Directors' Report

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

As at 31 December 2024, the interests and short positions of the Directors and Chief Executives of the Company in the ordinary shares of the Company (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 31 December 2024
Mr Jinchu Shen	Interest of controlled corporations *(Note 2)*	319,658,645 (L) *(Note 3)*	
	Beneficial owner *(Notes 5 & 6)*	1,145,620 (L)	
		320,804,265 (L)	7.56%
Mr Stuart Gibson	Other *(Note 8)*	448,933,103 (L)	
	Interest of controlled corporations *(Note 4)*	850,000 (L)	
	Beneficial owner *(Notes 5 & 6)*	1,286,075 (L)	
		451,069,178 (L)	10.62%
Mr Charles Alexander Portes	Other *(Note 8)*	448,933,103 (L)	
	Interest of controlled corporations *(Note 4)*	850,000 (L)	
		449,783,103 (L)	10.59%
Mr Hwee Chiang Lim	Interest of controlled corporations *(Note 7)*	227,859,487 (L)	
	Beneficial owner	4,402,959 (L)	
		232,262,446 (L)	5.47%
Mr Brett Harold Krause	Beneficial owner	145,000 (L)	0.00%
Ms Jingsheng Liu (resigned as Independent Non-Executive Director on 16 October 2024)	Beneficial owner	69,200 (L)	0.00%
Ms Wei-Lin Kwee (retired as Independent Non-Executive Director on 31 May 2024)	Beneficial owner	12,000 (L)	0.00%

Directors' Report

Notes:
1. The Letter "L" denotes the long position in the Shares.
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. As at 31 December 2024, 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.
5. Includes 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 31 December 2024, 130,600 PSUs were vested in 2024 and no shares lapsed, with the remaining 130,600 Shares to be vested in 2025. On 20 July 2023, each of Mr Jinchu Shen and Mr Stuart Gibson was granted 280,910 Shares underlying the PSUs (will vest in three equal tranches in the second quarter of 2025, 2026 and 2027 respectively, and a payout multiplier (0 to 150%) tied to the achievement level of the pre-determined targets will be applied. The maximum number of Shares underlying the PSUs based on 150% vesting is 421,365); and 280,910 Shares underlying the RSUs (will vest in four equal tranches on the first, second, third and fourth anniversaries of the grant date, subject to fulfilment of relevant vesting conditions), amongst which 70,227 Shares underlying the RSUs were vested on 20 July 2024, with the remaining 210,683 Shares to be vested in 2025, 2026 and 2027.
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. Redwood Investment Company, Ltd. ("**RIC**") originally held 448,933,103 Shares and 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. and Redwood Investor (Cayman) Limited will be deemed to be interested in the Shares held by RIC. The transfer of Shares from RIC to SOF-12 Sequoia Investco Ltd ("**Sequoia Investco**") was completed on 5 April 2024. In connection therewith RIC or its affiliate will have right to receive certain interests in Sequoia Investco or its affiliate, and Sequoia Investco or its affiliate is under an obligation to pay RIC or its affiliate a cash consideration if certain conditions are met.

Save as disclosed above, as at 31 December 2024, 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save for the information disclosed in the paragraph headed "Directors' and Chief Executives' Interests and Short Positions In Shares, Underlying Shares and Debentures" above, at no time during the year ended 31 December 2024 and up to the date of this report was the Company or any of its subsidiaries, holding company or a subsidiary of the Company's holding company a party to any arrangement whose objects were, or one of whose objects was, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors of the Company (including their spouses or children under the age of 18) had any interest in or was granted any rights to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

Directors' Report

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

As at 31 December 2024, 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)	13.93%
Warburg Pincus China GP, L.P.	Interest of controlled corporations *(Note 2)*	591,440,160 (L)	13.93%
Warburg Pincus China, L.P.	Interest of controlled corporations *(Note 2)*	591,440,160 (L)	13.93%
Warburg Pincus Partners GP LLC	Interest of controlled corporations *(Note 2)*	591,440,160 (L)	13.93%
Warburg Pincus Partners II, L.P.	Interest of controlled corporations *(Note 2)*	591,440,160 (L)	13.93%
Warburg Pincus Private Equity XII, L.P.	Interest of controlled corporations *(Note 2)*	591,440,160 (L)	13.93%
Warburg Pincus XII, L.P.	Interest of controlled corporations *(Note 2)*	591,440,160 (L)	13.93%
WP Global LLC	Interest of controlled corporations *(Note 2)*	591,440,160 (L)	13.93%
Warburg Pincus Partners GP LLC	Interest of controlled corporations *(Note 2)*	591,440,160 (L)	13.93%
Warburg Pincus Partners II, L.P.	Interest of controlled corporations *(Note 2)*	591,440,160 (L)	13.93%
Alexandrite Athena GroupCo Ltd	Interest of controlled corporations *(Note 2)*	591,440,160 (L)	13.93%
Alexandrite Gem Holdings Limited	Beneficial owner *(Note 2)*	503,733,253 (L)	11.87%
Alexandrite Gem TopCo Ltd	Interest of controlled corporations *(Note 2)*	503,733,253 (L)	11.87%
Mr Stuart Gibson	Interest of controlled corporations, beneficial owner and other *(Notes 3, 5, 6, 8)*	451,069,178 (L)	10.62%
Mr Charles Alexander Portes	Interest of controlled corporations and other *(Notes 3, 8)*	449,783,103 (L)	10.59%
Redwood Investment Company, Ltd.	Other *(Notes 3, 8)*	448,933,103 (L)	10.57%
Redwood Investor (Cayman) Limited	Other *(Notes 3, 8)*	448,933,103 (L)	10.57%
Redwood Investor II (Cayman) Ltd.	Other *(Notes 3, 8)*	448,933,103 (L)	10.57%
BSS SCG GP Holdings L.L.C.	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
S Asia Hold Co 1 Private Limited	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
SCGG II GP, LLC	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
SOF-12 International Management Sarl	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
SOF-12 International Master Fund SCSp	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
SOF-12 International SCSp	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
SOF-12 Master Fund Management Sàrl	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
SOF-12 Sequoia Investco Ltd	Beneficial owner *(Notes 8, 9)*	448,933,103 (L)	10.57%

Directors' Report

Name of shareholder	Capacity/nature of interest	Number of Shares/ underlying Shares held *(Note 1)*	Approximate percentage of shareholdings
SOF-XII International Blocker LP	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
SOF-XII Investors GP, LLC	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
Starwood Capital Group Global II, L.P.	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
Starwood Capital Group Holdings GP L.L.C.	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
Starwood Capital Group Holdings L.P.	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
Starwood XII Management GP, LLC	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
Starwood XII Management, LP	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
Mr Barry Stuart Sternlicht	Interest of controlled corporations *(Notes 8, 9)*	448,933,103 (L)	10.57%
OMERS Administration Corporation	Beneficial owner	456,221,943 (L)	10.75%
Mr Jinchu Shen	Interest of controlled corporations and beneficial owner *(Notes 4, 5, 6)*	320,804,265 (L)	7.56%
Laurels Capital Investments Limited	Beneficial owner *(Note 4)*	319,658,645 (L)	7.53%
Rosy Fortune Limited	Founder of a discretionary trust *(Note 4)*	319,658,645 (L)	7.53%
Tricor Equity Trustee Limited	Trustee *(Note 4)*	319,658,645 (L)	7.53%
Mr Hwee Chiang Lim	Interest of controlled corporations and beneficial owner *(Note 7)*	232,262,446 (L)	5.47%
SSW CEI (CN), L.P.	Beneficial owner *(Note 10)*	213,174,600 (L)	5.02%
SSW CEI GP, LLC	Interest of controlled corporations *(Note 10)*	213,174,600 (L)	5.02%
Tan Chin Tuan Pte. Ltd.	Interest of controlled corporations *(Note 11)*	212,797,004 (L)	5.01%
Tan Kheng Lian	Interest of controlled corporations *(Note 11)*	212,797,004 (L)	5.01%
APG Groep N.V.	Investment manager *(Note 12)*	212,469,897 (L)	5.00%
APG Asset Management N.V.	Investment manager *(Note 12)*	212,469,897 (L)	5.00%
Stichting Pensioenfonds ABP	Investment manager *(Note 12)*	212,469,897 (L)	5.00%

Notes:

1. The letters "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 subsidiaries of Alexandrite Gem TopCo Ltd ("**Gem TopCo**") and Athena Logistics TopCo Ltd. ("**Logistics TopCo**") respectively. Both Gem TopCo and Logistics TopCo are wholly owned subsidiaries 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 subsidiaries 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.

Directors' Report

3. Redwood Investment Company, Ltd. ("**RIC**") originally held 448,933,103 Shares and 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. and Redwood Investor (Cayman) Limited will be deemed to be interested in the Shares held by RIC. Besides, as at 31 December 2024, 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.
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 31 December 2024, 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 31 December 2024, 130,600 PSUs were vested in 2024, with the remaining 130,600 Shares to be vested in 2025. On 20 July 2023, each of Mr Jinchu Shen and Mr Stuart Gibson was granted 280,910 Shares underlying the PSUs (will vest in three equal tranches in the second quarter of 2025, 2026 and 2027 respectively, and a payout multiplier (0 to 150%) tied to the achievement level of the pre-determined targets will be applied. The maximum number of Shares underlying the PSUs based on 150% vesting is 421,365); and 280,910 Shares underlying the RSUs (will vest in four equal tranches on the first, second, third and fourth anniversaries of the grant date, subject to fulfilment of relevant vesting conditions) , amongst which 70,227 Shares underlying the RSUs were vested on 20 July 2024, with the remaining 210,683 Shares to be vested in 2025, 2026 and 2027.
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 transfer of Shares from RIC to Sequoia Investco was completed on 5 April 2024. In connection therewith RIC or its affiliate will have right to receive certain interests in Sequoia Investco or its affiliate, and Sequoia Investco or its affiliate is under an obligation to pay RIC or its affiliate a cash consideration if certain conditions are met.
9. Sequoia Investco directly holds 448,933,103 Shares and it is wholly-owned by S Asia Hold Co 1 Private Limited. S Asia Hold Co 1 Private Limited is a wholly-owned subsidiary of SOF-12 International SCSp, which is wholly-controlled by its general partner, SOF-12 International Management Sarl, a wholly-owned subsidiary of Starwood XII Management, LP. SOF-12 International Master Fund SCSp owns 67.31% interests in SOF-12 International SCSp. SOF-12 International Master Fund SCSp is wholly-controlled by its general partner, SOF-12 Master Fund Management Sàrl, a wholly-owned subsidiary of Starwood XII Management, LP. SOF-XII International Blocker LP owns 97.12% interests in SOF-12 International Master Fund SCSp. SOF-XII International Blocker LP is wholly-controlled by its general partner, SOF-XII Investors GP, LLC, a wholly-owned subsidiary of Starwood XII Management GP, LLC. Starwood XII Management, LP is wholly-controlled by its general partner Starwood XII Management GP, LLC, which is a wholly-owned subsidiary of Starwood Capital Group Global II, L.P., which is wholly-controlled by its general partner, SCGG II GP, LLC. SCGG II GP, LLC owns 96.74% interests in Starwood XII Management, LP. Starwood Capital Group Holdings L.P. owns 60% interests in Starwood Capital Group Global II, L.P.. SCGG II GP, LLC is wholly-owned by Starwood Capital Group Holdings GP L.L.C.. Starwood Capital Group Holdings L.P. is wholly-controlled by its general partner, Starwood Capital Group Holdings GP L.L.C., a wholly-owned subsidiary of BSS SCG GP Holdings L.L.C., where Mr Barry Stuart Sternlicht holds 100% interests. Hence, Mr Barry Stuart Sternlicht is deemed to be interested in the Shares held by Sequoia Investco.
10. SSW CEI (CN), L.P. directly holds 213,174,600 Shares and is directly wholly owned by SSW CEI GP, LLC. Hence, SSW CEI GP, LLC is deemed to be interested in the Shares held by SSW CEI (CN), L.P..
11. Straits Phoenix Pte. Ltd., Straits Equities Holdings (One) Pte. Ltd., The Cairns Pte. Ltd. and Tecity Asset Management Pte. Ltd. directly holds 103,217,382 Shares, 65,911,038 Shares, 2,875,350 Shares and 40,793,234 Shares respectively. Both Straits Phoenix Pte. Ltd. and Straits Equities Holdings (One) Pte. Ltd. are wholly owned by The Straits Trading Company Limited. The Cairns Pte. Ltd. owns 63.75% interests in The Straits Trading Company Limited. Raffles Investments Private Limited owns 36.14% interests in The Cairns Pte. Ltd.. Aequitas Pte. Ltd. owns 71.25% interests in Raffles Investments Private Limited. Aequitas Pte. Ltd. is owned as to 42% and 58% by Tecity Pte. Ltd. and Tan Chin Tuan Pte. Ltd. respectively. Both Tecity Pte. Ltd. and Tecity Asset Management Pte. Ltd. are wholly owned by Tan Chin Tuan Pte. Ltd.. Ms Kheng Lian Tan owns 67.90% interests in Tan Chin Tuan Pte. Ltd. Hence, Ms Kheng Lian Tan is deemed to be interested in the Shares held by Straits Phoenix Pte. Ltd., Straits Equities Holdings (One) Pte. Ltd., The Cairns Pte. Ltd. and Tecity Asset Management Pte. Ltd. under the SFO.
12. APG Asset Management N.V. ("**APG-AM**") is the investment manager of Stichting Depositary APG Strategic Real Estate Pool ("**APG-Stichting**"), which is the holder of 211,057,897 Shares. APG-AM is wholly-owned by APG Groep N.V., which is 92.16% owned by Stichting Pensioenfonds ABP, which is an investor in APG Strategic Real Estate Pool. APG Investments Asia Limited ("**APG-Asia**") is wholly-owned by APG-AM and is also a sub-investment manager of APG-AM in respect of APG-Stichting. Each of Stichting Pensioenfonds ABP, APG-AM, APG-Asia and APG Groep N.V., are therefore deemed to be interested in the Shares held by APG-Stichting.

Directors' Report

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

Save as disclosed above, as at 31 December 2024, 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.

EQUITY-LINKED AGREEMENTS

Save as the information disclosed in paragraphs headed "KM ESOP, Tier 1 ESOP and Post-IPO Share Option Scheme and the Long Term Incentive Scheme" in this report, the Company did not enter into any equity-linked agreement for the year ended 31 December 2024, nor was there any equity-linked agreement entered into by the Company subsisting as at 31 December 2024.

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 the 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 the 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 the Group, or any director or employee of any company which is under the control of the Company (an "**Eligible Person**"). No amount is payable on the grant of option(s).

(iii) Classes of shares that may be issued

Under the KM ESOP, 11,518,642 ordinary shares may be issued. For the year ended 31 December 2024, the Company has issued 489,599 ordinary shares under the KM ESOP.

(iv) Maximum number of shares

As at the latest practicable date prior to the issue of this annual report, 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 11,518,642 Shares (approximately 0.27% of number of the issued share of the Company (excluding treasury shares) as at the date of this report).

(v) Maximum entitlement of each participant

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

Directors' Report

(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 the Company or any member of the 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 the 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**")

(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 the Company to its shareholders to convene a general meeting for the purposes of considering or approving a resolution to voluntarily wind-up the 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 the 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;

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(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 the Board and set out in the vesting schedule in the KM ESOP.

(viii) Exercise of option
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 the 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

(b) deliver a written notice to the 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.

Directors' Report

(xi) Exercise price, grant date and vesting schedule

Exercise price (USD)	Grant date	Exercise Period	Vesting Period	Number of options (Note 1) Held at 1 January 2024	Exercised during the year (Note 2)	Cancelled during the year	Held at 31 December 2024
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	3,834,185	(916,328)	(79,407)	2,838,450
0.9445	January 2018	10 years from the grant date	4 years	5,283,747	(350,000)	(87,348)	4,846,399
1.1453	August 2018	10 years from the grant date	4 years	873,103	–	–	873,103
1.3655	December 2017	10 years from the grant date	4 years	948,494	–	–	948,494
1.5172	December 2017	10 years from the grant date	4 years	1,724,837	(69,933)	(201,977)	1,452,927
0.9445	December 2017	10 years from the grant date	Varies from 3 to 4 years and all vested	108,519	(71,250)	(13,519)	23,750
1.5172	December 2017	10 years from the grant date	4 years	535,519	–	–	535,519
				13,408,424	(1,507,531)	(382,251)	11,518,642

Notes:
1 No share options were granted or lapsed during the year ended 31 December 2024.
2 The weighted average closing price of the shares immediately before the dates on which the options were exercised was HK$11.14.
3 No share options under the KM ESOP were granted to the Directors or Co-CEOs.

