



# WHARF

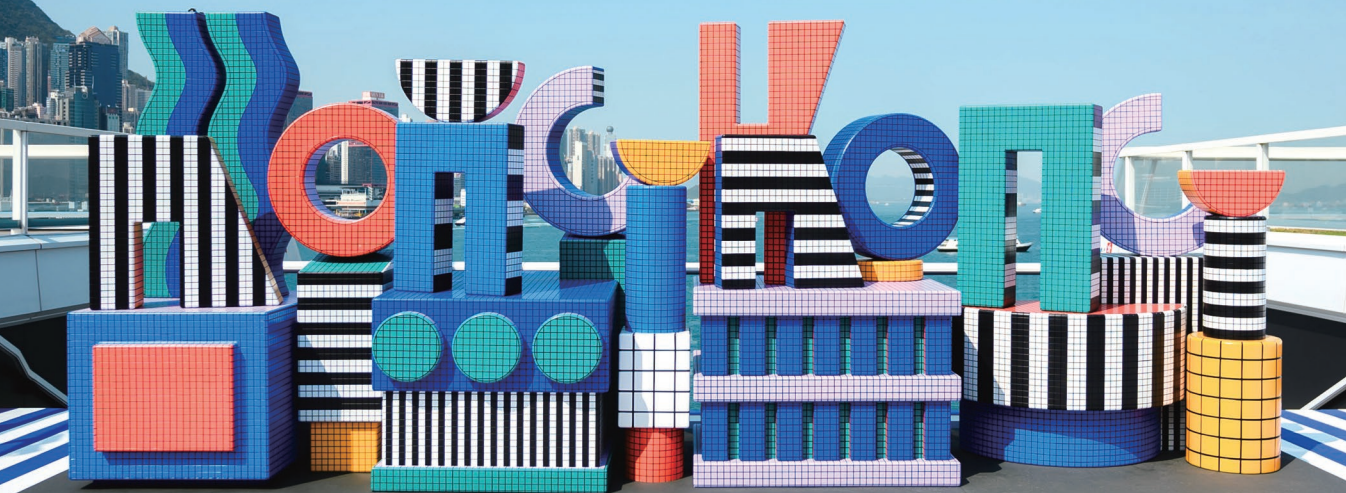
*Established 1886*

## WHARF REAL ESTATE INVESTMENT COMPANY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 1997

### INTERIM REPORT 2024



Cover photo: *"Now You See It Now You Don't"* – Harbour City invites renowned French artist Camille Walala to design the first-ever *Hong Kong City Sign* which is now installed at the Ocean Terminal Deck as a permanent landmark for locals and tourists.



Paying homage to the towering skyscrapers that define Hong Kong's skyline, the City Sign is a complex interplay of overlapping geometric shapes of varying heights. It blends well with Camille's signature vibrant geometric patterns, with the captivating hues of Victoria Harbour blue. The design adopts an anamorphic style where people can only see the letters of "HONG KONG" from a designated point of view, hence the name.

# Stalled Recovery Depressed Property Values

## HIGHLIGHTS

- Recovery in revenue and operating profit stalled
- That resulted in a 2% increase in Underlying Net Profit to HK\$3.1 billion
- Group loss resulted from HK\$4.4 billion non-cash Investment Properties revaluation deficit
- Group NAV (Net Asset Value) is 16% lower than 5 years ago
- Net debt reduction in line with plan

## GROUP RESULTS

Unaudited underlying net profit increased by 2% to HK\$3,123 million (2023: HK\$3,059 million), equivalent to HK\$1.03 (2023: HK\$1.01) per share.

Including a net Investment Properties (“IP”) revaluation deficit of HK\$4,426 million (2023: HK\$1,133 million), Group loss attributable to equity shareholders amounted to HK\$1,052 million (2023: profit of HK\$1,805 million). Basic loss per share was HK\$0.35 (2023: earnings per share of HK\$0.59).

## INTERIM DIVIDEND

A first interim dividend of HK\$0.64 (2023: HK\$0.67) per share will be paid on 10 September 2024 to Shareholders on record as at 6:00 p.m. on 26 August 2024. The distribution will amount to HK\$1,943 million (2023: HK\$2,034 million), representing 65% of underlying net profit from IP and hotels in Hong Kong.

## BUSINESS REVIEW

The business environment in Hong Kong remained challenging, characterised by unfavourable currency movements, high interest rates and staffing shortage impacting business handling capacity.

Inbound tourism continued to fight an uphill battle, while the growing popularity of outbound travel has further dampened local consumption. March marked a watershed when overall retail sales turned from post-pandemic recovery to decline, after a mediocre increase on a much lower comparison base in the first two months of the year. Second quarter retail sales witnessed a steepening double-digit decline. Despite these near-term challenges, retail brands maintain confidence in Hong Kong's prospect, with premier malls continuing to attract top-tier tenants.

Meanwhile, the office market has been severely impacted by the weak economic backdrop and oversupply. Rent correction is expected to persist until the business environment improves. Similarly, hotel industry has yet to fully recover, with room rates retreating after the initial surge following the re-opening of borders early last year.

Group revenue and operating profit were stable. Underlying net profit increased by 2%. Debt management has helped to mitigate interest rate impact, with borrowing costs stabilising. However, an unrealised revaluation deficit in the amount of HK\$4,450 million was reported for the Group's IP to reflect softer capital values.

