ESR GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1821)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

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**" or the "**ESR Group**") for the year ended 31 December 2024 (the "**Year**" or "**FY2024**") together with the comparative figures for the year ended 31 December 2023 ("**FY2023**").

FINANCIAL HIGHLIGHTS

	2024 US$'000	2023 US$'000	Year-on-Year Change* %
Key financial performance			
Revenue	**638,987**	871,326	(26.7)
Fund management EBITDA(i)	**277,470**	578,828	(52.1)
(Loss)/profit for the year	**(726,310)**	268,056	(371.0)
EBITDA(ii)	**(415,563)**	724,597	(157.4)
Adjusted EBITDA(ii)	**(79,624)**	885,331	(109.0)
PATMI(iii)	**(699,810)**	230,849	(403.1)
Adjusted PATMI(ii)	**(359,533)**	400,338	(189.8)
Cash	**913,979**	1,001,568	(8.7)
Net debt/total assets (Gearing ratio)	**35.3%**	30.7%	4.6pp

	2024 US$'000	2023 US$'000	Year-on-Year Change* %
Revenue by region			
Greater China	**171,471**	166,323	3.1
Japan	**57,915**	82,103	(29.5)
South Korea	**49,206**	201,831	(75.6)
Australia and New Zealand	**160,950**	209,884	(23.3)
Southeast Asia	**139,639**	155,412	(10.1)
India	**9,832**	12,400	(20.7)
Europe	**45,130**	35,893	25.7
Others	**4,844**	7,480	(35.2)
	638,987	871,326	

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

(i) Refers to Fund management segment result which excluded the changes in fair value of financial derivative assets in relation to certain associate.

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

(iii) PATMI is (loss)/profit after tax and minority interests.

OPERATIONAL HIGHLIGHTS

The following table summarises the Fee-related Asset Under Management ("**AUM**") and Gross Floor Area ("**GFA**") that the Group managed as at 31 December 2024:

Region	Fee-related AUM[i] 31 December 2024 (US$'billions)	GFA[ii] 31 December 2024 (sqm in millions)
Greater China	**17.0**	**15.5**
Japan and South Korea	**12.6**	**10.3**
Australia and New Zealand	**13.6**	**9.6**
India and Southeast Asia	**14.0**	**7.8**
APAC	**1.8**	**1.3**
USA/Europe	**12.4**	**2.0**
	71.4	**46.5**

(i) Fee-related AUM refers to the sum of (i) the fair value of the properties held in the private funds and investment vehicles the Group manages, (ii) the appraised carrying value of listed REITs and (iii) exclude Associates.

(ii) Excluding GFA of Associates.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The ESR Group manages a well-diversified fund management platform across the Asia Pacific ("**APAC**"), with US$71.4 billion in Fee-related AUM[1,2] as at 31 December 2024. A best in-class APAC fund manager and New Economy leader, it is ranked the largest real asset manager in the Asia Pacific[3] and recognised as one of the top 10 global real estate investment managers.

As the Group continues to operate in a volatile and uncertain environment in pursuit of its strategic business priorities, its real estate interests have been negatively impacted by persistent headwinds that have built up in the past years, in the form of elevated geopolitical tensions and ensuing economic risks, constrained interest rate cuts and a protracted recovery for Mainland China. Tepid development starts and core transaction activity, delayed exits and lower promotes from funds, negative fair value movement in assets (including non-cash losses arising from non-core and near-term divestments) and a below-historical average pace of capital recycling have had a bearing on the Group's profitability for FY2024.

Amid the macro headwinds, management continued to execute and deliver on the strategic and business priorities of the Group. Approximately US$1.1 billion of asset syndications were completed since January 2024 to date including those which were syndicated to long term ESR-managed vehicles, such as the ESR China REIT ("**ESR C-REIT**") which was listed on the Shanghai Stock Exchange on 24 January 2025. The Group raised US$5.4 billion in capital including recapitalisations in Australia, South Korea, Japan, Mainland China and Singapore, notwithstanding the tough fundraising environment.

Driving long-term sustainable growth and shareholder value remains a key focus. The ongoing efforts in business streamlining to align with favourable structural trends in digitalisation and decarbonisation have further increased the proportion of New Economy Fee-related AUM to approximately 60% of the Group's Fee-related AUM. In tandem, significant progress has been made towards achieving deeper integration across ESR's operating platforms after the completion of its acquisition of the founders' shares in the Logos Property Group Limited ("**LOGOS**"). As a unified group of high performing teams embedded in a culture of collaboration, continuous improvement and innovation, the Group strives to attain its corporate goals in the areas of profitability and enterprise value, balance sheet optimisation, operational excellence and corporate citizenship.

1 Based on FX rates as at 31 December 2024

2 Fee-related AUM excludes AUM from Associates and levered uncalled capital. Reported figure of US$71.4 billion is subsequent to the completion of the sale of ARA Private Funds, ARA US Hospitality Trust Manager and interest in ARA US Hospitality Trust.

3 2024 ANREV Fund Manager Survey

Expansion in product delivery, operating scale, pipeline and capital for ESR's data centre platform alongside its infrastructure platform are important growth pursuits for the Group. ESR has entered into a joint venture with CloudHQ to co-develop and operate a US$2 billion, 130-megawatt[4] ("**MW**") hyperscale data centre campus in Nanko Kita, Osaka, Japan, over three phases. The core and shell of the first phased hyperscale data centre asset ESR Cosmosquare OS1 Data Centre was completed in August 2024, underscoring the Group's operational execution capabilities and its commitment to developing world-class solutions and campuses for partners in regional markets. This development is part of the Group's data centre strategy to execute 575 MW of data centre sites in key markets across APAC, in addition to a pipeline of more than 2 GW worth of land and projects.

Capital management and liquidity in the Group have further strengthened with the US$2.5 billion sustainability-linked loan, one of the largest loans raised in the Southeast Asia real estate sector in 2024. The Group achieved a 60-basis point reduction in weighted average interest cost of its debt portfolio to 4.7% for FY2024, through lower cost refinancing executed in FY2023 and FY2024, and a general decline in base interest rates.

The Group's underlying business is fundamentally resilient, underpinned by the sustained growth in recurring core fee income from asset management, investment management and property management. ESR Group recorded Total Revenue of US$639 million for FY2024, and Fund Management Segment Revenue contributed over 75% of this total. Fund management EBITDA was lower y-o-y as there were nil promote fees in FY2024 compared to US$182 million recognised in the year before. The EBITDA and consequently PATMI for the year was significantly impacted by marked-to-market losses tied to non-core divestments, as well as asset and project revaluations which are non-cash in nature. The resulting net loss for FY2024 was materially driven by these non-cash movements arising from the abovementioned macroeconomic headwinds as well as corporate actions in alignment with the Group's strategic business priorities; hence, it is not reflective of the expected long-term performance of the Group.

Fund Management: y-o-y growth in recurring core asset fee income despite market challenges

ESR Group achieved Fund Management segment revenue ("**Fee Income**") of US$498 million for FY2024. Recurring core asset fee income from asset management, investment management and property management grew approximately 6.6% y-o-y despite downward pressure on valuations. However, the pace of transaction activity across the Group has slowed significantly in FY2024, thus lowering transaction-based fees y-o-y. Apart from lower promote fees, the foreign exchange translation effects arising from weakened APAC currencies against the USD also contributed to the variance.

