

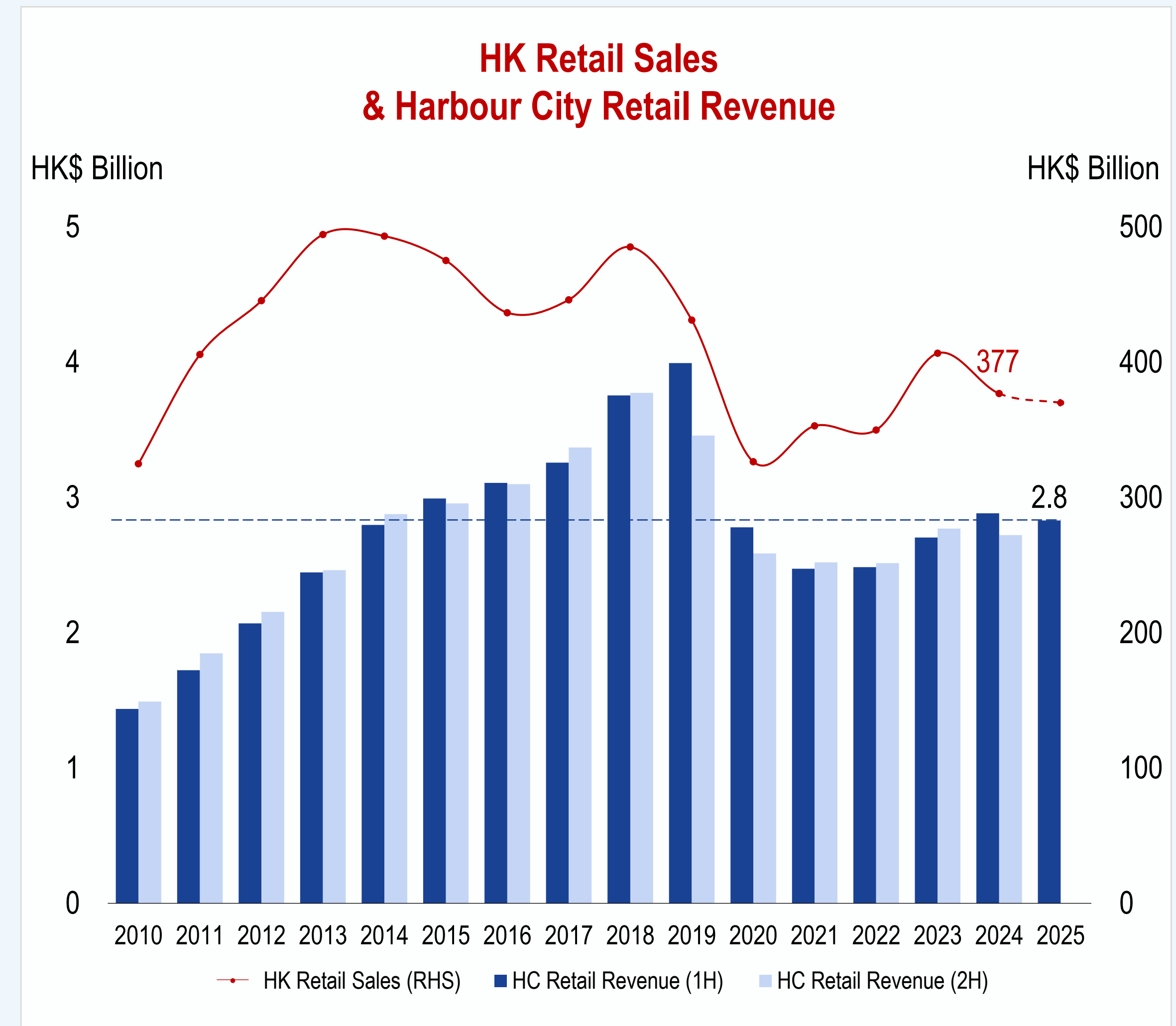


De-Leveraging Continues While Asset Value Falls

Wharf Real Estate Investment Company Limited
2025 Interim Results | 7 Aug 2025

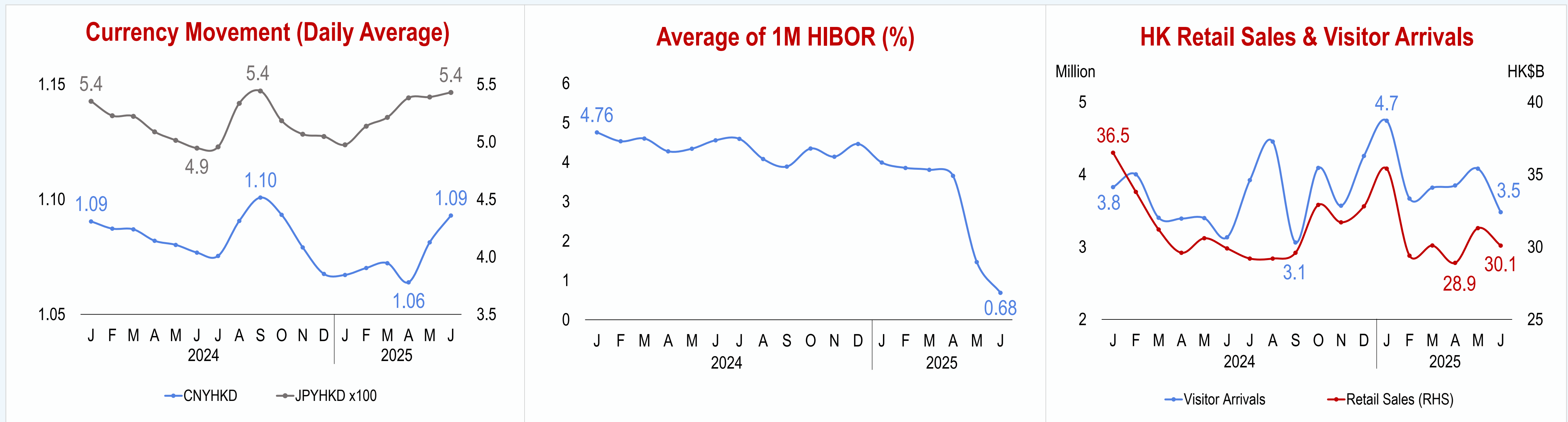
- Investment Properties Revenue & OP Slipped
- Borrowing Cost ↓ 27%, with Gearing at 17.6% New Low
- UNP Stable & Healthy
- IP Revaluation Deficit Widened but Unrealised & Non-cash
- Interim DPS Increased on Application of Consistent Dividend Policy

- Retail Market is Perhaps Base-building Amid Weak Macro & Shifting Patterns
 - HK Retail Sales Retreated to 2011 Level
 - Harbour City Retail Revenue at 2014 Level
- Prime Asset Underpins Premium Rent
 - Critical Mass, Strategic Location & Brand Equity
 - Base Rent Cushions Market Downturns