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

As the KM ESOP was adopted prior to the Company's listing and its terms are not subject to the provisions of Chapter 17 of the Listing Rules, pursuant to Rule 17.02(1)(b) of the Listing Rules, no options or awards may be granted under KM ESOP after the Company's listing.

During the year ended 31 December 2024, 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 489,599 ordinary shares were issued by the Company for the year ended 31 December 2024 in satisfaction of the 1,507,531 options exercised. The shares were issued at nominal value of US$0.001.

Directors' Report

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 the Company with a flexible means of retaining, incentivising, 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**"). No amount is payable on the grant of option(s).

(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 year ended 31 December 2024, no ordinary shares were issued.

(vi) **Maximum number of shares and maximum entitlement of each participant**

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 as at the date of this report (approximately 0.18% of the issued share capital of the Company (excluding treasury shares) as at the date of this report). The scheme does not set a limit of maximum entitlement of each participant under the scheme.

(vii) **Exercise price**

The Exercise Price is US$0.46 per option which was determined by reference to the then valuation and future prospect of the Company.

(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.

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.

Directors' Report

(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 the 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 the 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 the 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 the Company and its Shareholders which permits exercise of the option;

(c) 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 or other specified situation);

(d) 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 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

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

Directors' Report

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 the 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 the Company to its Shareholders to convene a general meeting for the purposes of considering or approving a resolution to voluntarily wind-up the 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 the 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 the Company or upon any consolidation, amalgamation or merger of the 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.

Directors' Report

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

As at 31 December 2024, 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 holders are set out below:

			Number of options			
Name of Participant	Exercise price	Exercise period	held at 1 January 2024	Exercised during the year	Cancelled during the year	Held at 31 December 2024 *(Note 3)*
Executive Director						
Mr Jinchu Shen *(Notes 1, 2)*	US$0.46	10 years from 20 January 2016	7,799,856	–	–	7,799,856

Notes:

1. 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.
2. The options were granted on 20 April 2017 at exercise price of US$0.46. The vesting period of above outstanding options is vested daily on a straight line basis to 20 January 2021.
3. No share options were granted, lapsed or were cancelled for the year ended 31 December 2024.

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

As the Tier 1 ESOP was adopted prior to the Company's listing and its terms are not subject to the provisions of Chapter 17 of the Listing Rules, pursuant to Rule 17.02(1)(b) of the Listing Rules, no options or awards may be granted under Tier 1 ESOP after the Company's 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 the 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 calibre 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 the Company or its subsidiary who the Board or its delegate(s) considers, at their sole discretion, to have contributed or will contribute to the 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

Directors' Report

(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.

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 latest practicable date prior to the issue of this annual report, the total number of shares available for issue under the Post-IPO Share Option Scheme is 17,175,200, representing approximately 0.40% of the issued share capital of the Company (excluding treasury shares) as at the latest practicable date prior to the issue of this annual report.

(v) **Maximum entitlement of a grantee**
Unless approved by the 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 the 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.

Directors' Report

(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 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 applied for 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 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.

The details of the vesting period of the options granted under the Post-IPO Share Option Scheme are set out in the (xi) Exercise price, grant date and vesting schedule on page 100 of this annual report.

(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 the 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 4 years and 7 months as at the date of this report.

Directors' Report

(xi) Exercise price, grant date and vesting schedule

					Number of options					
Date of grant	Exercise price (HKD)	Closing price immediately preceding the date of grant (HKD)	Vesting period	Exercise Period	Held at 1 January 2024	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Held at 31 December 2024
Directors										
8 June 2022	22.78	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	27.30	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	–	–	–	(500,000)	6,150,000
23 August 2021	24.50	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	11,194,200	–	–	–	(553,000)	10,641,200
			Subtotal		17,844,200	–	–	–	(1,053,000)	16,791,200
			Grand total		18,228,200	–	–	–	(1,053,000)	17,175,200

During the year ended 31 December 2024, no options were granted.

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

Directors' Report

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 the 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.

(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), 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 ("**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.

Directors' Report

(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.

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.

Directors' Report

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

Directors' Report

(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**").

As at the date of this report, the total number of shares available for issue under the Long Term Incentive Scheme is 355,460, representing approximately 0.01% of the issued share capital of the Company (excluding treasury shares) as at the date of this report.

Directors' Report

(xii) Maximum entitlement of a grantee

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon vesting of the awards granted and to be granted under the Long Term Incentive Scheme and any other share option scheme(s) of the Company to each selected participant (including both exercised and outstanding options) in any 12-month period shall not exceed the Individual Limit (i.e. 1% of the total number of Shares in issue).

(xiii) Renewal of maximum number of shares

xiii.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.

xiii.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.

(xiv) 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.

Directors' Report

(xv) Lapse of awards

xv.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.

xv.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.

xv.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.

xv.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.

Directors' Report

(xvi) 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.

(xvii) 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.

(xviii)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.

(xix) 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.

Directors’ Report

Grant date	Connected /non-connected	Name/Position	Closing price immediately preceeding the date of grant	Vesting Period	Number of shares held at 1 January 2024	Grant during the Year	Vested during the Year *(Note (4))*	Cancelled during The Year	Lapsed during the Year	Held at 31 December 2024
PSUs [Notes (3)(5)]										
8 Jun 2022	Connected	Director — Mr Jinchu Shen	22.50	*Note (1)*	261,200	–	(130,600)	–	–	130,600
20 Jul 2023			13.06	*Note (6)*	421,365	–	–	–	–	421,365
					682,565	–	(130,600)	–	–	551,965
8 Jun 2022	Connected	Director — Mr Stuart Gibson	22.50	*Note (1)*	261,200	–	(130,600)	–	–	130,600
20 Jul 2023			13.06	*Note (6)*	421,365	–	–	–	–	421,365
					682,565	–	(130,600)	–	–	551,965
					1,365,130	–	(261,200)	–	–	1,103,930
23 Feb 2022	Connected	Certain directors of subsidiaries of the Company	25.00	*Note (1)*	191,760	–	(95,880)	–	–	95,880
23 Feb 2022	Non-connected	Employees of the Group who are not Directors or Chief Executive of the Group	25.00	*Note (1)*	816,760	–	(369,080)	(92,220)	–	355,460
					1,008,520	–	(464,960)	(92,220)	–	451,340
25 May 2023	Connected	Certain directors of subsidiaries of the Company	11.86	*Note (6)*	971,460	–	–	(330,945)	–	640,515
25 May 2023	Non-connected	Employees of the Group who are not Directors or Chief Executive of the Group	11.86	*Note (6)*	2,277,945	–	–	(511,740)	–	1,766,205
					3,249,405	–	–	(842,685)	–	2,406,720
					4,257,925	–	(464,960)	(934,905)	–	2,858,060
					5,623,055	–	(726,160)	(934,905)	–	3,961,990
RSUs [Notes (3)(5)]										
20 Jul 2023	Connected	Director — Mr Jinchu Shen	13.06	*Note (9)*	280,910	–	(70,227)	–	–	210,683
20 Jul 2023	Connected	Director — Mr Stuart Gibson	13.06	*Note (9)*	280,910	–	(70,227)	–	–	210,683
					561,820	–	(140,454)	–	–	421,366
8 Jun 2022	Connected	Certain directors of subsidiaries of the Company	22.50	*Note (2)*	1,367,333	–	(542,333)	(200,000)	–	625,000
8 Jun 2022	Non-connected	Employees of the Group who are not Directors or Chief Executive of the Group	22.50	*Note (2)*	3,741,368	–	(1,141,368)	(1,975,000)	–	625,000
					5,108,701	–	(1,683,701)	(2,175,000)	–	1,250,000
20 Apr 2023	Non-connected	Certain directors of subsidiaries of the Company	12.78	*Note (7)*	315,840	–	–	(315,840)	–	–
					315,840	–	–	(315,840)	–	–
25 May 2023	Connected	Certain directors of subsidiaries of the Company	11.86	*Note (8)*	722,640	–	(182,693)	(219,685)	–	320,262
25 May 2023	Non-connected	Employees of the Group who are not Directors or Chief Executive of the Group	11.86	*Note (8)*	2,075,530	–	(582,049)	(535,343)	–	958,138
					2,798,170	–	(764,742)	(755,028)	–	1,278,400
					8,784,531	–	(2,588,897)	(3,245,868)	–	2,949,766
					14,407,586	–	(3,315,057)	(4,180,773)	–	6,911,756

Directors' Report

Notes:
1. 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.
2. In respect of the aggregate 1,250,000 RSUs granted to the relevant participants held at 31 December 2024, subject to the vesting conditions being met, 625,000 of the RSUs granted to Connected Grantees and 625,000 of the RSUs granted to Non-connected Grantees will vest in 2 equal tranches on 8 June of each of 2025 and 2026.
3. Please refer to note 41 to the Consolidated Financial Statements for the fair value of awards at the date of grant and the accounting standard and policy adopted. No PSUs or RSUs were granted for the year ended 31 December 2024.
4. The weighted average closing price of the shares immediately before the dates on which the awards vested is HK$11.11 per share.
5. The purchase price for the shares underlying the PSUs/RSUs is nil.
6. 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).
7. The RSUs (non-connected grantees) had a vesting schedule of five equal tranches on the Date of Grant, and 31 December each of 2023, 2024, 2025 and 2026.
8. In respect of the aggregate of 1,278,400 RSUs granted to the relevant participants held at 31 December 2024, subject to the vesting conditions being met:
   (i) 320,262 of the RSUs granted to Connected Grantees and 883,138 of the RSUs granted to Non-connected Grantees will vest in three equal tranches on 25 May of each of 2025, 2026 and 2027; and
   (ii) 75,000 of the RSUs granted to Non-connected Grantees will vest in two equal tranches on 8 June of each 2025 and 2026.
9. The 561,820 RSUs granted to the Connected Grantees held at 1 January 2024 will vest in four equal tranches on 20 July of each of 2024, 2025, 2026 and 2027.

During the year ended 31 December 2024, there were no awards granted to (i) service provider in excess of 0.1% of the Company's issued Shares over the 12-month period ended 31 December 2024, or (ii) any participants in excess of the 1% individual limit.

As at 1 January 2024 and 31 December 2024, the number of options and awards available for grant under the Scheme Mandate Limit was 218,283,931 and 218,283,931, respectively, and the number of options and awards available for grant under the Service Provider Sublimit was 43,937,696 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 (excluding treasury shares) for the year ended 31 December 2024 is 0.43%.

For the options and awards ("**Grants**") granted during the year ended 31 December 2024 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 were granted in subsequent tranches for administrative or compliance reasons. Therefore, the Grants were awarded with a shorter vesting period with a view to putting the relevant Grantees in the same position as they would have been in had the Grants been made earlier.

Directors' Report

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Shares Repurchase

The Directors of the Company have been granted the general mandate (the "**Repurchase Mandate**") pursuant to resolutions of the shareholders of the Company (the "**Shareholders**") passed on 7 June 2023 and 31 May 2024, to repurchase shares of the Company (the "**Shares**") in the open market from time to time. Pursuant to the Repurchase Mandate, the Company is allowed to repurchase up to 10% of the total number of issued Shares as at the date of passing each of the resolutions.

During the financial year ended 31 December 2024, the Company had repurchased, under the Repurchase Mandate, a total of 55,126,800 Shares on market ranging from HK$9.02 to HK$11.16 per share, representing approximately 1.30% of the issued Shares as at 31 December 2024 for a consideration of approximately HK$562.8 million (approximately US$72.0 million, excluding transaction cost). At the date of this annual 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 2024	37,416,600	11.16	9.64	392.4
February 2024	17,710,200	10.38	9.02	170.4
	55,126,800			562.8

Details of cancellation of the repurchased Shares are as follows:

Month	Number of shares cancelled
8 February 2024	37,416,600
1 March 2024	17,710,200
Total	55,126,800

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.

Directors' Report

Shares Purchased By Trustee Under The Long Term Incentive Scheme

During the financial year ended 31 December 2024, the trustee of the LTIS of the Company adopted on 2 June 2021, pursuant to the rules and trust deed of the LTIS, purchased on the Stock Exchange a total of 2,475,000 Shares of the Company at a total consideration of approximately US$2.6 million (approximately HK$20.6 million, excluding transaction costs).

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

ORDINARY SHARES ISSUED

During the year ended 31 December 2024, a total of 489,599 ordinary shares were issued by the Company in satisfaction of the 1,507,531 options exercised under KM ESOP, 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. The shares issued at nominal value of US$0.001 each was credited as fully paid.

During the year ended 31 December 2024, a total of 369,080 ordinary shares were issued by the Company in satisfaction of 3,420,337 shares vested under the Long Term Incentive Scheme. The shares issued at nominal value of US$0.001 each was credited as fully paid.

During the year ended 31 December 2024, a total of 32,074,310 ordinary shares at price of HK$11.66 per share were issued by the Company as part of consideration for acquisition of remaining interest in Logos Property Group Limited. Please refer to the announcement dated 26 July 2024 for details.

Save as disclosed above in this annual report, during the year ended 31 December 2024, there was no other issue of equity securities (including securities convertible into equity securities) of the Company.

Details of the movements in the share capital of the Company and the shares issued during the reporting year are disclosed in note 40 to the Consolidated Financial Statements.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Sale of ARA Private Funds Business

Reference is made to the announcement of the Company dated 11 March 2024 in relation to the disposal of the Group's interests in the ARA Private Funds business in Australia, Singapore, South Korea and U.S. to buyers which include an affiliate of Sumitomo Mitsui Finance and Leasing Co. for an initial consideration based on an agreed enterprise value of US$270 million for the businesses, subject to adjustments.

The sale of the ARA Private Funds Business in the U.S. was completed on 1 October 2024 and the sale of the ARA Private Funds Business outside the U.S. was completed on 20 December 2024.

Disposal of ARA US Hospitality Trust

ESR Asset Management Limited (formerly known as ARA Asset Management Limited) ("**ARA**", together with its subsidiaries, the "**ARA Group**") entered into a share purchase agreement to dispose of 100% of the issued shares of ARA Trust Management (USH) Pte. Ltd. and ARA Business Trust Management (USH) Pte. Ltd. on 27 May 2024.

ARA Real Estate Investors 23 Pte. Ltd. ("**ARA RE23**") entered into a sale and purchase agreement to sell 110,200,640 stapled securities of ARA US Hospitality Trust ("**ARA H-Trust**" and the stapled securities of ARA H-Trust, the "**Stapled Securities**"), representing approximately 19.0% of the total number of Stapled Securities in issue on 27 May 2024.

Both ARA and ARA RE23 are wholly owned subsidiaries of the Group. Both transactions were completed on 9 July 2024. The transactions did not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

Directors' Report

Disposal of Kunshan Yifu and Jiangsu Friend to ESR C-REIT

Reference is made to the announcement of the Company dated 21 June 2024 in relation to the spin-off and separate listing of Jiangsu Friend — I, Jiangsu Friend — II and Jiangsu Friend — III, three high-standard logistics projects located in Kunshan, Jiangsu Province, the PRC (the "**ESR C-REIT Assets**") through ESR C-REIT on the Shanghai Stock Exchange.

In connection with the ESR C-REIT listing, the Group made a reorganisation and as a result the Group holds the entire equity interest in Jiangsu Friend Warehouse Co., Ltd. ("**Jiangsu Friend**") indirectly through Kunshan Yifu Enterprise Management Consulting Co., Ltd. ("**Kunshan Yifu**")and thereafter, the Group disposed of the entire equity interest in Kunshan Yifu to the infrastructure asset-backed specific plan established as required by applicable PRC laws and regulations (the "**ABS Vehicle**"), which is wholly-owned by the ESR C-REIT, pursuant to an equity transfer agreement dated 24 November 2023 (as restated and amended by the equity transfer agreement dated 16 April 2024) (collectively, the "**Disposals**").

As announced on 24 January 2025, completion of the Disposals and the ESR C-REIT listing took place on 24 January 2025. Following completion of the Disposals, ESR C-REIT indirectly holds the ESR C-REIT Assets through the ABS Vehicle and Jiangsu Friend.