[4] Building load

Against the backdrop of muted fund raising for the sector, US$3.1 billion of capital was raised in the second half of 2024 aggregating to a total of US$5.4 billion for FY2024. New Economy capital raise was strong at US$4.2 billion, an increase of 53% y-o-y. In addition to capital sourced for the Group's core and development fund mandates, the first real estate credit investment platform of US$325 million was established in South Korea, capitalising on the opportunities in the country's tight credit market amid strong investor interest.

As at 31 December 2024, the Group had substantial uncalled capital of US$22.3 billion for deployment to further grow Fee-related AUM.

New Economy: stable occupancies supported by strong leasing activity; still robust development workbook

As at 31 December 2024, the portfolio occupancy rate for the Group's New Economy assets[5] stood at 87% (95% excluding Mainland China), with weighted average lease expiry ("**WALE**") at approximately 4.4 years and 3.8 years by income and area respectively. A portfolio of approximately 2.0 million sqm of newly stabilised assets in Mainland China and Japan came on-stream during the year and these are on an extended runway towards achieving their target occupancy levels over time.

Approximately 8.0 million sqm of renewals and new leases were recorded for FY2024, an increase compared to FY2023. Weighted average rental reversions[6] were approximately 12.6% (21.2% excluding Mainland China), as leases in Australia & New Zealand and South Korea achieved strong positive reversions of approximately 26.0% and 27.9% respectively. The momentum in lease renewals and replacements was sustained in Mainland China, while rental reversions remained negative as occupancy was prioritised amid a still soft leasing environment.

As at 31 December 2024, the Group managed approximately US$42.6 billion of New Economy Fee-related AUM, with sustained growth in one of APAC's largest development workbook of about US$11.4 billion. This comprised 29% in Japan and South Korea, 22% in Australia and New Zealand, 13% in India and Southeast Asia, 13% in Hong Kong, 7% in Mainland China, and data centres which has increased to 16% of the total.

5 Stabilised New Economy assets; excludes listed REITs and Associates

6 Weighted by the AUM of each country

Development activity included a total of US$1.8 billion and US$3.6 billion of starts and completions respectively for FY2024. 23% of development starts were projects in data centres, and for regions, 29% were in Australia, 28% of projects were in Mainland China, 15% from India and Southeast Asia and 5% from Japan. In the case of development completions, 47% were from Australia, 26% from Mainland China followed by 20% from India and Southeast Asia, and 7% from Japan and South Korea. The GFA development pipeline[7] of approximately 20.7 million sqm continues to be robust.

Capital Management: awaiting catalyst for the pickup in capital recycling activity

As at 31 December 2024, the Group's total cash balances and committed loan facilities totalled approximately US$4 billion, at a weighted average debt maturity of 5.0 years. The US$2.5 billion sustainability-linked loan is intended to be largely utilised for the Group's refinancing and capital requirements in FY2025 and FY2026.

With approximately US$1.1 billion of capital recycling completed since January 2024 to date, US$2.7 billion of balance sheet assets and non-core divestments are earmarked for subsequent sell-down. A pickup in pace for these transactions is needed to unlock capital for the planned repayment of debt, in further strengthening the Group's financial position.

DELIVERING ON OUR FY2024 PRIORITIES

ESR Group continues to strive towards creating a positive impact on the environment and the communities. In FY2024, the Group made significant progress against its targets set out under its ESG 2030 Roadmap, launched in May 2023. The roadmap underscores the Group's commitment to harness synergies and drive sustainable growth across the three key pillars under its ESG Framework — "Creating a *Human Centric* environment that is safe, supportive and inclusive for stakeholders"; "Developing and maintaining a sustainable and efficient *Property Portfolio*"; and "Delivering outstanding *Corporate Performance* for sustained and balanced growth".

The Group continues to advocate diversity, equity, and inclusion at the workplace with female representation of ~47% in FY2024, a 1% like-for-like[8] increase from FY2023. Safety remains at the forefront of the Group's commitment to a safe workplace, with zero ESR workforce fatalities in FY2024 in addition to new ISO 45001 Occupational Health & Safety certification obtained in South Korea. The Group also collaborates with stakeholders to drive social impact efforts aligned with its three social impact focus areas in the communities where it operates. In FY2024, over 4,500 volunteer hours were clocked by employees in supporting local communities.

7 Includes land,under development and MOUs as at 31 December 2024

8 Like-for-like refers to year-on-year comparisons, excluding divestments.

On the environmental front, the Group remains committed to sustainable and efficient operations in the transition to a low-carbon and climate resilient future. In FY2024, ~154 MW of rooftop solar power capacity as well as ~800 Electric Vehicles charging stations were installed across the Group's portfolio, representing a like-for-like[8] increase of 38% and 32% from FY2023 respectively. The Group also obtained sustainable building certifications and ratings such as LEED, WELL and NABERS for ~42% of its portfolio of completed, directly managed assets, comparable on a like-for-like[8] basis with the prior year.

Under the Corporate Performance pillar, the Group continues to be recognised for its responsible investment practices and transparent disclosure and reporting. In FY2024, the Group attained 1st decile for Governance and 1st and 2nd deciles on Social and Environment components for the ISS ESG QualityScores respectively; as well as 3rd decile with "Prime" status and "C" rating under ISS ESG Corporate Rating. The Group also maintained its "Low Risk" rating for Sustainalytics ESG Risk Rating, amongst other ESG accolades. Demonstrating its commitment to responsible investment practices and leadership in sustainable financing, the Group was awarded four stars for three core modules in its inaugural UN PRI assessment, with a total of US$7 billion across 11 sustainability-linked Loans raised to date.

LOOKING AHEAD

On 4 December 2024[9], the Consortium led by Starwood Capital Group, Sixth Street and SSW Partners (the "**Consortium**"), and ESR issued a joint announcement on the Consortium's proposal (collectively the "**Proposal**") to privatise ESR by way of a scheme of arrangement under section 86 of the Companies Act and the withdrawal of the listing of the shares in ESR from The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). As at the date of this announcement, an independent financial adviser has been appointed along with the progressive fulfilment of the stated pre-conditions and conditions as set out in the joint announcement dated 4 December 2024.

According to the World Economic Outlook[10], the near-term outlook for global economic growth is characterised by divergent paths, while medium-term risks to growth are tilted to the downside. Notwithstanding this, the Group is well-positioned to capture the next phase of growth through its logistics real estate, data centres, and infrastructure platforms. As *One ESR*, management will continue to forge ahead on its stated business priorities and growth strategies in its unwavering focus towards delivering long-term sustainable value.

8 Like-for-like refers to year-on-year comparisons, excluding divestments.

9 Refer to public announcements and documents relating to the Proposal at https://www.consortiumproposalannouncements.com/

10 World Economic Outlook Update, January 2025

FINANCIAL REVIEW

The Group recorded net loss of US$726.3 million for FY2024, as compared to net profit of US$268.1 million for FY2023. The decrease in profit was primarily attributable to negative fair value movement in assets (including non-cash revaluations arising from non-core and near-term divestments); and the decline in promote fees and transaction-based fees in FY2024 as the Group continues to operate in a volatile and uncertain environment. The Group's underlying business is fundamentally resilient, underpinned by the sustained growth in core asset recurring incomes from asset management, investment management and property management.

REVENUE

The Group's revenue decreased by 26.7% from US$871.3 million in FY2023 to US$639.0 million in FY2024, mainly due to lower management fee that decreased by 32.4% from US$736.7 million in FY2023 to US$497.8 million in FY2024.

