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**WHARF**

*Established 1886*

**WHARF REAL ESTATE INVESTMENT COMPANY LIMITED**

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

Stock Code: 1997

## **2025 Final Results Announcement**

### **Market Challenges Dampen Group Profitability**

#### **HIGHLIGHTS**

- Underlying Net Profit increased by 5% to HK\$2.13 per share
- Second interim dividend increased by 10% to HK\$0.66 per share (full year HK\$1.32)
- Net debt decreased by HK\$2.2 billion to HK\$32 billion; gearing 17.2%
- Interest cost decline outpaced mild declines in revenue and operating profit in 2025
- Overall occupancy of Investment Properties portfolio 92%
- Net asset value reduced by 3% to HK\$59.85 per share

#### **GROUP RESULTS**

Underlying net profit increased by 5% to HK\$6,456 million (2024: HK\$6,139 million), equivalent to HK\$2.13 (2024: HK\$2.02) per share.

Including a net Investment Properties (“IP”) revaluation deficit of HK\$10,528 million (2024: HK\$5,621 million), Group loss attributable to equity shareholders was HK\$4,257 million (2024: profit of HK\$891 million). Basic loss per share was HK\$1.40 (2024: basic earnings per share of HK\$0.29).

#### **DIVIDENDS**

A first interim dividend of HK\$0.66 per share was paid on 11 September 2025. In lieu of a final dividend, a second interim dividend of HK\$0.66 per share will be paid on 23 April 2026 to Shareholders on record as at 6:00 p.m. on 8 April 2026. Total distribution for the year of 2025 will amount to HK\$1.32 (2024: HK\$1.24) per share, representing 65% of underlying net profit from IP and hotels in Hong Kong.

## **BUSINESS REVIEW**

Immense disruption has rocked the world in the past year. “Make America Great Again” politics, serious cracks in the post-World War Two world order, never ending tariff rollercoasters, sharp hike in military spending and runaway national debt in “first world” economies rocked 2025.

China’s rise in technology is itself a major disruptor with global reverberations, led firstly by electric vehicles, lithium-ion batteries as well as solar cells and now followed by robots, AI and innovative drugs. Premium quality and cost efficiency are hallmarks that enable Chinese suppliers to successfully de-risk from traditional markets and capture market share both domestically and in all corners of the globe.

AI is the new catchphrase. Massive investment is going into development and application across all industries. It represents a main pillar of the fourth industrial revolution and threatens to destroy old jobs but promises to create new ones.

In the meantime, post-Covid consumer markets are taking new shape. Many populations are aging and shrinking. Luxury has lost some of its shine and strong domestic brands are making gains on international. Online has become more pervasive. Retailers are having to adjust their business plans in order to stay ahead.

Despite these external headwinds, Hong Kong’s economy showed tentative signs of improvement. An active stock market, lower concerns about interest rates and favourable currency movements stimulated business activity and consumer sentiment.

Although still below pre-pandemic level, the retail market demonstrated gradual recovery, with Hong Kong retail sales registering modest growth since May. Harbour City and Times Square strengthened experiential retail offerings and launched effective promotions to deepen shopper engagement and drive sales. Volume increase was however not often accompanied by commensurate yield increase.

Although the office sector continued to contend with serious oversupply, leasing activity regained traction, particularly among financial institutions, but downward pressure on rental rates did not ease. The Group’s office portfolio maintained over 90% occupancy and achieved over 80% retention rate, underpinned by prime assets, premium locations and management excellence.

Hotel performance was aided by a series of mega events that increased inbound visitors and energised the sector. This translated into higher occupancies across the Group’s hotels and contributed to growth in hotel revenue and operating profit, despite competition from neighbouring cities. However, average room rates were behind expectation.

Amid a challenging external environment, asset values continued to fall. The Group upheld a disciplined financial management approach. Net debt and gearing were further reduced to new lows at HK\$32.0 billion and 17.2% respectively. Benefitting from lower interest rates and lower debt, borrowing costs declined by 32%, contributing to a 5% increase in Group underlying net profit.

### **Harbour City**

Overall revenue and operating profit (including hotels) both increased by 1%.

