



Established 1886

Capital Values Fall in Lethargic Market

The Wharf (Holdings) Limited
2024 Interim Results | 8 Aug 2024



Results Highlights

- Consumption & Investment in Property Sector Stalled as Markets Lost Vibrancy
- UNP Stable at \$2.0B with Most Segments Weaker
- \$2.6B Group Loss Resulted After Non-cash IP Revaluation Deficit
- Net Debt Management In Line with Plan & Gearing Remains Low

Financial Highlights

- Recovery Pace Impeded by Macro Challenges
- Group Revenue -14% to \$7.0B
- Weaker Market Led to Softer Capital Values & Group Loss
- UNP After Provisions Stable with +9% YoY
 - \$0.6B MLDP Impairment Provision
- Interim DPS \$0.20

HKD Million	1H24	1H23	%Chg.
Group Revenue	7,032	8,130	-14%
Operating Profit	3,085	3,139	-2%
Underlying Net Profit*	1,979	1,811	+9%
Attributable IP Revaluation (Deficit) After Taxation	(4,481)	(356)	+1,159%
(Loss)/Profit Attributable to Equity Shareholders	(2,637)	696	-479%
(Loss)/Earnings Per Share (HK\$)			
- Attributable to Equity Shareholders	(0.86)	0.23	-479%
- Underlying*	0.65	0.59	+9%
Dividend Per Share (HK\$)	0.20	0.20	+0%

* Underlying Net Profit – Excl. IP Revaluation Deficit & Exceptional Items

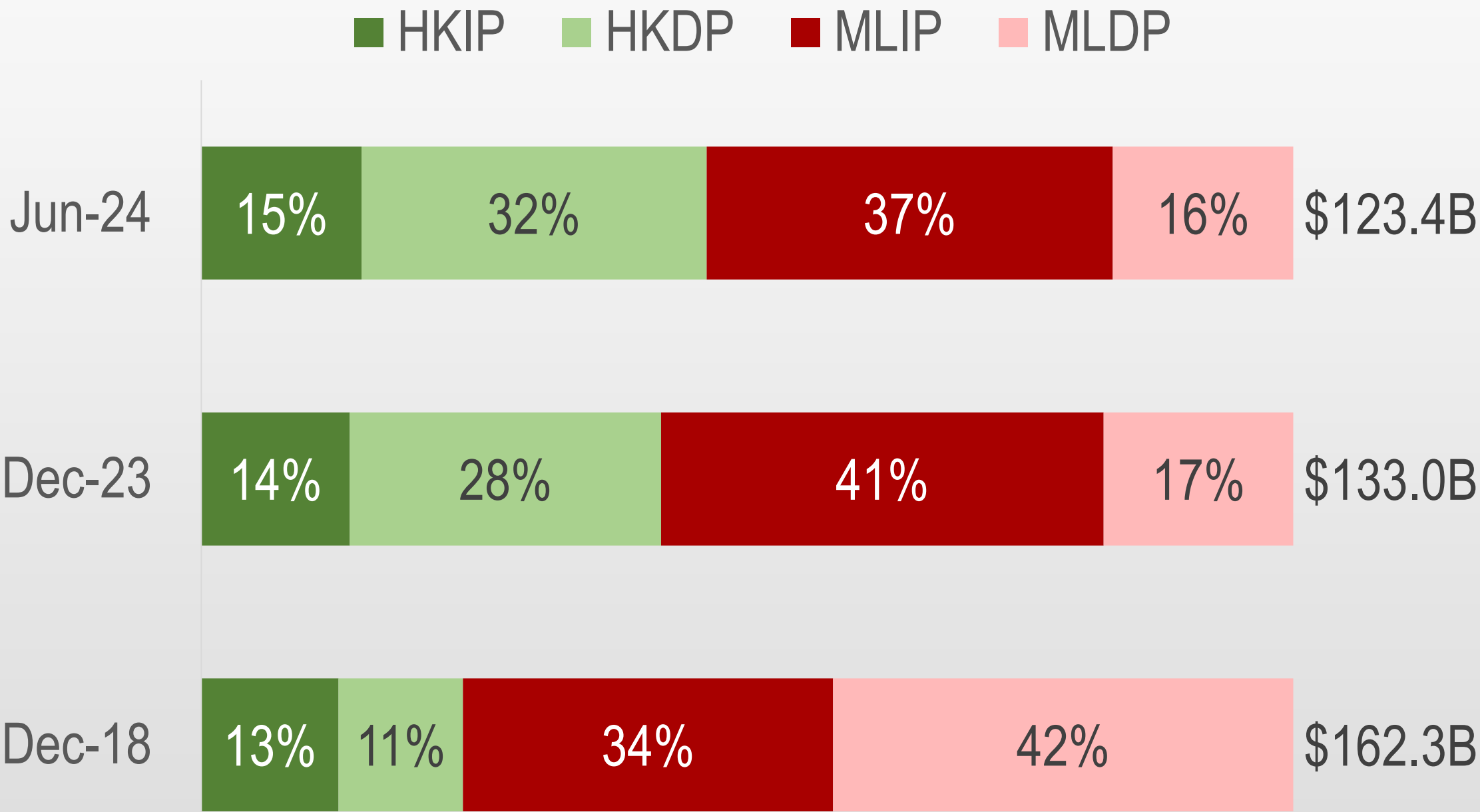
HK Properties – Majority under Development