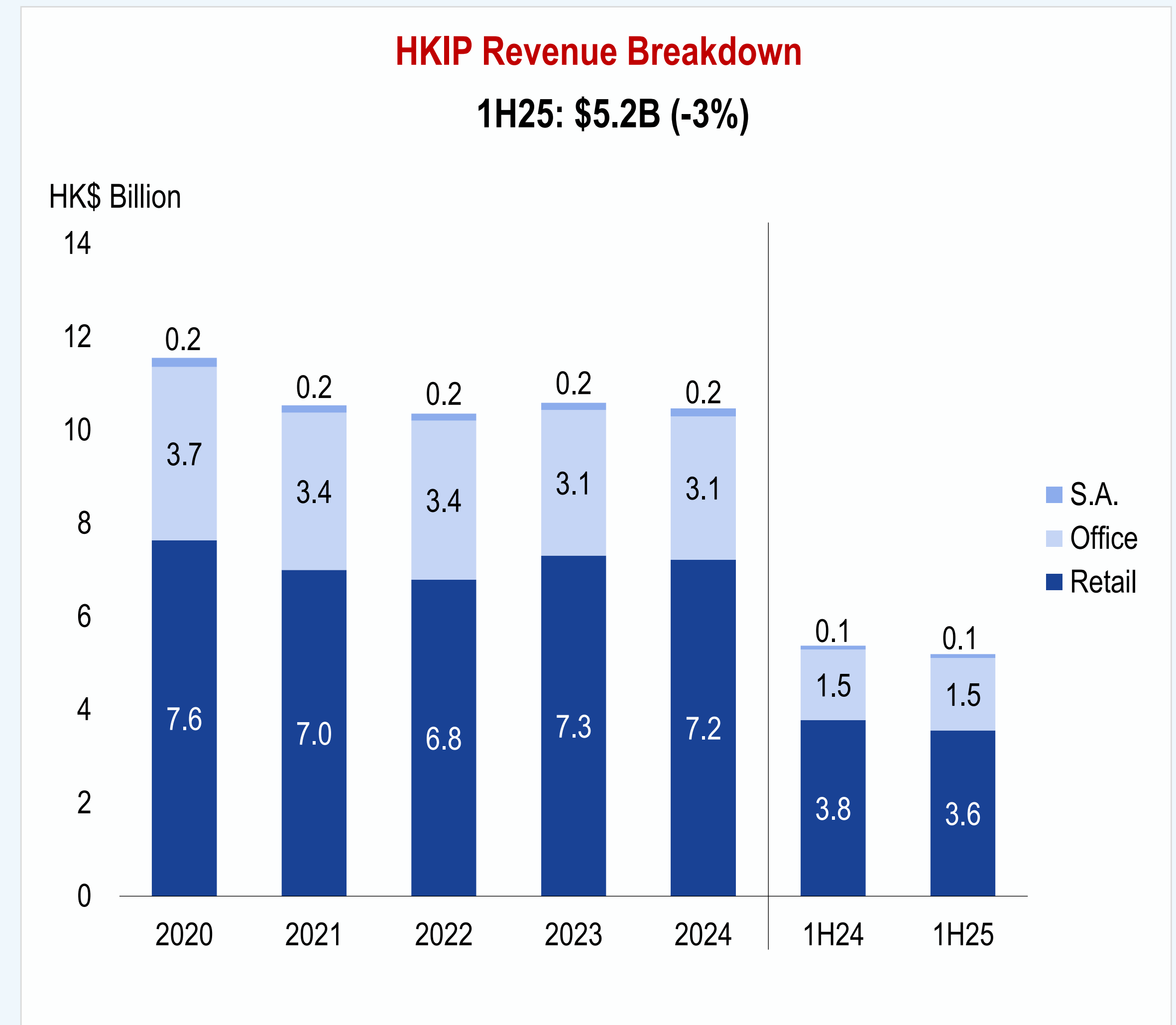
Quarter-on-Quarter Improvement

- HKD Weakened & HIBOR Dropped Sharply in 2Q
- Momentum Improved for HK Retail Sales (1Q -7%; 2Q +0.3%) & Visitor Arrivals (1Q +9%; 2Q +15%)
- Geopolitical/Socioeconomic Developments Reshaping Market & Investment Landscape in HK & Mainland China



Source: Bloomberg, Census and Statistics Department, Hong Kong Tourism Board

- Retail Rental Dragged by Turnover Rent; Reversion Remains Challenging
- Office Rental +2% Due to Improved Occupancy YoY; Negative Reversion, Weak Demand & Oversupply Continue
- OP Margin Steady; Solid Fundamentals & Cost Control



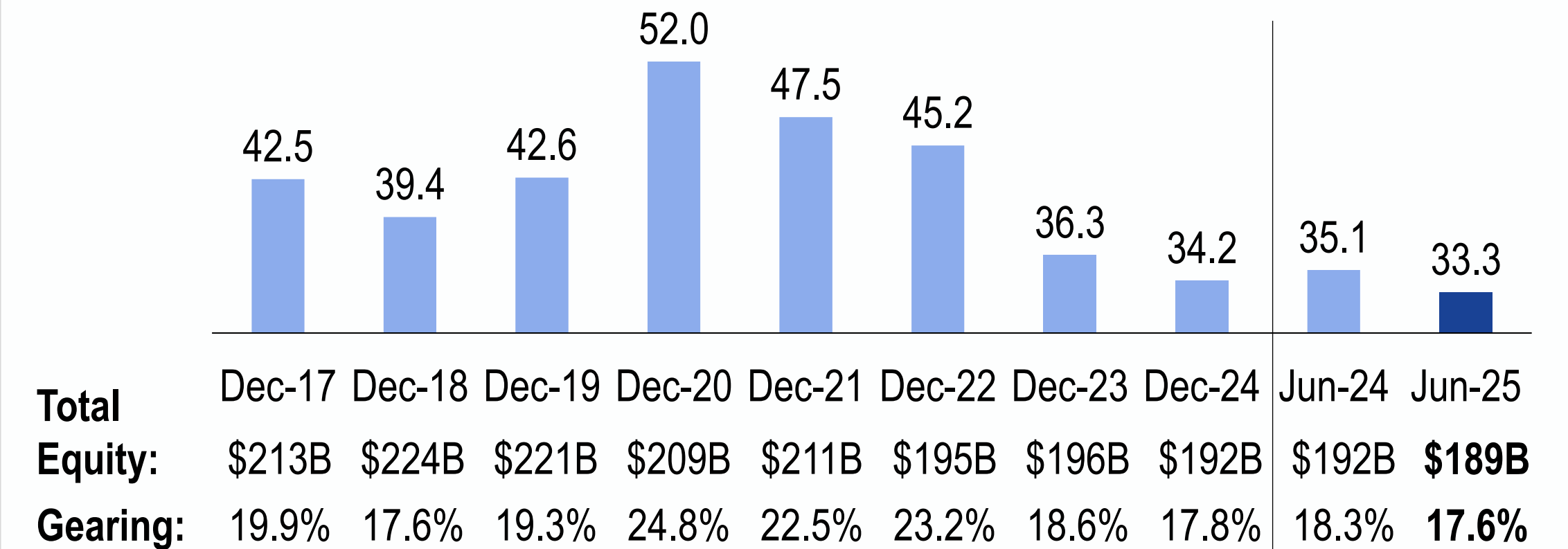
- Core UNP +3%; Lower HIBOR & Borrowing Cost
 - Borrowing Cost ↓ \$292M YoY or ↓ 27%
- Group Loss Resulted from \$5.1B IP Revaluation Deficit (Non-cash & Unrealised)
- HKIP Cap Rates Stable
- Priority on De-Leveraging; Maintain Solid Cash Flow
- DPS \$0.66 (65% of Core UNP; Consistent Since IPO)

HK\$M	1H25	1H24	YoY Chg
Group Revenue	6,407	6,501	-1%
- HKIP & Hotel	5,917	6,071	-3%
Operating Profit	4,684	4,915	-5%
- HKIP & Hotel	4,469	4,644	-4%
Underlying Net Profit (UNP)*	3,119	3,123	+0%
- HKIP & Hotel	3,084	2,989	+3%
Net IP Fair Value Change	(5,118)	(4,426)	
(Loss) After IP Fair Value Change	(2,406)	(1,052)	
Earnings/ (Loss) Per Share (HK\$)			
- Attributable to Shareholders	(0.79)	(0.35)	
- Underlying*	1.03	1.03	+0%
- Underlying (HKIP & Hotel)*	1.02	0.98	+3%
Dividend Per Share (HK\$)	0.66	0.64	+3%

