ESR CAYMAN LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the "**Board**") of ESR Cayman Limited (the "**Company**" or "**ESR**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2020 (the "**Year**", or "**FY2020**") together with the comparative figures for the year ended 31 December 2019 ("**FY2019**"), as follows:

FINANCIAL HIGHLIGHTS

	2020	2019	**Year-on-Year Change***
	US$'000	US$'000	**%**
Key financial performance			
Revenue	**388,331**	357,369	8.7
Profit for the year	**314,707**	278,400	13.0
EBITDA [(i)]	**571,177**	549,091	4.0
Adjusted EBITDA [(i)]	**366,004**	358,933	2.0
PATMI	**286,466**	245,177	16.8
Core PATMI [(i)]	**259,941**	226,723	14.7
Cash	**1,515,430**	884,206	71.4
Net debt/total assets (Gearing ratio)	**23.2%**	26.6%	(3.4)pp
Revenue by country			
China	**95,455**	89,556	6.6
Japan	**73,368**	82,213	(10.8)
South Korea	**48,601**	44,415	9.4
Singapore	**23,055**	21,895	5.3
Australia	**141,227**	117,108	20.6
India	**6,625**	2,182	203.6
	388,331	357,369	

* Year-on-Year ("**YoY**") Change % represents a comparison between the current year and the last year.

(i) EBITDA, Adjusted EBITDA and Core PATMI are non-IFRS measures. EBITDA is calculated as profit before tax, adding back depreciation and amortisation and finance costs (net). Refer to Non-IFRS measures in page 14 for calculations of Adjusted EBITDA and Core PATMI.

OPERATIONAL HIGHLIGHTS

The following table summarises Asset Under Management ("**AUM**") and Gross Floor Area ("**GFA**") held on the Group's balance sheet and in the funds and investment vehicles that the Group managed as of 31 December:

	AUM		GFA	
Country	**2020**	2019	**2020**	2019
	(US$'millions)		(sqm in thousands)	
China	**6,744**	4,844	**8,492**	6,907
Japan	**7,877**	7,735	**3,544**	3,012
South Korea	**7,734**	4,553	**3,501**	2,899
Singapore	**2,974**	2,983	**1,786**	1,786
Australia	**3,386**	1,511	**1,361**	1,184
India	**1,165**	511	**1,426**	1,453
	29,880	22,137	**20,110**	17,241

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

ESR has continued its strong momentum and delivered outstanding performance for FY2020 despite the unprecedented challenges brought on by the global pandemic. The COVID-19 pandemic has accelerated one of the major secular trends underpinning the Group's business – the growth of e-commerce where ESR is at the heart of the central nervous system delivering the core "new economy" infrastructure to its best-in-class clients. With that favourable backdrop, 2020 was a year of records for ESR, including new highs in leasing, fundraising, development starts and development completions. ESR's strong financial results and operational excellence have demonstrated not only the Group's resilience, but also the strength and power of its business model.

Having witnessed sustained strong capital inflows and leasing demand, the logistics market has solidified its position as the preferred real estate asset class in Asia. It is expected that e-commerce acceleration and supply chain transformation to continue to benefit ESR as it extends the platform deeper into the existing markets as well as into new markets over the next 12 months. While ESR continues its focus on sustainable growth, it also constantly drives positive impact on the industry and create a purpose-driven culture for the communities where it operates, as it strives to be a leader in ESG.

Exceptional platform growth underpinned by strong fundraising

Supported by strong fundraising capabilities across multiple markets, the Group's AUM grew significantly by 35.3% to US$29.9 billion, achieving its target of US$30 billion a year ahead of schedule.

Capital allocation of investors is increasingly skewed towards funds focused on logistics due to e-commerce acceleration. In FY2020, ESR raised a record US$3.5 billion in committed capital across seven new funds, demonstrating the strong support of its blue-chip institutional capital partners. The new vehicles included:

- three development joint ventures (US$500 million in China, US$759 million in Australia and US$300 million in India) and one core-plus partnership (US$456 million in Australia) with GIC[1];
- a US$1 billion development joint venture with APG and CPP Investments in South Korea;
- a core joint venture with Manulife in China (US$265 million); and
- a separate account of US$264 million with AXA in Japan.

1 GIC is a global investment firm established in 1981 to manage Singapore's foreign reserves.

Based on the latest fundraising initiatives, there was over US$3.7 billion worth of committed but uncalled capital in ESR's third-party funds as of 31 December 2020.

In addition to private vehicles, ESR successfully listed ESR Kendall Square REIT on the Korea Exchange in December 2020 and raised US$650 million in new capital. As the first logistics focused REIT in South Korea, ESR Kendall Square REIT received overwhelming response from both international and domestic investors. The listing has facilitated the further scaling up of the Group's integrated platform of public and private vehicles to accelerate long-term growth.

ESR continues to be disciplined in executing its capital recycling programme, and prudently redeploying capital to support growth. In FY2020, close to US$1 billion of capital was recycled, with net cash recycled back of approximately US$0.7 billion, doubling the Group's annual target of US$400-US$500 million in divestments.

Record new completions and new development starts drive continuous expansion of ESR's best-in-class asset portfolio

ESR has over 20.1 million sqm of GFA in operation and under development across its portfolio and a landbank of over 3.7 million sqm, as of 31 December 2020.

Development demand has continued to grow, with work in progress growing by 21% to US$4.7 billion in FY2020. The Group's development activities achieved new records, with US$3.4 billion in development completions and US$3.2 billion worth of development starts (US$2.4 billion in 2H 2020) in FY2020. It will continue to leverage third-party capital to fund development starts and exercise a disciplined asset light approach to achieve its targeted development completions.

During the year, the Group has completed a number of flagship developments that set new standards for the industry. In July 2020, the Group completed the development of the award-winning of ESR Amagasaki Distribution Centre in Greater Osaka, the largest logistics warehousing project in APAC[2] at 388,570 sqm. In Dongguan, China, ESR Hongmei Logistics Park II commenced operations in Q4 2020, introducing a new flagship development with 278,283 sqm GFA in the country's southern region.