- Full Project Pipeline in HK
 - Kowloon Tong Site, Kai Tak JV Site
 - Two Mansfield Road Sites
 - Kowloon Godown Redevelopment

MLDP – Both Developed & Undeveloped

- No Replenishment in ML Since 2019

HK & ML Prop Book Value

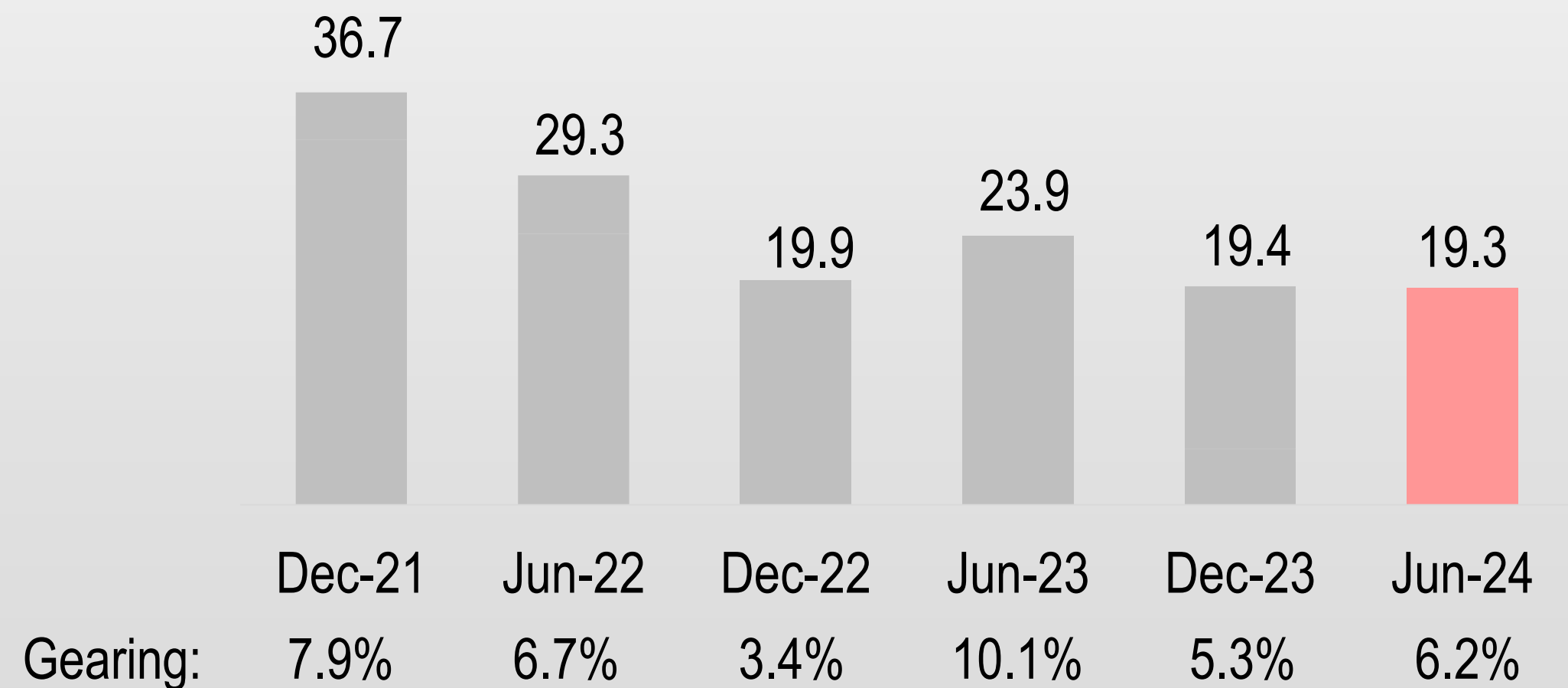


Prudent Financial Management

Overview

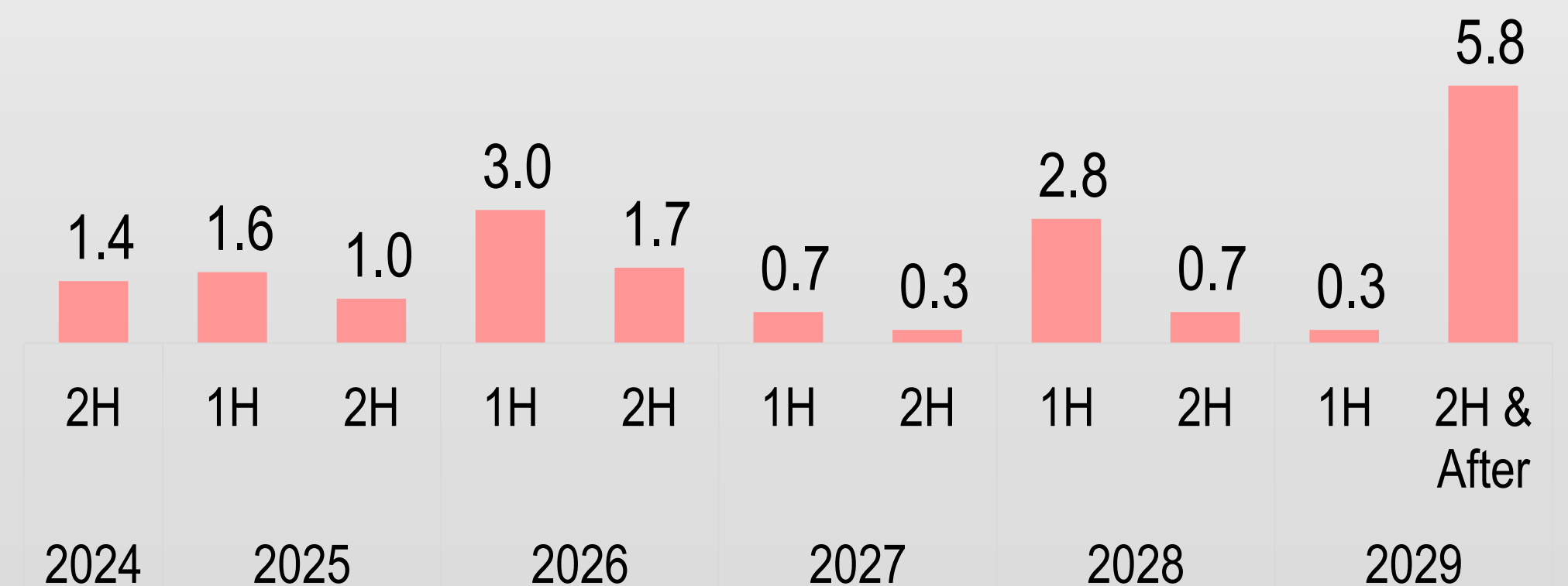
- Reduced Total Debt to Lowest in the Decade
- Debt Exposure: Majority in RMB as Natural Hedge
- Avg Interest Cost: 3.9% p.a. (1H23: 4.9% p.a.)
- Interest Cover: 8.6x

Total Debt (HKD Billion)



Debt Maturity (HKD Billion)

Total: \$19.3B (As at 30 Jun 24)



Healthy Gearing & Balance Sheet

- Debt Management In Line with Plan
- Net Debt \$8.7B; Low Gearing 6.2%
- Listed Investments Provide Liquidity
 - Properties 51%, New Economy 13%, Others 36%
 - \$1B Div. Income in 1H24

HKD Billion	30 Jun 24	31 Dec 23	% Chg.
Total Assets	190.0	204.9	-7%
Investment Properties	63.3	71.2	-11%
Development Properties*	58.9	60.5	-3%
Other Long Term Investments	37.7	42.4	-11%
- Liquid Listed Equities MV	30.0	34.6	-13%
