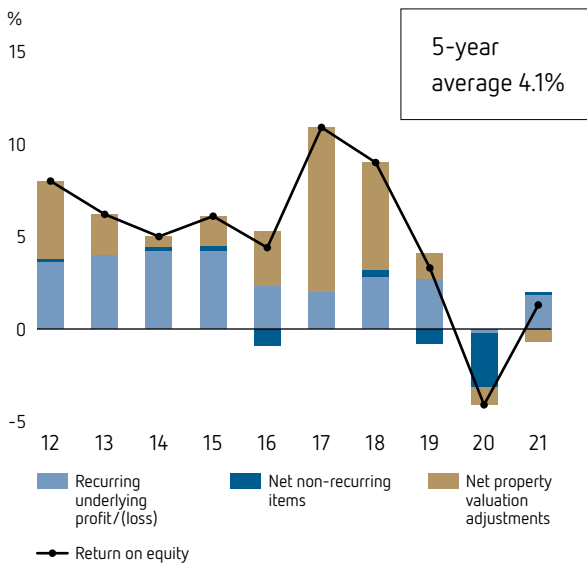
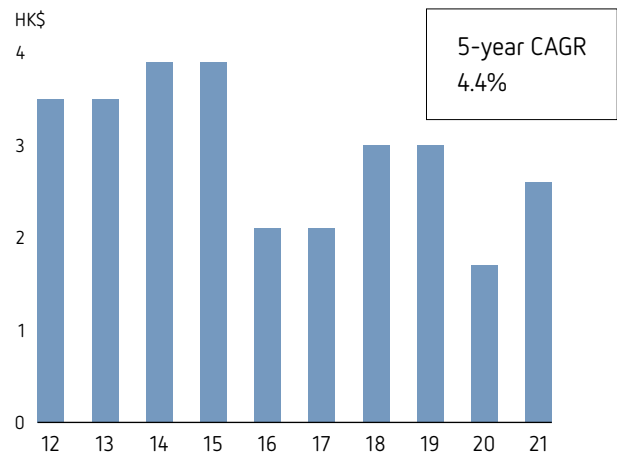


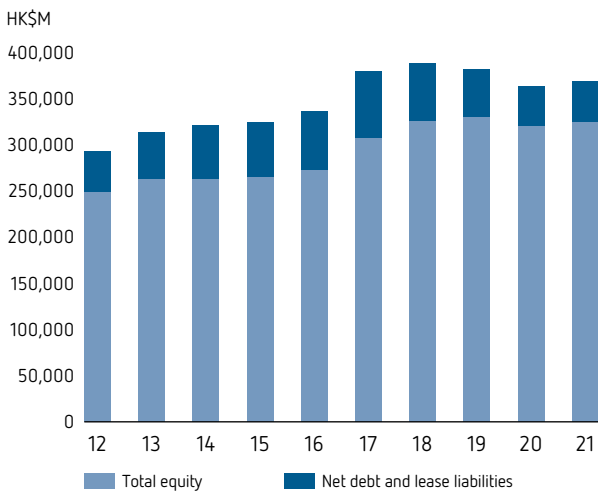
Return on Equity



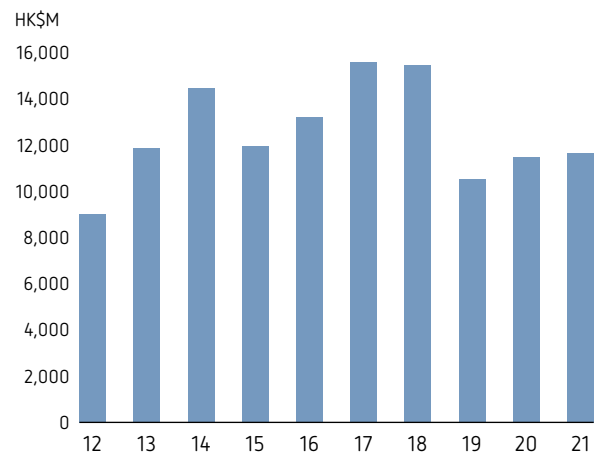
Ordinary Dividends per 'A' Share



Total Equity and Net Debt (including Lease Liabilities)



Net Cash Generated from Operating Activities



CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to be writing my first message to you as Chairman of Swire Pacific.