### HARBOUR CITY

Overall revenue (including hotels) increased by 5% and operating profit by 3%.

#### Retail

Constant tenant mix curation and effective promotional activities to drive foot traffic contribute to the performance of Harbour City. Retail revenue increased by 7% and operating profit by 6%. Occupancy was 97% at period-end.

The mall's unique critical mass, location advantage and retail management expertise have led to relatively steady leasing demand in the soft market. Notable additions include *CELINE's* vertical expansion and *FENDI's* new flagship store. The 16 luxury brands on the contiguous 530-meter Canton Road frontage continue to attract shopper interest.

#### Office

The segment continues to face challenges, with leasing sentiment remaining soft. Occupancy stood at 88% at the end of June. Leasing activities were primarily driven by small to medium size units. Revenue decreased by 2% and operating profit by 5%.

#### Hotels

Hotel industry is still struggling to return to pre-pandemic level of performance. Stiff competition is also putting pressure on room rates. Despite these challenges, the three Marco Polo Hotels have managed to achieve steady occupancies.

## TIMES SQUARE

Overall revenue was stable, while operating profit increased by 1%.

### Retail

Times Square is navigating the intense competitive landscape by continuously refining its tenant mix. The mall secured a commitment from *Louis Vuitton* for a duplex store and welcomed brands across various categories and dining offerings which hold a strong appeal to locals and tourists. The diverse cultural, artistic and pop-up activities further elevate experiences. Occupancy was 94% at period-end. Retail revenue increased by 4% and operating profit by 6%.

### Office

Office continues to face challenges, with tenants seeking downsizing and cost-saving options. Sizable unit requests are rare in the market. Times Square keeps engaging proactively with tenants and remains flexible to specific business needs to strengthen competitiveness. Occupancy was 87% at the end of June. Revenue decreased by 8% and operating profit by 10%.

## OUTLOOK

Looking ahead, uncertainties from global economic slowdown and geopolitical tensions continue to impact Hong Kong's general economy. The retail and hotel sectors are bearing the brunt of shifting consumption patterns. Demand falls short of supply in all property sectors currently and will hopefully rebuild when cyclical factors including exchange rate and interest rate improve.

## FINANCIAL REVIEW

### (II) REVIEW OF 2024 INTERIM RESULTS

Underlying net profit increased by 2% to HK\$3,123 million (2023: HK\$3,059 million) as the loss from Development Properties (“DP”) narrowed. Loss attributable to equity shareholders amounted to HK\$1,052 million (2023: profit of HK\$1,805 million), after including the revaluation deficits of IP.

#### Revenue and Operating Profit

Group revenue was stable at HK\$6,501 million (2023: HK\$6,473 million). Operating profit decreased by 1% to HK\$4,915 million (2023: HK\$4,940 million).

IP revenue increased by 2% to HK\$5,542 million (2023: HK\$5,455 million). Operating profit increased by 1% to HK\$4,718 million (2023: HK\$4,677 million).

Hotel revenue increased by 7% to HK\$748 million (2023: HK\$697 million). Operating profit decreased by 64% to HK\$24 million (2023: HK\$67 million).

DP revenue decreased by 64% to HK\$8 million (2023: HK\$22 million). Operating profit of HK\$74 million (2023: loss of HK\$13 million) was reported, mainly due to prior year adjustments.

Investment operating profit, primarily from dividend income, decreased by 43% to HK\$140 million (2023: HK\$244 million).

#### Fair Value Change of IP

IP assets were stated at HK\$223.0 billion based on independent valuation, giving rise to a revaluation deficit of 2%. Unrealised valuation loss attributable to equity shareholders, net of non-controlling interests, was HK\$4,426 million (2023: HK\$1,133 million).

#### Other Net Income/(Loss)

Other net income amounted to HK\$70 million, which mainly comprised net foreign exchange gain, including the impact arising from forward foreign exchange contracts (2023: Other net loss of HK\$282 million, which included write-downs of HK\$88 million of DP by listed subsidiary, Harbour Centre Development Limited (“HCDL”)).

#### Finance Costs

Finance costs amounted to HK\$882 million (2023: HK\$990 million) after including an unrealised mark-to-market gain of HK\$189 million (2023: HK\$71 million) on cross currency and interest rate swaps in accordance with applicable accounting standards.

Effective borrowing rate rose to 5.7% (2023: 4.7%) primarily due to higher HIBOR.

#### Income Tax

Taxation charge for the period decreased by 3% to HK\$607 million (2023: HK\$627 million).

### Loss Attributable to Equity Shareholders

Group loss attributable to equity shareholders amounted to HK\$1,052 million (2023: profit of HK\$1,805 million). Basic loss per share was HK\$0.35 (2023: earnings per share of HK\$0.59), based on 3,036 million ordinary shares in issue.

Underlying net profit (excluding the impact of IP revaluation and mark-to-market of certain financial instruments) increased by 2% to HK\$3,123 million (2023: HK\$3,059 million). Underlying earnings per share were HK\$1.03 (2023: HK\$1.01).

## (III) LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL COMMITMENTS

### Shareholders' and Total Equity

Shareholders' equity decreased by HK\$3.9 billion to HK\$187.5 billion as at 30 June 2024 (31 December 2023: HK\$191.4 billion), equivalent to HK\$61.76 per share (31 December 2023: HK\$63.05 per share). Total equity including non-controlling interests decreased by HK\$4.0 billion to HK\$191.6 billion (31 December 2023: HK\$195.6 billion).

