

About ESR

ESR is Asia-Pacific's ("APAC") leading real asset manager powered by the New Economy and one of the largest listed real estate investment managers. With approximately US\$81 billion in fee-related assets under management ("AUM")¹ as at 31 December 2023, ESR's fully integrated fund management and development platform extends across various APAC markets, comprising Australia/New Zealand, Japan, South Korea, Greater China, Singapore, Southeast Asia ("SEA") and India, with a presence in Europe and the U.S. ESR is listed on the Main Board of The Stock Exchange of Hong Kong, and is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite and MSCI Hong Kong Indices.

Visit www.esr.com for more information.



FUND MANAGEMENT

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



NEW ECONOMY DEVELOPMENT

ESR's New Economy development platform has a comprehensive suite of technical capabilities and services covering every stage of the development cycle including land sourcing, design, construction and leasing.



INVESTMENT

ESR's investments comprise co-investments into its funds and REITs under management, investments in listed/privately held real estate investment vehicles, as well as investment properties (completed and under development).



Our cover design reflects the unity and strength embodied in ESR Group's unique fund management and development platform across Asia Pacific. The ESR Group logo extends to form an interlocked and dynamic 3D structure that symbolises the multifaceted nature of our platform's cross-collaboration. It expresses the boundless synergies within our businesses, and our collective unity towards a common purpose – to provide the best-in-class real estate development and investment solutions for a meaningful and sustainable growth in our business, the economy, and the environment.

Note:

¹ Fee-related AUM excludes AUM from Associates and levered uncalled capital. Based on FX rates as at 31 December 2023.

ESR's Core Values

Excellence: We strive for excellence in every aspect of our business. We maintain high standards of performance and accountability, and we seek to learn, explore and improve continuously.

Inclusion: We embrace diversity, equity and inclusion in the workplace. We believe trust and mutual respect among colleagues, partners and stakeholders are cornerstones of growth and success.

Entrepreneurship: Our entrepreneurial spirit reflects our passion, courage and desire to succeed and ultimately drives the creation of opportunities and the delivery of superior outcomes in a competitive marketplace.

Sustainability: Sustainability is central to our mission because we aspire to improve the environmental prospects of our planet. Our responsibilities to stakeholders, local communities and the world at large grow in tandem with our business. Accordingly, we commit to lead and embrace the highest standards of corporate governance in forging a path to become a carbon neutral business.

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SPACE AND INVESTMENT SOLUTIONS FOR A **SUSTAINABLE FUTURE**



ESR Higashi-Ogishima Distribution Centre 1, Kawasaki City, Japan



ESR's vision is to deliver a fully integrated solution to leading global capital partners and customers. Leveraging our scale, extensive offerings, capabilities, and resources, we provide a suite of best-in-class real estate development products and real asset investment solutions that spur meaningful, long-term sustainable growth for our business, the economy, and the environment. ESR is committed to making a positive impact to its stakeholders and communities.



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

FEE-RELATED AUM^{1,2}

US\$81 billion

TOTAL AUM^{1,3}

US\$156 billion

GROSS FLOOR AREA ("GFA")⁴

49 million sqm

MAINLAND CHINA

US\$14 billion
FEE-RELATED AUM

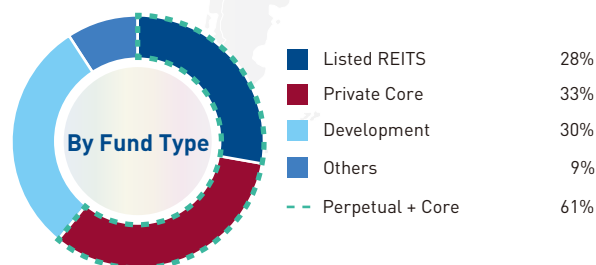
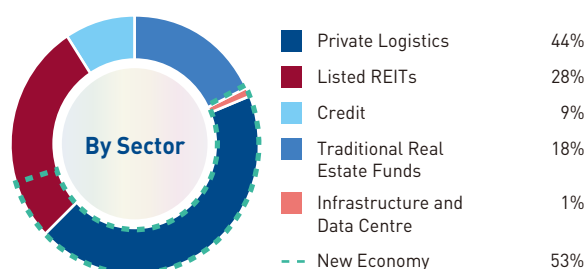
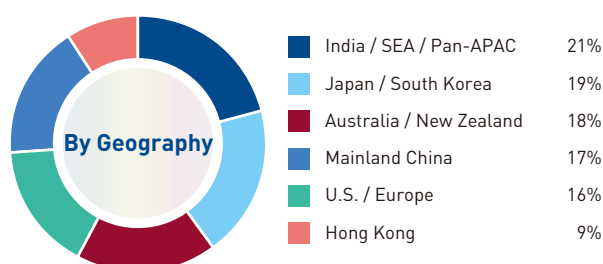