Acquisition of remaining interest in LOGOS Property Group Limited

Reference is made to the circular of the Company dated 18 October 2021 in relation to the acquisition of ARA, pursuant to which the Company acquired an indirect 86.4% interest in LOGOS Property Group Limited ("**LOGOS**"), with the remaining 13.6% interest in LOGOS (the "**LOGOS Founder Stake**") being held by the three founders of LOGOS, namely Mr John Edward Marsh, Mr Trent Alexander Iliffe and Mr Stephen Hawkins (collectively, the "**LOGOS Founders**"). As announced on 21 July 2024 and 26 July 2024, the Company has completed the acquisition of the part of the LOGOS Founder Stake held by Mr Stephen Hawkins on 20 June 2024; and entered into share purchase agreements with, among others, Mr John Edward Marsh and Mr Trent Alexander Iliffe, respectively, on 25 July 2024, pursuant to which the Company agreed to acquire the remaining part of the LOGOS Founder Stake held by Mr John Edward Marsh and Mr Trent Alexander Iliffe, the consideration of which will be satisfied by (a) in the case of Mr Trent Alexander Iliffe, cash consideration and (b) in the case of Mr John Edward Marsh, both cash consideration and allotment and issue of new Shares in the Company credited as fully paid under the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 31 May 2024. Accordingly, 32,074,310 Shares were allotted and issued to Mr John Edward Marsh as part of the consideration on 13 August 2024. As of the date of this annual report, the acquisition of the LOGOS Founder Stake was completed and LOGOS is indirectly wholly-owned by the Company.

Reference is made to the announcement of the Company dated 26 July 2024 (the "**Announcement**") in relation to the acquisition of the LOGOS Founder Stake involving issue of new Shares under general mandate (the "**LOGOS Founders Roll-up**"). Each of the Share Purchase Agreements (as defined in the Announcement) was negotiated separately with the respective LOGOS Founder and the Share Purchase Agreements were not inter-conditional. A valuation from a reputable investment bank was obtained to ensure the consideration was aligned with the current market range. After completion of the Share Purchase Agreements, Mr John Edward Marsh will remain in the Group in a new role and Mr Trent Alexander Iliffe will continue in a consulting capacity for a period of time to assist with transition.

Save as disclosed above, during the year ended 31 December 2024, there were no material acquisitions and disposals of subsidiaries, associates and joint ventures.

Directors' Report

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Cayman Companies Law, which would oblige the Company to offer new Shares on a pro rata basis to the existing Shareholders.

CONNECTED TRANSACTIONS (INCLUDING CONTINUING CONNECTED TRANSACTIONS)

Save as the connected transactions disclosed below, the Company did not have any transaction with connected persons of the Group that were subject to the reporting, announcement or independent shareholders' approval requirements as required under the Listing Rules during the year ended 31 December 2024. All connected transactions are subject to the review and approval by the Board of Directors. The Company has complied with the applicable requirements of Chapter 14A of the Listing Rules for the year ended 31 December 2024.

Continuing Connected Transactions with BW Industrial Development Joint Stock Company

(i) **Framework agreement on services**

On 12 January 2023 (after trading hours), ESR V Investor 5 Pte. Ltd. ("**ESR V Investor 5**") and BW Industrial Development Joint Stock Company ("**BW**") entered into a framework agreement ("**Framework Agreement**") pursuant to which ESR V Investor 5 (itself or through one or more of its affiliates) may provide certain land acquisition brokerage services ("**Land Services**"), development, asset management, financing and treasury services ("**Development Services**") and leasing agency services ("**Leasing Services**") to BW and its subsidiaries during a period of 18 months (in relation to the Land Services) or 24 months (in relation to the Development Services or Leasing Services) from completion of the subscription of 168,358,478 newly issued shares in BW by the Company (the "**Subscription**") on 12 January 2023. BW will pay (i) one-off fee of up to US$5 million for each of the Land Services and the Development Services, in each case, and (ii) in respect of the Leasing Services, an annual cap of up to US$3 million for each one year period from the date of completion of the Subscription, up to a maximum period of two years. The aggregate service fees under the Framework Agreement payable to the Group for the provision of all Services shall not exceed US$9,500,000 plus accrued interest. For details, please refer to the announcement made by the Company on 12 January 2023.

During the period from 12 January 2024 to 11 January 2025, the aggregate amount in respect of the Leasing Services was US$1,880,784.85.

(ii) **Continuing connected transactions with joint ventures**

ESR Vietnam Co Pte. Ltd ("**ESR Vietnam**", a wholly-owned subsidiary of the Company) entered into the following management agreements ("**Management Agreements**") with the joint ventures formed with BW's controlled entities (the "**JV Companies**", including NDV JV, NSHL JV and YP JV as defined below) pursuant to which the Group would provide consultancy services in relation to the construction and development of certain projects ("**Development Consultancy Services**") and leasing services ("**JV Leasing Services**") to the JV Companies:

(a) on 6 November 2023, ESR Vietnam and Hai Phong Industrial Development (Vietnam) Joint Stock Company ("**NDV JV**") entered into the ESR-NDV Management Agreement with respect to the provision of certain management services to NDV JV Group by ESR Vietnam with effect from that date;

(b) on 30 October 2023, ESR Vietnam and NSHL Industrial Development Limited Liability Company ("**NSHL Project Company**") entered into the ESR-NSHL Management Agreement with respect to the provision of certain management services to NSHL Holdco Joint Stock Company ("**NSHL JV**") Group by ESR Vietnam with effect from that date; and

(c) on 6 November 2023, ESR Vietnam and Yen Phong Industrial Development (Vietnam) Joint Stock Company ("**YP JV**") entered into the ESR-YP Management Agreement with respect to the provision of certain management services to YP JV Group by ESR Vietnam with effect from that date.

Directors' Report

Fees for Development Consultancy Services will be 1.5% of the total construction costs (excluding any land cost but including pre-construction costs and capitalised expenses, but exclusive of VAT) incurred in the development of the projects, and fees for JV Leasing Services will be determined based on the following pricing policy: (i) 1.5% of the headline gross rent or 0.5 month's to 1.5 months' headline gross rent (depending on length of the lease) for tenants referred by the Group and (ii) 50% of 3% of the headline gross rent, or 50% of one to two months' headline gross rent (depending on length of the lease) for tenants jointly referred by the Group and BW (or its subsidiaries). Any additional services to be provided by ESR Vietnam as agreed between the parties will not exceed the fees that would be reasonably charged by a comparable third party service provider (as determined by ESR Vietnam acting in good faith).

The annual caps under the Management Agreements are as follows:

	Period from effective date to 31 Dec 2023	Each of FY2024 and FY2025	Period from 1 Jan 2026 to the end of the 3-year term
ESR-NDV Management Agreement	US$212,500	US$850,000	US$850,000
ESR-NSHL Management Agreement	US$247,500	US$990,000	US$990,000
ESR-YP Management Agreement	US$380,000	US$1,520,000	US$1,520,000

For details, please refer to the announcement made by the Company on 20 October 2023. During the year ended 31 December 2024, the transaction amount under the ESR-NDV Management Agreement, the ESR-NSHL Management Agreement and the ESR-YP Management Agreement is US$243,999.15, US$241,367.79, US$290,273.50, respectively.

BW is indirectly controlled by entities managed or advised by Warburg Pincus LLC or its affiliates and thus it was a connected person of the Company. As each of NDV JV, NSHL Project Company and YP JV is more than 30% controlled by BW (through the relevant BW Investors), NDV JV, NSHL Project Company and YP JV are connected persons of the Company. Accordingly, each of (i) the Leasing Services under the Framework Agreement and (ii) the services under the Management Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Continuing Connected Transactions Under Management Agreements with Joint Venture Companies

On 25 April 2024, LOGOS Property Group Limited (a subsidiary of the Company, together with its subsidiaries and affiliates, the "**LOGOS Group**") entered into (i) the Singapore JV Management Agreement and the Australia JV Management Agreement (collectively, the "**Management Agreements**") with LOGOS Australia Opportunistic Partnership Pte. Ltd. ("**Singapore JV**") and LAOP HoldCo Pty Ltd ("**Australia JV**") (the "**JV Companies**") for the provision of certain management services and other services to the JV Companies; and (ii) the Development and Project Management Agreement A and the Development and Project Management Agreement B (the "**Development and Project Management Agreements**") with LAOP SPV 3 Pty Ltd (a subsidiary of the Singapore JV) as trustee for the LAOP Altona Trust and LAOP SPV 3 Pty Ltd (a subsidiary of the Singapore JV) as trustee for LAOP Botany Trust (the "**Owners**") for the provision of certain development and project management services to the Owners.

Each of the Management Agreements and the Development and Project Management Agreements has an initial term of three years commencing on the date of the agreement, unless terminated earlier in accordance with its terms.

Directors' Report

The fees for the services under the Management Agreements and the fees for the services under the Development and Project Management Agreements for each of the financial years arising during their initial three-year term are subject to the following annual caps:

	25 Apr 2024 to 31 Dec 2024 (USD)	1 Jan 2025 to 31 Dec 2025 (USD)	1 Jan 2026 to 31 Dec 2026 (USD)	1 Jan 2027 to 24 Apr 2027 (USD)
Management Agreements	$10 million	$15 million	$15 million	$5 million
Development and Project Management Agreements	$16.67 million	$25 million	$25 million	$8.33 million
Total	$26.67 million	$40 million	$40 million	$13.33 million

The Australia JV and the Owners are wholly-owned subsidiaries of the Singapore JV, which is in turn owned as to 90% by S Australia Diamond Pte. Ltd. ("**Starwood Investor**", a company ultimately controlled by Starwood Capital Group) and 10% by the Group. As SOF-12 Sequoia Investco Ltd ("**Sequoia Investco**", a company ultimately controlled by Starwood Capital Group) is a holder of approximately 10.657% of the total issued share capital of the Company as of the date of the announcement and both Sequoia Investco and Starwood Investor are subsidiaries of S Asia Hold Co 1 Private Limited (a company controlled by Starwood Capital Group), the JV Companies and the Owners are connected persons of the Company. The Management Agreements, the Development and Project Management Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

For details, please refer to the announcement made by the Company on 25 April 2024.

During the period of 25 April 2024 to 31 December 2024, the transaction amount incurred under the Management Agreements is US$4,309,876.84; and the Development and Project Management Agreements is US$3,423,782.64.

The Independent Non-executive Directors have reviewed the continuing connected transactions for the year ended 31 December 2024 and confirmed that such transactions have been:

(1) entered into in the ordinary and usual course of business of the Group;
(2) conducted on normal commercial terms or better (as defined in the Listing Rules); and
(3) carried out according to the terms in the relevant transaction agreements, which are fair and reasonable and in the interests of the Shareholders as a whole.

The auditors of the Company have performed the relevant assurance procedures regarding the continuing connected transactions for the year ended 31 December 2024, and confirmed by way of a letter to the Board of Directors that nothing has come to their attention that cause them to believe that such transactions:

(1) have not been approved by the Board of Directors;
(2) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of services by the Group;
(3) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
(4) have exceeded the annual cap as set by the Company.

Directors' Report

RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of the Company's key management and their close family member are also considered as related parties. For a discussion of related party transactions, see note 39 to the Consolidated Financial Statements. Directors believe that the related party transactions were carried out on an arm's length basis and will not distort the results during the year ended 31 December 2024 or make such results not reflective of the future performance. All the related party transactions described in this note are exempt from the reporting, announcement or independent shareholders' approval requirements under Rules 14A.76(1)(a) and (b) of the Listing Rules.

CHARITABLE DONATIONS

The charitable and other donations made by the Group for the year ended 31 December 2024 amounted to US$250,000 (2023: US$186,000).

IMPORTANT EVENT AFTER THE REPORTING PERIOD

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

Save for the information disclosed above and in note 47 to the Consolidated Financial Statements, there was no important event after the year ended 31 December 2024 and up to the date of this report.

PERMITTED INDEMNITY PROVISION

According to article 191 of the Articles of Association of the Company, the Directors and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty, and none of them shall be answerable for the acts, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune or damage which may arise in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own fraud, dishonest, or recklessness. The Company may take out and pay the premium and other moneys for the maintenance of insurance, bonds and other instruments for the benefit either of the Company or the Directors (and/or other officers) or any of them to indemnify the Company and/or Directors (and/or other officers) named therein for this purpose against any loss, damage, liability and claim which they may suffer or sustain in connection with any breach by the Directors (and/or other officers) or any of them of their duties to the Company.

Directors' Report

The Company has arranged for appropriate directors' liability insurance coverage for the Directors during the year ended 31 December 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float under the Listing Rules, was held by the public as at the latest practicable date prior to the issue of this annual report.

AUDIT COMMITTEE

The Company's consolidated annual results for the year ended 31 December 2024 has been reviewed by the Audit Committee of the Company. Information on the work of Audit Committee and its composition are set out in the Corporate Governance Report on page 66.

AUDITOR

Ernst & Young, Certified Public Accountants, who was re-appointed as the auditor of the Company since the last AGM, has acted as the auditor of the Company for the year ended 31 December 2024.

The Consolidated Financial Statements for the year ended 31 December 2024 have been audited by Ernst & Young who shall retire at the forthcoming AGM and, being eligible, will offer themselves for re-appointment. A resolution will be proposed at the forthcoming AGM to re-appoint Ernst & Young as the auditor of the Company.

Save as otherwise stated, all references above to other sections, reports or notes in this annual report form part of this Directors' Report.

On behalf of the Board

Mr Brett Harold Krause
Chairman of the Board

Hong Kong, 25 March 2025

Independent Auditor's Report

EY 安永

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

OPINION

We have audited the consolidated financial statements of ESR Group Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 123 to 255, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
Impairment consideration of goodwill and the other intangible asset with indefinite useful life	
The goodwill of US$3,350,314,000 and the trust management rights intangible asset with indefinite useful life of US$1,109,124,000, are subject to an impairment review at least annually. There was no impairment recognised in current financial year. We identified impairment assessment of goodwill and the other intangible asset with indefinite useful life as a key audit matter because the impairment test and assessment were largely based on management's expectation and estimation of future results of the respective cash-generating units. The assumptions used in impairment test were based on management's estimates of variables including cash flow forecast, discount rate and terminal growth rate. Further disclosures on the Group's goodwill and the other intangible asset with indefinite useful life are in notes 19 and 20 to the consolidated financial statements.	We performed an understanding of the Group's process to perform the annual impairment test of goodwill and trust management rights intangible asset with indefinite useful life. We performed an understanding, and assessment of the assumptions and methodologies used by the Group in the value in use model. We involved our internal valuation specialists to evaluate the valuation methodologies and the key assumptions used by management and their independent professional valuers, such as discount rate, terminal growth rate. We assessed the reasonableness of cash flows projection and related assumptions such as the budgeted gross fee income and future management fee rates. We also assessed the Group's disclosure regarding the impairment of goodwill and the other intangible asset with indefinite useful life.
Valuation of investment properties held either directly or through joint ventures, associates and financial assets measured at fair value	
The Group's investments in property assets include investment properties held either directly or through joint ventures, associates and financial assets measured at fair value, which were subject to fair value revaluation at the end of the year. The fair value as at 31 December 2024 was assessed by independent professional valuers. We identified the valuation of investment properties as a key audit matter because of the significance of total fair value of these investment properties to the consolidated financial statements and the significant judgement and estimations involved in determination of the fair value. The key assumptions included, among others, adopted term yield, reversionary yield and market unit rent for warehouse properties. Further disclosures on the Group's investment properties are in notes 15, 16, 17, 18 and 46 to the consolidated financial statements.	We performed an understanding of the Group's process regarding the valuation of investment properties. We evaluated the independent professional valuers' competence, capabilities and objectivity. We involved our internal valuation specialists to evaluate the valuation methodologies and assess the reasonableness of the key assumptions used by management and their independent professional valuers, such as the adopted term yield, reversionary yield and market unit rent by benchmarking the rates against specific property data, comparables and prior year's inputs. We also assessed the disclosures relating to the valuation techniques and key inputs applied by the professional valuers.

Independent Auditor's Report

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. The Company's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lok Man Ho.

