SWIRE PROPERTIES

Stock Code: 01972

Interim Report 2021

Contents

About Swire Properties

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

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

Our investment portfolio in Hong Kong comprises Taikoo Place, Pacific Place and Cityplaza. In the Chinese Mainland, the Company has six major commercial projects in operation in Beijing, Guangzhou, Chengdu and Shanghai. The Company has interests in the luxury and high quality residential markets in Hong Kong, Indonesia, Vietnam and Miami in the U.S.A. Swire Hotels develops and manages hotels in Hong Kong and the Chinese Mainland and in Miami in the U.S.A.


SWIRE
PCCW

Creative Transformation

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

SD2030

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

— GUY BRADLEY, CHIEF EXECUTIVE

2021 Highlight Achievements

BUSINESS AMBITION FOR 1.5°C

SCIENCE BASED TARGETS

1st developer in Hong Kong and the Chinese Mainland to commit to Business Ambition for 1.5°C, to support a net-zero emissions economy

Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Ranked among the top 5% in global real estate industry

GRESB REAL ESTATE Sector Leader 2020

Named Global Sector Leader and Global Development Sector Leader for Mixed Use developments

太古汇 广州 TAIKOO HUI

Taikoo Hui in Guangzhou powered by 100% renewable electricity and achieved net-zero carbon for electricity consumption

First Place Winner, Commercial Buildings – Existing Building Commissioning, ASHRAE Technology Award

Climate Bonds INITIATIVE

Named a Top 10 company globally for our green bond reporting work, by the Climate Bonds Initiative

1st developer in Hong Kong and the Chinese Mainland to join the World Green Building Council's Corporate Advisory Board

Financial Highlights

	Note	Six months ended 30th June 2021 HK$M	2020 HK$M	Change
Results				
Revenue		**9,068**	6,551	+38%
Profit attributable to the Company's shareholders				
Underlying	*(a), (b)*	**4,513**	3,753	+20%
Recurring underlying	*(b)*	**3,716**	3,702	0%
Reported		**1,984**	1,029	+93%
Cash generated from operations		**6,673**	3,020	+121%
Net cash inflow before financing		**1,231**	1,748	-30%
		HK$	HK$	
Earnings per share				
Underlying	*(c), (d)*	**0.77**	0.64	+20%
Recurring underlying	*(c), (d)*	**0.64**	0.63	0%
Reported	*(c), (d)*	**0.34**	0.18	+93%
Dividend per share				
First interim		**0.31**	0.30	+3%

	Note	30th June 2021 HK$M	31st December 2020 HK$M	Change
Financial Position				
Total equity (including non-controlling interests)		**289,849**	290,680	0%
Net debt		**9,010**	6,605	+36%
Gearing ratio	*(a)*	**3.1%**	2.3%	+0.8%pt.
		HK$	HK$	
Equity attributable to the Company's shareholders per share	*(a)*	**49.21**	49.36	0%

Notes:

(a) Refer to glossary on page 71 for definition.

(b) A reconciliation between reported profit and underlying profit attributable to the Company's shareholders is provided on page 16.

(c) Refer to note 11 in the financial statements for the weighted average number of shares.

(d) The percentage change is the same as the corresponding percentage change in profit attributable to the Company's shareholders.

Chairman's Statement

Dear shareholders,

The challenges continue in 2021, though we saw some improvement in our business in the first half of the year. We continued to be affected by the social and economic effects of COVID-19, but we gained ground in our core businesses, in particular through a sustained recovery in the Chinese Mainland. Our fundamentals remain strong and our business continues on a sound financial footing. Our focus on quality, innovation, and a robust approach to capital management is unchanged.

At the core of our business is our placemaking strategy. This commitment to creating best-in-class developments and bringing long-term value to the communities in which we operate will continue to be the basis of everything we do. We remain sharply focused on growing our portfolio, and the initiatives taken over the past few years have paved the way for future growth. We remain deeply committed to the Hong Kong and Chinese Mainland markets while looking for new opportunities in South East Asia that fit with our business strategy.

Our consolidated profit attributable to shareholders in the first half of 2021 was HK$1,984 million, compared to HK$1,029 million in the first half of 2020. Underlying profit attributable to shareholders increased by HK$760 million to HK$4,513 million. This increase principally reflected the sale of car parking spaces at the Taikoo Shing residential development in Hong Kong.

Sustained Dividend Growth

We have declared a first interim dividend for 2021 of HK$0.31 per share. This represents an increase of 3% from the first interim dividend paid in 2020. The first interim dividend for 2021 will be paid on 5th October 2021 to shareholders registered at the close of business on the record date, being 10th September 2021. Shares of the Company will be traded ex-dividend from Wednesday, 8th September 2021.

Our policy continues to be to deliver sustainable growth in dividends and to pay out approximately half of our underlying profit in ordinary dividends over time.

The Road to Business Recovery

In the first half of 2021 we saw encouraging signs of improvement in our business. Our retail malls in Hong Kong showed some recovery in sales, benefiting from pent-up domestic consumer demand. Our support to tenants through rental concessions continues on a case by case basis. This partnership approach helps us to build even stronger relationships with retailers and to maintain high occupancy.

In Hong Kong we continue to play our part as a member of the business community in supporting the broader business recovery. Vaccination is a hugely important step in Hong Kong's fight against COVID-19 and in June we gave our full support to the Hong Kong government's vaccination efforts, announcing HK$8 million in incentives to help boost the vaccination take-up rate. We also announced our support for the Hong Kong government's consumption voucher scheme, offering up to HK$4.7 million in rewards to consumers who use their vouchers in our malls. We will continue to work with the Hong Kong government and other businesses to help the Hong Kong community move forward.

In the Chinese Mainland, our five malls continue to achieve encouraging results, reflecting strong domestic demand. The occupancy rate has remained high in all our Chinese Mainland malls, and footfall and sales have grown significantly. Sales growth at Taikoo Hui in Guangzhou has been particularly robust, with sales almost doubling between the first halves of 2020 and 2021. This is a positive reflection of our placemaking strategy and our focus on creating destinations that people want to visit and spend time at.

Our office portfolio continued to show resilience, particularly in Hong Kong, where the decentralisation trend continues. Our investment in creating a global business district at Taikoo Place is drawing increasing interest from major corporations and cementing the position of Taikoo Place as the second central business district on Hong Kong Island. This is a testament to our placemaking efforts. Two Taikoo Place, due to be completed next year, has already confirmed a leading financial corporation as its anchor tenant. The vibrant and sustainable community being created is in tune with the lifestyle and wellness needs of the dynamic workforce and in line with the changing needs of the future working community.

In our residential portfolio, we have pre-sold 26 units at EIGHT STAR STREET at Starstreet Precinct in Hong Kong. We completed the sale of all units at our EDEN development in Singapore and almost all the remaining units at Reach and Rise at Brickell City Centre in Miami have been sold.

Our hotel business made a reduced loss compared to the same period in 2020. But, with international leisure and business travel remaining curtailed, the market is extremely difficult. Our hotels in the Chinese Mainland and the U.S.A. did, however, benefit from robust domestic travel and spending.

Strategic Capital Management Driving Future Growth

Disposals of non-core assets have put us in a strong position to take advantage of future opportunities. The disposals are continuing with the sale of car parking spaces at Taikoo Shing. These began in the second half of 2020 and will continue throughout 2021 as appropriate. The cash generated will go towards reinforcing our core investments and financing new projects. Over the past four years we have, in total, disposed of non-core assets amounting to HK$38 billion, all of which either has been or will be recycled into investments, primarily in Chinese Mainland first-tier cities and emerging first-tier cities. We are also exploring opportunities for continued expansion within our two core portfolios in Hong Kong, Taikoo Place and Pacific Place.

In the Chinese Mainland, the Taikoo Li Qiantan retail development in Shanghai will open later this year. Located in the city's growing Qiantan business district, the development will have a focus on wellness and sustainability. We expect it to become a lifestyle destination for the surrounding area. We are also delighted to partner with the Shanghai Jing'an Real Estate group to transform the historic, century-old Zhangyuan shikumen compound into an international cultural and commercial landmark in Shanghai. Zhangyuan is located in the core area of Nanjing Road West and is close to our HKRI Taikoo Hui development. As part of our asset reinforcement strategy within the Jing'an District, this further testifies to our long-term commitment to the development of Shanghai. In Beijing, our Taikoo Li Sanlitun West extension is expected to open later this year, and we have begun work on INDIGO Phase Two. We also recently announced a cooperation agreement with the Beijing Chaoyang District Government and the Beijing Public Transport Corporation. The agreement relates to the transformation (into a cultural and commercial destination) of a maintenance site in Sanlitun owned by the Beijing Public Transport Corporation, which sits to the north of our Taikoo Li Sanlitun development. As we look ahead, we are in a strong position to invest in more retail-led mixed-use projects in the Chinese Mainland over the coming years, and to continue building on the success of our Taikoo Li and Taikoo Hui brands.

We have a strong residential pipeline in Hong Kong, including developments in Chai Wan and Wong Chuk Hang. We are also moving into new markets in South East Asia, with interests in developments in Indonesia and Vietnam.

Leadership in Sustainable Development

The threat of climate change is a huge, non-negotiable global issue that we take very seriously. Having set out a clear plan in our Sustainable Development 2030 Strategy, introduced in 2016, we are now working towards the emissions targets we set for 2025 and 2030. Our goal is to be the leading sustainable development performer in the real estate industry globally by 2030.

But with the climate crisis growing ever more urgent, we decided to take an even more ambitious path. In December 2020, we became the first real estate developer in Hong Kong and the Chinese Mainland to join Business Ambition for 1.5°C, reinforcing our support for the transition to a net-zero emissions economy by setting aggressive targets in own operations that can play a part in limiting global warming to 1.5°C.

In June 2021, we launched a communication and engagement programme – Phase Two of the "Sustainability We all Count" campaign – to put our 1.5°C ambition front and centre of everything we do. This takes us one step further in our sustainability advocacy work, encouraging our business partners and the communities in which we operate to join hands in working toward this goal.

In the first half of 2021, Taikoo Hui Guangzhou became our second mixed-use development to be powered by 100% renewable electricity, following Sino-Ocean Taikoo Li Chengdu. We became the first developer in Hong Kong and the Chinese Mainland to join the World Green Building Council's Corporate Advisory Board, and we were named as one of the top 10 companies for green finance reporting globally in a study conducted by the Climate Bonds Initiative.

Looking to the Future

The world has seen significant challenges over the past 18 months and will continue to face uncertain times as societies and businesses adjust to the post-COVID-19 era. We can be proud of the way we have weathered the storm and emerged as a strong, resilient business. Much of this is down to our incredible employees – talented individuals who have shown adaptability, resourcefulness, commitment to our customers and a remarkable team spirit.

The Swire group is celebrating 150 years in Hong Kong. Swire Properties has been a key part of this success story and will continue to play an important role in the Swire group and the Hong Kong community.

From a personal perspective, I thank our shareholders, employees, tenants, business partners and the broader community for your support as I pass on the chairmanship to Guy Bradley. Guy has been with the Swire group for more than three decades and has served the Company for the past 15 years. He will undoubtedly be able to lead the team and the business of Swire Properties to new heights.

Merlin Swire
Chairman
Hong Kong, 12th August 2021

Chief Executive's Statement

Dear shareholders,

As COVID-19 began to ease, we expected to and did see some improvement in our business in the first half of 2021. The retail business in the Chinese Mainland in particular gained ground. However, the environment remains difficult overall and significant challenges remain.

Our investment focus will continue to be long term. We will continue with innovation, with the digital transformation of our business and with our ambition to become a world leader in sustainable development in the property industry. Our successful placemaking strategy will continue to be at the heart of everything we do.

Financial Results at a Glance

Our underlying profit increased by HK$760 million to HK$4,513 million, principally reflecting gains from the sales of investment properties in Hong Kong. Despite the challenges, we recorded a marginal increase in recurring profit to HK$3,716 million in the first half of 2021, compared with HK$3,702 million in the first half of 2020. This primarily reflected higher retail rental income resulting from strong retail sales in the Chinese Mainland and reduced losses in our hotel business, largely offset by lower retail rental income in Hong Kong and the loss of the rental income from the Cityplaza One office tower.

In Hong Kong, our office portfolio remained resilient, despite the weak market, with high occupancies and stable rents. There was a moderate increase in sales in our retail portfolio in Hong Kong, reflecting a greater desire to spend among local people as restrictions were eased. However, this was offset by the continued absence of inbound tourism.

In the Chinese Mainland, strong domestic consumption was reflected in robust growth in retail sales, particularly of watches, jewellery and other luxury items. Strong demand for retail space and increased footfall contributed to an increase in gross rental income in our Chinese Mainland malls.

We achieved strong residential sales in the first half of the year, despite COVID-19. In Hong Kong, our EIGHT STAR STREET development has attracted considerable interest and we have sold 26 out of 37 units in the development. All units in the EDEN development in Singapore have been sold, as have most of the remaining units at Reach and Rise in Miami. The strong sales reflect the market's appreciation of our brand and our growing reputation for creating quality residences.

Our hotel business continued to be affected by international travel restrictions and cannot fully get back to normal until those restrictions are lifted. However, our results improved in the first half of 2021, due to better performances in the Chinese Mainland and the U.S.A. We continued to improve the guest experience, including by opening a new restaurant, Salisterra, at The Upper House in Hong Kong.

Our balance sheet remains very strong. Net debt at 30th June 2021 was HK$9,010 million, compared with HK$6,605 million at 31st December 2020. Gearing increased from 2.3% at 31st December 2020 to 3.1% at 30th June 2021. The increase in net debt principally reflected funding for INDIGO Phase Two in Beijing and capital expenditure on investment properties in Hong Kong, partially offset by the proceeds of sales of trading properties in the U.S.A. and Singapore.

Our Future Prospects

Overall, there are signs that the economic recovery will maintain its momentum, which gives us greater optimism about the second half of 2021 and beyond. We are well positioned to continue our growth strategy in core markets.

In Hong Kong, office leasing momentum is expected to pick up gradually. We have a resilient office portfolio, with high occupancy. We are delighted to confirm a Swiss private bank as an anchor tenant at Two Taikoo Place, which is indicative of the success of our placemaking strategy and the confidence the office market has in our efforts to create a global business district at Taikoo Place. We are also making good progress with the construction of a new Grade-A office tower opposite Three Pacific Place that will reinforce our presence in the greater Pacific Place area.

In the Chinese Mainland, office demand in Beijing and Shanghai is expected to continue to improve, with a more modest recovery in Guangzhou. However, the continued new supply of office space in these three cities, particularly in the decentralised areas of Shanghai, will mean that rentals will remain under pressure.

The outlook for the retail market in Hong Kong is mixed. However, further relaxation of COVID-19 restrictions should help to boost the gradual recovery of retail sales. From our perspective, digital transformation continues to be a key focus, as do refreshing our tenant mix, upgrading our amenities and staying connected with customers. We have enhanced our customer loyalty programmes and the mobile app for Pacific Place, continued our popular SHOPPING+ digital platform at our three malls and will soon open the 'above' Lounge at Pacific Place. Taikoo Place and Pacific Place are the first business hubs in the city to feature 5G connectivity indoors and outdoors.

We remain optimistic about the retail market in the Chinese Mainland and expect the rebound from COVID-19 to continue in the second half of 2021. We expect strong demand from retailers of luxury brands in Guangzhou and Chengdu, and steady growth in demand for retail space in Shanghai. In Beijing, retail sales and demand for retail space are expected to recover steadily in the second half of 2021.

We celebrate the 10th anniversary of Taikoo Hui Guangzhou, our flagship development in the Chinese Mainland, this year. Its success is a testament to the strong brand we have established in Guangzhou and the Chinese Mainland. We will open our sixth retail development, Taikoo Li Qiantan, in Shanghai later this year. We recently announced the formation of a joint venture management company with the Shanghai Jing'an Real Estate group which will rejuvenate the historic Zhangyuan shikumen compound in Shanghai into a cultural and commercial landmark, with an above-ground gross floor area of approximately 60,000 square metres. The compound is close to HKRI Taikoo Hui. The rejuvenation is expected to open in phases from the second half of 2022. We intend to grow our business in the Chinese Mainland further, with an exciting pipeline of investment opportunities. We are exploring potential projects in first-tier cities and emerging first-tier cities, including the Greater Bay Area.