Net Debt	8.7	7.8	+11%
Net Debt to Total Equity	6.2%	5.3%	+0.9 ppt
Total Equity	139.9	148.2	-6%
Shareholders' Equity	134.7	143.0	-6%
Net Asset Value per Share (HK\$)	44.07	46.79	-6%

* Inclusive of JVs & Associates on an Attributable Basis

Hong Kong Properties



Ultra-luxury Peak Portfolio

Mount Nicholson (50%-owned)

- Removal of “Cooling Measures” in Feb Released Latent Demand
 - Impact Rather Short-lived & Market Turned Quiet
- 1 Apt at Mount Nicholson Sold & Booked under Quiet Market
 - Total Price \$600M or \$131,000 psf
- DP Revenue \$305M; OP \$179M
- HK Residential Landbank 2.8M s.f; All Projects Progressing on Track

Note: All Figures On Attributable Basis



11 Plantation Road



77/79 Peak Road



Mainland Investment Properties



Slowdown in Domestic Consumption

- Lacklustre Trading Performance for Mall Tenants
 - Cautious Consumer Sentiment & Leakage to Overseas
- 1H24 MLIP Revenue -2%, OP -4% YoY in RMB Terms
 - Retail Occupancy & Rent Face Greater Pressure
 - Soft Office Rent Amid Deteriorating Supply & Demand Imbalance