### Assets

Total assets amounted to HK\$238.9 billion (31 December 2023: HK\$245.3 billion), 95% (31 December 2023: 95%) of which in Hong Kong. Total business assets, excluding bank deposits and cash, derivative financial assets and deferred tax assets, were HK\$237.5 billion (31 December 2023: HK\$243.4 billion).

### IP

IP assets totalled HK\$223.0 billion (31 December 2023: HK\$227.6 billion), representing 94% (31 December 2023: 93%) of business assets. Harbour City (excluding the three hotels) was valued at HK\$151.6 billion and Times Square at HK\$46.0 billion.

### Hotels

Hotel properties were stated at cost less accumulated depreciation and impairment (if any) at HK\$6.9 billion (31 December 2023: HK\$7.2 billion).

### DP

DP assets, all held by HCDL, including interests in an associate and a joint venture, amounted to HK\$1.5 billion (31 December 2023: HK\$1.7 billion).

### Other Long Term Investments

Other long term investments were stated at market value of HK\$4.8 billion (31 December 2023: HK\$5.8 billion). An attributable mark-to-market deficit of HK\$795 million (2023: surplus of HK\$308 million) was reflected in other comprehensive income and a gain on disposal of HK\$7 million (2023: HK\$1,285 million) was recorded as a transfer to revenue reserves in the statement of changes in equity. The portfolio included blue chips held for long term capital appreciation and reasonable dividend return and each portfolio holding is individually not material to the Group's total assets.

The Group's investment portfolio analysed by industry sector and by geographical location:

	<b>30 June 2024 HK\$ Million</b>	31 December 2023 HK\$ Million
Analysed by industry sector:		
– Properties	<b>4,503</b>	5,356
– Others	<b>315</b>	404
<b>Total</b>	<b>4,818</b>	5,760
Analysed by geographical location:		
– Hong Kong	<b>2,656</b>	3,384
– Outside of Hong Kong	<b>2,162</b>	2,376
<b>Total</b>	<b>4,818</b>	5,760

### Debts and Gearing

Net debt decreased by HK\$1.2 billion to HK\$35.1 billion as at 30 June 2024 (31 December 2023: HK\$36.3 billion). It comprised debts of HK\$36.0 billion and bank deposits and cash of HK\$0.9 billion.

An analysis of net debt is depicted below:

<b>Net debt</b>	<b>30 June 2024 HK\$ Billion</b>	31 December 2023 HK\$ Billion
Group (excluding HCDL)	<b>35.0</b>	36.1
HCDL	<b>0.1</b>	0.2
<b>Total</b>	<b>35.1</b>	36.3



The ratio of net debt to total equity dropped to 18.3% (31 December 2023: 18.6%).

Listed HCDL is an independent credit entity and the Group (excluding HCDL) is not contractually exposed to HCDL's debts. HCDL's ratio of net debt to total equity as at 30 June 2024 was 0.9% (31 December 2023: 1.0%).

### Finance and Availability of Facilities

Total available loan facilities and issued debt securities as at 30 June 2024 amounted to HK\$50.0 billion, of which HK\$36.0 billion was utilised. The breakdown is depicted below:

	As at 30 June 2024		
	Available Facility HK\$ Billion	Total Debt HK\$ Billion	Undrawn Facility HK\$ Billion
Committed and uncommitted Group (excluding HCDL)	48.6	35.6	13.0
HCDL	1.4	0.4	1.0
<b>Total</b>	<b>50.0</b>	<b>36.0</b>	<b>14.0</b>

Certain banking facilities extended to HCDL amounting to RMB1.2 billion (equivalent to HK\$1.3 billion) (31 December 2023: RMB1.3 billion (equivalent to HK\$1.4 billion)) were secured by hotel and DP in the Mainland.

The debt portfolio was principally denominated in United States dollar, Hong Kong 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\$4.8 billion (31 December 2023: HK\$5.8 billion).

### Cash Flows for the Group's Operating and Investing Activities

For the period under review, the Group recorded operating cash inflow of HK\$4.9 billion (2023: HK\$4.8 billion) primarily generated from rental income. Together with the changes in working capital and others of HK\$1.6 billion (2023: HK\$1.6 billion), the net cash inflow from operating activities amounted to HK\$3.3 billion (2023: HK\$3.2 billion). For investing activities, the Group recorded a net cash outflow of HK\$66 million (2023: inflow of HK\$4.7 billion).

### Capital Commitments

As at 30 June 2024, major planned expenditures for the coming years were estimated at HK\$1.1 billion, of which HK\$0.2 billion was committed. A breakdown (by segment) follows:

	As at 30 June 2024		Total HK\$ Million
	Committed HK\$ Million	Uncommitted HK\$ Million	
<b>IP</b>			
Hong Kong	54	529	583
<b>DP (HCDL)</b>			
Mainland China	163	363	526
	217	892	1,109
<b>Hotels</b>			
Hong Kong	14	–	14
<b>Total</b>	<b>231</b>	<b>892</b>	<b>1,123</b>

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\$0.5 billion, which will be funded by its own financial resources.

