

6. Expenses by Nature

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

	Note	2024 HK\$M	2023 HK\$M
Direct rental outgoings in respect of investment properties ⁽ⁱ⁾		3,347	3,266
Cost of goods sold ⁽ⁱⁱ⁾		34,754	43,173
Write-down of stocks and work in progress		123	227
Impairment charges on trade receivables		38	88
Depreciation of property, plant and equipment	14	2,627	2,947
Depreciation of right-of-use assets			
– leasehold land held for own use		45	50
– land use rights		56	53
– property		938	886
– plant and equipment		17	41
Amortisation of			
– intangible assets	16	244	284
– initial leasing costs in respect of investment properties		52	96
– others		2	8
Staff costs ⁽ⁱⁱⁱ⁾		15,905	18,194
Other lease expenses ⁽ⁱⁱⁱ⁾		216	210
Auditors' remuneration			
– audit services		61	60
– tax services		11	15
– other services		31	25
Other expenses		14,103	13,768
Total cost of sales, distribution costs, administrative expenses and other operating expenses		72,570	83,391

Notes:

- (i) Direct rental outgoings in respect of investment properties include impairment charges relating to expected credit losses on forgiveness of lease payments of operating lease receivables, i.e. rent concession granted to tenants during the year, under HKFRS 9 of HK\$27 million (2023: HK\$36 million).
- (ii) The cost of goods sold on a divisional basis are: Property of HK\$62 million (2023: HK\$119 million), Beverages of HK\$19,430 million (2023: HK\$28,212 million), Aviation of HK\$8,581 million (2023: HK\$6,881 million) and Trading & Industrial of HK\$6,681 million (2023: HK\$7,961 million). The staff costs on a divisional basis are: Property of HK\$2,364 million (2023: HK\$2,115 million), Beverages of HK\$6,499 million (2023: HK\$9,792 million), Aviation of HK\$5,682 million (2023: HK\$5,062 million), Trading & Industrial of HK\$1,111 million (2023: HK\$1,177 million) and Head Office, Healthcare and others of HK\$249 million (2023: HK\$48 million).
- (iii) These expenses relate to short-term leases, leases of low-value assets and leases with variable payments, net of rent concessions received (2024: nil; 2023: HK\$3 million). They are directly charged to the consolidated statement of profit or loss and are not included in the measurement of lease liabilities under HKFRS 16.

7. Segment Information

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

Accounting Policy

Segment information is reported in a manner consistent with the Group's internal financial reporting provided to the Executive Directors for making strategic decisions. A reportable segment comprises either one or more operating segments which can be aggregated together because they share similar economic characteristics or single operating segments which are disclosable separately because they cannot be aggregated or because they exceed certain quantitative thresholds.

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

7. Segment Information (continued)

(a) Information about reportable segments

Analysis of Consolidated Statement of Profit or Loss

Year ended 31st December 2024

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

Notes:

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

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

7. Segment Information (continued)

(a) Information about reportable segments (continued)

Analysis of Consolidated Statement of Profit or Loss (continued)

Year ended 31st December 2023

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

Notes:

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

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

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

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

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

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

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

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

7. Segment Information (continued)

(a) Information about reportable segments (continued)

Analysis of total assets of the Group

At 31st December 2024

	Segment assets HK\$M	Joint venture companies ⁽ⁱ⁾ HK\$M	Associated companies ⁽ⁱ⁾ HK\$M	Bank deposits HK\$M	Total assets HK\$M	Additions to non-current assets ⁽ⁱⁱ⁾ HK\$M
Property						
Property investment	283,680	27,660	3,316	4,940	319,596	4,880
Property trading	15,235	6,760	6,968	51	29,014	85
Hotels	4,157	1,710	592	130	6,589	68
	303,072	36,130	10,876	5,121	355,199	5,033
Beverages						
Swire Coca-Cola	48,795	1,378	394	11,101	61,668	2,805
Aviation						
Cathay group	–	–	24,057	–	24,057	–
HAECO group	13,778	2,282	–	2,815	18,875	1,759
Others	3,846	2,134	–	–	5,980	–
	17,624	4,416	24,057	2,815	48,912	1,759
Trading & Industrial						
Swire Resources	909	41	–	257	1,207	229
Taikoo Motors	3,059	–	–	21	3,080	338
Swire Foods	536	3	–	347	886	80
Swire Environmental Services	57	–	–	50	107	2
Other activities	(4)	–	–	19	15	–
	4,557	44	–	694	5,295	649
Head Office, Healthcare and others	3,336	–	854	1,297	5,487	8
	377,384	41,968	36,181	21,028	476,561	10,254

