WHARF

*Established 1886*

WHARF REAL ESTATE INVESTMENT COMPANY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 1997

# Interim Results Announcement for the half-year period ended 30 June 2026

# 42% DIVIDEND INCREASE ON PAYOUT REVISION

## HIGHLIGHTS

- Group underlying net profit increased by 6% on lower interest cost
- Net cash inflow before financing increased by 41% or HK$1.4 billion
- Distribution payout ratio revised from 65% to 90% of recurrent core underlying net profit
- Policy change implies a 38% increase in base dividends
- First interim dividend increased by 42% to 94 HK cents per share
- Wheelock Place in Singapore agreed to be sold at 12% premium to book
- Gearing at 16% set to decrease to about 11% on Singapore disposal

## GROUP RESULTS

Unaudited underlying net profit increased by 6% to HK$3,311 million (2025: HK$3,119 million), equivalent to HK$1.09 (2025: HK$1.03) per share.

Including a net Investment Properties ("IP") revaluation deficit of HK$3,547 million (2025: HK$5,118 million), Group loss attributable to equity shareholders amounted to HK$176 million (2025: HK$2,406 million). Basic loss per share was HK$0.06 (2025: HK$0.79).

## INTERIM DIVIDEND

A first interim dividend of HK$0.94 (2025: HK$0.66) per share will be paid on 10 September 2026 to Shareholders on record as at 6:00 p.m. on 26 August 2026. The distribution will amount to HK$2,854 million (2025: HK$2,004 million), representing 90% of underlying net profit from IP and hotels in Hong Kong.

## DIVIDEND POLICY

The Company was listed in late 2017 with consolidated net debt of over HK$42 billion. The policy of distributing 65% of recurrent core earnings was adopted to ensure that retained earnings can facilitate debt reduction. Total dividend distribution for 2018 amounted to 210 HK cents per share.

That policy proved to be significant when upheavals after 2018 turned the trading environment upside down, coupled with interest rate hikes. With the sizeable downturn in recurrent core earnings since 2018 by 37%, total dividend distribution for 2025 fell to 132 HK cents per share.

Active capital management since listing will have reduced consolidated net debt to about HK$20 billion by the end of this year. Gearing is anticipated to fall to about 11%.

Considering the current earnings base and the debt profile, the Board has decided to increase the distribution ratio by 25 percentage points from 65% to 90% from 2026 onwards and to keep the new policy under constant review.

## BUSINESS REVIEW

Hong Kong's economy faced a range of external pressures in the first half of 2026. Geopolitical tensions, conflicts in the Middle East, volatile energy prices and China's revised outbound direct investment regulations disrupted capital flows and equity markets. However, domestic demand showed signs of revival, somewhat unevenly, supported by a recovering residential property market and generally improving consumer confidence.

With Hong Kong strengthening its position as Asia's events capital and Renminbi appreciating, total visitor arrivals increased by 13%, driven by a 16% rise in visitors from Chinese Mainland. Together with a rebound in local sentiment, retail sales expanded 10%, marking 14 consecutive months of growth led by discretionary spending. However, performance is uneven across sectors and competition from neighbours is keen, leaving retailers still quite cautious about making major commitments. Harbour City, as a must-visit retail destination, maintained strong footfall and delivered above-market retail sales growth. The hotel sector also benefitted from the tourism upturn, although deceleration started towards the end of the period.

Office demand improved, particularly within the financial sector, supported by a stronger IPO pipeline and resilient wealth management activity. Ongoing geopolitical uncertainty across other financial centres further reinforced Hong Kong's safe-haven appeal and added leasing momentum. Recovery remained uneven. Prime districts recorded healthier absorption while non-core areas continued to face elevated vacancy. Supported by its premium locations and strong management, occupancy of the Group's office portfolio increased to 93% at period-end, with encouraging improvements in Central and Tsim Sha Tsui.

Against the backdrop of volatile interest rates and challenging external environment, the Group maintained a prudent approach to debt management. Net debt and gearing fell to record lows at HK$29.2 billion and 15.9% respectively, and borrowing costs decreased by 26%. Benefitting from these improvements, Group underlying net profit increased by 6% during the period.