*Excl. IP Revaluation Deficit and Exceptional Items

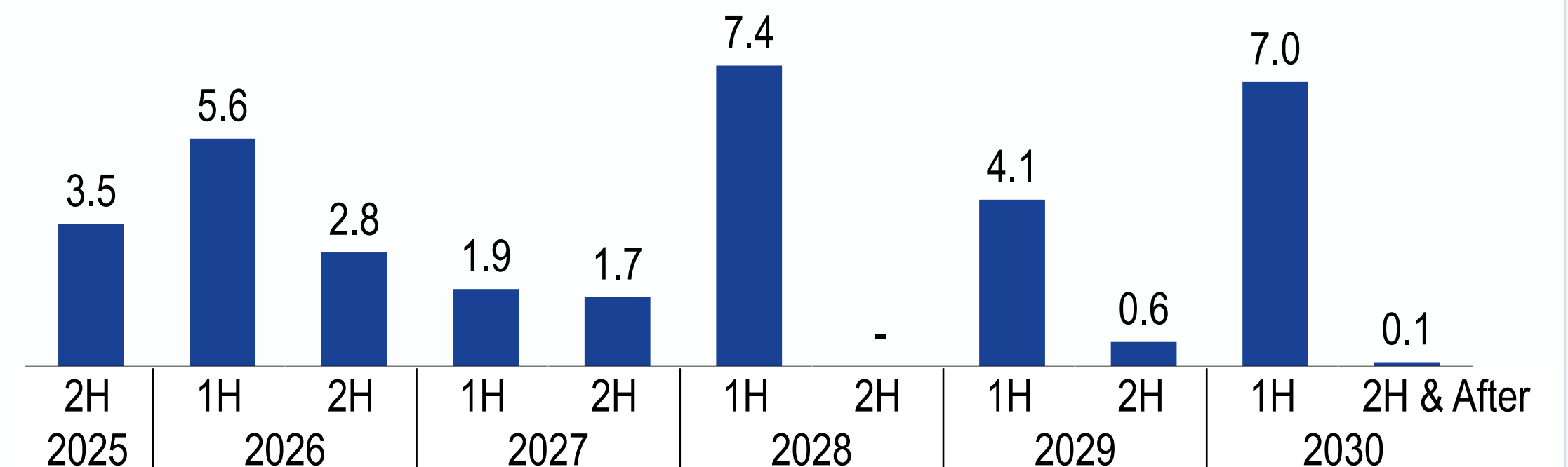
- De-Leveraging Continues While Asset Value Falls
 - Since IPO, Total Equity ↓11% (Mainly from IP Revaluation) but Net Debt ↓21%
 - Vs End-2020 Peak, Total Equity ↓10%; Net Debt ↓ 36%
 - Outside of COVID Yrs, Gearing Never Exceeded 20%
- Interest Cost 4.4% p.a., ↓1.3 ppt YoY
 - 79% on Floating; Benefit from Lower HIBOR
- Interest Cover 6.2x
- Maintains Moody's A2 Rating (Stable Outlook)

Net Debt (HK\$ Billion)



Debt Maturity (HK\$ Billion)

Total Gross Debt: \$34.7B (As at 30 Jun 2025)





HK INVESTMENT PROPERTIES

Malls: Enhancing Experiential Retail

Harbour City

- Louis Vuitton Flagship Expansion Dedicated to VIPs
- Strategic Location for New Retail Concept & Debut Brand



Louis Vuitton - Largest Retail Flagship in HK



Canali - First Café-Retail Concept Store in HK



Nike Style - First "Style Remix" Customisation Workshop in HK



Bacha Coffee - First Full-concept Store in HK

Times Square

- Louis Vuitton Re-opened & Loewe Expanded
- Distinctive Brand Offerings & Unique Experience

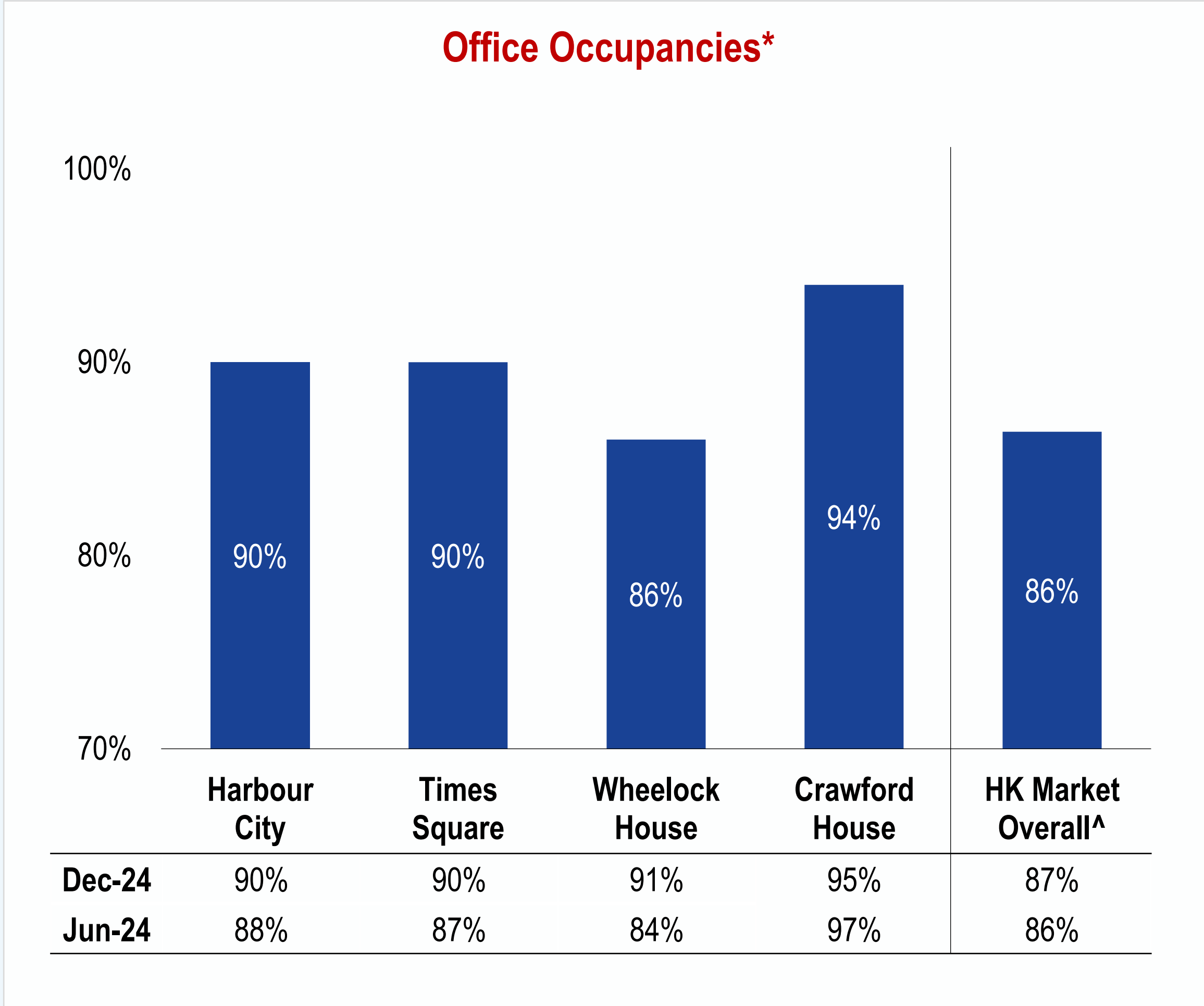


Loewe - Expansion Featuring Casa Loewe Interior Design



CR7@ LIFE - World's First Merchandise Shop for Cristiano Ronaldo

- Oversupply is a Challenge for Global Financial Centres
- Low Leverage to Navigate Extended Difficult Market
- Proactive Management Strategies
 - Prime Locations & Benefits from Mixed-use Complexes
 - LEED Platinum for Harbour City & Times Square
 - Encourage Tenant Retention & In-house Expansion