U.S. / EUROPE

US\$13 billion
FEE-RELATED AUM



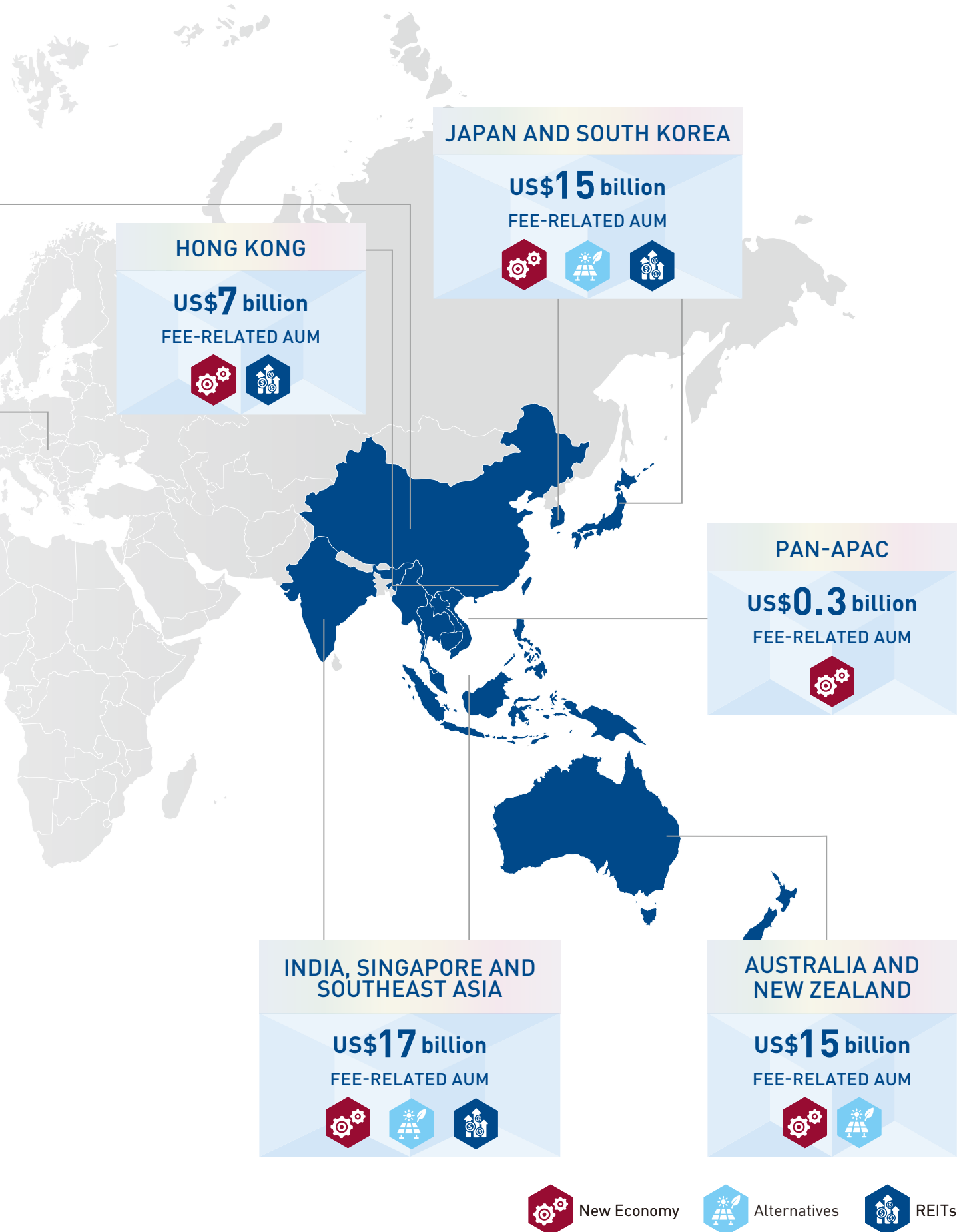
Fee-related AUM Composition



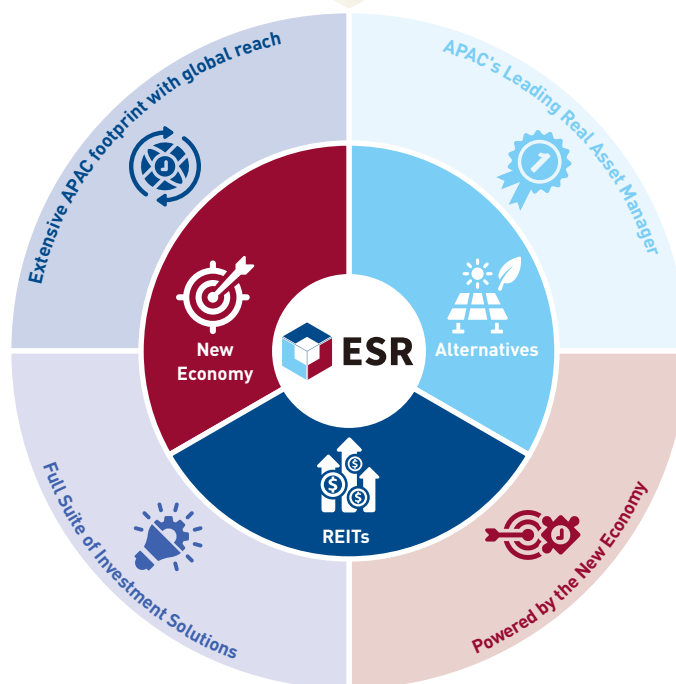
* Information as of 31 December 2023

Notes:

1. Based on FX rates as at 31 December 2023.
2. Fee-related AUM excludes AUM from Associates and levered uncalled capital.
3. Total AUM included the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis.
4. Excludes Associates.



ESR's Business Model



Notes:

1 Based on the ANREV Fund Manager Survey published on 29 May 2023.

2 Fee Income refers to the Fund Management segment revenue.

Awards and Accolades



CORPORATE EXCELLENCE

PERE 2023 APAC Fund Manager Guide: ESR Group

Ranked 2nd among leading private equity real estate fund managers in APAC



PRODUCT EXCELLENCE

MIPI Asia Awards 2023

"Best Urban Regeneration Project" (Silver): ESR Higashi Ogishima Distribution Centre

3rd ABINC Awards

Excellent: ESR Amagasaki Distribution Centre and ESR Nanko Distribution Centre 2

PCA Innovation & Excellence Awards 2023

Best Business or Industrial Park: LOGOS Heathwood Logistics Estate

Real Estate Asia Awards 2023

Industrial Development of the Year: LOGOS Metrolink Logistics Hub

The Economic Times Real Estate Conclave & Awards 2023 | WEST

Best Industrial/Warehousing Project: ESR Chakan 2 Industrial and Logistics Park

IEIJ Good Lighting Award 2023

KLÜBB Lounges of ESR Yokohama Sachiura Distribution Centre 1 and ESR Yatomi Kisosaki Distribution Centre

2023 Housing Digital Innovation Awards

Most Innovative Finance Model: ARA Venn



ESR Higashi Ogishima Distribution Centre 1, Kawasaki City, Japan



SUSTAINABILITY

Hong Kong Green and Sustainable Finance Awards 2023

Outstanding Award for Green and Sustainable Loan Issuer (Real Asset Management) - Visionary Sustainability-linked Loan Performance Metrics: ESR Hong Kong

Positioning for Sustained Long-term Growth

CLEAR PATH TO MAXIMISING SHAREHOLDER VALUE



1

Business Simplification and Streamline

- Simplify the business by disposing non-core assets and businesses (targeting US\$750 million) principally those in Traditional Economy sectors and/or those with lower operating margins.
- Re-focus on ESR's core business that spans logistics and data centres where ESR generates the highest returns, as well as new emerging areas of growth such as life sciences and infrastructure (particularly renewables).
- Grow ESR's suite of New Economy fund platforms across the value chain in APAC comprising development funds, core/core-plus funds and listed REITs, to suit a diverse range of capital partners.



