WHARF

Established 1886

WHARF REAL ESTATE INVESTMENT COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1997

INTERIM REPORT 2026

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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 fuel prices and Chinese Mainland's outbound investment regulations unsettled capital flows and equity markets. However, overall 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 was noticed 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 opening of the first *FOPE* in Hong Kong and *ZEGNA*; 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 include 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咖啡製作所* 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 new supply nearby, the Group continued premises enhancement works and maintained premium management standards to retain and attract tenants. Nevertheless, tenants remained cautious about costs which 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 region's first attractions and flagship concepts, Times Square continues 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 cosmetic brand *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 Korea's leading rice cake restaurant *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 its 100% interest in 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 local spending. However, interest rates and other uncertainties may still cast a long shadow on tenants' commitment plans. Further escalation in geopolitical tensions between major powers 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.

Revenue and Operating Profit

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).

Fair Value Change of IP

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).

Other Net Loss

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.

Finance Costs

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).

Long Term Investments

Long term investments were marked to market at HK$6.4 billion (31 December 2025: HK$7.1 billion), including mainly liquid blue-chip listed equity shares trading on the stock exchanges in Hong Kong and Singapore, held for long term growth and dividend return. The value of the whole portfolio represented 2.8% (31 December 2025: 3.1%) of the Group's total assets and each investment within it was individually not material.

The Group's listed equity portfolio is mainly related to the property sector and aligned with the Group's investment policy and objectives in support of long term development and strategic direction. The investment portfolio, analysed by industry sector and geographical location, is as below:

	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

During the period, fair value changes on listed investments produced an attributable surplus of HK$294 million (2025: HK$1,055 million) as reflected in the consolidated statement of 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 consolidated statement of changes in equity.

The portfolio is subject to market volatility and may affect the net asset value and financial performance of the Group. Composition and performance of the portfolio are constantly assessed and monitored by an investment team reporting on daily basis to senior management.

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 **HK$ Million**	2025 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	11	(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	11	(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	12	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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 June 2026 – Unaudited

	Attributable to equity shareholders of the Company								
	Share capital HK$ Million	Share premium HK$ Million	Investment revaluation reserves HK$ Million	Share option reserves HK$ Million	Exchange reserves HK$ Million	Revenue reserves HK$ Million	Total HK$ Million	Non-controlling interests HK$ Million	Total equity HK$ Million
At 1 January 2026	304	696	2	23	523	180,157	181,705	4,357	186,062
Changes in equity for the period:									
Loss for the period	–	–	–	–	–	(176)	(176)	(45)	(221)
Other comprehensive income	–	–	294	–	20	6	320	52	372
Total comprehensive income	–	–	294	–	20	(170)	144	7	151
2025 second interim dividend paid (Note 8(b))	–	–	–	–	–	(2,004)	(2,004)	–	(2,004)
Equity settled share-based payments	–	–	–	3	–	–	3	–	3
Transfer to revenue reserves upon de-recognition of equity investments	–	–	(90)	–	–	90	–	–	–
Unclaimed dividends forfeited	–	–	–	–	–	4	4	–	4
At 30 June 2026	304	696	206	26	543	178,077	179,852	4,364	184,216
At 1 January 2025	304	696	(1,477)	16	55	188,226	187,820	4,164	191,984
Changes in equity for the period:									
Loss for the period	–	–	–	–	–	(2,406)	(2,406)	(69)	(2,475)
Other comprehensive income	–	–	1,055	–	572	2	1,629	177	1,806
Total comprehensive income	–	–	1,055	–	572	(2,404)	(777)	108	(669)
2024 second interim dividend paid	–	–	–	–	–	(1,822)	(1,822)	–	(1,822)
Equity settled share-based payments	–	–	–	4	–	–	4	–	4
Transfer to revenue reserves upon de-recognition of equity investments	–	–	(3)	–	–	3	–	–	–
Unclaimed dividends forfeited	–	–	–	–	–	4	4	–	4
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(10)	(10)
At 30 June 2025	304	696	(425)	20	627	184,007	185,229	4,262	189,491

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Six Months Ended 30 June 2026 – Unaudited

