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# WHARF

*Established 1886*

## THE WHARF (HOLDINGS) LIMITED

*(Incorporated in Hong Kong with limited liability)*

Stock Code: 4

### **2025 Final Results Announcement**

## **PROPERTY WRITE-DOWNS MUCH LOWER IN 2025**

### **HIGHLIGHTS**

- Group profit improved by HK\$3.3 billion as Investment & Development Properties write-downs decreased by HK\$3.5 billion
- Underlying Net Profit increased by HK\$1.3 billion as Development Properties write-downs decreased by HK\$1.2 billion
- Net debt free at year end
- Net asset value rose by 7% to HK\$48.01 per share

### **GROUP RESULTS**

Group underlying net profit increased to HK\$4,104 million (2024: HK\$2,798 million), equivalent to HK\$1.34 (2024: HK\$0.92) per share, mainly due to Mainland development properties (“DP”) with lower attributable impairment provisions of HK\$839 million (2024: HK\$2,018 million).

After the inclusion of investment properties (“IP”) net revaluation deficit of HK\$3,641 million (2024: HK\$5,990 million) and other non-cash items, the Group reported a profit attributable to equity shareholders of HK\$50 million (2024: loss of HK\$3,224 million). Basic earnings per share was HK\$0.02 (2024: loss per share of HK\$1.05).

### **DIVIDENDS**

A first interim dividend of HK\$0.20 per share was paid on 16 September 2025. In lieu of a final dividend, a second interim dividend of HK\$0.20 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 2025 will amount to HK\$0.40 (2024: HK\$0.40) per share.

## **2025 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.

## **HONG KONG PROPERTIES**

The luxury residential market experienced nascent recovery amid more positive stock market sentiments and supportive government initiatives including the enhanced New Capital Investment Entrant Scheme. The Group proceeded strategically with the sales launches at the Peak and in Kai Tak as planned.

At the 50%-owned Mount Nicholson, a penthouse was sold for HK\$609 million, with a record high price per square foot for apartments of HK\$144,000. The first house at 1 Plantation Road, Plantation Boulevard House 1, was sold for HK\$558 million, or HK\$91,000 per square foot. In Kai Tak, 159 units of 30%-owned Victoria Voyage were sold for total sales proceeds of HK\$2,843 million.

On an attributable basis, DP revenue recognised during the year increased by 254% to HK\$1,140 million and operating profit by 66% to HK\$287 million. Net order book amounted to HK\$1,063 million at year-end.

## **MAINLAND INVESTMENT PROPERTIES**

Retail sales recovery during the year hinged largely on government-led trade-in programmes and promotional events. Soft consumer confidence amid subdued economic growth continued to suppress spending in other categories. Overcapacity, alongside e-commerce’s growing presence, further intensified market competition.

Office market grappled with worsened oversupply amid subdued incremental demand. Corporates remained hesitant to commit new investment and continued downsizing. Occupancy and rental sustained the downward trend.

Overall segment revenue declined by 3% to HK\$4,419 million and operating profit by 4% to HK\$2,876 million.

## **MAINLAND DEVELOPMENT PROPERTIES**

Policy measures for residential market remain pending full execution amid deep structural issues including excess inventory. Office stock remained particularly slow-moving amid supply-demand imbalance.

Following the decision to suspend land acquisition after 2019, the Group's available stock has been diminishing, with remaining inventory dominated by offices. During the year, attributable contracted sales were RMB1,121 million (2024: RMB1,439 million), mainly from projects in Suzhou and Hangzhou. Net order book was RMB312 million at year-end (31 December 2024: RMB616 million).

On an attributable basis, revenue declined by 58% to HK\$1,363 million and operating profit by 73% to HK\$208 million. An attributable impairment provision of HK\$839 million (2024: HK\$2,018 million) was made.

## **HOTELS**

Hotels in Hong Kong and Chinese Mainland have shown divergent trends. Hong Kong's occupancy was supported by strong visitor growth, partially tied to mega events and concerts, with room rates showing signs of recovery. In Chinese Mainland, despite the growth in domestic tourism, hotel occupancies and room rates generally lagged as travellers' spending pattern continued to pressure performance.

Segment revenue from ownership and management increased by 6% to HK\$656 million, with operating profit reaching breakeven (2024: profit of HK\$11 million).

## **LOGISTICS INFRASTRUCTURE**

Challenges from volatile Sino-US trade relations and rapidly shifting geopolitics persisted. Realignment of major shipping alliances put further pressure on Hong Kong's shipping volumes. Modern Terminals' throughput in Hong Kong declined by 6% to 3.3 million TEUs. In Shenzhen, DaChan Bay Terminals' throughput increased by 16% to 2.6 million TEUs, while throughput at associated company Shekou Container Terminals increased by 6% to 6.8 million TEUs.

Cargo volume handled by the 21%-owned Hong Kong Air Cargo Terminals remained at 2.0 million tonnes.

Overall segment revenue decreased by 3% to HK\$2,128 million and operating profit by 12% to HK\$278 million.

