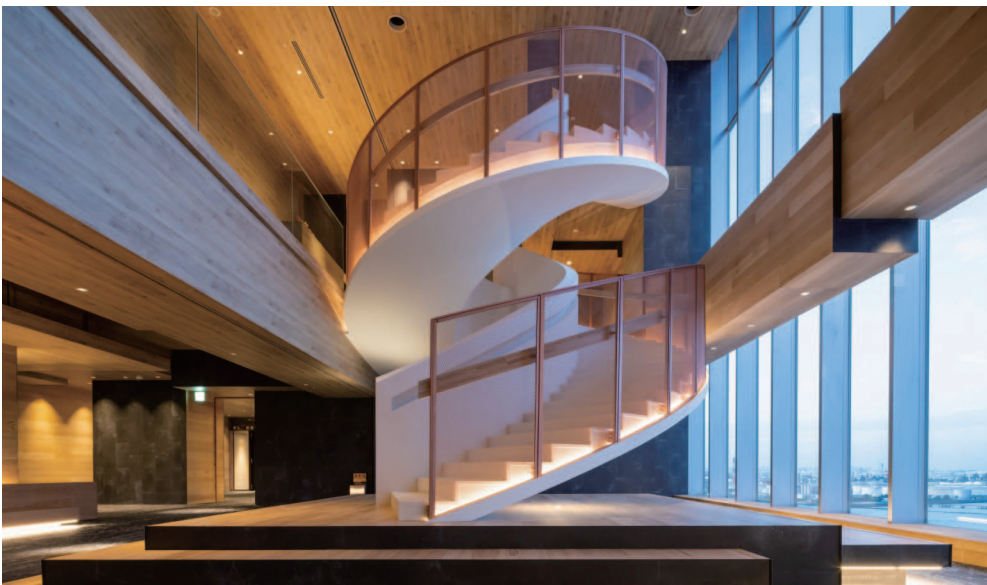


## Awards and Accolades



mipim  
AWARDS

**2024  
Winner**

Best industrial & logistics  
project

mipim  
AWARDS

**2024  
Winner**

Special jury awards



Photos of ESR Higashi Ogishima Distribution Centre, Kawasaki City, Japan

## Corporate Excellence

**PERE APAC Fund Manager Guide 2024**

ESR Group: Ranked 1<sup>st</sup> among the top 50 private equity real estate fund managers

**2024 ANREV Fund Manager Survey**

ESR Group: Ranked as the largest real asset manager in APAC

**IPE Real Assets Top 150 Real Estate Investment Managers 2024**

ESR Group: Ranked 1<sup>st</sup> in APAC and 6<sup>th</sup> among the top 150 real estate investment managers globally

**MSCI and Property Funds Research's Global Investment Managers in Real Assets Survey 2024**

ESR Group: Ranked 1<sup>st</sup> in Asia and 6<sup>th</sup> globally out of 200 real estate investment managers surveyed

## Sustainability Excellence

**2024 GRESB Real Estate Assessment**

ESR Group: Global and Regional Sector Leader positions recognised in the 2024 GRESB assessment, with 12 entities receiving 5 Star rating in the Standing Investments and Development benchmarks

**Institutional Shareholder Services QualityScores 2024**

ESR Group: 1<sup>st</sup> decile ranking achieved for the ISS Governance QualityScore and 1<sup>st</sup> and 2<sup>nd</sup> decile rankings achieved for the ISS E&S QualityScore on social and environment components, respectively



Refer to ESR's ESG Report 2024 for more information at <https://www.esr.com/environmental-social-governance/>

## Product Excellence

**MIPIM Awards 2024**

ESR Higashi Ogishima Distribution Centre: 'Best Industrial & Logistics Project' and 'Special Jury Award'

**2024 Urban Development Institute of Australia NSW Awards for Excellence**

ESR Bringelly Road Business Hub: 'Best Industrial Development'

**European Public Real Estate Association Best Practices Recommendations Awards — 2024**

Regional REIT: Gold (Financial Reporting) and Silver (Sustainability Reporting)

**Suzhou Xushuguan Economic and Technological Development Zone Management Committee**

ESR Suzhou Baojinyan Industry Park: 'Excellent Investment Partner Award'

**Hong Kong Investor Relations Association's 10<sup>th</sup> Investor Relations Awards 2024**

Fortune REIT: 'Best IR Company', 'Best IR By Chairman/CEO', and 'Best IR By CFO'

**Singapore Retailers Association's Excellent Service Award 2024**

ESR Real Estate Services Management: 16 awardees

**Western Sydney Leadership Awards 2024**

Moorebank Intermodal Precinct: 'Logistics Project of the Year', 'Freight Infrastructure Project of the Year', and 'Overall Project of the Year for the Precinct'



Western Sydney Leadership Awards Ceremony 2024

**AsianInvestor's Asset Management Awards 2024**

ESR-REIT: 'Best Real Estate Manager'

**Hong Kong Quality Assurance Agency's Hong Kong Green and Sustainable Finance Awards 2024**

Prosperity REIT: 'Outstanding Award for Green and Sustainable Loan Issuer (Real Estate Investment Trust)' and 'Pioneering Award for ESG Disclosure Contribution'

**Chengdu Cold Chain Logistics Chamber of Commerce 10<sup>th</sup> Anniversary Ceremony**

ESR Chengdu Yijing Cold Chain E-commerce Park: 'Best Park Enterprise'

**Ministry of Land, Infrastructure and Transport (MoLIT), South Korea**

ESR Kendall Square REIT: Certificate of Commendation, Best KOSPI Listed REIT (Sanghwoi Bae, Chief Executive Officer)



# Year in Review

## 1Q2024

- Announced collaboration with Mitsubishi Fuso Truck and Bus Corporation and Daimler Truck Financial Services Asia Co., Ltd. to jointly develop environmentally friendly e-mobility solutions to accelerate the electrification of logistics supply chain in Japan.
- Launched Korea's first perpetual, open-ended core logistics fund, reinforcing ESR's full cycle development track record.
- Closed ESR's first cross border JPY syndicated sustainability-linked loan ("SLL"), reinforcing the Group's leadership in sustainable financing.
- Announced the divestment of the ARA Private Funds business for US\$270 million<sup>1</sup>, delivering on substantial non-core divestment pipeline to double down on New Economy leadership.
- Emerged as the sole Asian winner of top honours at the global MIPIM Awards 2024, garnering the "Best Industrial & Logistics Project" and "Special Jury Award" accolades for ESR Higashi Ogishima Distribution Centre.
- Jointly acquired a 64-hectare land parcel with Frasers Property Industrial in Melbourne's South East which will be developed into a premium industrial estate with a total end value of circa A\$900 million.



ESR Australia & New Zealand and Frasers Property Industrial jointly acquire 64-ha land in South East Melbourne

## 2Q2024

- Announced plans to develop ESR's fourth data centre site in Japan, a 60MW project in Ariake, Koto-Ku, Central Tokyo.
- Commenced two additional joint venture projects in Vietnam with BW Industrial Development Joint Stock Company, driving the Group's Southeast Asia growth engine for regional scale.
- Signed a Memorandum of Understanding with Kumamoto Prefectural Government, Yatsushiro City, and Mercury Capital to create a large-scale logistics hub in southern Kumamoto Prefecture, Japan.
- Strengthened strategic presence in Chennai, India with a further 27-acre land acquisition in ESR Oragadam Industrial & Logistics Park to support Tamil Nadu's commitment to becoming a major industrial hub.
- Broke ground on a new investment in ESR Asia Laemchabang — a customised advanced manufacturing facility spanning 47,000 sqm for HARMAN International in Thailand.
- Received China Securities Regulatory Commission approval for the registration and listing of ESR C-REIT.



ESR Oragadam Industrial & Logistics Park, Chennai, India

Note:

1. Agreed enterprise value on a debt and cash free basis, including US\$10 million of working capital.

## 3Q2024

- Partnered UPM Raflatac, a global leader in sustainable labelling solutions based in Helsinki, Finland, at ESR Taloja Industrial & Logistics Park, India.
- Acquired the remaining 13.6% interest in LOGOS held by the LOGOS founders, accelerating full integration and bringing forward the benefits of a fully integrated platform for ESR and its stakeholders.
- An ESR-managed development fund divested over RMB 5.8 billion of best-in-class logistics assets to ESR's flagship RMB Income Fund.
- Completed the core and shell of ESR's flagship data centre project, ESR Cosmosquare OS1 Data Centre, in Nanko Kita, Osaka, Japan — the first hyperscale data centre asset within ESR's US\$2 billion, 130MW<sup>2</sup> campus.
- Formed strategic partnership with Mitsubishi Estate Asia as a new capital partner for ESR and to deliver a modern portfolio of high-quality and strategically located industrial estates in Australia.
- Announced that Phase 1 of circa 363,000 sqm ESR Asia Suvarnabhumi has been fully leased out to customers in the logistics, advanced manufacturing, and pharmaceutical space, supporting Thailand's growth trajectory.



Interior of ESR Cosmosquare OS1 Data Centre, Osaka, Japan

## 4Q2024

- Raised US\$325 million for ESR's first real estate credit investment platform in South Korea.
- Invested in Leader Energy Group Berhad's renewable power generation and transmission portfolio in Southeast Asia through CAF II, which is sub-advised by ESR.
- Handed over a circa 48,200 sqm customised precision manufacturing facility at ESR Asia Laemchabang, Thailand to Advanced Energy Industries.
- Achieved outstanding performance across global ESG benchmarks: GRESB, the global ESG benchmark for financial markets, as well as the Institutional Shareholder Services QualityScores.
- Launched and listed ESR C-REIT<sup>3</sup> on the Shanghai Stock Exchange, raising over RMB2.1 billion and enhancing the Company's portfolio of perpetual capital vehicles across APAC.
- Secured its largest syndicated US\$2.5 billion SLL facilities to-date, one of the largest in Southeast Asia's real estate sector in 2024.
- Fully leased out Phase 1 of circa 41,000 sqm ESR Asia Bowin to two advanced manufacturing customers, contributing to Thailand's industrial growth.



ESR C-REIT debuts on the Shanghai Stock Exchange

Note:

- Facility load
- Listed on 24 January 2025.





ESR Amagasaki Distribution Centre, Amagasaki City, Japan

# LEADER IN NEW ECONOMY

## RESILIENT PERFORMANCE

Healthy Portfolio Occupancy<sup>1</sup>

**87% / 95%**

Portfolio Portfolio ex-China

Positive Weighted  
Average Rental Reversions<sup>1,2</sup>

**+12.6% / +21.2%**

Portfolio Portfolio ex-China

Robust Leasing of Space<sup>1</sup>

**8.0 million sqm**

**+50% y-o-y**





## SIZEABLE APAC DEVELOPMENT WORKBOOK

Work-in-progress

**US\$11.4 billion**

Targeted Development Margins

**34.0%**

Projected Yield on Cost

**6.8%**

Development Starts

**US\$1.8 billion**

Data Centres

**23%** of Development Starts

Development Completions

**US\$3.6 billion**

Notes:

1. For stabilised New Economy assets only. Excludes listed REITs and Associates.
2. Weighted by total New Economy AUM of each respective country.

# Operations Review



ESR Ichikawa Distribution Centre, Ichikawa City, Japan

## BUSINESS REVIEW

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

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

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

As of 31 December 2024, the total value for the investment properties held on ESR's balance sheet was US\$2.3 billion. This accounted for approximately 1.6% of the total AUM across the portfolio as of 31 December 2024. Refer to "Property Portfolio" on pages 28 to 29 for more information on ESR's Balance Sheet investment properties.

## Investments Properties

As of 31 December 2024



## Investments in Joint Venture Associates ("JVA") by Sector

As of 31 December 2024



## Investments in JVA (New Economy) by Region

As of 31 December 2024



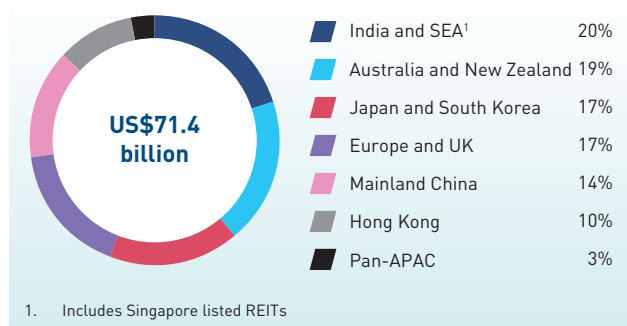
### Notes:

- 1 Based on FX rates as at 31 December 2024.
- 2 Fee-related AUM excludes AUM from Associates and levered uncalled capital. Reported figure of US\$71.4 billion is subsequent to the completion of the sale of ARA Private Funds, ARA US Hospitality Trust Manager and interest in ARA US Hospitality Trust.
- 3 2024 ANREV Fund Manager Survey.



### Fee-related AUM By Region

As of 31 December 2024



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

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

The Group's underlying business is fundamentally resilient, underpinned by the sustained growth in recurring core fee income from asset management, investment management and property management. ESR recorded Total Revenue of US\$639 million for FY2024, and Fund Management Segment Revenue contributed

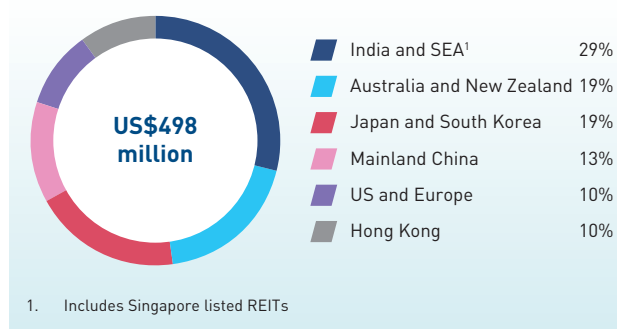
over 75% of this total. Fund management EBITDA was lower y-o-y as there were nil promote fees in FY2024 compared to US\$182 million recognised in the year before. The EBITDA and consequently PATMI for the year was significantly impacted by marked-to-market losses tied to non-core divestments, as well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

### FUND MANAGEMENT: Y-O-Y GROWTH IN RECURRING CORE ASSET FEE INCOME DESPITE MARKET CHALLENGES

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

### Fee Income By Region

FY2024



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

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

Note:

4 Building load



## FY2024 Capital Raising Highlights

Country	Fund/REIT	Capital Raised <sup>1</sup>	Highlights
Australia	Australia Core Portfolio	US\$321 mil	<ul style="list-style-type: none"> <li>First closing; includes 10 prime logistics estate developed by ESR</li> </ul>
Australia	Development and Opportunistic	US\$904 mil	<ul style="list-style-type: none"> <li>Final close of development partnership brings total capital to AU\$700 mil</li> <li>Closed opportunistic partnership fund at ~AU\$800 mil</li> </ul>
Mainland China	ESR C-REIT	US\$290 mil	<ul style="list-style-type: none"> <li>Listing of C-REIT on the Shanghai Stock Exchange on 24 Jan 2025</li> </ul>
South Korea	ESR Korea Core Fund	US\$400 mil	<ul style="list-style-type: none"> <li>First perpetual, open-ended logistics core fund in South Korea; achieved a strong track record of 3.0x equity multiple and IRR of c.25% for the development fund</li> </ul>
South Korea	ESR Credit Fund	US\$325 mil	<ul style="list-style-type: none"> <li>Closed ESR's first South Korea credit fund focused on providing credit solutions to New Economy assets</li> </ul>
APAC/SEA	Regional mandates	US\$600 mil	<ul style="list-style-type: none"> <li>Includes ESR's first regional SEA development mandate</li> </ul>

<sup>1</sup> Based on FX rate as at 31 December 2024.

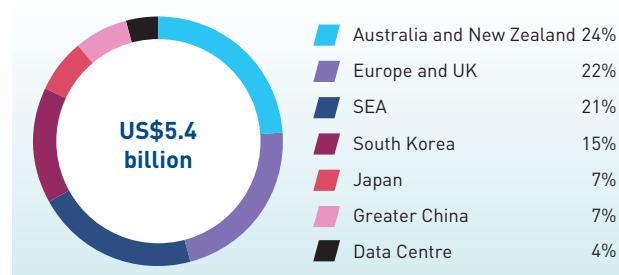
## Capital Raised by Fund Type

FY2024



## Capital Raised by Region

FY2024



## NEW ECONOMY: STABLE OCCUPANCIES SUPPORTED BY STRONG LEASING ACTIVITY; STILL ROBUST DEVELOPMENT WORKBOOK

As at 31 December 2024, the portfolio occupancy rate for the Group's New Economy assets<sup>1</sup> stood at 87% (95% excluding Mainland China), with weighted average lease expiry ("WALE") at approximately 4.4 years and 3.8 years by income and area respectively. A portfolio of approximately 2.0 million sqm of newly stabilised assets in Mainland China and Japan came on-stream during the year and these are on an extended runway towards achieving their target occupancy levels over time.

Approximately 8.0 million sqm of renewals and new leases were recorded for FY2024, an increase compared to FY2023. Weighted average rental reversions<sup>2</sup> were

approximately 12.6% (21.2% excluding Mainland China), as leases in Australia & New Zealand and South Korea achieved strong positive reversions of approximately 26.0% and 27.9% respectively. The momentum in lease renewals and replacements was sustained in Mainland China, while rental reversions remained negative as occupancy was prioritised amid a still soft leasing environment.

ESR's New Economy assets are built to exacting standards in terms of functionality and sustainability, making them highly sought after by customers and capital partners. The Group's top 10 tenants, which account for 24.6% of total revenue, include many prominent global and regional e-commerce companies, as well as global third-party logistics providers.

## FY2024 New Economy Portfolio Occupancies and Rental Reversions

	Australia & New Zealand	Mainland China	Japan	Southeast Asia	South Korea	India
Occupancy (%)	99	76	86	93	97	100
Weighted average rental reversion rate (%)	26.0	-12.8	2.3	11.1	27.9	N.A.

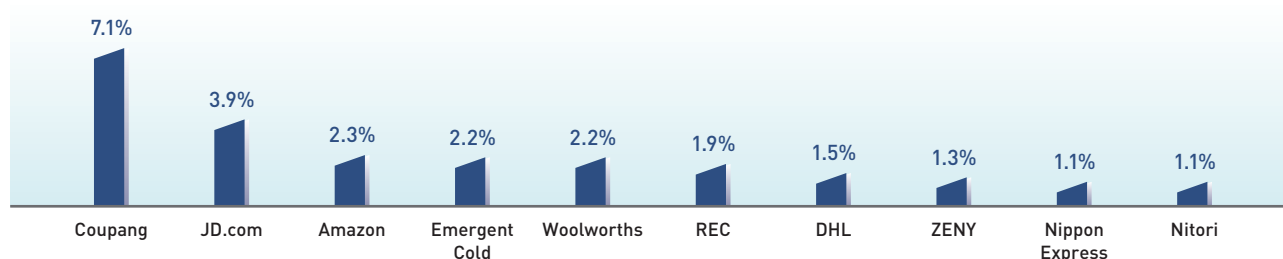
Notes:

<sup>1</sup> Stabilised New Economy assets; excludes listed REITs and Associates.

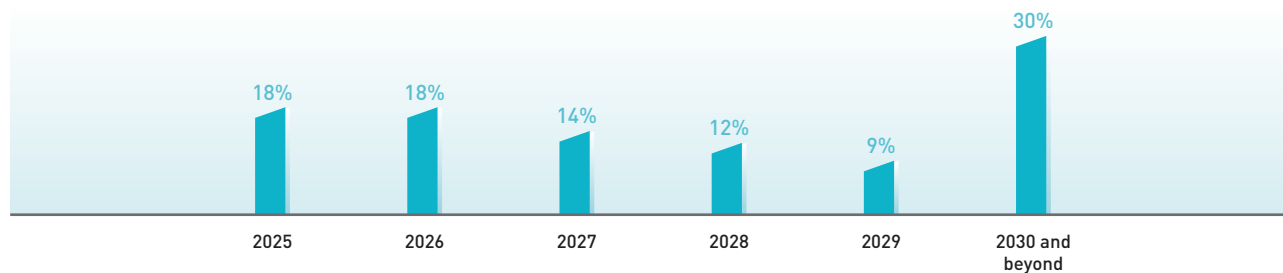
<sup>2</sup> Weighted by the AUM of each country.

