



WHARF

Established 1886

THE WHARF (HOLDINGS) LIMITED

Stock Code: 4

INTERIM REPORT 2025



Prudent Balance Sheet with Healthy Liquidity

HIGHLIGHTS

- Impairment provisions and revaluation deficits to mark assets to market
- Proactive capital management to maintain low gearing
- RMB assets natural hedge also lowers borrowing cost
- Liquid long term investment to preserve capital with satisfactory yield
- Group Underlying Net Profit (“UNP”) at par with last year
- Interim dividend per share same as last year

GROUP RESULTS

Group UNP increased by 3% to HK\$2,035 million (2024: HK\$1,979 million) in spite of weaker Investment Properties (“IP”) and Hotels.

After the inclusion of IP revaluation deficit and other unrealised accounting losses, Group profit attributable to shareholders reported HK\$535 million (2024: loss of HK\$2,637 million).

INTERIM DIVIDEND

A first interim dividend of HK\$0.20 (2024: HK\$0.20) per share will be paid on 16 September 2025 to Shareholders on record as at 6:00 p.m. on 1 September 2025. This will absorb a total amount of HK\$611 million (2024: HK\$611 million).

BUSINESS REVIEW

Global economic environment has remained challenging, with US tariffs disrupting demand and supply chains, while growing policy uncertainties and geopolitical instability continued to pressure markets. The Group's businesses have been affected to varying degrees.

In Hong Kong, residential market has demonstrated relative resilience, supported by a more favourable interest rate environment and relaxed market restrictions. The enhanced New Capital Investment Entrant Scheme, alongside recent stock market improvements, has strengthened demand in the luxury residential sector. Meanwhile, Sino-US trade negotiations have added uncertainties to the port business, which was already facing intense regional competition and realignment of shipping lanes.

Property market in Mainland China has remained cautious. Although government measures have stimulated some first-time buyer and upgrade demand, home prices have continued to decline. Nationwide retail sales experienced a modest increase in the first half of 2025, but were largely driven by trade-in programmes and promotional events. Broader consumer sentiment remained subdued.

Against this economic backdrop, the Group has maintained a healthy balance sheet with strong liquidity and a low gearing at 4.4% at period-end, positioning the Group well to navigate challenges and capitalise on opportunities as market conditions develop.

HONG KONG PROPERTIES

Capitalising on improving market conditions, the launch of the prestigious Peak Portfolio for tender is proceeding as planned. With strategic focus on market and marketing, a penthouse at the 50%-owned Mount Nicholson was sold for HK\$609 million during the period, achieving a record high price per square foot for apartments of HK\$144,000. Preparations to engage buyers for 1 Plantation Road are also underway.

On an attributable basis, development properties revenue recognised during the period increased by 56% to HK\$475 million and operating profit decreased to HK\$31 million (2024: HK\$179 million). Net order book at period-end amounted to HK\$305 million.

MAINLAND CHINA INVESTMENT PROPERTIES

Consumer sentiments have dampened, while capacity continues to be the issue alongside ever-evolving e-commerce trends. In light of the intensifying competition, the fundamentals of critical mass and strategic location, as well as innovative tenant mix and marketing, remain key competitive elements of the Group's properties.

Office leasing struggles amid downsizing and space consolidation. Significant oversupply exerts further pressure on both rental and occupancy levels.

Overall segment revenue declined by 4% to HK\$2,244 million and operating profit by 5% to HK\$1,470 million.

MAINLAND CHINA DEVELOPMENT PROPERTIES

The Group's sustainability stems from strategic timing. The decision to suspend land replenishment after 2019 has de-risked the portfolio in a timely manner.

With active projects and available stock diminishing, attributable contracted sales for the first half of 2025 were limited at RMB859 million (2024: RMB699 million), primarily from projects in Suzhou. Net order book at period-end was RMB743 million (31 December 2024: RMB616 million).

On an attributable basis, revenue decreased by 79% to HK\$520 million and operating profit by 92% to HK\$40 million. An attributable impairment provision of HK\$522 million (2024: HK\$564 million) was made, primarily relating to the slow-moving office inventory.

HOTELS

Operating environment remains challenging. Cautious spending continues to put pressure on room rates which witnessed declines versus last year. Hong Kong's occupancy was supported by the improvement in visitor numbers, while Mainland China experienced softer occupancy due to heightened market competition including a wider selection of destinations abroad.

Segment revenue from ownership and management increased by 7% to HK\$312 million but an operating loss of HK\$11 million (2024: profit of HK\$12 million) was reported.

LOGISTICS INFRASTRUCTURE

Concerns over Sino-US trade negotiations seriously disrupted cargo flow at the same time as major shipping alliances restructured services in the region. Modern Terminals' throughput in Hong Kong declined by 3% to 1.7 million TEUs and improvement may not be seen in the second half. In Shenzhen, DaChan Bay Terminals achieved a 20% growth in throughput to 1.2 million TEUs, while throughput at associated company Shekou Container Terminals increased by 11% to 3.4 million TEUs.

At the 21%-owned Hong Kong Air Cargo Terminals, cargo volume remained at 0.9 million tonnes.

Segment revenue increased slightly to HK\$1,076 million and operating profit by 11% to HK\$137 million.

Outlook

Looking ahead, the complex external environment, characterised by escalating geopolitical issues, trade and economic uncertainties, as well as shifting global supply chains, may continue to fuel market volatility and constrain global economic growth.

In Mainland China, potential policy changes may reshape the property market, but fundamental issues including persistent over-supply, weak confidence and labour market continue to impede recovery. Meanwhile, interest rate movements and the pace of overall economic recovery will be key determinants of Hong Kong's property market trajectory.

In this evolving economic landscape, the Group will remain vigilant regarding market developments and continue to adapt to changing market conditions.

FINANCIAL REVIEW

(I) REVIEW OF 2025 INTERIM RESULTS

Group UNP increased by 3% to HK\$2,035 million (2024: HK\$1,979 million) mainly due to reduction in interest expenses and taxation.

Group profit attributable to equity shareholders amounted to HK\$535 million (2024: loss of HK\$2,637 million) after attributable net IP revaluation deficit of HK\$1,180 million (2024: HK\$4,481 million).

Revenue and Operating Profit ("OP")

Group revenue decreased by 19% to HK\$5,669 million (2024: HK\$7,032 million) and OP by 14% to HK\$2,657 million (2024: HK\$3,085 million).

IP revenue decreased by 4% to HK\$2,281 million (2024: HK\$2,364 million) and OP by 6% to HK\$1,484 million (2024: HK\$1,573 million) due to softer retail and office rental.

