



**John Swire & Sons Limited
Annual Report & Consolidated
Financial Statements**

31 December 2021

Company number: 133143

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JOHN SWIRE & SONS LIMITED
Corporate profile



John Swire & Sons Limited is the parent company of a family of subsidiary companies which trade throughout the world ('Swire Group' or 'Group'). It is responsible for formulating and directing overall Group strategy. Under various agreements, a wide range of services are provided to subsidiaries and some of its associated companies, remuneration for which is largely profit related. These services include the provisions of advice and expertise of the directors and senior officers of the Swire Group, certain staff services, certain central services and the use of relevant trademarks. The number of employees within the Swire Group is approximately 104,000.

John Swire & Sons Limited is based, as it has been for the past 206 years, in the United Kingdom, where it has certain trading activities which are being actively developed by its local subsidiaries. The Group's main sphere of operations, however, is in the Chinese Mainland and the Special Administrative Region of Hong Kong; and to a lesser, but nevertheless significant, extent in North America and Europe. The wholly-owned shipping element of the Group trades worldwide, but the major sphere of its activity is in the Pacific and Australasia.

Further information, on what the Group does and where, can be obtained at www.swire.com.

JOHN SWIRE & SONS LIMITED
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JOHN SWIRE & SONS LIMITED
Directorate and principal offices

Chairman

B N Swire

Deputy Chairman

M B Swire

Directors

M Cubbon

Baroness Dunn DBE

N A H Fenwick

J E Hughes-Hallett

G D McCallum

S C Pelling

J S Swire

S C Swire

W J Wemyss

Secretary

D C Morris

Group Financial Controller

J A Palfreyman

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JOHN SWIRE & SONS LIMITED

Group Strategic Report

Principal activities

The principal activities of the Swire Group (the 'Group') are summarised in the tables in note 6 showing the revenue related to each main activity and geographical area.

Swire Group Strategy

Our aim is to deliver shareholder value through sustainable growth in ordinary dividends, achieved by sound returns on equity over the long term.

Our Values

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

Our Core Principles

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

Our Investment Principles

- We aim to build a portfolio of businesses that collectively deliver a steady dividend stream over time.
- We are long-term investors. We prefer to have controlling interests in our businesses and to manage them for long-term growth. We do not rule out minority investments in appropriate circumstances.
- We concentrate on businesses where we can contribute expertise, and where our expertise can add value.
- We invest in businesses that provide high-quality products and services and that are leaders in their markets.

- We divest from businesses which have reached their full potential under our ownership, and recycle the capital released into existing or new businesses.

Review of the year

The profit of the Group for 2021, after taxation and non-controlling interests, was £488 million, compared to the £556 million loss for 2020.

The effect of COVID-19 continued to be felt throughout the Group and the operating environment remained challenging in 2021, but overall nearly all businesses made a significant turnaround and the Group returned to profitability. Swire Properties remained resilient, while there was a significant increase in profits at Swire Coca-Cola and a substantial reduction in losses at Cathay Pacific. The privately-owned companies were also more successful overall in 2021, with the Singapore based shipping businesses in particular having a historically strong year. During 2021 the Group extended its interests in the water treatment industry with the acquisition of WesTech Engineering LLC, and smaller acquisitions in the offshore renewables sector were made in Denmark and Portugal.

Over the same period, the Group increased its equity interest in Swire Pacific from 55.2% to 57.9%.

Swire Pacific Limited

The major part of the Group's overall result continues to be attributable to Swire Pacific, its listed subsidiary in Hong Kong. The main points from the Chairman's and Finance Director's statements in the Swire Pacific Annual Report, dated 10 March 2022, are set out here.

"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."

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Group Strategic Report

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.

Results Summary

Swire Pacific performed well during 2021 despite the continuing impact of COVID-19. The recurring underlying profit for 2021, which disregards significant non-recurring items in both years, was HK\$4,885 million, compared with a recurring underlying loss of HK\$609 million in 2020. Most Divisions put in an improved performance during the year and our solid financial results demonstrated the resilience of our businesses.

The consolidated profit attributable to shareholders (including discontinued operations) for 2021 was HK\$3,364 million, compared to a loss of HK\$10,999 million in 2020. The underlying profit attributable to shareholders, which principally adjusts for changes in the value of investment properties, was HK\$5,300 million, compared with a loss of HK\$3,969 million in 2020. The improvement in the underlying results primarily reflects (i) a substantial reduction of losses (including a reduction of impairment charges) at Cathay Pacific and Swire Pacific Offshore, and (ii) a significant increase in the profits of Swire Coca-Cola. There was, however, a decrease in gains on disposal of assets in the Property Division.

The Property Division which is the major contributor to the Group's profit, continued to perform solidly during the year, particularly in the Chinese Mainland, demonstrating the Division's resilience amid challenging times. The recurring underlying profit from the Property Division in 2021 (which excludes gains from the sale of interests in investment properties of HK\$1,959 million, compared with HK\$4,584 million in 2020) was HK\$5,824 million, compared with HK\$5,834 million in 2020. This mainly reflected higher rental income from the Chinese Mainland and reduced losses in the hotel business, largely offset by lower retail rental income in Hong Kong and loss of rental income from Cityplaza One.

We continued to see strong growth momentum in our Beverages business throughout the year. Swire Coca-Cola reported a record profit of HK\$2,549 million in 2021, 23% higher than in 2020. Revenue increased by 20% to HK\$54,769 million. Volume increased by 8% to 1,890 million unit cases. Attributable profit increased in most regions. The Chinese Mainland market remained very dynamic with increased consumer demand met with excellent execution, digital innovation and improved product mix. The buoyant US market was driven by price increases and changes in product mix which were effective in supporting growth throughout the year. Revenue growth and operational efficiency was also fuelled by digital innovations. Swire Coca-Cola is expanding its product and package portfolio and investing in production assets, logistics infrastructure, merchandising equipment and digital capabilities.

The Aviation Division incurred a loss of HK\$2,380 million in 2021, compared to a loss of HK\$9,751 million in 2020.

The Cathay Pacific group substantially reduced losses in 2021 despite the ongoing COVID-19 impact, with the group reporting a profit in the second half of the year. This improved performance was driven by the cargo business, which performed exceptionally well, and good cost management, resulting in substantially reduced cash burn. Travel remained very challenging with aircrew quarantine and travel restrictions impacting passenger flight capacity substantially. The Cathay Pacific group's attributable loss on a 100% basis was HK\$5,527 million in 2021 (2020: loss of HK\$21,648 million). The loss for 2021 included impairment and related charges of HK\$832 million, restructuring costs of HK\$385 million, and a HK\$210 million gain on the dilution of an associate interest.

The HAECO group reported an attributable profit of HK\$394 million in 2021, compared with HK\$96 million in 2020. Disregarding the impairment charges in both years, the recurring profit of the HAECO group increased by HK\$46 million to HK\$416 million in 2021. COVID-19 adversely affected demand for aircraft maintenance and repair services except base maintenance.

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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.

Demand for office space in the Chinese Mainland is mixed. Rents are under pressure in Guangzhou, while office take-up is recovering in Beijing and demand in Shanghai is robust. Despite increasing competition and supply, Swire Properties' Hong Kong office portfolio remains well-placed, with high occupancy and stable demand from a range of tenants, supported by the activities in the financial markets. Recovery of the Hong Kong retail market has been impacted by the fifth wave of the pandemic but is well-positioned for the post-pandemic upturn. The outlook for Hong Kong hotels is difficult, given ongoing travel restrictions. Hotels in the Chinese Mainland and USA continue to recover.

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.

At Swire Coca-Cola, revenue is expected to grow strongly in the Chinese Mainland and USA. Taiwan is expected to continue to improve, however, Hong Kong will be impacted by the fifth wave of the COVID-19 outbreak. We will continue to explore attractive investment opportunities to further strengthen the business. 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. Cathay Pacific remains firmly committed to keeping Hong Kong safely connected to the world and continues to explore all options to keep the flow of people and goods moving despite the considerable challenges.

At HAECO, base maintenance is expected to continue to recover. Demand for engine services is expected to improve gradually. Recovery in line maintenance in Hong Kong depends on lifting of travel restrictions. Profit in the USA will be lower with the absence of government subsidies and the shortage of skilled labour. HAECO will

focus on increasing its exposure to the narrow-body market, along with leveraging technology and digital tools to improve operational efficiency and the customer experience.

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.

Turning to the Group's privately owned companies, the following sets out the performance of each major subsidiary:

Swire Shipping

2021 was the first year in which The China Navigation Company operated as two separate companies, Swire Shipping ('SSL') and Swire Bulk. SSL continued its traditional liner services around Asia and the South Pacific; it also operated a new Swire Projects business, which employs specialist ships to carry project cargoes.

Liner rates have continued to rise and SSL is making unprecedented profits as a result (it owns most of its fleet outright, which gives it a significant cost advantage in a boom such as the present one). SSL has also taken advantage of high demand from China to the USA by taking three ships out of its own liner services and employing them on more profitable ad-hoc trans-Pacific charters.

SSL manages its own fleet and most of the Swire Bulk one in addition. Overall, the crewing issues of 2020 abated in 2021, but quarantine and travel restrictions have continued to make crew movements difficult. However, safety standards have not slipped and the focus on improved marine safety practices has continued.

Swire Bulk

The first year of Swire Bulk ('SBL') as a standalone company produced significant profits. A general lack of shipping capacity supported higher charter rates, and SBL was able to fix its owned and chartered-in ships at rates not seen since the mid-2000s. SBL was also able to sign contracts for committed cargo volumes with good customers. The strength of its balance sheet and the reputation that SBL has built up are both helpful in this regard, and the returns of the business have been exceptional.

The last ships in SBL's newbuilding programme were delivered at the end of 2021, and the company is unlikely to order further vessels until yard prices have

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reduced. Instead, where opportunities have presented themselves to sell vessels at a premium, SBL have done and will continue to do so. Equally, as the contracts of some of its chartered-in vessels expired over the year, SBL has not replaced them as current rates are so high. SBL is therefore seeing a contraction of its fleet from a peak of 150 ships, with an expectation that it will be built up once more when charter rates allow.

Australia

John Swire & Sons in Australia continues to own and operate two businesses: HSE, which provides equipment to coking coal mines in Queensland, and Kalari, which operates specialist haulage services across the country.

HSE had a difficult 2021, including the expected loss of a material contract. In addition, the COVID-19 regulations surrounding the workforce on mine-sites proved hard to manage. However, the business recently won a replacement contract, which will begin in 2022 - the first 'full service' deal in which the company will manage most of the work onsite.

Kalari had another reasonable year, marked by the winning of a major new contract with an existing customer. This will be another 'bedrock' deal for the company, giving it a strong base for further expansion.

Subsequent to the year-end, a decision was taken to seek a sale of both businesses.

Steamships Trading Company

2021 was a much better year for Steamships. Hotels posted a record result due to busy quarantine trade in Port Moresby and Kiunga. The acquisition of 100% of Consort Shipping in 2019 and new management have turned that business around, improving reliability, customer service and profitability. The Property Division also saw a slight pickup in the second half of the year, as economic sentiment improved. A phased handover of the new mixed-use development on the waterfront in Port Moresby has begun, and leasing should start in the third quarter. 2022 has started strongly and business sentiment is strong. Negotiations for all the major natural resource projects are proceeding well and, assuming that these all come to fruition, PNG will become the world's fifth largest producer of natural gas.

United States Cold Storage

2021 was a challenging year for USCS. Nationwide, there was a shortage of labour. This significantly pushed up employment costs and reduced manufacturing output. The consequences for USCS were increased warehouse operating costs and a drop in inventory across the network. The growing transport business was also affected, with a shortage of trucks pushing up freight costs. Although COVID-19 continued to distract operations, there was no material effect from it on the business. Three plant expansions opened during the year - in Atlanta, Minooka and Sacramento,

while the old Sacramento plant was sold. The Atlanta and Minooka expansions are USCS's first major investments in plant automation and, despite some initial teething problems, the facilities are operating as expected.

2022 has started well and inventories are rising, but there has been significant inflationary pressure. The primary focus is thus on improving profitability. Increasing both automation and the share of renewable energy remain the key mid-term goals. USCS has also entered into an agreement to sell three more older plants, the proceeds from which will go towards funding future expansion.

James Finlay

Thanks to a recovery in consumer demand, both key markets of North America and China performed ahead of expectations. Damin (Finlays' joint venture in China) produced record profits, boosted by new products and the recovery of the food service channel. The US extracts business also performed ahead of expectations supported by the growth in hard teas and the recovery in food service. Price increases have been introduced to offset rising coffee bean prices and increasing freight costs.

Tea prices on the other hand continued to be soft, affecting the profitability of Finlays' tea estates. Finlays continues to invest in mechanisation and automation in Kenya and Argentina, raising productivity to address the low tea prices and rising labour costs. However, in the case of the Sri Lankan tea estates, the topography of the land provided limited opportunity to increase productivity levels and profitability, resulting in a decision to exit this business. The sale of the estates was completed at the end of December 2021.

Agreement was reached during the year to sell the remaining flower farm in Kenya, with completion early in 2022. The outstanding shares in a property development in Sri Lanka were also sold.

Swire Energy Services

The oil and gas focussed side of the business (container rental) saw a return to profitability on the back of the stabilisation and then increase in the oil price, and the key metric of units on hire now exceeds pre-pandemic levels. However, the current focus is to increase exposure to the offshore renewables sector. Two small companies have been acquired to help accelerate this process: a Danish windmill blade inspection and turbine maintenance business and a Portuguese imaging software business. Several more acquisitions may be made this year.

Argent Energy

Argent Energy (which manufactures biodiesel from waste oils and fats) had a satisfactory year in 2021, with operating earnings before interest and tax - as well as cashflow - increasing significantly. Argent

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produced slightly less biodiesel than in 2020, but benefitted from particularly strong operating margins in the first half of the year. These fell sharply in the fourth quarter, as high diesel prices started to affect overall demand. This situation has continued in 2022, exacerbated by rising utility and chemical costs and, as a result, it is likely that profitability will decline. The number of Health and Safety incidents continued to fall, with two "lost time" injuries reported. The transition to a functional business structure was completed during the year, and the expanded central management office outside Chester is now fully operational. An initiative to treble the production capacity of the Amsterdam plant has encountered a number of frustrating delays, exacerbated by sharp price increases in a number of key construction materials (in common with many industries emerging from the pandemic). Consequently, the project is running about a year behind the original plan with plant commissioning now anticipated in the first half of 2023.

WesTech/Purestream

Ten months after the acquisition of WesTech Engineering, earnings for 2021 met budget and there has been good progress on business integration. In addition, most key staff have been retained and the team is working well overall. As the effects of COVID-19 waned in 2021, demand picked up most notably for Purestream's core product, with all capacity deployed on customer sites by the year end and things well set for 2022. Management, supported both by the appointment of an experienced Swire executive and by the transition team, have initiated a range of business improvements that will deliver efficiencies and more effectively support the team's excellent engineering capabilities. There is considerable opportunity for margin improvement, but it will take time to work through the current backlog of inherited orders. This may suppress results in 2022. Collaboration with Purestream has begun, most notably by the sharing of some central services and the combining the two companies' rental businesses. The key for 2022 is the settling of the combined rental team and the securing of steady growth across the portfolio.

Key Group financial and other performance indicators

	2021	2020
Profit/(loss) for the year attributable to owners of the company (£m)	488	(556)
Operating profit margin (%)	10.7	5.1
Growth in ordinary dividend (%)	9.5	2.6

Principal Group risks and uncertainty

The Group is exposed to macro-economic and political influences worldwide. The geographic and commercial

diversity of the Group's operations reduces overall exposure to any one single economy. The principal risks and uncertainties are as follows:

Infectious Diseases and Pandemics

Mitigations in place include business continuity plans (which are regularly updated and tested), and implementing appropriate health measures.

The COVID-19 virus is likely to have a continuing adverse effect on the performance of the Company's subsidiaries in the short term, but at this time, the expectation is that the performance of those subsidiaries will recover over the longer-term and the value of the Company's investments in the subsidiaries will not be impacted.

Economic Volatility

Foreign exchange volatility remains a risk to the Group. This is mitigated by natural hedges and, where deemed appropriate, using appropriate hedging instruments.

Cyber Security

Cyber Security risk is mitigated by adoption and close monitoring of compliance with the Group's policies, together with testing and monitoring of systems.

Climate Change

Mitigations includes setting appropriate targets, consideration of climate change when making Group policies and long-term capital allocation plans and the use of new technologies.

Group financial and risk management objectives and policies

Structure and Policy

Management of the Company and its subsidiary undertakings set financial risk management procedures in accordance with objectives and policies approved by their Boards. These procedures cover interest rate, currency, credit and liquidity risks specific to transactions within their businesses.

It is the policy of the Group not to enter into derivative transactions for speculative purposes. Derivatives are used solely for management of an underlying risk and the Group minimises its exposure to market risk by applying hedge accounting for derivative instruments. By applying hedge accounting, gains and losses on the derivatives are offset by losses and gains on the assets, liabilities or transactions being hedged.

Interest Rate Exposure

The Group's interest rate risk arises primarily from borrowings. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group earns interest income on cash deposits.

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The Group maintains a proportion of debt on a fixed rate basis with a view to increasing certainty of funding costs. The level of fixed rate debt for the Group is decided after taking into consideration the potential effect of higher interest rates on profit, interest cover and the cash flow cycles of the Group's businesses and investments. In this regard the Group uses interest rate swaps to manage its long-term interest rate exposure.

Currency Exposure

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars and Hong Kong dollars. Foreign exchange risk arises from the foreign currency denomination of commercial transactions, assets and liabilities, and net investments in foreign operations.

The Group's policy is to hedge in full all highly probable transactions in each major currency where their value or time to execution gives rise to a significant currency exposure, provided that the cost of the foreign exchange forward or derivative contract is not prohibitively expensive having regard to the underlying exposure.

Exposure to movements in exchange rates on transactions is minimised by using appropriate hedging instruments where active markets for the relevant currencies exist. At 31 December 2021, the Group had hedged its significant foreign currency funding exposures, by fixing the foreign exchange rates with forward contracts.

Exposure arising from the Group's investments in operating subsidiaries with net assets denominated in foreign currencies is reduced, where practical, by providing funding in the same currency.

Credit Exposure

The Group's credit risk is primarily attributable to trade and other receivables with wholesale customers, derivative financial instruments, receivables from joint venture companies and associated companies and cash and deposits with banks and financial institutions. Individual operating entities are responsible for setting credit terms appropriate to their industry and assessing the credit profile of individual customers.

The Group's businesses have policies in place to ensure that sales of products are made to wholesale customers with appropriate credit histories. Sales to retail customers are made in cash or via major credit cards. The Group has no significant concentrations of credit risk with any one customer.

When depositing surplus funds or entering into derivative contracts, the Group controls its exposure to non-performance by counterparties by transacting with investment grade counterparties to the extent possible,

setting approved counterparty limits and applying monitoring procedures. The Group is not required by its counterparties to provide collateral or any other form of security against any change in the market value of a derivative.

Liquidity Risk

The Group takes liquidity risk into consideration when deciding its sources of funds and their tenors, so as to avoid over reliance on funds from any one source and to prevent substantial refinancing in any one period. The Group maintains significant undrawn committed revolving credit facilities and cash deposits in order to further reduce liquidity risk and allow for flexibility in meeting funding requirements.

Section 172 Statement

This statement serves as the Company's Section 172 Statement and should be read in conjunction with the Strategic Report and Statement of Directors' Responsibilities. Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole but having regard to a range of different matters. In discharging our section 172 duties, we do this.

In addition, the directors have regard to other factors which they consider relevant to the decision being made. Those factors for example include the interests and views of our shareholders and wider stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we aim to make sure that our decisions are consistent and appropriate in all the circumstances and are made with an effective understanding of those matters of concern to our stakeholders.

As the principal activity of the Company is to act as a holding company for the other entities in the Swire group, the Company has had no significant commercial business, customers or suppliers during the year, and as such the breadth of stakeholder and other considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the directors.

The Company, which considers its key stakeholders to be shareholders, employees, and group undertakings, engaged directly with shareholders and employees on a number of occasions during the year to provide regular updates on the effects of the COVID-19 pandemic on operations and the actions of directors and businesses in response. While group undertakings operate autonomously, they do so in accordance with overall governance and control frameworks, and consideration of these controls on businesses and other relevant

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matters are embedded into Board decision-making. The directors consider the effect of their decisions on relevant stakeholders and the engagement with those stakeholders where appropriate while having due regard to all applicable policies and procedures.

Group Outlook

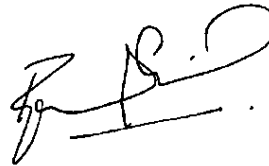
While trading conditions to date in 2022 have been positive, with shipping margins continuing to compensate for challenges in Asia, the current global economic environment gives cause for caution. The Group's directors believe that seeking sustainable growth in a broad range of businesses will be a successful strategy in the long term, and the Group is well positioned to achieve this with its significant available liquidity.

Employees

John Swire & Sons appreciates the value of a fully diverse workforce and so when recruiting for new employees, applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. Should existing members of staff become disabled, then every effort would be made to ensure that their employment with the Company continues and that appropriate training is arranged. Training development and promotion opportunities are available to all employees where appropriate.

The Company operates a policy of direct and systematic communication to all relevant employees appropriate to their circumstances. The Company circulates its inhouse magazine to all its employees which contains reports and updates on all significant events and activities throughout the Group. John Swire & Sons staff are encouraged to engage with management and help input, influence and shape the Company's direction and share ideas.

I should like to thank our staff throughout the Group for their dedication and hard work in what has been a year of strong recovery for the Group as a whole.



Barnaby Swire
Chairman
1 June 2022

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Directors' Report

Directors' report

The directors submit their report and financial statements for the year ended 31 December 2021. The comparatives are for the year ended 31 December 2020.

Results

The profit for the year of the Group shows a profit attributable to shareholders of £488 million (2020: £556 million loss). The Parent Company is exempt under the Companies Act 2006 from the requirement to present its own statement of profit or loss. The Parent Company made a profit of £136 million (2020: £323 million).

Financial and risk management objectives and policies

See the Group Strategic Report for details of objectives and policies on page 8. For details of exposures please refer to note 30.

Going concern

The Group's business activities, together with the factors likely to affect its future development, its financial position, financial and risk management objectives and policies, details of its financial instruments, and its exposure to interest rate, credit, liquidity and foreign currency risk are described in the Group Strategic Report on the preceding pages.

The Group has financial resources and contracts with a number of customer and suppliers across different geographical areas and industries. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully.

The Group has considerable financial resources and plans for refinancing or extending maturing facilities are under way.

Cash flow forecasts have been prepared for a period of twelve months from the date of approval of these consolidated financial statements. The directors have reviewed these cash flow forecasts in light of the ongoing COVID-19 pandemic, including a severe but plausible downside scenario consisting of significant EBITDA reductions in 2022 and 2023, and the non-renewal of maturing debt instruments throughout the review period. This severe but plausible downside scenario, whilst considered by the directors to be extremely prudent, has a significant impact on sales, margin, and cash flow; however it shows that the Group will be able to operate within the current committed debt facilities with continued financial covenant compliance.

Having reviewed the forecasts and the available committed debt facilities, the directors have a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for at least 12 months from the

signing of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements of the Group and the Parent Company.

Greenhouse gas emissions

The Group is reporting greenhouse gas emissions data in line with the requirements of the Companies Act 2006 and its applicable provisions. Our total emissions, in tonnes of CO₂ equivalent ('tonnes CO₂e'), are reported in the table below.

The reporting period is 1 January 2021 to 31 December 2021.

Subsidiary companies falling under the reporting scope are exempt from disclosing emissions data in their own financial statements as these are included within the Group's emissions data below.

Methodology

The Group follows the principles of the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard together with BEIS conversion tables to calculate Scope 1, 2 and 3 emissions from our operations in the United Kingdom. This includes the Group's operations in James Finlay, Argent Energy, Swire Energy Services and the John Swire & Sons head office.

Reported Scope 1 emissions are those generated from gas and oil used in buildings, emissions from fuels used in UK company owned vehicles used for business travel and emissions from the use of air conditioning and chiller/refrigerant plant. Reported Scope 2 emissions are generated from the use of electricity and are calculated by using both the location and market-based methodologies. Scope 3 emissions are only included to the extent that they relate to energy use from business travel in rental cars or employee-owned vehicles where they are responsible for purchasing the fuel.

Carbon Emissions (tonnes CO₂e)

	2021	2020
Total Scope 1	26,268	30,058
Total Scope 2	4,600	6,950
Total Scope 3	94	162
Total	30,962	37,170

Intensity ratio

GHG emissions (tonnes CO ₂ e)		
per £m of UK-income	77.8	99.7

Energy Consumption

Energy consumption (kWh)	162,155,683	174,997,770
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JOHN SWIRE & SONS LIMITED

Directors Report

Energy Efficiency

Sustainability is governed by a Sustainability Committee that includes two members of the John Swire & Sons board.

All John Swire & Sons operating companies have moved onto a cloud based environmental reporting platform to capture, monitor and report on their Carbon, Energy, Water, Waste impacts. In order to reduce energy use and assessment the impact of implemented actions, data collection and monitoring methodology and equipment were improved.

The Group continues to pursue energy savings at operating company level, for example, Swire House are utilising 100% renewable electricity as are Argent for two business units as part of a three-year energy strategy for the UK. Furthermore, a technical analysis for optimising utilisation of steam will take place at Argent's UK locations.

Future developments

The directors aim to maintain and continuously improve the management policies which have resulted in the successful development of the Group in recent years.

Directors

The current membership of the Board of directors is shown on page 3. All of these directors served throughout the year, with the exception of Mr. S C Pelling who was appointed as a director of the Company on 17 June 2021.

Dividends

The directors recommend the payment of a final dividend of 51.64 pence per ordinary share payable on 4 July 2022. Together with the first interim dividend of 39.5 pence per share paid on 6 December 2021, the final dividend, if approved by shareholders, makes a total for the year of 91.14 pence per share (2020: 83.24 pence per share).

Political contributions

The Parent Company did not make any political donations or incur any political expenditure during the year (2020: £nil).

Fostering Business Relations

The Company recognises its responsibility to take into consideration the needs and concerns of its stakeholders as part of its discussion and decision-making processes. When making decisions, the directors consider its primary stakeholders, shareholders, suppliers and its colleagues. However, given the role of the Company is principally one of a Holding Company, engagement with stakeholders

generally takes place at operational or subsidiary company level, where we believe more effective engagement can take place and as a result deliver a greater positive impact for stakeholders.

Employees

Details relating to the employees of the Company are set out on page 10 of the Group's Strategic Report.

Disclosure of information to the auditor

So far as each person who is a director at the date of approval of this report is aware, there is no relevant audit information, being information required by the Company's auditor in connection with the preparation of this report, of which the Company's auditor is unaware. Having made enquiries of fellow directors and the Company's auditor the directors have taken all the steps that as directors they ought to have taken as a director, in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By Order of the Board

David C Morris



Company Secretary
1 June 2022

Registered office:
Swire House
59 Buckingham Gate
London
SW1E 6AJ

JOHN SWIRE & SONS LIMITED

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Parent Company financial statements for each financial year. Under that law they have elected to prepare both the Group and the Parent Company financial statements in accordance with UK-adopted international accounting standards and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

JOHN SWIRE & SONS LIMITED

Independent Auditor's Report to the members of John Swire & Sons Limited

Opinion

We have audited the financial statements of John Swire & Sons Limited for the year ended 31 December 2021 which comprise the Consolidated statement of profit or loss and other comprehensive income, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated statement of changes in equity, the Company statement of changes in equity, the Consolidated statement of cash flows and the Company statement of cash flows, and related notes, including the accounting policies in note 5.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards, and as applied in accordance with the provisions of, the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Parent Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Parent Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, management of the Group, internal audit as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes and internal audit reports.
- Using analytical procedures to identify any unusual or unexpected relationships.

JOHN SWIRE & SONS LIMITED

Independent Auditor's Report to the members of John Swire & Sons Limited

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group to in-scope component audit teams of relevant fraud risks identified at the Group level and request to those component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at Group level.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the assumptions and data used when testing the impairment of goodwill. On this audit we do not believe there is a fraud risk related to revenue recognition as the revenue model is non-complex with no material estimation or manual intervention.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, and those posted to unusual accounts.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

JOHN SWIRE & SONS LIMITED
Independent Auditor's Report to the members of John Swire & Sons Limited

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 13, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

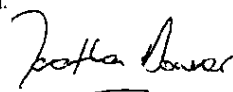
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Downer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London E14 5GL

7 June 2022

JOHN SWIRE & SONS LIMITED
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December

		2021	2020
	Note	£'m	£'m
Revenue	6	12,083	10,737
Cost of sales		(8,157)	(7,267)
Gross profit		3,926	3,470
Other income	7	258	594
Distribution expenses		(1,565)	(1,470)
Administrative expenses		(1,177)	(1,722)
Other operating expenses		(155)	(321)
Operating profit		1,287	551
Finance income	8	36	47
Finance costs	8	(206)	(277)
Net finance costs		(170)	(230)
Share of loss of equity-accounted investees, net of tax		(191)	(916)
Profit/(loss) before tax		926	(595)
Income tax expense	13	(232)	(188)
Profit/(loss) for the year from continuing operations		694	(783)
Other comprehensive income ('OCI')			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit asset/liability and post-employment medical and life benefits		40	15
Equity-accounted investees – share of OCI		22	29
Net change in fair value of equity investments at fair value through OCI ("FVOCI")		(1)	3
Related tax		(5)	—
		56	47
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences – foreign operations		(29)	(499)
Equity-accounted investees – share of OCI		195	79
Effective portion of changes in fair value of cash flow hedges		(4)	(18)
Net change in fair value of cash flow hedges reclassified to profit or loss		—	5
Reclassification of foreign currency differences on loss of significant influence		—	(1)
Related tax		1	2
		163	(432)
Other comprehensive gain/(loss), net of tax		219	(385)
Total comprehensive income/(loss)		913	(1,168)
		2021	2020
		£'m	£'m
Profit/(loss) attributable to:			
Owners of the Company		488	(556)
Non-controlling interest		206	(227)
		694	(783)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		1,004	(738)
Non-controlling interests		(91)	(430)
		913	(1,168)

The notes on pages 25-118 form part of these financial statements.