Ernst & Young
Certified Public Accountants
Hong Kong
25 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2024

	Notes	2024 US$'000	2023 US$'000
Revenue	4, 5	638,987	871,326
Cost of sales		(79,700)	(59,796)
Gross profit		559,287	811,530
Other income and (losses)/gains, net	5	(257,909)	376,476
Administrative expenses		(696,710)	(460,498)
Finance costs	7	(314,090)	(312,901)
Share of profits and losses of joint ventures and associates, net		(37,589)	(20,369)
(Loss)/Profit before tax	6	(747,011)	394,238
Income tax credit/(expense)	10	20,701	(126,182)
(Loss)/Profit for the year		(726,310)	268,056
Attributable to:			
Owners of the Company		(699,810)	230,849
Non-controlling interests		(26,500)	37,207
		(726,310)	268,056
(Loss)/Earnings per share attributable to ordinary equity holders of the Company			
Basic			
For (loss)/profit for the year	12	US$(0.17)	US$0.05
Diluted			
For (loss)/profit for the year	12	US$(0.17)	US$0.05
(Loss)/Profit for the year		(726,310)	268,056
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(119,425)	(58,545)
Effect of hedge		8,322	(4,977)
Share of other comprehensive loss of joint ventures and associates		(164,201)	(58,144)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		(275,304)	(121,666)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of financial assets at fair value through other comprehensive income		(102,058)	(86,251)
Share of fair value reserve of associates and joint ventures		65	1,881
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods		(101,993)	(84,370)
Other comprehensive loss for the year, net of tax		(377,297)	(206,036)
Total comprehensive (loss)/income for the year		(1,103,607)	62,020
Attributable to:			
Owners of the Company		(1,063,029)	34,047
Non-controlling interests		(40,578)	27,973
		(1,103,607)	62,020

Consolidated Statement of Financial Position

31 December 2024

	Notes	2024 US$'000	2023 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**69,936**	51,536
Right-of-use assets	14	**37,703**	29,356
Investments in joint ventures and associates	15	**3,080,997**	3,381,555
Financial assets at fair value through profit or loss	16	**783,614**	802,820
Financial assets at fair value through other comprehensive income	17	**901,785**	1,050,442
Investment properties	18	**2,346,059**	3,201,372
Goodwill	19	**3,350,314**	3,469,442
Other intangible assets	20	**1,187,355**	1,302,936
Other non-current assets	21	**400,196**	362,291
Deferred tax assets	29	**84,135**	88,870
Total non-current assets		**12,242,094**	13,740,620
CURRENT ASSETS			
Trade receivables	22	**335,839**	532,861
Prepayments, other receivables and other assets	23	**755,492**	564,954
Financial assets at fair value through profit or loss	16	**56,222**	34,494
Cash and bank balances	24	**913,979**	1,001,568
		2,061,532	2,133,877
Assets of a disposal group classified as held for sale	32	**519,338**	316,578
Total current assets		**2,580,870**	2,450,455
CURRENT LIABILITIES			
Bank and other borrowings	25	**626,209**	899,884
Lease liabilities	26	**10,000**	11,367
Trade payables, accruals and other payables	28	**327,862**	360,709
Contingent consideration payable		**19,353**	6,746
Income tax payable		**61,341**	95,543
		1,044,765	1,374,249
Liabilities directly associated with the assets classified as held for sale	32	**269,510**	255,977
Total current liabilities		**1,314,275**	1,630,226
NET CURRENT ASSETS		**1,266,595**	820,229
TOTAL ASSETS LESS CURRENT LIABILITIES		**13,508,689**	14,560,849

Consolidated Statement of Financial Position

31 December 2024

	Notes	2024 US$'000	2023 US$'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities	29	438,493	580,838
Bank and other borrowings	25	5,522,113	5,079,669
Lease liabilities	26	33,156	20,590
Contingent consideration payable		47,001	11,664
Other non-current liabilities	27	16,286	139,334
Total non-current liabilities		6,057,049	5,832,095
NET ASSETS		7,451,640	8,728,754
EQUITY			
Equity attributable to owners of the Company			
Issued capital	40	4,245	4,280
Perpetual capital securities	42	743,017	742,866
Reserves	43	6,425,286	7,663,366
		7,172,548	8,410,512
Non-controlling interests	33	279,092	318,242
TOTAL EQUITY		7,451,640	8,728,754

Mr Jinchu Shen
Director

Mr Stuart Gibson
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company													
	Issued capital (note 40) US$'000	Share premium* (note 40) US$'000	Statutory reserve* (note 43) US$'000	Merger reserve* (note 43) US$'000	Share-based payment reserve* (note 41) US$'000	Exchange fluctuation reserve* (note 43) US$'000	Retained profits* (note 43) US$'000	Investment reserve (non-recycling)* (note 43) US$'000	Hedge reserves* (note 43) US$'000	Perpetual capital securities (note 42) US$'000	Other reserve* (note 43) US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
As at 1 January 2024	4,280	6,237,199	7,626	56,358	49,048	(565,773)	2,108,894	(199,684)	(8,067)	742,866	(22,235)	8,410,512	318,242	8,728,754
Loss for the year	-	-	-	-	-	-	(699,810)	-	-	-	-	(699,810)	(26,500)	(726,310)
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	(101,961)	-	-	-	(101,961)	(97)	(102,058)
Effect of hedge	-	-	-	-	-	-	-	-	8,322	-	-	8,322	-	8,322
Exchange differences on translation of foreign operations	-	-	-	-	-	(105,504)	-	-	-	-	-	(105,504)	(13,921)	(119,425)
Share of other comprehensive loss of joint ventures and associates	-	-	-	-	-	(163,074)	-	65	(1,067)	-	-	(164,076)	(60)	(164,136)
Total comprehensive loss for the year	-	-	-	-	-	(268,578)	(699,810)	(101,896)	7,255	-	-	(1,063,029)	(40,578)	(1,103,607)
Transferred from retained profit	-	-	(1,720)	-	-	-	1,720	-	-	-	-	-	-	-
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(5,426)	5,426	-	-	-	-	-	-
Profit attributable to holders of perpetual capital securities (note 42)	-	-	-	-	-	-	(42,212)	-	-	42,212	-	-	-	-
Distribution paid to holders of perpetual capital securities (note 42)	-	-	-	-	-	-	-	-	-	(42,061)	-	(42,061)	-	(42,061)
Adjustment on redemption value of the option granted to non-controlling shareholders of a subsidiary (note 27)	-	-	-	-	-	-	-	-	-	-	(68,177)	(68,177)	4,029	(64,148)
Acquisition of non-controlling interests	32	47,861	-	-	-	-	(139,405)	-	-	-	119,630	28,118	(2,657)	25,461
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	5,261	5,261
Dividend distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(3,523)	(3,523)
Dividend distributions	-	-	-	-	-	-	(67,375)	-	-	-	-	(67,375)	-	(67,375)
Disposal of subsidiaries	-	-	-	-	-	1,710	-	-	-	-	-	1,710	(398)	1,312
Disposal of assets held for sale	-	-	-	-	-	32,597	-	-	-	-	-	32,597	(1,284)	31,313
Share repurchased and cancellation	(67)	(72,158)	-	-	-	-	-	-	-	-	-	(72,225)	-	(72,225)
Issue of shares upon exercise of share options	-	920	-	-	(1,040)	-	-	-	-	-	-	(120)	-	(120)
Issue of shares upon vesting of units under Long Term Incentive Scheme	-	5,756	-	-	(8,309)	-	-	-	-	-	-	(2,553)	-	(2,553)
Transfer of share-based payment reserve upon the forfeiture of share options and Long Term Incentive Scheme	-	-	-	-	(8,867)	-	8,867	-	-	-	-	-	-	-
Share-based compensation arrangement (note 41)	-	-	-	-	15,151	-	-	-	-	-	-	15,151	-	15,151
As at 31 December 2024	4,245	6,219,578	5,906	56,358	45,983	(800,044)	1,165,253	(296,154)	(812)	743,017	29,218	7,172,548	279,092	7,451,640

* These reserve accounts comprise the consolidated reserves of US$6,425,286,000 in the consolidated statement of financial position as at 31 December 2024 (2023: US$7,663,366,000).

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company														
	Issued capital (note 40) US$'000	Share premium* (note 40) US$'000	Statutory reserve* (note 43) US$'000	Merger reserve* (note 43) US$'000	Share-based payment reserve* (note 41) US$'000	Exchange fluctuation reserve* (note 43) US$'000	Retained profits* (note 43) US$'000	Investment reserve (non-recycling)* (note 43) US$'000	Hedge reserves* (note 43) US$'000	Equity components of convertible bonds (note 31) US$'000	Perpetual capital securities (note 42) US$'000	Other reserve* (note 43) US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
As at 1 January 2023	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 year	-	-	-	-	-	-	230,849	-	-	-	-	-	230,849	37,207	268,056
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	(85,430)	-	-	-	-	(85,430)	(821)	(86,251)
Effect of hedge	-	-	-	-	-	-	-	-	(4,977)	-	-	-	(4,977)	-	(4,977)
Exchange differences on translation of foreign operations	-	-	-	-	-	(50,275)	-	-	-	-	-	-	(50,275)	(8,270)	(58,545)
Share of other comprehensive loss of joint ventures and associates	-	-	-	-	-	(54,911)	-	1,881	(3,090)	-	-	-	(56,120)	(143)	(56,263)
Total comprehensive income for the year	-	-	-	-	-	(105,186)	230,849	(83,549)	(8,067)	-	-	-	34,047	27,973	62,020
Transferred from retained profit	-	-	2,824	-	-	-	(2,824)	-	-	-	-	-	-	-	-
Reclassification of financial asset at fair value through other comprehensive income	-	-	-	-	-	-	2,394	(2,394)	-	-	-	-	-	-	-
Profit attributable to holders of perpetual capital securities (note 42)	-	-	-	-	-	-	(41,920)	-	-	-	41,920	-	-	-	-
Distribution paid to holders of perpetual capital securities (note 42)	-	-	-	-	-	-	-	-	-	-	(41,755)	-	(41,755)	-	(41,755)
Adjustment on redemption value of the option granted to non-controlling shareholders of a subsidiary (note 27)	-	-	-	-	-	-	-	-	-	-	-	(13,610)	(13,610)	(5,567)	(19,177)
Acquisition of non-controlling interests	-	-	-	-	-	(346)	(6,155)	-	-	-	-	-	(6,501)	(8,397)	(14,898)
Transfer of interest to non-controlling interests without change of control	-	-	-	-	-	-	-	-	-	-	-	-	-	2,912	2,912
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	10,154	10,154
Dividend distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(38,889)	(38,889)
Dividend distributions	-	-	-	-	-	-	(139,630)	-	-	-	-	-	(139,630)	-	(139,630)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	4,406	4,406
Disposal of subsidiaries	-	-	-	-	-	7,053	-	-	-	-	-	-	7,053	(5)	7,048
Share repurchased and cancellation	(145)	(217,625)	-	-	-	-	-	-	-	-	-	-	(217,770)	-	(217,770)
Conversion of convertible bonds	-	800	-	-	-	-	58	-	-	(111)	-	-	747	-	747
Redemption of convertible bonds	-	-	-	-	-	-	8,294	-	-	(48,390)	-	-	(40,096)	-	(40,096)
Issue of shares upon exercise of share options	2	3,040	-	-	(3,126)	-	-	-	-	-	-	-	(84)	-	(84)
Issue of shares upon vesting of units under Long Term Incentive Scheme	1	2,765	-	-	(8,492)	-	-	-	-	-	-	-	(5,726)	-	(5,726)
Transfer of share-based payment reserve upon the forfeiture of share options and Long Term Incentive Scheme	-	-	-	-	(7,642)	-	7,642	-	-	-	-	-	-	-	-
Share-based compensation arrangement (note 41)	-	-	-	-	19,178	-	-	-	-	-	-	-	19,178	-	19,178
As at 31 December 2023	4,280	6,237,199	7,626	56,358	49,048	(565,773)	2,108,894	(199,684)	(8,067)	-	742,866	(22,235)	8,410,512	318,242	8,728,754

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 US$'000	2023 US$'000
Cash flows from operating activities			
(Loss)/Profit before tax		**(747,011)**	394,238
Adjustments for:			
Amortisation of other intangible assets	6	**28,987**	31,293
Changes in carrying value of financial assets at fair value through profit or loss	5	**21,133**	(1,159)
Changes in fair value of financial derivative assets	5	**5,516**	4,146
Depreciation of property, plant and equipment	6	**6,473**	6,350
Depreciation of right-of-use assets	6	**14,827**	12,700
Dilution gain of interests in investment in financial assets at fair value through profit or loss and an associate	5	**(1,017)**	(4,105)
Dividend income	5	**(86,792)**	(84,279)
Fair value losses on assets held for sale	5	**8,658**	4,667
Fair value losses on completed investment properties	5	**307,707**	1,787
Fair value losses/(gains) on investment properties under construction	5	**4,369**	(189,509)
Finance costs	7	**314,090**	312,901
Gain on disposal of subsidiaries	5	**(24,673)**	(24,072)
Gain on early redemption of convertible bonds	5	**–**	(17,181)
Impairment of assets held for sale		**245,142**	–
Impairment of goodwill	6	**–**	13,571
Impairment of investments in joint ventures and associates	6	**2,556**	5,172
Impairment of other intangible assets	6	**128**	15,252
Interest income	5	**(32,929)**	(32,885)
Loss/(Gain) on disposal of assets held for sale	5	**40,132**	(1,378)
Loss/(Gain) on disposal of interests in financial assets at fair value through profit or loss	5	**237**	(2,145)
Loss/(Gain) on disposal of investment properties	5	**24,936**	(18,658)
Loss on disposal of interests in joint ventures and associates	5	**–**	1,188
Loss on disposal of items of property, plant and equipment	6	**502**	234
Management fee received/receivable in units		**(50,274)**	(54,590)
Other income		**–**	(1,332)
(Reversal of)/Impairment of trade receivables and other receivables and bad debt written off	6	**(3,344)**	774
Share-based compensation expense	6	**15,151**	19,178
Share of profits and losses of joint ventures and associates, net		**37,589**	20,369
		132,093	412,527
Decrease/(Increase) in trade receivables		**181,872**	(182,694)
Decrease/(Increase) in prepayments, other receivables and other assets		**5,487**	(33,792)
Increase in trade payables, accruals and other payables		**36,920**	28,458
Cash flows generated from operations		**356,372**	224,499
Income tax paid		**(77,786)**	(84,909)
Dividend income received from financial assets at fair value through profit or loss		**3,532**	2,255
Disposal of financial assets at fair value through profit or loss		**5,929**	942
Net cash flows generated from operating activities		**288,047**	142,787

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 US$'000	2023 US$'000
Cash flows from investing activities			
Acquisition of subsidiaries		**–**	(21,291)
Additions of investment properties		**(425,707)**	(326,165)
Additions of other intangible assets	20	**(400)**	(11,405)
Additions of property, plant and equipment		**(31,209)**	(16,670)
Advances to related parties and joint ventures		**(50,979)**	(39,598)
Capital injection in financial assets at fair value through other comprehensive income		**(118,713)**	(120,371)
Capital injection in financial assets at fair value through profit or loss		**(70,452)**	(64,925)
Capital injection in joint ventures and associates		**(425,056)**	(612,952)
Capital redemption on financial assets at fair value through other comprehensive income		**12,776**	1,144
Disposal of assets held for sale		**262,957**	52,217
Disposal of financial assets at fair value through other comprehensive income		**16,376**	–
Disposal of financial assets at fair value through other profits or loss		**1,587**	22,224
Disposal of interests in joint ventures and associates		**747**	30,654
Disposal of investment properties		**296,749**	61,494
Disposal of property, plant and equipment		**259**	–
Disposal of subsidiaries		**113,131**	75,646
Distributions from financial assets at fair value through profits or loss		**32,086**	27,963
Distributions from joint ventures and associates		**123,831**	111,910
Dividend income from quoted financial assets		**55,106**	53,589
Dividend income from unquoted financial assets		**21,181**	26,935
Release/(Increase) in non-pledged fixed time deposits with a maturity period over three months		**2,136**	(3,850)
Interest received		**17,554**	19,371
Investment in other investments		**(85)**	(3,485)
Loan to third parties		**–**	(10,381)
Payment of contingent consideration payables		**(4,552)**	–
Prepayments for acquiring land use rights		**(19,199)**	(60,752)
Repayment of loans to directors of the Company		**10,957**	–
Repayment from joint ventures and financial assets at fair value through profit or loss upon disposal of subsidiaries		**–**	50,532
Net cash flows used in investing activities		**(178,919)**	(758,166)

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 US$'000	2023 US$'000
Cash flows from financing activities			
Acquisition of non-controlling interests		**(67,626)**	(14,898)
Capital contribution from non-controlling interests		**5,261**	10,154
Changes in pledged bank deposits and restricted cash balances		**(44,850)**	15,847
Distribution paid to holders of perpetual capital securities		**(42,061)**	(41,755)
Dividend distributions to non-controlling interests		**(2,681)**	(38,889)
Dividend distributions to shareholders		**(67,375)**	(139,630)
Interest of bank and other borrowings paid	30	**(330,432)**	(309,911)
Principal portion of lease payments	30	**(15,058)**	(14,168)
Proceeds from bank and other borrowings	30	**1,995,896**	1,809,814
Redemption of convertible bonds		**–**	(349,200)
Repayment of bank and other borrowings	30	**(1,466,162)**	(835,550)
Share repurchased		**(78,085)**	(217,770)
Transfer of interest to non-controlling interests without change of control		**–**	2,912
Net cash used in financing activities		**(113,173)**	(123,044)
Net decrease in cash and cash equivalents		**(4,045)**	(738,423)
Cash and cash equivalents at beginning of year		**924,938**	1,717,672
Effect of foreign exchange rate changes, net		**(130,523)**	(54,311)
Cash and cash equivalents at end of year		**790,370**	924,938
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**913,979**	1,001,568
Cash and short-term deposits attributable to the disposal group held for sale		**4,912**	9,281
Non-pledged fixed time deposits with a maturity period over three months		**(1,714)**	(3,850)
Pledged bank deposits	24	**(949)**	(632)
Restricted bank balances	24	**(125,858)**	(81,429)
Cash and cash equivalents as stated in the consolidated statement of cash flows		**790,370**	924,938

Notes to the Consolidated Financial Statements

31 December 2024

1. CORPORATE INFORMATION

ESR Group Limited (the "**Company**") was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Cayman Companies Law on 14 June 2011. The registered office of the Company is Walkers Corporate Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. The address of head office and principal place of business is at 5 Temasek Boulevard, #12-01, Suntec Tower Five, Singapore 038985.