2

Balance Sheet Optimisation

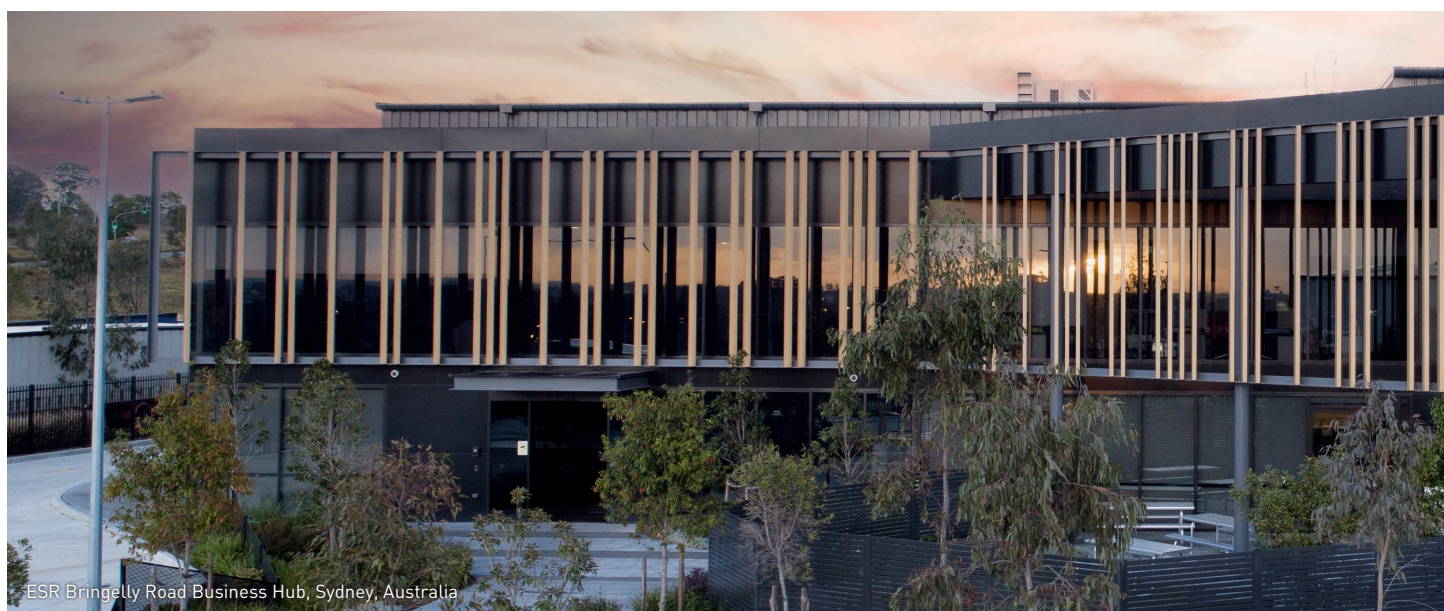
- Ongoing capital recycling to syndicate balance sheet assets into ESR-managed vehicles, thereby strengthening the balance sheet and achieving an optimal capital structure.
- Immediate focus on completing announced transactions in FY2023, including the launch of the C-REIT.
- Earmarked a further US\$1.5-2.0 billion of assets and investments located mainly in Mainland China, Hong Kong, Japan and India that are well positioned for divestment and syndication.
- Target deployment of over US\$2.0 billion in net proceeds to reduce the Group's Gearing over the medium term towards the low end of targeted 20-30% level.



3

Drive Positive Synergies From a Fully Integrated APAC New Economy Platform

- Complete the full integration of two leading New Economy platforms ESR and LOGOS into one single unified business across APAC, managed by a best-in-class management team.
- ESR Australia poised to be the second largest New Economy real estate manager with the largest development pipeline in that market.
- Further growth opportunities in SEA, data centre and infrastructure platforms.
- Further leverage economies of scale of the integrated businesses to generate additional revenue opportunities and achieve cost savings.



ESR Bringley Road Business Hub, Sydney, Australia



4

Pursue Sustainable Revenue Growth and Cost Management Strategies

- Recycle capital to re-invest into new and existing fund products to drive recurring fee income growth as AUM scales.
- Continue to pursue disciplined cost management strategies to achieve stronger earnings and cashflow.
- Increased earnings and cashflow would support higher distributions or liquidity for share buybacks.



5

Growth in Fund Management EBITDA

- Increase and scale New Economy AUM and development pipeline, as well as establish more perpetual vehicles to underpin continued Fund Management EBITDA growth.

BUILDING ON SECULAR TRENDS

• Sustained Growth in New Economy Real Assets

Leverage investor demand for New Economy real assets and alternatives, namely in logistics and data centres, as well as new emerging areas of growth such as life sciences, infrastructure and renewables, driven by favourable structural secular trends underpinned by the ongoing digital evolution aging demographics and the energy transition.

• Consolidation in Asset Management Relationships

As global investors continue to navigate challenging private markets stymied by tighter financing options and higher capital costs, they look to increasingly consolidate their relationships towards a handful of large-scale managers and are allocating more capital to a smaller roster of platforms for efficacy.

• Increasing Financialisation of Real Assets in APAC

The support of new REIT legislations in APAC countries such as China, South Korea and India, along with the growing need for professional management and institutional real assets are driving the acceleration of the financialisation of real assets in the APAC.

• ESG-driven for Long-term Value Creation

With the increasing importance of ESG issues and the call to global action on climate change, more and more asset managers are steering capital towards sustainable investment activities and products and are incorporating ESG into their overall corporate strategy.