FY2024 New Economy Portfolio Leasing Activity	FY2023	FY2024
Renewals (mil sqm)	1.2	3.2
New Leases (mil sqm)	4.1	4.8
Total Space Leased	5.3	8.0

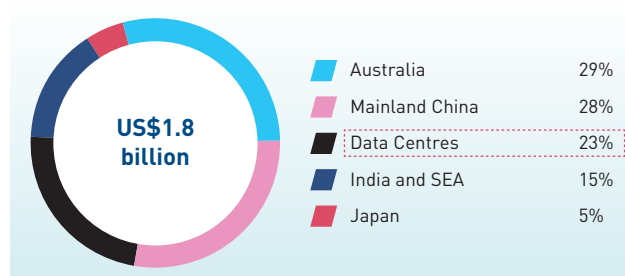
### Top 10 Global New Economy Customers by Revenue (%)



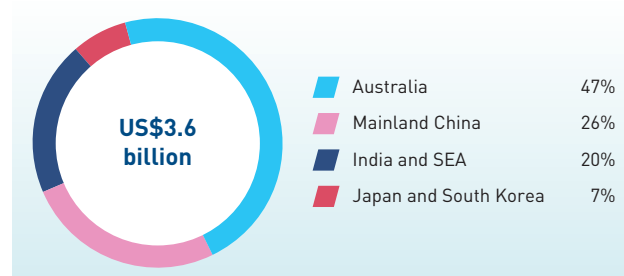
### Portfolio Lease Expiry Profit (by Area)



### Development Starts



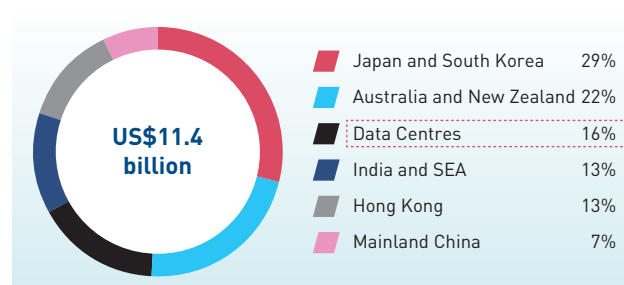
### Development Completions



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

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

### Work in Progress





# Property Portfolio

## MAJOR INVESTMENT PROPERTIES HELD ON BALANCE SHEET

As at 31 December 2024

City	Project Name	Status	GFA (sqm)	Tenure	Lease Expiry	Interest held by ESR	Type
Mainland China							
Jiaxing	<b>Jiaxing Haining,</b> No.300, Gushui Road, Haining, Zhejiang Province	Completed	105,390	Leasehold	2069	100%	Logistics Facility
Jilin	<b>Jilin Daling,</b> No.6091, Fumin Street, Changchun city, Jilin Province	Completed	94,412	Leasehold	2068	100%	Logistic Facility
Kunshan	<b>Kunshan Zhonggang,</b> Shuanghua Road No. 168, Huaqiao Town, Kunshan City, Jiangsu Province	Completed	293,531	Leasehold	2054	100%	Logistic Facility
Langfang	<b>Langfang Weidu,</b> No.14 Fengwu Road, Economic and Technical Development Zone, Langfang, Hebei Province	Completed	71,687	Leasehold	2061	100%	Logistic Facility
Langfang	<b>Langfang Hengjia,</b> No. 437 Chunhe Road, High-Tech Industrial Development Zone, Langfang, Hebei Province	Completed	81,950	Leasehold	2069	100%	Logistic Facility
Langfang	<b>Langfang Yisi,</b> No. 158 Jingming Road, Langfang Hi-Tech Industrial Development Zone, Langfang, Hebei Province	Completed	72,456	Leasehold	2063	100%	Logistic Facility
Langfang	<b>Langfang Chunhui,</b> No.207, Huaxin Road, Langfang Economic and Technological Development Zone, Hebei Province	Completed	48,622	Leasehold	2053	100%	Logistic Facility
Shanghai	<b>Jiangnan Chuanting,</b> Hailong Road 999, Fengxian District, Shanghai, PRC	Completed	35,533	Leasehold	2058	100%	Logistic Facility
Shanghai	<b>Shanghai Yurun (Phase I)</b> No. 2989 Baishi Highway, Baihe Town, Qingpu District, Shanghai	Completed	336,390	Leasehold	2056	100%	Logistic Facility
Shanghai	<b>Shanghai Yurun (Phase II)</b> No. 2989 Baishi Highway, Baihe Town, Qingpu District, Shanghai	Completed	205,569	Leasehold	2056	100%	Logistic Facility
Shanghai	<b>Qingpu Judicial Auction,</b> 5/3 Qiu, Yingzhong Village, Xianghuaqiao Street, Qingpu District	Completed	121,305	Leasehold	2062	100%	Logistic Facility
Shanghai	<b>Zhangjiang NEO,</b> No. 103 Cailun Road, Zhangjiang Town, Pudong New District, Shanghai, PRC	Completed	8,940	Leasehold	2053	100%	Business Park
Suzhou	<b>Suzhou Yixiang (Phase I)</b> No. 28 Yongchang Road, Xiangcheng Economic Technology District, Suzhou, Jiangsu Province	Completed	189,552	Leasehold	2060	100%	Logistic Facility
Suzhou	<b>Fenhu Dafuhao,</b> North of 318 National Road, Lili Town, Wujiang District, Suzhou, Jiangsu Province	Completed	221,392	Leasehold	2070	100%	Logistic Facility

City	Project Name	Status	GFA (sqm)	Tenure	Lease Expiry	Interest held by ESR	Type
Huizhou	<b>Huizhou Hongyun,</b> No.3, Qiaoguang Road, Chenjiang Street, Huizhou Zhongkai High Tech District, Huizhou, Guangdong Province	Completed	105,759	Leasehold	2071	60%	Logistic Facility
Huizhou	<b>Huizhou Huishang Technology (TCL Huichen I)</b> Plot LG-01-03, Unit 01, Lugang Area, Shuikou Street, Huicheng District, Huizhou City	Completed	126,634	Leasehold	2071	54%	Logistics Facility
Chengdu	<b>Chengdu Qingbaijiang (Phase I ,II , III),</b> Gaoping Nan Road South, Tongxin Road East, Qingbaijiang District, Chengdu, Sichuan Province	Completed	114,688	Leasehold	2071	51%	Logistic Facility
<b>India</b>							
Nagpur	<b>Gati Realtors Pvt Ltd</b> State Highway 250, Village Khumari/Kokarada, Tehsil Kalmeshwar, Nagpur, Maharashtra, India	Completed	76,685	Freehold	N/A	51%	Logistic Facility

#### DEVELOPMENT PROPERTIES HELD ON BALANCE SHEET

As at 31 December 2024

City	Property Name	Status	Estimated Completion Year	GFA (sqm)	Interest held by ESR	Type
<b>Mainland China</b>						
Huizhou	<b>Huizhou Huishang Supply Chain (TCL Huichen III),</b> Plot LG-01-04, Lugang Area, Shuikou Street, Huicheng District, Huizhou City	Superstructure in Progress	2025	111,348	54%	Logistic Facility
Foshan	<b>Foshan Rongjin</b> No. 108-1, Sanshui Industrial District Southwest Zone B, Foshan, Guangzhou Province	Land	2027	160,052	100%	Land
<b>Japan</b>						
Yokohama	<b>ESR Sachiura 2A DC,</b> 8-5, Sachiura 1-chome, Kanazawaku, Yokohama-shi, Kanagawa-ken, 236-0003, Japan	Superstructure in Progress	2025	165,309	100%	Logistic Facility
Yokohama	<b>ESR Sachiura 2B DC,</b> 8-4, Sachiura 1-chome, Kanazawaku, Yokohama-shi, Kanagawa-ken, 236-0003, Japan	Land	N/A	74,722	100%	Land



# Financial Review

The Group recorded net loss of US\$726.3 million for FY2024, as compared to net profit of US\$268.1 million for FY2023. The decrease in profit was primarily attributable to negative fair value movement in assets including non-cash revaluations arising from non-core and near-term divestments; and the decline in promote fees and transaction-based fees in FY2024 as the Group continues to operate in a volatile and uncertain environment.

The Group's underlying business is fundamentally resilient, underpinned by the sustained growth in core asset recurring incomes from asset management, investment management and property management.

## REVENUE

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

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

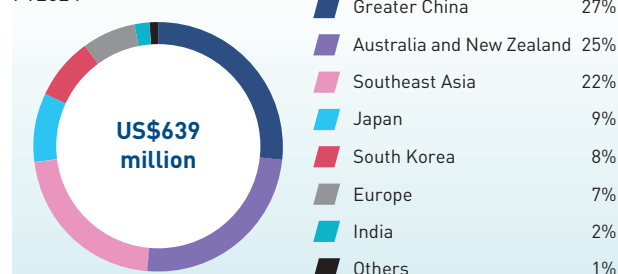
Excluding the promote fees recognised in FY2023, management fees decreased by 10.2%. However, the Group's recurring core asset fee income from asset management, investment management and property management increased by 6.6% y-o-y highlighting the resilience of the fund management platform.

Construction revenue increased from US\$56.3 million in FY2023 to US\$65.8 million in FY2024. Rental income decreased by 7.1% from US\$72.0 million in FY2023 to US\$66.9 million in FY2024. This was mainly attributed to a drop in rental income from assets divested.

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

## Revenue by region\*

FY2024



\* Percentages may not add up due to rounding

## Revenue by Segment

FY2024



## PATMI AND EBITDA

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

Other income and gains decreased from net gains of US\$376.5 million in FY2023 to net losses of US\$257.9 million in FY2024. Additionally, the Group's share of losses from its joint ventures and associates increased from US\$20.4 million in FY2023 to US\$37.6 million in FY2024.

These losses were mainly due to the following non-cash items:

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

1. ARA US Hospitality Trust ("USHT") write-down: US\$97.4 million arising from the divestment of the Group's stake in USHT manager and units. The divestment of this non-core platform was completed on 9 July 2024, in line with the Group's strategy to simplify and streamline the Group focus on New Economy. The amount was accounted for as impairment loss on asset held for sale and is adjusted under non-IFRS Measures for a like-for-like comparison with FY2023.
2. Share of fair value losses and marked-to-market loss: approximately US\$65.3 million being the Group's share of fair value loss attributable to Cromwell. This arose mainly from the asset revaluation of its investment portfolio as well as the sale of its European fund management platform and associated co-investments. The Group has identified its holding in Cromwell as a non-core investment and reclassified the investment to asset held for sale. Consequently, the carrying value of its investment in Cromwell was revalued based on the market price as at 31 December 2024. Hence, an impairment loss against the cost of investment of US\$147.7 million was recognised. These amounts are adjusted under non-IFRS Measures for a like-for-like comparison with FY2023.

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

1. Revaluation loss on three balance sheet assets divested: consistent with the Group's effort to optimise its balance sheet via asset divestment to ESR-managed vehicles to grow its Fee-related AUM and recurring fee revenue streams, three assets were sold to form the initial portfolio of the ESR C-REIT, which was successfully listed on the Shanghai Stock Exchange on 24 January 2025. Consequently, approximately US\$106.1 million of revaluation loss being the difference between the fair market value of the listed portfolio and the carrying values on the Group's balance sheet was recognised.
2. Marked-to market declines on yet-to-stabilise properties in Mainland China: approximately US\$322.4 million in aggregate negative fair value movements related to certain newly completed properties in Mainland China. In view of a longer time period required to achieve stabilisation in occupancy and rent levels for these assets, their fair values adjusted downwards in 2024 from their valuation levels in the year before.

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

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

#### SEGMENT RESULTS

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

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

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



## ASSETS AND LIABILITIES

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

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

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

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

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

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

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

Total bank and other borrowings as at 31 December 2024 increased slightly to US\$6.1 billion as compared to US\$6.0 billion as at 31 December 2023 largely attributable to delay in receipt of net proceeds from capital recycling transactions.

## TOTAL EQUITY

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

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

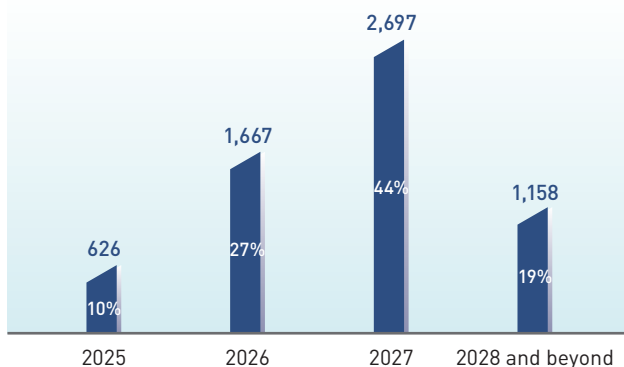
# Capital Management

ESR adopts a proactive and disciplined approach to capital management, regularly reviewing its liquidity position, debt maturity profile, and refinancing strategies ahead of maturity. The Group maintains a well-capitalised balance sheet and actively diversifies its funding sources through a combination of facilities from both local and international banks, as well as capital market issuances, optimising its cost of debt. It remains disciplined in executing its capital recycling program and redeploy capital prudently to support growth.

Additionally, the Group continues to leverage its fund management platform to unlock value and generate higher recurring fund management fees, significantly enhancing its tangible return on equity while ensuring sufficient funding capacity across the organisation.

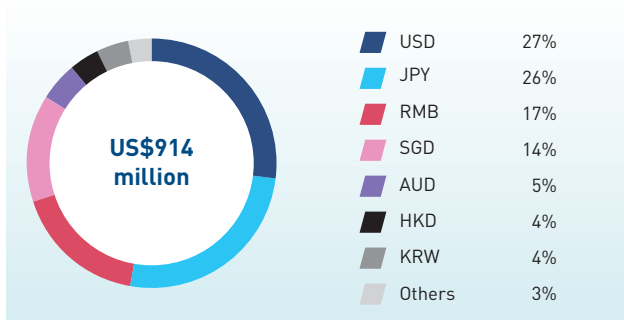
## Debt Maturity Profile (US\$ million)

As of 31 December 2024



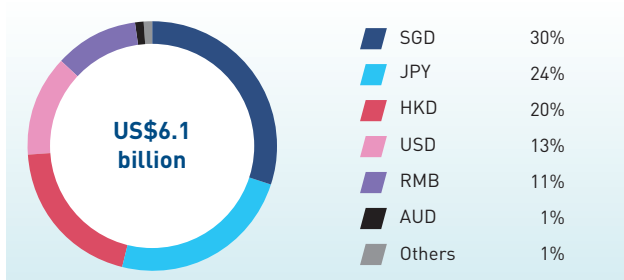
## Cash and Bank Balances

As of 31 December 2024



## Debt Currency Profile

As of 31 December 2024



The weighted average debt maturity was 3.3 years (31 December 2023: 5.2 years), based on total debt drawn. As at 31 December 2024, 17% of the Group's borrowings were on a fixed-rate basis, while the remaining 83% was on a floating-rate basis. The Group's gearing stood at 35.3%. With ongoing capital recycling of balance sheet assets and non-core divestments totaling approximately US\$2.7 billion, the Group remains committed to reducing its gearing.

Capital management and liquidity have been further strengthened with the securing of a US\$2.5 billion sustainability-linked loan. As at 31 December 2024, the Group's total cash balances and committed loan facilities amounted to approximately US\$4.0 billion, with a weighted average debt maturity of 5.0 years. As at 31 December 2024, the Group had cash balances of US\$0.9 billion that were primarily denominated in AUD, HKD, JPY, KRW, RMB, SGD and USD.

The Group is exposed to foreign exchange rate fluctuations primarily through its investments and income from subsidiaries, associates and joint ventures in regions including Greater China, Japan, South Korea, Australia, Singapore and India. To manage and minimise these foreign currency exposures, the Group borrows in local currencies at both project and corporate levels (natural hedging), thereby reducing the impact of currency fluctuations.

The operating and development activities of each country are primarily funded through project-level debts and operating income in their respective local currencies. At corporate level, the Group funds some of its investments through corporate borrowings in the currency of the country where the investment is located.

The Group monitors closely the interest and exchange rate movements and continues to evaluate the use of financial derivatives, where appropriate, to further mitigate these exposures.

## CHARGE OF ASSETS

As at 31 December 2024, certain of the Group's assets were pledged to secure bank and other borrowings granted to the Group. The information of the carrying value of assets charged are disclosed in Note 25 to the Consolidated Financial Statements. Except for the aforementioned charges, all the Group's assets are free from any encumbrances.

## CONTINGENT LIABILITIES

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





ESR Bringelly Road Business Hub, New South Wales, Australia

**LEADING THE WAY FORWARD  
TOGETHER IN THE TRANSITION  
TO A MORE INCLUSIVE,  
LOW-CARBON &**





**CLIMATE**

**RESILIENT**

**FUTURE**

# ESG Performance

ESR is firmly committed to the principle of sustainability and strives to incorporate ESG factors into its business practices, creating long-term sustainable value for all stakeholders and a more resilient business.

ESG priorities and performance highlights for 2024 are shown in the following pages, illustrating ESR's commitment to sustainable business practices in alignment with the ESG 2030 Roadmap to deliver long-term sustainable value for stakeholders while contributing to broader environmental and societal goals. Further details on the Group's ESG approach and initiatives can be found within the Group's ESG Report 2024. The disclosures within the Report comply with the relevant provisions under the HKEX Mainboard Listing Rules and the Global Reporting Initiative ("GRI")'s Universal Standards and is published on the websites of the HKEX and the Company (refer to QR code on the back cover of this Report).

## ESG Vision

We aspire to be a leading provider of **Space and Investment Solutions** for a Sustainable Future.

## ESG Mission

To drive long-term sustainable growth of the business by creating positive impact on the environment, our stakeholders and the communities around us.

## ESG FRAMEWORK

### HUMAN CENTRIC



Basic human needs are universal. As we strive to create a safe, supportive and inclusive environment for all employees, customers, suppliers and communities, meeting those needs today while ensuring they can be met in the future is the cornerstone of sustainable development.

#### Focus Areas:

- Stakeholder Engagement
- Safety, Health & Well-being
- Managing & Developing Talent
- Diversity, Equity & Inclusion
- Community Investment

### PROPERTY PORTFOLIO



Sustainability is central to our mission because we aspire to improve the environmental prospects of our planet. We are committed to environmental stewardship by developing and maintaining sustainable and efficient buildings.

#### Focus Areas:

- Sustainable & Efficient Operations
- Sustainable Building Certifications
- Climate Change Resilience
- Flexible & Adaptable Properties
- Strategic Locations

### CORPORATE PERFORMANCE

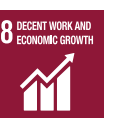


Strong corporate performance is the foundation upon which we will achieve sustained and balanced growth giving rise to stable and dependable returns over the long-term. We embrace the highest standards of governance and ethics in all aspects of business conduct.

#### Focus Areas:

- Corporate Governance
- Risk Management
- Responsible Investment
- Disclosure & Reporting
- Supply Chain Management

The Group's ESG Framework is aligned to six of the Sustainable Development Goals ("SDGs") from the United Nations 2030 Agenda, the United Nations-supported Principles for Responsible Investment ("UN PRI"), as well as global ESG frameworks, standards and industry best practices. Aligning the framework to these global ESG commitments helps guide the Group's business strategies towards desired sustainability outcomes.



**SUSTAINABLE  
DEVELOPMENT  
GOALS**

Signatory of:















Principles for  
Responsible  
Investment



## 2024 ESG ACHIEVEMENTS

Throughout 2024, focus areas aligned with the Group's ESG Framework and 2030 Roadmap targets include promoting diversity, equity and inclusion, supporting local communities, reducing impact on the environment, addressing climate change, and upholding its commitment to the highest standards of corporate governance, amongst others. Some key achievements for 2024 include:

HUMAN CENTRIC 	PROPERTY PORTFOLIO 	CORPORATE PERFORMANCE 
 <p><b>46.7%</b></p> <p>Female representation of ESR employees (↑ by 1.3% from 45.4%)</p>	 <p><b>153<sup>MW</sup></b></p> <p>Rooftop solar power capacity (↑ by 37% from 112 MW)</p>	 <p><b>↑ in ESG ratings</b></p> <p>For GRESB, ISS, MSCI, and Sustainalytics<sup>3</sup></p>
 <p><b>Zero</b></p> <p>Workforce fatalities<sup>1</sup></p>	 <p><b>~1,000</b></p> <p>EV charging stations (↑ by 12% from 809)</p>	 <p><b>~US\$7 billion</b></p> <p>Raised from 11 Sustainability – Linked Loans ("SLLs") (↑ by 75% from US\$4 billion)</p>
 <p><b>~4,500</b></p> <p>Volunteer hours clocked in supporting local communities, aligned to ESR's three social impact focus areas</p>	 <p><b>45.4%</b></p> <p>Of ESR's assets<sup>2</sup> awarded sustainable building certifications &amp; ratings (↑ by 2.6% from 42.8%)</p>	 <p><b>4 Stars</b></p> <p>Awarded for three core modules in inaugural UN PRI assessment</p>

### Notes:

- Refers to ESR employees.
- Refers to ESR's portfolio of completed directly managed assets as at 31 December 2024.
- Global & Regional Sector Leader recognitions with average 3.41 Star rating for GRESB, top deciles for ISS ESG QualityScores with "Prime" status for ISS ESG Corporate Rating, maintained "A" for MSCI ESG Ratings, and "Low Risk" for Morningstar's Sustainalytics ESG Risk Rating.
- Above comparisons in brackets refer to increase in absolute and/or percentages as compared to FY2023.





### PILLAR 1: HUMAN CENTRIC

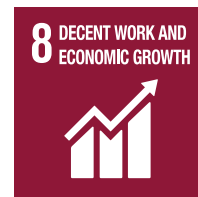
This pillar focuses on the social aspect of the Group's operations, covering areas relating to both its internal and external stakeholders.

#### Stakeholder Engagement

Gaining insights into stakeholder perspectives is vital to ensuring the Group's ESG efforts align with expectations. Previously, 15 material ESG factors were developed from a comprehensive materiality assessment involving both internal and external stakeholders. In 2024, these factors were reviewed in consideration of shifting trends and market practices, and were deemed to remain relevant to the Group. Regular engagement with the Group's key stakeholders was maintained through a variety of online and offline methods, such as engagement surveys, cohesion initiatives, public events and on-site mental health support. Human-centric elements are also integrated into ESR facilities — see the case study "Integrating the Human-Centric Touch" featured under the "Stakeholder Engagement" section of the ESG Report 2024.