## Harbour City
Overall revenue (including hotels) increased by 1% and operating profit was unchanged.

### *Retail*
Harbour City's unrivalled critical mass and strong sales productivity continued to reinforce its position as a top destination for global brands. The luxury cluster will be strengthened by the first *FOPE* in Hong Kong, *ZEGNA*, and expanded concepts from *Balenciaga* and *Acne Studios*, while *Kenzo Kids, Steve Madden* and *IRO* have chosen Harbour City for their re-entry into the Hong Kong market. New arrivals included Hong Kong debuts of *Biologique Recherche, Dolce Vita*, as well as pop-up stores of *Peserico, JOCQUELINE* and *Osprey*, further broadening the already comprehensive tenant mix. *Jellycat Yacht Club* also opened its first store in Hong Kong at Lane Crawford, offering early access to an exclusive collection. Newly-committed dining concepts included *HIBI Teppanyaki*, *Dimbar*, *Nabe Urawa*, *Canton House, 0566 咖啡制作所* and *Truffle Donut*, alongside the premium food court *Food Atlas*. Occupancy was 92% at period-end.

### *Office*
Benefitting from its proximity to the high speed rail station and the appeal of the mixed-use complex, office occupancy improved to 93% at period-end. In response to heightened competition from nearby new supply and the prevailing flight-to-quality trend, the Group continued premises enhancement works and maintained premium management standards to retain and attract tenants. Nevertheless, tenant cost sensitivity continued to exert downward pressure on rents.

## Times Square
Overall revenue and operating profit declined by 12% and 13% respectively.

### *Retail*
With a curated lineup of regional-first attractions and flagship concepts, Times Square continued to differentiate itself as a leading retail destination in Causeway Bay. During the period, *FIFA Museum* made its Asia debut, while *SKIMS*, a viral global shapewear and loungewear brand, committed one of its first Asia flagship stores. The Hong Kong debut of *Bonaventura*, and the Hong Kong Island debut store of *MAOGEPING*, alongside the introduction of *OWNDAYS, HECHTER PARIS* and *Shout Art Hub & Gallery*, are expected to broaden the customer base.

Community engagement was strengthened through a series of experiential activations and tenant collaborations, including the mall's inaugural partnership with YouTube Music, which presented 11 nights of live performances, as well as its first community run with *lululemon*. The dining offering was enhanced by popular Korean brands *Pizza Maru* and *Young Dabang*, with additional concepts in the pipeline. Occupancy stood at 95% at period-end.

### *Office*
With new supply entering the market and ample affordable lower-rent alternatives in non-core districts, the office leasing environment in Causeway Bay remained highly competitive. Demand continued to favour smaller units, while rental stayed under pressure. Times Square remained flexible in commercial terms and conditions, especially for sizable tenants. Occupancy was 89% at period-end.

**Singapore Assets**
Wheelock Place and Scotts Square maintained operating momentum. Retail occupancies reached 99% and 97% respectively, while office occupancy remained at 100% at period-end.

In July 2026, the Group entered into an agreement to dispose of Wheelock Place at a consideration of S$1,111 million (equivalent to approximately HK$6,733 million) to realise a significant capital gain and to reduce the Group's indebtedness. Completion of the disposal is expected to take place in late August 2026.

## OUTLOOK

Looking ahead, steady inbound tourism and a stabilising residential property market, which should provide positive wealth effect, are expected to support consumer confidence and domestic spending. However, interest rates uncertainties and China's updated outbound direct investment rules, which limit cross-border capital flows, may still cast a long shadow on tenants' commitment plans. Further escalation in geopolitical tensions between major economies could also increase market volatility and weigh on sentiment.

Overall growth is likely to remain gradual and uneven. The Group will continue to manage proactively and maintain a prudent, low-leverage financial profile to navigate prevailing macroeconomic challenges.

## FINANCIAL REVIEW

### (I) Review of 2026 Interim Results

Underlying net profit increased by 6% to HK$3,311 million (2025: HK$3,119 million) with reduced finance costs. Recurrent core profit (from IP and hotels in Hong Kong) increased by 3% to HK$3,178 million. Loss attributable to equity shareholders amounted to HK$176 million (2025: HK$2,406 million), after including the net revaluation deficit of IP.

<u>Revenue and Operating Profit</u>

Group revenue decreased by 1% to HK$6,340 million (2025: HK$6,407 million) and operating profit by 2% to HK$4,604 million (2025: HK$4,684 million).

IP revenue decreased by 2% to HK$5,265 million (2025: HK$5,371 million) and operating profit by 3% to HK$4,413 million (2025: HK$4,528 million) respectively.

Hotel revenue increased by 10% to HK$842 million (2025: HK$766 million) and operating profit by 94% to HK$91 million (2025: HK$47 million).