### ***Retail***

Harbour City established its unique position as Hong Kong’s most sought-after retail platform, leveraging its unparalleled critical mass, strategic location and strong brand equity, and attracting luxury brands to pursue expansion and introduce experiential concepts. *Louis Vuitton* expanded its Hong Kong flagship into four storeys with a dedicated VIP level. *CHANEL BEAUTÉ* also expanded

both its Gateway Arcade and Ocean Terminal stores. *CANALI*, *Locanda CANALI* and *Bacha Coffee* each opened Hong Kong's first café-retail concept store. A number of quality Chinese brands also extended their presence, including *Laopu Gold*'s expansion, along with Hong Kong debuts of fashion brand *Urban Revivo*, premium beauty brand *MAOGEPING*, and the Michelin-recommended Hunan cuisine restaurant *Xiang Shang Xiang*. Occupancy was 92% at year-end.

### **Office**

Harbour City is at the nexus of Hong Kong's extensive transportation network, with close proximity to the high speed rail station. Its strong connectivity and mixed-use complex attracted sizable commitments from insurance and wealth management companies. Occupancy was 91% at year-end. Yet, tenants remained cost-conscious and new supply intensified competition, weighing on rental rates. To enhance competitiveness, the Group continued to improve its premises and uphold quality management services.

### **Times Square**

Overall revenue decreased by 10% and operating profit by 14%.

### **Retail**

Times Square proactively rejuvenated its tenant mix and amplified its social media presence to strengthen its appeal and broaden customer reach. The luxury shopping experience was enhanced with the opening of *Louis Vuitton* and expansion of *LOEWE*. The sportswear cluster was enriched with the world's first *CR7® LIFE* merchandise store, branded under football superstar Cristiano Ronaldo. Complementary immersive experiences will be launched to create added excitement and drive footfall. A refreshed mix of trendy F&B, featuring a broad selection of new cuisines and delights, was introduced at basement levels. Occupancy was 95% at year-end.

### **Office**

Times Square's proactive efforts in maximising renewals and securing new commitments helped safeguard its occupancy at 90% at year-end. However, the office leasing environment became increasingly challenging, with demand concentrated mainly in smaller units. New supply in Causeway Bay, along with abundant affordable options in non-core areas, added further pressure. The Group continued to maintain constructive dialogue with tenants to develop tailored offers addressing their individual needs.

## **OUTLOOK**

2026 opened with an even bigger disruptive bang. The Ukraine conflict is 4 years old. Gaza is approaching two and a half. Iran is the latest and potentially the most disruptive to this part of the world. To that, add Venezuela, Cuba and Greenland. US dollar is no longer as "safe" and gold price has shot through the roof. US Supreme Court's ruling on tariffs has opened a new Pandora's box.

Looking ahead, geopolitical risks and trade tensions remain key uncertainties for global economic prospects. Against this backdrop, Hong Kong's recovery is progressing at a gentle pace. A more supportive business environment will be welcomed, with renewed vitality in financial market, improving sentiment, and potential U.S. interest rate cuts.

The retail and hospitality sectors are otherwise poised to benefit from rising consumer confidence and strong event pipeline. However, while momentum is building, local and regional competition remains fierce, and translation into sustained revenue growth will take time. In the office sector, near-term surge in new supply challenges occupancy and rental rates, despite signs of reviving leasing activity. The Group will maintain low leverage and healthy financial position to navigate volatilities, while staying vigilant and proactive in seizing opportunities.

## FINANCIAL REVIEW

### (I) Review of 2025 Full year Results

Underlying net profit increased by 5% to HK\$6,456 million (2024: HK\$6,139 million) with lower finance costs. IP profit increased by 7% to HK\$6,238 million. Loss attributable to equity shareholders amounted to HK\$4,257 million (2024: profit HK\$891 million), after including a larger net revaluation deficit of IP.

#### Revenue and Operating Profit

Group revenue decreased by 1% to HK\$12,815 million (2024: HK\$12,912 million) and operating profit by 4% to HK\$9,349 million (2024: HK\$9,691 million).

IP revenue decreased by 1% to HK\$10,653 million (2024: HK\$10,801 million) and operating profit by 2% to HK\$8,904 million (2024: HK\$9,102 million).