Lower management fee was mainly due to decline in promote fees where US$182.3 million of promote fees were recorded in FY2023. Promote fees are recognised upon the recapitalisation or realisation of the Group's managed funds and are based on the funds' historic performance. As such, the Group's promote fee income varies with the life cycles of the managed funds and the real estate cycle. In addition, the pace of transaction activity across the Group has slowed significantly in FY2024, thus lowering transaction-based fees y-o-y.

Excluding the promote fees recognised in FY2023, management fees decreased by 10.2%. However, the Group's recurring core asset fee income from asset management, investment management and property management increased by 6.6% y-o-y highlighting the resilience of the fund management platform.

Construction revenue increased from US$56.3 million in FY2023 to US$65.8 million in FY2024.

Rental income decreased by 7.1% from US$72.0 million in FY2023 to US$66.9 million in FY2024. This was mainly attributed to a drop in rental income from assets divested.

Geographically, 92.2% of the Group's revenue for FY2024 was contributed from Greater China, Japan, South Korea, Southeast Asia, India and Australia and New Zealand; Europe and USA largely made up the remaining 7.8%. ARA US Hospitality Trust and ARA Private Funds that contributed to revenue from USA were completed in July 2024 and October 2024 respectively.

PATMI AND EBITDA

EBITDA decreased by 157.4% from a profit of US$724.6 million in FY2023 to a loss of US$415.6 million in FY2024. PATMI decreased by 403.1% from a profit of US$230.8 million in FY2023 to loss of US$699.8 million in FY2024. These reductions were primarily due to non-cash, marked-to-market losses from assets and project revaluations, including those arising from non-core assets and near-term divestments, combined with a lower-than-usual pace of capital recycling which impacted the Group's profitability for FY2024.

Other income and gains decreased from net gains of US$376.5 million in FY2023 to net losses of US$257.9 million in FY2024. Additionally, the Group's share of losses from its joint ventures and associates increased from US$20.4 million in FY2023 to US$37.6 million in FY2024. These losses were mainly due to the following non-cash items:

Non-cash losses tied to non-core divestments or near-term divestments

1. ARA US Hospitality Trust ("**USHT**") write-down: US$97.4 million arising from the divestment of the Group's stake in USHT manager and units. The divestment of this non-core platform was completed on 9 July 2024, in line with the Group's strategy to simplify and streamline the Group focus on New Economy. The amount was accounted for as impairment loss on asset held for sale and is adjusted under Non-IFRS Measures for a like-for-like comparison with FY2023.

2. Share of fair value losses and marked-to-market loss: approximately US$65.3 million being the Group's share of fair value loss attributable to Cromwell Property Group's ("**Cromwell**"). This arose mainly from the asset revaluation of its investment portfolio as well as the sale of its European fund management platform and associated co-investments. The Group has identified its holding in Cromwell as a non-core investment and reclassified the investment to asset held for sale. Consequently, the carrying value of its investment in Cromwell was revalued based on the market price as at 31 December 2024. Hence, an impairment loss against the cost of investment of US$147.7 million was recognised. These amounts are adjusted under Non-IFRS Measures for a like-for-like comparison with FY2023.

Revaluation losses and lower fair value gains on balance sheets assets held

1. Revaluation loss on three balance sheet assets divested: consistent with the Group's effort to optimise its balance sheet via asset divestment to ESR-managed vehicles to grow its Fee-related AUM and recurring fee revenue streams, three assets were sold to form the initial portfolio of the ESR C-REIT, which was successfully listed on the Shanghai Stock Exchange on 24 January 2025. Consequently, approximately US$106.1 million of revaluation loss being the difference between the fair market value of the listed portfolio and the carrying values on the Group's balance sheet was recognised.

2. Marked-to market declines on yet-to-stabilise properties in Mainland China: approximately US$322.4 million in aggregate negative fair value movements related to certain newly completed properties in Mainland China. In view of a longer time period required to achieve stabilisation in occupancy and rent levels for these assets, their fair values adjusted downwards in 2024 from their valuation levels in the year before.

Finance cost increased marginally by 0.4% from US$312.9 million in FY2023 to US$314.1 million in FY2024, with slight increase in total borrowings from US$6.0 billion as at 31 December 2023 to US$6.1 billion as at 31 December 2024. This was largely attributable to a delay in receipt of net proceeds from capital recycling transactions which were completed in late December 2024 and January 2025. However, the weighted average interest cost of the Group's debt portfolio reduced by 60-basis points to 4.7% as at end December 2024, down from 5.3% as at December 2023.

Administrative expenses increased by 51.3% from US$460.5 million in FY2023 to US$696.7 million in FY2024, mainly due to the US$97.4 million impairment of the non-core divestment of USHT and US$147.7 million impairment of the Group's investment in Cromwell as mentioned above.

SEGMENT RESULTS

The Group reported fund management segment revenue of US$497.8 million in FY2024, with recurring core asset fee income increased approximately 6.6% y-o-y. However, reduced transaction activity across the Group in FY2024 resulted in lower transaction-based fees. Additionally, no promote fee income was recognised during the year, compared to US$182.3 million in FY2023. Weakened APAC currencies against the USD also impacted result. Consequently, the Fund management segment results decreased by US$302.7 million or 52.7% from US$574.7 million in FY2023 to US$272.0 million in FY2024.

The investment segment reported a loss of US$560.1 million in FY2024, compared to a profit of US$34.1 million in FY2023. This loss primarily resulted from a US$106.1 million revaluation loss on three balance sheet assets in Mainland China, sold to form the initial portfolio of ESR C-REIT; US$322.4 million downward fair value adjustments of other China assets in Mainland China; US$65.3 million share of fair value loss from Cromwell; a US$147.7 million impairment of assets held for sale in Cromwell; and a US$97.4 million loss from non-core divestment of USHT. Excluding Cromwell's fair value loss and impairments related to Cromwell and USHT, the investment segment's loss would have been US$249.7 million.

The new economy development segment results declined by 96.5% from US$259.8 million in FY2023 to US$9.0 million in FY2024, primarily driven by lower fair value adjustment of certain Mainland China assets mentioned above.

ASSETS

The Group's total assets decreased from US$16.2 billion as at 31 December 2023 to US$14.8 billion as at 31 December 2024. Main movements are as described below:

Investment properties decreased by 26.7% to US$2.3 billion as at 31 December 2024 (31 December 2023: US$3.2 billion). The decrease was mainly attributable to the disposal of the three balance sheet assets in Mainland China to ESR C-REIT, sale of certain properties under development in Japan as well as downward valuation of certain properties in Mainland China as mentioned above. The reduction was partially offset by an increase in properties under development during FY2024.

Investment in joint ventures and associates decreased by 8.9% to US$3.1 billion as at 31 December 2024 (31 December 2023: US$3.4 billion), mainly due to the abovementioned negative fair value movements relating to assets in Mainland China, reclassification of Cromwell to assets held for sale, and the write-down of USHT. The reduction was partially offset by the successfully listing of ESR C-REIT which is accounted as an associate.

Financial assets at fair value through other comprehensive income ("**FVOCI**") decreased by 14.2% or US$148.7 million to US$901.8 million as at 31 December 2024, mainly attributable to the disposal of ARA Private Funds.

Goodwill and other intangible assets decreased from US$4.8 billion as at 31 December 2023 to US$4.5 billion as at 31 December 2024, due to the non-core divestments of USHT and ARA Private Funds, in line with the Group's key business priorities that include streamlining and simplifying the business with renewed focus on New Economy.