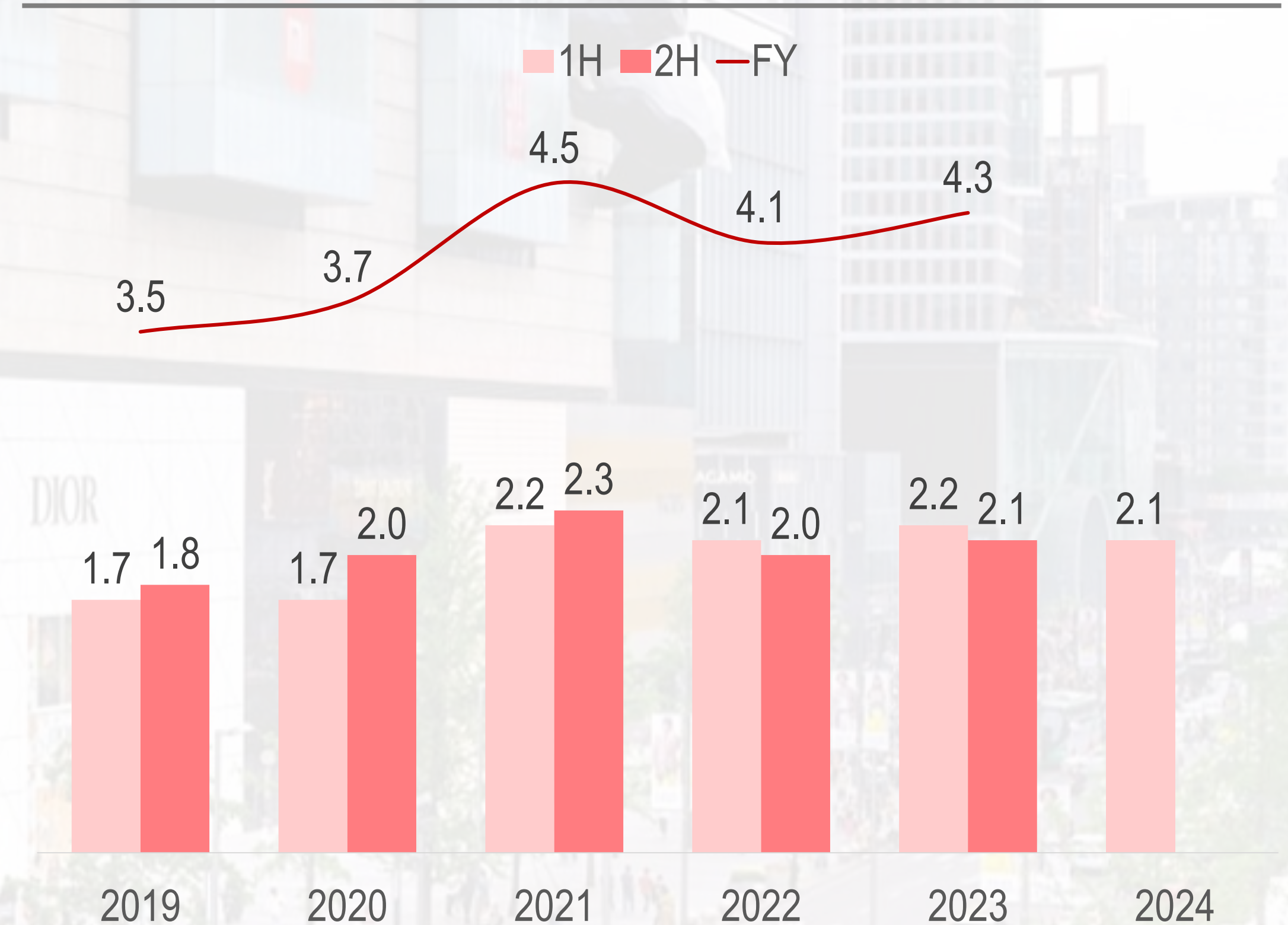
Chengdu IFS – Retail Occ.: 93%



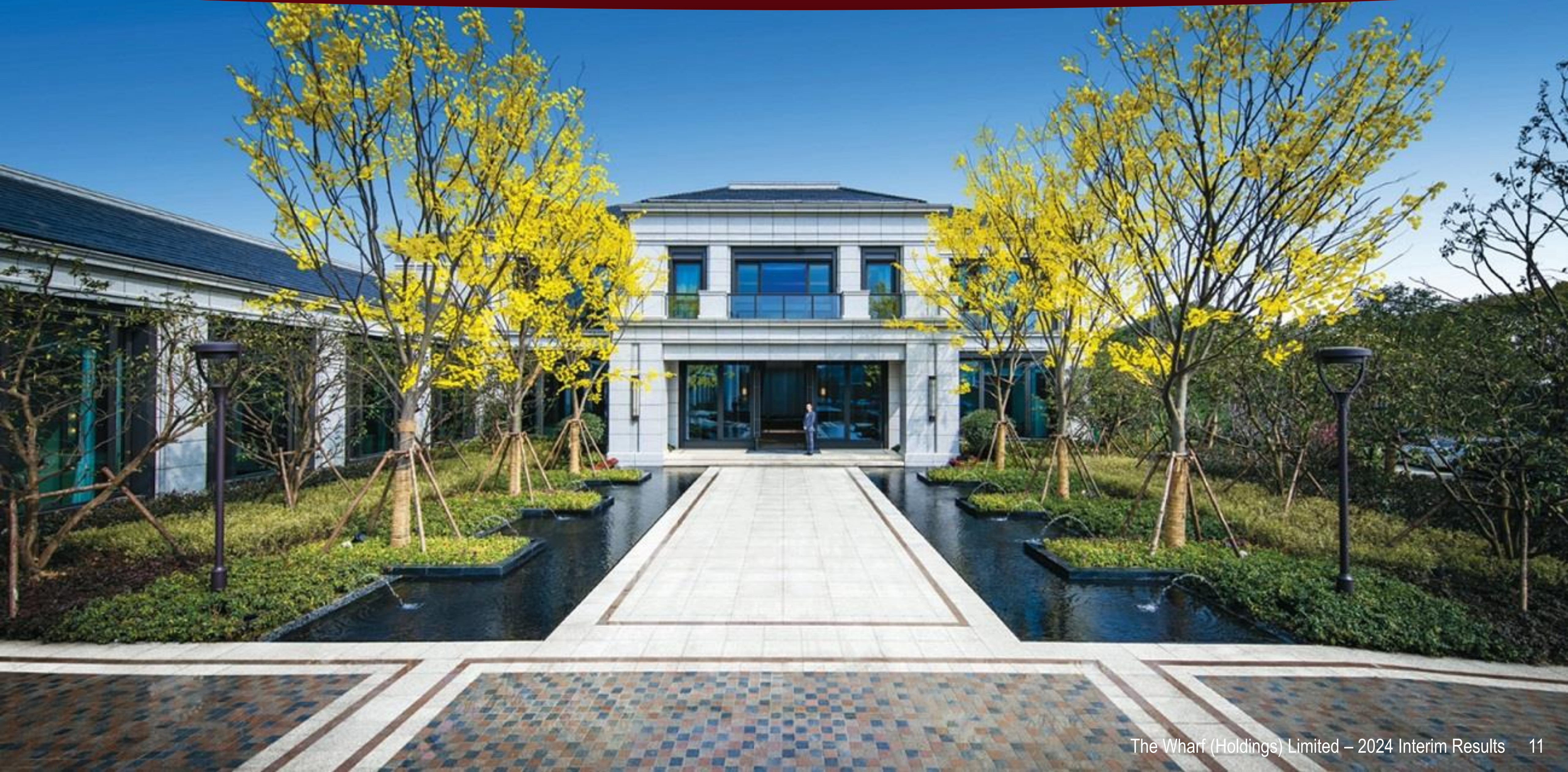
Changsha IFS – Retail Occ.: 99%



Mainland IP Revenue (RMB Billion)



Mainland Development Properties



Lower Sales on Reducing Inventory

Operating Matrix & Contracted Sales

Revenue	\$2,504M (-25%)
Operating Profit	\$485M (+538%)
Contracted Sales	RMB 0.7B (-48%)
ASP	RMB 12,600 psm (-22%)
Net Order Book (Period-end)	RMB 0.6B

Stock (incl. Developed & Undeveloped)

MLDP Stock (Period-end)	1.3M s.m
2024 Sellable Resources	0.3M s.m
2024 Target Completion	0.2M s.m

- Market Floor Is Forming Given Supportive Policies
- Sentiment & Market Confidence Now Need to Rebuild
- Office Market Still Muted amid Cautious Investment Sentiment
- Contracted Sales -48% YoY
 - Weak Sentiment, Lower ASP, Less Saleable Inventory
- Lower MLDP Impairment Provision at \$0.6B (1H23: \$1.0B)

Note: All Figures Inclusive of JVs & Associates on an Attributable Basis

Hotels



Shifting Travel Dynamics

- Decline in Room Rate & Performance, In line with Market Trend
- Segment Revenue -2%, OP -73% YoY
