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WHARF

Established 1886

WHARF REAL ESTATE INVESTMENT COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1997

GRANT OF SHARE OPTIONS

This announcement is made by Wharf Real Estate Investment Company Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Chapter 17 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors of the Company (“**Board**”) announces that on 14 August 2023, share options (the “**Share Options**”) carrying rights to subscribe for a total of 3,500,000 ordinary shares of the Company (“**Shares**”) were granted under the share option scheme adopted by the Company on 9 May 2023 (the “**Share Option Scheme**”) to certain eligible participants (the “**Grantees**”).

Given below are details of the Share Options granted to each Grantee:

Date of grant : 14 August 2023 (“**Grant Date**”)

Number of Share Options granted to the Grantees : 3,500,000 in total

Exercise price of Share Options : HK\$36.58 per Share

Closing price of Shares on the Grant Date : HK\$36.30 per Share

Vesting period of the Share Options: : Subject to the provisions of the rules of the Share Option Scheme (“**Scheme Rules**”), the Share Options shall be vested in five tranches as follows:

- (i) 20% of the Share Options shall be vested on the first anniversary of the Grant Date;
- (ii) 20% of the Share Options shall be vested on the second anniversary of the Grant Date;
- (iii) 20% of the Share Options shall be vested on the third anniversary of the Grant Date;
- (iv) 20% of the Share Options shall be vested on the fourth anniversary of the Grant Date; and
- (v) 20% of the Share Options shall be vested on the fifth anniversary of the Grant Date.

Exercise period of the Share Options : In respect of each portion of Share Options which is vested, the exercise period (the “**Exercise Period**”) shall be the period beginning on the relevant vesting date and ending on the sixth anniversary of the Grant Date. The Share Options (to the extent not already exercised) shall lapse automatically at the expiry of the Exercise Period.

Performance target(s) : There is no performance target attached to the Share Options granted.

The purpose of the Share Option Scheme is to recognise the contribution and potential future contribution of Grantees, motivate Grantees and give them additional incentive to optimise their valuable contributions towards the Group’s continued growth and success, as well as to attract and retain high-calibre personnel to strive for long term development of the Group, and align interests of Grantees to shareholders for promoting long term financial success of the Group.

In determining the grant of the Share Options, the Remuneration Committee of the Company (the “**Remuneration Committee**”) considered the following factors:

- (i) as the value of the Share Options is linked to future share price driven by performance of the Company, the Grantees are motivated to optimise their contributions towards the growth and financial success of the Group;

- (ii) the vesting period and the clawback mechanism ensure the alignment of the Grantees' interests with the Group's long-term interests; and
- (iii) given the Share Options are subject to vesting in five tranches over six years from the Grant Date, it is consistent with the purpose of the Share Option Scheme for retention of high-caliber senior executives for long-term development of the Group.

The Remuneration Committee is of the view that the grant of the Share Options is market competitive and consistent with the Group's usual remuneration practices, and aligns with the purpose of the Share Option Scheme to incentivise the Grantees to contribute towards the development of the Group, even without stipulating performance target.

Clawback mechanism

: If any of the following events shall occur during any Exercise Period:

- (a) a Grantee ceases to be an Eligible Participant (as defined in the Scheme Rules) by any reason other than the Permitted Grounds of Termination (as defined in the Scheme Rules); or
- (b) a Grantee commits a breach of any terms or conditions attached to the grant of Share Options; or
- (c) a Grantee's conduct has been such as to be entitled to be removed from office, whether or not such right to remove has been exercised, or such Grantee becomes bankrupt or has been convicted of any criminal offence involving his/her integrity or honesty; or
- (d) there being a material misstatement in the financial statements of the Company that requires a restatement; or
- (e) persistent or serious misconduct on the part of a Grantee or other breach of the terms of his/her employment,

the Share Options granted to such Grantee (to the extent not already exercised) shall automatically lapse or be cancelled as stipulated in the Scheme Rules (in the events of (a) to (c)), or the Board may claw back such number of Share Options at its discretion (in the events of (d) and (e)).

Financial assistance arrangement : There is no arrangement for the Group to provide any financial assistance to the Grantees to facilitate the purchase of Shares upon the exercise of Share Options.

All the Share Options were granted to Directors of the Company with details included in the following table:

<u>Grantees</u>	<u>Position(s) held with the Company</u>	<u>Number of Shares under Share Option Granted</u>
Stephen T. H. Ng	Chairman & Managing Director	1,500,000
Y. T. Leng	Executive Director	1,500,000
Horace W. C. Lee	Director	500,000
Total		3,500,000

All such grants have been approved by all the independent non-executive Directors of the Company in accordance with Rule 17.04(1) of the Listing Rules.

Save as disclosed above, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company, nor an associate (as defined in the Listing Rules) of any of them, nor (ii) a related entity participant under the Scheme or a service provider of the Group, nor (iii) a participant with Share Options granted and to be granted exceeding the 1% individual limit for the purpose of Rule 17.03D of the Listing Rules, as at the date of this announcement.

Pursuant to the resolution passed by the Company's shareholders on 9 May 2023, the total number of shares issuable under the Scheme Mandate Limit (as defined in the Listing Rules) is 303,622,732 Shares, which represents 10% of the total number of Shares in issue as at the adoption date of the Share Option Scheme. After the grant of Share Options as disclosed in this announcement, the number of Shares available for future grant(s) under the Scheme Mandate Limit is 300,122,732 Shares.

By Order of the Board of
**WHARF REAL ESTATE INVESTMENT
COMPANY LIMITED**
Kevin C. Y. Hui
Company Secretary

Hong Kong, 14 August 2023

As at the date of this announcement, the Board comprises Mr. Stephen T. H. Ng, Mr. Paul Y. C. Tsui, Ms. Y. T. Leng and Mr. Horace W. C. Lee, together with eight Independent Non-executive Directors, namely Mr. Alexander S. K. Au, Mr. Tak Hay Chau, Ms. Lai Yuen Chiang, Hon. Andrew K. Y. Leung, Mr. Desmond L. P. Liu, Mr. R. Gareth Williams, Dr. Glenn S. Yee and Professor E. K. Yeoh.