

## Corporate Profile

In Building for Tomorrow, Wharf has achieved a few “firsts” in the past decades.

That include the first all-weather mall in Hong Kong (Ocean Terminal), the first and only mall with retail sales exceeding 7% of Hong Kong retail sales (Harbour City), the first 17-storey vertical mall in Hong Kong (Times Square) and the first 40-storey industrial building in Hong Kong (CABLE TV Tower).

Wharf has also been Building for Tomorrow in other sectors. That includes building and operating of the first cruise terminal in Hong Kong (Ocean Terminal), the first container terminal in Hong Kong (Modern Terminals), the first cross-harbour tunnel in Hong Kong (Hunghom Tunnel), the first electronic toll collection system in Hong Kong (Autopass), the first multi-channel Pay TV service in Hong Kong (CABLE TV), the first 24-hour news channel in Cantonese and the first 24-hour entertainment news channel in Cantonese in the world (i-CABLE News and i-CABLE Entertainment).

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 and widely held.

Through years of value creation and new investment, the Group’s investment properties (“IP”) portfolio has grown to a book value of HK\$302 billion as at the end of 2014. It represented 73% of the Group’s underlying core 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 pole position in the Hong Kong retail market. Harbour City and Times Square, both landmark properties, had a combined value of HK\$220 billion at the end of 2014, up by 15% from HK\$192 billion in 2013, and represented 51% of the Group’s business assets. Total retail sales at Harbour City, Times Square and Plaza Hollywood surged to another record of HK\$48.1 billion in 2014, taking a record market share of nearly 10% of total Hong Kong retail sales and servicing over 155 million shoppers annually.

Building for Tomorrow came to underline the Group’s asset expansion programme in the Mainland in recent years. The new base includes a land bank of 10 million square metres across 15 cities, a fast emerging hotel business and valuable port assets.

IP in China reported a solid performance with total rental revenue increasing by 57% to HK\$2.0 billion. Operating Profit increased by 30% to HK\$991 million.

The Group is developing a series of five IFSs in China, with a scale comparable to or surpassing that of Harbour City and Times Square in Hong Kong. These IFSs, upon full completion by end of 2017, will significantly enhance the Group’s recurrent income base in China and be a significant growth driver.

The IFS retail malls in Chengdu and Changsha, with an aggregate retail area of 436,000 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. Changsha IFS is scheduled for completion in 2017. Three other IFS projects are also being built in Chongqing, Wuxi and Suzhou.

Attributable sales from China Development Properties in 2014 totalled RMB21.5 billion (excluding Greentown China Holdings Limited). Margin was however lower.

Wharf Hotels operates 14 Marco Polo hotels in Asia Pacific, five of them owned. A portfolio of 11 owned hotels (including six new hotels in the Mainland) will serve as a core platform of an expanding network in five years’ time. An urban chic hotel brand, Niccolo, is soon to be introduced to the market with debut in Chengdu IFS in mid 2015. Conversion of Murray Building in Central, Hong Kong, is scheduled for completion in 2017.

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 flagship school improvement programme “Project *WeCan*”, the Group has also supported a series of “Business-in-Community” initiatives. Staff volunteering plays a pivotal role while much effort has also been put into promoting professionals, retirees and citizens in community to play an increasing part. In 2010, Wharf was awarded “Caring Company” for five consecutive years by The Hong Kong Council of Social Service and was named a constituent member of the Hang Seng Sustainability Benchmark Index for the fourth consecutive year in recognition of the Group’s sound performance in CSR.

The Group was awarded “The Excellence of Listed Enterprise Awards 2014” by Capital Weekly for the fourth consecutive year and ranked among Top 4 “Best IR in Sector – Industrials” in IR Magazine Awards’ Greater China 2014 organised by IR Magazine.