Hotel revenue increased by 6% to HK\$1,631 million (2024: HK\$1,541 million) and operating profit by 54% to HK\$152 million (2024: HK\$99 million).

Within the IP and Hotel segments, total revenue and operating profit of Harbour City (including hotels) increased by 1% to HK\$9,224 million (2024: HK\$9,096 million) and HK\$7,244 million (2024: HK\$7,204 million) respectively, representing 72% (2024: 70%) of Group revenue and 77% (2024: 74%) of Group operating profit respectively.

Development Properties (“DP”) revenue decreased by 24% to HK\$116 million (2024: HK\$152 million) and an operating loss of HK\$21 million (2024: profit of HK\$166 million) was reported.

Investment operating profit, primarily from dividend income, increased by 1% to HK\$283 million (2024: HK\$281 million).

#### Fair Value Change of IP

IP were stated at HK\$211.7 billion based on independent valuations, giving rise to a revaluation deficit of 5% at HK\$10,588 million. Unrealised valuation loss attributable to equity shareholders was HK\$10,528 million (2024: HK\$5,621 million).

#### Other Net Loss

Other net loss amounted to HK\$350 million (2024: income of HK\$83 million), which mainly comprised net foreign exchange loss of HK\$257 million (2024: gain of HK\$74 million), including the impact arising from forward foreign exchange contracts in currency swaps in financing arrangements and the write-downs of HK\$93 million of the DP projects in Chinese Mainland held by the Group’s listed subsidiary, Harbour Centre Development Limited (“HCDL”), all unrealised.

## Finance Costs

Finance costs decreased by 25% to HK\$1,359 million (2024: HK\$1,800 million) after including an unrealised mark-to-market gain of HK\$75 million (2024: HK\$296 million) on cross currency and interest rate swaps recognised in accordance with applicable accounting standards.

Effective borrowing rate dropped to 4.1% (2024: 5.6%) per annum primarily due to lower HIBOR.

## Income Tax

Taxation charge increased by 7% to HK\$1,259 million (2024: HK\$1,178 million).

## Loss Attributable to Equity Shareholders

Group loss attributable to equity shareholders amounted to HK\$4,257 million (2024: profit of HK\$891 million). Basic loss per share was HK\$1.40 (2024: basic earnings per share of HK\$0.29), based on 3,036 million ordinary shares in issue.

Underlying net profit (excluding the impact of IP valuation and mark-to-market of certain financial instruments) increased by 5% to HK\$6,456 million (2024: HK\$6,139 million). Underlying earnings per share were HK\$2.13 (2024: HK\$2.02).

## **(II) Liquidity, Financial Resources and Capital Commitments**

### Shareholders' and Total Equity

Shareholders' equity decreased by HK\$6.1 billion to HK\$181.7 billion as at 31 December 2025 (2024: HK\$187.8 billion), equivalent to HK\$59.85 (2024: HK\$61.86) per share. Total equity including non-controlling interests decreased by HK\$5.9 billion to HK\$186.1 billion (2024: HK\$192.0 billion).

### Assets

Total assets amounted to HK\$229.7 billion (2024: HK\$238.1 billion), 94% (2024: 95%) of which in Hong Kong. Total business assets, excluding bank deposits and cash and derivative financial assets, were HK\$227.4 billion (2024: HK\$236.3 billion).

### IP

IP totalled HK\$211.7 billion (2024: HK\$221.8 billion), representing 93% (2024: 94%) of business assets. Harbour City (excluding the three hotels) was valued at HK\$146.5 billion and Times Square at HK\$40.3 billion.

## Hotels

Hotel properties were stated at cost less accumulated depreciation and impairment (if any) at HK\$6.7 billion (2024: HK\$6.9 billion).

## DP

DP assets, including interests in an associate and a joint venture, were stated at cost less accumulated impairment (if any) at HK\$1.0 billion (2024: HK\$1.3 billion).