- Recent Hotel Openings at Changsha IFS:
 - Maqo (Nov 2023): Wharf Hotels' New Premium Lifestyle Brand
 - Park Hyatt (Jun 2024) Debut in Central China: First Owned Hotel not Operated by the Group Since Mid-1980s

Wharf Hotels



Since 2015
5 Award-winning Hotels (3 Owned)
in HK, Chengdu, Changsha,
Chongqing & Suzhou



Since 1970s
10 Deluxe Hotels (1 Owned)
in HK, ML & Philippines



Since 2023
1 Lifestyle Hotel at Changsha IFS
(Owned)

Logistics Infrastructure



Heightened Regional Competition

- HK Port Business Lost Usual Vibrancy Under Restructuring of Supply Chains & Regional Competition
- Capturing Opportunity from Growing Demand for State-of-the-Art Logistics Centre in HK

Modern Terminals (1H24)

	Revenue \$1,062M (-12%)		Operating Profit \$112M (-41%)	
	Throughput* (million TEUs)	1H24	vs 1H23	vs 1H19
HK		1.7	-7%	-30%
DaChan Bay (DCB)#		1.0	+12%	+62%
Shekou Container Terminals (SCT)#		3.1	+10%	+5%
Total		5.8	+5%	-3%

Hong Kong Air Cargo Terminals Ltd (HACTL)#

Total Throughput	0.9M Tonnes (+28%)
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*Total Throughput (Instead of Attributable);

