FORWARD TOGETHER

Interim Report 2023

ESR Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1821

SPACE AND INVESTMENT SOLUTIONS FOR A SUSTAINABLE FUTURE

ESR is APAC's leading real asset manager powered by the New Economy. On the back of the accelerating advancement, broad-based adoption and high frequency usage of technology, we are witnessing a once-in-a-multi-generation change in real estate and our vision is to deliver a fully integrated solution to leading global capital partners and customers. As a part of this continuous pursuit, we will leverage our scale, extensive offerings, capabilities and resources to provide a suite of best-in-class real estate development products and real asset investment solutions that spur meaningful, long-term sustainable growth of the business, the economy and the environment. We are fully focussed on contributing to a positive impact for our employees, customers, investors, capital partners and the communities around us.

Visit www.esr.com for more information.

INVESTMENT

Our investment platform includes completed properties held on our balance sheet, our co-investments in the funds and investment vehicles and the public REITs we manage, as well as other investments.

FUND MANAGEMENT

We manage a broad range of funds and investment vehicles that invest in a diverse portfolio of premium real assets in various stages of the property life cycle, providing a single interface with multiple investment opportunities for our capital partners.

NEW ECONOMY DEVELOPMENT

Our New Economy development platform with an end-to-end integrated suite of technical capabilities and services covers every stage of the development cycle including land sourcing, design, construction and leasing.

Contents

1H2023 Financial Highlights

Total Assets Under Management ("AUM")[1,2]
US$147 billion
9% y-o-y

Fee-Related AUM[1,3]
US$78 billion
10% y-o-y

New Economy AUM[1,2]
US$69 billion
13% y-o-y

Fund Management EBITDA
US$329 million
14% y-o-y

Adjusted EBITDA[4]
US$550 million
18% y-o-y

Adjusted PATMI[5]
US$304 million
26% y-o-y

Dividend Per Share[6] (US$)
1.6 cents

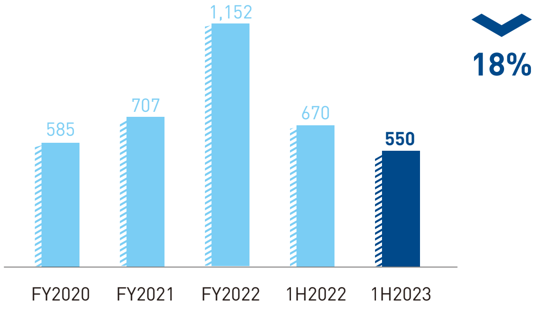
Cash and loan availability
US$3.0 billion

Dividend Yield[7]
2.2%

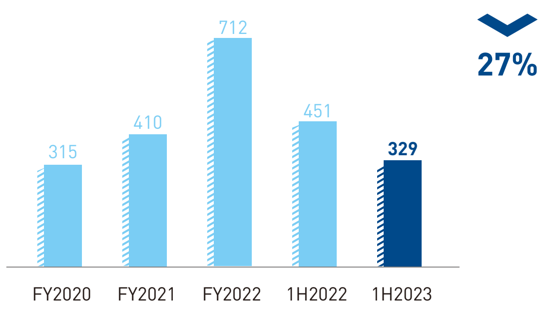
Market Capitalisation[7]
US$6.4 billion

Notes:
1. Based on FX rates as at 30 June 2023
2. Includes the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds on a levered basis
3. Fee-related AUM excludes AUM from Associates and levered uncalled capital
4. Refers to EBITDA, which excluded the share-based compensation expense, and in 2022 which also excluded the transaction costs related to the ARA Acquisition
5. Refers to PATMI, which excluded the amortisation of intangible asset attributable to the ARA Acquisition (net of tax), share-based compensation expense related to ARA, and in 2022 which also excluded transaction costs related to the ARA Acquisition
6. Interim dividend of HK$12.5 cents (approximately (1.6 US cents per share) per ordinary share declared for the financial year ending 31 December 2023 amounting to approximately US$70 million
7. Based on closing share price of HK$11.50 on 22 August 2023

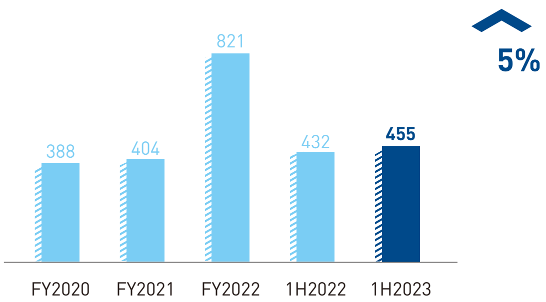
Adjusted EBITDA[8,10]
(US$ million)



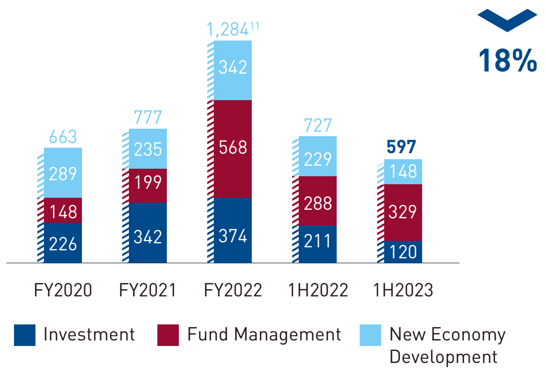
Profit after Tax[9,10]
(US$ million)



Revenue
(US$ million)



Total Segmental Results
(US$ million)



Notes:
8. Refer to EBITDA, which excluded the share-based compensation expense
9. Excludes amortisation of intangibles (net of tax), and share-based compensation expenses relating to ARA
10. FY2021, 1H2022 and FY2022 excluded transaction costs related to the ARA acquisition. For FY2022 also excluded share of certain associates' fair value of investment properties and financial assets at fair value through profit or loss and financial instruments
11. Excluded share of certain associates' fair value on investment properties, financial assets at fair value through profit or loss and financial instruments

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, 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. Refer to non-IFRS measures reconciliation in page 99

1H2023 OPERATIONAL HIGHLIGHTS

Doubling down on New Economy with Operational Outperformance

STRONG PORTFOLIO FUNDAMENTALS

RECORD HIGH
+10.4%
Weighted average rental reversions[1,2]

ROBUST LEASING
2.1 mil sqm
Strong leasing momentum in 1H2023[1]

CLOSE TO FULL OCCUPANCIES
92%
Portfolio Occupancy[1,4]

98%
Portfolio Occupancy ex-China[1,4]

STEADY GROWTH IN FUND MANAGEMENT

SUSTAINABLE GROWTH
US$78 billion
Fee-Related AUM[3]

DRY POWDER
US$19.3 billion
Undrawn capital to capitalise on future opportunities

ASSET LIGHT STRATEGY
7.4%
Average % of co-investment

Notes:
1. New Economy assets only. Excludes listed REITs and Associates
2. Weighted by AUM of each respective country
3. Fee-related AUM excludes AUM from Associates and levered uncalled capital
4. Stabilised New Economy assets only

CAPITALISING ON TAILWINDS OF GROWTH OF NEW ECONOMY

APAC LARGEST

US$13.0 billion
Work-in-progress

ON TRACK FOR ANOTHER RECORD YEAR WITH HEALTHY DEVELOPMENT MARGINS

US$3.8 billion
Development starts

US$2.2 billion
Development completions

Overview of ESR Group

ABOUT ESR GROUP

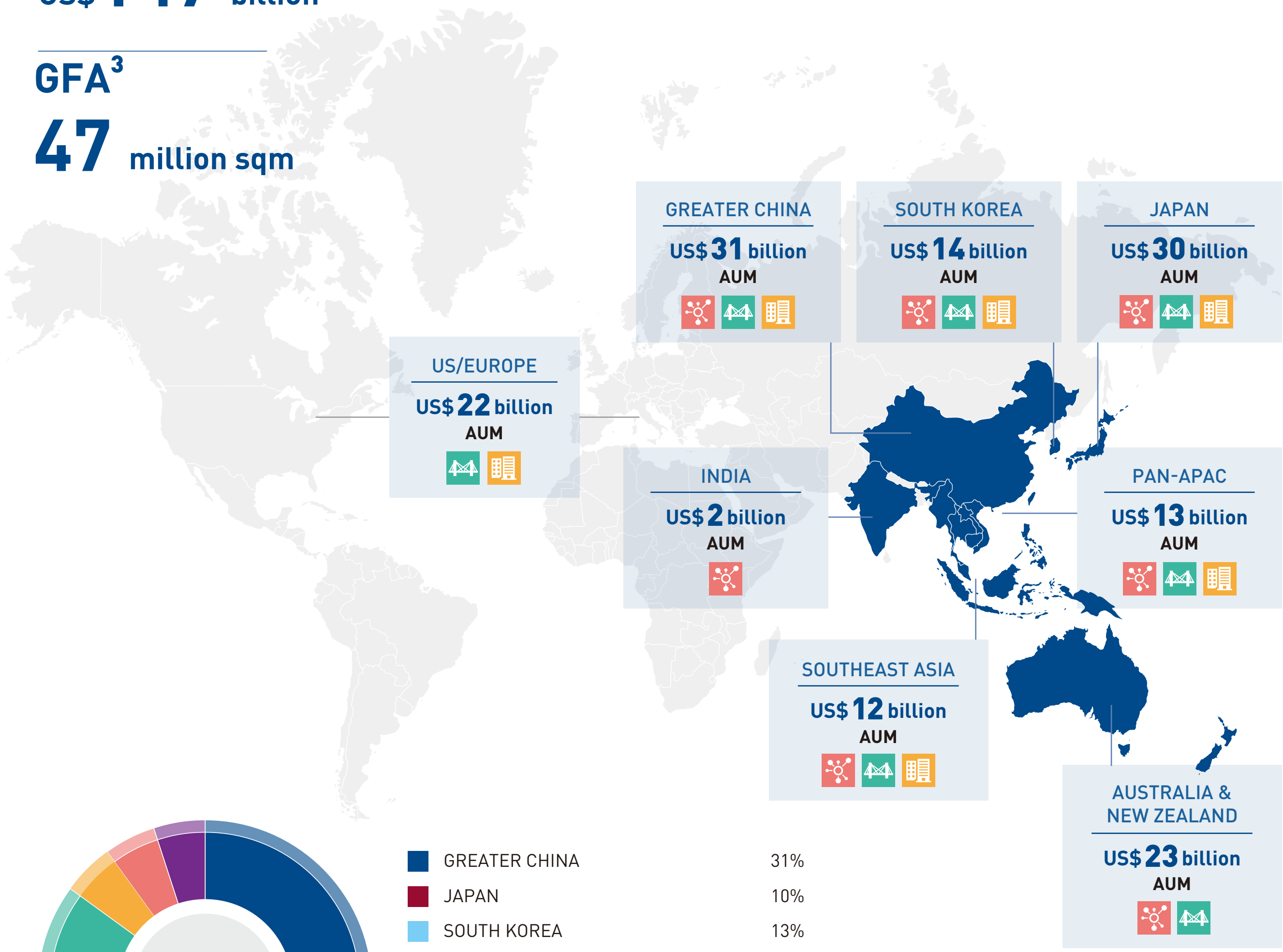
ESR is APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With approximately US$150 billion[1,2] in total AUM, our fully integrated development and investment management platform extends across key APAC markets, including Greater China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP[5] in APAC, and also includes an expanding presence in Europe and the U.S.. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with an AUM of US$45 billion[1,2]. Our purpose – Space and Investment Solutions for a Sustainable Future – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index. Visit www.esr.com.

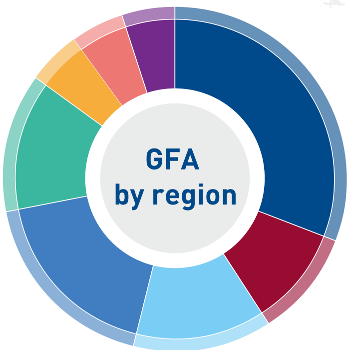
Total AUM[1,2]

US$ 147 billion

GFA[3]

47 million sqm





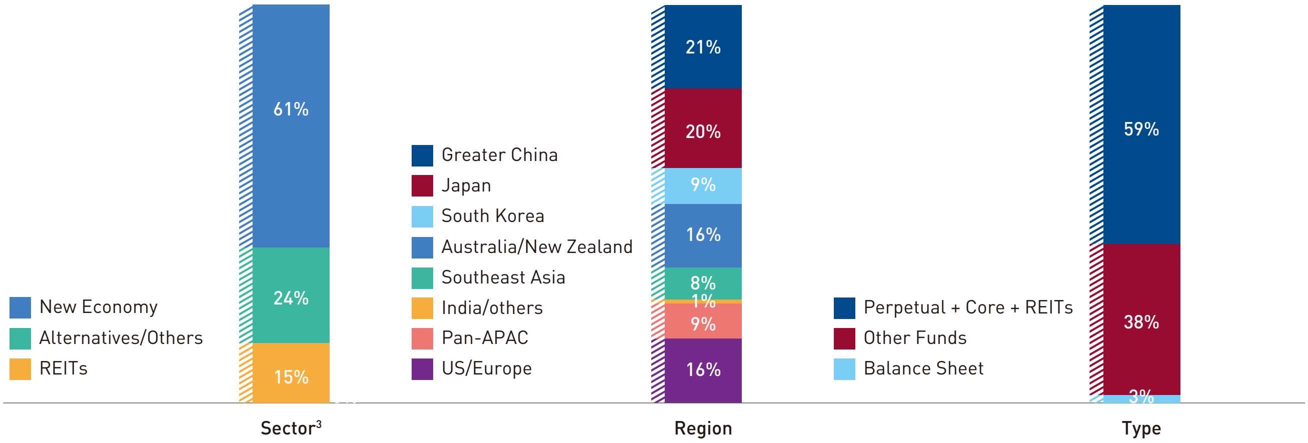
GREATER CHINA	31%
JAPAN	10%
SOUTH KOREA	13%
AUSTRALIA / NEW ZEALAND	18%
SOUTHEAST ASIA	13%
INDIA	5%
PAN-APAC	5%
US / EUROPE	5%

New Economy
Alternatives / Others
REITs

* *Information as of 30 June 2023*

APAC'S Leading Real Asset Manager Powered by the New Economy

TOTAL AUM[1,2] Composition



ESR Group's Robust Scale, Vastly Expanded Capabilities and Deeper Breath of Offerings will Define the Future of APAC Real Estate

LEADING REAL ASSET MANAGER IN APAC

3rd Largest
Listed Real Estate Investment Manager Globally

12 of Top 20
Global LP Relationships

POWERED BY THE NEW ECONOMY

US$69 billion
New Economy AUM[1,2]

US$13 billion
Development WIP

WITH A FULL SUITE OF INVESTMENT SOLUTIONS

US$ 45 billion
Public REITs[1,2]

59%
REITs + Core Capital[4]

AND A GLOBAL FOOTPRINT WITH LEADING APAC PRESENCE

>95%
GDP in APAC Covered[5]

28
Countries; ~85% of AUM allocated in APAC

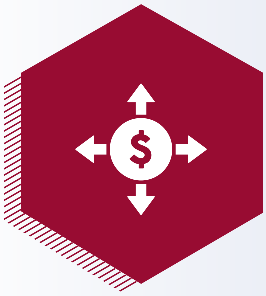
Notes:
1. Based on FX rates as at 30 June 2023
2. Included the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis
3. Excludes Associates
4. Core Capital refers to Pan-Asia funds bearing Core/Core plus mandates which target returns derived from more defensive, lower risk, income producing real estate and infrastructure. REITs and Core Capital funds comprise 62% of total fee-related AUM
5. Based on 2020 Nominal GDP per Euromonitor

Key Trends to Support Our Growth Strategies

GLOBAL TRENDS

ASIA PACIFIC LOGISTICS – LARGEST SECULAR GROWTH OPPORTUNITY IN ASIA

Rapid rise of New Economy



Growth in real assets

Financialisation of real estate in APAC

OUR COMPETITIVE STRENGTHS

1 **Real Asset Investment Manager Powered By The New Economy**
ESR is APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With approximately US$150 billion in Total AUM[1], our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S.

2 **Fully Integrated Closed-Loop-Solutions Ecosystem**
Offering a full suite of both public and private investment solutions, ESR has created the only fully integrated closed-loop-solutions ecosystem for real estate globally. The platform allows global capital partners to increase allocation to New Economy real estate where they are still significantly underweight. Leveraging a wide network of capital partners and resources, the enlarged ESR Group will further expand and diversify its product offerings.

3 **Well-Established Fund Management Platform that Facilitates AUM Growth**
Designed to provide us with long-term operational control of our assets and sustainable fees across the full asset life-cycle, our fund management platform supports AUM growth and generates multiple sources of fund fee income.

4 **Network Of High-Quality Tenants and Best-In-Class Capital Partners**
The size and scale of our capital partners combined with their long term approach provide us with access to capital while we maintain strong and long-standing relationships with our network of high quality tenants.

5 **Proven Ability to Grow Organically and Execute Opportunistic M&A Transactions to Expand Our Capabilities**
Our strategy is to create long-term, scalable logistics platforms with proven development capabilities and we partner with strong local leadership for expansion into new markets.

6 **Strong Management Team and Backed by Reputable Shareholders**
We are co-founded and are led by an experienced management team that has pioneered the asset class in every major market in Asia. Our key and strategic shareholders have provided us with the ability to leverage their capabilities, and access to capital, strategic land holdings and tenant relationships.

Note:
1. Based on FX rates as at 30 June 2023. Included the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis.

	FOCUS	PRIORITIES
1	**Capitalise on significant market opportunities across Asia Pacific**	• Further develop our markets and build logistics infrastructure for the modern economy • Build on our network of high quality tenants • Leverage on our integrated fund platform by using our robust deal sourcing and development capabilities and capital pool
2	**Leverage our scale and geographic presence to expand into new growth markets**	• Actively evaluate opportunities in new markets through potential partnerships and selective acquisitions in high growth markets • Deepen our regional connectivity by offering logistics solutions in multiple markets in our portfolio • Focused on building and strengthening long-term tenant relationships
3	**Expand our fund management platform and attract new capital partners while bringing existing capital partners across markets**	• Global institutional investor base and capital recycling model • Inject select completed properties into our core/core-plus funds • Pursue acquisition opportunities for listed fund platforms and selectively expand existing REIT vehicles • Leverage the network effect to attract capital partners across Asia Pacific
4	**Strategically explore and expand into adjacent businesses and investment products within Asia**	Leverage our ecosystem of shareholders, capital partners, local teams and tenants to penetrate adjacent businesses

Management Discussion & Analysis

BUSINESS REVIEW

In 1H2023, ESR delivered resilient financial and operational results against a challenging macroeconomic backdrop. The Group continues to grow its Total AUM[1, 2] which increased 9% year-on-year ("YOY") to US$147 billion, propelled by 13% growth in New Economy AUM[1,2] to US$69 billion. Notably, the Group's Fund Management EBITDA grew by 14% to US$328.7 million with a record-high Fund Management EBITDA margin of 82% (up from 78% in 1H2022) supported by higher fee revenue, disciplined cost management and broader economies of scale. Excluding the impact of promotes, Fund Management EBITDA was up by 19% year-on-year. Most importantly, the Group continues to successfully execute on its asset-light transformation as evidenced in the growth of its fund management EBITDA, which was up 14% YOY and now represents approximately 55% of its total segment EBITDA (compared to less than 25% at the time of the IPO). Given that the Group reports in US dollars, FX translation continues to experience headwinds with sustained weakness in the Japanese Yen, Chinese Renminbi and other key Asian currencies.

Total EBITDA and PATMI were down YOY mainly driven by lower fair value gains in the New Economy Investment and Development segments and the absence of one-off income and gains in 1H2022 as several of the contracted capital recycling events are expected to close in the second half of the year. Additionally, PATMI was impacted by higher interest expense as a result of increase in base rates.

Focussed on delivering sustainable value to shareholders

In line with ESR's goal of a sustainable dividend policy established in 1H2022, the Board recommended the declaration of the third interim dividend of HK$12.5 cents per share (approximately US$1.6 cents per share) (which implies a 2.2%[3] yield) for the financial year ending 31 December 2023, amounting to approximately US$70 million which will be paid to Shareholders on 29 September 2023. In addition, share repurchases totalled US$71.3 million (or 1% of market capitalisation), translating to a Net Asset Value uplift of US$0.02 per share.

Double-digit growth in fund management earnings and higher margins

ESR's Fund Management segment continued to record strong performance given the deep support from its capital partners. Fee-related AUM[1,4] grew 10% YOY to US$78 billion. Fund Management EBITDA increased by 14% to US$328.7 million, reflecting higher recurring fee revenue from growth in fee generating AUM, development starts, promotes and disciplined cost management.

The Group continues to see strong capital flows from global institutional investors who are seeking to strategically rebalance their portfolios into New Economy sectors. The Group raised US$2.0 billion (approximately 80% is New Economy-focussed) through 15 new or upsized funds and mandates in the year-to-date. The Group remains well-positioned to achieve an acceleration in fundraising over the next six months as rates start to stabilise.

Key capital raising commitments in 1H2023 included a further upsize of US$300 million for the ESR Data Centre Fund (ESR DC Fund 1), seeded by eight projects comprising 560MW of development projects and a sizeable pipeline of additional projects. ESR also entered into a strategic partnership with Indonesia Investment Authority and MC Urban Development Indonesia for development projects in Indonesia.

The Group has US$19.3 billion of dry powder capital to deploy into new investments of which two thirds is in New Economy.

Notes:
1. Based on FX rates as at 30 June 2023
2. Includes the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds on a levered basis
3. Based on closing share price of HK$11.50 on 22 August 2023; on an annualised basis
4. Fee-related AUM excludes AUM from Associates and levered uncalled capital

Doubling down on New Economy is paying off with strong underlying operational performance

ESR leased 2.1 million sqm[5] of space, putting the Group on par to exceed its record year in 2022, with record weighted average rental reversions of over 10%[5,6] for 1H2023 across the portfolio. The leasing momentum for North Asia continues to be very strong with nearly 1 million sqm of new leases and renewals for 1H2023. The New Economy segment, spurred by e-commerce growth in APAC, continues to fuel demand for large-scale modern logistics space, representing 72% of new leases signed in 1H2023. Among the Group's top 10 tenants by income, nine out of 10 tenants are e-commerce or 3PL related.

In 1H2023, the Group achieved an overall occupancy rate of 92%[7]. Excluding China, the Group achieved occupancy rate of 98%[7], with close to full occupancies in Australia/New Zealand, India, Japan and South Korea. Although China's post-COVID recovery has been slower than expected, the Group has been very selective with the portfolio in China, with nearly 85% of the assets located in Tier 1 and 1.5 cities where there is long-term growth potential. Demand is still strong in major economic hubs areas in the Yangtze River Delta and the Greater Bay Area, driven by the strong activity in renewable energy industries and cross-border e-commerce respectively. The Group's weighted average lease expiry ("WALE") (by income) currently sits at 4.7 years[5] and with relatively subdued supply and elevated inflation in many of the markets where it operates, the Group is positioned to capture outsized rental growth with 29% of leases due in the next 18 months.

ESR's large New Economy development workbook underpins continued organic AUM growth

ESR had over 27.4 million sqm of GFA in development pipeline across its portfolio including a sizeable landbank of over 6.4 million sqm for future development as of 30 June 2023.

The Group achieved a record US$3.8 billion of development starts in 1H2023, up 9% year-on-year and US$6.8 billion on a last-twelve-months basis. The Group accelerated US$2.2 billion in completions in 1H2023 and US$5.7 billion on a last-twelve-months basis demonstrating its ability to deliver at scale. To date, ESR has a development work-in-progress ("WIP") of US$13.0 billion, making it the largest development workbook in APAC. This provides clear visibility on future fee income for the Group. More than 90% of the development workbook is focussed on Tier 1 gateway cities in ESR's key markets and over 70% of WIP is planned for completion between 2024 to 2026. Beyond logistics, in 1H2023, nearly 20% of the starts were in data centres and for the full year, the Group expects to start up to US$1.5 billion of data centre projects across key gateway markets, including Tokyo, Osaka and Seoul.

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:

- In Japan, the Group is developing a US$1.5 billion multi-phase logistics park, ESR Kawanishi Distribution and Techno Park on a 505,281 sqm site located 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.

Notes:
5. New Economy assets only. Excludes listed REITs and Associates
6. Weighted by AUM of each respective country
7. Stabilised New Economy assets only. Excludes listed REITs and Associates

Management Discussion & Analysis

- In South Korea, the Group is developing a US$800 million logistics park, Busan New Port on a 685,475 sqm site (which is being reclaimed) located in Greater Busan, the country's largest container terminal and the world's sixth largest port by volume.

- The Group has also started ramping up data centre developments with two data centres totalling 155MW in Japan and South Korea, which are seeded into ESR Data Centre Fund.

- The LOGOS Consortium is currently developing Australia's largest intermodal logistics precinct, the Moorebank Intermodal Precinct (MIP) in south-western Sydney, into a high quality industrial property and infrastructure including initial approval for 850,000 sqm of warehouse opportunities directly adjacent to key rail intermodal facilities. When fully developed, MIP will have an estimated value of A$4.2 billion.

- LOGOS has partnered with Amazon Australia and AustralianSuper to develop a second Amazon Robotics fulfilment centre in Melbourne, Australia at the AustralianSuper owned Craigieburn Logistics Estate. The facility, which is estimated to be completed in 2025, will span over 209,000 sqm across four levels, making it the largest warehouse ever built in Australia, powered by advanced robotics technology. These two deals cement ESR and its subsidiary LOGOS as the "Developer of Choice" in Australia.