In Miami, retail sales are recovering strongly from the adverse effects of COVID-19.

Sentiment in the Hong Kong residential market is improving. We expect demand to remain resilient in the medium to long term. We will continue to pre-sell units at EIGHT STAR STREET and to develop our projects in Chai Wan and Wong Chuk Hang.

We continue to explore new opportunities in the luxury residential markets in South East Asia. We have interests in a development in Jakarta and in two developments in Ho Chi Minh City. The Empire City development in Ho Chi Minh City (in which we have a minority interest) is a residential-led, mixed-use development in Vietnam's largest city, expected to be completed in phases from 2021 to 2026.

The outlook for our hotels in Hong Kong is still challenging and recovery depends on the reopening of borders and the pace of COVID-19 vaccination. Strong demand for domestic travel will help our hotel businesses in the Chinese Mainland and the U.S.A. In Hong Kong, a non-managed hotel, The Silveri Hong Kong – MGallery, will open, subject to COVID-19 conditions, at our Citygate development later this year.

Conclusion

We are still facing challenges in 2021, particularly in the retail and hospitality sectors in Hong Kong. But with great fundamentals and a balanced portfolio, our appetite to grow our business remains intact, fuelled by our strategic placemaking mission and strong balance sheet.

In 2021 we celebrate the 20th anniversary of the Swire Properties Community Ambassador Programme, our longstanding staff volunteering scheme. It continues to touch the lives of those in need in the community and has now extended beyond Hong Kong to other cities where we have operations. Our Ambassadors epitomise the spirit of the team that has helped to steer Swire Properties through the challenges of the past couple of years.

This is my last results announcement as Chief Executive of Swire Properties. It has been a privilege to work with such a great team whose strong support and hard work has helped the Company achieve so much. I would like to thank the Chairman for his leadership and unwavering support during his tenure, in particular as we faced the unprecedented challenge of COVID-19. While I will take up the position of Chairman of Swire Properties, I am excited to see Tim Blackburn take over as Chief Executive, after his four-year tenure as Chief Executive Officer, Chinese Mainland. This management change will help ensure continued momentum in realising our pipeline of new projects for growth. On behalf of my fellow Directors, I would like to thank all our employees for their continued dedication, professionalism and commitment to drive the Company forward.

Guy Bradley
Chief Executive
Hong Kong, 12th August 2021

Review of Operations

	Six months ended 30th June		Year ended 31st December
	2021 HK$M	2020 HK$M	2020 HK$M
Revenue			
Gross Rental Income derived from			
Offices	**3,075**	3,344	6,555
Retail	**2,875**	2,530	5,245
Residential	**247**	227	454
Other Revenue [1]	**50**	46	101
Property Investment	**6,247**	6,147	12,355
Property Trading	**2,394**	130	312
Hotels	**427**	274	641
Total Revenue	**9,068**	6,551	13,308
Operating Profit/(Losses) derived from			
Property investment			
From operations	**4,303**	4,329	8,504
Sale of interests in investment properties	**302**	(8)	1,826
Valuation losses on investment properties	**(2,525)**	(2,621)	(4,465)
Property trading	**496**	(30)	(49)
Hotels	**(109)**	(197)	(310)
Total Operating Profit	**2,467**	1,473	5,506
Share of Post-tax Profit from Joint Venture and Associated Companies	**817**	270	732
Profit Attributable to the Company's Shareholders	**1,984**	1,029	4,096

(1) Other revenue is mainly estate management fees.

Additional information is provided in the following section to reconcile reported and underlying profit attributable to the Company's shareholders. These reconciling items principally adjust for the net valuation movements on investment properties and the associated deferred tax in the Chinese Mainland and the U.S.A., and for other deferred tax provisions in relation to investment properties. In the Chinese Mainland and the U.S.A., the Group's investment properties recorded net property valuation gains of HK$1,181 million and HK$194 million respectively in the first half of 2021. In Hong Kong, investment properties recorded net property valuation losses of HK$3,433 million. There is a further adjustment to remove the effect of the movement in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest. Amortisation of right-of-use assets classified as investment properties is charged to underlying profit.

Underlying Profit Reconciliation	Note	Six months ended 30th June 2021 HK$M	Six months ended 30th June 2020 HK$M	Year ended 31st December 2020 HK$M
Profit Attributable to the Company's Shareholders per Financial Statements		**1,984**	1,029	4,096
Adjustments in respect of investment properties:				
Valuation losses on investment properties	*(a)*	**2,058**	2,762	4,307
Deferred tax on investment properties	*(b)*	**521**	68	446
Valuation (losses)/gains realised on sale of interests in investment properties	*(c)*	**(134)**	59	3,990
Depreciation of investment properties occupied by the Group	*(d)*	**11**	12	23
Non-controlling interests' share of valuation movements less deferred tax		**44**	(115)	(108)
Movement in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest	*(e)*	**23**	(38)	(26)
Impairment loss on a hotel held as part of a mixed-use development	*(f)*	**22**	–	–
Less amortisation of right-of-use assets reported under investment properties	*(g)*	**(16)**	(24)	(49)
Underlying Profit Attributable to the Company's Shareholders		**4,513**	3,753	12,679
Profit on sale of interests in investment properties		**(797)**	(51)	(5,590)
Recurring Underlying Profit Attributable to the Company's Shareholders		**3,716**	3,702	7,089

Notes:

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

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

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

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

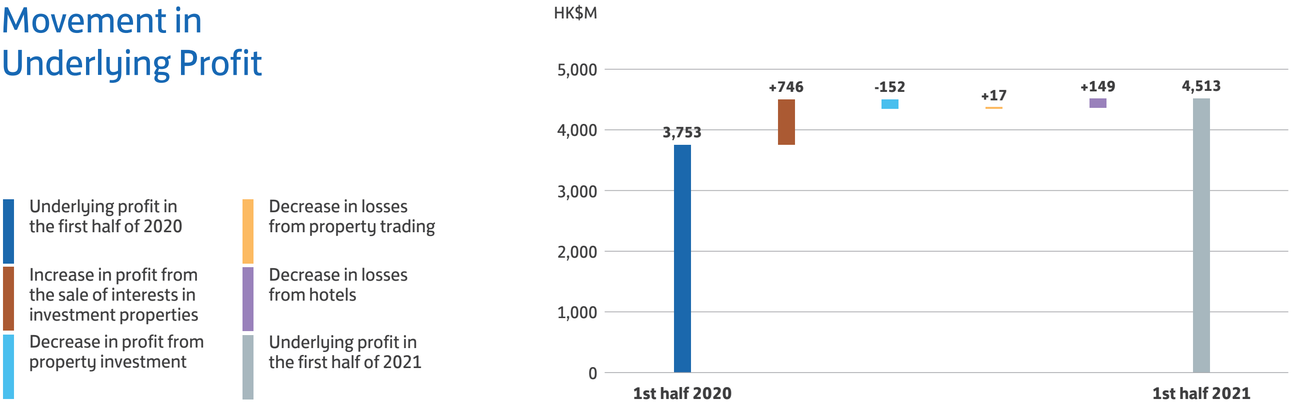
(e) The value of the put option in favour of the owner of a non-controlling interest is calculated principally by reference to the estimated fair value of the portion of the underlying investment property in which the owner of the non-controlling interest is interested.

(f) 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.

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

Underlying Profit

Movement in Underlying Profit



Our consolidated profit attributable to shareholders in the first half of 2021 was HK$1,984 million, compared to a profit of HK$1,029 million in the first half of 2020.

Underlying profit attributable to shareholders (which principally adjusts for changes in valuation of investment properties) increased by HK$760 million from HK$3,753 million in the first half of 2020 to HK$4,513 million in the first half of 2021. The increase in underlying profit principally reflected the sale of car parking spaces in Hong Kong in the first half of 2021, which were absent in the first half of 2020.

Recurring underlying profit in the first half of 2021 (which excludes the gains from the sales of investment properties aggregating HK$797 million, compared with HK$51 million in the first half of 2020) was HK$3,716 million, compared with HK$3,702 million in the first half of 2020.

Recurring underlying profit from property investment decreased modestly in the first half of 2021. This mainly reflected lower retail rental income from Hong Kong and the loss of rental income from the Cityplaza One office tower (which was disposed of in the second half of 2020), partly offset by strong retail rental income from the Chinese Mainland. In Hong Kong, the office portfolio was resilient, with firm occupancy and positive rental reversions at Taikoo Place. The retail portfolio in Hong Kong was adversely affected by COVID-19. However, there was a gradual improvement in tenants' sales, as local consumer demand started to recover. In the Chinese Mainland, there was generally robust growth in retail sales and increased footfall. This reflected strong domestic demand, particularly for watches, jewellery and other luxury items. The small underlying loss from property trading in the first half of 2021 reflected the sale of EDEN in Singapore and of units at Reach and Rise in Miami, U.S.A. and adjustments to certain provisions. Losses at hotels reduced in the first half of 2021. There were better hotel performances in the Chinese Mainland and the U.S.A.

Key Developments

In January 2021, Swire Properties started to sell units at EIGHT STAR STREET in the Starstreet Precinct in Hong Kong. 26 out of 37 units had been pre-sold at 10th August 2021.

In March 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 from 2021 to 2026.

In March 2021, Swire Properties sold all 20 apartments at EDEN in Singapore.

In May 2021, Swire Properties sold almost all remaining units at Reach and Rise, the residential portion of the first phase of the Brickell City Centre development in Miami, U.S.A., to an institutional purchaser. There are two units remaining at Rise for sale.

In July 2021, Swire Properties announced the formation of a joint venture management company with the Shanghai Jing'an Real Estate group, which will revitalise the historic Zhangyuan shikumen compound in the Jing'an District in Shanghai.

In August 2021, Swire Properties announced a cooperation agreement with the Chaoyang District Government in Beijing and the Beijing Public Transport Corporation. The cooperation relates to the transformation (into a cultural and commercial destination) of a maintenance site in Sanlitun owned by Beijing Public Transport Corporation and adjacent to our Taikoo Li Sanlitun development.

Portfolio Overview

The aggregate gross floor area ("GFA") attributable to the Group at 30th June 2021 was approximately 31.8 million square feet.

Of the aggregate GFA attributable to the Group, approximately 27.3 million square feet are investment properties and hotels, comprising completed investment properties and hotels of approximately 23.2 million square feet and investment properties under development or held for future development of approximately 4.1 million square feet. In Hong Kong, the investment property and hotel portfolio comprises approximately 13.8 million square feet attributable to the Group of primarily Grade-A office and retail premises, hotels, serviced apartments and other luxury residential accommodation. In the Chinese Mainland, the Group has interests in six major commercial developments in prime locations in Beijing, Guangzhou, Chengdu and Shanghai. These developments are expected to comprise approximately 11.1 million square feet of attributable GFA when they are all completed. Of this, 9.7 million square feet has already been completed. Outside Hong Kong and the Chinese Mainland, the investment property and hotel portfolio comprises the Brickell City Centre development in Miami, U.S.A.

The tables below illustrate the GFA (or expected GFA) attributable to the Group of the investment property and hotel portfolio at 30th June 2021.

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

	Office	Retail	Hotels [1]	Residential/ Serviced Apartments	Under Planning	Total
Hong Kong	8.7	2.5	0.8	0.6	–	**12.6**
Chinese Mainland	2.9	5.4	1.2	0.2	–	**9.7**
U.S.A.	–	0.3	0.5	0.1	–	**0.9**
Total	**11.6**	**8.2**	**2.5**	**0.9**	**–**	**23.2**

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

	Office	Retail	Hotels [1]	Residential/ Serviced Apartments	Under Planning	Total
Hong Kong	1.2	–	–	–	–	**1.2**
Chinese Mainland	–	–	–	–	1.4	**1.4**
U.S.A.	–	–	–	–	1.5 [2]	**1.5**
Total	**1.2**	**–**	**–**	**–**	**2.9**	**4.1**

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

	Office	Retail	Hotels [1]	Residential/ Serviced Apartments	Under Planning	Total
Total	**12.8**	**8.2**	**2.5**	**0.9**	**2.9**	**27.3**

(1) Hotels are accounted for in the financial statements under property, plant and equipment and, where applicable, the leasehold land portion is accounted for under right-of-use assets.

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

The trading portfolio comprises six residential projects under development, three in Hong Kong, one in Indonesia and two in Vietnam. There are also land banks in Miami, U.S.A.

The table below illustrates the GFA (or expected GFA) attributable to the Group of the trading property portfolio at 30th June 2021.

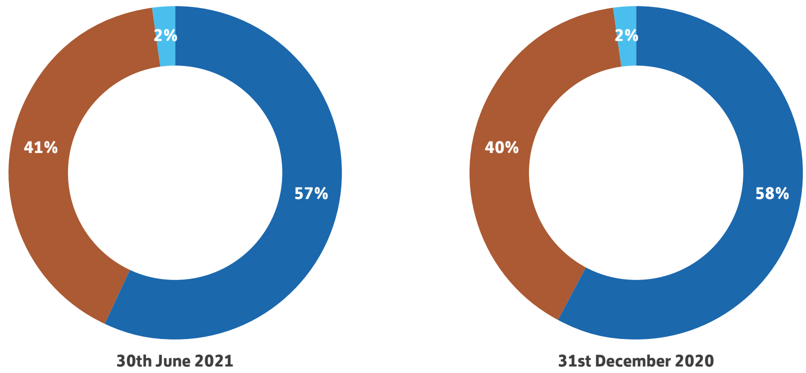
Trading Properties
(GFA (or expected GFA) attributable to the Group in million square feet)

	Completed	Under Development or Held for Development	Total
Hong Kong	–	0.7	**0.7**
U.S.A. and elsewhere	–	3.8	**3.8**
Total	**–**	**4.5**	**4.5**

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

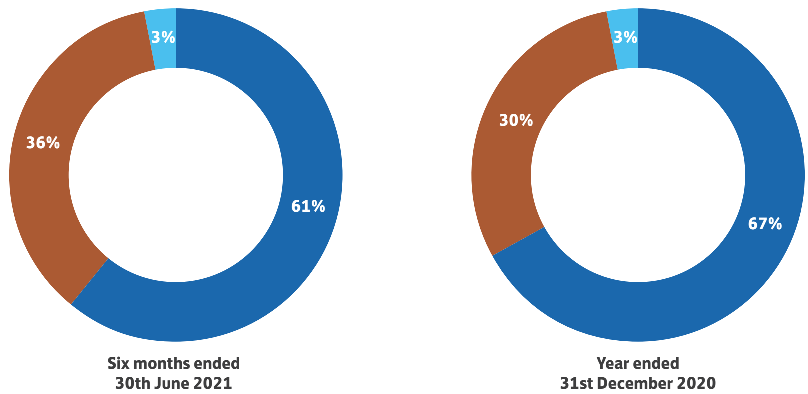
Completed Investment Properties GFA (excl. Hotels)

- Hong Kong
- Chinese Mainland
- U.S.A.



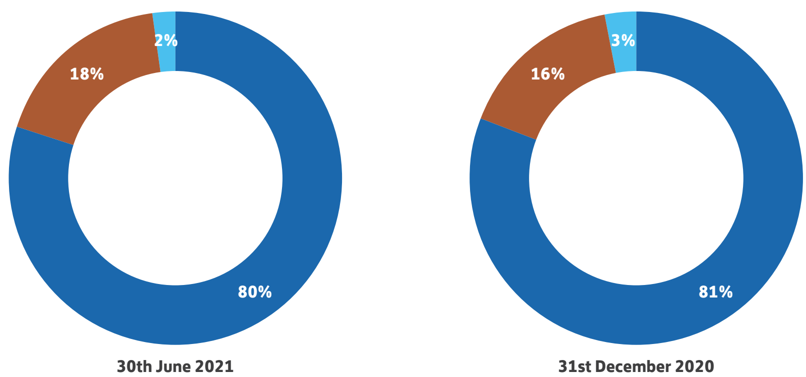
Attributable Gross Rental Income

- Hong Kong
- Chinese Mainland
- U.S.A.



Net Asset Employed

- Hong Kong
- Chinese Mainland
- U.S.A. and elsewhere



Investment Properties – Hong Kong

Offices

Overview

The completed office portfolio in Hong Kong comprises an aggregate of 9.0 million square feet of space on a 100% basis. Total attributable gross rental income from our office properties in Hong Kong was HK$3,044 million in the first half of 2021. At 30th June 2021, our office properties, completed and under development, in Hong Kong were valued at HK$181,188 million. Of this amount, the Group's attributable interest was HK$171,295 million.