Whilst the impact of COVID-19 continued to be felt across all our Divisions and the operating environment remained challenging in 2021, overall our businesses made a significant turnaround and the Group returned to profitability. The improved performance was in no small part due to the hard work and commitment of our people and underscores the strength and resilience of our businesses. This robust performance demonstrates that our approach of carefully managing short-term impacts, whilst continuing to invest for the long term in our core markets in Greater China, remains the right one. We are committed to delivering value and growth in these markets, and our solid fundamentals support our confidence in the Group's prospects.

Strategic Developments

In 2021, we continued our strategy of focusing on three core Divisions where we see good opportunities: Property, Beverages and Aviation, all well-positioned to tap into the growth in consumer spending in their core markets. We see a bright future for all of them, although the current COVID-19 impact on the Aviation Division is particularly challenging. We also increased our investment in healthcare in the Chinese Mainland.

We have an exciting investment pipeline in the Property Division, of which we have just announced a RMB7 billion investment in Xi'an. This development, located at the Small Wild Goose Pagoda historical and cultural zone in the Beilin district, will be our seventh retail-led mixed-use development in the Chinese Mainland.

Swire Coca-Cola, which is performing strongly, continued to pursue its core strategies during the year and made significant investments in production assets, logistics infrastructure, digital innovation and merchandising equipment to support future revenue growth and operational efficiency.

In Aviation, while Cathay Pacific's business remains significantly impacted by COVID-19, the business is well-placed for a post-COVID-19 recovery, after decisive actions were taken to create a more focused and competitive business with a lower cost base.

During the year, we invested in a premium private hospital in Shenzhen and a healthcare provider specialising in cardiovascular care in Shanghai, all part of our planned long-term capital spending in the healthcare sector in the Chinese Mainland.

We also recently announced the disposal of Swire Pacific Offshore. With this disposal, and the earlier sale of our interest in Hongkong United Dockyards (HUD), we will no longer operate any marine services business, which has been loss-making for a number of years. This is in line with our strategy of reducing exposure to non-core assets and recycling capital to focus on core businesses that have strong growth opportunities in Greater China and South East Asia.

Profits and Dividends

The Group recorded an underlying profit of HK\$5,300 million in 2021, compared with an underlying loss of HK\$3,969 million in 2020. Disregarding significant non-recurring items in both years, the Group recorded a recurring underlying profit of HK\$4,885 million in 2021, compared with a loss of HK\$609 million in 2020. We made a higher recurring underlying profit with particularly strong momentum in the Chinese Mainland. Losses at Cathay Pacific and Swire Pacific Offshore were reduced significantly. The recurring underlying profit of the Property Division was stable and Swire Coca-Cola reported record profit. Impairment charges at Swire Pacific Offshore and Cathay Pacific reduced substantially. However, gains from the disposal of non-core assets were also lower.

During the year, as previously announced, we introduced a revised dividend policy to reflect our goal in delivering sustainable growth in dividends. We target in future to pay out not less than half of our recurring underlying profit (excluding

our share of the results of associate Cathay Pacific, but including all dividends received from that company) by way of ordinary dividends over time. Dividends for the full year are HK\$2.60 per 'A' share and HK\$0.52 per 'B' share, an increase of 53% over the 2020 full year dividends.

Resilient Business Performance

Property Division

The recurring underlying profit of the Property Division was stable compared to prior year at HK\$5,824 million, against HK\$5,834 million in 2020. Retail rental income in the Chinese Mainland increased strongly. Losses from hotels reduced. In Hong Kong, our office portfolio delivered solid returns, maintaining high occupancy, and our redevelopment of Taikoo Place is an example of placemaking at its very best. While Hong Kong's retail market partially recovered, it has not returned to pre-COVID-19 levels, but we remain confident of Hong Kong's long-term prospects and continue to invest in our retail malls and explore new digital technologies and customer-centric initiatives to prepare for the rebound. In September 2021, we opened our sixth Chinese Mainland development, Taikoo Li Qiantan, in Shanghai. In December 2021, we opened Taikoo Li Sanlitun West, an exciting retail addition to our existing Taikoo Li Sanlitun development, contributing to further revenue growth from the Chaoyang district in Beijing.

Beverages Division

Swire Coca-Cola's performance was strong and it reported record profits in 2021. Profits were 23% higher than in 2020, with an overall 8% improvement in volumes. Revenue growth in the Chinese Mainland was particularly strong and buoyant, with growth also achieved in the USA. The record profit reflected strengthened execution capabilities, improved distribution infrastructure, optimised package and product mix and price increases, as well as effective revenue growth management.

