

CORPORATE PROFILE

Founded in 1886, The Wharf (Holdings) Limited (Stock code: 4) is a premier company with HK\$443.8 billion of total assets. Backed by a long standing mission of "Building for Tomorrow" and a proven track record in management and execution, the Group has produced consistent and productive performance over the years. As one of the only seven constituent stocks from the original Hang Seng Index 50 years ago, Wharf is among the top local blue chips that are most actively traded and widely held. Over the past 10 years, core earnings per share have increased by 91% and dividends per share have increased by 169%, for a compound annual growth rate of 10%.

The Group is active in Hong Kong and Mainland China with prime real estate as primary strategic focus. Site acquisition, design, development and marketing are its core competencies while mall development and retail management remain its strategic differentiation. The Group also owns a fast expanding hotel portfolio under Wharf Hotels, and valuable port assets under Modern Terminals in Hong Kong.

Investment Properties ("IP") in Hong Kong and China continues to grow over the years and continues to be a key growth driver for the Group. With a book value of HK\$319.3 billion, it accounted for 64% of the Group's core profit in 2016.

Harbour City and Times Square are flagships of Wharf's IP portfolio. The former is a landmark with international showcase effect for global retailers and a regional landmark for shoppers. The latter, with its prominent 17-level mall design and professionally-managed trade mix, is among the most successful vertical malls in the world.

The portfolio also extends to the prime Central business district, the Peak and the new CBD2 in Kowloon East. In Central, properties included the iconic Murray Building (for conversion into a unique urban chic hotel), Crawford House on Queen's Road Central and the Wheelock House office tower on Pedder Street.

The Group's IFS series in China is progressing at full speed as planned. It will strengthen the Group's recurrent income base upon completion. With a view to replicate the success of the remarkable Harbour City in Hong Kong and Chengdu IFS, Chongqing IFS and Changsha IFS will open in 2017 to capitalise on the Group's management expertise and experience in operating some of the most productive retail-cum-office developments.

The Outlets sector also presents growth opportunities in China. The Group is currently running two outlet malls in China namely Chengdu Times Outlet and Changsha Times Outlet with the former being one of the most productive outlet malls in the Mainland.

Development Properties ("DP") in China achieved record contracted sales in 2016 of RMB31.4 billion, 31% above target. Net order book increased to RMB27.4 billion for 1.2 million square metres at year-end. As the Group continues its selective land purchase strategy, with a focus on first-tier and top second-tier cities, DP land bank is at 4.2 million square metres spanning 15 cities.

Wharf Hotels owns a fast expanding hotel network in Asia, spearheaded by a prominent collection of "contemporary, urban, chic" Niccolo hotels which redefine luxury experiences, styles and tastes for global travellers. The Murray, a conversion of Murray Building in Central, Hong Kong, into a Niccolo hotel is scheduled for opening in late 2017. Wharf Hotels operates and develops 19 Marco Polo and Niccolo hotels in the Asia Pacific region, six of which are owned by the Group. The exciting expansion of this portfolio continues with a solid pipeline of new hotels over the next few years.

"Building for Tomorrow" also extends to Wharf's "Business-in-Community" pursuit. In addition to the flagship school improvement programme "Project *WeCan*", the Wharf Hong Kong Secondary School Art Competition and Wharf Architectural Design Internship have gained traction over the years. Backed by 1,000 staff volunteers, the Group has also supported a series of "Business-in-Community" initiatives benefitting different segments of society. The Group was named a constituent member of the "Hang Seng Corporate Sustainability Index" in 2015, an index that covers the top 30 leaders in corporate sustainability in Hong Kong, in recognition of the Group's sound performance in corporate social responsibility.