In 1H2023, key development starts included ESR's 253,000 sqm Asia Industrial Estate Suvarnabhumi which marks ESR's maiden entry into Thailand, and the 50MW Keihanna data centre in Osaka, Japan. In the same period, the Group saw the completions of large-scale landmark logistics assets which included the second phase of ESR Yokohama Sachiura Distribution Centre and ESR Higashi Ogishima Distribution Centre in Greater Tokyo, Pyeongtaek Logistics Park in South Korea, as well as Chengdu Qingbaijiang Cold Chain Industrial Park and Shenyang Hualong Logistics Park in China.

Robust balance sheet and strong liquidity to capitalise on New Economy opportunities

ESR had healthy gearing of 27.6% and a strong balance sheet with US$3.0 billion in liquidity in cash, loan capacity of committed and undrawn debt facilities, which is sufficient to cover aggregate loan repayments for the next three years without any additional capital recycling. With the contracted divestments announced post 30 June 2023, the Group's gearing will reduce by 170 basis points to 25.9%. The Group also has US$19.3 billion of dry powder in its active funds of which US$12.7 billion is from New Economy vehicles.

In addition, given the rising interest rates, the Group has expanded and diversified its funding and capital structure which is crucial for fuelling the Group's long-term growth.

- ESR received an investment grade first-time 'AA-' rating with a stable outlook from the Japan Credit Rating Agency, Ltd in March 2023.

- In June 2023, ESR launched two series of Japanese Yen denominated fixed rate bonds, (i) JPY20 billion 1.163% fixed rate notes due 2026; and (ii) JPY10 billion 1.682% fixed rate notes due 2030, under its US$2 billion Multicurrency Debt Issuance Programme.

The Group continues to recycle assets with over US$2.5 billion of divestments since January 2022, achieving three times its annual historical target with a specific focus on crystallising gains from selected China balance sheet assets. The Group is focussed and on track to deliver more than US$1 billion of divestments in 2023.

In addition, the Group remains very focussed on its asset-light strategy with a 7.4% average co-investment as of 30 June 2023, which meaningfully enhances the Group's tangible return on equity while maintaining sufficient funding capacity across the Group.

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

In driving business transformation and simplification across the Group to deliver long-term shareholder value, the Group has achieved the following:

- US$25 million of cost savings from the integration of ARA and LOGOS has been substantially completed. The Group expects to create additional synergies as it further integrates various aspects of LOGOS through 2024.
- The Group has engaged in multiple discussions with parties to streamline businesses that have previously been identified as non-core. Up to US$750 million of non-core divestments have been identified with the plan to redeploy the capital back into core areas of growth. The Group will update the market as these discussions progress.
- As stated above, the Group is on track to divest over US$1 billion of balance sheet assets in 2023 with greater upside expected if a successful listing of the China REIT ("C-REIT") is completed later this year.
- The Group's development undertaken on its balance sheet has now been materially reduced to 4% at the end of 1H2023, leaving more financial flexibility for the Group going forward.

Centring on the New Economy growth pillar, the ESR Data Centre Fund was recently upsized to US$1.3 billion with another large global investor, and the Group has cemented its position in Vietnam with a strategic stake in BW Industrial, a growing development platform where ESR also earns fees as it provides its best-in-class development, leasing and other fund management services to the venture. The Group has also continued to progress on its first life sciences vehicle.

Accelerating positive impact for a sustainable future

The Group recently unveiled its ESG 2030 Roadmap, built on the foundation and significant progress achieved under its 2025 Roadmap launched in November 2020. The Roadmap reaffirms its commitment to accelerate long-term sustainable growth across the three key pillars with established targets under the ESG Framework — Creating a Human Centric environment that is safe, supportive and inclusive for internal and external stakeholders; Developing and maintaining a sustainable and efficient Property Portfolio; and Delivering outstanding Corporate Performance for sustained and balanced growth.

Under the social domain, the Group continues to enhance diversity, equity, and inclusion in the workplace, uphold employee health and safety, and enhance community development. As of June 2023, female representation was approximately 45% and the Group has had zero ESR workforce fatalities. To contribute positively to the local communities, volunteer leave was also implemented for all employees to support the Group's community development efforts.

On the environmental front, the Group remains committed to environmental stewardship by developing and maintaining sustainable and efficient buildings, some of which are equipped with EV charging stations. An additional 15MW of rooftop solar power capacity has been installed as planned and the Group is expected to significantly increase its on-site renewable energy generation this year. This will be further accelerated with more rooftop space from its selected assets under the RMB income fund, which will contribute to the overall 1,000MW target by 2030. In addition, approximately 39% of its portfolio of completed directly managed assets has obtained sustainable building certifications and ratings such as LEED, WELL and NABERS. As part of its commitment and transition to a low-carbon organisation, the Group is on track to develop a net zero strategy and decarbonisation roadmap.

Management Discussion & Analysis

The Group strives to maintain the highest standards of corporate governance to ensure accountability, transparency, fairness and integrity. As a signatory to the United Nations-supported Principles of Responsible Investment (UN PRI), the Group has closed a total of seven sustainability-linked loans with approximately US$4 billion as of August 2023, strengthening its leadership in sustainable financing. The Group also continues to be recognised for its robust and exemplary ESG disclosure practices with outstanding rankings across various ESG benchmarks and global ratings such as GRESB, MSCI and Sustainalytics.

As the Group leads the way forward in the transition to a more inclusive, low-carbon and climate resilient future, its ESG 2030 Roadmap and enhanced Group ESG Policies will sharpen its focus in driving ESG efforts forward as an enlarged Group.

LOOKING AHEAD

The Group remains steadfast in its pursuit of its core New Economy focus which also underpins the growth of its Alternatives and REITs' business. The Company is geared towards key long-term macro trends of the New Economy: e-commerce and artificial intelligence for logistics and data centres; the growth of biotech and biopharma for life sciences; and decarbonisation for infrastructure/renewables. These are areas capital partners have un-met demand, particularly across the Asia Pacific region.

The Group is navigating a challenging external environment with its strong execution, continuing its asset-light trajectory and prudent capital management in its unwavering focus to deliver resilient, long-term earnings growth. This starts on the ground with well-located, high-quality projects and assets which support attractive development yields on cost, high occupancies and long-term rental growth, providing attractive returns to its capital partners. Supporting existing and new REITs will continue to be part of the Group's strategy for diversifying capital partnerships, supported by REIT legislation that will continue to open new markets and opportunities across the APAC region.

Although the Group has leading market share across many of the regions in which it operates, it is still at a very early stage of realising the full potential of its enlarged platform and the economies of scale it provides. With the recent promotions of Josh Daitch to CIO and Matthew Lawson to COO, the Group is making tangible progress towards its business simplification and transformation goals. The Group is delivering on cost savings, it is reducing its on balance sheet exposure and although the environment has not been overly conducive, it is engaging in multiple discussions with parties on several of the non-core assets. To preserve value, the Group will not rush these deals.

The Group continues to remain excited by the future. Although a lot of capital remains on the sidelines, the Group is seeing some of the most exciting underwritten returns it has seen in a while on new deals. ESR's diversified and integrated development and fund management platform underpinned by its experienced in-country teams is well-positioned to take advantage of the opportunities to deliver long-term returns for its capital partners and investors.

FINANCIAL REVIEW

The Group reported a consistent growth in its AUM and fund management segment for the six months ended 30 June 2023. In line with its asset light strategy, the Group continues to make good progress in recycling capital from its balance sheet assets into stable and recurring fee income.

ESR remains proactive and disciplined in capital management with net debt over total assets of 27.6% as of 30 June 2023. With the divestments announced post 30 June 2023, the Group's net debt over total assets shall be 25.9%. The Group has US$3.0 billion of cash and undrawn facilities that is sufficient to cover its aggregate loan repayments for the next 3 years without further capital recycling or non-core divestments.

REVENUE

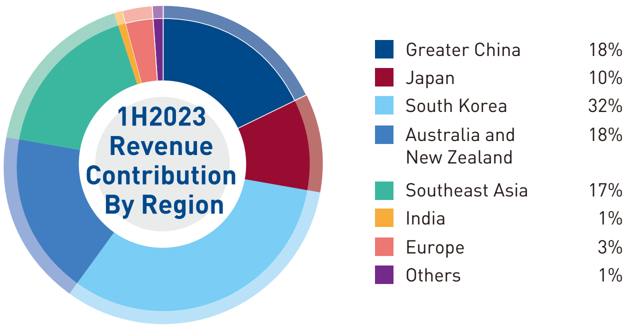
The Group's revenue increased by 5.5% from US$431.7 million in 1H2022 to US$455.4 million in 1H2023, driven mainly by higher management fee.

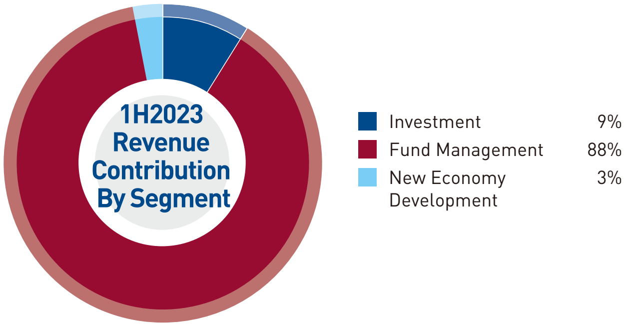
Management fee increased by 8.6% from US$371.0 million in 1H2022 to US$402.9 million in 1H2023. The increase was contributed by higher recurring fee revenue from AUM growth and development starts. In 1H2023, US$136.0 million promote income was recognised.

Construction revenue increased from US$0.1 million in 1H2022 to US$12.6 million in 1H2023, contributed by new projects in Australia. Cost of sales increased correspondingly from US$9.3 million in 1H2022 to US$12.7 million in 1H2023.

In line with the Group's ongoing commitment towards its asset light strategy to sell down balance sheet assets into ESR managed funds, rental income decreased by 36.4% from US$57.7 million in 1H2022 to US$36.7 million in 1H2023. In 2H2022, the Group divested nine China balance sheet assets into an ESR managed core fund.

Geographically, 95% of the Group's revenue for 1H2023 contributed from Greater China, Japan, South Korea, Southeast Asia and Australia and New Zealand; with India and Europe made up the remaining 5%.





PATMI AND EBITDA

EBITDA decreased by 15.6% from US$637.1 million in 1H2022 to US$537.4 million in 1H2023. PATMI decreased by 24.1% from US$380.6 million in 1H2022 to US$289.0 million in 1H2023. Lower fair value gains, absence of one-off income and divestment gains recognised in 1H2022 were the main drivers to the decline in EBITDA and PATMI. Additionally, PATMI was impacted by higher interest expense as a result of increase in base rates. The decline was offset by strong performance of the fund management segment.

The Group recorded fair value gain on investment properties of US$115.3 million for 1H2023 (1H2022: US$162.9 million) arising mainly from assets under development in China.

The Group's share of profits from joint ventures and associates decreased by 45.9% from US$145.0 million in 1H2022 to US$78.4 million in 1H2023, mainly due to lower valuation gains from the Group's investments in Australia and South Korea which have seen capitalisation rate expansion; and development progress in China.

Management Discussion & Analysis

Finance cost increased by 59.9% from US$99.3 million in 1H2022 to US$158.8 million in 1H2023, contributed by rising interest rates, as well as increase in total borrowings from US$4.9 billion as at 30 June 2022 to US$5.6 billion as at 30 June 2023. The weighted average interest cost for the Group had increased to 5.6% due to higher interest rates and additional borrowing drawn for transitionary bridging of projects. Excluding bridging funding, the weighted average interest rate would have been 5.2% for 1H2023.

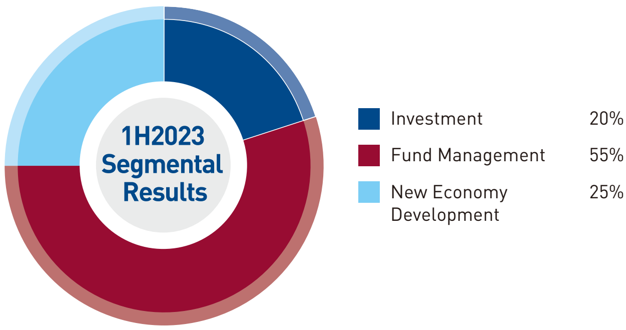
Administrative expenses decreased by 14.4% from US$239.0 million in 1H2022 to US$204.5 million in 1H2023 primarily due to one-off costs relating to the acquisition of ARA of US$22.5 million incurred in 1H2022, and other professional fees.

SEGMENT RESULTS

Fund management segment results increased by US$40.8 million or 14.2% from US$287.9 million in 1H2022 to US$328.7 million in 1H2023 despite muted investment activity across markets and weak Asian currencies. Strong growth was driven by higher recurring fee revenue from growth in fee generating AUM and development starts. The growth was further boosted with the crystallisation of promotes as development fund assets are being rolled over to core funds. Supported by higher fee revenue, cost containment and broader economies of scale, fund management EBITDA margin had increased from 78% in 1H2022 to 82% in 1H2023.

Investment segment results decreased by 43.0% from US$210.8 million in 1H2022 to US$120.2 million in 1H2023, reflecting the Group's proactive capital recycling strategy. Lower rental income as the Group divested nine China balance sheet assets into ESR managed core fund in 2H2022. The decrease was further contributed by lower one-off investment income and valuation gains from significant capital recycling transaction in 1H2022. Fair value recognised in 1H2023 in relation to certain projects in China had also taken into consideration of domestic headwinds.

New Economy development segment results decreased by 35.4% from US$228.7 million in 1H2022 to US$147.7 million in 1H2023. The decrease was mainly attributable to lower fair value gains partly due to delay in the development timing in China that was contributed by last year's COVID situation and longer expected period to lease up as well as stabilise new assets. In Australia and Korea, there was the effect of the expansion of capitalisation rate. Additionally, 1H2022 had also benefitted from divestment gain from sell-down of a development asset, while similar transactions have been moved to 2H2023.



Segmental Results	1H2023 US$ million	%	1H2022 US$ million	%	Variance* US$ million	%
Investment	120	20%	211	29%	(91)	(43%)
Fund Management	329	55%	288	40%	41	14%
New Economy Development	148	25%	229	31%	(81)	(35%)

* Year-on-Year ("YoY") change % represents a comparison between the first half of current year (1H2023) and the first half of last year (1H2022).

ASSETS AND LIABILITIES

The Group had a robust and well-capitalised balance sheet with gearing of 27.6% (net debt to total assets). Total assets remained at US$16.3 billion as of 30 June 2023 (31 December 2022: US$16.2 billion). As of 30 June 2023, the Group had cash balances of US$1.1 billion that were primarily denominated in USD, RMB, SGD, JPY, KRW, AUD and HKD. Cash balances had reduced as part of the Group's proactive capital management to pay down borrowings with higher funding cost, as well as deployment to fund ongoing projects and new investments.

Investment properties decreased by 5.2% to US$3.2 billion as of 30 June 2023 (31 December 2022: US$3.3 billion). The slight decrease is mainly contributed by classification of certain properties as asset held for sale as of June 2023 in line with view for near-term disposal. The reduction was offset by ongoing development of the Group's China projects during 1H2023. Additionally, the Group made prepayments of additional land use rights in Australia, Japan and Vietnam which partially contributed to the increase in other non-current assets by 40.4% to US$319.3 million.

Investment in joint ventures and associates increased by 11.4% to US$3.3 billion as of 30 June 2023 (31 December 2022: US$3.0 billion). The increase was mainly contributed by the Group's acquisition of 10.4% interest in Vietnam's BW Industrial Development Joint Stock Company ("BW") for US$207.8 million in 1H2023. On 4 August 2023, the Group exercised its additional subscription right to subscribe additional issued shares in BW. Upon completion, the Group will hold 15.57% of the issued shares of BW.

Financial assets at fair value through other comprehensive income ("FVOCI") increased by 5.8% or US$56.3 million to US$1.0 billion as of 30 June 2023 contributed mainly by the Group additional investment in ESR-LOGOS REIT.

Trade receivables increased by 36.6% to US$482.8 million as at 30 June 2023 (31 December 2022: US$353.5 million) mainly arising from higher fee income.

Total bank and other borrowings as of 30 June 2023 remained flat at US$5.6 billion (31 December 2022: US$5.5 billion). Net debt was US$4.5 billion compared to US$3.7 billion as of 31 December 2022 mainly due to lower cash balance arising from the Group's ongoing fundings to its investments. As of 30 June 2023, 90% of total debt maturing in year 2023 has been refinanced.

TOTAL EQUITY

Total equity remained strong at US$9.1 billion as of 30 June 2023 (US$9.1 billion as of 31 December 2022), backed by 1H2023 net profits of US$313.9 million, offset by dividend distribution to shareholders of US$69.9 million and shares repurchased of US$68.0 million. In addition, an unrealised loss of US$48.2 million was recognised on the Group's financial assets through other comprehensive income ("FVOCI"), mainly due to mark-to-market losses adjusted based on quoted market prices.

The Group manages and minimises its foreign currency exposures by natural hedges using various currencies via project and corporate level; and continues to assess the use of financial derivatives where appropriate to manage its foreign currency exposures. For the 1H2023, the Group recorded unrealised currency translation losses of US$61.6 million arising from its foreign operations due to the strengthening of US dollars against the respective local currencies.

Management Discussion & Analysis

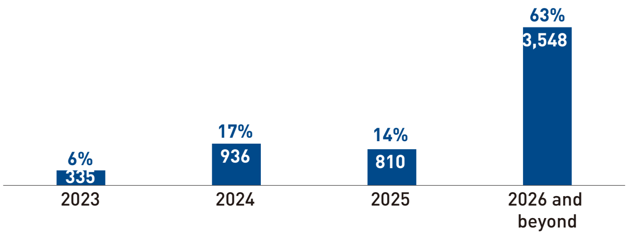
CAPITAL MANAGEMENT

ESR adopts a proactive and disciplined capital management approach, and regularly review 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. ESR continues to be disciplined in executing its capital recycling programme, and prudently redeploying capital to support growth.

The Group continues to actively leverage its fund management platform to unlock value and generate higher recurring fund management fees. The average co-investment for the Group was 7.4% as of 30 June 2023. This meaningfully enhances the Group's tangible return on equity while maintaining sufficient funding capacity across the Group.

Debt Maturity Profile (US$ million)

As of 30 June 2023



Total bank and other borrowings as of 30 June 2023 remained flat at US$5.6 billion (31 December 2022: US$5.5 billion). Net debt was US$4.5 billion compared to US$3.7 billion as of 31 December 2022 mainly due to lower cash balance arising from the Group's ongoing fundings to its investments. As of 30 June 2023, 90% of total debt maturing in year 2023 has been refinanced. In 1H2023, the Group continues to expand and diversify its funding and capital structure, which is crucial for fuelling the Group's long-term growth:

- ESR received an investment grade first-time "AA-" rating with a stable outlook form the Japan Credit Rating Agency, Ltd in March 2023.

- In June 2023, ESR debuted a total of JPY30 billion through two series of Japanese Yen denominated fixed rate notes: (i) JPY20 billion 1.163% fixed rate notes due 2026; and (ii) JPY10 billion 1.682% fixed rate notes due 2030, each under the US$2,000,000,000 Multicurrency Debt Issuance Programme.

As of 30 June 2023, the Group's weighted interest rate was 5.6%; and 19% of the Group's borrowings was on fixed rate while the remaining 81% was on floating rate basis. The Group's weighted average debt maturity was approximately 5.3 years as of 30 June 2023 (31 December 2022: 5.1 years).

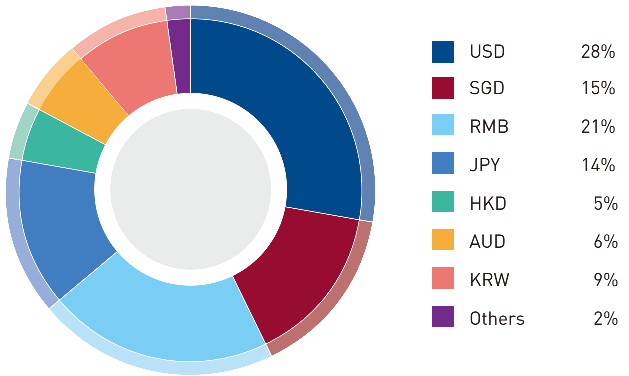
The Group continues to stay focussed on its capital recycling strategy with proactive and disciplined capital management. It regularly reviews its debt maturity profiles and refinancing ahead of maturity ensuring a well-capitalised balance sheet is maintained to meet the Group's short-term obligations, ongoing developments, and investments opportunities. ESR Group now has US$3.0 billion of cash and loan drawdown capacity that is sufficient to cover the Group's aggregate loan repayments for the next three years without any further asset recycling or non-core divestments.

The Group has exposures to foreign exchange rate fluctuations primarily from its investments and income from its subsidiaries, associates and joint ventures, including Greater China, Japan, South Korea, Australia, Singapore and India. The Group manages and minimises its foreign currency exposures by natural hedges using various currencies via project and corporate level. Operating and development activities of each country are funded mainly through project level debts and operating income that are in their respective local currencies. At corporate level, the Group currently funds some of its investments through corporate borrowings in the currency of the country in which the investment is located.

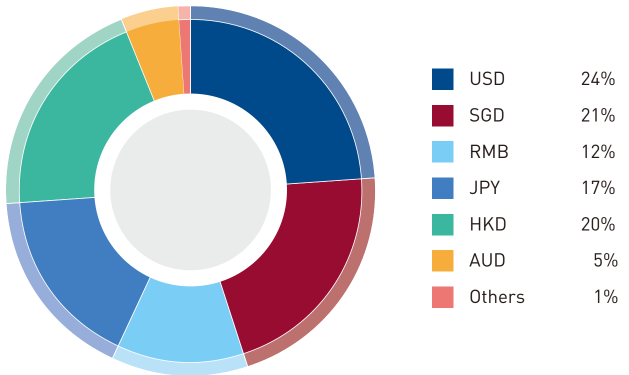
The Group continues to closely monitor the interest and exchange rates movements and evaluate such impact to its portfolio. The Group continues to assess the use of financial derivatives as additional tools when appropriate to manage foreign currency and interest rate exposures.

As of 30 June 2023, currency profile of the Group's cash and bank balances; and bank and other borrowings are as below:

Cash and Bank Balances
As of 30 June 2023



Bank and Other Borrowings
As of 30 June 2023



CHARGE OF ASSETS

As of 30 June 2023, certain of the Group's assets were pledged to secure bank and other borrowings granted to the Group. The details of charged assets are disclosed in Note 16 to the unaudited condensed consolidated financial information. Except for the aforementioned charges, all the Group's assets are free from any encumbrances.

CONTINGENT LIABILITIES

As of 30 June 2023, neither the Group nor the Company had any significant contingent liabilities.

Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests and short positions of the Directors and chief executives of the Company in the ordinary shares (the "**Shares**"), underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) (i) as recorded in the register required to be kept under section 352 of the SFO; or (ii) as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") are as follows:

Interests in the Company

Name of Director	Capacity/nature of interest	Number of Shares held *(Note 1)*	Approximate percentage of shareholdings as at 30 June 2023
Mr Jinchu Shen	Interest of controlled corporations *(Note 2)*	319,658,645(L) *(Note 3)*	
	Beneficial owner *(Notes 5 & 6)*	583,800(L)	
		320,242,445(L)	7.30%
Mr Stuart Gibson	Interest of controlled corporations *(Note 4)*	449,783,103(L) 149,644,368(S) *(Note 8)*	
	Interest of spouse	73,000(L)	
	Beneficial owner *(Notes 5 & 6)*	583,800(L)	
		450,439,903(L) 149,644,368(S) *(Note 8)*	10.27% 3.41%
Mr Charles Alexander Portes	Interest of controlled corporations *(Note 4)*	449,783,103(L) 149,644,368(S) *(Note 8)*	10.26% 3.41%
Mr Hwee Chiang Lim	Interest of controlled corporations *(Note 7)*	227,859,487(L)	
	Beneficial owner	4,402,959(L)	
		232,262,446(L)	5.30%
Mr Brett Harold Krause	Beneficial owner	145,000(L)	0.00%
Ms Jingsheng Liu	Beneficial owner	69,200(L)	0.00%
Ms Wei-Lin Kwee	Beneficial owner	12,000(L)	0.00%

Corporate Governance and Other Information

Notes:

1. The Letter "L" and "S" denote the long position and the short position in the Shares respectively.
2. Laurels Capital Investments Limited directly holds the Shares of the Company and is wholly owned by The Shen Trust. In respect of The Shen Trust, the settlor is Rosy Fortune Limited (the sole shareholder of which is Mr Jinchu Shen). Mr Jinchu Shen has a deemed interest under the SFO in the Shares held by The Shen Trust solely in his capacity as the sole shareholder of the settlor of The Shen Trust.
3. Inclusive of the interest in 7,799,856 Shares underlying the share options pursuant to the Tier 1 ESOP.
4. Redwood Investment Company, Ltd. directly holds 448,933,103 Shares of the Company and is owned as to 42% and 58% by Kurmasana Holdings, LLC and Redwood Investor (Cayman) Limited respectively, of which Kurmasana Holdings, LLC is wholly-owned by Redwood Investor (Cayman) Limited, Redwood Investor (Cayman) Limited is wholly owned by Redwood Investor II (Cayman) Ltd. and the voting rights of Redwood Investor II (Cayman) Limited are controlled as to 45.87% and 45.87% by Mr Charles Alexander Portes and Mr Stuart Gibson, respectively. Hence, each of Mr Charles Alexander Portes, Mr Stuart Gibson, Redwood Investor II (Cayman) Ltd., Redwood Investor (Cayman) Limited and Kurmasana Holdings, LLC will be deemed to be interested in the Shares held by Redwood Investment Company, Ltd.. Besides, as at 30 June 2023, 850,000 Shares were held by Redwood Consulting (Cayman) Limited ("**Redwood Consulting**") as beneficial owner. Redwood Consulting is owned as to 50% and 50% by Mr Charles Alexander Portes and Mr Stuart Gibson, respectively. Hence, each of Mr Charles Alexander Portes and Mr Stuart Gibson are deemed to be interested in Shares held by Redwood Consulting (Cayman) Limited.
5. This represents 192,000 options to subscribe for Shares granted under the Post-IPO Share Option Scheme to each of Mr Jinchu Shen and Mr Stuart Gibson. The options granted to Mr Jinchu Shen are physically settled unlisted derivatives, and the options granted to Mr Stuart Gibson are unlisted derivatives which are not physically or cash settled.
6. For each of Mr Jinchu Shen and Mr Stuart Gibson as of 30 June 2023, 130,600 Shares underlying the PSUs were vested, 587,700 Shares were lapsed, with the remaining 261,200 Shares to be vested in 2024 and 2025.
7. JL Investment Group Limited, JL Investment Group II Limited and JL Electron (BVI) Limited directly holds 101,984,984 Shares, 90,984,985 Shares and 34,889,518 Shares respectively, and all of 3 companies are 100% controlled by Mr Hwee Chiang Lim.
8. The short position represents Redwood Investor II (Cayman) Ltd. became the holder of, wrote or issued equity derivatives under which are under an obligation to pay another person an amount if the price of the underlying shares is above a certain level.