Hong Kong Office Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 30th June 2021)	Attributable Interest
Pacific Place	2,186,433	98%	100%
Taikoo Place – One Island East and One Taikoo Place	2,550,379	100%	100%
Taikoo Place – Other Office Towers (1)	3,136,717	96%	50%/100%
Others (2)	1,158,595	79%	20%/50%/100%
Total	**9,032,124**		

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

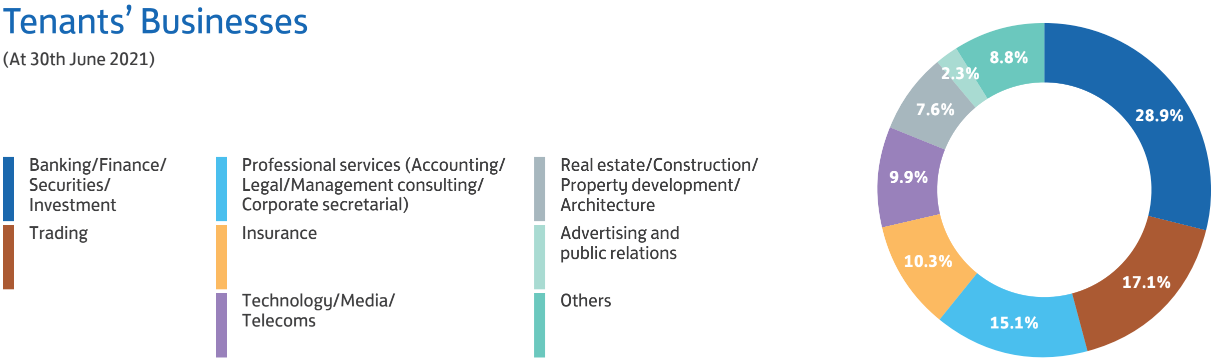
(2) Others comprise One Citygate (20% owned), Berkshire House (50% owned), 8 Queen's Road East (wholly-owned), 28 Hennessy Road (wholly-owned) and South Island Place (50% owned).

Gross rental income from the Hong Kong office portfolio in the first half of 2021 was HK$2,874 million, 8% lower than in the same period in 2020. The decrease mainly reflected the loss of gross rental income from the Cityplaza One office tower, which was disposed of in the second half of 2020. The office market was weak. It was affected by COVID-19, increased vacancies in Central and new supply. But there was more leasing activity in our buildings. The portfolio was resilient, with firm occupancy and positive rental reversions at Taikoo Place. Disregarding the effect of the disposal of Cityplaza One, gross rental income decreased by 2%. At 30th June 2021, the office portfolio was 96% let.

The chart below shows the mix of tenants of the office properties by the principal nature of their businesses (based on internal classifications) as a percentage of the office area at 30th June 2021.

Office Area by Tenants' Businesses

(At 30th June 2021)



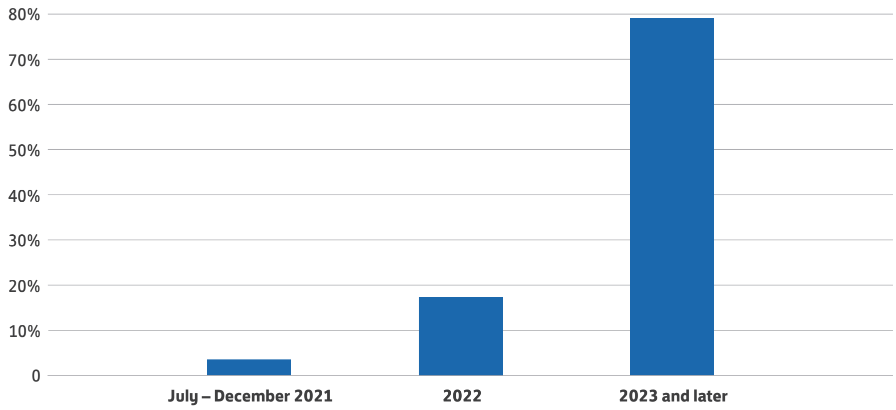
At 30th June 2021, the top ten office tenants (based on attributable gross rental income in the six months ended 30th June 2021) together occupied approximately 21% of the Group's total attributable office area in Hong Kong.

Hong Kong Office Market Outlook

The Hong Kong economy and business confidence are showing signs of improvement. Julius Baer, a Swiss private bank, will be moving from Central to Two Taikoo Place, where it will take 92,000 square feet of office space. Office leasing momentum is expected to pick up gradually.

The following chart shows the percentage of attributable gross rental income from the office properties in Hong Kong, for the month ended 30th June 2021, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 3.5% of the attributable gross rental income in the month of June 2021 are due to expire in the second half of 2021, with tenancies accounting for a further 17.4% of such rental income due to expire in 2022.

Office Lease Expiry Profile
(At 30th June 2021)



Retail

Overview

The completed retail portfolio in Hong Kong comprises an aggregate of 3.2 million square feet of space on a 100% basis. Total attributable gross rental income from our retail properties in Hong Kong was HK$1,167 million in the first half of 2021. At 30th June 2021, our retail properties in Hong Kong were valued at HK$55,218 million. Of this amount, the Group's attributable interest was HK$45,490 million.

The portfolio principally consists of The Mall at Pacific Place, Cityplaza at Taikoo Shing and Citygate Outlets at Tung Chung. The malls are wholly-owned by the Group (except for Citygate Outlets, in which the Group has a 20% interest) and are managed by the Group.

The Hong Kong retail portfolio was adversely affected by COVID-19. There was downward pressure on rents. Shops selling non-essential items were badly affected, as inbound tourism was absent. However, local consumer demand started to recover. During the period, retail sales increased by 36%, 5% and 18% respectively at The Mall, Pacific Place, Cityplaza and Citygate Outlets.

Hong Kong Retail Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 30th June 2021)	Attributable Interest
The Mall, Pacific Place	711,182	96%	100%
Cityplaza	1,096,898	100%	100%
Citygate Outlets	803,582	99%	20%
Others [1]	547,976	100%	20%/60%/100%
Total	**3,159,638**		

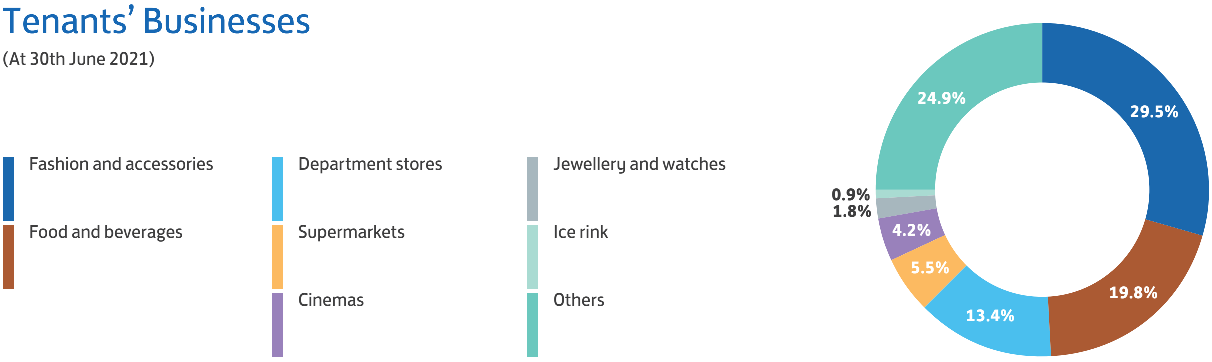
(1) Others largely comprise Taikoo Shing neighbourhood shops and StarCrest retail premises (which are wholly-owned), Island Place retail premises (60% owned) and Tung Chung Crescent neighbourhood shops (20% owned).

Gross rental income from the Group's retail portfolio in Hong Kong was HK$1,116 million in the first half of 2021, a decrease of 12% compared to the same period in 2020. The decrease reflected lower base rents and higher rental concessions (on an amortised basis), partly offset by higher turnover rents (due to increased retail sales). Rental concessions (which were amortised over the remaining lease terms) were given for specific periods on a case by case basis to support tenants. Rental concessions (on a cash basis) reduced considerably. Disregarding amortised rental concessions, gross rental income was approximately the same. The Group's malls were almost fully let throughout the period.

The chart below shows the mix of the tenants of the retail properties by the principal nature of their businesses (based on internal classifications) as a percentage of the retail area at 30th June 2021.

Retail Area by Tenants' Businesses

(At 30th June 2021)



At 30th June 2021, the top ten retail tenants (based on attributable gross rental income in the six months ended 30th June 2021) together occupied approximately 26% of the Group's total attributable retail area in Hong Kong.

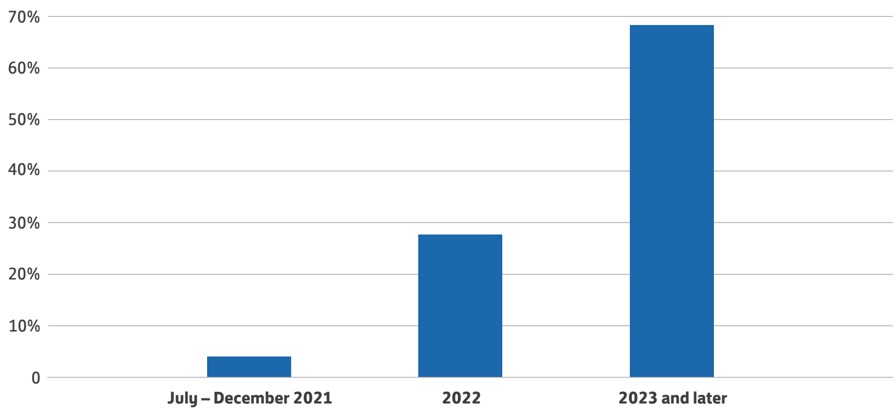
Hong Kong Retail Market Outlook

The outlook for the Hong Kong retail market is mixed in the absence of tourist spending. Retailers are cautious about opening stores and capital expenditure. COVID-19 is contained in Hong Kong. Vaccination rates are improving. If this continues, quarantine and travel restrictions may be relaxed. This should help to boost the gradual recovery of retail sales.

The following chart shows the percentage of attributable gross rental income from the retail properties in Hong Kong, for the month ended 30th June 2021, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 4.0% of the attributable gross rental income in the month of June 2021 are due to expire in the second half of 2021, with tenancies accounting for a further 27.7% of such rental income due to expire in 2022.

Retail Lease Expiry Profile

(At 30th June 2021)



Residential

The completed residential portfolio comprises Pacific Place Apartments at Pacific Place, EAST Residences in Quarry Bay, STAR STUDIOS in Wanchai and a number of luxury houses on Hong Kong Island and Lantau Island, with an aggregate GFA of approximately 0.6 million square feet. The occupancy rate at the residential portfolio was approximately 75% at 30th June 2021. Demand for our residential investment properties was primarily local, because of COVID-19.

Investment Properties Under Development

Taikoo Place Redevelopment

The second phase of the Taikoo Place redevelopment (the redevelopment of Cornwall House and Warwick House) is the construction of an office tower with an aggregate GFA of approximately one million square feet, to be named Two Taikoo Place. Superstructure works are in progress. Completion of the redevelopment is expected in the first half of 2022.

46-56 Queen's Road East

Planning permission to develop this site for office use was obtained in 2018. The site area is approximately 14,400 square feet. The proposed development has an aggregate GFA of approximately 218,000 square feet. Basement works are in progress. Completion is expected in 2023.

Others

Wah Ha Factory Building, No. 8 Shipyard Lane and Zung Fu Industrial Building, No. 1067 King's Road

In 2018, the Group submitted compulsory sale applications in respect of these two sites in Hong Kong. Subject to the Group having successfully bid in the compulsory sale of the sites, the sites are intended to be redeveloped for office and other commercial uses with an aggregate GFA of approximately 779,000 square feet.

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

In 2018, a joint venture company in which the Group holds a 50% interest submitted a compulsory sale application in respect of this site. Subject to the joint venture company having successfully bid in the compulsory sale and in accordance with applicable town planning controls, it is expected that the site can be redeveloped for residential and retail uses with a GFA of approximately 400,000 square feet.

Taikoo Shing Car Parking Spaces

Since November 2020, the Group has offered 946 car parking spaces in the Taikoo Shing residential development in Hong Kong for sale. 645 of these car parking spaces had been sold at 10th August 2021. Sales of 389 car parking spaces were recognised in the first half of 2021 and sales of 256 car parking spaces are expected to be recognised in the second half of 2021.

Investment Properties – Chinese Mainland

Overview

The property portfolio in the Chinese Mainland comprises an aggregate of 18.1 million square feet of space, 11.1 million square feet of which is attributable to the Group. Completed properties amount to 14.0 million square feet, with 4.1 million square feet under development. Total attributable gross rental income from investment properties in the Chinese Mainland was HK$2,578 million in the first half of 2021. At 30th June 2021, the investment properties in the Chinese Mainland were valued at HK$103,477 million. Of this amount, the Group's attributable interest was HK$67,587 million.

Chinese Mainland Property Portfolio [1]

	GFA (sq. ft.) (100% Basis)				
	Total	Investment Properties	Hotels and Others	Under Planning	Attributable Interest
Completed					
Taikoo Li Sanlitun, Beijing	1,741,249	1,571,786	169,463	–	100%
Taikoo Hui, Guangzhou	3,840,197	3,256,013	584,184	–	97%
INDIGO, Beijing	1,886,865	1,528,564	358,301	–	50%
Sino-Ocean Taikoo Li Chengdu	1,661,725	1,465,217	196,508	–	50%
HKRI Taikoo Hui, Shanghai	3,536,619	3,148,792	387,827	–	50%
Taikoo Li Qiantan, Shanghai [2]	1,238,037	1,238,037	–	–	50%
Hui Fang, Guangzhou	90,847	90,847	–	–	100%
Others	2,917	1,458	1,459	–	100%
Sub-Total	**13,998,456**	**12,300,714**	**1,697,742**	**–**	
Under Development					
INDIGO Phase Two, Beijing [3]	4,083,732	–	–	4,083,732	35%
Total	**18,082,188**	**12,300,714**	**1,697,742**	**4,083,732**	

(1) Including hotels and properties leased for investment.

(2) The opening is scheduled for September 2021.

(3) This is an office-led mixed-use development. The development scheme is being planned. The total GFA is subject to change. The development is planned to be completed in two phases, in late 2025 and 2027.

Gross rental income from the Group's investment property portfolio in the Chinese Mainland was HK$1,734 million in the first half of 2021, 35% higher than in the same period in 2020, reflecting strong retail sales and Renminbi appreciation.

Retail

The completed retail portfolio in the Chinese Mainland comprises an aggregate of 7.8 million square feet of space, 5.4 million square feet of which is attributable to the Group. Total attributable gross rental income from our retail properties in the Chinese Mainland grew by 38%, to HK$2,108 million, in the first half of 2021. Disregarding amortised rental concessions and Renminbi appreciation, the attributable gross rental income increased by 23%. At 30th June 2021, our completed retail properties in the Chinese Mainland were valued at HK$65,165 million. Of this amount, the Group's attributable interest was HK$47,574 million.

