

Corporate Profile

For 125 years, “Building for Tomorrow” has been the mission for Wharf. A distinguished track record culminated in a record financial performance in 2010.

While proud of its past achievements with Hong Kong as base, its strategic initiative of “Building for Tomorrow” in Mainland China pre-occupies the Group’s asset expansion programme. That new base includes a land bank of 12 million square metres accumulated at a cost of over RMB60 billion, an emerging hotel business and valuable port assets. 34% of the Group’s business assets are already based in the Mainland. The medium term target is 50%, including a land bank target of at least 15 million square metres.

With prime real estate as the Group’s primary strategic focus, site acquisition, financing, development planning, design, construction and marketing are its core competencies. Mall management remains its strategic differentiation.

Landmarks Harbour City and Times Square form the backbone of Wharf’s prime real estate in Hong Kong. They represent 51% of total business assets and 58% of the operating profit. They command a combined valuation of HK\$110 billion, underpinned by compound annual growth rates in rental income of 12% and 9% respectively since 2003. With unique critical mass and shopper stickiness, they account for an exceptional 8.5% share of total retail sales throughout Hong Kong in 2010.

Real estate in the Mainland is the new growth initiative. The Group remains enthusiastic about the fundamentals for the Mainland property market. Continuation of urbanisation at a breakneck pace will stimulate demand not only quantitatively but also qualitatively. The current land bank of 12 million square metres comprises more than two million square metres of outstanding investment properties and nearly 10 million square metres of prime development properties across a dozen cities.

A new tomorrow being built in investment properties in the Mainland will be comparable in scale and significance to Harbour City and Times Square in Hong Kong. The portfolio in Shanghai is already as big as Times Square in Hong Kong. In Changsha, Chengdu, Chongqing, Suzhou and Wuxi, five International Finance Centres are being built based on the Harbour City model.

In development properties, sales and presales totaled nearly RMB9 billion in 2010. The Group opened 2011 with a net order book of over RMB8 billion and has budgeted to sell or pre sell an additional RMB14 billion in 2011. Recognition totaled a little over RMB3 billion (at a gross margin of over 34%) in 2010 and is budgeted to increase by over 50% in 2011.

The Group owns or manages 10 Marco Polo Hotels in Asia Pacific, principally in China. In addition, nine new hotels are in the pipeline to nearly double its scale by 2015. In March 2011, Marco Polo Hotels was awarded the “Best International Hotel Management Group of China” by China Hotel Starlight Awards in recognition of its commitment and quality of hotel services in China.

Also contributing to Wharf’s presence in the Mainland are key port assets along the China coast, the most dynamic coast line in the world for cargo movement in the coming decades.

Building for Tomorrow also extends to Wharf’s corporate social responsibility and organisational development. We will more than double our efforts going forward. Through our “Business-in-Community” initiative, the Group is committed to making a difference by promoting staff volunteerism, building a better Hong Kong and the sustainability of the community.

To recognise its stellar business performance, Wharf was presented the “Global Chinese Business 1000 — Best Performance Awards” by Yazhou Zhoukan in 2010. Wharf has also been awarded “Caring Company” status by the Hong Kong Council of Social Service in recognition of its good corporate citizenship.