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executives of the Company has any interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) (i) as recorded in the register required to be kept under section 352 of the SFO; or (ii) as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2023, so far as the Directors and chief executives of the Company are aware, other than the interests of the Directors and chief executives of the Company as disclosed in the section titled "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures", the following persons had, or were deemed to have, interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity/nature of interest	Number of Shares/underlying Shares held *(Note 1)*	Approximate percentage of shareholdings
Warburg Pincus & Co.	Interest of controlled corporations *(Note 2)*	591,440,160(L)	13.49%
Warburg Pincus China GP, L.P.	Interest of controlled corporations *(Note 2)*	591,440,160(L)	13.49%
Warburg Pincus China, L.P.	Interest of controlled corporations *(Note 2)*	591,440,160(L)	13.49%
Warburg Pincus Partners GP LLC	Interest of controlled corporations *(Note 2)*	591,440,160(L)	13.49%
Warburg Pincus Partners II, L.P.	Interest of controlled corporations *(Note 2)*	591,440,160(L)	13.49%
Warburg Pincus Private Equity XII, L.P.	Interest of controlled corporations *(Note 2)*	591,440,160(L)	13.49%
Warburg Pincus XII, L.P.	Interest of controlled corporations *(Note 2)*	591,440,160(L)	13.49%
WP Global LLC	Interest of controlled corporations *(Note 2)*	591,440,160(L)	13.49%
Alexandrite Athena GroupCo Ltd	Interest of controlled corporations *(Note 2)*	591,440,160(L)	13.49%
Alexandrite Gem Holdings Limited	Beneficial owner *(Note 2)*	503,733,253(L)	11.49%
Alexandrite Gem TopCo Ltd	Interest of controlled corporations *(Note 2)*	503,733,253(L)	11.49%
OMERS Administration Corporation	Beneficial owner	456,221,943(L)	10.40%
Mr Stuart Gibson	Interest of controlled corporations, interest of spouse and beneficial owner *(Notes 3, 5, 6)*	450,439,903(L) 149,644,368(S) *(Note 8)*	10.27% 3.41%
Mr Charles Alexander Portes	Interest of controlled corporations *(Note 3)*	449,783,103(L) 149,644,368(S) *(Note 8)*	10.26% 3.41%
Redwood Investor II (Cayman) Ltd.	Interest of controlled corporations *(Note 3)*	448,933,103(L) 149,644,368(S) *(Note 8)*	10.24% 3.41%
Redwood Investor (Cayman) Limited	Interest of controlled corporations *(Note 3)*	448,933,103(L)	10.24%
Kurmasana Holdings, LLC	Interest of controlled corporation *(Note 3)*	448,933,103(L)	10.24%

Corporate Governance and Other Information

Name of Shareholder	Capacity/nature of interest	Number of Shares/underlying Shares held *(Note 1)*	Approximate percentage of shareholdings
Redwood Investment Company, Ltd.	Beneficial owner *(Note 3)*	448,933,103(L)	10.24%
Mr Jinchu Shen	Interest of controlled corporations and beneficial owner *(Notes 4, 5, 6)*	320,242,445(L)	7.30%
Rosy Fortune Limited	Founder of a discretionary trust *(Note 4)*	319,658,645(L)	7.29%
Tricor Equity Trustee Limited	Trustee *(Note 4)*	319,658,645(L)	7.29%
Laurels Capital Investments Limited	Beneficial owner *(Note 4)*	319,658,645(L)	7.29%
Mr Hwee Chiang Lim	Interest of controlled corporations and beneficial owner *(Note 7)*	232,262,446(L)	5.30%

Notes:

1. The letter "L" and "S" denote the long position and the short position in the Shares respectively.
2. Alexandrite Gem Holdings Limited ("**Gem Holdings**") and Athena Logistics Holdings Ltd. ("**Logistics Holdings**") held as to 503,733,253 and 87,706,907 Shares respectively. Gem Holdings and Logistics Holdings are wholly owned subsidiary of Alexandrite Gem TopCo Ltd ("**Gem TopCo**") and Athena Logistics TopCo Ltd. ("**Logistics TopCo**") respectively. Both Gem TopCo and Logistics TopCo are wholly owned subsidiary of Alexandrite Athena GroupCo Ltd. ("**Alexandrite Athena GroupCo**"). Alexandrite Athena GroupCo is owned as to 41.46% and 35.19% by Warburg Pincus China, L.P. ("**WP China**") and Warburg Pincus Private Equity XII, L.P. ("**WPP Equity**") respectively. WP China and WPP Equity are wholly owned subsidiary of Warburg Pincus China GP, L.P. ("**WP China GP**") and Warburg Pincus XII, L.P. ("**WP XII**") respectively. Both WP China GP and WP XII are wholly owned by WP Global LLC. The managing member of WP Global LLC is Warburg Pincus Partners II, L.P. ("**WPP II**"). The general partner of WPP II is Warburg Pincus Partners GP LLC ("**WPP GP**"), the managing member of which is Warburg Pincus & Co. Accordingly, each of Gem TopCo, Logistics TopCo, Alexandrite Athena GroupCo, WP China, WPP Equity, WP China GP, WP XII, WP Global LLC, WPP II, WPP GP and Warburg Pincus & Co. are deemed to be interested in the underlying Shares held by Gem Holdings and Logistics Holdings.
3. Redwood Investment Company, Ltd. directly holds 448,933,103 Shares of the Company and is owned as to 42% and 58% by Kurmasana Holdings, LLC and Redwood Investor (Cayman) Limited respectively, of which Kurmasana Holdings, LLC is wholly-owned by Redwood Investor (Cayman) Limited, Redwood Investor (Cayman) Limited is wholly owned by Redwood Investor II (Cayman) Ltd. and the voting rights of Redwood Investor II (Cayman) Ltd. are controlled as to 45.87% and 45.87% by Mr Charles Alexander Portes and Mr Stuart Gibson, respectively. Hence, each of Mr Charles Alexander Portes, Mr Stuart Gibson, Redwood Investor II (Cayman) Ltd., Redwood Investor (Cayman) Limited and Kurmasana Holdings, LLC will be deemed to be interested in the Shares held by Redwood Investment Company, Ltd.. Besides, as at 30 June 2023, 850,000 Shares were held by Redwood Consulting (Cayman) Limited ("**Redwood Consulting**") as beneficial owner. Redwood Consulting is owned as to 50% and 50% by Mr Charles Alexander Portes and Mr Stuart Gibson, respectively. Hence, each of Mr Charles Alexander Portes and Mr Stuart Gibson are deemed to be interested in Shares held by Redwood Consulting (Cayman) Limited.
4. Laurels Capital Investments Limited is wholly owned by The Shen Trust. The settlor of The Shen Trust is Rosy Fortune Limited, the sole shareholder of which is Mr Jinchu Shen. The trustee of The Shen Trust is Tricor Equity Trustee Limited. Rosy Fortune Limited has a deemed interest under the SFO in the Shares held by The Shen Trust in its capacity as settlor of The Shen Trust, Mr Jinchu Shen has a deemed interest under the SFO in the Shares held by The Shen Trust solely in his capacity as the sole shareholder of the settlor of The Shen Trust and Tricor Equity Trustee Limited has a deemed interest under the SFO in the Shares held by The Shen Trust in its capacity as trustee of The Shen Trust. As at 30 June 2023, 319,658,645 Shares of the total issued shares of the Company (inclusive of the interest in 7,799,856 Shares underlying the share options pursuant to the Tier 1 ESOP) were held by Laurels Capital Investments Limited as the beneficial owner.
5. The Shares held as beneficial owner represented the 192,000 options to subscribe for Shares which are granted under the Post-IPO Share Option Scheme to each of Mr Jinchu Shen and Mr Stuart Gibson. The options granted to Mr Jinchu Shen are physically settled unlisted derivatives, and the options granted to Mr Stuart Gibson are unlisted derivatives which are not physically or cash settled.
6. For each of Mr Jinchu Shen and Mr Stuart Gibson as of 30 June 2023, 130,600 Shares underlying the PSUs were vested, 587,700 Shares were lapsed, with the remaining 261,200 Shares to be vested in 2024 and 2025.
7. JL Investment Group Limited, JL Investment Group II Limited and JL Electron (BVI) Limited directly holds 101,984,984 Shares, 90,984,985 Shares and 34,889,518 Shares respectively, and all of 3 companies are 100% controlled by Mr Hwee Chiang Lim.
8. The short position represents Redwood Investor II (Cayman) Ltd. became the holder of, wrote or issued equity derivatives under which are under an obligation to pay another person an amount if the price of the underlying shares is above a certain level.

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register of the Company referred to therein.

Corporate Governance and Other Information

KM ESOP, TIER 1 ESOP, POST-IPO SHARE OPTION SCHEME AND THE LONG TERM INCENTIVE SCHEME

1. KM ESOP

Below is a summary of the principal terms of the KM ESOP of the Company. The terms of the KM ESOP are not subject to the provisions of Chapter 17 of the Listing Rules.

(i) Purpose

The purpose of the KM ESOP is to incentivise or reward eligible participants for their contribution towards our Company's operations, so as to: (a) motivate and encourage recipients to continue to perform well; (b) to retain the services of recipients whose work is vital to the growth and continued success of our Company; and (c) to link the personal interests of members of the Board and the employees with those of the Shareholders.

(ii) Who may join

The Board may, at its discretion, grant an option to any director or employee of our Group, or any director or employee of any company which is under the control of our Company (an "**Eligible Person**").

(iii) Classes of shares that may be issued

Under the KM ESOP, ordinary shares may be issued. For the six months ended 30 June 2023, the Company has issued 1,880,599 ordinary shares under the KM ESOP.

(iv) Maximum number of shares

At 30 June 2023, the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the KM ESOP at any time shall not exceed 13,796,140 Shares (approximately 0.31% of number of the issued share of the Company as at 30 June 2023).

(v) Maximum entitlement of each participant

The scheme does not set a limit of maximum entitlement of each participant under the scheme.

(vi) Period within which the securities must be taken up under an option

An option shall lapse automatically (to the extent not already exercised and subject always to the terms and conditions upon which the option was granted) on the earliest of:

(a) the tenth anniversary of the date of grant;

(b) the expiry of three months from the date on which the participant ceases to be an Eligible Person;

(c) If the participant ceases to be an employee by reason of his death, the options may be exercised by his personal representatives within twelve months from the date of death. If the participant ceases to be an employee by reason of his injury, ill-health or disability, the options may be exercised, to the extent it is vested, within six months from the date of cessation of employment ("**Rights on Death, Retirement, Injury and Disability**");

(d) If a participant's employment with our Company or any member of our Group is terminated by way of: (a) his voluntary resignation within three months from the date of grant; (b) fundamental breach of his employment agreement or a material breach of his non-disclosure undertaking; or (c) his serious misconduct, the option will lapse and cease to be exercisable immediately. If a participant ceases to be employed by our Company by reason of redundancy or dismissal other than by summary dismissal, the option may be exercised to the extent that it is vested within three months from the date of cessation of employment ("**Effect of Dismissal or Ceasing Employment**");

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(e) the date on which a participant ceases to be an Eligible Person in any circumstances other than those referred to in "Rights on Death, Retirement, Injury, Disability" and "Effect of Dismissal or Ceasing Employment" above;

(f) If a notice is given by our Company to its shareholders to convene a general meeting for the purposes of considering or approving a resolution to voluntarily wind-up our Company, to the extent that an option is vested, it may be exercised at any time to the extent that it is vested, before the relevant resolution has been passed or defeated or the meeting adjourned indefinitely, conditionally on the resolution being passed. If our Company is wound up by the court, to the extent that an option is vested and permissible by law, it may be exercised within one month of the winding-up order and will then lapse. This sub-clause does not apply if the winding-up is for the purpose of a reconstruction or amalgamation ("**Rights on Winding-up**");

(g) subject to the paragraph headed "Rights on Winding-Up" above, the passing of an effective resolution for the voluntary winding-up of the Company (except where the winding-up is for the purpose of a reconstruction or amalgamation);

(h) subject to the paragraph headed "Rights on Winding-Up" above, the expiry of one month following the making of an order by the court for the winding-up of the Company (except where the winding-up is for the purpose of a reconstruction or amalgamation);

(i) the participant being declared bankrupt;

(j) the participant transferring, assigning, charging or otherwise disposing of the options unless in breach of the terms of the KM ESOP;

(k) as soon as any condition of exercise imposed can no longer in the opinion of the Board be met; or

(l) the participant, who is a Shareholder: (A) being deemed unable or admits inability to pay its debts as they fall due; or (B) there has been a material breach of the provisions of the Articles of Association by the participant which is not capable of remedy, or which is capable of remedy but is not remedied within 30 days after the occurrence of such material breach.

(vii) Minimum period for which an option must be held before it can be exercised

Subject to other conditions of the KM ESOP being satisfied, the options which have been granted shall be vested in accordance with the period as may be determined by our Board and set out in the vesting schedule in the KM ESOP.

(viii) Subscription price for the shares, consideration for the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

An option may be exercised in full or in part in accordance with the terms of the KM ESOP by delivering to the address of the Company a written notice of exercise in the prescribed form. The participant may, to the extent permitted by the Company and any applicable laws or regulations, also elect one of the following:

(a) provide evidence to the satisfaction of our Company that it has received or will receive as soon as practicable payment in full of the Exercise Price for the aggregate number of Shares over which the option is to be exercised; or

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(b) deliver a written notice to our Company to confirm use of either the net share settlement (i.e. in lieu of the participant paying the exercise price, the participant will receive the greatest number of whole shares as determined by the formula set out in the KM ESOP) or net cash settlement arrangement (i.e. in lieu of the participant paying the exercise price to exercise an option, the participant will receive a payment in cash equal to the value of the shares in respect of which the option is being exercised less the exercise price otherwise payable for those shares).

(ix) **Basis of determining the exercise price**

The Board decided the option price which was stated at the date of grant. The option price may be nil unless the shares subject to the option are to be subscribed, when the option price cannot be less than the nominal value of a share. The total amount payable on the exercise of an option is the relevant option price multiplied by the number of shares in respect of which the option is exercised.

(x) **The remaining life of the scheme and details of exercise of the options**

The term of the KM ESOP will terminate on the tenth anniversary of the commencement date being 24 November 2017 or at any earlier time determined by the Board. Termination of the KM ESOP will not affect options granted before termination.

(xi) **Exercise price, grant date and vesting schedule**

				Number of options *(Note 1)*			
Exercise price (USD)	Grant date	Exercise Period	Vesting Period	Held at 1 January 2023	Exercised during the period *(Note 2)*	Cancelled during the period	Held at 30 June 2023
Management and employees (other than Directors) *(Note 3)*							
0.4722	December 2017	10 years from the grant date	Varies from 3 to 4 years and all vested	100,020	–	–	100,020
0.9445	December 2017	10 years from the grant date	4 years	4,172,468	–	–	4,172,468
0.9445	January 2018	10 years from the grant date	4 years	9,485,138	(4,201,391)	–	5,283,747
1.1453	August 2018	10 years from the grant date	4 years	873,103	–	–	873,103
1.3655	February 2019	10 years from the grant date	4 years	948,494	–	–	948,494
1.5172	February 2019	10 years from the grant date	4 years	1,901,976	(111,228)	(16,478)	1,774,270
0.9445	May 2019	10 years from the grant date	Varies from 3 to 4 years and all vested	108,519	–	–	108,519
1.5172	May 2019	10 years from the grant date	4 years	535,519	–	–	535,519
				18,125,237	(4,312,619)	(16,478)	13,796,140

Notes:

(1) No share options were granted or lapsed during the six months ended 30 June 2023.

(2) The weighted average closing price of the shares immediately before the dates on which the options were exercised was HK$13.31.

(3) No share options under the KM ESOP were granted to the Directors or Co-CEOs.

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No further options will be issued under the KM ESOP in the future.

During the six months ended 30 June 2023, since all options holders opted for net share settlement method in lieu of paying in full the exercise price for the number of shares over which the option was exercised, only a net total of 1,880,599 ordinary shares were issued by the Company for the six months ended 30 June 2023 in satisfaction of the 4,312,619 options so exercised. The shares were issued at nominal value of US$0.001.

2. Tier 1 ESOP

Below is a summary of the principal terms of the Tier 1 ESOP of the Company. The terms of the Tier 1 ESOP are not subject to the provisions of Chapter 17 of the Listing Rules.

(i) Purpose

The Tier 1 ESOP is intended to provide our Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to selected participants. By aligning the interests of selected participants with those of the Shareholders, participants will be encouraged and motivated to continue their efforts towards enhancing the value of the Company. The options were granted based on the performance of the option holders who have made important contributions to and are important to the long term growth and profitability of the Group.

(ii) Selected participants

WP OCIM One LLC *(Note 1)*, Laurels Capital Investments Limited ("**Laurels**"), and Redwood Consulting (Cayman) Limited ("**Redwood Consulting**").

(iii) Administration

The Board has full authority to administer the Tier 1 ESOP, including authority to interpret and construe any of its provisions and to adopt any regulations and any documents it thinks necessary or appropriate. The Board's decision on any matter connected with the Tier 1 ESOP will be final and binding on all parties.

(iv) Term of the Tier 1 ESOP

The Tier 1 ESOP will not be terminated while options are outstanding.

(v) Classes of shares that may be issued under the Tier 1 ESOP

Under the Tier 1 ESOP, ordinary shares may be issued. For the six months ended 30 June 2023, no ordinary shares were issued.

(vi) Maximum number of shares

The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Tier 1 ESOP at any time shall not exceed 7,799,856 Shares.

(vii) Exercise price

The Exercise Price is US$0.46 per option.

Note:
1. By reference to the announcements of the Company dated 24 November 2020 and 30 December 2020, Laurels Capital Investments Limited entered into a sale and purchase agreement dated 23 December 2020 in respect of an acquisition of 30,000,000 shares of the Company and 3,899,928 options in respect of shares of the Company, both from WP OCIM One LLC.

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(viii) **Straight-line vesting**
36.91% of the options (the "**Vested Percentage**") vested on the date of grant, and the remainder of the options vest daily on a straight line basis until 20 January 2021 (the "**Vesting Period**").

(ix) **Conditions of exercise**
Conditions are attached to the grant of the options to each participant, which contain specific conditions in the event of a default or other leaver event which apply to the particular participant.

(x) **Vesting events**
If the following events occur, the options will vest in full:

(a) a strategic competitor acquires more than 29% of the fully diluted share capital or becomes the largest shareholder in our Company;

(b) except where a successor company obtains control and exchanges the options under Tier 1 ESOP for new options on economically equivalent terms, any person obtains control of our Company (i.e. acquires the right to exercise more than 50% of the controlling rights in the Company);

(c) there is a sale of all or substantially all of the shares in our Company by way of a trade sale or by way of a sale to a third party;

(d) there is a disposal by one or more transactions of all or substantially all of the business of the Company;

(e) there is a sale of all or substantially all of the shares in a project company or member of the Group to which a senior manager provides services or by which a senior manager is employed, as appropriate, by way of trade sale or by way of sale to a third party or there is a disposal of all or substantially all of the business of the project company or a member of the Group to which a senior manager provides services or by which the relevant senior manager is employed; or

(f) there is a solvent winding-up of the Company.

(xi) **Lapse of an option**
Subject to the date specified in any specific conditions to which the option is subject, an option will lapse to the extent not exercised on the earliest of the following:

(a) the tenth anniversary of 20 January 2016, being the completion date of the merger between e-Shang Cayman Limited, ESR Singapore Pte. Ltd. and Redwood Asian Investments Ltd., pursuant to the Merger Agreement in January 2016;

(b) the expiry of six months following the occurrence of the date on which a court sanctions a compromise or arrangement between our Company and its Shareholders which permits exercise of the option;

(c) the passing of an effective resolution for the voluntary winding-up of our Company (except where the winding-up is for the purpose of a reconstruction or amalgamation or other specified situation);

(d) the expiry of one month following the making of an order by the court for the winding-up of our Company (except where the winding-up is for the purpose of a reconstruction or amalgamation or other specified situation);

(e) the participant being deprived of the legal or beneficial ownership of the option by operation of law, or doing or omitting to do anything which causes the participant to be so deprived or being declared bankrupt; or

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(f) the participant having breached the restrictions on transfer contained in the Tier 1 ESOP.

In relation to the options granted to Laurels (the "**Laurels Options**") and in relation to the options granted to Redwood Consulting (the "**Redwood Options**"), if during the Vesting the relevant directors or employees of the Group (in each case the "**Relevant Employee**"):

(a) resigns within 3 years of the date of grant of the Laurels Options or the part of the Redwood Options which are attributed to the relevant Director (the "**Relevant Options**") or ceases to be employed other than in circumstances specified below, the relevant option holder will retain the Relevant Options to the extent vested as at the date of termination;

(b) is dismissed for cause, or other specified events occur (including breaches of their relevant service agreements), the Relevant Options will be forfeited to the extent unexercised with certain exceptions; or

(c) ceases to be employed due to dismissal without cause, the Relevant Options will vest in full.

(xii) Rights on death or ill-health
If the Relevant Employee dies or ceases to be employed by our Company or its affiliates due to ill health, the Relevant Options that are vested as at the date of cessation may be exercised.

(xiii) Rights on a compromise or arrangement
If the court sanctions a compromise or arrangement between the Company and its Shareholders, provided an option is not to be exercised under the paragraph headed "Rights on reorganisation or merger" in this section below, the option can be exercised up to 20 days before and during the period of six months commencing on the date when the court sanctions the compromise or arrangement.

(xiv) Rights on winding up
If a notice is given by our Company to its Shareholders to convene a general meeting for the purposes of considering or approving a resolution to voluntarily wind-up our Company, to the extent that an option is vested, it may be exercised at any time to the extent that it is vested, before the relevant resolution has been passed or defeated or the meeting adjourned indefinitely, conditionally on the resolution being passed. If our Company is wound up by the court, to the extent that an option is vested and exercise is permissible by law, it may be exercised within one month of the winding-up order and will then lapse. This sub-clause does not apply if the winding-up is for the purpose of a reconstruction or amalgamation.

(xv) Rights on reorganisation or merger
If there is a variation in equity share capital of our Company or upon any consolidation, amalgamation or merger of our Company, the Board may adjust the terms of the Tier 1 ESOP or the option price for outstanding options with effect from the date of the relevant event, so that the value of the shares subject to the options is equal to the value of those shares immediately before the occurrence of the event; and the exercise price payable to exercise an option will be the same as that immediately before the occurrence of the event. No such adjustment can reduce the option price to less than the nominal value of a Share.

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(xvi) **Outstanding options granted under the Tier 1 ESOP**

As at 30 June 2023, options to subscribe for an aggregate of 7,799,856 Shares, representing approximately 0.18% of the issued shares of the Company, are outstanding. Details of the movement of the options and holders are set out below:

Name of Participant	Exercise price	Exercise period	Held at 1 January 2023	Exercised during the period	Cancelled during the period	Held at 30 June 2023 *(Note c)*
Director						
Mr Jinchu Shen *(Notes a, b)*	US$0.46	10 years from 20 January 2016	7,799,856	–	–	7,799,856

Notes:

(a) The options are granted to Laurels Capital Investments Limited. Laurels Capital Investments Limited is wholly owned by The Shen Trust. In respect of The Shen Trust, the settlor is Rosy Fortune Limited (the sole shareholder of which is Mr Jinchu Shen). Mr Jinchu Shen has a deemed interest under the SFO in the options held by The Shen Trust solely in his capacity as the sole shareholder of the settlor of The Shen Trust.

(b) The options were granted on 20 April 2017 at exercise price of US$0.46. The vesting period of above outstanding options was vested daily on a straight line basis to 20 January 2021.

(c) No share options were granted, lapsed or were cancelled for the six months ended 30 June 2023.

No further share options under the Tier 1 ESOP have been granted since the listing.