	Six months ended 30 June	
	2026 HK$ Million	2025 HK$ Million
Operating cash inflow	4,593	4,646
Changes in working capital and others	(445)	(962)
Tax paid	(298)	(300)
Net cash generated from operating activities	3,850	3,384
Investing activities		
Payment for investment properties, hotel and club properties, plant and equipment	(84)	(51)
Other net cash generated from investing activities	998	50
Net cash generated from/(used in) investing activities	914	(1)
Financing activities		
Dividends paid to equity shareholders	(2,004)	(1,822)
Other net cash used in financing activities	(2,800)	(1,526)
Net cash used in financing activities	(4,804)	(3,348)
(Decrease)/increase in cash and cash equivalents	(40)	35
Cash and cash equivalents at 1 January	2,031	1,308
Effect of exchange rate changes	11	29
Cash and cash equivalents at 30 June	2,002	1,372
Cash and cash equivalents		
Bank deposits and cash in the consolidated statement of financial position	2,002	1,372

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 – 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.

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

The Group has applied practical expedient in paragraph 121 of HKFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date in relation to its:

– property management fees and other rental related income 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; and

– revenue from sales of completed properties as the contract has an original expected duration of one year or less.

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 HK$ Million	2025 HK$ Million	**2026 HK$ Million**	2025 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 **HK$ Million**	2025 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 HK$ Million	2025 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

(a) The Group's average effective borrowing rate for the period was 3.5% per annum (2025: 4.4% per annum).

(b) The above interest charges have taken into account the interest paid/received in respect of interest rate swaps and cross currency interest rate swaps.

6. INCOME TAX

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

	Six months ended 30 June	
	2026 **HK$ Million**	2025 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. BANK LOANS AND OTHER BORROWINGS

	30 June 2026 HK$ Million	31 December 2025 HK$ Million
Notes (unsecured)	**12,697**	15,065
Bank loans (secured)	**472**	442
Bank loans (unsecured)	**18,038**	18,504
Total bank loans and other borrowings	**31,207**	34,011
Analysis of maturities of the above borrowings:		
Current borrowings		
Due within 1 year	**7,993**	10,578
Non-current borrowings		
Due after more than 1 year but not exceeding 2 years	**7,674**	3,020
Due after more than 2 years but not exceeding 5 years	**15,436**	20,297
Due after more than 5 years	**104**	116
	23,214	23,433
Total bank loans and other borrowings	**31,207**	34,011

12. SHARE CAPITAL

	30 June 2026 No. of shares Million	31 December 2025 No. of shares Million	30 June 2026 HK$ Million	31 December 2025 HK$ Million
Authorised ordinary shares of HK$0.1 each	**5,000**	5,000	**500**	500
Issued and fully paid ordinary shares	**3,036**	3,036	**304**	304

13. FAIR VALUES 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. 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.

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 2026			At 31 December 2025		
	Level 1 HK$ Million	Level 2 HK$ Million	Total HK$ Million	Level 1 HK$ Million	Level 2 HK$ Million	Total HK$ Million
Assets						
Other long-term investments:						
– Listed securities	6,388	–	6,388	7,055	–	7,055
Derivative financial instruments:						
– Interest rate swaps	–	87	87	–	74	74
– Cross currency interest rate swaps	–	16	16	–	–	–
– Forward exchange contracts	–	4	4	–	–	–
	6,388	107	6,495	7,055	74	7,129
Liabilities						
Derivative financial instruments:						
– Interest rate swaps	–	317	317	–	311	311
– Cross currency interest rate swaps	–	859	859	–	869	869
– Forward exchange contracts	–	–	–	–	12	12
Bank loans and other borrowings:						
– Notes	–	9,751	9,751	–	12,120	12,120
– Bank loans	–	639	639	–	654	654
	–	11,566	11,566	–	13,966	13,966

During the six months ended 30 June 2026, there were no transfers of instruments between Level 1 and Level 2, or transfers into or out of Level 3.

The Group’s policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

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 value 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 debt being valued.

The fair value of forward 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.

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 were not materially different from their fair values as at 30 June 2026 and 31 December 2025.

14. MATERIAL RELATED PARTY TRANSACTIONS

Material transactions between the Group and related parties during the six months ended 30 June 2026 are as follows:

(a) There was rental income of HK$22 million (2025: HK$21 million) earned from various tenants which are subsidiaries of Wheelock and Company Limited ("WAC") and The Wharf (Holdings) Limited ("Wharf").

(b) There were in existence agreements with a subsidiary of Wharf for the management, marketing, project management and technical services of the Group's hotel operations. For the six months ended 30 June 2026, total fees payable under this arrangement amounted to HK$30 million (2025: HK$27 million).