E-commerce acceleration and supply chain resilience have spurred demand for modern, institutional-grade logistics facilities, driving the solid performance of ESR's leasing activities. The Group maintained a healthy occupancy rate of 90% across its entire portfolio[3], and achieved record leasing of over 2.3 million sqm of space. Leveraging its strategically diversified network spanning seven key markets across APAC, coupled with a quality tenant base focused on e-commerce and 3PL companies which accounted for 64% of the overall tenant portfolio (based on rental income), ESR has remained resilient to market changes and disruption.

[2] The largest single-phase, single-asset warehousing project in terms of GFA. Sources: CBRE data and ESR research.

[3] Based on assets on balance sheet and stabilised assets.

OUTLOOK

Across Asia Pacific, demand for logistics space has been supported by a long run shift from physical to online retailing as changes in consumption patterns and consumer preference are here to stay. COVID-19 has driven up e-commerce volumes sharply, while expansion in the cold chain sector and new infrastructure developments should boost demand further. The Group expects overall demand to be driven on the back of solid growth by e-commerce platforms and related 3PLs, with preference for prime-located, high-specification warehouses. Increasingly, most investors and developers see logistics warehouses as a core asset class.

Investment Segment

Solid leasing momentum supported by rapid e-commerce growth will encourage strong stake-up in 2021, ensuring vacancy remains at or near current levels, and continued steady rental growth for major APAC logistics markets. The Group has recorded increased demand from customers in the cold chain, manufacturing, retail and logistics sectors, particularly e-commerce related tenants. The Group continues to extend its tenant relations across its markets which has seen expansions by repeat tenants, and fund incremental acquisitions of strategic network and redevelopment opportunities. In June 2020, the Group acquired three prime logistics properties in Jiangsu, China of which one stabilised asset is fully-leased to JD.com, and the construction-in-progress asset has been fully pre-leased to SF Express. The third asset in the portfolio is slated for redevelopment.

Fund Management Segment

The Group remains focused in growing its AUM and sees continued demand from best-in-class capital partners. In FY2020, ESR raised over US$3.5 billion through the establishment of seven new funds across all its markets in China, South Korea, Japan, Australia and India, a testament to investors' confidence in ESR's operational performance and management capabilities. In addition, the successful listing of ESR Kendall Square REIT has facilitated the further scaling up of ESR's integrated platform of public and private vehicles to accelerate long-term growth.

The Group expects to continue its strong fundraising efforts with its existing and new capital partners through setting up of new funds, while maintaining its asset-light fund management strategy.

Development Segment

The Group will continue to strengthen its leadership position across its core markets. As at 31 December 2020, the Group has a development pipeline of over 15.5 million sqm across its portfolio and landbank of over 3.7 million sqm.

While the Group took on a more conservative approach to development starts in the first half of 2020 mainly due to COVID-19, the level of development escalated in the second half of the year when activities across its country platforms accelerated. The Group has an increased development workbook boosted by strong demand particularly by e-commerce related customers, as work in progress grew to US$4.7 billion in FY2020, focusing on higher-value projects with increased scale and quality.

ESR is well positioned to benefit from the strong leasing demand with a robust pipeline of large scale developments to be delivered over the next couple of years. Some of these include:

- In China, the Group expects to complete the development of ESR Shanghai Qingpu Yurun Phase I by the end of 2021. This high-standard logistics facility with a total planned GFA of over 340,000 sqm will include cold storage space. Construction of Phase II commenced in Q4 2020.

- The Dushangang project in Jiaxing, China is scheduled for completion in 2022 with a total planned GFA of over 235,000 sqm.

- In Japan, the Group has commenced construction of the first phase of ESR Higashi Ogishima Distribution Centre in Greater Tokyo Metropolitan Area, with expected completion in 2023. Set to be one of Japan’s tallest distribution centres and the world’s first cargo drone facility, the project has a planned GFA of 365,385 sqm.

Leveraging existing platform synergies to tap into a highly complementary and rapidly expanding new asset class

The data centre market has proliferated through the pandemic, as a number of technological and economic trends including e-commerce growth, smart technologies, 5G adoption, AI and cloud services, continue to drive the demand and requirements for data capacity.

In APAC, which is the world's second largest region for data centres, the market is set for solid growth due to such factors as being home to half of the world's millennial population (aged 23-38); a dramatic increase in unicorns, many of which are internet giants; and mobile data traffic that is projected to expand at a CAGR of 41% from 2019–2023E.

As a leading provider of new economy infrastructure, ESR sees data centres not only as a compelling asset class, but also a natural progression for future growth. It is expected that APAC data traffic will grow exponentially in line with demographic tailwinds. ESR has directed significant business development effort towards setting up around Asia. With its complementary strengths, development expertise and knowledge, as well as immediate scalability with enhanced tenant relations the Group has built over the years, ESR is highly competitive and well-positioned to tap into this market.

Empowering sustainable growth by purpose and innovation

ESR has reaffirmed its commitment to long-term sustainable growth with its Five-Year ESG Roadmap, which aligns with the UN Sustainable Development Goals.

The Group has set out a clear vision and targets across the three key pillars of Human Centric, Property Portfolio and Corporate Performance. They include improving gender ratios, achieving zero workplace fatalities, increasing solar power generation by 50%, reducing group-wide energy consumption by 20%, and investing US$15 million in local community foundations by 2030.

Strategies such as consistent, transparent reporting, strengthening engagement programmes to promote health and well-being and fostering a culture of active ESG learning for employees are planned and in place to ensure that the Group's 2025 targets are achieved.

For ESR, technological innovations are a way of improving its customers' operations, and providing for a more sustainable, human-centric environment for stakeholders. The Group created the ESR Future Solutions Group to proactively identify and evaluate technological, economic and societal changes that are important to its stakeholders, and to determine how these changes will impact the design and operations of logistics facilities and the Group as a whole.

Propelling the next stage of growth and value creation

E-commerce acceleration will continue to drive demand for logistics infrastructure. In view of the significant undersupply of modern warehouses in the APAC region, ESR will continue to actively examine opportunities in key markets and new locations to grow its footprint. Moreover, it will look to build on the Group's network of high-quality tenants and best-in-class capital partners to support its efforts in meeting the long-term need for modern logistics facilities in the region.