3. Post-IPO Share Option Scheme

The following is a summary of the principal terms of the Post-IPO Share Option Scheme conditionally adopted by the resolutions of our Shareholders passed at an extraordinary general meeting held on 12 October 2019.

(i) **Purpose of the Post-IPO Share Option Scheme**

The purpose of the Scheme is to provide incentives to participants to contribute to the Company and to enable the Company to recruit high caliber employees and attract or retain human resources that are valuable to the Group.

(ii) **Selected participants to the Post-IPO Share Option Scheme**

Any individual, being an employee, executive Director and non-executive Director (including independent non-executive Director), agent or consultant of our Company or its subsidiary who the Board or its delegate(s) considers, at their sole discretion, to have contributed or will contribute to our Group is entitled to be granted options. However, no individual who is resident in a place where the grant, acceptance or exercise of options pursuant to the Post-IPO Share Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, is eligible to be offered or granted options.

(iii) **Classes of shares that may be issued under the Post-IPO Share Option Scheme**

Ordinary shares

(iv) **Maximum number of shares**

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme is 303,658,464, being no more than 10% of the Shares in issue on completion of the Global Offering.

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On 7 June 2023, the shareholders of the Company has approved at the 2023 annual general meeting (the "**2023 AGM**") to amend certain terms of the Post-IPO Share Option Scheme, among of those, the maximum aggregate number of Shares which may be allotted and issued under the Scheme when aggregated with the maximum number of Shares which may be allotted and issued or transferred under Other Schemes must not exceed 5 per cent. of the total number of Shares in issue as at (a) the date of 2023 AGM, being 219,688,481 Shares; or (b) the New Approval Date (the "**Scheme Mandate Limit**"). The maximum aggregate number of Shares which may be allotted and issued under this Scheme to service providers when aggregated with the maximum number of Shares which may be allotted and issued or transferred to Service Providers under Other Schemes must not exceed 1 per cent. of the total number of Shares in issue as at (a) the date of 2023 AGM, being 43,937,696 Shares; or (b) the New Approval Date (the "**Service Provider Sublimit**").

As at the date of this report, the total number of shares available for issue under the Post-IPO Share Option Scheme is 18,228,200, representing approximately 0.42% of the issued share capital of the Company as at the date of this report.

(v) **Maximum entitlement of a grantee**

Unless approved by our Shareholders, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Post-IPO Share Option Scheme and any other share option scheme(s) of our Company to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue (the "**Individual Limit**").

(vi) **Performance target**

The Post-IPO Share Option Scheme does not set out any performance targets that must be achieved before the options may be exercised. However, the Board or its delegate(s) may at their sole discretion specify, as part of the terms and conditions of any option, such performance conditions that must be satisfied before the option can be exercised.

(vii) **Subscription price**

The amount payable for each Share to be subscribed for under an option ("**Subscription Price**") in the event of the option being exercised shall be determined by the Board but shall be not less than the greatest of:

(a) the closing price of a Share as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;

(b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

(c) the nominal value of the Shares.

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(viii) **Grant of options**

An offer of the grant of an option shall be made to a participant by letter or in such form as the Board may from time to time determine (the "**Grant Letter**") specifying the number of Shares, the subscription price, any condition (including but not limited to imposition of any performance target(s) and/or vesting scale), the Period in respect of which the offer is made, the date by which the option must be accepted being a date not more than 28 days after the offer date (the "**Acceptance Date**") and further requiring the Participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the scheme. Such offer shall be personal to the participant concerned and shall not be transferable.

An option shall be deemed to have been granted and accepted and to have taken effect when the duplicate Grant Letter or such other form constituting acceptance of the offer of the grant of the option duly signed by the Grantee together with a remittance in favor of the Company of HK$1.00 (or such equivalent in other currency as the Board may specify) by way of consideration for the grant thereof is received by the Company on or before the relevant Acceptance Date.

Any offer may be accepted in respect of less than the number of options for which it is offered provided that it is accepted in respect of options representing Shares constituting a board lot for dealing in Shares or a multiple thereof. To the extent that the offer is not accepted within 20 business days from the date on which the letter containing the offer is delivered to that selected participant, it shall be deemed to have been irrevocably declined.

(ix) **Time of exercise of an option**

An option may, subject to the terms and conditions upon which such option is granted, be exercised in whole or in part by the grantee giving notice in writing to our Company in such form as the Board may from time to time determine stating that the option is thereby exercised and the number of Shares in respect of which it is exercised.

(x) **Duration**

The Post-IPO Share Option Scheme shall be valid and effective for the period of 10 years commencing on the date of adoption of the Post-IPO Share Option Scheme. The remaining life of the Post-IPO Share Option Scheme is about 6 years and 2 months as at the date of this report.

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(xi) **Exercise price, grant date and vesting schedule**

Date of grant	Exercise price	Closing price immediately preceding the date of grant	Vesting period	Exercise period	Held at 1 January 2023	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Held at 30 June 2023
Directors										
8 June 2022	HK$22.78	HK$22.50	vest in three equal tranches on each of 8 June 2022, 8 June 2023 and 8 June 2024	8 June 2022 to 7 June 2032						
Mr Jinchu Shen					192,000	–	–	–	–	192,000
Mr Stuart Gibson					192,000	–	–	–	–	192,000
			Subtotal		384,000	–	–	–	–	384,000
Management (other than Directors) and employees										
28 December 2020	HK$27.30	HK$27.10	vest in three equal tranches on each of 28 December 2021, 28 December 2022 and 28 December 2023	28 December 2021 to 27 December 2030	6,650,000	–	–	–	–	6,650,000
23 August 2021	HK$24.50	HK$23.80	vest in three equal tranches on each of 23 August 2021, 23 August 2022 and 23 August 2023	23 August 2021 to 22 August 2031	11,432,200	–	–	(79,349)	(158,651)	11,194,200
			Subtotal		18,082,200	–	–	(79,349)	(158,651)	17,844,200
			Grand total		18,466,200	–	–	(79,349)	(158,651)	18,228,200

During the six months ended 30 June 2023, no options were granted.

Save as disclosed above, no other share option schemes were entered into by the Company.

There were no awards granted to service provider or any participants in excess of the 1% individual limit during the six months ended 30 June 2023.

4. Long Term Incentive Scheme

The following is a summary of the principal terms of the long term incentive scheme (the "**Long Term Incentive Scheme**") adopted and approved by our Shareholders at an annual general meeting held on 2 June 2021 (the "**Adoption Date**").

(i) **Purpose**

The purpose of the Long Term Incentive Scheme is to attract skilled and experienced personnel, to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

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(ii) **Who may join**

Those eligible to participate in the Long Term Incentive Scheme include employees, executive Directors and non-executive Directors (including independent non-executive Directors), service provider (means an individual consultant, individual independent contractor, or individual self-employed contractor who provides services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to the provision of construction, property management, design, real estate brokerage, business integration and business transformation services (but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity) of the Group ("**Participants**"). Participants may receive, at the absolute discretion of the Board, Awards under the Long Term Incentive Scheme. Each Participant who accepts the offer of the grant of an award ("**Award**", an award of RSUs and/or PSUs to be granted to a Participant under the Long Term Incentive Scheme (where a performance share unit ("**PSU**"), being a contingent right to receive a Share (or a Cash Payment) subject to certain terms and conditions (including performance-based vesting conditions) as set out in the Long Term Incentive Scheme and the relevant grant letter; a restricted share unit ("**RSU**"), being a contingent right to receive a Share (or a Cash Payment) subject to certain terms and conditions (including performance-based vesting conditions) as set out in the Long Term Incentive Scheme and the relevant grant letter) under the Long Term Incentive Scheme is a "Grantee".

(iii) **Administration**

The Long Term Incentive Scheme will be subject to the administration of the Board (or a duly authorised committee of the Board). The Board's decision as to all matters arising in relation to the Long Term Incentive Scheme or its interpretation or effect shall be final and binding on all parties.

The Company may also appoint a professional trustee to assist with the administration and vesting of the Awards. The Company may to the extent permitted by the Companies Law and the Listing Rules: (a) allot and issue Shares to the trustee to be held by the trustee pending the vesting of Awards granted and which will be used to satisfy Awards upon vesting; and/or (b) direct and procure the trustee to make on-market purchases of Shares to satisfy Awards upon vesting. The Company shall to the extent permitted by the Companies Law provide sufficient funds to the trustee by whatever means as the Board may in its absolute discretion determine to enable the trustee to satisfy its obligations in connection with the administration and vesting of Awards.

(iv) **Term**

The Long Term Incentive Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Awards will be offered but the provisions of the Long Term Incentive Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of any Awards already granted. Awards granted during 10 year term shall continue to be valid in accordance with their terms of grant after the end of the term.

(v) **Grant of awards**

The Board may grant an Award to a Participant by a notice ("**Grant Letter**") in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Award on the terms and conditions on which it is to be granted and to be bound by the terms of the Long Term Incentive Scheme. The Grant Letter shall specify, among other things, any vesting conditions, the relevant vesting schedule and applicable vesting date(s). The Company may require the grantee to remit HK$1.00 (or such equivalent in another currency as the Board may specify) to the Company as consideration for the grant.

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(vi) Timing restrictions

The Company may not grant any Award to any Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published or disclosed in accordance with the requirements of the Listing Rules. In particular, the Company may not grant any Award during the period commencing one month immediately before the earlier of:

(a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the actual publication of the results announcement, and where a grant is made to a Director:

(a) notwithstanding paragraphs vi(a) and vi(b) above, no Award shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(vii) Grant to connected persons

Any grant to any Director, chief executive or substantial Shareholder (other than an independent non-executive Director) of the Company, or any of their respective associates, shall be subject to the prior approval of the Remuneration Committee of the Company (excluding the independent non-executive Director who is the proposed Grantee of the grant in question) and all grants to connected persons shall be subject to compliance with the requirements of the Companies Law and the Listing Rules, including where necessary the prior approval of the Shareholders.

(viii) Satisfaction of awards

Subject to and in accordance with the terms of the Long Term Incentive Scheme and the specific terms applicable to each Award, an Award shall vest on the date(s) specified in the Grant Letter (the "**Vesting Date**"). If the vesting of an Award is subject to the satisfaction of performance-based, time-based and/or other conditions and such conditions are not satisfied, the Award shall lapse automatically in respect of such proportion of the underlying Shares as have not vested.

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The Board may in its absolute discretion, determine whether the whole or any part of the Award granted or to be granted under the Long Term Incentive Scheme shall be satisfied upon vesting by the allotment and issue or transfer of Shares or by a cash payment ("**Cash Payment**", for the purpose of the Long Term Incentive Scheme, means a payment in cash made by the Company to Participant upon the vesting of an Award in lieu of Shares, based on the formula of A x B, where: A = the number of Shares in respect of which the Award has vested, and B = the closing price of a Share as stated in the daily quotation sheets issued by the Stock Exchange of a Share on the relevant Vesting Date.) Any such determination may be made on a case-by-case basis or generally at any time on or around the grant date or relevant Vesting Date of the Award in question, and the Board shall notify the relevant Grantees of such determination. Awards shall be satisfied as soon as practicable on or after the relevant Vesting Date and in any event no later than 30 days following the relevant Vesting Date, at the Company's absolute discretion by:

(a) the Company allotting and issuing the relevant number of Shares to the Grantee credited as fully paid; or

(b) the Company directing and procuring the trustee to transfer to the Grantee the relevant number of Shares; or

(c) the Company paying or procuring the payment of a Cash Payment (and the Company may in its discretion pay or procure the payment of the Cash Payment in Hong Kong dollars or the equivalent in the Grantee's local currency (converted on such basis of exchange rate as the Company may in its discretion determine).

(ix) Rights attached to the shares

A Grantee shall have no rights in respect of any Shares granted until such Shares have been allotted and issued or transferred to the Grantee, including in relation to any dividends or distributions in respect of such Shares.

(x) Corporate events

x.i. In the event of:

(a) a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), the Company shall use its best endeavours to procure that such offer is extended to all Grantees (on the same terms mutatis mutandis, and assuming that they will become Shareholders). If such offer, having been approved in accordance with applicable laws and regulatory requirements becomes, or is declared unconditional, the Awards shall, subject to paragraph x.ii. below, vest in whole or in part on a date specified by the Board. All parts of an Award which have not vested shall lapse immediately; or

(b) a notice is given by the Company to its members to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company or an order of the court is made for the winding-up of the Company, the Company shall give notice thereof to all Grantees on the same day as such resolution is passed or order is made. At the sole and absolute discretion of the Board, any part of an Award which has not yet vested shall be accelerated in whole or in part (as specified in the Grantee's notice) immediately before the passing of such resolution, whereupon the Grantee will be entitled to receive out of the assets available in the liquidation pari passu with the Shareholders such sum as would have been received in respect of the Shares the subject of such election. Any part of an Award which has not been accelerated shall lapse immediately; or

Corporate Governance and Other Information

(c) a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Companies Ordinance ((Chapter 622 of the Laws of Hong Kong) as amended from time to time) or the Companies Act of Cayman Islands (as amended from time to time) (the "**Companies Act**"), the Company shall give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph x) on the same day as it dispatches to each member or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon any part of an Award which has not yet vested may be accelerated in whole or in part at any time prior to the day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement. Upon such compromise or arrangement becoming effective, all Awards shall, to the extent that they have not accelerated, lapse immediately. The Board shall endeavour to procure that the Shares issued as a result of the vesting of Awards (or any part thereof) under this paragraph x.i(c) shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of Grantees shall with effect from the date of the making of the order by the court be restored in full and all prior acceleration and lapse of the Awards shall be reversed and the Awards shall continue to vest in accordance with the original vesting schedule (but subject to the other terms of the Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid acceleration, lapse and reversal.

x.ii. The number of Shares in respect of which any Award is accelerated or vests pursuant to this paragraph x (if any) and the date or dates on which any such vesting will occur shall be determined by the Board in its absolute discretion by reference to factors which may include (a) the extent to which any performance or other conditions to vesting have been satisfied as at the relevant event and (b) the proportion of the period from the date of the grant to the normal Vesting Date that has elapsed as at the relevant event.

(xi) Maximum number of shares

The maximum number of shares in respect of which Awards may be granted under the Long Term Incentive Scheme (the "**Maximum Number**") when aggregated with the maximum number of Shares in respect of any share options to be granted under the Post-IPO Share Option Scheme is that number which is equal to 10% of the total number of Shares in issue on the Adoption Date (i.e. up to total of 306,004,506 shares).

On 7 June 2023, the shareholders of the Company has approved at the 2023 annual general meeting (the "**2023 AGM**") to amend certain terms of the Long Term Incentive Scheme, among of those, the maximum aggregate number of Shares which may be allotted and issued or transferred under this Scheme when aggregated with the maximum number of Shares which may be allotted and issued or transferred under Other Schemes must not exceed 5 per cent. of the total number of Shares in issue as at (a) the 2023 AGM, being 219,688,481 Shares; or (b) the New Approval Date (the "**Scheme Mandate Limit**"). The maximum aggregate number of Shares which may be allotted and issued or transferred under this Scheme to Service Providers when aggregated with the maximum number of Shares which may be allotted and issued or transferred under Other Schemes to Service Providers must not exceed 1 per cent. of the total number of Shares in issue as at (a) the 2023 AGM, being 43,937,696 Shares; or (b) the New Approval Date (the "**Service Provider Sublimit**").

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As at the date of this report, the total number of shares available for issue under the Long Term Incentive Scheme is 829,960, representing approximately 0.02% of the issued share capital of the Company as at the date of this report.

(xii) Renewal of maximum number of shares

xii.i. The Maximum Number of Shares may be increased or "refreshed", with the approval of the Shareholders in general meeting, up to a maximum of 10% of the Shares in issue at the date of such Shareholders' approval, inclusive of the maximum number of Shares in respect of which share options may be granted under the Post-IPO Share Option Scheme; and the Company may obtain a separate approval from its Shareholders in general meeting to permit the granting of Awards which will result in the number of Shares in respect of all Awards granted exceeding the then Maximum Number of Shares provided that such Awards are granted only to Participants specifically identified by the Company before Shareholders' approval is sought.

xii.ii. For the avoidance of doubt, (a) in calculating whether the Maximum Number of Shares has been exceeded, Awards under the Long Term Incentive Scheme and share options granted under the Post-IPO Share Option Scheme which have lapsed in accordance with the terms of the relevant scheme or which have been satisfied by the making of a Cash Payment shall not be counted, and (b) if the Maximum Number of Shares is increased or refreshed pursuant to this paragraph xii, Awards granted under the Long Term Incentive Scheme or share options granted under the Post-IPO Share Option Scheme (including without limitation those outstanding, cancelled in accordance with the relevant scheme and those which have vested) prior thereto shall not be counted for the purpose of calculating whether the new Maximum Number of Shares has been exceeded.

(xiii) Transfer restrictions

An Award shall be personal to the Grantee and shall not be assignable and the Grantee shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to the Award (save that, for the avoidance of doubt, the Grantee may nominate a nominee to hold the Shares to be issued pursuant to the vesting of an Award on trust for the sole benefit of such Grantee provided that evidence of such trust arrangement between the Grantee and the nominee shall be provided to the satisfaction of the Company). However, following the Grantee's death, Awards may be transferred by will or by the laws of testacy and distribution.

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(xiv) Lapse of awards

xiv.i. Unless otherwise determined by the Board in its sole and absolute discretion, Awards (or any part thereof) which have not vested shall lapse automatically on the earliest of:

(a) the date on which the Grantee ceases to be an employee, Director, agent or consultant of the Company or any Subsidiary by reason of the termination of his employment, office, agency or consultancy on any one or more grounds of serious misconduct by the Grantee, or if the Grantee has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board or the board of directors of the relevant Subsidiary (as the case may be)) on any other grounds on which an employer or principal would be entitled to summarily terminate his employment, office, agency or consultancy at common law or pursuant to any applicable laws or under the Grantee's service contract, terms of office, or agency or consultancy agreement or arrangement with the Company or the relevant Subsidiary (as the case may be);

(b) the date on which the Grantee ceases to be a Participant on or after becoming bankrupt or insolvent or making any arrangements or composition with his creditors generally;

(c) the date on which the Board shall exercise the Company's right to cancel an Award (or any part thereof) at any time after the Grantee commits a breach of paragraph xiii or the Award (or any part thereof) is cancelled in accordance with paragraph xiv.iv below; or

(d) in respect an Award which is subject to performance or other vesting condition(s), the date on which the condition(s) to vesting of the Award is not satisfied (save that the Award shall lapse only in respect of such proportion of underlying Shares as have not vested because of the application of such performance or other vesting condition(s); or

(e) the date on which the Award is not accelerated or vested (and therefore lapse) pursuant to paragraph x.i above.

xiv.ii. The Board shall have the right to determine whether the Grantee's employment, office, agency, or consultancy has been terminated the reasons set out in paragraph xiv.i(a) above, the effective date of such termination and such determination by the Board shall be final and conclusive.

xiv.iii. If the Grantee's employment, service or engagement with a member of the Group is terminated for any reason other than the reasons set out in paragraph xiv.i(a) above (including due to resignation, retirement, death, disability or non-renewal of the employment or service agreement (or equivalent) upon its expiration) prior to the vesting of any Award, the Board shall determine in its absolute discretion whether any unvested Award shall vest, the extent to which it shall vest and when such Award (or part thereof) shall vest. If no such determination is made, the Award shall lapse with effect from date on which the Grantee's employment, service or engagement is terminated. To the extent that the Board determines that such Award shall not vest, such Award shall lapse automatically with effect from such termination date.

xiv.iv. The Board may at any time cancel any Award previously granted but which have not yet vested and may, at its discretion, make a grant of new Award to the same Grantee. Where an Award is cancelled and a new Award is intended to be granted to the same Participant, the Scheme must have available unissued Shares (excluding the cancelled Shares(s)) within the Maximum Number as mentioned in paragraph xii.ii.

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(xv) **Adjustments**

In the event of an alteration in the capital structure of the Company by way of a capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party) whilst any Awards has not vested or has vested but has not yet been satisfied, such corresponding adjustments (if any) shall be made to the nominal value or number of Shares subject to Awards and/or the Maximum Number of Shares. Subject to the foregoing, any adjustment shall be made on the basis that the Grantee shall have the same proportion of the issued share capital of the Company for which any Grantee would have been entitled to had the Award held by him vested immediately prior to such adjustments but not greater than that to which he was entitled before such adjustment, but so that no such adjustment shall be made to the effect of which would be to enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of the Company for which any Grantee would have been entitled to had the Award held by him vested immediately prior to such adjustments.

In respect of any such adjustments, the auditors of the Company from time to time or an independent financial adviser to the Company (as the case may be) must confirm to the Board in writing that the adjustments are in their opinion fair and reasonable.

(xvi) **Alteration**

Save as provided below, the Board may alter any of the terms of the Long Term Incentive Scheme at any time. The Board may amend any performance and/or other conditions that applies to an Award if there is an event that causes it to consider that the performance and/or other conditions should be amended. The Long Term Incentive Scheme so altered must comply with the requirements of the Companies Law and the Listing Rules.

(xvii) **Cancellation**

The Board may at any time cancel Awards previously granted but which have not yet vested. Where the Company cancels Awards and offers new Awards to the same Grantee, the offer of such new Awards may only be made with available unissued Shares (excluding the cancelled Share(s)) within the Maximum Number within the limits set out in paragraph xi above.

(xviii) **Termination**

The Company by ordinary resolution in general meeting or the Board may at any time terminate the Long Term Incentive Scheme and in such event, no further Awards may be offered but in all other respects the terms of the Long Term Incentive Scheme shall remain in force to the extent necessary to give effect to the vesting of Awards which are granted during the term of the Long Term Incentive Scheme and which remain unvested immediately prior to the termination of the Long Term Incentive Scheme.

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Grant date	Connected/non-connected	Name/Position	Closing price immediately preceeding the date of grant	Vesting Period	Held at 1 January 2023	Grant during the period	Vested during the period *(Note (6))*	Cancelled during the period	Lapsed during the period	Held at 30 June 2023
PSUs *Notes (5)(7)*										
8 Jun 2022	Connected	Director – Jinchu Shen	22.50	*Note (3)*	979,500	–	(130,600)	–	(587,700)	261,200
8 Jun 2022	Connected	Director – Stuart Gibson	22.50	*Note (3)*	979,500	–	(130,600)	–	(587,700)	261,200
					1,959,000	–	(261,200)	–	(1,175,400)	522,400
23 Feb 2022	Connected	Certain directors of subsidiaries of the Company	25.00	*Note (2)*	839,400	–	(95,880)	(120,300)	(431,460)	191,760
23 Feb 2022	Non-connected	Employees of the Group who are not directors or chief executive of the Group	25.00	*Note (2)*	3,195,600	–	(414,980)	(83,250)	(1,867,410)	829,960
					4,035,000	–	(510,860)	(203,550)	(2,298,870)	1,021,720
25 May 2023	Connected	Certain directors of subsidiaries of the Company	11.86	*Note (8)*	–	971,460	–	–	–	971,460
25 May 2023	Non-connected	Employees of the Group who are not directors or chief executive of the Group	11.86	*Note (8)*	–	2,323,785	–	–	–	2,323,785
					–	3,295,245	–	–	–	3,295,245
					5,994,000	3,295,245	(772,060)	(203,550)	(3,474,270)	4,839,365
RSUs *Notes (5)(7)*										
23 Feb 2022	Connected	Certain directors of subsidiaries of the Company	25.00	*Note (1)*	128,933	–	(128,933)	–	–	–
23 Feb 2022	Non-connected	Employees of the Group who are not directors or chief executive of the Group	25.00	*Note (1)*	103,133	–	(103,133)	–	–	–
					232,066	–	(232,066)	–	–	–
8 Jun 2022	Connected	Certain directors of subsidiaries of the Company	22.50	*Note (4)*	1,909,667	–	(542,334)	–	–	1,367,333
8 Jun 2022	Non-connected	Employees of the Group who are not directors or chief executive of the Group	22.50	*Note (4)*	5,586,600	–	(1,438,982)	(350,000)	–	3,797,618
					7,496,267	–	(1,981,316)	(350,000)	–	5,164,951
20 Apr 2023	Non-connected	Employees of the Group who are not directors or chief executive of the Group	12.78	*Note (9)*	–	526,400	(105,280)	–	–	421,120
					–	526,400	(105,280)	–	–	421,120
25 May 2023	Connected	Certain directors of subsidiaries of the Company	11.86	*Note (10)*	–	747,640	(25,000)	–	–	722,640
25 May 2023	Non-connected	Employees of the Group who are not directors or chief executive of the Group	11.86	*Note (10)*	–	2,287,990	(112,500)	–	–	2,175,490
					–	3,035,630	(137,500)	–	–	2,898,130
					7,728,333	3,562,030	(2,456,162)	(350,000)	–	8,484,201
					13,722,333	6,857,275	(3,228,222)	(553,550)	(3,474,270)	13,323,566

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Notes:

(1) Following the fulfilment of the vesting conditions, the RSUs have fully vested between the Date of Grant to 1 April 2023.

(2) In respect of the PSUs, the PSUs granted will vest in favour of the relevant Participants in three equal tranches over a period of three years commencing from 1 April 2023 based on fulfillment of relevant performance conditions over a two-year period commencing from 1 January 2021 to 31 December 2022 (both dates inclusive).

(3) The PSUs granted will vest in favour of the relevant participants in three equal tranches over a period of three years commencing from 1 April 2023 based on fulfilment of relevant performance conditions over a two year period commencing from 1 January 2021 to 31 December 2022 (both dates inclusive). As disclosed in the Company's annual general meeting circular dated 29 April 2022, the Company would seek to motivate and reward eligible participants in the Long Term Incentive Scheme for optimising their performance in areas including, but not limited to, total shareholder returns, total assets under management and making contributions to the Group.