Market Throughput Kwai Tsing -6%; Shenzhen +12%

#DCB: 65%-owned; SCT: 20%-owned; HACTL: 21%-owned

Project Pipeline



Project Pipeline

Project Pipeline

Region	Project	Expected Completion
HK Prop	• 1 Plantation Road	Completed
	• Kai Tak Site (30%-JV)	2024
	• Kowloon Tong Site	2025
	• Mansfield Road Sites	2026
	• Kowloon Godown Redevelopment	2028
Mainland DP	• CSIFS Tower 2 Prestigious High-rise Apt	2025
Logistics Infrastructure	• MTL New Logistics Centre at Terminal 2	2027

Outlook



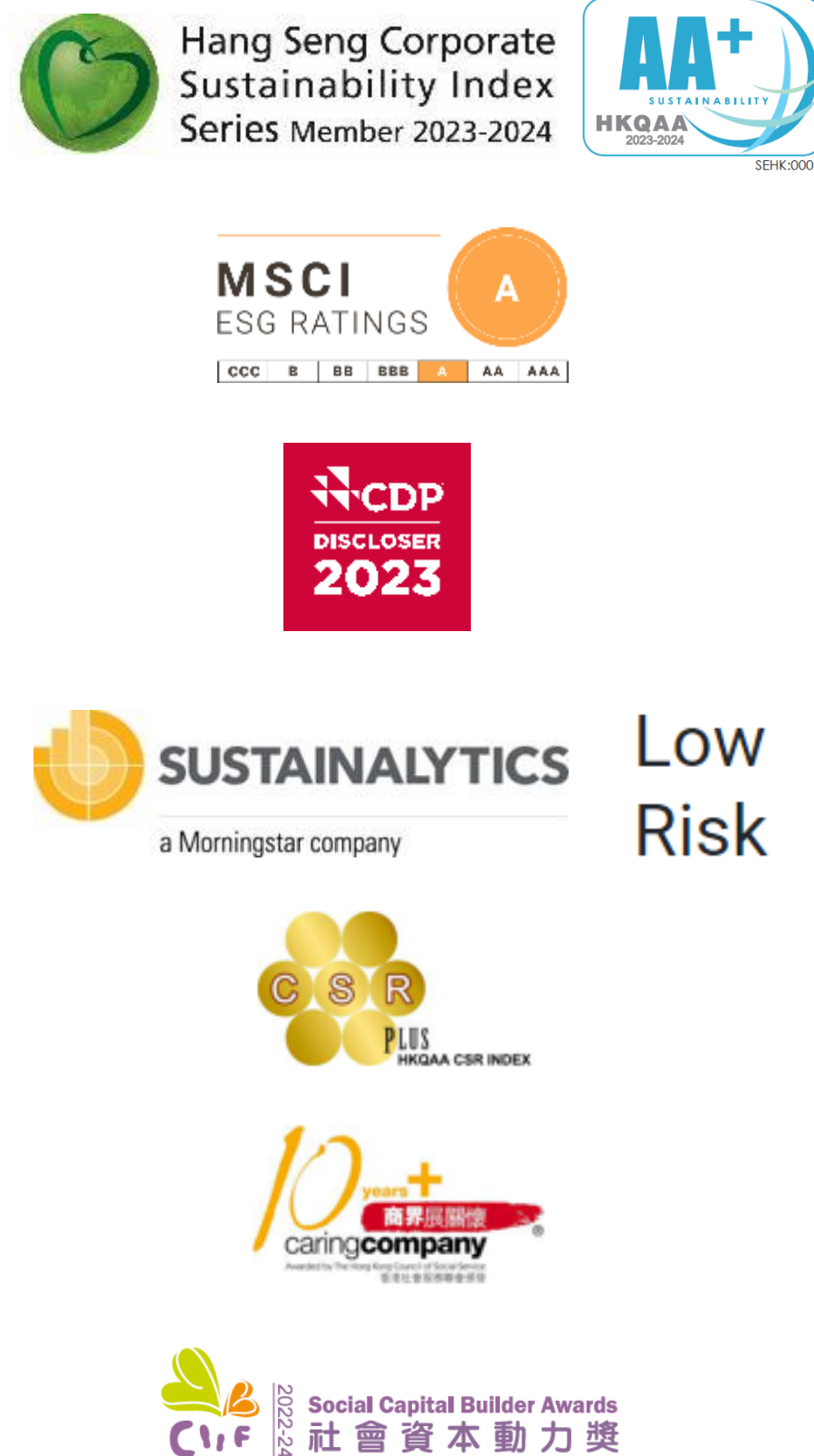
Continuing Volatility

- Global Economy Highly Sensitive to US Interest Rate Pivot, Trade Tensions & Geopolitical Risks
- Mainland Tackling High Leverage & Inventory in Property Sector, Subdued Sentiment & Elevated Saving Rate
- HK Economy Hindered by Strong Local Currency & Tight Financial Conditions