Aviation Division

Cathay Pacific substantially reduced losses in 2021 despite ongoing COVID-19 impacts. Cathay Pacific's losses in the year were reduced by 74% to HK\$5.5 billion from HK\$21.6 billion, driven by a strong performance from cargo and robust cost management, resulting in substantially reduced cash burn. Passenger travel remained acutely affected by travel

restrictions and strict quarantine arrangements. Nevertheless, management's decisive actions and the strong cargo market enabled Cathay Pacific to be profitable in the second half of 2021.

At HAECO, COVID-19 adversely affected demand for aircraft maintenance. HAECO continued to invest in the relocation of its Xiamen operations, which are expected to be completed in 2026.

Financial Strength

Our strong balance sheet enables us to take advantage of the investment opportunities available to us. At 31st December 2021, our gearing was 11.9% and our available liquidity was HK\$47 billion. This puts us in a position to pursue our long-term plans irrespective of short-term market volatility.

Sustainable Development

Using natural resources responsibly, minimising waste and pollution, and investing in our people and communities are fundamental to the sustainability of business. We are committed to improving in this area. During 2021 we made progress with SwireTHRIVE, our group strategy for sustainable development. We continued to integrate our ESG initiatives across the businesses. Swire Properties and Swire Coca-Cola, which together account for almost 80% of the Group's total emissions, are now committed to SBTi-approved targets aligned with the 1.5°C pathway. Across our Divisions we have set substantial targets for improvement across five priority areas: Climate, Waste, Water, People and Communities.

Supporting Our Communities

Swire has deep roots in the Chinese Mainland going back 155 years, and we engage in a range of charitable activities to support our communities that cover education, rural revitalisation, environmental sustainability and emergency support. Last year we celebrated our 150th anniversary in Hong Kong, and to reaffirm our ongoing commitment to the city, we injected HK\$150 million into the Swire Trust, the Group's philanthropic arm, as part of our TrustTomorrow initiative. This funding will boost our work in education, marine conservation and the arts, with a focus on youth empowerment. Through this initiative we are funding over 50 projects, in partnership with about 50 social welfare non-profit organisations.

Additional COVID-19 Support

As COVID-19 continues to impact city life in Hong Kong, we remain committed to doing all we can to help protect and support our communities, especially the most vulnerable. As the fifth wave of COVID-19 emerged, we once again pledged financial assistance to disadvantaged groups in Hong Kong through our TrustTomorrow initiative.

Swire Properties is offering rental relief to its retail tenants and providing hotel rooms and spaces for isolation, quarantine and vaccination purposes and Cathay Pacific has been keeping Hong Kong connected, including maintaining the flow of essential goods and medical supplies to where they are most needed.

Looking Ahead

We expect Swire Properties to continue to perform well, particularly in the Chinese Mainland, where we see significant potential in building on the strong reputation of our Taikoo Li and Taikoo Hui Brands.

Swire Properties intends to invest over HK\$100 billion to build an exciting development pipeline over the next ten years. More than half of the funding is intended to be invested in the Chinese Mainland, with a focus on retail-led mixed-use development in Tier-1 and emerging Tier-1 cities. One third of the amount will be invested in Hong Kong to expand and reinforce Taikoo Place and Pacific Place. We are also actively exploring residential trading opportunities across our core markets, leveraging our premium residential brand.

We see good opportunities to support growth in our Beverages Division and will continue to invest in Swire Coca-Cola to create a strong and sustainable business focused on improving returns.

There remains uncertainty on the duration and extent of the ongoing COVID-19 restrictions on Cathay Pacific's operations. Cathay Pacific has had a difficult start to 2022, following the emergence of the highly transmissible Omicron variant. However, Cathay Pacific's lower cost base has positioned the business well for a post-COVID-19 recovery.

Swire Investments is continuing to focus on the Chinese Mainland's healthcare sector, where we target to invest HK\$20 billion over the next 10 years.

Our resilient and diverse portfolio has enabled us to withstand many challenges and remains well-placed to serve consumer growth in our core markets. We are confident of our future and firmly committed to Hong Kong, the Chinese Mainland and South East Asia.

Our People

As I reflect on our group performance in 2021, I am immensely proud of our achievements and the strong foundations laid down for the years ahead. Despite the ongoing challenges, we have persevered thanks to the strength, agility and tenacity of our people. I would like again to salute all our teams for the tremendous teamwork, dedication and professionalism which they continue to show in response to the challenges of COVID-19.

Guy Bradley

Chairman

Hong Kong, 10th March 2022