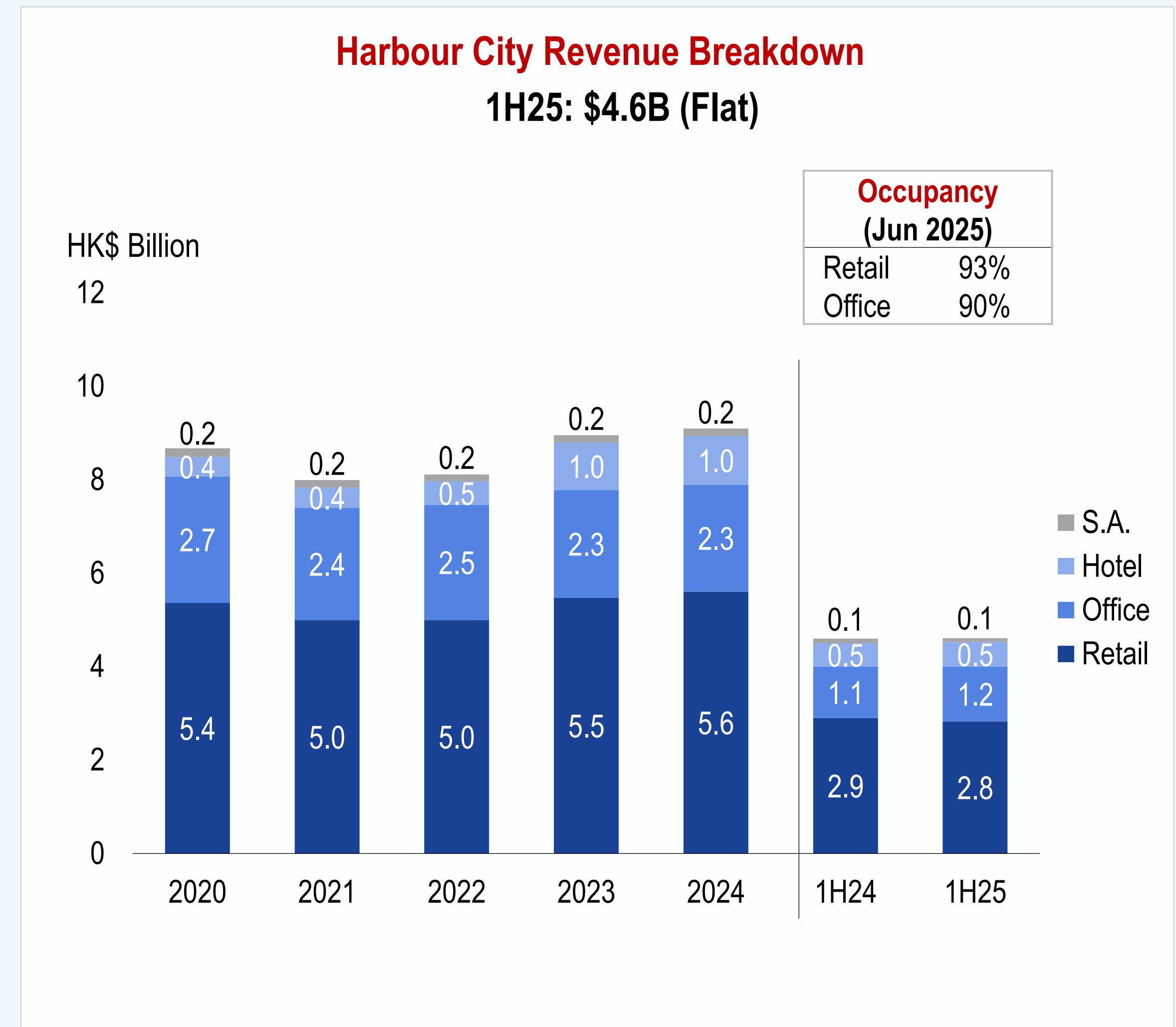


*Period-end Occupancy Rate (%)

[^]Source: JLL HK Property Market Monitor Jul 2024, JLL HK Monthly Market Dynamics Jan & Jul 2025

Harbour City: Steady Performance

- Base Rent Grew Despite Mild Retail Revenue Decline
- Focused Effort on Refining Mall Tenant Mix & Marketing
 - Intelligently Invest in Marketing to Capture Market Share
 - Return of Ocean Terminal Cruises to Bring in Tourists
- Office: Effective Leasing Strategy Protects Occupancy
 - Gained Diverse Interest incl. Insurance & Finance Sectors



Harbour City: Prime Location & Critical Mass

Harbour City Retail Rental Category Breakdown

1H25: \$2.5B (-2%)

Fashion 34%	Leather Goods 27%	F&B & Ent. 6%	
		Dept. Store 3%	
		Sports-wear 3%	
		Kid's Related 2%	Electronics 1%
Jewellery, Beauty & Accs. 21%		Others 3%	

Debuts & Strategic Expansion (Selected Brands)



CHANEL
(Expansion)



LOUIS VUITTON
(Flagship; Expansion)



alexanderwang
(Flagship; Expansion)



UR
URBAN REVIVO
(HK Debut)



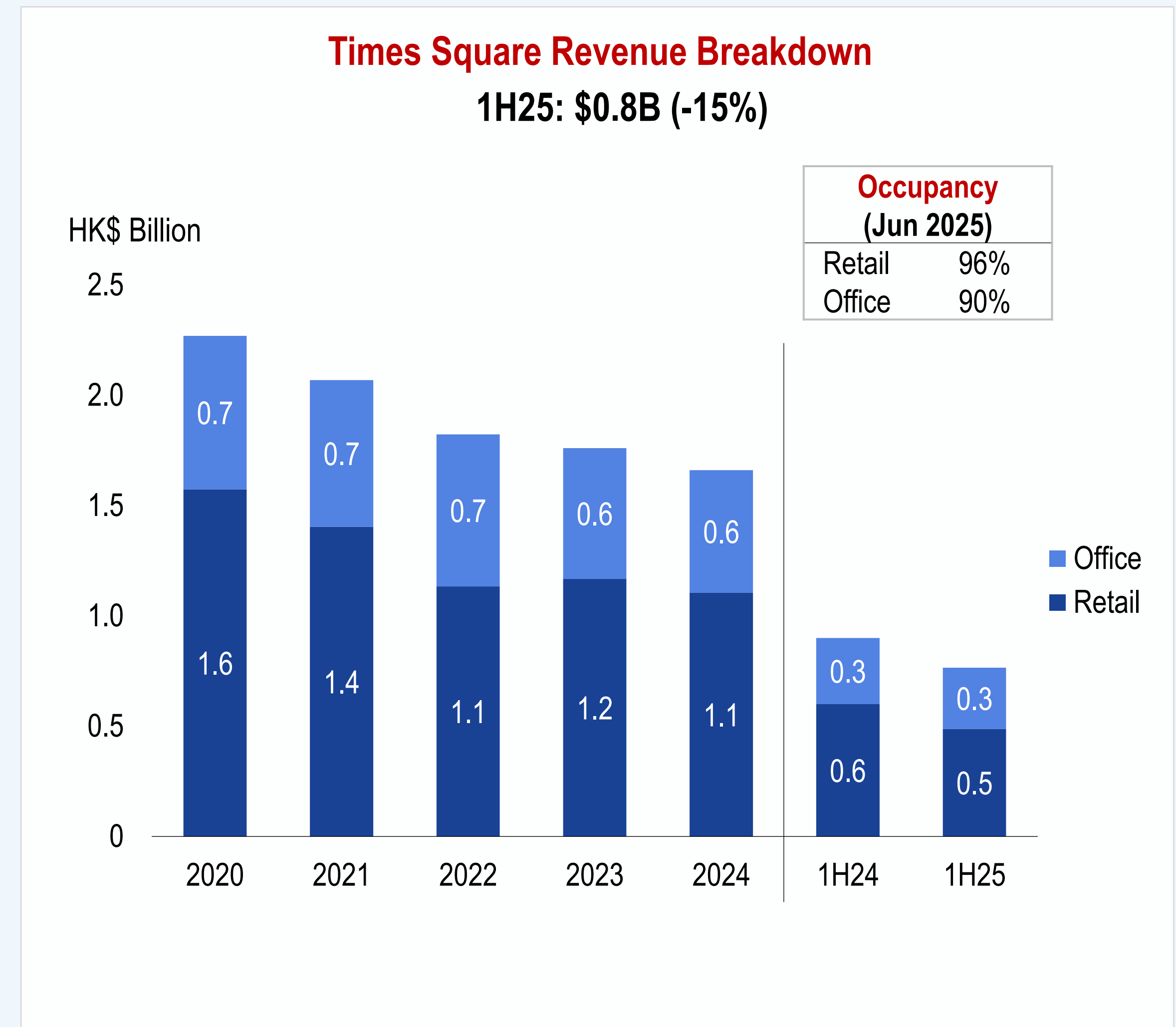
NBA ATELIER
(HK Debut)