Recognised Sustainability Achievements

Recognitions



- Member of Hang Seng Corporate Sustainability Index Series; **“AA+”** Sustainability Rating
- **“A”** at MSCI ESG Rating
- Management Band Score **“B-”** at CDP
- Sustainalytics ESG Risk Rating **“Low Risk”**
- CSR Index Plus Mark
- 10 Years Plus Caring Company Logo
- Social Capital Builder Logo Award

Certifications



LEED Platinum

- Chengdu IFS
- Changsha IFS
- Shanghai Wheelock Square

LEED Gold

- Wuxi IFS



Gold

- Niccolo Chengdu
- Niccolo Chongqing*
- Marco Polo Wuhan
- Marco Polo Xiamen^

Silver

- Niccolo Changsha
- Marco Polo Parkside, Beijing^
- Marco Polo Plaza, Cebu^
- Marco Polo Ortigas, Manila^

*50%-owned
^Managed Hotels

Environment: Building a Sustainable Future

2030 Targets*

2023 Progress:
On Track



GHG Emission (Scope 1 & 2) Intensity
↓ **25%**



MLIP Electricity Intensity
↓ **20%**



Waste Management
Divert Waste away from Landfills



Water Management
Reduce Consumption

Sustainable Finance

Sustainable Finance % Contribution
40%
(As at 30 Jun 2024)

Green or Sustainability-linked Loans
Raised ~**\$17.8B** Accumulatively
(By 30 Jun 2024)

Properties that Raised Green Loans

- Changsha IFS
- Chengdu IFS
- Shanghai Wheelock Square

Renewable Energy

Chengdu IFS

50-80% of Electricity from Hydroelectric Power

Modern Terminals

Expanded to **761** Solar Panels
431,000 kWh/yr
↓ **168** Tonnes Carbon Emission p.a.

Properties that Support Solar Energy Generation

- Changsha IFS
- Chengdu IFS
- Shanghai Times Square

*Baseline: 2017

Social: Business-in-Community

Project WeCan



- Empowering Students for Pursuing Future Studies or Careers
- Benefitting **~93,000** Students of **82** Schools
- With Support from **70+** Partner Organisations
- Accumulated WeCan Scholarships **~\$60M**, **800+** Students Benefit to-date



Changsha IFS Welcomed Hong Kong Youth Group

- HK Youth Group Guided Tour at CSIFS and Niccolo



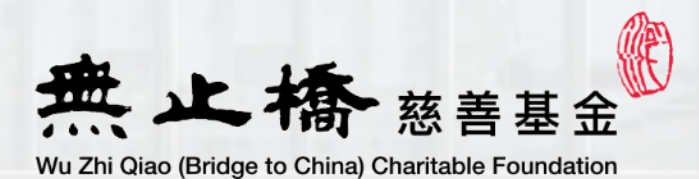
Wharf Group Rendered Full Support for Xue Long 2 Visit

- Wharf is Honoured to be a **Diamond Sponsor** for Xue Long 2's (China's First Domestically Built Polar Scientific Research Icebreaker) Visit to HK
- **100+** Project WeCan Students Participated to Learn More About China's Achievements in Polar Scientific Research & Impact of Climate Change



13th Wu Zhi Qiao Project

- Support Wu Zhi Qiao (Bridge to China) Projects Since 2011
- **100+** Students from Project WeCan Joined as Volunteers to Build Footbridges & Community Facilities in Remote Villages in the Mainland



Social: Community Care & Wellbeing

Donations

- The Wharf Group* Named **3rd Top Donor** 2022/23 by The Community Chest (“The Chest”)

*The Wharf Group incl. Wharf REIC & Wharf Holdings



Sponsorships

Events Supported in 2023

Social Welfare 25%	Education 6%	Environmental Protection 50%	Arts & Culture 10%	Healthy Life 6%	Others 3%
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Supporting Walk for Millions & Sports for Millions of The Chest

Walk for Millions

- ~140 Colleagues of the Group & Students from Project WeCan Schools Participated. The Group Named the Top 3 Donor

Sports for Millions

- The Group Sent 3 Teams to Participate the Event



Employee Wellbeing

Training & Development

Total **159,000+** Hours of Training Provided in 2023

Diversity & Inclusion

Good Distribution of Gender Diversity **40%+** Female in 2023

Safe & Healthy Workplace

ISO 45001:2018 Certified OSH Systems at Chengdu IFS & Changsha IFS

Corporate Governance

Sustainability

Anti-Corruption

Total No. of Hours of Anti-corruption Training in 2023
3,200+ Hours For Board Members, Directors & Employees

Board Engagement & Diversity

The Group’s Sustainability Risks and Opportunities are Discussed and Evaluated by the Board on a Regular Basis

Strive for Full Compliance on Board Diversity as a Listed Issuer

2023 Meeting Attendance*



12 Board Members (As at 30 Jun 2024)

Designation	Executive Board Members 42%		INEDs 58%	
Age	<60 8%	60-69 42%	≥70 50%	
Gender	Male 75%		Female 25%	
Ethnicity	Chinese 83%		Non-Chin. 17%	

