ESR

ESR Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1821

Annual Report 2024

ADVANCING AHEAD

ESR Group ("**ESR**" or the "**Group**") is Asia-Pacific's ("**APAC**") leading New Economy real asset owner and manager. With a core focus in logistics real estate, data centres, and infrastructure, the Group powers the supply chain for investors, customers, and communities. Through its fully integrated real asset fund management and development platform, ESR strives to create value and growth opportunities for its global portfolio of investors. The Group offers customers modern space solutions to realise their ambitions across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. ESR's purpose, Space and Investment Solutions for a Sustainable Future, drives the Group to manage sustainably and impactfully for the communities it serves to thrive for generations to come. ESR Group Limited is listed on The Stock Exchange of Hong Kong (HKSE: 1821.HK).

Visit www.esr.com for more information.

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

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

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

The Group's cover design embodies "Continuous Path, Unified Progress" in ESR's forward-looking vision and relentless drive for progress. ESR's signature hexagon is presented in forward momentum towards achieving a seamless collaboration across ESR's businesses and a shared commitment for a common purpose — to provide the best-in-class real estate development and investment solutions for a meaningful and sustainable growth in its business, the economy, and the environment.

ESR's Core Values

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

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

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

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

STRATEGIC REPORTS

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

ESR Cosmosquare OS1 Data Centre, Osaka, Japan

SPACE AND INVESTMENT SOLUTIONS FOR A SUSTAINABLE FUTURE

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

APAC's Largest Real Asset Manager Powered by the New Economy[1]

FEE-RELATED ASSETS UNDER MANAGEMENT ("AUM")[2,3]

US$71.4 billion

TOTAL AUM[2,4]

US$141.7 billion

GROSS FLOOR AREA ("GFA")

47 million sqm

MAINLAND CHINA

US$10.1 billion

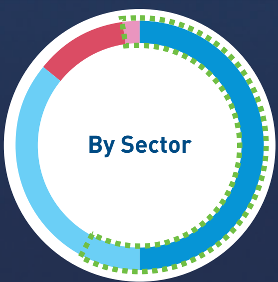
FEE-RELATED AUM

EUROPE AND UK

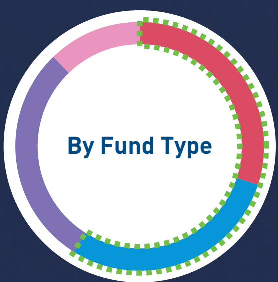
US$12.4 billion

FEE-RELATED AUM

FEE-RELATED AUM COMPOSITION



Private Logistics	50%
Listed REITs	36%
Credit	12%
Infrastructure and Data Centre	2%
New Economy	58%



Private Core	30%
Listed REITS	29%
Development	29%
Others	12%
Perpetual + Core	59%

FY2024 CAPITAL RAISE

US$5.4 billion

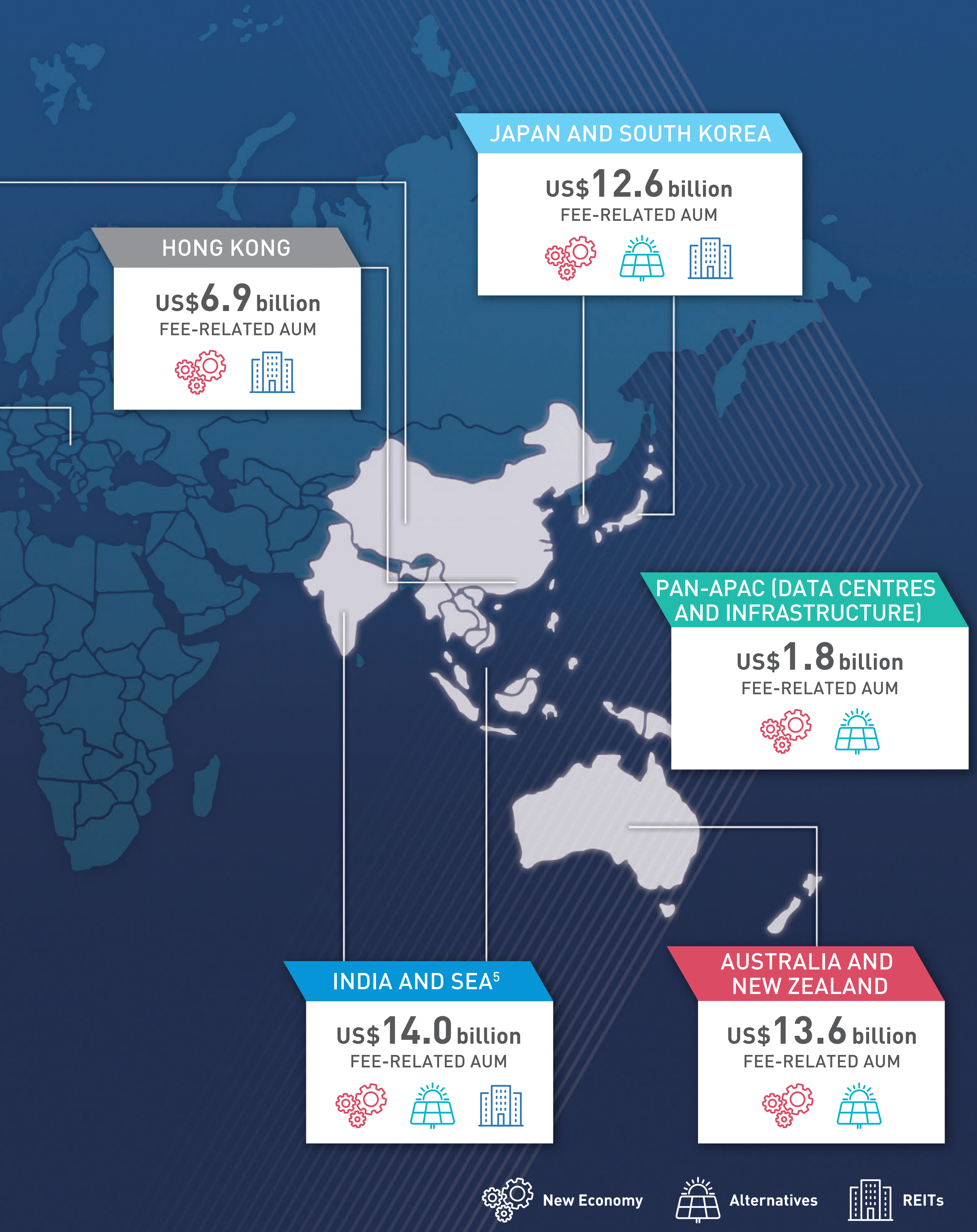
78% New Economy

UNCALLED CAPITAL

US$22.3 billion

46% New Economy

Notes:
1. Fund Manager Survey 2024 published by ANREV, INREV and National Council of Real Estate Investment Fiduciaries (NCREIF). In September 2024, ESR Group was also ranked number one in PERE's APAC Fund Manager Guide ranking of the top 50 private equity real estate fund managers in 2024.
2. Based on FX rates as at 31 December 2024.
3. Fee-related AUM excludes AUM from Associates, balance sheet investment properties and levered uncalled capital.
4. Total AUM included the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis.
5. Includes Singapore listed REITs.
* Information as of 31 December 2024.


JAPAN AND SOUTH KOREA
US$12.6 billion
FEE-RELATED AUM
HONG KONG
US$6.9 billion
FEE-RELATED AUM
PAN-APAC (DATA CENTRES AND INFRASTRUCTURE)
US$1.8 billion
FEE-RELATED AUM
INDIA AND SEA[5]
US$14.0 billion
FEE-RELATED AUM
AUSTRALIA AND NEW ZEALAND
US$13.6 billion
FEE-RELATED AUM
New Economy
Alternatives
REITs

ESR's Business Model

ESR Stakeholders

Investors

ESR offers a unique and fully-integrated fund management and development platform which creates one-of-a-kind closed loop solutions ecosystem for investors.

Customers

ESR continually creates and delivers best-in-class space and provides integrated solutions for customers, setting new benchmarks in innovation and sustainable operations.

Employees

ESR's employees grow and develop alongside ESR, forging long-term partnerships with investors and customers that are integral in driving ESR's growth to its fullest potential.

Community

Environmental, Social and Governance ("**ESG**") and sustainability are at the heart of ESR's business. ESR is driven by its conviction that its actions of today should generate a positive impact on the community.

Asset-light and Scalable Business Model

APAC's Real Asset Manager

ESR is ranked as the largest real asset manager in APAC in the 2024 ANREV Fund Manager Survey[1], in addition to being one of the top 10 global real estate investment managers.

Powered by the New Economy

ESR is a leader in New Economy real assets, offering customers modern solutions for logistics, data centres, and infrastructure and renewables.

Full Suite of Investment Solutions

ESR's fully-integrated fund management and development platform and business model generates fees throughout the real asset value chain comprising asset management fees, development fees, acquisition and divestment fees, as well as promote fees.

Extensive APAC Footprint with Global Reach

ESR's unique platform extends across key APAC markets, supported by strong local teams, a premium brand and robust stakeholder relationships in each of its operating markets.

Note:
1. Fund Manager Survey 2024 published by ANREV, INREV and National Council of Real Estate Investment Fiduciaries (NCREIF).

FIVE FOR 2025

PROFITABILITY AND ENTERPRISE VALUE

Driving long-term, sustainable growth and maximising shareholder value

CORPORATE CITIZENSHIP

Fostering strong internal and external relationships while upholding organisational values and demonstrating commitment to responsible business practices

BALANCE SHEET OPTIMISATION

Strengthening the company's financial position through the efficient use of balance sheet capital

ONE ESR

Creating a unified, high-performing ESR team that promotes a consistent brand message and fosters a culture of collaboration and knowledge sharing

OPERATIONAL EXCELLENCE

Enhancing operational efficiency, lowering unit operating costs while driving productivity and improving overall business performance through continuous improvement and innovation

ESR Jiangsu Friend Phase III, Kunshan, China

FY2024 Performance Highlights

ESR Yokohama Sachiura Distribution Centre 1, Yokohama City, Japan

BALANCE SHEET OPTIMISATION AND GROWTH IN PERPETUAL ESR-MANAGED VEHICLES

- Completed asset syndications of more than US$1 billion in the past year, including the listing of ESR China REIT ("**ESR C-REIT**") on the Shanghai Stock Exchange on 24 January 2025
- US$5.4 billion capital raised including recapitalisations amid a historically tough fund raising environment

SIGNIFICANT PROGRESS IN BUSINESS INTEGRATION TO FORM ONE ESR

- A unified group of high performing teams embedded in a culture of collaboration, continuous improvement and innovation to drive higher productivity and efficiency across the organisation
- Committed to upholding its leadership as a best In-class APAC Fund Manager and New Economy Leader

STREAMLINING BUSINESS TO ALIGN WITH STRUCTURAL TAILWINDS

- Continued focus in driving long-term sustainable growth and shareholder value supported by favourable structural trends in digitalisation and decarbonisation
- New Economy Fee-related AUM increased to approximately 60% post non-core divestments

DELIVERING ON OPERATIONAL EXECUTION CAPABILITIES IN DATA CENTRES

- Completed core and shell of ESR's flagship data centre project, ESR Cosmosquare OS1 Data Centre
- Announced joint venture ("**JV**") with CloudHQ to co-develop and operate a US$2.0 billion, 130MW data centre campus in Japan

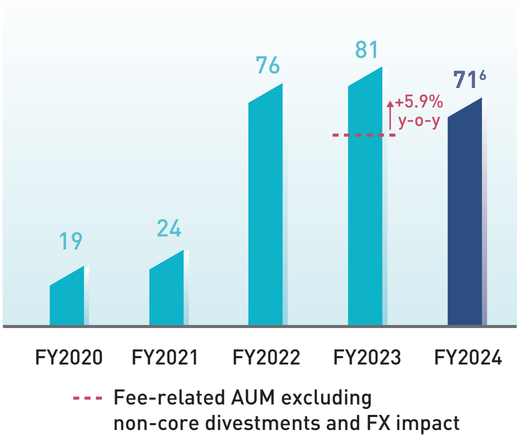
STRENGTHENED CAPITAL MANAGEMENT AT REDUCED COST

- Achieved 60 basis points reduction in weighted average interest cost to 4.7% for FY2024
- Secured US$2.5 billion sustainability-linked facilities, one of the largest loans raised in the Southeast Asia real estate sector in 2024

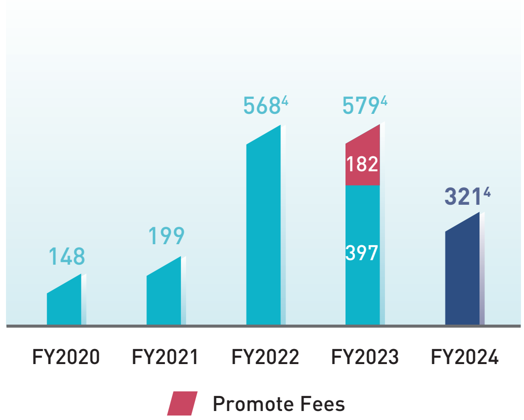
Fee-related AUM[1,2]	Total AUM[2,3]	Fee Income	Fund Management EBITDA[4]	EBITDA[5]	PATMI[6]
US$71 billion	US$142 billion	US$498 million	US$321 million	-US$80 million	-US$360 million

Notes:
1 Fee-related AUM excludes AUM from Associates and levered uncalled capital.
2 Based on FX rates as at 31 December 2024.
3 Total AUM included the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis.
4 Fund Management EBITDA excludes the share of fair value of financial derivative assets in relation to an associate. For FY2024, also excludes disposal loss on assets held for sale.
5 Calculated as (loss)/profit before tax, adding back depreciation and amortisation and finance costs (net). Excludes changes in fair value of financial derivative assets in relation to an associate, impairment losses on non-core divestments/business or near-term divestments, share of fair value losses relating to Cromwell Property Group ("Cromwell"), share-based compensation expense; and transaction costs related to a possible privatisation of the Company, which, if proceeded with, could result in a delisting of the Company from the Stock Exchange ("Transaction Costs related to Proposed Privatisation").
6 Refers to (loss)/profit after tax and minority interests. Excludes the amortisation of intangible assets attributable to the ARA acquisition (net of tax), changes in fair value of financial derivative assets in relation to an associate, impairment losses on non-core divestments/business or near-term divestments, share of fair value losses relating to Cromwell, share-based compensation expense related to ARA; and Transaction Costs related to Proposed Privatisation.