The Group is a New Economy real estate owner and manager, with a core focus in logistics real estate, data centres and infrastructure. The Group's fully integrated fund management and development platform extends across key Asia Pacific markets, comprising Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia and India, with a presence in Europe.

Information about subsidiaries

As at 31 December 2024, the Company had direct and indirect interests in its principal subsidiaries, the particulars of which are set out below:

Name	Place of incorporation/ principal country of operation/office and date of incorporation	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
Shanghai e-Shang Warehousing Services Co., Ltd.	China 8 July 2011	RMB109,090,909	–	100%	Investment and management
Langfang Weidu International Logistics Co., Ltd.	China 15 March 2011	US$24,000,000	–	100%	Warehousing business
ESR Kendall Square, Inc.	South Korea 12 December 2014	KRW34,000,000,000	–	100%	Investment and management
Redwood Asian Investments Ltd. ("**RAIL**")	Cayman Islands 5 August 2013	US$100	100%	–	Investment holding
ESR Singapore Pte. Ltd.	Singapore 27 November 2007	US$1	100%	–	Investment and management
ESR Ltd	Japan 8 May 2006	JPY466,970,000	–	100%	Investment and management
Sunwood Singapore Holding Pte. Ltd.	Singapore 24 December 2014	US$253,871,307	–	95%	Investment and management
ESR Pte. Ltd.	Singapore 26 May 2017	A$308,885,207	95.5%	–	Investment holding
e-Shang Infinity Cayman Limited	Cayman Islands 30 September 2015	US$35,243,934	–	100%	Investment holding
ESR-REIT Management (S) Limited (formerly known as ESR-LOGOS Funds Management (S) Limited)	Singapore 14 September 2005	S$64,714,500	–	99.0%	Investment and management
ESR Property Services Pte. Ltd. (formerly known as ESR-LOGOS Property Management (S) Pte. Ltd.)	Singapore 4 November 2005	S$250,000	–	100%	Investment and management
Shanghai Yurun Meat Food Co., Ltd.	China 3 June 2010	RMB687,142,857	–	70%	Warehousing business
Summit (BVI) Limited	BVI 24 February 2012	US$1	100%	–	Investment and management
Kendall Square Asset Management, Inc.	South Korea 1 September 2016	KRW2,500,000,000	–	100%	Investment and management

Notes to the Consolidated Financial Statements

31 December 2024

1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

Name	Place of incorporation/ principal country of operation/office and date of incorporation	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
ESR HK Management Limited	Cayman Islands 29 June 2018	US$100	100%	–	Investment holding
ESR Asset Management (Holdings) Limited	Australia 3 May 2000	A$91,370,012	–	95.5%	Investment and management
ESR Sachiura 3 TMK	Japan 11 January 2019	JPY5,894,700,000	–	100%	Asset holding
ESR Sachiura 4 TMK	Japan 11 January 2019	JPY6,390,800,000	–	100%	Asset holding
RW Investor (Kuki) Ltd.	Cayman Islands 11 April 2016	US$1	–	100%	Investment holding
ESR Queensland Hold Trust	Australia 29 June 2018	N/A	–	95.5%	Investment holding discretionary trust
ESR India Investment Holdings Pte. Ltd.	Singapore 8 September 2017	S$1	–	100%	Investment holding
Kendall Square REIT Management, Inc.	South Korea 28 May 2020	KRW8,000,000,000	–	100%	Investment and management
Daisy Offshore Holdings (BVI) Limited	BVI 29 May 2019	US$1	100%	–	Investment and management
Suzhou Yihao Warehouse Services Co.,Ltd.	China 23 November 2018	US$60,000,000	–	100%	Warehousing business
Chengdu Yijing Supply Chain Management Services Co., Ltd	China 22 May 2020	US$66,000,000	–	51%	Warehousing business
ESR Landmark Pty Ltd	Australia 26 March 2021	A$492,965,316	–	95.5%	Investment holding
ESR Co-Invest Trust	Australia 29 June 2018	A$810,871,063	–	95.5%	Investment holding
ESR Development (Australia) Pty Ltd	Australia 24 April 2018	A$82,941,034.02	–	95.5%	Investment and management
Suzhou Yixiang Precision Machinery Co.,Ltd.	China 4 December 2019	USD65,000,000	–	100%	Warehousing business
Shanghai Yizhishang Enterprise Management Services Co., Ltd.	China 24 December 2021	RMB1,000,000	–	100%	Investment and management
Kunshan Zhongyi Industrial Automation Co., Ltd.	China 27 September 2020	RMB 558,000,000	–	100%	Warehousing business
Suzhou Yixin Equity Investment Partnership (Limited Partnership)	China 27 April 2023	US$500,000,000	–	100%	Investment and management
ESR 31 TMK	Japan 13 May 2022	JPY26,305,000,000	–	100%	Asset holding
ESR V Investor 5 Pte. Ltd.	Singapore 23 June 2022	US$1	–	100%	Investment holding
Summit Management Singapore Pte. Ltd.	Singapore 1 November 2023	US$100	–	100%	Investment and management
ESR Asset Management Limited ("**ESRAM**") (formerly known as ARA Asset Management Limited)	Bermuda/Singapore 1 July 2002	SGD2,571,943	100%	–	Investment holding

Notes to the Consolidated Financial Statements

31 December 2024

1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

Name	Place of incorporation/ principal country of operation/office and date of incorporation	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Percentage of equity attributable to the Company Indirect	Principal activities
ESR Trust Management (Suntec) Limited (formerly known as ARA Trust Management (Suntec) Limited)	Singapore 30 August 2004	SGD1,000,000	–	100%	Investment and management
ESR Asset Management (Fortune) Limited (formerly known as ARA Asset Management (Fortune) Limited)	Singapore/Hong Kong 7 April 2003	SGD1,000,000	–	100%	Investment and management
ESR Real Estate Services Management Pte. Ltd. (formerly known as APM Property Management Pte Ltd)	Singapore 1 September 1994	SGD3	–	100%	Investment and management
ESR Europe Limited (formerly known as ARA Dunedin Limited)	United Kingdom 28 June 2019	GBP200	–	58.5%	Investment and management
Venn Partners LLP	United Kingdom 30 July 2009	GBP1,236,366	–	70.5%	Investment and management
ESR Real Estate Investors XXI Pte. Ltd. (formerly known as ARA Real Estate Investors XXI Pte. Ltd.)	Singapore 7 February 2018	AUD1	–	100%	Investment holding
ESR Real Estate Investors 28 Limited (formerly known as ARA Real Estate Investors 28 Limited)	Cayman Islands/ Singapore 7 August 2019	AUD1	–	100%	Investment holding
ESR Real Estate Investors 30 Limited (formerly known as ARA Real Estate Investors 30 Limited)	Hong Kong 8 January 2021	JPY100	–	100%	Investment holding
ESR Real Estate Investors 22 Pte. Ltd. (formerly known as ARA Real Estate Investors 22 Pte. Ltd.)	Singapore 4 January 2018	SGD1	–	100%	Investment holding
LOGOS Property Group Limited	BVI 27 January 2015	USD14.84	–	100%	Investment Holding
LOGOS Supply Chain Management (Shanghai) Co., Ltd.	China 8 February 2018	USD1,000,000	–	100%	Investment and management
Logos Development Management Pty Ltd	Australia 26 September 2014	AUD100	–	100%	Investment and management
Logos Investment Management Pty Ltd	Australia 6 December 2017	AUD100	–	100%	Investment and management
Logos MLP Development Management	Australia 15 April 2021	AUD100	–	100%	Investment and management
ESR Fund Managers Pte. Ltd. (formerly known as Logos SE Asia (Funds Management) Pte. Ltd.)	Singapore 11 April 2017	SGD4,361,575.99	–	100%	Investment and management

Notes to the Consolidated Financial Statements

31 December 2024

1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the total assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in excessive length. The subsidiaries incorporated in China are registered as wholly foreign-owned enterprises under PRC Law, except for Shanghai Yurun Meat Food Co., Ltd and Chengdu Yijing Supply Chain Management Services Co., Ltd which are non-wholly foreign-owned enterprises.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IAS**") and Interpretations) as issued by the International Accounting Standards Board (the "**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income, and financial assets and liabilities at fair value through profit or loss, 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 their carrying amount and fair values less cost to sell as further explained in note 2.4. These financial statements are presented in US dollars ("**US$**"), with values rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Notes to the Consolidated Financial Statements

31 December 2024

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not adopted the following new and revised IFRS Accounting Standards, that have been issued but are not yet effective, in the financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

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

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

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2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

31 December 2024

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments:* The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements:* The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows:* The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

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2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity, over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The cost of the investments in associates and joint ventures includes transaction costs. The Group's investments in associates and joint ventures include goodwill identified on acquisition, net of any accumulated impairment losses. The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method, less any impairment losses.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and other comprehensive income respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

If the Group's ownership interest in a joint venture is reduced, but investment continues to be classified either as a joint venture, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties, financial assets and liabilities at fair value through other comprehensive income and financial assets and liabilities at fair value through profit or loss at 31 December 2024 and 2023. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at 31 December 2024 and 2023.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an non-financial asset is required (other than inventories, construction contract assets, deferred tax assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at 31 December 2024 and 2023 as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group; or

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Category	Estimated useful life	Estimated residual value
Motor vehicles	3–5 years	10%
Machinery	20–25 years	0%
Leasehold improvements	1–9 years	0%
Others	2–15 years	10%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties comprise completed property and property under construction or re-development (including right-of-use assets) held to earn rentals or for capital appreciation. Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in the fair values are included in profit or loss in the year in which they arise.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation or commencement of an operating lease.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Other intangible assets (other than goodwill)

Other intangible assets acquired separately are measured on initial recognition at cost. The cost of other intangible assets acquired in a business combination is the fair value at the date of the acquisition. The useful lives of other intangible assets are assessed to be finite. Other intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the other intangible asset may be impaired. The amortisation period and the amortisation method for another intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

The principal estimated useful lives of other intangible assets are as follows:

Category	Estimated useful life	Estimated residual value
Software	3–5 years	0%
Management contracts	5–10 years	0%
Trust management rights	indefinite useful lives	0%
Customer contracts	3 years	0%
Others	indefinite useful lives	0%

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2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases

Group as a lessee

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Investments and other financial assets (continued)

Subsequent measurement

Financial assets measured at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and financial assets included in prepayments, other receivables and other assets.

Financial assets designated at fair value through OCI (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled in profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

The Group elected to classify irrevocably its equity investments under this category.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments are also recognised as other income in profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets

The Group's trade and other receivables are subject to IFRS 9's expected credit loss model.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward looking information.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

General approach (continued)

The Group considers a financial asset in default when contractual payments are 150 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables and contract assets that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, interest-bearing bank and other borrowings, financial liabilities at fair value through profit or loss, financial derivative instruments and convertible bond.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes financial derivative instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Convertible bond and redeemable convertible instruments

The component of convertible bond and redeemable convertible instruments that exhibits characteristics of a liability is recognised as a liability in the consolidated statement of financial position, net of transaction costs. On issuance of convertible bond and redeemable convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bond and redeemable convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

If the conversion option of a convertible bond and redeemable convertible instruments exhibits characteristics of an embedded derivative, it is separated from its liability component. On initial recognition, the derivative component of the instruments is measured at fair value and presented as part of financial derivative instruments. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs are apportioned between the liability and derivative components when the instruments are initially recognised. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Put options in relation to non-controlling interests

During the process of acquiring an entity and its subsidiaries, the Group provides the non-controlling shareholders of a subsidiary with the right to dispose of the equity interests held by them to the Group. The equity interests in such subsidiary held by the minority shareholders are recognised as non-controlling interests in the consolidated financial statements of the Group. At the same time, for the share redemption option, the Group assumes the obligations to acquire in cash the equity interests in such subsidiary held by the non-controlling interests. The present value of the amount payable at the time of buying of the corresponding equity interests of such share redemption option shall be deducted from non-controlling interests and shall be recognised as the financial liabilities of the Group. Such financial liabilities shall be re-measured at the present value of future exercise price in the subsequent period, with changes charged to equity.

Reclassification of financial liabilities

The nature and risk profile of a financial instrument may change as a result of a change in circumstances. From the date of such change in circumstances, the derivative component of the instruments were reclassified from financial liability to equity (absent of any other terms requiring its continued classification as financial liability).

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the statements of cash flows, cash on hand and at banks, restricted cash, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at 31 December 2024 expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by 31 December 2024, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at 31 December 2024 between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except that deferred tax is not recognised for the Pillar Two income taxes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at 31 December 2024 and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at 31 December 2024 and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the year.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is acting as a principal in all of its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The specific recognition criteria described below must also be met before revenue is recognised.

Management fee income

Management fee income comprise base management fees, asset management fees and development management fees which are recognised over time; and leasing fee income, acquisition fee income and promote fee which are recognised at point in time.

Base management fees are derived from the management of real estate investment funds or warehousing projects. Base management fee derived from the management of real estate investment funds is determined based on the total capital commitment or net equity invested as the case may be for these funds. Asset management fee derived from the management of warehousing projects is determined based on the fair value of properties.

Development management fee comprises of development fee and project management fee. Development management fee is recognised over time when the Group provides services to the owners of the property assets in accordance with the agreements.

Leasing fee income relates to fees earned in consideration of the investment manager carrying out the leasing services for the real estate investment funds.

Acquisition fee income relates to fees earned in relation to the acquisition of properties by real estate investment funds. The acquisition fee income is determined based on the value of the properties acquired and is recognised when the services have been rendered.

Promote fee income relates to income earned in relation to real estate investment funds where the returns of the real asset investment funds exceed certain specified hurdles. Promote fee is recognised to the extent that it is highly probable that a significant reversal of revenue will not occur.

Solar energy income

Solar energy income is recognised based on direct measurements of the value to the customer of the services transferred to date according to contracts with the customer. Revenue are recognised based on price specified in the contracts and output delivered to customers.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (continued)

Construction income

Construction income is recognised in accordance with the percentage of completion method measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract. The stage of completion is measured by reference to the completion of specific milestones in the construction process. On completion of each milestone, the recoverable costs incurred during the period plus the related fee earned corresponding to the particular milestone are recognised as revenue.

Revenue from other sources

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue.

Interest income

Interest income is accounted for on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income

Dividend income is recognised when the company's right to receive payment is established.

Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payment

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees of the Group receive remuneration in the form of share-based payment, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. The cumulative expense recognised for equity-settled transactions at 31 December 2024 and 2023 until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding option is reflected as additional share dilution in the computation of earnings per share.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Other employee benefits

The employees of the Group's subsidiaries which operate in China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The employees of the Group's subsidiaries which operate in Singapore and other jurisdictions are required to participate in a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as employee benefit expenses in profit or loss in the periods during which related services are rendered by the employees.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies

The Company's functional currency is US dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at 31 December 2024. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than US dollars. As at 31 December 2024, the assets and liabilities of these entities were translated into the presentation currency of the Company at the exchange rates prevailing at 31 December 2024 and their statements of profit or loss are translated into US dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statements of cash flows, the cash flows of overseas subsidiaries are translated into US dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into US dollars at the weighted average exchange rates for the year.

Notes to the Consolidated Financial Statements

31 December 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Deferred tax liabilities for withholding tax

Pursuant to China Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in China (a lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors). As at 31 December 2024 and 2023, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries and joint ventures established in China. No deferred taxation has been provided for the distributable retained profits of approximately US$26,313,000 as at 31 December 2024 (2023: US$48,768,000), which were derived from China subsidiaries as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Whether the presumption that investment properties stated at fair value are recovered through sale or use in determining deferred tax

As of 31 December 2024, deferred tax liabilities amounting to US$128,905,000 (2023: US$228,695,000) has been provided for the revaluation of investment properties. The Group determines that these deferred tax liabilities are recognised based on the presumption that the investment properties stated at fair value are recovered through use rather than sale. Further details are given in note 29.

