

CORPORATE STATEMENT

SUSTAINABLE GROWTH

Swire Pacific has its headquarters in Hong Kong. It is one of the leading companies in Hong Kong, with five operating divisions: Property, Aviation, Beverages, Marine Services and Trading & Industrial. The Group's operations are predominantly in Greater China, where the name Swire or 太古 has been established for over 140 years.

The Group has a long history in the region. We take a long-term perspective in formulating strategy and this is reflected in the nature of our investments. We pride ourselves on being forward-looking and innovative. These qualities have helped us to grow and have enabled us to set benchmarks in the industries in which we operate.

Sustainability is key to our long-term approach. We recognise that sustainable development does not mean less profit. Rather it is an opportunity for innovation, growth and improved efficiency.

Swire Pacific is a highly diversified group. We have a wide range of commercial activities and conduct them internationally. We have interests in three other listed companies, Swire Properties Limited ("Swire Properties"), Cathay Pacific Airways Limited ("Cathay Pacific") and Hong Kong Aircraft Engineering Company Limited ("HAECO").

Swire Properties is one of Hong Kong's largest commercial landlords and

operators of retail space, with a portfolio totalling 13.5 million square feet of lettable space. In Mainland China, Swire Properties' mixed-use property developments in Guangzhou, Shanghai, Beijing and Chengdu will, when they are all completed, have 8.9 million square feet of lettable space. In the USA, Swire Properties' mixed-use development in Miami, Florida will have 4.0 million square feet of lettable and saleable space upon completion after two phases of development.

In 2014, our airlines (which are based in Hong Kong) carried 31.6 million passengers and flew to 210 destinations. Through Cathay Pacific, we have an interest of more than 20% in Air China Limited ("Air China"). Hong Kong Dragon Airlines Limited ("Dragonair") (a wholly-owned subsidiary of Cathay Pacific) flies to 52 destinations in Mainland China and elsewhere in Asia. The HAECO group is a leading provider of international aircraft engineering services. In 2014, it performed 9.7 million manhours of airframe maintenance in Hong Kong, Mainland China and the USA.

In 2014, our Beverages Division sold 1,044 million unit cases of Coca-Cola products to a franchise population of over 450 million people in Greater China and the USA.

The Swire Pacific Offshore group ("SPO") operates a fleet of 88 specialist vessels supporting the offshore energy industry in every major offshore production and exploration region outside the USA.

At 31st December 2014, we operated 249 retail outlets in Hong Kong, Macau and Mainland China. We have joint ventures in Hong Kong and Mainland China with Akzo Nobel in paint manufacturing and in Mainland China with The Campbell Soup Company in soup distribution.

Swire Pacific is one of Hong Kong's largest and oldest employers, where we have over 40,000 employees. In Mainland China, in ventures under our own management, we have approximately 24,000 employees. Globally, we employ over 82,000 staff.

SWIRE PACIFIC'S STRATEGY

The strategic objective of Swire Pacific is sustainable growth in shareholder value over the long-term. The strategies employed in order to achieve this objective are these:

- The long-term development of a diversified range of businesses in which shareholder value can be created by earning a return on capital appropriate to each business.
 - Investment in businesses where Swire Pacific has management control or significant management influence, so that the businesses can benefit from active and prudent management by Swire Pacific.
 - Employment of staff whom Swire Pacific believes will further its strategic objective and will be committed to Swire Pacific for the long-term, and the provision to them of a career path and training consistent with Swire Pacific's strategic objective.
 - Operational excellence in the way Swire Pacific conducts its businesses.
 - Doing business in a sustainable manner.
 - Commitment to high standards of corporate governance, with a view to ensuring that Swire Pacific's businesses are conducted in accordance with proper ethical standards and appropriate transparency, that the business risks to which Swire Pacific is exposed are properly understood and managed and that the interests of those with whom Swire Pacific engages are properly considered.
 - Active stewardship of the Swire brand.
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Swire Pacific's aim is to create long-term value for shareholders by making investments in a diverse range of businesses and to exceed target rates of return appropriate for those businesses. We aim to develop businesses where we can add value through our industry-specific expertise and our particular knowledge of the Greater China region. We have strict financial disciplines and adopt rigorous analysis and valuation, refusing to overpay for acquisitions and being willing to close or sell under-performing businesses.