Investment operating profit, primarily from dividend income, decreased by 20% to HK$114 million (2025: HK$143 million).

Development Properties ("DP") revenue decreased by 12% to HK$51 million (2025: HK$58 million) and an operating profit of HK$13 million was reported (2025: loss of HK$1 million).

<u>Fair Value Change of IP</u>

IP were stated at HK$208.2 billion based on independent valuations, giving rise to a revaluation deficit of 2% at HK$3,598 million. Unrealised valuation loss attributable to equity shareholders, was HK$3,547 million (2025: HK$5,118 million).

<u>Other Net Loss</u>

Other net loss amounted to HK$73 million (2025: HK$373 million), which mainly comprised a write-down of HK$98 million (2025: HK$41 million) in relation to DP projects in Chinese Mainland and net foreign exchange gain or loss, including the impact arising from forward exchange contracts in currency swaps in financing arrangements.

<u>Finance Costs</u>

Finance costs decreased by 37% to HK$535 million (2025: HK$853 million) after including an unrealised mark-to-market gain of HK$40 million (2025: loss of HK$74 million) on cross currency and interest rate swaps recognised in accordance with applicable accounting standards.

Effective borrowing rate dropped to 3.5% per annum (2025: 4.4% per annum) primarily due to lower HIBOR.

Income Tax

Taxation charge increased by 2% to HK$641 million (2025: HK$628 million).

Loss Attributable to Equity Shareholders

Group loss attributable to equity shareholders amounted to HK$176 million (2025: HK$2,406 million). Basic loss per share was HK$0.06 (2025: HK$0.79), based on 3,036 million ordinary shares in issue.

Underlying net profit (excluding the impact of IP valuation and mark-to-market of certain financial instruments) increased by 6% to HK$3,311 million (2025: HK$3,119 million). Underlying earnings per share were HK$1.09 (2025: HK$1.03).

## (II) Liquidity, Financial Resources and Capital Commitments

Shareholders' and Total Equity

Shareholders' equity decreased by HK$1.8 billion to HK$179.9 billion as at 30 June 2026 (31 December 2025: HK$181.7 billion), equivalent to HK$59.24 (31 December 2025: HK$59.85) per share. Total equity including non-controlling interests decreased by HK$1.9 billion to HK$184.2 billion (31 December 2025: HK$186.1 billion).

Assets

Total assets amounted to HK$225.3 billion (31 December 2025: HK$229.7 billion), 95% (31 December 2025: 94%) of which in Hong Kong. Total business assets, excluding bank deposits and cash and derivative financial assets, were HK$223.0 billion (31 December 2025: HK$227.4 billion).

IP

IP totalled HK$208.2 billion (31 December 2025: HK$211.7 billion), representing 93% (31 December 2025: 93%) of business assets. Harbour City (excluding the three hotels) was valued at HK$145.3 billion and Times Square at HK$38.5 billion.

Hotels

Hotel properties were stated at cost less accumulated depreciation and impairment provisions (if any) at HK$6.7 billion (31 December 2025: HK$6.7 billion).

DP

DP assets, including interests in an associate and a joint venture, were stated at cost less accumulated impairment provisions (if any) at HK$0.9 billion (31 December 2025: HK$1.0 billion).

Other Long Term Investments

Other long term investments were stated at market value of HK$6.4 billion (31 December 2025: HK$7.1 billion). An attributable mark-to-market surplus of HK$294 million (2025: HK$1,055 million) was reflected in other comprehensive income and a gain on disposal of HK$90 million (2025: HK$3 million) was recorded as a transfer to revenue reserves in the statement of changes in equity. The portfolio included blue chips held for long term capital appreciation and reasonable dividend return and each portfolio holding is individually not material to the Group's total assets.

The Group's investment portfolio analysed by industry sector and by geographical location:

| | **30 June 2026 HK$ Million** | 31 December 2025 HK$ Million |
|---|---|---|
| Analysed by industry sector: | | |
| - Properties | **5,964** | 6,580 |
| - Others | **424** | 475 |
| Total | **6,388** | 7,055 |
| | | |
| Analysed by geographical location: | | |
| - Hong Kong | **3,988** | 3,723 |
| - Outside of Hong Kong | **2,400** | 3,332 |
| Total | **6,388** | 7,055 |

Debts and Gearing

Net debt decreased by HK$2.8 billion to HK$29.2 billion as at 30 June 2026 (31 December 2025: HK$32.0 billion). It comprised debts of HK$31.2 billion and bank deposits and cash of HK$2.0 billion.