MARITHÉ FRANÇOIS GIRBAUD
PARIS
(Kowloon Debut)

Times Square: Rejuvenating Tenant Mix

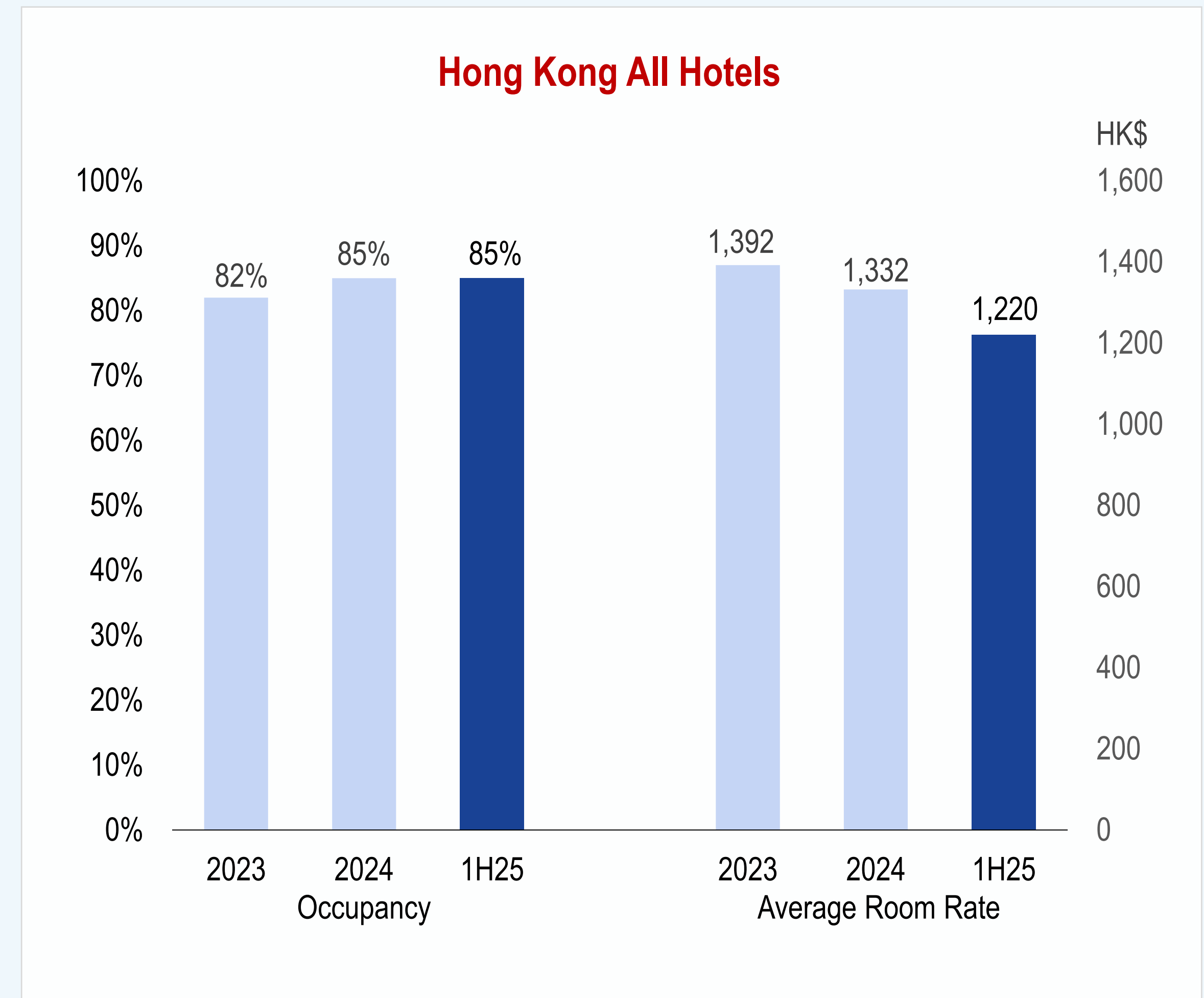
- Retail: Occupancy +2 ppt YoY
 - Enrich Mix of New Brands & Unique Experiences
 - New F&B Concepts to Unveil at Basement Floor
- Office: Occupancy +3 ppt YoY despite New Supply
 - Majority Pocket-sized Demand
- Internationally Affirmed Premium Asset Quality
 - LEED Platinum & WELL Health-Safety Rated





HOTELS

- Improved Occupancies Drove Revenue & OP Growth
 - Canton Road Hotels: Synergy with Harbour City
 - The Murray: Prime Location in Central
- Room Rates, Dining & Events Hurt by Cautious Spending & Market Competition
- Outlook Remains Challenging; Capital Investment Required to Enhance Competitiveness



Source: Hong Kong Tourism Board



OUTLOOK

Unforeseeable Geopolitical & Economic Developments

- Geopolitical Risks & Evolving Sino-US Relations Remain Top Concern in Shaping Economic Growth Prospects
- Renewed Vitality in HK Financial Sector & Major Events May Fuel Market Momentum
- Macro Environment, Interest Rate Trajectory & Currency Movement Remain Key

SUSTAINABILITY

Committed to Science Based Targets Initiative (“SBTi”)

SBTi Commitment



Near-term GHG Emissions Reductions Targets **Approved**

Scope **1** and **2**

Reduce **42%** GHG Emissions by 2030
from 2022 Base Year

Scope **3**

Reduce **25%** GHG Emissions from Downstream
Leased Assets by 2030 from 2022 Base Year

ESG Indexes & Benchmarks



Hang Seng Corporate
Sustainability Index
Series Member 2024-2025

Hang Seng ESG 50 Index



FTSE4Good



Management Band Score of **B**



ESG Reporting Standard/ Recommendations



HKEX
香港交易所

ESG Reporting Code

Referencing:



SASB
STANDARDS

Now part of IFRS Foundation



ISSB Standards

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ESG Performance & Recognitions

Sustainable Buildings & Operations



LEED Platinum v4.1 (Existing Buildings: Operations and Maintenance)

- Times Square
- Harbour City*



WELL Health-Safety Rating (Facility Operations and Management)

- Times Square



EARTHCHECK

- Gold Certified - Marco Polo Hongkong Hotel
- Silver Certified - The Murray, Niccolo Suzhou

Green Mark Gold Award (Existing Non-Residential Buildings)

- Wheelock Place

ISO 14001, ISO 45001 & ISO 9001 Certifications

- Wharf REIC

Sustainable Finance



\$15.8B Sustainability-linked Loans

Raised Accumulatively By Jun 2025;

KPIs Related to HSI ESG Rating & Key Environmental Performance



36% of Financing is Sustainable Finance

As at 30 Jun 2025

*8 Blocks of Office Buildings

Environmental: Asset Enhancements & Renewable Energy

Solar-powered Systems

- **Harbour City:** 320 Solar Photovoltaic Panels to Support Renewable Energy Development & FiT* Scheme
- **Gateway Apt.:**
Installed 100 Sets of Solar Thermal Heater System since 2009, Offset 27+ Tonnes of CO2 Emissions
(Equivalent to planting ~1,200 trees/ yr)



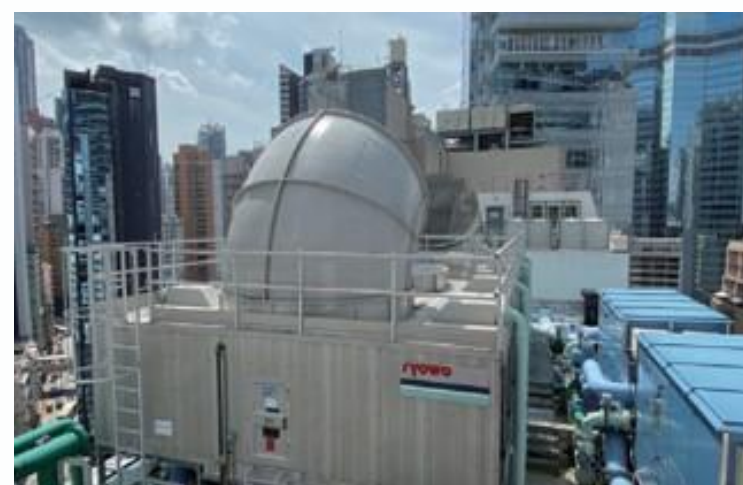
Innovative Energy Management Practice

- **Harbour City:** Innovative Approach to Connect Chilled Water Systems of Different Operating Zones to Improve Overall Energy Efficiency
- **Times Square:**
 - Piloted AI for Chiller Advisory Operation & Optimise System Performance
 - Cooling Paint, iPaint on Condenser Water Pipes for Heat Rejection



Ongoing System Upgrades

- Heat, Ventilation, A/C Upgrade
- Chiller Upgrade
- Lighting Upgrade
- Retro-commissioning



The “Star” Ferry

- **Low-emission Green Ferry**
Powered by Diesel-electric Propulsion System
 - World Star (2016)
 - Morning Star (2020)
 - Silver Star (2021)
- Participating in Full Electric Ferry Pilot



*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

Business-in-Community



Supports Youth Development via

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

Project *WeCan*

- **70+** Partner Organisations
- **80+** Partner Schools
- **Nearly 100,000** Secondary School Students



Volunteer Activities

- Brushing & Revitalising Ling On Nursery School
- The Community Chest - Walk for Millions

Community Care

Healthy & Happy Ageing

- Bright Senior Ambassador Programme
- Positive Ageing – Plant Printing Workshop

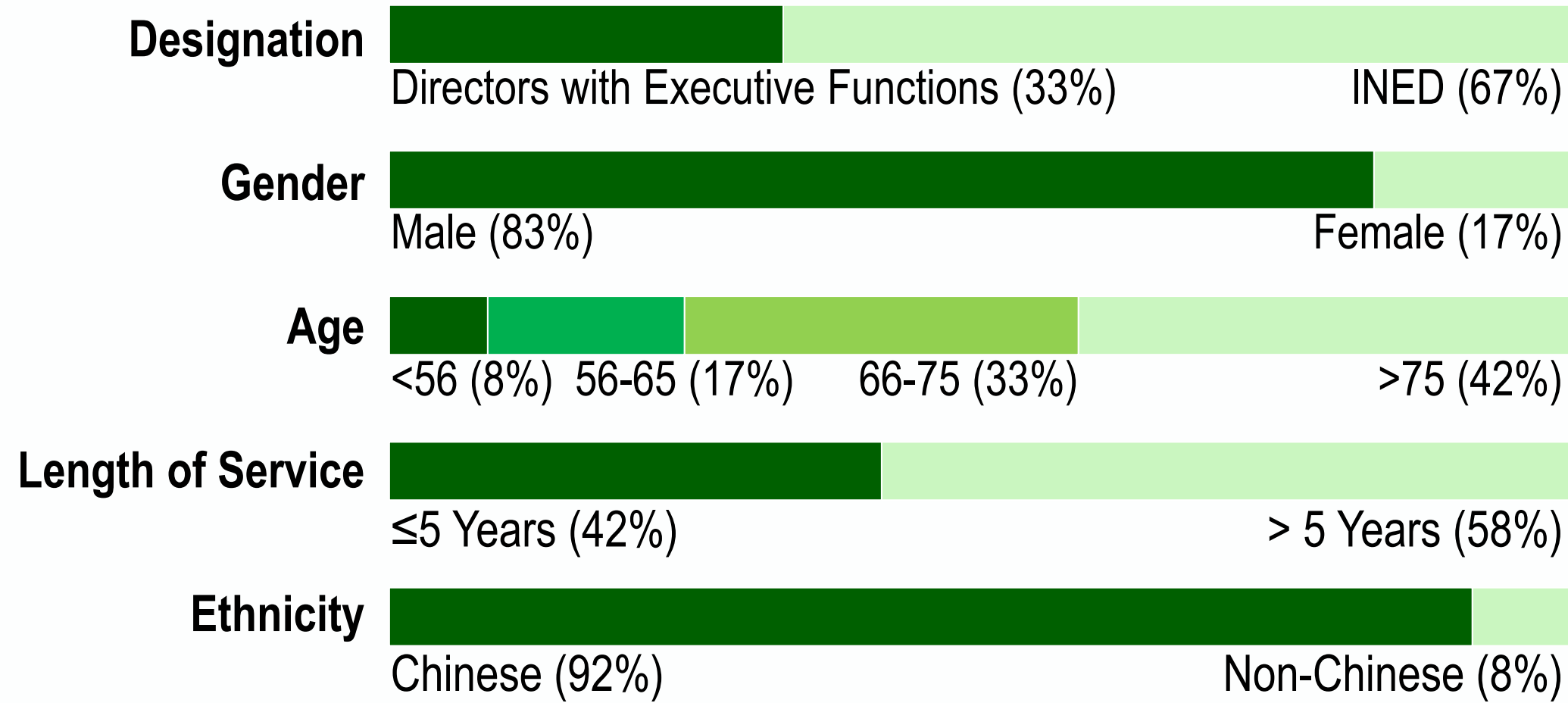
Donation

Among Top 3 Donors of the Community Chest **For 4 Consecutive Years**
Awarded to The Wharf Group (incl. Wharf REIC & Wharf Holdings)