JOHN SWIRE & SONS LIMITED
Consolidated statement of financial position

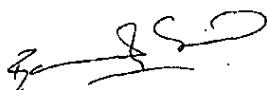
Group		31 December 2021	31 December 2020
	Note	£'m	£'m
Assets			
Property, plant and equipment	16	4,920	5,200
Intangible assets and goodwill	14	1,580	1,528
Biological assets	15	11	18
Trade and other receivables	25	184	167
Investment property	18	18,104	17,981
Right-of-use assets	17	682	675
Properties held for development	19	104	103
Equity-accounted investees	21	5,934	5,482
Other investments, including derivatives	22	22	20
Investments at fair value	23	91	133
Deferred tax assets	13	135	117
Employee benefits	9	23	25
Non-current assets		31,790	31,449
Inventories	24	736	644
Contract assets		103	100
Properties for sale	19	603	330
Other investments, including derivatives	22	72	10
Trade and other receivables	25	1,206	1,051
Prepayments		231	212
Current tax assets		37	32
Cash and cash equivalents	26	2,394	3,124
Assets held for sale	36	207	22
Current assets		5,589	5,525
Total assets		37,379	36,974
Equity			
Share capital	31	190	190
Reserves		6,493	6,030
Retained earnings		6,828	6,398
Equity attributable to owners of the Company		13,511	12,618
Non-controlling interests	32	11,929	12,274
Total equity		25,440	24,892
Liabilities			
Loans and borrowings	27	5,141	6,895
Employee benefits	9	193	209
Trade and other payables	28	427	557
Provisions	29	18	27
Other investments, including derivatives	22	18	15
Deferred tax liabilities	13	749	696
Non-current liabilities		6,546	8,399
Bank overdraft	26	13	54
Short-term loans		2	65
Loans and borrowings	27	2,240	1,092
Contract liabilities		129	102
Current tax liabilities		74	105
Trade and other payables	28	2,818	2,229
Other financial liabilities		3	5
Provisions	29	28	30
Employee benefits	9	1	1
Liabilities held for sale	36	85	—
Current liabilities		5,393	3,683
Total liabilities		11,939	12,082
Total equity and liabilities		37,379	36,974

The notes on pages 25-118 form part of these financial statements.

These accounts were approved by the Board of Directors on 1 June 2022 and were signed on its behalf by:

B N Swire

S C Pelling




Directors

Registered in United Kingdom No. 133143

JOHN SWIRE & SONS LIMITED
Statement of financial position

Parent Company		31 December 2021	31 December 2020
	Note	£'m	£'m
Assets			
Property, plant and equipment	16	10	10
Investment in subsidiaries	20	10,132	9,624
Equity-accounted investees		6	6
Deferred tax assets		15	9
Non-current assets		10,163	9,649
Trade and other receivables	25	627	988
Cash and cash equivalents	26	57	108
Current assets		684	1,096
Total assets		10,847	10,745
Equity			
Share capital	31	190	190
Reserves		8,089	8,089
Retained earnings		1,920	1,889
Total equity		10,199	10,168
Liabilities			
Employee benefits	10	32	34
Non-current liabilities		32	34
Loans and borrowings	27	147	158
Trade and other payables	28	468	382
Current tax liabilities		1	3
Current liabilities		616	543
Total liabilities		648	577
Total equity and liabilities		10,847	10,745

The Parent Company made a profit for the year of £136 million (2020: £323 million).

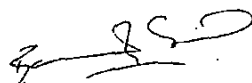
The notes on pages 25-118 form part of these financial statements.

These accounts were approved by the Board of Directors on 1 June 2022 and were signed on its behalf by:

B N Swire

S C Pelling

Directors




Registered in United Kingdom No. 133143

JOHN SWIRE & SONS LIMITED
Consolidated statement of changes in equity

Group

Balance at 1 January 2021
Total comprehensive income
Profit
Other comprehensive income
Total comprehensive income
Transactions with owners of the Company
Contributions and distributions
Dividends
Change in composition of the Group
Balance at 31 December 2021

Share capital £'m	Attributable to owners of the Company Revaluation reserve £'m	Other reserves £'m	Retained earnings £'m	Total £'m	NCI £'m	Total equity £'m
190	6,035	(5)	6,398	12,618	12,274	24,892
—	—	—	488	488	206	694
—	27	436	53	516	(297)	219
—	27	436	541	1,004	(91)	913
—	—	—	(111)	(111)	(257)	(368)
—	—	—	—	—	3	3
190	6,062	431	6,828	13,511	11,929	25,440

Group

Balance at 1 January 2020
Total comprehensive income
Profit
Other comprehensive income
Total comprehensive income
Transactions with owners of the Company
Contributions and distributions
Dividends
Change in composition of the Group
Others
Balance at 31 December 2020

Share capital £'m	Attributable to owners of the Company Revaluation reserve £'m	Other reserves £'m	Retained earnings £'m	Total £'m	NCI £'m	Total equity £'m
190	6,238	(138)	7,156	13,446	12,991	26,437
—	—	—	(556)	(556)	(227)	(783)
—	(203)	133	(112)	(182)	(203)	(385)
—	(203)	133	(668)	(738)	(430)	(1,168)
—	—	—	(88)	(88)	(296)	(384)
—	—	—	(2)	(2)	1	(1)
—	—	—	—	—	8	8
190	6,035	(5)	6,398	12,618	12,274	24,892

The notes on pages 25-118 form part of these financial statements.

JOHN SWIRE & SONS LIMITED
Statement of changes in equity

Parent Company

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Other reserves	Retained earnings		
	190	8,149	(60)	1,889	10,168	10,168
Balance at 1 January 2021						
Total comprehensive income						
Profit	—	—	—	136	136	136
Other comprehensive income	—	—	—	6	6	6
Total comprehensive income	—	—	—	142	142	142
Transactions with owners of the Company						
Contributions and distributions	—	—	—	(111)	(111)	(111)
Dividends	—	—	—	—	—	—
Balance at 31 December 2021	190	8,149	(60)	1,920	10,199	10,199

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Other reserves	Retained earnings		
	£'m	£'m	£'m	£'m	£'m	£'m
Balance at 1 January 2020	190	8,232	(60)	1,656	10,018	10,018
Total comprehensive income/(loss)						
Profit	—	—	—	323	323	323
Other comprehensive income	—	(83)	—	(2)	(85)	(85)
Total comprehensive (loss)/income	—	(83)	—	321	238	238
Transactions with owners of the Company						
Contributions and distributions	—	—	—	(88)	(88)	(88)
Dividends	—	—	—	—	—	—
Balance at 31 December 2020	190	8,149	(60)	1,889	10,168	10,168

The notes on pages 25-118 form part of these financial statements.

JOHN SWIRE & SONS LIMITED
Consolidated statement of cash flows

For the year ended 31 December	Note	2021 £'m	2020 £'m
Cash flows from operations			
Profit/(loss) for the year		694	(783)
Adjustments for:			
Depreciation		1,032	1,082
Amortisation		44	42
Impairment losses on property, plant and equipment and right-of-use assets	16, 17	2	550
Impairment losses on intangible assets and goodwill	14	—	17
Impairment gain on trade receivables		(1)	(3)
Remeasurement loss on assets held for sale		151	—
Change in fair value of biological assets	15	(3)	(2)
Gain on sale of equity-accounted investees		(65)	(10)
Change in fair value of financial instruments		7	(5)
Net finance costs	8	170	230
Share of loss of equity-accounted investees, net of tax		191	916
Gain on disposal of subsidiary companies	7	(23)	(396)
Gain on sale of investment property, property, plant and equipment		(200)	(31)
Gain on sale of held for sale assets		(27)	—
Tax expense	13	232	188
		<u>2,204</u>	<u>1,795</u>
Changes in:			
Inventories		(90)	43
Contract assets		1	36
Trade and other receivables		(149)	22
Assets for sale (including properties)		(268)	13
Prepayments		(14)	—
Trade and other payables		324	7
Employee benefits		(2)	(8)
Deferred items		6	14
Contract liabilities		34	20
Foreign exchange differences		38	(54)
Cash generated from operating activities		<u>2,084</u>	<u>1,888</u>
Interest paid		(209)	(252)
Interest portion on lease liabilities		(19)	(23)
Taxes paid		(256)	(261)
Net cash from operations		<u>1,600</u>	<u>1,352</u>
Cash flows from investing activities			
Interest received		38	59
Proceeds from sale of property, plant and equipment		303	125
Proceeds from sale of investment properties		268	131
Proceeds from disposal of subsidiary companies	35	40	892
Proceeds from sale of equity-accounted investments and other investments		180	26
Acquisition of subsidiary, net of cash acquired		(55)	(17)
Acquisition of property, plant and equipment and right-of-use assets		(713)	(674)
Acquisition of investment properties		(374)	(47)
Purchase of investments at fair value		(50)	(109)
Purchase of intangible assets		(52)	(21)
Loans repaid from equity-accounted investees		52	73
Acquisition of equity-accounted investees		(487)	(572)
Increase in deposits maturing after more than 3 months		(60)	(2)
Dividends from investments		—	3
Dividends from equity-accounted investees		64	69
Net cash used in investing activities		<u>(846)</u>	<u>(64)</u>

JOHN SWIRE & SONS LIMITED
Consolidated statement of cash flows

For the year ended 31 December	Note	2021 £'m	2020 £'m
Cash flows from financing activities			
Proceeds from loans and borrowings	41	2,908	2,684
Repayment of borrowings	41	(3,648)	(2,621)
Payment of lease liabilities	41	(159)	(167)
Purchase of non-controlling interests		(221)	—
Dividends paid to shareholders		(106)	(88)
Dividends paid to non-controlling interests		(256)	(296)
Net cash used in financing activities		(1,482)	(488)
Net (decrease)/ increase in cash and cash equivalents		(728)	800
Cash and cash equivalents at 1 January	26	3,070	2,311
Effect of movements in exchange rates on cash held		39	(41)
Cash and cash equivalents at 31 December	26	<u>2,381</u>	<u>3,070</u>

The notes on pages 25-118 form part of these financial statements.

JOHN SWIRE & SONS LIMITED
Statement of cash flows

Parent Company

For the year ended 31 December

	Note	2021 £'m	2020 £'m
Cash flows from operations			
Profit for the year		136	323
Adjustments for:			
Net finance income		(159)	(388)
Impairment of subsidiary companies		—	21
Tax expense		(11)	(10)
		(34)	(54)
Changes in:			
Trade and other receivables		(90)	(115)
Trade and other payables		86	20
Cash generated used in operating activities		(38)	(149)
Taxes received		—	—
Net cash generated used in operations		(38)	(149)
Cash flows from investing activities			
Interest received		10	13
Interest paid		(2)	—
Acquisition of subsidiary, net of cash acquired	20	(3)	(129)
Acquisition of property, plant and equipment		—	(1)
Dividends from subsidiaries		93	393
Net cash generated from investing activities		98	276
Cash flows from financing activities			
Proceeds from loans and borrowings		163	141
Repayment of borrowings		(163)	(141)
Dividends paid to shareholders		(111)	(88)
Net cash used in financing activities		(111)	(88)
Net cash (decrease)/increase in cash and cash equivalents		(51)	39
Cash and cash equivalents at 1 January	26	108	80
Effect of movements in exchange rates on cash held		—	(11)
Cash and cash equivalents at 31 December	26	57	108

The notes on pages 25-118 form part of these financial statements.

JOHN SWIRE & SONS LIMITED

Notes to the consolidated financial statements

1. Reporting entity

John Swire & Sons Limited (the 'Parent Company') is a company incorporated and domiciled in the United Kingdom. The Parent Company's registered office is at Swire House, 59 Buckingham Gate, London, SW1E 6AJ. The Group financial statements consolidate those of the Parent Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates and joint ventures. The Parent Company financial statements present information about the Parent Company as a separate entity and not about its group. The Group is involved in a variety of industries – an analysis of the Group's revenues is provided in note 6 to these financial statements.

2. Basis of accounting

The Group and Parent Company financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs").

Under section s408 of the Companies Act 2006 the Parent Company is exempt from the requirement to present its own profit and loss account.

These financial statements were authorised for issue by the Parent Company's board of directors on 1 June 2022.

3. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in British Pounds (GBP), which is the Parent Company's functional and Group's presentational currency. All amounts have been rounded to the nearest million, unless otherwise indicated.

4. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognised prospectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following note:

- Note 21 – consolidation: whether the Group has de facto control over an investee.

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2021 is included in the following notes:

- Notes 9 and 10 – Measurement of defined benefit obligations; and
- Notes 14, 16 and 17 – impairment test: key assumptions underlying recoverable amounts.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. Local management will make regular reviews of significant unobservable inputs and valuation adjustments. If third party information,

JOHN SWIRE & SONS LIMITED

Notes to the consolidated financial statements

Note 4. continued

such as broker quotes or pricing services, is used to measure fair values, then local management will assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 15 – biological assets; and
- Note 30(B) – financial instruments;

5. Significant accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4.

Changes in accounting policies and disclosures

The Group has adopted the following IFRSs in these financial statements:

- Amendments to IFRS 9: Interest Rate Benchmark Reform Phase 2 has been adopted from 1 January 2021.
- An amendment to IFRS 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 1 April 2021. The Group has early adopted this amendment from 1 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 30 June 2022, provided the other conditions for applying the practical expedient set out in the 2020 amendment to IFRS 16 "COVID-19-related rent concessions", which was adopted by the Group from 1 January 2020, are met. The Group has applied the practical expedient to all rent concessions that meet the conditions.

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

B. Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss or as available-for-sale, defined benefit assets/liabilities and biological assets (other than bearer plants). Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

C. Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Group Strategic Report on pages 4 to 10.

JOHN SWIRE & SONS LIMITED

Notes to the consolidated financial statements

Note 5. continued

The financial and risk management objectives are noted on page 8.

Details of the Group's financial instruments and hedging activities are noted in accounting policy W.

The Group's exposure to credit risk and liquidity risk is discussed in note 30.

The Group has considerable financial resources and plans for refinancing maturing facilities are under way. At 1 June 2022 committed and undrawn debt facilities of £647 million are available at the John Swire & Sons Parent Company level.

Cash flow forecasts have been prepared for a period of twelve months from the date of approval ongoing these consolidated financial statements. The directors have reviewed these cash flow forecasts in light of the COVID-19 pandemic, including a severe but plausible downside scenario consisting of significant EBITDA reductions in 2022 and 2023, and the non-renewal of maturing debt instruments throughout the review period. This severe but plausible downside scenario, whilst considered by the directors to be extremely prudent, has a significant impact on sales, margin, and cash flow; however it shows that the Group will be able to operate within the current committed debt facilities with continued financial covenant compliance.

Having reviewed the forecasts and the available committed debt facilities, the directors have a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence for at least 12 months from the signing of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements of the Group and the Parent Company.

D. Basis of consolidation

i. Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair value of the assets transferred, the liabilities incurred and any equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquired subsidiary either at fair value or at the non-controlling interest's proportionate share of the acquired subsidiary's net assets.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay a contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired subsidiary and the acquisition-date fair value of any previous equity interest in the acquired subsidiary over the fair value of the Group's share of the identifiable net assets acquired are recorded as goodwill. If this is less than the fair value of the net assets of the acquired subsidiary, in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Any goodwill that arises is tested annually for impairment (see accounting policy R(i)).

ii. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

JOHN SWIRE & SONS LIMITED

Notes to the consolidated financial statements

Note 5. continued

Investments in subsidiary companies in the Parent Company's standalone financial statements are stated at cost less provision for any impairment losses. Income from subsidiary companies is accounted for on the basis of dividends received and receivable. Long-term loans to subsidiary companies where there are no defined repayment terms and no expectation of imminent repayment remain receivables as they are repayable at the Parent Company's demand, although the Parent Company would not demand repayment where it would be detrimental to the operations and long-term prospects of the subsidiary company.

Where the Group enters into a contract that contains an obligation (for example a written put option exercisable by the contract counterparty) to acquire shares in a partly-owned subsidiary company from the non-controlling interest, which is not part of a business combination, the Group records a financial liability for the present value of the redemption amount with a corresponding charge directly to equity. Changes to the value of the financial liability are recognised in the statement of profit or loss within net finance charges.

iii. Non-controlling interests

Non-controlling interests ('NCI') are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests where control is not lost are also recorded in equity.

iv. Loss of control

When the Group ceases to have control it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the statement of profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture company or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in the statement of other comprehensive income are reclassified to the statement of profit or loss.

v. Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in joint venture and associated companies.

Joint venture companies are those companies held for the long-term, over which the Group is in a position to exercise joint control with other venturers in accordance with contractual arrangements, and where the Group has rights to the net assets of those companies.

Associated companies are those companies over which the Group has significant influence, but not control or joint control, over their management including participation in financial and operating policy decisions, generally accompanying a shareholding representing between 20% and 50% of the voting rights.

In the Group's consolidated statement of financial position, its investments in joint venture and associated companies are accounted for using the equity method of accounting and are initially recognised at cost. The Group's share of the total comprehensive income and equity movements of equity-accounted investees are included from the date that significant influence commences until the date that significant influence ceases. The excess of the cost of investment in joint venture and associated companies over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition represents goodwill. The Group's interests in joint venture and associated companies include goodwill identified on acquisitions, net of any accumulated impairment losses.

The Group assesses at the end of each reporting period whether there is any objective evidence that its interests in joint venture and associated companies are impaired. Such objective evidence includes whether there have been any significant adverse changes in the technological, market, economic or legal environment in which the joint venture and associated companies operate or whether there has been a significant or prolonged decline in value below their cost. If there is an indication that an interest in a joint venture or associate is impaired, the Group assesses whether the entire carrying amount of the investment (including goodwill) is recoverable. An impairment loss is recognised in profit or

JOHN SWIRE & SONS LIMITED

Notes to the consolidated financial statements

Note 5. continued

loss for the amount by which the carrying amount is lower than the higher of the investment's fair value less costs to sell or value in use. Any reversal of such impairment loss in subsequent periods is reversed through profit or loss.

In the Parent Company's statement of financial position, its investments in joint venture and associated companies are stated at cost less provision for any impairment losses. Income from joint venture and associated companies is recognised by the Parent Company on the basis of dividends received and receivable. Long-term loans to joint venture and associated companies are considered to be quasi-equity in nature where there are no defined repayment terms and no historical repayment of the balances.

The Group's share of its joint venture and associated companies' post-acquisition profits or losses is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in the statement of other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses equals or exceeds its interest in the joint venture or associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture or associated company.

The Group recognises the disposal of an interest in a joint venture company when it ceases to have joint control and the risks and rewards of ownership have passed to the acquirer.

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associated companies are recognised in the consolidated statement of profit and loss.

vi. Transactions eliminated on consolidation

Unrealised gains on transactions between the Group and its joint venture and associated companies are eliminated to the extent of the Group's interest in these companies. Unrealised losses on assets transferred between the Group and its joint venture and associated companies are also eliminated unless the transactions provide evidence of impairment of the assets transferred. Accounting policies of joint venture and associated companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

E. Foreign currency

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges or qualifying net investment hedges.

When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any associated translation difference is also recognised directly in other comprehensive income. When a gain or loss on a non-monetary item is recognised in the statement of profit or loss, any associated translation difference is also recognised in the statement of profit or loss.

JOHN SWIRE & SONS LIMITED

Notes to the consolidated financial statements

Note 5. continued

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentational currency as follows:-

- (i) Monetary assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.
- (iii) Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iv) Foreign exchange differences arising on translation are recognised in the income statement except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised directly in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated statement of profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates prevailing at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest, as the case may be. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is recycled to profit or loss.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve. Foreign currency differences arising on the retranslation of a hedge of a net investment in a foreign operation are recognised directly in equity, in the translation reserve, to the extent that the hedge is effective. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is recycled to profit or loss as an adjustment to the profit or loss on disposal.

Hedge of a net investment in foreign operation

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the operation and the Company's functional currency (sterling).

To the extent the hedge is effective, foreign currency differences arising on the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in OCI and accumulated in the translation reserve. Any remaining differences are recognised in profit or loss. When the hedged net investment is disposed of, the relevant amount in the translation reserve is transferred to profit or loss as part of the gain or loss on disposal.

JOHN SWIRE & SONS LIMITED

Notes to the consolidated financial statements

Note 5. continued

F. Discontinued operations and non-current assets held for sale

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale and measured at the lower of the carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from date of classification.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

This treatment, as regards the tangible fixed assets included in the disposal group, may be a departure from the requirements of the Companies Act concerning depreciation of tangible fixed assets. However, these tangible fixed assets are not held for consumption but for sale and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. There is no material effect on the Group's financial statements as a result of not depreciating tangible fixed assets held for sale.

G. Provisions

Provisions are recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Contingent liabilities are possible obligations that arise from past events and the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of an outflow of economic benefits is remote.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 "Financial Instruments"; and

JOHN SWIRE & SONS LIMITED

Notes to the consolidated financial statements

Note 5. continued

- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 "Revenue from Contracts with Customers".

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

H. Revenue

Revenue is recognised when a customer obtains control of a good or service and thus has ability to direct the use and obtain the benefits from the good or service. Provided the collectability of the related receivable is probable, revenue is recognised as follows:

- (a) Rental income is recognised when a lease commences. According to the contractual obligation, leased properties do not have alternative uses to the Group after the leasing periods stipulated in the signed tenancy agreements commences. *Rental income is recognised on a straight-line basis over the shortest of (i) the remaining lease term, (ii) the period to the next rent review date and (iii) the period from the commencement date of the lease to the first break option date (if any), exclusive of any turnover rent (if applicable) and other charges and reimbursements (if any).* Where the lease includes a rent-free period, the rental income foregone is allocated evenly over the lease term. Turnover rent is recognised when the lessee's revenue transaction is recognised.
- (b) The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the buyers. According to the contractual terms, the properties generally do not have alternative use to the Group after the signing of sales contracts with the buyers. However, in Hong Kong and the USA, an enforceable right to payment does not arise until legal title of the property has been transferred to the buyer. Revenue from sales of properties in Singapore is recognised over time because after the signing of a sales contract with the buyer, the Group has an enforceable right to payment for performance completed to date. Revenue for these sales of properties is recognised based on the stage of completion of the contract using the input method.
- (c) Sales of goods are recognised when the goods are delivered to the customer and the customer has accepted the related risks and rewards of ownership. Sales of goods in the Group's beverages and retail operations happen at a point in time and do not include any significant separate performance obligations.
- (d) Sales of services, including aircraft and engine maintenance services and services provided by hotel operations, are recognised when the services are rendered. For certain engine maintenance contracts, revenue is recognised over time rather than at a point in time.
- (e) Revenue from vessel charter hire services is recognised over the period of charter hire in accordance with the vessel charter hire agreements.
- (f) Revenue from transport of goods is recognised on a discharge-by-discharge basis in determining percentage of completion.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Definition of terms

Contract asset: An entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

Contract liability: An entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment received, a contract asset is recognised. If the payments received exceed

JOHN SWIRE & SONS LIMITED

Notes to the consolidated financial statements

Note 5. continued

the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognised in the amount which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Contract asset and contract liability are defined in IFRS 15 "Revenue from Contracts with Customers". Therefore, these two terms do not apply to rental income from lease agreements which is specifically excluded from the scope of IFRS 15.

Please refer to note X for the accounting policy of contract assets and contract liabilities.

I. Employee benefits

i. Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal constructive obligation to pay this amount as a result of a past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contributions plans

A defined contribution plan is a post-employment benefit plan under which a company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. For defined contribution schemes, the Group's contributions are charged to the statement of profit or loss in the period to which the contributions relate.

iii. Defined benefits plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Group determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/asset.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The Group operates defined benefit pension schemes around the world providing benefits to members based on final pensionable pay. The assets of the schemes are held separately from those of the Group. On the advice of an independent qualified actuary, contribution payments are made to the schemes to ensure that the schemes' assets are sufficient to cover future liabilities. Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using the projected unit credit method and discounted at the rate of return on a high-quality rated corporate bond of equivalent term. Any increase in the present value of the liabilities of the scheme expected to arise from employee service is charged against operating profit.

iv. Other benefits

The Group has obligations to provide health care and life insurance benefits to certain employees and retired employees, mainly in the United States of America.

J. Right-of-use assets

The Group (acting as lessee) leases various land, offices, warehouses, retail stores, equipment and vessels. Except for certain long-term leasehold land in Hong Kong, rental contracts are typically made for fixed periods of 1 to 50 years

JOHN SWIRE & SONS LIMITED

Notes to the consolidated financial statements

Note 5. continued

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 lease agreements do not impose any covenants, but leased assets may not be used as security for other borrowing purposes.

Leases are recognised by lessees as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each lease period.

Assets and liabilities arising from leases are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments that are based on an index or a rate, initially measured using the index or rate at the commencement date,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payment of penalties for terminating the lease, if the lease term used in the computation assumes the lessee exercises an option to terminate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. However, if the ownership of the underlying asset is expected to be transferred to the Group by the end of the lease term and if the cost of the right-of-use asset has already included the exercise price of a purchase option, depreciation is calculated on a straight-line basis to write off cost over the anticipated useful life of the underlying asset to its estimated residual value.

Payments by lessees associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as expenses in the consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise information technology equipment and small items of office furniture.

K. Lease commitments

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Receipts or payments made under operating leases (net of any incentives paid to lessees or received from the lessors) are recognised as income or expenses in the statement of profit or loss on a straight-line basis over the period of the lease.

For commenced leases (which are not identified as low-value or short-term leases) undertaken by the Group as a lessee, right-of-use assets and the corresponding lease liabilities are recognised in the financial statements when the leased assets became available for use by the Group. Commitments in respect of leases payable by the Group as lessees represent the future lease payments for (i) committed leases which have not yet commenced at the year-end date and (ii) short-term leases.

L. Finance income and finance costs

Interest costs incurred are charged to the statement of profit or loss except for those interest charges attributable to the acquisition, construction or production of qualifying assets (i.e. assets that necessarily take a substantial period of

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Notes to the consolidated financial statements

Note 5. continued

time to get ready for their intended use or sale) which are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- The net gain or loss on financial assets at fair value through the profit or loss;
- The net interest cost on defined benefit schemes;
- Amortised loan fees; and
- The fair value loss on put options over non-controlling interests in subsidiary companies.

Interest income on financial assets at fair value through profit or loss ("FVPL") is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised on a time proportion basis in the statement of profit or loss as part of finance income. Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income in other net gains/(losses). Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

M. Income tax

The tax charge comprises current and deferred tax. The tax charge is recognised in the statement of profit or loss except for items recognised in other comprehensive income or directly to equity.

i. Current tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the recognition, has no effect on either accounting or taxable profit or loss, it is not recognised. Tax rates enacted or substantively enacted by the period-end date are used to determine deferred taxation. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; or
- Temporary differences arising on investments in subsidiary, joint venture and associated companies, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future; or
- Taxable temporary differences arising on the initial recognition of goodwill.

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Notes to the consolidated financial statements

Note 5. continued

Deferred tax assets are recognised to the extent that it is probable that future taxable profit against which the temporary differences can be utilised will be available.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that the future taxable profits against which they can be used will be available. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when probability of future taxable profits improves.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, *using tax rates enacted or substantively enacted at the reporting date.*

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

N. Biological assets

Biological assets are measured at fair value less costs to sell, with any changes therein recognised in profit or loss. Biological assets not valued at fair value are measured at cost less accumulated depreciation, such as bearer plants.

O. Inventories

Inventories and work in progress are stated at the lower of cost and net realisable value. Cost represents average unit cost and net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses. The costs of finished goods and work in progress comprise direct material and labour costs and an appropriate proportion of production overhead expenses less provisions for foreseeable losses. Cost includes the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw materials or inventories.

The cost of tea, rubber, standing timber and flowers transferred from biological assets is its fair value less costs to sell at the date of harvest.

P. Dividends

Dividend distributions to the Company's shareholders are recognised as a distribution in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or for interim dividends, when paid.

Q. Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The cost of certain items of property, plant and equipment at 1 January 2015, the Group's date of transition to adopted IFRS, was determined with reference to its fair value at that date.

Major renovation costs and modifications that extend the life or usefulness of vessels are capitalised and depreciated over the period until the next drydocking. All other repairs and maintenance are expensed in the statement of profit or loss during the financial period in which they are incurred. Vessels under construction are not depreciated until they are completed.

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Notes to the consolidated financial statements

Note 5. continued

With the exception of freehold land, all other property, plant and equipment are depreciated at rates sufficient to write off their original costs to estimated residual values using the straight-line method over their anticipated useful lives and is generally recognised in profit or loss in the following manner:

Property	2% to 5% per annum
Plant and machinery	5% to 34% per annum
Vessels and aircraft	5% to 7% per annum
Drydocking costs	20% to 50% per annum

The assets' expected useful lives and residual values are regularly reviewed and adjusted, if appropriate, at the end of each reporting period to take into account operational experience and changing circumstances.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the statement of profit or loss.

R. Intangible assets and goodwill

i. Recognition and measurement

Goodwill

Goodwill represents the excess of consideration transferred over the fair value of the Group's share of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Goodwill is treated as an asset of the entity acquired and where attributable to a foreign entity will be translated at the closing rate.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units ('CGUs') for the purpose of impairment testing, which is performed annually, or more often if an impairment indicator exists. Impairment losses recognised on goodwill are not reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Service, franchise and operating rights

Service, franchise and operating rights acquired are shown at historical cost. Service, franchise and operating rights acquired in a business combination are recognised at fair value at the acquisition date.

Service, franchise and operating rights that have a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of service, franchise and operating rights over their estimated useful life of ten years to forty years.

Service, franchise and operating rights that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Customer relationships are amortised over their estimated useful life of fifteen years.

Other intangible assets

Computer software licences acquired are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to ten years).

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Notes to the consolidated financial statements

Note 5. continued

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software costs recognised as assets are amortised over their estimated useful lives (three to ten years).

Expenditure on internally generated goodwill and brands is recognised in the statement of profit or loss as an expense as incurred. Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

S. Investment property

Investment properties comprises freehold land, leasehold land and buildings held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group.

Investment properties (including those under construction) are carried at deemed cost less associated depreciation. Land and buildings that are being developed for future use as investment properties and investment properties that are being redeveloped for continuing use as investment properties are measured at cost and included as under development.

Subsequent expenditure is charged to an investment property's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed in the statement of profit or loss during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its net book value at the date of reclassification becomes its deemed cost for accounting purposes.

Expenditure incurred in leasing the Group's investment property during construction is deferred and amortised on a straight-line basis to the statement of profit or loss upon occupation of the property over a period not exceeding the term of the lease.

T. Properties held for development and properties for sale

Properties held for development comprise freehold land at cost, less provisions for possible losses. Properties held for development are not expected to be sold or developed within the Group's normal operating cycle and are classified as non-current assets.

Properties for sale comprise freehold and leasehold land at cost, construction costs and interest costs capitalised, less provisions for possible losses. Properties under development are active construction projects which are expected to be sold within the Group's normal operating cycle and are classified as current assets. Properties for sale are available for immediate sale and are classified as current assets.