Refer to pages 101 and 102 for Swire Pacific's 2014 investment appraisal and performance review.

Swire Pacific is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects our belief that, in the achievement of our long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, Swire Pacific believes that shareholder wealth will be maximised in the long-term and that employees, those with whom it does business and the communities in which it operates will all benefit.

Refer to pages 112 to 120 for Swire Pacific's 2014 Corporate Governance Report.

About This Report

We support the efforts of the International Integrated Reporting Council (“IIRC”) to bring about greater consistency of reporting by companies, to improve the transparency of financial reports and to help investors and users of accounts better understand how businesses operate and how shareholder value is created. We hope to have produced a report that gives investors and other users a clear and concise explanation of Swire Pacific’s strategy, governance, performance and prospects. In so doing, we hope to be able to demonstrate effectively how we create and intend to create shareholder value.

- 2014 performance highlights and the Chairman’s summary of the Group’s 2014 performance and its prospects can be found on pages 4 to 15.
- A review of the Group’s financial performance can be found on pages 94 to 102.

- The 2014 Performance Review and Outlook section on pages 16 to 75 provides a review of all five of the Group’s operating divisions. An overview of the business and the strategies of each division is provided. An explanation of the operating context and a summary of business performance and future prospects are also given.
- Swire Pacific’s 2014 Corporate Governance Report can be found on pages 112 to 120.
- Sustainability data, which follows the Global Reporting Initiative’s (“GRI”) G4 reporting guidelines at the core level, can be found on pages 230 to 234.
- A review of the Group’s five sustainable development pillars can be found on pages 76 to 93. Information about sustainable development can also be found in the reviews of the operating divisions, where appropriate.

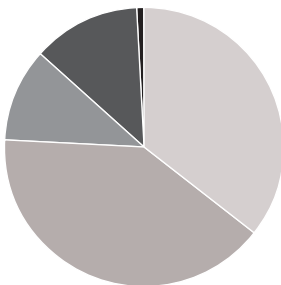
This report can be found online at www.swirepacific.com/en/ir/reports.php, where a condensed version of the report can also be found.

External audit of financial information has been provided by PricewaterhouseCoopers (“PwC”). PwC was also commissioned to report on certain sustainability information in the report and our compliance with the GRI G4 reporting guidelines at the core level. Our sustainability reporting has been based on GRI guidelines since 2007. This is the first report prepared using the GRI G4 reporting guidelines at the core level.

- The auditor’s report can be found on page 132.
- PwC’s independent limited assurance report on certain sustainability information can be found on pages 227 to 229.

Revenue by Area

HK\$M



Hong Kong
21,928

Asia (excluding Hong Kong)
24,713

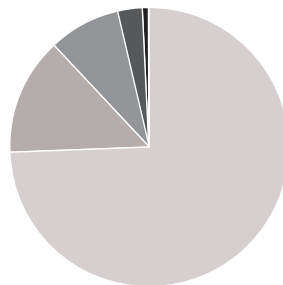
Ship owning and operating activities**
6,547

United States of America
7,648

Others
465

Non-current Assets by Area*

HK\$M



Hong Kong
20,917

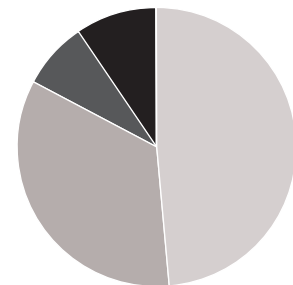
Asia (excluding Hong Kong)
36,957

Ship owning and operating activities**
23,125

United States of America
8,531

Others
530

Employee Numbers by Area



Hong Kong & Macau
40,216

Asia (excluding Hong Kong & Macau)
28,142

United States of America
6,318

Others
7,732

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

** Ship owning and operating activities are carried out internationally and cannot be attributed to specific geographical areas.