(c) There were in existence agreements with subsidiaries of WAC and Wharf for the property services in respect of the Group's property projects. For the six months ended 30 June 2026, total fees payable under the arrangement amounted to HK$25 million (2025: Nil).

15. CONTINGENT LIABILITIES

As at 30 June 2026, there were contingent liabilities in respect of guarantees given by the Company on behalf of subsidiaries relating to overdrafts, short term loans, credit facilities and notes of up to HK$40,413 million (31 December 2025: HK$42,833 million).

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.

16. COMMITMENTS

The Group's outstanding commitments as at 30 June 2026 are detailed as below:

Planned expenditure

	30 June 2026			31 December 2025		
	Committed HK$ Million	Uncommitted HK$ Million	Total HK$ Million	Committed HK$ Million	Uncommitted HK$ Million	Total HK$ Million
Investment properties						
Hong Kong	40	915	955	81	929	1,010
Development properties						
Chinese Mainland	134	152	286	131	149	280
	174	1,067	1,241	212	1,078	1,290
Hotels						
Hong Kong	29	4	33	28	4	32
Total	203	1,071	1,274	240	1,082	1,322

(a) Properties commitments are mainly for construction costs to be incurred in the forthcoming years.

(b) The outstanding commitments for development properties included attributable amounts for developments undertaken by an associate of HK$286 million (31 December 2025: HK$280 million) in Chinese Mainland.

17. 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.

18. 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 (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 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.

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 2017 to govern securities transactions of the Directors of the Company (the "Directors") 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 (except Mr. Richard Y S Tang who was appointed as Director with effect from 2 July 2026), and all those 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

(A) INTERESTS IN SHARES

At 30 June 2026, Directors had the following beneficial interests, all being long positions, in the shares of the Company. The percentages which the relevant shares represented to the total number of shares in issue of the Company are also set out below:

	Number of ordinary shares (percentage based on total number of shares in issue)	**Nature of Interest**
Stephen T H Ng	1,435,445 (0.0473%)	Personal Interest
Paul Y C Tsui	300,000 (0.0099%)	Personal Interest
Andrew K Y Leung	6,629 (0.0002%)	Family Interest
E K Yeoh	50,000 (0.0016%)	Personal Interest

Notes:

(1) The interests in shares disclosed above do not include interests in share options of the Company held by Directors as at 30 June 2026. Details of such interests in share options are separately set out below under the sub-section headed "(B) Interests in Share Options of the Company".

(2) The shareholding classified as "Family Interest", in which the Director concerned was taken to be interested under Part XV of the Securities and Future Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO") as stated above, was interests held by spouse or any child aged under 18 of the relevant Director.

(B) INTERESTS IN SHARE OPTIONS OF THE COMPANY

Set out below are particulars of all interests (all being personal interests) in share options of the Company held by Directors during the six months ended 30 June 2026 to subscribe for ordinary shares of the Company granted/exercisable under the share option scheme of the Company (the "Share Option Scheme"):

Name of Director	Date of grant (Day/Month/Year)	Number of share options: As at 1 January 2026	Exercised during the period	As at 30 June 2026 (percentage based on total number of shares in issue)		Exercise price per share (HK$)	Vesting/Exercise period (Day/Month/Year)
Stephen T H Ng	14/08/2023	300,000	–	300,000		36.58	14/08/2024 – 13/08/2029
		300,000	–	300,000			14/08/2025 – 13/08/2029
		300,000	–	300,000			14/08/2026 – 13/08/2029
		300,000	–	300,000			14/08/2027 – 13/08/2029
		300,000	–	300,000			14/08/2028 – 13/08/2029
	Total	**1,500,000**	**–**	**1,500,000**	(0.05%)		
Y T Leng	14/08/2023	300,000	–	300,000		36.58	14/08/2024 – 13/08/2029
		300,000	–	300,000			14/08/2025 – 13/08/2029
		300,000	–	300,000			14/08/2026 – 13/08/2029
		300,000	–	300,000			14/08/2027 – 13/08/2029
		300,000	–	300,000			14/08/2028 – 13/08/2029
	Total	**1,500,000**	**–**	**1,500,000**	(0.05%)		
Horace W C Lee	14/08/2023	100,000	–	100,000		36.58	14/08/2024 – 13/08/2029
		100,000	–	100,000			14/08/2025 – 13/08/2029
		100,000	–	100,000			14/08/2026 – 13/08/2029
		100,000	–	100,000			14/08/2027 – 13/08/2029
		100,000	–	100,000			14/08/2028 – 13/08/2029
	Total	**500,000**	**–**	**500,000**	(0.02%)		
	Grand Total	**3,500,000**	**–**	**3,500,000**			