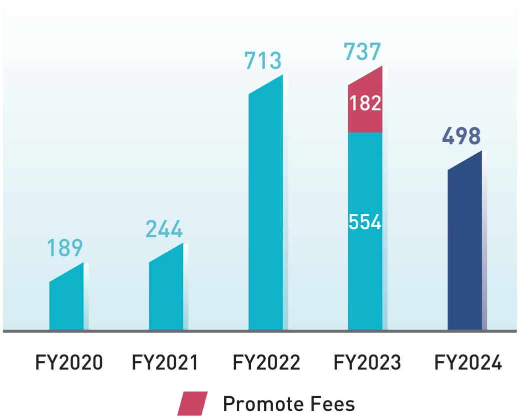
Fee-related AUM
(US$ billion)



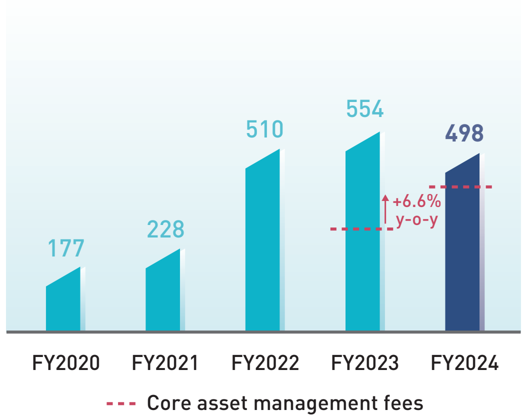
Fund Management EBITDA
(US$ million)



Fee Income
(US$ million)



Fee Income (ex. promote fees)
(US$ million)



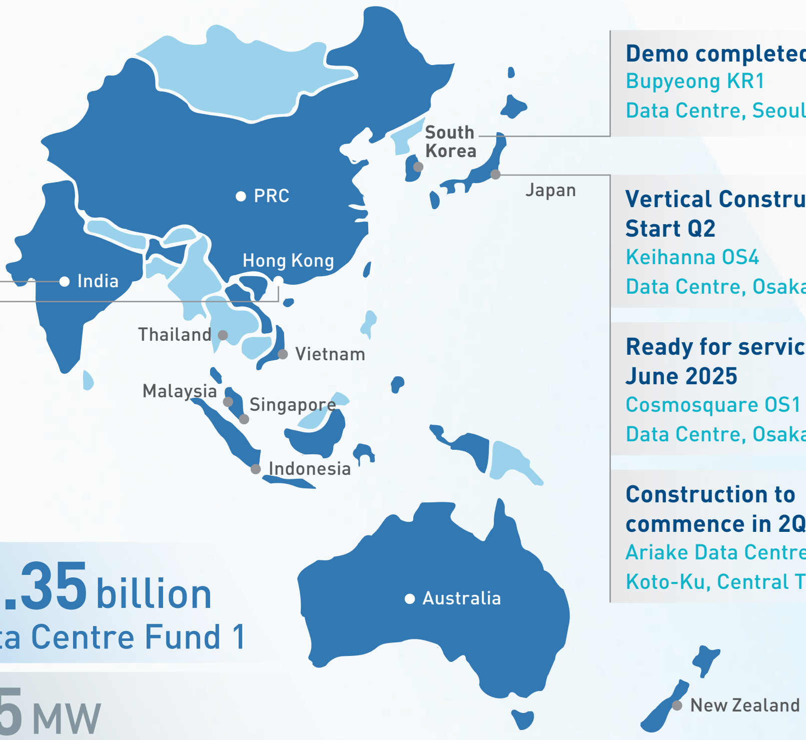
Balance Sheet (US$ million)	FY2020	FY2021	FY2022	FY2023	FY2024
Total assets	7,687	9,338	16,199	16,191	14,823
Cash and bank balances	1,515	1,638	1,807	1,002	914
Bank and other borrowings	3,295	4,248	5,497	5,980	6,148
Net debt[7]	1,780	2,610	3,690	4,978	5,234
Net debt/total assets	23.2%	27.9%	22.8%	30.7%	35.3%

Notes:
6. Post the sale of ARA Private Funds, ARA US Hospitality Trust Manager and interest in ARA US Hospitality Trust.
7. Net debt is calculated as bank and other borrowings less cash and bank balances.
EBITDA, Adjusted EBITDA and Adjusted PATMI are non-IFRS measures. These measures are presented because the Group believes they are useful measures to determine the Group's financial condition and historical ability to provide investment returns. EBITDA, Adjusted EBITDA, Adjusted PATMI and any other measures of financial performance should not be considered as an alternative to cash flows from operating activities, a measure of liquidity or an alternative to net profit or indicators of the Group's operating performance on any other measure of performance derived in accordance with IFRS. Because EBITDA, Adjusted EBITDA and Adjusted PATMI are not IFRS measures, these may not be comparable to similarly titled measures presented by other companies. Refer to non-IFRS measures reconciliation in pages 257 to 258.
* Numbers may not add up due to rounding.

Growing Pan-APAC Data Centre Platform

Under construction
Rabale MU1
Data Centre, Mumbai
(100% pre-leased)

Under construction
Kwai Chung HK1
Data Centre, Hong Kong



Demo completed
Bupyeong KR1
Data Centre, Seoul

Vertical Construction Start Q2
Keihanna OS4
Data Centre, Osaka

Ready for service June 2025
Cosmosquare OS1
Data Centre, Osaka

Construction to commence in 2Q 2026
Ariake Data Centre,
Koto-Ku, Central Tokyo

US$1.35 billion
ESR Data Centre Fund 1

575 MW
Upon completion of 8 sites

375 MW
Under construction

2 GW+
Pipeline of land and projects identified

US$2 billion, 130 MW
Cosmosquare Data Centre Campus

- Completion of first hyperscale data centre asset within ESR's 130MW campus
- JV with CloudHQ to co-develop and operate announced in December 2024
- To jointly build, fit out, and operate the entire data centre campus over three phases (OS1, OS2 and OS3)
- OS1 will be ready for service in June 2025 and will provide 25 MW of data centre capacity
- Advanced stage of leasing conversation with both American-based and China-based hyperscale customers

Advanced technology solutions
High-quality infrastructure
State-of-the-art solutions
Multi-model platform
LEED NC v4 Gold certification

STRATEGY: GROW PIPELINE AND CAPITAL

- Expand pipeline with operators and hyperscalers across APAC markets
- Seek new capital from investors

Highlights:

— Secured US$2 billion JV with CloudHQ in early 2025 to deliver 130 MW capacity; engaged with several large multi-national operators for further sites and regional hyperscalers on leasing

— Steady deployment of committed capital from ESR Data Centre Fund 1 expected in 2025

STRATEGY: EXPAND OPERATING SCALE

- Unified platform with LOGOS Property Group Limited ("**LOGOS**") to bolster ESR's data centre offering in Tier 1 markets, with potential to expand to broader markets leveraging ESR's network in the region
- Expand in-country data centre teams and skills in key markets
- Pursue new opportunities across APAC, including the delivery of our expanded pipeline of 2GW+ of secured land and power

Highlights:

— Enhanced team capabilities across design, development, and operations

— Strengthened cross-border collaboration to better serve our stakeholders across markets

STRATEGY: UPHOLD COMMITMENT TO SUSTAINABILITY AND ESG

- Established robust ESG governance structure and Green Data Centre Framework to embed ESG principles into the planning, design, development and management of ESR's data centre assets
- Effective stakeholder engagement and communication to align with core values, shared business and sustainability objectives

STRATEGY: BROADEN PRODUCT DELIVERY

- To include core fund strategy in the establishment of future core data centre funds
- Deliver state-of-the-art solutions by leveraging ESR's land sourcing and aggregation capabilities to cater for AI and cloud expansion needs for clients

Message from Chairman

BRETT KRAUSE
Chairman

"OUR COMMITMENT IS TO UNLOCK LONG-TERM VALUE AND ENSURE ALL STAKEHOLDERS CAN BENEFIT FROM THE SUCCESS OF OUR BUSINESS, WELL INTO THE FUTURE."

Dear Shareholders,

2024 was a year of transformation for ESR as we solidified our positioning in New Economy real assets, anchored by three strategic growth engines: logistics real estate, data centres, and infrastructure. Our transformation strategy bore fruit in FY2024, with core businesses generating approximately 60% of the Group's Total Fee-related AUM[1,2] of US$71.4 billion.

As we continue to operate in a volatile and uncertain environment, our purpose to provide space and investment solutions for a sustainable future will guide our core business focus and strategic priorities. This will ensure that we strengthen resilience and position ESR to capitalise on favourable structural trends presented by digitalisation and decarbonisation to create long-term value for our stakeholders.

Nonetheless, the persistent macroeconomic headwinds that have built up in the past few years have had a bearing on the Group's profitability. In FY2024, ESR recorded Total Revenue of US$639 million, over 75% of which was Fund Management Segment Revenue. Fund Management EBITDA[3] was US$321 million in FY2024. The Group's EBITDA[4] was negative US$80 million and PATMI[5] was negative US$360 million in FY2024. EBITDA and PATMI were 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.

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 Fund Management EBITDA excludes the share of fair value of financial derivative assets in relation to an associate; and disposal loss on assets held for sale.
4 Calculated as (loss)/profit before tax, adding back depreciation and amortisation and finance costs (net). Excludes changes in fair value of financial derivative assets in relation to an associate, impairment losses on non-core divestments/business or near-term divestments, share of fair value losses relating to Cromwell Property Group ("Cromwell"), share-based compensation expense; and transaction costs related to a possible privatisation of the Company, which, if proceeded with, could result in a delisting of the Company from the Stock Exchange ("Transaction Costs related to Proposed Privatisation").
5 Refers to (loss)/profit after tax and minority interests. Excludes the amortisation of intangible asset attributable to the ARA acquisition (net of tax), changes in fair value of financial derivative assets in relation to an associate, impairment losses on non-core divestments/business or near-term divestments, share of fair value losses relating to Cromwell, share-based compensation expense related to ARA; and Transaction Costs related to Proposed Privatisation.

While the results are below expectations, they are not reflective of the long-term performance of the Group. ESR's underlying business is fundamentally resilient, underpinned by the sustained growth in recurring core fee income from asset management, investment management, and property management. Despite downward pressure on valuations, we achieved a 6.6% year-on-year ("**y-o-y**") increase. The uncertain near-term outlook notwithstanding, we are optimistic about the demand for space and investment solutions across APAC in our core business areas as we continue to build on the positive momentum and synergies to realise sustainable growth for ESR.

Furthermore, underscoring investor confidence, we successfully raised US$5.4 billion in capital — over 75% of which was New Economy driven — growing our perpetual ESR-managed vehicles, including our core logistics fund in South Korea alongside the positive market response to our ESR C-REIT listing.

At the same time, the successful integration of ESR and LOGOS into a unified platform further augments our ability to serve our capital partners, customers, and employees — enabling them to access and scale growth opportunities across our integrated network.

ADVANCING A ONE ESR INTEGRATED PAN-APAC PLATFORM

To drive ESR's sustainable growth in the years ahead, we prioritised the strengthening of business fundamentals and enablers in FY2024. To this end, as a unified group of high-performing teams who are embedded in a culture of collaboration, continuous improvement and innovation, the Group strives to attain our corporate goals in the areas of profitability and enterprise value, optimising the balance sheet, streamlining and simplifying operations, and delivering as One ESR.

ESR is forging ahead with our clear and focused strategy — making a decisive pivot towards data centre and infrastructure, while building on our track record in logistics real estate. This has positioned the Group well to tap the opportunities in high-growth sectors, including e-commerce, logistics, and technology, that are powering economic growth and transforming how we live, work, and play.

In 2024, ESR completed the integration with LOGOS, establishing a much larger, unified business spanning the broader APAC region. This strategic consolidation has created a platform that provides investors, capital partners, and customers with enhanced opportunities to access, expand, and diversify their investments across a broader range of geographies and strategies. The integrated platform also reinforces ESR's deep expertise and presence in all major APAC markets.

Additionally, the integration has bolstered ESR's data centre strategy by enabling a multi-model operating platform that maximises flexibility and outcomes while capturing growth, scale, and diversification. Drawing strong investor interest, the Group has raised a combined US$2 billion across two funds as One ESR. We are also executing on a 2-gigawatt development pipeline of secured land and power. This positions ESR as an early-mover to capitalise on surging data centre demand driven by AI, cloud, and 5G in tier-1 and emerging markets across APAC.

