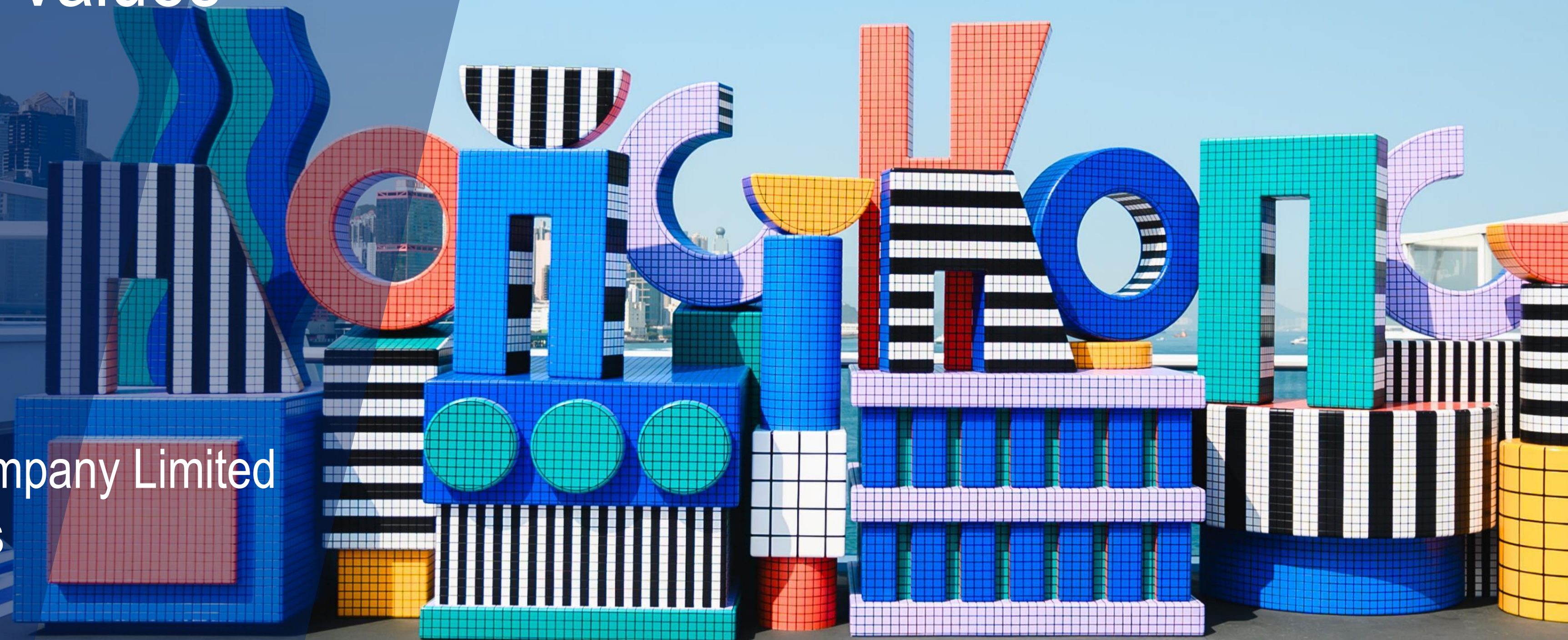


Stalled Recovery Depressed Property Values



Established 1886

Wharf Real Estate Investment Company Limited
2024 Interim Results
6 Aug 2024

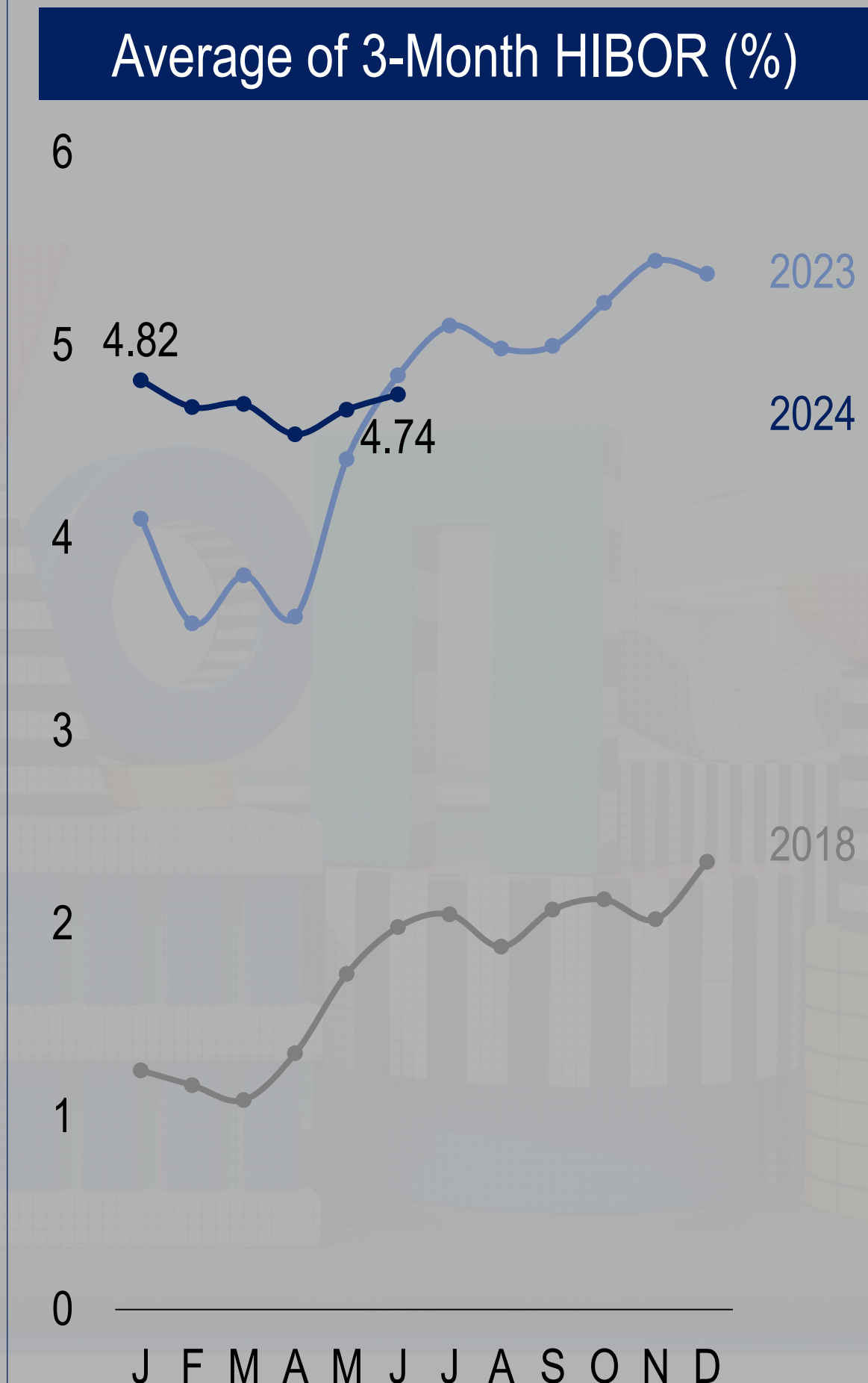
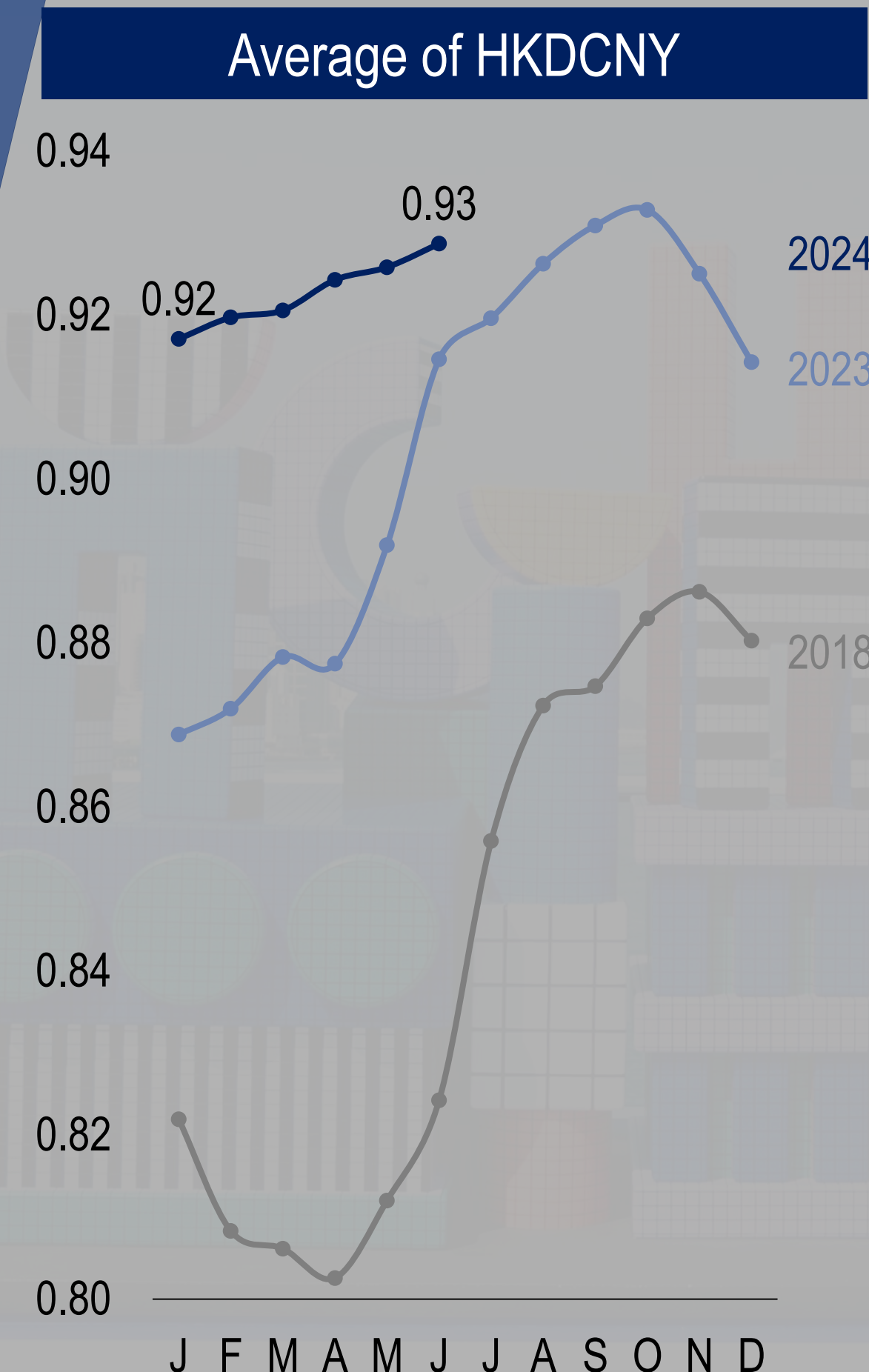