Trade receivables decreased from US$532.9 million as at 31 December 2023 to US$335.8 million as at 31 December 2024, from the collection of promote fee receivables coupled with nil accrued promote for FY2024.

Assets (net of liabilities) of a disposal group classified as held for sale increased from US$60.6 million to US$249.8 million, arising from the reclassification of Cromwell to assets held for sale as mentioned above.

As at 31 December 2024, the Group had cash balances of US$0.9 billion that were primarily denominated in USD, RMB, SGD, JPY, KRW, AUD and HKD.

LIABILITIES

Total bank and other borrowings as at 31 December 2024 increased slightly to US$6.1 billion as compared to US$6.0 billion as at 31 December 2023 largely attributable to delay in receipt of net proceeds from capital recycling transactions. Capital management and liquidity in the Group have further strengthened with the US$2.5 billion sustainability-linked loan secured.

As at 31 December 2024, the Group's total cash balances and committed loan facilities totalled approximately US$4.0 billion, at a weighted average debt maturity of 5.0 years. The weighted average debt maturity was 3.3 years (31 December 2023: 5.2 years) based on total debt drawn. As at 31 December 2024, 17% of the Group's borrowings was on fixed rate while the remaining 83% was on floating rate basis.

As at 31 December 2024, neither the Group nor the Company had any significant contingent liabilities.

TOTAL EQUITY

Total equity decreased from US$8.7 billion as at 31 December 2023 to US$7.5 billion as at 31 December 2024. This decline was primarily driven by a net loss for the year of US$726.3 million and unrealised currency translation losses from the Group's foreign operations, including the Group's share of such losses from joint venture and associates, resulting from the strengthening of the US dollars against local currencies.

Additionally, the total equity as at 31 December 2024 reflects the deduction of a final dividend of US$67.4 million for FY2023 and share repurchases totalling US$72.2 million.

The Group manages and minimises its foreign currency exposures by borrowing in local currencies at both project and corporate levels (natural hedging), thereby reducing the impact of currency fluctuations. The Group also continues to evaluate the use of financial derivatives, where appropriate, to further manage these exposures.

EVENTS AFTER THE REPORTING DATE

Completion of proposed spin-off and separate listing of logistics assets through a publicly offered infrastructure securities investment fund on the Shanghai Stock Exchange

Reference is made to the announcements of ESR Group Limited dated 13 December 2022, 6 March 2023, 1 December 2023, 21 June 2024, 29 November 2024, 10 December 2024 and 24 January 2025 (the "**Announcements**") in relation to the potential listing of Jiangsu Friend – I, Jiangsu Friend – II and Jiangsu Friend – III, three high-standard logistics projects located in Kunshan, Jiangsu Province, the PRC, through a publicly offered infrastructure securities investment fund on the Shanghai Stock Exchange pursuant to a pilot programme launched by the NDRC and the CSRC. Unless otherwise stated, capitalised terms used in this section shall have the same meanings as those defined in the Announcements. All the conditions precedent to the Proposed Transaction have been fulfilled and completion of the Proposed Transaction took place on 24 January 2025. The REIT has been listed on the Shanghai Stock Exchange with stock code 508078 since 9:30 a.m. on 24 January 2025.

Immediately upon completion of the Unit Subscription and the Proposed Transaction, the Company effectively holds 41% equity interest in the Project Company through the REIT, and the Project Company is no longer a subsidiary of the Company and is deconsolidated from the Group's consolidated financial statements.

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:

	2024	2023
	US$'000	US$'000
(Loss)/profit before tax	**(747,011)**	394,238
Add/(less):		
Depreciation and amortisation	**50,287**	50,343
Finance costs	**314,090**	312,901
Interest income	**(32,929)**	(32,885)
EBITDA[(a)]	**(415,563)**	724,597
Add/(less):		
Changes in fair value of financial derivative assets[(b)]	**5,516**	4,146
Impairment of goodwill and other intangible assets[(c)]	**–**	29,167
Impairment of assets held for sale		
— Cromwell[(d)]	**147,731**	–
— USHT[(e)]	**97,411**	–
Share of fair value losses relating to Cromwell[(d)]	**65,295**	108,243
Share-based compensation expense[(f)]	**15,151**	19,178
Transaction costs related to Proposed Privatisation[(g)]	**4,835**	–
Adjusted EBITDA	**(79,624)**	885,331
Add/(less):		
Fair value changes on Investment Properties ("**IP**")[(i)]	**312,076**	(187,722)
Adjusted EBITDA (exclude fair value changes on IP)	**232,452**	697,609

Adjusted PATMI

The following table sets out the reconciliations of Adjusted PATMI:

	2024	2023
	US$'000	US$'000
PATMI	**(699,810)**	230,849
Add/(less):		
Amortisation relating to intangible assets attributable to the ARA acquisition, net of tax[(h)(i)]	**14,406**	18,767
Changes in fair value of financial derivative assets[(b)]	**5,516**	4,146
Impairment of goodwill and other intangible assets[(c)]	**–**	29,167
Impairment of assets held for sale		
— Cromwell[(d)]	**147,731**	–
— USHT[(e)]	**97,411**	–
Share of fair value losses relating to Cromwell[(d)]	**65,295**	108,243
Share-based compensation expense related to ARA[(h)(ii)]	**5,083**	9,166
Transaction costs related to Proposed Privatisation[(g)]	**4,835**	–
Adjusted PATMI	**(359,533)**	400,338

Explanation of adjusting items

(a) EBITDA is calculated as (loss)/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) Changes in fair value of financial derivative assets relates to loss 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 is a non-operational item, which is not directly related to the Group's operating activities.

(c) Impairment on goodwill and other intangible assets recorded within "Administrative expenses" represent impairment on goodwill and trust management rights of non-core business.

(d) In FY2024, share of fair value losses of approximately US$65.3 million estimated from the asset revaluation of Cromwell's Australia investment portfolio as well as the sale of Cromwell's European fund management platform and associated co-investments, consistent with Cromwell's commitment to simplify its business to transition to a capital-light funds management model. In FY2023, share of fair value losses related to investment properties and financial assets at fair value through profit or loss.

During FY2024, the Group identified its holding in Cromwell as a non-core investment and reclassified the investment to asset held for sale. Consequently, the carrying value of its investment in Cromwell was revalued based on the market price as at 31 December 2024 and recognised an impairment loss of US$147.7 million that was recorded within "Administrative expenses". Accordingly, these are adjusted to better reflect the Group's underlying operating activities.

(e) Write-down arose from non-core divestment of the Group's stake in USHT completed on 9 July 2024, in line with the Group's strategy to simplify and streamline the Group to focus on New Economy. The impairment of assets held for sale was recorded within "Administrative expenses".

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

(g) Reference is made to (i) the announcement (the "**Rule 3.5 Announcement**") issued jointly by MEGA BidCo and the Company dated 4 December 2024 pursuant to Rule 3.5 of the Hong Kong Codes on Takeovers and Mergers; and (ii) the update announcements issued jointly by the Offeror and the Company dated 8 January 2025, 7 February 2025 and 7 March 2025, for a possible privatisation of the Company which, if proceeded with, could result in a delisting of the Company from the Stock Exchange (the "**Proposed Privatisation**"). During the year ended 31 December 2024, the Company has incurred transaction costs in relation to the Proposed Privatisation. The transaction costs is a non-operational item, which is not directly related to the Group's operating activities.