U. Impairment excluding inventories and deferred tax assets

i. Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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Notes to the consolidated financial statements

Note 5. continued

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

V. Financial instruments by category

Financial Assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

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Notes to the consolidated financial statements

Note 5. continued

Recognition and derecognition

Purchases and sales of financial assets are recognised on their trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, except for trade debtors, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

• Debt instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- (i) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.
- (ii) **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- (iii) **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

• Equity instruments:

The Group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as other gains/(losses) when the Group's right to receive payments is established. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of equity investments at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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Notes to the consolidated financial statements

Note 5. continued

The Group applies the simplified approach permitted by IFRS 9 to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Financial Liabilities

The Group classifies its financial liabilities in the following measurement categories:

(i) At fair value through profit or loss

Derivatives are included within this category unless they are designated as hedges. Put options over non-controlling interests in subsidiary companies and contingent consideration included in trade and other payables are measured at fair value through profit or loss.

(ii) Derivatives used for hedging

Derivative instruments are classified within this category if they qualify for hedge accounting.

(iii) Amortised cost

This category comprises non-derivative financial liabilities with fixed or determinable payments and fixed maturities.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the financial statement where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

W. Derivative financial instruments and hedging

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- (a) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
- (b) hedges of highly probable forecast transactions (cash flow hedges); or
- (c) hedges of net investments in foreign operations (net investment hedges).

The Group documents at the inception of transactions the economic relationship between hedging instruments and hedged items, including whether the derivatives that are used in hedging transactions are expected to offset changes in cash flows of hedged items. The Group also documents its risk management objective and strategy for undertaking various hedge transactions.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss.

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the costs of hedging reserve within equity.

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Notes to the consolidated financial statements

Note 5. continued

When forward contracts are used to hedge forecast transactions, the Group designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity.

The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within OCI in the costs of hedging reserve within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

When cross currency swap contracts are used to hedge future cash flows, the Group designates only the change in fair value of the swap contract after exclusion of the foreign currency basis spread component as the hedging instrument.

Gains or losses relating to the effective portion of the swap contract after exclusion of foreign currency basis spread component are recognised in the cash flow hedge reserve within equity. The change in fair value of the foreign currency basis spread of the swap contract to the extent it relates to the hedged item is recognised separately as a cost of hedging on a systematic and rational basis over the period of the hedging relationship within OCI in equity. Hedge ineffectiveness is recognised in the statement of profit or loss within finance costs.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- (i) Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).
- (ii) The gains or losses relating to the effective portion of (a) the interest rate swaps hedging variable rate borrowings; and (b) cross currency swap contracts hedging borrowings in foreign currency are recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statement of profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of profit or loss.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity; the gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss.

Gains and losses accumulated in equity are included in the statement of profit or loss when the foreign operation is disposed of.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the statement of profit or loss.

Rebalancing of hedge relationships

If the hedge ratio for risk management purpose is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 5. continued

X. Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

i. Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components. Other receivables are recognised initially at fair value. Trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for loss allowance. Trade and other receivables in the consolidated statement of financial position are stated net of such provisions.

ii. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, amounts repayable on demand from banks and financial institutions and short-term highly liquid investments which were within three months of maturity when acquired, less bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

iii. Interest-bearing borrowings

Borrowings are recognised initially at fair value and subsequently measured at amortised cost. Transaction costs incurred are included for those not held at fair value through profit or loss. Transaction costs are incremental costs that are directly attributable to the initiation of the borrowings, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the period-end date.

For disclosure purposes, the fair value of borrowings stated at amortised cost is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

iv. Trade and other payables

Trade and other payables (except put options over non-controlling interests in subsidiary companies and contingent consideration) and contract liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Y. Related party transactions

Related parties of the Group are individuals and companies, including subsidiary, fellow subsidiary, joint venture and associated companies and key management of the Group (including close members of their families), where the individual, company or Group has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Z. Government grants

The Group recognises unconditional government grants in profit or loss as other income when the grant becomes receivable. Other government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in the profit or loss as other income over the estimate useful economic lives of the assets to which they relate.

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Notes to the consolidated financial statements

Note 5. continued

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

AA. UK-adopted IFRS not yet applied

The following UK-adopted IFRSs have been issued but have not been applied by the Group in these consolidated financial statements. Their adoption is not expected to have a material effect on the financial statement.

- IFRS 17 Insurance Contracts and Amendments to IFRS 17 (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current (effective date 1 January 2024).
- Amendments to IAS 37: Onerous Contracts—Cost of Fulfilling a Contract (effective date 1 January 2022).
- Amendments to References to the Conceptual Framework in IFRS 3 (effective date 1 January 2022).
- Amendments to IAS 16: Property, Plant and Equipment—Proceeds before Intended Use (effective date 1 January 2022).
- Annual Improvements to IFRS Standards 2018-2020 (effective date 1 January 2022).
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to introduce a new definition for accounting estimates (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2 Making Materiality Judgements (effective date 1 January 2023).
- Amendments to IAS 12 Income Taxes - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective date 1 January 2023).

Group revenue does not include the revenue of joint ventures or associated undertakings, the most significant of which is Cathay Pacific Airways Limited (see note 21).

6. Revenue

A. Goods and services analysis

	Continuing operations	
	2021 £'m	2020 £'m
Sale of goods	6,663	6,125
Rendering of services	2,740	2,000
Gross rental income from investment properties	1,173	1,239
Property trading	228	31
Hotels	112	85
Aircraft and engine maintenance services	965	1,021
Charter hire and equipment rental	202	235
Other revenue	—	1
	<u>12,083</u>	<u>10,737</u>

B. Revenue activity

	Continuing operations	
	2021 £'m	2020 £'m
Aviation	1,075	1,154
Marine	2,006	1,348
Property	1,523	1,367
Industrial	984	797
Trading	988	944
Beverages and food chain	5,487	5,118
Other activities net of central cost	20	9
	<u>12,083</u>	<u>10,737</u>

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 6. continued

C. Geographical analysis – origin

	Continuing operations	
	2021	2020
	£'m	£'m
Shipowning and operating*	1,867	1,195
Chinese Mainland	3,559	3,283
Hong Kong	1,612	1,750
Rest of Asia	960	772
North America	3,107	2,765
Africa	115	119
Australia	214	224
Papua New Guinea	109	114
United Kingdom	398	373
Europe and other areas	142	142
	12,083	10,737

* These activities are carried out internationally and it is considered inappropriate to attribute them to specific geographical areas.

Revenue by geographical area of destination is not considered to be materially different to the area of origin.

D. Analysis of external revenue of the Group

	2021			Total	2020			Total
	At a point in time	Over time	Rental income on leases		At a point in time	Over time	Rental income on leases	
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Aviation	45	1,030	—	1,075	46	1,108	—	1,154
Marine	79	1,901	26	2,006	85	1,214	49	1,348
Property	275	98	1,150	1,523	71	81	1,215	1,367
Industrial	971	13	—	984	797	—	—	797
Trading	983	5	—	988	943	2	—	945
Beverages and food chain	5,477	10	—	5,487	5,107	11	—	5,118
Other activities (net of central cost)	7	13	—	20	6	2	—	8
Total	7,837	3,070	1,176	12,083	7,055	2,418	1,264	10,737

E. Contract balances

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

	2021	2020
	£'m	£'m
Revenue recognised that was included in the contract liability balance at the beginning of the year	63	60

There is £nil (2020: £nil) revenue recognised during the year ended 31 December 2021 from performance obligations satisfied in previous years.

Of the contract liabilities of £129 million (2020: £102 million) outstanding at 31 December 2021, £112 million (2020: £95 million) is expected to be recognised as revenue within one year and the remaining balance of £17 million (2020: £7 million) over one year.

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Notes to the consolidated financial statements

Note 6. continued

The following table shows unsatisfied performance obligations resulting from the contracts with customers.

	2021 £'m	2020 £'m
Aggregate amount of the transaction price allocated to revenue contracts that are partially or fully unsatisfied as at 31 December	<u>397</u>	<u>271</u>

Of the amount disclosed above at 31 December 2021, £344 million is expected to be recognised as revenue within one year (2020: £202 million).

7. Income and expenses

A. Other income

	Note	2021 £'m	2020 £'m
Gain on sale of investment properties, properties, plant and equipment		200	31
Gain on sale of held for sale assets		27	—
Exchange gains		—	12
Change in fair value of biological assets		3	2
Remeasurement loss on disposal group	36	(151)	—
Gain on sale of subsidiary companies	35	23	396
Gain on sale of joint venture and associated companies		65	10
Government grants		51	105
Other income		<u>40</u>	<u>38</u>
		<u>258</u>	<u>594</u>

B. Expenses by nature

	2021 £'m	2020 £'m
Direct operating expenses of investment properties that:		
– generated rental income	247	237
– did not generate rental income	—	—
Cost of stocks sold	5,623	4,858
Write-down of stocks and work in progress	18	30
Impairment losses recognised on:		
– property, plant and equipment	2	550
– intangible assets	—	17
– trade receivables	(1)	(3)
Depreciation of investment property, property, plant and equipment	867	909
Depreciation of right-of-use assets	165	173
Amortisation of:		
– leasehold land and land use rights	5	5
– intangible assets	36	34
– initial leasing costs on investment properties	3	3
Staff costs	2,219	2,209
Auditor's remuneration:		
– audit services	2	2
Other expenses	<u>1,868</u>	<u>1,756</u>
Total cost of sales, distribution costs, administrative expenses and other operating expenses	<u>11,054</u>	<u>10,780</u>

Remuneration of the Group auditor, KPMG LLP, and its worldwide associated firms, for Group audit services amounted to £2,307,461 (2020: £1,853,000), of which £227,150 (2020: £202,000) was in respect of the Parent Company. Fees relating to Group taxation, pension schemes and other services amounted to £1,721,417 (2020: £215,000), £103,851 (2020: £35,000), and £366,709 (2020: £258,000) respectively.

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

8. Net finance costs

	2021 £'m	2020 £'m
Interest income on:		
– Short-term deposits and bank balances	20	30
– Loans and receivables	11	12
Income from other investments	5	5
Finance income	36	47
Bank loans and overdrafts	24	52
Other loans, bonds and perpetual capital securities	167	210
Finance charges on lease liabilities	26	32
Amortised loan fees – loans at amortised cost	12	14
Fair value losses on derivative instruments:		
– Interest rate swaps: cash flow hedges, transferred from other comprehensive income	1	3
Net interest cost on defined benefit schemes	2	4
Fair value loss/(gain) on put options over non-controlling interests in subsidiary companies	6	(8)
Other financing costs		
Capitalised on:		
– Investment properties	(27)	(24)
– Properties for sale	(5)	(4)
– Land and buildings, plant and equipment	—	(2)
Finance costs	206	277
Net finance costs recognised in profit or loss	170	230

9. Other employee benefits (Group)

	2021 £'m	2020* £'m
Net defined benefit asset	23	25
Total employee benefit asset	23	25
Net defined benefit liability	168	184
Liability for post-employment medical and life benefits	26	26
Total employee benefit liabilities	194	210
Non-current	193	209
Current	1	1
	194	210

There are no schemes within the Group that require additional disclosure due to them being considered material. A significant proportion of the gross pension balances are held with Swire Pacific, details of which can be viewed within Swire Pacific's publicly available financial statements.

The Group operates a number of retirement schemes around the world representing both defined benefit and defined contribution arrangements, mostly with assets held in separate trustee administered funds. Defined benefit schemes are valued by independent actuaries on a regular basis in accordance with local practices. The differences between the market value of the schemes' assets and the present value of the projected past service liabilities on an on-going basis at the date of the actuarial valuation are taken into consideration when determining future funding rates in order to ensure that the schemes will be able to meet those liabilities as they become due.

The latest valuations of the principal overseas schemes were made as at 31 December 2021. The valuations applied the projected unit method.

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The Group has obligations to provide health care and life insurance benefits to certain employees and retired employees, mainly in the United States of America. Provisions have been established for the unfunded liability based upon independent actuarial advice.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. The duration of the funds' liabilities is 7-35 years.

A. Funding

The funding requirements are based on the various schemes' actuarial measurement framework set out in the funding policies of the plans. The funding is based on a separate actuarial valuation for funding purposes for which assumptions may differ from the assumptions set out in (D). The Group expects to contribute £28 million to the various schemes in the year ended 31 December 2022.

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 9. continued

B. Movement in net defined benefit liability

The following table shows reconciliation from the opening balances to the closing balances for net defined benefit liability and its components.

	Fair value of plans' assets £'m	Defined benefit obligation £'m	Effect of asset ceiling £'m	Net (liability)/asset £'m
Balance at 1 January 2020	1,056	(1,190)	(27)	(161)
Included in profit or loss				
Translation cost	4	(5)	—	(1)
Service cost (current and past)	—	(43)	—	(43)
Effect of settlements	(23)	(1)	—	(24)
Interest income/(cost)	29	(33)	(1)	(5)
	10	(82)	(1)	(73)
Included in OCI				
Translation cost	(19)	50	—	31
Re-measurement (gain)/loss:				
- actuarial (gain)/loss arising from:				
- demographic assumptions	—	4	—	4
- financial assumptions	—	(125)	—	(125)
- experience adjustments	—	31	—	31
- change in asset ceiling	—	—	14	14
- return on plan assets excluding interest income	78	—	—	78
	59	(40)	14	33
Other				
Contributions paid by the employer	42	—	—	42
Contribution by scheme members	1	(1)	—	—
Benefits paid	(84)	84	—	—
	(41)	83	—	42
Balance at 31 December 2020	1,084	(1,229)	(14)	(159)
Balance at 1 January 2021	1,084	(1,229)	(14)	(159)
Included in profit or loss				
Translation cost	—	(1)	—	(1)
Service cost (current and past)	—	(46)	—	(46)
Effect of settlements	(22)	9	—	(13)
Interest income/(cost)	19	(22)	—	(3)
	(3)	(60)	—	(63)
Included in OCI				
Translation cost	2	—	—	2
Re-measurement (gain)/loss:				
- actuarial (gain)/loss arising from:				
- demographic assumptions	—	4	—	4
- financial assumptions	—	23	—	23
- experience adjustments	—	(41)	—	(41)
- change in asset ceiling	—	—	4	4
- return on plan assets excluding interest income	47	—	—	47
	49	(14)	4	39
Other				
Contributions paid by the employer	38	—	—	38
Contribution by scheme members	1	(1)	—	—
Benefits paid	(91)	91	—	—
	(52)	90	—	38
Balance at 31 December 2021	1,078	(1,213)	(10)	(145)

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 9. continued

Represented by:

	2021	2020
	£'m	£'m
Net defined benefit asset	23	25
Net defined benefit liability	(168)	(184)
	(145)	(159)

C. Plan assets

Plan assets comprise the following:

	2021	2020
	£'m	£'m
Equity securities	462	487
Debt securities – Corporate	42	39
Debt securities – Government	166	278
Real estate	1	1
Diversified growth fund	143	107
Cash and cash equivalents	95	73
Asset-backed securities	16	16
Insured assets	153	83
	1,078	1,084

All equity securities and government bonds have quoted prices in active markets. All bonds are issued by European governments and are rated high quality.

At each reporting date, an Asset-Liability Matching study is performed by the pension fund's asset manager, in which the consequences of the strategic investment policies are analysed. The strategic investment policy of the pension fund can be summarised as follows:

- Global equities (excluding Asia) – range 20%-40%
- Asia Pacific equities – range 20%-40%
- Property – range 5%-15%
- Corporate bonds and gilts – range 10%-30%
- Other – range 5%-15%

There are no transferrable instruments within plan assets.

D. Defined benefits obligation

i. Actuarial assumptions

The following were in principal actuarial assumptions at the reporting date (expressed as weighted average):

	2021	2020
	%	%
Discount rate	0.3-3.3%	0.3-2.9
Future salary growth	0.0-4.5%	2.0-4.0
Future pension growth	0.0-3.3%	0.0-3.0
Price inflation	0.0-4.0%	0.0-4.0

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 9. continued

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

	2021 Years	2020 Years
Longevity at age 65 for current pensioners		
Males	20.0-23.6	20.0-23.6
Females	22.0-25.3	22.0-25.2
Longevity at age 65 for current members aged 45		
Males	22.0-24.0	21.0-24.0
Females	24.0-26.5	24.0-26.4

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

	2021		2020	
	Increase £'m	Decrease £'m	Increase £'m	Decrease £'m
Discount Rate ((0.5%)/0.5% movement)	79	(59)	82	(61)
Salary increase (0.5%/(0.5%) movement)	30	(27)	31	(29)
Price inflation (0.5%/(0.5%) movement)	14	(4)	15	(4)

Given the large number of schemes that operate globally, it is not practicable to be able to provide a meaningful sensitivity in relation to longevity.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown. The sensitivity of changing price inflation includes the impact on all inflation-linked assumptions.

10. Other employee benefits (Parent Company)

The disclosure below relates to the Parent Company and not the Group.

	2021 £'m	2020 £'m
Net defined benefit liability	32	34
Total employee benefit liabilities	32	34
Non-current	32	34
Current	—	—

The Parent Company contributes to the following UK-based post-employment defined benefits plans:

- The John Swire & Sons Pension Plan;
- The John Swire & Sons Overseas Pensioners Fund;
- The John Swire & Sons ex Gratia Scheme; and
- The John Swire & Sons post-retirement Medical Scheme.

These defined benefit plans expose the Parent Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk. The duration of the funds' liabilities is 11-22 years.

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 10. continued

A. Funding

The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which assumptions may differ from the assumptions set out in (D). The Parent Company does not expect to contribute to the plans in the period ended 31 December 2021.

B. Movement in defined benefit plans' net liability

The following table shows reconciliation from the opening balances to the closing balances for defined benefit plans' net liability and its components.

	Fair value of plans' assets £'m	Defined benefit obligation £'m	Effect of asset ceiling £'m	Net (liability)/asset £'m
Balance at 1 January 2020	86	(109)	(9)	(32)
Included in profit or loss				
Current service cost	—	—	—	—
Effect of settlements	—	—	—	—
Interest income/(cost)	2	(2)	—	—
	<u>2</u>	<u>(2)</u>	<u>—</u>	<u>—</u>
Included in OCI				
Re-measurement loss/(gain):				
– actuarial loss/(gain) arising from:				
– demographic assumptions	—	2	—	2
– financial assumptions	—	(11)	—	(11)
– experience adjustments	—	—	—	—
– change in asset ceiling	—	—	—	—
– return on plan assets excluding interest income	6	—	—	6
	<u>6</u>	<u>(9)</u>	<u>—</u>	<u>(3)</u>
Other				
Contributions paid by the employer	1	—	—	1
Benefits paid	(4)	4	—	—
	<u>(3)</u>	<u>4</u>	<u>—</u>	<u>1</u>
Balance at 31 December 2020	<u>91</u>	<u>(116)</u>	<u>(9)</u>	<u>(34)</u>
Balance at 1 January 2021	91	(116)	(9)	(34)
Included in profit or loss				
Current service cost	—	—	—	—
Effect of settlements	(12)	—	—	(12)
Interest income/(cost)	1	(2)	—	(1)
	<u>(11)</u>	<u>(2)</u>	<u>—</u>	<u>(13)</u>
Included in OCI				
Re-measurement loss/(gain):				
– actuarial loss/(gain) arising from:				
– demographic assumptions	—	—	—	—
– financial assumptions	—	5	—	5
– experience adjustments	—	(3)	—	(3)
– change in asset ceiling	—	—	9	9
– return on plan assets excluding interest income	(2)	—	—	(2)
	<u>(2)</u>	<u>2</u>	<u>9</u>	<u>9</u>
Other				
Contributions paid by the employer	6	—	—	6
Benefits paid	(5)	5	—	—
	<u>1</u>	<u>5</u>	<u>—</u>	<u>6</u>
Balance at 31 December 2021	<u>79</u>	<u>(111)</u>	<u>—</u>	<u>(32)</u>

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 10. continued

Represented by:

	2021 £'m	2020 £'m
Net defined benefit asset	—	—
Net defined benefit liability	(32)	(34)
	<u>(32)</u>	<u>(34)</u>

C. Plan assets

Plan assets comprise the following:

	2021 £'m	2020 £'m
Equity securities	—	13
Insured assets	74	—
Debt securities – Government	4	76
Cash and cash equivalents	1	2
	<u>79</u>	<u>91</u>

All equity securities and government bonds have quoted prices in active markets. All bonds are issued by European governments and are rated high quality.

The JS&S Section purchased an insurance policy with Aviva Life & Pensions UK Limited to cover the defined benefit obligations for all past service liabilities accrued up to 30 June 2020. The inception date for the transaction was 9 March 2021. To purchase the insurance policy the JS&S section paid a sum of £84,838,783.52 to Aviva Life & Pensions UK Limited, this resulted in a charge of £12 million to the income statement of the Company.

There are no transferrable instruments within plan assets.

D. Defined benefits obligation

i. Actuarial assumptions

The following were in principal actuarial assumptions at the reporting date (expressed as weighted average):

	2021 %	2020 %
Discount rate	1.85	1.25
Future salary growth	3.45	3.00
Future pension growth	3.30	2.95
Price inflation	3.45	3.00

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

	2021 Years	2020 Years
Longevity at age 65 for current pensioners		
Males	23.6	23.6
Females	25.3	25.2
Longevity at age 65 for current members aged 45		
Males	23.9	23.8
Females	26.5	26.4

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 10. continued

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	2021		2020	
	Increase £'m	Decrease £'m	Increase £'m	Decrease £'m
Discount Rate (0.5% decrease)	9	—	9	—
Life expectancy (1 year increase)	5	—	5	—
Price inflation (0.5% increase)	7	—	8	—

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown. The sensitivity of changing price inflation includes the impact on all inflation-linked assumptions.

11. Employee benefits expenses

	2021 £'m	2020 £'m
Wages and salaries	2,019	2,022
Social security contributions	153	133
Retirement and pension benefits	123	128
	<u>2,295</u>	<u>2,283</u>

Average number of employees employed

	2021 Number	2020 Number
Administration	13,199	13,036
Management	3,626	3,538
Sales	23,958	23,870
Production	38,694	46,151
	<u>79,477</u>	<u>86,595</u>

Average number of employees employed

	2021 Number	2020 Number
Male	53,079	59,094
Female	26,398	27,501
	<u>79,477</u>	<u>86,595</u>

The number of employees within the John Swire & Sons group of companies (including joint venture and associated companies) is approximately 104,000 (2020: 117,000).

12. Remuneration of directors

	2021	2020
Directors' remuneration (£'k)	2,685	3,494
Company contributions to money purchase pension plans	39	—
Retirement benefits are accruing to the following number of directors under:		
Money purchase scheme	1	—
In respect of the highest paid director:		
Aggregate remuneration (£'k)	<u>592</u>	<u>1,861</u>

In respect of the highest paid director, pension contributions were £nil (2020: £nil).

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Notes to the consolidated financial statements

13. Income taxes

A. Amounts recognised in profit or loss

	2021 £'m	2020 £'m
Current tax expense		
UK taxation	1	4
Overseas taxation	(226)	(237)
Adjustment for prior years – UK	(1)	(1)
– Overseas	2	20
	<u>(224)</u>	<u>(214)</u>
Deferred tax expense		
Origination and reversal of temporary differences	(24)	15
Recognition of previously unrecognised tax losses	17	15
Changes in tax rate	4	1
Change in recognised deductible temporary differences	3	1
Under provision in prior years	(7)	(5)
Write-down of deferred tax asset	(1)	(1)
	<u>(8)</u>	<u>26</u>
Tax expense on continuing operations	<u>(232)</u>	<u>(188)</u>

Tax expense on continuing operations excludes the Group's share of the tax expense of equity-accounted investees of £19 million (2020: £4 million tax credit), which has been included in share of loss of equity-accounted investees, net of tax.

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

B. Amounts recognised in OCI

	Before tax £'m	2021 Tax benefit £'m	Net of tax £'m	Before tax £'m	2020 Tax benefit £'m	Net of tax £'m
Re-measurement of defined benefit liability/(asset)	40	(5)	35	15	—	15
Equity-accounted investees – share of OCI	217	—	217	108	—	108
Foreign operations – foreign currency translation differences	(29)	—	(29)	(499)	—	(499)
Cash flow hedges	(4)	1	(3)	(13)	2	(11)
Reclassification of foreign currency differences on loss of significant influence	—	—	—	(1)	—	(1)
Net change in fair value of equity investments at fair value through OCI	(1)	—	(1)	3	—	3
	<u>223</u>	<u>(4)</u>	<u>219</u>	<u>(387)</u>	<u>2</u>	<u>(385)</u>

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 13. continued

C. Reconciliation of effective tax rate

	2021 £'m	2020 £'m
Profit/(loss) before tax from continuing operations	926	(595)
Tax using the Company's domestic tax rate of 19% (2020: 19%)	176	(113)
Effect of tax rates in foreign jurisdictions	43	21
Tax effect of:		
Difference in deferred tax rate	(4)	—
Share of profit of equity-accounted investees reported, net of tax	38	174
Expenses not deductible for tax purposes	186	166
Income not subject to tax	(213)	(87)
Unused tax losses and temporary differences not recognised	25	38
Utilisation of previously unrecognised tax losses	(17)	(4)
Recognition of previously unrecognised tax losses	(17)	(15)
Deferred tax assets written off	1	1
Utilisation of previous unrecognised temporary differences	(11)	(10)
Adjustments for prior years	6	(14)
Withholding tax	19	31
	232	188

D. Movements in deferred tax balances

	Net balance at 1 January	Effects of movements on exchange rates	Recognised in profit or loss	Recognised in OCI	Acquired in business combination	Other	Net	Deferred tax assets	Deferred tax liabilities
2021 – £'m									
Property, plant and equipment	(579)	(3)	(7)	—	1	(35)	(623)	9	(632)
Intangible assets	(7)	(1)	(1)	—	—	3	(6)	2	(8)
Biological assets	6	—	—	—	1	—	7	7	—
Employee benefits	35	—	5	(5)	(1)	—	34	40	(6)
Provisions	55	(2)	(16)	—	—	1	38	38	—
Other items	(130)	7	(2)	1	—	(4)	(128)	114	(242)
Carry forward tax loss	41	(3)	13	—	—	13	64	64	—
Net tax assets/(liabilities) before set-off	(579)	(2)	(8)	(4)	1	(22)	(614)	274	(888)
Set off of tax							—	(139)	139
Net tax assets/(liabilities)							(614)	135	(749)
2020 – £'m									
Property, plant and equipment	(627)	16	56	—	1	(25)	(579)	12	(591)
Intangible assets	(6)	—	(2)	—	—	1	(7)	—	(7)
Biological assets	8	—	—	—	—	(2)	6	7	(1)
Employee benefits	37	(1)	—	(1)	—	—	35	38	(3)
Provisions	55	(2)	2	—	—	—	55	55	—
Other items	(110)	5	(20)	3	—	(8)	(130)	98	(228)
Carry forward tax loss	49	(1)	(10)	—	—	3	41	41	—
Net tax assets/(liabilities) before set-off	(594)	17	26	2	1	(31)	(579)	251	(830)
Set off of tax							—	(134)	134
Net tax assets/(liabilities)							(579)	117	(696)

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future tax charge accordingly and increase the deferred tax liability by £3m.

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 13. continued

E. Unrecognised deferred tax liabilities

There were £nil unrecognised deferred tax liabilities (2020: £nil).

F. Unrecognised deferred tax assets

Deferred tax assets are recognised in respect of tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of £312 million (2020: £403 million) to carry forward against future taxable income, of which £148 million (2020: £240 million) will expire at various dates up to 2037.

14. Intangible assets and goodwill

Group	Goodwill £'m	Service, franchise and operating rights £'m	Customer relationships £'m	Other intangibles £'m	Total £'m
Cost					
Balance at 1 January 2020	1,087	535	199	148	1,969
Effects of movements in exchange rates	(10)	(3)	3	(4)	(14)
Acquisitions through business combinations	5	—	—	—	5
Additions	—	1	—	20	21
Disposals	—	—	—	(1)	(1)
Change in composition of the Group	—	—	6	2	8
Transfer from property, plant and equipment	—	—	—	2	2
Balance at 31 December 2020	1,082	533	208	167	1,990
Balance at 1 January 2021	1,082	533	208	167	1,990
Effects of movements in exchange rates	6	11	(4)	3	16
Acquisitions through business combinations	21	—	—	2	23
Additions	—	22	4	26	52
Disposals	(6)	—	—	(3)	(9)
Change in composition of the group	—	—	(3)	(1)	(4)
Transfer to assets held for sale	—	—	—	(10)	(10)
Balance at 31 December 2021	1,103	566	205	184	2,058
Accumulated amortisation and impairment losses					
Balance at 1 January 2020	(195)	(31)	(104)	(81)	(411)
Effects of movements in exchange rates	3	3	(2)	3	7
Amortisation	—	(7)	(13)	(14)	(34)
Impairment loss	—	—	(15)	(2)	(17)
Disposals	—	—	(8)	1	(7)
Balance at 31 December 2020	(192)	(35)	(142)	(93)	(462)
Balance at 1 January 2021	(192)	(35)	(142)	(93)	(462)
Effects of movements in exchange rates	1	(1)	6	(1)	5
Amortisation	—	(6)	(13)	(17)	(36)
Disposals	4	—	—	2	6
Transfer to assets held for sale	—	—	—	9	9
Balance at 31 December 2021	(187)	(42)	(149)	(100)	(478)
Carrying Amounts					
At 1 January 2020	892	504	95	67	1,558
At 31 December 2020	890	498	66	74	1,528
At 31 December 2021	916	524	56	84	1,580

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Notes to the consolidated financial statements

Note 14. continued

Goodwill is allocated to the Group's cash-generating units ('CGUs') identified by divisional business segment and geographic location.

	2021	2020
	£'m	£'m
HAECO – Asia	333	332
Beverages/food chain	277	269
Argent Energy Holdings Limited	137	141
Chongqing New Qinyuan Bakery Co., Limited	35	35
Finlay Extracts & Ingredients USA, Inc	50	49
HAECO – USA	27	29
Marine	17	17
Trading and Industrial	40	18
	916	890

The recoverable amount of HAECO's businesses in Hong Kong and the Chinese Mainland has been determined using a value in use calculation. The recoverable amount represents the present value of estimates of cash flow projections covering a five-year period based on financial budgets prepared by management. The five-year forecast is considered appropriate for the business to take into account expected business recovery and growth plans and modest productivity improvements, with reference to internal and external evidence. A weighted average pre-tax discount rate of 10.0% (2020: 10.0%) has been applied and cash flows beyond the five-year period are assumed not to grow by more than 2.0% (2020: 2.0%) per annum. The results of the impairment test using these assumptions show that the recoverable amount exceeds the carrying amount by approximately 9.0% at 31 December 2021. The Group therefore concluded that no impairment was required to the goodwill allocated to HAECO's businesses in Hong Kong and the Chinese Mainland at 31 December 2021. The financial forecasts used to determine the recoverable amount remain highly sensitive to changes in external conditions. Significant uncertainty remains over the precise shape and timing of the recovery in demand for aircraft maintenance services, which could give rise to possible impairments in future periods. A 100 basis-points increase in discount rate would decrease the estimated recoverable amount by £83 million. A 100 basis-points decrease in gross profit margin would decrease the estimated recoverable amount by £72 million. A one-year delay in business recovery to pre-COVID-19 level would decrease the estimated recoverable amount by £86 million. These sensitivities are based on an unfavourable change in an assumption while holding other assumptions constant.