(4) In respect of the aggregate 5,164,951 RSUs granted to the relevant participants held at 30 June 2023, subject to the vesting conditions being met:
   (i) A final one-third tranche of 129,833 of the RSUs granted to Connected Grantees and 103,868 of the RSUs granted to Non-connected Grantees respectively will vest on 8 June 2024; and
   (ii) 1,237,500 of the RSUs granted to Connected Grantees and 3,693,750 of the RSUs granted to Non-connected Grantees will vest in three equal tranches on 8 June of each of 2024, 2025 and 2026.

(5) Please refer to note 27 to the Consolidated Financial Statements for the fair value of awards at the date of grant and the accounting standard and policy adopted.

(6) The weighted average closing price of the shares immediately before the dates on which the awards vested is HK$13.35 per share.

(7) The purchase price for the shares underlying the PSUs/RSUs is nil.

(8) The PSUs granted will vest in favour of the relevant Participants in three equal tranches over a period of three years commencing from 1 April 2025 based on fulfillment of relevant performance conditions over a two-year period commencing from 1 January 2023 to 31 December 2024 (both dates inclusive).

(9) The RSUs (non-connected grantees) will vest in five equal tranches on the Date of Grant, and 31 December each of 2023, 2024, 2025 and 2026.

(10) In respect of the aggregate of 3,035,630 RSUs granted to the relevant participants, subject to the vesting conditions being met:
   (i) 647,640 of the RSUs granted to Connected Grantees and 1,699,190 of the RSUs granted to Non-connected Grantees will vest in four equal tranches on 25 May of each of 2024, 2025, 2026 and 2027.
   (ii) 100,000 of the RSUs granted to Connected Grantees and 450,000 of the RSUs granted to Non-connected Grantees will vest in four equal tranches on 8 June of each of 2023, 2024, 2025 and 2026.
   (iii) 138,800 of the RSUs granted to Non-connected Grantees will vest in two equal tranches on 1 October each of 2023 and 2024.

There were no awards granted to service provider or any participants in excess of the 1% individual limit during the six months ended 30 June 2023.

As at 1 January 2023 and 30 June 2023, the number of options and awards available for grant under the Scheme Mandate Limit is 263,109,806 and 219,688,481, respectively, and the number of options and awards available for grant under the Service Provider Sublimit is nil and 43,937,696, respectively.

The number of Shares that may be issued in respect of options and awards granted under Post-IPO Share Option Scheme and Long Term Incentive Scheme of the Company divided by the weighted average number of ordinary Shares in issue for the six months ended 30 June 2023 is 0.43%.

For the options and awards ("**Grants**") granted during the six months ended 30 June 2023 with less than 12 months of vesting period, the Remuneration Committee considered it appropriate to award the Grants with vesting period of less than 12 months as those Grants would have been granted earlier but for administrative or compliance reasons, those were made in a subsequent batch with a view to putting the relevant grantees in the same position as they would have been in had the Grants been made earlier.

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STAFF AND REMUNERATION

The Group had 2,201 employees as at 30 June 2023. The Group provided competitive remuneration package to its employees and encouraged training programs to improve their knowledge and skills, and promoted cross-market and cross-cultural cooperation to nurture their sense of belonging to the Group.

The remuneration packages are determined with reference to the experience, level of responsibilities, time commitment and contributions of each individual, the Company's performance and the prevailing market conditions. Any discretionary bonus and other merit payments depend on the profit performance of the Group and individual performance of Directors, senior management and other employees. The remuneration levels are sufficient to attract and retain directors to run the Company successfully without paying more than necessary. The Group reviews its remuneration policy on a regular basis. During the period from 1 January 2023 to 30 June 2023, the remuneration of the Group (including salaries, retirement benefits, other welfares and post-employment benefits) to all employees including Directors amounted to US$138,523,000, representing an increase of 3% compared to period from 1 January 2022 to 30 June 2022.

We have share schemes in place to act as incentive to recognise the contributions made by the employees, executives, officers and directors of the Group, to retain them for the continuing operation and development of the Group and to attract suitable personnel for further development of the Group. For further details, please refer to the paragraph "KM ESOP, Tier 1 ESOP, Post-IPO share option scheme and Long Term Incentive Scheme" under this section.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK$12.5 cents per Share for the financial year ending 31 December 2023 (2022: HK$12.5 cents per share), representing a total payout of approximately HK$547 million (2022: approximately HK$556 million), payable on Friday, 29 September 2023, to shareholders whose names appear on register of members of the Company at the close of business on Thursday, 14 September 2023, being the record date for determining shareholders' entitlement to the proposed interim dividend.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 12 September 2023 to Thursday, 14 September 2023, (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for an interim 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. on Monday, 11 September 2023.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high corporate governance standards to safeguard the interests of its stakeholders. The Company has applied the principles in the Corporate Governance Code ("**CG Code**") in Appendix 14 to the Listing Rules by conducting its business by reference to the principles of the CG Code and emphasising such principles in the Company's governance framework. It is in the opinion of the Directors that the Company has complied with all the code provisions as set out in the Part 2 of the CG Code during the six months ended 30 June 2023.

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 to 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 six months ended 30 June 2023.

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DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Changes in the information of directors required to be disclosed under Rule 13.51B(1) of the Listing Rules since the date of annual report 2022 of the Company are set out as follows:

Mr. Wei Hu as a non-executive Director retired from the Board at the conclusion of the annual general meeting held at 7 June 2023.

Mr. Stuart Gibson was appointed as an independent director of SYLA Technologies Co., Ltd. (listed on Nasdaq) with effect from 1 July 2023.

Mr. Jeffrey David Perlman has been promoted to president of Warburg Pincus from head of Southeast Asia and Asia Pacific real estate for the firm since July 2023.

Save as disclosed above, there is no other information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 1 June 2022 and 7 June 2023, 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 such resolution.

During the six months ended 30 June 2023, the Company had repurchased, under the Repurchase Mandate, a total of 38,824,400 Shares on market ranging from HK$10.94 to HK$17.68 per Share, representing approximately 0.89% of the issued Shares as at 30 June 2023 for a consideration of approximately HK$531.0 million (approximately US$68.0 million, excluding transaction cost). At the date of this interim report, the repurchased Shares have been cancelled. Details of Shares repurchased are as follows:

Month	Number of shares repurchased	Purchase price per share Highest HK$	Purchase price per share Lowest HK$	Aggregate consideration HK$ million
January 2023	7,614,400	17.68	15.44	127.2
February 2023	6,450,000	16.58	14.02	97.5
March 2023	2,147,000	14.14	13.14	29.5
April 2023	7,320,000	14.24	11.92	95.0
May 2023	13,753,800	12.64	10.94	161.7
June 2023	1,539,200	14.10	11.28	20.1
	38,824,400			531.0

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Details of cancellation of the repurchased Shares are as follows:

Date	Number of Shares cancelled
17 January 2023	1,734,000
6 March 2023	12,330,400
9 May 2023	9,467,000
31 May 2023	10,103,800
11 July 2023	5,189,200
Total	38,824,400

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.

The issue of Japanese Yen Fixed Rate Notes under the US$2,000,000,000 Multicurrency Debt Issuance Programme

On 30 June 2023, the Company entered into a Subscription Agreement with SMBC Nikko Capital Markets Limited and MUFG Securities Asia Limited Singapore Branch in connection with the issue of (i) JPY20,000,000,000 1.163% fixed rate notes due 2026 (the "**2026 Notes**"); and (ii) JPY10,000,000,000 1.682% fixed rate notes due 2030 (the "**2030 Notes**"), each under the US$2,000,000,000 Multicurrency Debt Issuance Programme of the Company (collectively "**Notes**" and "**Notes Issue**"). The offer price of the Notes will be 100.00% of the principal amount of the Notes. The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Company and ranked pari passu, without any preference or priority amongst themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Company.

All conditions under the Subscription Agreement were fulfilled and the Notes Issue was closed on 10 July 2023. The Notes are listed on Singapore Exchange Securities Trading Limited on 11 July 2023.

The gross proceeds of the Notes Issue will be JPY30,000,000,000. The gross proceeds arising from the issue of the Notes, after deduction of fees, commissions and expenses, will be used for the refinancing of existing borrowings, financing of potential acquisition and investment opportunities which the Group may pursue in the future as well as working capital requirements and the general corporate purposes of the Group.

Please refer to the Company's announcements dated 23 June 2023, 30 June 2023 and 10 July 2023 for details.

Shares Purchased By Trustee Under The Long Term Incentive Scheme

During the six months ended 30 June 2023, 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 3,309,146 Shares of the Company at a total consideration of approximately US$5.3 million (approximately HK$41.4 million, excluding transaction costs).

Save as disclosed above, during the six months ended 30 June 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

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CONVERTIBLE BONDS ISSUED

In September 2020, the Company completed the issuance of US$350 million 1.50 per cent convertible bonds due 2025 (the "**Bonds**") to professional and institutional investors. The Bonds may be converted into shares of the Company at the conversion price of HK$32.13 per share (subject to adjustment) and assuming full conversion of the Bonds, the Bonds will be converted into 84,427,015 shares, representing approximately 2.77% of the then issued share capital of the Company and approximately 2.69% of the then issued share capital of the Company as enlarged by the issue of such conversion shares (assuming that there is no other change to the issued share capital of the Company). The Bonds are listed and traded on the Singapore Exchange Securities Trading Limited.

The net proceeds from the Bond Issue, after deducting fees, commission and expenses payable in connection with the Bond Issue, was approximately US$345.0 million, which the Company is using for refinancing of existing borrowings, financing of potential acquisition and investment opportunities as well as the working capital requirements and the general corporate purposes of the Group. Based on the net proceeds and assuming the full conversion of the Bonds, the net price per share is approximately HK$31.67. As of 30 June 2023, the net proceeds were fully utilized for the purposes as disclosed in the Company's announcement dated 10 September 2020.

The Directors believe that the Bond Issue will bring about a diversification of funding sources and expansion of investor base. This is the first convertible bond issue for the Company, and is in line with its capital management strategy.

During the six months ended 30 June 2023, there was no conversion of convertible bonds. Details of the convertible bonds balance as of 30 June 2023 is disclosed in Note 19 to the unaudited condensed consolidated financial information.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Reference is made to announcement of the Company dated 12 January 2023 in relation to the (i) subscription of Shares in BW Industrial Development Joint Stock Company ("**BW**"); (2) framework agreement on services; and (3) disposal of shares in certain joint venture companies and termination of continuing connected transactions.

The subscription of BW shares was completed on 12 January 2023 of which BW issued and allotted 168,358,478 ordinary shares to ESR V Investor 5 Pte Ltd (a wholly-owned subsidiary of the Company), representing 10.89% of the enlarged issued charter capital of BW immediately upon completion of the subscription. The total consideration of US$207,777,778 was satisfied in cash.

On 12 January 2023, ESR V Investment Holding Pte Ltd (a wholly-owned subsidiary of the Company) entered into the termination agreements to terminate the management agreements with each of the BW's joint ventures ("**BW Management Agreements**").

On the same day, ESR V Investor 1 Pte Ltd and ESR V Investor 2 Pte Ltd (both are wholly-owned subsidiaries of the Company) entered into agreement to sell its 49% interest in each TH1 Holdco Joint Stock Company and TH2 Holdco Joint Stock Company to Cong Ty Co Phan Sao Hoa Toan Quoc (a subsidiary of BW) for a consideration of VND524,276,000,000 and VND227,516,000,000 respectively.

For detailed information, please refer to the Company's announcement dated 12 January 2023.

Save as disclosed above, during the six months ended 30 June 2023, there were no other material acquisitions and disposals of subsidiaries, associates and joint ventures.

Corporate Governance and Other Information

ISSUE FOR CASH OF EQUITY SECURITIES

Save for the issue of Shares pursuant to the exercise of options granted under the KM ESOP and the Long Term Incentive Scheme as disclosed on page 26 and page 41, during the six months ended 30 June 2023, there was no other issue of equity securities (including securities convertible into equity securities) of the Company.

REVIEW OF INTERIM REPORT

The Audit Committee has reviewed the unaudited condensed consolidated financial information for the six months ended 30 June 2023.

Ernst & Young, the Group's external auditor, has carried out a review of the unaudited condensed consolidated financial information for the six months ended 30 June 2023 in accordance with Hong Kong Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Hong Kong Institute of Certified Public Accountants.

Independent Review Report

EY 安永

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To the shareholders of ESR Group Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 49 to 98, which comprises the condensed consolidated statement of financial position of ESR Group Limited (the "**Company**") and its subsidiaries (the "**Group**") as at 30 June 2023 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("**IAS 34**") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong

23 August 2023

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2023

	Notes	For the six months ended 30 June 2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Revenue	3, 4	**455,407**	431,706
Cost of sales		**(12,684)**	(9,284)
Gross profit		**442,723**	422,422
Other income and gains, net	4	**214,796**	290,321
Administrative expenses		**(204,481)**	(238,954)
Finance costs	6	**(158,789)**	(99,308)
Share of profits and losses of joint ventures and associates, net		**78,382**	145,005
Profit before tax	5	**372,631**	519,486
Income tax expense	7	**(58,761)**	(99,743)
Profit for the period		**313,870**	419,743
Attributable to:			
Owners of the Company		**288,965**	380,607
Non-controlling interests		**24,905**	39,136
		313,870	419,743
Earnings per share attributable to ordinary equity holders of the Company	9		
Basic earnings per share		**US$0.06**	US$0.08
Diluted earnings per share		**US$0.06**	US$0.08
Profit for the period		**313,870**	419,743
OTHER COMPREHENSIVE INCOME			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(61,576)**	(202,028)
Effect of hedge		**(3,538)**	–
Share of other comprehensive loss of joint ventures and associates		**(71,394)**	(171,842)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(136,508)**	(373,870)
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		**(48,176)**	(84,457)
Share of fair value reserve of associates and joint ventures		**4,071**	482
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		**(44,105)**	(83,975)
Other comprehensive loss for the period, net of tax		**(180,613)**	(457,845)
Total comprehensive income/(loss) for the period		**133,257**	(38,102)
Attributable to:			
Owners of the Company		**118,378**	(54,494)
Non-controlling interests		**14,879**	16,392
		133,257	(38,102)

Condensed Consolidated Statement of Financial Position

30 June 2023

	Notes	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**43,203**	43,822
Right-of-use assets		**32,046**	30,999
Investments in joint ventures and associates	10	**3,292,677**	2,955,816
Financial assets at fair value through profit or loss	11	**732,962**	752,851
Financial assets at fair value through other comprehensive income	12	**1,032,719**	976,395
Investment properties	13	**3,150,754**	3,322,232
Goodwill		**3,499,102**	3,455,498
Other intangible assets		**1,309,288**	1,322,754
Other non-current assets	14	**319,316**	227,440
Deferred tax assets		**96,611**	101,276
Total non-current assets		**13,508,678**	13,189,083
CURRENT ASSETS			
Trade receivables	15	**482,750**	353,488
Prepayments, other receivables and other assets		**462,169**	414,758
Financial assets at fair value through profit or loss	11	**27,935**	21,883
Cash and bank balances		**1,126,130**	1,806,915
		2,098,984	2,597,044
Assets of a disposal group classified as held for sale	20	**710,710**	413,247
Total current assets		**2,809,694**	3,010,291
CURRENT LIABILITIES			
Bank and other borrowings	16	**394,540**	290,452
Lease liabilities		**11,356**	10,403
Trade payables, accruals and other payables	18	**313,338**	403,492
Contingent consideration payable		**19,465**	2,581
Income tax payable		**49,795**	108,068
		788,494	814,996
Liabilities directly associated with the assets classified as held for sale	20	**392,978**	264,721
Total current liabilities		**1,181,472**	1,079,717
NET CURRENT ASSETS		**1,628,222**	1,930,574
TOTAL ASSETS LESS CURRENT LIABILITIES		**15,136,900**	15,119,657

Condensed Consolidated Statement of Financial Position

30 June 2023

	Notes	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**624,460**	617,504
Bank and other borrowings	16	**5,234,301**	5,206,178
Lease liabilities		**24,069**	23,785
Other non-current liabilities	17	**131,448**	131,876
Total non-current liabilities		**6,014,278**	5,979,343
NET ASSETS		**9,122,622**	9,140,314
EQUITY			
Equity attributable to owners of the Company			
Issued capital	26	**4,385**	4,422
Perpetual capital securities	28	**742,931**	742,701
Equity components of convertible bonds	19	**48,501**	48,501
Other reserves		**7,979,525**	8,019,035
		8,775,342	8,814,659
Non-controlling interests		**347,280**	325,655
TOTAL EQUITY		**9,122,622**	9,140,314

Mr Jinchu Shen
Director

Mr Stuart Gibson
Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Attributable to owners of the Company														
	Issued capital (note 26) US$'000	Share premium* (note 26) US$'000	Statutory reserve* US$'000	Merger reserve* US$'000	Share-based payment reserve* (note 27) US$'000	Exchange fluctuation reserve* US$'000	Retained profits* US$'000	Investment reserve (non-recycling)* US$'000	Hedge reserves* US$'000	Equity components of convertible bonds (note 19) US$'000	Perpetual capital securities (note 28) US$'000	Other reserve* US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
As at 1 January 2023 (audited)	4,422	6,448,219	4,802	56,358	49,130	(467,294)	2,050,186	(113,741)	-	48,501	742,701	(8,625)	8,814,659	325,655	9,140,314
Profit for the period	-	-	-	-	-	-	288,965	-	-	-	-	-	288,965	24,905	313,870
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	(48,053)	-	-	-	-	(48,053)	(123)	(48,176)
Effect of hedge	-	-	-	-	-	-	-	-	(3,538)	-	-	-	(3,538)	-	(3,538)
Exchange differences on translation of foreign operations	-	-	-	-	-	(51,648)	-	-	-	-	-	-	(51,648)	(9,928)	(61,576)
Share of other comprehensive loss of joint ventures and associates	-	-	-	-	-	(71,928)	-	4,071	509	-	-	-	(67,348)	25	(67,323)
Total comprehensive income for the period	-	-	-	-	-	(123,576)	288,965	(43,982)	(3,029)	-	-	-	118,378	14,879	133,257
Reclassification of financial asset at fair value through other comprehensive income	-	-	-	-	-	-	2,407	(2,407)	-	-	-	-	-	-	-
Profit attributable to holders of perpetual capital securities (note 28)	-	-	-	-	-	-	(20,876)	-	-	-	20,876	-	-	-	-
Distribution paid to holders of perpetual capital securities (note 28)	-	-	-	-	-	-	-	-	-	-	(20,646)	-	(20,646)	-	(20,646)
Adjustment on redemption value of the option granted to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(4,813)	(4,813)	(2,232)	(7,045)
Acquisition of non-controlling interests	-	-	-	-	-	-	(1,228)	-	-	-	-	-	(1,228)	(2,733)	(3,961)
Transfer of interest to non-controlling interests without change of control	-	-	-	-	-	-	-	-	-	-	-	-	-	2,912	2,912
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	5,413	5,413
Dividend distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,075)	(1,075)
Dividend distributions	-	-	-	-	-	-	(69,886)	-	-	-	-	-	(69,886)	-	(69,886)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	4,462	4,462
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Share repurchased and cancellation	(39)	(67,957)	-	-	-	-	-	-	-	-	-	-	(67,996)	-	(67,996)
Issue of shares upon exercise of share options (note 26)	2	2,956	-	-	(2,958)	-	-	-	-	-	-	-	-	-	-
Issue of shares pursuant to Long Term Incentive Scheme (note 26)	-	2,665	-	-	(8,072)	-	-	-	-	-	-	-	(5,407)	-	(5,407)
Transfer of share-based payment reserve upon the forfeiture of share options	-	-	-	-	(1,865)	-	1,865	-	-	-	-	-	-	-	-
Share-based compensation arrangement	-	-	-	-	12,281	-	-	-	-	-	-	-	12,281	-	12,281
As at 30 June 2023 (unaudited)	4,385	6,385,883	4,802	56,358	48,516	(590,870)	2,251,433	(160,130)	(3,029)	48,501	742,931	(13,438)	8,775,342	347,280	9,122,622

* These reserve accounts comprise the consolidated reserves of US$7,979,525,000 in the consolidated statement of financial position as at 30 June 2023 (31 December 2022: US$8,019,035,000).

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to owners of the Company													
	Issued capital (note 26) US$'000	Share premium* (note 26) US$'000	Statutory reserve* US$'000	Merger reserve* US$'000	Share-based payment reserve* (note 27) US$'000	Exchange fluctuation reserve* US$'000	Retained profits* US$'000	Investment reserve (non-recycling)* US$'000	Equity components of convertible bonds US$'000	Perpetual capital securities (note 19) US$'000	Other reserve* (note 28) US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
As at 1 January 2022 (audited)	3,049	2,022,188	4,302	56,358	29,899	21,240	1,555,682	127,274	48,501	261,147	29,218	4,158,858	255,177	4,414,035
Profit for the period	-	-	-	-	-	-	380,607	-	-	-	-	380,607	39,136	419,743
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	(79,334)	-	-	-	(79,334)	(5,123)	(84,457)
Exchange differences on translation of foreign operations	-	-	-	-	-	(184,407)	-	-	-	-	-	(184,407)	(17,621)	(202,028)
Share of other comprehensive loss of joint ventures and associates	-	-	-	-	-	(171,842)	-	482	-	-	-	(171,360)	-	(171,360)
Total comprehensive loss for the period	-	-	-	-	-	(356,249)	380,607	(78,852)	-	-	-	(54,494)	16,392	(38,102)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	77,823	(77,823)	-	-	-	-	-	-
Profit attributable to holders of perpetual capital securities (note 28)	-	-	-	-	-	-	(21,181)	-	-	21,181	-	-	-	-
Distribution paid to holders of perpetual capital securities (note 28)	-	-	-	-	-	-	-	-	-	(23,762)	-	(23,762)	-	(23,762)
Redemption of perpetual capital securities (note 28)	-	-	-	-	-	-	(2,201)	-	-	(216,601)	-	(218,802)	-	(218,802)
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	3,558	3,558
Dividend distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(4,867)	(4,867)
Partial disposal of shares in subsidiaries to non-controlling interests	-	-	-	-	-	-	3,996	-	-	-	-	3,996	26,097	30,093
Acquisition of subsidiaries	1,346	4,338,816	-	-	955	-	-	-	-	699,830	-	5,040,947	76,601	5,117,548
Adjustment on redemption value of the option granted to non-controlling shareholders of a subsidiary	-	-	-	-	-	87	-	-	-	-	(78,185)	(78,098)	(50,633)	(128,731)
Issue of new shares	77	249,923	-	-	-	-	-	-	-	-	-	250,000	-	250,000
Share repurchased and cancellation	(9)	(47,594)	-	-	-	-	-	-	-	-	-	(47,603)	-	(47,603)
Issue of shares upon exercise of share options (note 26)	1	958	-	-	(1,434)	-	-	-	-	-	-	(475)	-	(475)
Issue of shares pursuant to Long Term Incentive Scheme (note 26)	-	610	-	-	(1,440)	-	-	-	-	-	-	(830)	-	(830)
Share-based compensation arrangement	-	-	-	-	10,395	-	-	-	-	-	-	10,395	43	10,438
As at 30 June 2022 (unaudited)	4,464	6,564,901	4,302	56,358	38,375	(334,922)	1,994,726	(29,401)	48,501	741,795	(48,967)	9,040,132	322,368	9,362,500

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	Notes	For the six months ended 30 June 2023 (Unaudited) US$'000	 2022 (Unaudited) US$'000
Cash flows from operating activities			
Profit before tax		**372,631**	519,486
Adjustments for:			
Amortisation of other intangible assets	5	**13,855**	14,428
Changes in carrying value of financial assets and financial liabilities at fair value through profit or loss	4	**(140)**	34,852
Depreciation of property, plant and equipment	5	**3,211**	2,763
Depreciation of right-of-use assets	5	**5,950**	6,178
Dividend income	4	**(52,694)**	(107,178)
Fair value gains on assets held for sale	4	**(3,495)**	–
Fair value gains on completed investment properties	4	**(3,908)**	(43,249)
Fair value gains on investment properties under construction	4	**(111,399)**	(119,678)
Finance costs	6	**158,789**	99,308
Gain on disposal of interests in joint ventures and associates	4	**(64)**	(11,124)
Gain on disposal of investment properties	4	**(13,650)**	(32,722)
Gain on disposal of subsidiaries	4	**(199)**	(583)
(Gain)/Loss on disposal of interests in financial assets at fair value through profit or loss	4	**(1,853)**	291
Interest income	4	**(16,988)**	(5,028)
Loss on disposal of assets held for sale	4	**441**	–
Loss on disposal of property, plant and equipment	5	**47**	367
Management fee received/receivable in units		**(20,319)**	–
Other income		**(1,373)**	–
Share-based compensation expense	5	**12,281**	10,438
Share of profits and losses of joint ventures and associates, net		**(78,382)**	(145,005)
		262,741	223,544
Increase in trade receivables		**(141,953)**	(48,817)
(Increase)/Decrease in prepayments, other receivables and other assets		**(27,444)**	4,783
Decrease in trade payables, accruals and other payables		**(12,598)**	(29,140)
Cash flows generated from operations		**80,746**	150,370
Income tax paid		**(60,645)**	(61,063)
Dividend income received from financial assets at fair value through profit or loss		**910**	503
Disposal of financial assets at fair value through profit or loss		**931**	1,831
Net cash flows generated from operating activities		**21,942**	91,641