### (III) HUMAN RESOURCES

The Group had approximately 2,900 employees as at 30 June 2024. 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 2024 – Unaudited

	Note	Six months ended 30 June	
		2024 HK\$ Million	2023 HK\$ Million
<b>Revenue</b>	2	<b>6,501</b>	6,473
Direct costs and operating expenses		<b>(1,202)</b>	(1,161)
Selling and marketing expenses		<b>(119)</b>	(125)
Administrative and corporate expenses		<b>(145)</b>	(122)
Operating profit before depreciation, amortisation, interest and tax		<b>5,035</b>	5,065
Depreciation and amortisation		<b>(120)</b>	(125)
<b>Operating profit</b>	2 & 3	<b>4,915</b>	4,940
Decrease in fair value of investment properties		<b>(4,450)</b>	(1,115)
Other net income/(loss)	4	<b>70</b>	(282)
Finance costs	5	<b>535</b>	3,543
Share of results after tax of an associate		<b>(882)</b>	(990)
		<b>(113)</b>	(146)
(Loss)/profit before taxation		<b>(460)</b>	2,407
Income tax	6	<b>(607)</b>	(627)
<b>(Loss)/profit for the period</b>		<b>(1,067)</b>	1,780
<b>(Loss)/profit attributable to:</b>			
Shareholders of the Company		<b>(1,052)</b>	1,805
Non-controlling interests		<b>(15)</b>	(25)
		<b>(1,067)</b>	1,780
<b>(Loss)/earnings per share</b>	7		
Basic		<b>(HK\$0.35)</b>	HK\$0.59
Diluted		<b>(HK\$0.35)</b>	HK\$0.59

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Six Months Ended 30 June 2024 – Unaudited

	Six months ended 30 June	
	2024 HK\$ Million	2023 HK\$ Million
<b>(Loss)/profit for the period</b>	<b>(1,067)</b>	1,780
<b>Other comprehensive income</b>		
<b>Item that will not be reclassified to profit or loss:</b>		
Fair value changes on equity investments at fair value through other comprehensive income	<b>(915)</b>	209
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange difference on translation of subsidiaries outside Hong Kong	<b>(205)</b>	(62)
Share of other comprehensive income of an associate and joint ventures	<b>(4)</b>	(20)
Others	<b>1</b>	(5)
<b>Other comprehensive income for the period</b>	<b>(1,123)</b>	122
<b>Total comprehensive income for the period</b>	<b>(2,190)</b>	1,902
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	<b>(2,052)</b>	2,047
Non-controlling interests	<b>(138)</b>	(145)
	<b>(2,190)</b>	1,902

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 30 June 2024 – Unaudited

	Note	30 June 2024 HK\$ Million	31 December 2023 HK\$ Million
<b>Non-current assets</b>			
Investment properties		223,009	227,586
Hotel and club properties, plant and equipment		7,233	7,406
Interest in an associate		475	591
Interest in a joint venture		10	10
Other long term investments		4,818	5,760
Deferred tax assets		–	225
Derivative financial assets		245	202
Other non-current assets		60	60
		<b>235,850</b>	241,840
<b>Current assets</b>			
Properties for sale		1,061	1,118
Inventories		18	17
Trade and other receivables	9	1,032	1,221
Prepaid tax		3	2
Derivative financial assets		6	–
Bank deposits and cash		972	1,124
		<b>3,092</b>	3,482
<b>Total assets</b>		<b>238,942</b>	245,322
<b>Non-current liabilities</b>			
Derivative financial liabilities		(2,017)	(2,188)
Deferred tax liabilities		(2,552)	(2,666)
Other deferred liabilities		(356)	(352)
Bank loans and other borrowings	11	(24,447)	(29,832)
		<b>(29,372)</b>	(35,038)
<b>Current liabilities</b>			
Trade and other payables	10	(5,586)	(6,256)
Pre-sale deposits and proceeds		(72)	(78)
Derivative financial liabilities		(215)	(364)
Taxation payable		(539)	(386)
Bank loans and other borrowings	11	(11,586)	(7,593)
		<b>(17,998)</b>	(14,677)
<b>Total liabilities</b>		<b>(47,370)</b>	(49,715)
<b>NET ASSETS</b>		<b>191,572</b>	195,607
<b>Capital and reserves</b>			
Share capital	12	304	304
Reserves		187,211	191,108
<b>Shareholders' equity</b>		<b>187,515</b>	191,412
<b>Non-controlling interests</b>		<b>4,057</b>	4,195
<b>TOTAL EQUITY</b>		<b>191,572</b>	195,607

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Six Months Ended 30 June 2024 – Unaudited

