Temple House at Taikoo Li Chengdu is wholly-owned by Swire Properties. 50% interests are owned in EAST Beijing at INDIGO, and in The Middle House at HKRI Taikoo Hui in Shanghai. Swire Properties owns 97% and 50% interests in the Mandarin Oriental at Taikoo Hui in Guangzhou and The Sukhothai Shanghai at HKRI Taikoo Hui, respectively. In the USA, Swire Properties manages, through Swire Hotels, EAST Miami and owns a 75% interest in the Mandarin Oriental in Miami. Swire Hotels has confirmed its expansion plans to Tokyo in Japan, and Beijing, Shenzhen, Shanghai and Xi'an in the Chinese Mainland.

#### Property Trading

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

Swire Properties is listed on The Stock Exchange of Hong Kong Limited.

**Investment Property and Hotel Portfolio**

(Gross floor area (or expected gross floor area) attributable to Swire Properties in million square feet)

Location	At 31st December 2024						At 31st December 2023 Total
	Office	Retail	Hotels	Residential/ Serviced Apartments	Under Planning	Total	
<b>Completed</b>							
Pacific Place	2.2	0.7	0.5	0.4	-	3.8	3.8
Taikoo Place	6.3	-	-	0.1	-	6.4	6.4
Cityplaza	-	1.1	0.2	-	-	1.3	1.3
Others	0.9	0.8	0.1	0.1	-	1.9	1.7
- Hong Kong	9.4	2.6	0.8	0.6	-	13.4	13.2
Taikoo Li Sanlitun	-	1.6	-	-	-	1.6	1.8
Taikoo Li Chengdu	-	1.4	0.2	0.1	-	1.7	1.7
Taikoo Hui	1.6	1.5	0.5	-	-	3.6	3.6
INDIGO	0.3	0.5	0.2	-	-	1.0	1.0
HKRI Taikoo Hui	1.0	0.5	0.2	0.1	-	1.8	1.8
Taikoo Li Qiantan	-	0.6	-	-	-	0.6	0.6
Others	-	0.1	-	-	-	0.1	0.1
- Chinese Mainland	2.9	6.2	1.1	0.2	-	10.4	10.6
- USA	-	0.3	0.3	-	-	0.6	0.6
<b>Total completed</b>	<b>12.3</b>	<b>9.1</b>	<b>2.2</b>	<b>0.8</b>	<b>-</b>	<b>24.4</b>	<b>24.4</b>
<b>Under development or held for future development</b>							
- Hong Kong <sup>(i)</sup>	-	-	-	-	0.8	0.8	1.0
- Chinese Mainland <sup>(ii)</sup>	2.2	3.5	0.2	0.1	2.5	8.5	7.5
- USA	-	-	-	-	1.5	1.5	1.5
<b>Total</b>	<b>14.5</b>	<b>12.6</b>	<b>2.4</b>	<b>0.9</b>	<b>4.8</b>	<b>35.2</b>	<b>34.4</b>

**Notes:**

- (i) The properties principally comprise Wah Ha Factory Building, 8 Shipyard Lane and Zung Fu Industrial Building, 1067 King's Road.
- (ii) The properties principally comprise Taikoo Li Sanlitun, Taikoo Place Beijing (formerly known as INDIGO Phase Two), Taikoo Li Xi'an, Taikoo Li Sanya (project name has yet to be confirmed), the retail portion of a mixed-use project and No. 387 Tianhe Road in Guangzhou, and two mixed-use projects in Shanghai.

**STRATEGY:**

The strategic objective of Swire Properties (as a listed company in its own right) is sustainable growth in shareholder value over the long term as a leading developer, owner and operator of principally mixed-use commercial properties in Hong Kong and the Chinese Mainland. The strategies employed in order to achieve this objective are these:

- Creation of long-term value through conceiving, designing, developing, owning and managing transformational mixed-use and other projects in urban areas.
- Maximisation of the earnings and value of its completed properties through active asset management and by reinforcing its assets through enhancement, redevelopment and new additions.
- Developing luxury and high-quality residential properties.
- Focusing principally on Hong Kong and the Chinese Mainland, and selectively in South East Asia.
- Conservative management of its capital base.

**2024 PERFORMANCE**
**Property Division – Financial Highlights**

	2024 HK\$M	2023 HK\$M
<b>Revenue</b>		
<b>Gross rental income derived from</b>		
Office	5,488	5,835
Retail	7,388	7,143
Residential	440	430
<b>Other revenue *</b>	<b>136</b>	<b>117</b>
<b>Property investment</b>	<b>13,452</b>	<b>13,525</b>
<b>Property trading</b>	<b>88</b>	<b>166</b>
<b>Hotels</b>	<b>888</b>	<b>979</b>
<b>Total revenue</b>	<b>14,428</b>	<b>14,670</b>
<b>Operating profit/(loss) derived from</b>		
Property investment		
From operations	8,242	8,253
Sale of interests in investment properties	(220)	(60)
Fair value losses in respect of investment properties	(5,974)	(2,860)
Property trading	(178)	(89)
Hotels	(154)	(103)
<b>Total operating profit</b>	<b>1,716</b>	<b>5,141</b>
<b>Share of post-tax profit/(loss) from joint venture and associated companies</b>		
	<b>826</b>	<b>(292)</b>
<b>Attributable (loss)/profit</b>	<b>(751)</b>	<b>2,599</b>
<b>Swire Pacific share of attributable (loss)/profit</b>	<b>(641)</b>	<b>2,131</b>

\* Other revenue is mainly estate management fees.

**Property Division – Underlying Profit/(Loss) by Segment**

	2024 HK\$M	2023 HK\$M
Property investment	6,845	7,486
Property trading	(219)	(140)
Hotels	(202)	(100)
<b>Recurring underlying attributable profit</b>	<b>6,424</b>	<b>7,246</b>
Divestment	289	4,285
<b>Underlying attributable profit</b>	<b>6,713</b>	<b>11,531</b>

**Property Division – Reconciliation of Attributable to Underlying Profit**

Additional information is provided below to reconcile reported and underlying profit/(loss) attributable to shareholders. These reconciling items principally adjust for the fair value movements on investment properties and the associated deferred tax in the Chinese Mainland and the USA, and for other deferred tax provisions in relation to investment properties. Amortisation of right-of-use assets classified as investment properties is charged to underlying profit. There are further adjustments to remove the effect of remeasurement gains on interests in joint venture companies which became subsidiary companies after completion of acquisition and a bargain purchase gain arising from the acquisition of an additional interest in a joint venture company.

	Note	2024 HK\$M	2023 HK\$M
<b>Attributable (loss)/profit</b>		<b>(751)</b>	2,599
Adjustments in respect of investment properties:			
Fair value losses in respect of investment properties	(i)	<b>6,197</b>	4,423
Deferred tax on investment properties	(ii)	<b>1,283</b>	461
Fair value gains realised on sale of interests in investment properties	(iii)	<b>534</b>	4,398
Depreciation of investment properties occupied by the Group	(iv)	<b>29</b>	29
Amortisation of right-of-use assets reported under investment properties	(v)	<b>(78)</b>	(81)
Remeasurement gains on interests in joint venture companies which became subsidiary companies after completion of acquisition	(vi)	-	(306)
Reversal of impairment loss on a hotel held as part of a mixed-use development	(vii)	<b>(11)</b>	-
Bargain purchase gain arising from the acquisition of an additional interest in a joint venture company	(viii)	<b>(566)</b>	-
Non-controlling interests' share of fair value movements less deferred tax		<b>76</b>	8
<b>Underlying attributable profit</b>		<b>6,713</b>	11,531
Profit from divestment		<b>(289)</b>	(4,285)
<b>Recurring underlying attributable profit</b>		<b>6,424</b>	7,246
<b>Swire Pacific share of underlying attributable profit</b>		<b>5,509</b>	9,455
<b>Swire Pacific share of recurring underlying attributable profit</b>		<b>5,272</b>	5,942

## Notes:

- (i) This represents the fair value movements as shown in the Group's consolidated statement of profit or loss and the Group's share of fair value movements of joint venture and associated companies.
- (ii) This represents deferred tax movements on the Group's investment properties, plus the Group's share of deferred tax movements on investment properties held by joint venture and associated companies. These comprise deferred tax on fair value movements on investment properties in the Chinese Mainland and the USA, and deferred tax provisions made in respect of investment properties held for the long term where it is considered that the liability will not reverse for some considerable time. It also includes certain tax adjustments arising from transfers of investment properties within the Group.
- (iii) 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 fair value gains/(losses) were transferred from the revaluation reserve to the consolidated statement of profit or loss.
- (iv) Prior to the implementation of HKAS 40, no depreciation was charged on investment properties occupied by the Group.
- (v) HKFRS 16 amends the definition of investment property under HKAS 40 to include properties held by lessees as right-of-use assets to earn rentals or for capital appreciation or both, and requires the Group to account for such right-of-use assets at their fair value. The amortisation of such right-of-use assets is charged to underlying profit.
- (vi) The remeasurement gains on interests in joint venture companies were calculated principally by reference to the estimated market value of the underlying properties portfolio of the joint venture companies, netting off with all related cumulative exchange difference.
- (vii) Under HKAS 40, hotel properties are stated in the accounts at cost less accumulated depreciation and any provision for impairment losses, rather than at fair value. If HKAS 40 did not apply, wholly-owned and joint venture hotel properties held for the long term as part of mixed-use property developments would be accounted for as investment properties. Accordingly, any increase or decrease in their values would be recorded in the revaluation reserve rather than in the consolidated statement of profit or loss.
- (viii) Bargain purchase gain arising from the acquisition of an additional interest in a joint venture company was calculated principally by reference to the market value of the underlying properties portfolio of the joint venture company in comparison with the consideration paid.



**2024 PROPERTY INDUSTRY REVIEW****Office and Retail****Hong Kong****Office**

The office market remained weak amidst subdued demand and increased supply. Economic uncertainty and the high interest rate environment had negative impact on leasing demand.

**Retail**

The retail market sentiment in Hong Kong has continuously been affected by economic uncertainty, a strong US currency, ongoing outbound travel trend and changes in spending patterns of tourists.

**Chinese Mainland****Retail**

Retail sales in the Chinese Mainland normalised in 2024 (as compared with the high retail sales when all pandemic-related restrictions were lifted in early 2023) due to an increase in outbound travel and depreciation in certain foreign currencies. Retail sales started to stabilise in the last quarter of 2024 reflecting improved consumer confidence following the announcement of economic stimulus measures by the government at the end of September 2024.

**Office**

Demand for office space in Beijing, Shanghai and Guangzhou remained weak amid economic uncertainty. Tenants continue to adopt a cautious approach to their real estate decisions. Increasing office availability and weak demand continued to put downward pressure on rents.

**USA****Retail**

Retail sales growth in the USA continued to be positive, reflecting the strength of the USA economy and stable labour market.

**Property Sales Markets****Hong Kong**

The residential market sentiment has slightly improved in the light of the interest rate cuts, with signs of slow market recovery.

**Chinese Mainland**

The residential market for high-quality developments in prime locations of Tier-1 cities is relatively resilient particularly in Shanghai where luxury residential properties in core areas received positive market responses.

**2024 RESULTS SUMMARY**

Attributable loss from the Property Division for the year was HK\$641 million, compared to attributable profit of HK\$2,131 million in 2023. These figures include fair value losses, before deferred tax and after non-controlling interests, of HK\$6,277 million in 2024, compared to HK\$4,432 million in 2023, mainly arising from the Hong Kong office portfolios for both years. Attributable underlying profit, which principally adjusts for changes in fair value of investment properties, decreased to HK\$5,509 million in 2024 from HK\$9,455 million in 2023. The decrease primarily reflected the substantial profit arising from the disposal of certain office floors in Hong Kong in 2023, and a reduction in profit from the sale of car parking spaces in Hong Kong in 2024. Also, there were higher net finance charges (due to higher borrowings) and a reduction in rental income from Hong Kong office portfolios.

Attributable recurring underlying profit, which excludes profit from divestment aggregating HK\$237 million (HK\$3,513 million in 2023), was HK\$5,272 million in 2024, compared to HK\$5,942 million in 2023.

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

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

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

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

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

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

### **HK\$100 BILLION INVESTMENT PLAN**

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

**KEY DEVELOPMENTS**

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

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

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

Taikoo Place Beijing has increased from 35% to 49.895% and the China Life group owns a 49.895% interest in Taikoo Place Beijing. Taikoo Place Beijing has been renamed from INDIGO Phase Two since November 2024.

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

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

**INVESTMENT PROPERTIES****Hong Kong****Office**

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

The performance of the offices at One, Two and Three Pacific Place was resilient in 2024. These offices were 95% let at 31st December 2024. At Six Pacific Place, tenants have committed (including by way of letters of intent) to take approximately 53% of the space at 31st December 2024. Occupation permit was obtained in February 2024.

The performance of the offices at Taikoo Place was steady. Those at One Taikoo Place, One Island East (excluding the nine floors disposed of) and the other office towers at Taikoo Place were 97%, 92% and 91% let, respectively, at 31st December 2024. Two Taikoo Place, the newest addition to Taikoo Place, was 69% leased.

The offices at South Island Place were 96% let at 31st December 2024. Swire Properties has a 50% interest in the development.

### **Retail**

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

The malls were almost fully let throughout the year.

### **Residential**

The completed residential portfolio comprises Pacific Place Apartments at Pacific Place, EAST Apartments in Quarry Bay, STAR STUDIOS in Wan Chai and a number of luxury houses on Hong Kong Island and Lantau Island. The residential portfolio was 76% let at 31st December 2024.

### **Investment Properties under Development**

In 2018, Swire Properties submitted compulsory sale applications in respect of two sites (Wah Ha Factory Building, 8 Shipyard Lane and Zung Fu Industrial Building, 1067 King's Road) in Quarry Bay. Swire Properties obtained full ownership of Zung Fu Industrial Building and Wah Ha Factory Building in March 2022 and July 2023, respectively. The two sites are intended to be redeveloped for office and other commercial uses with an aggregate gross floor area of approximately 779,000 square feet.

In June 2022, Swire Properties submitted a compulsory sale application in respect of a site at 9-39 Hoi Wan Street and 33-41 Tong Chong Street in Quarry Bay. The gross site area is approximately 20,060 square feet. Proceeding with the development (the planning of which is being reviewed) is subject to Swire Properties having successfully bid in the compulsory sale.

### **Others**

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

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

### **Chinese Mainland**

#### **Retail**

In the Chinese Mainland, record-high retail sales were achieved in 2023, following the lifting of pandemic-related restrictions. However, retail sales in the Chinese Mainland dropped in 2024 due to an increase in outbound travel, depreciation in certain foreign currencies and disruption caused by upgrading works in some malls. Despite this, overall foot traffic continued to increase, underscoring the appeal of Swire Properties' malls as the preferred destinations for visitors. Retail sales started to stabilise in the last quarter of 2024 reflecting improved consumer confidence following the announcement by the government of economic stimulus measures at the end of September 2024. Structural and reconfiguration works in Taikoo Li Sanlitun North in Beijing and HKRI Taikoo Hui in Shanghai for tenant mix enhancement are in progress. Swire Properties' retail sales (excluding sales by vehicle retailers) on an attributable basis in the Chinese Mainland decreased by 7% in 2024, yet outperforming the market, and 55% higher than the same period in 2019

(pre-pandemic). Retail sales in Taikoo Li Sanlitun in Beijing decreased slightly by less than 1%, and Taikoo Li Chengdu, Taikoo Hui in Guangzhou, INDIGO in Beijing and HKRI Taikoo Hui in Shanghai decreased by 14%, 11%, 4% and 14%, respectively, while Taikoo Li Qiantan in Shanghai increased by 3% in 2024. By comparing 2024 with that of 2019, retail sales at Taikoo Li Sanlitun, Taikoo Li Chengdu and Taikoo Hui increased by 1%, 24% and 67%, respectively, whereas INDIGO decreased by 1% and HKRI Taikoo Hui was a decrease of 15% due to the disruption caused by the major structural and reconfiguration works, while Taikoo Li Qiantan had not yet commenced business in 2019.

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

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

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

Retail sales and gross rental income at Taikoo Hui in Guangzhou decreased by 11% and 6%, respectively, in 2024, reflecting the increased outbound travel. There were improvements in the tenant mix. The mall was 100% let at 31st December 2024. In August 2024, Taikoo Hui successfully bid for No. 387 Tianhe Road in a public auction, with an approximate gross floor area of 655,000 square feet, which is connected to its shopping mall. The property will be renovated as a luxury retail addition to Taikoo Hui and the refurbishment is expected to be completed from 2027.

Retail sales and gross rental income at INDIGO (part of Taikoo Place Beijing) in Beijing decreased by 4% and 2% respectively in 2024. The mall was 98% let at 31st December 2024.

