ESR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

The board of directors (the "**Board**" and the "**Directors**" respectively) of ESR Group 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 2022 (the "**Year**" or "**FY2022**") together with the comparative figures for the year ended 31 December 2021 ("**FY2021**").

The comparative financial information for FY2021 set out in this announcement are based on the Company's consolidated financial results for FY2021 as reported in the Company's announcement dated 24 March 2022. As announced on 20 January 2022, the Company completed the acquisition of ARA Asset Management Limited ("**ARA**", together with its subsidiaries, the "**ARA Group**") on 20 January 2022, following which the financial results of ARA Group have been consolidated into the accounts of the Company. A comparison of the Group's FY2022 financial information with the unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group (as enlarged by the acquisition of ARA Group, the "**Enlarged Group**") for FY2021 and the unaudited pro forma consolidated statement of financial position of the Enlarged Group as of 31 December 2021 as set out in the Company's 2021 annual report published on 29 April 2022 are set out in the Company's FY2022 financial results presentation, which is available on the Company's website at www.esr.com.

FINANCIAL HIGHLIGHTS

	2022 US$'000	2021 US$'000	Year-on-Year Change* %
Key financial performance			
Revenue	**821,154**	404,426	103.0
Revenue (excluding CIP construction revenue)	**821,154**	360,611	127.7
Profit for the year	**631,109**	382,676	64.9
EBITDA(i)	**1,068,536**	664,198	60.9
Adjusted EBITDA(i)	**1,151,882**	706,834	63.0
PATMI(ii)	**574,145**	349,440	64.3
Adjusted PATMI(i)	**654,623**	377,258	73.5
Cash	**1,806,915**	1,638,228	10.3
Net debt/total assets (Gearing ratio)	**22.8%**	27.9%	(5.1pp)

(i) EBITDA, Adjusted EBITDA and Adjusted 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 on pages 19 to 21 for calculations of Adjusted EBITDA and Adjusted PATMI.

(ii) PATMI is profit after tax and minority interests.

	2022 US$'000	2021 US$'000	Year-on-Year Change* %
Revenue by region			
Greater China	**206,671**	124,998	65.3
Japan	**102,253**	107,676	(5.0)
South Korea	**149,867**	52,956	183.0
Australia and New Zealand#	**182,740**	87,520	108.8
Southeast Asia	**134,283**	25,205	432.8
India	**10,935**	6,071	80.1
Europe	**23,427**	–	n.m.
Others	**10,978**	–	n.m.
	821,154	404,426	103.0

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

Includes construction revenue of US$43,815,000 for the year ended 31 December 2021, from construction arm business that was disposed in September 2020.

OPERATIONAL HIGHLIGHTS

In the interests of providing a more uniform illustration of the growth achieved, the Group's 2022 operational data have been compared to the pro forma Enlarged Group in 2021 as if the ARA acquisition had already been completed.

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[(i),(ii)] (US$'billions)		GFA (sqm in millions)	
Region	**2022**	2021	**2022**	2021[(iii)]
Greater China	**32.5**	30.3	**14.3**	13.6
Japan	**35.1**	31.9	**4.7**	4.4
South Korea	**14.6**	13.4	**5.8**	4.8
Australia and New Zealand	**25.2**	22.9	**8.5**	7.5
Southeast Asia	**10.7**	8.0	**5.6**	4.2
India	**1.7**	1.7	**2.2**	1.8
APAC	**14.3**	11.4	**2.4**	2.4
US/Europe	**22.2**	20.7	**1.6**	1.3
	156.4	140.2	**45.0**	39.8

(i) Based on constant FX translation as of 31 December 2021 for a like-for-like comparison. Based on FX translation as of 31 December 2022, total AUM would be US$145 billion (US$11 billion FX translation impact), New Economy AUM would be US$68 billion (US$5 billion FX translation impact) and Fund AUM would be US$142 billion (US$10 billion FX translation impact).

(ii) Refers to the sum of (i) the fair value of the properties held in the private funds and investment vehicle the Group manages; (ii) the total uncalled capital commitments in the private funds and investment vehicles; (iii) the additional debt that is estimated to be incurred with reference to the target leverage ratio of the relevant private funds and investment vehicles the Group manages; when all capital is called and invested; and (iv) the appraised carrying value of listed REITs.

(iii) Includes GFA held on ARA's balance sheet and in the funds and investment vehicles that ARA managed as of 31 December 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During FY2022, ESR delivered solid earnings growth and a strong set of operational results, against a challenging market environment and continued macroeconomic challenges. ESR's performance demonstrates the Group's remarkable resilience in its business fundamentals, and unmatched scale as APAC's leading real assets manager, following the acquisition and integration of ARA Asset Management ("**ARA**") and LOGOS.

Supported by its well-established fund management platform and substantial fundraising growth, ESR finished the year with a total AUM of US$156 billion[1,2]. This represents a three-fold increase from FY2021 (ESR Standalone) and an 11% year-on-year increase from FY2021 pro forma Enlarged Group, underpinned by continued fundraising growth as the Group maintains its primary focus on New Economy and other key to Alternatives (including infrastructure and renewables). ESR continues its market-leadership position with US$73 billion[1,2] in New Economy AUM, an 85% uplift from FY2021 (ESR standalone) and 23% increase against FY2021 pro forma Enlarged Group.

Delivering sustainable value to shareholders

In line with ESR's goal of a sustainable dividend policy, the Board recommended the declaration of a final dividend of HK$12.5 cents per share (approximately 1.6 US cents per share) (which implies a 1.9%[3] yield) for the second half of the financial year ended 31 December 2022. This amounts to a full year dividend of HK$25 cents per share (approximately 3.2 US cents per share), amounting to a total of approximately US$141 million for financial year ended 31 December 2022. The final dividend will be paid to Shareholders on Friday, 30 June 2023.

1 Based on constant FX translation as of 31 December 2021 for a like-for-like comparison. Based on FX translation as of 31 December 2022, total AUM would be US$145 billion (US$11 billion FX translation impact), New Economy AUM would be US$68 billion (US$5 billion FX translation impact) and Fund AUM would be US$142 billion (US$10 billion FX translation impact).

2 Refers to the sum of (i) the fair value of the properties held in the private funds and investment vehicle the Group manages; (ii) the total uncalled capital commitments in the private funds and investment vehicles; (iii) the additional debt that is estimated to be incurred with reference to the target leverage ratio of the relevant private funds and investment vehicles the Group manages when all capital is called and invested; and (iv) the appraised carrying value of listed REITs.

3 Based on closing share price of HK$13.26 on 21 March 2023.

Standout fund management performance backed by deep capital partner relationships

The Group's Fund Management segment achieved another year of outstanding performance in FY2022, backed by our deep capital partner relationships. Growth in Fund Management segmental result was driven by high recurring fee revenue from higher AUM, record development, and leasing fees and solid promotes. The segment was propelled by the exceptional growth momentum of the Group's fund AUM which rose 12% year-on-year to US$152 billion[1,2], out of which New Economy AUM[1,2] grew by 23% to US$73 billion, including a new Pan Asia discretionary logistics vehicle. The Group's Fund Management segment also benefitted from ARA's recurring and stable fee revenue.

As global institutional investors sought to rebalance their portfolio allocations in light of the growth in Asia Pacific, the Group raised US$7.6 billion in committed capital across 28 new or upsized funds and mandates. These included:

- The Group, in partnership with a leading global institutional investor, acquired a prime logistics and industrial portfolio in Greater Shanghai, China. The portfolio, which consists of 11 completed logistics and industrial assets with a total GFA of over 550,000 sqm, represents the largest logistics and industrial portfolio ever sold in Greater Shanghai.

- US$1 billion inaugural APAC data centre fund which comprises a development pipeline of eight seed projects with over 260 megawatts of capacity.

- The Group's first US$1 billion infrastructure and renewables fund in ASEAN, in partnership with Export-Import Bank of China.

- ESR has committed to develop a prime cold storage and logistics facility at Kwai Chung in Hong Kong through a joint venture with Chinachem Group.

- First collaboration between ESR and LOGOS in the Pan Asia Core+ discretionary fund with US$250 million of initial equity commitments, investing in prime logistics assets in the APAC region.