Notes to the Consolidated Financial Statements

31 December 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Judgement (continued)

Consolidation of structured entities

Management makes significant judgement on whether to control and consolidate structured entities. The decision outcome impacts accounting methodologies in use and the financial and operational results of the Group.

When assessing control, the Group considers: (1) the level of control of the investor over the investee; (2) variable returns gained through participation of relevant activities of the investee; and (3) the amount of return gained from using its power over the investee.

When assessing the level of control over the structured entities, the Group considers the following four aspects:

- the degree of participation when establishing the structured entities;
- contractual arrangements;
- activities that take place only at special occasions or occurring events; and
- commitments made to the investee from the Group.

When assessing whether there is control over the structured entities, the Group also considers whether the decisions it makes are as a principal or as an agent. Aspects of considerations normally include the decision-making scope over the structured entities, substantive rights of third parties, reward of the Group, and the risk of undertaking variable returns from owning other benefits of the structured entities.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at 31 December 2024, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2024 was US$3,350,314,000 (2023: US$3,469,442,000). Further details are given in note 19.

Notes to the Consolidated Financial Statements

31 December 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables, other receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables, other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future. The information about the ECLs on the Group's trade receivables, other receivables and contract assets is disclosed in notes 22 and 23 to the financial statements, respectively.

Fair value of investment properties held either directly or through joint ventures, associate and financial assets at fair value through profit or loss

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(1) current prices in an active market for properties of a different nature, condition or location or subject to different lease or other contracts, adjusted to reflect those differences;

(2) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices; and

(3) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Further details, including the key assumptions used for fair value measurement and a sensitivity analysis, are given in notes 18 and 46 to the financial statements.

Notes to the Consolidated Financial Statements

31 December 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Estimation uncertainty (continued)

Fair value of financial instruments

If the market for a financial instrument is not active, the Group estimates fair value by using a valuation technique. Valuation techniques include using recent prices in arm's length market transactions between knowledgeable and willing parties, if available, with reference to the current fair value of another instrument that is substantially the same, or discounted cash flow analyses and option pricing models. To the extent practicable, valuation technique makes the maximum use of market inputs. However, where market inputs are not available, management needs to make estimates on such unobservable market inputs.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at 31 December 2024. Other intangible assets with indefinite lives are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

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4. OPERATING SEGMENT INFORMATION

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

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

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

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

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

Notes to the Consolidated Financial Statements

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4. OPERATING SEGMENT INFORMATION (continued)

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

	Year ended 31 December 2024			
	Investment US$'000	Fund management US$'000	New Economy development US$'000	Total US$'000
Segment revenue	75,415	497,812	65,760	638,987
– Intersegment sales	–	7,880	–	7,880
	75,415	505,692	65,760	646,867
Reconciliation:				
Elimination of intersegment sales	–	(7,880)	–	(7,880)
Revenue from continuing operations	75,415	497,812	65,760	638,987
Operating expenses	(49,063)	(197,181)	(86,208)	(332,452)
Fair value losses on investment properties	(307,707)	–	(4,369)	(312,076)
Changes in carrying value of financial assets at fair value through profit or loss	(36,680)	(42)	15,589	(21,133)
Changes in fair value of assets held for sale	(484)	–	(8,174)	(8,658)
Changes in fair value of financial derivative assets	–	(5,516)	–	(5,516)
Share of profits and losses of joint ventures and associates, net	(86,123)	20,289	28,245	(37,589)
Gain on disposal of subsidiaries	–	25	24,648	24,673
Gain/(Loss) on disposal of assets held for sale	3,107	(43,239)	–	(40,132)
Loss on disposal of interests in financial assets at fair value through profit or loss	(43)	(194)	–	(237)
Loss on disposal of investment properties	–	–	(24,936)	(24,936)
Dilution gain of interests in investment in financial assets at fair value through profit or loss	–	–	1,017	1,017
Impairment of assets held for sale	(245,142)	–	–	(245,142)
Impairment of investments in joint ventures and associates and other intangible assets	(128)	–	(2,556)	(2,684)
Dividend income	86,792	–	–	86,792
Segment result	(560,056)	271,954	9,016	(279,086)
Reconciliation:				
Depreciation and amortisation				(50,287)
Exchange loss				(3,444)
Interest income				32,929
Finance costs				(314,090)
Share-based compensation expense				(15,151)
Other unallocated gains				9,345
Corporate and other unallocated expenses				(127,227)
Loss before tax from continuing operations				(747,011)
Other segment information:				
Depreciation and amortisation				(50,287)
Capital expenditure*				461,735
Investments in joint ventures and associates				3,080,997

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4. OPERATING SEGMENT INFORMATION (continued)

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

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

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4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

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

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

(b) Non-current assets

	2024 US$'000	2023 US$'000
Greater China	**3,790,978**	4,334,391
Japan	**1,102,492**	1,505,439
South Korea	**534,221**	554,384
Australia and New Zealand	**2,205,226**	2,311,989
Southeast Asia	**2,430,075**	2,277,015
India	**150,084**	216,581
Europe	**224,755**	408,875
Others	**–**	176,579
	10,437,831	11,785,253

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

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

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

(a) Revenue

An analysis of revenue is as follows:

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

Timing of revenue recognition

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

Note:

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

Performance obligations

Information about the Group's performance obligations is summarised below:

Construction services

The performance obligation is satisfied over time as services are rendered.

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

(a) Revenue (continued)

Performance obligations (continued)

Management services

For base management, asset management and development management fees, the performance obligation is satisfied over time as services are rendered. For acquisition/disposal and leasing fees, the performance obligation is satisfied at a point in time upon the successful acquisition/disposal of properties and carrying out leasing services, as the customers only receive and consume the benefits provided by the Group upon successful acquisition/disposal and provision of leasing services. For promote fee, the performance obligation is satisfied when the real asset investment funds exceed certain specified hurdles and it is highly probable that a significant reversal will not occur.

	2024 US$'000	2023 US$'000
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods:		
Management fee	–	173,152

Solar energy sales

Performance obligations in the contract are the provision of electricity power through the solar panels to electric power companies. They are provided continuously over the contractual period, and the services in the contract represent a single performance obligation. The electric power companies simultaneously receive and consumes the benefits provided by the Group.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 and 2023 are as follows:

	2024 US$'000	2023 US$'000
Within one year	27,368	71,550
After one year	78,138	23,016
	105,506	94,566

The amounts of transaction prices allocated to the remaining performance obligations relate to construction services that are to be satisfied within three years, of which the amounts disclosed above do not include variable consideration which is constrained; and promote fee relates to management services to which management has exercised judgement in applying constraint on the recognition of the promote fee income.

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

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

	Notes	2024 US$'000	2023 US$'000
Changes in carrying value of financial assets at fair value through profit or loss		**(21,133)**	1,159
Changes in fair value of financial derivative assets		**(5,516)**	(4,146)
Dilution gains of interests in investment in financial assets at fair value through profit or loss and an associate		**1,017**	4,105
Dividend income		**86,792**	84,279
Fair value (losses)/gains on investment properties under construction	18	**(4,369)**	189,509
Fair value losses on completed investment properties	18	**(307,707)**	(1,787)
Fair value losses on assets held for sale		**(8,658)**	(4,667)
Gain on disposal of subsidiaries	35	**24,673**	24,072
Gain on early redemption of convertible bonds		**–**	17,181
(Loss)/Gain on disposal of assets held for sale		**(40,132)**	1,378
(Loss)/Gain on disposal of interests in financial assets at fair value through profit or loss		**(237)**	2,145
(Loss)/Gain on disposal of investment properties		**(24,936)**	18,658
Loss on disposal of interests in joint ventures and associates		**–**	(1,188)
Interest income		**32,929**	32,885
Others		**9,368**	12,893
		(257,909)	376,476

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6. (LOSS)/PROFIT BEFORE TAX

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

(a) Employee benefit expense

	2024 US$'000	2023 US$'000
Wages and salaries (including directors' and chief executive's remuneration)	**256,073**	241,470
Share-based compensation expense (note 41)	**15,151**	19,178
Pension scheme contributions*	**10,720**	10,981
	281,944	271,629

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

(b) Other items

	Notes	2024 US$'000	2023 US$'000
Amortisation of other intangible assets (note (i))	20	**28,987**	31,293
Auditor of the Company:			
— Audit services		**4,962**	4,352
— Non-audit services		**715**	776
Other auditors:			
— Audit services		**2,245**	702
— Non-audit services		**863**	604
Construction cost (note (ii))		**56,500**	36,549
Depreciation of property, plant and equipment	13	**6,473**	6,350
Depreciation of right-of-use assets	14	**14,827**	12,700
Entertainment fee		**3,278**	3,966
Impairment of assets held for sale		**245,142**	–
Impairment of goodwill		**–**	13,571
Impairment of investments in joint ventures and associates		**2,556**	5,172
Impairment of other intangible assets	20	**128**	15,596
Loss on disposal of items of property, plant and equipment		**502**	234
Other tax expenses		**17,499**	15,904
Professional service fee		**44,117**	37,657
(Reversal of)/Impairment of trade receivables and other receivables and bad debt written off, net of reversal		**(3,344)**	774

Note:

(i) Amortisation of other intangible assets for the year are included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

(ii) The construction costs for the year are included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

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7. FINANCE COSTS

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

Note:

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

8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 US$'000	2023 US$'000
Directors' fees	**3,976**	4,032
Other emoluments:		
Salaries, allowances and benefits in kind	**658**	2,006
Share-based compensation expense (note (i))	**1,168**	2,296
	1,826	4,302
	5,802	8,334

Note:

(i) Granted to Redwood Consulting and an entity associated with Mr Jinchu Shen.

During the year, certain directors were granted share options, in respect of their services to the Group, under the Long Term Incentive Scheme of the Company, further details of which are set out in note 41 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements is included in the above directors' and chief executive's remuneration disclosures.

Notes to the Consolidated Financial Statements

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent non-executive directors

Directors' fees paid to independent non-executive directors during the year were as follows:

	2024 US$'000	2023 US$'000
Mr Brett Harold Krause	**90**	90
Mr Simon James McDonald	**90**	90
Ms Jingsheng Liu (劉京生) (note (i))	**52**	65
Ms Serene Siew Noi Nah	**74**	73
Ms Wei-Lin Kwee (note (ii))	**24**	57
	330	375

There were no other emoluments payable to the independent non-executive directors during the year.

(b) Executive directors and non-executive directors

2024

	Directors' fees US$'000	Salaries, allowances and benefits-in-kind US$'000	Share-based compensation expense US$'000	Total US$'000
Executive directors:				
Mr Jinchu Shen (沈晉初)	1,800	–[(iii)]	584	2,384
Mr Stuart Gibson	1,800	–[(iii)]	584	2,384
	3,600	–	1,168	4,768
Non-executive directors:				
Mr Jeffrey David Perlman	–	–	–	–
Mr Charles Alexander Portes	–	–	–	–
Mr Hwee Chiang Lim	19	658	–	677
Dr Kwok Hung Justin Chiu (note (ii))	8	–	–	8
Mr Rajeev Veeravalli Kannan	19	–	–	19
	46	658	–	704
	3,646	658	1,168	5,472

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and non-executive directors (continued)

There was no arrangement under which a director waived or agreed to waive any remuneration during the year. There were no contributions to pension schemes for directors during the year.

No compensation was paid or receivable by directors or past directors for loss of office as a director of any member of the Group, or of any other position in connection with the management of the affairs of any member of the Group during the year.

Notes:

(i) Ms Jingsheng Liu has resigned as an independent non-executive director with effect from 16 October 2024.

(ii) Dr Kwok Hung Justin Chiu as a non-executive Director and Ms Wei-Lin Kwee as an independent non-executive Director have retired at the AGM held on 31 May 2024.

(iii) The FY2024 bonuses have yet to be approved by the Remuneration Committee at the date of the report.

2023

	Directors' fees US$'000	Salaries, allowances and benefits-in-kind US$'000	Share-based compensation expense US$'000	Total US$'000
Executive directors:				
Mr Jinchu Shen (沈晉初)	1,800	675	1,148	3,623
Mr Stuart Gibson	1,800	675	1,148	3,623
	3,600	1,350	2,296	7,246
Non-executive directors:				
Mr Jeffrey David Perlman	–	–	–	–
Mr Charles Alexander Portes	–	–	–	–
Mr Wei Hu (胡偉) (note (i))	–	–	–	–
Mr Hwee Chiang Lim	19	656	–	675
Dr Kwok Hung Justin Chiu	19	–	–	19
Mr Rajeev Veeravalli Kannan	19	–	–	19
	57	656	–	713
	3,657	2,006	2,296	7,959

Notes:

(i) Mr Wei Hu retired at the AGM held on 7 June 2023.

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2023: two directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2023: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024 US$'000	2023 US$'000
Salaries, allowances and benefits-in-kind	**3,689**	5,706
Share-based compensation expense	**1,187**	1,227
Pension scheme contributions	**30**	25
	4,906	6,958

The numbers of non-director highest paid employees whose remuneration fell within the following bands are as follows:

	Number of employees	
	2024	**2023**
HK$8,500,001 to HK$9,000,000	**1**	–
HK$12,500,001 to HK$13,000,000	**1**	–
HK$14,500,001 to HK$15,000,000	**–**	1
HK$16,500,001 to HK$17,000,000	**1**	–
HK$18,000,001 to HK$18,500,000	**–**	1
HK$21,000,001 to HK$21,500,000	**–**	1
	3	3

During the year and in prior years, share options were granted to a non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 41 to the financial statements. The fair value of such options, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

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10. INCOME TAX (CREDIT)/EXPENSE

	2024 US$'000	2023 US$'000
Current tax	**59,664**	103,268
Deferred tax (note 29)	**(80,365)**	22,914
	(20,701)	126,182

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 year, Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the assessable profits arising in Hong Kong.

During the year, the subsidiaries incorporated in China are subject to China income tax at the rate of 25% (2023: 25%).

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

A reconciliation of the tax expense applicable to (loss)/profit before tax using the applicable rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

	2024 US$'000	2023 US$'000
(Loss)/Profit before tax	**(747,011)**	394,238
Tax at the statutory tax rates	**(83,232)**	99,198
Losses attributable to joint ventures and associates	**8,397**	5,595
Income not subject to tax	**(22,712)**	(29,908)
Non-deductible expenses	**36,982**	23,788
Effect of withholding tax	**17,525**	26,193
Unrecognised deductible temporary differences	**489**	220
Adjustment of current tax of previous periods	**1,679**	(5,760)
Utilisation of tax losses not recognised in previous periods	**(414)**	(692)
Tax losses not recognised	**21,097**	7,358
Previous period tax losses recognised in current period	**–**	(112)
Others	**(512)**	302
Tax (credit)/charge	**(20,701)**	126,182

During the year, the share of tax attributable to joint ventures and associates of US$8,397,000 (2023: US$5,595,000) is included in "Share of profits and losses of joint ventures and associates, net" in the consolidated statement of profit or loss and other comprehensive income.

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10. INCOME TAX (CREDIT)/EXPENSE (continued)

Pillar Two income taxes

The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) Pillar Two GloBE model rules. Pillar Two legislation has been enacted or substantively enacted in several jurisdictions in which the Group operates, such as Australia, effective for the financial year beginning 1 January 2024, whilst in Singapore and Hong Kong, the rules are effective for the financial year beginning 1 January 2025. Under OECD GloBE rules, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate for each jurisdiction and the 15% minimum rate. For the financial year ended 31 December 2024, the Group has assessed and does not expect any material liability to Pillar Two top-up tax to arise based on the transitional country-by-country safe harbour rules applying in the jurisdictions where the legislation is currently effective. The Group will continue to monitor local legislation and other developments in the relevant jurisdictions and assess the potential impact.

The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes and will account for the Pillar Two income taxes as current tax when incurred.

11. DIVIDENDS

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

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

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

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

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

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to ordinary equity holders of the Company (excluding distributions to holders of perpetual capital securities issued by a subsidiary) by the weighted average number of ordinary shares in issue during the year. The weighted average number of ordinary shares of 4,232,449,000 (2023: 4,381,869,000) in issue during the year.

The calculation of the diluted (loss)/earnings per share amounts is based on the loss or profit for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic (loss)/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.