#### Safety, Health & Well-being

ESR recognises that all employees have the right to work in a safe and healthy environment, consistent with applicable laws and regulations. In addition to the Group's employees, the health and safety of its contractors across its portfolio is critical to the success of the Group. A comprehensive contractor safety management system was implemented to enhance on-site safety processes and ensure compliance with workplace health and safety regulations. Powered by Rapid Global, the system streamlines contractor performance monitoring, incident reporting and audits. Alongside leveraging technology to improve safety, the Group actively promotes health and well-being amongst its employees through regular online and in-person initiatives, while encouraging open discussions around mental health (refer to "R U OK? DAY" in the ESG Report 2024). The focus on well-being is also a highlight in South Korea, where 32 assets achieved the WELL Health-Safety Rating from the International WELL Building Institute ("IWBI"), up from 28 assets the previous year.



#### Managing & Developing Talent

The Group continues to prioritise employee engagement and well-being by focusing on leadership, career development, teamwork, communication and mental health. To address these areas, group and regional action plans were implemented to improve communication, collaboration and career opportunities, fostering a unified OneESR culture and a supportive workplace. ESR's Get Ahead Internship ("GAIN") Programme provided students with hands-on work experience, with 24 interns completing the Programme in 2024, while the New Employee Orientation sessions offered new colleagues valuable insights from ESR's senior executives who directly participate in the bi-monthly programme. Engagement was further enhanced through OneESR initiatives, promoting collaboration and alignment with the Group's vision of operating as a unified global platform.

#### Community Investment

Giving back to the communities where it operates is an important part of the Group's social impact initiatives. In 2024, ESR contributed over 4,500 volunteer hours to community investment initiatives across its markets, guided by the Group Social Impact Committee and its three social impact focus areas: Strengthening Social Resilience, Health, and Well-being; Promoting Education and Upskilling; and Protecting the Environment. Key initiatives include tackling food insecurity with "Eat Up Australia", supporting families in Hong Kong through ELCHK's "SIM Love" programme, funding scholarships in Singapore, improving access to education in village schools across India, conserving biodiversity with beehive installations at some of its Australia logistics hubs and combatting climate change with tree planting initiatives across the Group. Supported by the Employee Volunteering Leave policy, these efforts underscore ESR's commitment to fostering sustainable and meaningful change in the communities it serves.



R:KIDS space at ESR Ichikawa Distribution Centre in Japan.



Sandwich making in support of Eat Up in Brisbane, Australia

### Diversity, Equity & Inclusion

ESR recognises the importance of diverse representation and inclusion at every level of the organisation and remains committed to fostering diversity, equity and inclusion. Recruitment efforts were broadened to attract talent from all backgrounds, identities and skillsets, while empowering employees to grow both personally and professionally. At year-end 2024, women represented ~47% of ESR's workforce. The Group continues to promote gender diversity through targeted recruitment and leadership representation, including the appointment of a new female Non-Executive Director to the Board in 2024. This reflects its dedication to creating an inclusive culture built on trust, respect and equal opportunity for all. Each year, ESR continues to embrace International Women's Day with a series of events held across the Group.

### Happy International Women's Day #Inspireinclusion



ESR employees in support of International Women's Day 2024



## PILLAR 2: PROPERTY PORTFOLIO

This pillar focuses on the environmental impacts that ESR directly controls or exerts significant influence over in relation to the design, construction, maintenance and operations of its managed assets.

### Sustainable & Efficient Operations

Over the year, the Group actively pursued asset enhancement initiatives to improve energy efficiency across its strategic assets. In line with its commitment to decarbonise its portfolio, ESR collaborated with numerous stakeholders to implement various synergistic decarbonisation initiatives. Last year, ESR China launched the Changsha Yizhu Phase I “PV-Storage-Charging Integration” Project, combining solar photovoltaic (“PV”) power generation, energy storage and charging facilities into a smart microgrid. The 1.2 MW system, using 9,532 sqm of rooftop space and 2,105 solar panels, generates 1.2 million kWh of solar power annually, reducing coal consumption by 393.6 tonnes and CO<sub>2</sub> emissions by 1,196.4 tonnes, supporting China’s carbon neutrality goals and its transition to a low-carbon economy.

In Europe, ESR Europe’s Regional REIT partnered Sunbird Solar International to install solar panels on 19 properties, generating 4.17 MW and enhancing sustainability. This joint venture with Sugarbird SolarCo is also expected to provide green electricity, reducing carbon emissions by 713 tonnes. Similarly, Suntec City committed to sustainable and efficient operations by integrating its chilled water system into the Marina Bay District Cooling Network, enhancing energy efficiency and expanding Singapore’s largest underground district cooling network.



Green wall at ESR Ichikawa Distribution Centre, Ichikawa City, Japan



### Sustainable Building Certifications

As at end 2024, the Group achieved a total of 248 sustainable building certifications and ratings across 182 completed directly managed assets, representing approximately 14.4 million sqm in GFA. These certifications and ratings include LEED, NABERS, CASBEE, WELL, with several assets holding multiple certifications and ratings during the reporting year, demonstrating ESR’s commitment to sustainable and efficient operations. Refer to details under the “Sustainable Building Certifications” section of the ESG Report 2024.

### Climate Change Resilience

ESR is committed to future-proof its directly managed assets by taking action to identify, evaluate, mitigate and monitor the impacts of climate-related risks and opportunities across its portfolio. The Group adopts the principles prescribed by the International Sustainability Standards Board (“ISSB”)’s International Financial Reporting Standards (“IFRS”) S2, which has since incorporated the recommendations formerly under the Task Force on Climate-Related Financial Disclosures (“TCFD”) Framework. Guided by IFRS S2, the Group has commenced climate scenario analysis and climate-related risk assessments for certain portfolios. These assessments are designed to identify, evaluate and mitigate climate-related risks and opportunities across its portfolio. For further details, refer to climate-related disclosures under the “Climate Change Resilience” section of the ESG Report 2024.



### Flexible & Adaptable Properties

Quality, comfort, accessibility, and durability are attributes highly valued by the Group's customers. ESR utilises advanced technologies and high-quality resources during the design, construction and maintenance of its properties to prevent material degradation and ensure that they are safe and built-to-last. The Group strives to develop flexible, adaptable and state-of-the-art New Economy assets by catering to the diverse needs of various stakeholders, incorporating sustainable design and features and implementing cutting-edge technologies. Refer to case studies under the "Flexible & Adaptable Properties" section of the ESG Report 2024.

### Strategic Locations

The Group is committed to developing assets in strategic locations, with a sustainability focus on-site selection, efficient design, green construction and energy-efficient operations. Securing assets in key strategic locations provides its customers with faster speed to market, opportunity to reduce transport costs and related carbon emissions, as well as strengthen their supply chain resilience in the long run. As customer proximity is key, strategic site selection with a preference for infill areas close to infrastructure, customers and transportation is essential to ESR's business success.

ESR recognises that the design, construction, operation and maintenance of its assets can impact biodiversity through the selection and use of land and materials and creation of natural environments in this sector. Preserving biodiversity is crucial for sustaining natural ecosystems. Striking a harmonious balance between the built environment and nature is essential to minimise negative impacts on the environment. An exemplary illustration of its commitment to biodiversity management is Woody Meadows in Australia, where ESR Australia & New Zealand partnered the University of Melbourne on the Woody Meadows project to promote sustainability and biodiversity. This initiative started with planting native Australian shrubs at 80 Taryn Drive in 2023 and expanded in 2024 to two additional sites in Victoria. The project aims to test the viability of these low-maintenance plants on industrial sites, with initial findings expected in six months. It provides environmental and social benefits, enhancing aesthetics and biodiversity while reducing maintenance costs.



ESR Yokohama Sachiura Distribution Centre 1 and 2, Yokohama City, Japan



### PILLAR 3: CORPORATE PERFORMANCE

This pillar focuses on the corporate performance of ESR's business in the areas of corporate governance, risk management, responsible investment, disclosure and reporting and supply chain management.

### Corporate Governance

ESR has established a comprehensive and robust suite of corporate ESG policies that are aligned with global ESG frameworks, standards and industry best practices. These policies set the tone for a unified approach to corporate governance and serve to inform and guide its stakeholders on incorporating ESG into every aspect of the business and operations. The table below summarises the Group policies that are applicable to both internal and external stakeholders:

**8** DECENT WORK AND ECONOMIC GROWTH



### Group ESG Policies

<b>HUMAN CENTRIC (SOCIAL)</b> 	<b>PROPERTY PORTFOLIO (ENVIRONMENTAL)</b> 	<b>CORPORATE PERFORMANCE (GOVERNANCE)</b> 
<ul style="list-style-type: none"> <li>• Diversity, Equity &amp; Inclusion</li> <li>• Human Rights</li> <li>• Quality of Assets &amp; Services</li> <li>• Community Development</li> <li>• Group Human Resources</li> <li>• Employee Handbook</li> <li>• Health &amp; Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change, Adaptation, Mitigation &amp; Resilience</li> <li>• Net Zero Carbon</li> <li>• Energy &amp; Emissions Management</li> <li>• Environmental Resource Management</li> <li>• Environmental Protection</li> <li>• Environmental Management System</li> <li>• Indoor Environmental Quality</li> <li>• Sustainable Procurement</li> </ul>	<ul style="list-style-type: none"> <li>• Board Diversity</li> <li>• Delegation of Authority</li> <li>• Corporate Governance Code</li> <li>• Anti-Bribery, Corruption &amp; the Handling of Gifts, Travel &amp; Entertainment</li> <li>• Anti-Money Laundering &amp; Counter-Terrorist Financing &amp; Sanctions</li> <li>• Code of Conduct &amp; Business Ethics</li> <li>• Conflicts of Interest</li> <li>• Employee Dealing &amp; the Handling of Inside Information</li> <li>• Whistleblowing</li> <li>• Shareholder Communications</li> <li>• Enterprise Risk Management Framework</li> <li>• Conflicts of Interest in Relation to Fund Management &amp; Capital</li> <li>• Supplier Code of Conduct</li> <li>• Responsible Investment</li> <li>• ESG Data Collection &amp; Review</li> <li>• Information Security</li> <li>• Group Crisis Management</li> <li>• Social Media</li> </ul>

### Risk Management

Operating under the guidance of the Group's Enterprise Risk Management ("ERM") Framework, both climate change and cybersecurity have been identified as emerging risks that could materially influence its business and stakeholders over the long haul. In response, the Group established robust internal control mechanisms and mitigating action plans, tailored to actively manage such risks and strengthen the resilience of its business.

### Responsible Investment

ESR became a signatory to the UN PRI in 2022, reinforcing its commitment to integrating ESG considerations in its investment and asset management processes across the Group. In 2024, the Group participated in its inaugural mandatory PRI reporting, receiving a four-star rating for three core modules, reflecting its commitment to responsible investing. Enhancements were made to both the Group's Responsible Investment Policy and ESG Checklist, strengthening the Group's due diligence and risk assessment processes. Engagement and training sessions were conducted for employees to strengthen capabilities in responsible investment practices.

Demonstrating the Group's leadership in sustainable financing, ESR secured a landmark US\$2.5 billion sustainability-linked loan, the largest of its kind in Southeast Asia's real estate sector, bringing its total sustainability-linked loans to approximately US\$7 billion.

### Disclosure & Reporting

ESR is committed to upholding the best practices in disclosure and reporting, improving its ESG performance, and proactively engaging with its stakeholders. The Group's ESG performance is disclosed regularly through its participation in globally recognised and respected ESG benchmarks and ratings, ensuring its sustainability linked business initiatives are consistent with best practices.

### Supply Chain Management

ESR incorporates ESG considerations as part of its supply chain management on areas relating to sustainable procurement, operational resilience, and sustainability performance of suppliers, and works with its contractors to integrate the relevant ESG considerations into the Group's value chain. Impact assessments are conducted prior to construction, covering local environmental impact and compliance with applicable laws and regulations. Suppliers are required to adhere to the Group's Supplier Code of Conduct, setting out the standards relating to regulatory compliance, business conduct, labour practices, environmental protection, sustainable procurement, health and safety training and awareness amongst other areas.

To effectively handle the risks associated with counterparties, ESR's suppliers undergo a thorough screening and evaluation process, leveraging the advanced capabilities of ComplianceDesktop®. This tool is a key component of the refined Counterparty Due Diligence Workflow.

### 2024 ESG BENCHMARKS & RATINGS

#### UN PRI

**4-star** rating for three core modules

Signatory of:



#### GRESB

**3** Global/Regional Sector Leaders  
**12** x 5 Green-Stars Ratings  
(average 3.41)



G R E S B G R E S B  
★★★★★ 2024 REAL ESTATE  
sector leader 2024

#### ISS ESG

ISS Governance QualityScore

**1st** decile

ISS E&S QualityScores

**1st & 2nd** deciles

ISS ESG Corporate Rating

**3rd** decile, with Prime status



#### MSCI



CCC B BB BBB A AA AAA

#### Sustainalytics

ESG Risk Rating **COMPREHENSIVE**

**14.3** Low Risk





## Board of Directors

### Mr Jinchu SHEN, 52

#### Executive Director, Group Co-founder and Co-Chief Executive Officer

Date of first appointment as Director: 30 June 2011

Mr Jinchu Shen, also known as Jeffrey, is a co-founder of e-Shang Cayman Limited (“e-Shang”) and has been the Co-CEO of ESR Group since June 2011. He was appointed as a director of e-Shang on 30 June 2011 and following the 2016 Merger, was appointed as a Director and is responsible for overseeing ESR Group’s overall operations and business development, leading regional growth strategies, and expanding the Group’s asset and fund management platforms. Mr Shen was re-designated as an Executive Director on 22 February 2019.

Mr Shen is also a director of various subsidiaries of ESR Group. Mr Shen was appointed as a non-executive director of ESR-REIT Management (S) Limited (formerly known as ESR-LOGOS Funds Management (S) Limited) (the manager of ESR REIT which is listed in Singapore), and ESR Trust Management (Suntec) Limited (formerly known as ARA Trust Management (Suntec) Limited) (the manager of Suntec Real Estate Investment Trust which is listed in Singapore) since November 2023 respectively.

Mr Shen has over 25 years of industrial real estate experience in China. Prior to co-founding the Group in June 2011, Mr Shen held a variety of roles, including Senior Vice President, at GLP Investment Management (China) Co., Ltd. (全球物流資產公司(中國)) (formerly known as Prologis China) from January 2004 to September 2010, overseeing the Eastern China area. Mr Shen was the deputy director in DTZ Debenham Tie Leung International Property Advisers from June 2001 to December 2003 and prior to this, he was the assistant general manager of marketing at Shanghai Waigaoqiao Free Trade Zone Xin Development Co., Ltd from July 1995 to November 2000.

Mr Shen graduated from Shanghai Jiaotong University in China in July 1995, where he obtained a bachelor’s degree in technical economics. In July 2001, he obtained a master’s degree in business administration from Donghua University in China.

### Mr Stuart GIBSON, 61

#### Executive Director, Group Co-founder and Co-Chief Executive Officer

Date of first appointment as Director: 20 January 2016

Mr Stuart Gibson is a Co-founder of ESR Group, and was the co-founder and CEO of the Redwood group from July 2006 until the 2016 Merger, and he has been the Co-CEO of the Group since January 2016. He was appointed as a Director on 20 January 2016 and is responsible for overseeing ESR’s overall operations and business development. Mr Gibson was re-designated as an Executive Director on 22 February 2019.

Mr Gibson is also a director of various subsidiaries of the Group. He was appointed as a non-executive director of ESR-REIT Management (S) Limited (formerly known as ESR-LOGOS Funds Management (S) Limited) (the manager of ESR REIT which is listed in Singapore) since August 2023. Mr Gibson has been an independent director of SYLA Technologies Co., Ltd. (listed on Nasdaq) since July 2023.

Mr Gibson has over 29 years of real estate development and investment experience in Asia, which includes 15 years spent in the Japanese industrial real estate sector. Mr Gibson joined Prologis B.V. (formerly known as LogiStar B.V.) in 1998 as the development associate, and was subsequently seconded from Prologis B.V. to Prologis Japan as a vice president from 2000 and was later promoted to the country head of Prologis Japan. He is the former co-founder and co-CEO of AMB BlackPine from 2003 to 2006, which was subsequently incorporated into Prologis. He was also the chairman of AMB Property Corporation Japan Advisory Committee from July 2006 to December 2007.

## Mr Jeffrey David PERLMAN, 41

### Non-executive Director

Date of first appointment as Director: 14 June 2011

Mr Jeffrey David Perlman was appointed as a Director on 14 June 2011 and was re-designated as a Non-executive Director on 22 February 2019. He was appointed as ESR Group Chairman on 20 May 2019 and stepped down from his role as the Chairman with effect from 2 September 2024. He is also the member of the Remuneration Committee.

Mr Perlman is chief executive officer of Warburg Pincus from president for the firm since 2 September 2024. He is currently a member of the firm's executive committee and executive management group at Warburg Pincus. Mr Perlman has successfully expanded the Warburg Pincus's business in Asia Pacific overseeing the firm's private equity investing activities in Southeast Asia as well as its real estate business across Asia Pacific. In addition, he co-founded and sponsored some of the largest real estate companies in the region, partnering with entrepreneurs to build successful and sustainable companies. Mr Perlman currently serves or has previously served on the boards of directors for numerous leading companies including BW Industrial Development JSC, MoMo, StorHub, Princeton Digital Group Limited. In addition, Mr Perlman is also the chairman of the board of directors for the US-ASEAN Business Council, which works to create trade and investment opportunities in the economies of the Association of Southeast Asian Nations. He is also on the board of directors for the Detroit Children's Fund, a non-profit committed to improving the education outcomes for children in Detroit.

Mr Perlman was a non-executive director of ESR-LOGOS Funds Management (S) Limited (now known as ESR-REIT Management (S) Limited) (the manager of ESR-LOGOS REIT which is listed in Singapore) and ARA Trust Management (Suntec) Limited (now known as ESR Trust Management (Suntec) Limited) (the manager of Suntec Real Estate Investment Trust which is listed in Singapore) from January 2017 to August 2023 and from April 2022 to August 2023, respectively.

Prior to joining Warburg Pincus in 2006, Mr Perlman worked in the real estate investment banking group at Credit Suisse.

Mr Perlman received a bachelor's degree in business administration (B.B.A.) from the Ross School of Business at the University of Michigan.

## Mr Charles Alexander PORTES, 55

### Non-executive Director and Group Co-founder

Date of first appointment as Director: 20 January 2016

Mr Charles Alexander Portes, also known as Charles de Portes, is a Co-founder of the Group and was the co-founder and president of the Redwood group from July 2006 until the merger between e-Shang Cayman Limited, ESR Singapore Pte. Ltd. (formerly known as Redwood Group Asia Pte. Ltd.) and Redwood Asian Investments Ltd. pursuant to a merger agreement in January 2016, and he was the President of the Group from January 2016 to December 2020. He was appointed as a Director of the Group on 20 January 2016 and was responsible for overseeing the Group's overall private equity capital raising and operations and business development. He was re-designated as an Executive Director on 22 February 2019. With effect from 1 January 2021, he was re-designated from the Group's President and an Executive Director to a Non-executive director, and Chairman Emeritus of the Company's Capital Committee.

Mr Portes has over 28 years of real estate investment experience, including more than 20 years in the logistics and new economy sectors in Asia. Mr Portes was the co-founder and co-CEO of AMB BlackPine from 2003 to 2006, which was subsequently incorporated into Prologis and was a member of the AMB Property Japan Advisory Committee from June 2006 to August 2008. Mr Portes was the head of acquisitions and capital for Europe and Asia for Prologis from 1998 to 2003 and he worked in real estate, principally in investments, at Goldman Sachs Investment Holdings (Asia) Limited from 1996 to 1998.

Mr Portes graduated from The Johns Hopkins University in the United States in May 1991, where he obtained a bachelor's degree in international political economy. In July 1996, he further obtained a master's degree in business administration from INSEAD, France.

## Mr Rajeev Veeravalli KANNAN, 53

### Non-executive Director

Date of appointment: 20 January 2022

Mr Rajeev Veeravalli Kannan was appointed as a Non-executive Director with effect from 20 January 2022.

Mr Kannan has been the managing executive officer and co-head of Asia Pacific division in Sumitomo Mitsui Banking Corporation (SMBC) as well as in Sumitomo Mitsui Financial Group (SMFG) since April 2022. In his role, Rajeev is responsible for SMBC and SMFG's businesses in Asia Pacific region.

Mr Kannan's banking career spans over 30 years having held various leadership roles in Asia with global, regional and product responsibilities. Mr Kannan has deep experience in corporate and investment banking, structured finance, principal investments and infrastructure and green finance and is passionate about building businesses and diverse teams to drive innovation, adaptability and sustainable growth. Mr Kannan is also passionate about sustainability and green finance and is a thought leader in this space.

Prior to his current role, Mr Kannan was head of corporate banking, Asia Pacific between 2020 and 2022 and was head of investment banking, Asia Pacific between 2016 and 2020. Under Mr Kannan's leadership of corporate banking and investment banking, SMBC enhanced its platform in the region, grew its client base, built SMBC into the top player in infrastructure and green finance. Mr Kannan was based in Tokyo between 2012 and 2016 with responsibility for Global Structured Finance and was the first non-Japanese executive officer/general manager to be based in SMBC's head office.