An analysis of net debt is depicted below:

| **Net debt/(cash)** | **30 June 2026 HK$ Billion** | 31 December 2025 HK$ Billion |
|---|---|---|
| Group (excluding HCDL) | **29.7** | 32.4 |
| HCDL | **(0.5)** | (0.4) |
| Total | **29.2** | 32.0 |

The ratio of net debt to total equity dropped to 15.9% (31 December 2025: 17.2%).

Harbour Centre Development Limited ("HCDL") is an independent credit entity and the Group (excluding HCDL) is not contractually exposed to HCDL's debts. HCDL recorded net cash at 30 June 2026.

Finance and Availability of Facilities

Total available loan facilities and issued debt securities as at 30 June 2026 amounted to HK$41.4 billion, of which HK$31.2 billion was utilised, with breakdown as follows:

| | 30 June 2026 | | |
|---|---|---|---|
| | **Available Facility HK$ Billion** | **Total Debt HK$ Billion** | **Undrawn Facility HK$ Billion** |
| Committed and uncommitted | | | |
| Group (excluding HCDL) | 40.1 | 30.7 | 9.4 |
| HCDL | 1.3 | 0.5 | 0.8 |
| Total | 41.4 | 31.2 | 10.2 |

Certain banking facilities extended to HCDL were secured by hotel and DP in the Chinese Mainland of RMB1.2 billion (equivalent to HK$1.3 billion) (31 December 2025: RMB1.2 billion (equivalent to HK$1.3 billion))

The debt portfolio was principally denominated in Hong Kong dollar, United States dollar, Singapore dollar and Renminbi. The respective funds were mainly used to finance the Group's IP.

The use of derivative financial instruments is strictly monitored and controlled. The majority of the derivative financial instruments entered into are used for mitigating interest rate and currency exposures.

The Group continued to adhere to a high level of financial discipline with a strong financial position. Financial resources are well prepared to support business and investment activities. In addition, the Group also maintained a portfolio of liquid listed investments with an aggregate market value of HK$6.4 billion (31 December 2025: HK$7.1 billion).

Cash Flows for the Group's Operating and Investing Activities

For the period under review, the Group recorded operating cash inflow of HK$4.6 billion (2025: HK$4.6 billion) primarily generated from rental income. Together with the changes in working capital and others of HK$0.7 billion (2025: HK$1.3 billion), the net cash inflow from operating activities amounted to HK$3.9 billion (2025: HK$3.4 billion). For investing activities, the Group recorded a net cash inflow of HK$0.9 billion (2025: outflow of HK$1 million).

Capital Commitments

As at 30 June 2026, major planned expenditures for the coming years were estimated at HK$1.3 billion, of which HK$0.2 billion was committed. A breakdown (by segment) is as follows:

| | As at 30 June 2026 | | |
|---|---|---|---|
| | **Committed HK$ Million** | **Uncommitted HK$ Million** | **Total HK$ Million** |
| **IP** | | | |
| Hong Kong | 40 | 915 | 955 |
| **DP (HCDL)** | | | |
| Chinese Mainland | 134 | 152 | 286 |
| | 174 | 1,067 | 1,241 |
| **Hotels** | | | |
| Hong Kong | 29 | 4 | 33 |
| **Total** | 203 | 1,071 | 1,274 |

These expenditures will be funded by internal financial resources, including existing cash and surplus from operations, as well as bank loans and other borrowings. Other available resources include monetisation of the Group's equity investments.

Included in the above are HCDL's expenditures totaling HK$0.3 billion, which will be funded by its own financial resources.

## (III) Human Resources

The Group had approximately 2,800 employees as at 30 June 2026. Employees are remunerated according to job responsibilities and market pay trend with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the Group's achievement and results.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**
**For the six months ended 30 June 2026 - Unaudited**