The calculations of basic and diluted (loss)/earnings per share are based on:

	2024 US$'000	2023 US$'000
(Loss)/Earnings:		
(Loss)/Profit attributable to owners of the Company	**(699,810)**	230,849
Distributions to holders of perpetual capital securities issued by a subsidiary	**(27,377)**	(27,215)
(Loss)/Profit used to determine basic (loss)/earnings per share	**(727,187)**	203,634

	2024 '000	2023 '000
Number of shares:		
Weighted average number of ordinary shares in issue, used in the basic (loss)/earnings per share calculation	**4,232,449**	4,381,869
Effect of dilution — weighted average number of ordinary shares:		
Share options and Long Term Incentive Scheme issued by the Company	**–**	23,500
	4,232,449	4,405,369

The diluted (loss)/earnings per share amount is increased when taking convertible bonds into account, as the convertible bonds that were fully redeemed or converted and cancelled had an anti-dilutive effect on the basic (loss)/earnings per share for the year ended 31 December 2024. Accordingly, these were ignored in the calculation of diluted (loss)/earnings per share. The diluted loss per share amounts is based on the loss attributable to ordinary equity holders of the Company (excluding distributions to holders of perpetual capital securities issued by a subsidiary) of US$727,187,000 (31 December 2023: profit of US$203,634,000), and the weighted average number of ordinary shares, after adjustment for the effect of Share options and Long Term Incentive Scheme issued by the Company, of 4,232,449,000 (31 December 2023: 4,405,369,000) during the year.

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13. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles US$'000	Machinery US$'000	Leasehold improvements US$'000	Construction in progress US$'000	Others US$'000	Total US$'000
31 December 2024						
At 1 January 2024:						
Cost	1,081	41,347	6,182	8,269	21,124	78,003
Accumulated depreciation	(613)	(7,328)	(3,377)	–	(15,149)	(26,467)
Net carrying amount	468	34,019	2,805	8,269	5,975	51,536
At 1 January 2024, net of accumulated depreciation	468	34,019	2,805	8,269	5,975	51,536
Additions	–	2,177	9,696	16,110	3,277	31,260
Disposals	–	–	(476)	–	(285)	(761)
Disposal of subsidiaries	(19)	–	–	–	(169)	(188)
Depreciation provided during the year	(160)	(2,451)	(1,260)	–	(2,602)	(6,473)
Transfer from construction in progress	–	23,443	–	(23,443)	–	–
Reclassification to assets of a disposal group held for sale	–	–	–	–	(873)	(873)
Exchange realignment	(8)	(3,819)	(417)	(38)	(283)	(4,565)
At 31 December 2024, net of accumulated depreciation	281	53,369	10,348	898	5,040	69,936
At 31 December 2024:						
Cost	1,028	63,354	13,548	898	20,509	99,337
Accumulated depreciation	(747)	(9,985)	(3,200)	–	(15,469)	(29,401)
Net carrying amount	281	53,369	10,348	898	5,040	69,936

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13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Motor vehicles US$'000	Machinery US$'000	Leasehold improvements US$'000	Construction in progress US$'000	Others US$'000	Total US$'000
31 December 2023						
At 1 January 2023:						
Cost	1,110	34,731	4,249	4,791	20,467	65,348
Accumulated depreciation	(482)	(5,856)	(2,241)	–	(12,947)	(21,526)
Net carrying amount	628	28,875	2,008	4,791	7,520	43,822
At 1 January 2023, net of accumulated depreciation	628	28,875	2,008	4,791	7,520	43,822
Additions	–	3,657	152	11,024	1,837	16,670
Acquisition of subsidiaries	–	–	–	–	129	129
Disposals	–	–	–	–	(234)	(234)
Disposal of subsidiaries	–	–	–	–	(3)	(3)
Depreciation provided during the year	(161)	(1,934)	(1,153)	–	(3,102)	(6,350)
Reclassification	–	–	–	87	(87)	–
Transfer from construction in progress	–	5,697	1,842	(7,539)	–	–
Exchange realignment	1	(2,276)	(44)	(94)	(85)	(2,498)
At 31 December 2023, net of accumulated depreciation	468	34,019	2,805	8,269	5,975	51,536
At 31 December 2023:						
Cost	1,081	41,347	6,182	8,269	21,124	78,003
Accumulated depreciation	(613)	(7,328)	(3,377)	–	(15,149)	(26,467)
Net carrying amount	468	34,019	2,805	8,269	5,975	51,536

At 31 December 2024, certain of the Group's property, plant and equipment with a carrying amount of US$35,849,000 (2023: US$32,162,000) were pledged to secure certain bank and other borrowings of the Group as disclosed in note 25.

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14. RIGHT-OF-USE ASSETS

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office premises US$'000	Equipment US$'000	Total US$'000
As at 1 January 2023	28,629	2,370	30,999
Additions	11,367	95	11,462
Depreciation provided during the year	(12,550)	(150)	(12,700)
Disposals	(38)	–	(38)
Modifications	(11)	–	(11)
Exchange realignment	(184)	(172)	(356)
As at 31 December 2023 and 1 January 2024	**27,213**	**2,143**	**29,356**
Additions	**26,174**	**30**	**26,204**
Depreciation provided during the year	**(14,688)**	**(139)**	**(14,827)**
Reclassification to assets of a disposal group held for sale	**(1,672)**	**–**	**(1,672)**
Disposals	**(556)**	**–**	**(556)**
Modifications	**168**	**–**	**168**
Exchange realignment	**(772)**	**(198)**	**(970)**
As at 31 December 2024	**35,867**	**1,836**	**37,703**

15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Share of net assets from joint ventures	**943,452**	948,256
Share of net assets from associates	**1,451,788**	1,791,795
Goodwill on interests in joint ventures and associates	**124,893**	130,582
	2,520,133	2,870,633
Shareholder loan to joint ventures	**560,864**	510,922
	3,080,997	3,381,555

Shareholder loan to joint ventures are unsecured and interest-free. It is part of the capital commitment to the joint ventures 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.

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15. 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	25.65%	25.65%	25.65%	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
Victory Lane Development Limited ("**Victory Lane**")	Hong Kong	70.00%	70.00%	70.00%	Property investment	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 ("**BW**")	Vietnam	15.57%	note (i)	15.57%	Warehousing and storage business, property management and property development	Associate

note (i) — The Group has voting power of 15.57% at shareholder meeting, and 1 vote at board of director meeting.

The joint ventures and associates are accounted for using equity method.

Unanimous agreements of all joint venture parties are required for key investments and operational decisions in joint ventures.

Investments in joint ventures and associates with a carrying amount of US$389,974,000 (2023: US$405,721,000) were pledged to secure certain bank and other borrowings of the Group (note 25).

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15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following table illustrates the summarised financial information in respect of material joint ventures and associates adjusted for any differences in accounting policies and reconciled to the carrying amount in the financial statements:

	e-Shang Star US$'000	Sunwood Star US$'000	ESR-GIC US$'000	Victory Lane US$'000	EMP US$'000	Kenedix, Inc US$'000	BW US$'000
31 December 2024							
Cash and bank balances	73,308	13,081	30,873	11,799	9,752	427,737	92,509
Other current assets	23,844	48,194	33,662	6,610	9,081	1,997,949	177,260
Current assets	97,152	61,275	64,535	18,409	18,833	2,425,686	269,769
Non-current assets	1,747,866	1,567,726	841,313	837,142	2,167,223	813,602	2,415,226
Financial liabilities, excluding trade and other payables	–	–	24,704	–	–	127,811	42,298
Other current liabilities	75,704	6,181	27,081	11,837	28,029	209,754	70,879
Current liabilities	75,704	6,181	51,785	11,837	28,029	337,565	113,177
Non-current financial liabilities, excluding trade and other payables	566,518	209,070	274,462	369,595	1,097,328	1,804,854	813,074
Other non-current liabilities	210,165	9,453	62,760	–	–	41,783	230,089
Non-current liabilities	776,683	218,523	337,222	369,595	1,097,328	1,846,637	1,043,163
Net assets	992,631	1,404,297	516,841	474,119	1,060,699	1,055,086	1,528,655
Proportion of the Group's ownership	25.65%	20.00%	51.00%	70.00%	20.00%	30.00%	15.57%
Group's share of net assets of the joint ventures and associates, excluding goodwill	248,914	280,707	260,863	331,883	212,140	389,974	233,856
Goodwill on interests in joint ventures and associates	–	–	–	–	–	–	124,891
Carrying amount of the investment	248,914	280,707	260,863	331,883	212,140	389,974	358,747
Revenue	77,884	33,932	19,844	–	62,389	723,653	94,523
Interest income	729	2,098	–	–	719	144	3,484
Interest expenses	(36,074)	(7,504)	(14,118)	–	(60,953)	(22,620)	(53,624)
Tax	36,008	(6,424)	5,418	–	–	(49,259)	(44,142)
Profit/(loss) for the year	(144,033)	82,334	25,355	(23,970)	(38,507)	78,648	169,672
Total comprehensive income/(loss) for the year	(144,033)	(77,069)	25,355	(23,970)	(43,270)	85,523	169,672
Distribution during the year	–	24,540	–	–	–	–	–

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15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

	e-Shang Star US$'000	Sunwood Star US$'000	ESR-GIC US$'000	EMP US$'000	Cromwell Property Group (note (i)) US$'000	Kenedix, Inc US$'000	BW US$'000
31 December 2023							
Cash and bank balances	132,986	18,070	40,316	5,588	105,557	354,832	421,609
Other current assets	25,778	4,399	34,631	6,047	463,437	1,544,618	178,377
Current assets	158,764	22,469	74,947	11,635	568,994	1,899,450	599,986
Non-current assets	1,977,231	1,887,033	869,585	2,455,930	2,039,016	825,526	1,941,354
Financial liabilities, excluding trade and other payables	–	80	14,826	523	211,318	171,163	27,978
Other current liabilities	253,173	5,968	44,846	18,107	233,918	68,677	82,852
Current liabilities	253,173	6,048	59,672	18,630	445,236	239,840	110,830
Non-current financial liabilities, excluding trade and other payables	481,205	203,313	288,377	1,247,506	873,622	1,467,382	835,371
Other non-current liabilities	243,110	8,303	61,884	–	11,571	51,306	174,168
Non-current liabilities	724,315	211,616	350,261	1,247,506	885,193	1,518,688	1,009,539
Net assets	1,158,507	1,691,838	534,599	1,201,429	1,277,581	966,448	1,420,971
Proportion of the Group's ownership	25.65%	20.00%	51.00%	20.00%	30.69%	30.00%	15.57%
Group's share of net assets of the joint ventures and associates, excluding goodwill	285,163	338,191	269,721	240,286	441,988	405,721	218,019
Goodwill on interests in joint ventures and associates	–	–	–	–	–	–	130,580
Carrying amount of the investment	285,163	338,191	269,721	240,286	441,988	405,721	348,599
Revenue	84,216	31,137	12,070	138,966	234,570	725,619	66,569
Interest income	633	2,050	–	1,111	–	–	8,073
Interest expenses	(38,337)	(5,396)	(10,407)	(70,603)	(58,261)	(15,675)	(81,155)
Tax	(2,229)	157,574	(9,099)	–	(3,853)	(42,938)	(51,917)
Profit/(loss) for the year	(21,930)	287,409	23,699	(100,628)	(389,090)	81,421	140,492
Total comprehensive income/(loss) for the year	(21,930)	271,364	23,699	(114,460)	23,849	90,511	140,492
Distribution during the year	–	–	–	3,703	23,118	24,589	–

Note:

(i) As at 31 December 2024, investment in Cromwell Property Group was reclassified to disposal group held for sale. Please refer to note 32.

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15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

The following table illustrates the aggregate financial information of the Group's joint ventures and associates that are not individually material:

	2024 US$'000	2023 US$'000
Share of the joint ventures and associates' profit for the year	**31,112**	3,736
Share of the joint ventures and associates' total comprehensive income for the year	**16,877**	1,971
Aggregate carrying amount of the Group's investments in the joint ventures and associates	**997,769**	1,051,886

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Current		
Listed equity investments, at fair value (note (i))	**56,222**	34,494
Non-current		
Unquoted equity interests, at fair value (note (ii))	**783,614**	802,820
	839,836	837,314

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.

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17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Listed equity investments, at fair value	**783,303**	820,246
Unlisted equity investments, at fair value	**118,482**	230,196
	901,785	1,050,442

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 31 December 2024, the above equity investments of US$901,785,000 (2023: US$1,050,442,000) were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

During the year, the Group recognised loss arising from its equity investments amounted to US$102,058,000 (2023: US$86,251,000) in other comprehensive income. The Group also recognised dividend income in respect of its equity investments amounted to US$61,419,000 (2023: US$60,313,000) in the statement of profit or loss.

The listed equity investments comprise the following:

	Fair value as at 31 December 2024 US$'000
Hong Kong Exchanges and Clearing Limited ("**HKEX**")	
• Investment A	**3,541**
Singapore Exchange Securities Trading Limited ("**SGX**")	
• Investment B	**299,135**
• Investment C	**63,977**
• Investment D	**95,065**
• Investment E	**253,014**
Korea Exchange ("**KRX KOSPI**")	
• Investment F	**68,571**
	783,303

Listed equity investments at market value with a fair value of US$164,648,000 as at 31 December 2024 (2023: US$197,545,000) have been pledged to secure certain bank and other borrowings of the Group (note 25).

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18. INVESTMENT PROPERTIES

	Completed investment properties US$'000	Investment properties under construction US$'000	Total US$'000
At 1 January 2023	1,260,119	2,062,113	3,322,232
Additions	2,686	317,391	320,077
Changes in fair values of investment properties	(1,787)	189,509	187,722
Transfer from investment properties under construction to completed investment properties	870,080	(870,080)	–
Reclassification to assets of a disposal group held for sale	–	(3,233)	(3,233)
Disposals	–	(42,836)	(42,836)
Disposal of subsidiaries	(134,042)	(332,826)	(466,868)
Exchange realignment	(34,236)	(81,486)	(115,722)
At 31 December 2023 and 1 January 2024	**1,962,820**	**1,238,552**	**3,201,372**
Additions	**302**	**429,773**	**430,075**
Changes in fair values of investment properties	**(307,707)**	**(4,369)**	**(312,076)**
Transfer from investment properties under construction to completed investment properties	**478,428**	**(478,428)**	**–**
Reclassification to assets of a disposal group held for sale	**(65,273)**	**(32,804)**	**(98,077)**
Disposals	**–**	**(362,172)**	**(362,172)**
Disposal of subsidiaries (note 35)	**(325,047)**	**(88,751)**	**(413,798)**
Exchange realignment	**(50,015)**	**(49,250)**	**(99,265)**
At 31 December 2024	**1,693,508**	**652,551**	**2,346,059**

	For the year ended 31 December 2024 US$'000
Statement of profit or loss and other comprehensive income	
Rental income from investment property	**66,871**
Direct operating expenses arising from	
— investment properties generating rental income	**27,256**
— investment properties not generating rental income	**4,888**

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18. INVESTMENT PROPERTIES (continued)

(a) All completed investment properties and investment properties under construction of the Group were revalued at 31 December 2024 based on valuation performed by independent professionally qualified valuers, Colliers Appraisal & Advisory Services Co. Ltd., Jones Lang LaSalle Property Consultants India Private Limited., JLL Morii Valuation & Advisory K.K., Jones Land LaSalle Corporate Appraisal and Advisory Limited, and Cushman & Wakefield K.K., at fair value. They are industry specialists in investment properties 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 all respective advantages and disadvantages 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:

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Within one year	**57,998**	57,915
After one year but within two years	**37,917**	45,853
After two years but within three years	**22,828**	24,917
After three years but within four years	**13,704**	15,102
After four years but within five years	**4,255**	9,079
After five years	**1,413**	3,124
	138,115	155,990

(c) Certain of the Group's completed investment properties and investment properties under construction with a fair value of US$2,141,667,000 (2023: US$2,896,812,000) were pledged to secure bank and other borrowings granted to the Group as disclosed in note 25.

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18. INVESTMENT PROPERTIES (continued)

(d) Fair value hierarchy

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

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Quoted prices in active markets (Level 1)	–	–
Significant observable inputs (Level 2)	114,335	112,856
Significant unobservable inputs (Level 3)	2,231,724	3,088,516
	2,346,059	3,201,372

During the year, there were no transfers of fair value measurement between Level 1 and Level 2 (2023: nil).