Results Highlights

- Recovery in Revenue & OP Stalled
- That Resulted in a 2% Increase in UNP to \$3.1B
- Group Loss Resulted from \$4.4B Non-cash IP Revaluation Deficit
- Group NAV (\$61.8 Per Share) is 16% Lower than 5 Years Ago
- Net Debt Reduction In Line with Plan

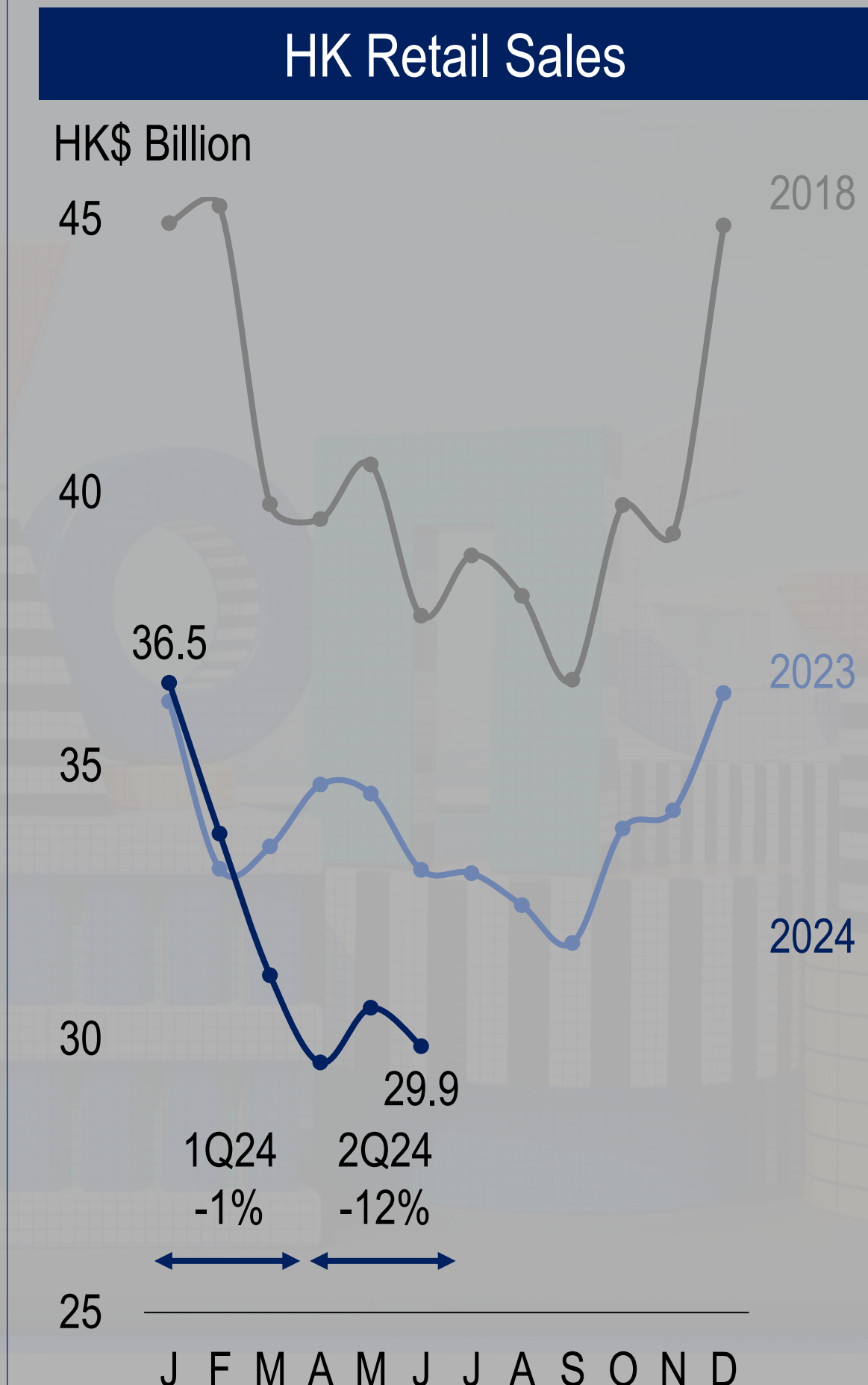
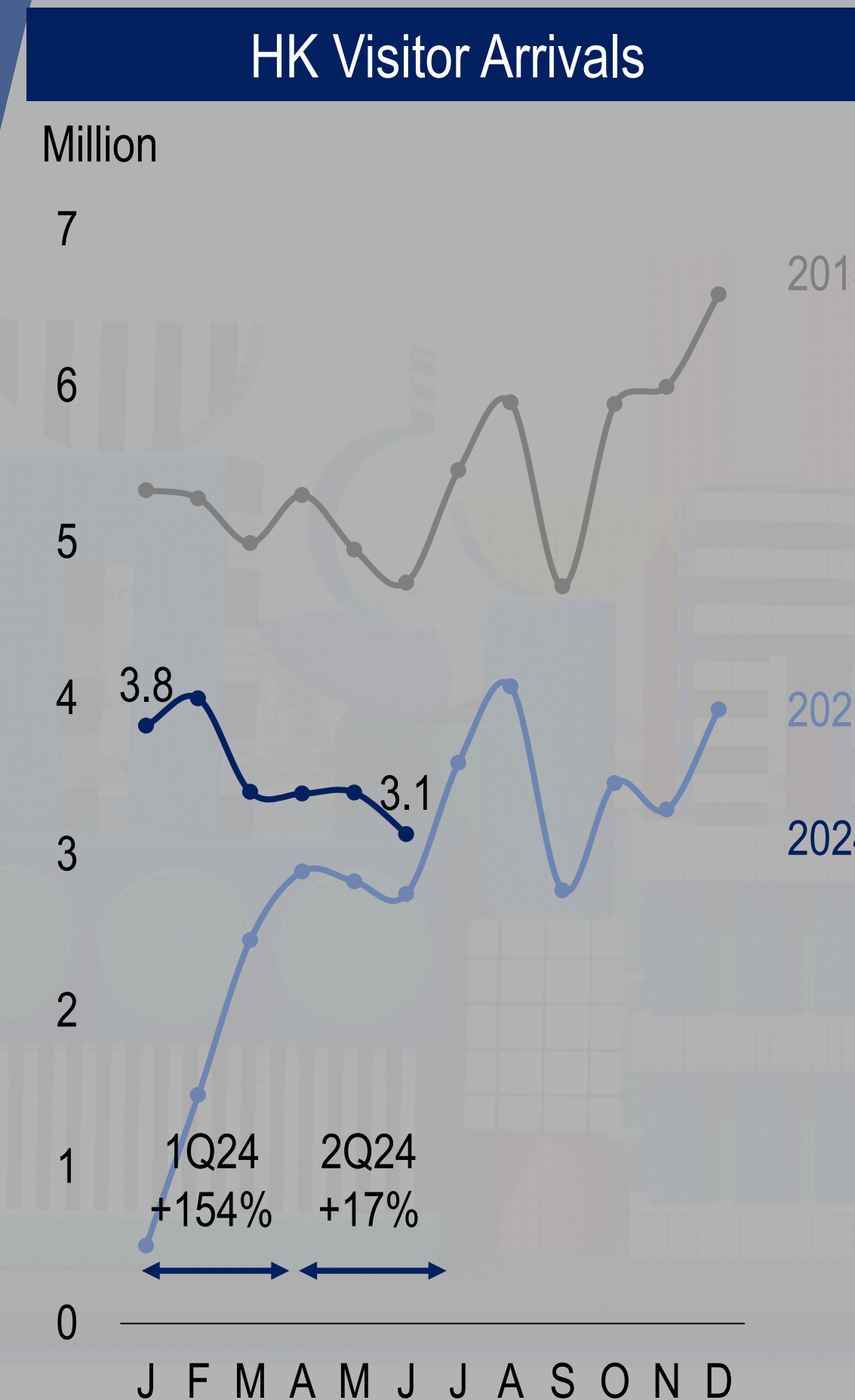
Macros Present Challenges

