

Corporate Profile

Backed by a long standing mission of “Building for Tomorrow” and a distinguished track record, the Group has produced consistent and quality growth over the years. Wharf is among the top local blue chip stocks that are most actively traded, signalling high liquidity and attractiveness for investors. In addition, through years of value creation and new investment, the Group’s investment properties (“IP”) portfolio, with a book value of HK\$261 billion as at the end of 2013, has grown to rank among the top five publicly-held portfolios in the world. It represented 70% of the Group’s total operating profit.

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 development and retail management remain its strategic differentiation.

With its leadership in retail management, the Group continued to maintain its pole position in the Hong Kong retail market. Harbour City and Times Square, the Group’s landmark properties, had a combined value of HK\$192 billion at the end of 2013, up from HK\$177 billion in 2012, and represented 49% of the Group’s business assets. Total retail sales at Harbour City, Times Square and Plaza Hollywood surged to a record of HK\$45.8 billion in 2013, consolidating an unmatched 9% share of total Hong Kong retail sales.

Wharf’s mission of Building for Tomorrow underlines the Group’s asset expansion programme in recent years. The new base includes a land bank of 11.7 million square metres across 15 cities, a fast emerging hotel business and valuable port assets in China. Total contribution from China businesses represented 33% of the Group’s core profit.

The Group’s IP in China reported solid performance with total rental revenue increasing by 25% to HK\$1.3 billion. A portfolio of five International Finance Squares (“IFS”) under development will multiply the Group’s commercial properties and retail area in Hong Kong and China as well as significantly strengthen Wharf’s recurrent income base in China upon completion in 2014–2017.

The IFS retail malls in Chengdu and Changsha, with an aggregate retail area of 440,000 square metres, will be equivalent to the creation of more than two Harbour City malls. Chengdu IFS’ shopping complex, a new landmark in this Capital of China West, officially opened in mid-January 2014. That in Changsha IFS is scheduled for completion in 2016. Three other IFS projects are also being built in Chongqing, Wuxi and Suzhou.

Sales from China Development Property continued to gain momentum in 2013 to underline the Group’s proven execution capabilities. It is one of the key profit contributors of the Group with attributable property sales (excluding Greentown China Holdings Limited) in 2013 totalling RMB20.9 billion.

The Group’s Marco Polo Hotels operates 13 owned or managed hotels in Asia Pacific, principally in China. A solid portfolio of the Group’s 10 owned hotels (including six new hotels at an investment of more than HK\$10 billion) serves as a core platform of an expanding hotel network in five years’ time.

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

“Building for Tomorrow” also extends to Wharf’s corporate social responsibility. In addition to its flagship school improvement programme “Project WeCan”, the Group has supported a series of worthy “Business in Community” initiatives, in which staff volunteering plays a pivotal role. Much effort has been put into promoting professionals, retirees and citizens in community to play a part. In 2012, Wharf was awarded “Caring Company” logo by The Hong Kong Council of Social Service and was named a constituent member of the Hang Seng Sustainability Benchmark Index for the third consecutive year in recognition of the Group’s sound performance in CSR.

In recognition of our excellent management and solid financial track record, the Group garnered numerous awards in 2013. In particular, Wharf was ranked the sixth in the “FAB 50” by Forbes Asia, won “Best Managed Company-Conglomerates” in the Asia Best managed Companies 2014 by Euromoney and some more.