- Partnership with GIC on the A$1 billion ESR Australia Development Partnership II (EADP II), for a combined anchor close of A$540 million, which will further expand ESR Australia's strategy of delivering premium, sustainable and human-centric designed industrial estates, and the ESR Australia Logistics Partnership III (EALP III) to expand ESR's core plus logistics strategy with equity commitments of A$600 million.

In addition, in South Korea, ESR upsized its second development joint venture with APG and Canada Pension Plan Investment Board ("**CPP Investments**") by up to US$1 billion for investment in and development of a best-in-class industrial and warehouse logistics portfolio. In India, ESR and GIC entered into a US$600 million Joint Venture to invest in Core industrial and logistics assets in the country.

The Group has a record US$19.9 billion of "dry powder" (equity and debt) to capitalise on new opportunities, giving the Group the agility to take advantage of market dislocation.

Record high leasing and rental reversions with close to zero vacancies in most markets

The Group achieved record leasing for FY2022 with 4.6 million sqm[4] of logistics space leased across the portfolio. E-commerce acceleration and supply chain resilience have spurred demand for large-scale modern logistics space, representing 76% of new leases[4] signed in FY2022. The Group achieved an occupancy rate of 95%[4] (98%[4] ex-Greater China), with close to full occupancies in Australia/New Zealand, Japan, India and South Korea. Among the Group's top 10 tenants by income, nine out of ten tenants are e-commerce or 3PL related.

High occupancy is underpinning strong rental growth in many of the markets in which the Group operates. In particular, ESR has seen an overall positive weighted average portfolio rental reversion of 7.5%[4, 5] which was recorded across the New Economy portfolio and the Group's portfolio has a weighted average lease expiry ("**WALE**") (by income) of 4.5 years. With relatively subdued supply in many of the markets where it operates and elevated inflation, the Group is positioned to capture outsized rental growth with one-third of its leases due in the next 24 months.

4 Stabilised new economy assets only. Excludes listed REITs and associates.

5 Weighted by AUM.

New Economy Development Segment delivers strong growth

ESR had over 38 million sqm of GFA in operation and under development across its portfolio and a sizeable landbank of over 6 million sqm for future development as of 31 December 2022.

ESR has a development work-in-progress ("**WIP**") of US$11.9 billion, the largest development workbook in APAC, providing clear visibility on future fee income. Over 80% of WIP is planned for completion between 2023 to 2025. The Group achieved a record US$6.5 billion of development starts as well as US$5.5 billion in completions which accelerated in the second half of 2022. The Group substantially increased its development starts by 20% year-on-year given the record low vacancy rates across APAC which was further complemented by development completions that increased by 85% year-on-year.

ESR's core strength as a leading developer of New Economy real estate in APAC delivered strong New Economy development segmental result. The growth in New Economy development segment result was contributed by record development completions, share of development profits of the Group's joint venture and associates and fair value gains of projects under development.

In addition, ESR's strong development pipeline includes a number of landmark projects that are set to create new benchmarks in the market and drive future fees and development profit:

- The Group is developing a US$1.5 billion multi-phase logistics park, ESR Kawanishi Distribution Centre, on a 505,647 sqm site in Greater Osaka, unveiling one of the largest and most significant urban rezoning developments to accommodate Japan's ongoing expansion in e-commerce driven New Economy real estate.

- The Group is also developing one of Japan's tallest distribution centres, the nine-storey ESR Higashi Ogishima DC. With a GFA of 365,385 sqm, the double-ramped, high-throughput facility has been master-planned around the most premium specifications and standards.

- LOGOS and its partners are in the process of developing the US$3 billion Moorebank Logistics Park, Australia's largest intermodal logistics facility at Moorebank in south-western Sydney, into high quality industrial property and infrastructure including initial approval for 850,000 sqm of warehouse opportunities directly adjacent to key rail intermodal facilities.

- In Singapore, ESR is partnering with PGIM Real Estate in a build-to-suit redevelopment to build a 64,490 sqm logistics facility for POKKA, which has signed a 10-year lease to commit a minimum of 70% of the building space.

Robust capital management and commitment to an asset light strategy

ESR had a robust and well-capitalised balance sheet with US$1.8 billion in cash and a healthy gearing[6] of 22.8% as of 31 December 2022. Throughout the year, the Group continued to expand and diversify its funding and capital structure which is crucial for fuelling the Group's long-term growth.

- In January 2022, the Group closed a 5-year JPY28 billion Sustainability-Linked Loan ("**SLL**"), which was upsized to JPY32.5 billion at Tibor +1.75%.

- In May 2022, the Group closed a 5-year S$370 million SLL at SORA +1.6%.

- In September 2022, the Group closed a 5-year SLL of approximately HK$4.65 billion at Hibor +1.8%, with an option to upsize to HK$7 billion. It was further upsized to HK$8.88 billion subsequent to year-end.

The Group remains focussed on its asset light approach with US$1.7 billion of divestments from its balance sheet to ESR managed funds in FY2022, achieving three times its annual historical target with a specific focus on crystalising gains from selected China balance sheet assets. The sell-down of a 850,000 sqm portfolio in China represented the Group's largest self-developed balance sheet sell-down to date. The Group also executed on the successful tender of its 18.16% holding in China Logistics Property Holdings Co., Ltd in May 2022, receiving US$349 million and delivering a strong return on this four-year investment.

The Group remains very focussed on its asset-light strategy with a 7.4% average co-investment as of 31 December 2022, which meaningfully enhances the Group's tangible return on equity while maintaining sufficient funding capacity across the Group.

[6] Net debt/Total assets

Laser-focussed on business transformation and simplification anchored by three key pillars of growth

The Group has continued to drive business transformation and simplification to reinforce the Group's commitment to delivering long-term shareholder value through the following:

- The Group has achieved approximately US$15 million of cost synergies from the integration of ARA, exceeding its target plan and successfully integrated part of the LOGOS business. The Group expects to create additional synergies as it further integrates various aspects of the LOGOS business over the next 12 months.

- As part of its priority to streamline and further simplify the business, the Group divested its 18.16% stake in China Logistics Property Holdings with a substantial gain and is evaluating an additional up to US$750 million of non-core divestments with the plan to redeploy the capital back into core areas of growth.

- In accelerating its asset light trajectory, the Group plans to divest another approximately US$1 billion of balance sheet assets in 2023. The Group has also further lowered its co-investment stake to 7.4%, placing it in a good position to take on greater development capacity without increasing its existing balance sheet annual commitments.

- The Group's business transformation backed by its asset light model has provided the Group with robust liquidity to redeploy the capital back into the Group's New Economy focus areas. This includes creating its data centre platform with the first close of the US$1 billion ESR Data Centre Fund and investing in market leaders through its recent strategic investment and partnership with BW Industrial Development in emerging Vietnam to provide best-in-class development, leasing and other fund management services to the company.

On the back of strong secular trends, the Group will focus on three pillars of growth — New Economy, Alternatives (including infrastructure and renewables) and REITs. With e-commerce expanding at 10% across APAC through 2025, hyperscale data centres growing at a 30%+ CAGR through 2025, and heightened focus on R&D and pharmaceuticals caused by the pandemic, the Group will continue to seize opportunities to deploy capital into sectors including data centres, logistics, life sciences and high-tech industrial. The New Economy pillar will in turn fuel the growth of the Group's Alternatives segments such as infrastructure and renewables as well as its REIT business. With the largest amount of rooftop space in APAC, the Group started an ambitious rollout of solar projects with the support of its capital partners. These renewable opportunities will power assets such as data centres and cold storage across the Group. In addition, with the APAC REIT market expected to grow by a 12% CAGR to reach US$1.3 trillion of market capitalisation by 2030, ESR is in a unique position to grow its REITs over time. ESR's capital partners are increasingly turning to the Group to sell down high-quality assets and there is positive REIT legislation that will continue to open new markets and opportunities for the Group across the region. The Group's potential C-REIT spinout is a testament to how REITs remain as the natural takeout of New Economy assets upon stabilisation.