## **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.

In Chinese Mainland, the tepidly recovering property market, lingering labour market weakness and capacity imbalances remain downside risks to growth, dampening consumer spending and necessitating additional stimulus measures to bolster these sectors. In Hong Kong, the property market is regaining momentum, underpinned by government measures and improving capital markets. However, interest rate fluctuations and inventory overhang may continue to pose challenges.

Facing ongoing uncertainties, the Group will leverage its core strength and sound financial management to navigate through headwinds while sustaining stable performance.

## FINANCIAL REVIEW

### (I) Review of 2025 Final Results

Group underlying net profit (“UNP”) increased by 47% to HK\$4,104 million (2024: HK\$2,798 million), mainly reflecting lower DP impairment provisions and decrease in borrowing costs.

Group profit attributable to shareholders amounted to HK\$50 million (2024: loss of HK\$3,224 million) after attributable IP revaluation deficit of HK\$3,641 million (2024: HK\$5,990 million).

#### Revenue and Operating Profit (“OP”)

Group revenue decreased by 9% to HK\$10,997 million (2024: HK \$12,115 million) and OP by 10% to HK\$5,068 million (2024: HK\$5,644 million).

IP revenue decreased by 3% to HK\$4,493 million (2024: HK\$4,644 million) and OP by 4% to HK\$2,909 million (2024: HK\$3,026 million) with rental remaining soft in Chinese Mainland.

DP revenue decreased by 39% to HK\$1,367 million (2024: HK\$2,254 million) and OP by 78% to HK\$103 million (2024: HK\$466 million) as Mainland sales continued to contract, particularly for non-residential properties, which account for the bulk of the Group’s remaining stock.

Hotels revenue increased by 6% to HK\$656 million (2024: HK\$617 million) but OP only broke even (2024: profit of HK\$11 million) in a softer Mainland market, even as start-ups Park Hyatt and Maqo in Changsha reported narrower losses.

Logistics revenue declined by 3% to HK\$2,128 million (2024: HK\$2,205 million) and OP by 12% to HK\$278 million (2024: HK\$315 million) mainly due to lower throughput for Modern Terminals in Hong Kong.

Investments OP decreased by 4% to HK\$1,817 million (2024: HK\$1,897 million) due to decrease in dividend income.

#### IP Revaluation Deficit

Including IP held by joint ventures, independent valuation as at 31 December 2025 gave rise to an attributable but unrealised net revaluation deficit (after related deferred tax and non-controlling interests) of HK\$3,641 million (2024: HK\$5,990 million), which was charged to the consolidated income statement.

Until there is more policy clarity about extension of Mainland IP land leases beyond current expiry, non-renewal is prudently assumed for accounting purposes if less than 20 years remain on any existing lease.

### Other Net Charges

Other net charges amounted to HK\$436 million (2024: HK\$2,271 million) mainly representing impairment provision of HK\$674 million (2024: HK\$1,604 million) for Mainland DP and HK\$205 million (2024: HK\$39 million) for Mainland Hotels, partly compensated by fair value gain of HK\$340 million (2024: loss of HK\$221 million) on long term fund investments.

### Finance Costs/ Credits

Excluding the mark-to-market gains/losses, finance costs before capitalisation of HK\$259 million (2024: HK\$286 million) decreased by 32% to HK\$448 million (2024: HK\$661 million). Effective borrowing rate fell to 2.5% (2024: 3.7%) for the year, mainly benefitting from higher exposure to Renminbi borrowings at lower interest rates.

Including unrealised mark-to-market loss of HK\$811 million (2024: gain of HK\$390 million) on cross currency and interest rate swaps, finance costs amounted to HK\$1,000 million (2024: credits of HK\$15 million).

### Share of Results (after taxes) of Joint Ventures and Associates

Attributable profit of associates increased by 67% to HK\$500 million (2024: HK\$300 million) while attributable loss of joint ventures narrowed to HK\$226 million (2024: HK\$513 million), mainly due to lower net impairment provisions of HK\$146 million made for DP projects (2024: HK\$521 million).

### Taxation

The Group recorded net tax credits of HK\$78 million (2024: HK\$3,705 million) mainly due to a reversal of deferred tax provision of HK\$805 million (2024: HK\$4,571 million) on partial reversal of the Mainland IP revaluation surpluses recorded in past years.

### Profit/(Loss) to Shareholders

Group UNP (a performance indicator of the Group's major business segments) increased by 47% to HK\$4,104 million (2024: HK\$2,798 million). By segment, DP loss narrowed by 75% to HK\$478 million (2024: HK\$1,951 million) mainly resulting from lower impairment provision, Logistics profit increased by 6% to HK\$403 million (2024: HK\$379 million), IP profit decreased by 6% to HK\$2,197 million (2024: HK\$2,345 million) and Investments profit decreased by 5% to HK\$1,763 million (2024: HK\$1,854 million).