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

Chinese Mainland Completed Retail Portfolio

	GFA (sq. ft.) (100% Basis)	Occupancy (at 30th June 2021)	Attributable Interest
Taikoo Li Sanlitun, Beijing	1,571,786	100%	100%
Taikoo Hui, Guangzhou	1,472,730	100%	97%
INDIGO, Beijing	939,493	98%	50%
Sino-Ocean Taikoo Li Chengdu	1,355,360	95%	50%
HKRI Taikoo Hui, Shanghai	1,173,459	96%	50%
Taikoo Li Qiantan, Shanghai	1,238,037	N/A	50%
Hui Fang, Guangzhou	90,847	100%	100%
Total	**7,841,712**		

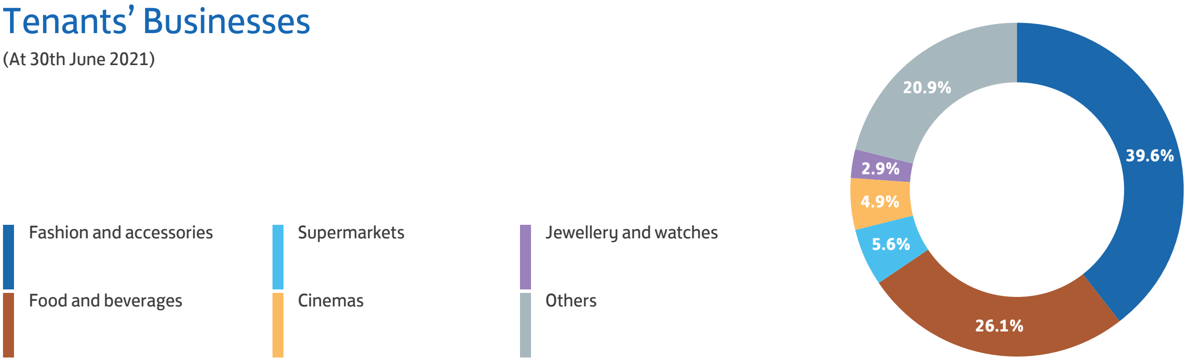
Retail sales in the Chinese Mainland increased strongly in the first half of 2021, particularly of watches, jewellery and other luxury items. Local demand was strong, reflecting restrictions on travel outside the Chinese Mainland and generally effective containment of COVID-19. Our retail sales on an attributable basis in the Chinese Mainland in the first half of 2021 increased by 77%. Retail sales at Taikoo Li Sanlitun in Beijing, Taikoo Hui in Guangzhou, Sino-Ocean Taikoo Li Chengdu and HKRI Taikoo Hui in Shanghai increased by 85%, 88%, 66% and 83% respectively in the first half of 2021. There were 13%, 95%, 41% and 86% increases respectively from the corresponding period of 2019. National retail sales increased by 23% in the first half of 2021 compared to the same period in 2020.

The Group's gross rental income from retail properties in the Chinese Mainland increased by 40%, to HK$1,538 million, in the first half of 2021 (after taking into account a 9% appreciation of the Renminbi against the Hong Kong dollar). Disregarding amortised rental concessions and Renminbi appreciation, gross rental income increased by 25%.

The chart below shows the mix of the tenants of the retail properties by the principal nature of their businesses (based on internal classifications) as a percentage of the retail area at 30th June 2021.

Retail Area by Tenants' Businesses

(At 30th June 2021)



At 30th June 2021, the top ten retail tenants (based on attributable gross rental income in the six months ended 30th June 2021) together occupied approximately 17% of the Group's total attributable retail area in the Chinese Mainland.

Gross rental income at Taikoo Li Sanlitun in Beijing increased satisfactorily in the first half of 2021, reflecting an improved tenant mix and improvement works. Retail sales increased by 85%. The occupancy rate was 100% at 30th June 2021.

The refurbishment of Taikoo Li Sanlitun West as an extension to Taikoo Li Sanlitun (with a GFA of 255,731 square feet) was completed in June 2021. Opening is expected later this year. Tenants have committed to take all the space.

In the first half of 2021, gross rental income at Taikoo Hui in Guangzhou increased by 52% compared with the first half of 2020 and by 10% compared with the second half of 2020. Retail sales increased by 88%. This reflected robust retail sales growth, which continued until a return of COVID-19 cases at the end of May. The mall was 100% occupied at 30th June 2021. Improvements were made to the tenant mix.

The mall at INDIGO in Beijing was 98% occupied at 30th June 2021. Retail sales increased by 6% in the first half of 2021. Improvements were made to the tenant mix.

Gross rental income at Sino-Ocean Taikoo Li Chengdu increased in the first half of 2021. Retail sales increased by 66%, with strong footfall. At 30th June 2021, the occupancy rate was 95%.

Gross rental income at HKRI Taikoo Hui in Shanghai increased in the first half of 2021. Retail sales increased by 83%, benefitting from improvements to the tenant mix and increased footfall. At 30th June 2021, the occupancy rate was 96%.

Taikoo Li Qiantan in Shanghai is expected to open in September 2021. Pre-leasing has been progressing well.

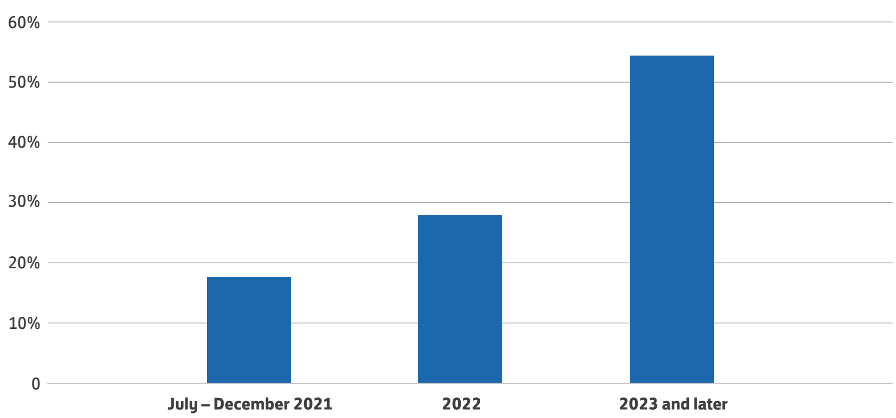
Chinese Mainland Retail Market Outlook

Demand for retail space in the cities in which we operate in the Chinese Mainland is expected to be generally strong in the second half of 2021. In Guangzhou and Chengdu, demand for retail space from retailers of luxury brands is expected to be strong. In Shanghai, demand for retail space from retailers of luxury fashion, cosmetic and lifestyle brands and from operators of food and beverage outlets is expected to grow steadily. In Beijing, retail sales and demand for retail space from the owners of lifestyle and apparel brands are expected to recover steadily in the second half of 2021.

The following chart shows the percentage of attributable gross rental income from the retail properties in the Chinese Mainland, for the month ended 30th June 2021, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 17.7% of the attributable gross rental income in the month of June 2021 are due to expire in the second half of 2021, with tenancies accounting for a further 27.9% of such rental income due to expire in 2022.

Retail Lease Expiry Profile

(At 30th June 2021)



Offices

The completed office portfolio in the Chinese Mainland comprises an aggregate of 4.1 million square feet of space, 2.9 million square feet of which is attributable to the Group. Total attributable gross rental income from our office properties in the Chinese Mainland increased by 11% to HK$431 million in the first half of 2021. At 30th June 2021, our completed office properties in the Chinese Mainland were valued at HK$22,671 million. Of this amount, the Group's attributable interest was HK$14,253 million.

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

Chinese Mainland Completed Office Portfolio

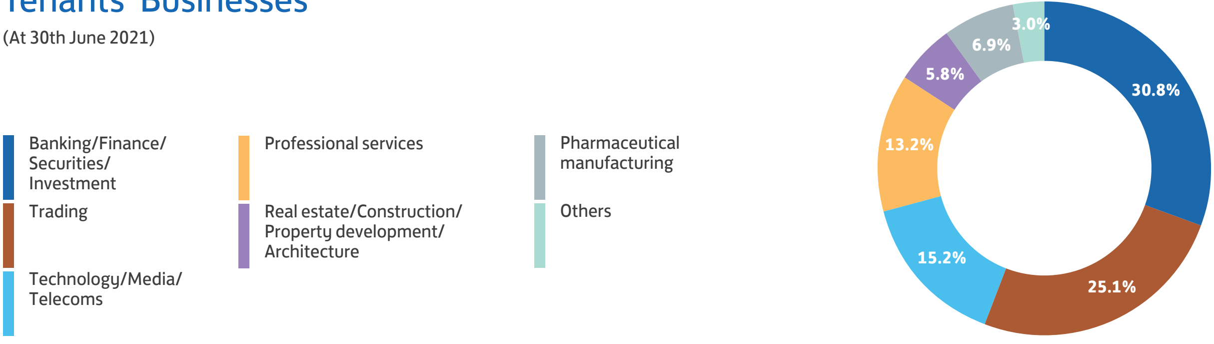
	GFA (sq. ft.) (100% Basis)	Occupancy (at 30th June 2021)	Attributable Interest
Taikoo Hui, Guangzhou	1,731,766	96%	97%
INDIGO, Beijing	589,071	88%	50%
HKRI Taikoo Hui, Shanghai	1,828,060	99%	50%
Total	**4,148,897**		

The Group's gross rental income from office properties in the Chinese Mainland increased by 7% to HK$189 million in the first half of 2021 (after taking into account a 9% appreciation of the Renminbi against the Hong Kong dollar). Demand for office space in Beijing and Shanghai improved in the first half of 2021, but was weak in Guangzhou. Significant new supply in Beijing and Guangzhou put downward pressure on rents.

The chart below shows the mix of the tenants of the office properties by the principal nature of their businesses (based on internal classifications) as a percentage of the office area at 30th June 2021.

Office Area by Tenants' Businesses

(At 30th June 2021)



At 30th June 2021, the top ten office tenants (based on attributable gross rental income in the six months ended 30th June 2021) together occupied approximately 47% of the Group's total attributable office area in the Chinese Mainland.

The occupancy rates at the office towers of Taikoo Hui in Guangzhou, ONE INDIGO in Beijing and the office towers of HKRI Taikoo Hui in Shanghai were 96%, 88% and 99% respectively at 30th June 2021.

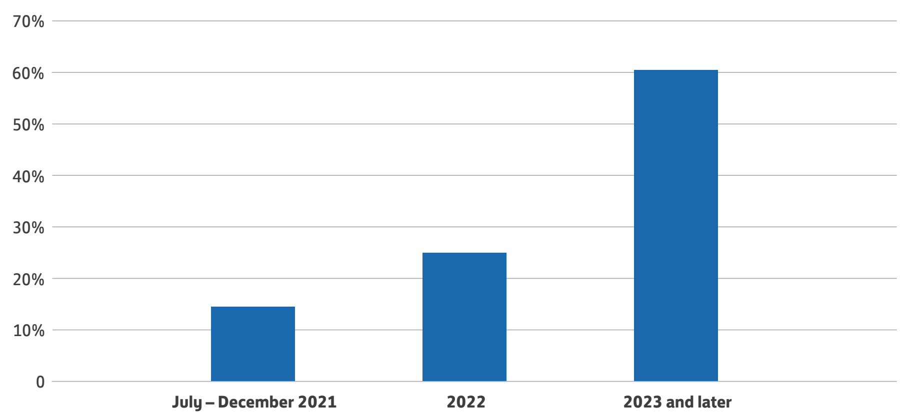
Chinese Mainland Office Market Outlook

Demand for office space is expected to improve in Beijing and Shanghai and to recover modestly in Guangzhou in the second half of 2021. However, new supply, particularly in the decentralised areas of Shanghai, will put pressure on rents.

The following chart shows the percentage of attributable gross rental income from the office properties in the Chinese Mainland, for the month ended 30th June 2021, derived from leases expiring in the periods with no committed renewals or new lettings. Tenancies accounting for approximately 14.5% of the attributable gross rental income in the month of June 2021 are due to expire in the second half of 2021, with tenancies accounting for a further 25.0% of such rental income due to expire in 2022.

Office Lease Expiry Profile

(At 30th June 2021)



Serviced Apartments

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

The performance of the serviced apartments in the first half of 2021 recovered despite COVID-19. Occupancy at the Mandarin Oriental in Guangzhou, The Temple House in Chengdu and The Middle House Residences in Shanghai was 71%, 80% and 87% respectively at 30th June 2021.

Chinese Mainland Serviced Apartments Market Outlook

The performance of the serviced apartments is expected to be stable in the second half of 2021.

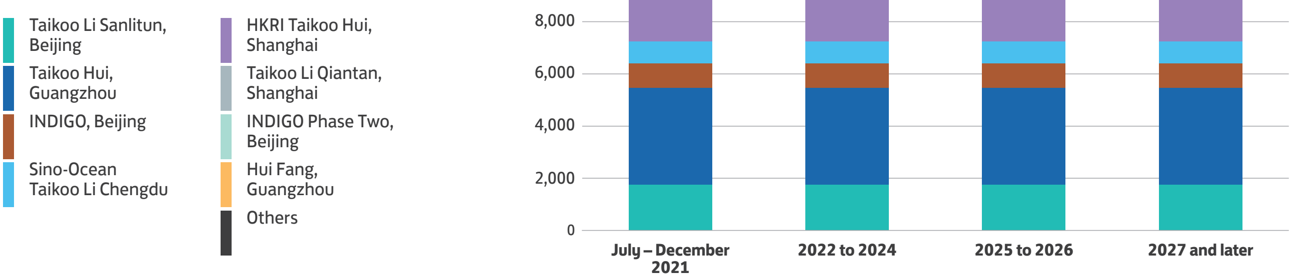
Investment Property Under Development

INDIGO Phase Two, Beijing

INDIGO Phase Two is an extension of the existing INDIGO development with a GFA of 4,083,732 square feet. Jointly developed with the Sino-Ocean group, INDIGO Phase Two will be an office-led mixed-use development and is planned to be completed in two phases, in late 2025 and 2027 respectively. Excavation works were in progress at 30th June 2021. The Group has a 35% interest in INDIGO Phase Two.

The chart below illustrates the expected attributable area of the completed property portfolio in the Chinese Mainland.

Attributable Area of Completed Property Portfolio in the Chinese Mainland



Investment Properties – U.S.A.

Overview

Brickell City Centre, Miami

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

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

The Group owns 100% of EAST Miami, and 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 (12.07%). Bal Harbour Shops has an option, exercisable from February 2020, to sell its interest to the Group.

The shopping centre was 97% leased (including by way of letters of intent) at 30th June 2021. Retail sales in the first half of 2021 increased by 71%.

The second phase of the Brickell City Centre development, to be known as One Brickell City Centre, is under planning and will be a mixed-use development comprising retail, office, hotel and residential space.

At 30th June 2021, the completed development at Brickell City Centre (excluding the hotel and residential trading portions) was valued at HK$5,003 million.

Brickell City Centre, Miami

	GFA (sq. ft.)[1] (100% Basis)	Attributable Interest
Completed		
Shopping centre	496,508	62.9%
EAST Miami[2]	218,000	100%
EAST Residences	109,000	100%
Rise[3]	5,431	100%
Sub-Total	**828,939**	
Future Development		
Residential	523,000	100%
One Brickell City Centre	1,444,000	100%
Total	**2,795,939**	

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

(2) The hotel is accounted for under property, plant and equipment in the financial statements.

(3) Remaining unsold units at 30th June 2021.

Miami Market Outlook

In Miami, retail sales are recovering strongly from the adverse effects of COVID-19.

Valuation of Investment Properties

The portfolio of investment properties was valued at 30th June 2021 on the basis of market value (95% by value having been valued by Cushman & Wakefield Limited and 2% by value having been valued by another independent valuer). The amount of this valuation was HK$265,909 million, compared to HK$266,831 million at 31st December 2020.

The decrease in the valuation in the investment property portfolio was mainly due to a decrease in the valuation of the retail and office investment properties in Hong Kong, partly offset by an increase in the valuation of the investment properties in the Chinese Mainland.

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.

Property Trading

Overview

The trading portfolio comprises six residential projects under development, three in Hong Kong, one in Indonesia and two in Vietnam. There are also land banks in Miami, U.S.A.

Property Trading Portfolio (At 30th June 2021)

	GFA (sq. ft.) (100% Basis)	Actual/Expected Construction Completion Date	Attributable Interest
Completed			
U.S.A.			
– Rise, Miami	5,431 (1)	2016	100%
Under Development			
Hong Kong			
– EIGHT STAR STREET, Wanchai	30,856	2022	100%
– Wong Chuk Hang Station Package Four Property Development	638,305	2024	25%
– Chai Wan Inland Lot No. 88	694,000	–	80%
Indonesia			
– South Jakarta Project	1,122,728	2024	50%
Vietnam			
– The River	846,201	2022	20%
– Empire City	7,131,624	2026	15.73%
Held for Development/for sale			
U.S.A.			
– Fort Lauderdale, Florida	825,000	N/A	75%
– South Brickell Key, Miami, Florida	550,000	N/A	100%
– Brickell City Centre, Miami, Florida – North Squared site	523,000	N/A	100%

(1) Remaining saleable area.

Hong Kong

EIGHT STAR STREET, Wanchai

A site at 8 Star Street, Wanchai is being redeveloped into an approximately 34,000 square feet residential building with retail outlets on the lowest two levels. Superstructure and interior fitting out works are in progress. The development is expected to be completed in 2022. 26 of 37 units had been pre-sold at 10th August 2021.