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Cash flows from investing activities		
Acquisition of subsidiaries	**(25,442)**	(44,146)
Additions of investment properties	**(180,938)**	(170,602)
Additions of other intangible assets	**(576)**	(1,955)
Advances to related parties and joint ventures	**(14,585)**	(22,378)
Capital injection in joint ventures and associates	**(396,444)**	(145,942)
Capital injection in financial assets at fair value through other comprehensive income	**(94,017)**	(34,968)
Capital injection in financial assets at fair value through profit or loss	**(38,795)**	(65,714)
Capital redemption on financial assets at fair value through other comprehensive income	**736**	24,759
Disposal of financial assets at fair value through other comprehensive income	**–**	349,259
Disposal of interests in joint ventures and associates	**30,654**	44,049
Disposal of investment properties	**33,168**	92,053
Disposal of property, plant and equipment	**–**	210
Disposal of subsidiaries	**2,132**	10,702
Distributions from financial assets at fair value through profit or loss	**17,943**	59,149
Distributions from joint ventures and associates	**45,687**	152,517
Dividend income from quoted financial assets	**31,282**	20,573
Dividend income from unquoted financial assets	**19,957**	83,679
Increase of non-pledged fixed time deposits with a maturity period over three months	**(1,285)**	(954)
Interest received	**12,522**	4,630
Investment in other investments	**(5,781)**	–
Loan to third parties	**(10,344)**	(1,607)
Payment of contingent consideration payables	**–**	(1,600)
Prepayments for acquiring land use rights	**(38,934)**	(60,226)
Purchase of derivative financial assets	**–**	(11)
Purchases of property, plant and equipment	**(5,235)**	(3,918)
Repayment of loan to directors of the Company	**–**	945
Repayments from joint ventures	**–**	63,120
Transaction costs incurred for acquisition of subsidiaries	**–**	(45,167)
Net cash flows (used in)/generated from investing activities	**(618,295)**	306,457

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Cash flows from financing activities		
Acquisition of non-controlling interests	(3,961)	–
Capital contributions from non-controlling interests	5,413	3,558
Changes in pledged bank deposits and restricted cash balance	(4,254)	14,055
Distribution paid to holders of perpetual capital securities	(20,646)	(23,762)
Dividend distributions to non-controlling interests	(1,075)	(4,867)
Dividend distributions to shareholders	(69,886)	–
Interest on bank and other borrowings paid	(155,233)	(114,474)
Partial disposal of shares in subsidiaries to non-controlling shareholders	–	30,093
Principal portion of lease payments	(6,482)	(6,531)
Proceeds from bank and other borrowings	829,312	1,277,178
Proceeds from issuance of shares	–	250,000
Redemption of perpetual capital securities, net	–	(218,802)
Repayment of bank and other borrowings	(497,407)	(1,021,841)
Share repurchased	(67,996)	(47,603)
Transfer of interest to non-controlling interests without change of control	2,912	–
Net cash generated from financing activities	10,697	137,004
Net (decrease)/increase in cash and cash equivalents	(585,656)	535,102
Cash and cash equivalents at beginning of period	1,717,672	1,517,533
Effect of foreign exchange rate changes, net	(66,139)	(100,198)
Cash and cash equivalents at end of period	1,065,877	1,952,437
Analysis of balances of cash and cash equivalents		
Cash and bank balances	1,126,130	2,014,685
Cash and short-term deposits attributable to the disposal group held for sale	31,410	45,346
Non-pledged fixed time deposits with a maturity period over three months	(1,285)	(954)
Pledged bank deposits	(2,902)	(49,999)
Restricted bank balances	(87,476)	(56,641)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	1,065,877	1,952,437

Notes to Condensed Consolidated Financial Information

30 June 2023

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 Suites 2905–06, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

The Company and its subsidiaries (together, the "**Group**") are principally engaged in logistics real estate development, leasing, management and fund management platforms in the Asia Pacific region.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income, financial assets and liabilities 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.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised International Financial Reporting Standards ("**IFRSs**") for the first time for the current period's financial information.

IFRS 17	*Insurance Contracts*
Amendments to IFRS 17	*Insurance Contracts*
Amendment to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 — Comparative Information*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform — Pillar Two Model Rules*

Notes to Condensed Consolidated Financial Information

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The nature and impact of the new and revised IFRSs are described below:

(a) IFRS 17 which replaces IFRS 4, sets out the recognition, measurement, presentation and disclosure requirements applicable to issuers of insurance contracts. The standard does not have a material impact on these financial statements as the Group does not have contracts within the scope of IFRS 17.

(b) Amendments to IAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to IFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

(c) Amendments to IAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

(d) Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in IAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any impact on the financial position or performance of the Group.

(e) Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The amendments has no impact on the Group through evaluation.

Notes to Condensed Consolidated Financial Information

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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 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 rate 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 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.

Notes to Condensed Consolidated Financial Information

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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.

	Six months ended 30 June 2023			
	Investment (Unaudited) US$'000	Fund management (Unaudited) US$'000	New Economy development (Unaudited) US$'000	Total (Unaudited) US$'000
Segment revenue	39,849	402,932	12,626	455,407
— Intersegment sales	–	5,939	–	5,939
	39,849	408,871	12,626	461,346
Reconciliation:				
Elimination of intersegment sales	–	(5,939)	–	(5,939)
Revenue from continuing operations	39,849	402,932	12,626	455,407
Operating expenses	(12,893)	(91,350)	(22,258)	(126,501)
Fair value gains on investment properties	3,908	–	111,399	115,307
Dividend income	51,505	1,189	–	52,694
Changes in carrying value of financial assets and liabilities at fair value through profit or loss	(7,891)	(24)	8,055	140
Changes in fair value of assets held for sale	3,339	–	156	3,495
Share of profits and losses of joint ventures and associates, net	42,742	14,580	21,060	78,382
Gain on disposal of interests in joint ventures and associates	–	–	64	64
Gain on disposal of interests in financial assets at fair value through profit or loss	69	–	1,784	1,853
Gain on disposal of investment properties	–	–	13,650	13,650
Gain/(Loss) on disposal of subsidiaries	–	(2)	201	199
Loss on disposal of asset held for sale	(441)	–	–	(441)
Other income	–	1,373	1,000	2,373
Segment result	120,187	328,698	147,737	596,622
Reconciliation:				
Depreciation and amortisation				(23,016)
Exchange gain				3,029
Interest income				16,988
Finance costs				(158,789)
Share-based compensation expense				(12,281)
Other unallocated gains				5,449
Corporate and other unallocated expenses				(55,371)
Profit before tax from continuing operations				372,631
Other segment information				
Depreciation and amortisation				(23,016)
Capital expenditure*				176,539
Investments in joint ventures and associates				3,292,677

Notes to Condensed Consolidated Financial Information

30 June 2023

3. OPERATING SEGMENT INFORMATION (continued)

	Six months ended 30 June 2022			
	Investment (Unaudited) US$'000	Fund management (Unaudited) US$'000	New Economy development (Unaudited) US$'000	Total (Unaudited) US$'000
Segment revenue	60,520	371,035	151	431,706
— Intersegment sales	–	270	–	270
	60,520	371,305	151	431,976
Reconciliation:				
Elimination of intersegment sales	–	(270)	–	(270)
Revenue from continuing operations	60,520	371,035	151	431,706
Operating expenses	(9,996)	(98,596)	(19,928)	(128,520)
Fair value gains on investment properties	43,249	–	119,678	162,927
Dividend income	106,819	359	–	107,178
Changes in carrying value of financial assets and liabilities at fair value through profit or loss	(44,749)	–	9,897	(34,852)
Share of profits and losses of joint ventures and associates, net	54,802	15,113	75,090	145,005
Gain on disposal of investment properties	–	–	32,722	32,722
Gain on disposal of interests in joint ventures and associates	–	–	11,124	11,124
Loss on disposal of interests in financial assets at fair value through profit or loss	(291)	–	–	(291)
Gain/(Loss) on disposal of subsidiaries	483	(4)	12	491
Segment result	210,837	287,907	228,746	727,490
Reconciliation:				
Depreciation and amortisation				(23,369)
Exchange losses				(1,056)
Interest income				5,028
Finance costs				(99,308)
Share-based compensation expense				(10,438)
Other unallocated gains				5,992
Corporate and other unallocated expenses				(84,853)
Profit before tax from continuing operations				519,486
Other segment information:				
Depreciation and amortisation				(23,369)
Capital expenditure*				1,743,526
Investments in joint ventures and associates				2,675,166

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

Notes to Condensed Consolidated Financial Information

30 June 2023

3. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June 2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Greater China	**81,227**	120,454
Japan	**46,545**	57,808
South Korea	**146,351**	71,114
Australia and New Zealand	**80,751**	93,891
Southeast Asia	**75,804**	65,528
India	**5,272**	6,064
Europe	**16,373**	11,000
Others	**3,084**	5,847
	455,407	431,706

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

(b) Non-current assets

	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Greater China	**4,284,773**	4,157,231
Japan	**1,393,705**	1,714,318
South Korea	**529,500**	510,047
Australia and New Zealand	**2,554,565**	2,365,203
Southeast Asia	**2,120,099**	1,967,817
India	**191,760**	152,316
Europe	**336,770**	247,063
Others	**215,723**	233,801
	11,626,895	11,347,796

The non-current assets information of continuing operations above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue from continuing operations of approximately US$76,713,000 was derived from fund management segment (30 June 2022: US$48,558,000 from fund management segment) by a single customer during the financial period ended 30 June 2023.

Notes to Condensed Consolidated Financial Information

30 June 2023

4. REVENUE, OTHER INCOME AND GAINS, NET

(a) Revenue

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2023 (Unaudited) US$'000	**2022 (Unaudited) US$'000**
Rental income from investment property operating leases (note (i))	**36,695**	57,655
Management fee	**402,932**	371,035
Construction income	**12,626**	151
Solar energy income	**3,154**	2,865
Total	**455,407**	431,706

Timing of revenue recognition

	For the six months ended 30 June	
	2023 (Unaudited) US$'000	**2022 (Unaudited) US$'000**
Rental income from investment property operating leases	**36,695**	57,655
Point in time		
Management fee	**46,025**	125,606
Over time		
Management fee	**356,907**	245,429
Construction income	**12,626**	151
Solar energy income	**3,154**	2,865
	455,407	431,706

Note:

(i) No variable lease payments exist in all rental contract.

Notes to Condensed Consolidated Financial Information

30 June 2023

4. REVENUE, OTHER INCOME AND GAINS, NET (continued)

(b) Other income and gains, net

	Note	For the six months ended 30 June 2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Changes in carrying value of financial assets and liabilities at fair value through profit or loss		**140**	(34,852)
Changes in fair value of assets held for sale		**3,495**	–
Dividend income		**52,694**	107,178
Exchange gain		**3,029**	–
Fair value gains on completed investment properties	13	**3,908**	43,249
Fair value gains on investment properties under construction	13	**111,399**	119,678
Loss on disposal of asset held for sale		**(441)**	–
Gain/(Loss) on disposal of interests in financial assets at fair value through profit or loss		**1,853**	(291)
Gain on disposal of interests in joint ventures and associates		**64**	11,124
Gain on disposal of investment properties		**13,650**	32,722
Gain on disposal of subsidiaries		**199**	583
Interest income		**16,988**	5,028
Others		**7,818**	5,902
		214,796	290,321

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

(a) Employee benefit expense

	For the six months ended 30 June 2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Wages and salaries (including directors' and chief executive's remuneration)	**120,603**	117,600
Share-based compensation expense (note 27)	**12,281**	10,438
Pension scheme contributions[#]	**5,639**	6,289
	138,523	134,327

[#] There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

Notes to Condensed Consolidated Financial Information

30 June 2023

5. PROFIT BEFORE TAX (continued)

The Group's profit before tax is arrived at after charging: (continued)

(b) Other items

	For the six months ended 30 June	
	2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Amortisation of other intangible assets (note (i))	**13,855**	14,428
Auditor's remuneration	**2,074**	1,521
Construction cost (note (ii))	**2,699**	151
Depreciation of property, plant and equipment	**3,211**	2,763
Depreciation of right-of-use assets	**5,950**	6,178
Exchange losses	**–**	1,056
Loss on disposal of items of property, plant and equipment	**47**	367
Other tax expenses	**7,885**	8,931
Professional service fee	**12,490**	52,357

Notes:

(i) Amortisation of other intangible assets for the six months ended 30 June 2023 and 2022 are included in "Administrative expenses" in the condensed consolidated statement of profit or loss and other comprehensive income.

(ii) Construction costs for the six months ended 30 June 2023 and 2022 are included in "Cost of sales" in the condensed consolidated statement of profit or loss and other comprehensive income.

6. FINANCE COSTS

	For the six months ended 30 June	
	2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Interest expense on bank loans	**147,186**	76,674
Interest expense on other borrowings	**980**	725
Interest expense on bonds	**8,693**	18,949
Interest expense on convertible bonds	**2,603**	2,603
Interest accretion on convertible bonds (note (i))	**5,289**	5,036
Interest expense on lease liabilities	**850**	702
	165,601	104,689
Less: Interest capitalised	**(6,812)**	(5,381)
	158,789	99,308

Note:

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

Notes to Condensed Consolidated Financial Information

30 June 2023

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Current tax	**26,511**	58,475
Deferred tax	**32,250**	41,268
	58,761	99,743

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Islands Companies Law and is exempted from the payment of Cayman Islands income tax.

During the period, Hong Kong profits tax has been provided at the rate of 16.5% (30 June 2022: 16.5%) on the assessable profits arising in Hong Kong.

During the period, the subsidiaries incorporated in China are subject to China income tax at the rate of 25% (30 June 2022: 25%).

Taxes on estimated assessable profits elsewhere were calculated at the rates of taxation prevailing in the respective jurisdictions in which the Group operates.

8. DIVIDENDS

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$69,886,000 (2021: nil).

The final dividend was paid by the Company during the six months ended 30 June 2023 (30 June 2022: nil).

On 23 August 2023, the board of directors declared an interim dividend of HK$12.5 cents per ordinary share for the financial year ending 31 December 2023 (six months ended 30 June 2022: HK$12.5 cents per ordinary share for the financial year ended 31 December 2022), amounting to a total of approximately US$70,000,000 (six months ended 30 June 2022: US$70,777,000).

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Company (excluding distributions to holders of perpetual capital securities issued by a subsidiary) by the weighted average number of ordinary shares in issue during the period. The weighted average number of ordinary shares of 4,403,420,000 (30 June 2022: 4,470,248,000) in issue during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the Company, adjusted to reflect the interest on the convertible bonds, where applicable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

Notes to Condensed Consolidated Financial Information

30 June 2023

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (continued)

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2023 (Unaudited) US$'000	**2022 (Unaudited) US$'000**
Earnings:		
Profit attributable to owners of the Company	**288,965**	380,607
Distributions to holders of perpetual capital securities issued by a subsidiary	**(13,546)**	–
Profit used to determine basic earnings per share	**275,419**	380,607

	For the six months ended 30 June	
	2023 '000	**2022 '000**
Number of shares:		
Weighted average number of ordinary shares in issue, used in the basic earnings per share calculation	**4,403,420**	4,470,248
Effect of dilution — weighted average number of ordinary shares:		
Share options	**27,253**	36,314
	4,430,673	4,506,562

Because the diluted earnings per share amount is increased when taking convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic earnings per share for the period and were ignored in the calculation of diluted earnings per share. Therefore, the diluted earnings per share amounts is based on the profit attributable to ordinary equity holders of the Company (excluding distributions to holders of perpetual capital securities issued by a subsidiary) of US$275,419,000 (30 June 2022: US$380,607,000), and the weighted average number of ordinary shares of 4,430,673,000 (30 June 2022: 4,506,562,000) in issue during the period.

10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

	30 June 2023 (Unaudited) US$'000	**31 December 2022 (Audited) US$'000**
Share of net assets from joint ventures	**925,168**	916,766
Share of net assets from associates	**1,788,305**	1,637,406
Goodwill on retaining interests in joint ventures and associates	**91,134**	2
	2,804,607	2,554,174
Shareholder loan to joint ventures	**488,070**	401,642
	3,292,677	2,955,816

Shareholder loan to joint ventures are unsecured and interest-free. It is part of the capital commitment to the joint venture and is only repayable upon mutually agreed by all joint ventures partners. Accordingly, the shareholder loan is considered as part of the Group's investments in the joint venture.

Notes to Condensed Consolidated Financial Information

30 June 2023

10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

Particulars of the Group's material joint ventures and associates are as follows:

Name	Place of registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activities	Classified as investment in
e-Shang Star Cayman Limited ("**e-Shang Star**")	Cayman Islands	25.6455%	25.6455%	25.6455%	Investment holding	Joint venture
Sunwood Star Pte. Ltd. ("**Sunwood Star**")	Singapore	20.00%	20.00%	20.00%	Investment holding	Joint venture
ESR GIC Limited ("**ESR-GIC**")	British Virgin Islands	51.00%	51.00%	51.00%	Investment holding	Joint venture
ESR Milestone Partnership ("**EMP**")	Australia	20.00%	20.00%	20.00%	Investment holding	Associate
Cromwell Property Group	Australia	30.69%	30.69%	30.69%	Property investment, funds management, property management and property development	Associate
Kenedix, Inc	Japan	30.00%	30.00%	30.00%	Fund management	Associate
BW Industrial Development Joint Stock Company	Vietnam	10.40%	note (i)	10.40%	Warehousing and storage business, property management and property development	Associate

note (i) The Group has voting power of 10.40% at shareholder meeting, and 1 vote at board of director meeting.

The joint ventures and associates are accounted for using equity method. Unanimous agreements from all joint venture parties are required for investments in joint ventures.

Investments in joint ventures and associates with a carrying amount of US$341,527,000 (31 December 2022: US$371,459,000) were pledged to secure bank and other borrowings granted to the Group (note 16).

As of 30 June 2023, the fair value of a material associate based on its quoted market price was amounted to US$287,118,000 (31 December 2022: US$361,433,000).

Notes to Condensed Consolidated Financial Information

30 June 2023

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Current		
Listed equity investments, at fair value (note (i))	**27,935**	21,883
Non-current		
Unquoted equity interests, at fair value (note (ii))	**732,962**	752,851
	760,897	774,734

Notes:

(i) Listed equity investments at fair value represent the Group's investments in publicly listed companies, which are quoted in active markets.

(ii) The fair value of these investments is estimated based on the Group's share of the net asset value of the investment funds and associates.

In accordance with the exemption in IAS 28 Investments in associates, the Group has elected to measure its investments in associates and joint ventures at fair value through profit or loss in accordance with IFRS 9. This exemption is related to the fact that fair value measurement provides more useful information for users of the financial statements than application of the equity method. This is an exemption from the requirement to measure interests in associates using the equity method, rather than an exception to the scope of IAS 28 for the accounting for associates and a joint venture.

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Listed equity investments, at fair value	**821,756**	781,180
Unlisted equity investments, at fair value	**210,963**	195,215
	1,032,719	976,395

Listed equity investments at fair value represent the Group's investments in publicly listed companies, which are quoted in active markets.

The fair value of unlisted equity investments is estimated based on the Group's share of the net asset value of the investment funds.

As at 30 June 2023, the above equity investments of US$1,032,719,000 (31 December 2022: US$976,395,000) were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the period, the Group recognised loss arising from its equity investments amounted to US$48,176,000 (30 June 2022: US$84,457,000) in other comprehensive income. The Group also recognised dividend income in respect of its equity investments amounted to US$35,084,000 (30 June 2022: US$58,610,000) in the statement of profit or loss.

Notes to Condensed Consolidated Financial Information

30 June 2023

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

The listed equity investments comprise the following:

	Fair value as at 30 June 2023 (Unaudited) US$'000
Hong Kong Exchanges and Clearing Limited ("**HKEX**")	
• Investment A	4,723
Singapore Exchange Securities Trading Limited ("**SGX**")	
• Investment B	313,894
• Investment C	72,958
• Investment D	91,810
• Investment E	267,194
Korea Exchange ("**KRX KOSPI**")	
• Investment F	71,177
	821,756

Listed equity investments at market value with a fair value of US$149,979,000 as at 30 June 2023 (31 December 2022: US$157,207,000) had been pledged to secure bank and other borrowings granted to the Group (note 16).

Notes to Condensed Consolidated Financial Information

30 June 2023

13. INVESTMENT PROPERTIES

	Completed investment properties US$'000	Investment properties under construction US$'000	Total US$'000
At 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
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)
Disposals	(117,089)	(146,750)	(263,839)
Disposal of subsidiaries	(831,380)	(97,971)	(929,351)
Exchange realignment	(165,110)	(163,572)	(328,682)
At 31 December 2022 (audited) and 1 January 2023	**1,260,119**	**2,062,113**	**3,322,232**
Additions	**794**	**169,823**	**170,617**
Disposal of subsidiaries (note 22)	**–**	**(9,805)**	**(9,805)**
Disposal	**–**	**(32,203)**	**(32,203)**
Changes in fair values of investment properties	**3,908**	**111,399**	**115,307**
Transfer from investment properties under construction to completed investment properties	**395,295**	**(395,295)**	**–**
Reclassification to assets of a disposal group held for sale	**–**	**(289,166)**	**(289,166)**
Exchange realignment	**(52,366)**	**(73,862)**	**(126,228)**
At 30 June 2023 (unaudited)	**1,607,750**	**1,543,004**	**3,150,754**

	For the six months ended 30 June 2023 (Unaudited) US$'000
Statement of profit or loss and other comprehensive income	
Rental income from investment property	**36,695**
Direct operating expenses arising from	
— investment properties generating rental income	**7,468**
— investment properties not generating rental income	**1,739**

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13. INVESTMENT PROPERTIES (continued)

(a) All completed investment properties and investment properties under construction of the Group were revalued at 30 June 2023 based on valuation performed by independent professionally qualified valuers, Beijing Colliers International Real Estate Valuation Co., Ltd., Jones Lang LaSalle Corporate Appraisal and Advisory Limited, Jones Lang LaSalle Property Consultants India Private Limited., Cushman & Wakefield K.K., and Cushman & Wakefield Vietnam Ltd. at fair value. They are industry specialists in investment property valuation.

In determining fair value, a combination of approaches and methods were used, including the Direct Comparison Method and Discounted Cash Flow Method. The Direct Comparison Method is applied based on the market prices of comparable properties. Comparable properties with similar sizes, characters and locations were analysed, and weighted against relevant factors to arrive at the fair value of the properties. The Discounted Cash Flow Method measures the value of a property by the present worth of the net economic benefit to be received over the life of the asset.

(b) Completed investment properties leased out under operating leases

The Group leases out completed investment properties under operating lease arrangements. All leases run for a period of one to ten years, with an option to renew the leases after the expiry dates, at which time all terms will be renegotiated. The Group's total future minimum lease receivables under non-cancellable operating leases generated from completed investment properties are as follows:

	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Within one year	**48,053**	58,891
After one year but within two years	**34,613**	69,345
After two years but within three years	**21,050**	17,044
After three years but within four years	**10,864**	5,409
After four years but within five years	**7,933**	3,123
After five years	**5,263**	6,043
	127,776	159,855

(c) Certain of the Group's completed investment properties and investment properties under construction with a fair value of US$2,781,017,000 (31 December 2022: US$2,802,672,000) were pledged to secure bank and other borrowings granted to the Group (note 16).

(d) Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	For the six months ended 30 June	
	2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Quoted prices in active markets (Level 1)	**–**	–
Significant observable inputs (Level 2)	**267,935**	577,894
Significant unobservable inputs (Level 3)	**2,882,819**	2,588,894
	3,150,754	3,166,788

During the period, there were no transfers of fair value measurement between Level 1 and Level 2 (30 June 2022: nil).

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13. INVESTMENT PROPERTIES (continued)

(d) Fair value hierarchy (continued)

The movements in fair value measurements within Level 3 during the period are as follows:

	For the six months ended 30 June	
	2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
At 1 January	**2,624,209**	3,250,778
Additions	**124,448**	105,270
Acquisition of subsidiaries	**–**	44,941
Changes in fair value of investment properties	**115,528**	126,916
Disposal	**(32,203)**	–
Disposal of subsidiaries	**(9,805)**	–
Transfer from Level 2 to Level 3	**372,848**	–
Reclassification to asset held for sale	**(203,936)**	(726,716)
Exchange realignment	**(108,270)**	(212,295)
At 30 June	**2,882,819**	2,588,894

The valuation of investment properties categorised within Level 2 of the fair value hierarchy are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

Below is a summary of the valuation techniques used and the key unobservable inputs to the valuation of investment properties categorised within Level 3 of the fair value hierarchy as at 30 June 2023 and 31 December 2022:

Investment property details	Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Logistics facility, Data centres, Land	Income capitalisation	**Capitalisation rate:** China: 5.40% to 6.85% (2022: 5.40% to 6.85%) Japan: 3.80% to 5.10% (2022: 3.80% to 5.10%) Hong Kong: N.A. (2022: 3.00%) India: 7.50% (2022: 7.75%)	The estimated fair value varies inversely against capitalisation rate
	Discounted cash flow	**Discount rate:** China: 7.25% to 9.00% (2022: 7.75% to 9.00%) Japan: 3.60% to 5.00% (2022: 3.80% to 5.00%) Hong Kong: N.A. (2022: 7.00%) India: 11.10% to 14.12% (2022: 9.83% to 13.85%)	The estimated fair value varies inversely against the discount rate
		Terminal capitalisation rate: China: 4.25% to 6.25% (2022: 4.75% to 6.25%) Japan: 3.90% to 5.50% (2022: 3.90% to 5.50%) Hong Kong: N.A. (2022: 3.00%) India: 7.50% (2022: 7.50%)	The estimated fair value varies inversely against the terminal capitalisation rate

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14. OTHER NON-CURRENT ASSETS

	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Contract costs	**326**	375
Due from joint ventures	**18,177**	7,998
Due from non-controlling interests of subsidiaries	**29,325**	25,184
Financial derivative assets	**19,491**	10,765
Investment in Optionally Convertible Debentures (note (i))	**5,707**	5,380
Investment in Non-convertible Debentures	**11,329**	10,622
Input tax recoverable	**8,458**	5,367
Loan receivables from third parties	**21,694**	41,583
Prepayments for acquiring land use rights	**150,699**	99,195
Prepayments for construction	**1,056**	1,700
Prepayments for property, plant and equipment	**195**	–
Receivable from funds	**36,995**	3,758
Rental deposits	**5,608**	4,569
Rental income receivables	**535**	517
Others	**9,721**	10,427
	319,316	227,440

Note:

(i) The Group subscribed to the Optionally Convertible Debentures ("**OCD**") issued by the Group's joint ventures. The OCD, at the request of the lender and consent of the borrower, shall be convertible into equity shares at any time before 3 years from the drawdown date, but before the date of completion of 6 years from the drawdown date. The OCD may be converted into equity shares in one or more tranches. The OCD shall convert into equity shares at the fair market value of the equity shares on the date of conversion of OCD into equity shares. The outstanding OCD that are neither converted nor redeemed, shall be compulsorily redeemed on the date of completion of 6 years from the drawdown date. The fair value measurement for the OCD has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used (see note 30).