Looking ahead, the Group will continue its disciplined capital management approach, which has been the cornerstone of ESR's investment efforts, leveraging its well-capitalised balance sheet and strong liquidity position to further diversify its sources of funding to support sound, strategic growth and investment opportunities as they emerge.

The APAC logistics real estate industry has an abundance of momentum, propelled by a myriad of driving forces. ESR's success built in FY2020, and in previous years, reinforces its convictions towards the long-term prospects of APAC logistics. ESR looks forward to a vibrant future in which it can unveil many exciting developments. Expanded market and asset portfolios, further collaborations with the world's best investors and brands, impactful ESG initiatives – all of these and more are in the offing as ESR enters the next chapter of growth and creation of long-term value to its stakeholders.

FINANCIAL REVIEW

The Group has continued a strong momentum of growth through the year and achieved YoY growths from strong performance across investment, fund management and development segments for the year ended 31 December 2020, with robust cash position and balance sheet strength remained profitable and well capitalised with robust balance sheet, strong liquidity and improved gearing ratio. Key financial performance reported as below:

- Revenue increased by 8.7% from US$357.4 million in FY2019 to US$388.3 million in FY2020;
- EBITDA increased by 4.0% from US$549.1 million in FY2019 to US$571.2 million in FY2020;
- PATMI increased by 16.8% from US$245.2 million in FY2019 to US$286.5 million in FY2020;
- Profit for the year increased by 13.0% from US$278.4 million in FY2019 to US$314.7 million in FY2020;
- Healthy cash balance at US$1.5 billion as at 31 December 2020;
- Low net gearing ratio of 23.2% as at 31 December 2020.

REVENUE

The Group's revenue increased by 8.7% from US$357.4 million in FY2019 to US$388.3 million in FY2020, contributed mainly by higher management fee and construction revenue.

Management fee increased by 13.5% from US$166.7 million in FY2019 to US$189.3 million in FY2020, contributed by AUM growth from new funds across the Group's platforms, recurring income base growth; as well as full year effects from consolidation of Propertylink Group acquired from March 2019.

Rental income decreased by 14.0% from US$118.0 million in FY2019 to US$101.4 million in FY2020 This was contributed by the deconsolidation of portfolio of balance sheet assets in Australia (assets from Propertylink Group acquisition) upon disposal to ESR Australia Logistics Partnership ("**EALP**"), a new core-plus fund joint venture in June 2020, in line with the Group's capital recycling strategy.

Geographically, revenue from Australia made up to 36.4% of the Group's revenue. Excluding construction revenue, revenue from Australia made up of 16.6% of the Group's revenue. In September 2020, ESR Australia disposed of the construction arm through a management buyout which enables Australia to focus on logistics development and management. China, Japan and South Korea markets accounted for 73.4% of the Group's revenue (ex-construction). These four markets collectively made up of 90.0% of the Group's revenue. Singapore and India made up of the remaining 10.0%.

PATMI AND EBITDA

The Group achieved a record high PATMI of US$286.5 million and EBITDA of US$571.2 million for year ended 31 December 2020. PATMI and EBITDA grew by 16.8% and 4.0% respectively. Profit for year increased by 13.0% from US$278.4 million in FY2019 to US$314.7 million in FY2020.

The increase was mainly driven by strong performance across existing platforms, newly established funds and joint ventures, disposal gain realized from recycling of balance sheet assets such as Higashi Ogishima Site A to minority-held investment, as well as reduced borrowing costs.

The Group recognised share of profits from joint ventures and associates of US$105.1 million for FY2020, an increase of US$11.7 million from US$93.4 million in FY2019. The increase was mainly contributed from newly established joint venture in China, growth in joint venture in India as well as the Group's South Korea joint venture from the successful listing of ESR Kendall Square REIT on the KRX KOSPI Market of the Korea Exchange in December 2020.

In FY2020, the Group disposed of its Japan balance sheet asset, Higashi Ogishima Site A to RJLF III where the Group holds approximately 14.3%. The Group recorded a gross gain on disposal of investment property of US$19.4 million (JPY2 billion) from the sale and will receive development fees and recurring fees through managing the fund. The site will be developed as the first phase of ESR Higashi Ogishima park. Featuring the first ever 9-storey warehouse design in Japan as well as advanced sustainability solutions ESR Higashi Ogishima park will set a new benchmark for distribution centre design where optimal integration into the urban fabric and lower environmental impact are achieved without sacrificing building functionality and high-throughput. E-commerce and 3PLs choosing to operate at ESR Higashi Ogishima will enjoy close proximity to Haneda Airport and Tokyo 23 wards as well as a supportive ecosystem with co-location of ancillary services including children's day-care facilities of ESR partner BARNKLÜBB™.

Finance costs had decreased significantly by US$33.0 million or 18.3% from US$180.4 million in FY2019 to US$147.4 million in FY2020. This was primarily attributable to lower borrowing costs with tightening of spreads in new corporate borrowings; and full repayments of redeemable convertible preference shares and Hana Notes in November 2019. The reduction was partially offset by additional finance costs from additional borrowings by the Company.

Administrative expenses increased by US$3.3 million or 1.6% from US$198.4 million in FY2019 to US$201.7 million in FY2020 primarily due to higher staff related costs arising from full year consolidation of Propertylink Group and increased manpower to support growth and expansion of the Group. The increase was offset by lower professional fees as higher non-recurring professional fees were incurred in FY2019 mainly for the Company's listing on The Stock Exchange of Hong Kong Limited and acquisition of Propertylink Group.

SEGMENT RESULTS

Investment segment results decreased by US$30.1 million from US$256.1 million FY2019 to US$225.9 million in FY2020. The decrease is mainly due to lower rental income following the deconsolidation of a portfolio of balance sheet assets in Australia upon disposal to EALP; as well as lower fair value gain.

Fund management segment results increased by US$15.8 million from US$131.8 million in FY2019 to US$147.6 million in FY2020. The increase was driven by AUM growth from new funds across the Group's platforms, recurring income base growth; as well as full year effect from consolidation of Propertylink Group. Operating expenses increase mainly from increased staff strength to support growth.