Note: *Except as disclosed above, no share option of the Company held by Directors and/or their associate(s) lapsed or was exercised or cancelled during the six months ended 30 June 2026, and no share option of the Company was granted to any Director and/or their associate(s) during the six months ended 30 June 2026.*

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 2026 by any of 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 2026.

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 2026, 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")	1,487,742,651 (48.99%)
(ii)	HSBC Trustee (C.I.) Limited ("HSBC Trustee")	1,487,742,651 (48.99%)

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 were 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 1,487,742,651 shares (48.99%) 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)	*Big Heritage Limited ("BHL")*	*1,360,780,651 (44.82%)*
(ii)	*Great Merchant Global Limited ("GMGL")*	*1,360,780,651 (44.82%)*
(iii)	*World International Asset Management Limited ("WIAML")*	*1,487,742,651 (48.99%)*
(iv)	*World International Holdings Limited ("WIHL")*	*1,487,742,651 (48.99%)*

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 interests of GMGL, which in turn included the direct interests held by BHL.

All the interests stated above represents long positions. As at 30 June 2026, there were no short position interests recorded in the Register.

SHARE OPTION SCHEME

The Company adopted the Share Option Scheme at its annual general meeting held on 9 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.

During the six months ended 30 June 2026, no share option was granted under the Share Option Scheme. Accordingly, the number of share options available for grant under the scheme mandate of the Share Option Scheme as at 1 January and 30 June 2026 was 300,122,732.

The number of shares that may be issued in respect of the share options granted under the Share Option Scheme during the six month ended 30 June 2026 divided by the weighted average number of shares in issue of the Company for the six months ended 30 June 2026 is 0.12%. However, all the share options so granted are subject to the relevant vesting periods of not less than 12 months from the date of grant.

Set out below are particulars and movement(s), if any, during the financial period of all of the Company's outstanding share options which were granted to certain employees (all of them being present Directors), all working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance and are participants with options not exceeding the respective individual limits:

	Number of share options				
Date of grant (Day/Month/Year)	**As at 1 January 2026**	**Exercised during the period**	**As at 30 June 2026**	**Vesting/Exercise period** (Day/Month/Year)	**Exercise price per share** (HK$)
14/08/2023	700,000	–	700,000	14/08/2024 – 13/08/2029	36.58
	700,000	–	700,000	14/08/2025 – 13/08/2029	
	700,000	–	700,000	14/08/2026 – 13/08/2029	
	700,000	–	700,000	14/08/2027 – 13/08/2029	
	700,000	–	700,000	14/08/2028 – 13/08/2029	
Total	**3,500,000**	**–**	**3,500,000**		

Note: Except as disclosed above, no share option of the Company lapsed or was granted, exercised or cancelled during the financial period.

Further details of the Company's share options granted to Directors and the relevant movement(s) during the financial period are set out in the sub-section "(B) Interests in Share Options of the Company" under the section headed "Directors' Interests in Shares" on page 30.

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, The Wharf (Holdings) 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 HK$'000		Discretionary annual bonus in cash (Note) HK$'000	
Stephen T H Ng	4,049	*(2025: 3,951)*	3,000	*(2025: 3,160)*
Paul Y C Tsui	2,650	*(2025: 2,585)*	1,530	*(2025: 1,530)*
Y T Leng	3,652	*(2025: 3,544)*	5,500	*(2025: 5,500)*
Horace W C Lee	2,931	*(2025: 2,859)*	2,700	*(2025: 2,700)*

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

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

	Effective Date
Alexander Siu Kee Au	
• Henderson Investment Limited – ceased to be independent non-executive director	2 June 2026
Desmond Luk Por Liu	
• Kingsway Financial Services Group Limited – appointed as representative of Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the SFC	17 July 2026
• Kingsway SW Asset Management Limited – appointed as representative of Type 9 (Asset Management) regulated activity under the SFC	17 July 2026

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 first interim dividend for 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 interim report, 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.

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