Goodwill attributable to Swire Coca-Cola's businesses in Hong Kong and the Chinese Mainland relates to the acquisitions of new franchise territories and additional equity interests in existing franchise territories in previous years. The goodwill arose from the assembled workforce and synergies expected to be derived from back office and supply chain alignment. The recoverable amount of Swire Coca-Cola's businesses in Hong Kong and the Chinese Mainland has been determined using a value in use calculation. The calculation uses cash flow projections based on financial budgets prepared by management covering a five-year period and a weighted average pre-tax discount rate of 9.5% (2020: 9.5%). Cash flows beyond the five-year period are assumed not to grow by more than 0.5% (2020: 0.5%) per annum. Reasonably possible changes in the key assumptions would not result in an impairment.

Goodwill attributable to Argent Energy Holdings Limited relates to the acquisition of businesses in the UK and the Netherlands. The recoverable amount of these businesses has been determined using a value-in-use calculation. The calculation uses cash flow projections based on financial budgets prepared by management covering a three-year period and a weighted average pre-tax discount ranging between 6.2% and 9.8% (2020: 6.0% and 6.75%). Cash flows beyond the three-year period are assumed not to grow more than 2.0% (2020: 0.5%) per annum. Reasonably possible changes in the key assumptions would not result in an impairment.

The recoverable amount of the CGU within Swire Foods of the Trading & Industrial Division is derived on a value in use basis using financial budgets and plans prepared by management. A ten-year period forecast in determining the recoverable amount of the Trading & Industrial CGU is considered appropriate in order to take into account expected growth. Management applied a pre-tax discount rate of 10.0% (2020: 10.0%) and assumed growth of no more than 2.5% (2020: 2.5%) per annum. Reasonably possible changes in the key assumptions may result in an impairment charge.

The recoverable amount of HAECO—USA is derived on a value in use basis using financial budgets and plans prepared by management. Management applied a pre-tax discount rate of 12.0% (2020: 12.0%) and assumed growth of no more than 0.5% (2020: 0.5%) per annum. Reasonably possible changes in the key assumptions would not result in an impairment.

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Notes to the consolidated financial statements

15. Biological assets

A. Reconciliation of carrying amount

	Tea Bushes £'m	Flowers £'m	Standing Timber £'m	Total £'m
Balance at 1 January 2020	—	—	18	18
Effect of movements in exchange rates	—	—	(2)	(2)
New planting additions	—	—	—	—
Changes in fair value less costs to sell:				
Due to price changes	—	—	2	2
Due to physical changes	—	—	—	—
Disposals	—	—	—	—
Balance at 31 December 2020	—	—	18	18
Balance at 1 January 2021	—	—	18	18
Effect of movements in exchange rates	—	—	(1)	(1)
Changes in the composition of the Group	—	—	(9)	(9)
Changes in fair value less costs to sell:				
Due to price changes	—	—	3	3
Due to physical changes	—	—	—	—
Balance at 31 December 2021	—	—	11	11

Biological assets comprise tea bushes, flower plantations, rubber trees and standing timber. As at 31 December 2021 tea plantations comprised approximately 5,345 hectares of tea bushes (2020: 12,048 hectares), which range from newly established plants to plants that are 50 years old.

As at 31 December 2021 flower plantations comprised approximately 55 hectares of flower plants (2020: 52 hectares) which range from newly established plants to plants that are 7 years old.

As at 31 December 2021 standing timber comprised approximately 2,785 hectares of eucalyptus tree (2020: 4,173 hectares), which range from newly established plants to plants that are 10 years old.

B. Measurement of fair values

i. Fair value hierarchy

The fair value measurement for the standing timber has been categorised as Level 3 fair values based on inputs to the valuation techniques used.

ii. Valuation techniques and significant unobservable inputs

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable and fair value measurement.
Standing timber	Discounted cash flows: The valuation model considers the present value of the net cash flows expected to be generated by the plantations. The cash flow projections include specific estimates for 10 years. The expected net cash flows are discounted using a risk-adjusted discount rate.	<ul style="list-style-type: none"> Estimated future timber market prices per cubic metre (6% of current prices). Estimated future costs (6% annual cost inflation of current cost). Estimated yields per hectare. Risk adjusted annual discount rate. 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> The estimated timber prices per cubic metre were higher/(lower); or The estimated yields per hectare were higher/(lower); or The estimated harvest, replanting, weeding and transportation costs were lower/(higher); or The risk adjusted discount rates were lower/(higher).

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16. Property, plant and equipment

Reconciliation of carrying amount

Group	Land and Buildings £'m	Vessels and Aircraft £'m	Plant and Equipment £'m	Agricultural Development Assets £'m	Total £'m
Cost					
Balance at 1 January 2020	3,659	3,695	3,861	44	11,259
Effect of movements in exchange rates	(62)	(129)	(38)	(5)	(234)
Additions	138	183	368	2	691
Disposals	(16)	(414)	(196)	—	(626)
Transfer between categories	(44)	(8)	52	—	—
Transfer to inventory	(8)	—	—	—	(8)
Disposals of subsidiary companies	(13)	(426)	—	—	(439)
Reclassification to assets held for sale	(20)	(1)	(5)	(3)	(29)
Balance at 31 December 2020	3,634	2,900	4,042	38	10,614
Balance at 1 January 2021	3,634	2,900	4,042	38	10,614
Effect of movements in exchange rates	49	43	39	(1)	130
Additions	104	160	435	1	700
Disposals	(191)	(259)	(169)	—	(619)
Transfer between categories	3	—	(3)	—	—
Transfer to investment properties	(85)	—	—	—	(85)
Disposals of subsidiary companies	(4)	—	17	(13)	—
Reclassification to assets held for sale	(3)	(1,537)	(29)	—	(1,569)
Transfer to right of use assets	(3)	—	—	—	(3)
Balance at 31 December 2021	3,504	1,307	4,332	25	9,168
Accumulated depreciation and impairment losses					
Balance at 1 January 2020	(1,113)	(1,916)	(2,190)	(21)	(5,240)
Effect of movements in exchange rates	28	102	32	3	165
Depreciation	(114)	(104)	(329)	(2)	(549)
Impairment loss	(9)	(508)	(33)	—	(550)
Disposals	4	362	168	—	534
Disposals of subsidiary companies	—	213	—	—	213
Reclassification to assets held for sale	9	—	4	—	13
Transfer between categories	5	8	(13)	—	—
Balance at 31 December 2020	(1,190)	(1,843)	(2,361)	(20)	(5,414)
Balance at 1 January 2021	(1,190)	(1,843)	(2,361)	(20)	(5,414)
Movement in exchange rates	(24)	(20)	(17)	1	(60)
Depreciation	(105)	(66)	(328)	(1)	(500)
Impairment reversal/(loss)	—	7	(6)	—	1
Disposals	67	183	136	—	386
Disposals of subsidiary companies	2	—	(1)	12	13
Reclassification to assets held for sale	1	1,303	18	—	1,322
Transfer between categories	1	—	(1)	—	—
Transfer to investment properties	1	—	—	—	1
Transfer to right of use assets	3	—	—	—	3
Balance as at 31 December 2021	(1,244)	(436)	(2,560)	(8)	(4,248)
Carrying amounts					
At 1 January 2020	2,546	1,779	1,671	23	6,019
At 31 December 2020	2,444	1,057	1,681	18	5,200
At 31 December 2021	2,260	871	1,772	17	4,920

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Note 16. continued

Land and buildings, vessels and aircraft, and plant and equipment include costs of £40 million (2020: £92 million), £21 million (2020: £61 million) and £97 million (2020: £103 million) respectively, including advance payments and deposits under contracts with third parties, in respect of assets under construction.

In May 2019, the Xiamen municipal government advised the Company that construction of a new airport in the Xiang'an district of Xiamen had been approved by the Chinese Central Government. Management discussed with the Xiamen authorities on the relocation of HAECO Xiamen's premises from the existing location to the new airport, which will represent a significant change to its operations in Xiamen. HAECO Xiamen is entitled to compensation in relation to the move to the new airport. The total net book value of HAECO Xiamen's property, plant and equipment and right-of-use assets in the Group as at 31 December 2021 was £160 million (2020: £180 million), some of which will be subject to relocation. In September 2021, HAECO Xiamen signed the Land Reclamation Agreement with the Xiamen authorities. Based on this agreement, the recoverable amounts of property, plant and equipment at the existing Xiamen airport that are affected by the relocation are in excess of the carrying value as at 31 December 2021. Management considers that the carrying value of HAECO Xiamen's property, plant and equipment and right-of-use assets is recoverable as at 31 December 2021.

Parent Company	Land and Buildings £'m	Plant & Machinery £'m	Total £'m
Cost			
Balance at 1 January 2020	19	3	22
Additions	—	—	—
Balance at 31 December 2020	19	3	22
Balance at 1 January 2021	19	3	22
Additions	—	—	—
Balance at 31 December 2021	19	3	22
Accumulated depreciation and impairment losses			
Balance at 1 January 2020	(10)	(2)	(12)
Depreciation	—	—	—
Balance at 31 December 2020	(10)	(2)	(12)
Balance at 1 January 2021	(10)	(2)	(12)
Depreciation	—	—	—
Balance at 31 December 2021	(10)	(2)	(12)
Carrying amounts			
At 1 January 2020	9	1	10
At 31 December 2020	9	1	10
At 31 December 2021	9	1	10

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17. Right-of-use assets

Group	Total £'m
Cost	
Balance at 1 January 2020	907
Effect of movement in exchange rates	32
Additions	88
Acquisitions through business combinations	2
Transfer to investment property	(22)
Lease modification	12
Early termination of lease	(61)
Balance at 31 December 2020	<u>958</u>
Balance at 1 January 2021	958
Effect of movement in exchange rates	9
Additions	159
Acquisitions through business combinations	16
Transfer from property, plant and equipment	3
Lease modification	8
Early termination of lease	(146)
Balance at 31 December 2021	<u>1,007</u>
Accumulated depreciation and impairment losses	
Balance at 1 January 2020	(129)
Effect of movement in exchange rates	(37)
Depreciation	(173)
Transfer to investment properties	5
Early termination of lease	51
Balance at 31 December 2020	<u>(283)</u>
Balance at 1 January 2021	(283)
Effect of movement in exchange rates	(4)
Depreciation	(165)
Impairment	(3)
Transfer from property, plant and equipment	(3)
Early termination of lease	133
Balance at 31 December 2021	<u>(325)</u>
Carrying amounts	
At 1 January 2020	<u>778</u>
At 31 December 2020	<u>675</u>
At 31 December 2021	<u>682</u>

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18. Investment property
Reconciliation of carrying amount

Group	Completed £'m	Under development £'m	Total £'m
Cost			
Balance at 1 January 2020	19,923	1,446	21,369
Effect of movements in exchange rates	(465)	(38)	(503)
Additions	57	111	168
Disposals	(89)	—	(89)
Disposal of subsidiary companies	(535)	—	(535)
Transfer between categories	(82)	82	—
Transfer from right-of-use assets	22	—	22
Transfer from property, plant and equipment	7	—	7
Transfer to assets held for sale	(7)	—	(7)
Additional leasing costs	(7)	—	(7)
Balance at 31 December 2020	<u>18,824</u>	<u>1,601</u>	<u>20,425</u>
Balance at 1 January 2021	18,824	1,601	20,425
Effect of movements in exchange rates	142	6	148
Additions	120	290	410
Disposals	(80)	(22)	(102)
Transfer between categories	107	(107)	—
Transfer to assets held for sale	(27)	—	(27)
Reclassification from property, plant and equipment	27	58	85
Balance at 31 December 2021	<u>19,113</u>	<u>1,826</u>	<u>20,939</u>
Accumulated depreciation and impairment losses			
Balance at 1 January 2020	(2,140)	—	(2,140)
Effect of movements in exchange rates	38	—	38
Disposal of subsidiary companies	16	—	16
Depreciation	(360)	—	(360)
Disposals	7	—	7
Transfer from right-of-use assets	(5)	—	(5)
Balance at 31 December 2020	<u>(2,444)</u>	<u>—</u>	<u>(2,444)</u>
Balance at 1 January 2021	(2,444)	—	(2,444)
Effect of movements in exchange rates	(24)	—	(24)
Depreciation	(366)	—	(366)
Reclassification from property, plant and equipment	(1)	—	(1)
Balance at 31 December 2021	<u>(2,835)</u>	<u>—</u>	<u>(2,835)</u>
Carrying amounts			
At 1 January 2020	17,783	1,446	19,229
At 31 December 2020	<u>16,380</u>	<u>1,601</u>	<u>17,981</u>
At 31 December 2021	<u>16,278</u>	<u>1,826</u>	<u>18,104</u>
Freeholds	475	—	475
Long leasehold	12,125	1,784	13,909
Medium leasehold	3,678	42	3,720
Balance at 31 December 2021	<u>16,278</u>	<u>1,826</u>	<u>18,104</u>

Investment properties were valued on the basis of open market value at 31 December 2013 by DTZ Debenham Tie Leung Limited in Hong Kong. Such value has been taken as the deemed cost as at 1 January 2014.

If the investment properties were stated on a historical cost basis, the book value would be £6,664 million (2020: £6,418 million).

The fair value of the investment properties held by the Group is £25,692 million (2020: £25,294 million).

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19. Properties held for development and properties for sale

Group	2021 £'m	2020 £'m
Properties held for development		
Freehold land	83	82
Development costs	21	21
Balance at 31 December	104	103
Properties for sale		
Completed properties – development costs	1	122
Completed properties – freehold land	14	71
Completed properties – leasehold land	—	—
Properties under development – development costs	42	18
Leasehold land under development for sale	546	119
Balance at 31 December	603	330

20. Investment in subsidiaries

Parent Company	2021 £'m	2020 £'m
Deemed cost		
At start of year	9,624	9,599
Additions	508	129
Disposals	—	(110)
Impairment reversal	—	6
Balance at 31 December	10,132	9,624

During the year the Company invested £458 million into subsidiary companies through the conversion of intercompany receivable balances into equity.

The deemed cost of the investment in subsidiaries at 1 January 2014, the Group's date of transition to adopted IFRS, was determined with reference to its fair value at that date.

Market value of overseas listed investments included in subsidiary undertakings is £3,534 million (2020: £3,243 million), compared to a book value of £3,792 million (2020: £3,572 million). The market value of the investment in Swire Pacific based on the share price as at 31 December 2021 is below the carrying value of the Group's investment in Swire Pacific. The Group has been a long-term holder of an investment in Swire Pacific, and over the years the Group has progressively increased its equity share of Swire Pacific. The Group has no immediate plans to reduce the share of its investment in Swire Pacific. Furthermore the net asset position of Swire Pacific sufficiently covers the investment. Consequently the directors do not consider that the short-term deficit of the value of its investment against the market value requires impairment.

Following the year-end, the Swire Pacific share price has recovered to a level such that the market value is above the carrying value.

21. Equity-accounted investees

Group	2021 £'m	2020 £'m
Cost and net book value		
At 1 January	5,482	5,861
Additions	487	677
Share of post-tax profits/(losses)	19	(763)
Movement on loan accounts	18	(50)
Dividends received and receivable	(68)	(60)
Exchange adjustments	23	(168)
Disposals	(27)	(15)
Balance at 31 December	5,934	5,482

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Notes to the consolidated financial statements

Note 21. continued

		2021 £'m	2020 £'m
Interests in joint ventures	21A	3,094	2,637
Interests in associates	21B	2,840	2,845
Balance at 31 December		5,934	5,482

A. Joint venture companies

	2021 £'m	2020 £'m
Unlisted shares at cost		
Share of net assets, unlisted	1,525	1,090
Goodwill	76	74
	1,601	1,164
Loans due from joint venture companies less provisions		
– Interest-free	1,281	1,259
– Interest-bearing at 0.9% to 6.5% (2020: 0.9% to 7.5%)	212	214
	3,094	2,637

The loans due from joint venture companies are unsecured and have no fixed terms of repayment.

The Group's interest in HAESL, a joint venture company of the Group

The Group's interest in joint venture companies includes £403 million in respect of the Group's interest in HAESL. The recoverable amount has been determined using a value in use calculation representing the present value of estimates of cash flow projections covering a five-year period based on financial budgets prepared by management. A pre-tax discount rate of 9.7% (2020: 9.7%) has been applied and cash flows beyond the five-year period are assumed not to grow by more than 2% (2020: 2%) per annum.

The results of the impairment test using these assumptions show that the recoverable amount approximates the carrying amount at 31 December 2021. The Group therefore concluded that no impairment was required in respect of the Group's interest in HAESL at 31 December 2021.

The financial forecasts used to determine the recoverable amount remain highly sensitive to changes in external conditions. Significant uncertainty remains over the precise shape and timing of the recovery in demand for engine maintenance services, which could give rise to possible impairments in future periods.

A 100% basis-points increase in discount rate would decrease the estimated recoverable amount by £50 million. A one-year delay in business recovery to pre-COVID-19 level would decrease the estimated recoverable amount by £24 million. These sensitivities are based on an unfavourable change in an assumption while holding other assumptions constant.

Other joint ventures

In December 2020, a wholly-owned subsidiary in the Swire Properties group entered into a joint venture arrangement with Sino-Ocean Holding Group (China) Limited (SOG China) in order to invest in a new joint venture company, Beijing Xingtaitonggang Properties Company Limited (BJTG). In accordance with a shareholders' agreement and memorandum of understanding:

- (i) a member of the Swire Properties group has a call option to acquire from SOG China a 14.895% equity interest in BJTG (together with the corresponding shareholder loan) (the Call Option) at an exercise price determined by reference to the average of the valuations of BJTG by two valuers. The Call Option may be exercised when certain criteria are fulfilled; and
- (ii) each of a member of the Swire Properties group and SOG China as grantor (the Grantor) has granted a call option (the Linlian Call Option) to the other as grantee (the Grantee) which gives the Grantee the right to acquire the Grantor's entire 50% interest in Beijing Linlian Real Estate Company Limited (BJLL) (comprising an equity interest and loans) at an exercise price of RMB2,700 million. The Linlian Call Option may be exercised when certain criteria are fulfilled.

At 31 December 2021, the Swire Properties group's interest in BJLL amounted to £262 million. The Swire Properties group has not recognised any asset or liability in the consolidated financial statements in relation to the call options as their fair values are considered not to be significant.

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Note 21. continued

The joint venture companies of the Group are shown on pages 113-118. There are no joint venture companies that are considered individually material to the Group.

The Group's share of assets and liabilities and results of joint venture companies is summarised below:

	2021	2020
	£'m	£'m
Non-current assets	4,214	4,198
Current assets	777	706
Non-current liabilities	(2,943)	(3,168)
Current liabilities	(523)	(647)
Net assets	1,525	1,089
Revenue	1,347	1,502
Expenses	(1,267)	(1,430)
Profit before taxation	80	72
Taxation	(19)	(4)
Profit for the year	61	68
Other comprehensive income	41	53
Total comprehensive income	102	121

None of the joint venture companies were listed investments in 2020 and 2021.

B. Associates

	2021	2020
	£'m	£'m
Shares at cost		
Share of net assets, listed	2,252	2,355
Share of net assets, unlisted	361	308
Goodwill	227	174
	2,840	2,837
Loans due from associated companies less provisions		
- Interest-bearing at 0.0% -0.0% (2020: 4.0% -6.0%)	—	8
	2,840	2,845

During the year ended 31 December 2021, an impairment provision of £nil (2020: £nil) has been recognised in respect of the investment in an associated company.

The loans due from associated companies are unsecured and have no fixed terms of repayment.

In February 2021, the Group acquired an interest in SHH Core Holding Limited, which owns Shenzhen New Frontier United Family Hospital, a premium private hospital being developed in Shenzhen. In August 2021, the Group acquired an interest in DeltaHealth China Limited, which owns and operates a cardiovascular hospital and a multi-specialty clinic in Shanghai.

The associated companies of the Group are shown on pages 113-118.

The Group's interest in Cathay Pacific, an associated company of the Group

Under IFRS 10, a company is required to consolidate as subsidiaries in its financial statements, companies which it controls. A company controls another company if it has (i) power over the other company, (ii) exposure or rights to variable returns from its involvement with the other company and (iii) ability to use its power over the other company to affect the amount of the company's returns. All three of these requirements must be met. Swire Pacific has considered whether to consolidate Cathay Pacific as a subsidiary in its financial statements in the light of the provisions of IFRS 10.

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Notes to the consolidated financial statements

Note 21. continued

Under IFRS 10, Swire Pacific will be taken to have power over Cathay Pacific if Swire Pacific has rights which give Swire Pacific the current ability to direct the activities of Cathay Pacific which significantly affect Swire Pacific's returns from Cathay Pacific.

As Swire Pacific holds less than half (45%) of the voting rights in Cathay Pacific, Swire Pacific does not have power over Cathay Pacific by virtue of holding a majority of those voting rights. Swire Pacific has accordingly considered other relevant factors in order to determine whether it has such power. Swire Pacific is party to a shareholders agreement dated 8 June 2006 (the "Shareholders Agreement") between itself, Air China Limited ("Air China") and others in relation to the affairs of Cathay Pacific, as subsequently amended. The Shareholders Agreement contains provisions relating to the composition of the board of Cathay Pacific (including Air China being obliged to use its votes as a shareholder of Cathay Pacific to support Swire Pacific appointing a majority of the board of directors of Cathay Pacific). Swire Pacific is of the view, having considered the terms of the Shareholders Agreement, the terms of an operating agreement dated 8 June 2006 between Cathay Pacific and Air China and the way in which the board of Cathay Pacific governs the affairs of Cathay Pacific in practice, that Swire Pacific does not have power over Cathay Pacific for the purposes of IFRS 10. It follows that, as one of the three requirements in IFRS 10 for consolidation has not been met, Swire Pacific should not consolidate Cathay Pacific as a subsidiary in Swire Pacific's financial statements and should account for its interest in Cathay Pacific as an associated company.

The following table summarises the financial information of Cathay Pacific as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Cathay Pacific.

	2021 45%	2020 45%
	£'m	£'m
Percentage ownership interest		
Non-current assets	15,727	16,650
Current assets	2,742	2,606
Non-current liabilities	(7,708)	(7,995)
Current liabilities	(4,093)	(4,416)
Preference shares issued*	(1,850)	(1,843)
Net assets (100%)	4,818	5,002
Group's share of net assets (45%)	2,168	2,251
Goodwill	72	72
Carrying amount of interest in associate	2,240	2,323
Revenue	4,264	4,712
Loss from continuing operations (100%)	(517)	(2,173)
Other comprehensive income (100%)	373	100
Total comprehensive loss (100%)	(144)	(2,073)
Group's share of total comprehensive loss (45%)	(65)	(933)

* The preference shares issued by Cathay Pacific are not attributable to the equity shareholders of Cathay Pacific.

The market value of the shares held in the listed associated company, Cathay Pacific at 31 December 2021 was £1,756 million (2020: £1,963 million).

The recoverable amount of the interest in Cathay Pacific is determined based on a value in use calculation using ten-year cash flow projections based on financial budgets approved by the Board and future business plans.

A ten-year forecast is considered appropriate for airline operations in order to take into account expected growth plans and productivity improvements. An estimated pre-tax discount rate of 7.3% (2020: 7.4%) has been applied and cash flows beyond the ten-year period are extrapolated using a general annual growth rate of 2.25% (2020: 2.25%).

The results of the impairment test using these assumptions show that the recoverable amount exceeds the carrying amount at 31 December 2021. Management of the Group considered more conservative assumptions by increasing the pre-tax discount rate to 8.5% and reducing the terminal growth rate to 1.0%. This also indicated headroom above the

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Note 21. continued

carrying amount. The Group therefore concluded that no impairment was required in respect of the Group's interest in Cathay Pacific.

The financial forecasts used to determine the recoverable amount remain highly sensitive to changes in external conditions. Significant uncertainty remains over the precise shape and timing of the recovery in travel demand, which could give rise to possible impairments in future periods.

A 100 basis-point increase in the discount rate or a one-year delay in recovery of passenger travel to pre-COVID-19 level would reduce the recoverable amount to below its carrying value. These sensitivities are based on an unfavourable change in an assumption while holding other assumptions constant.

In August 2020, Cathay Pacific undertook a HK\$39 billion recapitalisation involving an issue of preference shares and warrants, a rights issue of ordinary shares and a bridge loan facility. Swire Pacific subscribed in full for its entitlement under the rights issue, at a cost of HK\$5,272 million. In February 2021, Cathay Pacific completed an issue of convertible bonds in an amount of HK\$6.74 billion. Full conversion of these bonds and full exercise of the warrants issued by Cathay Pacific in 2020 would reduce the interest of Swire Pacific in the ordinary shares of Cathay Pacific from 45% to 38%. The carrying amount of the Group's interest in Cathay Pacific has been adjusted so as to exclude unpaid dividends of Cathay Pacific.

Other associates

The Group also has interests in a number of individually immaterial associates.

The following table analyses in aggregate, the carrying amount and share of profit and OCI of these associates.

	2021 £'m	2020 £'m
Carrying amount of interest in associates	600	522
Share of:		
- Profit from continuing operations	6	1
- Other comprehensive income	8	13
	14	14

22. Other investments, including derivatives

	Group				Company			
	2021		2020		2021		2020	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Cross-currency swaps – cash-flow hedges	27	11	20	5	—	—	—	—
Cross-currency swaps – not qualifying as hedges	—	7	—	6	—	—	—	—
Commodity swaps – not qualifying as hedges	—	—	2	1	—	—	—	—
Interest rate swaps – cash-flow hedges	—	—	—	3	—	—	—	—
Forward foreign exchange contracts								
- Cash flow hedges	—	—	1	—	—	—	—	—
- Fair value hedges	2	—	2	—	—	—	—	—
Short-term cash deposits greater than 3 months	65	—	5	—	—	—	—	—
	94	18	30	15	—	—	—	—
Non-current	22	18	20	15	—	—	—	—
Current	72	—	10	—	—	—	—	—
	94	18	30	15	—	—	—	—

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23. Investments at fair value

	Group		Company	
	2021	2020	2021	2020
	£'m	£'m	£'m	£'m
Non-current assets				
Shares listed in United Kingdom (fair valued through other comprehensive income)	—	5	—	—
Shares listed overseas (fair valued through other comprehensive income)	24	18	—	—
Unlisted equity investments (fair valued through profit or loss)	55	99	—	—
Unlisted debt investments (fair valued through profit or loss)	12	11	—	—
	91	133	—	—

24. Inventories

	Group		Company	
	2021	2020	2021	2020
	£'m	£'m	£'m	£'m
Raw materials and consumables	346	316	—	—
Work in progress	4	3	—	—
Finished goods	386	325	—	—
	736	644	—	—

25. Trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	£'m	£'m	£'m	£'m
Trade receivables	828	666	—	—
Amounts owed by subsidiary undertakings	—	—	623	984
Amounts due from joint venture companies (note 40)	11	2	—	—
Amounts due from associated companies (note 40)	26	50	—	—
Amounts owed by related party	33	22	—	—
Accrued income	124	133	—	—
Lease receivable	33	25	—	—
Other receivables	335	320	4	4
	1,390	1,218	627	988
Non-current	184	167	—	—
Current	1,206	1,051	627	988
	1,390	1,218	627	988

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

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

	2021	2020
	£'m	£'m
Up to three months	770	620
Between three and six months	40	28
Over six months	18	18
	828	666

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26. Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	£'m	£'m	£'m	£'m
Bank balances	2,047	2,773	57	52
Call deposits	347	351	—	56
Cash and cash equivalents in the statement of financial position	2,394	3,124	57	108
Bank overdrafts used for cash management purposes	(13)	(54)	—	—
Cash and cash equivalents in the statement of cash flows	2,381	3,070	57	108

27. Loans and borrowings

	Group		Company	
	2021	2020	2021	2020
	£'m	£'m	£'m	£'m
Non-current liabilities				
Secured bank loans	244	404	—	—
Unsecured bank loans	615	1,431	—	—
Unsecured other loans	3,705	4,508	—	—
Lease liabilities	599	582	—	—
	5,163	6,925	—	—
Unamortised loan fees	(22)	(30)	—	—
	5,141	6,895	—	—
Current liabilities				
Current portion of:				
Secured bank loans	149	83	—	—
Unsecured bank loans	958	681	147	158
Unsecured other loans	967	171	—	—
Current portion of lease liabilities	170	161	—	—
	2,244	1,096	147	158
Unamortised loan fees	(4)	(4)	—	—
	2,240	1,092	147	158

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 30.

The amount of borrowing costs capitalised during the period was £32 million (2020: £30 million) with a capitalisation rate of 3.3% - 3.4% (2020: 1.5% - 3.6%).

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Note 27. continued

Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

				31 December 2021		31 December 2020	
				£'m	£'m	£'m	£'m
	Currency	Nominal interest rate	Year of maturity	Face value	Carrying amount	Face value	Carrying amount
Secured loans	PGK	2.70-4.95%	2022-23	55	55	63	63
Secured loans	USD	0.76-4.68%	2022-23	317	317	391	391
Secured loans	Various	2.50-2.50%	2022	10	10	33	33
Unsecured loans	HKD	0.16-4.00%	2022-31	2,546	2,498	2,771	2,655
Unsecured loans	RMB	3.90-4.00%	2022-24	64	64	62	62
Unsecured loans	USD	0.79-4.50%	2022-28	3,675	3,524	4,048	3,820
Unsecured loans	EUR	0.65-0.85%	2022-23	172	170	182	182
Unsecured loans	Various	—	—	—	—	72	72
Lease liabilities	HKD	0.92-4.90%	2022-36	386	309	417	333
Lease liabilities	RMB	3.40-6.13%	2022-36	120	110	114	100
Lease liabilities	USD	1.19-20.00%	2022-67	204	204	193	193
Lease liabilities	Various	0.59-28.00%	2022-57	167	146	118	117
Total interest bearing liabilities				<u>7,716</u>	<u>7,407</u>	<u>8,464</u>	<u>8,021</u>

The secured bank loans are secured over fixed assets with a carrying amount of £610 million (2020: £624 million).