Financial Highlights



Fee-related AUM^{1,2}
US\$81 billion
 +6.3% y-o-y



Total AUM^{1,3}
US\$156 billion
 +7.3% y-o-y



Fund Management EBITDA⁴
US\$579 million
 +2.0% y-o-y /
 +8.9% y-o-y excluding
 Promote Fees



EBITDA⁵
US\$885 million
 -23.1% y-o-y



PATMI⁶
US\$400 million
 -38.8% y-o-y



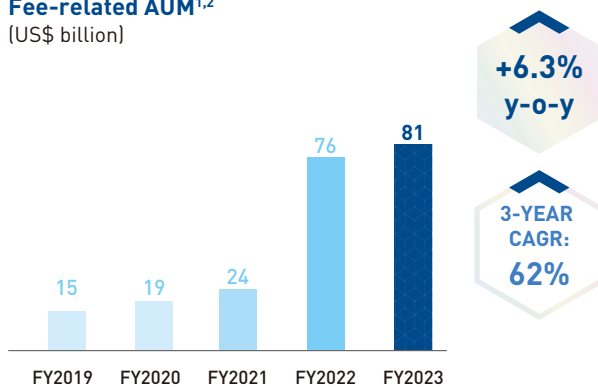
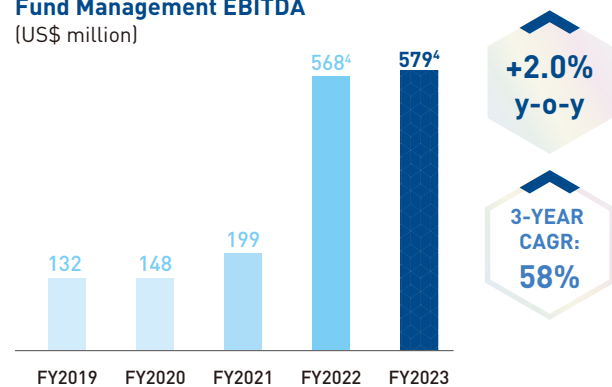
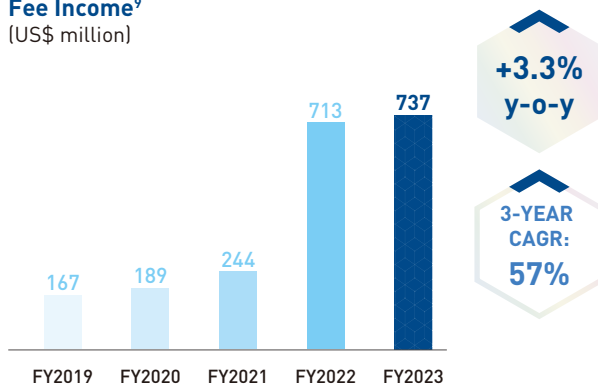
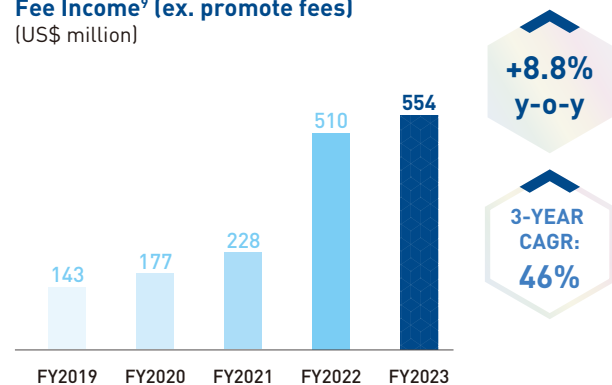
Dividend per Share⁷
3.2 US cents



Dividend Yield
2.9%⁸

Notes:

1. Based on FX rates as at 31 December 2023.
2. Fee-related AUM excludes AUM from Associates and levered uncalled capital.
3. Total AUM included the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis.
4. Fund Management EBITDA refers to the Fund Management segment result which excludes the share of fair value of financial derivative assets in relation to certain Associates.
5. Refers to EBITDA, which excludes the share-based compensation expense, share of fair value on investment properties and financial assets at fair value through profit or loss and financial derivative assets in relation to certain Associates, as well as impairment loss for non-core business; and in 2022 which also excluded the transaction costs related to the ARA Acquisition.
6. Refers to PATMI, which excludes the amortisation of intangible asset attributable to the ARA Acquisition (net of tax), share-based compensation expense related to ARA, share of fair value on investment properties and financial assets at fair value through profit or loss and financial derivative assets in relation to certain Associates, as well as impairment loss for non-core business; and in 2022 which also excluded transaction costs related to the ARA Acquisition.
7. Comprises the interim dividend of 12.5 HK cents per share paid on 29 September 2023 and the proposed final dividend of 12.5 HK cents per share for the year ended 31 December 2023.
8. Based on closing share price of HK\$8.73 on 20 March 2024.

Fee-related AUM^{1,2}
 (US\$ billion)

Fund Management EBITDA
 (US\$ million)

Fee Income⁹
 (US\$ million)

Fee Income⁹ (ex. promote fees)
 (US\$ million)


Balance Sheet (US\$ million)	FY2019	FY2020	FY2021	FY2022	FY2023
Total assets	6,352	7,687	9,338	16,199	16,191
Cash and bank balances	884	1,515	1,638	1,807	1,002
Bank and other borrowings	2,571	3,295	4,248	5,497	5,980
Net debt ¹⁰	1,687	1,780	2,610	3,690	4,978
Net debt/total assets	26.6%	23.2%	27.9%	22.8%	30.7%

Notes:

9. Fee Income refers to the Fund Management segment revenue.

10. Net debt is calculated as bank and other borrowings less cash and bank balances.

* EBITDA, Adjusted EBITDA and Adjusted PATMI are non-IFRS measures. These measures are presented because the Group believes they are useful measures to determine the Group's financial condition and historical ability to provide investment returns. EBITDA, Adjusted EBITDA, Adjusted PATMI and any other measures of financial performance should not be considered as an alternative to cash flows from operating activities, a measure of liquidity or an alternative to net profit or indicators of the Group's operating performance on any other measure of performance derived in accordance with IFRS. Because EBITDA, Adjusted EBITDA and Adjusted PATMI are not IFRS measures, these may not be comparable to similarly titled measures presented by other companies. Refer to non-IFRS measures reconciliation in page 242.

Message from Chairman



JEFFREY DAVID PERLMAN
Chairman

"Looking ahead, I am confident in our ability to capitalise on emerging opportunities and to drive long-term sustainable growth."