Including attributable net IP valuation deficits of HK\$3,641 million (2024: HK\$5,990 million), mark-to-market and exchange loss on certain financial instruments of HK\$803 million (2024: gain of HK\$270 million), impairment loss on hotel properties of HK\$205 million (2024: HK\$39 million), partly mitigated by fair value gain on fund investments of HK\$340 million (2024: loss of HK\$221 million), Group profit attributable to equity shareholders amounted to HK\$50 million (2024: loss of HK\$3,224 million).

Basic earnings per share was HK\$0.02 (2024: loss per share of HK\$1.05) based on weighted average of 3,056 million shares.

## **(II) DP Sales and Net Order Book (Inclusive of Joint Venture Projects on an Attributable Basis)**

Total contracted sales increased by 26% to HK\$2,977 million (2024: HK\$2,355 million).

Hong Kong sales increased by 117% to HK\$1,736 million (2024: HK\$801 million) from Victoria Voyage, Mount Nicholson and Plantation Boulevard. Net order book increased to HK\$1,063 million (December 2024: HK\$501 million).

Mainland sales decreased by 22% to RMB1,121 million (2024: RMB1,439 million). Net order book decreased by 49% to RMB312 million (December 2024: RMB616 million).

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

### Shareholders' and Total Equity

As at 31 December 2025, shareholders' equity increased by 7% to HK\$146.7 billion (December 2024: HK\$136.8 billion), equivalent to HK\$48.01 (December 2024: HK\$44.77) per share.

Total equity including non-controlling interests also increased by 7% to HK\$152.4 billion (December 2024: HK\$142.5 billion).

### Assets

Total business assets, excluding bank deposits and cash, certain financial and deferred tax assets, decreased by 1% to HK\$178.3 billion (December 2024: HK\$179.6 billion). Properties, Logistics and Investments assets accounted for 68%, 8% and 24% (December 2024: 69%, 8% and 23%) of the Group total, respectively.

Geographically, Hong Kong business assets increased by 3% to HK\$101.1 billion (December 2024: HK\$97.7 billion), Chinese Mainland decreased by 7% to HK\$67.4 billion (December 2024: HK\$72.5 billion); and Overseas (mainly Investments) increased by 4% to HK\$9.8 billion (December 2024: HK\$9.4 billion), representing 57%, 38% and 5% (December 2024: 55%, 40% and 5%) of the Group total, respectively.

### Investment Properties

IP portfolio was valued at HK\$57.5 billion (December 2024: HK\$60.8 billion), representing 32% (December 2024: 34%) of total business assets. This portfolio comprised Hong Kong IP of HK\$18.7 billion (December 2024: HK\$19.4 billion) and Mainland IP of HK\$38.8 billion (December 2024: HK\$41.4 billion).

Net of deferred taxes and non-controlling interests, IP value (including IPs held by joint ventures) attributable to the Group was HK\$50.3 billion (December 2024: HK\$53.5 billion), comprising Hong Kong IP of HK\$16.9 billion (December 2024: HK\$17.6 billion) and Mainland IP of HK\$33.4 billion (December 2024: HK\$35.9 billion).

### Properties for Sale

DP assets increased by 2% to HK\$36.5 billion (December 2024: HK\$35.8 billion), comprising Hong Kong DP of HK\$33.0 billion (December 2024: HK\$31.3 billion) and Mainland DP of HK\$3.5 billion (December 2024: HK\$4.5 billion).

### Interests in associates and joint ventures

Interests in associates and joint ventures increased by 2% to HK\$27.8 billion (December 2024: HK\$27.3 million).

### Long Term Investments

Long term investments were marked to market at HK\$43.2 billion (December 2024: HK\$42.0 billion), among which HK\$34.1 billion (December 2024: HK\$33.9 billion) were listed equity shares, primarily blue chips held for long term capital growth and/or reasonable dividend yield. None of the investments is individually material to the Group's total assets.

During the year, fair value changes on listed investments produced a surplus of HK\$10.0 billion (2024: deficit of HK\$1.0 billion) as reflected in the consolidated statement of comprehensive income within which a total of HK\$0.6 billion surplus was recycled to revenue reserves upon de-recognition of HK\$9.7 billion listed equity shares for capital reallocation.

The Group's investment portfolio, analysed by industry sectors and by geographical locations, is as below:

	<b>31 December 2025</b>	<b>31 December 2024</b>
	<b>HK\$ Billion</b>	<b>HK\$ Billion</b>
<u>Analysed by industry sectors</u>		
Properties	18.3	17.6
New Economy	13.0	12.6
Finance and Others	11.9	11.8
<b>Group Total</b>	43.2	42.0
<u>Analysed by geographical locations</u>		
Hong Kong	33.3	32.5
Overseas	9.9	9.5
<b>Group Total</b>	43.2	42.0

#### Net Cash/(Debt) and Gearing

By year end, the Group turned to net cash of HK\$2.0 billion (2024: net debt of HK\$7.1 billion), following disposal of part of its long term investment portfolio for HK\$9.7 billion. It included Modern Terminals' net debt of HK\$2.5 billion (December 2024: HK\$3.0 billion), which is non-recourse to the Company and its other subsidiaries.