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

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

## Office

Demand for office space in Beijing, Shanghai and Guangzhou remained weak amid economic uncertainty. Tenants continue to adopt a cautious approach to their real estate decisions. In Guangzhou, new supply in decentralised areas continued to put downward pressure on rents. In Shanghai, increased availability continued to exert downward pressure on rents. In Beijing, demand was weak putting downward pressure on rents, although new supply in core areas was limited. Swire Properties' gross rental income from office properties in the Chinese Mainland increased by 4% to HK\$379 million in 2024. Disregarding changes in the value of the Renminbi, gross rental income increased by 6%.

The office towers at Taikoo Hui in Guangzhou, ONE INDIGO in Beijing and the office towers at HKRI Taikoo Hui in Shanghai were 90%, 83% and 96% let, respectively, at 31st December 2024.

## Investment Properties under Development

Taikoo Place Beijing (formerly known as INDIGO Phase Two) is an extension of the existing INDIGO development, with a gross floor area of approximately four million square feet. It will be an office-led mixed-use development and is planned to be completed in two phases from mid-2026. Superstructure works, mechanical and electrical installation works are in progress.

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

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

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

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

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

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

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

### **Others**

In 2021, Swire Properties formed a joint venture management company with Shanghai Jing'an Real Estate (Group) Co., Ltd. This company, in which Swire Properties has a 60% interest, is engaged in the revitalisation and management of the ZHANGYUAN shikumen compound in the Jing'an district of Shanghai. When the revitalisation is completed, the compound will have a gross floor area (including car parking spaces) of 673,871 square feet above ground and 956,949 square feet underground. There are over 40 shikumen blocks, with about 170 two or three-storey houses.

There are connections to three metro lines and to HKRI Taikoo Hui. The first phase (the West zone) was completed and opened in November 2022. Construction and renovation works for the second phase (the East zone) are in progress. The second phase is planned to be completed and opened in late 2026. Swire Properties does not have an ownership interest in the compound.

### **USA**

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

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

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

As part of the active capital recycling strategy, Swire Properties will continue to explore divestment opportunities in the USA.



**Lease Expiry Profile – at 31st December 2024**

% of the gross rental income attributable to Swire Properties for the month ended 31st December 2024	2027 and		
	2025	2026	later
Hong Kong office	14.6%	13.1%	72.3%
Hong Kong retail	20.1%	26.2%	53.7%
Chinese Mainland office	20.4%	18.0%	61.6%
Chinese Mainland retail	26.1%	25.0%	48.9%

**VALUATION OF INVESTMENT PROPERTIES**

The portfolio of investment properties was valued at 31st December 2024 on the basis of market value (97% by value having been valued by Cushman & Wakefield Limited and 1% by value having been valued by another independent valuer). The amount of this valuation was HK\$270,835 million, compared to HK\$280,591 million at 31st December 2023.

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

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

**HOTELS**

The managed hotels in Hong Kong experienced challenges due to a slower-than-expected recovery of visitors. Food and beverage businesses were also soft. The performance of hotels in the Chinese Mainland remained relatively stable, while the operating result of the managed hotel in the USA was strong. The managed hotels (including restaurants and hotel management office) recorded an operating profit before depreciation of HK\$17 million in 2024, compared with HK\$88 million in 2023.

Swire Hotels has confirmed its expansion plans to open five new hotels, including in Tokyo in Japan, and Beijing, Shenzhen, Shanghai and Xi'an in the Chinese Mainland.

The Opposite House in Beijing was closed in June 2024 and is under redevelopment for retail use.

<b>Profile of Capital Commitments for Investment Properties and Hotels</b>							<b>Commitments relating to joint venture companies<sup>(i)</sup></b>	
	<b>Expenditure</b>	<b>Forecast expenditure</b>					<b>Total commitments<sup>(i)</sup></b>	<b>At 31st December 2024</b>
		<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028 and later</b>		
	<b>HK\$M</b>	<b>HK\$M</b>	<b>HK\$M</b>	<b>HK\$M</b>	<b>HK\$M</b>	<b>HK\$M</b>	<b>HK\$M</b>	
Hong Kong	<b>1,353</b>	1,473	390	560	9,125	<b>11,548</b>	<b>28</b>	
Chinese Mainland	<b>4,246</b>	6,904	6,587	3,568	3,013	<b>20,072</b>	<b>11,548</b>	
USA	<b>147</b>	-	37	-	-	<b>37</b>	<b>-</b>	
<b>Total</b>	<b>5,746</b>	8,377	7,014	4,128	12,138	<b>31,657</b>	<b>11,576</b>	

Notes:

- (i) The capital commitments represent Swire Properties' capital commitments of HK\$20,081 million plus Swire Properties' share of the capital commitments of joint venture companies of HK\$11,576 million.
- (ii) Swire Properties is committed to funding HK\$845 million of the capital commitments of joint venture companies.

## **PROPERTY TRADING**

### **Hong Kong**

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

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

Originally comprised of six three-storey semi-detached houses at 6 Deep Water Bay Road, the site is being redeveloped into two houses with an aggregate gross floor area of approximately 15,000 square feet. Façade works and interior fit out works are in the final stage. The development is expected to be completed in 2025.

In 2021, a project company held as to 80% by Swire Properties and as to 20% by China Motor Bus Company, Limited completed a land exchange with the HKSAR Government in respect of a plot of land in Chai Wan. The plot of land is being redeveloped into The Headland Residences (formerly known as Chai Wan Inland Lot No. 178), a residential complex (with retail outlet) with an aggregate gross floor area of approximately 694,000 square feet. Superstructure works are in progress at both Phase 1 and Phase 2 sites. The development is expected to be completed from 2025.

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

In 2018, a joint venture company in which Swire Properties holds a 50% interest submitted a compulsory sale application in respect of the site at 983-987A King's Road and 16-94 Pan Hoi Street in Quarry Bay. In October 2023, the joint venture company obtained full ownership of the sites. Foundation works are in progress. In accordance with applicable town planning controls, it is expected that the site can be redeveloped for residential and retail uses with a gross floor area of approximately 440,000 square feet. The development is expected to be completed in 2028.

### **Chinese Mainland**

In November 2023, Swire Properties completed the acquisition of 40% equity interest in developments from the Lujiazui group to develop two new landmarks (Shanghai New Bund Mixed-use Project and Lujiazui Taikoo Yuan) in Shanghai's Pudong New Area. These two sites will be developed into large-scale, mixed-use projects, including retail, office and premium residential components. Residential towers have been topped out and façade works are in progress at the New Bund plot while basement construction and superstructure works are in progress at Lujiazui Taikoo Yuan Residences. Around 95% of the total saleable area in the New Bund plot residential project has been pre-sold at 7th March 2025, with an expected completion date in 2026. The pre-sale of the first batch of 50 residential units in Lujiazui Taikoo Yuan Residences started in December 2024. 49 out of 50 units of the first batch had been pre-sold up to 7th March 2025, with an expected completion date from 2026 onwards.

### **Indonesia**

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

### **Vietnam**

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

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

**Thailand**

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

**USA**

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

**OUTLOOK**

Although there are signs of slight recovery of Hong Kong's financial market due to interest rate cuts and gentle increase in IPO activities, the office market in Hong Kong is expected to remain subdued in 2025 as a result of the uncertainty of economic environment and corporate cost-cutting measures that hinder the growth of demand for office space. Weak demand and huge supply will continue to exert downward pressure on rents. Nevertheless, the 'flight-to-quality' trend continues to be prevalent and remains a critical office selection criterion by prospective tenants who favour new office buildings such as Two Taikoo Place and Six Pacific Place. Swire Properties' successful

placemaking strategy (which continues to offer thriving office community) and prioritisation on sustainability, health and safety, and the wellbeing of tenants' employees, are highly valued by existing and potential tenants. The office portfolios in Pacific Place and Taikoo Place are well-positioned to continue to be the preferred choices of office locations when the market picks up.

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

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

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

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

In Hong Kong, residential sales have increased in light of the interest rate cuts and relaxation of mortgage measures. However, it is anticipated that market confidence and sentiment might take some time to be rebuilt after the end of interest rate hikes. Demand is expected to improve in the medium to long term, supported by local buyers and gradual increase in demand from the Chinese Mainland buyers. The residential market for high-quality developments in prime locations of Tier-1 cities in the Chinese Mainland is expected to remain strong in the short run with good sales results achieved for premium projects launched in Shanghai in 2024. The outlook for Shanghai's luxury residential market in prime locations is anticipated to be positive in the long run. With urbanisation, a growing middle class and a limited supply of luxury residential properties, the residential markets in Jakarta, Indonesia, Ho Chi Minh City, Vietnam and Bangkok, Thailand are expected to improve. The outlook for the luxury residential market in Miami remains robust. Florida is an attractive destination for homebuyers due to its favourable climate and tax regime, as well as its location as a gateway city to and from Latin America.

Outlook for the hotel business in Hong Kong is cautiously optimistic, subject to the speed of recovery of international tourists and business travellers. Hotel business in the Chinese Mainland is anticipated to improve steadily in 2025. The managed hotel in the USA is expected to perform well in 2025. Swire Properties is expanding its hotel management business, with a focus on extending its hotel brands in Asia Pacific through hotel management agreements.

**Tim Blackburn**

**REVIEW OF OPERATIONS****BEVERAGES DIVISION****OVERVIEW OF THE BUSINESS**

Swire Coca-Cola has the exclusive right to manufacture, market and distribute products of The Coca-Cola Company (TCCC) in eleven provinces and the Shanghai Municipality in the Chinese Mainland and in Hong Kong, Taiwan, Vietnam, Cambodia, Laos and an extensive area in the northern and central regions of Thailand. Swire Coca-Cola also provides management and administrative support services to Swire Pacific Holdings Inc. (doing business as Swire Coca-Cola, USA (SCCU)).

On 9th February 2024, Swire Coca-Cola acquired 39% of the issued share capital of ThaiNamthip Corporation Public Company Limited (formerly known as ThaiNamthip Corporation Ltd.) (TNTC) from The Coca-Cola Export Corporation, a wholly-owned subsidiary of TCCC. TNTC, together with its subsidiary in Laos (Lao Coca-Cola Bottling Co., Ltd. (LCCB)), is principally engaged in the business of manufacturing, distribution and sale of non-alcoholic ready-to-drink beverages bearing trademarks owned by TCCC in Laos as well as the northern and central regions of Thailand. On 30th September 2024, Swire Coca-Cola acquired further equity interest in TNTC and became indirectly interested in approximately 55.7% of its issued share capital. Accordingly, TNTC became a non-wholly-owned subsidiary of Swire Coca-Cola. A share restructure was completed on 27th December 2024 under which the remaining 30% issued share capital in LCCB not owned by TNTC were acquired with TNTC shares, reducing Swire Coca-Cola's equity interest in TNTC to approximately 55.6%. On 31st December 2024, Swire Coca-Cola disposed of 30% of the issued share capital of the franchise business in Cambodia to TNTC. The disposal of 30% of the charter capital of the franchise business in Vietnam to TNTC is subject to certain conditions including applicable regulatory approvals.

At the end of 2024, Swire Coca-Cola has ten wholly-owned franchise businesses (in Hong Kong, Taiwan, Vietnam, and in Fujian, Anhui, Guangxi, Jiangxi, Jiangsu and Hainan provinces and the cities of Zhanjiang and Maoming in Guangdong province in the Chinese Mainland) and eight non-wholly-owned franchise businesses (in Zhejiang, Guangdong (excluding the cities of Zhanjiang, Maoming and Zhuhai), Henan, Yunnan and Hubei provinces in the Chinese Mainland, Cambodia and recently Thailand and Laos). It holds six wholly-owned subsidiaries in the Chinese Mainland which supply still beverages to the franchise areas in the Chinese Mainland referred to above. It has a joint venture interest in a franchise in the Shanghai Municipality in the Chinese Mainland (Shanghai Shen-Mei).

At the end of 2024, Swire Coca-Cola manufactured 41 beverage brands and distributed them to a franchise population of 910 million people in franchise territories owned, while SCCU manufactured 36 beverage brands and distributed to a franchise population of 31 million people.

	Franchise Population (millions) (end of 2024)	GDP Per capita (US\$)	Sales volume (million unit cases)		Per capita consumption of Coca-Cola beverages (8-oz servings)	
			2024	2014	2024	2014
Chinese Mainland	695.8	14,233	1,381	816	48	47
Hong Kong	7.5	53,297	61	65	195	216
Taiwan	23.4	33,184	72	55	74	57
Vietnam <sup>(ii)</sup>	101.3	4,479	154	N/A	37	N/A
Cambodia <sup>(ii)</sup>	17.7	2,071	28	N/A	37	N/A
Thailand <sup>(iii)</sup>	56.4	7,750	97	N/A	41	N/A
Laos <sup>(iii)</sup>	7.8	1,950	3	N/A	10	N/A
	<b>909.9</b>		<b>1,796</b>	<b>936</b>		
USA (managed by Swire Coca-Cola)	31.5	64,763	336	108	256	269
	<b>941.4</b>		<b>2,132</b>	<b>1,044</b>		

## Notes:

(i) A unit case comprises 24 8-ounce servings.

(ii) The acquisitions of the franchise businesses in Cambodia and Vietnam were completed on 25th November 2022 and 1st January 2023 respectively. Accordingly, the sales volume and per capita consumption information in 2014 are not applicable.

(iii) The acquisitions of the franchise businesses in Thailand and Laos were completed on 30th September 2024. The sales volume shown for 2024 represents the period from the completion of the acquisition to the end of the year. The sales volume and per capita consumption information in 2014 are not applicable.

**STRATEGY:**

At Swire Coca-Cola, we win together by serving as constant and true advocates for our people, our customers, our community and our planet. Our strategic vision is to be a leading bottler for the Coca-Cola System through winning performance, capabilities, people and culture. To achieve this objective, Swire Coca-Cola has five strategic priorities:

- **Progressive People Development**

We will maintain our role as one of the leading bottlers through the continuous development of our people's capabilities and the functional competencies of their teams. We will provide a modern and engaging working place to support our people to achieve their full career potential.

- **Portfolio of Leading Brands**

We will protect and grow our sparkling business while collaborating with TCCC to build a future-oriented portfolio of market leading brands in other key categories.

- **Differentiated Commercial Competencies**

We will strive for execution excellence, provide superior service, and continuously improve customer loyalty. Our revenue growth strategies will focus on providing consumers with the brands, products and packages that they want, when they want them, while concurrently delivering long-term sustainable growth for our customers and ourselves.

- **Market Speed and Agility**

We collaborate with our business partners in an agile way to continuously seek new sources of value. We will continue to build and optimise processes and systems that will enable our front-line operations to compete in a dynamic and continually evolving marketplace.

- **Sustainability Ownership**

Our 2030 sustainable development targets are integrated into our business plans. Sustainability considerations will be embedded in all our decision-making processes and every single Swire Coca-Cola employee will be empowered to contribute to our achievement of these targets.

**2024 PERFORMANCE**
**Beverages Division - Financial Highlights**

	2024 HK\$M	2023 HK\$M
<b>Revenue</b>	<b>36,609</b>	51,844
<b>EBITDA</b>	<b>5,030</b>	28,807
<b>Operating profit derived from</b>		
Operating activities	1,972	3,334
Non-recurring items	769	22,868
Total operating profit	<u>2,741</u>	<u>26,202</u>
<b>Share of post-tax profits from joint venture and associated companies</b>	<b>223</b>	85
<b>Attributable profit (excluding SCCU and non-recurring items)</b>	<b>1,388</b>	1,081
Attributable profit from SCCU*	-	1,313
<b>Attributable profit (excluding non-recurring items)</b>	<u>1,388</u>	<u>2,394</u>
<b>Non-recurring items</b>		
Acquisition of TNTC	651	-
Write-off of a joint venture company	-	(239)
Fair value adjustments on acquisition of equity interests	-	35
Disposal of SCCU	-	22,907
<b>Attributable profit (including non-recurring items)</b>	<u>2,039</u>	<u>25,097</u>

**Beverages Division - Segment Financial Highlights**

	Revenue		EBITDA		Attributable Profit	
	2024 HK\$M	2023 HK\$M	2024 HK\$M	2023 HK\$M	2024 HK\$M	2023 HK\$M
Chinese Mainland						
Operating activities	<b>25,234</b>	24,725	<b>2,764</b>	2,577	<b>839</b>	755
Non-recurring item	-	-	-	35	-	35
	<b>25,234</b>	24,725	<b>2,764</b>	2,612	<b>839</b>	790
Hong Kong	<b>2,446</b>	2,417	<b>388</b>	392	<b>177</b>	194
Taiwan	<b>2,353</b>	2,275	<b>261</b>	244	<b>126</b>	123
Vietnam and Cambodia	<b>4,338</b>	4,504	<b>502</b>	572	<b>235</b>	198
Thailand and Laos						
Operating activities	<b>2,233</b>	-	<b>584</b>	-	<b>265</b>	-
Non-recurring item	-	-	<b>762</b>	-	<b>651</b>	-
	<b>2,233</b>	-	<b>1,346</b>	-	<b>916</b>	-
USA*						
Operating activities	-	17,923	-	2,354	-	1,313
Non-recurring item	-	-	-	23,103	-	22,907
	-	17,923	-	25,457	-	24,220
Net central costs and others						
Operating activities	<b>5</b>	-	<b>(231)</b>	(231)	<b>(254)</b>	(189)
Non-recurring item	-	-	-	(239)	-	(239)
	<b>5</b>	-	<b>(231)</b>	(470)	<b>(254)</b>	(428)
Operating activities excluding SCCU	<b>36,609</b>	33,921	<b>4,268</b>	3,554	<b>1,388</b>	1,081
Operating activities from SCCU	-	17,923	-	2,354	-	1,313
Non-recurring items	-	-	<b>762</b>	22,899	<b>651</b>	22,703
<b>Swire Coca-Cola</b>	<u><b>36,609</b></u>	<u>51,844</u>	<u><b>5,030</b></u>	<u>28,807</u>	<u><b>2,039</b></u>	<u>25,097</u>

\* The 2023 figures represent those for the period up to the completion of disposal of SCCU on 7th September 2023.