Attributable to equity shareholders of the Company

	Share capital	Share premium	Investment revaluation reserves	Share option reserves	Exchange reserves	Revenue reserves	Total	Non-controlling interests	Total equity
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
<b>At 1 January 2024</b>	304	696	(1,052)	5	337	191,122	191,412	4,195	195,607
<b>Changes in equity for the period:</b>									
Loss for the period	-	-	-	-	-	(1,052)	(1,052)	(15)	(1,067)
Other comprehensive income	-	-	(795)	-	(206)	1	(1,000)	(123)	(1,123)
Total comprehensive income	-	-	(795)	-	(206)	(1,051)	(2,052)	(138)	(2,190)
2023 second interim dividend paid (Note 8 (b))	-	-	-	-	-	(1,852)	(1,852)	-	(1,852)
Equity settled share-based payments	-	-	-	7	-	-	7	-	7
Transfer to revenue reserves upon de-recognition of equity investments	-	-	(7)	-	-	7	-	-	-
<b>At 30 June 2024</b>	304	696	(1,854)	12	131	188,226	187,515	4,057	191,572
<b>At 1 January 2023</b>	304	696	(212)	-	214	189,362	190,364	4,517	194,881
<b>Changes in equity for the period:</b>									
Profit for the period	-	-	-	-	-	1,805	1,805	(25)	1,780
Other comprehensive income	-	-	308	-	(61)	(5)	242	(120)	122
Total comprehensive income	-	-	308	-	(61)	1,800	2,047	(145)	1,902
2022 second interim dividend paid	-	-	-	-	-	(1,852)	(1,852)	-	(1,852)
Transfer to revenue reserves upon de-recognition of equity investments	-	-	(1,285)	-	-	1,285	-	-	-
<b>At 30 June 2023</b>	304	696	(1,189)	-	153	190,595	190,559	4,372	194,931

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For The Six Months Ended 30 June 2024 – Unaudited

	Six months ended 30 June	
	2024 HK\$ Million	2023 HK\$ Million
Operating cash inflow	4,888	4,802
Changes in working capital and others	(1,288)	(1,309)
Tax paid	(339)	(319)
<b>Net cash generated from operating activities</b>	<b>3,261</b>	<b>3,174</b>
<b>Investing activities</b>		
Payment for investment properties, hotel and club properties, plant and equipment	(94)	(78)
Other net cash generated from investing activities	28	4,786
<b>Net cash (used in)/generated from investing activities</b>	<b>(66)</b>	<b>4,708</b>
<b>Financial activities</b>		
Dividends paid to equity shareholders	(1,852)	(1,852)
Other net cash used in financing activities	(1,486)	(6,374)
<b>Net cash used in financing activities</b>	<b>(3,338)</b>	<b>(8,226)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(143)</b>	<b>(344)</b>
Cash and cash equivalents at 1 January	1,124	1,340
Effect of exchange rate changes	(9)	(19)
<b>Cash and cash equivalents at 30 June</b>	<b>972</b>	<b>977</b>
<b>Cash and cash equivalents</b>		
Bank deposits and cash in the consolidated statement of financial position	972	977

# 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 2023. 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 Hong Kong Financial Reporting Standards (“HKFRSs”).

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 2023 except for the changes mentioned below.

The HKICPA has issued a number of amended HKFRSs that are first effective starting from 1 January 2024. Of these, the following developments are relevant to the Group’s consolidated financial statements:

Amendments to HKAS 1	Presentation of financial statements: Classification of liabilities as current or non-current (2020 amendments)
	Presentation of financial statements: Non-current liabilities with covenants (2022 amendments)
Amendments to HKFRS 16	Leases: Lease liability in a sale and leaseback
Amendments to HKAS 7	Statement of cash flows and HKFRS 7, Financial Instruments: Disclosures: Supplier finance arrangements

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 diversified 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, development properties, hotel and investment. 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.

Development properties segment encompasses activities relating to the acquisition of land, development, construction and sales of trading properties, mainly in Mainland China.

Hotel segment includes hotel operations in Hong Kong and Mainland China.

Investment segment represents equity investments in global capital markets.

Management evaluates performance primarily based on operating profit as well as the equity share of results of an associate and a joint venture 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 income/(loss) HK\$ Million	Finance costs HK\$ Million	Share of results after tax of an associate HK\$ Million	(Loss)/ profit before taxation HK\$ Million
30 June 2024							
Investment properties	5,542	4,718	(4,450)	-	(1,034)	-	(766)
Development properties	8	74	-	(1)	(6)	(113)	(46)
Hotel	748	24	-	-	(1)	-	23
Investment	140	140	-	-	(28)	-	112
Inter-segment revenue	(23)	-	-	-	-	-	-
Segment total	6,415	4,956	(4,450)	(1)	(1,069)	(113)	(677)
Others	86	8	-	71	187	-	266
Corporate expenses	-	(49)	-	-	-	-	(49)
Group total	6,501	4,915	(4,450)	70	(882)	(113)	(460)
30 June 2023							
Investment properties	5,455	4,677	(1,115)	-	(932)	-	2,630
Development properties	22	(13)	-	(88)	(7)	(146)	(254)
Hotel	697	67	-	-	(5)	-	62
Investment	244	244	-	-	(115)	-	129
Inter-segment revenue	(16)	-	-	-	-	-	-
Segment total	6,402	4,975	(1,115)	(88)	(1,059)	(146)	2,567
Others	71	(2)	-	(194)	69	-	(127)
Corporate expenses	-	(33)	-	-	-	-	(33)
Group total	6,473	4,940	(1,115)	(282)	(990)	(146)	2,407

b. Disaggregation of revenue

	Six months ended 30 June	
	2024 HK\$ Million	2023 HK\$ Million
<b>Revenue recognised under HKFRS 15</b>		
Management and services income	607	586
Other rental related income	106	93
Hotel and club operations	748	697
Sale of development properties	8	22
	<b>1,469</b>	1,398
<b>Revenue recognised under other accounting standards</b>		
Rental income		
– Fixed	4,352	4,218
– Variable	454	542
	<b>4,806</b>	4,760
Investment income	140	244
Others	86	71
	<b>5,032</b>	5,075
<b>Total revenue</b>	<b>6,501</b>	6,473