| | Note | **Six months ended 30 June** **2026** **HK$ Million** | 2025 HK$ Million |
|---|---|---|---|
| **Revenue** | 2 | **6,340** | 6,407 |
| Direct costs and operating expenses | | **(1,367)** | (1,352) |
| Selling and marketing expenses | | **(124)** | (119) |
| Administrative and corporate expenses | | **(126)** | (135) |
| Operating profit before depreciation, amortisation, interest and tax | | **4,723** | 4,801 |
| Depreciation and amortisation | | **(119)** | (117) |
| **Operating profit** | 2 & 3 | **4,604** | 4,684 |
| Decrease in fair value of investment properties | | **(3,598)** | (5,150) |
| Other net loss | 4 | **(73)** | (373) |
| | | **933** | (839) |
| Finance costs | 5 | **(535)** | (853) |
| Share of results after tax of an associate | | **22** | (155) |
| Profit/(loss) before taxation | | **420** | (1,847) |
| Income tax | 6 | **(641)** | (628) |
| **Loss for the period** | | **(221)** | (2,475) |
| | | | |
| **Loss attributable to**: | | | |
| Shareholders of the Company | | **(176)** | (2,406) |
| Non-controlling interests | | **(45)** | (69) |
| | | **(221)** | (2,475) |
| **Loss per share** | 7 | | |
| Basic | | **(HK$0.06)** | (HK$0.79) |
| Diluted | | **(HK$0.06)** | (HK$0.79) |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
**For the six months ended 30 June 2026 - Unaudited**

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **HK$ Million** | HK$ Million |
| **Loss for the period** | **(221)** | (2,475) |
| **Other comprehensive income (nil tax impact)** | | |
| **Item that will not be reclassified to profit or loss:** | | |
| Fair value changes on equity investments at fair value through other comprehensive income | **330** | 1,225 |
| **Items that may be reclassified subsequently to profit or loss:** | | |
| Exchange difference on translation of subsidiaries outside Hong Kong | **26** | 575 |
| Share of other comprehensive income of an associate and joint ventures | **8** | 3 |
| Others | **8** | 3 |
| **Other comprehensive income for the period** | **372** | 1,806 |
| **Total comprehensive income for the period** | **151** | (669) |
| **Total comprehensive income attributable to:** | | |
| Shareholders of the Company | **144** | (777) |
| Non-controlling interests | **7** | 108 |
| | **151** | (669) |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**As at 30 June 2026 – Unaudited**

| | Note | **30 June 2026 HK$ Million** | 31 December 2025 HK$ Million |
|---|---|---|---|
| **Non-current assets** | | | |
| Investment properties | | **208,164** | 211,697 |
| Hotel and club properties, plant and equipment | | **6,880** | 6,939 |
| Interest in an associate | | **218** | 189 |
| Interest in a joint venture | | **9** | 9 |
| Other long term investments | | **6,388** | 7,055 |
| Derivative financial assets | | **103** | 74 |
| Other non-current assets | | **77** | 67 |
| | | **221,839** | 226,030 |
| **Current assets** | | | |
| Properties for sale | | **697** | 771 |
| Inventories | | **16** | 16 |
| Trade and other receivables | 9 | **696** | 845 |
| Derivative financial assets | | **4** | - |
| Bank deposits and cash | | **2,002** | 2,031 |
| | | **3,415** | 3,663 |
| **Total assets** | | **225,254** | 229,693 |
| **Non-current liabilities** | | | |
| Derivative financial liabilities | | **(849)** | (1,135) |
| Deferred tax liabilities | | **(2,596)** | (2,582) |
| Other deferred liabilities | | **(363)** | (363) |
| Bank loans and other borrowings | | **(23,214)** | (23,433) |
| | | **(27,022)** | (27,513) |
| **Current liabilities** | | | |
| Trade and other payables | 10 | **(4,910)** | (5,032) |
| Pre-sale deposits and proceeds | | **(1)** | (1) |
| Derivative financial liabilities | | **(327)** | (57) |
| Taxation payable | | **(785)** | (450) |
| Bank loans and other borrowings | | **(7,993)** | (10,578) |
| | | **(14,016)** | (16,118) |
| **Total liabilities** | | **(41,038)** | (43,631) |
| **NET ASSETS** | | **184,216** | 186,062 |
| **Capital and reserves** | | | |
| Share capital | | **304** | 304 |
| Reserves | | **179,548** | 181,401 |
| **Shareholders' equity** | | **179,852** | 181,705 |
| **Non-controlling interests** | | **4,364** | 4,357 |
| **TOTAL EQUITY** | | **184,216** | 186,062 |

## NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

### 1. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

This unaudited interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting ("HKAS 34"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of the unaudited interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

The unaudited interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2025. The unaudited interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRS Accounting Standards.

The accounting policies and methods of computation used in the preparation of the unaudited interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2025 except for the changes mentioned below.