## Other Long Term Investments

Other long term investments were stated at market value of HK\$7.1 billion (2024: HK\$5.3 billion). An attributable mark-to-market surplus of HK\$1,482 million (2024: deficit of HK\$418 million) was reflected in other comprehensive income and a gain on disposal of HK\$3 million (2024: HK\$7 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>31 December 2025</b>	31 December 2024
	<b>HK\$ Million</b>	HK\$ Million
Analysed by industry sector:		
- Properties	<b>6,580</b>	5,000
- Others	<b>475</b>	334
Total	<b>7,055</b>	5,334
Analysed by geographical location:		
- Hong Kong	<b>3,723</b>	2,920
- Outside of Hong Kong	<b>3,332</b>	2,414
Total	<b>7,055</b>	5,334

## Debts and Gearing

Net debt decreased by HK\$2.2 billion to HK\$32.0 billion as at 31 December 2025 (2024: HK\$34.2 billion). It comprised debts of HK\$34.0 billion and bank deposits and cash of HK\$2.0 billion.

An analysis of net debt is depicted below:

	<b>31 December 2025</b>	31 December 2024
	<b>HK\$ Billion</b>	HK\$ Billion
<b><u>Net debt/(cash)</u></b>		
Group (excluding HCDL)	<b>32.4</b>	34.3
HCDL	<b>(0.4)</b>	(0.1)
Total	<b>32.0</b>	34.2

The ratio of net debt to total equity dropped to 17.2% (2024: 17.8%).

HCDL is an independent credit entity and the Group (excluding HCDL) is not contractually exposed to HCDL's debts. HCDL recorded net cash at 31 December 2025.

#### Finance and Availability of Facilities

Total available loan facilities and issued debt securities as at 31 December 2025 amounted to HK\$43.9 billion, of which HK\$34.0 billion was utilised, with breakdown as follows:

	<b>31 December 2025</b>		
	<b>Available Facility HK\$ Billion</b>	<b>Total Debt HK\$ Billion</b>	<b>Undrawn Facility HK\$ Billion</b>
Committed and uncommitted			
Group (excluding HCDL)	42.6	33.6	9.0
HCDL	1.3	0.4	0.9
Total	<u>43.9</u>	<u>34.0</u>	<u>9.9</u>

Certain banking facilities extended to HCDL amounting to RMB1.2 billion (equivalent to HK\$1.3 billion) (2024: RMB1.2 billion (equivalent to HK\$1.3 billion)) were secured by hotel and DP in the Chinese 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\$7.1 billion (2024: HK\$5.3 billion).

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

For the year under review, the Group recorded operating cash inflow of HK\$9.3 billion (2024: HK\$9.6 billion) primarily generated from rental income. Together with the changes in working capital and others of HK\$2.5 billion (2024: HK\$3.3 billion), the net cash inflow from operating activities amounted to HK\$6.8 billion (2024: HK\$6.3 billion). For investing activities, the Group recorded a net cash outflow of HK\$61 million (2024: HK\$174 million).

## Capital Commitments

As at 31 December 2025, major planned expenditures for the coming years were estimated at HK\$1.3 billion, of which HK\$0.2 billion was committed. A breakdown (by segment) is as follows:

	<b>As at 31 December 2025</b>		
	<b>Committed HK\$ Million</b>	<b>Uncommitted HK\$ Million</b>	<b>Total HK\$ Million</b>
<b>IP</b>			
Hong Kong	81	929	1,010
<b>DP (HCDL)</b>			
Chinese Mainland	131	149	280
	<u>212</u>	<u>1,078</u>	<u>1,290</u>
<b>Hotels</b>			
Hong Kong	28	4	32
	<u>240</u>	<u>1,082</u>	<u>1,322</u>

These expenditures will be funded by internal financial resources, including existing cash and surplus from operations, as well as bank loans and other borrowings. Other available resources include monetisation of the Group's equity investments.

Included in the above are HCDL's expenditures totaling HK\$0.3 billion, which will be funded by its own financial resources.