ESR has also been actively laying the foundations for its infrastructure platform, which will deliver investment solutions backed by equity interests in assets, companies or platforms that drive decarbonisation initiatives, data transmission and use, and supply chain efficiencies.

ESR Amagasaki Distribution Centre, Amagasaki City, Japan

MAXIMISING VALUE OF ESR'S DEVELOPMENT AND FUND MANAGEMENT PLATFORM

ESR remains focused on executing and expanding on our industry leading development workbook of about US$11.4 billion. With one of APAC's largest workbooks, ESR offers access to a strategically diversified asset portfolio across major Tier 1 markets and in the most sought-after sub-markets. Over 50% of the Group's projects are in Australia and New Zealand, Japan, and South Korea, reflecting a strategic focus on high-growth regions. This robust pipeline not only provides embedded AUM growth but also drives sustainable fee income as ESR continues to pursue our development strategy.

Despite a historically tough fundraising environment for the sector, ESR achieved robust New Economy capital raising at US$4.2 billion, reflecting a year-on-year increase of 53%. In line with ESR's strategic focus on our core business, the capital raised was focused on industrial logistics and data centre projects. Additionally, the Group raised US$2.3 billion from new investors, accounting for 42% of the total US$5.4 billion capital raised in FY2024.

DOUBLING DOWN ON CORE GROWTH BUSINESSES AHEAD OF MARKET RECOVERY

In December 2024, ESR received a privatisation proposal from a consortium of investors who have committed to support ESR's long-term sustainable growth and performance by providing access to capital for the Group's ongoing transformation strategy. The Group remains focused on delivering against our strategic goals and business priorities, and in doing so, we aim to realise our commitment to ensure our capital partners, customers, and employees will benefit from the success of our business, well into the future.

Looking ahead, we are confident that with our more streamlined business, focused on our core strengths, and the momentum behind the One ESR integrated platform, the Group is well-positioned for sustainable growth and to continue unlocking value for all our stakeholders.

Brett Krause
Chairman

ESR Cherry Lane, Victoria, Australia

Message from Group Co-founders and Co-CEOs

STUART GIBSON AND JINCHU SHEN
Group Co-founders and Co-CEOs

"OUR TRACK RECORD IN LOGISTICS REAL ESTATE HAS GIVEN US A HEAD START IN THE STRATEGIC PIVOT WE MADE TOWARDS DATA CENTRES AND INFRASTRUCTURE."

Dear Shareholders,

ESR demonstrated resilience amidst a challenging macroeconomic environment through 2024. With your support and that of our capital partners, customers, and employees, we achieved progress on the strategic business priorities that have strengthened our Group's position and contributed to the broader economy and communities where we operate.

Driving long-term sustainable growth and shareholder value remains a key focus as we continue to navigate the impact of strong headwinds.

In 2024, we stayed focused on our asset-light strategy that guided ESR's ongoing balance sheet optimisation. We completed over US$1 billion of asset syndications, including the injection of seed assets into ESR China REIT. A further US$2.7 billion of balance sheet assets and non-core divestments are earmarked for subsequent sell-down as part of our aim to achieve an optimal capital structure. By freeing up capital and investing into our core areas, we are driving recurring fee income growth as AUM scales.

Our sharpened New Economy focus on logistics real estate, data centres, and infrastructure, coupled with our other non-core divestments to streamline and simplify the business, have positioned ESR to realise long-term value for investors, customers, partners, and employees.

Further, having accelerated the integration of LOGOS into ESR in 2024, we are now operating a unified pan-APAC business to maximise the impact and value of our integrated fund management and development platform for stakeholders.

Importantly, our Operational Excellence and One ESR commitments have advanced our purpose of providing investors and customers with space and investment solutions for sustainable growth. These commitments are part of our five strategic priorities for FY2025, alongside Profitability and Enterprise Value, Balance Sheet Optimisation, and Corporate Citizenship.

REINFORCING STRONG FUNDAMENTALS IN LOGISTICS REAL ESTATE

Logistics real estate has always been a core and distinctive advantage for ESR. Our established APAC-wide platform and in-market expertise provide investors and customers with the confidence in ESR's integrated development and fund management solutions.

We continue to generate attractive returns for investors with projected development margins of 34% and work-in-progress development yield on cost of 6.8%, demonstrating our development portfolio's strength. We maintained a well-distributed lease expiry profile for stable income visibility and minimised leasing risk.

We strengthened our relationships with customers, delivering 8 million sqm of space leased, a y-o-y increase of 50%. Overall portfolio occupancy was at 87%, with non-Mainland China markets remaining robust at 95%. Our strong market positioning and premium asset quality led to improved weighted average rental reversions of 12.6% portfolio-wide, with non-Mainland China markets achieving 21.2%.

We closed 2024 with a robust development pipeline of approximately 20.7 million sqm, which is key to supporting AUM growth. Additionally, we have one of APAC's largest development workbooks of about US$11.4 billion, a diversified portfolio comprising Japan and South Korea (29%), Australia and New Zealand (22%), India and Southeast Asia (13%), Hong Kong (13%), Mainland China (7%), and data centres which increased to 16% of the total.

CAPTURING OPPORTUNITIES IN DIGITALISATION AND DECARBONISATION

We are confident that our track record in logistics real estate has given us a head start in the strategic pivot we made towards data centres and infrastructure in 2024. Our access to land and utilities gives us the ability to deliver projects to investors and customers on time, on spec, and on budget.

Our step-up in momentum is evident in the commencement of 375 megawatts ("**MW**") of data centre projects under construction in 2024, achieving our previously announced target. A milestone to watch is our first hyperscale asset, OS1, within the US$2 billion, 130 MW ESR Cosmosquare Data Centre campus in Japan, which was completed in August 2024 and will be ready for service in June 2025.

Underpinning the growth of ESR's data centre platform is the continuous push for faster data speeds and in turn data consumption alongside rapid technology adoption and reliance on AI solutions across APAC — and there are no signs of slowing down.

Another growth engine for the Group is our infrastructure platform. As with our data centre strategy, we are leveraging the natural adjacencies across our New Economy real estate business, APAC-wide footprint, site acquisition prowess, and inherent capabilities to provide immediate access to a proprietary pipeline of infrastructure assets.

Spotlighting this advantage is our investment in Leader Energy Group Berhad through China-ASEAN Investment Cooperation Fund II ("**CAF II**"), which is sub-advised by ESR. Through this partnership, we are advancing sustainable energy solutions in Southeast Asia while creating significant value for our stakeholders. We expect active developments on this front in 2025, catalysed by a new infrastructure fund that ESR is launching.

MAKING A POSITIVE IMPACT

The space and investment solutions we offer enable a sustainable and resilient supply chain. From sustainable designs to renewable energy generation, logistics fleet electrification, and job creation, we have a unique ability to empower greener flows of products and data through our logistics real estate, data centres, and infrastructure platforms.

Guided by our Environmental, Social and Governance ("**ESG**") Roadmap, we made steadfast progress across the three key pillars under the Group's ESG Framework: Human Centric, Property Portfolio, and Corporate Performance.

On the environmental front, approximately 154 MW of rooftop solar power capacity as well as approximately 800 Electric Vehicle charging stations were installed across the Group's portfolio to-date, representing a like-for-like[1] increase of 38% and 32%, respectively, from FY2023. Additionally, we obtained sustainable building certifications and ratings for approximately 42% of our portfolio of completed, directly managed assets, comparable on a like-for-like basis with the prior year.

Note:
1 Like-for-like refers to year-on-year comparisons, excluding divestments.

Our social impact initiatives included 4,500 employee volunteerism hours in outreach activities organised in collaboration with stakeholders in the communities where ESR operates.

We received recognition for our performance across global ESG benchmarks, including GRESB, the global ESG benchmark for financial markets, as well as the Institutional Shareholder Services QualityScores. The Group also maintained its "Low Risk" rating in the Sustainalytics ESG Risk Rating.

LOOKING AHEAD AT ESR'S GROWTH TRAJECTORY

We have entered 2025 with a clear and renewed focus on core growth engines to drive ESR's development. The robust demand for space and investment solutions in logistics real estate, data centres, and infrastructure across APAC presents significant opportunities driven by strong structural long-term trends in the region, including robust GDP growth, increasing disposable income, exponential growth in e-commerce demand, and rapid digital transformation.

Our growth trajectory is also backed by a sound liquidity position and a strong capital base with cash balances and committed loan facilities of approximately US$4 billion. Reinforcing the Group's strengths in sustainable financing and operations, we secured a landmark five-year syndicated sustainability-linked facilities totalling US$2.5 billion in 2024. This is the largest sustainability linked loan raised by ESR to-date and is one of the largest within the real estate space in Southeast Asia.

As the interest rate environment shifts favourably, a rebound in asset values is expected — facilitating fund exits, promote income, and a resurgence in development starts. This will also enhance balance sheet asset sales and the completion of non-core divestments and catalyse capital recycling activities. At the same time, we are expanding ESR's offerings by introducing new core vehicles and increasing opportunities for pan-APAC discretionary funds.

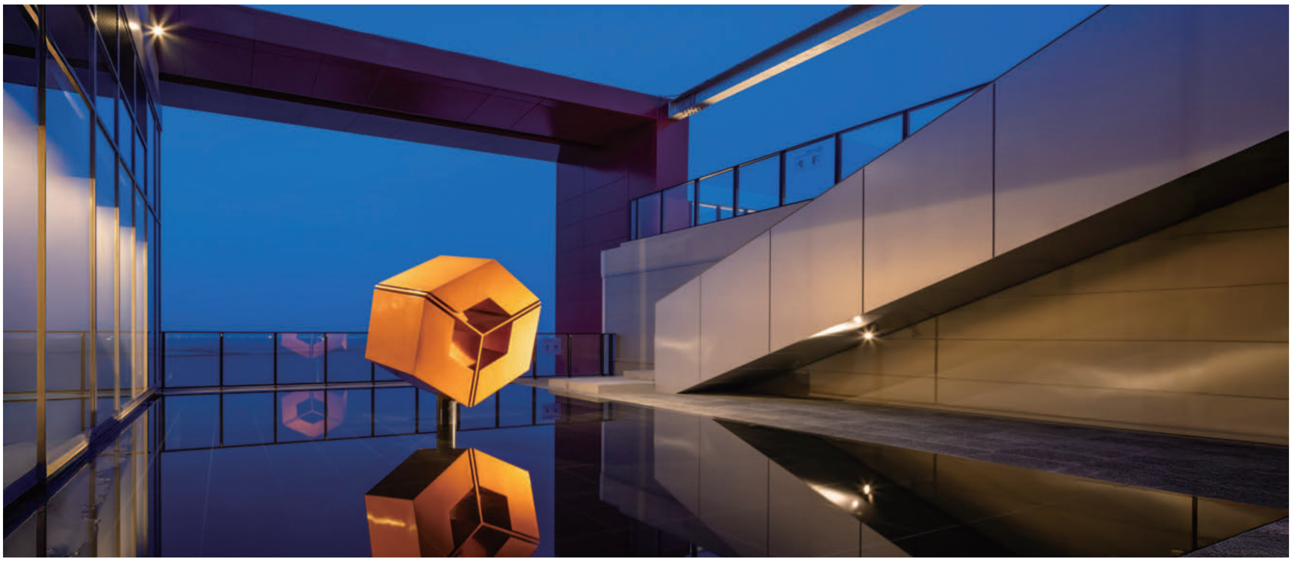
As we look to the future and amid the announced privatisation of ESR, we remain focused on our key business priorities to ensure sustainable business growth as well as improve profitability and our operational efficiency to bring value to our stakeholders.

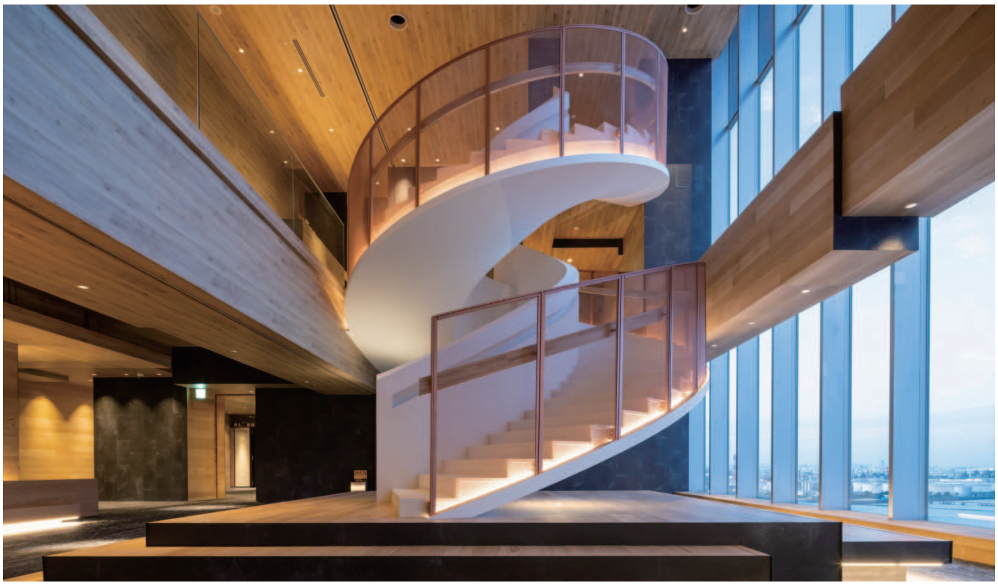
We thank our shareholders for their support, our Board of Directors for their guidance, and our ESR Executive Committee leadership team and colleagues for their dedication as we position ESR for our next phase of growth.