- Strong HKD
 - HK Becomes Uncompetitive to Both Locals & Visitors
- Higher-for-longer US Fed Rates
 - Negative Wealth Effect & Dampens Consumption
- Tight Labour Market
 - Limits Service Sector Upgrade & Expansion



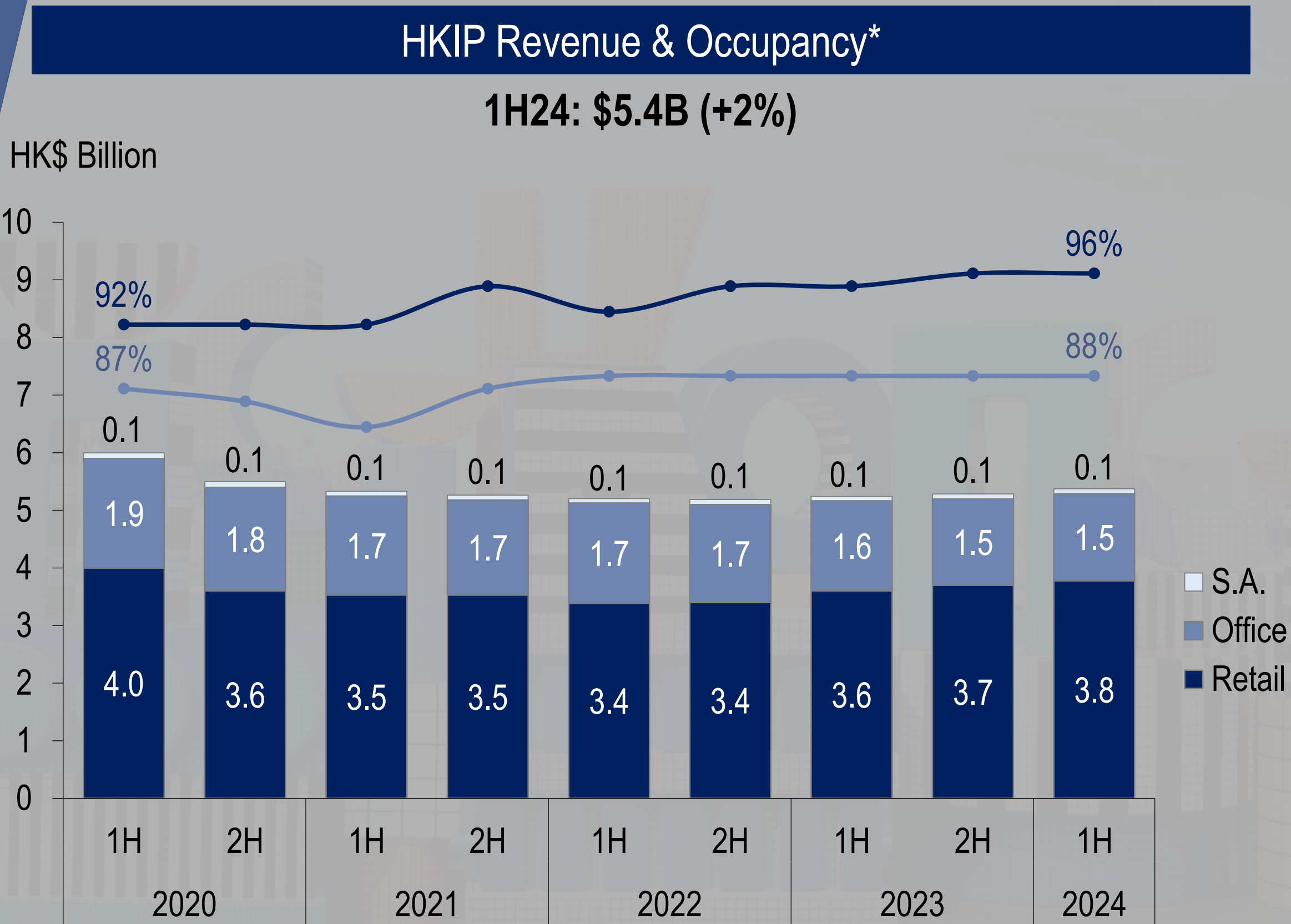
Gradual Post-pandemic Resurgence

- Slow Visitor Return
 - YoY Growth in 1Q24 Exaggerated by Low Base
 - Pending Effectiveness of Policies to Reboot Industry
- Sales Turned from Recovery to Decline
 - Decline Conspicuous after Watershed in March
 - -7% YoY in 1H24 amid Soft Economy in HK & ML
 - Adapting to Shifting Consumption & Travel Patterns



Stable Demand Despite Weak Market

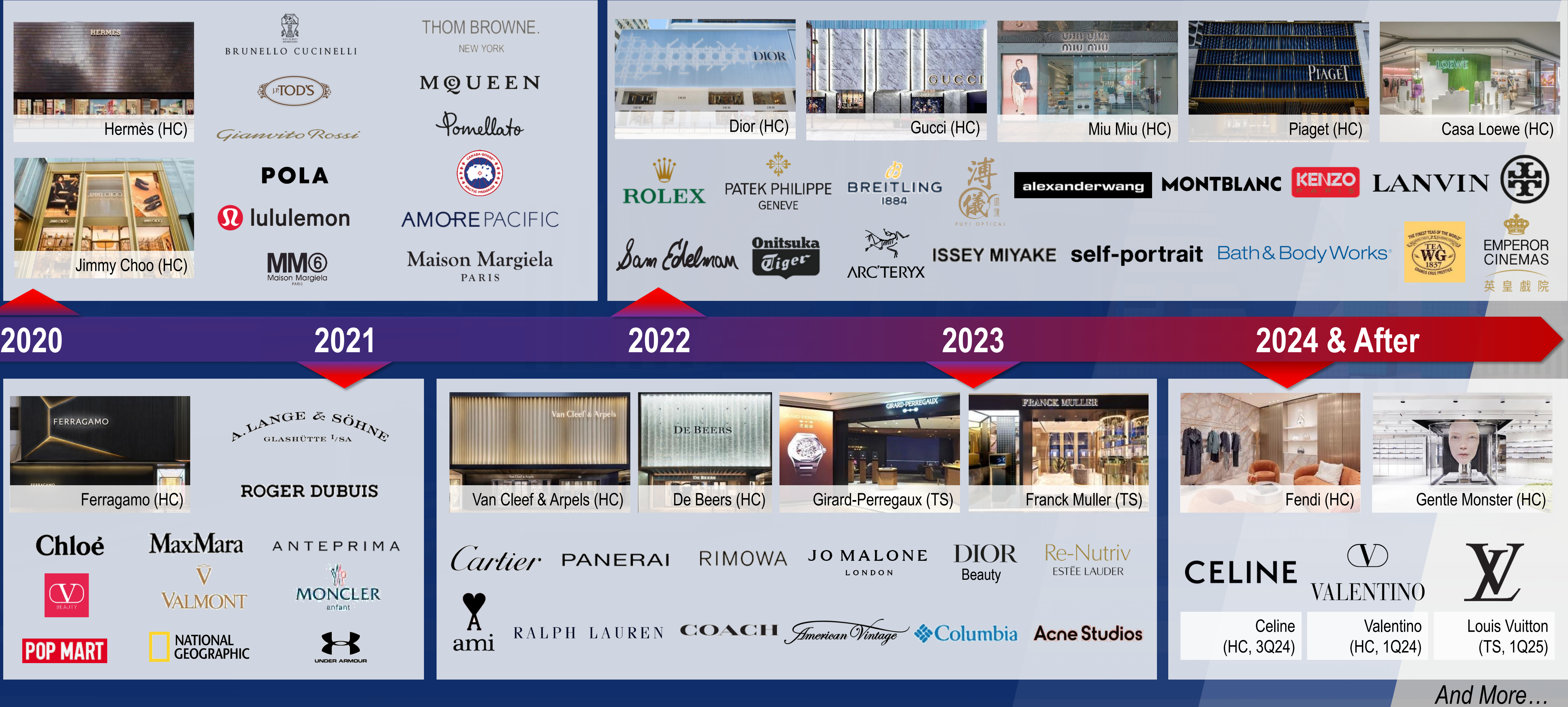
- Stable Mall & Office Occupancies
- Retail (70% of HKIP Revenue) Saw Spot Rent Stabilising
 - T/O Rent Affected by HK Retail Sales
- Smart Cost Management to Protect OP