Wong Chuk Hang Station Package Four Property Development

A joint venture formed by Swire Properties, Kerry Properties Limited and Sino Land Company Limited is undertaking a residential development in Wong Chuk Hang in Hong Kong. The development will comprise two residential towers with an aggregate GFA of approximately 638,000 square feet and about 800 residential units. Foundation works are in progress. The development is expected to be completed in 2024. The Group has a 25% interest in the joint venture.

Chai Wan Inland Lot No. 88

In 2019, a joint venture company held as to 80% by Swire Properties and as to 20% by China Motor Bus Company, Limited completed the acquisition of a plot of land in Chai Wan, Hong Kong. Subject to agreement with the Hong Kong government, the plot of land is expected to be redeveloped into a residential complex with an aggregate GFA of approximately 694,000 square feet.

U.S.A.

The residential portion of the first phase of the Brickell City Centre development (comprising 390 units at Reach and 390 units at Rise) was developed for trading purposes. In May 2021, almost all remaining units at Reach and Rise were sold to an institutional purchaser. Sales of 25 units at Reach and 86 units at Rise were recognised in the first half of 2021. There are two remaining units at Rise available for sale.

Singapore

EDEN, at 2 Draycott Park in District 10, comprises 20 residential units with an aggregate GFA of approximately 77,000 square feet. In March 2021, all the units were sold. These sales were recognised in the first half of 2021.

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 into a residential development with an aggregate GFA of approximately 1,123,000 square feet. Foundation works have been completed. The development is expected to comprise over 400 residential units and to be completed in 2024. The Group has a 50% interest in the joint venture.

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 comprises 525 luxury apartments in three towers. The Group has an effective 20% interest in the development. Over 90% of the units had been pre-sold at 10th August 2021.

In March 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 from 2021 to 2026. The Group has invested through an agreement with Gaw Capital Partners, an existing investor in Empire City. Over 45% of the residential units had been pre-sold at 10th August 2021.

Outlook

Sentiment in the Hong Kong residential market is improving. Demand for residential accommodation is expected to be resilient in the medium and long term, supported by low interest rates and a limited land supply. The residential markets where we operate in South East Asia are adversely affected by COVID-19, but the prospects are positive. In Jakarta, favourable demographics, increasing urbanisation and a growing middle class are expected to support a stable residential property market. In Vietnam, there is pent-up demand due to a limited supply of luxury residential properties in recent years. The strong economy and rising disposable income are expected to underpin the luxury residential property market. The developments in which we are interested should benefit.

Estate Management

The Group manages 19 residential estates which it has developed. It also manages OPUS HONG KONG, a residential property in Hong Kong which the Group redeveloped for Swire Pacific Limited. The management services include day to day assistance for occupants, management, maintenance, cleaning, security and renovation of common areas and facilities. The Group places great emphasis on maintaining good relationships with occupants.

Hotels

Overview

The Group owns and manages (through Swire Hotels) hotels in Hong Kong, the Chinese Mainland and the U.S.A. The House Collective, comprising The Upper House in Hong Kong, The Opposite House in Beijing, The Temple House in Chengdu and The Middle House in Shanghai, is a group of small and distinctive luxury hotels. EAST hotels are business hotels in Hong Kong, Beijing and Miami. The Group also has interests in non-managed hotels in Hong Kong, Guangzhou, Shanghai and Miami.

Our managed hotels, though still affected by COVID-19, recovered in the first half of 2021, with better performances in the Chinese Mainland and the U.S.A. Our managed hotels (including restaurants and taking account of central costs) recorded an operating profit before depreciation of HK$4 million in the first half of 2021, compared with an operating loss before depreciation of HK$98 million in the first half of 2020.

Hotel Portfolio (Managed by Swire Hotels)

	No. of Rooms (100% Basis)	Attributable Interest
Completed		
Hong Kong		
– The Upper House	117	100%
– EAST Hong Kong	345	100%
– Headland Hotel [(1)]	501	0%
Chinese Mainland		
– The Opposite House	99	100%
– EAST Beijing	369	50%
– The Temple House [(2)]	142	50%
– The Middle House [(2)]	213	50%
U.S.A.		
– EAST Miami [(3)]	352	100%
Total	**2,138**	

(1) Headland Hotel is owned by Airline Property Limited, a wholly-owned subsidiary of Cathay Pacific Airways Limited.
(2) Comprising one hotel tower and one serviced apartment tower.
(3) Including serviced apartments in a hotel tower.

Hong Kong

The Group wholly-owns and manages (through Swire Hotels) two hotels in Hong Kong, The Upper House, a 117-room luxury hotel at Pacific Place, and EAST Hong Kong, a 345-room hotel in Taikoo Shing.

The Group has a 20% interest in each of the JW Marriott, Conrad Hong Kong and Island Shangri-La hotels at Pacific Place and in the Novotel Citygate in Tung Chung. The Silveri Hong Kong – MGallery, a non-managed hotel, is part of the Citygate extension in Hong Kong.

Trading conditions for the managed and non-managed hotels in Hong Kong were challenging in the first half of 2021 due to COVID-19 and associated travel restrictions, which adversely affected revenue per available room and occupancy.

Chinese Mainland

Swire Hotels manages four hotels in the Chinese Mainland, The Opposite House, a 99-room luxury hotel at Taikoo Li Sanlitun, EAST Beijing, a 369-room business hotel at INDIGO in Beijing, The Temple House, a luxury property with 100 hotel rooms and 42 serviced apartments at Sino-Ocean Taikoo Li Chengdu, and The Middle House, a luxury property consisting of 111 hotel rooms and 102 serviced apartments at HKRI Taikoo Hui, Shanghai. The Group owns 100% of The Opposite House, 50% of EAST Beijing, 50% of The Temple House and 50% of The Middle House. The Group owns 97% of, but does not manage, the Mandarin Oriental at Taikoo Hui in Guangzhou, which has 263 rooms and 24 serviced apartments. The Group owns 50% of another non-managed hotel, The Sukhothai, at HKRI Taikoo Hui in Shanghai, which has 201 rooms.

The performance of our managed and non-managed hotels in the Chinese Mainland recovered from COVID-19, with higher revenue per available room and occupancy recorded in the first half of 2021.

U.S.A.

The Group wholly-owns and manages (through Swire Hotels) EAST Miami at the Brickell City Centre development. The property consists of 263 rooms and 89 serviced apartments. EAST Miami recovered strongly (as COVID-19 stabilised in Miami), with significantly improved revenue per available room and occupancy.

Swire Restaurants

Swire Hotels operates restaurants in Hong Kong. There is a PUBLIC café at One Island East. The Continental is a European restaurant at Pacific Place. Mr & Mrs Fox is a restaurant with an international menu in Quarry Bay.

Outlook

The outlook for our hotels in Hong Kong is still difficult because of COVID-19 and associated travel restrictions. Recovery will depend on the opening of borders and the pace of vaccinations. The businesses of our Chinese Mainland and U.S.A. hotels continue to recover, with strong domestic travel demand. The Silveri Hong Kong – MGallery in Hong Kong is expected to open, subject to COVID-19 conditions, later this year.

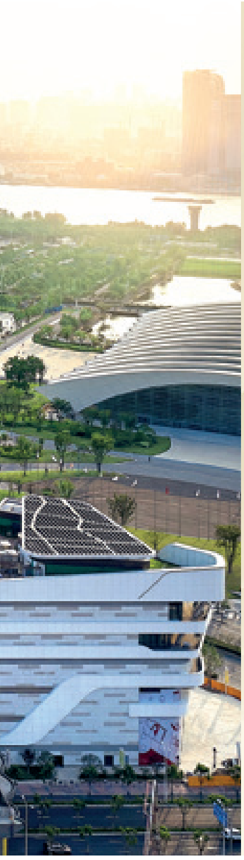
Development Highlight

Taikoo Li Qiantan, Shanghai

Jointly developed with a subsidiary of Shanghai Lujiazui Finance & Trade Zone Development Co., Ltd, Taikoo Li Qiantan is a retail development in Qiantan international business district, also known as the new bund, in Pudong Shanghai. The development has an aggregate GFA of approximately 1.24 million square feet and accommodation for over 200 shops. It is next to a 56-floor Grade-A office tower and a 585-room five-star hotel with over 43,000 square feet of conference and banqueting space developed by the Lujiazui group. There are cultural, medical, educational, sporting, and recreational facilities in the area. The development is connected to a three-line metro interchange station.

Taikoo Li Qiantan is our second development in Shanghai and the third Taikoo Li project in the Chinese Mainland. Like the others, it is low density and is designed with lanes. With a focus on wellness and sustainability, it has a 86,000 square feet central green area at ground level, spanned by an 80-metre bridge with a view of Qiantan Park and the Huangpu River. There is a running track, greenery and leisure spaces on the roof, connected to shops and restaurants.

Pre-leasing for Taikoo Li Qiantan has been progressing well, with tenants having committed to take over 80% of the space. More than fifty luxury brands will be taking space. There are also more than twelve brands opening their first stores in the Chinese Mainland. Tenants include the first MOViE MOViE cinema and the largest TSUTAYA BOOKS outlet in the Chinese Mainland. Fit-out work by tenants started in April 2021. The opening is scheduled for September 2021.



TAIKOO LI QIANTAN

SHANGHAI

Capital Commitments

Capital Expenditure and Commitments

Capital expenditure in the first half of 2021 on Hong Kong investment properties and hotels, including the Group's share of the capital expenditure of joint venture companies, amounted to HK$1,245 million (first half of 2020: HK$499 million). Outstanding capital commitments at 30th June 2021 were HK$12,384 million (31st December 2020: HK$13,327 million), including the Group's share of the capital commitments of joint venture companies of HK$58 million (31st December 2020: HK$76 million).

Capital expenditure in the first half of 2021 on Chinese Mainland investment properties and hotels, including the Group's share of the capital expenditure of joint venture companies, was HK$313 million (first half of 2020: HK$333 million). Outstanding capital commitments at 30th June 2021 were HK$5,311 million (31st December 2020: HK$5,337 million), including the Group's share of the capital commitments of joint venture companies of HK$4,273 million (31st December 2020: HK$4,300 million). The Group was committed to funding HK$356 million (31st December 2020: HK$1,330 million) of the capital commitments of joint venture companies.

Capital expenditure in the first half of 2021 on investment properties and hotels in the U.S.A. amounted to HK$6 million (first half of 2020: HK$63 million). Outstanding capital commitments at 30th June 2021 were HK$2 million (31st December 2020: HK$6 million).

Profile of Capital Commitments for Investment Properties and Hotels

	Expenditure	Forecast Expenditure				**Total Commitments** (1)	**Commitments relating to joint venture companies** (2)
	Six months ended 30th June 2021 HK$M	Six months ending 31st December 2021 HK$M	2022 HK$M	2023 HK$M	2024 and later HK$M	**At 30th June 2021 HK$M**	**At 30th June 2021 HK$M**
Hong Kong	**1,245**	3,736	3,606	941	4,101	**12,384**	**58**
Chinese Mainland	**313**	1,067	343	706	3,195	**5,311**	**4,273**
U.S.A.	**6**	2	–	–	–	**2**	**–**
Total	**1,564**	4,805	3,949	1,647	7,296	**17,697**	**4,331**

(1) The capital commitments represent the Group's capital commitments of HK$13,366 million plus the Group's share of the capital commitments of joint venture companies of HK$4,331 million.

(2) The Group was committed to funding HK$356 million of the capital commitments of joint venture companies.

Financing

Summary of Cash Flows

	Six months ended 30th June		Year ended 31st December
	2021 HK$M	2020 HK$M	2020 HK$M
Net cash from/(used in) businesses and investments			
Cash generated from operations	**6,673**	3,020	7,550
Dividends received	**50**	40	80
Tax paid	**(681)**	(1,116)	(1,589)
Net interest paid	**(289)**	(266)	(572)
Net cash (used in)/from investing activities	**(4,522)**	70	8,416
	1,231	1,748	13,885
Cash paid to shareholders and net funding by debt			
Net decrease in borrowings	**(1,918)**	(1,919)	(2,434)
Principal elements of lease payments	**(35)**	(25)	(54)
Dividends paid	**(3,630)**	(3,477)	(5,325)
	(5,583)	(5,421)	(7,813)
(Decrease)/Increase in cash and cash equivalents	**(4,352)**	(3,673)	6,072

During the first half of 2021, net cash used in investing activities principally comprised investments in joint venture companies and capital expenditure on investment properties.

Medium Term Note Programme

In 2012, Swire Properties MTN Financing Limited, a wholly-owned subsidiary of the Company, established a US$3 billion Medium Term Note ("MTN") Programme. The aggregate nominal amount of the MTN Programme was increased to US$4 billion in 2017. Notes issued under the MTN Programme are unconditionally and irrevocably guaranteed by the Company. At 30th June 2021, the MTN Programme was rated A by Fitch and (P)A2 by Moody's, in each case in respect of notes with a maturity of more than one year.

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

Changes in Financing

Financial Information Reviewed by Auditors
Analysis of Changes in Financing

	Six months ended 30th June 2021		Year ended 31st December 2020	
	Loans and bonds HK$M	Lease liabilities HK$M	Loans and bonds HK$M	Lease liabilities HK$M
At 1st January	27,257	580	29,729	548
Loans drawn and refinanced	300	–	1,847	–
Bonds issued	–	–	1,920	–
Bonds matured	–	–	(3,875)	–
Repayment of loans	(2,218)	–	(2,326)	–
New leases arranged during the period	–	–	–	54
Principal elements of lease payments	–	(35)	–	(54)
Currency adjustment and other non-cash movements	42	1	(38)	32
At 30th June/31st December	25,381	546	27,257	580

Net Debt

Financial Information Reviewed by Auditors

Net debt at 30th June 2021 was HK$9,010 million, compared with HK$6,605 million at 31st December 2020. The increase in net debt principally reflected funding for INDIGO Phase Two in Beijing and capital expenditure on investment properties in Hong Kong, partially offset by the proceeds of sales of trading properties in the U.S.A. and Singapore.

The Group's borrowings are principally denominated in Hong Kong dollars and US dollars. Outstanding borrowings at 30th June 2021 and 31st December 2020 were as follows:

	30th June 2021 HK$M	31st December 2020 HK$M
Borrowings included in non-current liabilities		
Bank borrowings – unsecured	2,241	6,511
Bonds – unsecured	14,978	18,832
Borrowings included in current liabilities		
Bank borrowings – unsecured	3,981	1,614
Bonds – unsecured	4,181	300
Total borrowings	25,381	27,257
Lease liabilities		
Included in non-current liabilities	487	510
Included in current liabilities	59	70
Less: short-term deposits and bank balances	16,917	21,232
Net debt	9,010	6,605

Sources of Finance

Financial Information Reviewed by Auditors

At 30th June 2021, committed loan facilities and debt securities amounted to HK$33,066 million, of which HK$7,600 million (23%) remained undrawn. In addition, the Group had undrawn uncommitted facilities totalling HK$739 million. Sources of funds at 30th June 2021 comprised:

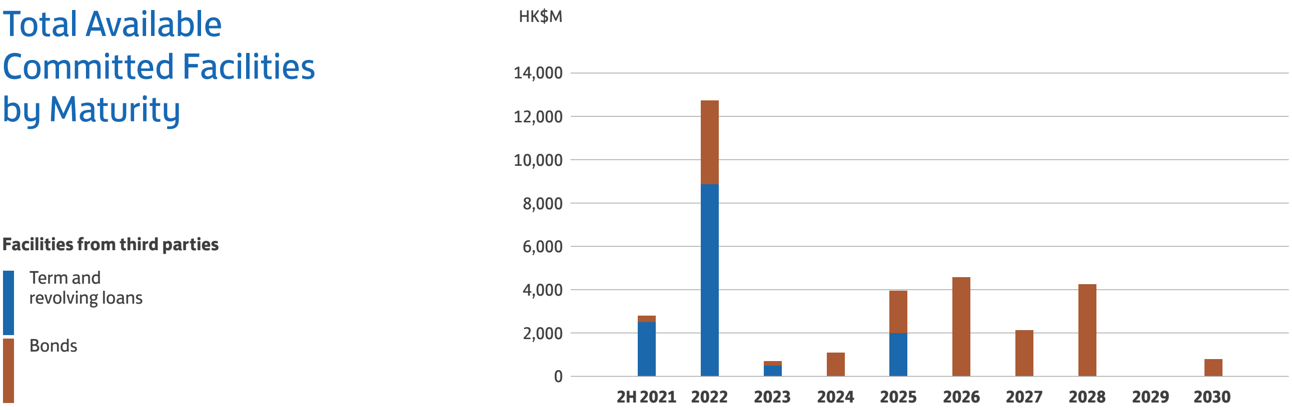
	Available HK$M	Drawn HK$M	Undrawn Expiring Within One Year HK$M	Undrawn Expiring After One Year HK$M
Facilities from third parties				
Term loans	5,954	5,954	–	–
Revolving loans	7,900	300	2,850	4,750
Bonds	19,212	19,212	–	–
Total committed facilities	33,066	25,466	2,850	4,750
Uncommitted facilities				
Bank loans and overdrafts	739	–	739	–
Total	33,805	25,466	3,589	4,750

Note: The figures above are stated before unamortised loan fees of HK$85 million.