The movement in fair value measurements within Level 3 during the years ended 31 December 2024 and 2023 are as follows:

	2024 US$'000	2023 US$'000
At 1 January	3,088,516	2,624,209
Additions	254,169	215,272
Changes in fair value of investment properties	(313,576)	180,203
Transfer from Level 2 to Level 3	–	557,190
Reclassification to assets of a disposal group held for sale	(98,077)	(3,233)
Disposal of subsidiaries	(379,904)	(337,536)
Disposal	(225,353)	(32,203)
Exchange realignment	(94,051)	(115,386)
At 31 December	2,231,724	3,088,516

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18. INVESTMENT PROPERTIES (continued)

(d) Fair value hierarchy (continued)

The valuation of investment properties categorised within Level 2 of the fair value hierarchy is based on comparable market transactions for which the Group considers 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:

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 7.25% (2023: 5.40% to 7.00%) Japan: 3.80% to 4.00% (2023: 3.30% to 4.80%) India: 7.50% (2023: N/A)	The estimated fair value varies inversely against capitalisation rate
	Discounted cash flows	**Discount rate:** China: 7.25% to 9.00% (2023: 7.25% to 9.00%) Japan: 3.50% to 3.80% (2023: 3.10% to 4.70%) India: 11.50% to 13.85% (2023: 11.27% to 14.50%)	The estimated fair value varies inversely against the discount rate
		Terminal capitalisation rate: China: 4.25% to 6.25% (2023: 4.25% to 6.25%) Japan: 3.80% to 4.10% (2023: 3.50% to 5.20%) India: 7.50% (2023: 7.50%)	The estimated fair value varies inversely against the terminal capitalisation rate

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19. GOODWILL

	US$'000
At 1 January 2023	
Cost	3,455,498
Accumulated impairment	–
Net carrying amount	3,455,498
Cost at 1 January 2023, net of accumulated impairment	3,455,498
Acquisition of subsidiaries	27,075
Impairment	(13,571)
Exchange realignment	440
At 31 December 2023	3,469,442
At 31 December 2023	
Cost	3,483,013
Accumulated impairment	(13,571)
Net carrying amount	3,469,442
Cost at 1 January 2024, net of accumulated impairment	3,469,442
Reclassification to assets of a disposal group held for sale	(118,870)
Exchange realignment	(258)
At 31 December 2024	3,350,314
At 31 December 2024	
Cost	3,363,885
Accumulated impairment	(13,571)
Net carrying amount	3,350,314

Impairment testing of goodwill

As of 31 December 2024, the Group's goodwill is allocated to the Redwood asset management business cash-generating unit, Infinitysub asset management business cash-generating unit, ESR Australia asset management business cash-generating unit, SIP asset management business cash-generating unit, and ESRAM asset management business cash-generating unit for impairment testing.

Redwood asset management business cash-generating unit

The recoverable amount of the Redwood assets management business cash-generating unit has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 10.2%. The growth rate used to extrapolate the cash flows of the Redwood asset management business cash-generating unit beyond the five-year period is 2%. This growth rate is based on the average growth rate of the management fee in which the business operates. Management believes that this growth rate is reasonable. The Company has engaged independent professionally qualified valuers for the impairment assessment.

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19. GOODWILL (continued)

Impairment testing of goodwill (continued)

Infinitysub asset management business cash-generating unit

The recoverable amount of the Infinitysub asset management business cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 8%. The growth rate used to extrapolate the cash flows of the Infinitysub business cash-generating unit beyond the five-year period is 2.5%. This growth rate is based on the average growth rate of the management fee in which the business operates. Management believes that this growth rate is reasonable. The Company has engaged independent professionally qualified valuers for the impairment assessment.

ESR Australia asset management business cash-generating unit

The recoverable amount of ESR Australia asset management business cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 8%. The growth rate used to extrapolate the cash flows of the ESR Australia asset management business cash-generating unit beyond the five-year period is 3%. This growth rate is based on the average growth rate of the management fee in which the business operates. Management believes that this growth rate is reasonable.

SIP asset management business cash-generating unit

Pursuant to the results of an Extraordinary General Meeting ("**EGM**"), resolution was passed to internalise the REIT management function of Sabana REIT that is managed by an indirect subsidiary of the Group ("**the REIT Manager**"). Management has assessed that the outcome of the internalisation of the REIT Manager which is administered by the Trustee of Sabana REIT is not within the control of the Group. Consequently, goodwill impairment loss of US$13,571,000 has been provided in financial year ended 31 December 2023. The impairment loss is included in Administrative Expenses.

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19. GOODWILL (continued)

Impairment testing of goodwill (continued)

ESRAM (formerly known as "ARA") asset management business cash-generating unit

Integration of LOGOS Australia business units with ESR Australia was completed in year 2024. Management manages and views the integrated operations in Australia as a single platform and therefore as one cash-generating unit. Accordingly, the goodwill attributable to LOGOS Australia, which was initially recognized as part of the ARA acquisition, has been reallocated to the ESR Australia cash-generating unit using a relative value approach. This reallocation reflects the operational integration and synergies expected to arise from the combined platform in Australia.

The recoverable amount of ESRAM asset management business cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 8%. The growth rate used to extrapolate the cash flows of the ESRAM business cash-generating unit beyond the five-year period is 3%. This growth rate is based on the average growth rate of the management fee in which the business operates. Management believes that this growth rate is reasonable. The Company has engaged independent professionally qualified valuers for the impairment assessment.

With regard to the assessment of the values in use of the cash-generating units, management believes that no reasonable possible change in any of the above key assumptions would cause the carrying values including goodwill of the cash-generating units to materially exceed the recoverable amounts.

The carrying amounts of goodwill allocated to each cash-generating unit of business are as follows:

Asset management business	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Redwood	**210,480**	210,480
Infinitysub	**34,370**	34,370
ESR Australia	**1,389,511**	284,216
ESRAM (formerly known as "ARA")	**1,715,953**	2,940,376
Total	**3,350,314**	3,469,442

Assumptions were used in the value-in-use calculation of the Group's cash-generating unit for 31 December 2024 and 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

Budgeted gross fee income — The basis used to determine the value assigned to the budgeted gross fee income is the average fee income achieved in the year immediately before the budget year, increased for expected market development.

Discount rates — The discount rates used reflect specific risks relating to the relevant units.

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20. OTHER INTANGIBLE ASSETS

	Software US$'000	Management contracts US$'000	Trust management rights with indefinite useful lives US$'000 (note (i),(ii) and (iii))	Customer contracts US$'000	Others US$'000	Total US$'000
31 December 2024						
At 1 January 2024:						
Cost	**4,509**	**224,957**	**1,163,606**	**3,678**	**2,665**	**1,399,415**
Accumulated amortisation	**(3,248)**	**(89,553)**	**–**	**(3,678)**	**–**	**(96,479)**
Net carrying amount	**1,261**	**135,404**	**1,163,606**	**–**	**2,665**	**1,302,936**
At 1 January 2024, net of accumulated amortisation	**1,261**	**135,404**	**1,163,606**	**–**	**2,665**	**1,302,936**
Additions	**400**	**–**	**–**	**–**	**–**	**400**
Amortisation provided during the year	**(613)**	**(28,374)**	**–**	**–**	**–**	**(28,987)**
Reclassification to assets of a disposal group held for sale	**–**	**(29,332)**	**(53,742)**	**–**	**(1,706)**	**(84,780)**
Impairment	**–**	**–**	**–**	**–**	**(128)**	**(128)**
Exchange realignment	**162**	**(1,224)**	**(740)**	**–**	**(284)**	**(2,086)**
At 31 December 2024	**1,210**	**76,474**	**1,109,124**	**–**	**547**	**1,187,355**
At 31 December 2024:						
Cost	**4,737**	**165,315**	**1,109,124**	**3,390**	**547**	**1,283,113**
Accumulated amortisation	**(3,527)**	**(88,841)**	**–**	**(3,390)**	**–**	**(95,758)**
Net carrying amount	**1,210**	**76,474**	**1,109,124**	**–**	**547**	**1,187,355**
31 December 2023						
At 1 January 2023:						
Cost	3,855	199,650	1,178,477	3,649	2,344	1,387,975
Accumulated amortisation	(2,916)	(58,656)	–	(3,649)	–	(65,221)
Net carrying amount	939	140,994	1,178,477	–	2,344	1,322,754
At 1 January 2023, net of accumulated amortisation	939	140,994	1,178,477	–	2,344	1,322,754
Additions	759	10,646	–	–	–	11,405
Acquisition of subsidiaries	–	14,117	–	–	–	14,117
Amortisation provided during the year	(553)	(30,740)	–	–	–	(31,293)
Impairment	–	–	(15,596)	–	–	(15,596)
Reversal of impairment	–	–	–	–	344	344
Exchange realignment	116	387	725	–	(23)	1,205
At 31 December 2023	1,261	135,404	1,163,606	–	2,665	1,302,936
At 31 December 2023:						
Cost	4,509	224,957	1,163,606	3,678	2,665	1,399,415
Accumulated amortisation	(3,248)	(89,553)	–	(3,678)	–	(96,479)
Net carrying amount	1,261	135,404	1,163,606	–	2,665	1,302,936

Notes to the Consolidated Financial Statements

31 December 2024

20. OTHER INTANGIBLE ASSETS (continued)

Notes:

(i) In June 2019, the Group had acquired SIP, an asset management company providing trust management services in Singapore. The trust management services are expected to continuously contribute to the net cash inflow of the Group.

The Group's trust management rights have indefinite useful lives and are allocated to the Group's SIP asset management business, which is treated as a cash-generating unit for impairment testing.

(ii) In January 2017, the Group had acquired Infinitysub Pte. Ltd. ("**Infinitysub**"), an asset management company providing trust management and property management services in Singapore.

In October 2018, the Group had acquired Viva Industrial Trust Management Pte. Ltd. ("**VITM**"), an asset management company providing trust management services in Singapore. Through the acquisition, the management rights of Viva Trust were transferred to ESR-LOGOS Funds Management (S) Limited ("**E-LOG FM**"), a subsidiary of Infinitysub and the manager of ESR-LOGOS REIT. VITM was subsequently dissolved in May 2021.

In May 2022, there was a merger between ESR-LOGOS REIT and ARA LOGOS Logistics Trust ("**ALOG Trust**"). Consequently, Infinitysub through E-LOG FM now provides trust management services to ESR-LOGOS REIT and its sub-trusts, namely Viva Trust and ALOG Trust (collectively, "**E-LOG Group**").

The trust management services are expected to continuously contribute to the net cash inflow of the Group.

The Group's trust management rights under Infinitysub are expected to have indefinite useful lives as the trust deeds constituting the aforementioned trusts do not limit the time period over which E-LOG FM may serve as the trusts' manager. Management considers Infinitysub asset management business of E-LOG Group as a single cash generating unit ("**CGU**") based on how it monitors the business and makes decisions regarding the assets and operations, in this regard management does not make a distinction between ESR-LOGOS REIT and its sub-trusts. The trust management rights under Infinitysub are therefore treated as a single CGU for impairment testing. Further details of the impairment test of the Infinitysub asset management business cash-generating unit are given in note 19.

(iii) In January 2022, the Group had acquired ESR Asset Management Limited and its subsidiaries ("**ARA Group**"), an asset management company providing trust management and property management services including in Singapore and Hong Kong. The Group's trust management rights are expected to have indefinite useful lives as the trust deed does not stipulate a fixed termination date until it is removed or the trust is terminated. Accordingly, the related trusts can exist perpetually. The trust management rights are allocated to the Group's ESRAM asset management business, which is treated as a cash-generating unit for impairment testing. Further details of the impairment test of the ESRAM asset management business cash-generating unit are given in note 19.

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21. OTHER NON-CURRENT ASSETS

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Contract costs	**179**	277
Consideration receivable from disposal of subsidiaries	**–**	2,222
Due from joint ventures	**34,721**	20,000
Due from non-controlling interests of subsidiaries	**11,917**	30,173
Financial derivative assets	**34,729**	13,235
Investment in Optionally Convertible Debentures (note (i))	**5,864**	5,902
Investment in Non-convertible Debentures	**14,761**	13,577
Input tax recoverable	**19,299**	23,458
Loan receivables from third parties	**35,772**	24,541
Prepayments for acquiring land use rights	**136,507**	169,393
Prepayments for construction	**6,422**	–
Receivable from funds	**50,499**	39,869
Rental deposits	**3,978**	5,661
Rental income receivables	**264**	707
Others	**45,284**	13,276
	400,196	362,291

Notes:

(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 46).

The balances due from non-controlling interests of subsidiaries are non-trade in nature and unsecured. As at 31 December 2024, the balance of US$11,515,000 (2023: US$27,549,000) bears interest of 4.00% to 5.25% (2023: 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 31 December 2024, the balance of US$34,341,000 (2023: US$19,576,000) bears interest of 5.79% to 9.17% (2023: 6.00% to 9.21%) per annum. The remaining balance is non-interest bearing.

The receivable from funds are non-trade in nature and unsecured. As at 31 December 2024, the balance of US$50,499,000 (2023: US$39,869,000) bears interest of 3.00% to 15.00% (2023: 3.00% to 15.00%) per annum.

As at 31 December 2024 and 2023, other non-current assets of the Group were considered to be of low credit risk and thus the Group has assessed that the ECL for deposits was immaterial under the 12-month expected credit loss method.

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31 December 2024

22. TRADE RECEIVABLES

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Rental income receivables	4,225	8,257
Management fees due from the joint ventures and associates of the Group	189,311	304,226
Management fees due from funds and REITs managed by the Group	139,947	231,697
Management fees due from minority shareholders of subsidiaries	412	514
Construction income receivables	1,279	3,195
Solar energy income receivables	671	102
	335,845	547,991
Impairment	(6)	(15,130)
	335,839	532,861

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. 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 31 December 2024 and 2023, based on the invoice date and net of loss allowance, is as follows:

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

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31 December 2024

22. TRADE RECEIVABLES (continued)

The movements in the impairment of trade receivables are as follows:

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
At beginning of year	15,130	15,039
(Reversal)/Impairment losses	(3,376)	470
Reclassification to assets of a disposal group held for sale	(11,732)	–
Exchange re-alignment	(16)	(379)
At end of year	6	15,130

The Group has applied the simplified approach to providing impairment for trade receivables prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs below also incorporate forward-looking information. The impairment as of 31 December 2024 and 2023 is determined as follows:

	As at 31 December 2024 Current	As at 31 December 2023 Current
Expected credit loss rate	<1%	2.76%
Gross carrying amount (US$'000)	335,845	547,991
Impairment (US$'000)	6	15,130

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23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Contract assets	**30,766**	16,768
Consideration receivable from disposal of investment properties	**5,210**	–
Consideration receivable from disposal of subsidiaries	**292,336**	129,994
Deductible value-added tax	**80,601**	54,047
Deposits for acquisition	**4,863**	39,390
Dividend receivable	**10,744**	4,196
Due from joint ventures	**27,867**	6,423
Due from associates	**1,778**	2,705
Due from related parties (note 39(d))	**–**	10,488
Due from non-controlling shareholders of subsidiaries	**14,964**	8,054
Investments in money market funds	**3,570**	3,485
Loan receivables from third parties	**71,036**	81,431
Prepayments on behalf of funds	**4,537**	3,464
Prepayments to suppliers	**9,565**	15,181
Receivable from funds	**139,418**	132,539
Other receivables	**58,237**	57,093
	755,492	565,258
Impairment	**–**	(304)
	755,492	564,954

The amounts due from joint ventures and associates are unsecured and payable on demand. As at 31 December 2024, the balance of US$24,200,000 (2023: Nil) bears interest of 4.20% to 9.17% per annum. The remaining balance is non-interest bearing.

As at 31 December 2024 and 2023, other receivables of the Group were considered to be of low credit risk and thus the Group has assessed that the ECL for other receivables was immaterial under the 12-month expected credit loss method.

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31 December 2024

24. CASH AND BANK BALANCES

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Cash and cash in bank	**785,458**	915,657
Non-pledged fixed time deposits with a maturity period over three months	**1,714**	3,850
Restricted bank balances	**125,858**	81,429
Pledged bank deposits (note 25)	**949**	632
	913,979	1,001,568

The Renminbi ("**RMB**") is not freely convertible into other currencies, however, under China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and bank balances approximate to their fair values.

As at 31 December 2024, the fixed deposits of US$1,714,000 (2023: US$3,850,000) had a maturity period of 91 to 365 days. The balance as at 31 December 2024 was principal-protected and carried the rate of return of 4.92% to 5.01% per annum.

The pledged bank deposits at 31 December 2024 was denominated in KRW and JPY (2023: JPY). Pledged bank deposits earn interest at interest rates stipulated by the respective financial institutions. The pledged bank deposits represent the amounts pledged to secure bank and other borrowings granted to the Group (note 25).

As at 31 December 2024 and 2023, cash and bank balances and deposits of the Group and the Company were considered to be of low credit risk and thus the Group has assessed that the ECL for cash and bank balances was immaterial under the 12-month expected credit loss method.