Development segment results increased by US$44.4 million from US$244.8 million in FY2019 to US$289.2 million in FY2020. The increase is attributable to:

- Fair value from investment properties under construction increased by US$13.4 million mainly from newly acquired assets and ongoing development such as ESR Shanghai Qingpu Yurun in China.

- Share of profits and losses of joint ventures and associates increased by US$5.3 million from US$59.7 million in FY2019 to US$65.0 million in FY2020 contributed by increase in fair value of assets held by the Group's joint ventures.

- Gain on disposal of investment properties amounted to US$19.4 million, in relation to disposal of Higashi Ogishima Site A; and a gain on sale of development management rights of US$12.3 million in Australia to one of the Group's joint ventures.

The above increase in development segment result was partially offset by lower gain on disposal of subsidiaries in FY2020 of US$5.4 million compared to FY2019 of US$16.5 million. During the year, six balance sheet properties in China were disposed of to a newly established development joint venture with GIC, in line with the Group's asset recycling strategy. In FY2019, seven balance sheet properties in China were disposed to NCI Core Fund.

ASSETS

The Group reported a well-capitalised balance sheet and ended 2020 with US$1.52 billion in cash, and improved net debt over total assets of 23.2% allowing substantial headroom to capture future acquisition and investment opportunities.

Total assets as at 31 December 2020 were US$7.69 billion (2019: US$6.35 billion) comprised mainly investment properties, investment in joint ventures and an associate, investment in funds (classified as financial assets at fair value through profit or loss), investment in listed securities (classified as financial assets at fair value through other comprehensive income) and cash balances.

Investment properties decreased by 4.4% to US$2.66 billion (2019: US$2.79 billion) as at 31 December 2020. This was mainly due to disposal of China balance sheet properties to a newly established development joint venture with GIC, deconsolidation of assets disposed to EALP and EDF in Australia, as well as disposal of Higashi Ogishima Site A in Japan. The Group continues to hold minority stake in these new joint ventures. The decrease was partially offset with new acquisitions of properties in China.

Investment in joint ventures and an associate, increased by 55.1% to US$1.08 billion (2019: US$698.0 million) as at 31 December 2020 contributed by the Group's re-investments into the above new joint ventures in China and Australia, in addition to higher share of results from existing joint ventures in South Korea.

Investment in funds increased by 15.2% to US$678.9 million (2019: US$589.4 million) as at 31 December 2020, in line with establishment of new funds, and revaluation gains on investment properties held by the funds.

Investment in listed securities increased by 61.8% to US$878.3 million (2019: US$542.9 million), which was mainly due to (i) listing of ESR Kendall Square REIT on the KRX KOSPI Market of the Korea Exchange in December 2020, of which the Group acts as REIT Manager and holds 9.9% interest in ESR Kendall Square REIT; (ii) increase in holding of the Group's existing investments; and (iii) mark-to-market fair value gains.

LIABILITIES

Total bank and other borrowings as at 31 December 2020 were US$3.30 billion compared to US$2.57 billion at end of 2019. With cash balance of US$1.52 billion, the net debt to total assets as at 31 December 2020 were 23.2% (2019: 26.6%). Additional borrowings were drawn mainly to fund the Group's investments and ongoing development.

During the year, the Company entered into the following material additional borrowings with diversified funding sources:

- In February 2020, issued S$225 million (approximately US$167 million) five-year fixed rate notes bearing 5.10% interest per annum

- In March 2020, drawdown of US$250 million three-year unsecured senior term loan at Libor plus 3.00%

- In September 2020, issued US$350 million five-year convertible bond at 1.50% coupon rate

- In November 2020, drawdown of JPY15 billion (approximately US$143 million) three-year unsecured senior term loan facility with an upsize option to JPY20 billion in the next 12 months, at JPY Tibor plus 2.00%

Of the total borrowings, approximately 78% are due and payable after one-year and the Group's weighted average debt maturity is approximately 3 years.

NON-IFRS MEASURES

Adjusted EBITDA

The following table sets out the reconciliations of Adjusted EBITDA:

	2020	2019
	US$'000	US$'000
Profit before tax	**410,704**	360,334
Add (less):		
Depreciation and amortisation	**17,141**	16,363
Finance costs	**147,414**	180,368
Interest income	**(4,082)**	(7,974)
EBITDA	**571,177**	549,091
Add (less):		
Equity-settled share option expense	**14,082**	18,469
Exchange losses	**5,425**	1,111
Fair value gains on investment properties	**(224,680)**	(226,083)
Listing expenses	**—**	16,345
Adjusted EBITDA	**366,004**	358,933

Core PATMI

The following table sets out the reconciliations of Core PATMI:

	2020	2019
	US$'000	US$'000
Profit after tax and minority interest	**286,466**	245,177
Fair value on completed investment properties	**(53,717)**	(68,568)
Add:		
Equity-settled share option expense	**14,082**	18,469
Listing expenses	**—**	16,345
Tax effects of adjustments	**13,110**	15,300
Core PATMI	**259,941**	226,723

EBITDA, Adjusted EBITDA and Core PATMI are non-IFRS measures. These measures are presented because the Group believes they are useful measures to determine the Group's financial condition and historical ability to provide investment returns. EBITDA, Adjusted EBITDA and Core PATMI and any other measures of financial performance should not be considered as an alternative to cash flows from operating activities, a measure of liquidity or an alternative to net profit or indicators of the Group's operating performance on any other measure of performance derived in accordance with IFRS. Because EBITDA, Adjusted EBITDA and Core PATMI are not IFRS measures, these may not be comparable to similarly titled measures presented by other companies.

EVENTS AFTER THE REPORTING DATE

On 2 March 2021, the Company issued S$200 million (approximately US$150 million) of perpetual resettable step-up subordinated securities with a distribution rate of 5.65% per annum with the first call date on 2 March 2026, pursuant to its US$2.0 billion Multicurrency Debt Issuance Programme. For details, please refer to the announcements of the Company dated 23 February 2021, 24 February 2021 and 2 March 2021.