**Accounting for Swire Coca-Cola**

For the year ended 31st December 2024, the ten wholly-owned franchise businesses (in Hong Kong, Taiwan, Vietnam, and in Fujian, Anhui, Guangxi, Jiangxi, Jiangsu and Hainan provinces and the cities of Zhanjiang and Maoming in Guangdong province in the Chinese Mainland), six non-wholly-owned franchise businesses (in Zhejiang, Guangdong (excluding the cities of Zhanjiang, Maoming and Zhuhai), Henan, Yunnan and Hubei provinces in the Chinese Mainland and Cambodia) and six wholly-owned still bottling businesses (in Guangdong, Guangxi, Hubei, Jiangsu and Zhejiang provinces in the Chinese Mainland) were accounted for as subsidiaries in the financial statements of Swire Pacific. SCCU was accounted for as a subsidiary in 2023 up to the completion of the disposal on 7th September 2023. For the franchise businesses in Thailand and Laos, they were accounted for as joint ventures with equity method of accounting between 9th February and 30th September 2024. After that, they were accounted for as subsidiaries. The division's joint venture interest in the Coca-Cola bottling unit of Shanghai Shen-Mei Beverage and Food Co., Ltd., was accounted for using the equity method of accounting. Swire Pacific recognised the share of net profit or loss from the joint venture interests as a single line-item in the consolidated statement of profit or loss. Revenue shown above included the revenue from those franchise businesses accounted for as subsidiaries. EBITDA and the attributable profits shown above included EBITDA and attributable profits of all franchise businesses.

**Beverages Division - Segment Performance**

	Note	Percentage Change in 2024					Swire Coca-Cola(v)(vi)
		Chinese Mainland	Hong Kong	Taiwan	Vietnam and Cambodia	Thailand and Laos(iv)	
Active Outlets		-1%	0%	10%	26%	N/A	26%
Revenue	(i)	3%	0%	7%	-4%	N/A	-27%
Sales Volume	(ii)	-1%	-2%	6%	-1%	N/A	-7%
Gross Profit per unit case		8%	2%	3%	-7%	N/A	-24%
Water Use Ratio		-4%	3%	-1%	-1%	N/A	-2%
Energy Use Ratio		-3%	-2%	8%	6%	N/A	0%
LTIR		-11%	58%	64%	-63%	N/A	-59%

  

		Chinese Mainland	Hong Kong	Taiwan	Vietnam and Cambodia	Thailand and Laos(v)	Swire Coca-Cola(v)(vi)
EBITDA Margin	(iii)						
2024		11.5%	16.6%	12.6%	13.2%	18.6%	12.5%
2023		11.0%	16.8%	11.5%	13.8%	N/A	12.5%

  

		Chinese Mainland	Hong Kong	Taiwan	Vietnam and Cambodia	Thailand and Laos(v)	Swire Coca-Cola(v)(vi)
EBIT Margin	(iii)						
2024		5.6%	8.6%	8.5%	7.7%	13.6%	6.7%
2023		5.1%	9.7%	7.9%	8.0%	N/A	7.4%

**Notes:**

- (i) Revenue for Swire Coca-Cola, including that of Shanghai Shen-Mei and excluding sales to other bottlers, was HK\$37,932 million (2023: HK\$51,935 million).
- (ii) The sales volume for the Chinese Mainland shown in the table above represents sales in 13 franchise territories.
- (iii) (a) EBITDA and EBIT for Swire Coca-Cola (including that of Shanghai Shen-Mei and excluding non-recurring gains and central and other costs) were HK\$4,751 million (2023: HK\$6,476 million) and HK\$2,534 million (2023: HK\$3,858 million) respectively.  
(b) EBITDA margin and EBIT margin represent EBITDA and EBIT expressed as percentages of revenue (which includes that of Shanghai Shen-Mei and excludes sales to other bottlers).
- (iv) The percentage change figures of Thailand and Laos are not applicable as the franchise businesses in Thailand and Laos became subsidiaries only on 30th September 2024.
- (v) The figures include the results of Thailand and Laos from 1st October 2024 to the end of the year, except for water use ratio, energy use ratio and LTIR.
- (vi) The 2023 figures of Swire Coca-Cola include the results of the USA up to the completion of the disposal, except for active outlets as this is a year-end metric.

**2024 RESULTS SUMMARY**

Swire Coca-Cola made an attributable profit of HK\$2,039 million in 2024. This included a non-recurring gain of HK\$651 million, mainly due to the higher Thai Baht exchange rate during the relevant period and the remeasurement of Swire Coca-Cola's equity interest to fair value with the additional shares acquired when TNTC and LCCB became subsidiaries. Attributable profit in 2023 included principally a non-recurring gain of HK\$22,907 million arising from the disposal of the franchise business in the USA. Excluding non-recurring items in both years, the recurring attributable profit in 2024 was HK\$1,388 million, representing a 42% decrease from 2023.

The result in 2024 was adversely affected by the disposal of SCCU in the second half of 2023, partly offset by the contribution from the newly acquired franchise businesses in Thailand and Laos. Disregarding the effect of the disposal of SCCU (including the management fee received after the disposal), there was an increase of 20% in the recurring attributable profit from 2023. Swire Coca-Cola continues to receive an annual management fee for management and administrative support services it provides to SCCU.

Total revenue (including that of Shanghai Shen-Mei and excluding sales to other bottlers) decreased by 27% to HK\$37,932 million. Sales volume decreased by 7% to 1,796 million unit cases. Revenue grew despite lower sales volume in the Chinese Mainland and Cambodia. Both revenue and volume increased in Taiwan. Revenue remained flat in Hong Kong and Vietnam despite lower sales volume.

EBITDA (including that of Shanghai Shen-Mei and excluding central and other costs) decreased by 27% to HK\$4,751 million. The EBITDA margin remained flat at 12.5%.

On 9th February 2024, Swire Coca-Cola entered into an agreement and conditionally agreed to acquire (through purchases and subscriptions in two phases) a majority stake in TNTC for an aggregate consideration of approximately THB42,615.7 million (equivalent to approximately HK\$9,470.1 million), subject to customary post-completion adjustments and excluding the deemed exercise of the put option. TNTC, together with its subsidiary in Laos, is principally engaged in the business of manufacturing, distribution and sale of non-alcoholic ready-to-drink beverages bearing trademarks owned by TCCC in Laos and the northern and central regions of Thailand.

On the same date, TNTC conditionally agreed to acquire 30% of each of the issued share capital of the franchise business in Cambodia and the charter capital of the franchise business in Vietnam for an aggregate consideration of approximately US\$271.1 million (equivalent to approximately HK\$2,114.6 million), subject to customary post-completion adjustments.

On 9th February 2024, the first phase of the acquisition took place and Swire Coca-Cola became interested in 39% of the issued share capital of TNTC.

On 30th September 2024, the second phase of the acquisition was completed, and Swire Coca-Cola became indirectly interested in approximately 55.7% of the issued share capital of TNTC. Accordingly, TNTC became a non-wholly-owned subsidiary of Swire Coca-Cola.

A share restructure was completed on 27th December 2024 under which the remaining 30% issued share capital in LCCB not owned by TNTC were acquired with TNTC shares, reducing Swire Coca-Cola's equity interest in TNTC to approximately 55.6%.

The disposal of 30% of the issued share capital of the franchise business in Cambodia to TNTC was completed on 31st December 2024. The disposal of 30% of the charter capital of the franchise business in Vietnam to TNTC remains subject to certain conditions including applicable regulatory approvals.

In 2024, Swire Coca-Cola continued to make significant investments in production assets, logistics infrastructures, merchandising equipment and digital capabilities. Capital commitments at 31st December 2024 were HK\$4,773 million.

### **Chinese Mainland**

Attributable profit from the Chinese Mainland was HK\$839 million in 2024, a 6% increase from 2023. Excluding the non-recurring gain in 2023, the increase would have been 11%.

Revenue (including that of Shanghai Shen-Mei and excluding sales to other bottlers) increased by 3% in local currency terms.

Sparkling revenue increased by 3%. Energy drinks and coffee revenue increased by 41% and 1% respectively.

Total sales volume decreased by 1%.

The increase in revenue and lower raw material costs were partly offset by higher operating expenses and unfavourable exchange rate movements.

EBITDA and EBIT (including that of Shanghai Shen-Mei and excluding non-recurring gain and central and other costs) increased by 8% and 13% in local currency terms respectively. The EBITDA margin increased from 11.0% to 11.5%. The EBIT margin increased from 5.1% to 5.6%.

### **Hong Kong**

Attributable profit from Hong Kong in 2024 was HK\$177 million, a 9% decrease from 2023.

Revenue (excluding sales to other bottlers) remained flat in 2024. Sparkling revenue increased by 1%. Juice, energy drinks and water revenue increased by 7%, 15% and 4% respectively. Tea revenue decreased by 4%.

Total sales volume dropped by 2%.

The result was adversely impacted by higher raw material costs, operating expenses and depreciation charges.

EBITDA and EBIT (excluding central and other costs) decreased by 1% and 11% respectively. The EBITDA margin decreased from 16.8% in 2023 to 16.6% in 2024. The EBIT margin decreased from 9.7% to 8.6%.

### **Taiwan**

Attributable profit from Taiwan in 2024 was HK\$126 million, a 2% increase from 2023.

Revenue in local currency terms increased by 7%. This reflected effective revenue growth management and improved execution excellence.

Sparkling revenue increased by 4%. Still revenue increased by 10%. Coffee and energy drinks revenue increased by 19% and 26% respectively.

Total sales volume increased by 6%.

The increase in revenue was partly offset by higher raw material costs, operating expenses and depreciation charges. Attributable results were impacted by unfavourable exchange rate movements.

EBITDA and EBIT (excluding central and other costs) increased by 17% and 15% in local currency terms respectively. The EBITDA margin increased from 11.5% in 2023 to 12.6% in 2024. The EBIT margin increased from 7.9% to 8.5%.

### **Vietnam and Cambodia**

Attributable profit from Vietnam and Cambodia in 2024 was HK\$235 million, an increase of 19% from 2023, principally due to less interest charges allocated to Vietnam and Cambodia.

Revenue decreased by 4% from 2023 in Hong Kong dollar terms due to the unfavourable exchange rate movements and intense market competition in Vietnam.

Sparkling revenue decreased by 4%. Energy drinks revenue increased by 5%.

Total sales volume decreased by 1%.

The decrease in revenue and higher expense on relocation of the Ho Chi Minh City plant were partly offset by the lower raw material costs and operating expenses. Results were also adversely affected by the depreciation of the Vietnamese Dong.

EBITDA and EBIT (excluding central and other costs) both decreased by 7%. The EBITDA margin decreased from 13.8% in 2023 to 13.2% in 2024. The EBIT margin decreased from 8.0% to 7.7%.

### **Thailand and Laos**

Attributable profit of Thailand and Laos was HK\$916 million. Excluding the non-recurring gain, attributable profit would be HK\$265 million. EBITDA (excluding central and other costs) was HK\$422 million. The EBITDA margin and EBIT margin were 18.6% and 13.6%, respectively. The Thailand market is highly competitive. Phase III of the sugar tax legislation has also adversely impacted the business. These challenges are being managed through close collaboration with TCCC.

### **OUTLOOK**

Revenue growth is expected for the Chinese Mainland. This growth will be underpinned by a strong portfolio and packaging mix, enhanced market execution and efforts on revenue growth management. While rising raw material and operational costs may pose challenges, we are focused on driving efficiencies to mitigate margin pressures. Significant capital investment in plant and equipment continues to support the strengthening of our operational capabilities and long-term growth for this region.

In Hong Kong, the business environment remains challenging with increasing operating costs.

Sales and operations in Taiwan are expected to grow in 2025. Raw material prices and operating expenses are expected to increase.

In Vietnam, despite the headwinds in exchange rate and raw material prices, the business will focus on growing revenue, pricing opportunities, and cost efficiency to deliver steady profit. In Cambodia, volume is expected to grow and offset higher raw material prices and operational costs.

For Thailand and Laos, the competition landscape in the market is challenging. Competitors continue to invest significantly to drive sales volume. The implementation of further sugar tax will likely bring adverse financial impact to the business. Targeted initiatives and productivity improvements will help address some of these challenges.

Our diversified regional portfolio highlights our strategic approach to managing different market conditions and seizing growth opportunities.

**Karen So**

**REVIEW OF OPERATIONS****AVIATION DIVISION****OVERVIEW OF THE BUSINESS**

The Aviation Division comprises an associate interest in the Cathay group and the wholly-owned Hong Kong Aircraft Engineering Company (HAECO) group.

**The Cathay group**

Cathay Pacific Airways Limited (Cathay Pacific) is listed on The Stock Exchange of Hong Kong Limited. The Cathay group includes Cathay Pacific, Hong Kong Express Airways Limited (HK Express) and AHK Air Hong Kong Limited (Air Hong Kong) and associate interests in Air China Limited (Air China) and Air China Cargo Co., Ltd. (Air China Cargo). Cathay Pacific also has interests in companies providing flight catering and passenger and ramp handling services, and owns and operates a cargo terminal at Hong Kong International Airport.

At 31st December 2024, Cathay Pacific and HK Express offered scheduled passenger services to 88 destinations worldwide. Cathay Cargo offered scheduled freighter services to 41 destinations worldwide, in addition to utilising belly capacity on the group's passenger flights. There are also codeshare agreements in relation to 154 passenger destinations. At 31st December 2024, Cathay Pacific had 180 aircraft and had ordered 71 new aircraft for future delivery.

HK Express is a low-cost airline based in Hong Kong and offers scheduled services within Asia. At 31st December 2024, it had 41 aircraft and had ordered 22 new aircraft for future delivery.

Air Hong Kong operates express cargo services for DHL Express to 17 cities in Asia, the Middle East, Europe and Australia. At 31st December 2024, Air Hong Kong operated 15 freighters.

As at 31st December 2024, Cathay Pacific owned 15.09% of Air China, the national flag carrier and a leading provider of passenger, cargo and other airline-related services in the Chinese Mainland. Air China Cargo, in which the Cathay group owns an equity and an economic interest totalling 21.36%, is the leading provider of air cargo services in the Chinese Mainland.

The Cathay group employed more than 30,100 people (around 84% of them in Hong Kong) at 31st December 2024.

**The HAECO group**

The HAECO group provides aviation maintenance and repair services. Its primary activities are aircraft maintenance and modification work in Hong Kong (by HAECO Hong Kong), in Xiamen (by HAECO Xiamen) and in the USA (by HAECO Americas), on-wing and off-wing engine support, and engine overhaul work in Hong Kong (by HAECO's 50% joint venture company, HAESL) and in Xiamen (by HAECO Engine Services (Xiamen)).

The HAECO group has subsidiaries and joint venture companies in the Chinese Mainland which offer a range of aircraft engineering services.

HAECO is a wholly-owned subsidiary of Swire Pacific.