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					
	2024			2023		
	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	5,542	(23)	5,519	5,455	(16)	5,439
Development properties	8	–	8	22	–	22
Hotel	748	–	748	697	–	697
Investment	140	–	140	244	–	244
Others	90	(4)	86	75	(4)	71
<b>Group total</b>	<b>6,528</b>	<b>(27)</b>	<b>6,501</b>	<b>6,493</b>	<b>(20)</b>	<b>6,473</b>

d. Geographical information

	Six months ended 30 June			
	Revenue		Operating profit	
	2024 HK\$ Million	2023 HK\$ Million	2024 HK\$ Million	2023 HK\$ Million
Hong Kong	6,194	6,050	4,673	4,671
Outside Hong Kong	307	423	242	269
<b>Group total</b>	<b>6,501</b>	<b>6,473</b>	<b>4,915</b>	<b>4,940</b>

### 3. OPERATING PROFIT

Operating profit is arrived at:

	Six months ended 30 June	
	2024	2023
	HK\$ Million	HK\$ Million
<b>After charging/(crediting):</b>		
Depreciation and amortisation on		
– hotel and club properties, plant and equipment	112	117
– leasehold land	8	8
Total depreciation and amortisation	120	125
Staff cost (Note)	533	476
Cost of trading properties for recognised sales	(70)	17
Direct operating expenses of investment properties	793	751
<b>After crediting:</b>		
Gross revenue from investment properties	5,519	5,439
Interest income	14	19
Dividend income from other long-term investments	140	244

Note: Staff costs included defined contribution pension schemes costs of HK\$27 million (2023: HK\$24 million) and equity settled share-based payment expenses of HK\$7 million (2023: Nil).

### 4. OTHER NET INCOME/(LOSS)

Other net income for the period amounted to HK\$70 million (2023: loss of HK\$282 million) mainly comprising:

- (a) Net foreign exchange gain of HK\$62 million (2023: loss of HK\$194 million) which included the impact arising from forward foreign exchange contracts.
- (b) Write-down of HK\$88 million in 2023 in relation to development property projects in Mainland China.

## 5. FINANCE COSTS

	Six months ended 30 June	
	2024 HK\$ Million	2023 HK\$ Million
<b>Interest charged on:</b>		
– Bank loans	284	328
– Other borrowings	758	703
Total interest charge	1,042	1,031
Other finance costs	29	30
	1,071	1,061
<b>Fair value gain:</b>		
– Cross currency interest rate swaps	(134)	(65)
– Interest rate swaps	(55)	(6)
	(189)	(71)
<b>Total</b>	<b>882</b>	<b>990</b>

- (a) The Group's average effective borrowing rate for the period was 5.7% per annum (2023: 4.7% 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	
	2024 HK\$ Million	2023 HK\$ Million
<b>Current income tax</b>		
Hong Kong		
– Provision for the period	585	640
Outside Hong Kong		
– Provision for the period	19	19
– Over-provision in respect of prior years	(110)	–
	494	659
<b>Land appreciation tax (“LAT”) (Note (c))</b>	–	1
<b>Deferred tax</b>		
Origination and reversal of temporary differences	113	(33)
<b>Total</b>	<b>607</b>	<b>627</b>

- (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% (2023: 16.5%).
- (b) Income tax on assessable profits outside Hong Kong is mainly Mainland China corporate income tax calculated at a rate of 25% (2023: 25%), Mainland China withholding tax on dividend at a rate of up to 10% (2023: 10%) and Singapore income tax at a rate of 17% (2023: 17%).
- (c) Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds 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 2024 of HK\$3 million (2023: expense of HK\$126 million) is included in the share of results of an associate.

## 7. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders for the period of HK\$1,052 million (2023: profit of HK\$1,805 million) and 3,036 million ordinary shares in issue during the period (2023: 3,036 million ordinary shares in issue).

There were no dilutive potential ordinary shares in issue during the six months ended 30 June 2024 and 2023.

## 8. DIVIDENDS ATTRIBUTABLE TO EQUITY SHAREHOLDERS

	Six months ended 30 June		2023 HK\$ per share	2023 HK\$ Million
	2024 HK\$ per share	2024 HK\$ Million		
First interim dividend declared after the end of the reporting period	0.64	1,943	0.67	2,034

- (a) The first interim dividend based on 3,036 million ordinary shares in issue (2023: 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\$1,852 million for 2023 was approved and paid during the six months ended 30 June 2024.