Leading the way forward in ESG as an enlarged Group

Since the launch of its ESG 2025 Roadmap in November 2020, the Group has made significant progress across the three key pillars under its ESG Framework — "Human Centric", "Property Portfolio" and "Corporate Performance". With the successful acquisition of ARA, ESR continues to drive best-in-class sustainability practices as a unified platform to create sustainable value for its stakeholders.

Over the past year, the Group has reinforced its corporate core values as an enlarged Group to strengthen and uphold diversity, equity and inclusion in the workplace, with a strong focus on sustainability. To build a more inclusive and equitable workplace, ESR increased its proportion of women in senior management positions to approximately 40% and continues to foster a human centric culture across the Group. Testament to its commitment to health and safety, and well-being of its stakeholders, the Group worked closely with local authorities and industry bodies to maintain zero ESR workforce fatalities for its employees.

On the environmental front, the Group has installed close to 100 MW of rooftop solar power capacity across its assets globally, in line with its ESG 2025 Roadmap to maximise onsite renewable energy generation and sources in the transition to a low carbon future. In Japan, ESR is the first real asset manager to work with Enerbank to issue Renewable Energy Certificates ("**RECs**") to tenants from solar power generated from its assets' rooftops. The Group also continues to pursue its target of obtaining sustainable building certificates for 50% of its portfolio, as part of its efforts to enhance operational efficiency.

ESR successfully became a signatory to the United Nations-supported Principles of Responsible Investment ("**UNPRI**") in June 2022 and has secured approximately US$3 billion in sustainability-linked loans to date, reinforcing its commitment to adopting and promoting responsible investment and asset management practices across the Group. In line with international ESG benchmarks and global ratings, ESR continues to be recognised for its robust and exemplary ESG disclosure practices with creditable 2022 rankings in the Global Real Estate Sustainability Benchmark ("**GRESB**") Assessment, MSCI ESG Ratings and Sustainalytics ESG Risk Ratings. As an enlarged Group, ESR will be issuing its inaugural FY2022 ESG Report, aligned to the Global Reporting Initiative ("**GRI**") Standards, which will be published concurrently with its Annual Report end-April 2023.

LOOKING AHEAD

The Group remains confident in the strong fundamentals and future prospects for real assets. E-commerce acceleration and digital transformation will continue to drive demand for logistics infrastructure and data centres, ESR's core growth pillar.

While the Group remains cautious about the changing external environment, the Group is in a strong position to weather any unforeseen headwinds and capitalise on opportunities that may present themselves. ESR will continue to further strengthen its market-leading position in New Economy real estate and REITs across APAC while starting to build up a scaled infrastructure and renewables platform. The Group remains focussed on accelerating its asset-light trajectory, maintaining cost discipline which continues to drive fund management EBITDA margin improvement and further diversify its funding sources and lower the borrowing costs.

In addition, the Group's ambition is to push forward its ESG and sustainability efforts, embedding them in all aspects of its operations as ESR embarks on its Group-wide ESG 2025 Roadmap to shape a low carbon and climate resilient future.

FINANCIAL REVIEW

ESR has continued to deliver solid growth for the year ended 31 December 2022 as below:

- Revenue increased by 103.0% from US$404.4 million in FY2021 to US$821.2 million in FY2022;

- Profit for the year increased by 64.9% from US$382.7 million in FY2021 to US$631.1 million in FY2022;

- EBITDA(i) increased by 60.9% from US$664.2 million in FY2021 to US$1,068.5 million in FY2022;

- Adjusted EBITDA(i) increased by 63.0% from US$706.8 million in FY2021 to US$1,151.9 million in FY2022; and

- Adjusted PATMI(i) increased by 73.5% from US$377.3 million in FY2021 to US$654.6 million in FY2022.

Profit for the year increased by 64.9% from US$382.7 million in FY2021 to US$631.1 million in FY2022 contributed by strong earnings performance backed by the strength in the underlying fundamental of the Group's New Economy business across APAC.

As of 31 December 2022, the Group had a robust and well-capitalised balance sheet with US$1.8 billion in cash and net debt over total assets of 22.8%.

(i) EBITDA, Adjusted EBITDA and Adjusted 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 on pages 19 to 21 for calculations of Adjusted EBITDA and Adjusted PATMI.

REVENUE

The Group's revenue grew 103.0% from US$404.4 million in FY2021 to US$821.2 million in FY2022. Total group revenue (ex- CIP construction revenue) increased by 127.7% from US$360.6 million in FY2021 to US$821.2 million in FY2022, driven by higher management fee.

Management fee increased by 192.3% from US$244.0 million in FY2021 to US$713.3 million in FY2022. The increase was driven by high fee revenue from higher AUM as well as benefitting from ARA's recurring and stable fee revenue.

Overall construction revenue decreased by 75.5% from US$43.8 million in FY2021 to US$10.7 million in FY2022. Higher construction revenue in FY2021 contributed by outstanding projects executed after the disposal of construction arm by ESR Australia in September 2020. In line with decrease in overall construction revenue, cost of sales also dropped correspondingly from US$54.0 million in FY2021 to US$29.2 million in FY2022.

Rental income decreased by 17.1% from US$110.5 million in FY2021 to US$91.6 million in FY2022. The decrease in rental income in FY2022 was mainly due to the sell-down of nine China balance sheet assets into a core fund with a leading global investor during the year.

Geographically, the Group's top markets in Greater China, Japan, South Korea, Southeast Asia and Australia and New Zealand accounted for 94.5% of the Group's revenue for FY2022. The other markets, including India and Europe, made up the remaining 5.5% of revenue for FY2022.

PATMI AND EBITDA

PATMI increased by 64.3% from US$349.4 million in FY2021 to US$574.1 million in FY2022. EBITDA(i) increased by 60.9% from US$664.2 million in FY2021 to US$1,068.5 million in FY2022. Higher PATMI and EBITDA(i) were boosted by the increase in fee income, share of profits of co-investments in associates and joint ventures; and gains on divestment from balance sheet to ESR-managed funds in Australia and China.

The Group recorded fair value gain on investment properties of US$195.4 million for FY2022 (FY2021: US$274.5 million), contributed mainly from the Group's assets in China and Japan.

The Group's share of profits from joint ventures and associates increased by 34.9% from US$168.1 million in FY2021 to US$226.7 million in FY2022. The increase was mainly due to higher share of profits from the Group's investments in China, as well as joint ventures and associates held by ARA which contributed to the Group's results post-acquisition.

Despite the ongoing rates hike at the macroeconomic level, the Group has managed to keep its weighted average interest rate cost for the year ended 31 December 2022 to 4.2% (FY2021: 4.1%) leveraging on its growth and access to well diversified funding sources. Overall finance cost increased by 36.0% from US$163.5 million in FY2021 to US$222.4 million in FY2022 in line with the increase in total borrowings from US$4.2 billion as at 31 December 2021 to US$5.5 billion as at 31 December 2022, mainly from consolidation of ARA.

Administrative expenses increased by 103.2% from US$241.8 million in FY2021 to US$491.3 million in FY2022. The increase was primarily from the full year effect of ARA's administrative expenses; as well as one-off costs relating to the acquisition of ARA of US$22.5 million and amortisation of intangible assets arising from acquisition of ARA of US$23.3 million.

(i) EBITDA is calculated as profit before tax, adding back depreciation and amortisation and finance costs (net).

SEGMENT RESULTS

Investment segment results decreased by 2.6% from US$342.5 million in FY2021 to US$333.6 million in FY2022, reflecting ESR's success in pursuit of its asset light strategy as assets sold from balance sheet into funds to generate fee income under the fund management segment. The decrease was mainly contributed by reduced share of co-investment income due to sell down of Korea assets into K REIT (in 2021), sell-down of China balance sheet assets and lower relative fair value gains from existing balance sheet assets. The decrease was partially offset by higher dividend income.

Fund management segment results increased by 188.4% from US$199.0 million in FY2021 to US$573.7 million in FY2022. The increase was driven by higher recurring fee revenue from higher AUM, record development starts, leasing fees and solid promotes. In addition, the segment also benefitted from ARA's recurring and stable fee revenue; as well as disciplined cost management and economies of scale, and was able to manage increasing AUM by keeping operating expenses stable.