The Group discounted lease payments using its incremental borrowing rate of 2.1-5.6% (2020: 2.2-5.6%).

28. Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	£'m	£'m	£'m	£'m
Trade payables	681	529	—	—
Amounts owed to subsidiary companies	—	—	461	375
Amounts owed to joint ventures (note 40)	3	4	—	—
Amounts owed to associates (note 40)	50	40	—	—
Interest-bearing advances from joint venture companies at 1.42%-4.65% (2020: 0.22%-2.85%)	122	53	—	—
Interest-bearing advances from an associated company at 1.52% (2020: 1.55%)	8	27	—	—
Advances from non-controlling interests	107	18	—	—
Accruals and deferred income	1,176	1,077	7	7
Rental deposits from tenants	518	542	—	—
Put options over non-controlling interest in properties	52	48	—	—
Put options over non-controlling interest in subsidiary companies	9	8	—	—
Contingent consideration	145	119	—	—
Accrued capital expenditure	143	134	—	—
Other trade payables	231	187	—	—
	<u>3,245</u>	<u>2,786</u>	<u>468</u>	<u>382</u>
Non-current	427	557	—	—
Current	<u>2,818</u>	<u>2,229</u>	<u>468</u>	<u>382</u>
	<u>3,245</u>	<u>2,786</u>	<u>468</u>	<u>382</u>

The amounts due to and advances from joint venture companies, associated companies and non-controlling interests are unsecured and have no fixed terms of repayment, except for the interest-bearing advance from a joint venture company of £14 million and an associated company which are repayable after 2022. Apart from certain amounts due to joint venture and associated companies, which are interest-bearing as specified above, the balances are interest free.

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Note 28. continued

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

	2021 £'m	2020 £'m
Up to three months	660	513
Between three and six months	11	7
Over six months	10	9
	<u>681</u>	<u>529</u>

29. Provisions

Group	Employee Retirement Benefits £'m	Others £'m	Total £'m
Balance at 1 January 2021	21	36	57
Effect of movements in exchange rates	(3)	2	(1)
Additional provisions	2	32	34
Provisions used during the year	(2)	(34)	(36)
Provisions reversed during the year	(6)	(2)	(8)
Balance at 31 December 2021	<u>12</u>	<u>34</u>	<u>46</u>
Non-current	12	6	18
Current	—	28	28
	<u>12</u>	<u>34</u>	<u>46</u>

Employee Retirement Benefits

Employee retirement benefits consists of ex-gratia retirement gratuities and other ex-gratia payments.

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30. Financial Instruments – Fair values and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount					Fair value				
	Designated at fair value	Fair value-hedging instrument	Loans and receivable	At fair value through other comprehensive income	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
31 December 2021										
Financial assets measured at fair value										
Forward exchange contracts used for hedging	—	2	—	—	—	2	—	2	—	2
Cross-currency swaps – cash flow hedges	—	27	—	—	—	27	—	27	—	27
	—	29	—	—	—	29				
Financial assets not measured at fair value										
Trade and other receivables	—	—	1,163	—	—	1,163				
Cash and cash equivalents	—	—	2,394	—	—	2,394				
	—	—	3,557	—	—	3,557				
Financial liabilities measured at fair value										
Contingent consideration	(145)	—	—	—	—	(145)	—	—	(145)	(145)
Put option over NCI	(61)	—	—	—	—	(61)	—	—	(61)	(61)
	(206)	—	—	—	—	(206)				
Financial liabilities not measured at fair value										
Bank overdraft	—	—	—	—	(13)	(13)				
Secured bank loans	—	—	—	—	(393)	(393)	—	(393)	—	(393)
Unsecured bank loans and other loans	—	—	—	—	(6,245)	(6,245)	—	(6,245)	—	(6,245)
Lease liabilities	—	—	—	—	(769)	(769)	—	(769)	—	(769)
Trade payables	—	—	—	—	(681)	(681)				
	—	—	—	—	(8,101)	(8,101)				
31 December 2020										
Financial assets measured at fair value										
Forward exchange contracts used for hedging	—	3	—	—	—	3	—	3	—	3
Cross-currency swaps – cash flow hedges	—	20	—	—	—	20	—	20	—	20
	—	23	—	—	—	23				
Financial assets not measured at fair value										
Trade and other receivables	—	—	986	—	—	986				
Cash and cash equivalents	—	—	3,124	—	—	3,124				
	—	—	4,110	—	—	4,110				
Financial liabilities measured at fair value										
Contingent consideration	(119)	—	—	—	—	(119)	—	—	(119)	(119)
Put option over NCI	(57)	—	—	—	—	(57)	—	—	(57)	(57)
	(176)	—	—	—	—	(176)				
Financial liabilities not measured at fair value										
Bank overdraft	—	—	—	—	(54)	(54)				
Secured bank loans	—	—	—	—	(487)	(487)	—	(487)	—	(487)
Unsecured bank loans and other loans	—	—	—	—	(6,791)	(6,791)	—	(6,791)	—	(6,791)
Lease liabilities	—	—	—	—	(743)	(743)	—	(743)	—	(743)
Trade payables	—	—	—	—	(529)	(529)				
	—	—	—	—	(8,604)	(8,604)				

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Note 30, continued

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts, interest rate swaps and commodity contracts	Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Other financial liabilities*	Discounted cash flows	Not applicable

*Other financial liabilities include secured and unsecured bank loans and lease liabilities.

ii. Transfers between Levels 1 and 2

There were no transfers of financial instruments between the levels in the fair value hierarchy. The Group's policy is to recognise any transfer into and out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

iii. Level 3 fair values

The change in level 3 financial instruments for the year is as follows:

	Put options over non-controlling interests £'m	Unlisted investments £'m	Contingent consideration £'m
At 1 January 2021	57	110	119
Translation differences	1	—	1
Additions	—	50	—
Disposals	—	(92)	—
Distribution	(3)	—	—
Change in fair value during the year recognised in—profit or loss*	6	—	36
Payment of consideration	—	—	(11)
At 31 December 2021	61	68	145
* Included unrealised gains/(losses) recognised on balances held at 31 December 2021	—	(6)	(36)

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	Put options over non- controlling interests £'m	Unlisted investments £'m	Contingent consideration £'m
1 January 2020	66	5	116
Translation differences	(2)	—	(5)
Additions	—	105	—
Distribution during the year	(1)	—	—
Change in fair value recognised in profit or loss during the year*	(6)	—	18
Payment of consideration	—	—	(10)
	<u>57</u>	<u>110</u>	<u>119</u>
At 31 December 2020			
* Includes unrealised gains/(losses) recognised on balances held at 31 December 2020	<u>6</u>	<u>—</u>	<u>(17)</u>

There has been no change in the 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 discounted cash flow valuation techniques and is supported by observable inputs. The most significant observable inputs are market interest rates, exchange rates, yields and commodity prices.

The fair value estimate of the put option over a non-controlling interest in the United States (Brickell City Centre) 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 2022 and the discount rate used is 6.3% (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 31 December 2021. If the expected time of exercise is later or if the discount rate is higher, then the fair value of the put option would be lower. The opposite is true for an earlier exercise time or a lower discount rate.

C. Financial risk management

The Group has exposure to the following risks arising from the financial instruments:

- credit risk
- liquidity risk
- market risk

i. Risk management framework

Management of the Parent Company and its subsidiary undertakings set risk management procedures in accordance with objectives and policies approved by their Boards.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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Audit Committees throughout the Group oversee how management monitors compliance with the Group's risk management policies and procedures, and review the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committees are assisted in their oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committees.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments debt securities.

The carrying amount of the financial assets represents the maximum credit exposure.

Trade and other receivables

The Group exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence credit risk of its customer base, including the default risk of the industry and country in which the customers operate. Further details of concentration of revenue are included in note 6.

Each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a pre-payment basis.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not otherwise require collateral in respect of trade and other receivables.

At 31 December 2021, the maximum exposure to credit risk for trade receivables by geographic region was as follows:

	2021 £'m	2020 £'m
United States Dollar	522	369
Hong Kong Dollar	43	48
Australian Dollar	57	67
Chinese Renminbi	78	70
British Pound	23	23
Taiwan Dollar	39	36
Papua New Guinea Kina	26	17
Other	40	36
	828	666

Impairment

At 31 December 2021, the ageing of trade receivables that were not impaired was as follows:

	2021 £'m	2020 £'m
Neither past due nor impaired	695	554
Past due 1-90 days	119	90
Past due 91-120 days	9	11
Past due > 120 days	4	10
	827	665

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Note 30. continued

Management believe that the unimpaired amounts that are past due more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Cash and cash equivalents

The Group held cash and cash equivalents of £2,394 million at 31 December 2021 (2020: £3,124 million). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- to AA+.

Derivatives

The derivatives are entered into with the bank and financial institution counterparties, which are rated AA- to AA+.

Guarantees

The Group's policy is to provide financial guarantees only to subsidiaries.

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the effect of netting agreements.

31 December 2021	Carrying amount £'m	Total £'m	Less than 1 year £'m	1-2 years £'m	2-5 years £'m	More than 5 years £'m
Trade and other payables	3,374	3,375	2,863	76	129	307
Borrowings (including interest obligations)	6,612	6,985	2,060	1,159	1,999	1,767
Lease liabilities	769	769	170	137	147	315
Derivative financial instruments	18	18	1	8	—	9
Financial guarantee contracts	—	1,212	1,212	—	—	—
	<u>10,773</u>	<u>12,359</u>	<u>6,306</u>	<u>1,380</u>	<u>2,275</u>	<u>2,398</u>
31 December 2020	Carrying amount £'m	Total £'m	Less than 1 year £'m	1-2 years £'m	2-5 years £'m	More than 5 years £'m
Trade and other payables	2,888	3,046	2,594	71	117	264
Borrowings (including interest obligations)	7,244	7,722	942	1,995	2,652	2,133
Lease liabilities	743	798	159	159	171	309
Derivative financial instruments	15	15	—	4	7	4
Financial guarantee contracts	—	1,449	1,449	—	—	—
	<u>10,890</u>	<u>13,030</u>	<u>5,144</u>	<u>2,229</u>	<u>2,947</u>	<u>2,710</u>

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Currency Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States dollars and Hong Kong dollars. Foreign exchange risk arises from the foreign currency denomination of commercial transactions, assets and liabilities, and net investments in foreign operations.

The Group's policy is to hedge in full all highly probable transactions in each major currency where their value or time to execution gives rise to a significant currency exposure, provided that the cost of the foreign exchange forward or other derivative contract is not prohibitively expensive having regard to the underlying exposure.

Exposure to movements in exchange rates on transactions is minimised by using appropriate hedging instruments where active markets for the relevant currencies exist. At 31 December 2021, the Group had hedged its significant foreign currency funding exposures by fixing the foreign exchange rates with forward contracts.

Exposure arising from the Group's investments in operating subsidiaries with net assets denominated in foreign currencies is reduced, where practical, by providing funding in the same currency.

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flows amounts for derivatives that are net cash settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

The interest payments on variable interest rate loans in the table above reflect market forward interest rate at the reporting date and these amounts may change as market interest rates change. The future cash flows on contingent consideration and derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

iv. Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by management of the Parent Company and its subsidiary undertakings.

The following significant exchange rates have been applied during the year:

	Average rate		Year-end spot rate	
	2021	2020	2021	2020
United States Dollar	1.38	1.28	1.35	1.37
European Euro	1.16	1.13	1.19	1.11
Australian Dollar	1.83	1.86	1.86	1.77
Hong Kong Dollar	10.69	9.96	10.54	10.58
Kenyan Shilling	150.8	136.7	152.9	148.8
Papua New Guinea Kina	4.84	4.46	4.76	4.82

Sensitivity analysis

Sensitivity analysis was performed by strengthening/weakening the main foreign currencies of the Group, being the US dollar and the Hong Kong dollar. Assuming that all variables, in particular interest rates, remain constant and the effect of forecast sales and purchases are ignored, a +/- 1% movement in these currencies has an immaterial effect on both equity and on the profit or loss.

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 30. continued

Interest rate risk

The Group adopts a policy of ensuring that interest rate charges are minimised as much as possible.

Exposure to interest rate risk

The Group's interest bearing financial instruments are as follows:

	2021 £'m	2020 £'m
Financial assets	2,394	3,124
Financial liabilities	(7,381)	(7,987)
	<u>(4,987)</u>	<u>(4,863)</u>

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	100 basis- points increase in interest rates £'m	100 basis- points decrease in interest rates £'m
At 31 December 2021		
Impact on profit or loss: gain/(loss)	6	(2)
Impact on other comprehensive income: gain/(loss)	<u>20</u>	<u>(21)</u>
At 31 December 2020		
Impact on profit or loss: gain/(loss)	9	(2)
Impact on other comprehensive income: gain/(loss)	<u>9</u>	<u>(10)</u>

31. Capital and reserves

A. Share capital

	Group		Company	
	2021 £'m	2020 £'m	2021 £'m	2020 £'m
Authorised, issued and fully paid 100,000,000 Ordinary shares of £1 each In issue at 1 January and 31 December	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Authorised, issued and fully paid 90,000,000 8% cumulative Preference shares of £1 each In issue at 1 January and 31 December	<u>90</u>	<u>90</u>	<u>90</u>	<u>90</u>
Total share capital	<u>190</u>	<u>190</u>	<u>190</u>	<u>190</u>

At general meetings every holder of ordinary shares present in person and by proxy has one vote on a show of hands. On a poll each shareholder present in person or by proxy has four votes for every £1 nominal ordinary share. If a resolution alters the rights of the 8% preference shares, or the dividend on that class of share is six months in arrears, preference shareholders have one vote for every £1 nominal 8% preference share. In the event of the company being wound up or the capital reduced preference shareholders would be entitled to a sum equal to the capital paid up on the preference shares plus an amount in respect of accrued and unpaid dividends.

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 31. continued

B. Nature and purpose of reserves

Revaluation reserve

The investment revaluation reserve relates to the revaluation of investment property immediately before its reclassification as investment property at deemed cost.

Other reserves

Other reserves consists of translation reserve. The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

C. Dividends

The following dividends were declared and paid by the company during the year:

	2021 £'m	2020 £'m
39.50 pence per qualifying ordinary share (2020: 18.64 pence)	40	19
8.0 pence per 8% preference share (2020: 8.0 pence)	7	7
	<u>47</u>	<u>26</u>

After the reporting date, the following dividend was proposed by the board of directors. The dividend has not been recognised as a liability and there are no tax consequences.

51.64 pence per qualifying ordinary share (2020: 64.60 pence)	<u>52</u>	<u>65</u>
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32. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries.

31 December 2021	Swire Pacific	Steamships Trading Company	Swire Properties	Other immaterial subsidiaries	Foreign Currency translation differences	Total
NCI percentage	<u>42.11%</u>	<u>27.88%</u>	<u>18%</u>			
Non-current assets	28,853	256	21,363			
Current assets	4,492	62	2,310			
Non-current liabilities	(9,970)	(66)	(1,990)			
Current liabilities	(4,580)	(42)	(1,804)			
Net assets	<u>18,795</u>	<u>210</u>	<u>19,879</u>			
Carrying amount of NCI	<u>7,915</u>	<u>59</u>	<u>3,578</u>	377	—	11,929
Revenue	8,632	117	1,487			
Profit	179	19	501			
OCI	302	—	81			
Total comprehensive income	<u>481</u>	<u>19</u>	<u>582</u>			
Profit allocated to NCI	74	5	90	37	—	206
OCI allocated to NCI	129	—	15	181	50	375
Dividends paid to NCI during year	<u>121</u>	<u>2</u>	<u>91</u>			

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 32. continued

During 2021 the Group's interest in Swire Pacific increased from 55.20% to 57.89%. The weighted average non-controlling interest share of Swire Pacific's profit in the year was 41.18%.

31 December 2020	Swire Pacific	Steamships Trading Company	Swire Properties	Other immaterial subsidiaries	Foreign Currency translation differences	Total
NCI percentage	44.80%	27.88%	18.00%			
Non-current assets	28,647	242	21,026			
Current assets	4,604	67	2,606			
Non-current liabilities	(11,474)	(65)	(2,904)			
Current liabilities	(3,254)	(48)	(999)			
Net assets	18,523	196	19,729			
Carrying amount of NCI	8,298	55	3,551	370	—	12,274
Revenue	8,024	114	1,336			
(Loss)/profit	(859)	18	714			
OCI	274	—	151			
Total comprehensive income	(585)	18	865			
(Loss)/profit allocated to NCI	(385)	5	129	24	—	(227)
OCI allocated to NCI	123	—	27	12	431	593
Dividends paid to NCI during year	159	1	91			

During 2020 the Group's interest in Swire Pacific was 55.20%. The weighted average non-controlling interest share of Swire Pacific's loss in the year was 44.80%.

33. Acquisition of NCI

Acquisition of additional interests in Swire Pacific

Throughout the year, the Group acquired an additional 2.69% interest in Swire Pacific (a subsidiary company) for £221 million in cash, increasing its ownership from 55.20% to 57.89%. The effect of changes in the ownership interest in Swire Pacific is summarised as follows:

	2021 £'m	2020 £'m
Carrying amount of non-controlling interests acquired	670	—
Less : Consideration paid for additional shareholding	(221)	—
Excess of interest acquired recognised within equity	449	—

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34. Business combinations

In March 2021, a subsidiary company, JS&S (Water Holdings) Inc., acquired WesTech Engineering Inc.

In August 2021, Swire Energy Services acquired the Danish wind services provider, ALL NRG.

Details of the net identifiable assets acquired/(liabilities assumed), goodwill, and the purchase consideration are as follows (on a provisional basis):

	Provisional fair value WesTech £'m	Provisional fair value ALL NRG £'m	Provisional fair value Others £'m	Provisional fair value Total £'m
Property, plant and equipment	14	1	2	17
Intangible assets	—	12	1	13
Right-of-use assets	16	—	1	17
Inventories	3	1	—	4
Contract assets	16	—	—	16
Trade and other receivables	28	8	4	40
Bank balances	10	—	7	17
Loans, borrowings and lease liabilities	(8)	(32)	(1)	(41)
Trade and other payables	(19)	(9)	(3)	(31)
Contract liabilities	(13)	—	—	(13)
Provision for taxation	—	—	(1)	(1)
Net identifiable assets acquired/ (liabilities assumed)	47	(19)	10	38
Goodwill	4	35	4	43
	<u>51</u>	<u>16</u>	<u>14</u>	<u>81</u>
Purchase consideration transferred:				
Cash paid	51	16	5	72
Deferred consideration	—	—	4	4
Fair value of the investments held by the Group prior to acquisition	—	—	5	5
	<u>51</u>	<u>16</u>	<u>14</u>	<u>81</u>
Purchase consideration settled in cash and net cash outflow on acquisition	<u>41</u>	<u>16</u>	<u>(2)</u>	<u>55</u>

The fair value of the acquired assets (including identifiable intangible assets) is provisional pending final valuations of those assets. The key assumptions included the discount rate and future revenues and margins.

The goodwill is attributable to the highly skilled workforce and the synergies expected to be achieved from integrating the company into the Group. The goodwill is deductible for tax purposes.

The acquisition related costs were not material.

The contribution to the Group's revenue and net profit from the subsidiaries acquired during the year since the respective date of acquisition are not material in relation to the overall size of the Group.

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Notes to the consolidated financial statements

35. Disposal of subsidiary and other group companies

Disposal of Hong Kong Properties

The disposals of subsidiary companies in the Swire Pacific Property Division consist of the sale of interests in certain investment properties in Hong Kong.

Disposal of HAECO Special Services, LLC

In March 2021, a subsidiary company, HAECO Airframe Services, LLC, disposed of its interest in HAECO Special Services, LLC for a total consideration of £11 million.

Disposal of Sri Lankan Tea Estates

In December 2021, the James Finlay Group disposed of its interest in Sri Lankan Tea Estates for a total consideration of £7 million.

	Disposal of Hong Kong Properties	Disposal of HAECO Special Services, LLC	Disposal of Sri Lankan Tea Estates	Others	Total
	2021 £'m	2021 £'m	2021 £'m	2021 £'m	2021 £'m
Net assets disposed of:					
Investment property	22	—	—	—	22
Property, plant and equipment	—	1	12	—	13
Intangible assets	—	3	—	—	3
Right-of-use assets	—	—	2	—	2
Inventories	—	4	1	1	6
Trade and other receivables	—	4	2	—	6
Bank balances	—	—	1	1	2
Bank overdraft	—	—	(3)	—	(3)
Loans, borrowings and lease liabilities	—	—	(3)	—	(3)
Trade and other payables	—	(2)	(16)	—	(18)
Deferred taxation	—	—	(2)	—	(2)
Exchange losses reclassified from translation reserve	—	—	(7)	—	(7)
Net identifiable assets and liabilities	<u>22</u>	<u>10</u>	<u>(13)</u>	<u>2</u>	<u>21</u>
Total consideration received:					
Cash received (net of transaction costs)	20	10	7	2	39
Other consideration received	4	1	—	—	5
Total consideration received	<u>24</u>	<u>11</u>	<u>7</u>	<u>2</u>	<u>44</u>
Profits on disposal of subsidiary	<u>2</u>	<u>1</u>	<u>20</u>	<u>—</u>	<u>23</u>
Net inflow of cash and cash equivalents	<u>20</u>	<u>10</u>	<u>9</u>	<u>1</u>	<u>40</u>

36. Assets and liabilities held for sale ("disposal groups")

Assets and liabilities classified as held for sale mainly relate to the disposal of Swire Pacific Offshore Holdings Limited ("SPO").

On 9th March 2022, a subsidiary of John Swire & Sons entered into a sale and purchase agreement with Tidewater Inc. (Tidewater) for the sale of a 100% interest in Swire Pacific Offshore Holdings Limited.

As at 31 December 2021, management believe the disposal is highly probable and the carrying value of the SPO disposal group will be recovered principally through sale rather than through continuing use. Accordingly, the Group's interest in the SPO disposal group was reclassified as assets held for sale as at 31 December 2021 and was measured at the lower of carrying amount and fair value less costs to sell.

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Notes to the consolidated financial statements

Note 36. continued

On 22 April 2022, SPO was sold to Tidewater Inc. for a consideration of approximately US\$190 million. The consideration for the transaction will be settled partly in cash and partly in the form of warrants issued by Tidewater which will entitle the Group to purchase 8.1 million shares of common stock of Tidewater at a nominal price.

Impairment losses relating to the disposal groups

Impairment losses of £151 million for write downs of the disposal groups to the lower of its carrying amount and its fair value costs to sell have been included in 'other expenses'.

Assets and liabilities of disposal groups held for sale

The disposal groups were stated at fair value less costs to sell and comprised the following assets and liabilities:

	SPO disposal group £'m	Other disposal group £'m	2021 Disposal Group £'m
Properties, plant and equipment	73	8	81
Investment properties	—	25	25
Inventories	7	—	7
Trade and other receivables	70	—	70
Intangible assets	1	—	1
Cash	23	—	23
Assets held for sale as at 31 December	<u>174</u>	<u>33</u>	<u>207</u>
Trade and other payables	<u>85</u>	<u>—</u>	<u>85</u>
Liabilities held for sale as at 31 December	<u>85</u>	<u>—</u>	<u>85</u>

37. Lease commitments

A. Lessee

The Group leases land and buildings, and plant and equipment under operating leases.

The future aggregate minimum lease payments under non-cancellable leases were as follows:

	2021 £'m	2020 £'m
Land and buildings:		
Less than one year	29	27
Between one and five years	13	10
More than five years	22	22
	<u>64</u>	<u>59</u>
Vessels:		
Less than one year	24	—
Between one and five years	24	—
	<u>48</u>	<u>—</u>
Plant and equipment:		
Less than one year	—	1
Between one and five years	—	3
More than five years	1	6
	<u>1</u>	<u>10</u>
	<u>113</u>	<u>69</u>

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 37. continued

Amounts recognised in profit or loss

	2021 £'m	2020 £'m
Lease expense	513	267
Expenses relating to short-term leases	545	261
Expenses relating to leases of low-value assets	17	16

B. Lessor – lease receivables

The Group leases out investment properties and vessels under operating leases. The leases for investment properties typically run for periods of three to six years. The leases for vessels typically run for an initial period of one month to three years with an option to renew them after that date, at which time all terms are renegotiated.

The future aggregate minimum lease receipts under non-cancellable operating leases receivable by the Group were as follows:

	2021 £'m	2020 £'m
Investment properties:		
Less than one year	859	850
Between one and two years	704	712
Between two and three years	523	500
Between three and four years	373	355
Between four and five years	277	252
More than five years	422	465
	<u>3,158</u>	<u>3,134</u>
Vessels:		
Less than one year	15	17
Between one and five years	6	6
	<u>21</u>	<u>23</u>
	<u>3,179</u>	<u>3,157</u>

Amounts recognised in profit or loss

	2021 £'m	2020 £'m
Lease income	<u>1,375</u>	<u>1,474</u>

38. Contingent liabilities

- (a) Contingent liabilities at 31 December 2021 amounted to £1,212 million (2020: £1,449 million) for guarantees given to third parties. These guarantees are mainly over bank borrowings.
- (b) John Swire & Sons Limited are guaranteeing certain UK subsidiaries of the Group, having met the criteria set out in sections 479A-479C of the Companies Act 2006, are claiming exemptions from the audit of the individual accounts afforded by those sections for the year ended 31 December 2021.

These subsidiaries are:

- James Finlay Corporation Limited (registered number SC054570),
- James Finlay International Holdings Limited (registered number 01088739),
- Finlay Coffee Limited (registered number 08264857)
- Finlay Tea Solutions UK Limited (registered number 00627015)
- Gordon Engineering Services Aberdeen Ltd (registered number SC171310)

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Note 38. continued

- (c) In November 2010, the European Commission issued a decision in its airfreight investigation finding that, amongst other things, Cathay Pacific and a number of other international cargo carriers agreed to cargo surcharge levels and that such agreements infringed European competition law. The European Commission imposed a fine of Euros 57.12 million on Cathay Pacific.

However, the European Commission's finding against Cathay Pacific, and the imposition of this fine, was annulled by the General Court in December 2015 and the fine of Euros 57.12 million was refunded to Cathay Pacific in February 2016. The European Commission issued a new decision against Cathay Pacific and the other airlines involved in the case in March 2017.

A fine of Euros 57.12 million was imposed on Cathay Pacific, which was paid by Cathay Pacific in June 2017. Cathay Pacific filed an appeal against this latest decision, to which the European Commission filed a defence.

In December 2017, Cathay Pacific filed a Reply to this defence. On 9 March 2018, the European Commission filed a rejoinder to Cathay Pacific's Reply. The appeal hearing in the General Court took place on 5 July 2019. On 30 March 2022, the General Court partially annulled the decision. The judgment can be appealed to the European Court of Justice ('ECJ') - the deadline for appeal is by June 2022. Should an appeal be filed, a final ECJ judgment could be expected by mid-2024.

Cathay Pacific is a defendant in a number of civil claims, including class litigation and third-party contribution claims, in a number of countries including Germany, the Netherlands and Norway alleging violations of applicable competition laws arising from Cathay Pacific's alleged conduct relating to its air cargo operations. Cathay Pacific is represented by legal counsel and is defending these actions.

39. Commitments

	2021 £'m	2020 £'m
The Group's outstanding capital commitments at the year-end in respect of:		
Property, plant and equipment		
Contracted for	102	99
Authorised by Directors but not contracted for	764	746
Investment properties		
Contracted for	431	380
Authorised by Directors but not contracted for	1,036	950
Vessels		
Contracted for	—	82
Authorised by Directors but not contracted for	13	105
	<u>2,346</u>	<u>2,362</u>
The Group's share of capital commitments of joint venture and associate companies:		
Contracted for	92	475
Authorised by Directors but not contracted for	17	23
	<u>109</u>	<u>498</u>

40. Related party transactions

A. Transactions with key management personnel

A number of key management personnel hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

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Note 40. continued

B. Other related party transactions

Group	Joint ventures Transactions values for the year ended		Associates Transactions values for the year ended		Joint ventures Balance outstanding as at 31 December		Associates Balance outstanding as at 31 December	
	2021 £'m	2020 £'m	2021 £'m	2020 £'m	2021 £'m	2020 £'m	2021 £'m	2020 £'m
Revenue from								
Sale of beverages	128	99	1	1	9	—	—	—
Rendering of services	8	7	12	11	1	1	1	—
Aircraft and engine maintenance	4	5	145	244	1	1	25	50
Sale of goods	—	—	3	2	—	—	—	—
Purchase of beverages	18	13	411	331	3	2	—	—
Purchase of other goods	1	1	2	4	—	2	49	38
Purchase of services	3	5	1	—	—	—	1	2
Rental revenue	—	—	—	—	—	—	—	—

All outstanding balances with these related parties are priced on an arm's length basis. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

41. Reconciliation of movements of liabilities to cash flows arising from financing activities

	Loans and borrowings £'m	Lease liabilities £'m	Total £'m
Balance at 1 January 2021	7,309	743	8,052
Proceeds from loans and borrowings	2,908	—	2,908
Repayment of borrowings	(3,648)	—	(3,648)
Payment of lease liabilities	—	(159)	(159)
Total changes from financing cash flows	(740)	(159)	(899)
New leases	—	206	206
Effect of changes in foreign exchange rates	37	3	40
Other changes			
Liability-related			
Other non-cash movements	26	(31)	(5)
Interest expense	191	26	217
Interest paid	(209)	(19)	(228)
Total liability-related other changes	45	185	230
Balance at 31 December 2021	6,614	769	7,383
	Loans and borrowings £'m	Lease liabilities £'m	Total £'m
Balance at 1 January 2020	7,513	835	8,348
Proceeds from loans and borrowings	2,684	—	2,684
Repayment of borrowings	(2,621)	—	(2,621)
Payment of lease liabilities	—	(167)	(167)
Total changes from financing cash flows	63	(167)	(104)
Changes arising from obtaining or losing control of subsidiaries or other businesses	—	83	83
Effect of changes in foreign exchange rates	(285)	(24)	(309)
Other changes			
Liability-related			
Other non-cash movements	8	7	15
Interest expense	262	32	294
Interest paid	(252)	(23)	(275)
Total liability-related other changes	476	75	551
Balance at 31 December 2020	7,309	743	8,052

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42. Events after the reporting period

On 4 March 2022, Chance Ascent Limited (Chance Ascent), an indirect wholly-owned subsidiary of Swire Properties, formed a project company (the Project Company) with Xi'an Cheng Huan Cultural Investment and Development Co., Ltd. to acquire the land use rights of a land (the Target Land) located in the Beilin district of Xi'an for a consideration of RMB2,575 million. The Project Company will acquire and hold such land use rights and will be principally engaged in the development of the Target Land. Chance Ascent has a 70% interest in the Project Company and is obliged to contribute approximately RMB2,558 million to its registered capital. Chance Ascent's total capital commitment to the acquisition and development of the Target Land is estimated to be RMB7,000 million.