People: Governance, Talent Development & Workplace Safety

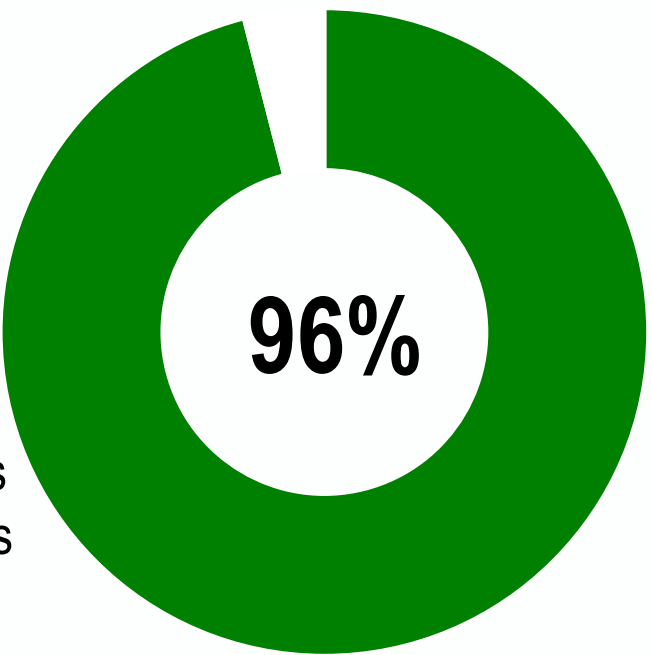
Board Composition (12 Board Members as of 30 Jun 25)



Accounting/ Financial Mgt
Banking/ Financial & Securities/ Investment
Consultancy Education/ Academia Entrepreneurship
Governance/ Regulatory Compliance/ Risk Mgt/ Internal Control
SKILLS & EXPERIENCE
Hospitality Industrial & Commerce Innovation & Technologies
Mainland China Exposure Media & Communications
Logistics & Transportation Sustainability/ Environment
Public Services & Administration/ Associations
Real Estate/ Property Operation & Mgt

1H25 Meeting Attendance[^]

[^] For 2 Board Meetings
Note: 4 Board Meetings
(per year)



Corporate Governance

Sustainability Steering Committee
Chaired by Chairman

Anti-corruption Training
For Board Members, Directors & Employees

Talent Development

Training for Employees
Training Sponsorship Scheme & Custom-made Training by Business Units

Gender Diversity
Maintain at a Good Range of
40%+ Female

Workplace Safety



清新室內
空氣證書
IAQWiSe
—Certificate—
「卓越級別」
Excellent Level

Selected Premises & Facility Safety Certifications:

- IAQ (Excellent Class) for Public Area in Office Towers (HC)*, for Management Office (PH)*
- IAQWiSe (Excellent Level) for Public Areas (TS)[#]
- HKQAA Hygiene Control System Certification (HC)

*From EPD's Indoor Air Quality ("IAQ") Information Centre

[#]From Environmental Campaign Committee

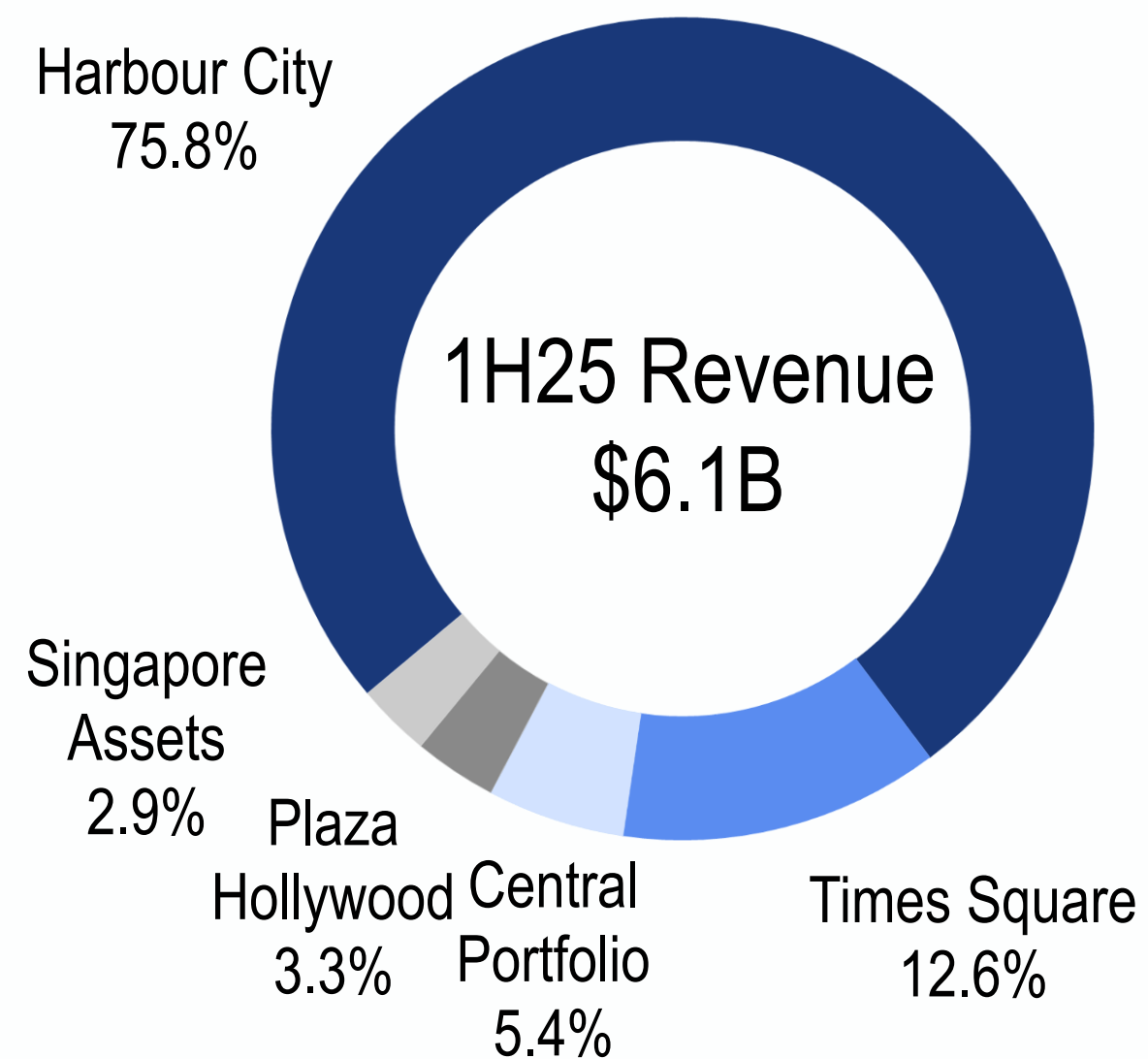
APPENDIX

1H25 (HK\$B)	Harbour City	Times Square	Plaza Hollywood
Retail	2.8	0.5	0.2
Office	1.2	0.3	-
Hotels & Club	0.5	-	-
Serviced Apt.	0.1	-	-
Total Revenue	4.6	0.8	0.2
Valuation* as of 30 Jun 2025	156.7	42.0	8.0
1H25 Avg. Retail Passing Rent (HK\$ psf per Month)	362	120	76