The balances due from non-controlling interests of subsidiaries are non-trade in nature and unsecured. As at 30 June 2023, the balance of US$26,564,000 (31 December 2022: US$22,277,000) bears interest of 4.00% to 5.50% (31 December 2022: 4.00% to 5.50%) per annum. The remaining balance is non-interest bearing.

The balance due from joint ventures are non-trade in nature and unsecured. As at 30 June 2023, the balance of US$17,759,000 (31 December 2022: US$7,569,000) bears interest of 6.00% per annum. The remaining balance is non-interest bearing.

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15. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables related to various diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An aging analysis of the trade receivables as at 30 June 2023 and 31 December 2022, based on the invoice date and net of loss allowance, is as follows:

	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Within 90 days	**458,594**	347,924
91 to 180 days	**11,818**	3,904
Over 180 days	**12,338**	1,660
Total	**482,750**	353,488

16. BANK AND OTHER BORROWINGS

	30 June 2023			31 December 2022		
	Effective interest rate (%)	Maturity	US$'000 (Unaudited)	Effective interest rate (%)	Maturity	US$'000 (Audited)
Current						
Bank loans — secured	**2.00–7.20**	**2023–2024**	**64,218**	0.57–7.20	2023	53,744
Bank loans — unsecured	**2.20**	**2024**	**135,477**	2.20	2023	95,382
Other borrowings — unsecured	**0.50–10.00**	**2023**	**51,107**	0.50–10.00	2023	52,560
Bonds — unsecured	**4.15–6.00**	**2023–2024**	**143,738**	4.25–6.00	2023	88,766
			394,540			290,452
Non-current						
Bank loans — secured	**0.61–9.90**	**2024–2043**	**1,180,364**	0.57–9.40	2024–2042	1,270,017
Bank loans — unsecured	**1.75–7.92**	**2024–2028**	**3,564,054**	1.75–7.98	2024–2027	3,392,381
Bonds — unsecured	**5.10**	**2025**	**165,541**	4.15–5.10	2024–2025	224,727
			4,909,959			4,887,125
Convertible bonds (note 19)	**5.03**	**2025**	**324,342**	5.03	2025	319,053
			5,234,301			5,206,178
			5,628,841			5,496,630

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16. BANK AND OTHER BORROWINGS (continued)

Debt maturity profile of bank and other borrowings:

	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Bank loans repayable		
Within one year	**199,695**	149,126
In the second year	**882,119**	1,161,178
In the third to fifth year, inclusive	**3,524,814**	3,038,692
Beyond five years	**337,485**	462,528
	4,944,113	4,811,524
Bonds and other borrowings repayable		
Within one year	**194,845**	141,326
In the second year	**165,541**	59,199
In the third to fifth year, inclusive	**324,342**	484,581
	684,728	685,106
	5,628,841	5,496,630

Note:

As at 30 June 2023, certain of the Group's completed investment properties and investment properties under construction in a total fair value of US$2,781,017,000 (31 December 2022: US$2,802,672,000), property, plant and equipment with a carrying amount of US$27,749,000 (31 December 2022: US$28,875,000), pledged bank deposits with an amount of US$2,902,000 (31 December 2022: US$2,030,000), listed equity interests at market value with a fair value of US$149,979,000 (31 December 2022: US$157,207,000), investments in joint ventures and associates with carrying amount of US$341,527,000 (31 December 2022: US$371,459,000), an asset held for sale of US$51,276,000 (31 December 2022: US$51,285,000), and equity interests of certain subsidiaries were pledged to secure bank and other borrowings granted to the Group.

17. OTHER NON-CURRENT LIABILITIES

	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Amounts due to related parties (note(i))	**2,738**	2,599
Deferred revenue	**4,417**	4,917
Provision for long services payment and retirement pension	**5,862**	6,121
Long-term employee benefits liability	**5,844**	5,955
Redemption value of the option granted to non-controlling shareholders of a subsidiary (note(ii))	**100,733**	93,687
Security deposits	**10,262**	16,999
Others	**1,592**	1,598
	131,448	131,876

Notes:

(i) The amounts due to related parties are non-trade in nature and unsecured. As at 30 June 2023, the balance of US$2,738,000 (31 December 2022: US$2,599,000) bears interest of 11.82% to 12.25% per annum.

(ii) The redemption value of option granted to non-controlling shareholders of a subsidiary amounting to US$100,733,000 represents liabilities of the Group to acquire interest owned by the non-controlling shareholders of a subsidiary, determined based on net asset fair value, as at 30 June 2023.

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18. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

Trade payables, accruals and other payables balance comprise of:

	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Trade payables	**9,490**	16,722
Accruals and other payables	**303,848**	386,770
Total	**313,338**	403,492

An aging analysis of the trade payables as at 30 June 2023 and 31 December 2022, based on the invoice date, is as follows:

	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Within 30 days	**6,577**	13,932
31 to 60 days	**209**	256
Over 60 days	**2,704**	2,534
Total	**9,490**	16,722

The amounts due to related parties are non-trade in nature, unsecured, interest-free and payable on demand.

19. CONVERTIBLE BONDS

On 9 September 2020, the Company issued US$350,000,000 in principal amount of 1.50% convertible bonds due 2025. There was no movement in the number of these convertible bonds during the period.

The convertible bonds may be converted into ordinary shares of the Company at the option of the convertible bondholders at the prevailing conversion price on or after the date which is 41 days after 30 September 2020 up to and including on the ten day prior to 30 September 2025 ("**Maturity Date**") (both days inclusive). On the date of issuance, the initial conversion price was HK$32.13 per share ("**Conversion Price**"), subject to adjustment upon occurrence of certain prescribed events based on the terms and conditions of the convertible bonds.

Subject to satisfaction of certain conditions, the convertible bonds may be redeemed at the option of the Company at any time after 30 September 2023 and prior to the Maturity Date, in whole, but not in part, for the time being outstanding at their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption.

The Company will, at the option of the convertible bondholder to redeem all or some only of such holder's convertible bonds on 30 September 2023 at 100% of their principal amount, together with interest accrued but unpaid up to but excluding such date.

The convertible bonds are interest-bearing at 1.50% per annum payable semi-annually in arrears in March and September respectively.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in shareholders' equity.

As of 30 June 2023, there was no conversion of convertible bonds.

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19. CONVERTIBLE BONDS (continued)

The convertible bonds issued have been split into the liability and equity components as follows:

	Liability component US$'000	Equity component US$'000	Total US$'000
Issue of convertible bonds	301,499	48,501	350,000
Direct transaction costs	(4,959)	–	(4,959)
At the issuance date	296,540	48,501	345,041
At 1 January 2022	308,769	48,501	357,270
Effective interest expense	15,534	–	15,534
Net increase in interest payable	(5,250)	–	(5,250)
At 31 December 2022 (audited) and 1 January 2023	319,053	48,501	367,554
Effective interest expense	7,892	–	7,892
Net increase in interest payable	(2,603)	–	(2,603)
At 30 June 2023 (unaudited) (note 16)	324,342	48,501	372,843

20. DISPOSAL GROUP HELD FOR SALE

Disposal group held for sale is primarily related to the following portfolio of warehousing facilities:

Hong Kong warehousing facility

The Group has initiated the sale of a portfolio of warehousing facility (the "**Target Entity**") in Hong Kong with potential investors. The Target Entity is a wholly-owned subsidiary of the Company as of 30 June 2023. As a result, all assets and liabilities of the Target Entity (including the investment property) were reclassified as disposal group held for sale as at 30 June 2023.

Details of assets and liabilities classified as held for sale as at 30 June 2023 are as follows:

	As at 30 June 2023 US$'000
Assets	
Investment properties	251,844
Cash and bank balances	6,540
Other assets	209
Assets of a disposal group classified as held for sale	258,593
Liabilities	
Bank and other borrowings	(111,203)
Other liabilities	(130,895)
Liabilities directly associated with assets classified as held for sale	(242,098)
Net assets directly associated with the disposal group	16,495

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20. DISPOSAL GROUP HELD FOR SALE (continued)

Hong Kong warehousing facility (continued)

As at 30 June 2023, the bank and other borrowings of US$111,203,000 bears floating interest rate with maturity in August 2023. As of 30 June 2023, the interest rate was 6.815% per annum. The loan was refinanced for another five years in August 2023. The investment property with a fair value of US$251,844,000 was pledged to secure bank and other borrowings.

The fair value of the investment properties under the disposal group held for sale as at 30 June 2023 was based on the valuation conducted by Jones Lang LaSalle IP, Inc using market comparison approach (Level 2).

Higashi Ogishima

On 4 August 2023, a wholly-owned subsidiary of the Company entered into a Shareholder Agreement with a global institutional investor in connection with the development of a new distribution centre in Japan. The Group will have 40% interest in the new joint venture ("**JV Company**").

On the same day, a certain subsidiary of the Company and the JV Company entered into the Sale and Purchase Agreement in relation to the sale of the entire issued share capital of RW Higashi SPE 1 Pte. Ltd. and HGS Japan Pte. Ltd. (the "**Target Entities**"). The Target Entities are subsidiaries of the Company as of 30 June 2023.

Pursuant to the Sale and Purchase Agreement, all assets and liabilities of the Target Entities (including the investment property) were reclassified as disposal group held for sale as at 30 June 2023.

Details of assets and liabilities classified as held for sale as at 30 June 2023 are as follows:

	As at 30 June 2023 US$'000
Assets	
Investment properties	200,012
Cash and bank balances	11,197
Other assets	337
Assets of a disposal group classified as held for sale	211,546
Liabilities	
Bank and other borrowings	(73,373)
Deferred tax liabilities	(11,466)
Other liabilities	(6,090)
Liabilities directly associated with assets classified as held for sale	(90,929)
Net assets directly associated with the disposal group	120,617

As at 30 June 2023, the bank and other borrowings of US$73,373,000 bears floating interest rate with maturity in June 2025. As of 30 June 2023, the interest rate was 0.57% per annum. The investment property with a fair value of US$200,012,000 was pledged to secure bank and other borrowings.

The fair value of the investment properties under the disposal group held for sale as at 30 June 2023 was based on the valuation conducted by Cushman & Wakefield K.K. using discounted cashflow approach (Level 3).

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20. DISPOSAL GROUP HELD FOR SALE (continued)

Higashi Ogishima (continued)

Lease receivables under non-cancellable operating leases generated from completed investment properties under the disposal group held for sale are as follows:

	As at 30 June 2023 (Unaudited) US$'000
Within one year	5,739
After one year but within two years	10,151
After two years but within three years	7,029
After three years but within four years	6,330
	29,249

Indonesia warehousing facilities

On 26 May 2023, certain wholly-owned subsidiaries (the "**Target Entities**") of the Company entered into subscription agreement with Indonesia Investment Authority ("**INA**") and MC Urban Development Indonesia ("**MCUDI**") to develop modern warehousing facilities in Indonesia. Pursuant to the subscription agreement, INA, MCUDI and the Company shall own 40%, 40% and 20% interest, respectively in the Target Entities. Consequently, the Target Entities shall be deconsolidated from the Company and accounted as investment in joint ventures. The subscription agreement was completed on 3 July 2023.

As a result of the subscription agreement, all assets and liabilities of the Target Entity (including the investment property) were reclassified as disposal group held for sale as at 30 June 2023.

Details of assets and liabilities classified as held for sale as at 30 June 2023 are as follows:

	As at 30 June 2023 US$'000
Assets	
Investment properties	85,230
Cash and bank balances	13,493
Other assets	3,768
Assets of a disposal group classified as held for sale	102,491
Liabilities	
Bank and other borrowings	(24,288)
Other liabilities	(5,108)
Liabilities directly associated with assets classified as held for sale	(29,396)
Net assets directly associated with the disposal group	73,095

As at 30 June 2023, the bank and other borrowings of US$24,288,000 bears floating interest rate from 10.65% to 11.63% per annum with maturity from 2024 to 2026. The investment property with a fair value of US$66,428,000 was pledged to secure bank and other borrowings.

The fair value of the investment properties under the disposal group held for sale as at 30 June 2023 was measured based on the agreed transaction price (Level 2).

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21. BUSINESS COMBINATION

In April 2023, the Group, through its wholly-owned subsidiary, completed the acquisition of 90.20% equity interests in ARA Europe REIT Manager Limited.

The fair values of the identifiable assets and liabilities and goodwill on acquisition at the date of acquisition as disclosed in the table below have been measured on a provisional basis.

	Net assets acquired US$'000
Net assets acquired	
Property, plant and equipment	111
Cash and bank balances	2,792
Other assets	3,183
Other liabilities	(7,003)
Total identifiable net assets at fair value	(917)
Goodwill on acquisition	42,506
Non-controlling interests	(4,462)
	37,127
Satisfied by	
Cash	20,782
Consideration payable	16,345
	37,127

An analysis of the cash flows in respect of the acquisition of a subsidiary are as follows:

	Cashflow on acquisition US$'000
Cash consideration	(20,782)
Cash and bank balances acquired	2,792
Net outflow of cash and cash equivalents included in cash flows related to investing activities	(17,990)

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22. DISPOSAL OF SUBSIDIARIES

Cosmosquare OS1

In February 2023, the Group has, through its wholly-owned subsidiary, entered into a sale and purchase agreement to dispose of the 100% interests in a subsidiary, JP DC OS 1 Pte. Ltd., to a fund managed by the Group.

	US$'000
Net assets disposed of:	
Investment properties	9,805
Cash and bank balances	7,011
Trade receivables, prepayments and other receivables	982
Other liabilities	(17,998)
Non-controlling interests	(1)
	(201)
Gain on disposal of subsidiaries	201
	–
Satisfied by:	
Cash	–*

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	US$'000
Cash consideration	–*
Cash and bank balances of a subsidiary disposed of	(7,011)
Net outflow of cash and cash equivalents included in cash flows related to investing activities	(7,011)

* Denotes less than US$1,000

23. CONTINGENT LIABILITIES

As at 30 June 2023, neither the Group nor the Company had any significant contingent liabilities.

24. COMMITMENTS

(a) Operating lease commitments

As lessor

The Group leases out its completed investment properties under operating lease arrangements on terms ranging from one to ten years and with an option for renewal after the expiry dates, at which time all terms will be renegotiated.

At 30 June 2023 and 31 December 2022, the Group had total future minimum lease receivable under non-cancellable operating leases with its tenants falling due as stated in note 13.

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24. COMMITMENTS (continued)

(b) Capital commitments

	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Contracted, but not provided for investment properties	**314,506**	367,421
Contracted, but not provided for plant and machinery	**4,129**	7,636
Undrawn capital calls to real estate investment funds	**1,692,666**	1,300,989
	2,011,301	1,676,046

25. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the six months ended 30 June 2023 and 2022:

(a) Transactions with related parties:

	For the six months ended 30 June	
	2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Associates:		
— Management fee income (note (i))	**77,587**	35,539
— Sale of investment property	**14,192**	–
Joint ventures and associates:		
— Management fees income (note (i))	**42,989**	44,403
— Repayment from/(Advances to) joint ventures and associates (note (ii))	**(11,093)**	(22,378)
— Repayment from joint ventures (note (iii))	**–**	63,120
— Investments in debentures issued by joint ventures (note (iv))	**–**	1,834
— Interest income on investment in debentures (note (ii))	**826**	525
Directors:		
— Interest receivables from Directors (note 25 (d))	**438**	210

Notes:

(i) The Group and its subsidiaries entered into agreements with joint ventures (including their operating subsidiaries) and some associates to charge management services, which comprised the following:

a) Land acquisition fee at a certain percentage of the net land cost;

b) Development fee at a certain percentage of total budget of project development cost during the construction period;

c) Asset management fee at a certain percentage of the aggregate costs of the project before stabilisation or fair value after stabilisation; and

d) Leasing fee in respect of each new lease entered into.

(ii) Repayment from/(advances to) joint ventures and associates are unsecured, interest-free and repayable on demand. The outstanding amounts due from related parties as of 30 June 2023 is US$36,581,000 (30 June 2022: US$49,590,000).

(iii) During the period ended 30 June 2022, the Group received repayment of US$63,120,000 from the subsidiaries disposed to joint ventures of the Group. The amount was paid to the Group after disposal was completed.

(iv) Investments in debentures issued by joint ventures and related interest income are relating to the Group's investments in Optionally Convertible Debentures and Non-convertible Debentures.

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25. RELATED PARTY TRANSACTIONS (continued)

(b) Commitments with related parties

The Group's capital commitment to associates and joint ventures as of 30 June 2023 are US$303,032,000 and US$368,948,000 (31 December 2022: US$301,335,000 and US$386,099,000), respectively.

(c) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2023 (Unaudited) US$'000	2022 (Unaudited) US$'000
Short term employee benefits	**4,737**	4,675
Post-employment benefits	**5**	13
Share-based compensation expense	**1,543**	591
Total compensation paid to key management personnel	**6,285**	5,279

(d) Loans to Directors

Loans to Directors, disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

Name	At 1 January 2022 US$'000	Maximum amount outstanding during the year US$'000	At 31 December 2022 (audited) and 1 January 2023 US$'000	Maximum amount outstanding during the period US$'000	At 30 June 2023 (Unaudited) US$'000
Mr Stuart Gibson	4,853	4,600	4,600	4,600	4,600
Mr Charles Alexander Portes	4,853	4,600	4,600	4,600	4,600

Loans granted to directors bear interest at Libor plus 4% (31 December 2022: Libor plus 4%) per annum, and are unsecured and repayable in year 2023. Loans to Directors and the related interest receivables were included in prepayments, other receivables and other assets as of 30 June 2023.

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30 June 2023

26. SHARE CAPITAL

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Authorised number of shares	**8,000,000,000**	8,000,000,000

	30 June 2023 (Unaudited) US$'000	31 December 2022 (Audited) US$'000
Issued and fully paid	**4,385**	4,422

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital US$'000	Share premium account US$'000	Total US$'000
At 1 January 2022	3,048,603,743	3,049	2,022,188	2,025,237
Acquisition of subsidiaries	1,345,898,078	1,346	4,338,816	4,340,162
Issue of new shares	76,689,349	77	249,923	250,000
Share-based compensation plan exercised (note (i), (ii), (iv))	15,162,222	14	6,545	6,559
Share repurchased and cancellation (note (iii))	(64,089,200)	(64)	(169,253)	(169,317)
At 31 December 2022 (audited) and 1 January 2023	4,422,264,192	4,422	6,448,219	6,452,641
Share-based compensation plan exercised (note (iv), (v))	2,398,712	2	5,621	5,623
Share repurchased and cancellation (note (vi))	(39,285,200)	(39)	(67,957)	(67,996)
At 30 June 2023 (unaudited)	4,385,377,704	4,385	6,385,883	6,390,268

Notes:

(i) 14,955,955 shares were issued by the Company for a nil cash consideration in satisfaction of 19,396,448 share options exercised in 2022 at the exercise price of US$0.5 per share and 206,267 shares were issued by the Company in satisfaction of 464,134 award of RSUs granted under the Long Term Incentive Scheme vested in 2022 (note 27). An amount of US$8,203,000 (before tax of US$135,000) was transferred from the share-based payment reserve to share capital and share premium upon the exercise of the share-based compensation plan.

(ii) During the year ended 31 December 2022, the Company paid withholding tax of US$351,000 in relation to share options exercised in the previous financial year. The withholding tax expense was recorded in share premium account.

(iii) During the year ended 31 December 2022, the Company repurchased 69,739,200 of its own shares on the Hong Kong Stock Exchange for a consideration of approximately US$169,317,000. 64,089,200 shares have been cancelled before the reporting date of 31 December 2022 and 5,650,000 shares were cancelled subsequent to the reporting date in January 2023, the amount paid for the purchase of the shares has been charged to share capital and share premium.

(iv) Pursuant to the rules and trust deed of the Long Term Incentive Scheme ("**LTI Scheme**") adopted on 2 June 2021, the trustee of the LTI Scheme had purchased on the Hong Kong Stock Exchange a total of 3,309,146 shares (31 December 2022: 387,700 shares) of the Company at a total consideration of US$5,294,000 during the period ended 30 June 2023 (31 December 2022: US$1,158,000).

(v) 1,880,599 shares were issued by the Company in satisfaction of 4,312,619 share options exercised in 2023 at the exercise price of US$0.96 per share and 518,113 shares were issued by the Company in satisfaction of 3,228,222 award RSUs and PSUs granted under the Long Term Incentive Scheme vested in 2023 (note 27). An amount of US$5,623,000 was transferred from the share-based payment reserve to share capital and share premium upon the exercise of the share-based compensation plan.

(vi) During the period ended 30 June 2023, the Company repurchased 38,824,400 of its own shares on the Hong Kong Stock Exchange for a consideration of approximately US$67,996,000. 33,635,200 shares have been cancelled before the reporting date of 30 June 2023 and 5,189,200 shares were cancelled subsequent to the reporting date in July 2023, the amount paid for the purchase of the shares has been charged to share capital and share premium.

Notes to Condensed Consolidated Financial Information

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27. SHARE-BASED COMPENSATION PLAN

A. Share Option Plan

The following share options were outstanding under the share option plans including KM ESOP, Tier 1 ESOP and Post-IPO Share Option Scheme (the "**Plans**") during the six months ended 30 June 2023:

	Weighted average exercise price US$	Number of options '000
At 1 January 2022		63,490
Granted during the year	2.92	384
Forfeited during the year	2.52	(86)
Exercised during the year	0.54	(19,397)
At 31 December 2022 (audited) and at 1 January 2023		44,391
Forfeited during the period	3.04	(254)
Exercised during the period	0.96	(4,313)
At 30 June 2023 (unaudited)		39,824

The weighted average share price at the date of exercise for share options exercised during the six months ended 30 June 2023 was HK$13.11 (31 December 2022: HK$16.70) per share.

The exercise prices and exercise periods of the share options outstanding as at 30 June 2023 and 31 December 2022 are as follows:

Number of options ('000)		Exercise price	
30 June 2023	**31 December 2022**	**per share**	**Exercise period**
7,800	7,800	US$0.4600	20-04-17 to 20-01-26
100	100	US$0.4722	01-01-23* to 22-02-29
9,565	13,767	US$0.9445	01-01-23* to 19-05-29
873	873	US$1.1453	16-08-23* to 15-08-28
948	948	US$1.3655	16-02-24* to 25-02-29
2,310	2,437	US$1.5172	20-05-24* to 19-05-29
6,650	6,650	HK$27.30	28-12-21 to 27-12-30
11,194	11,432	HK$24.50	23-08-21 to 22-08-31
384#	384#	HK$22.78	08-06-22 to 07-06-32
39,824	44,391		

* Participants will have an unconditional right to exercise an option to the extent that it is vested after the earliest of the followings:

a) an IPO;

b) an Early Vesting Event;

c) 5 years of the date of grant.

Notes to Condensed Consolidated Financial Information

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27. SHARE-BASED COMPENSATION PLAN (continued)

A. Share Option Plan (continued)

If there is (i) a sale of all or substantially all of the shares in; or (ii) a disposal of all or substantially all of the business of the member of the Group of which a participant is a director or by which the participant is employed, as appropriate, by way of trade sale or by way of sale to a third party (an "**Early Vesting Event**"), any options granted to the participant will vest in full on the occurrence of the Early Vesting Event.

Total share options of 384,000, at an exercise price of HK$22.78, were granted to the directors of Company, Jinchu Shen and Stuart Gibson on 8 June 2022, in equal amount. The share options will vest in three equal tranches on 8 June 2022, 8 June 2023 and 8 June 2024.

The 4,312,619 share options exercised during the six months ended 30 June 2023 resulted in the issue of 1,880,599 ordinary shares of the Company and new share capital of US$1,881 (before issue expenses), as further detailed in note 26.