Mr Kannan is a member of board of director of Clifford Capital Holdings and SMFG India Credit Company Limited. He was a member of Board of Director of Clifford Capital Group of companies during April 2016 to May 2024.

Mr Kannan started his career at ICICI Bank in Mumbai in 1994 after graduating from Birla Institute of Technology & Science (BITS), Pilani in India with a master's degree in management. Mr Kannan was conferred the Institute of Banking and Finance (IBF) Distinguished Fellow Award in 2019.

## Ms Joanne Sarah MCNAMARA, 43

### Non-executive Director

Date of appointment: 1 January 2024

Ms Joanne Sarah McNamara was appointed as a Non-executive Director with effect from 1 January 2024.

Ms McNamara has over 20 years of experience in real estate investments. Ms McNamara joined Oxford Properties in 2010 and is a member of Oxford Properties' executive leadership team, global investment committee and global executive committee. The real estate sectors covered by Oxford Properties' businesses include office, life sciences, built-to-rent residential, logistics and retail. Prior to joining Oxford Properties, Ms McNamara worked at DTZ and also Hammerson Plc in the corporate finance, investment and development aspects of the real estate sector.

Ms McNamara graduated from Cardiff University with a bachelor of science (honours) in mathematics, operational research and statistics and from Oxford Brookes University with a master of science in international real estate.



## Mr Brett Harold KRAUSE, 56

### Chairman and Independent Non-executive Director

Date of first appointment as Director: 20 May 2019

Mr Brett Harold Krause is an Independent Non-executive Director, the Chairman of the Remuneration Committee and the Nomination Committee, as well as a member of the Audit Committee. He was appointed as an Independent Non-executive Director on 20 May 2019 and was appointed as the Interim Chairman of the Board on 2 September 2024.

Mr Krause has extensive experience in the banking industry in Asia and in corporate management. Mr Krause joined Transcend Fund (a venture capital firm) in August 2022 and currently is a managing director. He has been a chairperson of Xterio (a global cross-platform play-and-earn developer and publisher) since May 2022. Mr Krause served as chief investment officer of FunPlus from March 2018 to August 2022. Founded in 2010, FunPlus is a world-class, independent game developer and publisher headquartered in Switzerland and with operations in China, Japan, Singapore, Spain, Sweden, and the United States. Prior to FunPlus, Mr Krause was the managing partner at PurpleSky Capital LLC, a China-based angel venture capital firm specialising in funding start-ups in high-tech sectors, from July 2016 to February 2018.

Mr Krause was the president of JPMorgan Chase Bank (China) Co. Ltd. from January 2014 to July 2016. Prior to that from August 1996 until December 2013, he held various leadership roles at Citigroup, where he served as Citi country officer for Citibank Vietnam from 2008 to 2013. Mr Krause has been an independent board director of East West Bank (China) Limited (wholly owned subsidiary of East West Bank) since November 2017.

Mr Krause graduated from Georgetown University in the United States in May 1991, where he obtained a bachelor of science degree in foreign service. In May 1996, he further obtained a master's degree in business administration from Columbia Business School of Columbia University in the United States.

## Mr Simon James McDONALD, 62

### Independent Non-executive Director

Date of first appointment as Director: 20 May 2019

Mr Simon James McDonald is an Independent Non-executive Director and also the Chairman of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee. He was appointed as an Independent Non-executive Director on 20 May 2019.

Mr McDonald has extensive experience in real estate and management in Asia Pacific and was the head of asset management at Asia Pacific Land from February 2015 to May 2019, and was responsible for the day-to-day oversight of Asia Pacific Land's asset management activities. Prior to this, Mr McDonald held various roles at GE Capital Real Estate, in Sydney in Australia and Tokyo in Japan, from August 1997 to September 2013, including managing director Asia Pacific (portfolio strategy), managing director Asia Pacific (asset management), managing director Asia Pacific (risk management), joint managing director for Australia and New Zealand, and director (risk management).

Mr McDonald graduated from The Australian National University in Australia in May 1987, where he obtained a bachelor's degree in economics. In May 1991, he further obtained a master of business from the University of Technology in Sydney, Australia. Mr McDonald is a member of CPA Australia since April 1987, and subsequently became a fellow member since May 2014. He has also been a fellow of the Financial Services Institute of Australia since June 2005. In addition, Mr McDonald is a member and a graduate of the Australian Institute of Company Directors since August 2013 and May 2014, respectively.

## Ms Serene Siew Noi NAH, 45

### Independent Non-executive Director

Date of first appointment as Director: 19 April 2022

Ms Serene Siew Noi Nah is an Independent Non-executive Director and also a member of the Audit Committee and the Nomination Committee. She was appointed as Independent Non-executive Director on 19 April 2022.

Ms Nah joined Digital Realty (listed in New York) in January 2023 and currently is a managing director and head of Asia Pacific. Before joining Digital Realty, she had been an executive director since October 2021 and the chief financial officer since September 2020 of Kerry Properties Limited (listed in Hong Kong) to August 2022. She was also the chief strategy officer of Kerry Properties Limited from October 2019 to August 2020. Prior to that role, Ms Nah was the head of portfolio management, Asia of SilverLake Partners, where she worked closely with portfolio company executives on value creation and Asian expansion initiatives. Prior to SilverLake Partners, she has spent ten years at General Electric in finance, merger and acquisitions and various transformation teams. In her last role as the chief financial officer of GE Capital Greater China, she spearheaded the build out of GE's commercial and consumer finance businesses in Mainland China, Hong Kong and Taiwan.

Ms Nah is the chairman and non-independent non-executive director of Digital Core REIT Management Pte. Ltd. (the manager of Digital Core REIT which is listed in Singapore) since February 2025 and October 2023 respectively. In addition to her corporate responsibilities, Ms Nah is actively engaged in the industry and currently holds the position of Vice-Chair at the Asia-Pacific Data Centre Association (APDCA).

Ms Nah graduated from Nanyang Technological University, Singapore with a bachelor degree in business studies, and also holds an executive master of business administration from Kellogg-HKUST Executive Master of Business Administration Program.

# Group Leadership Team and Business Leadership Team

## MR JINCHU SHEN

**Executive Director, Group Co-founder and Co-Chief Executive Officer**

Please refer to description under the “Board of Directors” section on page 44.

## MR STUART GIBSON

**Executive Director, Group Co-founder and Co-Chief Executive Officer**

Please refer to description under the “Board of Directors” section on page 44.

## MR PHILIP PEARCE

**Group Deputy Chief Executive Officer  
CEO, ESR Australia & New Zealand**

Mr Philip Pearce was appointed Group Deputy Chief Executive Officer in May 2024 while continuing in his role as Chief Executive Officer, Australia & New Zealand. He has been instrumental in the rapid growth of ESR’s leading New Economy real estate platform in Australia since its inception in 2018. He has taken on the additional ESR Group leadership role to leverage his nearly 30 years of industry experience in Asia with a focus on supporting the continued growth of the Group and driving shareholder value.

Before joining ESR, Mr Pearce had a highly successful tenure at Goodman Group from 2002 to 2016 where he held senior positions in Singapore, Shanghai and Hong Kong, including seven years as Managing Director — Greater China where he oversaw the buildup of the China and Hong Kong businesses, and served as an Executive Director on the Board of Goodman Group. Mr Pearce also worked at Ascendas REIT in Singapore and AMP Capital Limited in Sydney earlier in his career.

Mr Pearce holds a bachelor’s degree in land economy from the University of Western Sydney, and a graduate diploma in applied finance from the Australian Securities Institute. He is also a member of the Australian Institute of Company Directors.

## MR IVAN LIM MING REAN

**Group Chief Financial Officer**

Mr Ivan Lim was appointed as the Group Chief Financial Officer of ESR since 19 September 2022 and is responsible for all aspects of the Group’s financial management, including finance (accounting, tax, budgeting and forecasting), financing (debt and equity), and investor relations.

Prior to his appointment, Mr Lim helmed as chief financial officer of LOGOS Property Group Limited and ARA, both of which are key subsidiaries of ESR Group post its acquisition of ARA. Mr Lim brings more than two decades of real estate experience to the Group, having held leadership positions spanning fund management and investment, asset management, advisory and consultancy, corporate finance, group treasury and statutory reporting. Prior to joining LOGOS, Mr Lim was group chief financial officer of OUE Limited. His leadership experience included roles as chief financial officer of Mapletree Logistics Trust Management and Keppel REIT Management Limited.

Mr Lim received a bachelor’s degree in estate management (second upper class honours) from the University of Malaya in September 1999. He was admitted as a Fellow of the Association of Chartered Certified Accountants in October 2009 and as a Chartered Accountant of Singapore in December 2016. Mr Lim also became a licensed valuer with the Malaysia Board of Valuers in January 2007.

## MR JOSH DAITCH

**Group Chief Investment Officer**

Mr Josh Daitch was appointed Group Chief Investment Officer on 11 July 2023 and is responsible for fund management, capital raising and driving new product creation. Prior to this appointment, Mr Daitch was Group Head of Fund Management and Capital. Mr Daitch brings nearly three decades of real estate investment experience to the Group, having held leadership roles across the private equity and real estate divisions in various financial institutions, including SAJE Capital and Mesirow Financial, where he founded the real estate investment management division.

Mr Daitch began his career with Goldman Sachs’ joint venture with the J.E. Robert Companies and helped start the Goldman Sachs subsidiary, the Archon Group, in 1996.

Mr Daitch received his master of business administration degree from Northwestern University’s Kellogg School of Management and bachelor of business administration degree with high distinction from the University of Michigan.



**MR MATTHEW LAWSON****Group Chief Operating Officer**

Mr Matthew Lawson was appointed Group Chief Operating Officer on 11 July 2023. In this role, he supports the Group Co-CEOs and works closely with the ESR business unit leadership in the delivery of key growth initiatives and performance across the Group. He is also responsible for optimising the Group's operating capabilities. Additionally, he oversees information technology and the insurance and business resilience functions.

Prior to his current appointment, Mr Lawson was responsible for managing the finance, corporate development, treasury, information technology and newly created clean energy infrastructure functions at ESR Australia as its chief financial officer.

Mr Lawson brings with him over 20 years of experience in leading global real estate investment and financial services companies across the Asia Pacific region. Prior to joining ESR in 2020, he was an executive director and chief financial officer of Hongkong and Shanghai Hotels Limited. Before this, he was a managing director at JPMorgan and head of their real estate investment banking practice in Asia, based in Hong Kong.

Mr Lawson holds a bachelor of international business relations from Griffith University, a bachelor of commerce from The University of Queensland and holds a certificate in Chinese studies from Johns Hopkins School of Advanced International Studies (SAIS) and Nanjing University.

**MS ZOE SHOU WENYI****Group General Counsel**

Ms Zoe Shou joined the Group in February 2012 and is currently the General Counsel of ESR. She is responsible for overseeing legal matters in relation to group debt and equity financing, fund raising and fund management transactions, acquisition and disposition and other significant transactions as well as regulatory compliance and general corporate matters. Prior to joining ESR, Ms Shou was previously at King & Wood Mallesons where she represented underwriters and issuers on debt and equity offering, and advised private equity investment and merger and acquisition transactions.

Ms Shou graduated from East China University of Political Science and Law.

**MR JOHN MARSH****Chairman, ESR Australia & New Zealand****Executive Chair, Infrastructure**

Mr John Marsh has over 25 years experience in the global property arena in a career managing an extensive portfolio of logistics real estate and forging a global network of relationships in property, commerce and industry.

At ESR, Mr Marsh is responsible for supporting the continued growth of the ESR Australia & New Zealand business and the Group's infrastructure and renewables platform. Before the integration of LOGOS into ESR Group in 2024, Mr Marsh as LOGOS Co-CEO and Co-founder, helped grow the LOGOS business to over 10 million sqm of property owned and under development across 31 ventures.

Prior to LOGOS, Mr Marsh played a key role in establishing Goodman to be Australia's leading business place developer establishing joint ventures for Goodman across both the fund management and development platforms in Australia, New Zealand and Asia with clients including Toll, DHL and Linfox. Mr Marsh also led Australand's NSW and Queensland commercial development division.

Mr Marsh's qualifications and career foundations are in architecture and engineering in the commercial and industrial sectors.

## Business Leadership Team

### MR BO ZHOU

Chief Operating Officer, ESR China

### MR SIMON WANG

Managing Director, ESR China

### MR ROUN BARRY

CEO, ESR Europe

### MS RUI HUA CHANG

Managing Director, Business Management and Investment, ESR Hong Kong

### MR ABHIJIT MALKANI

CEO, ESR India

### MR HIDEAKI MATSUNAMI

Managing Director, ESR Japan

### MR THOMAS NAM

CEO, ESR Korea

### MR JIHUN KANG

Chief Investment Officer, ESR Korea

### MR JAI MIRPURI

Head, Southeast Asia

### MR DIARMID MASSEY

CEO, Data Centres

### MR PAYAM ESHRAGI

Group Head, Infrastructure

## Business Leadership Team — REITs

### MR ADRIAN CHUI

CEO, ESR-REIT

### MR SANGHWOI BAE

CEO, ESR Kendall Square REIT

### MS JUSTINA CHIU

CEO, Fortune REIT

### MS MAVIS WONG

CEO, Prosperity REIT

### MR KEE HIONG CHONG

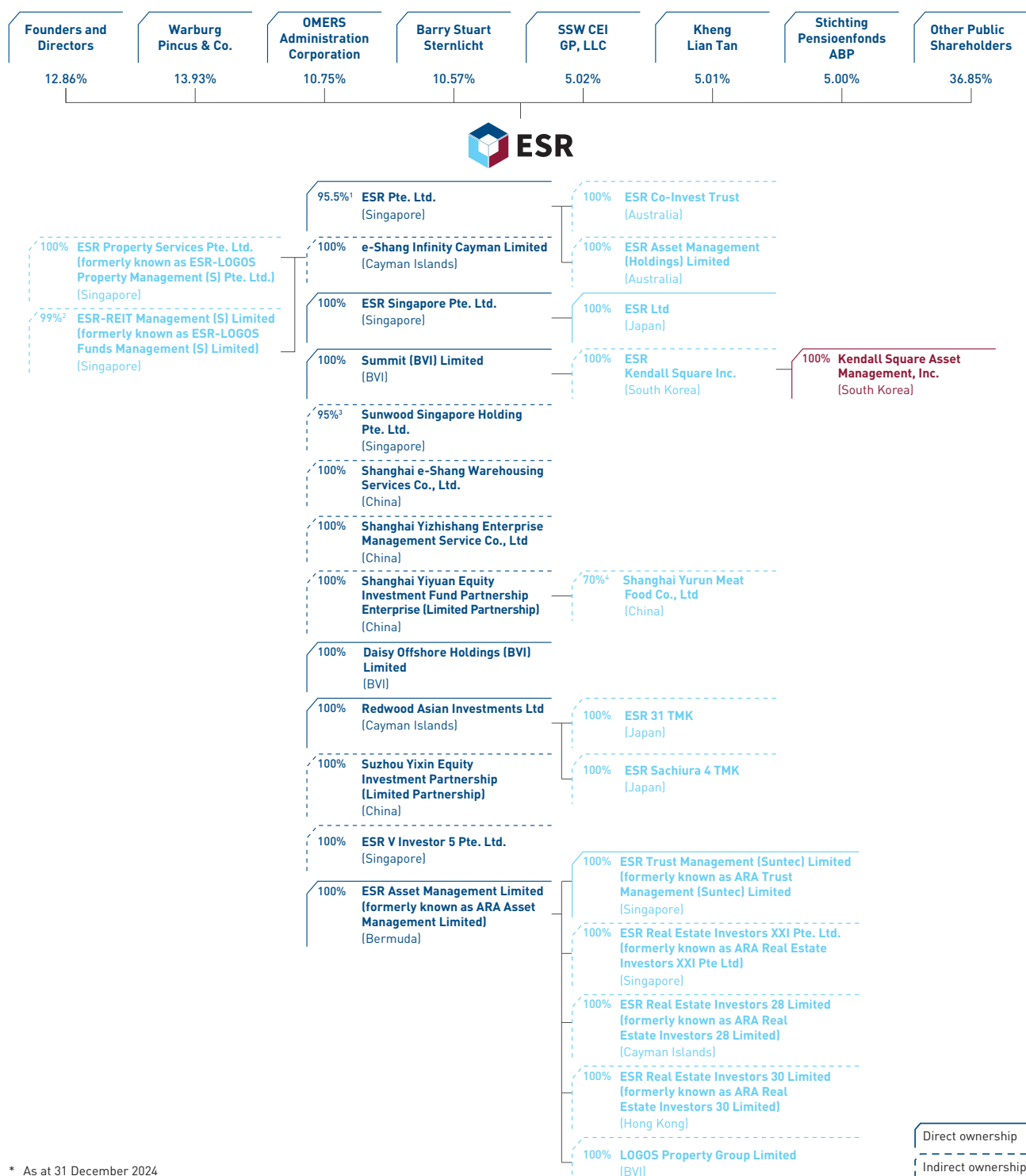
CEO, Suntec REIT

Note: The leadership team list pertains to the year ended 31 December 2024.



ESR Higashi Ogishima Distribution Centre, Kawasaki City, Japan

# Corporate Structure



## Notes:

- The remaining 4.5% equity interest in ESR Pte. Ltd. is held by Rosewood (Cayman) Holdings, the ultimate beneficial owner of which is a director of certain subsidiaries of the Group.
- 1% equity interest in ESR-REIT Management (S) Limited (formerly known as ESR-LOGOS Funds Management (S) Limited) is held by Shanghai Summit Pte. Ltd., an independent third party to the Group.
- The remaining 5% equity interest in Sunwood Singapore Holding Pte. Ltd. is held by Mr Thomas Nam as to 3%, CEO of ESR Korea, and by Mr Jihun Kang as to 2.0%, CIO of ESR Korea.
- The remaining 30% equity interest in Shanghai Yurun Meat Food Co., Ltd. is held by Jiaying Yishang Equity Investment Partnership (Limited Partnership), which is controlled by a fund managed by ESR.



# Investor Relations

ESR believes in cultivating strong and sustainable relationships with external and internal stakeholders. ESR's senior management, Group Investor Relations ("IR") and Group Communications teams place great importance on providing effective two-way communication between the company and key stakeholders, from shareholders to investors, analysts, the media and members of the public. By adopting best practices and maintaining factual accurate and credible communications, the Group aims to foster understanding and knowledge of ESR's strategies, developments, and performance. ESR's communication policy is grounded in the principles of efficiency, transparency, and clarity.

## FOSTERING TRANSPARENCY AND ENGAGEMENT WITH THE INVESTMENT COMMUNITY

ESR is committed to providing fair, transparent, and timely disclosure of new material information, including announcements, press releases, and presentations, on The Stock Exchange of Hong Kong. These news and updates are also shared through multiple channels such as ESR's website and its LinkedIn Platform. Additionally, the Group maintains a comprehensive IR webpage featuring announcements, IR policies, and resources such as financial results and annual reports. Investors can easily subscribe to an email alert service on the website to stay informed about the latest updates, as well as reach out to the Group IR and Group Communications teams through dedicated email addresses for queries or feedback. The details are provided at the end of this section.

ESR regularly hosts financial results presentations and discussions by its senior management to provide investors with updates on its business strategy, operations and performance. This includes half yearly live webcasts that offer the investment community an opportunity to engage directly with management. Recordings of these live audio webcasts are made available on ESR's corporate website for convenient access.

## PROACTIVE INVESTOR ENGAGEMENT

ESR's investor engagement programs run throughout the year, in a combination of physical, virtual and hybrid formats to facilitate all-round investor participation. During the financial year, ESR engaged the investor community through multiple platforms which included participation in major investment bank conferences, non-deal roadshows, and individual investor updates. These sessions enabled access to potential new investors while strengthening existing relationships with long-term investors. During the financial year, the Group hosted site visits to assets across its various markets such as Japan, Vietnam and China as well as conducted a Data Centre teach-in session. The Group IR team has continued its engagement with external stakeholders in accordance with the provisions as set out in the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code") following the release of the announcement pursuant to Rule 3.7 and Rule 3.5 of the Takeovers Code on 13 May 2024 and 4 December 2024 respectively.

The Annual General Meeting ("AGM") is an important platform between the Board of Directors and senior management team to meet with our shareholders and communicate ESR's latest developments and long-term strategies as well as address their questions about ESR's business.

In collaboration with the Group's treasury team and senior management, the IR team also facilitated presentations with institutional debt investors and regularly engage with banks, rating agencies and other credit investors throughout the course of the financial year.

## FINANCIAL CALENDAR

Results announcement for FY2024	25 March 2025
AGM for FY2024	12 June 2025
Interim results announcement for the half-year ending 30 June 2025 (tentative)	by 31 August 2025



ESR Board of Directors and management team at the ESR FY2023 AGM

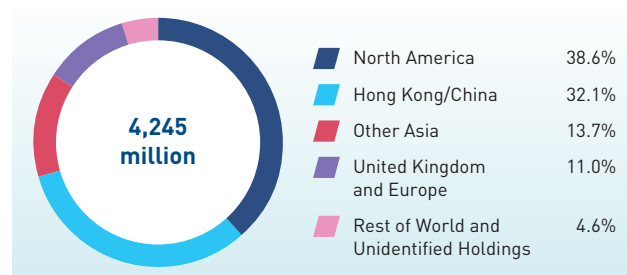
### Shareholding Base by Investor Type

As of end December 2024



### Shareholding Base by Geographical Distribution

As of end December 2024



### SHAREHOLDING AS AT 31 DECEMBER 2024

Size of registered shareholding	No. of shareholders	% of shareholders	No. of shares	% of issued share capital
500 or below	53	57.0%	11,256	0.0%
501–1,000	15	16.1%	12,200	0.0%
1,001–10,000	19	20.4%	77,400	0.0%
10,001–100,000	3	3.2%	85,400	0.0%
100,001–500,000	–	–	–	–
Above 500,000	3	3.2%	4,245,242,093	100.0%
<b>Total</b>	<b>93</b>	<b>100.0%</b>	<b>4,245,428,349</b>	<b>100.0%</b>

\* 98.9% of total issued shares or 4,198,733,437 shares were held through the Hong Kong Securities Clearing Company Limited as at 31 December 2024.