Notes:

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

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

7. Segment Information (continued)

(a) Information about reportable segments (continued)

Analysis of total assets of the Group (continued)

At 31st December 2023

	Segment assets HK\$M	Joint venture companies ⁽ⁱ⁾ HK\$M	Associated companies ⁽ⁱ⁾ HK\$M	Bank deposits HK\$M	Total assets HK\$M	Additions to non-current assets ⁽ⁱⁱ⁾ HK\$M
Property						
Property investment	288,836	25,799	8,366	4,854	327,855	3,206
Property trading	10,869	6,057	2,167	127	19,220	-
Hotels	4,594	2,201	259	116	7,170	67
	304,299	34,057	10,792	5,097	354,245	3,273
Beverages						
Swire Coca-Cola	32,087	1,115	533	4,642	38,377	2,564
Aviation						
Cathay group	-	-	22,777	-	22,777	-
HAECO group	12,510	1,987	-	2,447	16,944	1,011
Others	3,880	2,130	-	-	6,010	-
	16,390	4,117	22,777	2,447	45,731	1,011
Trading & Industrial						
Swire Resources	1,006	40	-	287	1,333	432
Taikoo Motors	2,873	-	-	44	2,917	293
Swire Foods	592	3	-	335	930	144
Swire Environmental Services	76	-	-	47	123	-
Other activities	2	-	-	2	4	-
	4,549	43	-	715	5,307	869
Head Office, Healthcare and others	1,900	-	1,011	1,181	4,092	2
	359,225	39,332	35,113	14,082	447,752	7,719

Notes:

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

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

7. Segment Information (continued)

(a) Information about reportable segments (continued)

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

At 31st December 2024

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

7. Segment Information (continued)

(a) Information about reportable segments (continued)

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

At 31st December 2023

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

7. Segment Information (continued)

(a) Information about reportable segments (continued)

Analysis of external revenue of the Group – Timing of revenue recognition

	Year ended 31st December 2024				Year ended 31st December 2023			
	At a point in time HK\$M	Overtime HK\$M	Rental income on leases HK\$M	Total HK\$M	At a point in time HK\$M	Overtime HK\$M	Rental income on leases HK\$M	Total HK\$M
Property								
Property investment	-	136	13,267	13,403	-	117	13,365	13,482
Property trading	88	-	-	88	166	-	-	166
Hotels	395	493	-	888	465	512	-	977
	483	629	13,267	14,379	631	629	13,365	14,625
Beverages								
Chinese Mainland	25,234	-	-	25,234	24,725	-	-	24,725
Hong Kong	2,444	-	-	2,444	2,415	-	-	2,415
Taiwan	2,353	-	-	2,353	2,275	-	-	2,275
Vietnam and Cambodia	4,338	-	-	4,338	4,504	-	-	4,504
Thailand and Laos	2,233	-	-	2,233	-	-	-	-
USA	-	-	-	-	17,923	-	-	17,923
Others	5	-	-	5	-	-	-	-
	36,607	-	-	36,607	51,842	-	-	51,842
Aviation								
HAECO group	169	21,493	-	21,662	640	17,147	-	17,787
Trading & Industrial								
Swire Resources	2,279	-	-	2,279	2,402	-	-	2,402
Taikoo Motors	5,209	7	-	5,216	6,399	2	-	6,401
Swire Foods	1,379	31	-	1,410	1,527	40	-	1,567
Swire Environmental Services	-	127	-	127	-	185	-	185
	8,867	165	-	9,032	10,328	227	-	10,555
Head Office, Healthcare and others	70	219	-	289	-	14	-	14
Total	46,196	22,506	13,267	81,969	63,441	18,017	13,365	94,823

(b) Information about geographical areas

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

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

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

Note:

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