Development Properties ("DP") revenue decreased by 64% to HK\$739 million (2024: HK\$2,028 million) and OP by 82% to HK\$71 million (2024: HK\$387 million). In Hong Kong, the last remaining house at 77/79 Peak Road was the sole sale recognised during the period. On the Mainland, the remaining stock is slow in liquidation.

Hotels revenue increased by 7% to HK\$312 million (2024: HK\$291 million) yet reported an operating loss of HK\$11 million (2024: profit of HK\$12 million) mainly due to ramp-up for pre-mature Park Hyatt and Maqo in Changsha.

Logistics revenue improved slightly to HK\$1,076 million (2024: HK\$1,073 million) and OP by 11% to HK\$137 million (2024: HK\$123 million) mainly due to higher throughput in Mainland and favourable cargo mix in Hong Kong.

Investments OP decreased by 2% to HK\$1,000 million (2024: HK\$1,023 million) from decrease in dividend income.

IP Revaluation Deficit

Including IP held by joint ventures, independent valuation as at 30 June 2025 gave rise to an attributable but unrealised revaluation deficit (net of related deferred tax and non-controlling interests) of HK\$1,180 million (2024: HK\$4,481 million), which was charged to the consolidated income statements.

Other Net Charges

Other net charges amounted to HK\$32 million (2024: HK\$864 million), mainly representing impairment provision of HK\$396 million (2024: HK\$322 million) for Mainland DP, net exchange gain HK\$62 million (2024: loss of HK\$304 million), and a fair value gain of HK\$220 million (2024: loss of HK\$116 million) on long term fund investments.

Finance Costs

Finance costs amounted to HK\$659 million (2024: HK\$33 million) after unrealised mark-to-market loss of HK\$612 million (2024: gain of HK\$218 million) on cross currency and interest rate swaps.

Excluding the mark-to-market gains/losses, finance costs before capitalisation of HK\$178 million (2024: HK\$149 million) decreased by 44% to HK\$225 million (2024: HK\$400 million). Effective borrowing rate fell to 2.4% (2024: 3.9%), mainly benefitting from higher exposure to Renminbi borrowings at lower interest rates.

Share of Results (after taxes) of Joint Ventures and Associates

Associates' attributable profit decreased by 1% to HK\$129 million (2024: HK\$130 million) while joint ventures' attributable loss reported at HK\$176 million (2024: HK\$233 million), mainly due to lower recognition and impairment provisions of HK\$126 million (2024: HK\$242 million) for Mainland DP.

Taxation

The Group recorded a net tax charge of HK\$163 million (2024: credit of HK\$2,985 million), after a reversal of deferred tax provision of HK\$201 million (2024: HK\$3,527 million) on partial reversal of revaluation surpluses of Mainland IP made previously.

Profit/(Loss) to Shareholders

Group UNP (a performance indicator of the Group's major business segments) increased by 3% to HK\$2,035 million (2024: HK\$1,979 million). By segment, IP profit decreased by 9% to HK\$1,103 million (2024: HK\$1,207 million), DP loss narrowed by 13% to HK\$403 million (2024: HK\$462 million), Logistics profit rebounded by 21% to HK\$200 million (2024: HK\$165 million), while Investments profit was stable at HK\$997 million (2024: HK\$999 million).

Including attributable net IP valuation deficit of HK\$1,180 million (2024: HK\$4,481 million), mark-to-market and exchange loss on certain financial instruments of HK\$519 million (2024: gain of HK\$21 million) and fair value gain on fund investments of HK\$220 million (2024: loss of HK\$116 million), Group profit attributable to equity shareholders reported at HK\$535 million (2024: loss of HK\$2,637 million). Basic earnings per share was HK\$0.18 (2024: loss per share of HK\$0.86) based on weighted average of 3,056 million shares.

(II) DP SALES AND NET ORDER BOOK (INCLUSIVE OF JOINT VENTURE PROJECTS ON AN ATTRIBUTABLE BASIS)

Total contracted sales increased by 17% to HK\$1,247 million (2024: HK\$1,066 million).

Hong Kong sales increased by 2% to HK\$305 million (2024: HK\$300 million). Net order book amounted to HK\$305 million pending recognition as at 30 June 2025 (December 2024: HK\$501 million).

Mainland sales increased by 23% to RMB859 million (2024: RMB699 million). Net order book increased by 21% to RMB743 million (December 2024: RMB616 million).

(III) LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL COMMITMENTS

Shareholders' and Total Equity

As at 30 June 2025, shareholders' equity increased by 5% to HK\$143.3 billion (December 2024: HK\$136.8 billion), equivalent to HK\$46.89 (December 2024: HK\$44.77) per share.

Total equity including non-controlling interests also increased by 5% to HK\$149.0 billion (December 2024: HK\$142.5 billion).

Assets

Total business assets, excluding bank deposits and cash, certain financial and deferred tax assets, increased by 3% to HK\$185.0 billion (December 2024: HK\$179.6 billion). Properties, Logistics and Investments assets accounted for 66%, 8%, 26% (December 2024: 69%, 8%, 23%) of the Group total, respectively.

Geographically, Hong Kong business assets increased by 7% to HK\$104.2 billion (December 2024: HK\$97.7 billion), Mainland decreased by 2% to HK\$71.3 billion (December 2024: HK\$72.5 billion); and Overseas (mainly Investments) increased by 2% to HK\$9.5 billion (December 2024: HK\$9.4 billion), representing 56%, 39% and 5% (December 2024: 55%, 40% and 5%) of the Group total, respectively.

Investment Properties

IP portfolio was valued at HK\$60.3 billion (December 2024: HK\$60.8 billion), representing 33% (December 2024: 34%) of total business assets. This portfolio comprised Hong Kong IP of HK\$19.4 billion (December 2024: HK\$19.4 billion) and Mainland IP of HK\$40.9 billion (December 2024: HK\$41.4 billion).

Net of deferred taxes and non-controlling interests, IP value (including IPs held by joint ventures) attributable to the Group was HK\$53.0 billion (December 2024: HK\$53.5 billion), comprising Hong Kong IP of HK\$17.5 billion (December 2024: HK\$17.6 billion) and Mainland IP of HK\$35.5 billion (December 2024: HK\$35.9 billion).

Properties for Sale

DP for sales slightly decreased to HK\$35.5 billion (December 2024: HK\$35.8 billion), comprising Hong Kong DP of HK\$31.7 billion (December 2024: HK\$31.3 billion) and Mainland DP of HK\$3.8 billion (December 2024: HK\$4.5 billion).