## 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 2024 HK\$ Million	31 December 2023 HK\$ Million
Trade receivables		
0 – 30 days	221	229
31 – 60 days	12	9
61 – 90 days	6	4
Over 90 days	18	16
	257	258
Other receivables and prepayments	775	963
	1,032	1,221

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\$224 million (31 December 2023: HK\$266 million), which is expected to be utilised 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 2024 HK\$ Million	31 December 2023 HK\$ Million
Trade payables		
0 – 30 days	53	75
31 – 60 days	9	19
61 – 90 days	4	7
Over 90 days	13	9
	79	110
Rental and customer deposits	3,059	3,067
Construction costs payable	824	1,158
Amount due to an associate	14	14
Other payables	1,610	1,907
	5,586	6,256

## 11. BANK LOANS AND OTHER BORROWINGS

	30 June 2024 HK\$ Million	31 December 2023 HK\$ Million
Notes (unsecured)	23,404	27,741
Bank loans (secured)	339	326
Bank loans (unsecured)	12,290	9,358
<b>Total bank loans and other borrowings</b>	<b>36,033</b>	<b>37,425</b>
<b>Analysis of maturities of the above borrowings:</b>		
<b>Current borrowings</b>		
Due within 1 year	11,586	7,593
<b>Non-current borrowings</b>		
Due after more than 1 year but not exceeding 2 years	8,285	9,418
Due after more than 2 years but not exceeding 5 years	12,149	16,370
Due after more than 5 years	4,013	4,044
	24,447	29,832
<b>Total bank loans and other borrowings</b>	<b>36,033</b>	<b>37,425</b>

## 12. SHARE CAPITAL

	<b>30 June 2024</b>	31 December 2023	<b>30 June 2024</b>	31 December 2023
	<b>No. of shares Million</b>	No. of shares Million	<b>HK\$ Million</b>	HK\$ Million
Authorised ordinary shares of HK\$0.1 each	<b>5,000</b>	5,000	<b>500</b>	500
Issued and fully paid ordinary shares	<b>3,036</b>	3,036	<b>304</b>	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 ("HKFRS 13"). The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique. The levels are defined as follows:

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

## 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 2024			At 31 December 2023		
	Level 1 HK\$ Million	Level 2 HK\$ Million	Total HK\$ Million	Level 1 HK\$ Million	Level 2 HK\$ Million	Total HK\$ Million
<b>Assets</b>						
Other long-term investments:						
– Listed investments	4,818	–	4,818	5,760	–	5,760
Derivative financial instruments:						
– Interest rate swaps	–	245	245	–	202	202
– Forward foreign exchange contracts	–	6	6	–	–	–
	4,818	251	5,069	5,760	202	5,962
<b>Liabilities</b>						
Derivative financial instruments:						
– Interest rate swaps	–	1,017	1,017	–	1,042	1,042
– Cross currency interest rate swaps	–	1,215	1,215	–	1,481	1,481
– Forward foreign exchange contracts	–	–	–	–	29	29
Bank loans and other borrowings:						
– Notes	–	17,554	17,554	–	21,891	21,891
– Bank loans	–	685	685	–	769	769
	–	20,471	20,471	–	25,212	25,212

During the six months ended 30 June 2024, 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 foreign exchange contracts in Level 2 is determined by using the forward exchange rates at the end of the reporting period and comparing them to the contractual rates.

#### b. Assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost were not materially different from their fair values as at 30 June 2024 and 31 December 2023.

## 14. MATERIAL RELATED PARTY TRANSACTIONS

Material transactions between the Group and related parties during the six months ended 30 June 2024 are as follows:

- (a) There was rental income of HK\$24 million (2023: HK\$31 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 2024, total fees payable under this arrangement amounted to HK\$27 million (2023: HK\$25 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 2024, no such fees were payable under this arrangement (2023: HK\$13 million).

## 15. CONTINGENT LIABILITIES

As at 30 June 2024, 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\$49,580 million (31 December 2023: HK\$51,546 million).

As at 30 June 2024, there were guarantees of HK\$3 million (31 December 2023: HK\$34 million) provided by the Group to the banks in favour of their customers in respect of the mortgage loans provided by the banks to those customers for the purchase of the Group's development properties.

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 2024 are detailed as below:

### Planned expenditure

	30 June 2024			31 December 2023		
	Committed HK\$ Million	Uncommitted HK\$ Million	Total HK\$ Million	Committed HK\$ Million	Uncommitted HK\$ Million	Total HK\$ Million
<b>Investment properties</b>						
Hong Kong	54	529	583	82	214	296
<b>Development properties</b>						
Mainland China	163	363	526	231	336	567
	217	892	1,109	313	550	863
<b>Hotels</b>						
Hong Kong	14	-	14	16	-	16
<b>Total</b>	<b>231</b>	<b>892</b>	<b>1,123</b>	<b>329</b>	<b>550</b>	<b>879</b>

- Properties commitments are mainly for construction costs to be incurred in the forthcoming years.
- The outstanding commitments for development properties included attributable amounts for developments undertaken by an associate of HK\$526 million (31 December 2023: HK\$567 million) in Mainland China.

## 17. REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2024 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, and all Directors have complied with the required standard set out in the Model Code and the Company's Code during the period under review.

## DIRECTORS' INTERESTS IN SHARES

### (A) INTERESTS IN SHARES

At 30 June 2024, 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:

	<b>Number of ordinary shares</b> (percentage based on total number of shares in issue)	<b>Nature of Interest</b>
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	20,000 (0.0007%)	Personal Interest

*Note: The interests in shares disclosed above do not include interests in share options of the Company held by Directors as at 30 June 2024. Details of such interests in share options are separately set out below under the sub-section "(B) Interests in Share Options of the Company".*

## (B) INTERESTS IN SHARE OPTIONS OF THE COMPANY

Set out below are particulars of all interests (all being personal interests) in share options held by Directors during the six months ended 30 June 2024 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 shares under option			Exercise price per share (HK\$)	Vesting/Exercise period (Day/Month/Year)
		As at 1 January 2024	Exercised during the period	As at 30 June 2024 (percentage based on total number of shares in issue)		
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
<b>Total</b>		<b>1,500,000</b>	<b>-</b>	<b>1,500,000</b>		<b>(0.05%)</b>
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
<b>Total</b>		<b>1,500,000</b>	<b>-</b>	<b>1,500,000</b>		<b>(0.05%)</b>
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
<b>Total</b>		<b>500,000</b>	<b>-</b>	<b>500,000</b>		<b>(0.02%)</b>
<b>Grand Total</b>		<b>3,500,000</b>	<b>-</b>	<b>3,500,000</b>		

*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 financial period, and no share option of the Company was granted to any Director and/or their associate(s) during the financial period.*

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (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 2024 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 2024.