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective starting from 1 January 2026. Of these, the following developments are relevant to the Group's consolidated financial statements:

| | |
|---|---|
| Amendments to HKFRS 9, Financial instruments and HKFRS 7, Financial instruments: disclosures | – Contracts referencing nature-dependent electricity<br>– Amendments to the classification and measurement of financial instruments |
| Annual improvements to HKFRS Accounting Standards | – Volume 11 |

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group's results and financial position.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 2. SEGMENT INFORMATION

The Group manages its businesses according to the nature of services and products provided. Management has determined four reportable operating segments for measuring performance and allocating resources. The segments are investment properties, hotel, investment and development properties. No operating segments have been aggregated to form the reportable segments.

Investment properties segment primarily entails property leasing and management operations. Currently, the Group's investment properties portfolio, which mainly consists of retail, office and serviced apartments, is primarily located in Hong Kong.

Hotel segment includes hotel operations in Hong Kong and Chinese Mainland.

Investment segment represents primarily equity investments in global capital markets.

Development properties segment encompasses activities relating to the acquisition of land, development, construction and sales of trading properties mainly in Chinese Mainland.

Management evaluates performance primarily based on operating profit as well as the equity share of associate and joint venture results of each segment. Inter-segment pricing is generally determined on an arm's length basis.

Segment business assets principally comprise all tangible assets and current assets directly attributable to each segment with the exception of bank deposits and cash, derivative financial assets and deferred tax assets.

Revenue and expenses are allocated with reference to revenue generated by those segments and expenses incurred by those segments or which arise from the depreciation and amortisation of assets attributable to those segments.

## 2. SEGMENT INFORMATION

### a. Analysis of segment revenue and results

| Six months ended | Revenue HK$ Million | Operating profit/ (loss) HK$ Million | Decrease in fair value of investment properties HK$ Million | Other net (loss)/ income HK$ Million | Finance costs HK$ Million | Share of results after tax of an associate HK$ Million | Profit/ (loss) before taxation HK$ Million |
|---|---|---|---|---|---|---|---|
| 30 June 2026 | | | | | | | |
| Investment properties | **5,265** | **4,413** | **(3,598)** | **-** | **(544)** | **-** | **271** |
| Hotel | **842** | **91** | **-** | **-** | **-** | **-** | **91** |
| Investment | **114** | **114** | **-** | **-** | **(23)** | **-** | **91** |
| Development properties | **51** | **13** | **-** | **(93)** | **(6)** | **22** | **(64)** |
| Inter-segment revenue | **(21)** | **-** | **-** | **-** | **-** | **-** | **-** |
| Segment total | **6,251** | **4,631** | **(3,598)** | **(93)** | **(573)** | **22** | **389** |
| Others | **89** | **12** | **-** | **20** | **38** | **-** | **70** |
| Corporate expenses | **-** | **(39)** | **-** | **-** | **-** | **-** | **(39)** |
| Group total | **6,340** | **4,604** | **(3,598)** | **(73)** | **(535)** | **22** | **420** |
| | | | | | | | |
| 30 June 2025 | | | | | | | |
| Investment properties | 5,371 | 4,528 | (5,150) | - | (737) | - | (1,359) |
| Hotel | 766 | 47 | - | - | - | - | 47 |
| Investment | 143 | 143 | - | - | (34) | - | 109 |
| Development properties | 58 | (1) | - | (39) | (7) | (155) | (202) |
| Inter-segment revenue | (21) | - | - | - | - | - | - |
| Segment total | 6,317 | 4,717 | (5,150) | (39) | (778) | (155) | (1,405) |
| Others | 90 | 10 | - | (334) | (75) | - | (399) |
| Corporate expenses | - | (43) | - | - | - | - | (43) |
| Group total | 6,407 | 4,684 | (5,150) | (373) | (853) | (155) | (1,847) |

**b. Disaggregation of revenue**

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **HK$ Million** | HK$ Million |
| **Revenue recognised under HKFRS 15** | | |
| Management and services income | **625** | 621 |
| Other rental related income | **114** | 102 |
| Hotel and club operations | **842** | 766 |
| Sale of development properties | **51** | 58 |
| | **1,632** | 1,547 |
| **Revenue recognised under other accounting standards** | | |
| Rental income | | |
| – Fixed | **4,115** | 4,248 |
| – Variable | **390** | 379 |
| | **4,505** | 4,627 |
| Investment income | **114** | 143 |
| Others | **89** | 90 |
| | **4,708** | 4,860 |
| Total revenue | **6,340** | 6,407 |