New Economy development segment results increased by 45.6% from US$235.3 million in FY2021 to US$342.7 million in FY2022. This is due to significant contributions from fair value gains on projects under development, share of development profits of joint ventures and associates and substantial completions (US$5.5 billion). This was further enhanced by gains on disposal of subsidiaries and assets from balance sheet to ESR managed funds in Australia and China.

ASSETS

The Group had a robust and well-capitalised balance sheet with US$1.8 billion in cash and bank balances. As at 31 December 2022, the Group had cash and bank balances that were denominated in foreign currencies. The cash and bank balances are primarily denominated in USD, HKD, SGD, RMB, JPY, AUD and KRW. Total assets increased from US$9.3 billion as of 31 December 2021 to US$16.2 billion as of 31 December 2022. The increase in total assets was mainly driven by the acquisition of ARA in January 2022.

Investment properties decreased by 10.3% to US$3.3 billion as of 31 December 2022 (31 December 2021: US$3.7 billion), contributed by the disposal of the Group's China properties, in line with the asset light strategy. The decrease was offset by development of the Group's China and Japan assets such as ESR Shanghai Qingpu Yurun Phase II; as well as asset appreciation across the Group's portfolio.

Investment in joint ventures and associates increased by 122.1% to US$3.0 billion as of 31 December 2022 (31 December 2021: US$1.3 billion). The increase is mainly contributed by the Group's acquisition of the investments in joint ventures and associates held by ARA, as well as additional investment in China joint ventures, such as GIC JV and Victory Lane JV, during the year. In addition, the Group also recorded a higher share of results from its China joint ventures and associates in 2022.

Increase in goodwill from US$0.5 billion as of 31 December 2021 to US$3.5 billion as of 31 December 2022 is mainly attributed to the goodwill arising from the acquisition of ARA.

Financial assets at fair value through other comprehensive income ("**FVOCI**") increased by 25.3% to US$1.0 billion as of 31 December 2022 (31 December 2021: US$0.8 billion). The increase is mainly from ARA's investments, offset by the disposal of shares in China Logistics Property Holdings Co., Ltd. in May 2022.

LIABILITIES

Total bank and other borrowings as of 31 December 2022 were US$5.5 billion compared to US$4.2 billion as of 31 December 2021. With cash and bank balance of US$1.8 billion, the net debt to total assets as at 31 December 2022 were 22.8% (31 December 2021: 27.9%).

The Group adopts a proactive and disciplined capital management approach, and regularly reviews its debt maturity profile and liquidity position. The Group maintains a well-capitalised balance sheet, and actively diversifies its funding sources through a combination of facilities with both local and international banks, and capital market issuances in optimising its costs of debt.

During the year, the Group continued to expand and diversify its funding and capital structure with additional major borrowings below to support the Group's investments and ongoing development:

- In November 2021, the Group closed its first SLL of US$700 million which was subsequently upsized to US$1 billion at Libor plus 2.2% and Libor plus 2.7% for 3-year and 5-year tranches respectively.

- In January 2022, the Group closed a JPY28 billion SLL which was upsized to JPY32.5 billion at Tibor + 1.75% for a five-year tranche.

- In May 2022, the Group closed a 5-year S$370 million SLL at SORA + 1.6%.

- In September 2022, the Group closed a 5-year HK$4.65 billion SLL at HIBOR + 1.8%, with an option to upsize to HK$7 billion. It was further upsized to HK$8.88 billion subsequent to year-end.

US$1.3 billion of refinancing efforts were also completed from 2H2022 till March 2023, with approximately 5% of total debt due in 2023 as of 31 December 2022.

As at 31 December 2022, 15% of the Group's borrowings was on fixed rate while the remaining 85% was on floating rate basis. As of 31 December 2022, the Group's weighted average debt maturity was approximately 5.1 years (31 December 2021: 4.5 years).

As at 31 December 2022, neither the Group nor the Company had any significant contingent liabilities.

EVENTS AFTER THE REPORTING DATE

On 12 January 2023 (after trading hours), the Company, through ESR V Investor 5 (a wholly owned subsidiary of the Company), agreed to subscribe for 168,358,478 newly issued shares in BW Industrial Development Joint Stock Company ("**BW**") (the "**Subscription**") and may, following the completion of the Subscription, elect to subscribe for such number of additional shares so that it will hold no less than 15.0% of the issued shares of BW (on a fully diluted basis) (the "**Additional Subscription**") on completion of such Additional Subscription. The Subscription and any Additional Subscription (which will be subject to ESR V Investor 5 having obtained an approval from the Department of Planning and Investment of Binh Duong Province, Vietnam) (collectively, the "**Transaction**") are part of a broader equity fundraising exercised by BW in which the Company has been informed by BW that BW has also entered into share subscription agreements with other third party investors whereby BW will raise additional equity investment from such investors at the same Subscription Price and on substantially the same terms as the Subscription.

In connection with the Subscription, on 12 January 2023 (after trading hours), ESR V Investor 5 and BW entered into the Framework Agreement which set out the terms governing certain services that may be provided by ESR V Investor 5 (itself or through one or more of its affiliates) to BW and its subsidiaries for which it will receive various fees as part of its market leading development and fund management platform.

As at 12 January 2023, BW (through VC3, a subsidiary of BW) indirectly holds 51% of the shareholding interest in TH1 Holdco Joint Stock Company and TH2 Holdco Joint Stock Company ("**Disposal Company 1**" and "**Disposal Company 2**"), respectively. The other 49% interest in Disposal Company 1 and Disposal Company 2 was held by the Company (through its wholly-owned subsidiary ESR V Investor 1 and ESR V Investor 2). On 12 January 2023 (after trading hours), ESR V Investor 1 and ESR Investor 2 (as sellers) and ESR V Investment (as guarantor) entered into Share Purchase Deed to sell 3,458,820 shares of Disposal Company 1 and 1,345,100 shares of Disposal Company 2 to VC3.

The Subscription and the Disposals have been completed on 12 January 2023.

NON-IFRS MEASURES

EBITDA, Adjusted EBITDA and Adjusted 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 Adjusted 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 Adjusted PATMI are not IFRS measures, these may not be comparable to similarly titled measures presented by other companies.

Adjusted EBITDA

The following table sets out the reconciliations of Adjusted EBITDA:

	2022 **US$'000**	2021 US$'000
Profit before tax	**815,125**	488,840
Add/(less):		
Depreciation and amortisation	**47,863**	17,137
Finance costs	**222,415**	163,549
Interest income	**(16,867)**	(5,328)
EBITDA [(a)]	**1,068,536**	664,198
Add/(less):		
Fair value gain on financial derivative assets [(b)]	**(6,191)**	–
Share of certain associate's fair value losses on investment properties and financial assets at fair value through profit or loss [(c)]	**40,531**	–
Share-based compensation expense [(d)]	**26,543**	14,818
Transaction costs related to ARA acquisition [(e)] [(ii)]	**22,463**	27,818
Adjusted EBITDA	**1,151,882**	706,834
Less:		
Fair value changes on Investment Properties ("**IP**") [(f)]	**(195,431)**	(274,484)
Adjusted EBITDA (less fair value changes on IP)	**956,451**	432,350

Adjusted PATMI

The following table sets out the reconciliations of Adjusted PATMI:

	2022 US$'000	2021 US$'000
PATMI	**574,145**	349,440
Add/(less):		
Amortisation relating to intangible assets arising from acquisition of ARA, net of tax [(e) (iii)]	**17,791**	–
Fair value gain on financial derivative assets [(b)]	**(6,191)**	–
Share of certain associate's fair value losses on investment properties and financial assets at fair value through profit or loss [(c)]	**40,531**	–
Share-based compensation expense (related to ARA) [(e) (i)]	**5,884**	–
Transaction costs related to ARA acquisition [(e) (ii)]	**22,463**	27,818
Adjusted PATMI	**654,623**	377,258

Explanation of adjusting items

(a) EBITDA is calculated as profit before tax, adding back depreciation and amortisation and finance costs (net). EBITDA is presented because the Group believes this is a useful measure to determine the Group's financial condition and historical ability to provide investment returns.