**STRATEGY:**

The strategic objective of Cathay Pacific (as a listed company in its own right) is sustainable growth in shareholder value over the long term. The strategies employed by Cathay Pacific in order to achieve this objective (and the strategic objectives of HAECO) are these:

- Excelling in customer service, operational and safety performance, productivity and the creation of value.
- Capitalising on the opportunities presented by the Greater Bay Area.
- Contributing to the development of Hong Kong as an international aviation and logistics centre.
- Developing Cathay Pacific's premium lifestyle travel brand.
- Developing HK Express as a successful low-cost carrier.
- Building on Cathay Pacific's digital leadership.
- Achieving net-zero carbon emissions by 2050.
- Developing and strengthening the HAECO brand.
- Increasing the range and depth of aircraft engineering services offered by HAECO.
- Maintaining and enhancing HAECO's high standards of service to aircraft engineering customers.

**2024 PERFORMANCE**
**Aviation Division – Financial Highlights**

	2024 HK\$M	2023 HK\$M
<b>HAECO group</b>		
Revenue	21,662	17,787
Operating profit	40	224
Attributable profit	399	45
<b>Cathay group</b>		
Share of post-tax profit from associated companies	4,449	4,405
<b>Attributable profit</b>	<b>4,697</b>	<b>3,393</b>

**Accounting for the Aviation Division**

The Group accounts for its associate interest in the Cathay group using the equity method of accounting. The Group recognises its share of net profit or loss as a single line-item in the consolidated statement of profit or loss. The figures of the HAECO group and the Cathay group above do not include Swire Pacific's consolidation adjustments. In 2023, an impairment loss of HK\$675 million was recognised for the Group's interest in HAESL, a joint venture company of the HAECO group. The impairment loss was part of the consolidation adjustments and was not included in the HAECO group's results.

**Cathay Pacific – 2024 Performance**

		2024	2023	Change
Available tonne kilometres (ATK)	Million	24,836	21,225	+17.0%
Revenue tonne kilometres (RTK)	Million	17,362	15,090	+15.1%
Cost per ATK (with fuel)*	HK\$	3.40	3.55	-4.2%
Fuel consumption per million ATK	Barrels	1,289	1,241	+3.9%
Fuel consumption per million RTK	Barrels	1,844	1,746	+5.6%
Cost per ATK (without fuel)*	HK\$	2.36	2.47	-4.5%
Aircraft utilisation (including parked aircraft)	Hours per day	9.4	7.7	+22.1%
Average age of fleet	Years	11.8	11.1	+0.7year
Passenger revenue	HK\$M	62,595	55,951	+11.9%
Available seat kilometres (ASK)	Million	111,789	85,607	+30.6%
Revenue passenger kilometres (RPK)	Million	93,016	73,342	+26.8%
Passenger revenue per ASK	HK¢	56.0	65.4	-14.4%
Revenue passengers carried	'000	22,827	17,985	+26.9%
Passenger load factor	%	83.2	85.7	-2.5%pt
Passenger yield	HK¢	67.3	76.3	-11.8%
On-time performance (passenger)	%	72.9	76.2	-3.3%pt
Cargo revenue	HK\$M	24,000	22,162	+8.3%
Available freight tonne kilometres (AFTK)	Million	14,193	13,069	+8.6%
Revenue freight tonne kilometres (RFTK)	Million	8,503	8,099	+5.0%
Cargo revenue per AFTK	HK\$	1.69	1.70	-0.6%
Cargo carried	'000 Tonnes	1,532	1,381	+10.9%
Cargo load factor	%	59.9	62.0	-2.1%pt
Cargo yield	HK\$	2.82	2.74	+2.9%

\* Cost per ATK represents total operating costs divided by ATK for the year.

**Cathay group****2024 AIRLINE INDUSTRY REVIEW**

The Cathay group has achieved a number of milestones in 2024, as the group focused its efforts on completing the two-year rebuilding journey while also investing for the future. A key focus was on rebuilding connectivity at the Hong Kong international aviation hub to cater for the ongoing robust travel demand. In total, Cathay Pacific and HK Express launched passenger services to 15 destinations in 2024. However, passenger yields continued to normalise as the supply of flights increased to meet demand in the overall market.

Cargo performance was also strong, with the additional belly space provided by the increased passenger flights, which enabled the Cathay group to carry more cargo.

**2024 RESULTS SUMMARY**

The Cathay group's attributable profit on a 100% basis was HK\$9,888 million in 2024, compared with a profit of HK\$9,789 million in 2023. Cathay Pacific reported an attributable profit after tax of HK\$9,799 million (2023: profit of HK\$11,341 million). Its loss from subsidiaries was HK\$199 million (2023: profit of HK\$10 million). Its share of profits from associates (most of which are recognised three months in arrears) was HK\$288 million (2023: loss of HK\$1,562 million). The attributable profit for 2024 included a non-recurring non-cash gain of HK\$578 million as a result of a dilution of the Cathay group's interest in Air China and Air China Cargo following the completion of Air China's H-shares offering in February 2024 and completion of A-shares offering in December 2024, as well as Air China Cargo's shares listing in December 2024.

**Passenger Services****Cathay Pacific**

Passenger revenue in 2024 was HK\$62,595 million, an increase of 12% compared to 2023. Revenue passenger kilometres increased by 27%. Capacity, measured in available seat kilometres, increased by

31%. 22.8 million passengers were carried, an average of 62,500 passengers per day, 27% more than in 2023. The load factor was 83.2%, compared with 85.7% in 2023.

**HK Express**

HK Express reported a loss of HK\$400 million for 2024 (2023: profit of HK\$433 million). This was primarily due to increased pressure on yields caused by the rapid normalisation of airfares in regional markets amid increased capacity within the region, as well as the grounding of an average of five of the airline's A320neo aircraft due to industry-wide Pratt & Whitney engine issues.

**Cargo Services****Cathay Pacific**

The cargo revenue of Cathay Pacific in 2024 was HK\$24,000 million, an increase of 8% compared to 2023. Revenue freight tonne kilometres increased by 5%. Capacity, measured by available freight tonne kilometres, increased by 9%. The load factor decreased by 2.1 percentage points to 59.9%. Yield increased by 3% to HK\$2.82.

**Air Hong Kong**

Air Hong Kong recorded a profit in 2024, reflecting a consistently solid performance.

**Operating Costs**

Non-fuel costs increased by 12% to HK\$58,707 million. Total fuel costs for Cathay Pacific (before the effect of fuel hedging) increased by HK\$2,262 million (or 10%) compared with 2023, due to the increase in capacity, although fuel prices were lower.

**Fleet Profile**

At 31st December 2024, the total number of aircraft in the Cathay group's fleet was 236.



**Fleet Profile<sup>(i)</sup>**

Aircraft type	Number at 31st December 2024			Total	Average age	Orders <sup>(iii)(ix)(x)</sup>			Total	Expiry of leases without asset transfer <sup>(ii)</sup>						
	Leased <sup>(ii)</sup>		Owned			25	26	27 and beyond		25	26	27	28	29	30 and beyond	
	With asset transfer	Without asset transfer														
<b>Cathay Pacific (Passenger aircraft):</b>																
A321/A320-200neo	5	6	5	<b>16</b>	2.1	3 <sup>(xi)</sup>	11 <sup>(iv)</sup>	<b>14</b>								5
A330-300	39		4	<b>43</b>	16.3					2	1		1			
A330-900							30	<b>30</b>								
A350-900	20	8	2	<b>30</b>	6.7								2			
A350-1000	11	7		<b>18</b>	5.1											
777-300	17			<b>17</b>	23.2											
777-300ER	24		12	<b>36</b>	12.2					1	4	1				6
777-9							21 <sup>(xi)</sup>	<b>21</b>								
<b>Cathay Pacific (Freighter):</b>																
A350F							6	<b>6</b>								
747-400ERF	6			<b>6</b>	16.0											
747-8F	11	3		<b>14</b>	11.9											
<b>Total</b>	<b>133</b>	<b>24</b>	<b>23</b>	<b>180</b>	<b>11.8</b>	<b>-</b>	<b>3</b>	<b>68</b>	<b>71</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>3</b>	<b>-</b>	<b>11</b>	
<b>HK Express:</b>																
A320-200	3 <sup>(v)</sup>		3	<b>6</b>	16.8								2	1		
A320-200neo			10	<b>10</b>	5.8	2	6 <sup>(iv)(vi)</sup>	<b>8</b>					2	2	6	
A321-200	2 <sup>(v)</sup>		11	<b>13</b>	9.4					1	2					8
A321-200neo	5 <sup>(v)</sup>	7 <sup>(v)</sup>		<b>12</b>	0.7	4	3 <sup>(xi)</sup>	7 <sup>(iv)(vi)</sup>	<b>14</b>							
<b>Total</b>	<b>10</b>	<b>7</b>	<b>24</b>	<b>41</b>	<b>7.1</b>	<b>4</b>	<b>5</b>	<b>13</b>	<b>22</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>4</b>	<b>3</b>	<b>14</b>	
<b>Air Hong Kong<sup>(vii)(viii)</sup>:</b>																
A300-600F			3	<b>3</b>	19.1								3			
A330-243F			2	<b>2</b>	13.0								2			
A330-300P2F			10	<b>10</b>	13.2								3	4	3	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>15</b>	<b>14.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>5</b>	<b>-</b>	<b>4</b>	<b>3</b>	<b>-</b>	
<b>Grand total</b>	<b>143</b>	<b>31</b>	<b>62</b>	<b>236</b>	<b>11.1</b>	<b>4</b>	<b>8</b>	<b>81</b>	<b>93</b>	<b>7</b>	<b>12</b>	<b>1</b>	<b>11</b>	<b>6</b>	<b>25</b>	

**Notes:**

- (i) The table does not reflect aircraft movements after 31st December 2024.
- (ii) Leases without asset transfer components are accounted for in a similar manner to leases with asset transfer components under accounting standards. The majority of leases without asset transfer components in the above table are within the scope of HKFRS 16.
- (iii) The group believes that based on its available unrestricted liquidity as at 31st December 2024, as well as its ready access to both loan and debt capital markets, it will have sufficient financing capacity to fund this material investment in the fleet.
- (iv) Final number subject to reallocation between Cathay Pacific and HK Express.
- (v) The aircraft are sub-leased to HK Express.
- (vi) Final split between Airbus A320-200neo and A321-200neo subject to adjustment in accordance with future operational requirements.
- (vii) The contractual arrangements relating to the freighters operated by Air Hong Kong do not constitute leases in accordance with HKFRS 16.
- (viii) The group plans to replace its entire fleet of Airbus A300-600F freighters with second-hand A330F freighters. The remaining three A300-600F freighters are expected to be returned in 2025.
- (ix) The group took delivery of 12 aircraft in 2024.
- (x) The group also has the right to acquire 82 additional aircraft.
- (xi) According to the latest expectation as at end of February 2025.

**Air China and Air China Cargo**

The Cathay group's share of the results of Air China and Air China Cargo is based on their financial statements drawn up three months in arrears. Consequently, the 2024 results include Air China's and Air China Cargo's results for the 12 months ended 30th September 2024, adjusted for any significant events or transactions for the period from 1st October 2024 to 31st December 2024.

For the 12 months ended 30th September 2024, financial results for Air China improved due to the recovery of the civil aviation market, increased fleet efficiency, and stricter cost management.

In February 2024, the Cathay group's interest in Air China was diluted from 16.26% to 15.87% as a result of Air China issuing new H shares to a specific investor. In December 2024, the Cathay group's interest in Air China was further diluted from 15.87% to 15.09% following the issuance of new A shares.

In December 2024, Air China Cargo was listed on the Shenzhen Stock Exchange, as a result, the Cathay group's interest in Air China Cargo was diluted from 24.00% to 21.36%.

**OUTLOOK**

With the launch of the Three-Runway System at Hong Kong International Airport, this paves the way for an exciting new era for the Hong Kong international aviation hub and for the Cathay group. The group has reached 100% of its pre-pandemic flights from January 2025. It will operate passenger services to more than 100 destinations around the world in 2025. Over the coming years, the group's HK\$100 billion investment both in the air and on the ground will help to expand and modernise the fleet to achieve the goal of net-zero carbon emissions by 2050.

**Ronald Lam**

**Hong Kong Aircraft Engineering Company (HAECO) group**

<b><u>HAECO Group – Financial Highlights</u></b>		<b>2024</b>	2023
		<b>HK\$M</b>	HK\$M
<b>Revenue</b>			
Airframe		<b>8,159</b>	7,056
Components		<b>2,337</b>	1,824
Engine		<b>11,011</b>	8,247
Cabin		-	474
Others		<b>155</b>	186
		<b>21,662</b>	17,787
<b>Operating profit</b>		<b>40</b>	224
<b>Attributable profits/(losses)</b>			
Airframe		<b>203</b>	74
Components		<b>(88)</b>	188
Engine		<b>739</b>	589
Cabin		<b>(10)</b>	(272)
Others		<b>(172)</b>	(114)
<b>Attributable profit (excluding non-recurring items)</b>		<b>672</b>	465
Airframe – gain on disposal of non-current assets at a joint venture company in the Chinese Mainland		<b>197</b>	-
Components – provision and fixed asset impairment for exiting ITM operation		<b>(470)</b>	-
Cabin – loss on disposal of cabin business		-	(420)
<b>Attributable profit</b>		<b>399</b>	45
<b><u>HAECO Group – Operating Highlights</u></b>		<b>2024</b>	2023
Airframe – base maintenance manhours sold			
HAECO Hong Kong	<i>Million</i>	<b>2.70</b>	2.62
HAECO Xiamen	<i>Million</i>	<b>4.18</b>	4.17
HAECO Americas	<i>Million</i>	<b>2.99</b>	2.71
Total	<i>Million</i>	<b>9.87</b>	9.50
Airframe – line maintenance movements handled			
Hong Kong	<i>Thousand</i>	<b>99</b>	83
Chinese Mainland	<i>Thousand</i>	<b>34</b>	22
Total	<i>Thousand</i>	<b>133</b>	105
Engines overhauled			
HAESL		<b>336</b>	300
HAECO Engine Services (Xiamen)		<b>110</b>	95

**2024 AVIATION MAINTENANCE AND REPAIR INDUSTRY REVIEW**

The industry experienced a strong post-pandemic recovery in 2024. Continuing robust demand for travel and air cargo drove the increase in demand for maintenance and repair of airframes, particularly line maintenance in Hong Kong.

**2024 RESULTS SUMMARY**

The HAECO group reported an attributable profit of HK\$399 million for 2024. This includes a share of non-recurring gain on disposal of non-current assets of HK\$197 million in a joint venture company in the Chinese Mainland, and a share of non-recurring loss of HK\$470 million representing a provision made for the costs of exiting the inventory technical management (ITM) operation that is anticipated to be completed in 2025 and impairment on fixed assets. This compares with an attributable profit of HK\$45 million in 2023 which included a non-recurring loss on disposal of the cabin business of HK\$420 million.

The HAECO group's recurring attributable profit for 2024 was HK\$672 million, HK\$207 million higher than the profit in 2023. The recurring profit increase was primarily attributable to a continuous recovery of line maintenance activity and a growth in the demand for engine overhaul at HAESL and HAECO Engine Services (Xiamen). The increase in base maintenance manhours sold and workload of most of the components businesses also contributed to the group's profit growth. The recurring attributable result of 2023 included the loss incurred in the operation of the cabin business which was disposed of in September 2023. These favourable factors more than compensated for the recurring loss incurred by HAECO ITM in 2024 (compared to a profit in 2023).

At 31st December 2024, HAECO had outstanding capital commitments of HK\$4,136 million.

**Airframe**

The airframe business of the HAECO group delivered a recurring attributable profit of HK\$203 million in 2024, a 174% increase from 2023. Revenue grew by 16% which was a combined outcome of the continuous recovery of line maintenance movements handled (27% more than in 2023) and growth in the base maintenance manhours sold in 2024 (4% more than in 2023). HAECO Hong Kong, HAECO Xiamen and HAECO Americas all did more base maintenance work in 2024.

The HAECO group recorded a share of non-recurring gain on non-current asset disposal of HK\$197 million at an airframe joint venture company operating in the Chinese Mainland. The gain represented the compensation received, net of the carrying amount of non-current assets derecognised, after the relocation of hangars within the same airport which was completed in the first half of 2024.

**HAECO Hong Kong**

The airframe business of HAECO Hong Kong recorded a significantly lower loss in 2024 than in 2023. Line maintenance reported a substantial growth in revenue reflecting the continued recovery in air traffic and strong demand from freighter customers. Approximately 99,000 line maintenance aircraft movements were handled in 2024, an increase of 19% compared with 2023. 2.70 million base maintenance manhours were sold in 2024, which were 3% more than those sold in 2023, reflecting a stable demand.

**HAECO Xiamen**

In 2024, the attributable profit of HAECO Xiamen's airframe services was broadly the same as last year. 4.18 million base maintenance manhours were sold in 2024, a marginal increase of 0.01 million manhours over 2023, reflecting a stable demand for base maintenance.