Stuart Gibson and Jinchu Shen
Group Co-founders and Co-CEOs

Dongguan Hongmei Park Phase II, Guangdong Province, China

Awards and Accolades





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

Corporate Excellence

PERE APAC Fund Manager Guide 2024

ESR Group: Ranked 1st 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 1st in APAC and 6th 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 1st in Asia and 6th 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: 1st decile ranking achieved for the ISS Governance QualityScore and 1st and 2nd decile rankings achieved for the ISS E&S QualityScore on social and environment components, respectively

ESG

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 10th 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 10th 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


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

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[1], 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.

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

Interior of ESR Cosmosquare OS1 Data Centre, Osaka, Japan

- 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[2] 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.

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[3] 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:
2. Facility load
3. Listed on 24 January 2025.

ESR Amagasaki Distribution Centre, Amagasaki City, Japan

LEADER IN NEW ECONOMY

RESILIENT PERFORMANCE

Healthy Portfolio Occupancy[1]

87% / 95%

Portfolio Portfolio ex-China

Positive Weighted Average Rental Reversions[1,2]

+12.6% / +21.2%

Portfolio Portfolio ex-China

Robust Leasing of Space[1]

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[1,2], 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[3] 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

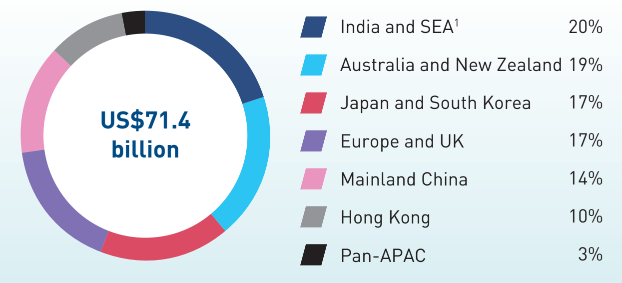
Investments in JVA (New Economy) by Region

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



1. Includes Singapore listed REITs

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[4] 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.

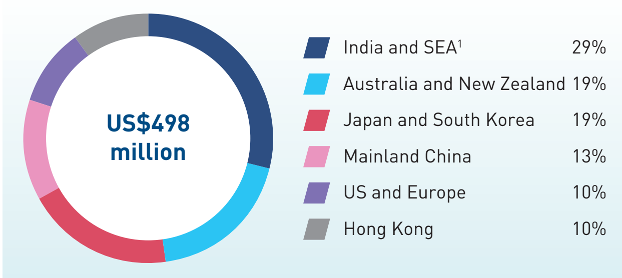
The Group's underlying business is fundamentally resilient, underpinned by the sustained growth in recurring core fee income from asset management, investment management and property management. ESR recorded Total Revenue of US$639 million for FY2024, and Fund Management Segment Revenue contributed over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



1. Includes Singapore listed REITs

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[1]	Highlights
Australia	Australia Core Portfolio	US$321 mil	• First closing; includes 10 prime logistics estate developed by ESR
Australia	Development and Opportunistic	US$904 mil	• Final close of development partnership brings total capital to AU$700 mil • Closed opportunistic partnership fund at ~AU$800 mil
Mainland China	ESR C-REIT	US$290 mil	• Listing of C-REIT on the Shanghai Stock Exchange on 24 Jan 2025
South Korea	ESR Korea Core Fund	US$400 mil	• 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
South Korea	ESR Credit Fund	US$325 mil	• Closed ESR's first South Korea credit fund focused on providing credit solutions to New Economy assets
APAC/SEA	Regional mandates	US$600 mil	• Includes ESR's first regional SEA development mandate

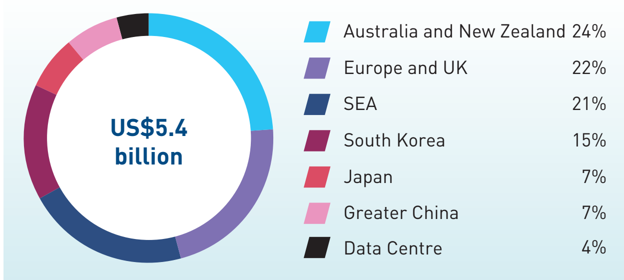
1 Based on FX rate as at 31 December 2024.

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[1] 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[2] 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.

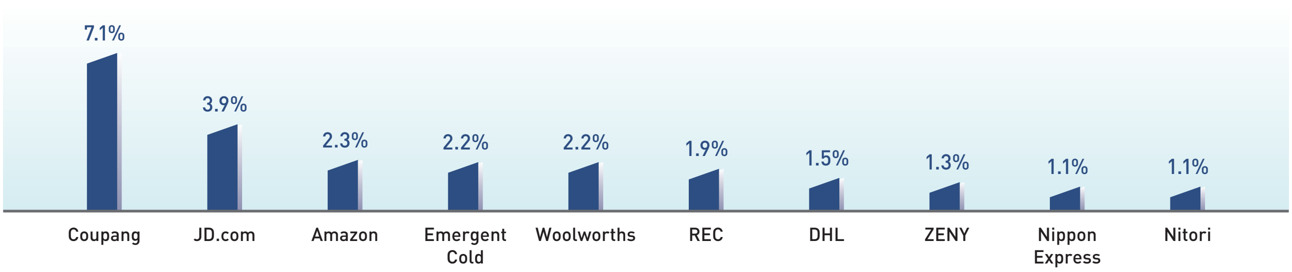
FY2024 New Economy Portfolio Occupancies and Rental Reversions

	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.

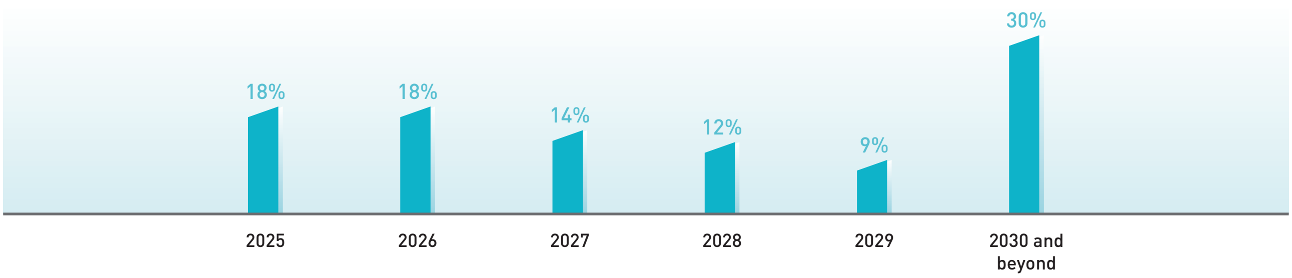
Notes:
1 Stabilised New Economy assets; excludes listed REITs and Associates.
2 Weighted by the AUM of each country.

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

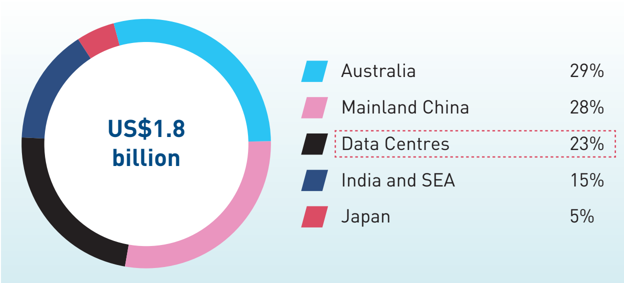
Top 10 Global New Economy Customers by Revenue (%)



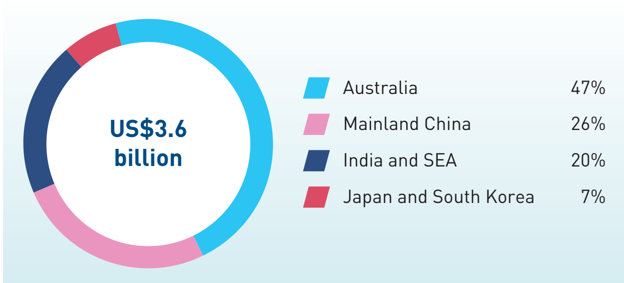
Portfolio Lease Expiry Profit (by Area)



Development Starts



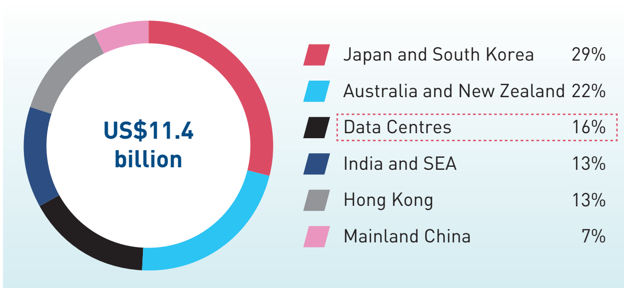
Development Completions



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	**Jiaxing Haining,** No.300, Gushui Road, Haining, Zhejiang Province	Completed	105,390	Leasehold	2069	100%	Logistics Facility
Jilin	**Jilin Daling,** No.6091, Fumin Street, Changchun city, Jilin Province	Completed	94,412	Leasehold	2068	100%	Logistic Facility
Kunshan	**Kunshan Zhonggang,** Shuanghua Road No. 168, Huaqiao Town, Kunshan City, Jiangsu Province	Completed	293,531	Leasehold	2054	100%	Logistic Facility
Langfang	**Langfang Weidu,** No.14 Fengwu Road, Economic and Technical Development Zone, Langfang, Hebei Province	Completed	71,687	Leasehold	2061	100%	Logistic Facility
Langfang	**Langfang Hengjia,** No. 437 Chunhe Road, High-Tech Industrial Development Zone, Langfang, Hebei Province	Completed	81,950	Leasehold	2069	100%	Logistic Facility
Langfang	**Langfang Yisi,** No. 158 Jingming Road, Langfang Hi-Tech Industrial Development Zone, Langfang, Hebei Province	Completed	72,456	Leasehold	2063	100%	Logistic Facility
Langfang	**Langfang Chunhui,** No.207, Huaxin Road, Langfang Economic and Technological Development Zone, Hebei Province	Completed	48,622	Leasehold	2053	100%	Logistic Facility
Shanghai	**Jiangnan Chuanting,** Hailong Road 999, Fengxian District, Shanghai, PRC	Completed	35,533	Leasehold	2058	100%	Logistic Facility
Shanghai	**Shanghai Yurun (Phase I)** No. 2989 Baishi Highway, Baihe Town, Qingpu District, Shanghai	Completed	336,390	Leasehold	2056	100%	Logistic Facility
Shanghai	**Shanghai Yurun (Phase II)** No. 2989 Baishi Highway, Baihe Town, Qingpu District, Shanghai	Completed	205,569	Leasehold	2056	100%	Logistic Facility
Shanghai	**Qingpu Judicial Auction,** 5/3 Qiu, Yingzhong Village, Xianghuaqiao Street, Qingpu District	Completed	121,305	Leasehold	2062	100%	Logistic Facility
Shanghai	**Zhangjiang NEO,** No. 103 Cailun Road, Zhangjiang Town, Pudong New District, Shanghai, PRC	Completed	8,940	Leasehold	2053	100%	Business Park
Suzhou	**Suzhou Yixiang (Phase I)** No. 28 Yongchang Road, Xiangcheng Economic Technology District, Suzhou, Jiangsu Province	Completed	189,552	Leasehold	2060	100%	Logistic Facility
Suzhou	**Fenhu Dafuhao,** 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	**Huizhou Hongyun,** No.3, Qiaoguang Road, Chenjiang Street, Huizhou Zhongkai High Tech District, Huizhou, Guangdong Province	Completed	105,759	Leasehold	2071	60%	Logistic Facility
Huizhou	**Huizhou Huishang Technology (TCL Huichen I)** Plot LG-01-03, Unit 01, Lugang Area, Shuikou Street, Huicheng District, Huizhou City	Completed	126,634	Leasehold	2071	54%	Logistics Facility
Chengdu	**Chengdu Qingbaijiang (Phase I ,II , III),** Gaoping Nan Road South, Tongxin Road East, Qingbaijiang District, Chengdu, Sichuan Province	Completed	114,688	Leasehold	2071	51%	Logistic Facility
India							
Nagpur	**Gati Realtors Pvt Ltd** 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
Mainland China						
Huizhou	**Huizhou Huishang Supply Chain (TCL Huichen III),** Plot LG-01-04, Lugang Area, Shuikou Street, Huicheng District, Huizhou City	Superstructure in Progress	2025	111,348	54%	Logistic Facility
Foshan	**Foshan Rongjin** No. 108-1, Sanshui Industrial District Southwest Zone B, Foshan, Guangzhou Province	Land	2027	160,052	100%	Land
Japan						
Yokohama	**ESR Sachiura 2A DC,** 8-5, Sachiura 1-chome, Kanazawaku, Yokohama-shi, Kanagawa-ken, 236-0003, Japan	Superstructure in Progress	2025	165,309	100%	Logistic Facility
Yokohama	**ESR Sachiura 2B DC,** 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

Greater China	27%
Australia and New Zealand	25%
Southeast Asia	22%
Japan	9%
South Korea	8%
Europe	7%
India	2%
Others	1%

* Percentages may not add up due to rounding

Revenue by Segment

FY2024

Fund Management	78%
Investment	12%
New Economy Development	10%

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.