Long Term Investments

Long term investments increased by 15% to HK\$48.4 billion (December 2024: HK\$42.0 billion), among which HK\$39.8 billion (December 2024: HK\$33.9 billion) were listed equity shares, primarily blue chips held for long term capital growth and/or reasonable dividend yield. None of the investments is individually material to the Group's total assets.

During the period, fair value changes on listed investments produced a surplus of HK\$6.0 billion (2024: deficit of HK\$4.9 billion) as reflected in the consolidated statement of comprehensive income. The portfolio performed overall in line with the relevant markets.

The Group's investment portfolio, analysed by industry sectors and by geographical locations, is as below:

	30 June 2025 HK\$ Billion	31 December 2024 HK\$ Billion
Analysed by industry sectors		
Properties	19.6	17.6
New economy	14.1	12.6
Finance and others	14.7	11.8
Group total	48.4	42.0
Analysed by geographical locations		
Hong Kong	38.8	32.5
Overseas	9.6	9.5
Group total	48.4	42.0

Net Debt and Gearing

Net debt as at 30 June 2025 decreased by 9% to HK\$6.5 billion (December 2024: HK\$7.1 billion), mainly due to operating net cash inflow and dividend received, partly offset by DP construction costs. The ratio of net debt to total equity remained low at 4.4% (December 2024: 5.0%).

The Group's net debt comprised HK\$13.1 billion bank deposits and cash and HK\$19.6 billion debts. It included Modern Terminals' net debt of HK\$2.8 billion (December 2024: HK\$3.0 billion), which is non-recourse to the Company and its other subsidiaries. The Group will continue to maintain a reasonable level of surplus cash to facilitate business and investment activities.

Finance and Availability of Facilities

Total available loan facilities and issued debt securities as at 30 June 2025 amounted to HK\$35.0 billion, of which HK\$19.6 billion utilised, are analysed as below:

	Available Facilities HK\$ Billion	Utilised Facilities HK\$ Billion	Un-utilised Facilities HK\$ Billion
Company/wholly-owned subsidiaries			
Committed and uncommitted facilities	28.1	14.3	13.8
Debt securities	2.3	2.3	–
	30.4	16.6	13.8
Non-wholly-owned subsidiaries			
Committed and uncommitted facilities – Modern Terminals	4.6	3.0	1.6
Group total	35.0	19.6	15.4

Of the above debts, HK\$12.5 billion (December 2024: HK\$11.6 billion) was secured by mortgages over certain IP, DP and other property, plant and equipment together with carrying value of HK\$39.5 billion (December 2024: HK\$38.5 billion).

The Group's debt portfolio comprised primarily Renminbi, Hong Kong dollar and United States dollar. Funds sourced from such debt portfolio were mainly used to finance IP, DP and port investments.

The use of derivative financial instruments is strictly monitored and controlled. Most of the derivative financial instruments entered are primarily used for management of interest rate and currency exposures.

The Group continued to maintain a strong financial position with ample surplus cash and undrawn committed facilities to facilitate business and investment activities. In addition, the Group also maintained a portfolio of liquid listed investments with an aggregate market value of HK\$39.8 billion (December 2024: HK\$33.9 billion).

Cash Flows for the Group's Operating and Investing Activities

For the period under review, the Group recorded net operating cash inflow of HK\$1.9 billion (2024: HK\$2.3 billion) before changes in working capital. A decrease in working capital of HK\$0.5 billion (2024: HK\$1.7 billion) mainly from increase in property under development for sale coupled with lower interest paid generated a net cash inflow from operating activities of HK\$2.0 billion (2024: HK\$0.5 billion).

For investing activities, the Group recorded a net inflow of HK\$0.2 billion (2024: outflow of HK\$0.7 billion), mainly for deposits with maturity greater than 3 months has been released as at period end.

Major Capital and Development Expenditures

Major expenditures incurred in 2025 are analysed as follows:

	Hong Kong HK\$ Million	Mainland China HK\$ Million	Total HK\$ Million
Properties			
IP	87	23	110
DP	853	555	1,408
	940	578	1,518
Others	15	16	31
Group total	955	594	1,549

- i. DP and IP expenditures included HK\$0.1 billion for property projects undertaken by associates and joint ventures.
- ii. Other expenditure was mainly for Modern Terminals' terminal equipment.

Commitment

As at 30 June 2025, major expenditures to be incurred in the coming years was estimated at HK\$17.6 billion, of which HK\$9.5 billion was committed, analysed by segment as below:

	Committed HK\$ Million	Uncommitted HK\$ Million	Total HK\$ Million
IP			
Hong Kong	30	6,335	6,365
Mainland China	3	113	116
	33	6,448	6,481
DP			
Hong Kong	7,271	1,322	8,593
Mainland China	849	321	1,170
	8,120	1,643	9,763
Others	1,336	55	1,391
Group total	9,489	8,146	17,635

Properties commitments are mainly for construction cost, inclusive of attributable commitments to associates and joint ventures, to be incurred by stages. These expenditures will be funded by internal financial resources including surplus cash, cash from operations, including pre-sale proceeds, as well as bank and other borrowings. Other available resources include listed equity investments available for sale.

(IV) HUMAN RESOURCES

The Group had approximately 6,000 employees (full-time and part-time staff) as at 30 June 2025, including about 1,200 employed by managed operations. Employees are remunerated according to their job responsibilities and the market pay trend with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the respective group's achievement and results.

CONSOLIDATED INCOME STATEMENT

For The Six Months Ended 30 June 2025 – Unaudited

		Six months ended 30 June	
	Note	2025 HK\$ Million	2024 HK\$ Million
Revenue	2	5,669	7,032
Direct costs and operating expenses		(1,939)	(2,882)
Selling and marketing expenses		(194)	(173)
Administrative and corporate expenses		(529)	(540)
Operating profit before depreciation, amortisation, interest and tax		3,007	3,437
Depreciation and amortisation		(350)	(352)
Operating profit	2 & 3	2,657	3,085
Decrease in fair value of investment properties		(1,164)	(7,628)
Other net charges	4	(32)	(864)
Finance costs	5	1,461	(5,407)
Share of results after taxes of:		(659)	(33)
Associates		129	130
Joint ventures		(176)	(233)
Profit/(loss) before taxation		755	(5,543)
Income tax	6	(163)	2,985
Profit/(loss) for the period		592	(2,558)
Profit/(loss) attributable to:			
Equity shareholders		535	(2,637)
Non-controlling interests		57	79
		592	(2,558)
Earnings/(loss) per share	7		
Basic and diluted		HK\$0.18	(HK\$0.86)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Six Months Ended 30 June 2025 – Unaudited