**HAECO Americas**

The airframe business of HAECO Americas recorded a higher operating profit in 2024 than in 2023, mainly driven by higher volume of base maintenance work and improved productivity. Demand for base maintenance work was steady with output benefitting from an increase in skilled labour. 2.99 million manhours were sold in 2024, 10% higher than in 2023.

**Components**

Revenue from the components business in 2024 grew by 28% versus 2023. However, a recurring attributable loss of HK\$88 million was incurred in 2024, compared to a recurring attributable profit of HK\$188 million in 2023. HAECO ITM suffered a substantial recurring loss in 2024, compared to a profit in 2023, as supply chain challenges significantly increased repair costs and turnaround time. The remaining components business (including component repair and overhaul business, HAECO Landing Gear Services and HAECO Composite Services) all performed well and recorded recurring profit increases in 2024.

HAECO ITM will discontinue its operation in 2025. The components business recorded a share of non-recurring loss of HK\$470 million representing a provision made for the costs of exit that is anticipated to be completed in 2025 and impairment on fixed assets.

**Engine**

The attributable profit from the engine business was HK\$739 million in 2024, a 25% increase from 2023. Revenue (comprising that of HAECO Engine Services (Xiamen) and the Global Engine Support business and excluding that of HAESL, which is not consolidated) grew by 34%. The profit growth mainly resulted from a strong demand for engine overhaul at HAESL and HAECO Engine Services (Xiamen).

**HAESL**

HAESL recorded an increase in attributable profit from 2023 to 2024. The increase reflected more engines being overhauled. Repair and overhaul services were performed on 336 engines, compared with 300 in 2023.

**HAECO Engine Services (Xiamen)**

HAECO Engine Services (Xiamen) recorded a substantial increase in attributable profit from 2023 to 2024. 82 performance restoration worksopes and 28 quick turn worksopes on GE90 aircraft engines were performed in 2024 (compared with 75 performance restoration worksopes and 20 quick turn worksopes in 2023). The profit growth reflected a strong demand for repair and overhaul of GE90 aircraft engines and modules.

**Global Engine Support**

Results of the Global Engine Support business (which provides on-wing and off-wing engine support from HAECO group's facilities mainly in Hong Kong, Dallas, Amsterdam and London) in 2024 improved from 2023 benefitting from the growth in demand for engine repair services in Hong Kong and Dallas.

**OUTLOOK**

Demand for base maintenance in 2025 is expected to remain stable. With air traffic in Hong Kong anticipated to further recover towards the pre-pandemic level, line maintenance work is expected to continue its growth in 2025. Demand for engine services is expected to remain strong in 2025.

The exit of the cabin business in 2023, and planned discontinuation of ITM's operation in 2025 align with HAECO's plans to focus on its core businesses and drive growth in areas where the group sees the most potential.

The steel structure roof closure and the installation of metal roofs on HAECO Xiamen's hangars at the new Xiamen airport were completed in 2024. The relocation project is progressing to mechanical, electrical and plumbing installation, interior renovations, and the construction of the enclosure structure, which are anticipated to complete by the end of 2025. The installation of maintenance, repair and overhaul equipment is currently underway and targeted to complete in 2026. The relocation to the new airport will be material to HAECO Xiamen's operations from 2026.

**Richard Sell**

**REVIEW OF OPERATIONS****HEALTHCARE****OVERVIEW OF THE BUSINESS****DeltaHealth**

In April 2024, the Group completed the acquisition of a controlling stake in DeltaHealth China Limited (DeltaHealth), a healthcare provider in the Chinese Mainland specialising in cardiovascular care. DeltaHealth operates Shanghai DeltaHealth Hospital, a cardiovascular-focused general hospital, and DeltaWest Clinic, an outpatient clinic in the Gubei area of the Changning district. The acquisition marked the Group's first control position in healthcare and aligns with our healthcare strategy of being a long-term owner and operator of healthcare services.

**Columbia China Healthcare**

The Group has an associate investment in Columbia China Healthcare Co., Limited, which owns and operates private hospitals and senior housing in the Yangtze River Delta area.

**Shenzhen New Frontier United Family Hospital and HEAL Medical Group**

The Group has an associate investment in SHH Core Holding Limited, which owns Shenzhen New Frontier United Family Hospital, a private hospital operated by United Family Healthcare in Shenzhen and HEAL Medical Group. HEAL Medical Group operates three clinics in Hong Kong – HEAL Oncology, HEAL Medical and HEAL Fertility. In 2024, SHH Core Holding Limited issued additional shares to new investors, resulting in a dilution of shareholding from 20% to 16.97% and a gain on deemed disposal of HK\$20 million was recorded. In February 2025, the shareholding was further diluted to 15.04% following another share issuance to new investors. In 2024, HEAL Medical Group also acquired Hong Kong Integrated Oncology Centre, a cancer treatment provider which operates three oncology centres in Hong Kong.

**Indonesia Healthcare Corporation (IHC)**

In July 2024, the Group made an investment in IHC, a hospital group in Indonesia. IHC comprises 37 majority-owned hospitals and operates 73 clinics throughout Indonesia. The investment in IHC marks the Group's first healthcare investment in South East Asia, and is in line with the Group's strategy to identify new healthcare opportunities in regions within Asia in which we already have a commercial presence.

**2024 RESULTS SUMMARY**

The attributable loss from the healthcare companies was HK\$326 million in 2024, compared with a loss of HK\$420 million in 2023. In 2023, an impairment charge of HK\$250 million was made in respect of the investment in DeltaHealth.

**OUTLOOK**

With the investments described above, the Group has exposure to the healthcare sector in the Chinese Mainland and Indonesia. We have invested HK\$3.1 billion (including committed investments) in the sector. We are actively working to grow our healthcare services platform and will continue to seek investment opportunities in major city clusters in the Chinese Mainland and in South East Asia. We will remain disciplined in our approach towards valuation, ensuring sustainable and stable returns for shareholders.

**Jeffrey Staples**

**REVIEW OF OPERATIONS**
**TRADING & INDUSTRIAL**
**2024 PERFORMANCE**
**Trading & Industrial – Financial Highlights**

	<b>2024</b>	2023
	<b>HK\$M</b>	HK\$M
<b>Revenue</b>		
Swire Resources	<b>2,279</b>	2,402
Taikoo Motors	<b>5,216</b>	6,401
Swire Foods	<b>1,511</b>	1,659
Swire Environmental Services	<b>127</b>	185
	<b>9,133</b>	10,647
<b>Operating profits/(losses)</b>		
Swire Resources	<b>66</b>	108
Taikoo Motors	<b>185</b>	222
Swire Foods	<b>24</b>	23
Swire Environmental Services	<b>31</b>	63
Central costs	<b>(10)</b>	(16)
	<b>296</b>	400
<b>Attributable profits/(losses)</b>		
Swire Resources	<b>50</b>	90
Taikoo Motors	<b>134</b>	165
Swire Foods	<b>11</b>	7
Swire Environmental Services	<b>26</b>	53
Central costs	<b>(10)</b>	(16)
	<b>211</b>	299
<b>Attributable profit</b>	<b>211</b>	299

**2024 INDUSTRY REVIEW**

**Footwear and apparel business in Hong Kong and the Chinese Mainland** – In 2024, footwear and apparel sales decreased by 10% in Hong Kong and was on a par with sales in 2023 in the Chinese Mainland.

**Car sales in Taiwan** – Car registrations in Taiwan decreased by 4% to 457,816 units in 2024.

**Bakery sales in the Chinese Mainland** – Retail sales of bakery products in the Chinese Mainland increased by 3% in 2024.

**Sugar sales in the Chinese Mainland** – The volume of sugar sold in the Chinese Mainland decreased by 1% to 34,172 million pounds in 2024.

**2024 RESULTS SUMMARY**

The attributable profit of the trading & industrial businesses in 2024 was HK\$211 million, compared with an attributable profit of HK\$299 million in 2023.

**Swire Resources**

The attributable profit of Swire Resources in 2024 was HK\$50 million, compared with an attributable profit of HK\$90 million in 2023. The decrease was due to significant outbound travel of locals and reduced spending of tourists.

Revenue and gross profit in 2024 were 5% lower than in 2023. Costs were tightly managed.



178 retail outlets were operated in Hong Kong and Macau at the end of 2024, eleven more than the end of 2023. Six retail outlets were operated in the Chinese Mainland at the end of 2024, the same number as at the end of 2023.

### **Taikoo Motors**

The attributable profit of Taikoo Motors decreased to HK\$134 million in 2024 from HK\$165 million in 2023.

16,438 vehicles were sold in 2024, 16% fewer than in 2023. The drop in vehicle sales and profits were due to keen market competitions, particularly in product portfolio and pricing. However, aftersales revenue and profits grew steadily.

### **Swire Foods**

Swire Foods reported an attributable profit of HK\$11 million in 2024, compared with an attributable profit of HK\$7 million in 2023.

Qinyuan Bakery recorded an attributable profit of HK\$5 million in 2024 compared with an attributable profit of HK\$3 million in 2023.

The revenue of Qinyuan Bakery decreased by 13% in 2024. The gross profit percentage decreased by 1 percentage point. The decrease in revenue was more than offset by enhancements in business model and cost structure. Qinyuan Bakery operated 413 stores at the end of 2024, compared with 363 stores at the end of 2023.

Taikoo Sugar recorded an attributable profit of HK\$6 million in 2024, compared to a profit of HK\$4 million in 2023. The increase in profit was mainly because of the absence of a one-off closure expense incurred for the factory in Shanghai in 2023. The 2024 volume of sugar sold decreased by 1%. Current trend of reduction in sugar consumption and northbound spending have put pressure on sales volume.

### **Swire Environmental Services**

Swire Environmental Services made an attributable profit of HK\$26 million in 2024, compared with an attributable profit of HK\$53 million in 2023. The decrease was due to the expiry of a waste transfer services contract with the HKSAR Government in March 2024.

### **OUTLOOK**

The trend of local outbound travel and changing tourist spending pattern are expected to remain similar as that in 2024. With cost management efforts, slight improvement in the profit of Swire Resources is anticipated.

At Taikoo Motors, vehicle sales continue to be challenging but aftersales will continue to expand given the growth of car population and new investment in workshop facilities.

Qinyuan Bakery will continue to rationalise its product range, and to make its supply chain more agile and efficient, all with a view to improving longer term performance.

At Taikoo Sugar, we expect sales to be under pressure in 2025 due to the changes in consumption trend in Hong Kong and overall softness in global economy. However, with product and channel revamp and efforts to improve cost efficiency, we expect to maintain our business performance in 2025.

The profit of Swire Environmental Services is expected to decline further in 2025 as a result of the full-year impact of the expiry of the waste transfer services contract.

### **David Cogman**

## FINANCIAL REVIEW

Additional information is provided below to reconcile reported and underlying profit attributable to the Company's shareholders. The reconciling items principally adjust for the fair value movements on investment properties and the associated deferred tax in the Chinese Mainland and the USA, and for other deferred tax provisions in relation to investment properties. Amortisation of right-of-use assets classified as investment properties is charged to underlying profit. There are further adjustments to remove the effect of remeasurement gains on interests in joint venture companies which became subsidiary companies after completion of acquisition and a bargain purchase gain arising from the acquisition of an additional interest in a joint venture company.

<b>Audited Financial Information</b>			
	Note	2024 HK\$M	2023 HK\$M
<b>Underlying profit</b>			
Profit attributable to the Company's shareholders		<b>4,321</b>	28,853
Adjustments in respect of investment properties:			
Fair value losses in respect of investment properties	(i)	<b>6,197</b>	4,423
Deferred tax on investment properties	(ii)	<b>1,283</b>	461
Fair value gains realised on sale of interests in investment properties	(iii)	<b>534</b>	4,398
Depreciation of investment properties occupied by the Group	(iv)	<b>29</b>	29
Amortisation of right-of-use assets reported under investment properties	(v)	<b>(78)</b>	(81)
Remeasurement gains on interests in joint venture companies which became subsidiary companies after completion of acquisition	(vi)	-	(306)
Reversal of impairment loss on a hotel held as part of a mixed-use development	(vii)	<b>(11)</b>	-
Bargain purchase gain arising from the acquisition of an additional interest in a joint venture company	(viii)	<b>(566)</b>	-
Non-controlling interests' share of fair value movements less deferred tax		<b>(1,238)</b>	(1,600)
<b>Underlying profit attributable to the Company's shareholders</b>		<b>10,471</b>	36,177
Notes:			
(i) This represents the fair value movements as shown in the Group's consolidated statement of profit or loss and the Group's share of fair value movements of joint venture and associated companies.			
(ii) This represents deferred tax movements on the Group's investment properties, plus the Group's share of deferred tax movements on investment properties held by joint venture and associated companies. These comprise deferred tax on fair value movements on investment properties in the Chinese Mainland and the USA, and deferred tax provisions made in respect of investment properties held for the long term where it is considered that the liability will not reverse for some considerable time. It also includes certain tax adjustments arising from transfers of investment properties within the Group.			
(iii) 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 fair value gains/(losses) were transferred from the revaluation reserve to the consolidated statement of profit or loss.			
(iv) Prior to the implementation of HKAS 40, no depreciation was charged on investment properties occupied by the Group.			
(v) HKFRS 16 amends the definition of investment property under HKAS 40 to include properties held by lessees as right-of-use assets to earn rentals or for capital appreciation or both, and requires the Group to account for such right-of-use assets at their fair value. The amortisation of such right-of-use assets is charged to underlying profit.			
(vi) The remeasurement gains on interests in joint venture companies were calculated principally by reference to the estimated market value of the underlying properties portfolio of the joint venture companies, netting off with all related cumulative exchange difference.			
(vii) Under HKAS 40, hotel properties are stated in the accounts at cost less accumulated depreciation and any provision for impairment losses, rather than at fair value. If HKAS 40 did not apply, wholly-owned and joint venture hotel properties held for the long term as part of mixed-use property developments would be accounted for as investment properties. Accordingly, any increase or decrease in their values would be recorded in the revaluation reserve rather than in the consolidated statement of profit or loss.			
(viii) Bargain purchase gain arising from the acquisition of an additional interest in a joint venture company was calculated principally by reference to the market value of the underlying properties portfolio of the joint venture company in comparison with the consideration paid.			

**Financial Review (continued)**

Recurring underlying profit is provided below to show the effect of significant non-recurring items.

	<b>2024</b>	2023
	<b>HK\$M</b>	HK\$M
<b>Underlying profit attributable to the Company's shareholders</b>	<b>10,471</b>	36,177
Significant non-recurring items:		
Gain on disposals of interests in investment properties	<b>(237)</b>	(3,513)
Gain on disposals of property, plant and equipment, intangible assets and other investments	<b>(299)</b>	(23,425)
Net remeasurement gains on investments	<b>(592)</b>	-
Fair value gain of investments	<b>(155)</b>	-
Impairment of property, plant and equipment, right-of-use assets, investments and stocks	<b>96</b>	1,210
<b>Recurring underlying profit</b>	<b>9,284</b>	10,449

Recurring underlying profit by division is provided below.

	<b>2024</b>	2023
	<b>HK\$M</b>	HK\$M
Property	<b>5,272</b>	5,942
Beverages	<b>1,388</b>	2,394
Aviation		
Cathay group (Note)	<b>3,978</b>	3,083
HAECO group and others (Note)	<b>654</b>	443
Trading & Industrial	<b>211</b>	299
Head Office, Healthcare and others	<b>(2,219)</b>	(1,712)
<b>Recurring underlying profit</b>	<b>9,284</b>	10,449

Note: Including consolidation adjustments.