Maturity Profile and Refinancing

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

Total Available Committed Facilities by Maturity



Financial Information Reviewed by Auditors

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

	30th June 2021		31st December 2020	
	HK$M		HK$M	
Bank borrowings from and bonds issued to third parties due				
Within 1 year	8,162	32%	1,914	7%
1-2 years	1,855	7%	9,385	34%
2-5 years	7,688	31%	4,224	16%
After 5 years	7,676	30%	11,734	43%
Total	25,381	100%	27,257	100%
Less: Amount due within one year included under current liabilities	8,162		1,914	
Amount due after one year included under non-current liabilities	17,219		25,343	

Currency Profile

Financial Information Reviewed by Auditors

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

	30th June 2021		31st December 2020	
	HK$M		HK$M	
Currency				
Hong Kong dollars	**20,538**	**81%**	21,077	77%
United States dollars	**4,843**	**19%**	5,371	20%
Singapore dollars	**–**	**–**	809	3%
Total	**25,381**	**100%**	27,257	100%

Finance Charges

Financial Information Reviewed by Auditors

At 30th June 2021, 82% of the Group's gross borrowings (after interest rate swaps) were on a fixed rate basis and 18% were on a floating rate basis (31st December 2020: 76% and 24% respectively). Interest charged and earned was as follows:

	Six months ended 30th June		Year ended 31st December
	2021 HK$M	2020 HK$M	2020 HK$M
Interest charged on:			
Bank loans and overdrafts	**35**	82	121
Bonds	**325**	328	654
Loans from joint venture and related companies	**2**	–	–
Lease liabilities	**9**	9	18
Net fair value losses/(gains) on derivative instruments			
Cash flow hedges – transferred from other comprehensive income	**5**	7	24
Cross-currency swaps not qualifying as hedges	**1**	(3)	(1)
Other financing costs	**71**	72	144
	448	495	960
Losses/(gains) on the movement in the fair value of the liability in respect of a put option in favour of the owner of a non-controlling interest	**31**	(50)	(35)
Capitalised on:			
Investment properties	**(135)**	(117)	(240)
Properties for sale	**(17)**	(20)	(39)
	327	308	646
Interest income on:			
Short-term deposits and bank balances	**(66)**	(130)	(194)
Loans to joint venture companies	**(38)**	(44)	(68)
Others	**(8)**	(1)	(2)
	(112)	(175)	(264)
Net finance charges	**215**	133	382

Gearing Ratio and Interest Cover

	30th June		31st December
	2021	2020	2020
Gearing ratio [1]	**3.1%**	5.9%	2.3%

	Six months ended 30th June		Year ended 31st December
	2021	2020	2020
Interest cover – times [1]			
Per financial statements	**11.5**	11.1	14.4
Underlying	**26.4**	22.6	33.5
Cash interest cover – times [1]			
Per financial statements	**6.7**	5.5	8.3
Underlying	**14.5**	13.0	20.1

(1) Refer to Glossary on page 71 for definitions.

Debt in Joint Venture and Associated Companies

In accordance with Hong Kong Financial Reporting Standards, the net debt of Swire Properties reported in the consolidated statement of financial position does not include the net debt of its joint venture and associated companies. These companies had the following net debt positions at 30th June 2021 and 31st December 2020:

	Net Debt of Joint Venture and Associated Companies		Portion of Net Debt Attributable to the Group		Debt Guaranteed by the Group	
	30th June 2021 HK$M	31st December 2020 HK$M	**30th June 2021 HK$M**	31st December 2020 HK$M	**30th June 2021 HK$M**	31st December 2020 HK$M
Hong Kong Entities	**9,564**	9,434	**3,174**	3,162	**2,265**	2,265
Chinese Mainland Entities	**13,854**	20,042	**6,938**	8,958	**–**	–
U.S.A. and other Entities	**340**	614	**398**	473	**472**	471
Total	**23,758**	30,090	**10,510**	12,593	**2,737**	2,736

If the attributable portion of the net debt in joint venture and associated companies were to be added to the Group's net debt, gearing would rise to 6.7%.

羅兵咸永道

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

Introduction

We have reviewed the condensed interim financial statements set out on pages 46 to 68, which comprise the consolidated statement of financial position of Swire Properties Limited (the "Company") and its subsidiaries (together, the "Group") as at 30th June 2021 and the related consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the six-month period then ended and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The Directors of the Company are responsible for the preparation and presentation of these condensed interim financial statements in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements of the Group are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 12th August 2021

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
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Condensed Interim Financial Statements

Consolidated Statement of Profit or Loss

For the six months ended 30th June 2021 – unaudited

		Unaudited Six months ended 30th June		Audited Year ended 31st December
	Note	**2021 HK$M**	2020 HK$M	2020 HK$M
Revenue	*4*	**9,068**	6,551	13,308
Cost of sales	*5*	**(3,462)**	(1,500)	(3,396)
Gross profit		**5,606**	5,051	9,912
Administrative and selling expenses		**(871)**	(832)	(1,694)
Other operating expenses		**(101)**	(102)	(201)
Other net gains/(losses)	*6*	**358**	(23)	(19)
Profit on sale of subsidiary companies		**–**	–	1,973
Change in fair value of investment properties	*13*	**(2,525)**	(2,621)	(4,465)
Operating profit		**2,467**	1,473	5,506
Finance charges		**(327)**	(308)	(646)
Finance income		**112**	175	264
Net finance charges	*8*	**(215)**	(133)	(382)
Share of profit less losses of joint venture companies		**859**	320	818
Share of profit less losses of associated companies		**(42)**	(50)	(86)
Profit before taxation		**3,069**	1,610	5,856
Taxation	*9*	**(979)**	(655)	(1,787)
Profit for the period		**2,090**	955	4,069
Profit for the period attributable to:				
The Company's shareholders		**1,984**	1,029	4,096
Non-controlling interests		**106**	(74)	(27)
		2,090	955	4,069
		HK$	HK$	HK$
Earnings per share from profit attributable to the Company's shareholders (basic and diluted)	*11*	**0.34**	0.18	0.70

The notes on pages 51 to 68 form part of these financial statements.

Consolidated Statement of Other Comprehensive Income

For the six months ended 30th June 2021 – unaudited

	Unaudited Six months ended 30th June		Audited Year ended 31st December
	2021 HK$M	2020 HK$M	2020 HK$M
Profit for the period	**2,090**	955	4,069
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of properties previously occupied by the Group			
– gains recognised during the period	**54**	92	100
Defined benefit plans			
– remeasurement gains recognised during the period	**–**	–	50
– deferred tax	**–**	–	(8)
	54	92	142
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges			
– (losses)/gains recognised during the period	**(49)**	68	(70)
– transferred to net finance charges	**5**	7	24
– transferred to operating profit	**–**	–	3
– deferred tax	**7**	(12)	7
Share of other comprehensive income of joint venture and associated companies	**233**	(245)	861
Net translation differences on foreign operations recognised during the period	**459**	(568)	1,979
	655	(750)	2,804
Other comprehensive income for the period, net of tax	**709**	(658)	2,946
Total comprehensive income for the period	**2,799**	297	7,015
Total comprehensive income attributable to:			
The Company's shareholders	**2,684**	384	7,015
Non-controlling interests	**115**	(87)	–
	2,799	297	7,015

The notes on pages 51 to 68 form part of these financial statements.

Consolidated Statement of Financial Position

At 30th June 2021 – unaudited

	Note	Unaudited 30th June 2021 HK$M	Audited 31st December 2020 HK$M
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	4,212	4,322
Investment properties	13	266,065	267,003
Intangible assets	14	184	198
Right-of-use assets	15	3,095	3,301
Properties held for development		1,202	1,200
Joint venture companies	16	20,843	15,806
Loans due from joint venture companies	16	15,987	15,357
Associated companies	17	501	543
Derivative financial instruments	19	101	145
Deferred tax assets	24	73	73
Financial assets at fair value through profit or loss		438	985
Other financial assets at amortised cost		507	508
		313,208	309,441
Current assets			
Properties for sale		1,693	3,538
Stocks		75	72
Trade and other receivables	20	2,622	2,704
Amount due from immediate holding company – Swire Pacific Limited	21	–	16
Derivative financial instruments	19	1	–
Short-term deposits maturing after three months		–	30
Cash and cash equivalents		16,917	21,202
		21,308	27,562
Assets classified as held for sale	25	621	384
		21,929	27,946
Current liabilities			
Trade and other payables	22	8,049	8,001
Contract liabilities		91	22
Taxation payable		567	576
Derivative financial instruments	19	22	–
Short-term loans		–	94
Long-term loans and bonds due within one year		8,162	1,820
Lease liabilities due within one year	23	59	70
		16,950	10,583
Net current assets		4,979	17,363
Total assets less current liabilities		318,187	326,804
Non-current liabilities			
Long-term loans and bonds		17,219	25,343
Long-term lease liabilities	23	487	510
Derivative financial instruments	19	–	42
Deferred tax liabilities	24	10,485	10,094
Retirement benefit liabilities		147	135
		28,338	36,124
NET ASSETS		289,849	290,680
EQUITY			
Share capital	26	10,449	10,449
Reserves	27	277,402	278,287
Equity attributable to the Company's shareholders		287,851	288,736
Non-controlling interests	28	1,998	1,944
TOTAL EQUITY		289,849	290,680

The notes on pages 51 to 68 form part of these financial statements.

Consolidated Statement of Cash Flows

For the six months ended 30th June 2021 – unaudited

	Unaudited Six months ended 30th June 2021 HK$M	2020 HK$M	Audited Year ended 31st December 2020 HK$M
Operating activities			
Cash generated from operations	**6,673**	3,020	7,550
Interest paid	**(385)**	(446)	(845)
Interest received	**96**	180	273
Tax paid	**(681)**	(1,116)	(1,589)
	5,703	1,638	5,389
Dividends received from joint venture and associated companies and financial assets at fair value through other comprehensive income	**50**	40	80
Net cash from operating activities	**5,753**	1,678	5,469
Investing activities			
Purchase of property, plant and equipment	**(102)**	(44)	(121)
Additions of investment properties	**(1,504)**	(452)	(1,383)
Purchase of intangible assets	**(9)**	(6)	(39)
Proceeds from sale of property, plant and equipment	**–**	–	92
Proceeds from sale of investment properties	**790**	92	1,302
Proceeds from sale of subsidiary companies, net of cash disposed of	**20**	–	8,219
Proceeds from sale of financial assets at fair value through profit or loss	**973**	–	–
Purchase of shares in associated companies	**–**	–	(219)
Purchase of financial assets at fair value through profit or loss	**(376)**	(47)	(61)
Equity to joint venture companies	**(3,978)**	–	(1)
Loans to joint venture companies	**(1,025)**	(80)	(298)
Repayment of loans by joint venture companies	**387**	588	936
Advances from a joint venture company	**274**	–	–
Decrease/(Increase) in deposits maturing after three months	**30**	22	(8)
Initial leasing costs incurred	**(2)**	(3)	(3)
Net cash (used in)/from investing activities	**(4,522)**	70	8,416
Net cash inflow before financing activities	**1,231**	1,748	13,885
Financing activities			
Loans drawn and refinanced	**300**	36	1,847
Bonds issued	**–**	1,920	1,920
Repayment of loans and bonds	**(2,218)**	(3,875)	(6,201)
Principal elements of lease payments	**(35)**	(25)	(54)
	(1,953)	(1,944)	(2,488)
Dividends paid to the Company's shareholders	**(3,569)**	(3,451)	(5,206)
Dividends paid to non-controlling interests	**(61)**	(26)	(119)
Net cash used in financing activities	**(5,583)**	(5,421)	(7,813)
(Decrease)/Increase in cash and cash equivalents	**(4,352)**	(3,673)	6,072
Cash and cash equivalents at 1st January	**21,202**	14,963	14,963
Effect of exchange differences	**67**	(53)	167
Cash and cash equivalents at end of the period	**16,917**	11,237	21,202
Represented by:			
Bank balances and short-term deposits maturing within three months	**16,917**	11,237	21,202

The notes on pages 51 to 68 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the six months ended 30th June 2021 – unaudited

	Attributable to the Company's shareholders					
	Share capital HK$M	Revenue reserve HK$M	Other reserves HK$M	Total HK$M	Non-controlling interests HK$M	Total equity HK$M
At 1st January 2021	**10,449**	**276,245**	**2,042**	**288,736**	**1,944**	**290,680**
Profit for the period	**–**	**1,984**	**–**	**1,984**	**106**	**2,090**
Other comprehensive income	**–**	**–**	**700**	**700**	**9**	**709**
Total comprehensive income for the period	**–**	**1,984**	**700**	**2,684**	**115**	**2,799**
Dividends paid	**–**	**(3,569)**	**–**	**(3,569)**	**(61)**	**(3,630)**
At 30th June 2021 (unaudited)	**10,449**	**274,660**	**2,742**	**287,851**	**1,998**	**289,849**

	Attributable to the Company's shareholders					
	Share capital HK$M	Revenue reserve HK$M	Other reserves HK$M	Total HK$M	Non-controlling interests HK$M	Total equity HK$M
At 1st January 2020	10,449	277,289	(811)	286,927	1,984	288,911
Profit for the period	–	1,029	–	1,029	(74)	955
Other comprehensive income	–	–	(645)	(645)	(13)	(658)
Total comprehensive income for the period	–	1,029	(645)	384	(87)	297
Dividends paid	–	(3,451)	–	(3,451)	(26)	(3,477)
At 30th June 2020 (unaudited)	10,449	274,867	(1,456)	283,860	1,871	285,731

The notes on pages 51 to 68 form part of these financial statements.

1. Segment Information

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

(a) Analysis of consolidated statement of profit or loss

	External revenue HK$M	Inter-segment revenue HK$M	Operating profit/(losses) after depreciation and amortisation HK$M	Net finance charges HK$M	Share of profit less losses of joint venture companies HK$M	Share of profit less losses of associated companies HK$M	Profit/(Losses) before taxation HK$M	Profit/(Losses) for the period HK$M	Profit/(Losses) attributable to the Company's shareholders HK$M
Six months ended 30th June 2021									
Property investment	**6,247**	**2**	**4,605**	**(198)**	**518**	**–**	**4,925**	**4,238**	**4,179**
Property trading	**2,394**	**–**	**496**	**(10)**	**128**	**–**	**614**	**621**	**618**
Hotels	**427**	**2**	**(109)**	**(7)**	**(48)**	**(42)**	**(206)**	**(186)**	**(186)**
Change in fair value of investment properties	**–**	**–**	**(2,525)**	**–**	**261**	**–**	**(2,264)**	**(2,583)**	**(2,627)**
Inter-segment elimination	**–**	**(4)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**9,068**	**–**	**2,467**	**(215)**	**859**	**(42)**	**3,069**	**2,090**	**1,984**
Six months ended 30th June 2020									
Property investment	6,147	13	4,321	(105)	579	–	4,795	4,144	4,102
Property trading	130	–	(30)	(17)	9	–	(38)	(45)	(45)
Hotels	274	1	(197)	(11)	(81)	(50)	(339)	(314)	(313)
Change in fair value of investment properties	–	–	(2,621)	–	(187)	–	(2,808)	(2,830)	(2,715)
Inter-segment elimination	–	(14)	–	–	–	–	–	–	–
Total	6,551	–	1,473	(133)	320	(50)	1,610	955	1,029
Year ended 31st December 2020									
Property investment	12,355	20	10,330	(337)	1,024	–	11,017	9,433	9,352
Property trading	312	–	(49)	(28)	1	–	(76)	(87)	(87)
Hotels	641	2	(310)	(17)	(154)	(86)	(567)	(524)	(524)
Change in fair value of investment properties	–	–	(4,465)	–	(53)	–	(4,518)	(4,753)	(4,645)
Inter-segment elimination	–	(22)	–	–	–	–	–	–	–
Total	13,308	–	5,506	(382)	818	(86)	5,856	4,069	4,096

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

1. Segment Information (continued)

(b) Analysis of total assets of the Group

	Segment assets HK$M	Joint venture companies* HK$M	Associated companies HK$M	Bank deposits and cash HK$M	Total assets HK$M
At 30th June 2021					
Property investment	**272,018**	**32,891**	**–**	**15,866**	**320,775**
Property trading	**3,354**	**2,539**	**219**	**924**	**7,036**
Hotels	**5,517**	**1,400**	**282**	**127**	**7,326**
Total	**280,889**	**36,830**	**501**	**16,917**	**335,137**
At 31st December 2020					
Property investment	273,863	27,328	–	20,996	322,187
Property trading	4,885	2,451	219	96	7,651
Hotels	5,701	1,384	324	140	7,549
Total	284,449	31,163	543	21,232	337,387

* The assets relating to joint venture companies include the loans due from these companies.