**Public Float:** No less than 25% of the total issued share capital of the company will be held by the public in compliance with the requirements under Rule 8.08(1) of the Listing Rules.

### SHARE PRICE PERFORMANCE

STOCK CODE: 1821	FY2024
Share Price (HK\$) (Based on end of day closing price)	
2 January 2024*	10.74
Max	13.00
Min	7.45
Average	10.83
31 December 2024	11.94
Total volume (million shares)	1,880.86
Average daily trading volume (million shares)	7.80

#### ESR GROUP INVESTOR RELATIONS CONTACT

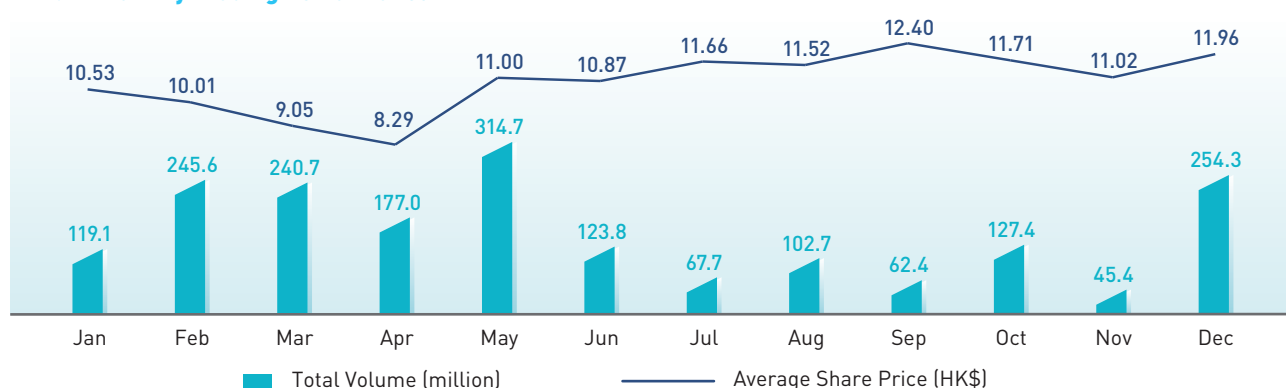
Email: [ir@esr.com](mailto:ir@esr.com)

#### ESR GROUP COMMUNICATIONS CONTACT

Email: [media@esr.com](mailto:media@esr.com)

\* 1 January 2024 is a non-trading day

### FY2024 Monthly Trading Performance



# Risk Management

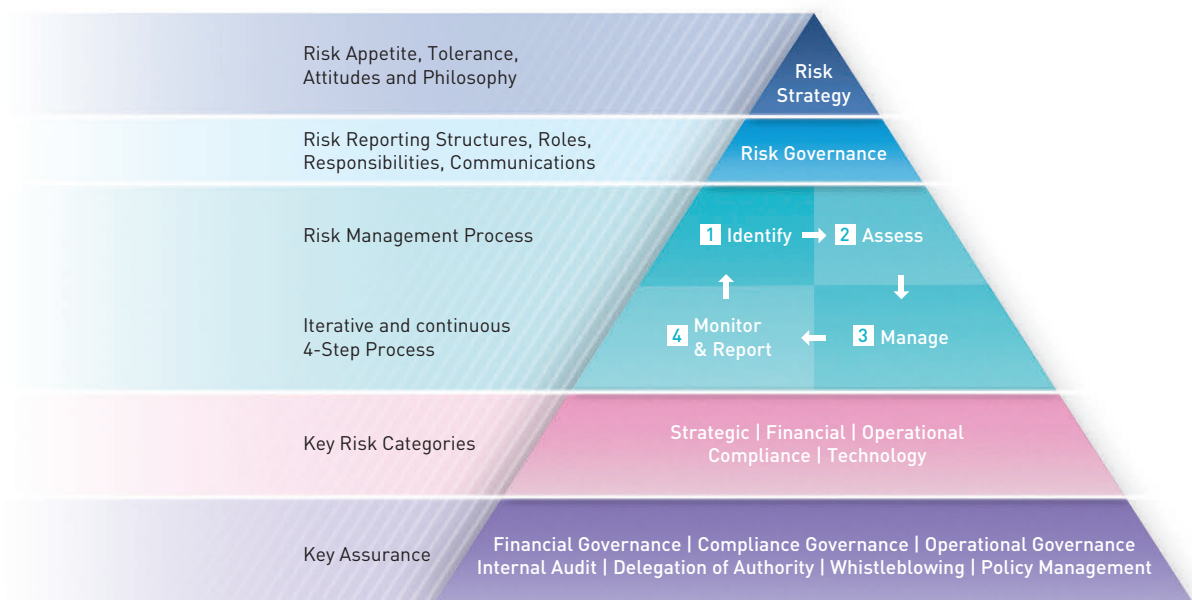
The Group takes a proactive approach in having a sound and robust risk management framework that ensures the Group is ready to meet challenges and seize opportunities through risk-informed decision-making. The risk management programme not only plays an integral part of the Group's business, both strategically and operationally but also aims to create value for ESR's stakeholders. ESR's objective is not risk minimisation, but rather the optimisation of opportunities within the known and agreed risk levels set by the Board of Directors ("**Board**").

The Group's ERM Framework provides a systematic approach to identify, assess, monitor, and report risks. It is designed to be dynamic, fostering an effective risk culture and responding promptly and effectively in a constantly evolving business environment. At ESR, the risk management culture involves both top-down oversight from the Board and management and bottom-up engagement from employees. This ensures a risk approach that is aligned with the Group's business objectives and strategies and also helps the organisation anticipate its risk exposure, with mitigating controls in place to counter threats, while pursuing its objectives.

## STRONG OVERSIGHT AND GOVERNANCE

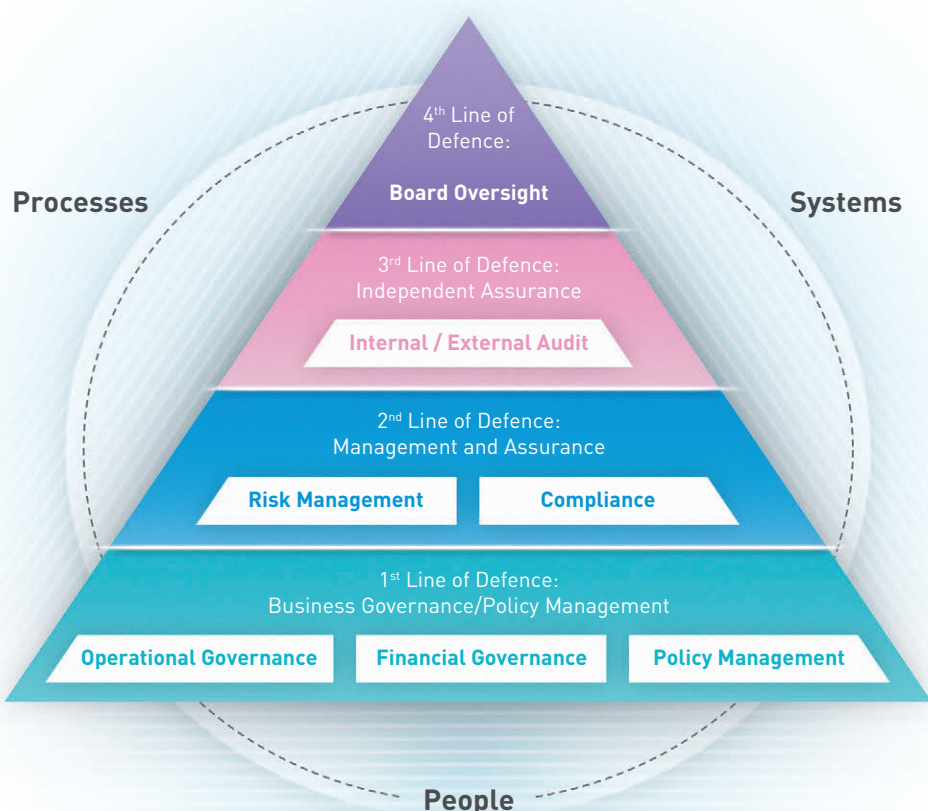
The Board is responsible for determining the Group's overall risk strategy, governance and maintenance of a sound system of risk management and internal controls in accordance with market practices and regulatory requirements. The Board also approves the risk appetite statements, which set out the nature and extent of risks that can be taken to achieve the Group's business objectives. The Board reviews the adequacy of the resources involved in establishing the risk management framework across the Group and monitors the independence of the risk management function throughout the Group. The Board, supported by the Audit Committee, comprises Directors, whose collective diverse experience and knowledge serve to provide guidance and strategic insights, and oversee the design, implementation and monitoring of risk management within the Group. The Audit Committee comprises three Independent Non-Executive Directors and meets at least twice annually.

In establishing an organisation-wide risk governance structure, ESR adopts an ERM Framework which is adapted from ISO 31000 International Risk Management Standards, COSO Internal Control-Integrated Framework and the TCFD — now under the purview of the ISSB. It provides a holistic and consistent process for identifying, assessing, monitoring and reporting of risks. This framework aims to drive risk accountability and ownership at all levels of the organisation, while maintaining the appropriate level of commitment and segregation across stakeholder groups. The Group Risk Management department works closely with the management to continually review and enhance the risk management system in accordance with market practices and regulatory requirements, under the guidance and direction of the Audit Committee and the Board. Major changes to the ERM Framework, risk policies, risk parameters and terms of references are discussed with the Audit Committee. Over the past financial year, the ERM Framework underwent key refinements, including the enhancement of impact parameter descriptions for risk prioritisation and the establishment of a more comprehensive approach in identifying, assessing, and managing climate-related risks. These updates received the Audit Committee's endorsement within the same period.





In establishing an organisation-wide risk governance structure, ESR adopts the “four lines of defence” model. This governance model drives risk accountability and ownership at all levels of the organisation while maintaining appropriate commitment and segregation across stakeholder groups.

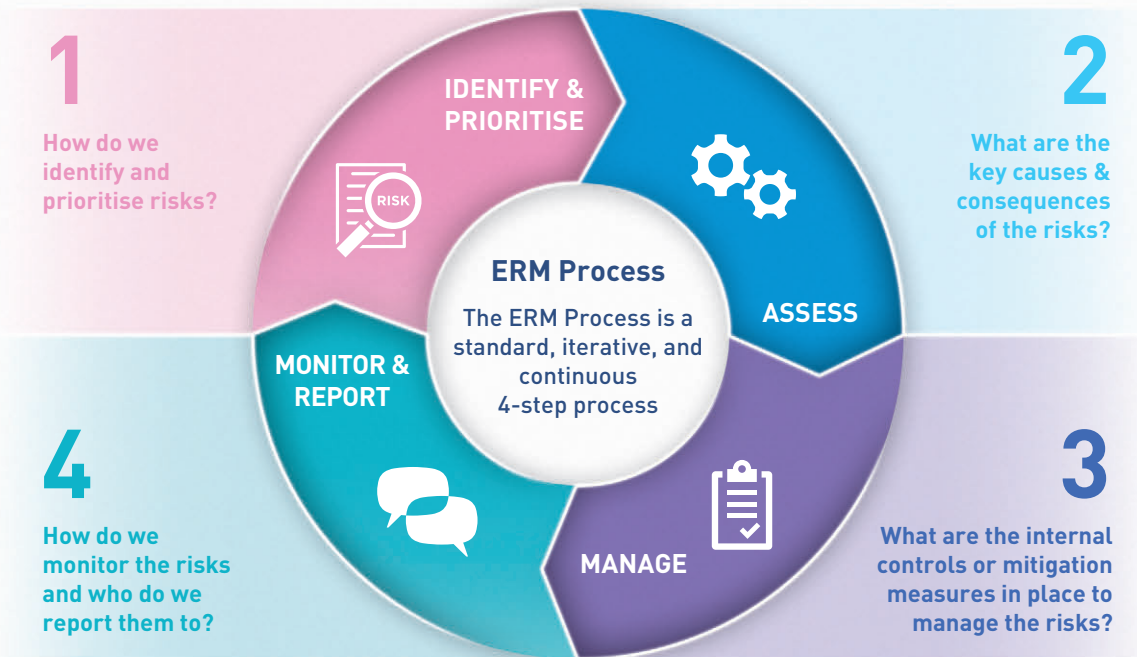


#### Four Lines of Defence

First Line of Defence: <b>Business Governance/ Policy Management</b>	Processes, systems and risk owners constitute the first line of defence. Risk management should be embedded in day-to-day operations and governed by relevant established Group-wide policies and procedures that can manage risks to an acceptable residual level for the achievement of the business objectives.
Second Line of Defence: <b>Management and Assurance</b>	This line of defence comprises risk management and compliance-related functions within the Group. The main role of these functions is to ensure risk management and compliance-related frameworks are well defined and consistently applied across the organisation and embeds a culture of risk ownership and accountability.
Third Line of Defence: <b>Independent Assurance</b>	Functions in this line of defence primarily provide independent assurance over the adequacy and effectiveness of risk management and internal control systems design and recommend changes or improvements in response to the evolving internal and external business and control environments.
Fourth Line of Defence: <b>Board Oversight</b>	The last line of defence against risks in any organisation is the Board of Directors. The Board, supported by the Audit Committee, is overall responsible for the governance and oversight of risk management and internal control systems within the Group to safeguard the interests of the Group and its stakeholders.

## RISK MANAGEMENT PROCESS

The Group adopts a four-step iterative risk management process aimed at identifying, assessing, managing, monitoring and reporting different types of risks.



### Risk Identification

The management adopts an integrated top-down and bottom-up risk review process to enable comprehensive identification and prioritisation of key risks throughout the Group. Key stakeholders within the organisation will come together to discuss the top-tier risks and examine any other risk issues and emerging risks that they consider important. This ensures a risk approach that is aligned with the Group's business objectives and strategies, and integrated with operational processes for effectiveness and accountability. The risk identification process includes the establishment of risk context, identification of risk factors, analysis and evaluation of risk levels and their related likelihood and impact on the business performance of the Group. The Group's risk profile, including key risks, is reviewed and refreshed annually, or more frequently when the business environment warrants. The information is maintained and documented in a risk register, with risks sub-categorised into strategic, financial, operational, compliance and technology. Within the category of operational risk, the Group also considers climate-related risks which are relevant to the business.

A five-by-five risk matrix is used as the primary tool to facilitate the prioritisation of risks based on likelihood and impact. Risks are valued on the matrix based on the likelihood of occurrence and magnitude of impact should the risks materialise. The magnitude of impact includes consideration of financial, regulatory, reputational, operational and environmental effects. Parameters representing ESR's risk appetite and tolerance are also established to guide the evaluation of risks on the matrix. This risk identification exercise monitors any risk changes and trends as well as the effectiveness of the related control mechanisms and/or control activities within the overall risk profile. The Group Risk Management department works closely with the risk owners to identify key risks, assess their likelihood and impact on the Group's business, and establish corresponding mitigating controls to manage these risks. The Group has also developed internal key risk indicators that serve as an early-warning system to highlight risks that have escalated beyond the agreed tolerance levels. In addition, the management has established required follow-up actions to be taken when risk thresholds are breached. The key risks and key risk indicators are reviewed by management and Audit Committee before they are drawn to the attention of the Board.

### Risk Assessment and Management

In-depth risk assessments are performed for key risks faced by the Group, considering potential drivers, likelihood of risks occurrence, consequences and the mitigating controls in place to manage them. These risk assessments are conducted with risk owners at both country and Group levels during facilitated risk prioritisation and training workshops throughout the year. Action plans are then identified to further manage risks as necessary. Risk assessments are also reviewed periodically to ensure continued relevance to the Group. The process and its outcomes are documented to facilitate communication and provide information for decision-making. The risk review process provides a comprehensive approach to identifying and prioritising material risks, managing them at the appropriate organisational level, and maintaining robust governance of the Group's risk mitigation efforts.

The Group has put in place various policies and procedures to mitigate key risks to an acceptable residual level based on the Board and management's risk appetite and tolerance. These policies and procedures aim to drive consistency in work processes and facilitate the understanding and effective implementation of controls within operations. All policies and procedures are reviewed on a periodic basis to ensure they remain relevant. Key updates and revisions to policies and procedures are approved by appropriate parties and communicated to all relevant parties.

### Risk Monitoring and Reporting

To ensure that risk management remains focused and effective, the Group has set in place mechanisms to monitor and report risks on a regular basis. Appointed risk owners are responsible for the continuous monitoring of their respective risks. They undertake an iterative and comprehensive approach according to the established risk governance structure and process in identifying, assessing, managing, monitoring and reporting of key risks. Key issues noted are highlighted to appropriate parties in a timely manner. On a half-yearly basis, key updates on any material changes to the Group's risk profile, the implementation status of the risk management activities and controls, and plans undertaken to manage key risks are presented to the management, Audit Committee and Board for reviews and discussions.

### RISK CATEGORIES

#### Strategic Risk

The Group strives to bring sustained value and growth to investors and shareholders by maintaining and strengthening its position as a leading New Economy real estate platform. ESR's portfolio is subject to industry-related market risks such as rental rate and occupancy volatilities, as well as country-specific risks such as competition, supply, demand and local regulations. Such risks are quantified and monitored for existing assets and prospective acquisitions, where applicable. Each new investment opportunity is subject to a rigorous, disciplined and thorough evaluation process including assessing the asset quality, market valuation, yield accretion, expected returns, professional third-party due diligence, future growth potential and sustainability of asset performance, taking into account the existing economic and financial market conditions. Each development project is subject to rigorous evaluation of land acquisition, review of the design and build of the assets and construction methods. Investment proposals are subject to rigorous scrutiny by ESR's Investment Strategy Committee and/or the Board in accordance with its approved delegation of authority. These risks which can directly impede the Group from achieving its strategic objectives are closely managed and monitored within the organisation. In addition, the Group ensures that there is effective communication with investors and business partners through regular dialogues to manage expectations, along with delivering excellent performance and track records.

Leveraging its strategically diversified network spanning key markets across Asia Pacific, coupled with a quality tenant base focusing on e-commerce and third-party logistics companies, ESR has remained resilient to market changes and disruption with its disciplined capital management and robust fundraising for its third-party vehicles. In addition, ESR actively monitors macroeconomic trends, policies and regulatory changes which affect its operating markets, while assessing its investment projects.

The Group provides a suite of private real estate fund and REIT products that embrace every stage of the asset life cycle in the New Economy and prime commercial sectors. It also develops and manages a network of superior logistics, data centres and commercial assets across Asia Pacific's dynamic growth markets. In addition, the Group is committed to integrate ESG into every aspect of its business, investments and operations.



### Financial Risk

The Group believes that financial prudence is integral to business sustainability and adopts a disciplined financial management by maintaining a strong balance sheet and robust capital management. Management closely manages and monitors financial risks — including liquidity, credit, currency, and interest rate risks — through a comprehensive strategy of maintaining a well-staggered debt maturity profile, actively monitoring credit spreads and interest rate volatility, implementing strategic hedging approaches, and maintaining a low gearing ratio. Management also maintains a robust cash flow position and ensures that there are sufficient working capital lines to meet financial obligations. The Group also proactively diversifies its funding sources to reduce dependency on any single funding source for its financing and refinancing needs. Financial reports and key risk indicators are submitted to the Board at least twice a year.

### Operational Risk

The Group has established a set of comprehensive policies and procedures designed to identify, manage, monitor and report operational risks associated with its day-to-day activities and to facilitate the understanding and implementation of different work processes. These operational procedures and guidelines are reviewed regularly to ensure its relevance and effectiveness. In addition, compliance with standard operating procedures are assessed through training of employees and regular reviews by the Group Internal Audit department to provide recommendations on any gaps identified. As part of the business continuity procedures, incident reporting and escalation protocols are established and communicated to all staff for emergencies. This is to ensure the Group is able to respond effectively to disruptions resulting from internal and external events, while continuing its critical business functions and minimising impact on its people, assets and operations. ESR also recognises that human capital is key to the business and has put in place talent attraction and management measures, including succession planning, periodic benchmarking of staff remuneration, performance-based rewards, among others. The Group has established a performance management framework to review employees' performance annually. A rating will be given to each of the employees depending on their performance and remuneration will be rewarded accordingly based on the rating. ESR has a dedicated Talent Management and Learning team within the Group HR function, designed to drive group-wide talent management and learning strategies. Training activities include job-related training opportunities, such as those pertaining to new regulations, external certification, safety-related courses and other customised leadership workshops. To ensure continuous

professional development, all staff are required to complete a minimum of 16 training hours annually as part of their individual development plans.