**Consolidated Statement of Profit or Loss  
For the year ended 31st December 2024**

	Note	2024 HK\$M	2023 HK\$M
Revenue	2	81,969	94,823
Cost of sales		(51,506)	(59,674)
<b>Gross profit</b>		<b>30,463</b>	35,149
Distribution costs		(11,440)	(14,985)
Administrative expenses		(9,355)	(8,432)
Other operating expenses		(269)	(300)
Other net gains/(losses)		815	(129)
Gain on disposals of subsidiary companies – Swire Coca-Cola, USA		-	23,103
Impairment charges on interests in joint venture and associated companies		-	(925)
Change in fair value of investment properties		(5,974)	(2,860)
<b>Operating profit</b>	3	<b>4,240</b>	30,621
Finance charges		(2,984)	(2,612)
Finance income		573	586
Net finance charges	4	(2,411)	(2,026)
Share of profits of joint venture companies		1,621	617
Share of profits of associated companies		4,335	3,558
<b>Profit before taxation</b>		<b>7,785</b>	32,770
Taxation	5	(3,084)	(2,932)
<b>Profit for the year</b>		<b>4,701</b>	29,838
Profit for the year attributable to:			
The Company's shareholders		4,321	28,853
Non-controlling interests		380	985
		<b>4,701</b>	29,838
Underlying profit attributable to the Company's shareholders		<b>10,471</b>	36,177
		HK\$	HK\$
Earnings per share from profit attributable to the Company's shareholders:	7		
'A' share – basic		3.06	19.96
'B' share – basic		0.61	3.99
'A' share – diluted		2.74	19.66
'B' share – diluted		0.55	3.93

<b>Consolidated Statement of Other Comprehensive Income</b>	<b>2024</b>	2023
<b>For the year ended 31st December 2024</b>	<b>HK\$M</b>	HK\$M
<b>Profit for the year</b>	<b>4,701</b>	29,838
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Revaluation of property previously occupied by the Group		
gains recognised during the year	<b>3</b>	43
deferred tax	-	(12)
Defined benefit plans		
remeasurement gains/(losses) recognised during the year	<b>145</b>	(117)
deferred tax	<b>(16)</b>	9
Changes in the fair value of equity investments at		
fair value through other comprehensive income		
losses recognised during the year	<b>(18)</b>	(15)
deferred tax	<b>(3)</b>	(2)
Share of other comprehensive (loss)/income of joint venture and		
associated companies	<b>(51)</b>	78
Net translation differences	<b>(787)</b>	(221)
	<b>(727)</b>	(237)
<b>Items that may be reclassified subsequently to profit or loss</b>		
Cash flow hedges		
gains/(losses) recognised during the year	<b>55</b>	(191)
transferred to net finance charges	<b>(68)</b>	(57)
transferred from operating profit	<b>176</b>	11
deferred tax	<b>(15)</b>	46
Share of other comprehensive (loss)/income of joint venture		
and associated companies		
recognised during the year	<b>(1,074)</b>	(988)
reclassified to profit or loss on deemed disposal	-	228
reclassified to profit or loss on disposal	<b>(16)</b>	-
Net translation differences		
recognised during the year	<b>(2,826)</b>	(1,041)
reclassified to profit or loss on disposal	-	(45)
	<b>(3,768)</b>	(2,037)
<b>Other comprehensive loss for the year, net of tax</b>	<b>(4,495)</b>	(2,274)
<b>Total comprehensive income for the year</b>	<b>206</b>	27,564
Total comprehensive income/(loss) attributable to:		
The Company's shareholders	<b>741</b>	26,798
Non-controlling interests	<b>(535)</b>	766
	<b>206</b>	27,564

<b>Consolidated Statement of Financial Position</b>		<b>31st</b>	<b>31st</b>
<b>At 31st December 2024</b>		<b>December</b>	<b>December</b>
Note	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>HK\$M</b>	<b>HK\$M</b>	<b>HK\$M</b>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	23,510	20,799	
Investment properties	270,950	280,783	
Intangible assets	31,166	18,041	
Right-of-use assets	9,041	8,766	
Properties held for development	1,201	1,210	
Joint venture companies	26,932	24,479	
Loans due from joint venture companies	15,036	14,853	
Associated companies	35,528	34,781	
Loans due from associated companies	653	332	
Investments at fair value	2,160	1,993	
Other receivables	62	312	
Derivative financial instruments	79	84	
Deferred tax assets	711	567	
Retirement benefit assets	146	68	
	<b>417,175</b>	<b>407,068</b>	
<b>Current assets</b>			
Properties for sale	12,676	9,121	
Stocks and work in progress	7,948	6,747	
Contract assets	1,084	1,033	
Trade and other receivables	11,188	8,708	
Taxation receivable	427	430	
Derivative financial instruments	13	20	
Bank balances and short-term deposits	21,028	14,082	
	<b>54,364</b>	<b>40,141</b>	
Assets classified as held for sale	5,022	543	
	<b>59,386</b>	<b>40,684</b>	
<b>Current liabilities</b>			
Trade and other payables	35,189	27,586	
Contract liabilities	3,386	2,146	
Taxation payable	704	571	
Derivative financial instruments	26	33	
Short-term loans	300	-	
Long-term loans and bonds due within one year	15,466	10,605	
Lease liabilities due within one year	912	873	
	<b>55,983</b>	<b>41,814</b>	
Liabilities associated with assets classified as held for sale	43	-	
	<b>56,026</b>	<b>41,814</b>	
<b>Net current assets/(liabilities)</b>	<b>3,360</b>	<b>(1,130)</b>	
<b>Total assets less current liabilities</b>	<b>420,535</b>	<b>405,938</b>	
<b>Non-current liabilities</b>			
Long-term loans and bonds	75,825	58,613	
Long-term lease liabilities	4,109	4,206	
Derivative financial instruments	454	331	
Other payables	1,337	1,233	
Deferred tax liabilities	19,799	16,660	
Retirement benefit liabilities	344	121	
	<b>101,868</b>	<b>81,164</b>	
<b>NET ASSETS</b>	<b>318,667</b>	<b>324,774</b>	
<b>EQUITY</b>			
Share capital	1,294	1,294	
Reserves	257,006	266,835	
<b>Equity attributable to the Company's shareholders</b>	<b>258,300</b>	<b>268,129</b>	
<b>Non-controlling interests</b>	<b>60,367</b>	<b>56,645</b>	
<b>TOTAL EQUITY</b>	<b>318,667</b>	<b>324,774</b>	

<b>Consolidated Statement of Cash Flows For the year ended 31st December 2024</b>	<b>2024 HK\$M</b>	<b>2023 HK\$M</b>
<b>Operating activities</b>		
Cash generated from operations	<b>12,580</b>	14,479
Interest paid	<b>(3,461)</b>	(3,363)
Interest received	<b>658</b>	515
Tax paid	<b>(2,064)</b>	(2,142)
	<b>7,713</b>	9,489
Dividends received from joint venture and associated companies	<b>2,745</b>	428
<b>Net cash generated from operating activities</b>	<b>10,458</b>	9,917
<b>Investing activities</b>		
Purchase of property, plant and equipment and right-of-use assets	<b>(4,411)</b>	(3,441)
Additions of investment properties	<b>(4,169)</b>	(2,771)
Purchase of intangible assets	<b>(154)</b>	(158)
Proceeds from disposals of property, plant and equipment and right-of-use assets	<b>835</b>	331
Proceeds from disposals of investment properties	<b>454</b>	5,291
Proceeds from disposals of subsidiary companies, net of cash disposed of	<b>-</b>	30,430
Proceeds from disposals of investments at fair value	<b>583</b>	-
Payment for acquisition of subsidiary companies, net of cash acquired	<b>(1,819)</b>	(3,255)
Purchase of shares in joint venture companies	<b>(5,239)</b>	(791)
Purchase of shares in associated companies	<b>(135)</b>	(10,477)
Equity to joint venture companies	<b>(1,032)</b>	(356)
Purchase of investments at fair value	<b>(400)</b>	(341)
Loans to joint venture companies	<b>(779)</b>	(1,754)
Loans to associated companies	<b>(298)</b>	(63)
Repayment of loans by joint venture companies	<b>605</b>	435
Repayment of loans by associated companies	<b>436</b>	17
Advances from/(to) joint venture companies	<b>78</b>	(157)
Decrease in deposits maturing after more than three months	<b>854</b>	169
Initial leasing costs incurred	<b>(7)</b>	(79)
<b>Net cash (used in)/generated from investing activities</b>	<b>(14,598)</b>	13,030
<b>Net cash (outflow)/inflow before financing activities</b>	<b>(4,140)</b>	22,947
<b>Financing activities</b>		
Loans drawn and refinancing	<b>34,925</b>	23,462
Repayment of loans and bonds	<b>(12,702)</b>	(25,886)
Advances from an associated company	<b>2,049</b>	-
Principal elements of lease payments	<b>(965)</b>	(895)
	<b>23,307</b>	(3,319)
Capital contribution from non-controlling interests	<b>64</b>	16
Purchase of non-controlling interests	<b>(755)</b>	-
Repurchase of the Company's shares	<b>(3,878)</b>	(851)
Dividends paid to the Company's shareholders	<b>(4,586)</b>	(16,108)
Dividends paid to non-controlling interests	<b>(1,531)</b>	(1,464)
<b>Net cash generated from/(used in) financing activities</b>	<b>12,621</b>	(21,726)
<b>Increase in cash and cash equivalents</b>	<b>8,481</b>	1,221
Cash and cash equivalents at 1st January	<b>11,831</b>	10,758
Effect of exchange differences	<b>(491)</b>	(148)
<b>Cash and cash equivalents at 31st December</b>	<b>19,821</b>	11,831
<b>Represented by:</b>		
Bank balances and short-term deposits maturing within three months		
Included in bank balances and short-term deposits	<b>19,730</b>	11,831
Included in assets classified as held for sale	<b>91</b>	-
	<b>19,821</b>	11,831

**1. Segment Information**

 (a) Information about reportable segments – Analysis of Consolidated Statement of Profit or Loss  
**Year ended 31st December 2024**

	External revenue HK\$M	Inter- segment revenue HK\$M	Operating profit/ (loss) HK\$M	Finance charges HK\$M	Finance income HK\$M	Share of profits/ (losses) of joint venture companies HK\$M	Share of profits/ (losses) of associated companies HK\$M	Tax (charge)/ credit HK\$M	Profit/ (loss) for the year HK\$M	Profit/(loss) attributable to the Company's shareholders HK\$M	Underlying profit/(loss) attributable to the Company's shareholders HK\$M	Depreciation and amortisation charged to operating profit/(loss) HK\$M
<b>Property</b>												
Property investment	13,403	49	8,022	(1,213)	230	1,323	(5)	(1,038)	7,319	6,164	5,855	(312)
Change in fair value of investment properties	-	-	(5,974)	-	-	(529)	83	(1,058)	(7,478)	(6,443)	-	-
Property trading	88	-	(178)	-	3	(21)	14	(54)	(236)	(199)	(180)	(29)
Hotels	888	-	(154)	(11)	-	(69)	30	13	(191)	(163)	(166)	(182)
	<b>14,379</b>	<b>49</b>	<b>1,716</b>	<b>(1,224)</b>	<b>233</b>	<b>704</b>	<b>122</b>	<b>(2,137)</b>	<b>(586)</b>	<b>(641)</b>	<b>5,509</b>	<b>(523)</b>
<b>Beverages</b>												
Chinese Mainland	25,234	-	1,262	(45)	41	64	10	(386)	946	839	839	(1,428)
Hong Kong	2,444	2	201	(5)	-	-	-	(19)	177	177	177	(187)
Taiwan	2,353	-	166	(2)	1	-	-	(39)	126	126	126	(95)
Vietnam and Cambodia	4,338	-	265	(10)	82	-	-	(102)	235	235	235	(237)
Thailand and Laos <sup>(i)</sup>	2,233	-	1,078	(32)	42	149	-	(138)	1,099	916	916	(119)
Net central costs and others	5	-	(231)	(3)	2	-	-	(39)	(271)	(254)	(254)	-
	<b>36,607</b>	<b>2</b>	<b>2,741</b>	<b>(97)</b>	<b>168</b>	<b>213</b>	<b>10</b>	<b>(723)</b>	<b>2,312</b>	<b>2,039</b>	<b>2,039</b>	<b>(2,066)</b>
<b>Aviation</b>												
Cathay group <sup>(ii)</sup>	-	-	-	-	-	-	4,449	-	4,449	4,449	4,449	-
HAECO group <sup>(iii)</sup>	21,662	-	40	(156)	62	698	-	(163)	481	399	399	(794)
Others	-	-	(32)	-	-	5	(133)	-	(160)	(151)	(151)	(32)
	<b>21,662</b>	<b>-</b>	<b>8</b>	<b>(156)</b>	<b>62</b>	<b>703</b>	<b>4,316</b>	<b>(163)</b>	<b>4,770</b>	<b>4,697</b>	<b>4,697</b>	<b>(826)</b>
<b>Trading &amp; Industrial</b>												
Swire Resources	2,279	-	66	(21)	9	1	-	(5)	50	50	50	(296)
Taikoo Motors	5,216	-	185	(14)	-	-	-	(37)	134	134	134	(159)
Swire Foods	1,410	101	24	(4)	3	-	-	(12)	11	11	11	(64)
Swire Environmental Services	127	-	31	-	1	-	-	(6)	26	26	26	(5)
Central costs	-	-	(10)	-	-	-	-	-	(10)	(10)	(10)	-
	<b>9,032</b>	<b>101</b>	<b>296</b>	<b>(39)</b>	<b>13</b>	<b>1</b>	<b>-</b>	<b>(60)</b>	<b>211</b>	<b>211</b>	<b>211</b>	<b>(524)</b>
<b>Head Office, Healthcare and others</b>												
Healthcare and others <sup>(iv)</sup>	279	-	(235)	(33)	22	-	(113)	1	(358)	(337)	(337)	(42)
Net income/(expenses)	10	81	(286)	(1,513)	153	-	-	(2)	(1,648)	(1,648)	(1,648)	-
	<b>289</b>	<b>81</b>	<b>(521)</b>	<b>(1,546)</b>	<b>175</b>	<b>-</b>	<b>(113)</b>	<b>(1)</b>	<b>(2,006)</b>	<b>(1,985)</b>	<b>(1,985)</b>	<b>(42)</b>
Inter-segment elimination	-	(233)	-	78	(78)	-	-	-	-	-	-	-
<b>Total</b>	<b>81,969</b>	<b>-</b>	<b>4,240</b>	<b>(2,984)</b>	<b>573</b>	<b>1,621</b>	<b>4,335</b>	<b>(3,084)</b>	<b>4,701</b>	<b>4,321</b>	<b>10,471</b>	<b>(3,981)</b>

**Notes:**

Sales between business segments are accounted for at competitive market prices charged to unaffiliated customers for similar goods and services. Interest charged by the Head Office to the business segments is based on market interest rates and the Group's cost of debt.

- (i) The share of profit from the joint venture companies in Thailand and Laos was HK\$149 million (before becoming a subsidiary). The remeasurement gain and related exchange gains in respect of TNTC included under operating profit/(loss) was HK\$769 million.
- (ii) After the share issuance of Air China in February and December 2024, the Cathay group's equity interests in Air China was reduced from 16.26% to 15.09%. After the listing of Air China Cargo in December 2024, the Cathay group's equity interests in Air China Cargo was reduced from 24.00% to 21.36%. Gain on deemed disposal of interests in Air China and Air China Cargo under share of profits of the Cathay group was HK\$260 million (HK\$578 million on a 100% basis). A gain on the repurchase of convertible bonds under share of profits of the Cathay group was HK\$48 million (HK\$106 million on a 100% basis). The share of profits also included a reversal of impairment charges and fair value gain on equity investments of HK\$30 million (HK\$67 million on a 100% basis).
- (iii) A provision for restructuring of HK\$547 million and an impairment charge of HK\$157 million in relation to the exit of the ITM operation were included under operating profit/(loss). Gain on disposal of non-current assets at a joint venture company in the Chinese Mainland included under share of profits/(losses) of joint venture companies was HK\$197 million (HK\$549 million on a 100% basis).
- (iv) The remeasurement loss in respect of DeltaHealth and the gain on deemed disposal of interest in SHH Core included under operating profit/(loss) were HK\$59 million and HK\$20 million respectively.