### **(III) Human Resources**

The Group had approximately 2,900 employees as at 31 December 2025. 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 year ended 31 December 2025**

	Note	2025 HK\$ Million	2024 HK\$ Million
<b>Revenue</b>	2	<b>12,815</b>	12,912
Direct costs and operating expenses		(2,781)	(2,572)
Selling and marketing expenses		(268)	(249)
Administrative and corporate expenses		(182)	(163)
Operating profit before depreciation, amortisation, interest and tax		<b>9,584</b>	9,928
Depreciation and amortisation		(235)	(237)
<b>Operating profit</b>	2 & 3	<b>9,349</b>	9,691
Decrease in fair value of investment properties		(10,588)	(5,665)
Other net (loss)/income	4	(350)	83
Finance costs	5	(1,589)	4,109
Share of results after tax of an associate		(144)	(256)
(Loss)/profit before taxation		(3,092)	2,053
Income tax	6	(1,259)	(1,178)
<b>(Loss)/profit for the year</b>		<b>(4,351)</b>	875
<b>(Loss)/profit attributable to:</b>			
Shareholders of the Company		(4,257)	891
Non-controlling interests		(94)	(16)
		<b>(4,351)</b>	875
<b>(Loss)/earnings per share:</b>	7		
Basic		<b>(HK\$1.40)</b>	HK\$0.29
Diluted		<b>(HK\$1.40)</b>	HK\$0.29

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2025**

	2025 HK\$ Million	2024 HK\$ Million
<b>(Loss)/profit for the year</b>	<u>(4,351)</u>	<u>875</u>
<b>Other comprehensive income (nil tax impact)</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	1,771	(423)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange difference on translation of subsidiaries outside Hong Kong	472	(283)
Share of other comprehensive income of an associate and a joint venture	6	(9)
Others	<u>1</u>	<u>1</u>
<b>Other comprehensive income for the year</b>	<u>2,250</u>	<u>(714)</u>
<b>Total comprehensive income for the year</b>	<u>(2,101)</u>	<u>161</u>
<b>Total comprehensive income attributable to:</b>		
Shareholders of the Company	(2,304)	192
Non-controlling interests	203	(31)
	<u>(2,101)</u>	<u>161</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2025**

	Note	31 December 2025 HK\$ Million	31 December 2024 HK\$ Million
<b>Non-current assets</b>			
Investment properties		211,697	221,776
Hotel and club properties, plant and equipment		6,939	7,116
Interest in an associate		189	326
Interest in a joint venture		9	10
Other long term investments		7,055	5,334
Derivative financial assets		74	185
Other non-current assets		67	61
		<u>226,030</u>	<u>234,808</u>
<b>Current assets</b>			
Properties for sale		771	932
Inventories		16	17
Trade and other receivables	9	845	995
Derivative financial assets		-	12
Bank deposits and cash		2,031	1,308
		<u>3,663</u>	<u>3,264</u>
<b>Total assets</b>		<u>229,693</u>	<u>238,072</u>
<b>Non-current liabilities</b>			
Derivative financial liabilities		(1,135)	(1,737)
Deferred tax liabilities		(2,582)	(2,549)
Other deferred liabilities		(363)	(358)
Bank loans and other borrowings		(23,433)	(24,739)
		<u>(27,513)</u>	<u>(29,383)</u>
<b>Current liabilities</b>			
Trade and other payables	10	(5,032)	(5,371)
Pre-sale deposits and proceeds		(1)	(35)
Derivative financial liabilities		(57)	(120)
Taxation payable		(450)	(380)
Bank loans and other borrowings		(10,578)	(10,799)
		<u>(16,118)</u>	<u>(16,705)</u>
<b>Total liabilities</b>		<u>(43,631)</u>	<u>(46,088)</u>
<b>NET ASSETS</b>		<u>186,062</u>	<u>191,984</u>
<b>Capital and reserves</b>			
Share capital		304	304
Reserves		181,401	187,516
<b>Shareholders' equity</b>		<u>181,705</u>	<u>187,820</u>
<b>Non-controlling interests</b>		<u>4,357</u>	<u>4,164</u>
<b>TOTAL EQUITY</b>		<u>186,062</u>	<u>191,984</u>

## NOTES TO THE FINANCIAL INFORMATION

### 1. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

This financial information is extracted from the consolidated financial statements which have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of the financial information are consistent with those used in the annual financial statements for the year ended 31 December 2024 except for the changes mentioned below.