*Period-end Occupancy Rate (%); Average of All HK Properties

Global Brands' Confidence

Selected New Brands or Expansions at Harbour City & Times Square:



Financial Highlights

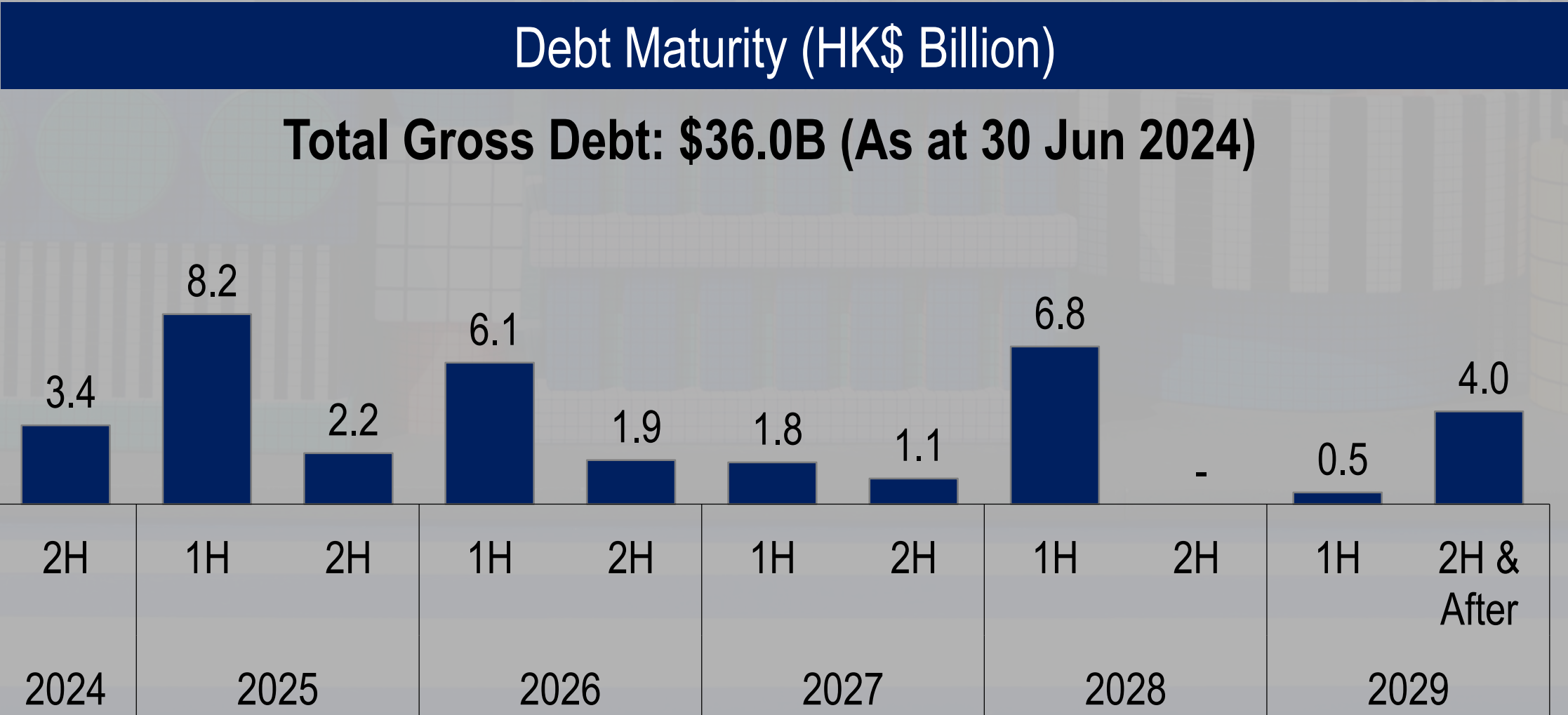
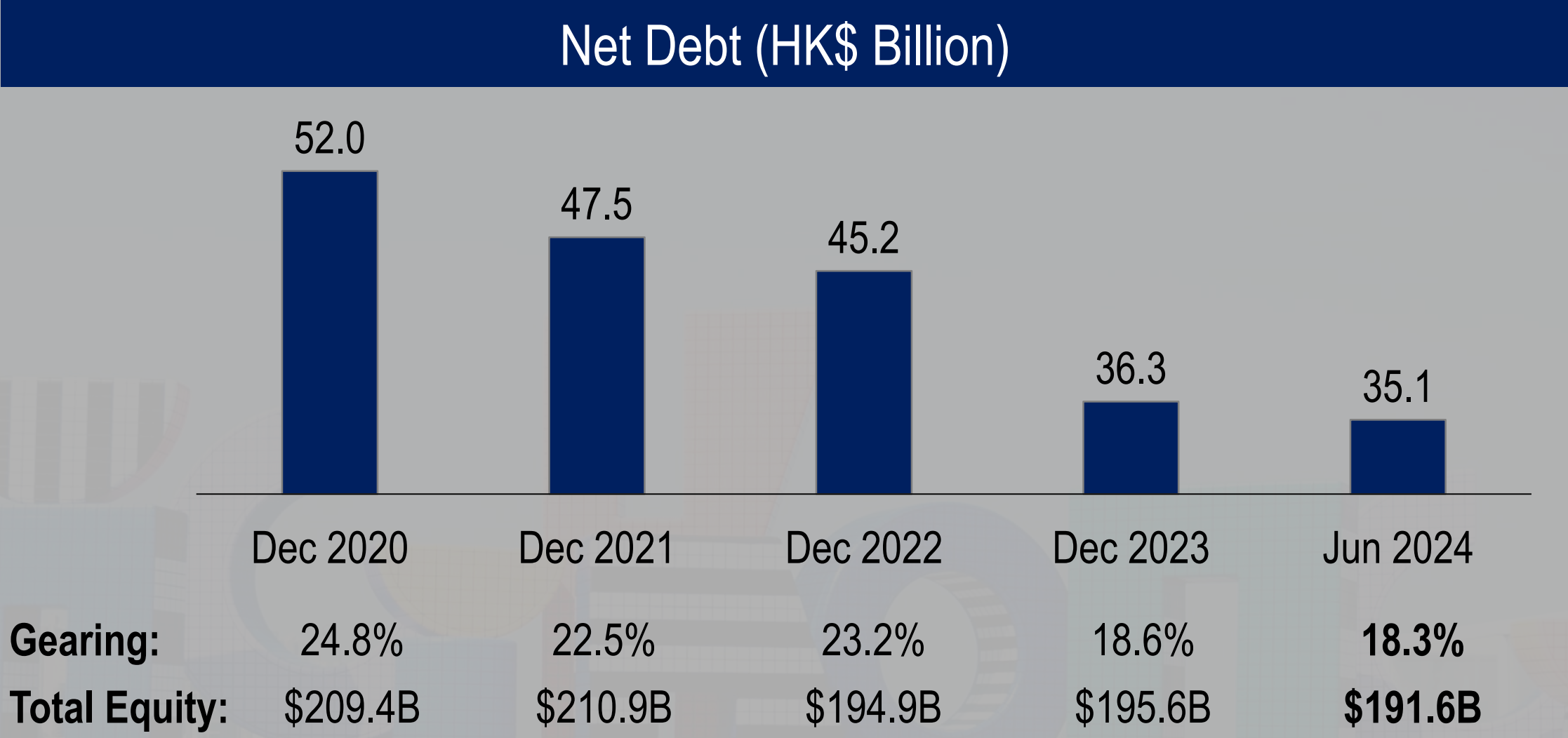
- Revenue & OP Stable
- Continued Pressure from High HIBOR
- Net IP Revaluation Deficit (Non-cash & Unrealised) \$4.4B;
Conservative Cap Rate
- DPS \$0.64 (65% of Core UNP), -4% from 1H23