Dear Shareholders,

Despite a challenging macroeconomic landscape in 2023 with one of the most difficult fundraising environments on record due to significant shifts in interest rates, sustained inflation and geopolitical headwinds, we continued to navigate the complex environment effectively, delivering on our three core priorities during the year. These included: (i) reinforcing our market leadership in New Economy with over US\$6 billion in development starts and over US\$4 billion of completions, (ii) further simplifying and streamlining the business with the recent announced sale of the ARA Private Funds business, and (iii) growing our AUM and Fund Management EBITDA¹ to now reach nearly 60% of our Segmental EBITDA.

I am very proud to highlight the record Fund Management EBITDA¹ of US\$579 million for FY2023, representing a 2% growth year-on-year ("y-o-y") or 8.9% y-o-y excluding promote fees. The Group's revenue was up by 6% from US\$821 million in FY2022 to US\$871 million in FY2023. Impacted by lower fair value gains across key markets and higher interest costs as a result of the material change in the interest rate environment, EBITDA² was at US\$885 million, 23.1% lower y-o-y, and PATMI³ was at US\$400 million, 38.8% lower y-o-y, outperforming most of our peers.

Healthy capital raising amid a challenging environment

Our integrated fund management and development platform in APAC has shown remarkable strength, marked

Notes:

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2. Refers to EBITDA, which excludes the share-based compensation expense, share of fair value on investment properties and financial assets at fair value through profit or loss and financial derivative assets in relation to certain Associates, as well as impairment loss for non-core business; and in 2022 which also excluded the transaction costs related to the ARA Acquisition.
3. Refers to PATMI, which excludes the amortisation of intangible asset attributable to the ARA Acquisition (net of tax), share-based compensation expense related to ARA, share of fair value on investment properties and financial assets at fair value through profit or loss and financial derivative assets in relation to certain Associates, as well as impairment loss for non-core business; and in 2022 which also excluded transaction costs related to the ARA Acquisition.



ESR Jiangsu Friend Phase III, Kunshan, China

by increased earnings stemming from higher Fee-related AUM^{4,5} and robust operating fundamentals. Fee-related AUM^{4,5} grew by 6.3% y-o-y to reach approximately US\$81 billion, while Total AUM^{5,6} increased by 7.3% to approximately US\$156 billion.

Underscoring the strength of our transformation, Fund Management EBITDA¹ now comprises nearly 60% of ESR's total segmental EBITDA, up from 21% at IPO in 2019.

Despite the subdued fundraising environment for the past two consecutive years, ESR successfully collaborated with capital partners to achieve a capital raise of US\$7.5 billion in FY2023. One of our milestone accomplishments was the establishment of ESR's largest-ever RMB Income Fund in China with a total investment capacity of RMB10 billion and a seed portfolio from ESR's balance sheet.

Other key capital raising commitments and initiatives in FY2023 included a further upside for the ESR Data Centre Fund ("ESR DC Fund 1") to US\$1.35 billion, which represents a pipeline of up to 575 MW; and LOGOS's Green Data Centre Fund to invest in build-to-suit data centre

projects across APAC with an identified pipeline of 375MW.

Our robust fundraising momentum has carried over into 2024, and in the first quarter of the year, we successfully raised approximately US\$1 billion, including the establishment of our first perpetual, open-ended logistics core fund in South Korea, holding an initial portfolio of seven high quality Class A logistics warehouses valued at approximately US\$2 billion. This achievement further bolstered our distinguished track record, highlighting a net internal rate of return ("IRR") exceeding 25% and a 3.5x equity multiple achieved for investors in the ESR-KS Development Fund 1.

On the back of our growing fund AUM, Fund Management Fee Income has demonstrated impressive growth, with a three-year compounded annual growth rate ("CAGR") of 57% since 2020. Moreover, our business has become significantly more diversified across APAC, with notable contributions from North Asia (Japan and South Korea), India/SEA and Australia and New Zealand now representing the three largest regions, contributing 36%, 22% and 21% of Fee Income, respectively.

Notes:

4. Fee-related AUM excludes AUM from Associates and levered uncalled capital.

5. Based on FX rates as 31 December 2023

6. Total AUM included the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis.

Optimising our balance sheet

With a rigorous focus on the balance sheet, we continued to further syndicate assets from our balance sheet into funds managed by the Group, with a particular focus on Greater China. We are set to finalise announced transactions worth approximately US\$800 million and aim to achieve an additional US\$1.5 to US\$2 billion of balance sheet asset sell-downs and syndications over the next 12 months.

These planned divestments to ESR-managed vehicles, alongside announced non-core divestments, will enhance recurring fee revenue and are anticipated to further decrease the Group's Gearing (being net debt over total assets) in the medium term. The resulting interest savings from reduced Gearing could contribute to potential distributions or be allocated for future share buybacks.

Simplifying our business

In line with our focus on New Economy, we identified up to US\$750 million of non-core divestments in 2023, which would complement our balance sheet optimisation. In March 2024, a significant milestone was reached when we announced the sale of the ARA Private Funds business, and we have additional non-core divestments in various stages of progress.

Additionally, the Group is working towards the final stages of the LOGOS integration over the balance of the year. The successful integration will deliver a combined Australia/New Zealand business that will represent the largest New Economy developer and the second largest New Economy manager (by AUM and deployment of uncalled capital). It will also create further scale in data centres with complementary funds and strategies.

To date, the overall ARA business integration has achieved US\$35 million of cost synergies. Further revenue and cost synergies are expected in FY2024 and FY2025 from a fully integrated APAC New Economy platform.

Appreciation and looking ahead

I would like to extend my sincere gratitude to our esteemed Board of Directors for their support and insight and would also like to welcome Joanne McNamara as our newest Non-executive Director. I would also like to thank our management team, led by Stuart and Jeffrey, and all our dedicated employees, for their unwavering commitment and hard work which have been instrumental to achieving our core priorities in the year. To our capital partners, customers, and shareholders, your trust and support remain the bedrock of our success.

Looking ahead, I am confident in our ability to capitalise on emerging opportunities and to drive long-term sustainable growth. The Group has substantial dry powder to deploy on behalf of investors when asset pricing is becoming more favourable and development returns are strong.

As a fully integrated developer and fund management platform, we are well-positioned to drive recurring fee growth by providing a full suite of best-in-class solutions and product platforms to deliver sustainable value for all stakeholders.