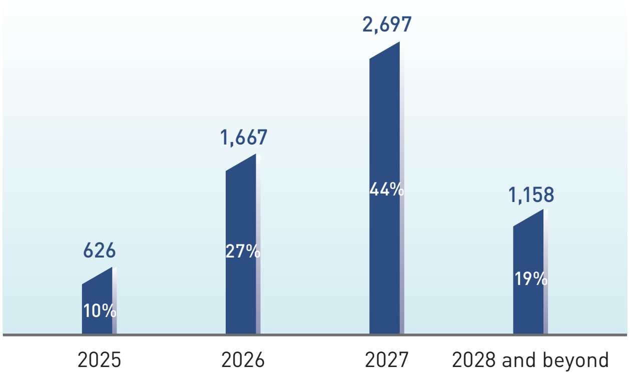
Additionally, total equity as at 31 December 2024 reflects deduction for the FY2023 final dividend of US$67.4 million and share repurchases of US$72.2 million.

Capital Management

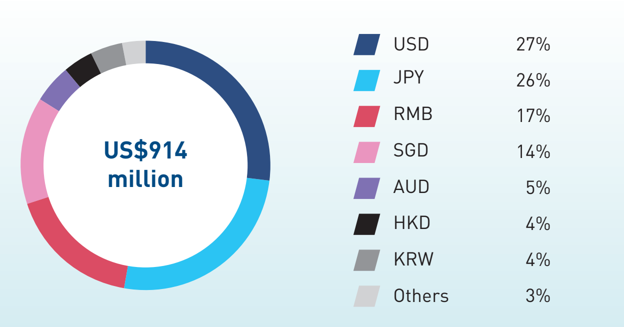
ESR adopts a proactive and disciplined approach to capital management, regularly reviewing its liquidity position, debt maturity profile, and refinancing strategies ahead of maturity. The Group maintains a well-capitalised balance sheet and actively diversifies its funding sources through a combination 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.

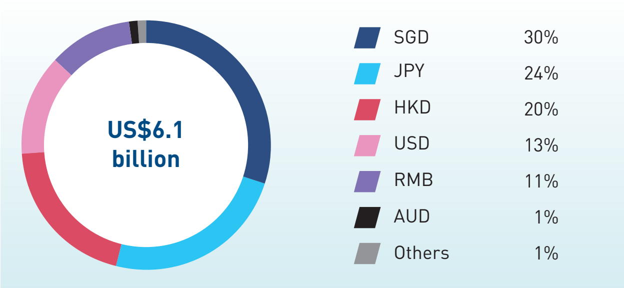
Debt Maturity Profile (US$ million)
As of 31 December 2024



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.

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
13 CLIMATE ACTION

SUSTAINABLE DEVELOPMENT GOALS

Signatory of:

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

Notes:
1 Refers to ESR employees.
2 Refers to ESR's portfolio of completed directly managed assets as at 31 December 2024.
3 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.
4 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.

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_2 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

HUMAN CENTRIC (SOCIAL)	PROPERTY PORTFOLIO (ENVIRONMENTAL)	CORPORATE PERFORMANCE (GOVERNANCE)
• Diversity, Equity & Inclusion • Human Rights • Quality of Assets & Services • Community Development • Group Human Resources • Employee Handbook • Health & Safety	• Climate Change, Adaptation, Mitigation & Resilience • Net Zero Carbon • Energy & Emissions Management • Environmental Resource Management • Environmental Protection • Environmental Management System • Indoor Environmental Quality • Sustainable Procurement	• Board Diversity • Delegation of Authority • Corporate Governance Code • Anti-Bribery, Corruption & the Handling of Gifts, Travel & Entertainment • Anti-Money Laundering & Counter-Terrorist Financing & Sanctions • Code of Conduct & Business Ethics • Conflicts of Interest • Employee Dealing & the Handling of Inside Information • Whistleblowing • Shareholder Communications • Enterprise Risk Management Framework • Conflicts of Interest in Relation to Fund Management & Capital • Supplier Code of Conduct • Responsible Investment • ESG Data Collection & Review • Information Security • Group Crisis Management • Social Media

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:

PRI Principles for Responsible Investment

GRESB

3 Global/Regional Sector Leaders

12 x 5 Green-Stars Ratings (average 3.41)

GRESB ★★★★★ 2024

GRESB 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

ISS ESG

MSCI

MSCI ESG RATINGS A

CCC | B | BB | BBB | A | AA | AAA

Sustainalytics

ESG Risk Rating COMPREHENSIVE

14.3 Low Risk

Negligible 0-10 | Low 10-20 | Medium 20-30 | High 30-40 | Severe 40+

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

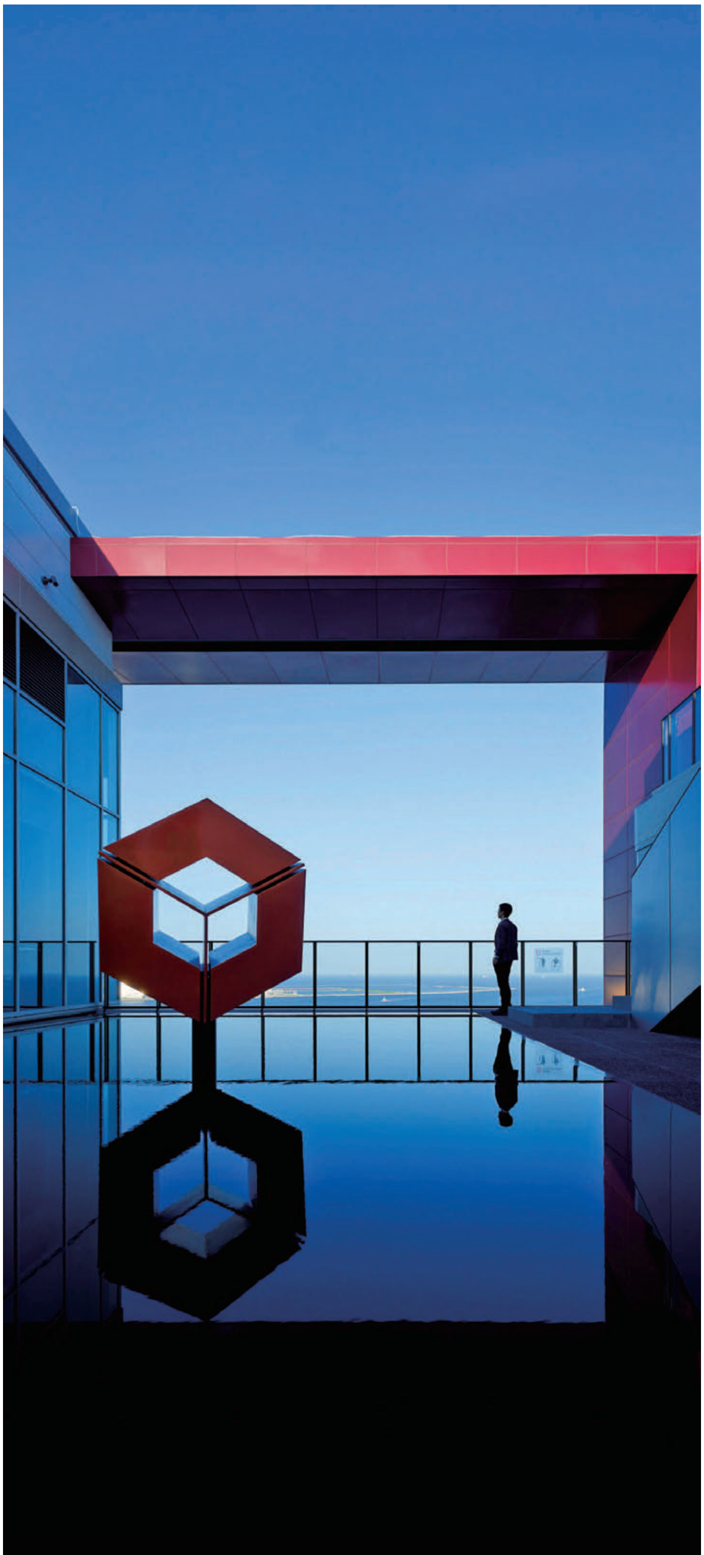
MR SANGHWOI BAE
CEO, ESR Kendall Square REIT

MS JUSTINA CHIU
CEO, Fortune REIT

MS MAVIS WONG
CEO, Prosperity REIT

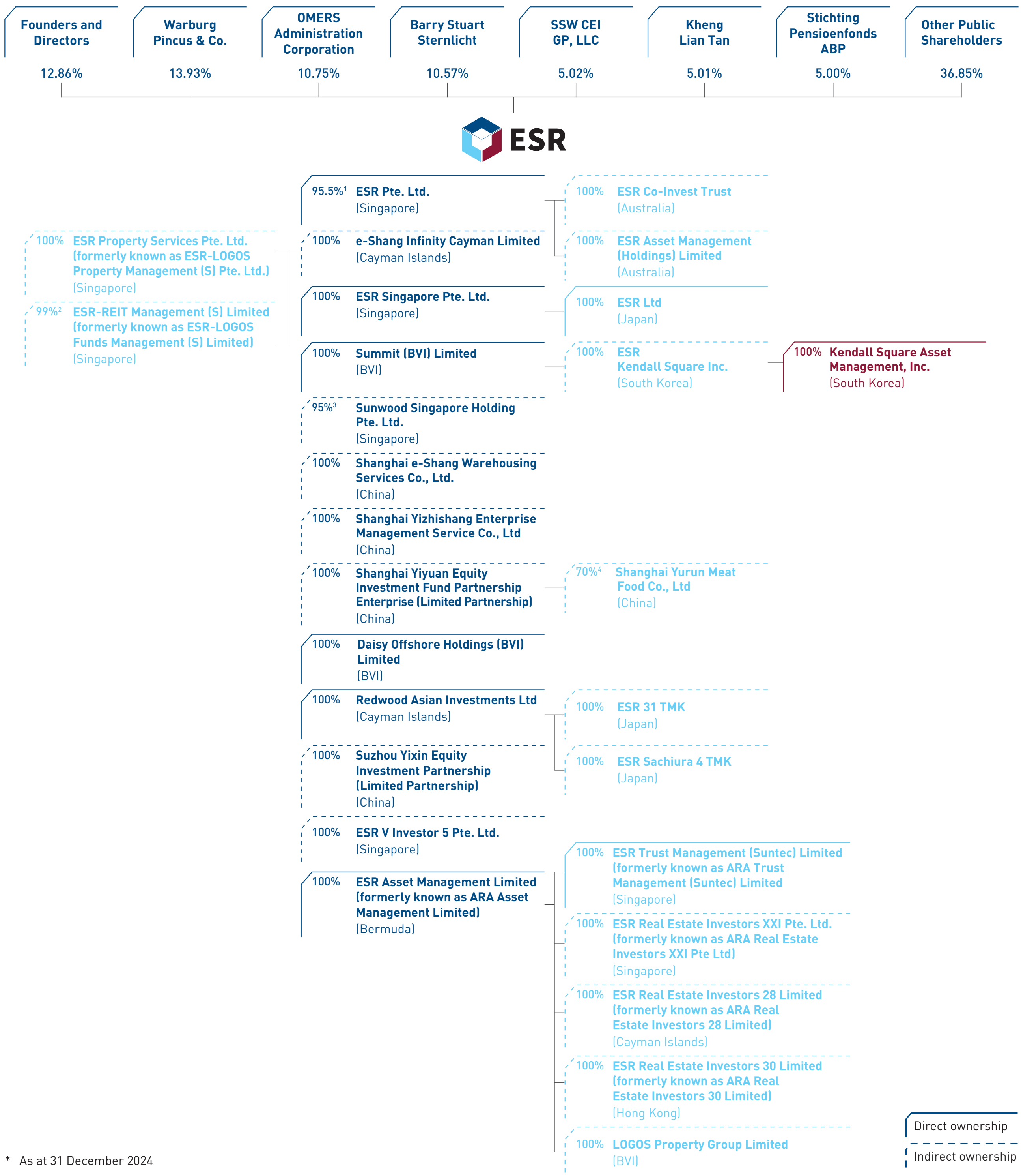
MR KEE HIONG CHONG
CEO, Suntec REIT

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



ESR Higashi Ogishima Distribution Centre, Kawasaki City, Japan

Corporate Structure



* As at 31 December 2024

Notes:
1. 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.
2. 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.
3. 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.
4. The remaining 30% equity interest in Shanghai Yurun Meat Food Co., Ltd. is held by Jiaxing 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.