(h) On 20 January 2022, the Company completed the acquisition of ESR Asset Management Limited (formerly known as 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) amortisation relating to intangible assets attributable to the ARA acquisition, net of tax, recorded within "Administrative expenses" represents 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; and

(ii) 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.

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

LIQUIDITY AND CAPITAL RESOURCES

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Bank and other borrowings		
— Current	**626,209**	899,884
— Non-current	**5,522,113**	5,079,669
Bank and other borrowings — Total	**6,148,322**	5,979,553
Less: Cash and bank balances	**(913,979)**	(1,001,568)
Net debt	**5,234,343**	4,977,985
Total assets	**14,822,964**	16,191,075
Gearing ratio (net debt/total assets)	**35.3%**	30.7%
Total equity	**7,451,640**	8,728,754
Net debt to equity ratio	**70.2%**	57.0%

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	**2024** **US$'000**	2023 US$'000
REVENUE	3, 4	**638,987**	871,326
Cost of sales		**(79,700)**	(59,796)
Gross profit		**559,287**	811,530
Other income and (losses)/gains, net	4	**(257,909)**	376,476
Administrative expenses		**(696,710)**	(460,498)
Finance costs	6	**(314,090)**	(312,901)
Share of profits and losses of joint ventures and associates, net		**(37,589)**	(20,369)
(Loss)/profit before tax		**(747,011)**	394,238
Income tax credit/(expense)	5	**20,701**	(126,182)
(Loss)/profit for the year		**(726,310)**	268,056
Attributable to:			
Owners of the Company		**(699,810)**	230,849
Non-controlling interests		**(26,500)**	37,207
		(726,310)	268,056
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic			
For (loss)/profit for the year	8	**US$(0.17)**	US$0.05
Diluted			
For (loss)/profit for the year	8	**US$(0.17)**	US$0.05

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

Year ended 31 December 2024

	Notes	**2024** **US$'000**	2023 US$'000
(Loss)/profit for the year		**(726,310)**	268,056
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(119,425)**	(58,545)
Effect of hedge		**8,322**	(4,977)
Share of other comprehensive loss of joint ventures and associates		**(164,201)**	(58,144)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(275,304)**	(121,666)
Other comprehensive loss 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		**(102,058)**	(86,251)
Share of fair value reserve of associates and joint ventures		**65**	1,881
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		**(101,993)**	(84,370)
Other comprehensive loss for the year, net of tax		**(377,297)**	(206,036)
Total comprehensive (loss)/income for the year		**(1,103,607)**	62,020
Attributable to:			
Owners of the Company		**(1,063,029)**	34,047
Non-controlling interests		**(40,578)**	27,973
		(1,103,607)	62,020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	**31 December 2024 US$'000**	31 December 2023 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**69,936**	51,536
Right-of-use assets		**37,703**	29,356
Investments in joint ventures and associates		**3,080,997**	3,381,555
Financial assets at fair value through profit or loss		**783,614**	802,820
Financial assets at fair value through other comprehensive income		**901,785**	1,050,442
Investment properties	9	**2,346,059**	3,201,372
Goodwill		**3,350,314**	3,469,442
Other intangible assets		**1,187,355**	1,302,936
Other non-current assets		**400,196**	362,291
Deferred tax assets		**84,135**	88,870
Total non-current assets		**12,242,094**	13,740,620
CURRENT ASSETS			
Trade receivables	10	**335,839**	532,861
Prepayments, other receivables and other assets		**755,492**	564,954
Financial assets at fair value through profit or loss		**56,222**	34,494
Cash and bank balances		**913,979**	1,001,568
		2,061,532	2,133,877
Assets of a disposal group classified as held for sale		**519,338**	316,578
Total current assets		**2,580,870**	2,450,455

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 31 December 2024

	Notes	**31 December 2024 US$'000**	31 December 2023 US$'000
CURRENT LIABILITIES			
Bank and other borrowings	12	**626,209**	899,884
Lease liabilities		**10,000**	11,367
Trade payables, accruals and other payables	11	**327,862**	360,709
Contingent consideration payable		**19,353**	6,746
Income tax payable		**61,341**	95,543
		1,044,765	1,374,249
Liabilities directly associated with the assets classified as held for sale		**269,510**	255,977
Total current liabilities		**1,314,275**	1,630,226
NET CURRENT ASSETS		**1,266,595**	820,229
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,508,689**	14,560,849
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**438,493**	580,838
Bank and other borrowings	12	**5,522,113**	5,079,669
Lease liabilities		**33,156**	20,590
Contingent consideration payable		**47,001**	11,664
Other non-current liabilities		**16,286**	139,334
Total non-current liabilities		**6,057,049**	5,832,095
NET ASSETS		**7,451,640**	8,728,754
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**4,245**	4,280
Perpetual capital securities		**743,017**	742,866
Other reserves		**6,425,286**	7,663,366
		7,172,548	8,410,512
Non-controlling interests		**279,092**	318,242
TOTAL EQUITY		**7,451,640**	8,728,754

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 US$'000	2023 US$'000
Cash flows from operating activities		
(Loss)/profit before tax	**(747,011)**	394,238
Adjustments for:		
Amortisation of other intangible assets	**28,987**	31,293
Changes in carrying value of financial assets at fair value through profit or loss	**21,133**	(1,159)
Changes in fair value of financial derivative assets	**5,516**	4,146
Depreciation of property, plant and equipment	**6,473**	6,350
Depreciation of right-of-use assets	**14,827**	12,700
Dilution gain of interests in investment in financial assets at fair value through profit or loss and an associate	**(1,017)**	(4,105)
Dividend income	**(86,792)**	(84,279)
Fair value losses on assets held for sale	**8,658**	4,667
Fair value losses on completed investment properties	**307,707**	1,787
Fair value losses/(gains) on investment properties under construction	**4,369**	(189,509)
Finance costs	**314,090**	312,901
Loss/(gain) on disposal of interests in financial assets at fair value through profit or loss	**237**	(2,145)
Loss/(gain) on disposal of assets held for sale	**40,132**	(1,378)
Loss/(gain) on disposal of investment properties	**24,936**	(18,658)
Gain on disposal of subsidiaries	**(24,673)**	(24,072)
Gain on early redemption of convertible bonds	**–**	(17,181)
Impairment of assets held for sale	**245,142**	–
Impairment of goodwill	**–**	13,571
Impairment of investment in joint ventures and associates	**2,556**	5,172
Impairment of other intangible assets	**128**	15,252
Interest income	**(32,929)**	(32,885)
Loss on disposal of interests in joint ventures and associates	**–**	1,188
Loss on disposal of property, plant and equipment	**502**	234
Management fee received/receivable in units	**(50,274)**	(54,590)
Other income	**–**	(1,332)
(Reversal of)/Impairment of trade receivables and bad debt written off	**(3,344)**	774
Share-based compensation expense	**15,151**	19,178
Share of profits of joint ventures and associates, net	**37,589**	20,369
	132,093	412,527
Decrease/(increase) in trade receivables	**181,872**	(182,694)
Decrease/(increase) in prepayments, other receivables and other assets	**5,487**	(33,792)
Increase in trade payables, accruals and other payables	**36,920**	28,458
Cash flows generated from operations	**356,372**	224,499

CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the year ended 31 December 2024