Net cash comprised of HK\$19.9 billion in bank deposits and cash and HK\$17.9 billion in debts. The Group will continue to maintain an appropriate level of surplus cash to facilitate business and investment activities.

#### Finance and Availability of Facilities

Total available loan facilities and issued debt securities as at 31 December 2025 amounted to HK\$33.2 billion, of which HK\$17.9 billion utilised, are analysed as below:

	<b>Available</b>	<b>Utilised</b>	<b>Un-utilised</b>
	<b>Facilities</b>	<b>Facilities</b>	<b>Facilities</b>
	<b>HK\$ Billion</b>	<b>HK\$ Billion</b>	<b>HK\$ Billion</b>
<u>Company/ wholly-owned subsidiaries</u>			
Committed and uncommitted facilities	27.4	13.8	13.6
Debt securities	1.5	1.5	-
	28.9	15.3	13.6
<u>Non-wholly-owned subsidiaries</u>			
Committed and uncommitted facilities			
- Modern Terminals	4.3	2.6	1.7
<b>Group total</b>	33.2	17.9	15.3

Of the above debts, HK\$12.2 billion (December 2024: HK\$11.6 billion) was secured by mortgages over certain IP, DP and property, plant and equipment together with carrying value of HK\$27.4 billion (December 2024: HK\$38.5 billion).

The Group's debt portfolio comprised primarily United States dollar, HK dollar and Renminbi. Funds sourced from such debt portfolio were mainly used to finance IP, DP and port investments.

The use of derivative financial instruments is strictly monitored and controlled. Most of the derivative financial instruments entered are primarily used for management of interest rate and currency exposures.

The Group continued to maintain a strong financial position with ample surplus cash and undrawn committed facilities to facilitate business and investment activities. In addition, the Group also maintained a portfolio of liquid listed investments with an aggregate market value of HK\$34.1 billion (December 2024: HK\$33.9 billion).

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

For the year under review, the Group recorded net operating cash inflow of HK\$3.7 billion (2024: HK\$4.2 billion) before changes in working capital. An increase in dividends received from associates and joint ventures and lower interest paid partly offset by changes in working capital of HK\$3.3 billion (2024: HK\$1.5 billion) mainly from increase in property under development for sale generated a net cash inflow from operating activities of HK\$4.0 billion (2024: HK\$3.8 billion).

For investing activities, the Group recorded a net inflow of HK\$6.4 billion (2024: outflow of HK\$2.6 billion), mainly resulting from disposal of long term investments.

#### Major Capital and Development Expenditures

Major expenditures incurred in 2025 are analysed as follows:

	<b>Hong Kong</b> HK\$ Million	<b>Chinese</b> <b>Mainland</b> HK\$ Million	<b>Total</b> HK\$ Million
<b>Properties</b>			
IP	119	38	157
DP	1,607	685	2,292
	1,726	723	2,449
<b>Others</b>	40	30	70
<b>Group total</b>	1,766	753	2,519

- i. DP and IP expenditures included HK\$0.1 billion for property projects undertaken by associates and joint ventures.
- ii. Others expenditure mainly relate to Modern Terminals' terminal equipment.

## Commitment

As at 31 December 2025, major expenditures to be incurred in the coming years was estimated at HK\$16.3 billion, of which HK\$4.9 billion was committed, analysed by segments as below:

	<b>Committed HK\$ Million</b>	<b>Uncommitted HK\$ Million</b>	<b>Total HK\$ Million</b>
<b>IP</b>			
Hong Kong	26	6,333	6,359
Chinese Mainland	3	114	117
	<u>29</u>	<u>6,447</u>	<u>6,476</u>
<b>DP</b>			
Hong Kong	3,095	4,828	7,923
Chinese Mainland	708	112	820
	<u>3,803</u>	<u>4,940</u>	<u>8,743</u>
<b>Others</b>	<u>1,043</u>	<u>52</u>	<u>1,095</u>
<b>Group total</b>	<u>4,875</u>	<u>11,439</u>	<u>16,314</u>

Properties commitments are mainly for construction costs, inclusive of attributable commitments to associates and joint ventures, to be incurred by stages. These expenditures will be funded by internal financial resources including surplus cash, cash from operations, including pre-sale proceeds, as well as bank and other borrowings. Other available resources include listed equity investments available for sale.

## **(IV) Human Resources**

The Group had approximately 5,900 employees (full-time and part-time staff) as at 31 December 2025, including about 1,000 employed by managed operations. Employees are remunerated according to their job responsibilities and the market pay trend with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the respective group's achievement and results.