The HKICPA has issued a number of amended HKFRS Accounting Standards that are first effective starting from 1 January 2025. Of these, the following developments are relevant to the Group’s consolidated financial statements:

Amendments to HKAS 21	The effects of changes in foreign exchange rates – Lack of exchangeability
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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 Chinese Mainland.

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

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.

## 2. SEGMENT INFORMATION

### a. Analysis of segment revenue and results

	Revenue HK\$ Million	Operating profit/ (loss) HK\$ Million	Decrease in fair value of investment properties HK\$ Million	Other net (loss)/ income HK\$ Million	Finance costs HK\$ Million	Share of results after tax of an associate HK\$ Million	(Loss)/ profit before taxation HK\$ Million
2025							
Investment properties	10,653	8,904	(10,588)	-	(1,349)	-	(3,033)
Development properties	116	(21)	-	(89)	(13)	(144)	(267)
Hotel	1,631	152	-	-	-	-	152
Investment	283	283	-	-	(70)	-	213
Inter-segment revenue	(43)	-	-	-	-	-	-
Segment total	12,640	9,318	(10,588)	(89)	(1,432)	(144)	(2,935)
Others	175	111	-	(261)	73	-	(77)
Corporate expenses	-	(80)	-	-	-	-	(80)
Group total	12,815	9,349	(10,588)	(350)	(1,359)	(144)	(3,092)
2024							
Investment properties	10,801	9,102	(5,665)	-	(2,007)	-	1,430
Development properties	152	166	-	(3)	(12)	(256)	(105)
Hotel	1,541	99	-	-	(1)	-	98
Investment	281	281	-	-	(72)	-	209
Inter-segment revenue	(44)	-	-	-	-	-	-
Segment total	12,731	9,648	(5,665)	(3)	(2,092)	(256)	1,632
Others	181	117	-	86	292	-	495
Corporate expenses	-	(74)	-	-	-	-	(74)
Group total	12,912	9,691	(5,665)	83	(1,800)	(256)	2,053

## 2. SEGMENT INFORMATION

### b. Disaggregation of revenue

	<b>2025</b>	2024
	<b>HK\$ Million</b>	HK\$ Million
<b>Revenue recognised under HKFRS 15</b>		
Management and services income	1,242	1,218
Other rental related income	<u>231</u>	<u>208</u>
Revenue under investment properties segment	1,473	1,426
Hotel and club operations	1,631	1,541
Sale of development properties	<u>116</u>	<u>152</u>
	<u><b>3,220</b></u>	<u>3,119</u>
<b>Revenue recognised under other accounting standards</b>		
Rental income		
- Fixed	8,413	8,550
- Variable	<u>724</u>	<u>781</u>
	9,137	9,331
Investment income	283	281
Others	<u>175</u>	<u>181</u>
	<u><b>9,595</b></u>	<u>9,793</u>
Total revenue	<u><b>12,815</b></u>	<u>12,912</u>

## 2. SEGMENT INFORMATION

### c. Analysis of inter-segment revenue

	2025			2024		
	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	10,653	(43)	10,610	10,801	(44)	10,757
Development properties	116	-	116	152	-	152
Hotel	1,631	-	1,631	1,541	-	1,541
Investment	283	-	283	281	-	281
Others	188	(13)	175	192	(11)	181
Group total	<b>12,871</b>	<b>(56)</b>	<b>12,815</b>	12,967	(55)	12,912

### d. Analysis of segment business assets

	2025 HK\$ Million	2024 HK\$ Million
Investment properties	212,258	222,445
Development properties	982	1,318
Hotel	7,025	7,168
Investment	7,090	5,357
Total segment business assets	<b>227,355</b>	236,288
Unallocated corporate assets	<b>2,338</b>	1,784
Total assets	<b>229,693</b>	<b>238,072</b>

Unallocated corporate assets mainly comprise bank deposits and cash and derivative financial assets.