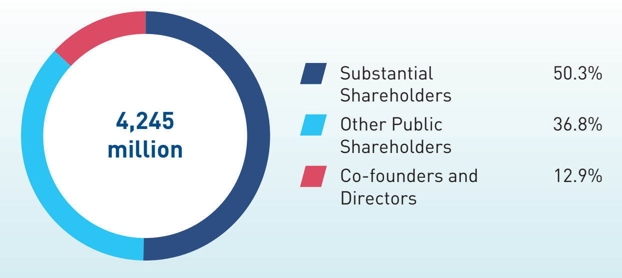
FINANCIAL CALENDAR

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

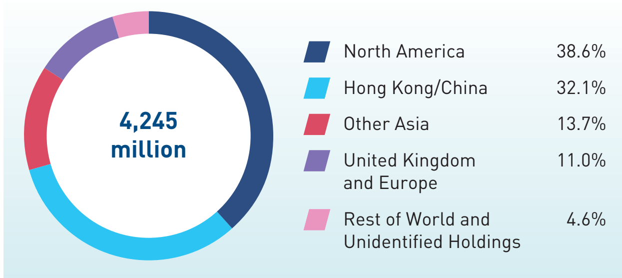
Shareholding Base by Investor Type

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%
Total	**93**	**100.0%**	**4,245,428,349**	**100.0%**

* 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

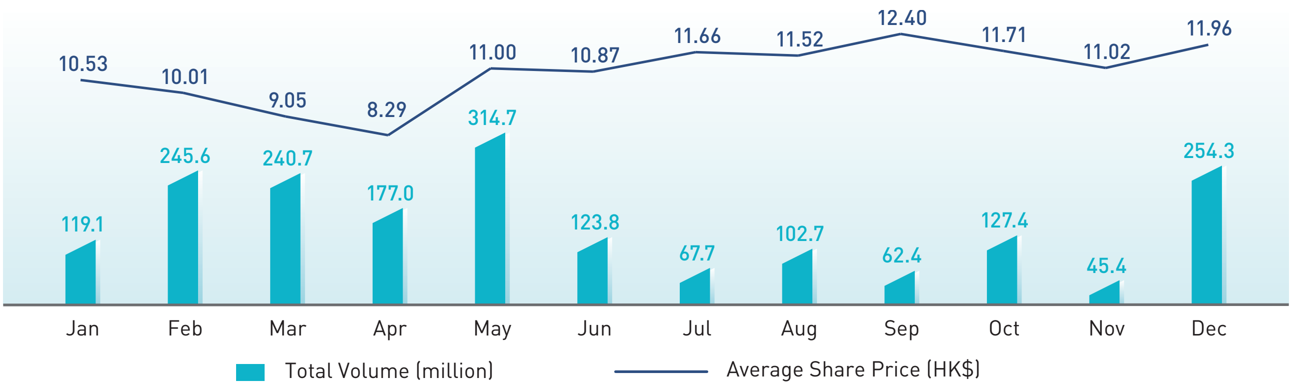
STOCK CODE: 1821 Share Price (HK$) (Based on end of day closing price)	FY2024
2 January 2024*	10.74
Max	13.00
Min	7.45
Average	10.83
31 December 2024	11.94
Total volume (million shares)	1,880.86
Average daily trading volume (million shares)	7.80

* 1 January 2024 is a non-trading day

ESR GROUP
INVESTOR RELATIONS CONTACT
Email: ir@esr.com

ESR GROUP
COMMUNICATIONS CONTACT
Email: media@esr.com

FY2024 Monthly Trading Performance



Risk Management

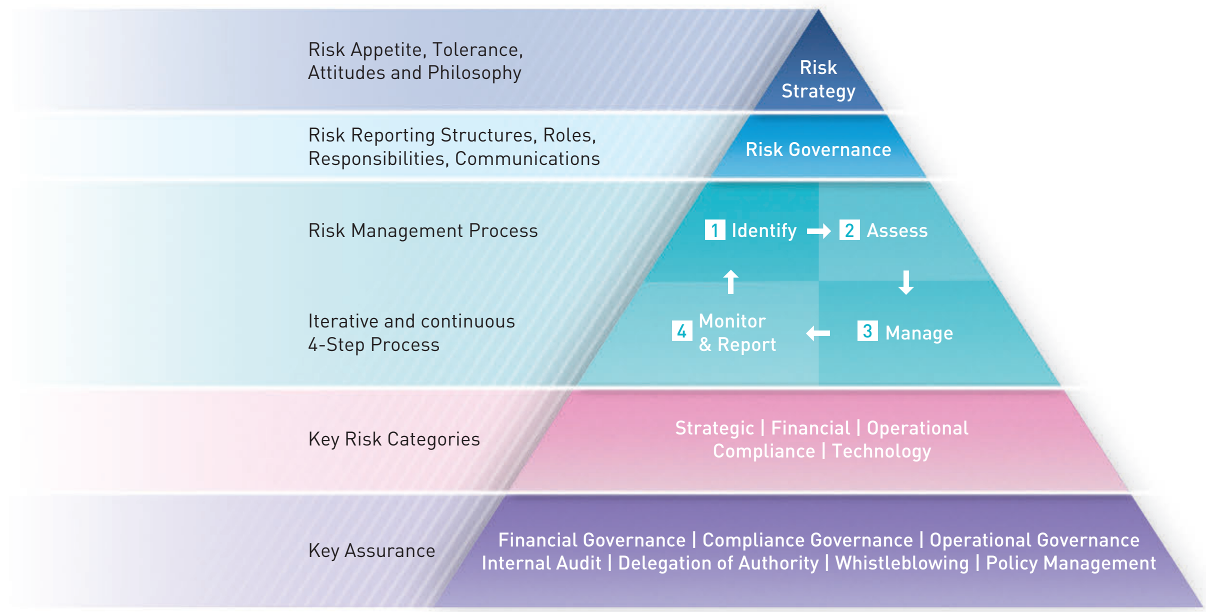
The Group takes a proactive approach in having a sound and robust risk management framework that ensures the Group is ready to meet challenges and seize opportunities through risk-informed decision-making. The risk management programme not only plays an integral part of the Group's business, both strategically 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.

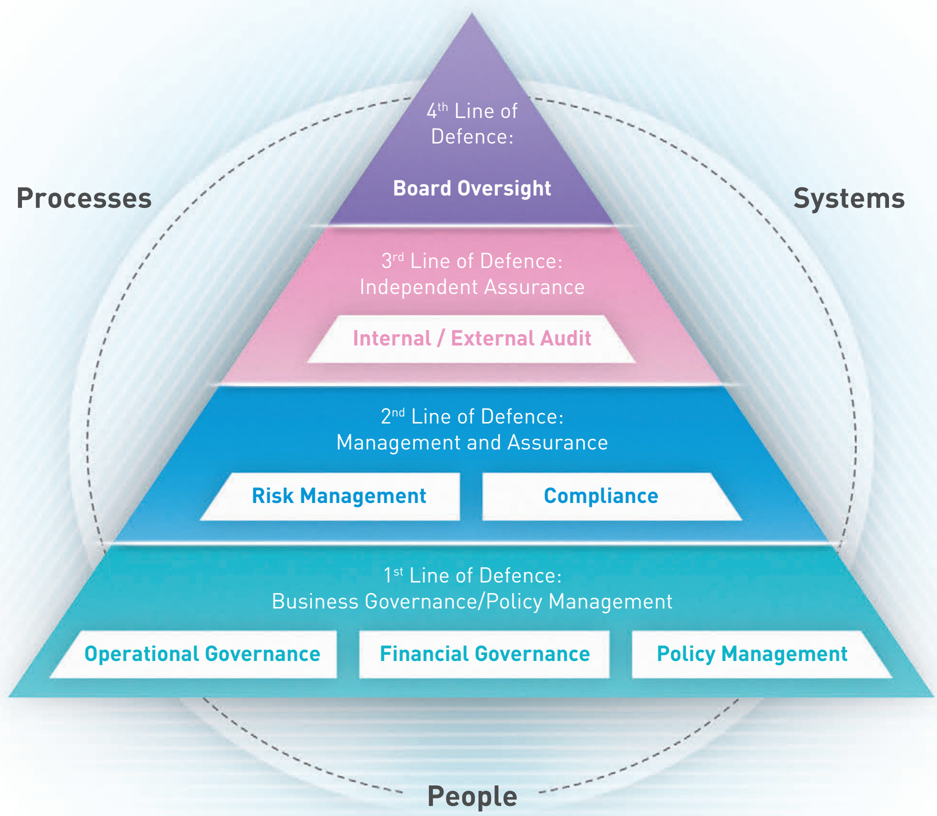
STRONG OVERSIGHT AND GOVERNANCE

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.

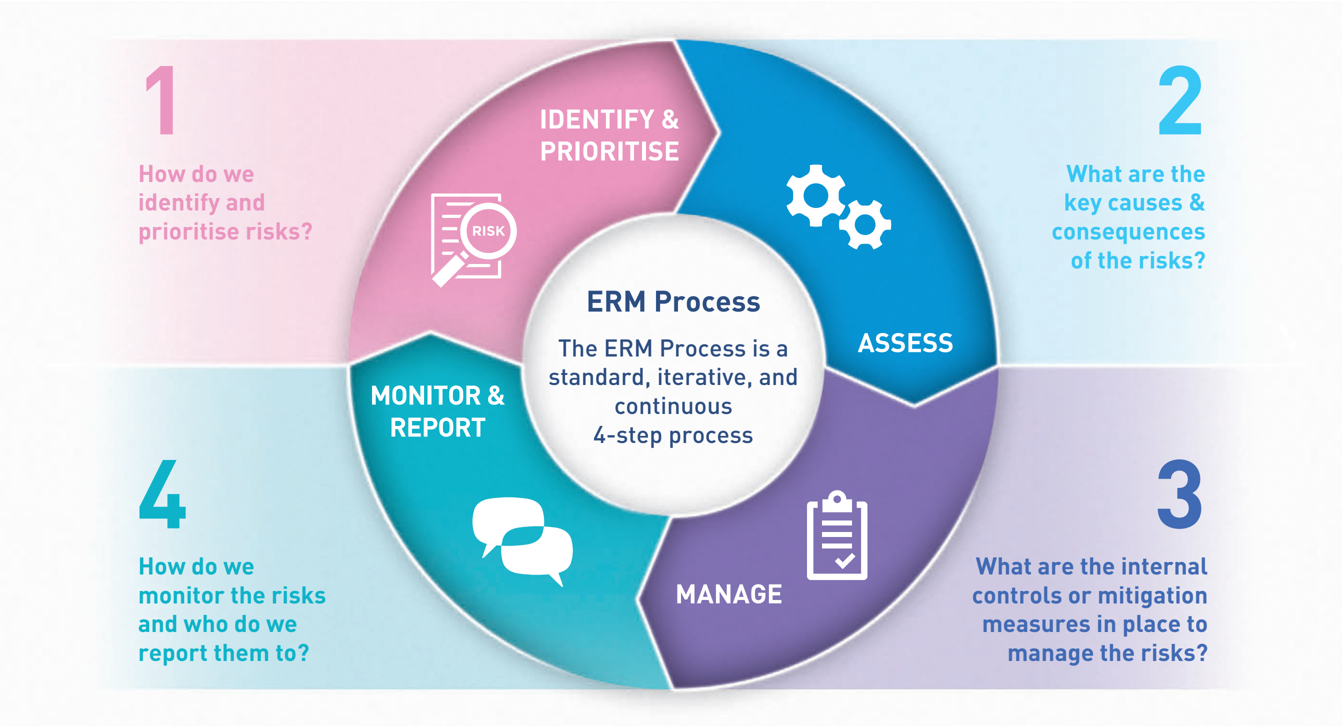


Four Lines of Defence

First Line of Defence: **Business Governance/ Policy Management**	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: **Management and Assurance**	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: **Independent Assurance**	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: **Board Oversight**	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[Note 5])				
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:

1. 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.
2. Dr Kwok Hung Justin Chiu and Ms Wei-Lin Kwee retired at the AGM held on 31 May 2024.
3. Ms Jingsheng Liu resigned as an Independent Non-executive Director on 16 October 2024.
4. Mr Simon James McDonald has been appointed as a member of the Nomination Committee with effect from 14 January 2025.
5. 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[Note 1]
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)	N/A
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)	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
Remuneration band (USD)		
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, access 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:

(a) developed and reviewed the Company's policies and practices on corporate governance;
(b) reviewed and monitored the training and continuous professional development of directors and senior management.
(c) reviewed and monitored the issuer's policies and practices on compliance with legal and regulatory requirements;
(d) developed, reviewed and has oversight over the Code of Conduct and Business Ethics applicable to employees and Directors; and
(e) 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.

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")

Elements	
Purpose	To reward the achievement of annual targets aligned to the delivery of sustainable outcomes.
Maximum opportunity	Percentage of variable pay of KMPs' total remuneration package is up to 18%.
Performance measures	**Measurable Targets (70% component)** • Performance of the Company and Group (e.g., profit after tax and minority interest, earnings, earnings before interest, taxation, depreciation and amortisation) • Performance of the funds, investment vehicles and public REITs managed by the Group • Organisational/business units' goals
	Qualitative Targets (30% component) • ESG targets/metrics (e.g., Buildings' Energy Efficiencies and Renewable Capacity Installed) • Other attributes such as demonstration of the Group's core values (i.e., Entrepreneurial, Excellence, Inclusion, and Sustainability)
Performance assessment	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. 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. 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.
Delivery	Cash
Leaver provisions	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	
Instrument type	Post-IPO Share Option Scheme
Purpose	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.
Scheme duration:	Valid and effective for a period of 10 years commencing on 12 October 2019.
Maximum opportunity	Percentage of Post-IPO Share Option Scheme of KMPs' total remuneration package is up to 35%.
Performance measure	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.
Vesting period	2 to 3 years
Leaver provisions	• The Scheme incorporates provisions for both good and bad leaver scenarios. • Refer to Malus and Clawback provisions.