JEFFREY DAVID PERLMAN

Chairman

21 March 2024

Message from Group Co-founders and Co-CEOs



STUART GIBSON AND JINCHU SHEN

Group Co-founders and Co-CEOs

"Enhancing investor value remains a key priority for us, and we remain positive on the demand for New Economy assets across APAC which continues to benefit from long-term structural tailwinds..."

2023 was a year of focused execution for ESR, and we are proud to have delivered growth in our funds management business on the back of strong operating performance, underpinned by our high-quality real assets, record leasing track record and strong commitment to ESG practices.

Outstanding operating performance with strong underlying fundamentals

In the year ended 31 December 2023, our operating fundamentals for New Economy assets remained resilient, with the Group achieving a record leasing of 5.3 million sqm¹ of space.

Our managed portfolio of New Economy assets maintained close to full occupancy, thus driving strong double-digit rent renewals in several of our key APAC markets. We closed the year positively with a portfolio occupancy^{1,2} rate of above 91% (98% excluding Mainland China) for our New Economy assets, and we secured strong rental reversions^{1,3} of approximately 8.2% (14.3% excluding Mainland China).

We recorded very high rental growth rates in Australia and South Korea at approximately 19.5%. This growth significantly mitigated the cap rate expansion for assets in the two countries, save for those with longer Weighted Average Lease Expiry ("WALE"). As for Mainland China, we would like to provide assurance that we have been very selective, with nearly 70% of the stabilised properties located in major economic hubs in the Yangtze River Delta and Greater Bay Area where demand is driven by the strong activity in renewable energy industries and cross-border e-commerce, respectively.

In addition, we continue to maintain a well-staggered lease expiry profile with WALE of 4.6 years¹ (by income) with a diverse customer base of over 920 across our New Economy portfolio.

Large New Economy development workbook for future earnings growth

To drive future fees and development profit, we have a large development pipeline of over 24.5 million sqm of GFA, including a sizeable landbank of about 7 million sqm

Notes:

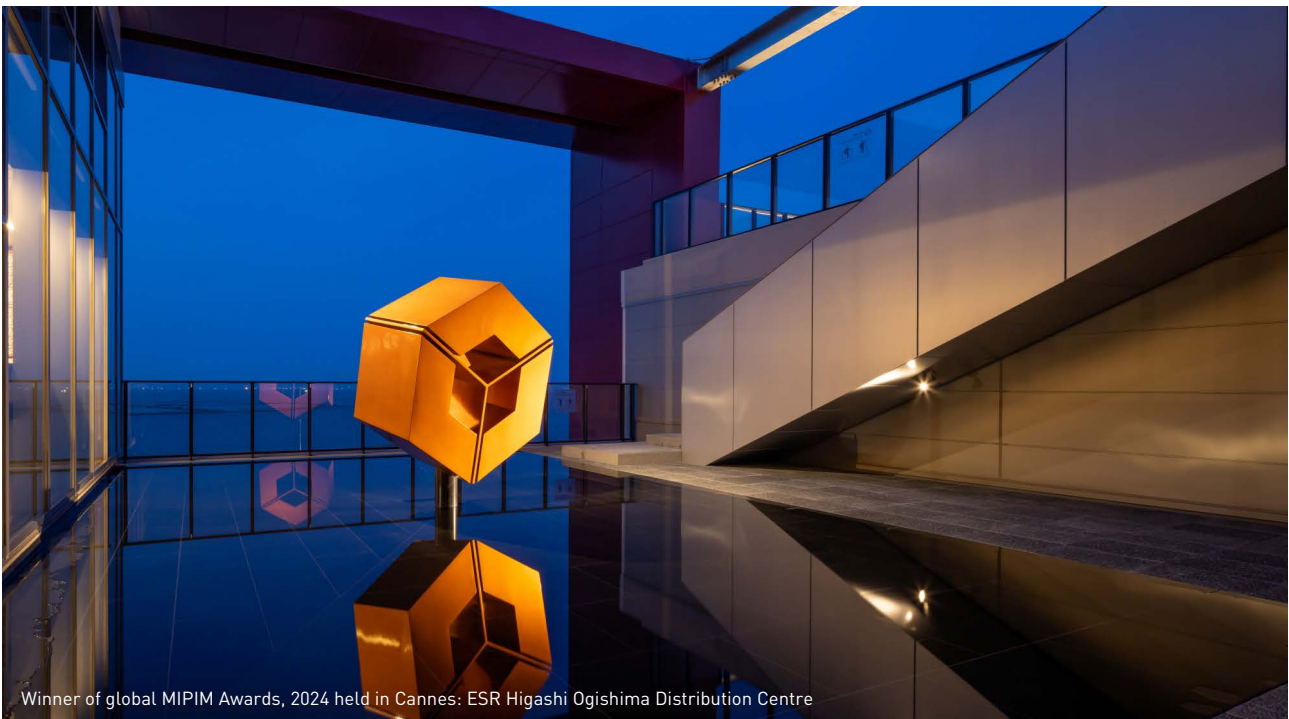
- 1 New Economy assets only. Excluding listed REITs and associates.
- 2 Stabilised New Economy assets only.
- 3 Weighted by AUM of each respective country.

for future development. Amid the macro challenges, we remained focused on consistently developing and delivering high value projects at scale. Development activity was solid with US\$6.3 billion and US\$4.2 billion of starts and completions, respectively, in the year.

Our APAC presence is robust and well-diversified. In total, only 2% of the development starts were in Mainland China where we materially slowed the pace of new development projects. 61% of development completions were mainly from Australia, Japan, South Korea, followed by 30% from Mainland China. Similarly, in terms of work-in-progress projects, Japan, South Korea, and Australia and New Zealand took the majority at 52%, India/SEA, and Hong Kong were at 26%, and data centres made up a further 13% of the total.

Our Data Centre business, which is a key growth catalyst, is expected to be an increasing contributor to the Group with 24% of development starts in the year. Upon completion of our first batch of eight facilities across APAC under our inaugural US\$1.35 billion ESR DC Fund 1, we will have 575 MW of data centre capacity. In addition, we are working on a pipeline of land and projects which will contribute more than one gigawatt (1 GW).