	Six months ended 30 June	
	2025	2024
	HK\$ Million	HK\$ Million
Profit/(loss) for the period	592	(2,558)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Fair value changes on equity investments	5,966	(4,920)
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of Mainland operations	496	(104)
Share of other comprehensive income of associates/joint ventures	128	(49)
Other comprehensive income for the period	6,590	(5,073)
Total comprehensive income for the period	7,182	(7,631)
Total comprehensive income attributable to:		
Equity shareholders	7,083	(7,689)
Non-controlling interests	99	58
	7,182	(7,631)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 June 2025 – Unaudited

	Note	30 June 2025 HK\$ Million	31 December 2024 HK\$ Million
Non-current assets			
Investment properties		60,288	60,767
Property, plant and equipment		12,123	12,261
Interests in associates		13,289	13,345
Interests in joint ventures		13,919	13,912
Other long term investments		48,429	41,969
Goodwill and other intangible assets		298	298
Deferred tax assets		3	8
Derivative financial assets		18	14
Other non-current assets		23	23
		148,390	142,597
Current assets			
Properties for sale		35,494	35,755
Trade and other receivables	9	1,578	1,507
Derivative financial assets		63	462
Bank deposits and cash		13,081	9,718
		50,216	47,442
Total assets		198,606	190,039
Non-current liabilities			
Derivative financial liabilities		(406)	(422)
Deferred tax liabilities		(10,077)	(10,012)
Other non-current liabilities		(35)	(34)
Bank loans and other borrowings	11	(16,523)	(13,844)
		(27,041)	(24,312)
Current liabilities			
Trade and other payables	10	(18,407)	(19,581)
Deposits from sale of properties		(356)	(167)
Derivative financial liabilities		(352)	(172)
Taxation payable		(321)	(327)
Bank loans and other borrowings	11	(3,088)	(3,010)
		(22,524)	(23,257)
Total liabilities		(49,565)	(47,569)
NET ASSETS		149,041	142,470
Capital and reserves			
Share capital		30,381	30,381
Reserves		112,923	106,451
Shareholders' equity		143,304	136,832
Non-controlling interests		5,737	5,638
TOTAL EQUITY		149,041	142,470

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 June 2025 – Unaudited

	Attributable to equity shareholders of the Company						
	Share capital HK\$ Million	Investments revaluation and other reserves HK\$ Million	Exchange reserves HK\$ Million	Revenue reserves HK\$ Million	Total shareholders' equity HK\$ Million	Non- controlling interests HK\$ Million	Total equity HK\$ Million
At 1 January 2025	30,381	(11,668)	(4,682)	122,801	136,832	5,638	142,470
Changes in equity for the period:							
Profit for the period	–	–	–	535	535	57	592
Other comprehensive income	–	5,966	582	–	6,548	42	6,590
Total comprehensive income	–	5,966	582	535	7,083	99	7,182
Transfer to revenue reserves upon de-recognition of equity investments	–	(1)	–	1	–	–	–
Second interim dividend paid for 2024 (Note 8b)	–	–	–	(611)	(611)	–	(611)
At 30 June 2025	30,381	(5,703)	(4,100)	122,726	143,304	5,737	149,041
At 1 January 2024	30,381	(10,664)	(3,958)	127,230	142,989	5,214	148,203
Changes in equity for the period:							
(Loss)/profit for the period	–	–	–	(2,637)	(2,637)	79	(2,558)
Other comprehensive income	–	(4,920)	(132)	–	(5,052)	(21)	(5,073)
Total comprehensive income	–	(4,920)	(132)	(2,637)	(7,689)	58	(7,631)
Transfer to revenue reserves upon de-recognition of equity investments	–	(10)	–	10	–	–	–
Second interim dividend paid for 2023	–	–	–	(611)	(611)	–	(611)
Dividend paid to non-controlling interests	–	–	–	–	–	(96)	(96)
At 30 June 2024	30,381	(15,594)	(4,090)	123,992	134,689	5,176	139,865

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Six Months Ended 30 June 2025 – Unaudited

	Six months ended 30 June 2025 HK\$ Million	2024 HK\$ Million
Operating cash inflow	1,864	2,267
Changes in working capital/others	369	(1,322)
Tax paid	(241)	(412)
Net cash generated from operating activities	1,992	533
Investing activities		
Additions to investment properties and property, plant and equipment	(235)	(241)
Other cash generated from/(used in) investing activities	453	(480)
Net cash generated from/(used in) investing activities	218	(721)
Financing activities		
Dividends paid to equity shareholders	(611)	(611)
Other cash generated from/(used in) financing activities	2,430	(114)
Net cash generated from/(used in) financing activities	1,819	(725)
Increase/(decrease) in cash and cash equivalents	4,029	(913)
Cash and cash equivalents at 1 January	8,964	11,593
Effect of exchange rate changes	88	(50)
Cash and cash equivalents at 30 June (Note)	13,081	10,630

Note:

Cash and cash equivalents in the condensed consolidated statement of cash flows

	2025 HK\$ Million	2024 HK\$ Million
Bank deposits and cash	13,081	10,630

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1. Principal 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 “Listing Rules”).

The preparation of the unaudited interim financial information in conformity with HKAS 34 requires management to make judgments, 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 2024 annual financial statements. The unaudited interim financial information and notes thereon do not include all 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 2024 annual financial statements except for the changes mentioned below.

The Group has applied the following amendment to HKFRS Accounting Standards issued by the HKICPA to this unaudited interim financial information for the current accounting period:

Amendment to HKAS 21	The effect of changes in foreign exchange rates: Lack of exchangeability
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The Group has assessed the impact of the adoption of the above amendment and considered that there was no significant impact on the Group’s results and financial position or any substantial changes in the Group’s accounting policies.

1. Principal Accounting Policies and Basis of Preparation (continued)

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

The financial information relating to the financial year ended 31 December 2024 that is included in this unaudited interim financial information as comparative information does not constitute the Company's statutory annual financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong) ("Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2. Segment Information

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

Investment properties segment primarily includes property leasing and management operations. The Group's properties portfolio, which mainly consists of retail, office and serviced apartments is primarily located in Mainland China.

Development properties segment encompasses activities relating to the acquisition, development, sales and marketing of the Group's trading properties primarily in Hong Kong and Mainland China.

Hotels segment includes hotel management in Asia. The Group operates 16 hotels in Asia under Wharf Hotels. Including Park Hyatt Changsha with outsourced management, six hotels are wholly or partly owned by the Group.

Logistics segment mainly includes the container terminal operations in Hong Kong and Mainland China undertaken by Modern Terminals Limited, and Hong Kong Air Cargo Terminals Limited.