Elements	
Instrument type	Long Term Incentive Scheme
Purpose	The purpose of the Long Term Incentive Scheme is to attract skilled and experienced personnel, to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in the Company. The Non-executive Directors and Independent Non-executive Directors did not receive any Long Term Incentive Scheme awards.
Scheme duration	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.
Maximum opportunity	Percentage of Long Term Incentive Scheme of KMPs' total remuneration package is up to 20%.
Performance measure	• Applicable to PSU where performance period is measured over 2 to 3 years • Compounded annual growth rate of AUM ("**CAGR AUM**") • Cumulative earnings before interest, taxation, depreciation, and amortisation ("**EBITDA**") • Absolute Total Shareholder Returns ("**ATSR**") over the assessment period
Vesting period	• 3 to 5 years (for PSUs, vesting will be upon completion of performance period and contingent on achievement of performance targets)
Leaver provisions	• The Scheme incorporates provisions for both good and bad leaver scenarios. • Refer to Malus and Clawback provisions.

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
Purpose	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.
Link to performance	Remuneration for meeting requirements of the role. Benchmarked against the market to maintain competitiveness.	Measures aligned to the following but not limited to: • Measurable Targets • Qualitative Targets	For awards that are performance based, these are measured against the following metrics such as: • CAGR AUM • EBITDA • ATSR For the other awards and options, the schemes are time-based.
Delivery	• Salaries • Employee benefits • Contributions to pension schemes	• Discretionary bonuses • Allowances • Benefits in kind • Contributions to pension schemes	• Equity-settled share options • Share awards

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[i]	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 %[iv]	STI %[iv]	LTI %[iv]
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
Non-executive Directors	
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
Independent Non-executive Directors	
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.

Directors' Report

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

As at 31 December 2024, the interests and short positions of the Directors and Chief Executives of the Company in the ordinary shares of the Company (the "**Shares**"), underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) (i) as recorded in the register required to be kept under section 352 of the SFO; or (ii) as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") are as follows:

Interests in the Company

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

Directors' Report

Notes:
1. The Letter "L" denotes the long position in the Shares.
2. Laurels Capital Investments Limited directly holds the Shares of the Company and is wholly owned by The Shen Trust. In respect of The Shen Trust, the settlor is Rosy Fortune Limited (the sole shareholder of which is Mr Jinchu Shen). Mr Jinchu Shen has a deemed interest under the SFO in the Shares held by The Shen Trust solely in his capacity as the sole shareholder of the settlor of The Shen Trust.
3. Inclusive of the interest in 7,799,856 Shares underlying the share options pursuant to the Tier 1 ESOP.
4. As at 31 December 2024, 850,000 Shares were held by Redwood Consulting (Cayman) Limited ("**Redwood Consulting**") as beneficial owner. Redwood Consulting is owned as to 50% and 50% by Mr Charles Alexander Portes and Mr Stuart Gibson, respectively. Hence, each of Mr Charles Alexander Portes and Mr Stuart Gibson are deemed to be interested in Shares held by Redwood Consulting.
5. Includes 192,000 options to subscribe for Shares granted under the Post-IPO Share Option Scheme to each of Mr Jinchu Shen and Mr Stuart Gibson. The options granted to Mr Jinchu Shen are physically settled unlisted derivatives, and the options granted to Mr Stuart Gibson are unlisted derivatives which are not physically or cash settled.
6. For each of Mr Jinchu Shen and Mr Stuart Gibson, as of 31 December 2024, 130,600 PSUs were vested in 2024 and no shares lapsed, with the remaining 130,600 Shares to be vested in 2025. On 20 July 2023, each of Mr Jinchu Shen and Mr Stuart Gibson was granted 280,910 Shares underlying the PSUs (will vest in three equal tranches in the second quarter of 2025, 2026 and 2027 respectively, and a payout multiplier (0 to 150%) tied to the achievement level of the pre-determined targets will be applied. The maximum number of Shares underlying the PSUs based on 150% vesting is 421,365); and 280,910 Shares underlying the RSUs (will vest in four equal tranches on the first, second, third and fourth anniversaries of the grant date, subject to fulfilment of relevant vesting conditions), amongst which 70,227 Shares underlying the RSUs were vested on 20 July 2024, with the remaining 210,683 Shares to be vested in 2025, 2026 and 2027.
7. JL Investment Group Limited, JL Investment Group II Limited and JL Electron (BVI) Limited directly holds 101,984,984 Shares, 90,984,985 Shares and 34,889,518 Shares respectively, and all of 3 companies are 100% controlled by Mr Hwee Chiang Lim.
8. Redwood Investment Company, Ltd. ("**RIC**") originally held 448,933,103 Shares and is wholly-owned by Redwood Investor (Cayman) Limited. Redwood Investor (Cayman) Limited is wholly owned by Redwood Investor II (Cayman) Ltd. and the voting rights of Redwood Investor II (Cayman) Ltd. are controlled as to 45.87% and 45.87% by Mr Charles Alexander Portes and Mr Stuart Gibson, respectively. Hence, each of Mr Charles Alexander Portes, Mr Stuart Gibson, Redwood Investor II (Cayman) Ltd. and Redwood Investor (Cayman) Limited will be deemed to be interested in the Shares held by RIC. The transfer of Shares from RIC to SOF-12 Sequoia Investco Ltd ("**Sequoia Investco**") was completed on 5 April 2024. In connection therewith RIC or its affiliate will have right to receive certain interests in Sequoia Investco or its affiliate, and Sequoia Investco or its affiliate is under an obligation to pay RIC or its affiliate a cash consideration if certain conditions are met.

Save as disclosed above, as at 31 December 2024, none of the Directors and Chief Executives of the Company has any interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) (i) as recorded in the register required to be kept under section 352 of the SFO; or (ii) as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

Directors' Report

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

As at 31 December 2024, so far as the Directors and Chief Executives of the Company are aware, other than the interests of the Directors and Chief Executives of the Company as disclosed in the section titled "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures", the following persons had, or were deemed to have, interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register required to be kept under section 336 of the SFO:

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

Directors' Report

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

Notes:

1. The letters "L" and "S" denote the long position and the short position in the Shares respectively.
2. Alexandrite Gem Holdings Limited ("**Gem Holdings**") and Athena Logistics Holdings Ltd. ("**Logistics Holdings**") held as to 503,733,253 and 87,706,907 Shares respectively. Gem Holdings and Logistics Holdings are wholly owned subsidiaries of Alexandrite Gem TopCo Ltd ("**Gem TopCo**") and Athena Logistics TopCo Ltd. ("**Logistics TopCo**") respectively. Both Gem TopCo and Logistics TopCo are wholly owned subsidiaries of Alexandrite Athena GroupCo Ltd. ("**Alexandrite Athena GroupCo**"). Alexandrite Athena GroupCo is owned as to 41.46% and 35.19% by Warburg Pincus China, L.P. ("**WP China**") and Warburg Pincus Private Equity XII, L.P. ("**WPP Equity**") respectively. WP China and WPP Equity are wholly owned subsidiaries of Warburg Pincus China GP, L.P. ("**WP China GP**") and Warburg Pincus XII, L.P. ("**WP XII**") respectively. Both WP China GP and WP XII are wholly owned by WP Global LLC. The managing member of WP Global LLC is Warburg Pincus Partners II, L.P. ("**WPP II**"). The general partner of WPP II is Warburg Pincus Partners GP LLC ("**WPP GP**"), the managing member of which is Warburg Pincus & Co. Accordingly, each of Gem TopCo, Logistics TopCo, Alexandrite Athena GroupCo, WP China, WPP Equity, WP China GP, WP XII, WP Global LLC, WPP II, WPP GP and Warburg Pincus & Co. are deemed to be interested in the underlying Shares held by Gem Holdings and Logistics Holdings.

Directors' Report

3. Redwood Investment Company, Ltd. ("**RIC**") originally held 448,933,103 Shares and is wholly-owned by Redwood Investor (Cayman) Limited. Redwood Investor (Cayman) Limited is wholly owned by Redwood Investor II (Cayman) Ltd. and the voting rights of Redwood Investor II (Cayman) Ltd. are controlled as to 45.87% and 45.87% by Mr Charles Alexander Portes and Mr Stuart Gibson, respectively. Hence, each of Mr Charles Alexander Portes, Mr Stuart Gibson, Redwood Investor II (Cayman) Ltd. and Redwood Investor (Cayman) Limited will be deemed to be interested in the Shares held by RIC. Besides, as at 31 December 2024, 850,000 Shares were held by Redwood Consulting (Cayman) Limited ("**Redwood Consulting**") as beneficial owner. Redwood Consulting is owned as to 50% and 50% by Mr Charles Alexander Portes and Mr Stuart Gibson, respectively. Hence, each of Mr Charles Alexander Portes and Mr Stuart Gibson are deemed to be interested in Shares held by Redwood Consulting.
4. Laurels Capital Investments Limited is wholly owned by The Shen Trust. The settlor of The Shen Trust is Rosy Fortune Limited, the sole shareholder of which is Mr Jinchu Shen. The trustee of The Shen Trust is Tricor Equity Trustee Limited. Rosy Fortune Limited has a deemed interest under the SFO in the Shares held by The Shen Trust in its capacity as settlor of The Shen Trust, Mr Jinchu Shen has a deemed interest under the SFO in the Shares held by The Shen Trust solely in his capacity as the sole shareholder of the settlor of The Shen Trust and Tricor Equity Trustee Limited has a deemed interest under the SFO in the Shares held by The Shen Trust in its capacity as trustee of The Shen Trust. As at 31 December 2024, 319,658,645 Shares of the total issued shares of the Company (inclusive of the interest in 7,799,856 Shares underlying the share options pursuant to the Tier 1 ESOP) were held by Laurels Capital Investments Limited as the beneficial owner.
5. The Shares held as beneficial owner represented the 192,000 options to subscribe for Shares which are granted under the Post-IPO Share Option Scheme to each of Mr Jinchu Shen and Mr Stuart Gibson. The options granted to Mr Jinchu Shen are physically settled unlisted derivatives, and the options granted to Mr Stuart Gibson are unlisted derivatives which are not physically or cash settled.
6. For each of Mr Jinchu Shen and Mr Stuart Gibson, as of 31 December 2024, 130,600 PSUs were vested in 2024, with the remaining 130,600 Shares to be vested in 2025. On 20 July 2023, each of Mr Jinchu Shen and Mr Stuart Gibson was granted 280,910 Shares underlying the PSUs (will vest in three equal tranches in the second quarter of 2025, 2026 and 2027 respectively, and a payout multiplier (0 to 150%) tied to the achievement level of the pre-determined targets will be applied. The maximum number of Shares underlying the PSUs based on 150% vesting is 421,365); and 280,910 Shares underlying the RSUs (will vest in four equal tranches on the first, second, third and fourth anniversaries of the grant date, subject to fulfilment of relevant vesting conditions) , amongst which 70,227 Shares underlying the RSUs were vested on 20 July 2024, with the remaining 210,683 Shares to be vested in 2025, 2026 and 2027.
7. JL Investment Group Limited, JL Investment Group II Limited and JL Electron (BVI) Limited directly holds 101,984,984 Shares, 90,984,985 Shares and 34,889,518 Shares respectively, and all of 3 companies are 100% controlled by Mr Hwee Chiang Lim.
8. The transfer of Shares from RIC to Sequoia Investco was completed on 5 April 2024. In connection therewith RIC or its affiliate will have right to receive certain interests in Sequoia Investco or its affiliate, and Sequoia Investco or its affiliate is under an obligation to pay RIC or its affiliate a cash consideration if certain conditions are met.
9. Sequoia Investco directly holds 448,933,103 Shares and it is wholly-owned by S Asia Hold Co 1 Private Limited. S Asia Hold Co 1 Private Limited is a wholly-owned subsidiary of SOF-12 International SCSp, which is wholly-controlled by its general partner, SOF-12 International Management Sarl, a wholly-owned subsidiary of Starwood XII Management, LP. SOF-12 International Master Fund SCSp owns 67.31% interests in SOF-12 International SCSp. SOF-12 International Master Fund SCSp is wholly-controlled by its general partner, SOF-12 Master Fund Management Sàrl, a wholly-owned subsidiary of Starwood XII Management, LP. SOF-XII International Blocker LP owns 97.12% interests in SOF-12 International Master Fund SCSp. SOF-XII International Blocker LP is wholly-controlled by its general partner, SOF-XII Investors GP, LLC, a wholly-owned subsidiary of Starwood XII Management GP, LLC. Starwood XII Management, LP is wholly-controlled by its general partner Starwood XII Management GP, LLC, which is a wholly-owned subsidiary of Starwood Capital Group Global II, L.P., which is wholly-controlled by its general partner, SCGG II GP, LLC. SCGG II GP, LLC owns 96.74% interests in Starwood XII Management, LP. Starwood Capital Group Holdings L.P. owns 60% interests in Starwood Capital Group Global II, L.P.. SCGG II GP, LLC is wholly-owned by Starwood Capital Group Holdings GP L.L.C.. Starwood Capital Group Holdings L.P. is wholly-controlled by its general partner, Starwood Capital Group Holdings GP L.L.C., a wholly-owned subsidiary of BSS SCG GP Holdings L.L.C., where Mr Barry Stuart Sternlicht holds 100% interests. Hence, Mr Barry Stuart Sternlicht is deemed to be interested in the Shares held by Sequoia Investco.
10. SSW CEI (CN), L.P. directly holds 213,174,600 Shares and is directly wholly owned by SSW CEI GP, LLC. Hence, SSW CEI GP, LLC is deemed to be interested in the Shares held by SSW CEI (CN), L.P..
11. Straits Phoenix Pte. Ltd., Straits Equities Holdings (One) Pte. Ltd., The Cairns Pte. Ltd. and Tecity Asset Management Pte. Ltd. directly holds 103,217,382 Shares, 65,911,038 Shares, 2,875,350 Shares and 40,793,234 Shares respectively. Both Straits Phoenix Pte. Ltd. and Straits Equities Holdings (One) Pte. Ltd. are wholly owned by The Straits Trading Company Limited. The Cairns Pte. Ltd. owns 63.75% interests in The Straits Trading Company Limited. Raffles Investments Private Limited owns 36.14% interests in The Cairns Pte. Ltd.. Aequitas Pte. Ltd. owns 71.25% interests in Raffles Investments Private Limited. Aequitas Pte. Ltd. is owned as to 42% and 58% by Tecity Pte. Ltd. and Tan Chin Tuan Pte. Ltd. respectively. Both Tecity Pte. Ltd. and Tecity Asset Management Pte. Ltd. are wholly owned by Tan Chin Tuan Pte. Ltd.. Ms Kheng Lian Tan owns 67.90% interests in Tan Chin Tuan Pte. Ltd. Hence, Ms Kheng Lian Tan is deemed to be interested in the Shares held by Straits Phoenix Pte. Ltd., Straits Equities Holdings (One) Pte. Ltd., The Cairns Pte. Ltd. and Tecity Asset Management Pte. Ltd. under the SFO.
12. APG Asset Management N.V. ("**APG-AM**") is the investment manager of Stichting Depositary APG Strategic Real Estate Pool ("**APG-Stichting**"), which is the holder of 211,057,897 Shares. APG-AM is wholly-owned by APG Groep N.V., which is 92.16% owned by Stichting Pensioenfonds ABP, which is an investor in APG Strategic Real Estate Pool. APG Investments Asia Limited ("**APG-Asia**") is wholly-owned by APG-AM and is also a sub-investment manager of APG-AM in respect of APG-Stichting. Each of Stichting Pensioenfonds ABP, APG-AM, APG-Asia and APG Groep N.V., are therefore deemed to be interested in the Shares held by APG-Stichting.