## 2. SEGMENT INFORMATION

### e. Geographical information

	Revenue		Operating profit	
	2025	2024	2025	2024
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Hong Kong	12,110	12,181	9,037	9,201
Outside Hong Kong	705	731	312	490
Group total	<b>12,815</b>	<b>12,912</b>	<b>9,349</b>	<b>9,691</b>
	Specified non-current assets		Total business assets	
	2025	2024	2025	2024
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Hong Kong	210,083	220,854	214,430	224,477
Outside Hong Kong	8,751	8,374	12,925	11,811
Group total	<b>218,834</b>	<b>229,228</b>	<b>227,355</b>	<b>236,288</b>

Specified non-current assets excludes other long term investments, derivative financial assets and other non-current assets.

The geographical location of revenue and operating profit is analysed based on the location at which services are provided or the sale are made and in the case of other long term investments, where they are listed. The geographical location of specified non-current assets and total business assets is based on the physical location of operations.

### 3. OPERATING PROFIT

#### Operating profit is arrived at:

	2025 HK\$ Million	2024 HK\$ Million
<b>After charging:</b>		
Depreciation and amortisation on		
- hotel and club properties, plant and equipment	220	224
- leasehold land	15	13
Total depreciation and amortisation	<u>235</u>	<u>237</u>
Impairment loss on trade receivables	9	3
Staff costs (Note (i))	1,174	1,113
Auditors' remuneration		
- audit services	9	9
- non-audit services	1	1
Cost of trading properties for recognised sales	90	122
Direct operating expenses of investment properties	<u>1,684</u>	<u>1,644</u>
<b>After crediting:</b>		
Gross revenue from investment properties	10,610	10,757
Interest income (Note (ii))	29	32
Dividend income from other long term investments	<u>283</u>	<u>281</u>

#### Notes:

- (i) Staff costs included defined contribution pension schemes costs of HK\$61 million (2024: HK\$59 million), which included MPF schemes after a forfeiture of HK\$2 million (2024: HK\$1 million) and equity settled share-based payment expenses of HK\$7 million (2024: HK\$11 million).
- (ii) Interest income for the year ended 31 December 2025 of HK\$29 million (2024: HK\$32 million) are generated in respect of financial assets (mainly comprising bank deposits) stated at amortised cost.

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

Other net loss for the year amounted to HK\$350 million (2024: income of HK\$83 million) mainly comprising:

- (a) Net foreign exchange loss of HK\$257 million (2024: gain of HK\$74 million) which included the impact arising from derivative financial instruments.
- (b) Write-down of HK\$93 million (2024: Nil) in relation to development property projects in Chinese Mainland.

#### 5. FINANCE COSTS

	2025 HK\$ Million	2024 HK\$ Million
Interest charged on:		
- Bank loans and overdrafts	549	626
- Other borrowings	812	1,398
Total interest charge	<u>1,361</u>	<u>2,024</u>
Other finance costs	73	72
	<u>1,434</u>	<u>2,096</u>
Fair value gain:		
- Cross currency interest rate swaps	(32)	(207)
- Interest rate swaps	(43)	(89)
	<u>(75)</u>	<u>(296)</u>
Total	<u><b>1,359</b></u>	<u><b>1,800</b></u>

## 6. INCOME TAX

Taxation charged/(credited) to the consolidated statement of profit or loss includes:

	2025 HK\$ Million	2024 HK\$ Million
<b>Current income tax</b>		
Hong Kong		
- Provision for the year	1,190	1,120
- (Over)/under-provision in respect of prior years	(1)	14
Outside Hong Kong		
- Provision for the year	40	36
- Over-provision in respect of prior years	-	(109)
	<u>1,229</u>	<u>1,061</u>
<b>Land appreciation tax (“LAT”) (Note c)</b>	<u>2</u>	<u>6</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>28</u>	<u>111</u>
Total	<u>1,259</u>	<u>1,178</u>

- a. The provision for Hong Kong Profits Tax is based on the profit for the year as adjusted for tax purposes at a rate of 16.5% (2024: 16.5%).
- b. Income tax on assessable profits outside Hong Kong is mainly Chinese Mainland corporate income tax calculated at a rate of 25% (2024: 25%), Chinese Mainland withholding tax on dividend at a rate of up to 10% (2024: 10%) and Singapore income tax at a rate of 17% (2024: 17%).
- c. Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Chinese Mainland are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds on sales of properties less deductible expenditure including cost of land use rights, borrowing costs and all property development expenditure.
- d. Tax attributable to an associate for the year ended 31 December 2025 of HK\$4 million (2024: HK\$24 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 year of HK\$4,257 million (2024: profit of HK\$891 million) and 3,036 million ordinary shares in issue during the year (2024: 3,036 million ordinary shares in issue).