On 9 March 2022, a subsidiary of the Company entered into a sale and purchase agreement with Tidewater Inc. for the sale of a 100% interest in Swire Pacific Offshore Holdings Limited, at a consideration of approximately US\$190 million.

On 28 April 2022, Swire Shipping Pte. Ltd. signed an agreement to acquire Westwood Shipping Lines, Inc. subject to regulatory approval.

On 1 May 2022, United States Cold Storage, Inc., sold three cold storage warehouses for a consideration of US\$112 million, realising a gain on disposal of US\$81 million.

Subsequent to the year-end, a decision was taken to seek a sale of both HSE and Kalari.

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43. Subsidiary undertakings and equity-accounted investees

JOHN SWIRE & SONS LIMITED				
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
ANGOLA				
Registered Office: Rua Centro de Convencoes S8, Masuika Office Plaza, Bloco B, 4B, Bairro Talatona, Distrito Urbano da Samba, Luanda, Angola				
Swire Energy Services Angola Limitada	Ordinary	100%	100%	
ARGENTINA				
Registered Office: 1085 Libertad Avenue, Obera, Misiones, N3361DQK, Argentina				
Casa Fuentes SACFI	Ordinary	100%	100%	30 September year end
Registered Office: Tucumán N° 1, Piso 4to (CP C1049AAA), CABA, Buenos Aires, Argentina				
Argente SA	Ordinary	100%	100%	30 September year end
AUSTRALIA				
Registered Office: 850 Lorimer Street, Port Melbourne VIC 3207, Australia				
HSE Asset Management Pty Ltd	Ordinary	100%	100%	
HSE Corporation Pty Ltd	Ordinary	100%	100%	
HSE Finance Pty Ltd	Ordinary	100%	100%	
HSE Group Holdings Pty Ltd	Ordinary	100%	100%	
HSE Group Limited	Ordinary	100%	100%	
HSE Mining Pty Ltd	Ordinary	100%	100%	
HSE Rental Pty Ltd	Ordinary	100%	100%	
Kalari Proprietary Limited	Ordinary	100%	100%	
Swire Industrial Services Pty Ltd	Ordinary	100%	100%	
Registered Office: 'Atwell Buildings', Level 2, 3 Cantonment Street, Fremantle, WA 6160, Australia				
Swire Pacific Offshore Pty Limited	Ordinary	57.89%	100%	
Swire Pacific Ship Management (Australia) Pty. Limited	Ordinary	57.89%	100%	
Registered Office: c/o KPMG, Level 8, 235 St Georges Terrace, Perth, WA 6000, Australia				
Swire Oilfield Services Pty. Ltd.	Ordinary	100%	100%	
Registered Office: Level 16, 88 Phillip Street, Sydney, NSW 2000, Australia				
John Swire & Sons (Australia) Pty Ltd	Ordinary	100%	100%	
Polar Fresh Investments Pty Ltd	Ordinary	100%	100%	
Swire Building Pty Ltd	Ordinary	100%	100%	
Swire Mining Services Pty Ltd	Ordinary	100%	100%	
AZERBAIJAN				
Registered Office: 38A Natig Aliyev Street, AZ1025, Baku, Azerbaijan				
Swire Pacific Offshore (Caspian) LLC	Ordinary	57.89%	100%	Dormant
BAHAMAS				
Registered Office: P.O Box SS-5498, #72 Nassau Street, Nassau, Bahamas				
Polynesia Line Ltd	Ordinary	100%	100%	Dormant
BERMUDA				
Registered Office: Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda				
Banyan Overseas Limited	Ordinary	57.89%	100%	
SPHI Ltd.	Ordinary	57.89%	100%	
Swire Pacific Industries Limited	Ordinary	57.89%	100%	
Swire Pacific Offshore Holdings Limited	Ordinary	57.89%	100%	
Swire Pacific Offshore Limited	Ordinary	57.89%	100%	
BRAZIL				
Registered Office: Rua Marques de Parangua, 360 - Consalacao, CEP 01303-050, Sao Paulo, Brazil				
WesTech Equipamentos Industriais Ltda.	Ordinary	100%	100%	Acquired 26 February 2021

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED				
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Registered Office: Rua Lauro Müller, 116, Room 604, Edifício Rio Sul-Botafogo, 22.290-160, Rio de Janeiro, Brazil				
Swire Pacific Navegacao Offshore Ltda.	Quota	57.89%	100%	
Registered Office: Swire Bellavista, R:Piloto Rommel Oliveira Garcia, 700, Imboassica, CEP 27932-355, Macae, Rio de Janeiro, Brazil				
Swire Energy Services do Brasil Ltda	Ordinary	100%	100%	
Registered Office: Av. Almirante Barroso, 81, 36th floor - 36A-103, 20031-004, Rio de Janeiro, Brazil				
Swire Bulk Brasil - Agência Marítima Ltda	Quotas	100%	100%	
BRITISH VIRGIN ISLANDS				
Registered Office: Beaufort House, P.O. Box 438, Road Town, Tortola, British Virgin Islands				
Asian Sports Marketing Limited	Ordinary	57.89%	100%	
Registered Office: 2/F, Palm Grove House, P.O. Box 3340, Road Town, Tortola, British Virgin Islands				
SIH Investment Property Limited	Ordinary	47.47%	100%	
Swiss Investment Property Holding Limited	Ordinary	47.47%	100%	
Registered Office: Sertus Chambers, P.O. Box 905, Quastisky Building, Road Town, Tortola, British Virgin Islands				
Swire Properties (Dalian) Limited	Ordinary	47.47%	100%	
Registered Office: Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands				
Able Choice Developments Limited	Ordinary	47.47%	100%	
Ace Origin Limited	Ordinary	47.47%	100%	
Ally Luck Limited	Ordinary	47.47%	100%	
Alpha Innovation Invest Co., Ltd.	Ordinary	47.47%	100%	
Alpha Rating Limited	Ordinary	47.47%	100%	
Amber Sky Ventures Limited	Ordinary	47.47%	100%	
Apex Best Investments Limited	Ordinary	47.47%	100%	
Ascent Castle Limited	Ordinary	47.47%	100%	
Ashburton International Group Ltd.	Ordinary	47.47%	100%	
Asian Sights Investment Ltd.	Ordinary	47.47%	100%	
Baiyu Group Limited	Ordinary	47.47%	100%	
Bao Wei Enterprises Limited	Ordinary	47.47%	100%	
Barnstaple Holdings Ltd.	Ordinary	47.47%	100%	
Best Effort Global Limited	Ordinary	47.47%	100%	
Bewick Investments Limited	Ordinary	47.47%	100%	
Biao Da Motors Limited	Ordinary	57.89%	100%	
Boom View Holdings Limited	Ordinary	47.47%	100%	
Bridlewood Group Limited	Ordinary	47.47%	100%	
Bright Faith Limited	Ordinary	47.47%	100%	
Bright Start Ventures Limited	Ordinary	47.47%	100%	
Castle Spring Investments Limited	Ordinary	47.47%	100%	
Charm State Limited	Ordinary	47.47%	100%	
Charming Grace Limited	Ordinary	47.47%	100%	
Charming Sky Limited	Ordinary	47.47%	100%	
Cheer Favour Limited	Ordinary	47.47%	100%	
Cherish Shine Limited	Ordinary	47.47%	100%	
China Orchid International Limited	Ordinary	47.47%	100%	
Choicest Enterprises Limited	Ordinary	47.47%	100%	
Cityhome Limited	Ordinary	47.47%	100%	
Clyde Developments Limited	Ordinary	47.47%	100%	
Coldridge Limited	Ordinary	47.47%	100%	
Colour Zone Holdings Limited	Ordinary	47.47%	100%	
Cosmic Fame Limited	Ordinary	47.47%	100%	
Cottelier Trading Limited	Ordinary	47.47%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021

Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Crystal Ball Holdings Limited	Ordinary	47.47%	100%	
Da Long Limited	Ordinary	47.47%	100%	
Dai Yee Assets Limited	Ordinary	47.47%	100%	
Dawn Rider Limited	Ordinary	100%	100%	
Data Train International Limited	Ordinary	47.47%	100%	
Deep Jungle Limited	Ordinary	47.47%	100%	
Delano Steed Limited	Ordinary	47.47%	100%	
Diamond Square Investments Limited	Ordinary	47.47%	100%	
Dragon Legacy Global Limited	Ordinary	47.47%	100%	
Dragon Power Trading Limited	Ordinary	57.89%	100%	
Dragonwing Investments Limited	Ordinary	47.47%	100%	
Dumasand Limited	Ordinary	47.47%	100%	
Eager Champion Limited	Ordinary	47.47%	100%	
Eastside Heights Ltd.	Ordinary	47.47%	100%	
Elite Shine International Limited	Ordinary	47.47%	100%	
Elm Park Group Limited	Ordinary	47.47%	100%	
Empire Sun Global Limited	Ordinary	47.47%	100%	
Endeavour Technology Limited	Ordinary	41.54%	87.5%	
Evercity Finance Limited	Ordinary	47.47%	100%	
Everide Limited	Ordinary	47.47%	100%	
Excel Free Ltd.	Ordinary	47.47%	100%	
Fancy Vision Enterprises Limited	Ordinary	47.47%	100%	
Fast & Smart Limited	Ordinary	47.47%	100%	
Fast Link Developments Limited	Ordinary	47.47%	100%	
Fine Grace International Limited	Ordinary	47.47%	100%	
Five Pacific Place Holdings Limited	Ordinary	47.47%	100%	Acquired 20 September 2021
Five Pacific Place Limited	Ordinary	47.47%	100%	Acquired 20 September 2021
Flybird Ltd	Ordinary	44.47%	100%	
Fresh Mind International Limited	Ordinary	47.47%	100%	
Galaxy Sea Limited	Ordinary	44.47%	100%	
Giant Bright Holdings Limited	Ordinary	47.47%	100%	
Giant Key Limited	Ordinary	47.47%	100%	
Global Digital Holdings Limited	Ordinary	47.47%	100%	
Global Linkage Investment Co., Ltd	Ordinary	47.47%	100%	
Gold Fountain Ventures Limited	Ordinary	47.47%	100%	
Good Mega Enterprises Limited	Ordinary	47.47%	100%	
Green Palace Ventures Limited	Ordinary	47.47%	100%	
Hai Jian Limited	Ordinary	47.47%	100%	
Handy Global Investments Limited	Ordinary	47.47%	100%	
Harvest Now Limited	Ordinary	47.47%	100%	
Head Turner Limited	Ordinary	47.47%	100%	
Heathlee International Limited	Ordinary	57.89%	100%	
Hendrix Holdings Limited	Ordinary	57.89%	100%	
High Grade Ventures Limited	Ordinary	47.47%	100%	
Highbrow Global Investments Limited	Ordinary	47.47%	100%	
Highland Paths Limited	Ordinary	47.47%	100%	
Highland Prospect Limited	Ordinary	47.47%	100%	
Honest Crest Trading Limited	Ordinary	47.47%	100%	
Honour Star Development Co., Ltd.	Ordinary	47.47%	100%	
Improve Fame Limited	Ordinary	47.47%	100%	
Improvemany Limited	Ordinary	47.47%	100%	
Infoport Enterprises Limited	Ordinary	47.47%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED				
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Innovative Dragon Global Limited	Ordinary	47.47%	100%	Acquired 3 February 2021
Isle Global Investments Limited	Ordinary	47.47%	100%	Acquired 3 February 2021
Isle Spring Limited	Ordinary	47.47%	100%	Acquired 8 September 2021
Jade Continent Limited	Ordinary	47.47%	100%	
Jade Forest Holdings Limited	Ordinary	47.47%	100%	
Jintu Investments Limited	Ordinary	47.47%	100%	
Jolly Bloom Limited	Ordinary	47.47%	100%	
Joy Beauty International Limited	Ordinary	47.47%	100%	
Joyful Sonic Investments Limited	Ordinary	47.47%	100%	
Joyous Pearl Enterprises Limited	Ordinary	47.47%	100%	
Kawaglen Limited	Ordinary	47.47%	100%	
King Device Co., Ltd.	Ordinary	47.47%	100%	
King Mark Finance Co., Ltd.	Ordinary	47.47%	100%	
Kong Tai Investments Limited	Ordinary	47.47%	100%	
Kontin International Limited	Ordinary	47.47%	100%	
Lead Harvest Group Limited	Ordinary	47.47%	100%	
Leap Power Limited	Ordinary	47.47%	100%	
Li Yuan Investments Limited	Ordinary	47.47%	100%	
Light Beam Global Limited	Ordinary	47.47%	100%	
Liji Management Limited	Ordinary	47.47%	100%	
Lowther Investments Limited	Ordinary	47.47%	100%	
Luxford Global Limited	Ordinary	47.47%	100%	
Malkearns Limited	Ordinary	47.47%	100%	
Master Hand Technology Limited	Ordinary	47.47%	100%	
Mayin Group Limited	Ordinary	47.47%	100%	
Merton Lake Limited	Ordinary	57.89%	100%	
Mighty On Limited	Ordinary	47.47%	100%	
Mile Sheen Limited	Ordinary	47.47%	100%	
Modern Elect Investments Limited	Ordinary	47.47%	100%	Acquired 3 February 2021
Modest International Limited	Ordinary	47.47%	100%	
Moonlight Century Limited	Ordinary	47.47%	100%	
Mulderbush Limited	Ordinary	47.47%	100%	
My Home Group Limited	Ordinary	47.47%	100%	
New Pursuit Investments Limited	Ordinary	47.47%	100%	Acquired 3 February 2021
North Summit Holdings Limited	Ordinary	47.47%	100%	
Novel Ray Limited	Ordinary	47.47%	100%	
Omeme Group Limited	Ordinary	47.47%	100%	
One Pacific Place Holdings Limited	Ordinary	47.47%	100%	Acquired 20 September 2021
One Pacific Place Limited	Ordinary	47.47%	100%	Acquired 20 September 2021
Option Master Limited	Ordinary	47.47%	100%	
Park Concept Group Limited	Ordinary	47.47%	100%	
Parko Star Ltd	Ordinary	47.47%	100%	
Parksea Investments Limited	Ordinary	47.47%	100%	
Peragore Limited	Ordinary	39.98%	80%	
Perfect Sense Global Limited	Ordinary	47.47%	100%	
Powick Holdings Limited	Ordinary	47.47%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021

Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Praiseland Enterprises Limited	Ordinary	47.47%	100%	
Prestige Land Limited	Ordinary	47.47%	100%	
Prosperous Dynasty Limited	Ordinary	47.47%	100%	
Qian Sheng Investments Limited	Ordinary	47.47%		
Rainbow State Holdings Limited	Ordinary	47.47%	100%	
Ray Champ Limited	Ordinary	47.47%	100%	
Real Boom International Enterprises Ltd.	Ordinary	47.47%		
Realm Global Group Limited	Ordinary	47.47%	100%	Acquired 3 February 2021
Rosy North Limited	Ordinary	47.47%	100%	
Rui Jia Investments Limited	Ordinary	47.47%	100%	
Sea Legend Global Limited	Ordinary	47.47%	100%	
Shine Power Co., Ltd.	Ordinary	47.47%	100%	
Sino Flagship Investments Limited	Ordinary	47.47%	100%	
Sinoease Enterprises Limited	Ordinary	47.47%	100%	
Skilful Technology Limited	Ordinary	47.47%	100%	
Sky Zoom Limited	Ordinary	47.47%	100%	
Smart Key Group Limited	Ordinary	47.47%	100%	
Smart Plan Development Limited	Ordinary	47.47%	100%	
Sound Dragon Trading Co., Ltd.	Ordinary	47.47%	100%	
South Max Limited	Ordinary	47.47%	100%	
SPHI Holdings Limited	Ordinary	57.89%	100%	
Sturrock Limited	Ordinary	47.47%	100%	
Success Ahead Ltd.	Ordinary	47.47%	100%	
Sunny Treasure Group Limited	Ordinary	47.47%	100%	
Super Achieve Limited	Ordinary	37.98%	100%	
Supreme Motors Limited	Ordinary	57.89%	100%	
Swire and Island Communication Developments Limited	"A" Ordinary, "B" Ordinary and Non-voting Dividend Share	28.48%	60%	
Swire Coca-Cola (S&D) Limited	Ordinary	57.89%	100%	
Swire Coca-Cola Beverages Limited	Ordinary Class A & Ordinary Class B	57.89%	100%	
Swire Properties (Beijing) Limited	Ordinary	47.47%	100%	
Swire Properties (Chengdu) Limited	Ordinary	47.47%	100%	
Swire Properties (Guangzhou) Limited	Ordinary	47.47%	100%	
Swire Properties (Shanghai) Limited	Ordinary	47.47%	100%	
Swire Properties China Holdings Limited	Ordinary	47.47%	100%	
Taikoo Motorcycle Limited	Ordinary	57.89%	100%	
Taikoo Motors Limited	Ordinary	57.89%	100%	
Three Pacific Place Holdings Limited	Ordinary	47.47%	100%	Acquired 20 September 2021
Three Pacific Place Limited	Ordinary	47.47%	100%	Acquired 20 September 2021
Time Century Ventures Limited	Ordinary	47.47%	100%	
Top Roof Holdings Limited	Ordinary	47.47%	100%	
Treasure Train Global Limited	Ordinary	47.47%	100%	Acquired 3 February 2021
Triple Sight International Limited	Ordinary	47.47%	100%	
Ultra Shine Enterprises Ltd.	Ordinary	47.47%	100%	
Ultra Vantage Global Limited	Ordinary	47.47%	100%	Acquired 3 February 2021

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021

Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note Acquired
Virtue Value Investments Limited	Ordinary	47.47%	100%	3 February 2021
Vision Chaser Limited	Ordinary	47.47%	100%	
Wealthy Fame Limited	Ordinary	47.47%	100%	
Williamstown Limited	Ordinary	47.47%	100%	
Windcharm Investments Limited	Ordinary	37.98%	80%	
Wit Union Limited	Ordinary	47.47%	100%	
Wit Way Enterprises Limited	Ordinary	47.47%	100%	
Wo Lok International Limited	Ordinary	47.47%	100%	
Wonder Cruise Group Limited	Ordinary	47.47%	100%	
Xinke Limited	Ordinary	47.47%	100%	
Yue Ye Limited	Ordinary	47.47%	100%	
BRUNEI				
Registered Office: Lot 4825, Simpang 350 X10, Jalan Maulana, Kuala Belait KA2931, Brunei Darussalam				
Swire Bahagia (B) Sdn Bhd	Ordinary	57.89%	100%	
CAMEROON				
Registered Office: Vallée des Ministres, 1st Floor GICAM Building, Douala-Bonanjo, PO Box 15508, Cameroon				
Swire Pacific Offshore Africa	Ordinary	57.89%	100%	
CANADA				
Registered Office: 100 King Street West, Suite 6600, 1 First Canadian Place, Toronto, Canada				
John Swire & Sons (Canada) Limited	Common Stock	100%	100%	Dormant
Registered Office: Newfoundland and Labrador: McInnes Cooper, P.O. Box 5939, 5th Floor, 10 Fort William Place, St. John's, Newfoundland and Labrador, Canada A1C 5X4				
Swire Pacific Offshore Canada Limited	Common Stock	57.89%	100%	
CAYMAN ISLANDS				
Registered Office: Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands				
Swire Pacific MTN Financing Limited	Ordinary	57.89%	100%	
CHINESE MAINLAND				
Registered Office: No. 234, No. 1, Attachment 1, Tianchen Road, Shapingba District, Chongqing City, Chongqing, Chinese Mainland				
Chongqing WesTech Engineering, Inc.	Registered Capital	100%	100%	Acquired 26 February 2021
Registered Office: Room 2108, No. 500, Guangdong Road, Shanghai, 20001, Chinese Mainland				
Shanghai WesTech Engineering, Inc	Registered Capital	100%	100%	Acquired 26 February 2021
Registered Office: 1 Weiyi Road, Luohe Economic and Technological Development Zone, Henan Province, Chinese Mainland				
Swire Coca-Cola Beverages Luohe Limited	Registered Capital	54.67%	100%	
Registered Office: 1302-1303 HKRI Centre One, 288 Shi Men Road (No.1), Shanghai, Chinese Mainland				
Shanghai Great Shine Management Consultancy Company Limited	Registered Capital	44.47%	100%	
Registered Office: 1318 Jinsha Avenue, Xiaolan Economic and Technological Development Zone, Nanchang County, Nanchang, Jiangxi Province, Chinese Mainland				
Swire Coca-Cola Beverages Jiangxi Limited	Registered Capital	57.89%	100%	
Registered Office: 1355 Tongji Zhong Road, Xinmin Town, Tong'an District, Xiamen, Chinese Mainland				
Xiamen Luquan Industries Company Limited	Registered Capital	57.89%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED				
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Registered Office: 155 Binhai Avenue, Xiuying District, Haikou, Hainan Province, Chinese Mainland				
Swire Coca-Cola Beverages Hainan Limited	Registered Capital	57.89%	100%	
Registered Office: 18 West Chuangxin Road, Nanning, Chinese Mainland				
Swire Coca-Cola Beverages Guangxi Limited	Registered Capital	57.89%	100%	
Registered Office: 20 Dailiao Road, East Gaoqi International Airport, Xiamen 361006, Fujian, Chinese Mainland				
HAECO Component Overhaul (Xiamen) Limited	Registered Capital	57.89%	100%	
Taikoo (Xiamen) Aircraft Engineering Co., Ltd.	Registered Capital	36.26%	58.55%	
Registered Office: 26 Xinke'er Road, Jiangbei New Area, Nanjing, Chinese Mainland				
Swire Coca-Cola Beverages Jiangsu Limited	Registered Capital	57.89%	100%	
Registered Office: 280 Gaoqi South 5th Road, Gaoqi International Airport, Xiamen 361006 Fujian, Chinese Mainland				
Taikoo (Xiamen) Landing Gear Services Co., Ltd.				
Registered Office: 3/F, Block 1, No. 5 Jinyi Road, Shibao Town, Gaoxin District, Chongqing, Chinese Mainland				
Chongqing Heed Food Company Limited	Registered Capital	57.89%	100%	Incorporated 23 April 2021
Registered Office: Block 10 Zi Bian, 48 Xinye Road, Huangpu District, Guangzhou City, Chinese Mainland				
Taikoo Sugar (China) Limited	Registered Capital	57.89%	100%	
Registered Office: 456 Zhongkai Avenue (Hui Huan Duan), Huizhou, Guangdong Province, Chinese Mainland				
Swire Guangdong Coca-Cola (Huizhou) Limited	Registered Capital	36.45%	85.19%	
Registered Office: 555 Dingxiang Road, Binhai Industrial District, Wenzhou Economic and Technological Development Zone, Zhejiang Province, Chinese Mainland				
Swire Coca-Cola Beverages Wenzhou Limited	Registered Capital	46.31%	92.85%	
Registered Office: 68 Kexue Avenue, Zhengzhou High & New Technology Industries Development Zone, Chinese Mainland				
Swire Coca-Cola Beverages Zhengzhou Ltd.	Registered Capital	54.67%	94.44%	
Registered Office: 8 Lejin Road, Zhanjiang Economic & Technological Development Zone, Chinese Mainland				
Swire Guangdong Coca-Cola Zhanjiang Limited	Registered Capital	57.89%	100%	
Registered Office: 99 Jinhu Road, Xiamen, Chinese Mainland				
Swire Coca-Cola Beverages Xiamen Ltd.	Registered Capital	57.89%	100%	
Registered Office: 998 Huangpu Road East, Huangpu District, Guangzhou, Guangdong Province, Chinese Mainland				
Swire Guangdong Coca-Cola Limited	Registered Capital	36.45%	62.96%	
Registered Office: Room 314B, Unit 301, 3 rd Floor, Building 20, Jiuxianqiao Road, Chaoyang District, Beijing, Chinese Mainland				
Beijing Great Well Consultancy Company Limited	Registered Capital	47.47%	100%	
Registered Office: Room 314A, Unit 301, 3 rd Floor, Building 20, Jiuxianqiao Road Chaoyang District, Beijing, Chinese Mainland				
Beijing Tianlian Real Estate Company Limited	Registered Capital	47.47%	100%	
Registered Office: Block 1, No. 11 of Sanlitun Road, Chaoyang District, Beijing, Chinese Mainland				
Beijing Sanlitun Hotel Management Company Limited	Registered Capital	47.47%	100%	
Registered Office: Building 1, No. 5 Jinyi Road, Jiulongpo District, Chongqing City, Chinese Mainland				
Chongqing New Qinyuan Bakery Co., Ltd	Registered Capital	57.89%	100%	

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Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED				
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Registered Office: Building 5, Area 6A, 539 Guiqiao Road, China (Shanghai) Pilot Free Trade Zone, Chinese Mainland Swire Coca-Cola (China) Co., Ltd.	Registered Capital	57.89%	100%	
Registered Office: No. 1370 Lianhua Road, Economic and Technological Development Area, Hefei, Anhui Province, Chinese Mainland Swire Coca-Cola Beverages Hefei Ltd.	Registered Capital	57.89%	100%	
Registered Office: Lot A-2-10, Kunming New City Hi-Tech Industrial Base, Yunnan Province, Chinese Mainland Swire Coca-Cola Beverages Yunnan Limited	Registered Capital	55.05%	95.1%	
Registered Office: No. 1 Taikoo Road, Quanzhou Export Processing Zone, Cizao, Jinjiang 362200, Fujian, Chinese Mainland HAECO Composite Structures (Jinjiang) Co., Ltd.	Registered Capital	47.78%	84.1%	
Registered Office: No. 1-12, 27/F, Block A, CR Plaza, 51 Xiejiawain Main Street, Jiulongpo District, Chongqing City, Chinese Mainland Chongqing Qinyuan Catering	Registered Capital	57.89%	100%	Dissolved 18 November 2021
Registered Office: No. 568, 570 Qingtaishan Road, 1/F (Qingtaishan Longquanrenjia) Damian Street, Longquanyi District, Chengdu City, Sichuan Province, Chinese Mainland Chengdu Xin Qinyuan Trading Company Limited	Registered Capital	57.89%	100%	
Registered Office: No. 138 South Baiyun Road, Baiyun District, Guiyang City, Guizhou Province, Chinese Mainland Guiyang Yuqinyuan Food Company Limited	Registered Capital	57.89%	100%	
Registered Office: No. 14, 1502 Luoshan Road, Pilot Free Trade Zone, Shanghai, Chinese Mainland Reservoir Management Services (Shanghai) Company Limited	Registered Capital	57.89%	100%	
Registered Office: No. 14, 1502 Luoshan Road, Pilot Free Trade Zone, Shanghai, Chinese Mainland Reservoir Management Services (Shanghai) Company Limited	Registered Capital	55.2%	100%	
Registered Office: No. 18, 8th Avenue & 1-2 Floors, Block 3, No. 12, 11th Avenue, Hangzhou Economic & Technological Development Area, Zhejiang Province, Chinese Mainland Swire Coca-Cola Beverages Zhejiang Limited	Registered Capital	46.31%	80%	
Registered Office: No. 2667, Section 3 Xihanggang Middle Avenue, Xihanggang Street, Shuangliu District, Chengdu City, Chinese Mainland Chengdu Xin Qinyuan Food Company Limited	Registered Capital	57.89%	100%	
Registered Office: No. 269 Fuling Road, Chengdu Jiaolong Industrial Port Shuangliu Park, Chengdu, Chinese Mainland Taikoo Sugar Chengdu Limited	Registered Capital	57.89%	100%	
Registered Office: No. 27-12 (Block A, CR Plaza) 51 Xiejiawan Main Street, Jiulongpo District, Chongqing City, Chinese Mainland Swire Foods Trading (China) Limited	Registered Capital	57.89%	100%	
Registered Office: No. 3 Plant, 33 Jingxi Road, Jingxi Town, Minhou County, Fuzhou, Fujian Province, Chinese Mainland Swire Coca-Cola Beverages Fuzhou Limited	Registered Capital	57.89%	100%	
Registered Office: No. 4, 27th Floor, CITIC Building, 19 Jianguomenwai Dajie, Chaoyang District, Beijing, Chinese Mainland Swire BCD Co., Ltd.	Registered Capital	57.89%	100%	