HK\$M	1H24	1H23	YoY Chg
Group Revenue	6,501	6,473	+0%
- HKIP & Hotel	6,071	5,928	+2%
Operating Profit	4,915	4,940	-1%
- HKIP & Hotel	4,644	4,629	+0%
Underlying Net Profit (UNP)*	3,123	3,059	+2%
- HKIP & Hotel	2,989	3,107	-4%
Net IP Fair Value Change	(4,426)	(1,133)	N/A
(Loss)/ Profit After IP Fair Value Change	(1,052)	1,805	N/A
(Loss)/ Earnings Per Share (HK\$)			
- Attributable to Shareholders	(0.35)	0.59	N/A
- Underlying*	1.03	1.01	+2%
- Core Underlying*	0.98	1.02	-4%
Dividend Per Share (HK\$)	0.64	0.67	-4%

*Excl. IP Revaluation Deficit and Exceptional Items

Proactive Debt Management

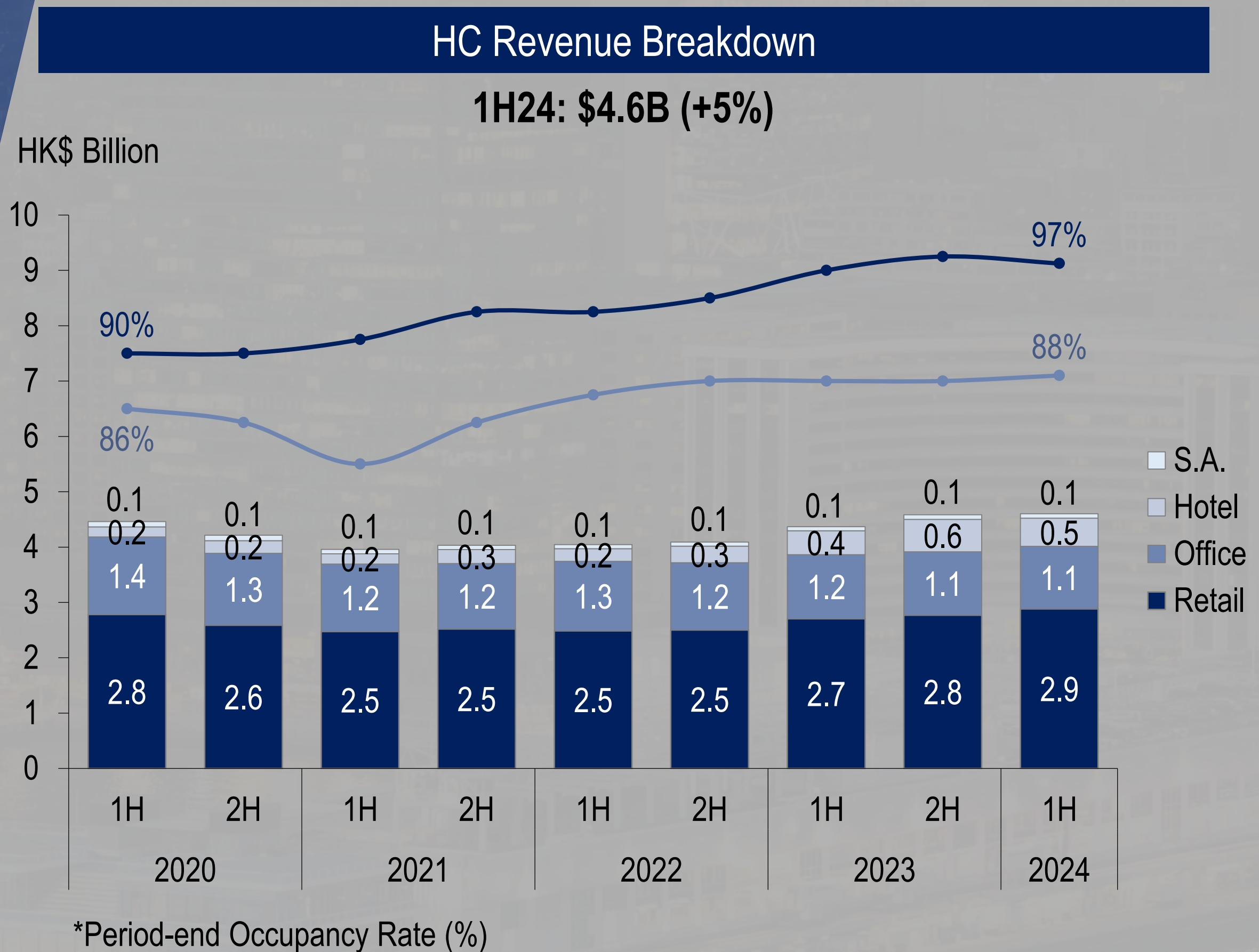
- Moody’s A2 Rating; Stable Outlook
- Net Debt Down to \$35.1B (Lowest since Listing); Gearing 18.3%
- Interest Cost 5.7% p.a., -0.6 ppt HoH
- 89% on Floating
- Interest Cover Improved to 4.7x



Harbour City

Unique Drawing Power

- Retail Rent Stabilising on Retailers' Long-term Confidence
 - Continuous Expansion & New Flagships of Top Brands
 - Local/Tourist Events & Promotion Boost Retail Sentiment
- Office Rent Continues to Adjust Align with Market
 - Weak Demand, w/ Insurance Co. Remaining Key Driver



Unparalleled One-stop Offerings



HC Retail Rental Category Breakdown
1H24: \$2.6B (+6%)

Fashion 36%	Leather Goods 23%	F&B & Ent. 6%	
		Dept. Store 6%	
		Sports-wear 3%	Kid's Related 2%
Jewellery, Beauty & Accs. 19%		Electronics 1%	
		Others 4%	

Strategic Expansion & Relocation (Selected Brands)

CELINE	VALENTINO	FENDI ROMA	qeelin	MM6 Maison Margiela PARIS	EVISU	adidas	DESCENTE	MARNI
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New Retail & F&B Entrants

HK/ Kowloon Debuts	ALBION	HADA HANA	PRIVILÈGE BOUTIQUE	Jewellery & Accs.	GENTLE MONSTER	TASAKI	FRED
	HASSELBLAD	Matin Kim					
Fashion, Lifestyle & Kids	KENT & CURWEN ENGLAND	VILEBREQUIN	HOBBS LONDON	Beauty	SK-II #changedestiny	GUERLAIN PARIS	LA PRAIRIE SWITZERLAND
	SALOMON	LITTLE BAE BABY AND KIDS	OYONÉ PARIS	F&B & Services	兩仁林 台式·茶飲·小食	麻吉 把夢想放在餐桌上 MATCHA	BEA 東亞銀行