Investments segment includes a diversified portfolio of listed equity investments in Hong Kong and overseas and unlisted investments, mainly property, new economy, finance and other companies. The performance of the portfolio is assessed and monitored by top management regularly.

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

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

a. Analysis of segment revenue and results

For the six months ended	Revenue HK\$ Million	Operating profit/ (loss) HK\$ Million	Decrease in fair value of investment properties HK\$ Million	Other net charge HK\$ Million	Finance costs HK\$ Million	Share of results after tax of associates HK\$ Million	Share of results after tax of joint ventures HK\$ Million	Profit/ (loss) before taxation HK\$ Million
30 June 2025								
Investment properties	2,281	1,484	(1,164)	–	(125)	–	(33)	162
Hong Kong	37	14	(130)	–	(11)	–	–	(127)
Mainland China	2,244	1,470	(1,034)	–	(114)	–	(33)	289
Development properties	739	71	–	(273)	(12)	(43)	(149)	(406)
Hong Kong	462	40	–	–	(1)	–	(38)	1
Mainland China	277	31	–	(273)	(11)	(43)	(111)	(407)
Hotels	312	(11)	–	–	–	–	2	(9)
Logistics	1,076	137	–	(6)	(83)	172	4	224
Terminals	1,066	127	–	15	(83)	127	4	190
Others	10	10	–	(21)	–	45	–	34
Investments	1,000	1,000	–	220	(2)	–	–	1,218
Segment total	5,408	2,681	(1,164)	(59)	(222)	129	(176)	1,189
Others	261	145	–	27	(437)	–	–	(265)
Corporate expenses	–	(169)	–	–	–	–	–	(169)
Group total	5,669	2,657	(1,164)	(32)	(659)	129	(176)	755
30 June 2024								
Investment properties	2,364	1,573	(7,628)	(1)	(155)	–	(186)	(6,397)
Hong Kong	38	22	(51)	–	(4)	–	–	(33)
Mainland China	2,326	1,551	(7,577)	(1)	(151)	–	(186)	(6,364)
Development properties	2,028	387	–	(551)	(5)	(17)	(54)	(240)
Hong Kong	–	(26)	–	–	–	–	174	148
Mainland China	2,028	413	–	(551)	(5)	(17)	(228)	(388)
Hotels	291	12	–	(19)	–	–	3	(4)
Logistics	1,073	123	–	(22)	(5)	147	4	247
Terminals	1,062	112	–	(1)	(5)	95	4	205
Others	11	11	–	(21)	–	52	–	42
Investments	1,023	1,023	–	(116)	(20)	–	–	887
Segment total	6,779	3,118	(7,628)	(709)	(185)	130	(233)	(5,507)
Others	253	134	–	(155)	152	–	–	131
Corporate expenses	–	(167)	–	–	–	–	–	(167)
Group total	7,032	3,085	(7,628)	(864)	(33)	130	(233)	(5,543)

2. Segment Information (continued)

b. Disaggregation of revenue

	Six months ended 30 June	
	2025	2024
	HK\$ Million	HK\$ Million
Revenue recognised under HKFRS 15		
Sale of development properties	739	2,028
Management and services income	278	259
Hotels	312	291
Logistics	1,076	1,073
	2,405	3,651
Revenue recognised under other accounting standards		
Rental income under investment properties segment		
– Fixed	1,506	1,518
– Variable	497	587
Investments	1,000	1,023
Others	261	253
	3,264	3,381
Group total	5,669	7,032

The Group has applied the practical expedient in paragraph 121 of Hong Kong Financial Reporting Standards ("HKFRS") 15, Revenue from Contracts with Customers, to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date, i.e. revenue from hotels, logistics and management and services income under investment properties segment, as the Group recognises revenue at the amount to which it has a right to invoice, which corresponds directly with the value to the customer of the Group's performance completed to date.

2. Segment Information (continued)

c. Geographical information

	Six months ended 30 June		Six months ended 30 June	
	Revenue		Operating profit	
	2025	2024	2025	2024
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Hong Kong	2,316	1,943	1,147	1,166
Mainland China	3,219	5,028	1,379	1,865
Others	134	61	131	54
Group total	5,669	7,032	2,657	3,085

3. Operating Profit

Operating profit is arrived at:

	Six months ended 30 June	
	2025	2024
	HK\$ Million	HK\$ Million
After charging:		
Depreciation and amortisation on		
– hotel and other property, plant and equipment	290	291
– leasehold land	39	39
– right-of-use assets	21	22
Total depreciation and amortisation	350	352
Staff cost (Note)	861	817
Cost of trading properties for recognised sales	540	1,510
Direct operating expenses of investment properties	797	792
After crediting:		
Gross revenue from investment properties	2,281	2,364
Interest income	143	148
Dividend income from other long term investments	1,000	1,023

Note: Staff costs included contributions to defined contribution pension schemes of HK\$99 million (2024: HK\$96 million), which included MPF schemes after a forfeiture of HK\$1 million (2024: HK\$nil).

4. Other Net Charges

Other net charges of HK\$32 million (2024: HK\$864 million) for the period mainly comprise:

- a. Impairment provision of HK\$396 million (2024: HK\$322 million) for certain development properties in Mainland China.
- b. Net exchange gain of HK\$62 million (2024: loss of HK\$304 million), including impacts of foreign exchange contracts.
- c. Net fair value gain of HK\$220 million (2024: loss of HK\$116 million) on long term investments which were classified as financial assets at fair value through profit or loss.

5. Finance Costs

	Six months ended 30 June 2025 HK\$ Million	2024 HK\$ Million
Interest charged on:		
Bank loans and overdrafts	99	229
Other borrowings	101	145
Total interest charge	200	374
Other finance costs	25	26
Less: Amount capitalised	(178)	(149)
	47	251
Fair value loss/(gain):		
Cross currency interest rate swaps	625	(210)
Interest rate swaps	(13)	(8)
	612	(218)
Group total	659	33

- a. The Group's average effective borrowing rate for the period was 2.4% p.a. (2024: 3.9% p.a.).
- b. The above interest charge has taken into account the interest paid/receipts in respect of interest rate swaps and cross currency interest rate swaps.