**1. Segment Information (continued)**

 (a) Information about reportable segments – Analysis of Consolidated Statement of Profit or Loss (continued)  
 Year ended 31st December 2023

	External revenue HK\$M	Inter- segment revenue HK\$M	Operating profit/ (loss) HK\$M	Finance charges HK\$M	Finance income HK\$M	Share of profits/ (losses) of joint venture companies HK\$M	Share of profits/ (losses) of associated companies HK\$M	Tax (charge)/ credit HK\$M	Profit/ (loss) for the year HK\$M	Profit/(loss) attributable to the Company's shareholders HK\$M	Underlying profit/(loss) attributable to the Company's shareholders HK\$M	Depreciation and amortisation charged to operating profit/(loss) HK\$M
Property												
Property investment	13,482	43	8,193	(725)	203	866	7	(1,116)	7,428	6,001	9,652	(322)
Change in fair value of investment properties	-	-	(2,860)	-	-	(667)	(454)	(461)	(4,442)	(3,649)	-	-
Property trading	166	-	(89)	-	15	(46)	-	(52)	(172)	(139)	(115)	-
Hotels	977	2	(103)	(13)	-	(29)	31	13	(101)	(82)	(82)	(201)
	<b>14,625</b>	<b>45</b>	<b>5,141</b>	<b>(738)</b>	<b>218</b>	<b>124</b>	<b>(416)</b>	<b>(1,616)</b>	<b>2,713</b>	<b>2,131</b>	<b>9,455</b>	<b>(523)</b>
Beverages												
Chinese Mainland	24,725	-	1,110	(56)	47	65	25	(313)	878	790	790	(1,412)
Hong Kong	2,415	2	225	(8)	-	-	-	(23)	194	194	194	(167)
Taiwan	2,275	-	160	(1)	-	-	-	(36)	123	123	123	(84)
Vietnam and Cambodia	4,504	-	318	(145)	127	-	-	(102)	198	198	198	(254)
USA <sup>(i)</sup>	17,923	-	24,856	(44)	31	-	-	(623)	24,220	24,220	24,220	(601)
Net central costs and others <sup>(ii)</sup>	-	-	(467)	-	2	(5)	-	39	(431)	(428)	(428)	(2)
	<b>51,842</b>	<b>2</b>	<b>26,202</b>	<b>(254)</b>	<b>207</b>	<b>60</b>	<b>25</b>	<b>(1,058)</b>	<b>25,182</b>	<b>25,097</b>	<b>25,097</b>	<b>(2,520)</b>
Aviation												
Cathay group <sup>(iii)</sup>	-	-	-	-	-	-	4,405	-	4,405	4,405	4,405	-
HAECO group <sup>(iv)</sup>	17,787	-	224	(155)	55	427	-	(181)	370	45	45	(766)
Others <sup>(v)</sup>	-	-	(707)	-	-	3	(360)	-	(1,064)	(1,057)	(1,057)	(44)
	<b>17,787</b>	<b>-</b>	<b>(483)</b>	<b>(155)</b>	<b>55</b>	<b>430</b>	<b>4,045</b>	<b>(181)</b>	<b>3,711</b>	<b>3,393</b>	<b>3,393</b>	<b>(810)</b>
Trading & Industrial												
Swire Resources	2,402	-	108	(15)	7	3	-	(13)	90	90	90	(264)
Taikoo Motors	6,401	-	222	(13)	-	-	-	(44)	165	165	165	(157)
Swire Foods	1,567	92	23	(7)	4	-	-	(13)	7	7	7	(84)
Swire Environmental Services	185	-	63	-	1	-	-	(11)	53	53	53	(7)
Central costs	-	-	(16)	-	-	-	-	-	(16)	(16)	(16)	-
	<b>10,555</b>	<b>92</b>	<b>400</b>	<b>(35)</b>	<b>12</b>	<b>3</b>	<b>-</b>	<b>(81)</b>	<b>299</b>	<b>299</b>	<b>299</b>	<b>(512)</b>
Head Office, Healthcare and others												
Healthcare and others <sup>(vi)</sup>	-	-	(393)	-	-	-	(165)	-	(558)	(558)	(558)	-
Net income/(expenses)	14	82	(246)	(1,656)	320	-	-	4	(1,578)	(1,578)	(1,578)	-
Others <sup>(vii)</sup>	-	-	-	-	-	-	69	-	69	69	69	-
	<b>14</b>	<b>82</b>	<b>(639)</b>	<b>(1,656)</b>	<b>320</b>	<b>-</b>	<b>(96)</b>	<b>4</b>	<b>(2,067)</b>	<b>(2,067)</b>	<b>(2,067)</b>	<b>-</b>
Inter-segment elimination	-	(221)	-	226	(226)	-	-	-	-	-	-	-
Total	<b>94,823</b>	<b>-</b>	<b>30,621</b>	<b>(2,612)</b>	<b>586</b>	<b>617</b>	<b>3,558</b>	<b>(2,932)</b>	<b>29,838</b>	<b>28,853</b>	<b>36,177</b>	<b>(4,365)</b>

**Notes:**

Sales between business segments are accounted for at competitive market prices charged to unaffiliated customers for similar goods and services. Interest charged by the Head Office to the business segments is based on market interest rates and the Group's cost of debt.

(i) Gain on disposals of subsidiary companies (Swire Coca-Cola, USA) included under operating profit/(loss) was HK\$23,103 million.

(ii) Provision for amount due from and other payable of a joint venture company included under operating profit/(loss) was HK\$239 million.

(iii) After the share issuance of Air China in January 2023, the Cathay group's equity interest in Air China was reduced from 18.13% to 16.26%. Gain on deemed disposal of interest in Air China under share of profits of the Cathay group was HK\$868 million (HK\$1,929 million on a 100% basis). The share of profits also included a reversal of impairment charges of HK\$94 million (HK\$208 million on a 100% basis).

(iv) Loss on disposals of subsidiary companies included under operating profit/(loss) in relation to the HAECO group was HK\$420 million.

(v) Impairment charge included under operating profit/(loss) in relation to HAESL was HK\$675 million.

(vi) Impairment charges included under operating profit/(loss) in relation to interest in DeltaHealth and a convertible note receivable were HK\$250 million and HK\$140 million respectively.

(vii) Gain on deemed disposal of interest in Cadeler included under operating profit/(loss) was HK\$37 million.

**1. Segment Information (continued)**

(a) Information about reportable segments (continued)

Analysis of total assets of the Group

**At 31st December 2024**

	Segment assets	Joint venture companies <sup>(i)</sup>	Associated companies <sup>(i)</sup>	Bank deposits	Total assets	Additions to non-current assets <sup>(ii)</sup>
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Property						
Property investment	283,680	27,660	3,316	4,940	319,596	4,880
Property trading	15,235	6,760	6,968	51	29,014	85
Hotels	4,157	1,710	592	130	6,589	68
	<b>303,072</b>	<b>36,130</b>	<b>10,876</b>	<b>5,121</b>	<b>355,199</b>	<b>5,033</b>
Beverages						
Swire Coca-Cola	<b>48,795</b>	<b>1,378</b>	<b>394</b>	<b>11,101</b>	<b>61,668</b>	<b>2,805</b>
Aviation						
Cathay group	-	-	24,057	-	24,057	-
HAECO group	13,778	2,282	-	2,815	18,875	1,759
Others	3,846	2,134	-	-	5,980	-
	<b>17,624</b>	<b>4,416</b>	<b>24,057</b>	<b>2,815</b>	<b>48,912</b>	<b>1,759</b>
Trading & Industrial						
Swire Resources	909	41	-	257	1,207	229
Taikoo Motors	3,059	-	-	21	3,080	338
Swire Foods	536	3	-	347	886	80
Swire Environmental Services	57	-	-	50	107	2
Other activities	(4)	-	-	19	15	-
	<b>4,557</b>	<b>44</b>	<b>-</b>	<b>694</b>	<b>5,295</b>	<b>649</b>
Head Office, Healthcare and others	<b>3,336</b>	<b>-</b>	<b>854</b>	<b>1,297</b>	<b>5,487</b>	<b>8</b>
	<b>377,384</b>	<b>41,968</b>	<b>36,181</b>	<b>21,028</b>	<b>476,561</b>	<b>10,254</b>
<b>At 31st December 2023</b>						
	Segment assets	Joint venture companies <sup>(i)</sup>	Associated companies <sup>(i)</sup>	Bank deposits	Total assets	Additions to non-current assets <sup>(ii)</sup>
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Property						
Property investment	288,836	25,799	8,366	4,854	327,855	3,206
Property trading	10,869	6,057	2,167	127	19,220	-
Hotels	4,594	2,201	259	116	7,170	67
	<b>304,299</b>	<b>34,057</b>	<b>10,792</b>	<b>5,097</b>	<b>354,245</b>	<b>3,273</b>
Beverages						
Swire Coca-Cola	32,087	1,115	533	4,642	38,377	2,564
Aviation						
Cathay group	-	-	22,777	-	22,777	-
HAECO group	12,510	1,987	-	2,447	16,944	1,011
Others	3,880	2,130	-	-	6,010	-
	<b>16,390</b>	<b>4,117</b>	<b>22,777</b>	<b>2,447</b>	<b>45,731</b>	<b>1,011</b>
Trading & Industrial						
Swire Resources	1,006	40	-	287	1,333	432
Taikoo Motors	2,873	-	-	44	2,917	293
Swire Foods	592	3	-	335	930	144
Swire Environmental Services	76	-	-	47	123	-
Other activities	2	-	-	2	4	-
	<b>4,549</b>	<b>43</b>	<b>-</b>	<b>715</b>	<b>5,307</b>	<b>869</b>
Head Office, Healthcare and others	<b>1,900</b>	<b>-</b>	<b>1,011</b>	<b>1,181</b>	<b>4,092</b>	<b>2</b>
	<b>359,225</b>	<b>39,332</b>	<b>35,113</b>	<b>14,082</b>	<b>447,752</b>	<b>7,719</b>

Notes:

(i) The assets relating to joint venture and associated companies include the loans due from these companies.

(ii) In this analysis, additions to non-current assets during the year exclude joint venture and associated companies, financial instruments, deferred tax assets, retirement benefit assets and non-current assets acquired in business combinations.

**1. Segment Information (continued)**

(a) Information about reportable segments (continued)

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

**At 31st December 2024**

	Segment liabilities	Current and deferred tax liabilities	Inter-segment borrowings/ (advances)	External borrowings	Lease liabilities	Total liabilities	Non-controlling interests
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Property							
Property investment	10,185	14,886	(21,889)	48,347	516	52,045	49,342
Property trading	2,718	137	21,329	-	-	24,184	845
Hotels	193	-	560	-	4	757	1,059
	<b>13,096</b>	<b>15,023</b>	<b>-</b>	<b>48,347</b>	<b>520</b>	<b>76,986</b>	<b>51,246</b>
Beverages							
Swire Coca-Cola	<b>17,310</b>	<b>5,009</b>	<b>487</b>	<b>-</b>	<b>939</b>	<b>23,745</b>	<b>7,252</b>
Aviation							
HAECO group	7,465	322	1,276	44	2,467	11,574	1,767
Others	-	-	-	-	-	-	110
	<b>7,465</b>	<b>322</b>	<b>1,276</b>	<b>44</b>	<b>2,467</b>	<b>11,574</b>	<b>1,877</b>
Trading & Industrial							
Swire Resources	664	2	(61)	-	440	1,045	-
Taikoo Motors	701	15	-	290	572	1,578	-
Swire Foods	277	13	(6)	-	75	359	-
Swire Environmental Services	35	(5)	-	-	2	32	-
Other activities	18	-	6	-	-	24	-
	<b>1,695</b>	<b>25</b>	<b>(61)</b>	<b>290</b>	<b>1,089</b>	<b>3,038</b>	<b>-</b>
Head Office, Healthcare and others	<b>1,213</b>	<b>124</b>	<b>(1,702)</b>	<b>42,910</b>	<b>6</b>	<b>42,551</b>	<b>(8)</b>
	<b>40,779</b>	<b>20,503</b>	<b>-</b>	<b>91,591</b>	<b>5,021</b>	<b>157,894</b>	<b>60,367</b>

**At 31st December 2023**

	Segment liabilities	Current and deferred tax liabilities	Inter-segment borrowings/ (advances)	External borrowings	Lease liabilities	Total liabilities	Non-controlling interests
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
Property							
Property investment	8,196	14,358	(15,773)	41,169	599	48,549	52,754
Property trading	1,670	89	14,422	-	-	16,181	548
Hotels	237	1	1,351	-	8	1,597	1,037
	10,103	14,448	-	41,169	607	66,327	54,339
Beverages							
Swire Coca-Cola	13,272	2,291	-	-	722	16,285	321
Aviation							
HAECO group	5,382	373	997	40	2,542	9,334	1,985
Trading & Industrial							
Swire Resources	723	24	(60)	-	542	1,229	-
Taikoo Motors	746	45	-	-	561	1,352	-
Swire Foods	301	15	(6)	-	104	414	-
Swire Environmental Services	25	1	-	-	1	27	-
Other activities	19	-	6	-	-	25	-
	1,814	85	(60)	-	1,208	3,047	-
Head Office, Healthcare and others	879	34	(937)	28,009	-	27,985	-
	<b>31,450</b>	<b>17,231</b>	<b>-</b>	<b>69,218</b>	<b>5,079</b>	<b>122,978</b>	<b>56,645</b>

**1. Segment Information (continued)**

## (a) Information about reportable segments (continued)

The Group is organised on a divisional basis: Property, Beverages, Aviation and Trading & Industrial.

The reportable segments within each of the divisions are classified according to the nature of the business. The Head Office is also considered to be a reportable segment as discrete financial information is available for the Head Office activities and regularly provided to the Board.

## (b) Information about geographical areas

The activities of the Group are principally based in Hong Kong and the Chinese Mainland.

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

	Revenue		Non-current assets (Note)	
	2024 HK\$M	2023 HK\$M	2024 HK\$M	2023 HK\$M
Hong Kong	19,196	18,816	224,031	233,545
Chinese Mainland	45,681	42,013	81,914	76,995
Taiwan	7,430	8,508	1,668	1,688
South East Asia	6,575	4,505	24,442	9,261
USA	2,949	20,863	3,445	7,854
Others	138	118	368	256
<b>Total</b>	<b>81,969</b>	<b>94,823</b>	<b>335,868</b>	<b>329,599</b>

Note: In this analysis, the total of non-current assets excludes joint venture and associated companies (and loans advanced to these companies), investments at fair value, other receivables, derivative financial instruments, deferred tax assets and retirement benefit assets.

**2. Revenue**

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

	2024 HK\$M	2023 HK\$M
Gross rental income from investment properties	13,267	13,365
Property trading	88	166
Hotels	888	977
Sales of goods	45,624	62,793
Aircraft and engine maintenance services	20,095	16,034
Rendering of other services	2,007	1,488
<b>Total</b>	<b>81,969</b>	<b>94,823</b>

**3. Operating Profit**

	<b>2024</b>	2023
	<b>HK\$M</b>	HK\$M
<b><i>Operating profit has been arrived at after charging:</i></b>		
Depreciation of property, plant and equipment	<b>2,627</b>	2,947
Depreciation of right-of-use assets		
- leasehold land held for own use	<b>45</b>	50
- land use rights	<b>56</b>	53
- property	<b>938</b>	886
- plant and equipment	<b>17</b>	41
Amortisation of		
- intangible assets	<b>244</b>	284
- initial leasing costs in respect of investment properties	<b>52</b>	96
- others	<b>2</b>	8
Impairment charges recognised on		
- property, plant and equipment	<b>159</b>	-
- convertible notes receivable, unlisted	-	140
Provision for restructuring	<b>547</b>	-
Provision for amount due from and other payable of a joint venture company	-	239
Loss on disposals of subsidiary companies	-	420
Loss arising from the acquisition of interests in an associated company	<b>59</b>	-
Loss on disposals of investment properties	-	16
Loss on disposals of property, plant and equipment	<b>76</b>	86
Loss on disposals of assets classified as held for sale	<b>220</b>	44
<b><i>And after crediting:</i></b>		
Gain arising from the acquisition of interests in joint venture companies	<b>625</b>	551
Gain on deemed disposals of associated companies	<b>20</b>	37
Gain on disposal of investment at fair value through profit or loss	<b>139</b>	-
Reversal of impairment charges recognised on property, plant and equipment	-	4
Government subsidies	<b>171</b>	142

**4. Net Finance Charges**

	<b>2024</b>	2023
	<b>HK\$M</b>	HK\$M
<b>Interest charged</b>		
Bank loans and overdrafts	<b>1,688</b>	1,494
Other loans and bonds	<b>1,537</b>	1,466
Fair value (gain)/loss on derivative instruments		
Cross-currency and interest rate swaps: cash flow hedges, transferred from other comprehensive income	<b>(68)</b>	(57)
Cross-currency swaps not qualifying as hedges	<b>(1)</b>	6
Amortised loan fees – loans at amortised cost	<b>127</b>	110
	<b>3,283</b>	3,019
Lease liabilities	<b>189</b>	201
Fair value loss on put options over non-controlling interests in subsidiary companies	<b>49</b>	9
Other financing costs	<b>184</b>	163
Capitalised on		
Investment properties	<b>(407)</b>	(510)
Properties for sale	<b>(314)</b>	(270)
	<b>2,984</b>	2,612
<b>Less: interest income</b>		
Short-term deposits and bank balances	<b>391</b>	411
Other loans	<b>182</b>	175
	<b>573</b>	586
<b>Net finance charges</b>	<b>2,411</b>	2,026

**5. Taxation**

	<b>2024</b>	2023
	<b>HK\$M</b>	HK\$M
Current taxation		
Hong Kong profits tax	<b>421</b>	500
Chinese Mainland Enterprise Income Tax	<b>1,281</b>	1,045
Other taxes	<b>463</b>	949
Under/(over)-provisions in prior years	<b>3</b>	(25)
	<b>2,168</b>	2,469
Deferred taxation		
Change in fair value of investment properties	<b>627</b>	106
Origination and reversal of temporary differences	<b>289</b>	357
	<b>916</b>	463
	<b>3,084</b>	2,932

Hong Kong profits tax is calculated at 16.5% (2023: 16.5%) on the estimated assessable profits for the year. Under the Law of the People's Republic of China on Enterprise Income Tax (the EIT Law) and Implementation Regulation of the EIT Law, the tax rate of the Chinese Mainland subsidiaries is 25% (2023: 25%). Other taxes are calculated at tax rates applicable in jurisdictions in which the Group is assessable for tax.