With increased scrutiny on climate change and its associated impacts, along with tighter climate-related regulations, ESR Group is cognisant of the implications that climate change poses for the business. By identifying and assessing climate-related risks and opportunities at the highest level of the organisation and mitigating their associated impacts, the Group is able to build a climate-resilient, future-proof portfolio.

In its transition to a low-carbon and climate resilient future, ESR is committed to enhancing the Group's environmental performance by embedding sustainability throughout the life cycle of its assets. A comprehensive ESG Checklist, approved by the Investment Committee, was established focusing on ESG requirements by fund investors, which covers climate-related risks, building certifications, renewable energy adoption, indoor environmental quality, material sourcing and sustainable procurement, building technical assessments and environmental management systems, energy, water and waste management efficiencies, occupier considerations, amongst other factors, where applicable. Through this checklist, ESR is able to integrate ESG considerations in its due diligence for better decision-making and risk management.

As part of its overall decarbonisation efforts, the Group will strive to incorporate sustainable design features, use environmentally friendly materials, implement low-carbon construction processes, optimise energy efficiency of its operations, obtain sustainable building certifications and ratings, and increase its adoption of renewable energy solutions, where feasible.

ESR Group adopts the principles recommended by the TCFD Framework, which now comes under the purview of the ISSB. The principles seek to integrate climate-related considerations into strategic, investment, and operational decision-making, and to quantify the potential financial implications of the associated climate-related risks and opportunities (both physical and transition). Across the Group, climate risk assessments are progressively being conducted, using climate scenario analysis, to determine both the financial and non-financial impacts on the business over different time horizons. In addition, ESR Group is committed to reducing the physical vulnerability of its real assets, as well as identifying opportunities to enhance the resilience of the business against the effects of transitional impact caused by climate change.

ESR Group regularly monitors the evolving climate regulations in the markets that it operates, ensuring that its climate risk strategy is fully aligned with both local and global disclosure requirements, as well as increased expectations from various key stakeholders such as investors, clients, and ESG rating agencies. As APAC's leading real asset manager powered by the New Economy, ESR Group is focused on raising the bar in its sustainability efforts and leveraging on this as a competitive advantage against its peers.

### Compliance Risk

The Group is committed to comply with the applicable laws and jurisdictions in its day-to-day business processes and does not tolerate any breaches in regulatory compliance. Non-compliance may result in litigation, penalties, fines or revocation of business licenses which have potential reputational and financial impact. The Group has established a compliance framework that covers training, monitoring, reporting for any non-compliance including screening, investigations, enforcement and disciplinary actions. New and impending changes to regulations are closely monitored to ensure that the Group adheres to regulatory requirements with material non-compliance or regulatory breaches escalated to the Board and management for follow-up.

A comprehensive corporate governance framework has been established to maintain responsible and transparent business practices and to adopt a zero-tolerance approach to fraud, bribery and corruption in any form in the conduct of business. All employees are committed to acting professionally, transparently, and fairly with integrity in all business dealings and relationships with the Group's stakeholders at all times. The framework includes policies on code of conduct and business ethics, conflict of interest, whistleblowing, anti-money laundering and counter terrorist financing and sanctions, prohibition of bribery, acceptance or offer of gifts and entertainment and employee trading and handling of insider information to ensure that all business activities are conducted with honesty, fairness and high ethical standards. Compliance with policies and procedures is required at all times. Group Internal Audit will conduct an annual review of compliance with these policies, including ethical standards. In addition, there are mandatory annual ethics and compliance training, employee trading and code of conduct attestation by employees, including contract staff with at least twelve months of employment. Under the New Employee Orientation Welcome Session, Group Compliance will provide an introduction of the Compliance frameworks, including policies and systems mentioned above, to new joiners which also includes any contract staff or part-time

staff with less than twelve months contract. Ethics training include completing mandatory courses on topics such as awareness on anti-money laundering, anti-bribery and anti-corruption via third party training platforms whereby employees are required to pass an assessment in order to complete the course. The training will help new joiners and existing staff understand the compliance policies and procedures that guide employee behavior to meet required standards. It will also reinforce employees' compliance knowledge and related protocols as part of their ongoing business activities to minimise compliance risks.

Through the Company's Code of Conduct and Business Ethics and Whistleblowing policy, employees are encouraged to report control deficiencies, ethical issues or suspicions of impropriety to their direct supervisor, local Compliance Officer, Group Compliance Officer or Group General Counsel, where applicable, through various whistleblowing channels. ESR is dedicated to treating whistleblowers with fairness and ensuring their protection from reprisals, victimisation, or any form of detrimental or unfair treatment when they report in good faith. The confidentiality of all information received will be maintained, and the identities of all whistleblowers will be safeguarded. All reported cases will be reviewed to understand the circumstances surrounding the allegations, based on the information provided by the whistleblowers. The management treats all misconduct and dishonesty seriously, conducting independent investigations and taking appropriate disciplinary action on concerns raised, including termination of employment, if required. All independent investigations will be reported to the Audit Committee. Separately, a grievance, which vary in complexity and severity, can be brought up by an employee to his/her manager, Head of Department or directly to the Human Resources Department. In situations where disciplinary action is required against an employee, the Human Resources Department will take the necessary measures leading to the required action in accordance with the Disciplinary Action provision, with the management's approval. The management will review all grievance cases and aims to resolve complaints objectively, fairly, promptly, and confidentially.

### Technology Risk

The Group acknowledges the rising threats posed by cyberattacks which have become increasingly prevalent and sophisticated. In response, the management continuously assesses the adequacy of computer systems and implements improvements to the platforms, reflecting the increased reliance on technology to enhance operational efficiency and provide high quality internal governance. ESR has put in measures to protect itself against technology-related risks which may arise from both internal and external sources. The Group has instituted robust measures to manage technology-related risks emanating from both internal and external sources. In alignment with international standards, ESR Group has successfully obtained ISO 27001:2022 certification for its information security management system. In addition, ESR has in place a comprehensive set of information technology policies and procedures governing information availability, confidentiality and security to prevent any leakage of confidential information.

The Group provides regular updates on cybersecurity through key risk updates and key risk indicators at quarterly Audit Committee meetings. This keeps the Board well-informed about the Group's security posture, ongoing initiatives and potential threats, thus fostering strategic guidance and enhancing decision-making capabilities.

To ensure the Group remains vigilant against potential security breaches and phishing scams, the Group IT team conducts mandatory annual training on IT security awareness. This is part of the Group's broader commitment to fostering a culture of continuous learning and adaptation, which is critical in the face of evolving cyber threats. Moreover, the constant monitoring of internet gateways, coupled with regular network vulnerability assessment and penetration testing by third party consultants, helps the Group to identify any potential security gaps promptly. Such measures are crucial, as weak IT security can tarnish ESR's reputation and erode stakeholder confidence.

Over the past three years, the Group reported no information security breaches, a testament to the effectiveness of the Group's cybersecurity measures and its proactive risk management approach. ESR engages service providers to carry out a range of business functions. To ensure effective third-party security management, ESR has developed a robust framework and various processes to assess and monitor the information security controls implemented by third-party vendor, ensuring compliance with its stringent security standards.

A Security Operations Centre ("SOC") has been established and is monitored by a third-party service provider, in collaboration with the Group IT Department. This initiative is designed to monitor external events that could impact ESR's network and data. The SOC continuously enhances ESR's security posture by preventing, detecting, analysing and responding to any potential cybersecurity incidents.

An information technology disaster recovery plan is in place and tested annually to ensure that ESR's business recovery objectives are met in the event of a disaster, including ensuring that proprietary information remains secure.

To augment ESR's defence mechanisms against the financial repercussions of cyber incidents, the Group has secured cyber liability insurance which also covers information security risks. This strategic move provides an additional safeguard, aimed at mitigating the potential financial losses and liabilities that may arise from cybersecurity threats and data breaches. This comprehensive approach to managing technology risks underscores the Group's proactive stance in safeguarding the Company's assets and reputation, reinforcing the Group's commitment to operational excellence and stakeholder trust.



# Corporate Governance Report

The board of directors of the Company (the “**Board**”) is pleased to present this corporate governance report setting out a discussion of the corporate governance practices adopted and observed by the Group.

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving high corporate governance standards to safeguard the interests of its stakeholders. The Company has applied the principles in the Corporate Governance Code (“**CG Code**”) in Part 2 of Appendix C1 of the Rules Governing the Listing Rules on the Stock Exchange by conducting its business by reference to the principles of the CG Code and emphasising such principles in the Company’s governance framework. It is in the opinion of the Directors that the Company has complied with all the code provisions as set out in the CG Code during the year ended 31 December 2024 (the “**Year**”).

## THE BOARD

### Board Compositions

During the Year and as at the date of this annual report, the composition of the Board is as follows:

#### Executive Directors

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

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

#### Non-executive Directors

Mr Jeffrey David PERLMAN (stepped down as the Chairman of the Board with effect from 2 September 2024)

Mr Charles Alexander PORTES (Group Co-founder)

Mr Hwee Chiang LIM (retired with effect from 21 January 2025)

Dr Kwok Hung Justin CHIU (retired at the AGM held on 31 May 2024)

Mr Rajeev Veeravalli KANNAN

Ms Joanne Sarah MCNAMARA

#### Independent Non-executive Directors

Mr Brett Harold KRAUSE (Chairman of the Board, redesignated with effect from 2 September 2024)

Mr Simon James MCDONALD

Ms Jingsheng LIU (resigned with effect from 16 October 2024)

Ms Serene Siew Noi NAH

Ms Wei-Lin KWEE (retired at the AGM held on 31 May 2024)

The biographical details of the Directors are set out in the “Board of Directors section” of this annual report. There is no financial, business, family or other material or relevant relationship between members of the Board.

### Chairman and Chief Executive

Mr Jeffrey David Perlman has stepped down as the Chairman of the Board with effect from 2 September 2024, but remains as a Non-executive Director. Mr Brett Harold Krause, an Independent Non-executive Director, is thereafter redesignated as the Interim Chairman of the Board. He is responsible for leading the Board in the formulation of strategic directions and for the high level oversight of the management and operations of the Group.

The role of chief executive is jointly assumed by Mr Jinchu Shen, the Executive Director, Group Co-founder and Co-CEO, and Mr Stuart Gibson, the Executive Director, Group Co-founder and Co-CEO. The Co-CEOs are responsible for the management and conduct of the Group’s business, overall risk control and daily business operation.

There is a clear division of the management of the Board and the day-to-day management of business of the Company among the Chairman of the Board and the Co-CEOs, ensuring the existence of checks and balances mechanism in the exercise of power and decision-making process of the Board.

### Term of Appointment of Non-executive Directors

Each of the Non-executive Directors and Independent Non-executive Directors has entered into a letter of appointment with the Company for a term of three years unless terminated by one month's written notice.

The appointment of all the Directors is subject to the retirement by rotation requirements under article 108 of the Articles of Association of the Company. Any removal of the Directors are subject to the relevant provisions of the Companies Ordinance (Cap.622, Laws of Hong Kong) and also article 105 of the Articles of Association of the Company.

The Company has established the following mechanisms to ensure independent views and input are available to the Board:

- A sufficient number of Independent Non-executive Directors representing at least one-third of the Board have been appointed and all of them continue to devote adequate time contribution to the Company.
- All Independent Non-Executive Directors are required to confirm in writing annually their compliance of independence requirements.
- Annual meeting between the Chairman and all Independent Non-executive Directors without presence of other Directors providing an effective platform for the Chairman to listen to independent views on various issues concerning the Company.
- Independent professional advice would be provided to Independent Non-executive Directors upon reasonable request to assist them to perform their duties to the Company.
- Non-executive Directors receive fixed fee(s) for their role as members of the Board and Board Committee(s) as appropriate and applicable.
- Non-executive Directors' independence is assessed upon appointment, annually, and at any other time where the circumstances warrant reconsideration.
- All Directors are encouraged to express freely their independent views and constructive challenges during the Board/ Board Committees meetings.
- An Independent Board Committee consisting of independent Non-Executive Directors is established by the Board as and when required to manage any connected/related party transactions.

The Board has reviewed the mechanisms above and confirmed that they effectively ensure the Board has access to independent opinions and views.

### Compliance in relation to Independent Non-executive Directors

During the Year and up to the date of this annual report, the Company has been in full compliance with rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, except as follows:

Following the resignation of Ms Jingsheng Liu as an Independent Non-executive Director with effect from 16 October 2024, there was a non-compliance with rule 3.10A of the Listing Rules. Upon the retirement of Mr Hwee Chiang Lim as a Non-executive Director with effect from 21 January 2025, the Company re-complies with the rule 3.10A of the Listing Rules. From 21 January 2025 and up to the date of this annual report, the Board comprised nine Directors, three of which are Independent Non-executive Directors, representing one-third of the Board. At least one of the Independent Non-executive Directors has the professional qualifications or accounting or related financial management expertise required under rule 3.10(2) of the Listing Rules.

The Company is of the view that each of the Independent Non-executive Directors remains independent.

### Compliance in relation Rule 3.09D of the Listing Rules

In accordance with Rule 3.09D of the Listing Rules, Ms Joanne Sarah McNamara, who was appointed as a Non-executive Director on 1 January 2024, has obtained the legal advice on 21 December 2023 from a firm of solicitors in respect of the requirements under the Listing Rules that are applicable to her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Ms McNamara has confirmed that she understands her obligations as a Director of the Company.

### Meetings and Attendance Records

During the Year, the attendance records of each Director at the Board and Board Committee meetings and the annual general meeting of the Company (the “AGM”) held are set out in the table below. The Chairman of the Board had a meeting with all Independent Non-executive Directors without the presence of other Directors.

Attendance/Number of Meetings (percentage of attendance <sup>(Note 5)</sup> )						
Name of Directors	Note	Board	Audit Committee	Nomination Committee	Remuneration Committee	Annual General Meeting
Executive Directors						
Mr Jinchu SHEN (Group Co-founder and Co-CEO)		4/4 (100%)	N/A	N/A	N/A	1/1 (100%)
Mr Stuart GIBSON (Group Co-founder and Co-CEO)		4/4 (100%)	N/A	N/A	N/A	1/1 (100%)
Non-executive Directors						
Mr Jeffrey David PERLMAN (Chairman of the Board)	(1)	4/4 (100%)	N/A	N/A	1/1 (100%)	1/1 (100%)
Mr Charles Alexander PORTES (Group Co-founder)		4/4 (100%)	N/A	N/A	N/A	1/1 (100%)
Mr Hwee Chiang LIM		4/4 (100%)	N/A	N/A	N/A	1/1 (100%)
Dr Kwok Hung Justin CHIU	(2)	2/2 (100%)	N/A	N/A	N/A	1/1 (100%)
Mr Rajeev Veeravalli KANNAN		4/4 (100%)	N/A	N/A	N/A	1/1 (100%)
Ms Joanne Sarah MCNAMARA		4/4 (100%)	N/A	N/A	N/A	1/1 (100%)
Independent Non-executive Directors						
Mr Brett Harold KRAUSE (Chairman of the Board)	(1)	4/4 (100%)	4/4 (100%)	1/1(100%)	1/1 (100%)	1/1 (100%)
Mr Simon James MCDONALD	(4)	4/4 (100%)	4/4 (100%)	N/A	1/1 (100%)	1/1 (100%)
Ms Jingsheng LIU	(3)	3/3 (100%)	N/A	1/1 (100%)	N/A	1/1 (100%)
Ms Serene Siew Noi NAH		4/4 (100%)	4/4 (100%)	1/1 (100%)	N/A	1/1 (100%)
Ms Wei-Lin KWEE	(2)	0/2 (0%)	N/A	N/A	0/1 (0%)	1/1 (100%)

#### Notes:

- Mr Jeffrey David Perlman stepped down as the Chairman of the Board with effect from 2 September 2024, but remains as a Non-executive Director; Mr Brett Harold Krause, an Independent Non-executive Director, was appointed as the Interim Chairman of the Board with effect from 2 September 2024.
- Dr Kwok Hung Justin Chiu and Ms Wei-Lin Kwee retired at the AGM held on 31 May 2024.
- Ms Jingsheng Liu resigned as an Independent Non-executive Director on 16 October 2024.
- Mr Simon James McDonald has been appointed as a member of the Nomination Committee with effect from 14 January 2025.
- The average attendance by Directors was 96% in FY2024 and 92% in FY2023.



### Induction and Continuous Training and Professional Development

All directors should participate in continuous professional development to develop and refresh their knowledge and skills in the hope that their contribution to the Board remains informed and relevant.

Every newly-appointed Director of the Company receives a comprehensive, formal and tailored induction upon his/her appointment. Based on the records provided by the Directors, the continuous professional development taken by each of the Directors during the year ended 31 December 2024 is summarised as follows:

Name of Director	Training Attended <sup>(Note 1)</sup>
<b>Executive Directors</b>	
Mr Jinchu SHEN (Group Co-founder and Co-CEO)	✓
Mr Stuart GIBSON (Group Co-founder and Co-CEO)	✓
<b>Non-executive Directors</b>	
Mr Jeffrey David PERLMAN (stepped down as the Chairman of the Board with effect from 2 September 2024)	✓
Mr Charles Alexander PORTES (Group Co-founder)	✓
Mr Hwee Chiang LIM (retired with effect from 21 January 2025)	✓
Dr Kwok Hung Justin CHIU (retired at the AGM held on 31 May 2024)	N/A
Mr Rajeev Veeravalli KANNAN	✓
Ms Joanne Sarah MCNAMARA	✓
<b>Independent Non-executive Directors</b>	
Mr Brett Harold KRAUSE (Chairman of the Board, redesignated with effect from 2 September 2024)	✓
Mr Simon James MCDONALD	✓
Ms Jingsheng LIU (resigned with effect from 16 October 2024)	N/A
Ms Serene Siew Noi NAH	✓
Ms Wei-Lin KWEE (retired at the AGM held on 31 May 2024)	N/A

Note:

- 1 All the Directors received training and training materials, including from the Company's external legal advisor, about matters relevant to their duties as Directors. They also kept abreast of matters relevant to their role as Directors by such means as attendance at seminars and conferences and/or reading materials about financial, commercial, economic, legal, regulatory and business affairs.

### Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions of the Company by Directors. The Company has adopted a code of conduct ("Code of Conduct and Business Ethics") regarding all Directors', officers and employees' securities transactions on terms no less exacting than the required standard set out in the Model Code. In response to specific enquiries made, all Directors confirmed that they have complied with the required standards set out in such code regarding their securities transactions throughout their tenure during the year ended 31 December 2024. Please refer to the Company's announcement dated 20 March 2024 with respect to the dealing of shares of the Company by Mr Charles Alexander Portes and Mr Stuart Gibson under exceptional circumstances within the meaning of paragraph C.14 of Appendix C3 to the Listing Rules.

### **Responsibilities, Accountabilities and Contributions of the Board and Management**

The Company is governed by the Board, which is responsible for the leadership and control of the Company. The Board is collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The Board's functions and duties include (without limitation) to the following:

- Providing strategic directions in the business development of the Group and scrutinising the Group's performance in achieving its operational and financial goals and objectives
- Making all major decisions, including but not limited to those decisions affecting the financial results, notifiable and connected transactions, dividend policies and information disclosure of the Group
- Convening general meetings and reporting the work results to the shareholders
- Devising policies for, and reviewing and monitoring the implementation of the risk management and internal control systems and other policies of the Group
- Overseeing and reviewing the environment, social and governance issues of the Group
- Performing the corporate governance functions (as further explained in "Corporate Governance Functions" below)
- Exercising other power, duties and functions as conferred by applicable laws, the Listing Rules and the Articles of Association of the Company

Day-to-day management and execution of the operations of the Group are delegated to the Executive Directors and senior management team of the Company, whose performance are periodically reviewed by the Board. The Board also delegated certain powers to the Audit Committee, the Remuneration Committee and Nomination Committee, the details of which are set out below. The Board may also from time to time delegate any of its powers to committees as appropriate. The Board has established the Investment Strategy Committee consisting of certain directors and senior management to identify business directions and strategies, review and provide to the Board with investment and divestment strategy and prepare the annual budget for submission to the Board for approval.

### **Board Committees**

#### **Audit Committee**

The Audit Committee of the Company was established by a Board resolution passed on 20 May 2019. The terms of reference are published on the websites of the Company and the Stock Exchange.

The main functions and duties of the Audit Committee include:

- (a) making recommendations to the Board on the appointment, re-appointment and removal of the external auditor;
- (b) reviewing the Company's financial information and reporting system; and
- (c) oversight of the Company's risk management and internal control systems, including the whistleblowing arrangement for employees, customers and suppliers to raise concerns about possible improprieties in any matter related to the Company.

At the date of this annual report, the Audit Committee comprises three Independent Non-executive Directors, namely Mr Brett Harold Krause, Mr Simon James McDonald (Chairman of the Audit Committee with the appropriate accounting and related financial management expertise as required under rule 3.10(2) of the Listing Rules) and Ms Serene Siew Noi Nah.

During the Year, the Audit Committee held four meetings in March, July, August and November 2024 for the review of the 2023 annual results and 2024 interim results of the Group respectively, and also including but not limited to review of the risk management and internal control systems and the review of the effectiveness of the Group's internal audit function.

### Remuneration Committee

The Remuneration Committee of the Company was established by a Board resolution passed on 20 May 2019. The terms of reference are published on the websites of the Company and the Stock Exchange.