(c) Analysis of total liabilities and non-controlling interests of the Group

	Segment liabilities HK$M	Current and deferred tax liabilities HK$M	External borrowings HK$M	Lease liabilities HK$M	Total liabilities HK$M	Non-controlling interests HK$M
At 30th June 2021						
Property investment	**7,983**	**11,050**	**21,685**	**546**	**41,264**	**1,963**
Property trading	**135**	**2**	**2,220**	**–**	**2,357**	**2**
Hotels	**191**	**–**	**1,476**	**–**	**1,667**	**33**
Total	**8,309**	**11,052**	**25,381**	**546**	**45,288**	**1,998**
At 31st December 2020						
Property investment	7,729	10,669	22,955	580	41,933	1,881
Property trading	305	1	3,043	–	3,349	33
Hotels	166	–	1,259	–	1,425	30
Total	8,200	10,670	27,257	580	46,707	1,944

(d) Analysis of external revenue of the Group – timing of revenue recognition

	At a point in time HK$M	Over time HK$M	Rental income on leases HK$M	Total HK$M
Six months ended 30th June 2021				
Property investment	**–**	**50**	**6,197**	**6,247**
Property trading	**2,394**	**–**	**–**	**2,394**
Hotels	**219**	**208**	**–**	**427**
Total	**2,613**	**258**	**6,197**	**9,068**
Six months ended 30th June 2020				
Property investment	–	46	6,101	6,147
Property trading	130	–	–	130
Hotels	168	106	–	274
Total	298	152	6,101	6,551

There are no significant differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss.

2. Basis of Preparation

(a) The unaudited condensed interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of The Listing Rules of The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The unaudited condensed interim financial statements are set out on pages 46 to 68 and also include the "Financial Information Reviewed by Auditors" in the Financing section on pages 39 to 44.

The financial information relating to the year ended 31st December 2020 that is included in this document as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year 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 2020 have been delivered to the Registrar of Companies in Hong Kong in accordance with section 664 of the Ordinance. The Company's auditor has reported on those specified financial statements. That report was not qualified or otherwise modified, did not refer to any matter to which the auditor drew attention by way of emphasis without qualifying the report and did not contain a statement under section 406(2) or 407(2) or (3) of the Ordinance.

The accounting policies and methods of computation and presentation used in the preparation of the condensed interim financial statements are consistent with those described in the 2020 annual financial statements except for those noted in 2(b) and 2(c) below.

(b) The following revised standards were adopted by the Group effective from 1st January 2021:

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

An amendment to HKFRS 16 "COVID-19-related rent concessions beyond 30 June 2021" was issued in April 2021 and is effective for annual reporting periods beginning on or after 1st April 2021. The Group has early adopted this amendment from 1st January 2021. This amendment extended the availability of the practical expedient (as referred to below) to rent concessions occurring as a direct consequence of COVID-19 for which any reduction in lease payments affects only payments originally due on or before 30th June 2022, provided the other conditions for applying the practical expedient set out in the 2020 amendment to HKFRS 16 "COVID-19-related rent concessions", which was adopted by the Group from 1st January 2020, are met. The amendment only affects rent concessions where the Group is a lessee. Concessions granted by the Group as a lessor are not within the scope of this amendment. The Group has applied the practical expedient to all rent concessions that meet the conditions. The adoption of this amendment has no material impact on the consolidated statement of profit or loss for the six months ended 30th June 2021.

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

2. Basis of Preparation (continued)

(c) The preparation of the condensed interim financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgements in the process of applying the Group's accounting policies. Those areas involving a higher degree of judgements or complexity and areas where assumptions and estimates are significant to the Group's consolidated financial statements are detailed in the 2020 annual financial statements.

3. Financial Risk Management

Financial risk factors

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

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's 2020 annual financial statements. There have been no changes in the Group's financial risk management structure, policies and procedures since the year end.

4. Revenue

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

	Six months ended 30th June		Year ended 31st December
	2021 HK$M	2020 HK$M	2020 HK$M
Gross rental income from investment properties	**6,197**	6,101	12,254
Property trading	**2,394**	130	312
Hotels	**427**	274	641
Rendering of other services	**50**	46	101
	9,068	6,551	13,308

5. Cost of Sales

	Six months ended 30th June		Year ended 31st December
	2021 **HK$M**	2020 HK$M	2020 HK$M
Direct rental outgoings in respect of investment properties	**1,214**	1,011	2,350
Property trading	**1,815**	107	245
Hotels	**433**	382	801
	3,462	1,500	3,396

6. Other Net Gains/(Losses)

	Six months ended 30th June		Year ended 31st December
	2021 **HK$M**	2020 HK$M	2020 HK$M
Gains/(Losses) on sale of investment properties	**302**	(8)	(147)
Losses on sale of property, plant and equipment	**(1)**	(2)	(3)
Change in fair value of assets classified as held for sale	**4**	–	–
Net foreign exchange gains/(losses)	**32**	(38)	23
Government subsidies	**4**	11	61
Others	**17**	14	47
	358	(23)	(19)

7. Expenses by Nature

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

	Six months ended 30th June		Year ended 31st December
	2021 HK$M	2020 HK$M	2020 HK$M
Depreciation of property, plant and equipment (note 12)	**142**	139	279
Depreciation of right-of-use assets			
– leasehold land held for own use	**13**	14	27
– property	**19**	15	34
Amortisation of			
– intangible assets (note 14)	**23**	19	40
– initial leasing costs in respect of investment properties	**19**	17	33
Staff costs	**1,019**	966	1,965
Other lease expenses*	**15**	16	31

* These expenses include expenses relating to short-term leases and leases of low-value assets, net of rent concessions received (nil for the six months ended 30th June 2021 and 30th June 2020; year ended 31st December 2020: HK$1 million). They are directly charged to the consolidated statement of profit or loss and are not included in the measurement of lease liabilities under HKFRS 16.

8. Net Finance Charges

Refer to the table with the heading "Financial Information Reviewed by Auditors" on page 43 for details of the Group's net finance charges.

9. Taxation

	Six months ended 30th June		Year ended 31st December
	2021 HK$M	2020 HK$M	2020 HK$M
Current taxation			
Hong Kong profits tax	**366**	332	836
Overseas tax	**298**	182	477
Under-provisions in prior years	**7**	4	8
	671	518	1,321
Deferred taxation (note 24)			
Changes in fair value of investment properties	**193**	(122)	215
Origination and reversal of temporary differences	**115**	259	251
	308	137	466
	979	655	1,787

9. Taxation (continued)

Hong Kong profits tax is calculated at 16.5% (2020: 16.5%) on the estimated assessable profits for the period. Overseas tax is calculated at tax rates applicable in jurisdictions in which the Group is assessable for tax.

The Group's share of joint venture and associated companies' tax charges for the six months ended 30th June 2021 of HK$264 million (30th June 2020: tax credits of HK$44 million; year ended 31st December 2020: tax charges of HK$197 million) and tax credits of HK$11 million (30th June 2020: HK$4 million; year ended 31st December 2020: HK$12 million) respectively are included in the share of profit less losses of joint venture and associated companies shown in the consolidated statement of profit or loss.

10. Dividends

	Six months ended 30th June		Year ended 31st December
	2021 HK$M	2020 HK$M	2020 HK$M
First interim dividend declared on 12th August 2021 of HK$0.31 per share (2020 first interim dividend paid on 6th October 2020: HK$0.30)	**1,814**	1,755	1,755
Second interim dividend paid on 6th May 2021 of HK$0.61 per share	**–**	–	3,569
	1,814	1,755	5,324

The first interim dividend is not accounted for in the condensed interim financial statements because it had not been declared at the period end date.

The Directors have declared a first interim dividend of HK$0.31 (2020: HK$0.30) per share for the year ending 31st December 2021. The first interim dividend, which totals HK$1,814 million (2020: HK$1,755 million), will be paid on Tuesday, 5th October 2021 to shareholders registered at the close of business on the record date, being Friday, 10th September 2021. Shares of the Company will be traded ex-dividend as from Wednesday, 8th September 2021.

The register of members will be closed on Friday, 10th September 2021, during which day no transfer of shares will be effected. In order to qualify for entitlement to the first interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 9th September 2021.

11. Earnings Per Share (Basic and Diluted)

Earnings per share is calculated by dividing the profit attributable to the Company's shareholders for the period ended 30th June 2021 of HK$1,984 million (30th June 2020: HK$1,029 million; year ended 31st December 2020: HK$4,096 million) by the weighted average number of 5,850,000,000 ordinary shares in issue during the period (30th June 2020 and 31st December 2020: 5,850,000,000 ordinary shares).

12. Property, Plant and Equipment

	Property, plant and equipment HK$M
Cost:	
At 1st January 2021	7,297
Translation differences	38
Additions	33
Disposals	(24)
Net transfers to investment properties	(29)
At 30th June 2021	**7,315**
Accumulated depreciation and impairment:	
At 1st January 2021	2,975
Translation differences	16
Charge for the period	142
Disposals	(23)
Transfers to investment properties	(7)
At 30th June 2021	**3,103**
Net book value:	
At 30th June 2021	**4,212**
At 1st January 2021	4,322

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

13. Investment Properties

	Completed HK$M	Under Development HK$M	Total HK$M
At 1st January 2021	239,493	27,338	266,831
Translation differences	491	13	504
Additions	287	1,341	1,628
Disposals	(219)	–	(219)
Transfer between categories	1,131	(1,131)	–
Net transfers from/(to) property, plant and equipment and right-of-use assets	258	(7)	251
Transfer to assets classified as held for sale	(561)	–	(561)
Net fair value (losses)/gains	(2,839)	314	(2,525)
	238,041	27,868	265,909
Add: Initial leasing costs	156	–	156
At 30th June 2021	**238,197**	**27,868**	**266,065**
At 1st January 2021 (including initial leasing costs)	239,665	27,338	267,003

14. Intangible Assets

	Computer Software HK$M	Others HK$M	Total HK$M
Cost:			
At 1st January 2021	211	205	416
Additions	9	–	9
At 30th June 2021	**220**	**205**	**425**
Accumulated amortisation:			
At 1st January 2021	138	80	218
Amortisation for the period	12	11	23
At 30th June 2021	**150**	**91**	**241**
Net book value:			
At 30th June 2021	**70**	**114**	**184**
At 1st January 2021	73	125	198

15. Right-of-use Assets

The Group (acting as lessee) leases land, offices, warehouses and equipment. Except for certain long-term leasehold land in Hong Kong, rental contracts are typically made for fixed periods of 1 to 50 years but may have extension and early termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The recognised right-of-use assets relate to the following types of assets:

	30th June 2021 HK$M	31st December 2020 HK$M
Leasehold land held for own use	**3,004**	3,191
Property	**91**	110
	3,095	3,301

There was no addition to right-of-use assets during the six months ended 30th June 2021 (30th June 2020: HK$4 million; year ended 31st December 2020: HK$54 million).

During the six months ended 30th June 2021, total cash outflow for leases was included in the consolidated statement of cash flows as (a) interest paid of HK$9 million (30th June 2020: HK$9 million; year ended 31st December 2020: HK$18 million) under "operating activities", (b) payment for short-term and low-value assets leases of HK$15 million (30th June 2020: HK$16 million; year ended 31st December 2020: HK$31 million) under "operating activities" and (c) principal elements of lease payments of HK$35 million (30th June 2020: HK$25 million; year ended 31st December 2020: HK$54 million) under "financing activities".

16. Joint Venture Companies

	30th June 2021 HK$M	31st December 2020 HK$M
Share of net assets, unlisted	**20,843**	15,806
Loans due from joint venture companies less provisions		
– Interest-free	**13,115**	13,230
– Interest-bearing	**2,872**	2,127
	15,987	15,357

17. Associated Companies

	30th June 2021 HK$M	31st December 2020 HK$M
Share of net assets, unlisted	**501**	543

18. Fair Value Measurement of Financial Instruments

(a) Financial instruments that are measured at fair value are included in the following fair value hierarchy:

	Level 2 HK$M	Level 3 HK$M	Total carrying amount HK$M
Assets as per consolidated statement of financial position			
At 30th June 2021			
Derivatives used for hedging (note 19)	**102**	**–**	**102**
Financial assets at fair value through profit or loss	**–**	**438**	**438**
	102	**438**	**540**
At 31st December 2020			
Derivatives used for hedging (note 19)	145	–	145
Financial assets at fair value through profit or loss	–	985	985
	145	985	1,130
Liabilities as per consolidated statement of financial position			
At 30th June 2021			
Derivatives used for hedging (note 19)	**22**	**–**	**22**
Put option in respect of a non-controlling interest (note 22)	**–**	**537**	**537**
	22	**537**	**559**
At 31st December 2020			
Derivatives used for hedging (note 19)	42	–	42
Put option in respect of a non-controlling interest (note 22)	–	513	513
	42	513	555

Notes:

The levels in the hierarchy represent the following:

Level 2 – Financial instruments measured at fair value using inputs other than quoted prices but where those inputs are based on observable market data.

Level 3 – Financial instruments measured at fair value using inputs not based on observable market data.

There were no transfers of financial instruments between the levels in the fair value hierarchy.

The following table presents the changes in Level 3 financial instruments for the period ended 30th June 2021:

	Financial assets at fair value through profit or loss HK$M	Put option over non-controlling interest HK$M
At 1st January 2021	985	513
Translation differences	–	1
Additions	423	–
Disposals	(970)	–
Distributions during the period	–	(8)
Change in fair value recognised as net finance charges	–	31
At 30th June 2021	438	537
Total losses for the period included in profit or loss in respect of financial instruments held at 30th June 2021	–	31

18. Fair Value Measurement of Financial Instruments (continued)

There has been no change in valuation techniques for Level 2 and Level 3 fair value hierarchy classifications.

The fair value of derivatives used for hedging in Level 2 has been based on quotes from market makers or alternative market participants supported by observable inputs. The most significant observable inputs are market interest rates, exchange rates and yields.

The fair value of unlisted investments classified within Level 3 is determined using a discounted cash flow valuation technique. The significant unobservable inputs used are expected future growth rates and discount rates. Changing these unobservable inputs based on reasonable alternative assumptions would not significantly change the valuation of the investments.

The fair value estimate of the put option over a non-controlling interest in the U.S.A. classified within Level 3 is determined using a discounted cash flow valuation technique and contains a number of unobservable inputs, including the expected fair value of the associated investment property at the expected time of exercise, the expected time of exercise itself and the discount rate used. The expected time of exercise is in 2021 and the discount rate used is 6.3% (31st December 2020: 6.3%).

The investment property's fair value at the expected time of exercise is itself subject to a number of unobservable inputs which are similar to the inputs for the Group's other completed investment properties, including the expected fair market rent and the expected capitalisation rate. If the investment property's expected fair value at the time of exercise is higher, the fair value of the put option would also be higher at 30th June 2021. If the expected time of exercise is later or if the discount rate is higher, the fair value of the put option would be lower. The opposite is true for an earlier time of exercise or a lower discount rate.