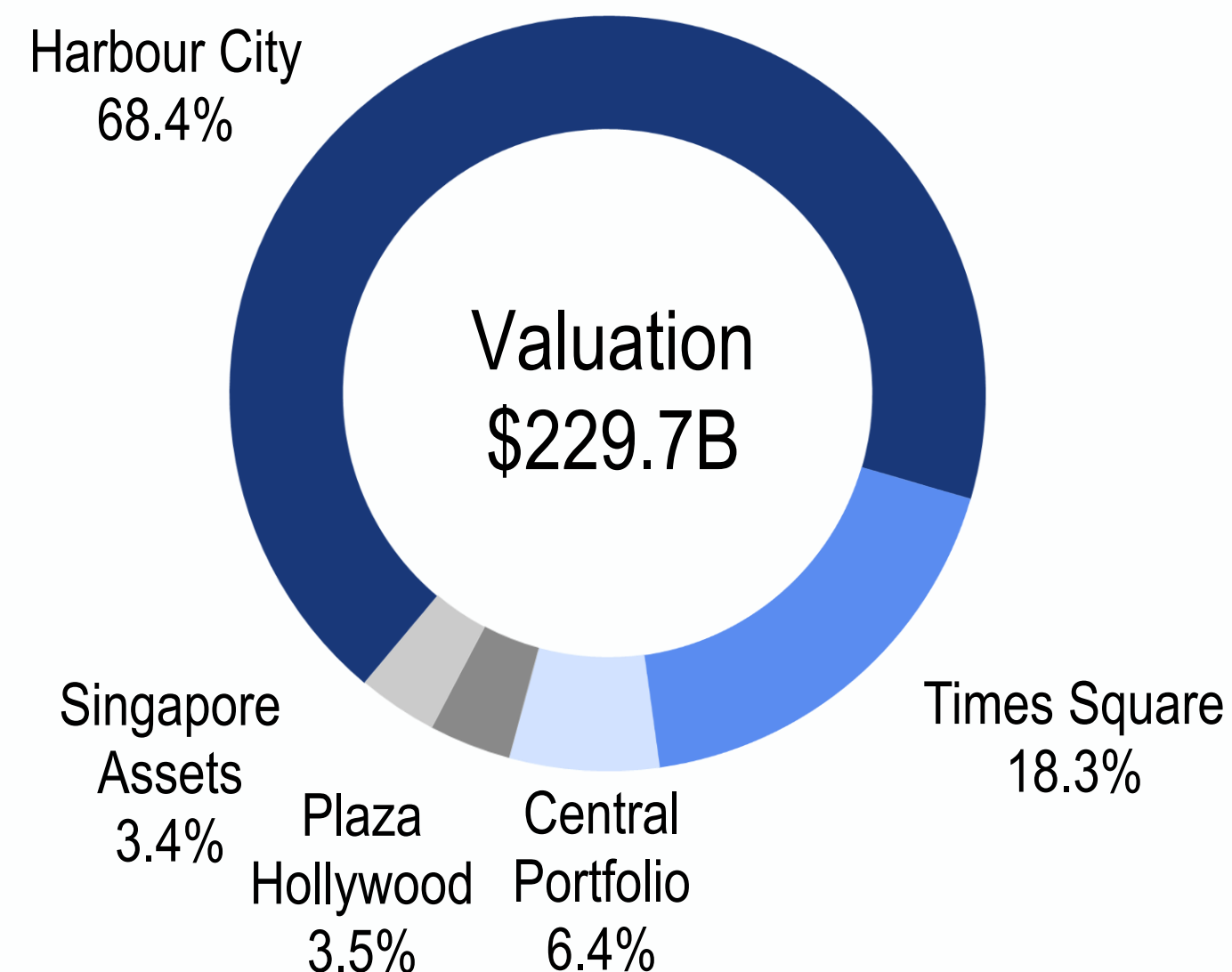
*Incl. Hotels at Valuation as of 30 Jun 2025

Premium Quality Portfolio

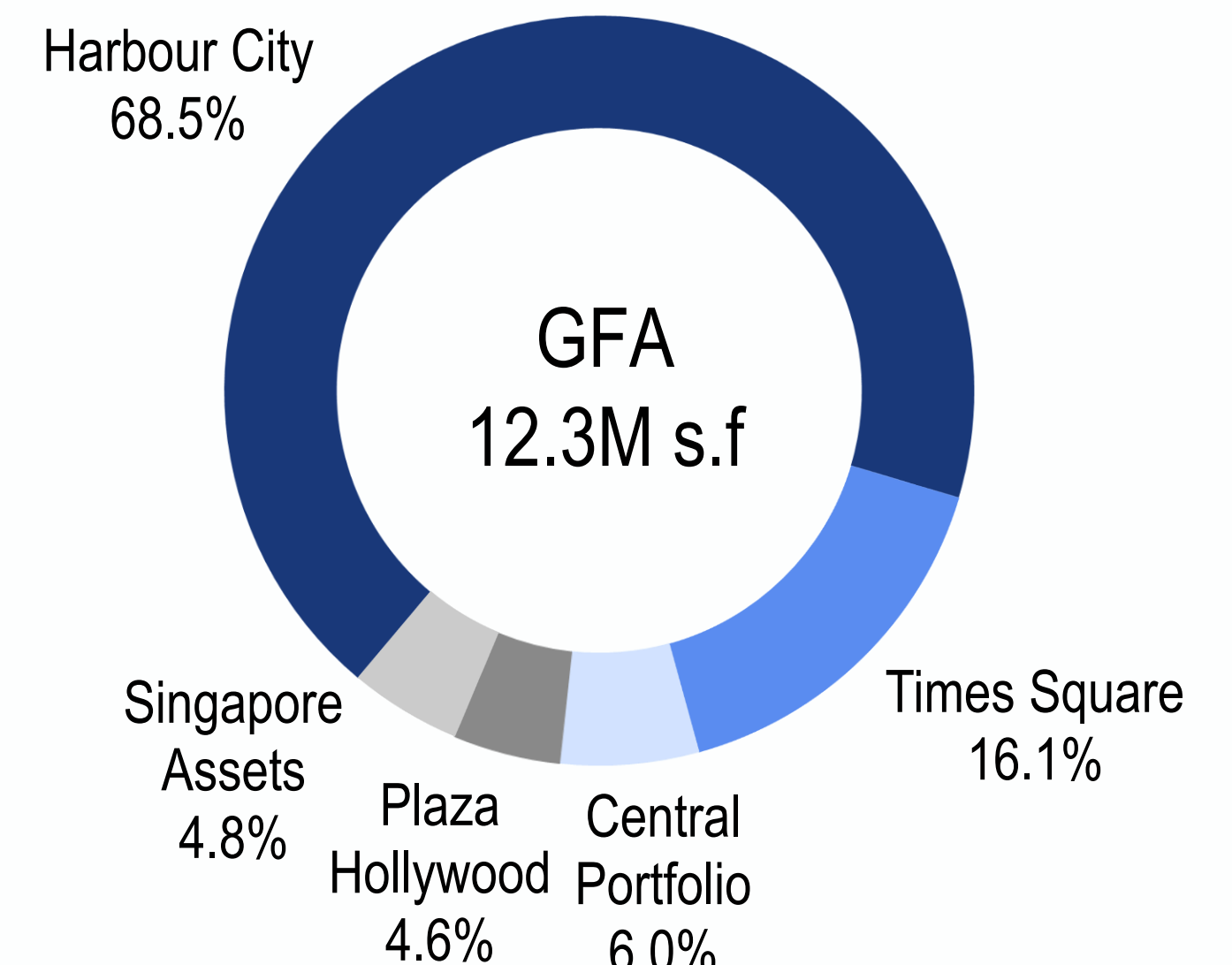
Revenue



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\$M	Incurred in 1H25	To be Incurred in Coming Years		
		Committed	Uncommitted	Total
HKIP	43	76	563	639
Singapore IP	-	-	-	-
Mainland Properties	3	145	133	278
Hotels & Others	5	19	-	19
Total	51	240	696	936

De-Leveraging Continues While Asset Value Falls

Thank You

Wharf Real Estate Investment Company Limited

[HKEx Stock Code: 1997.HK]

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