	2024 **US$'000**	2023 US$'000
Cash flows from operating activities *(Continued)*		
Income tax paid	**(77,786)**	(84,909)
Dividend income received from financial assets at fair value through profit or loss	**3,532**	2,255
Disposal of financial assets at fair value through profit or loss	**5,929**	942
Net cash flows generated from operating activities	**288,047**	142,787
Cash flows from investing activities		
Acquisition of subsidiaries	**–**	(21,291)
Additions of investment properties	**(425,707)**	(326,165)
Additions of other intangible assets	**(400)**	(11,405)
Additions of property, plant and equipment	**(31,209)**	(16,670)
Advances to related parties and joint ventures	**(50,979)**	(39,598)
Capital injection in financial assets at fair value through other comprehensive income	**(118,713)**	(120,371)
Capital injection in financial assets at fair value through profit or loss	**(70,452)**	(64,925)
Capital injection in joint ventures and associates	**(425,056)**	(612,952)
Capital redemption on financial assets at fair value through other comprehensive income	**12,776**	1,144
Disposal of asset held for sale	**262,957**	52,217
Disposal of financial assets at fair value through other comprehensive income	**16,376**	–
Disposal of financial assets at fair value through profit or loss	**1,587**	22,224
Disposal of interests in joint ventures and associates	**747**	30,654
Disposal of investment properties	**296,749**	61,494
Disposal of property, plant and equipment	**259**	–
Disposal of subsidiaries	**113,131**	75,646
Distributions from financial assets at fair value through profit or loss	**32,086**	27,963
Distributions from joint ventures and associates	**123,831**	111,910
Dividend income from quoted financial assets	**55,106**	53,589
Dividend income from unquoted financial assets	**21,181**	26,935
Release/(increase) of non-pledged fixed time deposits with a maturity period over three months	**2,136**	(3,850)
Interest received	**17,554**	19,371
Investment in other investments	**(85)**	(3,485)
Loan to third parties	**–**	(10,381)
Payment of contingent consideration payables	**(4,552)**	–
Prepayments for acquiring land use rights	**(19,199)**	(60,752)
Repayment of loan to directors of the Company	**10,957**	–
Repayments from joint ventures and financial assets at fair value through profit or loss upon disposal of subsidiaries	**–**	50,532
Net cash flows used in investing activities	**(178,919)**	(758,166)

CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the year ended 31 December 2024

	2024 **US$'000**	2023 US$'000
Cash flows from financing activities		
Acquisition of non-controlling interests	**(67,626)**	(14,898)
Capital contributions from non-controlling interests	**5,261**	10,154
Changes in pledged bank deposits and restricted cash balance	**(44,850)**	15,847
Distribution paid to holders of perpetual capital securities	**(42,061)**	(41,755)
Dividend distributions to non-controlling interests	**(2,681)**	(38,889)
Dividend distributions to shareholders	**(67,375)**	(139,630)
Interest on bank and other borrowings paid	**(330,432)**	(309,911)
Principal portion of lease payments	**(15,058)**	(14,168)
Proceeds from bank and other borrowings	**1,995,896**	1,809,814
Redemption of convertible bonds	**–**	(349,200)
Repayment of bank and other borrowings	**(1,466,162)**	(835,550)
Share repurchased	**(78,085)**	(217,770)
Transfer of interest to non-controlling interests without change of control	**–**	2,912
Net cash used in financing activities	**(113,173)**	(123,044)
Net decrease in cash and cash equivalents	**(4,045)**	(738,423)
Cash and cash equivalents at beginning of year	**924,938**	1,717,672
Effect of foreign exchange rate changes, net	**(130,523)**	(54,311)
Cash and cash equivalents at end of year	**790,370**	924,938
Analysis of balances of cash and cash equivalents		
Cash and bank balances	**913,979**	1,001,568
Cash and short-term deposits attributable to the disposal group held for sale	**4,912**	9,281
Non-pledged fixed time deposits with a maturity period over three months	**(1,714)**	(3,850)
Pledged bank deposits	**(949)**	(632)
Restricted bank balances	**(125,858)**	(81,429)
Cash and cash equivalents as stated in the consolidated statement of cash flows	**790,370**	924,938

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

ESR Group 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 registered office of the Company 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 5 Temasek Boulevard, #12-01, Suntec Tower Five, Singapore 038985.

The Group is principally engaged in a fully integrated fund management and development platform extends across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. It focuses on New Economy real assets modern solutions for logistics, data centres, and infrastructure and renewables.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting 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, financial assets at fair value through profit or loss, and financial derivative assets and liabilities which have been measured at fair value. Non-current assets and disposal group held for sale are stated at the lower of its carrying amount and fair value less cost to sell. These financial statements are presented in US dollars ("**US$**"), with values rounded to nearest thousand except when otherwise indicated.

2.2 ADOPTION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

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

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")*[1]
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**")*[1]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

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 2024, 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 18	*Presentation and Disclosure in Financial Statements*[1]
Amendments to IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[1]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Lack of Exchangeability*[4]
Annual Improvements to IFRS Accounting Standards — Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*[2]

1 Effective for annual periods beginning on or after 1 January 2027
2 Effective for annual periods beginning on or after 1 January 2026
3 No mandatory effective date yet determined but available for adoption
4 Effective for annual periods beginning on or after 1 January 2025

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.

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 2024			
	Investment US$'000	Fund management US$'000	New Economy development US$'000	Total US$'000
Segment revenue	75,415	497,812	65,760	638,987
— Intersegment sales	–	7,880	–	7,880
	75,415	505,692	65,760	646,867
Reconciliation:				
Elimination of intersegment sales	–	(7,880)	–	(7,880)
Revenue from continuing operations	75,415	497,812	65,760	638,987
Operating expenses	(49,063)	(197,181)	(86,208)#	(332,452)
Fair value losses on investment properties	(307,707)	–	(4,369)	(312,076)
Changes in carrying value of financial assets at fair value through profit or loss	(36,680)	(42)	15,589	(21,133)
Changes in fair value of assets held for sale	(484)	–	(8,174)	(8,658)
Changes in fair value of financial derivative assets	–	(5,516)	–	(5,516)
Share of profits and losses of joint ventures and associates, net	(86,123)	20,289	28,245	(37,589)
Gain on disposal of subsidiaries	–	25	24,648	24,673
Gain/(Loss) on disposal of assets held for sale	3,107	(43,239)	–	(40,132)
Loss on disposal of interests in financial assets at fair value through profit or loss	(43)	(194)	–	(237)
Loss on disposal of investment properties	–	–	(24,936)	(24,936)
Dilution gain of interests in financial assets at fair value through profit or loss	–	–	1,017	1,017
Impairment of assets held for sale	(245,142)	–	–	(245,142)
Impairment of investments in joint ventures associates, and other intangible assets	(128)	–	(2,556)	(2,684)
Dividend income	86,792	–	–	86,792
Segment result	(560,056)	271,954	9,016	(279,086)
Reconciliation:				
Depreciation and amortisation				(50,287)
Exchange loss				(3,444)
Interest income				32,929
Finance costs				(314,090)
Share-based compensation expense				(15,151)
Other unallocated gains				9,345
Corporate and other unallocated expenses				(127,227)
				(747,011)
Other segment information:				
Depreciation and amortisation				(50,287)
Capital expenditure*				461,735
Investments in joint ventures and associates				3,080,997