**6. Dividends**

	<b>2024</b>	2023
	<b>HK\$M</b>	HK\$M
First interim dividend paid on 10th October 2024 of HK\$1.25 per 'A' share and HK\$0.25 per 'B' share (2023: HK\$1.20 and HK\$0.24)	<b>1,745</b>	1,730
Special interim dividend paid on 19th September 2023 of HK\$8.120 per 'A' share and HK\$1.624 per 'B' share	-	11,703
Second interim dividend declared on 13th March 2025 of HK\$2.10 per 'A' share and HK\$0.42 per 'B' share (2023 actual dividend paid: HK\$2.00 and HK\$0.40)	<b>2,866</b>	2,841
	<b><u>4,611</u></b>	<u>16,274</u>

The second interim dividend is not accounted for in 2024 because it had not been declared or approved at the year-end date. The actual amount payable in respect of 2024 will be accounted for as an appropriation of the revenue reserve in the year ending 31st December 2025 when declared. The amount payable in respect of the second interim dividend for 2024 is calculated based on the number of shares in issue at 7th March 2025. In determining the number of shares in issue, shares repurchased by the Company but not yet cancelled are excluded, as none of the shares repurchased but not yet cancelled by the Company would receive the aforesaid dividend. At 7th March 2025, the number of repurchased shares pending cancellation were 8,261,500 'A' shares and 3,245,000 'B' shares. The Company would not hold any repurchased shares as treasury shares.

The second interim dividend paid during the year ended 31st December 2023 does not include the amount of the dividend in respect of the shares of the Company which were repurchased prior to 10th April 2024.

The Directors have declared second interim dividends of HK\$2.10 per 'A' share and HK\$0.42 per 'B' share which, together with the first interim dividends of HK\$1.25 per 'A' share and HK\$0.25 per 'B' share paid in October 2024, amount to full year dividends of HK\$3.35 per 'A' share and HK\$0.67 per 'B' share, compared to full year dividends (including the special interim dividends paid in September 2023) of HK\$11.32 per 'A' share and HK\$2.264 per 'B' share in respect of 2023. The second interim dividends will be paid on Friday, 9th May 2025 to shareholders registered at the close of business on the record date, being Friday, 11th April 2025. Shares of the Company will be traded ex-dividend from Wednesday, 9th April 2025.

The register of members will be closed on Friday, 11th April 2025, during which day no transfer of shares will be effected. In order to qualify for entitlement to the second interim dividends, 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, 10th April 2025.

To facilitate the processing of proxy voting for the annual general meeting to be held on 15th May 2025, the register of members will be closed from 12th May 2025 to 15th May 2025, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 9th May 2025.

## 7. Earnings Per Share (Basic and Diluted)

Basic earnings per share is calculated by dividing the profit attributable to the Company's shareholders of HK\$4,321 million (2023: HK\$28,853 million) by the daily weighted average number of 833,526,329 'A' shares and 2,895,346,755 'B' shares in issue during the year (2023: 859,770,567 'A' shares and 2,927,357,623 'B' shares), in the proportion five to one.

Diluted earnings per share is calculated by dividing the profit attributable to the Company's shareholders of HK\$3,864 million (2023: HK\$28,417 million) (adjusted by the attributable effect of dilutive potential ordinary shares of Cathay Pacific of HK\$457 million (2023: HK\$436 million)) by the daily weighted average number of 833,526,329 'A' shares and 2,895,346,755 'B' shares in issue during the year (2023: 859,770,567 'A' shares and 2,927,357,623 'B' shares), in the proportion of five to one.

## 8. Trade and Other Receivables

	<b>2024</b>	2023
	<b>HK\$M</b>	HK\$M
Trade debtors	<b>3,862</b>	2,701
Amounts due from immediate holding company	<b>4</b>	3
Amounts due from joint venture companies	<b>166</b>	169
Amounts due from associated companies	<b>345</b>	286
Prepayments and accrued income	<b>2,438</b>	2,242
Other receivables	<b>4,435</b>	3,619
	<b>11,250</b>	9,020
Amounts due after one year included under non-current assets	<b>(62)</b>	(312)
	<b>11,188</b>	8,708

The amounts due from joint venture and associated companies are unsecured, interest free (except where specified) and on normal trade credit terms.

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

	<b>2024</b>	2023
	<b>HK\$M</b>	HK\$M
Up to three months	<b>3,638</b>	2,539
Between three and six months	<b>163</b>	129
Over six months	<b>61</b>	33
	<b>3,862</b>	2,701

Group companies have different credit policies, depending on the requirements of their markets and the businesses in which they operate. Analyses of the age of debtors are prepared and closely monitored with a view to minimising credit risk associated with receivables. There is no concentration of credit risk with respect to trade and other receivables, as the Group has a large number of customers.



**9. Trade and Other Payables**

	<b>2024</b>	2023
	<b>HK\$M</b>	HK\$M
Trade creditors	<b>6,606</b>	5,988
Amounts due to immediate holding company	<b>106</b>	166
Amounts due to joint venture companies	<b>11</b>	12
Amounts due to associated companies	<b>79</b>	20
Interest-bearing advances from joint venture companies at 2.85%-5.26% per annum (2023: 2.85%-5.19% per annum)	<b>656</b>	599
Interest-bearing advances from associated companies at 0.35%-7.36% per annum (2023: nil)	<b>2,207</b>	-
Advances from a non-controlling interest	<b>1,476</b>	1,236
Rental deposits from tenants	<b>2,942</b>	2,965
Deposits received on sale of investment properties	<b>403</b>	269
Put options over non-controlling interests	<b>2,514</b>	638
Accrued capital expenditure	<b>1,972</b>	1,457
Other accruals	<b>8,745</b>	7,681
Other payables	<b>8,809</b>	7,788
	<b>36,526</b>	28,819
Amounts due after one year included under non-current liabilities	<b>(1,337)</b>	(1,233)
	<b>35,189</b>	27,586

The analysis of the age of trade creditors at the year end (based on their invoice dates) is as follows:

	<b>2024</b>	2023
	<b>HK\$M</b>	HK\$M
Up to three months	<b>6,136</b>	5,767
Between three and six months	<b>411</b>	165
Over six months	<b>59</b>	56
	<b>6,606</b>	5,988

**10. Share Capital**

	'A' shares	'B' shares	Total HK\$M
Issued and fully paid with no par value			
At 1st January 2024	<b>856,824,500</b>	<b>2,922,337,500</b>	<b>1,294</b>
Repurchased in 2023 and cancelled during the year	<b>(2,626,500)</b>	<b>(3,455,000)</b>	-
Repurchased and cancelled during the year	<b>(48,628,500)</b>	<b>(53,032,500)</b>	-
At 31st December 2024	<b>805,569,500</b>	<b>2,865,850,000</b>	<b>1,294</b>
	'A' shares	'B' shares	Total HK\$M
Issued and fully paid with no par value			
At 1st January 2023	865,823,000	2,941,142,500	1,294
Repurchased in 2022 and cancelled during the year	-	(3,697,500)	-
Repurchased and cancelled during the year	(8,998,500)	(15,107,500)	-
At 31st December 2023	856,824,500	2,922,337,500	1,294

During the year, the Company repurchased 50,091,000 'A' shares and 54,547,500 'B' shares on The Stock Exchange of Hong Kong Limited for a total aggregate price of HK\$3,841 million (excluding transaction fees). The repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid for the repurchased 'A' shares and 'B' shares was paid wholly out of the distributable profits of the Company included in its revenue reserve.

**11. Reserves**

	Revenue reserve	Property revaluation reserve	Investment revaluation reserve	Cash flow hedge reserve	Translation reserve	Total
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
<b>At 1st January 2024</b>	<b>266,875</b>	<b>2,462</b>	<b>(170)</b>	<b>35</b>	<b>(2,367)</b>	<b>266,835</b>
<b>Profit for the year</b>	4,321	-	-	-	-	4,321
<b>Other comprehensive income</b>						
Revaluation of property previously occupied by the Group						
- gains recognised during the year	-	2	-	-	-	2
Defined benefit plans						
- remeasurement gains recognised during the year	133	-	-	-	-	133
- deferred tax	(16)	-	-	-	-	(16)
Changes in the fair value of equity investments at fair value through other comprehensive income						
- losses recognised during the year	-	-	(18)	-	-	(18)
- deferred tax	-	-	(3)	-	-	(3)
- reclassified to revenue reserve on disposal	2	-	(2)	-	-	-
Cash flow hedges						
- gains recognised during the year	-	-	-	34	-	34
- transferred to net finance charges	-	-	-	(58)	-	(58)
- transferred from operating profit	-	-	-	176	-	176
- deferred tax	-	-	-	(13)	-	(13)
Share of other comprehensive income of joint venture and associated companies						
- recognised during the year	(33)	-	(2)	101	(1,041)	(975)
- reclassified to profit or loss on disposal	(16)	-	-	-	-	(16)
Net translation differences	-	-	-	-	(2,826)	(2,826)
<b>Total comprehensive income for the year</b>	<b>4,391</b>	<b>2</b>	<b>(25)</b>	<b>240</b>	<b>(3,867)</b>	<b>741</b>
Repurchase of the Company's shares	(3,851)	-	-	-	-	(3,851)
2023 second interim dividend (note 6)	(2,841)	-	-	-	-	(2,841)
2024 first interim dividend (note 6)	(1,745)	-	-	-	-	(1,745)
Change in composition of the Group (Note)	(2,133)	-	-	-	-	(2,133)
<b>At 31st December 2024</b>	<b>260,696</b>	<b>2,464</b>	<b>(195)</b>	<b>275</b>	<b>(6,234)</b>	<b>257,006</b>

Note: As at 31st December 2024, the change in composition of the Group comprised share buy-back of Swire Properties of HK\$791 million (increase in ownership of HK\$1,411 million net of repurchase of Swire Properties shares of HK\$620 million), less a put option over non-controlling interests at Beverages Division of HK\$1,837 million, net transactions with non-controlling interests at Beverages and Aviation Divisions of HK\$37 million, buy-back of warrants by Cathay Pacific of HK\$692 million (HK\$1,538 million on a 100% basis) and repurchase of convertible bonds by Cathay Pacific of HK\$358 million (HK\$796 million on a 100% basis).

**11. Reserves (continued)**

	Revenue reserve	Property revaluation reserve	Investment revaluation reserve	Cash flow hedge reserve	Translation reserve	Total
	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M	HK\$M
At 1st January 2023	255,167	2,437	(152)	738	(1,028)	257,162
<b>Profit for the year</b>	28,853	-	-	-	-	28,853
<b>Other comprehensive income</b>						
Revaluation of property previously occupied by the Group						
- gains recognised during the year	-	35	-	-	-	35
- deferred tax	-	(10)	-	-	-	(10)
Defined benefit plans						
- remeasurement losses recognised during the year	(108)	-	-	-	-	(108)
- deferred tax	9	-	-	-	-	9
Changes in the fair value of equity investments at fair value through other comprehensive income						
- losses recognised during the year	-	-	(15)	-	-	(15)
- deferred tax	-	-	(2)	-	-	(2)
Cash flow hedges						
- losses recognised during the year	-	-	-	(178)	-	(178)
- transferred to net finance charges	-	-	-	(50)	-	(50)
- transferred from operating profit	-	-	-	11	-	11
- deferred tax	-	-	-	44	-	44
Share of other comprehensive income of joint venture and associated companies						
- recognised during the year	79	-	(1)	(530)	(481)	(933)
- reclassified to profit or loss on deemed disposal	-	-	-	-	228	228
Net translation differences	-	-	-	-	(1,041)	(1,041)
- reclassified to profit or loss on disposal	-	-	-	-	(45)	(45)
<b>Total comprehensive income for the year</b>	28,833	25	(18)	(703)	(1,339)	26,798
Repurchase of the Company's shares	(878)	-	-	-	-	(878)
2022 second interim dividend	(2,675)	-	-	-	-	(2,675)
2023 first interim dividend (note 6)	(1,730)	-	-	-	-	(1,730)
2023 special interim dividend (note 6)	(11,703)	-	-	-	-	(11,703)
Change in composition of the Group	(139)	-	-	-	-	(139)
At 31st December 2023	<u>266,875</u>	<u>2,462</u>	<u>(170)</u>	<u>35</u>	<u>(2,367)</u>	<u>266,835</u>

**12. Changes in Accounting Policies and Disclosures**

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

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

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

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

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

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

1 To be applied by the Group from 1st January 2025.

2 To be applied by the Group from 1st January 2026.

3 To be applied by the Group from 1st January 2027.

4 The effective date is to be determined.

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

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

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

**13. Requirement in Connection with Publication of “Non-statutory Accounts” under Section 436 of the Hong Kong Companies Ordinance Cap. 622**

The financial information relating to the years ended 31st December 2023 and 2024 that is included in this document does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements.

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 2023 have been delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Ordinance. The specified financial statements for the year ended 31st December 2024 have not been but will be delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Ordinance. Auditor's reports have been prepared on the specified financial statements for the years ended 31st December 2023 and 2024. Those reports were not qualified or otherwise modified, did not refer to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and did not contain statements under section 406(2) or 407(2) or (3) of the Ordinance.

**Sources of Finance**

At 31st December 2024, committed loan facilities and debt securities amounted to HK\$113,658 million, of which HK\$22,092 million (19%) were undrawn. In addition, there were lease liabilities amounting to HK\$5,021 million. The Group had undrawn uncommitted facilities totalling HK\$11,296 million. Sources of gross borrowings at 31st December 2024 comprised:

	<u>Available</u> HK\$M	<u>Drawn</u> HK\$M	<u>Undrawn expiring within one year</u> HK\$M	<u>Undrawn expiring beyond one year</u> HK\$M	<u>Total undrawn</u> HK\$M
<b>Committed facilities</b>					
Loans and bonds					
Bonds	49,655	49,655	-	-	-
Bank loans	64,003	41,911	2,753	19,339	22,092
<b>Total committed facilities</b>	<b>113,658</b>	<b>91,566</b>	<b>2,753</b>	<b>19,339</b>	<b>22,092</b>
<b>Uncommitted facilities</b>					
Bank loans and overdrafts	11,621	325	11,296	-	11,296
<b>Total</b>	<b>125,279</b>	<b>91,891</b>	<b>14,049</b>	<b>19,339</b>	<b>33,388</b>

Note: The figures above are stated before unamortised loan fees of HK\$300 million.

At 31st December 2024, 64% of the Group's gross borrowings were on a fixed rate basis and 36% were on a floating rate basis (2023: 76% and 24%).

**Corporate Governance**

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

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

On specific enquiries made, all the Directors of the Company 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 Securities Code.

Details of the Company's corporate governance practices will be available in the 2024 annual report.

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

**Annual Report**

The 2024 Annual Report containing all the information required by the Listing Rules will be published on the Stock Exchange website and the Company website [www.swirepacific.com](http://www.swirepacific.com). Printed copies will be available to shareholders on 8th April 2025.

---

**List of Directors**

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

Executive Directors: Guy Bradley (Chairman), David Cogman, Patrick Healy, Martin Murray;

Non-Executive Directors: Gordon McCallum, Merlin Swire; and

Independent Non-Executive Directors: Paul Etchells, Rose Lee, Edith Ngan, Gordon Orr, Xu Ying and Bonnie Zhang.

By Order of the Board

**SWIRE PACIFIC LIMITED**

Guy Bradley

Chairman

Hong Kong, 13th March 2025

---

**Disclaimer**

This document may contain forward-looking statements that reflect the Company's beliefs, plans or expectations about the future or future events. These forward-looking statements are based on a number of assumptions, estimates and projections, and are therefore subject to inherent risks, uncertainties and other factors beyond the Company's control. The actual results or outcomes of events may differ materially and/or adversely due to a number of factors, including changes in the economies and industries in which the Group operates (in particular in Hong Kong and the Chinese Mainland), macro-economic and geopolitical uncertainties, changes in the competitive environment, data quality, foreign exchange rates, interest rates and commodity prices, and the Group's ability to identify and manage risks to which it is subject. Nothing contained in these forward-looking statements is, or shall be, relied upon as any assurance or representation as to the future or as a representation or warranty otherwise. Neither the Company nor its directors, officers, employees, agents, affiliates, advisers or representatives assume any responsibility to update these forward-looking statements or to adapt them to future events or developments or to provide supplemental information in relation thereto or to correct any inaccuracies.

References in this document to Hong Kong are to Hong Kong SAR, to Macau are to Macao SAR and to Taiwan are to the Taiwan region.