The major functions and duties of the Remuneration Committee include:

- (a) making recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for development of the remuneration policy;
- (b) reviewing and approving of the management's remuneration proposals with reference to the Board's corporate goals and objectives; and
- (c) making recommendations to the Board on the remuneration packages of individual Executive Directors and senior management.

At the date of this annual report, the Remuneration Committee comprises three Directors, including one Non-executive Director, namely Mr Jeffrey David Perlman, and two Independent Non-executive Directors, namely Mr Brett Harold Krause (Chairman of the Remuneration Committee) and Mr Simon James McDonald.

During the Year, the Remuneration Committee held a meeting in March 2024 for the determination of the policy for the remuneration of Executive Directors, assessment of the performance of Executive Directors, approval of the terms of Executive Directors' service contracts and appointment letters for the Independent Non-Executive Directors. For the Executive Directors, their total remuneration includes variable components which are aligned to their performance targets. The Remuneration Committee also reviewed grants of awards under the Long Term Incentive Scheme during the Year. For the awards ("**Grants**") granted with less than 12 months of vesting period, the Remuneration Committee considered it appropriate to award the Grants with vesting period of less than 12 months as those Grants would have been granted earlier but for administrative or compliance reasons, those were made in a subsequent batch with a view to putting the relevant grantees in the same position as they would have been in had the Grants been made earlier.

The remuneration packages are determined with reference to the experience, level of responsibilities, time commitment and contributions of each individual, the Company's financial and sustainability performance, prevailing market conditions, and taking into consideration that the remuneration levels are sufficient to attract and retain directors and management with the appropriate experience and expertise to manage the Company. Any discretionary bonus and other merit payments depend on the profit performance of the Group and individual performance of Directors, senior management and other employees.

The remuneration levels are sufficient to attract and retain directors to run the Company successfully without paying more than necessary. The Company reviews its remuneration policy on a regular basis.

The remuneration payable to members of senior management by band for the year ended 31 December 2024 is set out below:

	For the year ended 31 December	
	2024	2023
	Number of Individuals	Number of Individuals
<b>Remuneration band (USD)</b>		
Below US\$2,000,000	5	3
US\$2,000,001 to US\$4,000,000	3	3

Particulars of remunerations of Executive Directors are set out in note 8 to the Consolidated Financial Statements.



### Nomination Committee

The Nomination Committee of the Company was established by a Board resolution passed on 20 May 2019. The terms of reference are published on the websites of the Company and the Stock Exchange.

The key functions and duties of the Nomination Committee include:

- (a) reviewing the structure, size, composition and diversity of the Board at least once annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategies;
- (b) developing the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship;
- (c) ensuring the diversity of the Board members;
- (d) assessment of the independence of Independent Non-executive Directors; and
- (e) making recommendations to the Board on matters relating to the appointment, re-appointment and removal of Directors and succession planning for Directors.

At the date of this annual report, the Nomination Committee comprises three Independent Non-executive Directors, namely Mr Brett Harold Krause (Chairman of the Nomination Committee), Ms Serene Siew Noi Nah and Mr Simon James McDonald.

During the Year, the Nomination Committee held a meeting attended by the then members of the Nomination Committee in March 2024 for review of the nomination policy, procedures, process and criteria adopted by the Nomination Committee to select and recommend candidates for directorship, assess the independence of Independent Non-executive Directors and review the composition of the Board.

The Board nomination policy, process and criteria adopted by the Nomination Committee are outlined below:

- (a) to use open advertising or the services of external advisers to facilitate the search, to consider candidates from a wide range of backgrounds with the Company's Board diversity policy ("**Board Diversity Policy**") in mind, and to consider candidates on merit and against objective criteria, taking care that appointees have enough time available to devote to the positions;
- (b) to conduct a background check against the biographical information and written confirmation provided by the candidate(s) and to take reasonable steps to seek clarification from the candidate(s), if needed;
- (c) to assess the independence of the candidate(s) to be appointed as an Independent Non-executive Director by reference to the independence requirements under the Listing Rules;
- (d) to consider the candidate(s)' ability to devote sufficient time to the Board if the candidate(s) will be holding his/her seventh (or more) listed company directorships;
- (e) to invite, if necessary, the candidate(s) to meet with members of the Nomination Committee to assist consideration of the proposed nomination or recommendation;
- (f) to convene a Nomination Committee meeting for consideration of the candidate(s);
- (g) to submit its nomination proposal to the Board for consideration and approval or to make recommendation to the shareholders for approval; and
- (h) in relation to re-appointment of Directors who will offer themselves for re-election at the Company's annual general meeting, to review the candidate(s)' profiles in consideration of strategy, structure, size and composition of the Company and their experience and skills.

The Company has adopted a Board Diversity Policy. In order to achieve a diversity of perspectives among members of the Board, the Board Diversity Policy provides that:

- (a) the Board shall include a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement. Non-executive directors (including independent non-executive directors) shall be of sufficient calibre and number for their views to carry weight; and
- (b) the selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. Recruitment and selection practices will be appropriately structured so that a diverse range of candidates are considered. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

In implementing the Board Diversity Policy, the Nomination Committee evaluates the composition of the Board and director candidates from time to time against objectives such as increasing gender diversity and broadening the cultural background, educational background, industry experience and professional experience of the members of the Board.

The Nomination Committee will consider setting measurable objectives to implement the Board Diversity Policy and regularly review such objectives to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Company has set the following measurable objectives in respect of the Board diversity:

- Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Recruitment and selection practices will be appropriately structured so that a diverse range of candidates are considered.
- The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.
- The Board's composition (including gender, ethnicity, age, length of service) will be disclosed in the Corporate Governance Report annually.

For the Year, the Nomination Committee is of the view that the Board composition satisfied the objectives of the Board Diversity Policy. It will conduct a review of the Policy on an annual basis to ensure continued effectiveness of the Policy in delivering its objectives. The Board targets to maintain a good level of female representation.

In considering the Board's succession and to ensure diversity at the Board level, the Nomination Committee will engage an executive search firm to help identify suitable candidates for consideration as Non-Executive Directors as and when appropriate. The Board will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

In terms of gender diversity in the workforce (including senior management), as at the date of this report, the Company's workforce (including senior management) has 44% female employees, ahead of the Board's target to achieve at least 42% of female employees of the Company by 2025. Therefore, the Board considers that the above current gender diversity in the workforce (including senior management) has been achieved with reference to the current circumstances of the Company.

According to the terms of reference, the Nomination Committee shall meet at least once a year. The Nomination Committee shall strictly adhere to this requirement in the future.

### Corporate Governance Functions

The Company adopted the CG Code as the policy for its corporate governance of the Company.

The responsibility for performing the corporate governance functions rests with the Board. The Board has performed the following duties:

- developed and reviewed the Company's policies and practices on corporate governance;
- reviewed and monitored the training and continuous professional development of directors and senior management.
- reviewed and monitored the issuer's policies and practices on compliance with legal and regulatory requirements;
- developed, reviewed and has oversight over the Code of Conduct and Business Ethics applicable to employees and Directors; and
- reviewed the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

### COMPANY SECRETARY

Mr Richard Kin-sing Lee ("Mr Lee") was appointed as the Company Secretary of the Company on 22 February 2019. He is also the Group Legal Counsel of the Company and thus, an employee of the Company having day-to-day knowledge of the Company's affairs.

Pursuant to rule 3.29 of the Listing Rules, Mr Lee undertook no less than 15 hours of relevant professional training in 2024.

## FINANCIAL REPORTING AND INTERNAL CONTROL

### Financial reporting

The Directors acknowledged their responsibility for the preparation of the consolidated financial statements of the Group for the year ended 31 December 2024. The statement by the auditors about their reporting responsibilities for the auditors' report on the financial statements is set out in the Independent Auditor's Report on pages 118 to 122 of this annual report.

The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

### External Auditor's Remuneration

The Group's external auditor is Ernst & Young. The Audit Committee is mandated to ensure continuing auditors' objectivity and safeguarding independence of the auditor. The Group evaluates the performance and independence of the external auditor on an annual basis before recommending their appointment or re-appointment in the AGM. Any decision to rotate auditors, considering factors such as expertise, quality of audit, and independence is made in consultation with the Audit Committee. Up to the date of this report, the Audit Committee has considered and approved the engagement of Ernst & Young as auditor of the Group for the reporting year and the corresponding audit fee estimation.

The remuneration paid or payable by the Group to Ernst & Young in respect of their audit and non-audit services relating to tax and transaction services for the year ended 31 December 2024 amounted to approximately US\$4,962,000 and US\$715,000, respectively.

### Internal Controls and Risk Management

The Board is responsible for evaluating and determining the nature and extent of the risks the Group is willing to take in achieving its strategies objectives and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems on an ongoing basis. This includes ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting, operational and compliance function, as well as those relating to the Group's ESG performance and reporting.

Recognising and managing risks in a timely and effective manner is essential to the Group's business and protecting its stakeholders' interests and value. While acknowledging responsibility for the systems and reviewing their effectiveness, the Board recognises that the systems are designed to assist the Group in managing, rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Reporting to the Board, the Audit Committee is delegated with the authority and responsibility for ongoing monitoring and evaluation of the effectiveness of the relevant systems. The Audit Committee ensures that a robust risk management framework and sound system of internal controls is maintained by management.

Under its terms of reference, the Audit Committee's scope of duties and responsibilities is as follows:

- a) reviewing the risk management framework, including the processes and resources to identify, assess, monitor and report key risks;
- b) overseeing the design, implementation and monitoring of the risk management and internal control system;
- c) reviewing the adequacy of risk management practices for key risks, such as strategic, financial, compliance, operational, technology and information security risks on a regular basis, including reviewing the governance and process for effective risk management;
- d) overseeing the matters in the Corporate Governance Code; and
- e) considering and advising on risk matters referred to it by the Board or management.



The Group implemented the following risk management and internal control structures and measures to identify, assess, monitor and report key risks:

- ERM Framework is based on the ISO 31000 International Risk Management Standards, COSO Internal Control-Integrated Framework and the ISSB framework, which incorporates the former TCFD recommendations, for identifying, assessing, monitoring and reporting of risks. The Framework consists of tools such as risk governance, risk policies and risk parameters which are dynamic and adaptable to the changing business environment. It also provides a holistic and systematic approach for the identification, assessment, monitoring and reporting of key risks to the management, Audit Committee and the Board.
- As the risk profile changes from time to time, the management performs periodic risk assessment by monitoring risk changes and trends as well as the effectiveness of the related control mechanisms and/or control activities within the overall risk profile on an as-needed basis, or at least once a year to ensure that they remain relevant. In addition, the Group Risk Management department works closely with the management to review and enhance the risk management system in accordance with market practices and regulatory requirements, under the guidance and direction of the Audit Committee and the Board.
- The Group has an internal audit function to carry out an analysis and independent appraisal of the adequacy and effectiveness of the systems and controls. Any material non-compliance or failure in internal controls and recommendations for improvements are reported to Audit Committee and the Board.
- Stringent internal policies and processes are in place to prevent the misuse of inside information and avoid conflicts of interest, including having a whistleblowing policy, information security policy, Employee Dealing and the Handling of Inside Information policy and Conflicts of Interest ("COI") policy in place.

To reinforce a culture of good business ethics and governance, the Group has adopted a whistleblowing policy, which allows employees and outside third parties that have business relationships with the Group to raise any concerns about improprieties, malpractices and misconduct through a well-defined and trusted channel. The objective of this policy is to encourage the reporting of such matters with confidence and employees or external parties making such reports will be treated fairly, with confidentiality, and be protected from reprisal. All whistleblowing reports will be reviewed by the Group Compliance Director, the General Counsel and any other authorised person as determined by the Audit Committee. All Reports made in good faith will be received by the Audit Committee. The Audit Committee shall then determine the course of action to pursue.

Refer to "Risk Management" on pages 55 to 61 of this annual report for further details of the Group's risk management programme.

In addition, the Group has adopted a disclosure control policy which provides a general guide to Directors, the management and employees on the handing and dissemination of inside information and responding to enquiries in accordance with the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance and the Listing Rules.

For the Year, the Board has conducted an annual review of the effectiveness of the Group's risk management and internal control systems, which covered all material controls, including financial, operational, technology and compliance controls. The Board has received confirmation from the management on, and is satisfied with, the effectiveness and adequacy of the systems. No significant areas of concern are brought to the attention of the Board.

### Internal Audit

The Group Internal Audit department provides independent assurance on the adequacy and effectiveness of the Group's systems and internal controls through the use of a risk-based approach. The Group Internal Audit department has direct access to the Audit Committee and has free and unrestricted access to information and management of the Group when carrying out its duties. It also adheres to professional standards set by the Institute of Internal Auditors, demonstrating a commitment to high standards.

An internal audit plan is discussed and approved by the Audit Committee annually, and a summary of major audit findings, recommendations and remediation are regularly reported to the Audit Committee by the Group Internal Audit department. Group Internal Audit also conducts a comprehensive review of the Group's compliance processes, including ethical standards, on an annual basis to ascertain that the Group meets regulatory requirements and align with its commitment to integrity and ethical conduct. Continuous improvement initiatives, such as regular training and external quality assessments, are in place to enhance the internal audit function. The internal audit findings and the remedial actions taken by the relevant departments form part of the Board's assessment of the Group's risk management and internal control systems.

## CORPORATE CULTURE

Corporate culture is crucial to the realisation of the Company's mission. The Board continues to maintain and ensure that the Company's goals, values and strategies are highly aligned with its corporate culture.

The Company continues to develop and enhance the corporate culture in different aspects, including but not limited to maintaining a strong governance culture, reinforcing culture of good business ethics and promoting a diverse and inclusive culture.

## SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

### Convening an Extraordinary General Meeting

In accordance with article 64 of the Articles of Association of the Company, one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings may request for the convening of an extraordinary general meeting. A requisition requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition shall be made in writing to the Board or the Company Secretary at its principal place of business in Hong Kong at Suites 2905-06, Two Exchange Square, 8 Connaught Place, Central, Hong Kong. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### Putting Forward Proposals at General Meetings

Shareholders who wish to propose resolutions may make their request to the Company to convene a general meeting in accordance with article 64 of the Articles of Association as stated above.

A written notice of proposal(s) with detailed contact information of the shareholders shall be lodged with the Company at its principal place of business in Hong Kong at Suites 2905-06, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, with a copy of the proposal delivered to the Company's Hong Kong branch share registrar.

### Putting Forward Enquiries to the Board

Shareholders may submit their enquiries and concerns to the Board in writing with their detailed contact information and addressed to the Board or the Company Secretary at the Company's principal place of business in Hong Kong at Suites 2905-06, Two Exchange Square, 8 Connaught Place, Central, Hong Kong. The Company will not normally deal with verbal or anonymous enquiries.

### Voting Rights

The Company has only one class of shares, which are its ordinary shares. All holders of the Company's ordinary shares are entitled to vote on matters brought before the annual general meeting of shareholders in proportion to their respective shareholdings. Shareholders may vote in person at the meeting or by proxy.

### Constitutional Documents

The Articles of Association of the Company was adopted on 12 October 2019 which became effective on 1 November 2019 (the "Listing Date"). The resolution in relation to the amendments to the Articles of Association of the Company were approved at the AGM held on 31 May 2024, details of which are set out in the circular of the Company dated 2 May 2024. The up-to-date version of the Articles of Association is available on the Company's website and the Hong Kong Stock Exchange's website.

### Investor Relations and Stakeholder Management

The Company is committed to keeping all its shareholders, other stakeholders, analysts and the media informed of its performance and any changes in the Group or its business which would likely materially affect the price or value of the Company's securities. The Group IR and Group Communications teams of the Company collaborate closely in carrying out an effective engagement with the Company's shareholders, investors, analysts, fund managers, the media, employees and members of the public, in accordance with the guidelines in the shareholders communication policy ("**Shareholders Communication Policy**"). In addition, the Group has a formal policy on corporate disclosure controls and procedures to ensure that the Company complies with its disclosure obligations under the Listing Manual. The Shareholders Communication Policy is available for download from the Company's website at [www.esr.com](http://www.esr.com).

This is performed on a timely and consistent manner through the issue of financial reports and materials made available for public access on the Stock Exchange and on the Company's website, as well as annual general meetings and periodic investor/analysts meetings convened to promote an ongoing, effective and transparent channel for dialogue between the Board, senior management with shareholders and the investment community. Senior management had met with shareholders and the investment community across the Asia Pacific, Europe and United States during the year through virtual and in-person conferences, non-deal roadshows and one-on-one investor updates. The Company's 2024 AGM was convened in-person in Hong Kong on 31 May 2024 where the Board of Directors and senior management had engaged in direct interactions with shareholders and their appointed proxy representatives.

To keep the Board abreast of investors' perceptions and market developments, the Group IR department collaborates with the Group Finance department in providing updates on analyst consensus estimates and views for Board meetings. Analyses of the shareholder register, shareholder engagement updates and general equity market updates were also provided.

The Board has reviewed the implementation and effectiveness of the Shareholders Communication Policy during 2024 and the results were satisfactory.

More information on the Company's IR efforts during the Year can be found in the "Investor Relations" section on pages 53 to 54 of this annual report.

# Remuneration Section

## INTRODUCTION

This Remuneration Section provides key information about how the Company's Directors and key management personnel ("KMPs") are compensated. It outlines the framework for remuneration, including fixed pay, short-term incentives ("STI"), and Long Term Incentive Schemes ("LTIS"), and highlights the alignment of remuneration practices with the Group's strategies and ESG factors. Additionally, the report discusses actual remuneration outcomes, emphasising their contribution to the creation of long-term sustainable value for shareholders and stakeholders, in line with the FY2024 financial performance of the Group. While maintaining transparency, the disclosure in this section is made consistent with statutory requirements and the Group is of the view that such disclosure is sufficient to enable shareholders to understand the link between remuneration and performance, which is not prejudicial to the interests of shareholders.

## REMUNERATION FRAMEWORK

The Remuneration Framework and its Emolument Policy (i.e., as disclosed in the Directors' Report) are designed to support the implementation of the Group's strategic pillars and deliver sustainable returns to shareholders. The framework's principles governing the remuneration of the KMPs are as follows:

Performance and Value Creation	Competitiveness and Fairness	Transparency and Accountability	Governance and Oversight
Aims to align the rewards of executive directors and key management personnel with the Company and individual performance, as well as the long-term value creation for the shareholders and stakeholders.	Strives to offer competitive and fair compensation to attract, retain and motivate the talent needed to achieve the strategic objectives of the Company, while considering the market conditions, industry practices and internal equity.	Remains transparent and accountable to the shareholders and the public, as it discloses the remuneration components, criteria, process, and outcomes in a clear and comprehensive manner, and the Remuneration Committee provides oversight over remuneration related matters.	Governed by the Remuneration Committee, guided by the Listing Rules and the best practices and principles of corporate governance and remuneration. The Remuneration Committee reviews and makes recommendations to the Board. External consultants are engaged as appropriate.

The KMPs refer to the Executive Committee members which comprise Mr Jinchu Shen and Mr Stuart Gibson (who are Executive Directors, Group Co-founders and Co-CEOs), Mr Philip Pearce (Group Deputy Chief Executive Officer), Mr Ivan Lim Ming Rean (Group Chief Financial Officer), Mr Josh Daitch (Group Chief Investment Officer), Mr Matthew Lawson (Group Chief Operating Officer), Ms Zoe Shou Wenyi (Group General Counsel) and Mr John Marsh (Chairman, ANZ, Executive Chair, Infrastructure).

The emolument of the KMPs were paid in the form of (a) Fixed Pay (i.e., Directors' fees and fixed salaries) which is benchmarked against the market to maintain competitiveness; (b) STI (i.e., discretionary bonus, allowances, employee benefits in kind, contributions to pension schemes related to STI) which are variable in nature tied to the financial performance of the Group and individual's performance related to the organisational goals; and (c) LTIS (i.e., equity settled share options, long term incentive scheme including performance and/or restricted share units) which are designed to attract and retain key employees for the long term, while considering the prevailing market conditions within the industry. Similarly, the remuneration package of employees includes basic salary, discretionary bonuses, equity-settled share options, long term incentive scheme, contributions to pension schemes and other cash elements, where applicable. The Board maintains its discretion to make the necessary changes to the STI and LTIS awards accordingly.



**SHORT-TERM INCENTIVES ("STI")**

<b>Elements</b>	
<b>Purpose</b>	To reward the achievement of annual targets aligned to the delivery of sustainable outcomes.
<b>Maximum opportunity</b>	Percentage of variable pay of KMPs' total remuneration package is up to 18%.
<b>Performance measures</b>	<b>Measurable Targets (70% component)</b> <ul style="list-style-type: none"> <li>• Performance of the Company and Group (e.g., profit after tax and minority interest, earnings, earnings before interest, taxation, depreciation and amortisation)</li> <li>• Performance of the funds, investment vehicles and public REITs managed by the Group</li> <li>• Organisational/business units' goals</li> </ul>
	<b>Qualitative Targets (30% component)</b> <ul style="list-style-type: none"> <li>• ESG targets/metrics (e.g., Buildings' Energy Efficiencies and Renewable Capacity Installed)</li> <li>• Other attributes such as demonstration of the Group's core values (i.e., Entrepreneurial, Excellence, Inclusion, and Sustainability)</li> </ul>
<b>Performance assessment</b>	<p>The Board adopts a robust approach to determining executive remuneration outcomes, using judgement and oversight to consider a range of financial and non-financial targets.</p> <p>At the start of the year, the key performance indicators for the KMPs are discussed and agreed to ensure that such indicators are specific, measurable, result-oriented and time bound.</p> <p>The Remuneration Committee proposes the recommended STI award, for approval from the Board. The Remuneration Committee's recommendation is determined through a review of the Company's performance and the contributions by the Directors during the fiscal year, and in consultation with an independent remuneration consultant where required.</p>
<b>Delivery</b>	Cash
<b>Leaver provisions</b>	On termination for cause or due to gross negligence, all STI awards are forfeited.