Included construction cost of US$56,500,000

3. OPERATING SEGMENT INFORMATION *(Continued)*

	Year ended 31 December 2023			
	Investment US$'000	Fund management US$'000	New Economy development US$'000	Total US$'000
Segment revenue	78,329	736,747	56,250	871,326
— Intersegment sales	–	11,910	–	11,910
	78,329	748,657	56,250	883,236
Reconciliation:				
Elimination of intersegment sales	–	(11,910)	–	(11,910)
Revenue from continuing operations	78,329	736,747	56,250	871,326
Operating expenses	(28,630)	(187,723)	(76,715)#	(293,068)
Fair value gains/(losses) on investment properties	(1,787)	–	189,509	187,722
Changes in carrying value of financial assets at fair value through profit or loss	(2,126)	(42)	3,327	1,159
Changes in fair value of assets held for sale	(411)	–	(4,256)	(4,667)
Changes in fair value of financial derivative assets	–	(4,146)	–	(4,146)
Share of profits and losses of joint ventures and associates, net	(95,579)	25,984	49,226	(20,369)
Loss on disposal of interests in joint ventures and associates	–	–	(1,188)	(1,188)
Gain on disposal of interests in financial assets at fair value through profit or loss	69	292	1,784	2,145
Gain on disposal of investment properties	–	–	18,658	18,658
Gain/(loss) on disposal of subsidiaries	1,016	(197)	23,253	24,072
Gain on disposal of assets held for sale	1,378	–	–	1,378
Dilution gain of interests in investment in an associate	–	–	4,105	4,105
Impairment of investments in joint ventures and associates	–	–	(5,172)	(5,172)
Other income	–	1,332	1,000	2,332
Dividend income	81,844	2,435	–	84,279
Segment result	34,103	574,682	259,781	868,566
Reconciliation:				
Depreciation and amortisation				(50,343)
Exchange loss				(2,122)
Interest income				32,885
Finance costs				(312,901)
Share-based compensation expense				(19,178)
Gain on early redemption of convertible bond				17,181
Other unallocated gains				10,561
Corporate and other unallocated expenses				(150,411)
Profit before tax from continuing operations				394,238
Other segment information:				
Depreciation and amortisation				(50,343)
Capital expenditure*				362,398
Investments in joint ventures and associates				3,381,555

Included construction cost of US$36,549,000

* 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

	2024	2023
	US$'000	US$'000
Greater China	**171,471**	166,323
Japan	**57,915**	82,103
South Korea	**49,206**	201,831
Australia and New Zealand	**160,950**	209,884
Southeast Asia	**139,639**	155,412
India	**9,832**	12,400
Europe	**45,130**	35,893
Others	**4,844**	7,480
	638,987	871,326

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

Information about major customers

No revenue from continuing operations with a single customer amounted to 10% of more of the Group's revenue in FY2024 (FY2023: US$89,800,000 was derived from fund management segment by a single customer).

4. REVENUE AND OTHER INCOME AND (LOSSES)/GAINS, NET

(a) Revenue

An analysis of revenue is as follows:

	2024	2023
	US$'000	US$'000
Rental income from investment property operating leases	**66,871**	71,992
Management fee	**497,812**	736,747
Construction income	**65,760**	56,250
Solar energy income	**8,544**	6,337
Total	**638,987**	871,326

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

(a) Revenue *(Continued)*

Timing of revenue recognition

	2024	2023
	US$'000	US$'000
Rental income from investment property operating leases	**66,871**	71,992
Point in time		
Management fee	**66,149**	89,620
Over time		
Management fee	**431,663**	647,127
Construction income	**65,760**	56,250
Solar energy income	**8,544**	6,337
	638,987	871,326

(b) Other income and (losses)/gains, net

	2024	2023
	US$'000	US$'000
Changes in carrying value of financial assets at fair value through profit or loss	**(21,133)**	1,159
Changes in fair value of financial derivative assets	**(5,516)**	(4,146)
Dilution gains of interests in investment in financial assets at fair value through profit or loss and an associate	**1,017**	4,105
Dividend income	**86,792**	84,279
Fair value (losses)/gains on investment properties under construction	**(4,369)**	189,509
Fair value losses on completed investment properties	**(307,707)**	(1,787)
Fair value losses on assets held for sale	**(8,658)**	(4,667)
Gain on disposal of subsidiaries	**24,673**	24,072
Gain on early redemption of convertible bonds	**–**	17,181
(Loss)/Gain on disposal of assets held for sale	**(40,132)**	1,378
(Loss)/Gain on disposal of interests in financial assets at fair value through profit or loss	**(237)**	2,145
(Loss)/Gain on disposal of investment properties	**(24,936)**	18,658
Loss on disposal of interests in joint ventures and associates	**–**	(1,188)
Interest income	**32,929**	32,885
Others	**9,368**	12,893
	(257,909)	376,476

5. INCOME TAX (CREDIT)/EXPENSE

	2024 US$'000	2023 US$'000
Current tax	**59,664**	103,268
Deferred tax	**(80,365)**	22,914
	(20,701)	126,182

6. FINANCE COSTS

	2024 US$'000	2023 US$'000
Interest expense on bank loans	**316,109**	298,168
Interest expense on other borrowings	**3,193**	1,587
Interest expense on bonds	**13,128**	17,169
Interest expense on convertible bonds	**–**	3,922
Interest accretion on convertible bonds (note (i))	**–**	7,979
Interest expense on lease liabilities	**2,020**	1,803
	334,450	330,628
Less: Interest capitalised	**(20,360)**	(17,727)
	314,090	312,901

Note:

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

7. DIVIDENDS

On 21 March 2024, the Board declared a final dividend of HK$12.5 cents per ordinary share for the financial year ended 31 December 2023 (2022: final dividend of HK$12.5 cents per ordinary share for the financial year ended 31 December 2022), amounting to US$67,375,000 (2022 final dividend: US$69,886,000).

The final dividend of US$67,375,000 was paid by the Company during the financial year ended 31 December 2024 (2022 final dividend of US$69,886,000 was paid during the financial year ended 31 December 2023).

On 21 August 2024, the Board did not recommend any interim dividend for the financial year ended 31 December 2024 (2023: interim dividend of HK$12.5 cents per ordinary share for the financial year ended 31 December 2023, amounting to US$69,744,000 which was paid during the financial year ended 31 December 2023).

The Board has not recommended any final dividend for the financial year ended 31 December 2024 (2023: final dividend of HK$12.5 cents per ordinary shares for the financial year ended 31 December 2023).

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

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

	2024 **US$'000**	2023 US$'000
(Loss)/earnings:		
(Loss)/profit attributable to owners of the Company	**(699,810)**	230,849
Distributions to holders of perpetual capital securities issued by a subsidiary	**(27,377)**	(27,215)
(Loss)/profit used to determine basic earnings per share	**(727,187)**	203,634
Weighted average number of ordinary shares in issue, used in the basic (loss)/earnings per share calculation (in thousands)	**4,232,449**	4,381,869
Basic (loss)/earnings per share (US$)	**(0.17)**	0.05
Diluted (loss)/earnings per share (US$)	**(0.17)**	0.05

9. INVESTMENT PROPERTIES

	Completed investment properties US$'000	Investment properties under construction US$'000	Total US$'000
At 1 January 2023	1,260,119	2,062,113	3,322,232
Additions	2,686	317,391	320,077
Disposal of subsidiaries	(134,042)	(332,826)	(466,868)
Disposal	–	(42,836)	(42,836)
Changes in fair values of investment properties	(1,787)	189,509	187,722
Transfer from investment properties under construction to completed investment properties	870,080	(870,080)	–
Reclassification to assets of a disposal group held for sale	–	(3,233)	(3,233)
Exchange realignment	(34,236)	(81,486)	(115,722)
At 31 December 2023 and 1 January 2024	**1,962,820**	**1,238,552**	**3,201,372**
Additions	**302**	**429,773**	**430,075**
Disposal of subsidiaries	**(325,047)**	**(88,751)**	**(413,798)**
Disposal	**–**	**(362,172)**	**(362,172)**
Changes in fair values of investment properties	**(307,707)**	**(4,369)**	**(312,076)**
Transfer from investment properties under construction to completed investment properties	**478,428**	**(478,428)**	**–**
Reclassification to assets of a disposal group held for sale	**(65,273)**	**(32,804)**	**(98,077)**
Exchange realignment	**(50,015)**	**(49,250)**	**(99,265)**
At 31 December 2024	**1,693,508**	**652,551**	**2,346,059**