**CONSOLIDATED INCOME STATEMENT**  
**For The Year Ended 31 December 2025**

	Note	2025 HK\$ Million	2024 HK\$ Million
<b>Revenue</b>	2	<b>10,997</b>	12,115
Direct costs and operating expenses		(3,805)	(4,343)
Selling and marketing expenses		(362)	(369)
Administrative and corporate expenses		(1,057)	(1,051)
Operating profit before depreciation, amortisation, interest and tax		<b>5,773</b>	6,352
Depreciation and amortisation		(705)	(708)
<b>Operating profit</b>	2 & 3	<b>5,068</b>	5,644
Decrease in fair value of investment properties		(3,865)	(9,491)
Other net charges	4	(436)	(2,271)
		<b>767</b>	(6,118)
Finance (costs)/credits	5	(1,000)	15
Share of results after taxes of:			
Associates		<b>500</b>	300
Joint ventures		(226)	(513)
Profit/(loss) before taxation		<b>41</b>	(6,316)
Income tax	6	<b>78</b>	3,705
<b>Profit/(loss) for the year</b>		<b>119</b>	(2,611)
<b>Profit/(loss) attributable to:</b>			
Equity shareholders		<b>50</b>	(3,224)
Non-controlling interests		<b>69</b>	613
		<b>119</b>	(2,611)
<b>Earnings/(loss) per share</b>	7		
Basic and diluted		<b>HK\$0.02</b>	(HK\$1.05)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For The Year Ended 31 December 2025**

	<b>2025</b>	2024
	<b>HK\$ Million</b>	HK\$ Million
<b>Profit/(loss) for the year</b>	<b>119</b>	(2,611)
<b>Other comprehensive income</b>		
<b>Item that will not be reclassified to profit or loss:</b>		
Fair value changes on equity investments	<b>10,039</b>	(1,021)
	<b>10,039</b>	(1,021)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange difference on translation of Chinese Mainland operations	<b>799</b>	(658)
Share of other comprehensive income of associates/joint ventures	<b>272</b>	(130)
Others	<b>2</b>	1
	<b>1,073</b>	(787)
<b>Other comprehensive income for the year</b>	<b>11,112</b>	(1,808)
<b>Total comprehensive income for the year</b>	<b>11,231</b>	(4,419)
<b>Total comprehensive income attributable to:</b>		
Equity shareholders	<b>11,094</b>	(4,968)
Non-controlling interests	<b>137</b>	549
	<b>11,231</b>	(4,419)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

		31 December 2025	31 December 2024
	Note	HK\$ Million	HK\$ Million
<b>Non-current assets</b>			
Investment properties		57,515	60,767
Property, plant and equipment		11,898	12,261
Interests in associates		12,316	13,345
Interests in joint ventures		15,434	13,912
Other long term investments		43,158	41,969
Goodwill and other intangible assets		298	298
Deferred tax assets		20	8
Derivative financial assets		18	14
Other non-current assets		27	23
		<b>140,684</b>	142,597
<b>Current assets</b>			
Properties for sale		36,491	35,755
Trade and other receivables	9	1,463	1,507
Derivative financial assets		3	462
Bank deposits and cash		19,868	9,718
		<b>57,825</b>	47,442
<b>Total assets</b>		<b>198,509</b>	190,039
<b>Non-current liabilities</b>			
Derivative financial liabilities		-	(422)
Deferred tax liabilities		(9,729)	(10,012)
Other non-current liabilities		(20)	(34)
Bank loans and other borrowings		(15,482)	(13,844)
		<b>(25,231)</b>	(24,312)
<b>Current liabilities</b>			
Trade and other payables	10	(17,029)	(19,581)
Deposits from sale of properties		(43)	(167)
Derivative financial liabilities		(975)	(172)
Taxation payable		(389)	(327)
Bank loans and other borrowings		(2,424)	(3,010)
		<b>(20,860)</b>	(23,257)
<b>Total liabilities</b>		<b>(46,091)</b>	(47,569)
<b>NET ASSETS</b>		<b>152,418</b>	142,470
<b>Capital and reserves</b>			
Share capital		30,381	30,381
Reserves		116,326	106,451
<b>Shareholders' equity</b>		<b>146,707</b>	136,832
<b>Non-controlling interests</b>		5,711	5,638
<b>TOTAL EQUITY</b>		<b>152,418</b>	142,470

## 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 requirements of the Companies Ordinance (Cap. 622 of the laws of 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 Group has applied the following amendment to HKFRS Accounting Standards issued by the HKICPA to the Group’s consolidated financial statements for the current accounting period:

Amendment to HKAS 21	The effect 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 amendment and considered that there was no significant impact on the Group’s results and financial position or any substantial changes in the Group’s accounting policies.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The financial information relating to the two financial years ended 31 December 2025 and 2024 included in this announcement of annual results does not constitute the Company’s statutory annual financial statements for these financial years but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2025 in due course. The Company’s auditor has reported on those financial statements for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

## 2. SEGMENT INFORMATION

The Group manages its diversified businesses according to the nature of services and products provided. Management has determined five reportable operating segments for measuring performance and allocating resources. The segments are investment properties, development properties, hotels, logistics and investments. No operating segments have been aggregated to form the reportable segments.

Investment properties segment primarily includes property leasing and management operations. The Group's properties portfolio, which mainly consists of retail, office and serviced apartments is primarily located in Chinese Mainland.

Development properties segment encompasses activities relating to the acquisition, development, sales and marketing of the Group's trading properties primarily in Hong Kong and Chinese Mainland.