(b) Fair value gain on financial derivative assets relates to a gain arising from change in fair value of a put option agreement entered into by the Group's subsidiaries with an agreed floor price to sell its investment in an associate. The fair value is capital in nature and non-operational item, which is not directly related to the Group's operating activities.

(c) Share of certain associate's fair value losses on investment properties and financial assets at fair value through profit or loss represents the Group's share of unrealised changes in fair value recognised by the associate due to the fall in valuations affected by macroeconomic environment which are non-cash in nature and occur infrequently. Accordingly, it is adjusted out to better reflect the underlying operating activities.

(d) Share-based compensation expense represents share-based incentives which are primarily non-cash in nature.

(e) On 20 January 2022, the Company completed the acquisition of ARA Asset Management Limited ("**ARA**", together with its subsidiaries, the "**ARA Group**"). In connection with the acquisition, the Group adjusted the following items which are not directly related to the operating activities:–

(i) share-based compensation expenses relating to ARA which represents share-based incentive granted pursuant to the Company's Long-term Incentive Scheme which were incurred as part of the acquisition;

(ii) transaction costs related to ARA acquisition which are recorded within "Administrative expenses" are one-off non-recurring which are not directly related to operating performance of the Group during the period; and

(iii) amortisation relating to intangible assets arising from acquisition of ARA, net of tax, recorded within "Administrative expenses" represent management rights recognised that are non-cash and non-operational in nature. Accordingly, it is not directly correlated to the Group's business performance in a given period.

(f) Fair value changes on investment properties represents the changes in fair value which are non-cash in nature. Accordingly, it is adjusted from EBITDA.

With the acquisition of ARA and the Group's committed asset-light strategy with stable recurring fee income, and reduced balance sheet capital investment, the Group considered that Core PATMI which excludes the fair value of completed investment properties from PATMI would no longer provide useful information to investors and others in understanding and evaluating the Group's combined result of operations.

LIQUIDITY AND CAPITAL RESOURCES

	As at 31 December 2022 US$'000	As at 31 December 2021 US$'000
Bank and other borrowings		
– Current	**290,452**	1,312,883
– Non-current	**5,206,178**	2,935,012
Bank and other borrowings – Total	**5,496,630**	4,247,895
Less: Cash and bank balances	**(1,806,915)**	(1,638,228)
Net debt	**3,689,715**	2,609,667
Total assets	**16,199,374**	9,337,618
Gearing ratio (net debt/total assets)	**22.8%**	27.9%
Total equity	**9,140,314**	4,414,035
Net debt to equity ratio	**40.4%**	59.1%

Net debt as of 31 December 2022 was US$3.7 billion compared to US$2.6 billion as of 31 December 2021. Higher net debt was mainly due to additional borrowings to fund the Group's investments, ongoing development and operations, as well as the inclusion of ARA's bank and other borrowings in the Group's balance sheet subsequent to the acquisition.

Total equity increased from US$4.4 billion as of 31 December 2021 to US$9.1 billion as of 31 December 2022. This is primarily due to the increase in share premium by US$4.3 billion from the issuance of new shares for ARA acquisition, consolidation of perpetual securities issued by ARA, and net profits for the year ended 31 December 2022 of US$631.1 million.

The above increases are partially offset by unrealised currency translation losses of US$311.0 million mainly from the Group's operations in Japan, China and Australia during the year due to the strengthening of US dollars against the respective local currencies; as well as losses arising from financial assets through other comprehensive income ("**FVOCI**") amounting to US$186.0 million mainly due to mark-to-market losses adjusted based on quoted market prices relating to the Group's investments, redemption of perpetual securities amounting to US$218.8 million and dividend distribution to shareholders amounting to US$70.8 million.

The Group manages its foreign currency exposures via natural hedges at both projects and corporate levels. The Group has not used foreign currency derivatives to hedge its underlying net investments.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2022

	Notes	**2022 US$'000**	2021 US$'000
REVENUE	3, 4	**821,154**	404,426
Cost of sales		**(29,228)**	(53,967)
Gross profit		**791,926**	350,459
Other income and gains, net	4	**510,173**	375,701
Administrative expenses		**(491,275)**	(241,825)
Finance costs	6	**(222,415)**	(163,549)
Share of profits and losses of joint ventures and associates, net		**226,716**	168,054
Profit before tax		**815,125**	488,840
Income tax expense	5	**(184,016)**	(106,164)
Profit for the year		**631,109**	382,676
Attributable to:			
Owners of the Company		**574,145**	349,440
Non-controlling interests		**56,964**	33,236
		631,109	382,676
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic			
For profit for the year	8	**US$0.13**	US$0.11
Diluted			
For profit for the year	8	**US$0.13**	US$0.11
Profit for the year		**631,109**	382,676

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

Year ended 31 December 2022

	2022	2021
	US$'000	US$'000
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(310,963)**	(50,851)
Share of other comprehensive loss of joint ventures and associates	**(210,350)**	(31,044)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(521,313)**	(81,895)
Other comprehensive (loss)/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	**(186,003)**	45,674
Share of fair value reserve of associates and joint ventures	**10,022**	–
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	**(175,981)**	45,674
Other comprehensive loss for the year, net of tax	**(697,294)**	(36,221)
Total comprehensive (loss)/income for the year	**(66,185)**	346,455
Attributable to:		
Owners of the Company	**(90,429)**	307,227
Non-controlling interests	**24,244**	39,228
	(66,185)	346,455

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	**2022** **US$'000**	2021 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**43,822**	33,937
Right-of-use assets		**30,999**	8,940
Investments in joint ventures and associates		**2,955,816**	1,331,017
Financial assets at fair value through profit or loss		**752,851**	709,622
Financial assets at fair value through other comprehensive income		**976,395**	779,436
Investment properties	9	**3,322,232**	3,704,243
Goodwill		**3,455,498**	542,636
Other intangible assets		**1,322,754**	101,694
Other non-current assets		**227,440**	90,867
Deferred tax assets		**101,276**	114,956
Total non-current assets		**13,189,083**	7,417,348
CURRENT ASSETS			
Trade receivables	10	**353,488**	125,968
Prepayments, other receivables and other assets		**414,758**	156,074
Financial assets at fair value through profit or loss		**21,883**	–
Cash and bank balances		**1,806,915**	1,638,228
		2,597,044	1,920,270
Assets of a disposal group classified as held for sale		**413,247**	–
Total current assets		**3,010,291**	1,920,270

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 31 December 2022

	Notes	2022 US$'000	2021 US$'000
CURRENT LIABILITIES			
Bank and other borrowings	12	**290,452**	1,312,883
Lease liabilities		**10,403**	3,488
Trade payables, accruals and other payables	11	**403,492**	235,922
Contingent consideration payable		**2,581**	–
Income tax payable		**108,068**	29,550
		814,996	1,581,843
Liabilities directly associated with the assets classified as held for sale		**264,721**	–
Total current liabilities		**1,079,717**	1,581,843
NET CURRENT ASSETS		**1,930,574**	338,427
TOTAL ASSETS LESS CURRENT LIABILITIES		**15,119,657**	7,755,775
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**617,504**	355,212
Bank and other borrowings	12	**5,206,178**	2,935,012
Lease liabilities		**23,785**	5,601
Other non-current liabilities		**131,876**	45,915
Total non-current liabilities		**5,979,343**	3,341,740
NET ASSETS		**9,140,314**	4,414,035
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**4,422**	3,049
Perpetual capital securities		**742,701**	261,147
Equity components of convertible bonds		**48,501**	48,501
Other reserves		**8,019,035**	3,846,161
		8,814,659	4,158,858
Non-controlling interests		**325,655**	255,177
TOTAL EQUITY		**9,140,314**	4,414,035