On 2 March 2021, the Group, through its wholly-owned subsidiary, entered into Purchase and Sales Agreement to purchase 100% of the beneficial interests in Nanko Distribution Centre 1 at a purchase consideration of JPY29.5 billion (approximately US$284.7 million). For details, please refer to the announcements of the Company dated 2 March 2021.

LIQUIDITY AND CAPITAL RESOURCES

	As at 31 December 2020 US$'000	As at 31 December 2019 US$'000
Bank and other borrowings		
– Current	**733,660**	232,209
– Non-current	**2,561,618**	2,338,708
Bank and other borrowings – Total	**3,295,278**	2,570,917
Less: Cash and bank balances	**(1,515,430)**	(884,206)
Net debts	**1,779,848**	1,686,711
Total assets	**7,687,441**	6,352,198
Gearing ratio (net debts/total assets)	**23.2%**	26.6%
Total equity	**3,805,205**	3,251,112
Net debts to equity ratio	**46.8%**	51.9%

Net debts as at 31 December 2020 was US$1,779.8 million compared to US$1,686.7 million as at 31 December 2019. Higher borrowings were mainly due to additional loans and bonds to fund the Group's investments and ongoing development expenditure. The Group's balance sheet remains well-capitalised with a cash position of US$1.52 billion and a reduced gearing ratio of net debts over total assets of 23.2%.

Total equity has increased from US$3,251.1 million as at 31 December 2019 to US$3,805.2 million as at 31 December 2020, primarily due to profits of US$314.7 million generated in FY2020, US$48.5 million equity components of convertible bonds pursuant to issuance of US$350 million convertible bond in September 2020, exchange difference of US$244.3 million contributed mainly from translation of the Group's China, Japan and South Korea operations arising from strengthening of Renminbi, Japanese Yen and South Korean Won against US Dollars, as well as fair value gains of US$84.1 million from Group's investments in listed securities that are classified as financial assets at fair value through other comprehensive income.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2020

	Notes	**2020** **US$'000**	2019 US$'000
REVENUE	3, 4	**388,331**	357,369
Cost of sales		**(103,402)**	(81,170)
Gross profit		**284,929**	276,199
Other income and gains, net	4	**369,783**	369,565
Administrative expenses		**(201,680)**	(198,417)
Finance costs	6	**(147,414)**	(180,368)
Share of profits and losses of joint ventures and associates, net		**105,086**	93,355
Profit before tax		**410,704**	360,334
Income tax expense	5	**(95,997)**	(81,934)
Profit for the year		**314,707**	278,400
Attributable to:			
Owners of the Company		**286,466**	245,177
Non-controlling interests		**28,241**	33,223
		314,707	278,400
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic			
For profit for the year	8	**US$0.09**	US$0.09
Diluted			
For profit for the year	8	**US$0.09**	US$0.09

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(continued)*

Year ended 31 December 2020

	2020 **US$'000**	2019 US$'000
Profit for the year	**314,707**	278,400
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**175,451**	(31,566)
Share of other comprehensive income/(loss) of joint ventures and associates	**68,806**	(16,003)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**244,257**	(47,569)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of financial assets at fair value through other comprehensive income	**84,129**	63,371
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**84,129**	63,371
Other comprehensive income for the year, net of tax	**328,386**	15,802
Total comprehensive income for the year	**643,093**	294,202
Attributable to:		
Owners of the Company	**602,960**	257,406
Non-controlling interests	**40,133**	36,796
	643,093	294,202

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	**2020 US$'000**	2019 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**31,916**	31,481
Right-of-use assets		**12,475**	11,831
Investments in joint ventures and an associate		**1,082,290**	697,996
Financial assets at fair value through profit or loss		**678,864**	589,417
Financial assets at fair value through other comprehensive income		**878,300**	542,925
Investment properties	9	**2,663,717**	2,785,926
Goodwill		**340,243**	340,243
Other intangible assets		**86,663**	92,958
Other non-current assets		**62,555**	39,811
Deferred tax assets		**24,261**	23,554
Total non-current assets		**5,861,284**	5,156,142
CURRENT ASSETS			
Trade receivables	10	**94,673**	88,897
Prepayments, other receivables and other assets		**209,322**	129,022
Cash and bank balances		**1,515,430**	884,206
		1,819,425	1,102,125
Assets classified as held for sale		**6,732**	93,931
Total current assets		**1,826,157**	1,196,056
CURRENT LIABILITIES			
Bank and other borrowings	12	**733,660**	232,209
Lease liabilities		**6,568**	5,670
Trade payables, accruals and other payables	11	**226,314**	211,409
Income tax payable		**19,120**	18,431
		985,662	467,719
Liabilities directly associated with assets classified as held for sale		**—**	21,257
Total current liabilities		**985,662**	488,976
NET CURRENT ASSETS		**840,495**	707,080
TOTAL ASSETS LESS CURRENT LIABILITIES *(to be continued)*		**6,701,779**	5,863,222

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

As at 31 December 2020

	Note	**2020** **US$'000**	2019 US$'000
TOTAL ASSETS LESS CURRENT LIABILITIES *(continued)*		**6,701,779**	5,863,222
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**280,973**	211,286
Bank and other borrowings	12	**2,561,618**	2,338,708
Lease liabilities		**6,825**	17,486
Other non-current liabilities		**47,158**	44,630
Total non-current liabilities		**2,896,574**	2,612,110
NET ASSETS		**3,805,205**	3,251,112
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**3,060**	3,037
Perpetual capital securities		**—**	97,379
Equity components of convertible bonds		**48,501**	–
Other reserves		**3,544,648**	2,925,838
		3,596,209	3,026,254
Non-controlling interests		**208,996**	224,858
TOTAL EQUITY		**3,805,205**	3,251,112

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Cayman Companies Law on 14 June 2011. The address of the registered office is c/o Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Group is principally engaged in logistics real estate development, leasing, management and the fund management platforms in the Asia Pacific region.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") (which include all International Financial Reporting Standards, International Accounting Standards ("**IAS**") and Interpretations) issued by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income and financial assets and liabilities at fair value through profit or loss, which have been measured at fair value. Non-current assets held for sale are stated at the lower of their carrying amount and fair values less cost to sell. These financial statements are presented in US$, with values rounded to the nearest thousand except when otherwise indicated.