Aside from data centres, we would like to take this opportunity to spotlight some of our up-and-coming landmark projects that will create new benchmarks in the market. Our subsidiary LOGOS is currently developing the A\$4.2 billion 243-hectare Moorebank Intermodal Precinct, Australia's largest intermodal logistics precinct that will offer unmatched supply chain benefits, warehousing opportunities, and connectivity with on-site linkages with future inter/intrastate rail linehaul. In Japan, we are developing the US\$1.5 billion 500,000 sqm multi-phase logistics park, ESR Kawanishi Distribution and Techno Park, one of the largest and most significant urban rezoning developments to accommodate the country's ongoing expansion in e-commerce. In South Korea, we are developing the US\$800 million 685,475 sqm logistics park, Busan New Port, located in Greater Busan, South Korea's largest container terminal and the world's sixth largest port by volume. As part of our expansion plan across SEA, we are developing the ESR Asia Suvarnabhumi industrial estate and have commenced a built-to-suit development for Nasdaq-listed Advanced Energy's flagship factory within the ESR Asia Laem Chabang industrial estate in Thailand.



Winner of global MIPIM Awards, 2024 held in Cannes: ESR Higashi Ogishima Distribution Centre

Strong capital position sustains value creation

Through our proactive capital management strategies, we have maintained a strong capital position with ample liquidity of an aggregated US\$2.5 billion of cash and loan drawdown capacity. We successfully diversified the Group's funding sources through various initiatives in the year including a US\$1.2 billion multi-currency revolving credit facility secured with various foreign banks, the closing of JPY30 billion of Japanese Yen-denominated fixed rate bonds, and a series of seven sustainability-linked loans. Furthermore, once our announced transactions in 2023 are completed, with proceeds applied towards debt repayment, our Gearing over the medium term is expected to reduce towards the low end of our Gearing target of 20–30%.

Building a sustainable future

In line with our purpose to provide *Space and Investment Solutions for a Sustainable Future*, we have made significant progress across the three key pillars under the ESG Framework — “Creating a Human Centric environment that is safe, supportive and inclusive for stakeholders”, “Developing and maintaining a sustainable and efficient Property Portfolio” and “Delivering outstanding Corporate Performance for sustained and balanced growth”.

To build a more inclusive and equitable workplace, our female representation increased to approximately 45.4% as at end 2023. Across the Group, community investment efforts continue to be implemented under three dedicated focus areas, namely: “Strengthening Social Resilience, Health and Well-being”, “Promoting Education & Upskilling”, in addition to “Protecting the Environment”.

On the environmental front, as part of our focus on developing and maintaining sustainable and efficient buildings, we have since installed a total of 112 MW of rooftop solar power capacity as well as 809 EV charging stations across our portfolio. In addition, we have launched synergistic partnerships, including in some cases with tenants, in our collective transition towards a low-carbon future. Over 42% of our portfolio of completed, directly managed assets have obtained sustainable building certifications and ratings, such as LEED, WELL and NABERS.

We are committed to upholding the utmost standards of corporate governance to ensure accountability, transparency, fairness, and integrity across all of our operations. Our ESG commitment further enabled us to strengthen our leadership in sustainable financing, with seven sustainability-linked loans worth approximately US\$4 billion closed. We are heartened that our robust ESG disclosure practices continue to receive recognition by maintaining rankings across various global ESG benchmarks and ratings, such asGRESB, MSCI, Sustainability, and ISS.

An example of how we put this approach into practice is the development of ESR Higashi Ogishima Distribution Centre in Japan, which emerged as the only Asian winner of top honours at the recent global MIPIM Awards 2024, garnering the “Best Industrial & Logistics Project” and “Special Jury Award” accolades. ESR Higashi Ogishima Distribution Centre incorporates sustainability features including a seismic base isolation structure and 2.5 MW solar self-consumption installation, and human-centric amenities such as a BARNKLÜBB that extends free day care for children of workers.

Looking ahead

Enhancing investor value remains a key priority for us, and we remain positive on the demand for New Economy assets across APAC which continues to benefit from long-term structural tailwinds, driven by the continued rise of e-commerce, technology advances in artificial intelligence (“AI”) and life sciences, and the rise in renewables as the energy transition gathers momentum.

We have a clear and resolute path to sustained growth. This includes forging ahead with our business transformation and simplification priorities on various fronts to unlock value. On the operations front, we expect market demand and supply drivers in our key operating markets of Australia, Japan and Korea to support high occupancy rates and rent growth in 2024. In addition, our priority includes achieving a sustained growth in Fee-related AUM and fund management earnings. We will remain cautiously optimistic on deploying US\$23.9 billion of dry powder (of which over US\$13 billion is in New Economy) in the second half of 2024, specifically in growth opportunities in ESR's data centre and SEA platforms.

In this ever-changing external environment, we expect our balance sheet to remain well-capitalised with a plan to further reduce our Gearing with balance sheet divestments. As we expect a y-o-y reduction in interest expense for FY2024 on lower debt and hopefully reduced base rates, we will also refinance some of the existing debt with longer term fixed rate debt to achieve a more balanced mix of fixed and floating debt. This will allow us to be well-positioned to support our long-term AUM growth.

We would like to take this opportunity to thank our investors and customers for their trust and support, our Board of Directors for their vision and guidance, and our management team and colleagues for their dedication and commitment as we continue to solidify ESR's leadership in APAC's New Economy.

STUART GIBSON AND JINCHU SHEN

Group Co-founders and Co-CEOs

21 March 2024

Year in Review

January

- ESR took a strategic stake in Vietnam's leading logistics and industrial player – BW Industrial, accelerating its expansion in a high growth market.

February

- ESR Japan completed ESR Yokohama Sachiura Distribution Centre 2 in Greater Tokyo, the second phase of the master-planned 750,000 sqm ESR Yokohama Sachiura Logistics Park which is set to be the largest logistics park (by value) in Japan and APAC upon completion.
- ESR Kendall Square completed Geomdan Logistics Park, a landmark, Class A 150,000 sqm logistics complex in the prime Gimpo market in South Korea.

March

- ESR China completed its rooftop solar project at ESR Shenyang Yibei Logistics Park in China, contributing renewable energy to the power grid in Shenyang and providing an alternative green power source for tenants and local communities.
- ESR received approval from The Stock Exchange of Hong Kong Limited on the proposed potential listing of a China REIT on the Shanghai Stock Exchange.
- ARA partnered SMFL MIRAI Partners Company, Limited and Kenedix, Inc. to jointly invest in a second property in Singapore, Lazada One, a Green Mark Platinum certified commercial building.