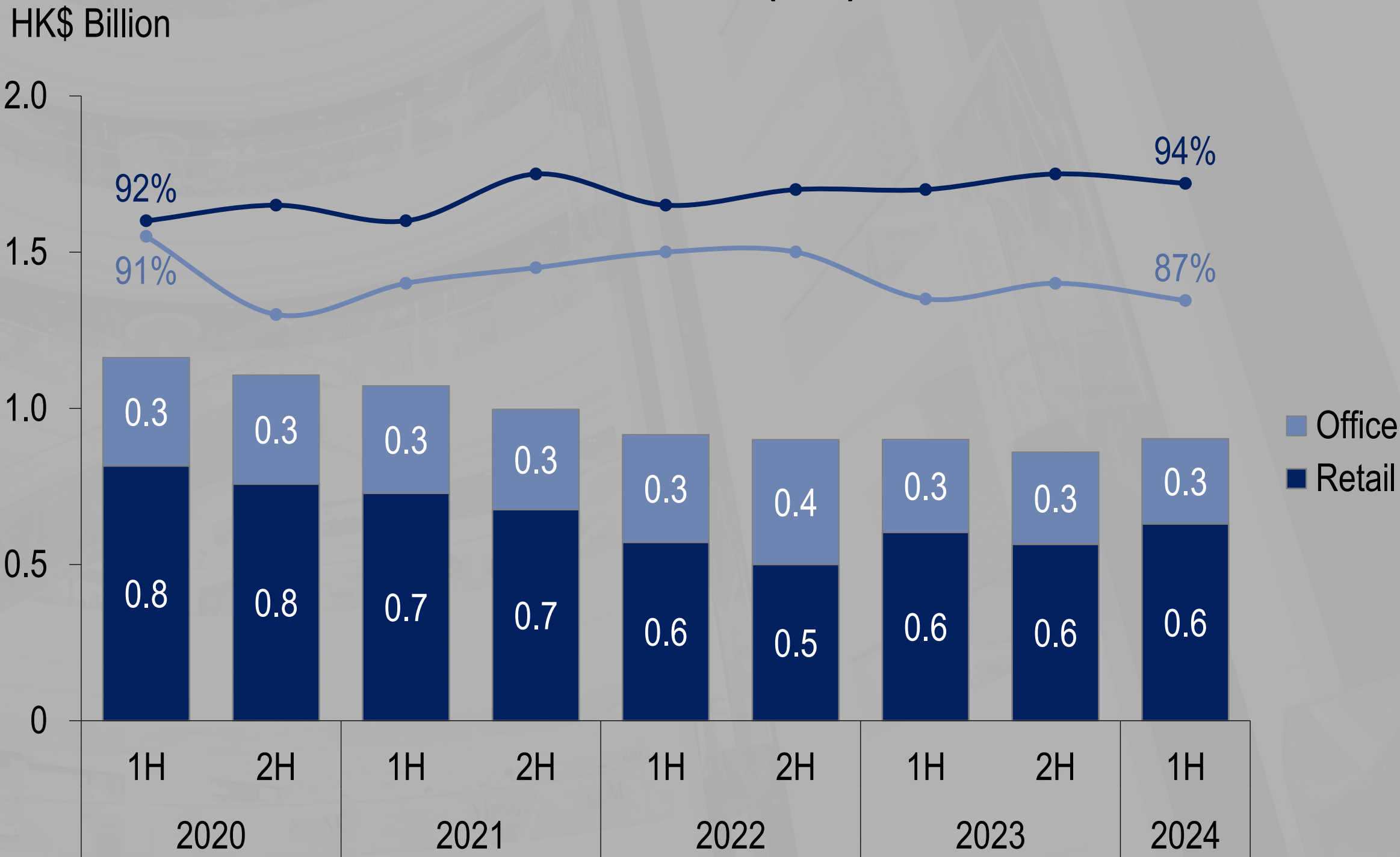
Times Square

Redefining Edge Amid Competition

- Stable Retail Occupancy
- Louis Vuitton's Upcoming Duplex to Enrich Luxury Cluster
- Weaker Office Occupancy amid Rising New Supply Nearby
- LEED Platinum Accreditation Adds Tenant Appeal & Value

TS Revenue Breakdown

1H24: \$0.9B (Flat)

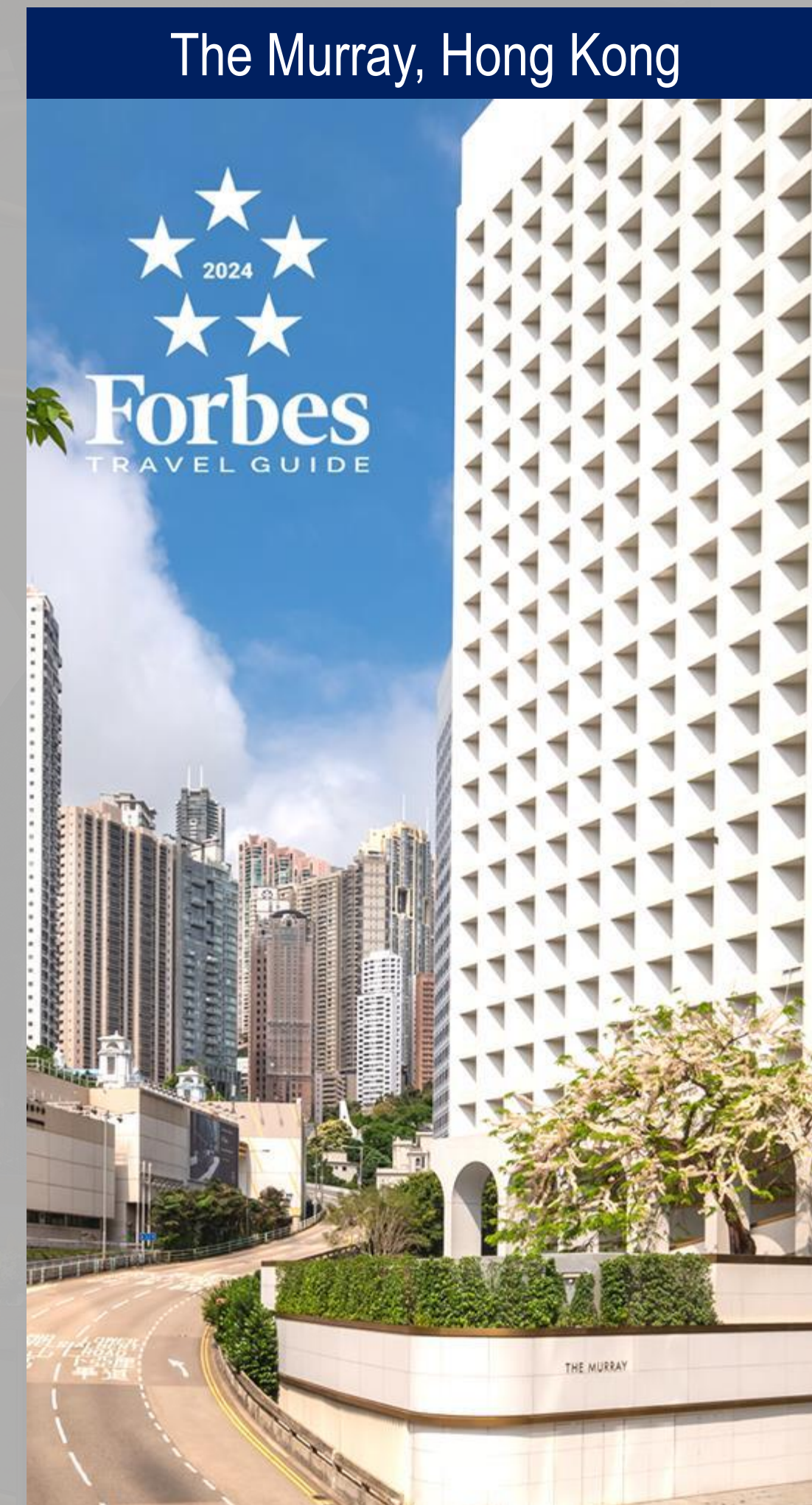


*Period-end Occupancy Rate (%)

Hotels

The Murray & Marco Polo Hotels

- Occupancy Steady but Room Rates Retreated from 1H23
- Rising Costs & Talent Shortage Add Challenges
- Marco Polo Hotels: Prime Location Draws Room Demand
 - Prince Hotel's Full Contribution (Fully Reopened Aug 2023)
- The Murray: Creative Strategies to Drive Business



Outlook



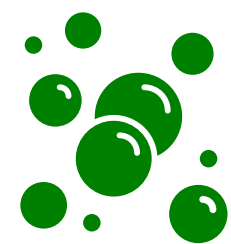
Gauging Market Trends

- Uncertainties from Global Economic Slowdown & Geopolitical Tensions Continue
- Retail & Hotels Bearing the Brunt of Shifting Consumption Patterns
- Demand to Hopefully Rebuild when Cyclical Factors (Exchange Rate & Interest Rate) Improve

Sustainability

2030 Environmental Targets

2030 Targets*



Overall GHG Emissions
To Reduce 30% by 2030



Electricity Intensity
To Reduce 27% at HKIP by 2030



Water Consumption
To Reduce 18% at HK operations by 2030



Waste Diversion
To Divert Waste Away from Landfills

*Using 2014 as Baseline

2023 Performance On Track with Targets




Total General Refuse
Decreased by Over 15% (2019 Baseline)








Purchased Electricity of HK Operations
Decreased by 8% (2019 Baseline)

ESG Performances & Recognitions

<div>Ratings & Awards</div>	<div><div>Hang Seng Corporate Sustainability Index (AA+ Rating)</div><div>Hang Seng ESG 50 Index</div><div>MSCI ESG Rating (BBB Rating)</div><div>CDP – Climate (Management Band Score of B-)</div><div>Sustainalytics ESG Risk Rating (Low Risk)</div></div> <div><div></div></div>	<div>ESG Certifications</div>	<div><div><div>Times Square</div><div>LEED Platinum</div><div>(v4.1 Operations and Maintenance: Existing Buildings)</div><div>WELL Health-Safety Rated</div></div><div></div></div> <div><div>ISO certifications</div><div><div>- ISO 14001:2015</div><div>- ISO 45001:2018</div><div>- ISO 9001:2015</div></div></div> <div><div><div><div>EARTHCHECK</div></div><div><div><div>MARCO POLO HONGKONG HOTEL HONG KONG</div></div><div><div><div>THE MURRAY HONG KONG A NICCOLO HOTEL</div></div><div><div><div>NICCOLO SUZHOU</div></div></div></div></div></div></div>
<div>ESG Reporting Standard/ Recommendations</div>	<div><div></div><div><div>Referencing:</div><div><div>SASB STANDARDS</div><div>Now part of IFRS Foundation</div></div></div></div>	<div>Sustainability Financing</div>	<div><div>By June of 2024, the Group Had Arranged</div><div>\$9.6B</div><div>Sustainability-linked Loan</div><div>KPIs Related to HSI ESG Rating & Key Environmental Performance</div></div>