2.2 ADOPTION OF NEW AND AMENDMENTS TO IFRSs

The Group has adopted the Conceptual Framework for Financial Reporting 2018 and the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	*Definition of a Business*
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*
Amendment to IFRS 16	*COVID-19-Related Rent Concessions (early adopted)*
Amendments to IAS 1 and IAS 8	*Definition of Material*

The adoption of the Conceptual Framework for Financial Reporting 2018 and the amendments to IFRSs did not have any significant impact on the Group's financial positions and performance or result in any significant changes to the Group's significant accounting policies.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

Certain new accounting standards and interpretations have been published that are not mandatory for the reporting period on 31 December 2020, and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group's financial statements.

Amendments to IFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform — Phase 2*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 17	*Insurance Contracts*[3]
Amendments to IFRS 17	*Insurance Contracts*[3,5]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[3]
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*[2]
Amendments to IAS 37	*Onerous Contracts — Cost of Fulfilling a Contract*[2]
Amendments to IAS 1	*Disclosure of Accounting Policies*[3]
Amendments to IAS 8	*Definition of Accounting Estimates*[3]
Annual Improvements to IFRS Standards 2018-2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41[2]

1 Effective for annual periods beginning on or after 1 January 2021

2 Effective for annual periods beginning on or after 1 January 2022

3 Effective for annual periods beginning on or after 1 January 2023

4 No mandatory effective date yet determined but available for adoption

5 As a consequence of the amendments to IFRS 17 issued in June 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

3. OPERATING SEGMENT INFORMATION

The Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) Investment segment is divided into three main categories: (i) properties that the Group holds on balance sheet, from which the Group derives total return, including rental income and appreciation in value, (ii) co-investments funds and investment vehicles and the REIT the Group manages, from which the Group derives dividend income, pro rata earnings and/or pro rata value appreciation, and (iii) other investments.

(b) Fund management segment earns fee income for managing assets on behalf of the Group's capital partners via funds and investment vehicles. Fees include base management fees, asset fund management fees, acquisition fees, development fees and leasing fees, as well as promote fees upon reaching or exceeding certain target internal rates of return and after the Group's capital partners have received their targeted capital returns.

(c) Development segment earns development profit through the development, construction and sale of completed investment properties. The development profit includes construction income, fair value gains on investment properties under construction and gains on disposal of subsidiaries. The Group also derives pro rata earnings and pro rata value appreciation through the development activities of the development funds and investment vehicles managed by the Group in proportion to the Group's co-investments in those funds and investment vehicles.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax from continuing operations. The adjusted profit/loss before tax from continuing operations is measured consistently with the Group's profit before tax from continuing operations except that interest income, finance costs, exchange differences, depreciation and amortisation, equity-settled share option expense and corporate expenses are excluded from such measurement.

3. OPERATING SEGMENT INFORMATION *(Continued)*

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	Year ended 31 December 2020			
	Investment US$'000	Fund management US$'000	Development US$'000	Total US$'000
Segment revenue	**106,893**	**189,278**	**92,160**	**388,331**
– Intersegment sales	**–**	**288**	**–**	**288**
	106,893	**189,566**	**92,160**	**388,619**
Reconciliation:				
Elimination of intersegment sales	**–**	**(288)**	**–**	**(288)**
Revenue from continuing operations	**106,893**	**189,278**	**92,160**	**388,331**
Operating expenses	**(33,150)**	**(41,680)**	**(119,121)**	**(193,951)**
Fair value gains on investment properties	**53,717**	**–**	**170,963**	**224,680**
Changes in fair value of financial assets and liabilities at fair value through profit or loss	**5,639**	**–**	**45,324**	**50,963**
Share of profits and losses of joint ventures and associates	**40,041**	**–**	**65,045**	**105,086**
Gain on disposal of subsidiaries	**(724)**	**–**	**5,399**	**4,675**
Dilution of interests in investment in a joint venture and financial assets at fair value through profit or loss	**(398)**	**–**	**(2,320)**	**(2,718)**
Gain on disposal of investment properties	**(2,533)**	**–**	**19,381**	**16,848**
Gain on disposal of other assets	**–**	**–**	**12,347**	**12,347**
Dividend income	**56,453**	**–**	**–**	**56,453**
Segment result	**225,938**	**147,598**	**289,178**	**662,714**
Reconciliation:				
Depreciation and amortisation				**(17,141)**
Exchange loss				**(5,425)**
Interest income				**4,082**
Finance costs				**(147,414)**
Equity-settled share option expense				**(14,082)**
Other unallocated gains				**2,453**
Corporate and other unallocated expenses				**(74,483)**
Profit before tax from continuing operations				**410,704**
Other segment information:				
Depreciation and amortisation				**(17,141)**
Capital expenditure*				**488,561**
Investments in joint ventures and an associate				**1,082,290**

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Year ended 31 December 2019			
	Investment US$'000	Fund management US$'000	Development US$'000	Total US$'000
Segment revenue	120,790	166,721	69,858	357,369
– Intersegment sales	–	187	–	187
	120,790	166,908	69,858	357,556
Reconciliation:				
Elimination of intersegment sales	–	(187)	–	(187)
Revenue from continuing operations	120,790	166,721	69,858	357,369
Operating expenses	(35,461)	(35,453)	(97,583)	(168,497)
Fair value gains on investment properties	68,568	–	157,515	226,083
Changes in fair value of financial assets and liabilities at fair value through profit or loss	35,533	–	38,757	74,290
Share of profits and losses of joint ventures and associates	33,058	557	59,740	93,355
Gain on disposal of subsidiaries	–	–	16,495	16,495
Dividend income	33,599	–	–	33,599
Segment result	256,087	131,825	244,782	632,694
Reconciliation:				
Depreciation and amortisation				(16,363)
Exchange loss				(1,111)
Interest income				7,974
Finance costs				(180,368)
Equity-settled share option expense				(18,469)
Other unallocated gains				11,124
Corporate and other unallocated expenses				(75,147)
Profit before tax from continuing operations				360,334
Other segment information:				
Depreciation and amortisation				(16,363)
Capital expenditure*				1,340,032
Investments in joint ventures and associate				697,996

* Capital expenditure consists of additions to property, plant and equipment, investment properties and intangible assets including assets from the acquisition of a subsidiary.

3. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

	2020	2019
	US$'000	US$'000
China	**95,455**	89,556
Japan	**73,368**	82,213
South Korea	**48,601**	44,415
Singapore	**23,055**	21,895
Australia*	**141,227**	117,108
India	**6,625**	2,182
	388,331	357,369

* Excluding construction income, revenue from Australia was US$49.1 million in FY2020 and US$47.3 million in FY2019.

The revenue information of continuing operations above is based on the locations of the assets.

4. REVENUE AND OTHER INCOME AND GAINS, NET

(a) Revenue

An analysis of revenue is as follows:

	2020	2019
	US$'000	US$'000
Rental	**101,402**	118,042
Management fee	**189,278**	166,721
Construction	**92,160**	69,858
Solar energy	**5,491**	2,748
Total	**388,331**	357,369

4. REVENUE AND OTHER INCOME AND GAINS, NET *(Continued)*

(a) Revenue *(Continued)*

Timing of revenue recognition

	2020	2019
	US$'000	US$'000
Rental	**101,402**	118,042
Point in time		
Management fee	**54,024**	59,627
Over time		
Management fee	**135,254**	107,094
Construction	**92,160**	69,858
Solar energy	**5,491**	2,748
	388,331	357,369

(b) Other income and gains, net

	2020	2019
	US$'000	US$'000
Fair value gains on completed investment properties	**53,717**	68,568
Fair value gains on investment properties under construction	**170,963**	157,515
Changes in fair value of financial assets and liabilities at fair value through profit or loss	**50,963**	74,290
Gain on disposal of subsidiaries	**4,675**	16,495
Gain on disposal of investment properties	**16,848**	–
Gain on disposal of other assets	**12,347**	–
Gain on remeasurement of an investment in an associate to fair value	**–**	8,556
Dilution of interests in investment in a joint venture and financial assets at fair value through profit or loss	**(2,718)**	–
Dividend income	**56,453**	33,599
Interest income	**4,082**	7,974
Others	**2,453**	2,568
	369,783	369,565

5. INCOME TAX EXPENSE

	2020 US$'000	2019 US$'000
Current tax	**32,978**	40,903
Deferred tax	**63,019**	41,031
	95,997	81,934

6. FINANCE COSTS

	2020 US$'000	2019 US$'000
Interest expense on bank loans	**84,766**	85,244
Interest expense on other borrowings (note (i))	**5,005**	21,616
Interest expense on bonds	**60,530**	37,507
Interest expense on convertible bonds	**1,334**	–
Interest accretion on convertible bonds (note (ii))	**2,457**	–
Interest expense on lease liabilities	**1,591**	1,897
Interest on redeemable convertible preference shares (note (iii))	**–**	37,865
	155,683	184,129
Less: Interest capitalised	**(8,269)**	(3,761)
	147,414	180,368

(i) Interest expense on other borrowings for FY2019 included an interest expense of US$17,722,000 relating to the US$300 million Hana Notes. The Company had fully repaid Hana Notes on 6 November 2019.

(ii) Related to non-cash portion associated with the equity element of the convertible bonds.

(iii) Related to dividend on redeemable convertible preference shares ("**C Preference Shares**") of US$9,932,000 and costs associated with the equity element of the C Preference Shares of US$27,933,000. C Preference Shares that were not converted were fully redeemed on 6 November 2019.

7. DIVIDENDS

No dividend has been paid or declared by the Company during the year (2019: Nil).

8. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2020	2019
	US$'000	US$'000
Earnings:		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**286,466**	245,177
Weighted average number of ordinary shares in issue, used in the basic earnings per share calculation (in thousands)	**3,046,966**	2,750,966
Basic earnings per share (US$)	**0.09**	0.09
Diluted earnings per share (US$)	**0.09**	0.09

9. INVESTMENT PROPERTIES

	Completed investment properties US$'000	Investment properties under construction US$'000	Total US$'000
At 1 January 2019	1,583,059	302,443	1,885,502
Additions	56,555	472,869	529,424
Acquisition of subsidiaries	767,380	7,155	774,535
Changes in fair values of investment properties	68,568	157,515	226,083
Transfer from investment properties under construction to completed investment properties	101,598	(101,598)	–
Transfer from completed investment properties to investment properties under construction for redevelopment	(392,285)	392,285	–
Reclassification to assets held for sale	(83,519)	–	(83,519)
Disposal of subsidiaries	(276,711)	–	(276,711)
Disposal	(231,110)	–	(231,110)
Exchange realignment	(34,783)	(3,495)	(38,278)
At 31 December 2019 and 1 January 2020	**1,558,752**	**1,227,174**	**2,785,926**
Additions	**20,108**	**314,169**	**334,277**
Acquisition of subsidiaries	**87,648**	**46,527**	**134,175**
Changes in fair values of investment properties	**53,717**	**170,963**	**224,680**
Transfer from investment properties under construction to completed investment properties	**189,772**	**(189,772)**	**–**
Reclassification to assets held for sale	**–**	**(6,732)**	**(6,732)**
Disposal of subsidiaries	**(464,081)**	**(181,736)**	**(645,817)**
Disposal	**(86,174)**	**(261,006)**	**(347,180)**
Exchange realignment	**94,267**	**90,121**	**184,388**
At 31 December 2020	**1,454,009**	**1,209,708**	**2,663,717**

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at 31 December 2020 and 2019, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December 2020 US$'000	As at 31 December 2019 US$'000
Within 90 days	**93,950**	81,069
91 to 180 days	**48**	4,324
Over 180 days	**675**	3,504
Total	**94,673**	88,897

11. TRADE PAYABLES

An ageing analysis of the trade payables as at 31 December 2020 and 2019, based on the invoice date, is as follows:

	As at 31 December 2020 US$'000	As at 31 December 2019 US$'000
Within 30 days	**2,061**	1,319
30 to 60 days	**64**	8,174
Over 60 days	**3,657**	3,344
Total	**5,782**	12,837

12. BANK AND OTHER BORROWINGS

	As at 31 December 2020 Effective interest rate (%)	As at 31 December 2020 US$'000	As at 31 December 2019 Effective interest rate (%)	As at 31 December 2019 US$'000
Current				
Bank loans – secured	**0.20-6.18**	**526,368**	0.20-5.88	37,631
Bank loans – unsecured	**3.23-4.35**	**207,292**	3.60	148,998
Other borrowings – unsecured	**–**	**–**	12.00	45,580
		733,660		232,209
Non-current				
Bank loans – secured	**1.70-6.77**	**803,868**	0.20-6.77	1,538,128
Bank loans – unsecured	**2.15-3.25**	**551,584**	4.80	99,053
Other borrowings – secured	**–**	**–**	9.00	18,548
Other borrowings – unsecured	**0.50-10.00**	**54,859**	10.00	5,607
Bonds – unsecured	**5.10-7.88**	**852,310**	6.75-7.88	677,372
		2,262,621		2,338,708
Convertible bonds	**5.03**	**298,997**	–	–
		2,561,618		2,338,708
		3,295,278		2,570,917

Debt maturity profile of bank and other borrowings:

	As at 31 December 2020 US$'000	As at 31 December 2019 US$'000
Bank loans repayable		
Within one year	**733,660**	186,629
In the second year	**464,060**	691,754
In the third to fifth year, inclusive	**726,819**	796,396
Beyond five years	**164,573**	149,031
	2,089,112	1,823,810
Bonds and other borrowings repayable		
Within one year	**–**	45,580
In the second year	**685,031**	–
In the third to fifth year, inclusive	**521,135**	701,527
	1,206,166	747,107
	3,295,278	2,570,917

USE OF PROCEEDS FROM LISTING

The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 1 November 2019 by way of Global Offering and the net proceeds raised (after deduction of the underwriting fees and commissions and relevant expenses) from the listing of the Company on the Stock Exchange was approximately HK$4,461.5 million (approximately US$570 million). During the year ended 31 December 2020, the Company utilised approximately US$166 million for the development of logistics properties on our own balance sheet and making co-investments in the funds and investment vehicles we manage. We have fully utilised the net proceeds from the Global Offering in accordance with the purposes set out in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 22 October 2019.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: nil).

The Board's long term objective is to deliver returns to shareholders that is sustainable and in line with the long-term growth of the Company. Subject to maintaining an optimal capital structure to ensure that adequate capital resources are available for business growth and investment opportunities, the Board will continue to evaluate the merits and timing of future dividend payments.

ANNUAL GENERAL MEETING ("AGM")

The AGM will be held on 2 June 2021. A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Rules Governing the Listing of Securities on Stock Exchange (the "**Listing Rules**") in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 28 May 2021 to Wednesday, 2 June 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712 -1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 27 May 2021.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Repurchase

The Directors of the Company have been granted the general mandate (the "**Repurchase Mandate**") pursuant to resolutions of the Shareholders of the Company (the "**Shareholders**") passed on 12 October 2019, to repurchase shares of the Company (the "**Shares**") in the open market from time to time. Pursuant to the Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of issued shares of the Company immediately following completion of the Global Offering (as defined in the prospectus of the Company dated 22 October 2019).

During the financial year ended 31 December 2020, the Company had repurchased, under the Repurchase Mandate, a total of 536,400 Shares ranging from HK$12.34 to HK$13.00 per Share representing approximately 0.02% of the then issued Shares for a consideration of US$0.9 million (approximately HK$6.9 million). The repurchased Shares have been cancelled.

The share repurchase reflects the Company's confidence in its financial position, business fundamentals and prospects, and would, ultimately, benefit the Company and create value to the Shareholders. The share repurchase was financed by the Company with its existing available cash. The Board believes that the current financial resources of the Company would enable it to implement the share repurchase while maintaining a solid and healthy financial position for the continued growth of the Group's operations.

Redemption of Perpetual Securities ("Perpetual Securities")

By reference to the announcement of the Company dated 8 May 2020, the Company exercised the option to redeem all of the outstanding Perpetual Securities on 7 June 2020 (the "**First Call Date**") at 100 percent of the principal amount of US$100 million together with any distribution accrued to the First Call Date. As the First Call Date was not a business day, the redemption payment was made on 8 June 2020 and the Perpetual Securities were surrendered for cancellation thereafter.

Saved as disclosed above, during the year ended 31 December 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices with a view of enhancing the management efficiency of the Company as well as preserving the interests of the Shareholders of the Company as a whole. The Company has complied with the code provision set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules during the year ended 31 December 2020.

Further information on the Company's corporate governance practices will be set out in the Corporate Governance Report contained in the Company's annual report for the Year, which will be sent to the Shareholders in due course.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the Listing Rules. The Audit Committee comprises Mr. Simon James McDonald (Chairman of the Audit Committee), Mr. Brett Harold Krause and Mr. Robin Tom Holdsworth, all of whom are Independent Non-executive Directors.

The Audit Committee has reviewed the Company's consolidated annual results for the year ended 31 December 2020 and confirms that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee has also discussed the auditing, internal control and financial reporting matters.

The annual results for the year ended 31 December 2020 have been prepared in accordance with IFRSs.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2020 as set out in this announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.esr.com). The annual report for the year ended 31 December 2020 containing all the information required by Appendix 16 of the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

By Order of the Board
ESR Cayman Limited
Jinchu Shen
Director

Hong Kong, 25 March 2021

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Jinchu Shen and Mr. Stuart Gibson as Executive Directors, Mr. Jeffrey David Perlman as the Chairman and Non-executive Director, Mr. Charles Alexander Portes and Mr. Wei Hu as Non-executive Directors, Mr. Brett Harold Krause, The Right Honourable Sir Hugo George William Swire, KCMG, Mr. Simon James McDonald, Ms. Jingsheng Liu and Mr. Robin Tom Holdsworth as Independent Non-executive Directors.