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	2022	2021
	US$'000	US$'000
Cash flows from operating activities		
Profit before tax	**815,125**	488,840
Adjustments for:		
Amortisation of other intangible assets	**30,261**	6,892
Changes in carrying value of financial assets and financial liabilities at fair value through profit or loss	**(8,040)**	(14,182)
Changes in carrying value of assets held for sale	**(5,391)**	–
Changes in fair value of derivative financial assets and liabilities	**(6,191)**	–
Depreciation of property, plant and equipment	**5,589**	3,706
Depreciation of right-of-use assets	**12,013**	6,539
Dividend income	**(136,858)**	(62,464)
Fair value gains on completed investment properties	**(63,167)**	(95,825)
Fair value gains on investment properties under construction	**(132,264)**	(178,659)
Finance costs	**222,415**	163,549
Gain on disposal of asset held for sale	**–**	(2,885)
Gain on disposal of interests in joint ventures and associates	**(11,116)**	(11,389)
Gain on disposal of investment properties	**(50,623)**	–
Gain on disposal of other assets	**(2,291)**	–
Gain on disposal of subsidiaries	**(48,659)**	(420)
Impairment of other intangible assets	**541**	–
Impairment of trade receivables and bad debt written off	**15,017**	–
Interest income	**(16,867)**	(5,328)
Loss/(Gain) on disposal of interests in financial assets at fair value through profit or loss	**883**	(1,074)
Loss on disposal of items of property, plant and equipment	**1,115**	1
Management fee received/receivable in units	**(68,051)**	–
Other income	**(16,640)**	–
Share-based compensation expense	**26,543**	14,818
Share of profits and losses of joint ventures and associates, net	**(226,716)**	(168,054)
	336,628	144,065
Increase in trade receivables	**(156,608)**	(36,765)
Increase in prepayments, other receivables and other assets	**(71,952)**	(44,702)
Increase in trade payables, accruals and other payables	**72,473**	37,704
Cash flows generated from operations	**180,541**	100,302
Income tax paid	**(108,542)**	(25,153)
Dividend income received from financial assets at fair value through profit or loss	**1,130**	–
Proceeds from disposal of financial assets at fair value through profit or loss	**6,073**	–
Net cash flows generated from operating activities	**79,202**	75,149

CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the year ended 31 December 2022

	2022 US$'000	2021 US$'000
Cash flows used in investing activities		
Acquisition of subsidiaries	**(140,005)**	(487,590)
Additions of investment properties	**(782,925)**	(818,580)
Additions of other intangible assets	**(2,280)**	(417)
(Advances to)/Repayment from related parties and joint ventures	**(2,771)**	9,084
Capital injection in financial assets at fair value through other comprehensive income	**(97,101)**	(57,400)
Capital injection in financial assets at fair value through profit or loss	**(158,559)**	(113,243)
Capital injection in joint ventures and associates	**(415,950)**	(387,642)
Capital redemption on financial assets at fair value through other comprehensive income	**43,199**	–
Disposal of financial assets at fair value through other comprehensive income	**362,109**	206,873
Disposal of investment properties	**314,462**	–
Disposal of property, plant and equipment	**324**	9
Disposal of subsidiaries	**295,198**	(27,569)
Distributions from financial assets at fair value through profits or loss	**92,707**	71,448
Distributions from joint ventures and associates	**212,282**	181,427
Dividend income from quoted financial assets	**39,509**	18,446
Dividend income from unquoted financial assets	**93,586**	40,026
Release in non-pledged fixed time deposits with a maturity period over three months	**–**	2,312
Interest received	**16,098**	4,900
Investment in other investments	**(6,407)**	(10,545)
Loan to third parties	**(84,825)**	–
Payment of contingent consideration payables	**(4,679)**	–
Prepayments for acquiring land use rights	**(138,170)**	(5,007)
Proceeds from disposal of interests in joint ventures and associates	**44,189**	88,504
Proceeds from disposal of asset held for sale	**–**	9,628
Proceeds from disposal of other assets	**3,490**	–
Proceeds from sale of financial assets at fair value through profit or loss	**–**	22,817
Purchase of derivative financial assets	**(105)**	–
Purchase of property, plant and equipment	**(16,541)**	(8,261)
Repayment of loan to directors of the Company	**945**	–
Repayment from joint ventures and financial assets at fair value through profit or loss upon disposal of subsidiaries	**206,760**	102,073
Transaction costs incurred for acquisition of subsidiaries	**(45,167)**	–
Net cash flows used in investing activities	**(170,627)**	(1,158,707)

CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the year ended 31 December 2022

	2022	2021
	US$'000	US$'000
Cash flows from financing activities		
Acquisition of non-controlling interests	**(61,112)**	(744)
Capital contributions from non-controlling interests	**33,852**	33,068
Changes in pledged bank deposits and restricted cash balances	**22,787**	(11,645)
Distribution paid to holders of perpetual capital securities	**(44,199)**	(5,835)
Dividend distributions to non-controlling interests	**(6,268)**	(56,311)
Dividend distributions to shareholders	**(70,777)**	–
Interest on bank and other borrowings paid	**(237,771)**	(166,623)
Principal portion of lease payments	**(12,125)**	(7,450)
Proceeds from bank and other borrowings	**2,382,853**	1,944,651
Proceeds from issuance of shares	**250,000**	–
Proceeds from issuance of perpetual capital securities, net of transaction costs	**–**	256,318
Repayment of bank and other borrowings	**(1,494,391)**	(753,032)
Redemption of perpetual capital securities, net	**(218,802)**	–
Transfer of interest to non-controlling interests without change of control	**30,338**	66,324
Share repurchased	**(169,317)**	(42,082)
Net cash generated from financing activities	**405,068**	1,256,639
Net increase in cash and cash equivalents	**313,643**	173,081
Cash and cash equivalents at beginning of year	**1,517,533**	1,404,068
Effect of foreign exchange rate changes, net	**(113,504)**	(59,616)
Cash and cash equivalents at end of year	**1,717,672**	1,517,533
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**1,806,915**	1,638,228
Cash and short-term deposits attributable to the disposal group held for sale	**8,665**	–
Pledged bank deposits	**(2,030)**	(52,145)
Restricted bank balances	**(95,878)**	(68,550)
Cash and cash equivalents as stated in the consolidated statement of cash flows	**1,717,672**	1,517,533

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

ESR Group Limited (formerly known as "**ESR Cayman Limited**") (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 Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The address of head office and principal place of business is at Suites 2905–06, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

The Group is principally engaged in logistics real estate development, leasing, management and 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 nearest thousand except when otherwise indicated.

2.2 ADOPTION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 3	*Reference to the Conceptual Framework*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021*
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use*
Amendments to IAS 37	*Onerous Contracts – Costs of Fulfilling a Contract*
Annual improvements to IFRSs 2018–2020	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41

The adoption of the revised IFRSs did not have any 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 2022, and have not been early adopted by the Group. These standards are not expected to have material impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[2]
IFRS 17	*Insurance Contracts*[1]
Amendments to IFRS 17	*Insurance Contracts*[1, 5]
Amendment to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*[6]
Amendments to IAS 1	*Classification of Liabilities as Current or Noncurrent (the "2020 Amendments")*[2, 4]
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*[2]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[1]
Amendments to IAS 8	*Definition of Accounting Estimates*[1]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*[1]

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

2 Effective for annual periods beginning on or after 1 January 2024

3 No mandatory effective date yet determined but available for adoption

4 As a consequence of the 2022 Amendments, the effective date of the 2020 Amendments was deferred to annual periods beginning on or after 1 January 2024.

5 As a consequence of the amendments to IFRS 17 issued in October 2021, 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

6 An entity that chooses to apply the transition option relating to the classification overlay set out in this amendment shall apply it on initial application of IFRS 17

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) New Economy 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. The former development segment has been renamed as New Economy development segment to better reflect the nature of the properties under this segment. There is no change to the business reported under this segment.