Environmental: Asset Enhancements & Renewable Energy

Solar-powered Systems	<ul style="list-style-type: none">320 Solar Photovoltaic Panels Installed at HC to support RE development & FiT* Scheme100 Sets of Solar Thermal Heater System Installed at Gateway Apt. since 2009, Offset 27+ Tonnes of CO2 Emissions (<i>Equivalent to planting ~1,200 trees/ yr</i>) <div></div>	Electricity-free Cooling Technology	<ul style="list-style-type: none">Cooling Paint on Condenser Water Pipes to Lower Condenser Water TemperatureSaving ~52 Tonnes of CO2 Emissions in TS (<i>Equivalent to planting ~2,400 trees/ yr</i>) <div></div>
Ongoing System Upgrades	<div><ul style="list-style-type: none">Heat, Ventilation, A/C UpgradeLighting Upgrade<div></div></div> <div><ul style="list-style-type: none">Chiller UpgradeRetro-commissioning<div></div></div>	The “Star” Ferry	<p>Low-emission Green Ferry Powered by Diesel-electric Propulsion System</p> <ul style="list-style-type: none">- World Star (2016)- Morning Star (2020)- Silver Star (2021) <ul style="list-style-type: none">Participating in Full Electric Ferry Pilot <div></div>

*The Feed-in Tariff (FiT) Scheme was launched in May 2018
It promotes the development of renewable energy (RE) in HK by buying RE from CLP customers at attractive FiT rates and reducing the payback period for RE system installations

Social: Community Contributions

What we supported
In 2023

Donation:
3rd Top Donor 2022/2023*
by The Community Chest



Top Fund-raiser
in Dress Casual Day 2023*
With Staff's Support
*The Wharf Group incl. Wharf REIC & Wharf Holdings



Sponsorship:
Venue & Advertising Space for **120** Charitable Events

Environmental Protection 12%	Social Welfare 44%	Arts & Culture 5%	Education 29%	Healthy Life 5%	Others 5%
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Note: In terms of no. of events



Supports Youth Development via:

- Project WeCan
- The Wharf Art Scholarship Scheme
- Architectural Design Internship Programme



Volunteer Activities

- Organized 27 Community Activities with Staff Volunteering

Community Care
Healthy & Happy Ageing:

- Bright Senior Ambassador Programme
- “WE Walk For Love” – Festive Blessings to Underprivileged

People: Governance, Talent Development & Workplace Safety



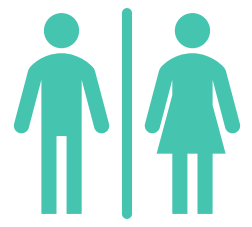
Composition of Board of Directors (12 Board Members as of 30 Jun 24)

Designation	<div><div></div>Directors with Executive Functions (33%)<div></div>Independent Non-executive Directors (67%)</div>		
Age	<div><div></div>50-60 (17%)<div></div>61-70 (17%)<div></div>≥71 (66%)</div>		
Gender	<div><div></div>Male (83%)<div></div>Female (17%)</div>		
Ethnicity	<div><div></div>Chinese (92%)<div></div>Non-Chinese (8%)</div>		
Length of Service	<div><div></div>< 2 Years (17%)<div></div>2-5 Years (25%)<div></div>> 5 Years (58%)</div>		

2023 Meeting Attendance*



Achievements in 2023

Talent Development		Total No. of Training Hour Offered to Employees: 125,000+ Hours
Anti-corruption Training		1,000+ Hours For Board Members, Directors & Employees
Gender Diversity		Maintain at a Good Range of 40%+ Female

Workplace Safety



- Selected Premises & Facility Safety Certifications:**
- IAQ (Excellent Class) for public areas in office towers (HC, TS)*
 - IAQ (Good Class) for public areas in shopping malls (HC, PH)*
 - HKQAA Anti-Epidemic Hygiene Measures Certification (HC, TS, PH)

*From EPD’s Indoor Air Quality (“IAQ”) Information Centre

Appendix



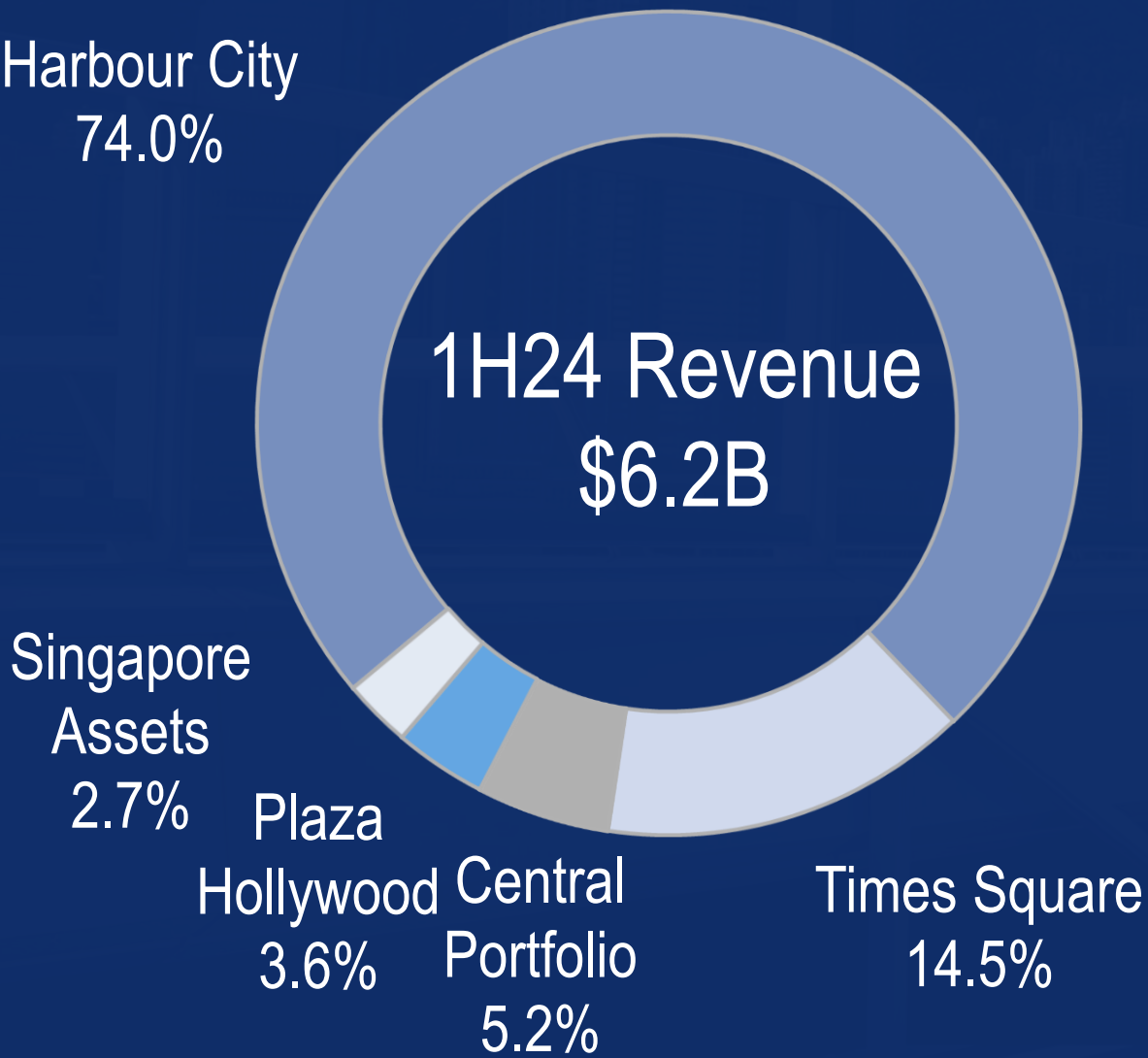
HC/TS/PH Performance

	Harbour City		Times Square		Plaza Hollywood	
1H24 (HK\$M)	Revenue	YoY Chg	Revenue	YoY Chg	Revenue	YoY Chg
Retail	2,883	+7%	630	+4%	225	-3%
Office	1,130	-2%	273	-8%	-	-
Hotels & Club	509	+18%	-	-	-	-
Serviced Apt.	81	+11%	-	-	-	-
Total	4,603	+5%	903	Flat	225	-3%
Valuation* as of 30 Jun 2024	\$158.6B		\$46.0B		\$8.5B	
1H24 Avg. Retail Passing Rent (HK\$ psf per Month)	\$358		\$169		\$79	