Hotels segment includes hotel management in Asia. The Group currently operates 16 hotels in Asia under Wharf Hotels. Including Part Hyatt Changsha with outsourced management, six hotels are wholly or partly owned by the Group.

Logistics segment mainly includes the container terminal operations in Hong Kong and Chinese Mainland undertaken by Modern Terminals Limited, and Hong Kong Air Cargo Terminals Limited.

Investments segment includes a diversified portfolio of listed equity investments in Hong Kong and overseas and unlisted investments, mainly property and new economy companies. The performance of the portfolio is assessed and monitored by top management regularly.

Management evaluates performance primarily based on operating profit as well as the equity share of results of associates and joint ventures of each segment. Inter-segment pricing is generally determined on an arm's length basis.

Segment business assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of bank deposits and cash, deferred tax assets and derivative financial 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)/ increase in fair value of investment properties HK\$ Million	Other net (charges)/ income HK\$ Million	Finance (costs)/ credits HK\$ Million	Share of results after taxes of associates HK\$ Million	Share of results after taxes of joint ventures HK\$ Million	Profit/ (loss) before taxation HK\$ Million
For the year ended 31 December 2025								
Investment properties	4,493	2,909	(3,865)	-	(244)	-	(259)	(1,459)
Hong Kong	74	33	(354)	-	(14)	-	-	(335)
Chinese Mainland	4,419	2,876	(3,511)	-	(230)	-	(259)	(1,124)
Development properties	1,367	103	-	(716)	(25)	170	10	(458)
Hong Kong	462	1	-	-	(2)	-	224	223
Chinese Mainland	905	102	-	(716)	(23)	170	(214)	(681)
Hotels	656	-	-	(205)	-	2	15	(188)
Logistics	2,128	278	-	(34)	(121)	328	8	459
Terminals	2,112	262	-	7	(121)	209	8	365
Others	16	16	-	(41)	-	119	-	94
Investments	1,817	1,817	-	340	(2)	-	-	2,155
Segment total	10,461	5,107	(3,865)	(615)	(392)	500	(226)	509
Others	536	262	-	179	(608)	-	-	(167)
Corporate expenses	-	(301)	-	-	-	-	-	(301)
Group total	10,997	5,068	(3,865)	(436)	(1,000)	500	(226)	41
For the year ended 31 December 2024								
Investment properties	4,644	3,026	(9,491)	1	(298)	-	(238)	(7,000)
Hong Kong	73	43	1,388	-	(9)	-	-	1,422
Chinese Mainland	4,571	2,983	(10,879)	1	(289)	-	(238)	(8,422)
Development properties	2,254	466	-	(1,868)	(12)	25	(291)	(1,680)
Hong Kong	-	(41)	-	-	-	(1)	78	36
Chinese Mainland	2,254	507	-	(1,868)	(12)	26	(369)	(1,716)
Hotels	617	11	-	(40)	-	(22)	8	(43)
Logistics	2,205	315	-	(63)	(39)	297	8	518
Terminals	2,183	292	-	(22)	(39)	182	8	421
Others	22	23	-	(41)	-	115	-	97
Investments	1,897	1,897	-	(221)	(38)	-	-	1,638
Segment total	11,617	5,715	(9,491)	(2,191)	(387)	300	(513)	(6,567)
Others	498	245	-	(80)	402	-	-	567
Corporate expenses	-	(316)	-	-	-	-	-	(316)
Group total	12,115	5,644	(9,491)	(2,271)	15	300	(513)	(6,316)

**2. SEGMENT INFORMATION**  
**b. Disaggregation of revenue**

	<b>2025</b>	2024
	<b>HK\$ Million</b>	HK\$ Million
<b>Revenue recognised under HKFRS 15</b>		
Sale of development properties	<b>1,367</b>	2,254
Management and services income	<b>526</b>	525
Hotels	<b>656</b>	617
Logistics	<b>2,128</b>	2,205
	<b>4,677</b>	5,601
<b>Revenue recognised under other accounting standards</b>		
Rental income under investment properties segment		
- Fixed	<b>3,002</b>	3,061
- Variable	<b>965</b>	1,058
Investments	<b>1,817</b>	1,897
Others	<b>536</b>	498
	<b>6,320</b>	6,514
Group total	<b>10,997</b>	12,115

The Group has applied the practical expedient in paragraph 121 of HKFRS 15, Revenue from Contracts with Customers, to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date, i.e. revenue from hotels, logistics and management and services income under investment properties segment, 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.