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, share-based compensation 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 2022			
	Investment US$'000	Fund management US$'000	New Economy development US$'000	Total US$'000
Segment revenue	97,123	713,297	10,734	821,154
– Intersegment sales	–	1,157	–	1,157
	97,123	714,454	10,734	822,311
Reconciliation:				
Elimination of intersegment sales	–	(1,157)	–	(1,157)
Revenue from continuing operations	97,123	713,297	10,734	821,154
Operating expenses	(28,908)	(190,830)	(57,946)#	(277,684)
Fair value gains on investment properties	63,167	–	132,264	195,431
Changes in carrying value of financial assets and liabilities at fair value through profit or loss	(22,752)	(10)	30,802	8,040
Changes in carrying value of asset held for sale	2,869	–	2,522	5,391
Changes in fair value of derivative financial assets and liabilities	–	6,191	–	6,191
Share of profits and losses of joint ventures and associates, net	63,606	27,436	135,674	226,716
Gain/(Loss) on disposal of subsidiaries	21,278	(42)	26,937	48,173
(Loss)/Gain on disposal of interests in joint ventures and associates	(8)	–	11,124	11,116
Loss on disposal of interests financial assets at fair value through profit or loss	(875)	(8)	–	(883)
Gain on disposal of investment properties	2,348	–	48,275	50,623
Gain on disposal of other assets	–	–	2,291	2,291
Other income	–	16,640	–	16,640
Dividend income	135,798	1,060	–	136,858
Segment result	333,646	573,734	342,677	1,250,057
Reconciliation:				
Depreciation and amortisation				(47,863)
Exchange gain				1,011
Interest income				16,867
Finance costs				(222,415)
Share-based compensation expense				(26,543)
Other unallocated gains				12,430
Corporate and other unallocated expenses				(168,419)
Profit before tax from continuing operations				815,125
Other segment information:				
Depreciation and amortisation				(47,863)
Capital expenditure*				2,511,252
Investments in joint ventures and associates				2,955,816

Included construction cost of US$9,802,000

3. **OPERATING SEGMENT INFORMATION** *(Continued)*

	Year ended 31 December 2021			
	Investment US$'000	Fund management US$'000	New Economy development US$'000	Total US$'000
Segment revenue	116,569	244,042	43,815	404,426
Revenue from continuing operations	116,569	244,042	43,815	404,426
Operating expenses	(27,958)	(45,086)	(89,561)#	(162,605)
Fair value gains on investment properties	95,825	–	178,659	274,484
Changes in carrying value of financial assets and liabilities at fair value through profit or loss	(4,506)	–	18,688	14,182
Share of profits and losses of joint ventures and associates, net	95,411	–	72,643	168,054
Gain on disposal of assets held for sale	–	–	2,885	2,885
Gain on disposal of interests in joint ventures and associates	3,315	–	8,074	11,389
Gain on disposal of interests in financial assets at fair value through profit or loss	–	–	1,074	1,074
Gain/(Loss) on disposal of subsidiaries	1,373	–	(953)	420
Dividend income	62,464	–	–	62,464
Segment result	342,493	198,956	235,324	776,773
Reconciliation:				
Depreciation and amortisation				(17,137)
Exchange gain				1,587
Interest income				5,328
Finance costs				(163,549)
Share-based compensation expense				(14,818)
Other unallocated gains				1,888
Corporate and other unallocated expenses				(101,232)
Profit before tax from continuing operations				488,840
Other segment information:				
Depreciation and amortisation				(17,137)
Capital expenditure*				1,077,249
Investments in joint ventures and associates				1,331,017

Included construction cost of US$43,830,000

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

3. OPERATING SEGMENT INFORMATION *(Continued)*

Geographical information

(a) Revenue from external customers

	2022	2021
	US$'000	US$'000
Greater China	**206,671**	124,998
Japan	**102,253**	107,676
South Korea	**149,867**	52,956
Australia and New Zealand	**182,740**	87,520
Southeast Asia	**134,283**	25,205
India	**10,935**	6,071
Europe	**23,427**	–
Others	**10,978**	–
	821,154	404,426

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

Information about major customers

Since no revenue from sales to a single customer amounted to 10% or more of the Group's revenue during the financial year ended 31 December 2022, no major customer information is presented in accordance with IFRS 8 *Operating Segments*. (2021: Revenue from continuing operations of approximately US$42,218,000 from investment segment by a single customer for the year ended 31 December 2021).

4. REVENUE AND OTHER INCOME AND GAINS, NET

(a) Revenue

An analysis of revenue is as follows:

	2022	2021
	US$'000	US$'000
Rental income from investment property operating leases	**91,626**	110,508
Management fee	**713,296**	244,042
Construction income	**10,735**	43,815
Solar energy income	**5,497**	6,061
Total	**821,154**	404,426

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

(a) Revenue *(Continued)*

Timing of revenue recognition

	2022 **US$'000**	2021 US$'000
Rental income from investment property operating leases	**91,626**	110,508
Point in time		
Management fee	**177,569**	69,286
Over time		
Management fee	**535,727**	174,756
Construction income	**10,735**	43,815
Solar energy income	**5,497**	6,061
	821,154	404,426

(b) Other income and gains, net

	2022 **US$'000**	2021 US$'000
Changes in carrying value of financial assets and liabilities at fair value through profit or loss	**8,040**	14,182
Dividend income	**136,858**	62,464
Changes in carrying value of assets held for sale	**5,391**	–
Changes in fair value of derivative financial assets and liabilities	**6,191**	–
Gain on disposal of other assets	**2,291**	–
Exchange gain	**1,011**	1,587
Fair value gains on completed investment properties	**63,167**	95,825
Fair value gains on investment properties under construction	**132,264**	178,659
Gain on disposal of assets held for sale	**–**	2,885
Gain on disposal of interests in joint ventures and associates	**11,116**	11,389
Gain on disposal of investment properties	**50,623**	–
Gain on disposal of subsidiaries	**48,659**	420
Interest income	**16,867**	5,328
(Loss)/Gain on disposal of interests in financial assets at fair value through profit or loss	**(883)**	1,074
Others	**28,578**	1,888
	510,173	375,701

5. INCOME TAX EXPENSE

	2022 US$'000	2021 US$'000
Current tax	**132,489**	45,789
Deferred tax	**51,527**	60,375
	184,016	106,164

6. FINANCE COSTS

	2022 US$'000	2021 US$'000
Interest expense on bank loans	**187,665**	89,520
Interest expense on other borrowings	**1,619**	1,457
Interest expense on bonds	**27,699**	62,778
Interest expense on convertible bonds	**5,250**	5,239
Interest accretion on convertible bonds (note (i))	**10,284**	9,772
Interest expense on lease liabilities	**1,347**	580
	233,864	169,346
Less: Interest capitalised	**(11,449)**	(5,797)
	222,415	163,549

Note:

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

7. DIVIDENDS

On 25 August 2022, the board of directors declared an interim dividend of HK$12.5 cents (2021: Nil) per ordinary share for the financial year ending 31 December 2022, amounting to a total of US$70,777,000 (2021: Nil).

On 22 March 2023, the board of directors declared a final dividend of HK$12.5 cents (2021: Nil) per ordinary share for the financial year ended 31 December 2022, amounting to approximately US$70,200,000 (2021: Nil)

Interim dividend of US$70,777,000 (2021: Nil) has been paid by the Company during the financial year ended 31 December 2022.

8. EARNINGS PER SHARE

Basic earnings per share is 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.

	2022 **US$'000**	2021 US$'000
Earnings:		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**574,145**	349,440
Weighted average number of ordinary shares in issue, used in the basic earnings per share calculation (in thousands)	**4,456,506**	3,056,456
Basic earnings per share (US$)	**0.13**	0.11
Diluted earnings per share (US$)	**0.13**	0.11

9. INVESTMENT PROPERTIES

	Completed investment properties US$'000	Investment properties under construction US$'000	Total US$'000
At 1 January 2021	1,454,009	1,209,708	2,663,717
Additions	443,607	343,891	787,498
Acquisition of subsidiaries	226,364	30,424	256,788
Changes in fair values of investment properties	95,825	178,659	274,484
Transfer from investment properties under construction to completed investment properties	217,409	(217,409)	–
Disposal of subsidiaries	(259,895)	(15,251)	(275,146)
Exchange realignment	20,464	(23,562)	(3,098)
At 31 December 2021 and 1 January 2022	**2,197,783**	**1,506,460**	**3,704,243**
Additions	**119,405**	**784,188**	**903,593**
Acquisition of subsidiaries	**198,979**	**134,746**	**333,725**
Disposal of subsidiaries	**(831,380)**	**(97,971)**	**(929,351)**
Disposal	**(117,089)**	**(146,750)**	**(263,839)**
Changes in fair values of investment properties	**63,167**	**132,264**	**195,431**
Transfer from investment properties under construction to completed investment properties	**148,906**	**(148,906)**	**–**
Transfer from completed investment properties to investment properties under construction for redevelopment	**(65,659)**	**65,659**	**–**
Reclassification to assets of a disposal group held for sale	**(288,883)**	**(4,005)**	**(292,888)**
Exchange realignment	**(165,110)**	**(163,572)**	**(328,682)**
At 31 December 2022	**1,260,119**	**2,062,113**	**3,322,232**