Appendix



Summary of HK Properties

Portfolio	Usage	Status	Locations	Attributable GFA (s.f.)
1. Peak Portfolio	Residential	Development	No. 2-8 Mansfield Road	259,300
			No. 9,11 Mansfield Road (50%-JV)	72,500
			Mount Nicholson (50%-JV)	17,000
		Sales	77/79 Peak Road	4,700
			Chelsea Court	43,000
		Lease	Strawberry Hill	13,000
			11 Plantation Road	46,300
			Fitout works in progress 1 Plantation Road	91,000
			Sub-total	546,800
2. Kowloon East Portfolio	Residential	Development	Kowloon Godown	829,000*
		Planning	Yau Tong Bay (15%-JV)	611,400
		Development	Kai Tak (30%-JV)	361,500
			Sub-total	1,801,900
3. Kowloon Tong Portfolio	Residential	Development	Kowloon Tong	436,400
			Total	2,785,100

Land Bank as at 30 Jun 24 (Net of Recognised Sales); * Redevelopable GFA

Mainland Contracted Sales Breakdown by City

Region	City	Contracted Sales (%)	GFA Sold (%)
Eastern China	Suzhou	65.6%	56.2%
	Hangzhou	2.7%	0.8%
	Eastern China Sub-Total	68.3%	57.0%
Southern China	Foshan	20.7%	32.2%
	Guangzhou	8.6%	3.1%
	Southern China Sub-Total	29.3%	35.3%
Western China	Chongqing & Chengdu	2.1%	7.5%
Northern China	Beijing	0.3%	0.2%

Mainland Key Projects on Sales in 1H24

Projects	City	Attributable Proceeds (RMB M)	Attributable GFA Sold (s.m)	Average Price (RMB psm)	Ownership
Villa One (Huayuan Road Lot 78) 蘇州天瀨迥灣雅苑	Suzhou	160	8,677	18,400	100%
Poetic Palace 蘇州荷岸曉風	Suzhou	118	6,788	17,400	33%
Rosy Mansion 佛山悅府	Foshan	91	9,414	9,500	50%
Xiangcheng Yuan He Street Lot 77 蘇州天逸翠樾庭	Suzhou	72	4,215	17,200	100%
The Legend 蘇州久尋花園	Suzhou	57	3,690	15,000	100%
Glory Garden 佛山樾園	Foshan	41	4,492	8,200	50%
Guangzhou Central Manor 廣州央璽	Guangzhou	28	704	39,000	18%
Montkam Garden 朗雲花園	Guangzhou	28	642	42,600	10%
Yangcheng Lake Lot 27 蘇州天曦	Suzhou	18	1,240	14,200	100%
Parc Regal 天璽二期	Hangzhou	13	342	8,100	100%

Mainland DP Stock Breakdown by City

Region	City	GFA million (s.m)	% Total
Western China	Chengdu	0.57	44%
	Chongqing	0.09	7%
	Western China Sub-Total	0.66	51%
Eastern China	Suzhou	0.19	15%
	Hangzhou	0.01	1%
	Eastern China Sub-Total	0.20	16%
Central China	Changsha	0.38	30%
Northern China	Beijing	0.04	3%
	Total	1.28	100%

Mainland Key Projects Completion

Appendix

Projects	Attributable GFA (s.m)
Key Completion in 1H24	
Hangzhou Luxurious Mountain View 杭州雍景山	76,800
Projected Key Completion in 2H24	
Suzhou Villa One (Huayuan Road Lot 78) 蘇州天瀾迥灣雅苑	22,400

Mainland IP – Different Series

Times Square			
Property	Project Nature	Total GFA * (s.m.)	Year of Completion
Times Square			
Chongqing **	O/R	55,000	2004
Dalian**	R	17,000	2009
Marco Polo Wuhan**	H	38,000	2008
Shanghai IPs			
Times Square	R/O/S.A	90,000	2000
Wheelock Square	O/R	111,000	2010

IFS & Times Outlets			
Property	Project Nature	Total GFA * (s.m.)	Year of Completion
Mixed-use IFS Complexes			
Chengdu	R/O/S.A/ H	603,000	2013-2016
Chongqing**	R/O/H	266,000	2017
Changsha	R/H	351,000	2018-2024
Wuxi	O	189,000	2014
Times Outlets			
Chengdu	R	63,000	2009
Changsha	R	72,000	2016

R = Retail; O = Office; S.A = Serviced Apartments; H = Hotel

*Total Development Area, Excl. Basement Area & Carpark

**Gross Area & Net of Recognised Sales

Overview of Application of Funds

Major Capital & Development Expenditure

HKD	Incurred in 1H24	To be Incurred in Coming Years		
		Committed	Uncommitted	Total
Hong Kong Properties	1,099M	4,110M	13,621M	17,731M
Mainland China IP	27M	3M	113M	116M
Mainland China DP	1,108M	921M	203M	1,124M
Others	153M	2,398M	56M	2,454M
Total	2,387M	7,432M	13,993M	21,425M



Established 1886

Thank You

Capital Values Fall in Lethargic Market





End of Presentation

The Wharf (Holdings) Limited [HKEx Stock Code: 0004.HK]

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