## 2. SEGMENT INFORMATION

### c. Analysis of segment business assets

	2025 HK\$ Million	2024 HK\$ Million
Investment properties	<b>58,016</b>	61,397
Hong Kong	<b>18,785</b>	19,475
Chinese Mainland	<b>39,231</b>	41,922
Development properties	<b>60,231</b>	59,067
Hong Kong	<b>44,066</b>	40,532
Chinese Mainland	<b>16,165</b>	18,535
Hotels	<b>3,334</b>	3,371
Logistics	<b>13,573</b>	13,812
Terminals	<b>12,934</b>	13,172
Others	<b>639</b>	640
Investments	<b>43,158</b>	41,969
Total segment business assets	<b>178,312</b>	179,616
Unallocated corporate assets	<b>20,197</b>	10,423
Group total assets	<b>198,509</b>	190,039

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

Segment assets held through associates and joint ventures included in the above are:

	2025 HK\$ Million	2024 HK\$ Million
Development properties	<b>23,265</b>	22,752
Logistics	<b>4,485</b>	4,505
Group total	<b>27,750</b>	27,257

2. SEGMENT INFORMATION  
d. Other segment information

	Capital expenditure		Increase in interests in associates and joint ventures		Depreciation and amortisation	
	2025	2024	2025	2024	2025	2024
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	Million	Million	Million	Million	Million	Million
Investment properties	<b>74</b>	85	-	-	<b>75</b>	79
Hong Kong	<b>42</b>	26	-	-	<b>3</b>	4
Chinese Mainland	<b>32</b>	59	-	-	<b>72</b>	75
Development properties	-	-	<b>2,978</b>	569	-	-
Hong Kong	-	-	<b>2,866</b>	552	-	-
Chinese Mainland	-	-	<b>112</b>	17	-	-
Hotels	-	-	-	-	<b>133</b>	121
Logistics - Terminals	<b>163</b>	515	-	-	<b>456</b>	463
Investments	-	-	-	-	-	-
Segment total	<b>237</b>	600	<b>2,978</b>	569	<b>664</b>	663
Others	<b>24</b>	45	-	-	<b>41</b>	45
Group total	<b>261</b>	645	<b>2,978</b>	569	<b>705</b>	708

The Group had no significant non-cash expenses other than (i) net provision of HK\$1,025 million (2024: HK\$2,164 million) made for hotel properties and certain development projects undertaken by subsidiaries, joint ventures and associates, and (ii) depreciation and amortisation.

## 2. SEGMENT INFORMATION

### e. Geographical information

	Revenue		Operating Profit	
	2025	2024	2025	2024
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Hong Kong	<b>3,771</b>	3,486	<b>1,875</b>	1,950
Chinese Mainland	<b>6,788</b>	8,214	<b>2,758</b>	3,284
Others	<b>438</b>	415	<b>435</b>	410
Group total	<b>10,997</b>	12,115	<b>5,068</b>	5,644

  

	Specified non-current assets		Total business assets	
	2025	2024	2025	2024
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Hong Kong	<b>34,504</b>	33,542	<b>101,071</b>	97,740
Chinese Mainland	<b>62,957</b>	67,041	<b>67,434</b>	72,486
Others	-	-	<b>9,807</b>	9,390
Group total	<b>97,461</b>	100,583	<b>178,312</b>	179,616

Specified non-current assets exclude other long term investments, deferred tax assets, 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 sales are completed, and in the case of equity investments/unlisted investments, where they are listed/incorporated. 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 other property, plant and equipment	586	584
- leasehold land	78	79
- right-of-use assets	41	45
Total depreciation and amortisation	<u>705</u>	<u>708</u>
Provision of loss allowances of trade receivables	-	1
Staff costs (Note a)	1,606	1,609
Auditors' remuneration		
- audit services	14	14
- other services (advisory services and compliance)	1	9
Cost of trading properties for recognised sales	1,013	1,550
Direct operating expenses of investment properties	1,584	1,618
Loss on disposals of property, plant and equipment	<u>-</u>	<u>1</u>
<b>After crediting:</b>		
Gross rental revenue from investment properties	4,493	4,644
Rental income under operating leases in respect of owned plant and equipment	2	9
Interest income (Note b)	273	290
Dividend income from other long term investments	1,817	1,897
Reversal of loss allowances for trade receivables	<u>-</u>	<u>3</u>

#### Notes:

- a. Staff costs include contributions to defined contribution pension schemes of HK\$194 million (2024: HK\$193 million), which included MPF schemes after a forfeiture of HK\$2 million (2024: HK\$1 million).
- b. Interest income of HK\$273 million (2024: HK\$290 million) was in respect of financial assets, including bank deposits, that are measured at amortised cost.

#### 4. OTHER NET CHARGES

Other net charges for the year amounting to HK\$436 million (2024: HK\$2,271 million) mainly comprise:

- a. Net provisions of HK\$674 million (2024: HK\$1,604 million) made for certain development properties held by subsidiaries in Chinese Mainland.
- b. Net fair value gain of HK\$340 million (2024: loss of HK\$221 million) on other long term investments which are classified as financial assets at fair value through profit or loss.
- c. Net exchange loss of HK\$43 million (2024: HK\$388 million) which included a fair value loss on forward foreign exchange contracts of HK\$12 million (2024: HK\$117 million).