There were no dilutive potential ordinary shares in issue during the years ended 31 December 2025 and 2024.

## 8. DIVIDENDS ATTRIBUTABLE TO EQUITY SHAREHOLDERS

	2025 HK\$ per share	2025 HK\$ Million	2024 HK\$ per share	2024 HK\$ Million
First interim dividend declared and paid	0.66	2,004	0.64	1,943
Second interim dividend declared after the end of the reporting period	0.66	2,004	0.60	1,822
	<b>1.32</b>	<b>4,008</b>	1.24	3,765

- (a) The second interim dividend based on 3,036 million (2024: 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\$1,822 million for 2024 was approved and paid in 2025.

## 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:

	2025 HK\$ Million	2024 HK\$ Million
Trade receivables		
0 - 30 days	152	165
31 - 60 days	16	10
61 - 90 days	5	7
Over 90 days	23	35
	<b>196</b>	217
Other receivables and prepayments	649	778
	<b>845</b>	995

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\$142 million (2024: HK\$196 million), which are expected to be utilised or recovered after more than one year.

## 10. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis based on the invoice date as follows:

	<b>2025</b>	2024
	<b>HK\$ Million</b>	HK\$ Million
Trade payables		
0 - 30 days	<b>91</b>	72
31 - 60 days	<b>14</b>	14
61 - 90 days	<b>4</b>	3
Over 90 days	<b>12</b>	16
	<b>121</b>	105
Rental and customer deposits	<b>2,863</b>	2,962
Construction costs payable	<b>553</b>	648
Amount due to an associate	<b>14</b>	14
Other payables	<b>1,481</b>	1,642
	<b>5,032</b>	5,371

## 11. REVIEW OF FINANCIAL RESULTS

The financial results for the year ended 31 December 2025 have been reviewed with no disagreement by the Audit Committee of the Company. The figures in respect of the Group's financial results in this announcement for the year ended 31 December 2025 have been agreed by the Company's Auditors to the amounts set out in the Group's consolidated financial statements for the year.

## **CORPORATE GOVERNANCE CODE**

During the financial year ended 31 December 2025, 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 on The Stock Exchange of Hong Kong Limited, 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.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

During the financial year ended 31 December 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company. As at 31 December 2025 and up to the date hereof, the Company does not hold any treasury shares (whether in the Central Clearing and Settlement System, or otherwise). All treasury shares, if any, held by the Company is not entitled to receive the second interim dividend for 2025.

## **RELEVANT DATES FOR SECOND INTERIM DIVIDEND AND ANNUAL GENERAL MEETING**

### Second Interim Dividend

Ex-entitlement date	2 April 2026 (Thu)
Latest time to lodge share transfer	4:30 p.m., 8 April 2026 (Wed)
Record date and time	6:00 p.m., 8 April 2026 (Wed)
Payment date	23 April 2026 (Thu)

In order to qualify for the second interim dividend for 2025, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 8 April 2026.

### Annual General Meeting ("AGM")

Ex-entitlement date	5 May 2026 (Tue)
Latest time to lodge share transfer	4:30 p.m., 6 May 2026 (Wed)
Book closure period	7 May 2026 (Thu) to 12 May 2026 (Tue), both days inclusive
Record date	7 May 2026 (Thu)
AGM date and time	11:15 a.m., 12 May 2026 (Tue)

In order to be eligible for attending and voting at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 6 May 2026.

By Order of the Board  
**Wharf Real Estate Investment Company Limited**  
**Kevin C. Y. Hui**  
*Company Secretary*

Hong Kong, 10 March 2026

*As at the date of this announcement, 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, Mr. Andrew K. Y. Leung, Mr. Desmond L. P. Liu, Mr. R. Gareth Williams, Dr. Glenn S. Yee and Professor E. K. Yeoh.*