**c. Analysis of inter-segment revenue**

| | Six months ended 30 June | | | | | |
|---|---|---|---|---|---|---|
| | **2026** | | | 2025 | | |
| | **Total revenue HK$ Million** | **Inter-segment revenue HK$ Million** | **Group revenue HK$ Million** | Total revenue HK$ Million | Inter-segment revenue HK$ Million | Group revenue HK$ Million |
| Investment properties | **5,265** | **(21)** | **5,244** | 5,371 | (21) | 5,350 |
| Hotel | **842** | **-** | **842** | 766 | - | 766 |
| Investment | **114** | **-** | **114** | 143 | - | 143 |
| Development properties | **51** | **-** | **51** | 58 | - | 58 |
| Others | **95** | **(6)** | **89** | 97 | (7) | 90 |
| Group total | **6,367** | **(27)** | **6,340** | 6,435 | (28) | 6,407 |

**d. Geographical information**

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | **Revenue** | | **Operating profit** | |
| | **2026** | 2025 | **2026** | 2025 |
| | **HK$ Million** | HK$ Million | **HK$ Million** | HK$ Million |
| Hong Kong | **6,003** | 6,043 | **4,428** | 4,504 |
| Outside Hong Kong | **337** | 364 | **176** | 180 |
| Group total | **6,340** | 6,407 | **4,604** | 4,684 |

## 3. OPERATING PROFIT

**Operating profit is arrived at:**

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **HK$ Million** | HK$ Million |
| **After charging:** | | |
| Depreciation and amortisation on | | |
| – hotel and club properties, plant and equipment | **112** | 109 |
| – leasehold land | **7** | 8 |
| Total depreciation and amortisation | **119** | 117 |
| Staff costs (Note) | **588** | 583 |
| Cost of trading properties for recognised sales | **31** | 47 |
| Direct operating expenses of investment properties | **827** | 817 |
| | | |
| **After crediting:** | | |
| Gross revenue from investment properties | **5,244** | 5,350 |
| Interest income | **19** | 16 |
| Dividend income from other long-term investments | **114** | 143 |

Note:
Staff costs included defined contribution pension schemes costs of HK$32 million (2025: HK$31 million) and equity settled share-based payment expenses of HK$3 million (2025: HK$4 million).

## 4. OTHER NET LOSS

Other net loss for the period was HK$73 million (2025: HK$373 million) including:

(a) A write-down of HK$98 million (2025: HK$41 million) in relation to development property projects in Chinese Mainland.

(b) Net currency exchange gain of HK$6 million (2025: loss of HK$332 million) which included the impact arising from derivative financial instruments.

## 5. FINANCE COSTS

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | **HK$ Million** | HK$ Million |
| **Interest charged on:** | | |
| - Bank loans | **272** | 265 |
| - Other borrowings | **280** | 484 |
| Total interest charge | **552** | 749 |
| Other finance costs | **23** | 30 |
| | **575** | 779 |
| **Fair value (gain)/loss:** | | |
| - Cross currency interest rate swaps | **(30)** | 43 |
| - Interest rate swaps | **(10)** | 31 |
| | **(40)** | 74 |
| Total | **535** | 853 |

## 6. INCOME TAX

Taxation charged to the consolidated statement of profit or loss includes:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | **HK$ Million** | HK$ Million |
| **Current income tax** | | |
| Hong Kong | | |
| - Provision for the period | **610** | 595 |
| Outside Hong Kong | | |
| - Provision for the period | **21** | 19 |
| | **631** | 614 |
| **Land appreciation tax ("LAT")** (Note (c)) | **1** | 1 |
| **Deferred tax** | | |
| Origination and reversal of temporary differences | **9** | 13 |
| Total | **641** | 628 |

(a) The provision for Hong Kong Profits Tax is based on the profit for the period as adjusted for tax purposes at a rate of 16.5% (2025: 16.5%).

(b) Income tax on assessable profits outside Hong Kong is mainly Chinese Mainland corporate income tax calculated at a rate of 25% (2025: 25%), Chinese Mainland withholding tax on dividend at a rate of up to 10% (2025: 10%) and Singapore income tax at a rate of 17% (2025: 17%).

(c) Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Chinese Mainland are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds on sales of properties less deductible expenditures including cost of land use rights, borrowings costs and all property development expenditure.

(d) Tax credit attributable to an associate for the six months ended 30 June 2026 of HK$2 million (2025: expense of HK$5 million) is included in the share of results of an associate.