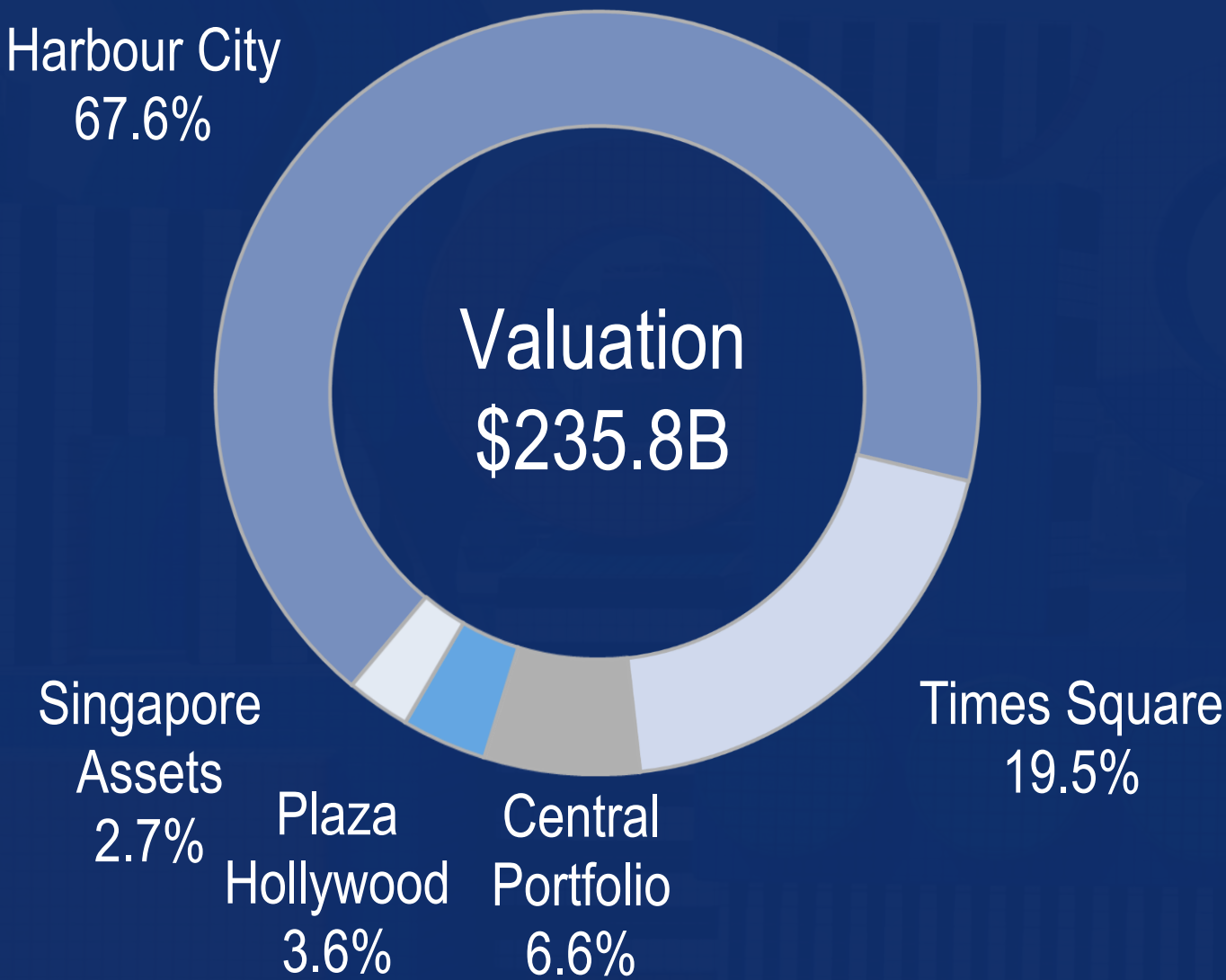
*Incl. Hotels at Valuation as of 30 Jun 2024

Premium Quality Portfolio

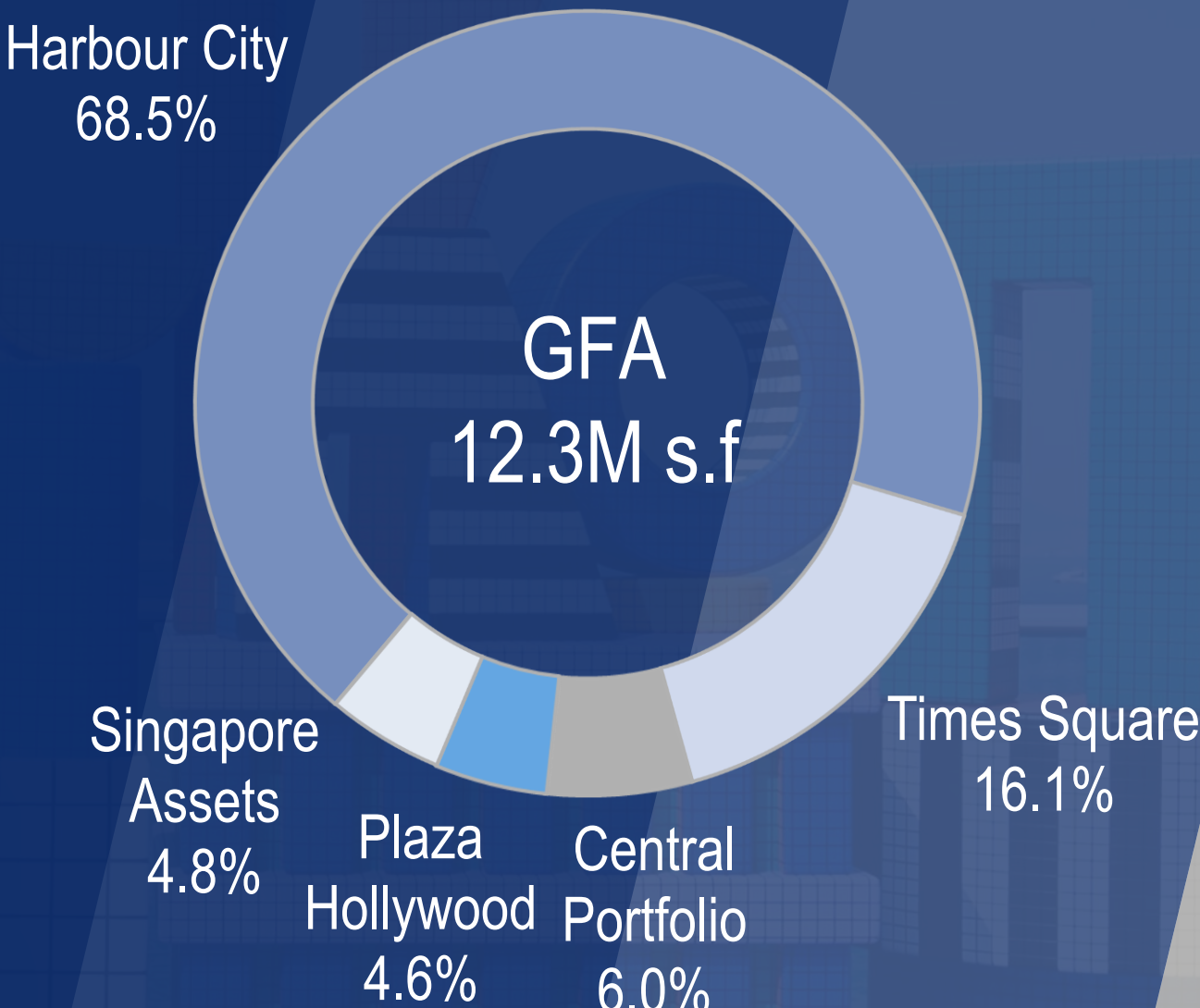
Revenue



Valuation*



GFA



The Above Refers to the 6 Key Properties in Hong Kong; Central Portfolio: Incl. Crawford House, Wheelock House & The Murray, Hong Kong, as well as Scotts Square & Wheelock Place in Singapore.
*Valuation of All Hotels are Booked at Cost in Wharf REIC's Balance Sheet

Overview of Application of Funds

Major Capital & Development Expenditure				
HK\$	Incurred in 1H24	To be Incurred in Coming Years		
		Committed	Uncommitted	Total
HKIP	85M	54M	529M	583M
Singapore IP	1M	-	-	-
Mainland Properties	37M	163M	363M	526M
Hotels & Others	11M	14M	-	14M
Total	134M	231M	892M	1,123M

Thank You
Stalled Recovery
Depressed Property Values



Wharf Real Estate Investment Company Limited
[HKEx Stock Code: 1997.HK]

Disclaimer

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