### LONG-TERM INCENTIVES SCHEMES (“LTIS”)

Details to the LTIS, including definition, purpose, term, expiry date, vesting periods, potential dilution impact and dilution limits are set out in paragraphs headed “KM ESOP, Tier 1 ESOP, Post-IPO Share Option Scheme and the Long Term Incentive Scheme” in the Directors’ Report. There are no new options granted since listing for both KM ESOP and Tier 1 ESOP Scheme. Highlights of the Post-IPO Share Option Scheme and Long Term Incentive Scheme are as follows:

Elements	
<b>Instrument type</b>	Post-IPO Share Option Scheme
<b>Purpose</b>	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. The Non-executive Directors and Independent Non-executive Directors did not receive any Post-IPO Share Options.
<b>Scheme duration:</b>	Valid and effective for a period of 10 years commencing on 12 October 2019.
<b>Maximum opportunity</b>	Percentage of Post-IPO Share Option Scheme of KMPs’ total remuneration package is up to 35%.
<b>Performance measure</b>	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.
<b>Vesting period</b>	2 to 3 years
<b>Leaver provisions</b>	<ul style="list-style-type: none"> <li>The Scheme incorporates provisions for both good and bad leaver scenarios.</li> <li>Refer to Malus and Clawback provisions.</li> </ul>

Elements	
<b>Instrument type</b>	Long Term Incentive Scheme
<b>Purpose</b>	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. The Non-executive Directors and Independent Non-executive Directors did not receive any Long Term Incentive Scheme awards.
<b>Scheme duration</b>	Valid and effective for a period of 10 years commencing on the 2 June 2021.  Participants may be granted the Performance Share Unit (“PSU”) and/or Restricted Share Unit with performance-based and/or time-based vesting conditions.
<b>Maximum opportunity</b>	Percentage of Long Term Incentive Scheme of KMPs’ total remuneration package is up to 20%.
<b>Performance measure</b>	<ul style="list-style-type: none"> <li>Applicable to PSU where performance period is measured over 2 to 3 years</li> <li>Compounded annual growth rate of AUM (“CAGR AUM”)</li> <li>Cumulative earnings before interest, taxation, depreciation, and amortisation (“EBITDA”)</li> <li>Absolute Total Shareholder Returns (“ATSR”) over the assessment period</li> </ul>
<b>Vesting period</b>	3 to 5 years (for PSUs, vesting will be upon completion of performance period and contingent on achievement of performance targets)
<b>Leaver provisions</b>	<ul style="list-style-type: none"> <li>The Scheme incorporates provisions for both good and bad leaver scenarios.</li> <li>Refer to Malus and Clawback provisions.</li> </ul>

The Board has delegated the administration of the Post-IPO Share Option Scheme and the Long Term Incentive Scheme to the Remuneration Committee of the Board, which comprises Non-executive Directors only, all of whom are not intended to be granted the share options and awards under the Post-IPO Share Option Scheme and the Long Term Incentive Scheme. The administration of the Post-IPO Share Option Scheme and the Long Term Incentive Scheme by the Remuneration Committee, with the support of independent remuneration consultants, ensures that proper governance measures are in place when reviewing and making decisions on proposed grants of the share options and awards. This would ensure the purposes of the Post-IPO Share Option Scheme and the Long Term Incentive Scheme as described above are achieved and the share options and awards granted are aligned with shareholders’ interests.

## MALUS AND CLAWBACK

Malus and clawback provisions are in place to allow the Board the discretion, in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances, to reduce the number of shares underlying the awards and/or share options before they are vested or exercised; and/or to reduce or clawback any shares which have already been transferred to the participant upon vesting or exercise.

The circumstances in which the Board may consider that it is appropriate to exercise its discretion may, without limitation, include the following:

- (i) a material misstatement or restatement in the audited financial accounts of any Group Company (other than as a result of a change in accounting practice);
- (ii) the negligence, fraud or serious misconduct of a Grantee which results in or is reasonably likely to result in:
  - (a) significant reputational damage to any Group Company (or to a relevant business unit of any Group Company);
  - (b) a material adverse effect on the financial position of any Group Company (or to a relevant business unit of any Group Company); or
  - (c) a material adverse effect on the business opportunities and prospects for sustained performance or profitability of any Group Company (or to a relevant business unit of any Group Company); or
- (iii) the Grantee being employed or engaged by any Group Company (or the relevant unit of any Group Company) that suffers:
  - (a) significant reputational damage;
  - (b) a material adverse effect on its financial position; or
  - (c) a material adverse effect on its business opportunities and prospects for sustained performance or profitability.

## OVERVIEW OF REMUNERATION

In summary, the remuneration framework for KMPs is tabled as follows:

	Fixed Pay	STI	LTIS
<b>Purpose</b>	To attract and retain the executive capable of leading and delivering the strategy.	Reward the achievement of annual targets aligned to the delivery of sustainable outcomes.	Align executive outcomes with long term shareholders' return and growth.
<b>Link to performance</b>	Remuneration for meeting requirements of the role.  Benchmarked against the market to maintain competitiveness.	Measures aligned to the following but not limited to: <ul style="list-style-type: none"> <li>• Measurable Targets</li> <li>• Qualitative Targets</li> </ul>	For awards that are performance based, these are measured against the following metrics such as: <ul style="list-style-type: none"> <li>• CAGR AUM</li> <li>• EBITDA</li> <li>• ATSR</li> </ul> For the other awards and options, the schemes are time-based.
<b>Delivery</b>	<ul style="list-style-type: none"> <li>• Salaries</li> <li>• Employee benefits</li> <li>• Contributions to pension schemes</li> </ul>	<ul style="list-style-type: none"> <li>• Discretionary bonuses</li> <li>• Allowances</li> <li>• Benefits in kind</li> <li>• Contributions to pension schemes</li> </ul>	<ul style="list-style-type: none"> <li>• Equity-settled share options</li> <li>• Share awards</li> </ul>

## DETAILS OF REALISED STI AND LTIS OF KMPs

Remuneration of KMPs for FY2024:

	Directors' fees (Fixed Pay) US\$'000	Bonus (STI) US\$'000	Allowance and Benefits in Kind (STI) US\$'000	Share-based Compensation Expense (LTIS) US\$'000	Total US\$'000
Mr Jinchu Shen	1,800	(ii)	–	584	2,384
Mr Stuart Gibson	1,800	(ii)	–	584	2,384
Other KMPs <sup>(i)</sup>	4,430	2,478	299	1,447	8,654

Notes:

- (i) Other KMPs who are in service as at 31 December 2024 refers to the Group Deputy Chief Executive Officer, Group Chief Financial Officer, Group Chief Investment Officer, Group Chief Operating Officer, Group General Counsel; and Chairman, ANZ, Executive Chair, Infrastructure.
- (ii) The FY2024 bonuses for the Group Co-Founders and Co-CEOs have yet to be approved by the Remuneration Committee at the date of this remuneration report.
- (iii) Refer to Equity-Linked Agreements under Directors' Report section for further details of the LTIS.
- (iv) Percentage of the component is expressed over the total annual remuneration package.

A breakdown of remuneration bands for KMPs are as follows:

Remuneration bands for KMPs	Number of KMPs	Fixed Pay % <sup>(iv)</sup>	STI % <sup>(iv)</sup>	LTI % <sup>(iv)</sup>
Below US\$2,000,000	5	61	36	3
US\$2,000,001 to US\$4,000,000	3	59	7	34

The Board is of the view that all the above disclosure in this Remuneration Section and other parts of the Annual Report, including the Remuneration Framework, key drivers for STI and LTIS and realised remuneration, would provide sufficient information and transparency to shareholders on the Company's remuneration policies, the level and mix of remuneration accorded to the KMPs and the procedure for setting remuneration. These disclosures would enable shareholders to understand the relationship between the Company's performance and remuneration of the KMPs, while ensuring there is alignment of interests between the KMPs' remuneration and interests of the shareholders.



# Directors' Report

The Board is pleased to present this report together with the Consolidated Financial Statements of the Group for the year ended 31 December 2024.

## PRINCIPAL ACTIVITIES

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 APAC markets, comprising Australia/New Zealand, Japan, South Korea, Greater China, Singapore, SEA and India, with a presence in Europe. In the course of the year ended 31 December 2024, the Group was principally engaged in (i) the development, construction and sale of completed properties; (ii) the management of the underlying assets on behalf of its capital partners via the funds and investment vehicles it manages; and (iii) the investment in completed properties, co-investment in the funds and investment vehicles and the public REITs it manages, and other investments. The activities of its principal subsidiaries, associates and joint ventures are set out in notes 1 and 15 to the Consolidated Financial Statements.

## SHARE CAPITAL

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.

## BUSINESS REVIEW

A fair review of the Group's business, a discussion about the principal risks and uncertainties facing the Group, and an indication of likely future development in the ESR Group's FY2024 business are detailed in the sections headed "Operations Overview" on pages 24 to 27, "Financial Review" on pages 30 to 32, "Message from Chairman" and "Message from Group Co-founders and Co-CEOs" on pages 12 to 17, and an analysis using key financial performance indicators are set out in "FY2024 Performance Highlights" on pages 8 to 9 of this annual report.

An analysis using key performance indicators of the ESR Group are set out in the "Operations Review" on pages 24 to 27 of this annual report.

## RESULTS

The financial results of the Group for the year ended 31 December 2024 are set out in the Consolidated Financial Statements of the Group on pages 123 to 255 of this annual report.

## BANK AND OTHER BORROWINGS

Particulars of bank and other borrowings of the Group as at 31 December 2024 are set out in note 25 to the Consolidated Financial Statements.

## DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: HK\$12.5 cents).

# Directors' Report

## CLOSURE OF REGISTER OF MEMBERS

### 2025 AGM

The forthcoming annual general meeting of the Company will be held on Thursday, 12 June 2025 (the “**2025 AGM**”). For determining the entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Monday, 9 June 2025 to Thursday, 12 June 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Thursday, 12 June 2025. In order to be eligible to attend and vote at the 2025 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 6 June 2025.

## DIVIDEND POLICY

The Board approved and adopted the dividend policy on 13 July 2022 (the “**Dividend Policy**”), please refer to the announcement dated 13 July 2022 for details.

Under the Dividend Policy, the Company proposed to commence paying a dividend in each financial year to shareholders of the Company, the amount of which will be determined by the Board after taking into account the factors set out below over the next few years. Thereafter, the Company will likely seek to adopt a dividend payout ratio based on its core earnings, details of which will be announced by the Company as and when appropriate.

While the Company intends to declare and pay dividend in the future, the amount of any dividend payment for any financial year will be subject to, among other things:

- (a) the Company maintaining an optimal capital structure to ensure that adequate capital resources are available for business growth and investment opportunities;
- (b) the actual and expected financial performance of the Group;
- (c) the availability of dividends received by the Company from its subsidiaries;
- (d) the Group's cash flow and liquidity position; and
- (e) prevailing economic and market conditions and other factors that may impact the business or financial performance of the Group.

In addition, the declaration and payment of dividends by the Company is further subject to compliance with applicable laws and regulations including the laws of the Cayman Islands and the Company's articles of association.

The Board will take the above factors into account when it evaluates the merits, amount and timing of future dividend payments. The Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

The Dividend Policy will be reviewed by the Board from time to time and there is no assurance that dividends will be proposed or declared in any particular amount for any given period.

# Directors' Report

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the audited consolidated results and the assets and liabilities of the Group for the last five financial years is set out on pages 256 to 258 of this annual report. The summary does not form part of the audited Consolidated Financial Statements.

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is devoted to delivering a better and sustainable environment for the future of the society and the development of the Company. Details of the Group's environmental policies and performance are disclosed in the "ESG Performance" on pages 36 to 43 of this annual report.

## COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has put in place practices and policies to monitor compliance with the legal and regulatory requirements applicable to its operations, such as companies, foreign investment and securities laws in the jurisdictions in which the Group operates. During the year ended 31 December 2024, the Group has complied with the relevant laws and regulations that have a significant impact on the Group.

## KEY RELATIONSHIPS WITH STAKEHOLDERS

The Group cares for the interests of its employees, customers and suppliers while pursuing its business growth strategies in a sustainable manner.

The Group has 2,058 employees spanning 13 locations, namely Australia, Mainland China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Singapore, South Korea, Thailand, United Kingdom, and Vietnam, as at 31 December 2024. The Group provided competitive remuneration package to its employees and encouraged training programs to improve their knowledge and skills, and promoted cross-market and cross-cultural cooperation to nurture their sense of belonging to the Group.

The Group's customers are composed of tenants that require logistics and distribution facilities, funds and investment vehicles. The Group's leading market positions enable it to provide its tenants with seamless regional solutions, and connecting its capital partners with a single interface to assess investment opportunities in the region.

The Group's suppliers primarily consist of construction contractors, property management companies, interior designers and commercial real estate brokers. The Group maintained close collaboration with its suppliers in delivering exceptional quality of facilities and services to its customers. In formulating and implementing its environmental, social and governance strategies, the Group engaged the stakeholders through various communication channels and activities. Further details are available in the "Stakeholder Engagement" section of the ESG Report 2024.

## MAJOR CUSTOMERS AND SUPPLIERS

During the financial year ended 31 December 2024, the five largest customers of the Group accounted for less than 30% of the Group's total revenue from sale of goods or rendering of services.

During the financial year ended 31 December 2024, the largest supplier and the five largest suppliers accounted for 34% and 63%, respectively of the Group's total purchases.

None of the directors, their associates nor any shareholders (which to the knowledge of the directors own more than 5% of the number of issued shares of the Company for the period from 1 January 2024 to 31 December 2024) had any interests in any of the five largest customers and suppliers of the Group.

# Directors' Report

## DISTRIBUTABLE RESERVES

Details of the movement in the reserves of the Company during the year ended 31 December 2024 are set out in note 43 to the Consolidated Financial Statements of this annual report.

As at 31 December 2024, the reserves available for distribution to shareholders by the Company amounted to US\$5,069,889,000 (2023: US\$5,065,403,000).

## DIRECTORS

Directors of the Company during the year ended 31 December 2024 and up to the date of this report are as follows:

Executive Directors	Date of Appointment
Mr Jinchu SHEN (Group Co-founder and Co-CEO)	30 June 2011
Mr Stuart GIBSON (Group Co-founder and Co-CEO)	20 January 2016
<b>Non-executive Directors</b>	
Mr Jeffrey David PERLMAN (stepped down as the Chairman of the Board with effect from 2 September 2024)	14 June 2011
Mr Charles Alexander PORTES (Group Co-founder)	20 January 2016
Mr Hwee Chiang LIM (retired with effect from 21 January 2025)	20 January 2022
Dr Kwok Hung Justin CHIU (retired at the AGM held on 31 May 2024)	20 January 2022
Mr Rajeev Veeravalli KANNAN	20 January 2022
Ms Joanne Sarah MCNAMARA	1 January 2024
<b>Independent Non-executive Directors</b>	
Mr Brett Harold KRAUSE (Chairman of the Board, redesignated with effect from 2 September 2024)	20 May 2019 (effective on 22 October 2019)
Mr Simon James MCDONALD	20 May 2019 (effective on 22 October 2019)
Ms Serene Siew Noi NAH	19 April 2022
Ms Jingsheng LIU (resigned with effect from 16 October 2024)	20 May 2019 (effective on 22 October 2019)
Ms Wei-Lin KWEE (retired at the AGM held on 31 May 2024)	25 May 2022

Ms Jingsheng Liu resigned as Independent Non-executive Director with effect from 16 October 2024. Dr Kwok Hung Justin Chiu as Non-executive Director and Ms Wei-Lin KWEE as Independent Non-executive Director retired at the AGM held on 31 May 2024. Mr Hwee Chiang Lim retired with effect from 21 January 2025. Saved as aforesaid, there was no other change of Directors of the Company during the year ended 31 December 2024 and up to the date of this report.

Biographical details of the Directors and senior management of the Company are set out in the sections headed "Board of Directors" and "Group Leadership Team and Business Leadership Team" respectively on pages 44 to 51 of this annual report.

In accordance with article 108(a) of the Articles of Association of the Company, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a director retires may fill the vacated office.



# Directors' Report

Article 108(b) of the Articles of Association of the Company also provides that the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself for re-election. Any Director who has not been subject to retirement by rotation in the three years preceding the annual general meeting shall retire by rotation at such annual general meeting. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Pursuant to Article 112 of the Articles, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

The Company will advise the shareholders on the Directors to rotate and offer for re-election in the forthcoming AGM circular.

## DIRECTORS' SERVICE AGREEMENTS AND LETTERS OF APPOINTMENT

None of the Directors has a service contract or letter of appointment with the Company that is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

There was no transaction, arrangement or contract of significance entered into in the financial year ended 31 December 2024 or subsisted at any time during the financial year in which a Director or an entity connected with a Director was materially interested, either directly or indirectly.

## COMPETING BUSINESS

Mr Jeffrey David Perlman, a non-executive Director is an employee of Warburg Pincus Private Equity X, L.P. (a substantial shareholder of the Company up to 27 November 2020) and its affiliates, which have other investments in the real-estate sector in APAC, the businesses of some of which may overlap with and potentially compete with the Company's businesses. In connection with his employment, he may hold directorships in such businesses. With effect from 2 September 2024, Mr Perlman has his new role as the chief executive officer of Warburg Pincus.

Mr Rajeev Veeravalli Kannan, a non-executive Director is a member of board of directors of Pierfront Capital Pte Ltd and SMFG India Credit Company Limited, and some parts of the businesses of the above companies and their subsidiaries may have business overlaps with and potentially compete with the Company's businesses.

Ms Joanne Sarah McNamara, a non-executive Director is employed by and a director of an indirectly-owned subsidiary of OMERS Administration Corporation (a substantial shareholder of the Company) and some parts of the businesses of OMERS Administration Corporation and its subsidiaries may potentially compete with the Company's businesses.

Ms Serene Siew Noi Nah, an independent non-executive Director is a managing director and head of Asia Pacific of Digital Realty, which owns, acquires, develops and operates data centres in APAC that may have business overlaps with and potentially compete with the Company's businesses. Digital Realty also has data centres in Singapore, Japan, Malaysia, Korea, Hong Kong and India. She is also the chairman and non-independent non-executive director of Digital Core REIT Management Pte. Ltd. (the manager of Digital Core REIT which is listed in Singapore).

None of the Company's Directors has an interest in any business which is regarded as being the Company's primary competition.

The Board is of the view the Company is capable of carrying on its business independently of and at arm's length from the businesses mentioned in the preceding paragraphs, and that the relevant Directors have acted and will continue to act in the best interest of the Group, during the performance of their duties as Directors of the Company.

# Directors' Report

## MANAGEMENT CONTRACTS

During the year ended 31 December 2024, the Company did not enter into any contract by which a person undertook the management and administration of the whole or any substantial part of any business of the Company.

## EMOLUMENT POLICY

The emolument of the Directors and senior management were paid in the form of remuneration, salaries, equity settled share options, LTIS, allowances, contributions to pension schemes, employee benefits, discretionary bonuses and fees. The remuneration package of employees includes salary, discretionary bonuses, contributions to pension schemes, other cash elements and where applicable, equity-settled share options and LTIS. In general, the Company determines employee salaries based on each employee's qualifications, experience, position and seniority. It has designed an annual review system to assess the performance of employees, which forms the basis to determine salary raises, bonuses and promotions. The Group is subject to social insurance contribution plans organised by relevant local governments. The Company believes that the salaries and benefits that its employees receive are competitive with market standards in each country where it conducts business.

The Company also has in place long-term incentive schemes with details set out in paragraphs headed "KM ESOP, Tier 1 ESOP, Post-IPO Share Option Scheme and the Long Term Incentive Scheme" in this report.

The Company has established a Remuneration Committee to review the policy and structure of the remuneration for the Directors and senior management and make recommendations on the remuneration packages of individual executive Directors and senior management. In general, the Company determines the emolument payable to its Directors based on each Director's qualifications, experience, time commitment and responsibilities, remuneration paid by comparable companies as well as the performance of the Company.

## CHANGES OF INFORMATION IN RESPECT OF DIRECTORS

Changes in the information of Directors required to be disclosed under Rule 13.51B(1) of the Listing Rules since the date of interim report 2024 of the Company are set out as follows:

Ms Jingsheng Liu has resigned as an Independent Non-executive Director and a member of the Nomination Committee of the Company with effect from 16 October 2024 due to health reasons.

Mr Simon James McDonald has been appointed as a member of the Nomination Committee with effect from 14 January 2025.

Mr Hwee Chiang Lim has retired as a Non-executive Director with effect from 21 January 2025.

Ms Serene Siew Noi Nah has been appointed as the chairman and non-independent non-executive director of Digital Core REIT Management Pte. Ltd. (the manager of Digital Core REIT which is listed in Singapore) since February 2025 and October 2023 respectively.