## 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 2024, 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:

Names	Number of ordinary shares (percentage based on total number of shares in issue)	Long Position/ Short Position
(i) Wheelock and Company Limited ("WAC")	1,487,742,651 (48.99%)	Long Position
(ii) HSBC Trustee (C.I.) Limited ("HSBC Trustee")	1,487,742,651 (48.99%)	Long Position
(iii) BlackRock, Inc.	153,217,040 (5.05%) 5,108,000 (0.17%)	Long Position Short Position

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) WAC's deemed shareholding interests stated above included direct interests (of 5% or more) held through its wholly-owned subsidiary, namely Big Heritage Limited (44.82%).
- (3) 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.
- (4) 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.

## SHARE OPTION SCHEME

The Company adopted the Share Option Scheme at its annual general meeting on 9 May 2023. Under the Share Option Scheme, the Board shall be entitled to grant options to any eligible participants as the Board may in its absolute discretion select.

During the six months ended 30 June 2024, no share option was granted under the Share Option Scheme. The number of share options available for grant under the scheme mandate of the Share Option Scheme as at 1 January and 30 June 2024 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 2024 divided by the weighted average number of shares in issue of the Company for the six months ended 30 June 2024 is 0.12%. However, all the share options so granted are subject to the relevant vesting periods not less than 12 months from the date of grant. No share might be issued pursuant thereto during the financial period.

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:

Date of grant (Day/Month/Year)	Number of shares under option			Vesting/Exercise period (Day/Month/Year)	Exercise price per share (HK\$)
	As at 1 January 2024	Exercised during the period	As at 30 June 2024		
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	
<b>Total</b>	<b>3,500,000</b>	<b>–</b>	<b>3,500,000</b>		

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:

- (l) 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 <sup>(Note)</sup> HK\$'000	
Stephen T H Ng	3,838	(2023: 3,743)	4,100	(2023: 4,100)
Paul Y C Tsui	2,503	(2023: 2,447)	1,700	(2023: 1,700)
Y T Leng	3,402	(2023: 3,282)	7,500	(2023: 7,000)
Horace W C Lee	2,741	(2023: 2,643)	2,700	(2023: 2,050)

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

At the 2024 Annual General Meeting held on 7 May 2024, Shareholders approved the Board's recommendation to revise the annual fees payable to Chairman, each of the Directors (other than Chairman), chairmen and members of Audit Committee and Remuneration Committee with retroactive effect from 1 January 2024. Details of the revision of annual fees payable to Directors are set out in the Company's circular to Shareholders dated 10 April 2024.

The current level of annual fees payable to Directors is set out below.

	HK\$ per person per annum	
	2024	2023
Chairman	350,000	300,000
Director (other than Chairman)	300,000	250,000
Audit Committee Chairman	200,000	150,000
Audit Committee Member (other than Audit Committee Chairman)	175,000	150,000
Remuneration Committee Chairman and Member	60,000	50,000

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

	<b>Effective Date</b>
<hr/>	
<b>Andrew K Y Leung</b>	
<ul style="list-style-type: none"><li>Hong Kong Fashion Capital Limited<ul style="list-style-type: none"><li>– appointed as director</li></ul></li></ul>	3 June 2024
<b>Desmond L P Liu</b>	
<ul style="list-style-type: none"><li>One Heritage Capital Management Limited<ul style="list-style-type: none"><li>– ceased to be president of private and corporate wealth business</li></ul></li></ul>	30 April 2024

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## PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial period under review.

By Order of the Board

**Wharf Real Estate Investment Company Limited**

**Kevin C Y Hui**

*Company Secretary*

Hong Kong, 6 August 2024

*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, Mr Tak Hay Chau, Ms Lai Yuen Chiang, Hon Andrew K Y Leung, Mr Desmond L P Liu, Mr R Gareth Williams, Dr Glenn S Yee and Professor E K Yeoh.*

*This Interim Report is printed in English and Chinese, and is available on the Company's website at [www.wharfreal.com](http://www.wharfreal.com) and the website of Hong Kong Exchanges and Clearing Limited ("HKEX") at [www.hkexnews.hk](http://www.hkexnews.hk). To minimise the use of paper and reduce our carbon footprints, the Company recommends Shareholders to elect to receive the Company's corporate communications (as defined in the Listing Rules) by electronic means via the websites of the Company and HKEX. Shareholders may at any time change their choice of language or means of receiving the Company's corporate communications by giving reasonable prior notice in writing to the Company c/o the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited. The "Shareholder Services" section under "Investor Relations" of the Company's website sets out the relevant arrangements for Shareholders to make such change request(s).*