6. Income Tax

Taxation charged/(credited) to the consolidated income statement represents:

	Six months ended 30 June	
	2025	2024
	HK\$ Million	HK\$ Million
Current tax		
Hong Kong		
– provision for Profits tax for the period	48	20
– over-provision in respect of prior years	(4)	(7)
Outside Hong Kong		
– provision for the period	219	238
– over-provision in respect of prior years	(6)	–
	257	251
Current tax		
Mainland China		
– Land appreciation tax (“LAT”) (note c)	(27)	74
Deferred tax		
Change in fair value of investment properties	(201)	(3,527)
Origination and reversal of temporary differences	134	217
	(67)	(3,310)
Group total	163	(2,985)

- a. The provision for Hong Kong Profits tax is based on the profit for the period as adjusted for tax purposes at the rate of 16.5% (2024: 16.5%).
- b. Income tax on profits assessable outside Hong Kong is mainly corporate income tax and withholding tax in Mainland China, calculated at a rate of 25% (2024: 25%) and up to 10%, respectively.
- c. Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights, borrowings costs and all property development expenditures.
- d. Tax attributable to associates and joint ventures for the six months ended 30 June 2025 of HK\$45 million (2024: credit of HK\$23 million) is included in the share of results of associates and joint ventures.

6. Income Tax (continued)

- e. The Group is part of a multinational enterprise group which is subject to the Global Anti-Base Erosion Model Rules ("Pillar Two model rules") published by the Organisation for Economic Co-operation and Development starting from 1 January 2025.

The Group's profits in Hong Kong are subject to the domestic minimum top-up tax introduced by the respective governments. The Group's profits in Mainland China, where a domestic minimum top-up tax has not been implemented, are liable to Pillar Two income taxes under the Hong Kong legislation.

The Group applies the HKAS 12 exemption to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

7. Earnings/(Loss) per Share

The calculation of basic and diluted earnings/(loss) per share is based on the profit attributable to equity shareholders for the period of HK\$535 million (2024: loss of HK\$2,637 million) and the weighted average of 3,056 million shares (2024: 3,056 million shares) in issue during the period.

8. Dividends Attributable to Equity Shareholders

	Six months ended 30 June			
	2025 HK\$ per share	2025 HK\$ Million	2024 HK\$ per share	2024 HK\$ Million
First interim dividend declared after the end of the reporting period	0.20	611	0.20	611

- a. The first interim dividend based on 3,056 million issued shares (2024: 3,056 million shares) 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\$611 million for 2024 was approved and paid in 2025.

9. Trade and Other Receivables

Included in this item are trade receivables (net of loss allowance for bad and doubtful debts) with an ageing analysis based on the invoice date as at 30 June 2025 as follows:

	30 June 2025 HK\$ Million	31 December 2024 HK\$ Million
Trade receivables		
0–30 days	64	86
31–60 days	25	22
61–90 days	13	9
Over 90 days	82	77
	184	194
Other receivables and prepayments	1,394	1,313
Group total	1,578	1,507

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 the proceeds from which are receivable pursuant to the terms of the agreements. All the receivables and prepayments are expected to be virtually recoverable or recognised as expenses within one year.

10. Trade and Other Payables

Included in this item are trade payables with an ageing analysis based on the invoice date as at 30 June 2025 as follows:

	30 June 2025 HK\$ Million	31 December 2024 HK\$ Million
Trade payables		
0–30 days	293	417
31–60 days	232	268
61–90 days	148	26
Over 90 days	154	125
	827	836
Rental and customer deposits	1,323	1,327
Construction costs payable	2,887	3,763
Amounts due to associates	7,804	7,970
Amounts due to joint ventures	2,975	2,903
Other payables	2,591	2,782
Group total	18,407	19,581

11. Bank Loans and Other Borrowings

	30 June 2025 HK\$ Million	31 December 2024 HK\$ Million
Bonds and notes (unsecured)	2,353	2,803
Bank loans (secured)	12,537	11,602
Bank loans (unsecured)	4,721	2,449
Total bank loans and other borrowings	19,611	16,854
Analysis of maturities of the above borrowings:		
Current borrowings		
Due within 1 year	3,088	3,010
Non-current borrowings		
Due after more than 1 year but not exceeding 2 years	2,148	3,005
Due after more than 2 years but not exceeding 5 years	8,591	5,444
Due after more than 5 years	5,784	5,395
	16,523	13,844
Total bank loans and other borrowings	19,611	16,854

12. Fair Value Measurement of Financial Instruments

a. Assets and liabilities carried at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement ("HKFRS 13"). The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique. The levels are defined as follows:

- Level 1 valuations: Fair value measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using level 2 inputs i.e. observable inputs which fail to meet level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

12. Fair Value Measurement of Financial Instruments (continued)

a. Assets and liabilities carried at fair value (continued)

Financial instruments carried at fair value

The fair value measurement information for financial instruments in accordance with HKFRS 13 is given below.

	At 30 June 2025				At 31 December 2024			
	Level 1 HK\$ Million	Level 2 HK\$ Million	Level 3 HK\$ Million	Total HK\$ Million	Level 1 HK\$ Million	Level 2 HK\$ Million	Level 3 HK\$ Million	Total HK\$ Million
Assets								
Other long term investments:								
– Equity investments	39,810	–	–	39,810	33,857	–	–	33,857
– Unlisted investments	–	–	8,619	8,619	–	–	8,112	8,112
Derivative financial instruments:								
– Forward foreign exchange contracts	–	23	–	23	–	103	–	103
– Interest rate swaps	–	16	–	16	–	18	–	18
– Cross currency interest rate swaps	–	42	–	42	–	355	–	355
	39,810	81	8,619	48,510	33,857	476	8,112	42,445
Liabilities								
Derivative financial instruments:								
– Forward foreign exchange contracts	–	236	–	236	–	316	–	316
– Interest rate swaps	–	13	–	13	–	65	–	65
– Cross currency interest rate swaps	–	509	–	509	–	213	–	213
Bank loans and other borrowings:								
– Bonds and notes	–	1,271	–	1,271	–	1,221	–	1,221
	–	2,029	–	2,029	–	1,815	–	1,815

During the six months ended 30 June 2025 and 2024, there were no transfers of instruments between Level 1 and Level 2. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event of change in circumstances that caused the transfer.

12. Fair Value Measurement of Financial Instruments (continued)

a. Assets and liabilities carried at fair value (continued)

Valuation techniques and inputs used in Level 2 fair value measurements:

The fair value of forward foreign exchange contracts in Level 2 is determined by using the forward exchange rates at the end of the reporting period and comparing them to the contractual rates.

The fair value of interest rate swaps and cross currency interest rate swaps in Level 2 is determined based on the amount that the Group would receive or pay to terminate the swaps at the end of the reporting period, taking into account current interest rates and current creditworthiness of the swap counter-parties.

The fair values of bank loans and other borrowings in Level 2 is determined based on cash flows discounted using the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the borrowing being valued.