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JOHN SWIRE & SONS LIMITED SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Registered Office: No. 40 Southwestern Ethnic Food Square, Guanshanhu District, Guiyang City, Guizhou Province, Chinese Mainland				
Guiyang Qinyuan Catering Management Co., Ltd.	Registered Capital	57.89%	100%	
Registered Office: No. 5 Gaoqi Nan 3 Road, Huli District, Xiamen 361006, Chinese Mainland				
Taikoo Engine Services (Xiamen) Co., Ltd.	Registered Capital	44.73%	76.59%	
Registered Office: No 67 Fuhuo Street, Sitang Town, Sinan County, Tongren City, Guizhou Province, 565100, Chinese Mainland				
James Finlay (Guizhou) Tea Co., Ltd.	Registered Capital	100%	100%	
Registered Office: Room 313 Unit 301, 3/F., ONE INDIGO, 20 Jiuxianqiao Road, Chaoyang District, Beijing 100016, Chinese Mainland				
Swire (Beijing) Management Consultancy Limited	Registered Capital	100%	100%	
Registered Office: Room 101, Building 2, No. 4255, Chuan Nanfeng Road, Zhuqiao Town, Pudong New Area, Shanghai, Chinese Mainland				
Shanghai Taikoo Aircraft Engineering Services Co., Ltd.	Registered Capital	40.18%	75%	
Registered Office: Room 309-A04, No. 78 Haibin Eighth Road, Tianjin Pilot Free Trade Zone, (Tianjin Port Free Trade Zone), Tianjin, Chinese Mainland				
Tianjin Linxuan City Facilities Development Company Limited				
Registered Office: Room 1408, Block A, Building 1, Phoenix Island, Sanya CBD, Tianya District, Sanya Hainan, Chinese Mainland				
Hainan Dajihemu Investment Co., Ltd	Registered Capital	57.89%	100%	Incorporated 29 December 2021
Registered Office: Room 202, 2nd Floor, No.18, 8th Avenue, Hangzhou Economic & Technological Development Area, Chinese Mainland				
Zhejiang Swire iTechnology Limited	Registered Capital	57.89%	100%	
Registered Office: Room 302], Block 9, 696, Weihai Road, Jing'an District, Shanghai, Chinese Mainland				
Shanghai Kaiye Commercial Management Company Limited	Registered Capital	28.48%	60%	Incorporated 8 September 2021
Registered Office: Room 309-A02, No. No. 78 Haibin Eighth Road, Tianjin Pilot Free Trade Zone, (Tianjin Port Free Trade Zone), Tianjin, Chinese Mainland				
Tianjin Linsong City Facilities Development Company Limited	Registered Capital	47.47%	100%	
Registered Office: Room 309-A06, No. No. 78 Haibin Eighth Road, Tianjin Pilot Free Trade Zone, (Tianjin Port Free Trade Zone), Tianjin, Chinese Mainland				
Tianjin Liansong City Facilities Development Company Limited	Registered Capital	44.47%	100%	
Registered Office: 309-A07, No. No. 78 Haibin Eighth Road, Tianjin Pilot Free Trade Zone, (Tianjin Port Free Trade Zone), Tianjin, Chinese Mainland				
Sunny Palace (Tianjin) City Facilities Development Company Limited	Registered Capital	47.47%	100%	
Registered Office: Room 309-A08, No. No. 78 Haibin Eighth Road, Tianjin Pilot Free Trade Zone, (Tianjin Port Free Trade Zone), Tianjin, Chinese Mainland				
Pine Grace (Tianjin) City Facilities Development Company Limited	Registered Capital	47.47%	100%	
Registered Office: Room 411P01, 373-383 Nansuzhou Road, Huangpu District, Shanghai City, Chinese Mainland				
Chevon (Shanghai) Trading Company Limited	Registered Capital	49.21%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED				
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Registered Office: Room 411P02, 373-383 Nansuzhou Road, Huangpu District, Shanghai City, Chinese Mainland Swire Resources (Shanghai) Trading Company Limited	Registered Capital	57.89%	100%	
Registered Office: Room 2404B, No.157 Linhe West Road, Guangzhou, Chinese Mainland Taikoo Maritime Services(Guangdong) Limited	Ordinary	100%	100%	
Registered Office: Room 773, Block A, Building 1, Phoenix Island, Sanya, CBD, Tianya District, Sanya, Chinese Mainland Hainan Daji Investment Co., Ltd	Registered Capital	58.89%	100%	Incorporated 14 December 2021
Registered Office: Section 2, 4/F Hanger II Annex Building, 20 Dai Liao Road, Xiamen Area Pilot Free Trade Zone, Fujian, Chinese Mainland HAECO (Xiamen) Corporate Management Company Limited	Registered Capital	57.89%	100%	
Registered Office: Suite 1801, Taikoo Hui Tower 1, 385 Tianhe Road, Tianhe District, Guangzhou 510620, Chinese Mainland Taikoo Hui (Guangzhou) Development Company Limited	Registered Capital	46.05%	97%	
Registered Office: Suite 1801C, Taikoo Hui Tower 1, 385 Tianhe Road, Tianhe District, Guangzhou, Chinese Mainland Guangzhou Taikoo Hui Property Management Company Limited	Registered Capital	46.05%	100%	
Registered Office: Suite 1801D, Hui Tower 1, 385 Tianhe Road, Tianhe District, Guangzhou, Chinese Mainland Sunshine Melody (Guangzhou) Properties Management Limited	Registered Capital	47.47%	100%	
Registered Office: 6-8B, 20 th Floor, Tower B, Pinnacle One, Tower 1, No. 199 Lower Dongda Street, Jin Jiang District, Chengdu, 610021, Chinese Mainland Chengdu Great Hill Consultancy Company Limited	Registered Capital	44.47%	100%	
Registered Office: Unit 1312, HKRI Centre One, HKRI Taikoo Hui, 288 Shi Men Yi Road, Shanghai, Chinese Mainland Swire Shipping (China) Limited	Registered Capital	100%	100%	{Formerly The China Navigation Company (China) Limited}
Registered Office: Unit H, Room 431, 4 th Floor, Building C, International Shipping Center, No 93 Xiangyu Road, China Pilot Free Trade Zone, Xiamen, Chinese Mainland HAECO Digital Services (Xiamen) Company Limited	Registered Capital	57.89%	100%	Incorporated 23 February 2021
Registered Office: Unit N2-40, 4th Floor, Tower 2, No. 11 Sanlitun Road, Chaoyang District, Beijing, Chinese Mainland Beijing Sanlitun North Property Management Company Limited	Registered Capital	47.47%	100%	
Registered Office: Unit N2-41, 4th Floor, Tower 2, No. 11 Sanlitun Road, Chaoyang District, Beijing, Chinese Mainland Beijing Sanlitun South Property Management Company Limited	Registered Capital	47.47%	100%	
Registered Office: 401f of 401, 4 th Floor, No 15 Building, Sanlitun North Chaoyang District, Beijing, Chinese Mainland Beijing Anye Property Management Company Limited	Registered Capital	47.47%	100%	
Registered Office: Room 316, Unit 301, 3 rd Floor, Building 20 Jiuxianqiao Road, Chaoyang District, Beijing, Chinese Mainland Swire Properties (China) Investment Company Limited	Registered Capital	47.47%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021

Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Registered Office: Wuhan Economic & Technological Development Zone, Wuhan, Chinese Mainland				
Swire Coca-Cola Beverages Hubei Limited	Registered Capital	55.46%	95.80%	
COOK ISLANDS				
Registered Office: Portcullis (Cook Islands) Ltd, T & F Chambers, Main Road, Rarotonga, Cook Islands				
Vincent Cook Islands Limited	Ordinary	47.47%	100%	
CYPRUS				
Registered Office: Kennedy, 23, Globe House, Floor 4, 1075 Nicosia, Cyprus				
Swire Pacific Offshore (Cyprus) Limited	Ordinary	57.89%	100%	
DENMARK				
Registered Office: Fairway House, Arne Jacobsens Allé 7, 7th floor, DK-2300, Copenhagen S, Denmark				
Orange Rederiet ApS	Ordinary	57.89%	100%	
Registered Office: Lyshojen 4, st.tv., 8520, Lystrup, Denmark				
Swire Energy Services Holdings A/S	Ordinary	100%	100%	Acquired 02 August 2021
Swire Energy Services A/S	Ordinary	100%	100%	Acquired 02 August 2021
FIJI				
Registered Office: Lot 1 Foster Road, Walubay Suva, P.O. Box 15832, Suva, Fiji				
Pacific Agencies (Fiji) Limited	Ordinary	66.66%	100%	
GERMANY				
Registered Office: Alsterarkaden 13, c/o Anderson Partners Business Center, D-20354, Hamburg, Germany				
Swire Energy Services GmbH	Ordinary	100%	100%	Acquired 02 August 2021
HONG KONG				
Registered Office: 21/F, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong				
Newmainco Limited	Ordinary	47.47%	100%	
Registered Office: 2601 Universal Trade Centre, 3-5a Arbuthnot Road, Central, Hong Kong				
Finlay Tea Solutions (Hong Kong) Limited	Ordinary	100%	100%	
Registered Office: 33rd Floor, One Pacific Place, 88 Queensway, Hong Kong				
Taikoo Maritime Services Limited	Ordinary	100%	100%	
2A Seymour (Management) Limited	Ordinary	47.47%	100%	
53 Stubbs Road (Management) Limited	Ordinary	47.47%	100%	
53 Stubbs Road Development Co. Limited	Ordinary	47.47%	100%	
8 Star Street (Management) Limited	Ordinary	47.47%	100%	Dormant
Abbey Head Company Limited	Ordinary	44.47%	100%	
Alassio (Management) Limited	Ordinary	47.47%	100%	
Aldeburgh Limited	Ordinary	57.89%	100%	
Aldrich Bay Developments Limited	Ordinary	47.47%	100%	
Aldrich Bay East Limited	Ordinary	47.47%	100%	
Arezzo (Management) Limited	Ordinary	47.47%	100%	
Argenta (Management) Limited	Ordinary	47.47%	100%	
Bel Air Motors Limited	Ordinary	57.89%	100%	
Beldare Motors Limited	Ordinary	57.89%	100%	
Braemar West Limited	Ordinary	47.47%	100%	
Brickell Land Limited	Ordinary	47.47%	100%	
Brickell Property Limited	Ordinary	47.47%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED				
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Brilliant Mighty Limited	Ordinary	47.47%	100%	Incorporated 7 December 2021
Brilliant Seaside Limited	Ordinary	47.47%	100%	Incorporated 7 December 2021
Cannon Trustees Limited	Ordinary	100%	100%	
Canterbury Holdings Limited	Ordinary	100%	100%	
Chance Ascent Limited	Ordinary	47.47%	100%	
Charm Sight Limited	Ordinary	44.47%	100%	
Chevon (Hong Kong) Limited	Ordinary	49.21%	100%	
Chevon Asia Pacific Limited	Ordinary	49.21%	100%	
Chevon Holdings Limited	Ordinary	49.21%	85%	
China Healthcare Investments Limited	Ordinary	57.89%	100%	
Chun Kwong Group Limited	Ordinary	47.47%	100%	
Citi-Fame Development Limited	Ordinary	47.47%	100%	
Citiluck Development Limited	Ordinary	47.47%	100%	
City West Investment Limited	Ordinary	47.47%	100%	
Cityplaza Holdings Limited	Ordinary	47.47%	100%	
Collingrove Nominees Limited	Ordinary	100%	100%	
Colour Asset Limited	Ordinary	47.47%	100%	
Consolidated Properties and Stores Limited	Ordinary	47.47%	100%	
Coventry Estates Limited	Ordinary	47.47%	100%	
Deli Holdings Limited	Ordinary	57.89%	100%	
Dunbar Place (Management) Limited	Ordinary	47.47%	100%	
Elegant Ocean Limited	Ordinary	47.47%	100%	
Elegant Riverine Limited	Ordinary	47.47%	100%	
Elham Limited	Ordinary	100%	100%	
Emmeno Limited	Ordinary	47.47%	100%	Dissolved 28 March 2022
Ethos International Limited	Ordinary	100%	100%	
Excel Channel Limited	Ordinary	47.47%	100%	
Excel Marketing Limited	Ordinary	57.89%	100%	
Glory Progress Limited	Ordinary	57.89%	100%	
Global Food Venture Investment Limited	Ordinary	57.89%	100%	
Good2me Limited	Ordinary	47.47%	100%	Dormant
Great Ascend Limited	Ordinary	47.47%	100%	
Great Well Development Limited	Ordinary	47.47%	100%	
Green Day Properties Limited	Ordinary	100%	100%	
HAECO ITM Limited	Ordinary	48.34%	70%	
Harbour Heights (Management) Limited	Ordinary	47.47%	100%	
HK TK Fund Investment 1 Limited	Ordinary	57.89%	100%	
HK TK Investments Limited	Ordinary	57.89%	100%	
Hilton Holdings Limited	Ordinary	100%	100%	
Hong Kong Aircraft Engineering Company Limited	Ordinary	57.89%	100%	
Hong Kong Island Limited	Ordinary	47.47%	100%	
International Automobiles Limited	Ordinary	57.89%	100%	
International Trader Limited	Ordinary	41.54%	100%	
Island Delight Limited	Ordinary	41.54%	100%	
Island Land (Management) Limited	Ordinary	47.47%	100%	Commenced Members Voluntary Liquidation 22 December 2021
Island Lodge (Management) Limited	Ordinary	47.47%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021

Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Island Place (Management) Limited	Ordinary	47.47%	100%	
Join Keen Limited	Ordinary	47.47%	100%	
John Swire & Sons (H.K.) Limited	Ordinary	100%	100%	
Joyful Sincere Limited	Ordinary	37.98%	100%	
Keen Well Holdings Limited	Ordinary	37.98%	100%	
Kornhill Developments Limited	Ordinary	47.47%	100%	Dormant
Land Treasure Limited	Ordinary	47.47%	100%	
Lantau Development Limited	Ordinary	47.47%	100%	
Lei King Wan (Management) Limited	Ordinary	47.47%	100%	
Les Saisons (Management) Limited	Ordinary	47.47%	100%	
Liberty Limited	Ordinary	57.89%	100%	Dormant
Liberty Motors Limited	Ordinary	57.89%	100%	
Linkage Power Limited	Ordinary	47.47%	100%	
Longyan Investment Limited	Ordinary	47.47%	100%	
Lucky Pearl Investments Limited	Ordinary	47.47%	100%	
Marathon Sports Limited	Ordinary	57.89%	100%	Dormant
Mitral Investment Limited	Ordinary	57.89%	100%	Incorporated 26 August 2021 Dormant
MobiServe Limited	Ordinary	57.89%	100%	
Modern Hong Kong Limited	Ordinary	47.47%	100%	
Mount Limited	Ordinary	57.89%	100%	
Mount Parker Residences (Management) Limited	Ordinary	47.47%	100%	
Multi-Nice Limited	Ordinary	57.89%	100%	
Nice Access Limited	Ordinary	57.89%	100%	
One Queen's Road East Limited	Ordinary	47.47%	100%	
Pacific Place Holdings Limited	Ordinary	47.47%	100%	
Pine Grace Limited	Ordinary	47.47%	100%	
Quarry Bay Developments Limited	Ordinary	47.47%	100%	
Redhill Properties Limited	Ordinary	47.47%	100%	
Regis Crystal Limited	Ordinary	47.47%	100%	
Robinson Place (Management) Limited	Ordinary	47.47%	100%	
Ronhill Limited	Ordinary	100%	100%	Dormant
Sales Honour Limited	Ordinary	100%	100%	Dormant
SCCH Limited	Ordinary	57.89%	100%	
Shenzhen Health Investments Limited	Ordinary	57.89%	100%	Incorporated 3 February 2021 Acquired 23 August 2021
Sky Ample Limited	Ordinary	47.47%	100%	
Shiny Harbour Limited	Ordinary	47.47%	100%	
Shrewsbury Holdings Limited	Ordinary	100%	100%	
Sky Treasure Limited	Ordinary	47.47%	100%	
South Shine Investments Limited	Ordinary	37.98%	100%	
Star Street (Management) Limited	Ordinary	47.47%	100%	
StarCrest (Management) Limited	Ordinary	47.47%	100%	
Sunny High Limited	Ordinary	47.47%	100%	
Sunny Palace Limited	Ordinary	47.47%	100%	
Sunshine Melody Limited	Ordinary	47.47%	100%	
Super Gear Investment Limited	Ordinary	47.47%	100%	
Super Honour Management Services Limited	Ordinary	57.89%	100%	Dormant
Swire Bakery Limited	Ordinary	57.89%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED				
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Swire Beverages Holdings Limited	Ordinary	57.89%	100%	
Swire Brands Limited	Ordinary	57.89%	100%	Dormant
Swire Coca-Cola HK Limited	Ordinary	57.89%	100%	
Swire Coca-Cola Limited	Ordinary	57.89%	100%	
Swire Duro Limited	Ordinary	57.89%	100%	Dormant
Swire Environmental Services Limited	Ordinary	57.89%	100%	
Swire Finance Limited	Ordinary	57.89%	100%	
Swire Foods Holdings Limited	Ordinary	57.89%	100%	
Swire Homes Management Limited	Ordinary	47.47%	100%	
Swire Industrial Limited	Ordinary	57.89%	100%	
Swire Organisation for Youth Arts Limited	Limited by Guarantee	47.47%	100%	
Swire Pacific Limited	Ordinary Class A, Ordinary Class B	55.2%	55.2%	
Swire Pacific MTN Financing (HK) Limited	Ordinary	57.89%	100%	
Swire Pacific Ship Management Limited	Ordinary	57.89%	100%	
Swire Plastics Recycling Limited	Ordinary	57.89%	100%	
Swire Properties (Finance) Limited	Ordinary	47.47%	100%	
Swire Plastics Recycling Limited		57.89%	100%	
Swire Properties Hotel Holdings Limited	Ordinary	47.47%	100%	
Swire Properties Hotel Management Limited	Ordinary	47.47%	100%	
Swire Properties Hotel Services Limited	Ordinary	47.47%	100%	
Swire Properties Investments Limited	Ordinary	47.47%	100%	
Swire Properties Limited	Ordinary	47.47%	82%	
Swire Properties Management Limited	Ordinary	47.47%	100%	
Swire Properties MTN Financing Limited	Ordinary	47.47%	100%	
Swire Properties Projects Limited	Ordinary	47.47%	100%	
Swire Properties Real Estate Agency Limited	Ordinary	47.473%	100%	
Swire Properties Services Limited	Ordinary	47.47%	100%	Dormant
Swire Properties Real Estate Management Limited	Ordinary	47.47%	100%	Incorporated 3 March 2021
Swire Properties Technical Services Limited	Ordinary	47.47%	100%	
Swire Recycling Limited	Ordinary	57.89%	100%	
Swire Resources Limited	Ordinary	57.89%	100%	
Swire Sirius (Stage III) Limited	Ordinary	47.47%	100%	
Swire Trading Limited	Ordinary	57.89%	100%	
Swire Waste Management Limited	Ordinary	57.89%	100%	Acquired 26 February 2021
Swire Waste Services Limited	Ordinary	57.89%	100%	Incorporated 11 March 2021
Taikoo Commercial Vehicles Limited	Ordinary	57.89%	100%	Dormant
Taikoo Energy Limited	Ordinary	100%	100%	
Tai-Koo Limited	Ordinary	100%	100%	
Taikoo Place Holdings Limited	Ordinary	47.47%	100%	
Taikoo Properties (1973) Limited	Ordinary	47.47%	100%	
Taikoo Shing (Management) Limited	Ordinary	47.47%	100%	
Taikoo Sportswear Limited	Ordinary	57.89%	100%	Dormant
Taikoo Sugar Limited	Ordinary	57.89%	100%	
The Floridian (Management)	Ordinary	47.47%	100%	
Top Noble Limited	Ordinary	57.89%	100%	
United Hill Limited	Ordinary	47.47%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021

Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
United Sheen Limited	Ordinary	57.89%	100%	Dormant
Vere Nominees Limited	Ordinary	100%	100%	
Waltham Limited	Ordinary	100%	100%	
Waste Management China Holdings, Limited	Ordinary	57.89%	100%	Acquired 26 February 2021
Wello Enterprises Limited	Ordinary	57.89%	100%	
Westlands Court (Management) Limited	Ordinary	47.47%	100%	
Westlands Estates Limited	Ordinary	47.47%	100%	Dormant
Whitesands (Management) Limited	Ordinary	47.47%	100%	
Wisdom Crown Limited	Ordinary	47.47%	100%	
Yuntung Motors Limited	Ordinary	57.89%	100%	
Zarrinbad Limited	Ordinary	47.47%	100%	
Alpha Sky Management Company Limited	Ordinary	47.47%	100%	
Chinaway International (HK) Limited	Ordinary	47.47%	100%	
Grandway Management Limited	Ordinary	47.47%	100%	
Surf Wide Investments Limited	Ordinary	47.47%	100%	

HUNGARY

Registered Office: HU-1138 Budapest, Népfürdő utca 22., Building B, 13th Floor, Hungary

SPHI Capital Management Limited Liability Company Registered Capital 57.89% 100%

Swire Properties Capital Management Limited Liability Company Registered Capital 47.47% 100%

INDIA

Registered Office: 105 Mahinder Chambers, Waman Tukaram Patil Marg, Chembur, Mumbai 400071, India

Swire Oilfield Services India Private Limited Equity 100% 100% Year end 31 March In dissolution

Registered Office: E-155, Classic Apartment, Plot No. 11, Sector-22, Dwarka, New Delhi, Delhi 110075, India

WesTech Process Equipment India Private Limited Ordinary 80% 80% Acquired
26 February 2021

Registered Office: Cowrks Residency Road, No: 135/1, Purva Premiere, Residency Rd, Ward No 76, Bangalore, Karnataka, 560025 India

Swire Digital Centre Private Limited Ordinary 100% 100% 31 March Year End (Formerly China Navigation Digital Centre)

REPUBLIC OF INDONESIA

Registered Office: Menara Anugrah Lt.11, Kantor Taman E3.3, Jl. Dr. Ide Anak Agung Gde Agung Lot. 8.6-8.7, Mega Kuningan, RT.5 RW.2, Kuningan Timur, Setiabudi, Jakarta Selatan, DKI Jakarta, Indonesia

PT Swire Energy Services Ordinary 100% 100%

ITALY

Registered Office: Via Nuova, Rivoltana 35, Pioltello, 20096, Milano Italy

WesTech Process Equipment Italy S.R.L. Ordinary 100% 100% Acquired
26 February 2021

ISLE OF MAN

Registered Office: Third Floor, St George's Court, Upper Church Street, Douglas, IM1 1EE, Isle of Man

Spaciom Limited Ordinary 57.89% 100%

Cicero Insurance Limited Ordinary 100% 100%

Croesus Holdings Limited Ordinary 100% 100%

Croesus re PCC Limited Ordinary 100% 100%

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
<u>JERSEY</u>				
Registered Office: Havard House, 5-7 Great Union Road, St Helier, JE2 3YA, Jersey				
John Swire & Sons (Jersey) Limited	Ordinary	100%	100%	
<u>KENYA</u>				
Registered Office: LR No. Mombasa/Block1/362, Mashundu Street, PO Box 84619-80100, Mombasa, Kenya				
James Finlay Mombasa Limited	Ordinary	100%	100%	
<u>LIBERIA</u>				
Registered Office: 80 Broad Street, Monrovia, Liberia				
Gentry Investment Limited	Registered shares	57.89%	100%	
<u>MACAU</u>				
Registered Office: Travessa do Paralelo, No.1, Edf. Comercial Seng Cheong, 2 andar, Macau				
Swire Resources (Macau) Limited	Paid Up Registered Capital	57.89%	100%	
<u>MALAWI</u>				
Registered Office: Bollere Transport and Logistics Complex, Makata Industrial Area, Maunde Road, P.O. Box 51387, Limbe, Malawi				
James Finlay (Blantyre) Limited	Ordinary	100%	100%	
<u>MALAYSIA</u>				
Registered Office: Suite 703, Block F, Phileo Damansara 1, No. 9, Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia				
Auto Commerz Sdn. Bhd.	Ordinary	57.89%	100%	Dissolved 14 March 2022
Swire Motors Sales and Services Sdn. Bhd.	Ordinary	57.89%	100%	dissolved 14 March 2022
Registered Office: Tiara Labuan, Jalan Tanjung Batu, 87000 F.T. Labuan, Malaysia				
Swire Energy Services Malaysia Limited	Ordinary	100%		100%
<u>MEXICO</u>				
Registered Office: Avenida Moctezuma 2860, Jardines Del Sol, Zapopan, Jalisco, 45050, Mexico				
WEI Process Equipment Mexico, S.A. de C.V.	Ordinary	100%	100%	Acquired 26 February 2021
<u>MOROCCO</u>				
Registered Office: 4 Lotissement Chah I, Route De Taddart, Californie, Casablanca, 20420, Morocco				
WesTech Process Equipment Morocco, SARL d'Associe Unique	Ordinary	100%	100%	Acquired 26 February 2021 Dormant
<u>NETHERLANDS</u>				
Registered Office: Hornweg 61, 1044AN Amsterdam, Netherlands				
Argent Energy Netherlands B.V.	Ordinary	100%	100%	
Argent Energy Netherlands Holding B.V.	Ordinary	100%	100%	
Argent Energy Netherlands Office B.V.	Ordinary	100%	100%	
Argent Energy Netherlands Real Estate B.V.	Ordinary	100%	100%	
Biodiesel Argent B.V.	Ordinary	100%	100%	
PTP Argent B.V.	Ordinary	100%	100%	
PTP Argent Real Estate B.V.	Ordinary	100%	100%	
Tank Storage Argent B.V.	Ordinary	100%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Registered Office: Boulevard Bankert 300, 4382, AC Vlissingen, Netherlands				
Swire Energy Services B.V.	Ordinary	100%	100%	Acquired 02 August 2021
NEW CALEDONIA				
Registered Office: 22 Avenue James Cook, BP 97 98845, Noumea, New Caledonia				
Swire Shipping Agencies SAS	Ordinary	60%	60%	
NEW ZEALAND				
Registered Office: 68-106 Paritutu Road, New Plymouth, New Zealand				
Swire Pacific Offshore NZ	Ordinary	57.89%	100%	
Registered Office: Level 14, 151 Queen Street, Auckland 1010, New Zealand				
Cubic Transport Services Limited	Ordinary	40%	60%	
Quadrant Pacific Agencies Limited	Ordinary	66.66%	100%	Dormant
Quadrant Pacific Limited	Ordinary	66.66%	66.66%	
Swire Shipping NZ Limited	Ordinary	100%	100%	(Formerly The China Navigation Company N.Z. Limited)
NIGERIA				
Registered Office: Plot 280, Ajose Adeogun Street, Victoria Island, Lagos, Nigeria				
Swire Energy Services Nigeria Ltd	Ordinary	49%	49%	Deemed as subsidiary in accordance with agreement attributing control
Swire Energy Services Sub-Sahara	Ordinary	80%	80%	Formerly Swire Oilfield Services (West Africa) Limited
Africa Limited				
NORWAY				
Registered Office: NorSea Base, 4056 Tananger, Norway				
Swire Energy Services AS	Ordinary	100%	100%	
Registered Office: Sandviksbodene 66, 5035 Bergen, Norway				
Swire Seabed Shipping AS	Ordinary	57.89%	100%	
Registered Office: Hanaleite 2, 5555 Forde I Hordaland, Norway				
Helifuel AS	Ordinary	100%	100%	
PANAMA				
Registered Office: Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama				
Gallivat Corporation	Common	57.89%	100%	
	nominative shares			
PAPUA NEW GUINEA				
Registered Office: C/- Swire Shipping, Level 1, Enb Haus, Harbour City, Port Moresby, National Capital District, Papua New Guinea				
New Guinea Australia Line Limited	Ordinary	100%	100%	
Registered Office: Part of Allotment 31, Section 140, Walter Bay Industrial Centre Building 1, Units 1-4, Matirogo, Port Moresby, National Capital District 121, Papua New Guinea				
Croesus Limited	Ordinary	72.12%	100%	
Gazelle Port Services Limited	Ordinary	72.12%	100%	Incorporated 21 July 2021
John Swire & Sons (P.N.G.) Limited	Ordinary	100%	100%	In liquidation

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED				
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Kavieng Port Services Limited	Ordinary	43.27%	60%	
Kiunga Stevedoring Company Ltd	Ordinary	72.12%	100%	
Madang Port Services Limited	Ordinary	43.27%	60%	
Motukea United Limited	Ordinary	46.23%	64.1%	
New Britain Shipping Limited	Ordinary	36.06%	50%	Deemed a subsidiary, consolidated by virtue of control
Oro Stevedoring Limited	Ordinary	72.12%	100%	
Palm Stevedoring & Transport Limited	Ordinary	48.08%	66.67%	
Portside Business Park Limited	Ordinary	72.12%	100%	(Formerly Motukea Industrial Park Limited) Dormant
Sandaun Agency & Stevedoring Limited	Ordinary	72%	100%	
Steamships Ltd	Ordinary	72.12%	100%	
Steamships Trading Company Limited	Ordinary	72.12%	72.12%	
United Stevedoring Limited	Ordinary	50.4%	70%	
Windward Apartments Limited	Ordinary	72.12%	100%	
Wonye No. 2 Limited	Ordinary	72.12%	100%	Incorporated 08 October 2021
Port Services P.N.G. Limited	Ordinary	39.02%	54.11%	In Liquidation
Lae Port Services Limited	Ordinary	37.14%	51.5%	In Liquidation
PERU				
Registered Office: Av. Jose Galvez Barrenechea Nro 765 Dpto. 604 Urb. Corpac, San Borja, Lima Peru				
Westech Process Equipment Peru S.A.C.	Ordinary	100%	100%	Acquired 26 February 2021
POLAND				
Registered Office: Gdynia, 59/15 Wladyslawa IV Street, Poland				
Swire Energy Services Sp. Z.o.o.	Ordinary	100%	100%	Acquired 02 August 2021
PORTUGAL				
Registered Office: TagusPark, Av. Jacques Delors, Edificio Inovacao II 411, Gab. 4 2740-122, Port Salvo				
BladeInsight S.A.	Ordinary	59.24%	59.24%	Acquired 02 August 2021
QATAR				
Registered Office: C/o TMF Group Services LLC, Office 1422, 14th Floor, Al Fardan Office Tower, West Bay, Doha, Qatar				
Swire Oilfield Services QFC LLC	Ordinary	100%	100%	
REPUBLIC OF SINGAPORE				
Registered Office: 112 Robinson Road, #15-01, Robinson 112, 068902, Singapore				
Swire Energy Services Pte Ltd	Ordinary	100%	100%	
Registered Office: 300 Beach Road, #15-01 The Concourse, 199555, Singapore				
Celestial Fortune Pte. Ltd.	Ordinary	47.47%	100%	
Dromond Shipping Pte Limited	Ordinary	57.89%	100%	
John Swire & Sons (S.E. Asia) Pte. Limited	Ordinary	100%	100%	
Swire Emergency Response Services Pte. Ltd.	Ordinary	57.89%	100%	
Swire Pacific Offshore Operations (Pte) Limited	Ordinary / Preference	57.89%	100% / 100%	
Swire Pacific Offshore Services (Pte) Limited	Ordinary	57.89%	100%	
Swire Production Solutions Pte. Limited	Ordinary	57.89%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021

Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Swire Properties Pte. Ltd.	Ordinary	47.47%	100%	
Swire Salvage Pte. Ltd.	Ordinary	57.89%	100%	
Win Fortune Pte. Limited	Ordinary	47.47%	100%	
Registered Office: 300 Beach Road, #27-01, The Concourse, 199555, Singapore				
Swire Marine Holdings Pte Ltd	Ordinary	100%	100%	
Registered Office: 300 Beach Road, #28-02, The Concourse, 199555, Singapore				
Swire Bulk Holdings Pte Ltd	Ordinary	100%	100%	
Swire Bulk Pte Ltd	Ordinary	100%	100%	
Swire Shipping Pte. Ltd	Ordinary	100%	100%	(Formerly The China Navigation Company Pte. Ltd.)
SOLOMON ISLANDS				
Registered Office: C/- Morris & Sojnocki, 1st Floor City Centre Building, Mendana Avenue, Honiara, Solomon Islands				
Pacific Towing SI Limited	Ordinary	72.12%	100%	
Registered Office: C/o Morris and Sojnocki, Level 2 City Centre Building, Mendana Ave, Honiara City, Solomon Islands				
Tradco Shipping Limited	Ordinary	100%	100%	
SOUTH AFRICA				
Registered Office: 31 & 32 Wild Fig Business Park, Cranberry Street, Honeydew, Johannesburg, 2040 South Africa				
WesTech Process Equipment Africa Proprietary Limited	Ordinary	100%	100%	Acquired 26 February 2021
SRI LANKA				
Registered Office: 95A, Nambapana, Ingiriya, Sri Lanka				
James Finlay Plantation Holdings (Lanka) Limited	Ordinary	100%	100%	
Registered Office: Finlay House, 186 Vauxhall Street, Colombo 02, Sri Lanka				
Finlay Airline Agencies (Pvt) Limited	Ordinary	99.82%	100%	In dissolution
Finlay Instant Teas (Pvt) Limited	Ordinary	100%	100%	
Finlay Plantation Management (Pvt) Limited	Ordinary	99.82%	100%	In dissolution
Finlay Properties (Pvt) Limited	Ordinary	99.82%	100%	
Finlay Tea Solutions Colombo (Pvt) Ltd	Ordinary	99.82%	100%	
Finlay Teas (Pvt) Limited	Ordinary	98.82%	100%	
Finlays Colombo Limited	Ordinary	99.82%	99.82%	
Finlays Tea Estates Lanka (Pvt) Limited	Ordinary	100%	100%	Dormant
TAIWAN				
Registered Office: 5 F No. 297, Heping East Road, Section 2, Taipei 10670, Taiwan				
Swire Shipping Agencies (Taiwan) Ltd	Ordinary	100%	100%	
Registered Office: No. 230, Section 2, Dunhua South Road, Da'an District, Taipei City, Taiwan				
Biao Yi Limited	Ordinary	100%	100%	
TRINIDAD & TOBAGO				
Registered Office: C/O PwC, 11-13 Victoria Avenue, Port of Spain, Trinidad & Tobago				
Swire Oilfield Services Trinidad & Tobago Limited	Ordinary	100%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED				
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
UNITED ARAB EMIRATES				
Registered Office: 1st Floor Sales Office, The Kanoo Group, Plot No.26A, Esnaad Compound, Mussafah, Abu Dhabi, UAE				
Swire Energy Services Middle East LLC	Ordinary	49%	49%	(Formerly Swire Oilfield Middle East Petroleum Equipment & Services LLC) Deemed as subsidiary in accordance with agreement attributing control
Registered Office: Dubai Tea Trading Center, Plot No. S10814, Office 24, 28-30, Jebel Ali Free Zone-South, Dubai, PO BOX 17016, UAE				
James Finlay (ME) DMCC	Ordinary	100%	100%	
UNITED KINGDOM				
Registered Office: 236-240 Biggar Road, Newarthill, Motherwell, ML1 5FA, United Kingdom				
Argent Energy Group Limited	Ordinary	100%	100%	
Argent Energy (UK) Limited	Ordinary	100%	100%	
Argent Oils (UK) Limited	Ordinary	100%	100%	
Registered Office: 60 Lime Street, Hull, HU8 7AF, United Kingdom				
Finlay Hull Limited	Ordinary	100%	100%	
Registered Office: Elmsall Way, South Elmsall, Pontefract, West Yorkshire, WF9 2XS, United Kingdom				
Finlay Beverages Limited	Ordinary	100%	100%	
Registered Office: 1 Chamberlain Square Cs, Birmingham, B3 3AX, United Kingdom				
Swire Pacific Offshore (North Sea) Limited	Ordinary	57.89%	100%	
Registered Office: c/o PKF Littlejohn, 15 Westferry Circus, Canary Wharf, London, E14 4HD, United Kingdom				
Westech Process Equipment UK Limited	Ordinary	100%	100%	Acquired 26 February 2021 Year end 31 March
Registered Office: Swire House, 59 Buckingham Gate, London, SW1E 6AJ, United Kingdom				
Argent Energy Holdings Limited	Ordinary	100%	100%	
Argent Energy Limited	Ordinary	100%	100%	
Argent Energy Properties Limited	Ordinary	100%	100%	
Argent Oil Terminal Limited	Ordinary	100%	100%	
China Navigation Company Limited (The)	Ordinary	100%	100%	
Finlay Coffee Limited	Ordinary	100%	100%	
Finlay Extracts & Ingredients UK Limited	Ordinary	100%	100%	
Finlay Group Limited	Ordinary	100%	100%	
Finlay Tea Solutions UK Limited	Ordinary	100%	100%	
Furness Withy Limited	Ordinary	100%	100%	
James Finlay International Holdings Limited	Ordinary	100%	100%	
John Swire & Sons (57BG) Limited	Ordinary	100%	100%	Incorporated 01 July 2021
John Swire & Sons (58BG) Limited	Ordinary	100%	100%	
John Swire & Sons (China) Limited	Ordinary	100%	100%	
John Swire & Sons (FHC) Limited	Ordinary	100%	100%	
John Swire & Sons (Finance) Limited	Ordinary	100%	100%	
John Swire & Sons (Green Investments) Limited	Ordinary	100%	100%	
John Swire & Sons Overseas Limited	Ordinary	100%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021

Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
John Swire & Sons (USPP) Limited	Ordinary	100%	100%	
JS&S (PNG) Limited	Ordinary	100%	100%	
Monument Containers Limited	Ordinary	100%	100%	
Scotts' of Greenock Limited	Ordinary	100%	100%	Dormant
Swire Investments (Australia) Limited	Ordinary	100%	100%	
Swire Energy Services (Holdings) Limited	Ordinary	100%	100%	
Swire Energy Services Limited	Ordinary	100%	100%	
Swire Energy Services Wind Ltd	Ordinary	100%	100%	Acquired 02 August 2021
Swire Shipping Limited	Ordinary	100%	100%	
Taikoo Limited	Ordinary	100%	100%	
Tasman Orient Line (U.K.) Limited	Ordinary	100%	100%	
Registered Office: Swire House, Souter Head Road, Altens, Aberdeen, AB12 3LF, United Kingdom				
Gordon Engineering Services Aberdeen Limited	Ordinary	100%	100%	
James Finlay (Kenya) Limited	Ordinary	100%	100%	
James Finlay Corporation Limited	Ordinary	100%	100%	Non-trading
James Finlay International (U.K.) Limited	Ordinary	100%	100%	Dormant
James Finlay Limited	Ordinary	100%	100%	
Registered Office: Unit 2 and Unit 4, Lhr Portal Scyllia Road, London, Heathrow Airport, Hounslow, TW6 3FE, United Kingdom				
HAECO Global Engine Support Limited	Ordinary	57.89%	100%	Incorporated 20 September 2021
UNITED STATES OF AMERICA				
Registered Office: 12 Greenway Plaza, Suite 1100, Houston TX 77046				
BladeInsight Inc	Common Stock	29.62%	50%	Acquired 08 June 2021
Registered Office: 15 Emery Street, Bethlehem, Pennsylvania 18018, United States of America				
United States Cold Storage, LLC	Membership Interest	100%	100%	
Registered Office: 1667 Wiemann Road, Houma, Louisiana 70363, United States of America				
Swire Energy Services LLC	Membership Interest	100%	100%	
Registered Office: 206 E. 9th St Ste 1300, Austin, TX, 78701-4411 United States of America				
Swire Pacific Offshore Americas LLC	Membership interest	57.89%	100%	
Registered Office: Corporate Trust Center, 1209 Orange Street, County of New Castle, Wilmington, Delaware 19801, United States of America				
Swire Pacific Holdings Inc	Membership Interest	57.89%	100%	(Formerly Western Washington Coca-Cola Bottling Inc)
Registered Office: 2225 N Cockrell Hill Road, Dallas, TX 75212, United States of America				
United States Cold Storage, LP	Partnership Interest	100%	100%	
Registered Office: 2525 East North Avenue Fresno, CA 93725, United States of America				
United States Cold Storage of California	Common Stock	100%	100%	
Registered Office: 2711 Centerville Road, Suite 400, Wilmington DE 19808, United States of America				
Finlay Extracts & Ingredients USA, Inc.	Common Stock	100%	100%	
James Finlay International Inc	Common Stock	100%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED				
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Registered Office: 419 Milford-Harrington Road, Milford, DE, 19963, United States of America				
John Swire & Sons, Inc.	Common Stock	100%	100%	
JS & S Holdings, Inc.	Common Stock	100%	100%	
USCS Holdings G, Inc.	Common Stock	100%	100%	
USCS Holdings L, Inc.	Common Stock	100%	100%	
Registered Office: 790, Komas Drive, Salt Lake City, UT 84108, United States of America				
Purestream Services, LLC	Membership Interest	100%	100%	
Registered Office: 7015 Fairgrounds Parkway, San Antonio TX 78238, United States of America				
Aspen Enterprises, Ltd	Common Stock	100%	100%	
Aspen Management Company, LLC	Membership Units	100%	100%	
Registered Office: 899 Northgate Drive, Suite 200, San Rafael, CA 94903, United States of America				
Swire Bulk US LLC	Membership Interest	100%	100%	(Formerly The China Navigation Company US LLC)
Registered Office: c/o RL&F Service Corp, 920 North King Street, 2nd Floor, Wilmington, Delaware, DE 19801, United States of America				
Swire Energy Services (U.S.) Holdings LLC	Membership Interest	100%	100%	
Registered Office: C T Corporation System, 150 Fayetteville Street, Box 1011, Raleigh, North Carolina 27601, United States of America				
HAECO Americas Line Services, LLC	N/A	57.89%	100%	
HAECO Cabin Solutions, LLC	N/A	57.89%	100%	
Registered Office: C T Corporation System, 818 West 7th Street, Los Angeles, California 90017, United States of America				
Brice Manufacturing Company, LLC	N/A	57.89%	100%	
Registered Office: CT Corporation System, 1999 Bryan Street, Suite 900, Dallas, Texas, 75201, United States of America				
HAECO Global Engine Support, LLC	N/A	57.89%	100%	
Registered Office: Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, United States of America				
HAECO Airframe Services, LLC	N/A	57.89%	100%	
HAECO Americas, LLC	N/A	57.89%	100%	
HAECO USA Holdings, LLC	N/A	57.89%	100%	
Registered Office: 3665 South West Temple, Salt Lake City, UT 84115, United States of America				
Ashton Tucker, LLC	Membership Interest	100%	100%	Acquired 26 February 2021
Copper Mountain Fab, LLC	Membership Interest	100%	100%	Acquired 26 February 2021
WEI Properties, LLC	Membership Interest	100%	100%	Acquired 26 February 2021
WesTech Process Equipment, Inc	Common Stock	100%	100%	Acquired 26 February 2021
WTR Engineering, LLC	Membership Interest	100%	100%	Acquired 26 February 2021
TES Staffing, LLC	N/A	57.89%	100%	
Registered Office: Ferry Terminal Building, 2 Aquarium Drive, Suite 400, Camden, NJ 08103, United States of America				
ColdVision, Inc.	Common Stock	100%	100%	
United States Cold Storage, Inc.,	Common Stock	100%	100%	
USCS Logistics, LLC	Membership Interest	100%	100%	
USCS Transport, Inc.	Common Stock	100%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
Registered Office: PO Box 303, Milford, DE 9963, United States of America				
Cold Storage Financing Corporation	Common Stock	100%	100%	
Registered Office: Suite 500, Three Brickell City Centre, 98 S.E. 7th Street, Miami, Florida 33131, United States of America				
158 SW 7 Street General LLC	Membership interest	47.47%	100%	
158 SW 7 Street Holdco LP	Partnership interest	47.47%	100%	
158 SW 7 Street, LLC	Membership interest	47.47%	100%	
700 Brickell City Centre LLC	Membership interest	47.47%	100%	
BCC Facilities Manager LLC	Membership interest	47.47%	100%	
BCC Hospitality Services LLC	Membership interest	47.47%	100%	
BCC Hotel LLC	Membership interest	47.47%	100%	
BCC Hotel Management Services LLC	Membership interest	47.47%	100%	
BCC North Residential LLC	Membership interest	47.47%	100%	
BCC North SCU LLC	Membership interest	47.47%	100%	
BCC North Squared LLC	Membership interest	47.47%	100%	
BCC Parking LLC	Membership interest	47.47%	100%	
BCC Reach Residential LP	Partnership interest	47.47%	100%	
BCC Retail Holdco LLC	Partnership interest	33.98%	71.57%	
BCC Rise Residential LP	Partnership interest	47.47%	100%	
BCC Road Improvement LLC	Membership interest	47.47%	100%	
BCC Serviced Apartments LLC	Membership interest	47.47%	100%	
BCC West Residential LLC	Membership interest	47.47%	100%	
BCC West SCU LLC	Membership interest	47.47%	100%	
Brickell City Centre Plaza LLC	Membership interest	47.47%	100%	
Brickell City Centre Project LLC	Membership interest	47.47%	100%	
Brickell City Centre Retail LLC	Membership interest	29.87%	87.93%	
East Hotel Management Services LLC	Membership interest	47.47%	100%	
East Lauderdale Properties LLC	Membership interest	35.60%	100%	
FTL/AD General LLC	Membership interest	47.47%	100%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED				
SUBSIDIARY UNDERTAKINGS AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	Percentage attributable to the Group	Percentage held by subsidiary	Items to Note
FTL/AD LLC	Membership interest	47.47%	100%	
FTL/AD LTD	Partnership interest	35.60%	75%	
Swire Art Trust LLC	Membership interest	47.47%	100%	
Swire BK Hotel LLC	Membership interest	47.47%	100%	
Swire Carbonell LLC	Membership interest	47.47%	100%	
Swire Carbonell One LLC	Membership interest	47.47%	100%	
Swire Commercial Leasing LLC	Membership interest	47.47%	100%	
Swire Development Sales LLC	Membership interest	47.47%	100%	
Swire General Hotel LLC	Membership interest	47.47%	100%	
Swire JadeCo LLC	Membership interest	47.47%	100%	
Swire Pacific Holdings Asia LLC	Membership interest	47.47%	100%	
Swire Properties Inc	Common Stock	47.47%	100%	
Swire Properties Investments LLC	Membership interest	47.47%	100%	
Swire Properties One LLC	Membership interest	47.47%	100%	
Swire Properties Services LLC	Membership interest	47.47%	100%	
Swire Properties US Inc	Common Stock	47.47%	100%	
Swire Realty LLC	Membership interest	47.47%	100%	
Three Brickell City Centre LLC	Membership interest	47.47%	100%	
Two Brickell City Centre LLC	Membership interest	47.47%	100%	
Registered Office: Suite 601, Three Brickell City Centre, 98 S.E. 7 th Street, Miami Florida 33131, United States of America				
BCC Property Management Services LLC	Membership interest	47.47%	100%	
<u>VANUATU</u>				
Registered Office: First Floor, Icount Building, Kumul Highway, Port Vila, Vanuatu				
Tropical Agency Limited	Ordinary	80%	80%	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AS AT 31 DECEMBER 2021					
Full Company Name	Class of share	Percentage attributable to the group	Percentage held by the subsidiary	Associate (A) / Joint Venture (JV)	Items to Note
AUSTRALIA					
Registered Office: 275 Robinson Road, Ravenhall VIC 3023, Australia					
Polar Fresh Cold Chain Services Pty Ltd	Ordinary	50%	50%	JV	In dissolution
Registered Office: C/-John Swire & Sons (Australia) Pty. Ltd., Level 16, 88 Philip Street, Sydney, NSW 2000, Australia					
North West Melbourne Recycling Pty Ltd	Ordinary	50%	50%	JV	In dissolution
ANGOLA					
Registered Office: Rua Major Kanhangulo no. 41/43, Bairro da Ingombota, Ingombota District, Luanda, Angola					
Swire Servicos Maritimos, Lda	Ordinary	28.37%	49%	JV	
BRITISH VIRGIN ISLANDS					
Registered Office: Coastal Building, Wickhams, Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands					
Mandarin Containers Limited	Ordinary	17.34%	17.34%	A	
Registered Office: Morgan & Morgan Building, Pasea Estate, Road Town, Tortola, British Virgin Islands					
Honster Investment Limited	Ordinary	23.73%	50%	JV	
Registered Office: P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands					
Mandarin Shipping Group Limited	Ordinary	24.99%	24.99%	A	31 July Year End
Registered Office: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands					
Calm Seas Developments Limited	Ordinary	23.73%	50%	JV	30 June Year End
Registered Office: Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands					
Dazhongli Properties Limited	Ordinary	23.73%	50%	JV	
Fortune Access Holdings Limited	Ordinary	11.87%	25%	JV	Acquired on 1 November 2019
Great City China Holdings Limited	Ordinary	23.73%	50%	JV	
Marvel Glory Limited	Ordinary	23.73%	50%	JV	
Newfoundworld Investment Holdings Limited	Ordinary	9.49%	20%	A	30 June Year End
SHH Core Holding Limited	A Preferred	11.58%	20%	A	Acquired 8 March 2021
CAYMAN ISLANDS					
Registered Office: Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands					
Damin International Holdings Limited	Ordinary	49.51%	49.51%	A	
Registered Office: P.O. Box 472 2 nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Caman KY1-1106, Cayman Islands					
DealtaHealth China Limited	E-1Preferred	12.74%	22%	A	Acquired 31 August 2021
CHINESE MAINLAND					
Registered Office: Room 2310, 23rd Floor, 20 Jiuxianqiao Road, Chaoyang District, Beijing, Chinese Mainland					
Beijing Indigo Property Services Company Limited	Registered Capital	23.73%	50%	JV	

JOHN SWIRE & SONS LIMITED

Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED				
ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AS AT 31 DECEMBER 2021				
Full Company Name	Class of share	the group	subsidary	(V)
Percentage attributable to held by the Joint Venture Associate (A) /				Items to Note
Registered Office: 20 Dailiao Road, Caoqi International Airport, Xiamen 361006, Fujian, Chinese Mainland	Registered	12.69%	35%	IV
Goodrich TAECO Aeronautical Systems (Xiamen) Company Limited	Capital			
Honeywell TAECO Aerospace (Xiamen) Co., Ltd.	Registered	18.10%	35%	IV
Registered Office: Units 801, 802, 803 and 804, 8th Floor, 588 Dongyu Road, Pudong New District, Shanghai, Chinese Mainland	Capital			
Shanghai Qianxiu Company Limited	Registered	23.73%	50%	IV
Registered Office: 539 Guizao Road, China (Shanghai) Pilot Free Trade Zone, Chinese Mainland	Capital			
Shanghai Shen-Mei Beverage and Food Co., Ltd.	Registered	31.17%	53.85%	IV
Registered Office: 68 Kexue Avenue, Zhengzhou High & New Technology Industries Development Zone, Chinese Mainland	Capital			
Zhengzhou Zi Tai Packaging Company Limited	Registered	27.34%	50%	A
Registered Office: Blocks 4 & 3, No.12, 11th Avenue, Hangzhou Economic & Technological Development Area, Zhejiang Province, Chinese Mainland	Registered	23.16%	50%	A
Hangzhou Zi Tai Packaging Co. Limited	Capital			
Registered Office: No. 2 Taikoo Road, Quanzhou Export and Processing Zone, Cizao, Jinjiang 362200, Fujian, Chinese Mainland	Registered	19.47%	37%	IV
Dunlop Taikoo (Jinjiang) Aircraft Tyres Company Limited.	Capital			
Registered Office: Building C, No. 888 Huanhu West Second Road, Lingang Special Area of China (Shanghai) Pilot Free Trade Zone, Chinese Mainland	Registered	11.58%	20%	IV
RetailEYE (Shanghai) intelligent Technology Co., Ltd.	Capital			
Registered Office: Rooms 3001-3008, 30th Floor, Tower B, No. 199 Lower Dongda Street, Jin Jiang District, Chengdu, Chinese Mainland	Registered	23.73%	50%	IV
Chengdu Qianhao Property Services Company Limited	Capital			
Registered Office: Tongji Industrial Zone, Tongji Road, Tong'an District, Xiamen, Chinese Mainland	Registered	17.95%	31%	A
Xiamen Huari Foods Industrial Co., Ltd.	Capital			
Registered Office: Unit 1, 7th Floor, Tower 1, No. 199 Lower Dongda Street, Jin Jiang District, Chengdu, Chinese Mainland	Registered	23.73%	50%	IV
Chengdu Yimgang Real Estate Company Limited	Capital			
Registered Office: Unit 2309, Level 23, No. 20 Juxiangqiao Road, Chaoyang District, Beijing, Chinese Mainland	Registered	23.73%	50%	IV
Beijing Lintian Real Estate Company Limited	Capital			
Registered Office: Room 2310, 23rd Floor, 20 Juxiangqiao Road, Chaoyang District, Beijing, Chinese Mainland	Registered	23.73%	50%	IV
Beijing Indigo Property Services Company Limited	Capital			
Registered Office: Yaoguang International Airport, Jinan 250107, Shandong, Chinese Mainland	Registered	20.99%	40%	IV
Taikoo (Shandong) Aircraft Engineering Co., Ltd.	Capital			

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED					
ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AS AT 31 DECEMBER 2021					
Full Company Name	Class of share	Percentage attributable to the group	Percentage held by the subsidiary	Associate (A) / Joint Venture (JV)	Items to Note
Registered Office: 7F, No.1766, Beiai Road, Pudong District, Shanghai, Chinese Mainland					
Columbia China Healthcare Co., Limited	Ordinary	7.18%	13.01%	A	
Registered Office: No. 9 Bahe Bei'an, Jiangtai Township Area, Chaoyang District, Beijing, Chinese Mainland					
Beijing Xingtaitonggang Properties Company Limited	Ordinary	16.61%	35%	JV	
DENMARK					
Registered Office: Fairway House, Arne Jacobsens Allé 7, 7th floor, DK-2300, Copenhagen S, Denmark					
Cadeler A/S	Ordinary	12.48%	21.55%	A	
EQUATORIAL GUINEA					
Registered Office: Carretela del Aeropuerto Aptmoto Excmá Abayak Building City of Malabo, Republic of Equatorial Guinea					
Swire Marine Services EG, S.A. Con C.A.	Ordinary	37.63%	65%	JV	
FIJI					
Lot 1 Foster Road, Walubay Suva, P.O. Box 15832, Suva, Fiji					
Container Services (Fiji) Limited	Ordinary	33.33%	50%	JV	
GHANA					
Registered Office: C33/12, Brown Link, Dzorwulu, Accra, Ghana					
Swire Adonai Services Limited	Ordinary	28.37%	49%	JV	
HONG KONG					
Registered Office: 30th Floor, Jardine House, One Connaught Place, Central, Hong Kong					
Lotus Healthcare Limited	Ordinary	16.73%	28.90%	A	
Registered Office: 21/F, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong					
Richly Leader Limited	Ordinary	23.73%	50%	JV	
Registered Office: 25th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong					
Greenroll Limited	Ordinary	9.49%	20%	A	
Lindfield Limited	Ordinary	23.73%	50%	JV	30 June Year End
Registered Office: 33/F, 1 Pacific Place, 88 Queensway, Hong Kong					
Swire CTM Bulk Logistics Limited	Ordinary	50%	50%	JV	
Registered Office: 33rd Floor, One Pacific Place, 88 Queensway, Hong Kong					
Campbell Swire (HK) Limited	Ordinary	23.16%	40%	JV	31 July Year End
Cathay Pacific Airways Limited	Ordinary	26.05%	45%	A	
Coca-Cola Bottlers Manufacturing Holdings Limited	Ordinary	23.73%	41%	A	
Goodrich Asia-Pacific Limited	Ordinary	278.37%	49%	JV	
Hareton Limited	Ordinary	23.73%	50%	JV	
Hong Kong Aero Engine Services Limited	Ordinary	28.95%	50%	JV	
Intermarket Agencies (Far East) Limited	Ordinary	40.52%	70%	JV	
New Life Plastics Limited	Ordinary	19.29%	33.33%	JV	
Registered Office: 4th Floor, VC House, 4-6 On Lan Street, Central, Hong Kong					
CBPC Limited	Ordinary	19.29%	33.33%	A	

JOHN SWIRE & SONS LIMITED
Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED					
ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AS AT 31 DECEMBER 2021					
Full Company Name	Class of share	Percentage attributable to the group	Percentage held by the subsidiary	Associate (A) / Joint Venture (JV)	Items to Note
Registered Office: 505 One Citygate, 20 Tat Tung Road, Tung Chung, Hong Kong					
Newfoundworld Finance Limited	Ordinary	9.49%	20%	A	30 June Year End
Newfoundworld Holdings Limited	Ordinary	9.49%	20%	A	30 June Year End
Registered Office: 3608, 36F, AIA Tower, 183 Electric Road, Hong Kong					
ALBA Swire Plastics Recycling Limited	Ordinary	28.37%	49%	JV	Incorporated 4 October 2021
Registered Office: Pacific Place, Supreme Court Road, Hong Kong					
Shangri-La International Hotels (Pacific Place) Limited	Ordinary	9.49%	20%	A	
Registered Office: Unit 606, 6th Floor, Alliance Building, 133 Connaught Road Central, Hong Kong					
Queensway Hotel Holdings Limited	Ordinary	9.49%	20%	A	
MALAYSIA					
Registered Office: 8-2, Jalan 9/125D, Taman Desa Petaling, 57100 Kuala Lumpur, Malaysia					
Bahtera Wira Sdn. Bhd	Ordinary	28.07%	48.48%	JV	
NETHERLANDS					
Registered Office: Hornweg 61, 1044AN Amsterdam, Netherlands					
Biodiesel Argent II BV	Ordinary	50%	50%	JV	
NEW ZEALAND					
Registered Office: 30 Mirrielees Road, Tauranga, 3110, New Zealand					
Independent Stevedoring Limited	Ordinary	33.33%	50%	JV	
Registered Office: OMV Stores, 68-106 Paritutu Road, New Plymouth, 4301, New Zealand					
Offshore Solutions Limited	Ordinary	29.52%	51%	JV	
PAPUA NEW GUINEA					
Registered Office: Part of Allotment 31, Section 140, Walter Bay Industrial Centre, Building 1, Units 1-4, Matirogo, Port Moresby, National Capital District, 121, Papua New Guinea					
Colgate-Palmolive (PNG) Limited	Ordinary Class A	36.78%	51%	JV	Agreement in place attributing JV relationship
Harbourside Development Limited	Ordinary	36.06%	50%	JV	
Morobe Terminals Limited	Ordinary	36.24%	50%	JV	In liquidation
Makerio Stevedoring Limited	Ordinary	32.56%	45.14%	A	
Registered Office: C/Messrs White Young & Williams, Lawyers, 6th Floor, Mogoru Moto Building, Champion Parade, Port Moresby, National Capital District, Papua New Guinea					
Nikana Stevedoring Ltd	Ordinary	32.45%	45%	A	
North Solomons Stevedoring Company Limited	Ordinary Class A	36.06%	50%	JV	Dormant
Pacific Rumana Limited	Ordinary	36.06%	50%	JV	
Riback Stevedores Ltd	Ordinary	35.34%	49%	A	In liquidation
Viva No. 31 Limited	Ordinary	36.06%	50%	JV	
Wonye Limited	Ordinary	36.06%	50%	JV	

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Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED					
ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AS AT 31 DECEMBER 2021					
Full Company Name	Class of share	Percentage attributable to the group	Percentage held by the subsidiary	Associate (A) / Joint Venture (JV)	Items to Note
<u>PHILIPPINES</u>					
Registered Office: G/F Two Ecom (Tower B), Harbor Drive corner Bayshore Avenue, Mall of Asia Complex, Pasay City, Philippines					
Anscor Swire Ship Management Corporation	Ordinary	54.98%	24.99%	JV	
Serrata Investments, Inc.	Ordinary	23.16%	40%	JV	
<u>REPUBLIC OF INDONESIA</u>					
Registered Office: Menara Anugrah Building, 26th Floor, Kantor Taman E.3.3, Jl. Mega Kuningan Lot.8.6-8.7, Kawasan Mega Kuningan, Kelurahan Kuningan Timur, Kecamatan Setiabudi, South Jakarta, 12950, Indonesia					
PT. Swire Altus Shipping	Ordinary	28.35%	48.98%	JV	
PT. Swire Altus	Ordinary	46.31%	48.98%	JV	
Registered Office: Setiabudi 2 Building, Lantai 2 Suite 201 D, Jl. HR Rasuna Said Kav. 62, Karet, Setiabudi, Jakarta Selatan, Indonesia					
PT Jantra Swarna Dipta	Ordinary	23.73%	50%	JV	
Registered Office: Menara Karya Building, 12th Floor, Jl. H.R. Rasuna Said Block X-5 Kav. 1-2, Kuningan, Jakarta 12950, Indonesia					
<u>REPUBLIC OF SINGAPORE</u>					
Registered Office: 300 Beach Road, #15-01 Concourse, Singapore, Republic of Singapore					
Swire Ocean Salvage (Pte.) Limited	Ordinary	28.95%	49%	A	
<u>SAUDI ARABIA</u>					
	Ordinary	25.7%	25.7%	A	
Registered Office: P.O. Box 31605 Khobar Postal Code 31952, Saudi Arabia					
Swire Offshore Arabia Company Limited	Ordinary	28.37%	50%	JV	
<u>TAIWAN</u>					
Registered Office: 22, Lane 156, Sec. 2, Hai-Shan Rd., Lu-Chu Township, Taoyuan County, 338 R.O.C., Taiwan					
China Pacific Catering Services Limited	Ordinary	12.76%	49%	A	
Registered Office: No. 7, Lane 54, San Te Street, Lin 11, Keng-Kou Tsuen, Lu-chu Township, Taoyuan 338, Taiwan					
China Pacific Laundry Services Limited	Ordinary	26.05%	45%	A	
Registered Office: No. 96, Mingde 3rd Road, Cidu District, Keelung City 20651, Taiwan (R.O.C.)					
Express Containers Terminal Corporation	Ordinary	20%	20%	A	
<u>UNITED STATES OF AMERICA</u>					
Registered Office: Suite 500, Three Brickell City Centre, 98 S.E. 7th Street, Miami, Florida 33131, United States of America					
Swire Brickell Key Hotel, Ltd.	Partnership interest	35.60%	75%	JV	
Registered Office: 1999 Bryan Street, Suite 900 Dallas, Texas 75201, United States of America					
Western Container Corporation	Common	11.45%	19.79%	A	
<u>UNITED ARAB EMIRATES</u>					
Registered Office: 3rd Floor, Office Block "B" Mazaya Centre, Sheikh Zayed Road (After 1st Interchange), PO Box 8127, Dubai, United Arab Emirates					
Swire Pacific Offshore (Dubai) (L.L.C)	Ordinary	28.37%	49%	JV	

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Notes to the consolidated financial statements

Note 43. continued

JOHN SWIRE & SONS LIMITED					
ASSOCIATED UNDERTAKINGS AND JOINT VENTURES AS AT 31 DECEMBER 2021					
Full Company Name	Class of share	Percentage attributable to the group	Percentage held by the subsidiary	Associate (A) / Joint Venture (JV)	Items to Note
VIETNAM					
Registered Office: 5th Floor, The Landmark, 5B Ton Duc Thang, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam					
City Garden Thu Thiem Limited					
Liability Company	Ordinary	9.53%	41%	JV	
Luminous Investment Joint Stock Company	Ordinary	23.262%	40%	JV	