## 7. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders for the period of HK$176 million (2025: HK$2,406 million) and 3,036 million ordinary shares in issue during the period (2025: 3,036 million ordinary shares in issue).

There were no dilutive potential ordinary shares in issue during the six months ended 30 June 2026 and 2025.

## 8. DIVIDENDS ATTRIBUTABLE TO EQUITY SHAREHOLDERS

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | **2026 HK$ per share** | **2026 HK$ Million** | 2025 HK$ per share | 2025 HK$ Million |
| First interim dividend declared after the end of the reporting period | **0.94** | **2,854** | 0.66 | 2,004 |

(a) The first interim dividend based on 3,036 million ordinary shares in issue (2025: 3,036 million ordinary shares in issue) declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) The second interim dividend of HK$2,004 million for 2025 was approved and paid during the six months ended 30 June 2026.

## 9. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables (net of allowance) with an ageing analysis based on the invoice date as follows:

| | **30 June 2026 HK$ Million** | 31 December 2025 HK$ Million |
|---|---|---|
| Trade receivables | | |
| 0 – 30 days | **129** | 152 |
| 31 – 60 days | **9** | 16 |
| 61 – 90 days | **3** | 5 |
| Over 90 days | **16** | 23 |
| | **157** | 196 |
| Other receivables and prepayments | **539** | 649 |
| | **696** | 845 |

The Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days, except for sale of properties from which the proceeds are receivable pursuant to the terms of the agreements. All the trade and other receivables are expected to be recoverable within one year, except for other receivables of HK$125 million (31 December 2025: HK$142 million), which are expected to be utilised or recovered after more than one year.

## 10. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis based on the invoice date as follows:

| | **30 June 2026 HK$ Million** | 31 December 2025 HK$ Million |
|---|---|---|
| Trade payables | | |
| 0 – 30 days | **59** | 91 |
| 31 – 60 days | **16** | 14 |
| 61 – 90 days | **5** | 4 |
| Over 90 days | **5** | 12 |
| | **85** | 121 |
| Rental and customer deposits | **2,850** | 2,863 |
| Construction costs payable | **525** | 553 |
| Amount due to an associate | **15** | 14 |
| Other payables | **1,435** | 1,481 |
| | **4,910** | 5,032 |

## 11. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Subsequent to 30 June 2026, the Group entered into an agreement to dispose of its entire equity interest in Everbilt Developers Pte Ltd, which principally holds an investment property in Singapore, at a consideration of S$1,111 million (equivalent to approximately HK$6,733 million). Final consideration is subject to adjustments in accordance with the mechanisms established and agreed with the buyer in the agreement.

Further details are set out in the announcement of the Company dated 30 July 2026.

## 12. REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2026 has been reviewed with no disagreement by the Audit Committee of the Company.

## CORPORATE GOVERNANCE CODE

During the financial period under review, the Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with one exception as regards Code Provision C.2.1 providing for the roles of the chairman and chief executive to be performed by different individuals.

Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be Chairman of the Company as well as to discharge the executive functions of a chief executive under the Group's corporate structure thereby enabling more effective planning and better execution of long-term strategies. The Board of Directors of the Company (the "Board") believes that the balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals, with more than half of them being Independent Non-executive Directors.

## PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the financial period under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company. As at 30 June 2026 and up to the date hereof, the Company does not hold any treasury shares (whether in the Central Clearing and Settlement System, or otherwise). All treasury shares, if any, held by the Company are not entitled to receive the interim dividend.

## RELEVANT DATES FOR INTERIM DIVIDEND

| | |
|---|---|
| Ex-entitlement date | 25 August 2026 (Tue) |
| Latest time to lodge share transfer | 4:30 p.m., 26 August 2026 (Wed) |
| Record date and time | 6:00 p.m., 26 August 2026 (Wed) |
| Payment date | 10 September 2026 (Thu) |

In order to qualify for the above-mentioned interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 26 August 2026.

By Order of the Board
**Wharf Real Estate Investment Company Limited**
**Kevin C. Y. Hui**
*Company Secretary*

Hong Kong, 6 August 2026

*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, Ms. Lai Yuen Chiang, Mr. Andrew K. Y. Leung, Mr. Desmond L. P. Liu, Mr. Richard Y. S. Tang, Mr. R. Gareth Williams, Dr. Glenn S. Yee and Professor E. K. Yeoh.*