Valuation techniques and inputs used in Level 3 fair value measurements:

The Group's unlisted investments measured at categorised in Level 3 comprise private equity funds. These private equity funds were managed by unrelated asset managers who applied various investment strategies to accomplish their respective investment objectives. The fair value of these funds is recorded based on valuations supplied by the fund managers. These valuations are measured by the percentage of ownership of the private equity's net asset value, which is an unobservable input. The fund managers estimated the fair value of underlying investments based on direct market quote for Level 1 financial instruments. For other investments, the fund managers apply appropriate valuation techniques such as latest transaction price, discounted cash flow, or a forward price/earnings multiple arrived at by comparison with publicly-traded comparable companies and after applying a liquidity discount. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instruments or based on any available observable market data.

12. Fair Value Measurement of Financial Instruments (continued)

a. Assets and liabilities carried at fair value (continued)

Valuation techniques and inputs used in Level 3 fair value measurements: (continued)

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	2025 HK\$ Million
Unlisted investments	
At 1 January	8,112
Payment for purchases	287
Net unrealised gain recognised in the consolidated income statement	220
At 30 June	8,619

Transfer out of level 3

The Group held certain unlisted investments in equity shares with fair value totalled HK\$nil (2024: HK\$17 million) as at the date of transfer. The fair value of these investments was categorised at Level 3 at the end of previous reporting period (for information on the valuation technique, see above). This was because the shares were not listed on any stock exchange markets and there were no recent observable arm's length transactions in the shares.

During 2025, those unlisted investments in equity shares have been listed on exchange markets and they are currently actively traded. Because the equity shares now have published price quotations in active markets, the fair value measurement was transferred from Level 3 to Level 1 of the fair value hierarchy at the end of the reporting period.

Any gain or loss arising from the remeasurement of the Group's unlisted investments are recognised in the other net charge (Note 4) in the consolidated income statement.

b. Assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial assets and liabilities carried at amortised cost are not materially different from their fair values as at 30 June 2025 and 31 December 2024.

13. Material Related Party Transactions

Material transactions between the Group and other related parties during the period ended 30 June 2025 are as follows:

- a. There was rental income totalling HK\$3 million (2024: HK\$47 million) from various tenants which are wholly or partly owned by companies which in turn are wholly-owned by the family interests of close family members of, or by a trust the settlor of which is a close family member of the chairman of Wheelock and Company Limited ("WAC").
- b. There were in existence agreement with subsidiaries of Wharf Real Estate Investment Company Limited ("Wharf REIC") for the management, marketing, project management and technical services on Wharf REIC's hotel operations. Total fees receivable under this arrangement during the current period amounted to HK\$27 million (2024: HK\$27 million). Such transactions also constitute continuing connected transactions as defined under Listing Rules.
- c. The Group paid property services fees in respect of the Group's property projects totalling HK\$99 million (2024: HK\$83 million). Of which, HK\$66 million (2024: HK\$47 million) was paid to Wharf REIC and associates of WAC and constitutes continuing connected transactions as defined under the Listing Rules.
- d. The Group recognised capitalised rent totalling HK\$116 million (2024: HK\$134 million) for the provision of rental services provided by Wharf REIC to the Group. Such transactions also constitute continuing connected transactions as defined under the Listing Rules.

14. Contingent Liabilities

As at 30 June 2025, there were contingent liabilities in respect of guarantees given by the Company on behalf of subsidiaries relating to overdrafts, short term loans and credit facilities, bonds and notes of up to HK\$33,591 million (31 December 2024: HK\$36,442 million). There were also contingent liabilities in respect of guarantees given by the Company on behalf of associates and joint ventures of HK\$7,473 million (31 December 2024: HK\$6,364 million) of which HK\$6,846 million (31 December 2024: HK\$5,651 million) had been drawn.

As at 30 June 2025, there were guarantees of HK\$126 million (31 December 2024: HK\$143 million) provided by the Group to the financial institutions in favour of their customers in respect of the mortgage loans provided by the financial institutions to those customers for the purchase of the Group's development properties. There were also mortgage loan guarantees of HK\$281 million (31 December 2024: HK\$428 million) provided by joint ventures and associates of the Group to the financial institutions in favour of their customers.

The Group and the Company have not recognised any deferred income of the above guarantees for subsidiaries, associates and joint ventures as their fair value cannot be reliably measured and their transaction price was HK\$nil.

As at the end of the reporting period, the Directors do not consider it is probable that a claim will be made against the Group and the Company under any of the guarantees.

15. Commitments

The Group's outstanding commitments as at 30 June 2025 are detailed as below:

		30 June 2025			31 December 2024		
		Committed HK\$ Million	Uncommitted HK\$ Million	Total HK\$ Million	Committed HK\$ Million	Uncommitted HK\$ Million	Total HK\$ Million
(I)	Properties						
	Investment properties						
	Hong Kong	30	6,335	6,365	98	6,337	6,435
	Mainland China	3	113	116	3	111	114
		33	6,448	6,481	101	6,448	6,549
	Development properties						
	Hong Kong	7,271	1,322	8,593	3,968	5,548	9,516
	Mainland China	849	321	1,170	847	132	979
		8,120	1,643	9,763	4,815	5,680	10,495
	Properties total						
	Hong Kong	7,301	7,657	14,958	4,066	11,885	15,951
	Mainland China	852	434	1,286	850	243	1,093
		8,153	8,091	16,244	4,916	12,128	17,044
(II)	Others	1,336	55	1,391	1,618	14	1,632
		1,336	55	1,391	1,618	14	1,632
	Group total	9,489	8,146	17,635	6,534	12,142	18,676

The expenditure for development properties included attributable amounts for developments undertaken by joint ventures and associates totalled HK\$1,014 million (31 December 2024: HK\$1,500 million).

16. Review of Unaudited Interim Financial Information

The unaudited interim financial information for the six months ended 30 June 2025 has been reviewed with no disagreement by the Audit Committee of the Company.

CORPORATE GOVERNANCE CODE

During the financial period under review, the Company 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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), with one exception as regards Code Provision C.2.1 providing for the roles of 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 (“INEDs”).

CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

A set of the Company’s own code of conduct (the “Company’s Code”) was adopted by the Company in 2014 to govern securities transactions of the Directors of the Company (the “Director(s)”) with terms thereof being no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Listing Rules. The Company has made specific enquiry of all Directors, and all Directors have complied with the required standard set out in the Model Code and the Company’s Code during the period under review.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

At 30 June 2025, Directors of the Company had the following beneficial interests in the shares (all being long positions) and/or debentures of the Company, Modern Terminals Limited ("Modern Terminals", a subsidiary of the Company) and Greentown China Holdings Limited ("Greentown", an associated corporation of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong) (the "SFO"). The percentages (where applicable) which the relevant shares represented to the total number of shares in issue of the Company and Modern Terminals respectively are also set out below:

	Quantity/Amount Held (percentage, where applicable)	Nature of Interest
The Company – Ordinary Shares		
Stephen T H Ng	4,185,445 (0.1370%)	Personal Interest
Paul Y C Tsui	300,000 (0.0098%)	Personal Interest
Y T Leng	1,050,000 (0.0344%)	Personal Interest
Kevin K P Chan	350,000 (0.0114%)	Personal Interest
David Muir Turnbull	95,000 (0.0031%)	Personal Interest
Modern Terminals – Ordinary Shares		
Hans Michael Jebsen	3,787 (5.40%)	Corporate Interest
Greentown – 5.65% Senior Notes due 2025		
Stephen T H Ng	US\$250,000	Personal Interest

Note: The shareholding classified as "Corporate Interest" in which the Director concerned was taken to be interested as stated above was interest of corporation(s) at general meetings of which the relevant Director was either entitled to exercise (or taken under Part XV of the SFO to be able to exercise) or control the exercise of one-third or more of the voting power in general meetings of such corporation(s).

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Stock Exchange by the Directors and/or Chief Executive of the Company pursuant to the SFO or the Model Code (or any other applicable code), there were no interests, whether long or short positions, held or deemed to be interested as at 30 June 2025 by any of the Directors or Chief Executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), nor had there been any rights to subscribe for any shares, underlying shares or debentures of the Company and its associated corporations held or deemed to be interested by any of them as at 30 June 2025.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties, other than person(s) who is/are Director(s), who/ which were, directly or indirectly, interested in 5% or more of any class of voting shares of the Company as at 30 June 2025, and the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at that date as recorded in the register kept by the Company under section 336 of the SFO (the "Register"):

Names	Number of Ordinary Shares (percentage based on total number of shares in issue)
(i) Wheelock and Company Limited ("WAC")	2,093,500,651 (68.50%)
(ii) HSBC Trustee (C.I.) Limited ("HSBC Trustee")	2,093,500,651 (68.50%)

Notes:

- (1) For the avoidance of doubt and double counting, it should be noted that the shareholdings stated against parties (i) and (ii) above represented the same block of shares.
- (2) HSBC Trustee's deemed shareholding interests stated above was held through WAC, of which it controls more than one-third of the voting power at general meetings.
- (3) The deemed shareholding interests of WAC and HSBC Trustee of 2,093,500,651 shares (68.50%) stated above included direct and indirect interests (of 5% or more) held through WAC's wholly-owned subsidiaries as below:

Names	Number of Ordinary Shares (percentage based on total number of shares in issue)
(i) Lynchpin Limited ("LL")	265,576,072 (8.69%)
(ii) WF Investment Partners Limited ("WIPL")	711,224,579 (23.27%)
(iii) High Fame Investments Limited ("HFIL")	537,558,100 (17.59%)
(iv) Crystal Pond Limited ("CPL")	575,872,900 (18.84%)
(v) Innovative Circle Limited ("ICL")	2,090,231,651 (68.39%)
(vi) World International Asset Management Limited ("WIAML")	2,093,500,651 (68.50%)
(vii) World International Holdings Limited ("WIHL")	2,093,500,651 (68.50%)

Note: For the avoidance of doubt and double counting, it should be noted that the interests of WIHL and WIAML represented the same block of shares and were inclusive of ICL's interests, which in turn included the direct interests held by LL, WIPL, HFIL and CPL respectively.

All the interests stated above represented long positions. As at 30 June 2025, there were no short position interests recorded in the Register.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) at its annual general meeting on 11 May 2023. Under the Share Option Scheme, the Board shall be entitled to grant options to any eligible participant as the Board may in its absolute discretion select.

No share option has been granted under the Share Option Scheme since its adoption and up to 30 June 2025. Accordingly, as at 30 June 2025, there was no share option outstanding under the Share Option Scheme and no shares of the Company that might be issued pursuant thereto.

The total number of share options available for grant under the scheme mandate of the Share Option Scheme as at 1 January 2025 and 30 June 2025 were both 305,602,732.

CHANGES IN INFORMATION OF DIRECTORS

The changes in information of the Directors required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules since the publication of last annual report of the Company are set out below.

- (i) Given below is the latest information regarding annual emoluments calculated on an annualised basis, exclusive of any and all amounts which would be borne by WAC, Wharf Real Estate Investment Company Limited and/or their respective wholly-owned subsidiary(ies), of all those Directors for whom there have been changes of amounts of emoluments:

Director(s)	Salary and various allowances		Discretionary annual bonus in cash ^(Note)	
		HK\$'000		HK\$'000
Stephen T H Ng	5,927	(2024: 5,784)	6,900	(2024: 9,000)
Paul Y C Tsui	2,585	(2024: 2,521)	3,840	(2024: 5,600)
Y T Leng	3,544	(2024: 3,445)	2,500	(2024: 3,500)
Kevin K P Chan	4,442	(2024: 4,311)	4,200	(2024: 5,000)
Kevin C Y Hui	2,805	(2024: 2,725)	1,425	(2024: 1,125)

Note: The amounts of such discretionary annual bonuses were fixed/decided unilaterally by the employers.

(II) Given below are changes in other information of the Directors:

	Effective Date
Hans Michael Jebsen	
The Wharf (Holdings) Limited – ceased to be member of Nomination Committee	13 May 2025
Advisory Council of the Business School of The Hong Kong University of Science and Technology – retired as chairman	31 May 2025
Nancy S L Tse	
The Wharf (Holdings) Limited – appointed as member of Nomination Committee	13 May 2025

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 2025 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 first interim dividend for 2025.

By Order of the Board
The Wharf (Holdings) Limited
Kevin C Y Hui
Director and Company Secretary

Hong Kong, 12 August 2025

As at the date of this interim report, the Board comprises Mr Stephen T H Ng, Mr Paul Y C Tsui, Ms Y T Leng, Mr Kevin K P Chan and Mr Kevin C Y Hui, together with seven INEDs, namely, Professor Edward K Y Chen, Mr Vincent K Fang, Mr Hans Michael Jebsen, Ms Elizabeth Law, Mr Richard Y S Tang, Ms Nancy S L Tse and Mr David Muir Turnbull.

This Interim Report in both English and Chinese is available on the Company's website at www.wharfhholdings.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.