At 30 June 2023, the Company had 39,824,000 share options outstanding under the Plans. The exercise in full of the outstanding share options by conventional exercise method would, under the present capital structure of the Company, result in the issue of 39,824,000 additional ordinary shares of the Company and additional share capital and share premium of US$78,211,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 39,824,000 share options outstanding under the Plans, which represented approximately 0.91% of the Company's shares in issue as at that date.

B. Share Option Plan by a subsidiary of the Company

On 20 January 2022, the Group completed the acquisition of 100% equity interests in ARA Group. ARA Group has the following share-based payment arrangement held under its subsidiary.

In 2021, the subsidiary established an employee share option plan ("**ESOP Plan**"), subject to the subsidiary's board of directors' discretion, which entitles employees to purchase shares in the company. The ESOP Plan is intended to motivate, reward and retain certain members of the management team and the purpose is to promote the long-term growth of the subsidiary and drive strategic and economic alignment with shareholders.

Under the ESOP Plan, subject to the subsidiary's board of directors' discretion, holders of vested options are entitled to purchase shares at an exercise price determined by the board of directors of the subsidiary having regard to the market value of an ordinary share at the date on which the options were granted. The ESOP Plan shall expire in September 2031.

Provided that the holders remain in continuous employment at the subsidiary between the date of entry into the ESOP and the relevant vesting date of the options, the holders are only entitled to exercise the vested options on the occurrence of an exit event stipulated in the ESOP.

In September 2021, a total of 790.13 options were granted under the ESOP Plan to certain eligible employees. These options vest equally in 4 tranches in September 2021 and in December of each year from 2021 to 2023.

In September 2022, a total of 102.20 options were granted under the ESOP Plan to certain eligible employees. These options vest equally in 5 tranches in September 2022 and in December of each year from 2022 to 2025.

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30 June 2023

27. SHARE-BASED COMPENSATION PLAN (continued)

B. Share Option Plan by a subsidiary of the Company (continued)

The fair value of the share options has been measured using the Black-Scholes option-pricing model. The following table lists the inputs to the model used:

	31 December 2022 and 30 June 2023
Expected dividend yield (%)	–
Exercise price (US$)	14,545
Volatility (%)	33.1%
Risk-free interest rate (%)	4.23%
Expected life of option (years)	3.3 years

The number and exercise price of share options under the ESOP Plan is as follows:

	Weighted average exercise price US$	Number of options
At 1 January 2022		–
Acquisition of subsidiary	14,545	790.13
Granted during the year	14,545	102.20
Cancelled during the year	14,545	(112.93)
At 31 December 2022 (audited) and at 1 January 2023 and 30 June 2023 (unaudited)		779.40

C. Long Term Incentive Scheme

The purpose of the Long Term Incentive Scheme is to attract skilled and experienced personnel, to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company.

Eligible participants of Long Term Incentive Scheme include employees, executive Directors and non-executive Directors (including independent non-executive Directors), agents or consultants of the Company or its Subsidiary who the Board considers, in its absolute discretion, have contributed or will contribute to the Group. Each Participant who accepts the offer of the grant of an award ("**Award**", an award of RSUs and/or PSUs to be granted to a Participant under the Long Term Incentive Scheme (where a performance share unit ("**PSU**"), being a contingent right to receive a Share (or a Cash Payment) subject to certain terms and conditions (including performance-based vesting conditions) as set out in the Long Term Incentive Scheme and the relevant grant letter; a restricted share unit ("**RSU**"), being a contingent right to receive a Share (or a Cash Payment) subject to certain terms and conditions (including performance-based vesting conditions) as set out in the Long Term Incentive Scheme and the relevant grant letter) under the Long Term Incentive Scheme is a "Grantee". The Long Term Incentive Scheme became effective on 2 June 2021 and, unless otherwise canceled or amended, will remain in force for 10 years from that date.

The maximum number of shares in respect of which Awards may be granted under the Long Term Incentive Scheme (the "**Maximum Number**") when aggregated with the maximum number of Shares in respect of any share options to be granted under the Post-IPO Share Option Scheme is that number which is equal to 10% of the total number of Shares in issue on the Adoption Date (i.e. up to total of 306,004,506 shares). According to the Long Term Incentive Scheme, the Board may grant an Award to a Participant by a notice ("**Grant Letter**") in such form as the Board may from time to time determine, requiring the Participant to undertake to hold the Award on the terms and conditions on which it is to be granted and to be bound by the terms of the Long Term Incentive Scheme.

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27. SHARE-BASED COMPENSATION PLAN (continued)

C. Long Term Incentive Scheme (continued)

On 7 June 2023, the shareholders of the Company has approved at the 2023 annual general meeting (the "**2023 AGM**") to amend certain terms of the Long Term Incentive Scheme of which the maximum aggregate number of Shares which may be allotted and issued or transferred under Long Term Incentive Scheme when aggregated with the maximum number of Shares which may be allotted and issued or transferred under Other Schemes must not exceed 5% of the total number of Shares in issue as at (a) the 2023 AGM, being 219,688,481 Shares; or (b) the New Approval Date (the "**Scheme Mandate Limit**"). The maximum aggregate number of Shares which may be allotted and issued or transferred under Long Term Incentive Scheme to Service Providers when aggregated with the maximum number of Shares which may be allotted and issued or transferred under Other Schemes to Service Providers must not exceed 1% of the total number of Shares in issue as at (a) the 2023 AGM, being 43,937,696 Shares; or (b) the New Approval Date (the "**Service Provider Sublimit**").

The following awarded shares were outstanding under the Long Term Incentive Scheme during the six months ended 30 June 2023:

	Weighted average share price at grant date HK$	Number of awarded shares '000
At 1 January 2022		–
Granted during the year	23.25	14,406
Cancelled during the year	24.35	(90)
Vested during the year	23.99	(594)
At 31 December 2022 (audited) and at 1 January 2023		13,722
Granted during the period	11.44	6,857
Cancelled during the period	23.73	(4,028)
Vested during the period	22.28	(3,228)
At 30 June 2023 (unaudited)		13,323

The share price at grant date and vesting periods of the awarded shares outstanding under the Long Term Incentive Scheme outstanding as at 30 June 2023 and 31 December 2022 are as follows:

Number of awarded shares ('000)		Share price at grant date per share	Vesting period
30 June 2023	31 December 2022		
1,021	4,267	HK$24.35	23-02-22 to 30-06-25
5,687	9,455	HK$22.70	08-06-22 to 08-06-26
421	–	HK$12.90	20-04-23 to 31-12-26
2,197	–	HK$11.32	25-05-24 to 25-05-27
413	–	HK$11.32	08-06-23 to 08-06-26
150	–	HK$11.32	25-05-24 to 25-05-27
139	–	HK$11.32	01-10-23 to 01-10-24
3,295	–	HK$11.32	15-05-25 to 15-05-27
13,323	13,722		

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27. SHARE-BASED COMPENSATION PLAN (continued)

C. Long Term Incentive Scheme (continued)

The fair value of the awarded shares was determined based on the market value of the Company's shares at the grant date. The weighted average fair value of the awarded shares granted during the six months ended 30 June 2023 was HK$11.44 (31 December 2022: HK$23.25) per share. The total expense recognised in respect of the Long Term Incentive Scheme adopted by the Company for the six months ended 30 June 2023 was US$10,468,000 (31 December 2022: US$17,612,000).

As at 30 June 2023, the Company had 13,323,000 awarded shares outstanding under the Long Term Incentive Scheme, which represented approximately 0.30% of the Company's shares in issue as at that date.

28. PERPETUAL CAPITAL SECURITIES

Perpetual Securities NC5 5.65%

In March 2021, the Company issued an aggregate principal amount of S$200,000,000 perpetual resettable step-up subordinated securities under the US$2,000,000,000 Multicurrency Debt Issuance Programme. In June 2021, the Company issued a further tranche for an aggregate principal amount of S$150,000,000, bringing the aggregate total amount to S$350,000,000.

The distribution rate is 5.65% per annum, with the first distribution rate resets falling on 2 March 2026 and subsequent resets occurring every five years thereafter. Distributions are payable semi-annually in arrears. Subject to the relevant terms and conditions in the supplemental offering circular dated 23 February 2021, the Company may elect to defer making distributions on the perpetual capital securities and is not subject to any limits as to the number of times a distribution can be deferred.

The perpetual capital securities may be redeemed at the option of the Company, on 2 March 2026 or on any distribution payment date thereafter, on giving not less than 30 nor more than 60 days' irrevocable notice in accordance with the terms and conditions of the issuance. The perpetual capital securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position.

Perpetual Securities Series 001, Series 002 and Series 004

On 20 January 2022, the Group consolidated subordinated perpetual capital securities amounting to US$699,830,000 (inclusive of issuance cost and accrued dividend distribution) upon completion of the acquisition of 100% equity interests in ARA Group. These related to subordinated perpetual securities (the "**perpetual securities**") with aggregate principal amounts totaling S$950,000,000 (approximately US$698,000,000) (Series 001, Series 002, Series 004 at S$300,000,000, S$300,000,000, S$350,000,000 respectively) issued by ARA Asset Management Pte Ltd on 17 July 2017 ("**Series 001**"), 21 June 2018 ("**Series 002**") and 4 September 2019 ("**Series 004**").

Such perpetual securities bear distributions at a rate of 5.20% (Series 001), 5.65% (Series 002) and 5.60% (Series 004) per annum, payable semi-annually. Subject to relevant terms and conditions in the Information Memorandum dated 29 June 2017 (Series 001), 12 February 2018 (Series 002) and 4 September 2019 (series 004), ARA Group may elect to defer making distributions on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred. The perpetual capital securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position.

The perpetual securities constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any unsecured obligations of the Issuer. Perpetual securities Series 001 were fully redeemed on 4 May 2022.

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28. PERPETUAL CAPITAL SECURITIES (continued)

Movements of the perpetual capital securities are as follows:

	Principal US$'000	Distribution US$'000	Total US$'000
At 1 January 2022	256,318	4,829	261,147
Acquisition of subsidiaries	699,830	–	699,830
Profit attributable to holders of perpetual capital securities	–	42,524	42,524
Distributions to holders of perpetual capital securities	–	(44,199)	(44,199)
Redemption of perpetual capital securities, net of transaction costs	(216,601)	–	(216,601)
At 31 December 2022 (audited) and 1 January 2023	739,547	3,154	742,701
Profit attributable to holders of perpetual capital securities	–	20,876	20,876
Distributions to holders of perpetual capital securities	–	(20,646)	(20,646)
At 30 June 2023 (unaudited)	739,547	3,384	742,931

29. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each category of financial instruments as at 30 June 2023 and 31 December 2022 are as follows:

30 June 2023

	Financial assets at fair value through profit or loss (Unaudited) US$'000	Financial assets at amortised cost (Unaudited) US$'000	Financial assets at fair value through other comprehensive income (Unaudited) US$'000	Total (Unaudited) US$'000
Financial assets				
Financial assets at fair value through profit or loss	760,897	–	–	760,897
Financial assets at fair value through other comprehensive income	–	–	1,032,719	1,032,719
Trade receivables	–	482,750	–	482,750
Financial assets included in other non-current assets	25,198	133,384	–	158,582
Financial assets included in prepayments, other receivables and other assets	5,855	335,809	–	341,664
Pledged bank deposits	–	2,902	–	2,902
Restricted bank balances	–	87,476	–	87,476
Cash and bank balances	–	1,034,467	–	1,034,467
Non-pledged fixed time deposits with maturity period over three months	–	1,285	–	1,285
	791,950	2,078,073	1,032,719	3,902,742

Notes to Condensed Consolidated Financial Information

30 June 2023

29. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

30 June 2023 (continued)

	Financial liabilities at fair value through profit or loss (Unaudited) US$'000	Financial liabilities at amortised cost (Unaudited) US$'000	Total (Unaudited) US$'000
Financial liabilities			
Financial liabilities included in trade payables, accruals and other payables	22	239,691	239,713
Interest-bearing bank and other borrowings	–	5,628,841	5,628,841
Lease liabilities	–	35,425	35,425
Contingent consideration payable	–	19,465	19,465
Financial liabilities included in other non-current liabilities	100,733	26,298	127,031
	100,755	5,949,720	6,050,475

31 December 2022

	Financial assets at fair value through profit or loss (Audited) US$'000	Financial assets at amortised cost (Audited) US$'000	Financial assets at fair value through other comprehensive income (Audited) US$'000	Total (Audited) US$'000
Financial assets				
Financial assets at fair value through profit or loss	774,734	–	–	774,734
Financial assets at fair value through other comprehensive income	–	–	976,395	976,395
Trade receivables	–	353,488	–	353,488
Financial assets included in other non-current assets	16,145	104,658	–	120,803
Financial assets included in prepayments, other receivables and other assets	189	272,638	–	272,827
Pledged bank deposits	–	2,030	–	2,030
Restricted bank balances	–	95,878	–	95,878
Cash and bank balances	–	1,709,007	–	1,709,007
	791,068	2,537,699	976,395	4,305,162

Notes to Condensed Consolidated Financial Information

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29. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

31 December 2022 (continued)

	Financial liabilities at fair value through profit or loss (Audited) US$'000	Financial liabilities at amortised cost (Audited) US$'000	Total (Audited) US$'000
Financial liabilities			
Financial liabilities included in trade payables, accruals and other payables	78	303,868	303,946
Interest-bearing bank and other borrowings	–	5,496,630	5,496,630
Lease liabilities	–	34,188	34,188
Contingent consideration payable	–	2,581	2,581
Financial liabilities included in other non-current liabilities	93,687	33,272	126,959
	93,765	5,870,539	5,964,304

30. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management is responsible for determining the policies and procedures for the fair value management of financial instruments. At each reporting date, management analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The Group reviews with independent valuers on valuation inputs every half yearly, in line with its half year and annual reporting dates.

Management has assessed that the fair values of cash and bank balances, amounts due from related parties, trade receivables, financial assets included in prepayments, other receivables and other assets, current interest-bearing bank and other borrowings, amounts due to related parties, trade payables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted financial assets at fair value have been estimated based on the Group's share of the net asset value of the investment funds. The net asset value of the investment funds comprise mainly their investment properties whose fair values were determined by an external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. Therefore, management has determined that the net asset value of the investment funds represent fair value as at period end.

Notes to Condensed Consolidated Financial Information

30 June 2023

30. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group entered into derivative financial instruments, including foreign currency forward contracts, put option contract and cross-currency interest rate swap. The fair values of foreign currency forward contracts are measured using quoted prices of similar financial assets adjusted for the transaction expenses. The fair values of cross-currency interest rate swaps are based on financial institution's net present value calculation. The fair value of put option contract is determined using option pricing model based on the present value techniques that reflect both the time value and the intrinsic value of an option. The inputs used in the present value techniques included the estimated share price and discount rate, which involve a significant degree of management judgement where adjustments may be made by management for differences between the share price of investment in associate and the referenced comparable.

The summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2023 and 31 December 2022 is as follows:

	Valuation technique	Key unobservable input	Range	Sensitivity of the fair value to the input
Unlisted financial assets at fair value through other comprehensive income and profit or loss	Net asset value	Net asset value	2023: US$28,000 to US$663,338,000 2022: US$51,000 to US$1,761,000,000	1% increase (decrease) in net asset value would result in increase (decrease) in fair value by 1%
Investment in OCD at fair value	Discounted cash flow	Cost of equity	2023: 10.25% 2022: 10.25%	1% increase (decrease) in cost of equity would result in (decrease) increase in estimated fair value by 0.06%
Put option contract	Option pricing model	Share price of investment in associate	2023: JPY712 2022: JPY712	5% increase (decrease) in share price of investment in associate would result in (decrease) increase in estimated fair value by (US$1,965,000) and US$2,333,000
		Discount rate	2023: 1.45% 2022: 1.45%	10 basis points increase (decrease) in discount rate would result in (decrease) increase in estimated fair value by US$21,000
Redemption value of option	Discounted cash flow	Net asset fair value	2023: US$1,035,016,000 2022: US$962,485,000	1% increase (decrease) in net asset fair value would result in increase (decrease) in estimated fair value by 1%

Notes to Condensed Consolidated Financial Information

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30. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

	Quoted prices in active market (Level 1) US$'000	Significant observable inputs (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
30 June 2023 (unaudited)				
Financial assets at fair value through profit or loss	**33,716**	**–**	**738,669**	**772,385**
Financial assets at fair value through other comprehensive income	**821,756**	**–**	**210,963**	**1,032,719**
Financial derivative assets	**–**	**9,667**	**9,898**	**19,565**
	855,472	**9,667**	**959,530**	**1,824,669**
31 December 2022 (audited)				
Financial assets at fair value through profit or loss	21,883	–	758,231	780,114
Financial assets at fair value through other comprehensive income	781,180	–	195,215	976,395
Financial derivative assets	–	189	10,765	10,954
	803,063	189	964,211	1,767,463

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30. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Assets measured at fair value (continued)

The movements in fair value measurements within Level 3 during the period are as follows:

	Put option contract US$'000	Unlisted financial assets US$'000
Financial assets at fair value		
At 1 January 2022	–	721,813
Acquisition of subsidiaries	5,316	333,729
Disposal of subsidiaries	–	(4,319)
Distribution and capital redemption	–	(135,906)
Elimination	–	(6,815)
Gain on sale of interests in financial assets at fair value through profit or loss	–	(8)
Interest receivable	–	526
Purchases	–	186,200
Reclassification to assets held for sale	–	(21,649)
Reclassification to investments in joint venture	–	(1,532)
Total loss recognised in other comprehensive income	–	(50,693)
Total gain recognised in profit or loss included in other income	6,191	10,370
Exchange realignment	(742)	(78,270)
At 31 December 2022 (audited) and 1 January 2023	10,765	953,446
Disposal	–	(21,616)
Distribution and capital redemption	–	(17,943)
Gain on sale of interests in financial assets at fair value through profit or loss	–	1,784
Interest receivable	–	269
Purchases	–	62,246
Reclassification to investments in joint venture	–	(2,438)
Redemption	–	(736)
Total gain recognised in other comprehensive income	–	(3,525)
Total gain recognised in profit or loss included in other income	–	3,793
Exchange realignment	(867)	(25,648)
At 30 June 2023 (unaudited)	9,898	949,632

Notes to Condensed Consolidated Financial Information

30 June 2023

30. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Liabilities measured at fair value

	Significant observable inputs (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
30 June 2023 (unaudited)			
Financial derivative liabilities	**22**	**–**	**22**
Redemption value of option	**–**	**100,733**	**100,733**
	22	**100,733**	**100,755**
31 December 2022 (audited)			
Financial derivative liabilities	78	–	78
Redemption value of option	–	93,687	93,687
	78	93,687	93,765

During the six months ended 30 June 2023, there were no transfers of fair values measurements into or out of Level 3 for financial liabilities.

31. EVENTS AFTER THE REPORTING PERIOD

On 10 July 2023, the Company completed the issuance of (i) JPY20,000,000,000 1.163% fixed rate notes due 2026; and (ii) JPY10,000,000,000 1.682% fixed rate notes due 2030 under its US$2,000,000,000 Multicurrency Debt Issuance Programme. The notes were listed on SGX-ST on 11 July 2023.

Pursuant to announcement made on 12 January 2023, ESR V Investor 5 Pte. Ltd. ("**ESR V Investor 5**") which is a wholly owned subsidiary of the Company may, at any time after the completion of the subscription pursuant to the share subscription agreement dated 12 January 2023 entered into between BW Industrial Development Joint Stock Company ("**BW**"), ESR V Investor 5 and the Company and before (but including) 30 September 2023, in its sole discretion 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) on the completion of such subscription. On 4 August 2023, ESR V Investor 5 exercised the additional subscription right to subscribe for 99,034,399 additional issued shares in BW (the "**Additional Subscription**"). On completion of the Additional Subscription, ESR V Investor 5 will hold 15.57% of the issued shares of BW, assuming that BW does not issue any additional shares from the date of the announcement to completion of the Additional Subscription.

On 4 August 2023, ESR Investor 3 (Cayman), Ltd. ("**ESR Investor 3**", a wholly-owned subsidiary of the Company), RW HO B Pte. Ltd. ("**JV Company**") and ESR Singapore Pte. Ltd ("**JV Manager**") entered into a shareholders' agreement (the "**Shareholders' Agreement**") with Reco Oleander Private Limited ("**Investor**") in connection with the development of a new distribution centre in Japan ("**Project**"). ESR Investor 3 and the Investor will hold shares in the JV Company in the same proportion as the allocation of the maximum aggregate capital commitment to the JV Company as between ESR Investor 3 and the Investor, being 40% by ESR Investor 3 and 60% by the Investor. ESR Investor 3's capital commitment to the JV Company is JPY13.8 billion.

In addition to the Shareholders' Agreement as mentioned above, on the same day, RW Higashi Pte. Ltd. ("**Seller**"), a 70% owned subsidiary of the Company, and the JV Company ("**Purchaser**") entered into the Sale and Purchase Agreement in relation to the sale of the entire issued share capital of RW Higashi SPE 1 Pte. Ltd. ("**Sale Company 1**") and HGS Japan Pte. Ltd. ("**Sale Company 2**") ("**Share Transfers**"). The consideration for the Share Transfers comprised of shares consideration of JPY12.9 billion and shareholder loans consideration of JPY5.3 billion. Upon completion, each of Sale Company 1 and Sale Company 2 will cease to be a subsidiary of the Company.

Notes to Condensed Consolidated Financial Information

30 June 2023

31. EVENTS AFTER THE REPORTING PERIOD (continued)

Sabana Real Estate Investment Management Pte. Ltd. ("**SREIM**"), the manager of Sabana Real Estate Investment Trust ("**Sabana REIT**", a real estate investment trust ("**REIT**") listed on the Singapore Exchange Securities Trading Limited), is an indirect wholly owned subsidiary of the Company. The Group also holds a 20.6% stake in Sabana REIT as of 30 June 2023. On 7 June 2023, SREIM received a requisition to convene an extraordinary general meeting of Sabana REIT (the "**EGM**") to vote on (i) the removal of SREIM as the manager of Sabana REIT and (ii) directing Sabana REIT's trustee (the "**Trustee**") to take steps to internalise the REIT management function (the "**Resolutions**"). Both Resolutions were passed on 7 August 2023.

The Trustee has or will be appointing professionals to advise on the implementation of the Resolutions. The Trustee expects to hold two or more further EGMs to seek directions on specific matters to implement the Resolutions, and that the process will take at least 12 months. As there is no precedent in Singapore for the internalisation of a REIT, there is no certainty that Sabana REIT can or will be internalised. In the interim, SREIM will carry on as the interim manager of Sabana REIT.

On 21 August 2023, the Group, through a wholly-owned subsidiary, entered into an agreement with a strategic investor from Mainland China to sell its existing stake in Kwai Chung Cold Storage Logistics Centre development in Hong Kong (the "**JV Company**"). Upon completion, the Group's stake in the JV Company will reduce to 40%. The Group will continue to act as the investment, development and asset manager to the JV Company.

On 22 August 2023, the Group announced the establishment of its largest-ever RMB income fund in China (the "**Fund**") with one of China's leading insurance companies. The Fund has a total investment capacity of approximately RMB10 billion, and will be seeded with a prime logistics portfolio of RMB2.3 billion. The seed portfolio contains 6 stabilised investment properties from ESR's balance sheet assets. The transaction is expected to be closed in the second half of 2023, subject to regulatory approvals.

32. APPROVAL OF THE FINANCIAL INFORMATION

The condensed consolidated financial information was approved and authorised for issue by the board of directors on 23 August 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, 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.

The following table sets out the reconciliations of EBITDA, Adjusted EBITDA and Adjusted PATMI:

Financial Year (in US$'000)	**FY2020**	**FY2021**	**FY2022**	**1H2022**	**1H2023**
Profit before tax	410,704	488,840	815,125	519,486	**372,631**
Add/(less):					
Depreciation and amortisation	17,141	17,137	47,863	23,369	**23,016**
Finance costs	147,414	163,549	222,415	99,308	**158,789**
Interest income	(4,082)	(5,328)	(16,867)	(5,028)	**(16,988)**
EBITDA[a]	571,177	664,198	1,068,536	637,135	**537,448**
Add back/(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]	14,082	14,818	26,543	10,438	**12,281**
Transaction costs related to ARA acquisition[e] [ii]	–	27,818	22,463	22,463	**–**
Adjusted EBITDA	585,259	706,834	1,151,882	670,036	**549,729**
Fair value changes on investment properties ("IP")[f]	(224,680)	(274,484)	(195,431)	(162,927)	**(115,307)**
Adjusted EBITDA (less fair value changes on IP)	360,579	432,350	956,451	507,109	**434,422**
Profit after tax and minority interests (PATMI)	286,466	349,440	574,145	380,607	**288,965**
Add back/(less):					
Amortisation relating to intangible assets arising from acquisition of ARA, net of tax[e] [iii]	–	–	17,791	8,329	**9,306**
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	628	**5,487**
Transaction costs related to ARA acquisition[e] [ii]	–	27,818	22,463	22,463	**–**
Adjusted PATMI	286,466	377,258	654,623	412,027	**303,758**

Non-IFRS Measures

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.

Corporate Information

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Mr Jinchu SHEN
(Group Co-founder and Co-CEO)
Mr Stuart GIBSON
(Group Co-founder and Co-CEO)

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(Chairman of the Board)
Mr Charles Alexander PORTES
(Group Co-founder)
Mr Hwee Chiang LIM
Dr Kwok Hung, Justin CHIU
Mr Rajeev Veeravalli KANNAN

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Mr Simon James MCDONALD
Ms Jingsheng LIU
Ms Serene Siew Noi NAH
Ms Wei-lin KWEE

COMPANY SECRETARY
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Mr Brett Harold KRAUSE
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