April

- ESR India expanded its presence in Gujarat through the acquisition of 38 acres with a development potential of 1 million sq ft. in Sanand, a growing market for electric vehicle manufacturing.
- ESR Japan completed the nine-storey Higashi Ogishima Distribution Centre, Japan's tallest logistics facility, in the Tokyo metropolitan area.

May

- ESR expanded into Thailand, with the opening of its Thailand office and is developing two logistics and industrial parks in Rojana Industrial Estate Laemchabang and Asia Industrial Estate Suvarnabhumi.
- ESR announced a strategic partnership with Indonesia Investment Authority and MC Urban Development Indonesia to invest in the development of modern warehouse facilities in Indonesia, marking the start of ESR's fund and investment management business in the country.

June

- ESR China completed ESR Shenyang Hualong E-commerce Industrial Park (fully tenanted to JD.com), ESR Chengdu Qingbaijiang Cold Chain Industrial Park and ESR Suzhou Zhangjiagang High-end Manufacturing and Supply Chain Industrial Park.

July

- ESR China completed ESR Nanning Wuxiang E-commerce Logistics Park located in the Wuxiang New District, an emerging core logistics area which is much sought after by e-commerce and third-party logistics companies.
- ESR Japan completed the construction of ESR Kazo Distribution Centre 2 and welcomed its first tenant, which is among the top 10 transportation and logistics companies in Japan.
- ESR Kendall Square completed the 100% pre-leased Pyeongtaek Logistics Park in South Korea.

August

- ESR closed the first HK\$1.6 billion Sustainability-Linked Loan in Hong Kong for a brown field data centre project, ESR HK1 Data Centre.
- ESR Japan commenced the development of ESR Kawanishi Distribution and Techno Park, which will be the largest distribution hub in Japan with a GFA of approximately 750,000 sqm.
- ESR China completed ESR Taicang Dongyuyue Industrial Park located in Taicang (within Suzhou), which is home to a national-level economic development zone and a provincial level high-tech zone.
- ESR established its largest-ever RMB Income Fund in China with a total investment capacity of approximately RMB10 billion.



Geomdan Logistics Park, Geomdan New City, Korea

September

- ESR Australia and Solar Bay form Australian-first renewable energy partnership to invest up to A\$500 million in renewable energy infrastructure over the next decade.
- ESR China completed the approximately 344,840 sqm phase one of its largest development project in China, ESR Qingpu Yurun Logistics Park, in Shanghai, providing one-stop cold and dry storage solutions for tenants.
- ESR Indonesia commenced construction of ESR Karawang Logistics Park 1, the first Grade A facility in Karawang, Indonesia.
- ESR India expanded into Odisha with the acquisition of a 57-acre land in Cuttack for the development of ESR Cuttack Logistics Park, the region's only institutional-grade facility with Grade A specifications.
- ESR's core joint venture in Japan closed JPY 59 billion Trust Asset-Backed Loan.
- ESR and Chinachem break ground on Hong Kong's largest and most advanced cold storage facility, Kwai Chung Cold Storage Logistics Centre.

October

- ESR Thailand commenced the construction of the built-to-suit development of Nasdaq-listed Advanced Energy's flagship factory within the ESR Asia Laem Chabang industrial estate.
- ESR India expanded its footprint in Nagpur by acquiring a 58-acre land for the development of ESR Nagpur Logistics Park 2 in India's emerging warehousing hub.
- ESR raises additional third-party equity for the last phase of landmark 650,000 sqm multi-billion ESR Higashi Ogishima Distribution Centre in Greater Tokyo.



ESR Qingpu Yurun Logistics Park, Shanghai, China

November

- ESR and Chinachem closed Hong Kong's first-ever HK\$8.8 billion Green Loan for the development of a logistics centre (Kwai Chung Cold Storage Logistics Centre).
- ESR China completed the construction of ESR Langfang Baiyi Logistics Park located in the Langfang Guangyang Economic Development Zone in China's Hebei province.
- ESR Japan commenced the development of ESR Itami Distribution Centre located within the Greater Osaka area.

December

- ESR Kendall Square completed the sale of Ilsan Distribution Centre, a fully leased data and logistics centre in Goyang, South Korea.
- The China Securities Regulatory Commission and Shanghai Stock Exchange received ESR's application for the registration and listing of AVIC ESR Warehouse Logistics Closed Infrastructure Securities Investment Fund.
- ESR entered the renewable energy market in South Korea by securing KRW14.7 billion funding from Korean Development Bank to install and operate over 13 MW of solar power capacity on seven assets owned by ESR Kendall Square REIT.
- ESR Japan Income Fund completed its first acquisition in Nagoya for JPY16.4 billion from an ESR-managed development fund.
- ESR and BW announced the ground breaking of a ready-built industrial facility strategically situated in Vietnam's Dinh Vu — Cat Hai Economic Zone in Hai Phong city.
- ESR China completed the construction of ESR Fenu Modern Industry and Service Park which is at the heart of the Yangtze River Delta in China.

CORPORATE HIGHLIGHTS

- ESR received first-time investment grade 'AA-' rating with stable outlook from the Japan Credit Rating Agency, Ltd ("JCR").
- ESR debuted a JPY30 billion bond issuance, backed by 'AA-/stable outlook' JCR credit rating.
- ESR unveiled its ESG 2030 Roadmap, reaffirming commitment to accelerate long-term sustainable growth.
- ESR achieved top recognition in the 2023 GRESB assessment, the leading global environmental social and governance benchmark for real estate and infrastructure investments.
- ESR boosted its senior leadership team with the appointments of Mr Josh Daitch as Group Chief Investment Officer and Mr Matthew Lawson as Group Chief Operating Officer.
- ESR appointed Ms Joanne McNamara, Executive Vice President, Head of Europe, for Oxford Properties Group, as a Non-executive Director to the Group's board of directors, with effect from 1 January 2024.



Capital Management



Market Update



Partnership



People



Property



REIT



Sustainability

DELIVERING FUND MANAGEMENT **EXCELLENCE** AND OPERATIONAL **RESILIENCE**

