



ESR Group FY2017 Unaudited Financials

MARCH 2018

2017 KEY HIGHLIGHTS

- ESR finished 2017 on a strong note. Revenue increased 59% from RMB 650mil (c. US\$ 94mil) in 2016 to RMB 1,032mil (c. US\$ 158mil) driven mainly by growth in fee income. Net profit grew 92% from RMB 705mil (US\$ 102mil) to RMB 1,355 mil (US\$ 207mil)
- AUM* increased 36% to US\$12.0 bil as of Dec 2017 from Mar 2017
- GFA* increased 23% to 10.0 mil sqm as of Dec 2017 from Mar 2017
- ESR entered the Singapore market by acquiring former Cambridge Industrial Trust (CIT) Manager in early 2017, and also became its 2nd largest shareholder. CIT has now been renamed as ESR-REIT and is now well positioned to grow under ESR's ownership
- SK Holdings invested US\$333mil into ESR in Aug 2017
- StepStone funds and a client of State Street Global Advisors invested US\$140mil into ESR in Q4 2017
- ESR partners with Invesco Real Estate in a portfolio of China logistics assets valued in excess of RMB 2 bil (c. US\$ 300mil) to recycle capital, with Invesco acquiring a majority stake in the portfolio from ESR
- ESR entered the Australian market by becoming the largest shareholder of Property Link Group (19.9%) and Centuria Capital (14.9%) in 2H 2017
- ESR launched its India platform in 2H 2017

* comprised China, Japan, South Korea and Singapore

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

Year ended 31 December 2017

	(Unaudited) FY2017 USD'mn	(Audited) FY2016 USD'mn	(Unaudited) FY2017 RMB'mn	(Audited) FY2016 RMB'mn
REVENUE	158	94	1,032	650
Rental income	60	49	390	338
Management fee income	97	45	634	312
Solar Income	1	-	8	-
Cost of sales	(4)	(3)	(23)	(18)
Gross profit	154	91	1,009	632
Other income and gains	293	131	1,913	907
Administrative expenses	(110)	(56)	(719)	(388)
Fair value loss on derivative financial instrument	-	(12)	-	(81)
Finance costs	(93)	(54)	(610)	(375)
Share of profits of joint ventures	38	35	249	244
Profit before tax	282	135	1,842	939
Income tax expense	(75)	(34)	(487)	(234)
Profit for the year	207	101	1,355	705

USD/RMB exchange rate : 2017 - US\$1 : RMB6.53 ; 2016 - US\$1 : RMB6.94

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 December 2017

	(Unaudited) 31 Dec 2017 USD'mn	(Audited) 31 Dec 2016 USD'mn	(Unaudited) 31 Dec 2017 RMB'mn	(Audited) 31 Dec 2016 RMB'mn
NON-CURRENT ASSETS				
Investment in joint ventures	313	198	2,046	1,375
Financial assets at fair value through profit or loss	362	141	2,366	975
Available-for-sale investments	190	1	1,240	10
Investment properties	1,189	943	7,770	6,541
Goodwill	228	199	1,488	1,380
Others	100	87	653	602
<i>Total non-current assets</i>	<u>2,382</u>	<u>1,569</u>	<u>15,563</u>	<u>10,883</u>
CURRENT ASSETS				
Trade and other receivables	67	31	441	219
Cash and bank balances	601	486	3,926	3,368
<i>Total current assets</i>	<u>668</u>	<u>517</u>	<u>4,367</u>	<u>3,587</u>
CURRENT LIABILITIES				
Bank loans and other borrowings	79	76	515	527
Trade and other payables	68	32	446	224
<i>Total current liabilities</i>	<u>147</u>	<u>108</u>	<u>961</u>	<u>751</u>
NET CURRENT ASSETS	<u>521</u>	<u>409</u>	<u>3,406</u>	<u>2,836</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>2,903</u>	<u>1,978</u>	<u>18,969</u>	<u>13,719</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities	138	110	905	763
Bank loans and other borrowings	755	759	4,931	5,268
Redeemable convertible preference shares	262	246	1,715	1,708
Financial liabilities at fair value through profit or loss	14	13	89	87
Other non-current liabilities	22	11	145	74
<i>Total non-current liabilities</i>	<u>1,191</u>	<u>1,139</u>	<u>7,785</u>	<u>7,900</u>
NET ASSETS	<u>1,712</u>	<u>839</u>	<u>11,184</u>	<u>5,819</u>
EQUITY				
Issued capital	2	2	14	12
Equity component of redeemable convertible instruments	68	65	442	454
Other reserves	1,416	691	9,255	4,794
Perpetual capital securities	99	-	646	-
Non-controlling interests	127	81	827	559
TOTAL EQUITY	<u>1,712</u>	<u>839</u>	<u>11,184</u>	<u>5,819</u>

USD/RMB exchange rate :
2017 - US\$1 : RMB6.53
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PORTFOLIO INFORMATION – AUM & GFA BY REGION

As at 31 December 2017

Regions	Dec 2017 US\$'bn
China	2.8
Japan	4.5
South Korea	2.3
Singapore	1.3
Total AUM	10.8
Self-owned property	1.2
Total	12.0

Regions	Dec 2017 Sqm mn
China	5.2
Japan	2.2
South Korea	1.3
Singapore	0.9
India	0.3
Total GFA	10.0

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