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at 31 December 2024 and 31 December 2023, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Within 90 days	**289,047**	510,818
91 to 180 days	**13,045**	6,347
Over 180 days	**33,747**	15,696
Total	**335,839**	532,861

11. TRADE PAYABLES

An ageing analysis of trade payables as at 31 December 2024 and 31 December 2023, based on the invoice date, is as follows:

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Within 30 days	**8,020**	11,939
31 to 60 days	**1,733**	156
Over 60 days	**2,391**	1,586
Total	**12,144**	13,681

12. BANK AND OTHER BORROWINGS

	As at 31 December 2024		As at 31 December 2023	
	Effective interest rate (%)	**US$'000**	Effective interest rate (%)	US$'000
Current				
Bank loans — secured	**2.00–9.60**	**231,152**	1.77–9.90	111,904
Bank loans — unsecured	**3.35–7.30**	**189,750**	3.55–7.67	720,913
Other borrowings — unsecured	**10.00**	**6,569**	10.00	6,714
Bonds — secured	**2.25**	**33,286**	–	–
Bonds — unsecured	**5.10**	**165,452**	4.15	60,353
		626,209		899,884
Non-current				
Bank loans — secured	**1.87–9.60**	**996,703**	0.62–9.90	1,221,658
Bank loans — unsecured	**0.93–7.78**	**4,316,711**	0.66–8.17	3,480,574
Bonds — secured	**5.57**	**18,865**	–	–
Bonds — unsecured	**1.16–1.68**	**189,834**	1.16–5.10	377,437
		5,522,113		5,079,669
		6,148,322		5,979,553

12. BANK AND OTHER BORROWINGS *(Continued)*

Debt maturity profile of bank and other borrowings:

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Bank loans repayable		
Within one year	**420,902**	832,817
In the second year	**1,540,954**	364,595
In the third to fifth year, inclusive	**3,302,608**	3,940,737
Beyond five years	**469,852**	396,900
	5,734,316	5,535,049
Bonds and other borrowings repayable		
Within one year	**205,307**	67,067
In the second year	**126,415**	168,745
In the third to fifth year, inclusive	**18,915**	138,889
Beyond five years	**63,369**	69,803
	414,006	444,504
	6,148,322	5,979,553

ANNUAL GENERAL MEETING ("AGM")

The AGM will be held on Thursday, 12 June 2025. A notice convening the AGM will be published 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 has not recommended any final dividend for the financial year ended 31 December 2024 (2023: HK$12.5 cents per share).

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 Monday, 9 June 2025 to Thursday, 12 June 2025, during which period no transfer of shares of the Company will be registered. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Thursday, 12 June 2025. 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 Friday, 6 June 2025.

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

Share 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 7 June 2023 and 31 May 2024, 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 as at the date of passing each of the resolutions.

During the financial year ended 31 December 2024, the Company had repurchased, under the Repurchase Mandate, a total of 55,126,800 Shares representing approximately 1.30% of the issued Shares as at 31 December 2024 for a consideration of approximately HK$562.8 million (approximately US$72.0 million, excluding transaction cost).

Month	Number of Shares repurchased	Purchase price per Share Highest	Purchase price per Share Lowest	Aggregate consideration
		HK$	HK$	HK$ million
January 2024	37,416,600	11.16	9.64	392.4
February 2024	17,710,200	10.38	9.02	170.4
Total	55,126,800			562.8

At the date of this announcement, 55,126,800 repurchased Shares during the financial year ended 31 December 2024 have been cancelled.

The share repurchase was financed by the Company with its existing available cash.

Shares Purchased by Trustee under the Long Term Incentive Scheme

During the financial year ended 31 December 2024, 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 2,475,000 Shares at a total consideration of approximately US$2.8 million (approximately HK$20.6 million, excluding transaction costs).

Shares issued under LOGOS Founders Roll-up

During the financial year ended 31 December 2024, the Company allotted and issued 32,074,310 Shares to Mr. John Edward Marsh under the general mandate granted to the Directors pursuant to resolution of the Shareholders passed on 31 May 2024 as part of the consideration for the acquisition of the LOGOS Founder Stake (as defined in the announcement of the Company dated 26 July 2024) on 13 August 2024.

Saved as disclosed above, during the financial year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sales of treasury Shares) of the Company. The Company has not held and did not hold any treasury Shares (as defined under the Listing Rules) during the financial year ended 31 December 2024 and as at 31 December 2024.

ESR Roll-Ups

The Company has been engaging in negotiations with (i) the chief executive officer (Mr. Sunwoo Thomas Nam) and the chief investment officer (Mr. Jihun Kang) of the Group's Korea business (collectively, the "**Korean Founders**"), who hold in the aggregate a minority equity interest in Sunwood Singapore Holding Pte. Ltd. ("**Sunwood**"), which is a subsidiary of the Company; and (ii) the Company's deputy chief executive officer and chief executive officer of the Company's Australia and New Zealand business (Mr. Philip Pearce) (the "**Australian Founder**"), who along with his family members indirectly holds a minority equity interest in ESR Pte Ltd, which is a subsidiary of the Company. As of the date of this annual results announcement, the Company is in advanced discussions with the Korean Founders and the Australian Founder in relation to the proposed acquisition (which may be direct or indirect) of their stake in Sunwood and ESR Pte Ltd, respectively (the "**Roll-Ups**"). The consideration that is being discussed with the Korean Founders and the Australian Founder is likely to include cash and/or other forms of consideration. It is currently expected that the final arrangements between the Company and the Korean Founders and Australian Founder in respect of the Roll-Ups will be agreed and entered into after completion of the Proposed Privatisation.

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 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 C1 to the Listing Rules throughout the year ended 31 December 2024.

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 C3 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 2024. Please refer to the Company's announcement dated 20 March 2024 with respect to the dealing of shares of the Company by Mr. Charles Alexander Portes and Mr. Stuart Gibson under exceptional circumstances within the meaning of paragraph C.14 of Appendix C3 to the Listing Rules.

AUDIT COMMITTEE

The Company established the audit committee of the Company (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 2024 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 with the auditor and the management of the Company the auditing, internal control and financial reporting matters.

The annual results for the year ended 31 December 2024 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 2024 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 (www.esr.com) respectively. The annual report of the Company for the year ended 31 December 2024 containing all the information required by Appendix D2 to the Listing Rules will be published on the above websites in due course.

By order of the Board
ESR Group Limited
Jinchu Shen
Director

Hong Kong, 25 March 2025

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, Mr. Charles Alexander Portes, Mr. Rajeev Veeravalli Kannan and Ms. Joanne Sarah McNamara as Non-executive Directors, Mr. Brett Harold Krause as the Chairman and Independent Non-executive Director, Mr. Simon James McDonald and Ms. Serene Siew Noi Nah as Independent Non-executive Directors.