(b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost are not materially different from their fair values at 30th June 2021 and 31st December 2020 except for the following financial liabilities, for which their carrying amounts and fair values are disclosed below:

	30th June 2021		31st December 2020	
	Carrying amount HK$M	**Fair value HK$M**	Carrying amount HK$M	Fair value HK$M
Long-term loans and bonds	**25,381**	**26,637**	27,163	28,749

19. Derivative Financial Instruments

The Group uses derivative financial instruments solely for management of an underlying risk. The Group minimises its exposure to market risk since gains and losses on derivatives offset the losses and gains on the assets, liabilities or transactions being hedged. It is the Group's policy not to enter into derivative transactions for speculative purposes.

	30th June 2021		31st December 2020	
	Assets HK$M	**Liabilities HK$M**	Assets HK$M	Liabilities HK$M
Interest rate and cross-currency swaps – cash flow hedges				
– due within one year	**1**	**22**	–	–
– due after one year	**101**	**–**	145	42

20. Trade and Other Receivables

	30th June 2021 HK$M	31st December 2020 HK$M
Trade debtors	**354**	411
Prepayments and accrued income	**97**	93
Deposit paid for financial assets at fair value through profit or loss	**–**	46
Other receivables	**2,171**	2,154
	2,622	2,704

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

	30th June 2021 HK$M	31st December 2020 HK$M
Under 3 months	**301**	357
Between 3 and 6 months	**41**	45
Over 6 months	**12**	9
	354	411

There is no concentration of credit risk with respect to trade and other receivables, as the Group has a large number of customers.

The Group does not grant any credit terms to its customers, except to corporate customers in the hotel division where commercial trade credit terms are given.

21. Amount Due from Immediate Holding Company – Swire Pacific Limited

The amount due from immediate holding company is unsecured, interest-free and repayable within one year.

22. Trade and Other Payables

	30th June 2021 HK$M	31st December 2020 HK$M
Trade creditors	523	655
Rental deposits from tenants	2,824	2,745
Deposits received on sale of investment properties	5	59
Put option in respect of a non-controlling interest	537	513
Other current payables		
Accrued capital expenditure	1,288	1,305
Amounts due to intermediate holding company	101	99
Amounts due to an associated company	12	20
Interest-bearing advances from a joint venture company	274	–
Advances from a non-controlling interest	188	188
Others	2,297	2,417
	4,160	4,029
	8,049	8,001

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

	30th June 2021 HK$M	31st December 2020 HK$M
Up to 3 months	523	655

23. Lease Liabilities

	30th June 2021 HK$M	31st December 2020 HK$M
Maturity profile at the end of the period is as follows:		
Within 1 year	59	70
Between 1 and 2 years	41	50
Between 2 and 5 years	119	117
Over 5 years	327	343
	546	580

24. Deferred Taxation

The movement on the net deferred tax liabilities account is as follows:

	HK$M
At 1st January 2021	10,021
Translation differences	90
Charged to profit or loss (note 9)	308
Credited to other comprehensive income	(7)
At 30th June 2021	**10,412**
Represented by:	
Deferred tax assets	(73)
Deferred tax liabilities	10,485
	10,412

25. Assets Classified as Held for Sale

Assets classified as held for sale represent the Group's 100% interest in investment properties comprising 557 car parking spaces and 185 motorcycle parking spaces in stages VI to IX of the Taikoo Shing residential development in Hong Kong. The spaces in stage VI were offered to registered owners of Taikoo Shing in the fourth quarter of 2020. The Group also offered car parking spaces in stages VII to IX in batches during the period.

26. Share Capital

	Company	
	30th June 2021 HK$M	31st December 2020 HK$M
Issued and fully paid with no par value:		
At 30th June 2021 and 31st December 2020		
5,850,000,000 ordinary shares	**10,449**	10,449

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's shares during the period.

27. Reserves

	Revenue reserve* HK$M	Merger reserve HK$M	Property revaluation reserve HK$M	Cash flow hedge reserve HK$M	Translation reserve HK$M	Total HK$M
At 1st January 2021	276,245	(1,108)	1,915	41	1,194	278,287
Profit for the period	1,984	–	–	–	–	1,984
Other comprehensive income						
Revaluation of properties previously occupied by the Group						
– gains recognised during the period	–	–	54	–	–	54
Cash flow hedges						
– losses recognised during the period	–	–	–	(49)	–	(49)
– transferred to net finance charges	–	–	–	5	–	5
– deferred tax	–	–	–	7	–	7
Share of other comprehensive income of joint venture and associated companies	–	–	–	3	230	233
Net translation differences on foreign operations	–	–	–	–	450	450
Total comprehensive income for the period	1,984	–	54	(34)	680	2,684
2020 second interim dividend (note 10)	(3,569)	–	–	–	–	(3,569)
At 30th June 2021	**274,660**	**(1,108)**	**1,969**	**7**	**1,874**	**277,402**

* The Group's revenue reserve at 30th June 2021 includes HK$1,814 million representing the first interim dividend for the year ending 31st December 2021 declared on 12th August 2021 (31st December 2020: HK$3,569 million representing the second interim dividend for 2020 declared on 11th March 2021) (note 10).

28. Non-controlling Interests

The movement of non-controlling interests during the period is as follows:

	HK$M
At 1st January 2021	1,944
Share of profit less losses for the period	106
Share of translation differences on foreign operations	9
Share of total comprehensive income for the period	115
Dividends paid and payable	(61)
At 30th June 2021	**1,998**

29. Capital Commitments

	30th June 2021 HK$M	31st December 2020 HK$M
The Group's outstanding capital commitments at the end of the period in respect of:		
Property, plant and equipment		
Contracted but not provided for	**63**	–
Authorised by Directors but not contracted for	**282**	225
Investment properties		
Contracted but not provided for	**4,384**	4,022
Authorised by Directors but not contracted for	**8,637**	10,047
	13,366	14,294
The Group's share of capital commitments of joint venture companies at the end of the period*		
Contracted but not provided for	**110**	23
Authorised by Directors but not contracted for	**4,221**	4,353
	4,331	4,376

* of which the Group is committed to funding HK$356 million (31st December 2020: HK$1,330 million).

30. Contingencies

Guarantees outstanding at the end of the period in respect of bank loans and other liabilities of joint venture companies totalled HK$2,737 million (31st December 2020: HK$2,736 million). Bank guarantees given in lieu of utility deposits and other liabilities totalled HK$166 million at the end of the period (31st December 2020: HK$167 million).

31. Related Party Transactions

There is an agreement for services ("Services Agreement"), in respect of which John Swire & Sons (H.K.) Limited ("JSSHK"), an intermediate holding company, provides services to the Company and its subsidiary companies and under which costs are reimbursed and fees payable. In return for these services, JSSHK receives annual fees calculated as 2.5% of the Group's relevant consolidated profit before taxation and non-controlling interests after certain adjustments. The Services Agreement was renewed on 1st January 2020 for a period of three years expiring on 31st December 2022. For the six months ended 30th June 2021, service fees payable amounted to HK$101 million (30th June 2020: HK$102 million). Expenses of HK$49 million (30th June 2020: HK$54 million) were reimbursed at cost; in addition, HK$42 million (30th June 2020: HK$41 million) in respect of shared administrative services was reimbursed.

31. Related Party Transactions (continued)

Under a tenancy framework agreement (the "Tenancy Framework Agreement") between JSSHK, Swire Pacific Limited and the Company dated 14th August 2014, members of the Group enter into tenancy agreements with members of the JSSHK group and members of the Swire Pacific group from time to time on normal commercial terms based on prevailing market rentals. The Tenancy Framework Agreement was renewed on 1st October 2018 for a term of three years expiring on 31st December 2021. For the six months ended 30th June 2021, the aggregate rentals payable to the Group by members of the JSSHK group and members of the Swire Pacific group under tenancies to which the Tenancy Framework Agreement applies amounted to HK$56 million (30th June 2020: HK$53 million) and HK$22 million (30th June 2020: HK$26 million) respectively.

The above transactions under the Services Agreement and the Tenancy Framework Agreement are continuing connected transactions, in respect of which the Company has complied with the disclosure requirements of Chapter 14A of the Listing Rules.

The following is a summary of significant transactions between the Group and related parties (including transactions under the Tenancy Framework Agreement), which were carried out in the normal course of the Group's business, in addition to those transactions disclosed elsewhere in the financial statements.

		For the six months ended 30th June									
		Joint venture companies		Fellow subsidiary companies		Immediate holding company		Intermediate holding company		Other related parties	
	Note	**2021 HK$M**	2020 HK$M	**2021 HK$M**	2020 HK$M	**2021 HK$M**	2020 HK$M	**2021 HK$M**	2020 HK$M	**2021 HK$M**	2020 HK$M
Purchases of goods	(a)	**–**	–	**–**	–	**–**	–	**–**	–	**1**	–
Purchases of services	(a)	**–**	–	**14**	12	**–**	–	**–**	–	**–**	–
Rendering of services	(a)	**25**	22	**–**	–	**–**	–	**1**	1	**1**	1
Rental revenue	(b)	**–**	–	**16**	20	**6**	6	**56**	53	**–**	–
Rental expenses	(b)	**3**	5	**–**	–	**–**	–	**–**	–	**–**	–
Revenue from hotels		**10**	3	**–**	–	**–**	–	**–**	–	**12**	2
Interest income	(c)	**38**	44	**–**	–	**–**	–	**–**	–	**–**	–
Interest charges	(c)	**2**	–	**–**	–	**–**	–	**–**	–	**–**	–

Notes:

(a) Purchase of goods and rendering of services from and to related parties were conducted in the normal course of business at prices and on terms no less favourable to the Group than those charged by/to and contracted with other suppliers/customers of the Group.

(b) The Group has, in the normal course of its business, entered into lease agreements with related parties to lease premises for varying periods up to eight years. The leases were entered into on normal commercial terms.

(c) Loans advanced to joint venture companies at 30th June 2021 are disclosed in note 16. Advances from joint venture and associated companies are disclosed in note 22.

The amount due from the immediate holding company at 31st December 2020 was HK$16 million. The balance arises in the normal course of business, is non-interest-bearing and repayable within one year.

Supplementary Information

Corporate Governance

The Company complied with all the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules throughout the accounting period covered by the interim report with the following exceptions which it believes do not benefit shareholders:

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

The Company has adopted codes of conduct regarding securities transactions by Directors and by relevant employees (as defined in the CG Code) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules.

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

The interim results have been reviewed by the Audit Committee of the Company and by the external auditors.

Share Capital

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's shares during the period.

Directors' Particulars

Changes in the particulars of the Directors are set out as follows:

1. R.S.K. Lim retired as an Independent Non-Executive Director of Hong Leong Finance Limited with effect from 29th April 2021.
2. M.B. Swire has been re-designated from an Executive Director to a Non-Executive Director of the Company and Swire Pacific Limited with effect from 25th August 2021 on his ceasing to be the Chairman of the Company and Swire Pacific Limited. He has also resigned as the Chairman and a Director of John Swire & Sons (H.K.) Limited with effect from the same date.
3. G.M.C. Bradley has been appointed as an Executive Director of Swire Pacific Limited and elected as the Chairman of Swire Pacific Limited, John Swire & Sons (H.K.) Limited and the Company, but will cease to be the Chief Executive of the Company with effect from 25th August 2021. He has also been appointed as a Non-Executive Director of Cathay Pacific Airways Limited with effect from the same date.
4. T.J. Blackburn has been appointed as an Executive Director and will become the Chief Executive of the Company with effect from 25th August 2021.
5. M.S.C. Ma has been appointed as an Executive Director of the Company with effect from 25th August 2021.
6. P. Healy has resigned as a Non-Executive Director of the Company with effect from 25th August 2021.
7. M.J. Murray has resigned as a Non-Executive Director of Cathay Pacific Airways Limited with effect from 25th August 2021.

Directors' Interests

At 30th June 2021, the register maintained under Section 352 of the Securities and Futures Ordinance ("SFO") showed that Directors held the following interests in the shares of Swire Properties Limited and its associated corporations (within the meaning of Part XV of the SFO), John Swire & Sons Limited and Swire Pacific Limited:

	Capacity					
	Beneficial Interest					
Swire Properties Limited	Personal	Family	Trust Interest	Total No. of Shares	Percentage of Voting Shares (%)	Note
L.K.L. Cheng	1,000	–	–	1,000	0.00002	
M.B. Swire	–	–	1,148,812	1,148,812	0.01964	(3)

Directors' Interests (continued)

John Swire & Sons Limited	Capacity: Beneficial Interest – Personal	Capacity: Beneficial Interest – Family	Capacity: Trust Interest	Total No. of Shares	Percentage of Issued Share Capital (comprised in the class) (%)	Note
Ordinary Shares of £1						
N.A.H. Fenwick	–	–	3,136,000	3,136,000	3.14	(1)
M.B. Swire	2,671,599	130,000	17,425,674	20,227,273	20.23	(2)
8% Cum. Preference Shares of £1						
N.A.H. Fenwick	–	–	2,822,400	2,822,400	3.14	(1)
M.B. Swire	3,946,580	–	12,782,055	16,728,635	18.59	(2)

Swire Pacific Limited	Capacity: Beneficial Interest – Personal	Capacity: Beneficial Interest – Family	Capacity: Trust Interest	Total No. of Shares	Percentage of Voting Shares (comprised in the class) (%)	Note
'A' shares						
L.K.L. Cheng	10,000	–	–	10,000	0.0011	
M.B. Swire	180,000	–	301,000	481,000	0.0531	(3)
'B' shares						
M.B. Swire	390,000	–	1,799,222	2,189,222	0.0734	(3)

Notes:

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

(2) M.B. Swire was a trustee and/or a potential beneficiary of trusts which held 5,970,631 ordinary shares and 2,452,378 preference shares in John Swire & Sons Limited included under Trust interest and did not have any beneficial interest in those shares. M.B. Swire was one of the executors of a will which held 131,707 ordinary shares and 117,275 preference shares in John Swire and Sons Limited included under Trust interest and did not have any beneficial interest in those shares.

(3) All shares held by M.B. Swire under Trust interest were held by him as one of the executors of a will and he did not have any beneficial interest in those shares.

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

Substantial Shareholders' and Other Interests

The register of interests in shares and short positions maintained under Section 336 of the SFO shows that at 30th June 2021 the Company had been notified of the following interests in the shares of the Company held by substantial shareholders and other persons:

Long position	Number of Shares	Percentage of Voting Shares (%)	Type of Interest (notes)
1. Swire Pacific Limited	4,796,765,835	82.00	Beneficial owner (1)
2. John Swire & Sons Limited	4,796,765,835	82.00	Attributable interest (2)

Notes:

At 30th June 2021:

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

(2) John Swire & Sons Limited and its wholly owned subsidiary John Swire & Sons (H.K.) Limited were deemed to be interested in a total of 4,796,765,835 shares of the Company, in which Swire Pacific Limited was interested, by virtue of the John Swire & Sons Limited group being interested in 57.89% of the equity of Swire Pacific Limited and controlling 66.24% of the voting rights attached to shares in Swire Pacific Limited.

Glossary

Terms

References in this document to Hong Kong are to Hong Kong SAR.

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

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

Gross borrowings Total of loans, bonds and overdrafts.

Net debt Total borrowings and lease liabilities less short-term deposits and bank balances.

Underlying profit Reported profit adjusted principally for the impact of (i) changes in the fair value of investment properties, (ii) deferred tax on investment properties and (iii) amortisation of right-of-use assets reported under investment properties.

Recurring underlying profit Underlying profit adjusted for significant credits and charges of a non-recurring nature, including gains on the sale of interests in investment properties.

Ratios

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

$$\text{Equity attributable to the Company's shareholders per share} = \frac{\text{Equity before non-controlling interests}}{\text{Number of shares in issue at the end of the period}}$$

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

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

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

Financial Calendar and Information for Investors

Financial Calendar 2021

Interim Report available to shareholders	7th September
Shares traded ex-dividend	8th September
Share register closed for 2021 first interim dividend entitlement	10th September
Payment of 2021 first interim dividend	5th October
Annual results announcement	March 2022
Annual General Meeting	May 2022

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Request for Feedback

In order that we may improve our reporting, we would be grateful to receive your comments on our public announcements and disclosures via e-mail to ir@swireproperties.com.

Disclaimer

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