#### 5. FINANCE COSTS/(CREDITS)

	2025 HK\$ Million	2024 HK\$ Million
Interest charged on:		
Bank loans and overdrafts	244	385
Other borrowings	153	220
Lease liabilities	3	3
Total interest charge	<u>400</u>	<u>608</u>
Other finance costs	48	53
Less: Amount capitalised	<u>(259)</u>	<u>(286)</u>
	<u>189</u>	<u>375</u>
Fair value loss/(gain):		
Cross currency interest rate swaps	826	(368)
Interest rate swaps	(15)	(22)
	<u>811</u>	<u>(390)</u>
Group total	<u><u>1,000</u></u>	<u><u>(15)</u></u>

## 6. INCOME TAX

Taxation credited to the consolidated income statement includes:

	2025 HK\$ Million	2024 HK\$ Million
<b>Current tax</b>		
Hong Kong		
- provision for Profits tax for the year	88	58
- over-provision in respect of prior years	(6)	(15)
Outside Hong Kong		
- provision for the year	428	497
- under/(over)-provision in respect of prior years	8	(45)
	<u>518</u>	<u>495</u>
<b>Current tax</b>		
Chinese Mainland		
- Land appreciation tax (“LAT”) (Note c)	(89)	55
	<u>(89)</u>	<u>55</u>
<b>Deferred tax</b>		
Change in fair value of investment properties	(805)	(4,571)
Origination and reversal of temporary differences	310	321
Benefit of previously unrecognised tax losses now recognised	(12)	(5)
	<u>(507)</u>	<u>(4,255)</u>
Group total	<u>(78)</u>	<u>(3,705)</u>

Notes:

- 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 corporate income tax and withholding tax in Chinese Mainland, calculated at a rate of 25% (2024: 25%) and up to 10% (2024: 10%), respectively.
- c. Under the Provisional Regulations on LAT, all gains arising from transfer of real estate properties 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, borrowings costs and all development property expenditure.
- d. Tax attributable to associates and joint ventures for the year ended 31 December 2025 of HK\$142 million (2024: HK\$144 million) is included in the share of results of associates and joint ventures.

## 7. EARNINGS/(LOSS) PER SHARE

The calculation of basic and diluted earnings/(loss) per share is based on the profit attributable to equity shareholders for the year of HK\$50 million (2024: loss of HK\$3,224 million) and the weighted average of 3,056 million shares (2024: 3,056 million shares) in issue during the year. There were no dilutive potential shares for the years presented.

## 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	0.20	611	0.20	611
Second interim dividend declared after the end of the reporting period (Notes a and b)	0.20	611	0.20	611
Group total	<b>0.40</b>	<b>1,222</b>	0.40	1,222

Notes:

- a. The second interim dividend based on 3,056 million issued shares (2024: 3,056 million shares) 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\$611 million for 2024 was approved and paid in 2025.

## 9. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables (net of loss allowances for bad and doubtful debts) with an ageing analysis based on the invoice date as at 31 December 2025 as follows:

	<b>2025</b>	2024
	<b>HK\$ Million</b>	HK\$ Million
Trade receivables		
0 - 30 days	<b>88</b>	86
31 - 60 days	<b>19</b>	22
61 - 90 days	<b>8</b>	9
Over 90 days	<b>76</b>	77
	<b>191</b>	194
Other receivables and prepayments	<b>1,272</b>	1,313
Group total	<b>1,463</b>	1,507

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 the proceeds from which are receivable pursuant to the terms of the agreements. All the receivables and prepayments are expected to be recoverable or recognised as expenses within one year.

## 10. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis based on the invoice date as at 31 December 2025 as follows:

	<b>2025</b>	2024
	<b>HK\$ Million</b>	HK\$ Million
Trade payables		
0 - 30 days	<b>386</b>	417
31 - 60 days	<b>296</b>	268
61 - 90 days	<b>33</b>	26
Over 90 days	<b>148</b>	125
	<b>863</b>	836
Rental and customer deposits	<b>1,341</b>	1,327
Construction costs payable	<b>3,094</b>	3,763
Amounts due to associates	<b>7,205</b>	7,970
Amounts due to joint ventures	<b>2,024</b>	2,903
Other payables	<b>2,502</b>	2,782
Group total	<b>17,029</b>	19,581

## 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 for the year ended 31 December 2025 in this announcement 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 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 ("INEDs").

## **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 transfer, accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Tricor Tengis 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	7 May 2026 (Thu)
Latest time to lodge share transfer	4:30 p.m., 8 May 2026 (Fri)
Book closure period	11 May 2026 (Mon) to 14 May 2026 (Thu), both days inclusive
Record date	11 May 2026 (Mon)
AGM date and time	11:15 a.m., 14 May 2026 (Thu)

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 share registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 8 May 2026.

By Order of the Board  
**The Wharf (Holdings) Limited**  
**Kevin C. Y. Hui**  
*Director and Company Secretary*

Hong Kong, 12 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, Mr. Kevin K. P. Chan and Mr. Kevin C. Y. Hui, together with seven INEDs, namely Professor Edward K. Y. Chen, Mr. Vincent K. Fang, Mr. Hans Michael Jebsen, Ms. Elizabeth Law, Mr. Richard Y. S. Tang, Ms. Nancy S. L. Tse and Mr. David Muir Turnbull.*