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at 31 December 2022 and 2021, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December 2022 US$'000	As at 31 December 2021 US$'000
Within 90 days	**347,924**	125,339
91 to 180 days	**3,904**	540
Over 180 days	**1,660**	89
Total	**353,488**	125,968

11. TRADE PAYABLES

An ageing analysis of trade payables as at 31 December 2022 and 2021, based on the invoice date, is as follows:

	As at 31 December 2022 US$'000	As at 31 December 2021 US$'000
Within 30 days	**13,932**	306
31 to 60 days	**256**	1
Over 60 days	**2,534**	2,656
Total	**16,722**	2,963

12. BANK AND OTHER BORROWINGS

	As at 31 December 2022 Effective interest rate (%)	As at 31 December 2022 US$'000	As at 31 December 2021 Effective interest rate (%)	As at 31 December 2021 US$'000
Current				
Bank loans – secured	**0.57–7.20**	**53,744**	0.57–6.18	438,846
Bank loans – unsecured	**2.20**	**95,382**	3.09–4.10	192,479
Other borrowings – unsecured	**0.5–10.00**	**52,560**	–	–
Bonds – unsecured	**4.25-6.00**	**88,766**	6.75–7.875	681,558
		290,452		1,312,883
Non-current				
Bank loans – secured	**0.57–9.40**	**1,270,017**	0.57–6.18	794,954
Bank loans – unsecured	**1.75–7.98**	**3,392,381**	2.00–3.43	1,609,920
Other borrowings – unsecured	**–**	**–**	0.50–10.00	57,627
Bonds – unsecured	**4.15–5.10**	**224,727**	5.10	163,742
		4,887,125		2,626,243
Convertible bonds	**5.03**	**319,053**	5.03	308,769
		5,206,178		2,935,012
		5,496,630		4,247,895

12. BANK AND OTHER BORROWINGS *(Continued)*

Debt maturity profile of bank and other borrowings:

	As at 31 December 2022 US$'000	As at 31 December 2021 US$'000
Bank loans repayable		
Within one year	**149,126**	631,325
In the second year	**1,161,178**	621,335
In the third to fifth year, inclusive	**3,038,692**	1,488,164
Beyond five years	**462,528**	295,375
	4,811,524	3,036,199
Bonds and other borrowings repayable		
Within one year	**141,326**	681,558
In the second year	**59,199**	50,099
In the third to fifth year, inclusive	**484,581**	480,039
	685,106	1,211,696
	5,496,630	4,247,895

ANNUAL GENERAL MEETING (“AGM”)

The AGM will be held on Wednesday, 7 June 2023. 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 The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in due course.

FINAL DIVIDEND

The Board of Directors recommended a final dividend of HK$12.5 cents per share for the year ended 31 December 2022 (2021: nil), representing a total payout of approximately HK$550 million (2021: nil), payable on Friday, 30 June 2023, to shareholders whose names appear on the register of members of the Company at the close of business on Friday, 16 June 2023, being the record date for determining shareholders’ entitlement to the proposed final dividend. Combined with the interim dividend of HK$12.5 cents per share, the full year dividend amounts to HK$25 cents per share (2021: nil).

CLOSURE OF REGISTER OF MEMBERS

AGM

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 2 June 2023 to Wednesday, 7 June 2023 (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 share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 1 June 2023.

Final Dividend

The register of members of the Company will be closed from Wednesday, 14 June 2023 to Friday, 16 June 2023 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for a final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong no later than 4:30 p.m. Tuesday, 13 June 2023.

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

Shares 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 2 June 2021 and 1 June 2022, 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 as at date of passing such resolution.

During the financial year ended 31 December 2022, the Company had repurchased, under the Repurchase Mandate, a total of 69,739,200 Shares representing approximately 1.58% of the issued shares as at 31 December 2022 for a consideration of approximately US$169.3 million (approximately HK$1,324.3 million, excluding transaction cost).

Month	**Number of shares repurchased**	**Purchase price per share**		**Aggregate Consideration**
		Highest	**Lowest**	
		HK$	HK$	HK$ million
May 2022	5,836,000	23.00	22.15	131.9
June 2022	11,248,600	23.00	19.80	240.6
July 2022	10,799,200	21.80	19.00	217.2
August 2022	735,000	21.25	20.20	15.1
September 2022	8,758,400	22.15	19.62	181.9
October 2022	16,920,000	20.75	13.08	287.9
November 2022	6,152,000	17.50	13.36	95.0
December 2022	9,290,000	17.90	15.84	154.7
Total	69,739,200			1,324.3

At the date of this announcement, 69,739,200 repurchased shares during the year ended 31 December 2022 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 And Cancellation Pursuant To The US$2,000,000,000 Multicurrency Debt Issuance Programme

Reference is made to the S$350,000,000 in aggregate principal amount of 6.75 per cent. fixed rate notes due 2022 (ISIN Code: SGXF43834302) (the "**S$350m Notes**") and the US$425,000,000 in aggregate principal amount of 7.875 per cent. fixed rate notes due 2022 (ISIN Code: XS1970560451) ("**US$425m Notes**") issued by the Company, pursuant to its US$2,000,000,000 Multicurrency Debt Issuance Programme, scheduled to mature on 1 February 2022 and 4 April 2022 respectively.

As 1 February 2022 was not a business day (as defined in the terms and conditions of the S$350m Notes), the Company has made payment on 3 February 2022 and 4 April 2022 for the redemption in full of all the outstanding S$350m Notes and US$425m respectively at 100.0 per cent. of its principal amount respectively. Following the full redemption of all the outstanding S$350m Notes and US$425m Notes, the S$350m Notes and US$425m Notes were cancelled in accordance with the terms and conditions of the S$350m Notes and US$425m Notes and, following such cancellation, there were no outstanding S$350m Notes on 3 February 2022 and US$425m Notes on 4 April 2022 respectively.

Please refer to the details in the Company's announcements dated 3 February 2022 and 4 April 2022.

Shares Purchased By Trustee Under The Long Term Incentive Scheme

During the financial year ended 31 December 2022, the Trustee of the Long Term Incentive Scheme of the Company adopted on 2 June 2021 (the "**LTIS**"), pursuant to the rules and trust deed of the LTIS, purchased on the Stock Exchange a total of 387,700 Shares of the Company at a total consideration of approximately US$1.15 million (approximately HK$9.02 million).

Saved as disclosed above, during the year ended 31 December 2022, neither the Company nor any of its subsidiaries 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 applied the principles of, and complied with, the applicable code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the year ended 31 December 2022.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") contained in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions of the Company by Directors. The Company has adopted a code of conduct regarding all Directors', officers' and employees' securities transactions on terms no less exacting than the required standard set out in the Model Code. In response to specific enquiries made, all Directors confirmed that they have complied with the required standards set out in such code regarding their securities transactions throughout their tenure during the year ended 31 December 2022.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the Listing Rules. At the date of this announcement, the Audit Committee comprises Mr. Simon James McDonald (Chairman of the Audit Committee), Mr. Brett Harold Krause and Ms. Serene Siew Noi Nah, 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 2022 and confirmed 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 2022 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, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2022 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 have 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 of Hong Kong Limited (www.hkexnews.hk) and the Company (http://www.esr.com) respectively. The annual report for the year ended 31 December 2022 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders of the Company and available on the same websites in due course.

By Order of the Board
ESR Group Limited
Jinchu Shen
Director

Hong Kong, 22 March 2023

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, Mr. Wei Hu, Mr. Hwee Chiang Lim, Dr. Kwok Hung Justin Chiu and Mr. Rajeev Veeravalli Kannan as Non-executive Directors, Mr. Brett Harold Krause, Mr. Simon James McDonald, Ms. Jingsheng Liu, Ms. Serene Siew Noi Nah and Ms. Wei-Lin Kwee as Independent Non-executive Directors.