Directors' Report

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

Save as disclosed above, as at 31 December 2024, the Directors were not aware of any persons (who were not Directors or Chief Executives of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register of the Company referred to therein.

EQUITY-LINKED AGREEMENTS

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

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

1. KM ESOP

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

(i) Purpose

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

(ii) Who may join

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

(iii) Classes of shares that may be issued

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

(iv) Maximum number of shares

As at the latest practicable date prior to the issue of this annual report, the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the KM ESOP at any time shall not exceed 11,518,642 Shares (approximately 0.27% of number of the issued share of the Company (excluding treasury shares) as at the date of this report).

(v) Maximum entitlement of each participant

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

Directors' Report

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

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

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

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

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

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

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

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

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

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

(i) the participant being declared bankrupt;

Directors' Report

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

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

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

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

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

(viii) Exercise of option

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

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

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

(ix) Basis of determining the exercise price

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

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

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

Directors' Report

(xi) Exercise price, grant date and vesting schedule

				Number of options *(Note 1)*			
Exercise price (USD)	Grant date	Exercise Period	Vesting Period	Held at 1 January 2024	Exercised during the year *(Note 2)*	Cancelled during the year	Held at 31 December 2024
Management and employees (other than Directors) *(Note 3)*							
0.4722	December 2017	10 years from the grant date	Varies from 3 to 4 years and all vested	100,020	(100,020)	–	–
0.9445	December 2017	10 years from the grant date	4 years	3,834,185	(916,328)	(79,407)	2,838,450
0.9445	January 2018	10 years from the grant date	4 years	5,283,747	(350,000)	(87,348)	4,846,399
1.1453	August 2018	10 years from the grant date	4 years	873,103	–	–	873,103
1.3655	December 2017	10 years from the grant date	4 years	948,494	–	–	948,494
1.5172	December 2017	10 years from the grant date	4 years	1,724,837	(69,933)	(201,977)	1,452,927
0.9445	December 2017	10 years from the grant date	Varies from 3 to 4 years and all vested	108,519	(71,250)	(13,519)	23,750
1.5172	December 2017	10 years from the grant date	4 years	535,519	–	–	535,519
				13,408,424	(1,507,531)	(382,251)	11,518,642

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

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

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

During the year ended 31 December 2024, since all options holders opted for net share settlement method in lieu of paying in full the exercise price for the number of shares over which the option was exercised, only a net total of 489,599 ordinary shares were issued by the Company for the year ended 31 December 2024 in satisfaction of the 1,507,531 options exercised. The shares were issued at nominal value of US$0.001.

Directors' Report

2. Tier 1 ESOP

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

(i) Purpose

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

(ii) Selected participants

WP OCIM One LLC *(Note 1)*, Laurels Capital Investments Limited ("**Laurels**"), and Redwood Consulting (Cayman) Limited ("**Redwood Consulting**"). No amount is payable on the grant of option(s).

(iii) Administration

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

(iv) Term of the Tier 1 ESOP

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

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

Under the Tier 1 ESOP, ordinary shares may be issued. For the year ended 31 December 2024, no ordinary shares were issued.

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

The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Tier 1 ESOP at any time shall not exceed 7,799,856 Shares as at the date of this report (approximately 0.18% of the issued share capital of the Company (excluding treasury shares) as at the date of this report). The scheme does not set a limit of maximum entitlement of each participant under the scheme.

(vii) Exercise price

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

(viii) Straight-line vesting

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

(ix) Conditions of exercise

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

Note:

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

Directors' Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Directors' Report

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

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

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

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

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

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

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

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

Directors' Report

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

As at 31 December 2024, options to subscribe for an aggregate of 7,799,856 Shares, representing approximately 0.18% of the issued shares of the Company, are outstanding. Details of the holders are set out below:

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

Notes:

1. The options are granted to Laurels Capital Investments Limited. Laurels Capital Investments Limited is wholly owned by The Shen Trust. In respect of The Shen Trust, the settlor is Rosy Fortune Limited (the sole shareholder of which is Mr Jinchu Shen). Mr Jinchu Shen has a deemed interest under the SFO in the options held by The Shen Trust solely in his capacity as the sole shareholder of the settlor of The Shen Trust.
2. The options were granted on 20 April 2017 at exercise price of US$0.46. The vesting period of above outstanding options is vested daily on a straight line basis to 20 January 2021.
3. No share options were granted, lapsed or were cancelled for the year ended 31 December 2024.

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

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

3. Post-IPO Share Option Scheme

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

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

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

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

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

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

Ordinary shares

Directors' Report

(iv) Maximum number of shares

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

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

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

(v) Maximum entitlement of a grantee

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

(vi) Performance target

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

(vii) Subscription price

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

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

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

(c) the nominal value of the Shares.

Directors' Report

(viii) **Grant of options**

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

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

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

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

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

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

(x) **Duration**

The Post-IPO Share Option Scheme shall be valid and effective for the period of 10 years commencing on the date of adoption of the Post-IPO Share Option Scheme. The remaining life of the Post-IPO Share Option Scheme is about 4 years and 7 months as at the date of this report.

Directors' Report

(xi) Exercise price, grant date and vesting schedule

Date of grant	Exercise price (HKD)	Closing price immediately preceding the date of grant (HKD)	Vesting period	Exercise Period	Number of options: Held at 1 January 2024	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Held at 31 December 2024
Directors										
8 June 2022	22.78	22.50	Vest in three equal tranches on each of 8 June 2022, 8 June 2023 and 8 June 2024	8 June 2022 to 7 June 2032						
Mr Jinchu Shen					192,000	–	–	–	–	192,000
Mr Stuart Gibson					192,000	–	–	–	–	192,000
			Subtotal		384,000	–	–	–	–	384,000
Management (other than Directors) and employees										
28 December 2020	27.30	27.10	Vest in three equal tranches on each of 28 December 2021, 28 December 2022 and 28 December 2023	28 December 2021 to 27 December 2030	6,650,000	–	–	–	(500,000)	6,150,000
23 August 2021	24.50	23.80	Vest in three equal tranches on each of 23 August 2021, 23 August 2022 and 23 August 2023	23 August 2021 to 22 August 2031	11,194,200	–	–	–	(553,000)	10,641,200
			Subtotal		17,844,200	–	–	–	(1,053,000)	16,791,200
			Grand total		18,228,200	–	–	–	(1,053,000)	17,175,200

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

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

Directors' Report

4. Long Term Incentive Scheme

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

(i) Purpose

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

(ii) Who may join

Those eligible to participate in the Long Term Incentive Scheme include employees, executive Directors and non-executive Directors (including independent non-executive Directors), agents or consultants of the Company or its Subsidiary who the Board considers, in its absolute discretion, have contributed or will contribute to the Group ("**Participants**"). Participants may receive, at the absolute discretion of the Board, Awards under the Long Term Incentive Scheme. Each Participant who accepts the offer of the grant of an award ("**Award**", an award of RSUs and/or PSUs to be granted to a Participant under the Long Term Incentive Scheme (where a performance share unit ("**PSU**"), being a contingent right to receive a Share (or a Cash Payment) subject to certain terms and conditions (including performance-based vesting conditions) as set out in the Long Term Incentive Scheme and the relevant grant letter; a restricted share unit ("**RSU**"), being a contingent right to receive a Share (or a Cash Payment) subject to certain terms and conditions (including performance-based vesting conditions) as set out in the Long Term Incentive Scheme and the relevant grant letter) under the Long Term Incentive Scheme is a "Grantee".

(iii) Administration

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

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

(iv) Term

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

(v) Grant of awards

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

Directors' Report

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

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

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

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

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

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

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

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

The Board may in its absolute discretion, determine whether the whole or any part of the Award granted or to be granted under the Long Term Incentive Scheme shall be satisfied upon vesting by the allotment and issue or transfer of Shares or by a cash payment ("**Cash Payment**", for the purpose of the Long Term Incentive Scheme, means a payment in cash made by the Company to Participant upon the vesting of an Award in lieu of Shares, based on the formula of A x B, where: A = the number of Shares in respect of which the Award has vested, and B = the closing price of a Share as stated in the daily quotation sheets issued by the Stock Exchange of a Share on the relevant Vesting Date.) Any such determination may be made on a case-by-case basis or generally at any time on or around the grant date or relevant Vesting Date of the Award in question, and the Board shall notify the relevant Grantees of such determination.

Directors' Report

Awards shall be satisfied as soon as practicable on or after the relevant Vesting Date and in any event no later than 30 days following the relevant Vesting Date, at the Company's absolute discretion by:

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

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

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

(ix) Rights attached to the shares

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

(x) Corporate events

x.i. In the event of:

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

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

Directors' Report

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

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

(xi) Maximum number of shares

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

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

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

Directors' Report

(xii) Maximum entitlement of a grantee

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

(xiii) Renewal of maximum number of shares

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

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

(xiv) Transfer restrictions

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

Directors' Report

(xv) Lapse of awards

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

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

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

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

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

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

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

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

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

Directors' Report

(xvi) Adjustments

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

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

(xvii) Alteration

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

(xviii) Cancellation

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

(xix) Termination

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

Directors' Report

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

Directors' Report

Notes:

1. The PSUs granted will vest in favour of the relevant participants in three equal tranches over a period of three years commencing from 1 April 2023 based on fulfilment of relevant performance conditions over a two year period commencing from 1 January 2021 to 31 December 2022 (both dates inclusive). As disclosed in the Company's annual general meeting circular dated 29 April 2022, the Company would seek to motivate and reward eligible participants in the Long Term Incentive Scheme for optimising their performance in areas including, but not limited to, total shareholder returns, total assets under management and making contributions to the Group.
2. In respect of the aggregate 1,250,000 RSUs granted to the relevant participants held at 31 December 2024, subject to the vesting conditions being met, 625,000 of the RSUs granted to Connected Grantees and 625,000 of the RSUs granted to Non-connected Grantees will vest in 2 equal tranches on 8 June of each of 2025 and 2026.
3. Please refer to note 41 to the Consolidated Financial Statements for the fair value of awards at the date of grant and the accounting standard and policy adopted. No PSUs or RSUs were granted for the year ended 31 December 2024.
4. The weighted average closing price of the shares immediately before the dates on which the awards vested is HK$11.11 per share.
5. The purchase price for the shares underlying the PSUs/RSUs is nil.
6. The PSUs granted will vest in favour of the relevant Participants in three equal tranches over a period of three years commencing from 1 April 2025 based on fulfillment of relevant performance conditions over a two-year period commencing from 1 January 2023 to 31 December 2024 (both dates inclusive).
7. The RSUs (non-connected grantees) had a vesting schedule of five equal tranches on the Date of Grant, and 31 December each of 2023, 2024, 2025 and 2026.
8. In respect of the aggregate of 1,278,400 RSUs granted to the relevant participants held at 31 December 2024, subject to the vesting conditions being met:
   (i) 320,262 of the RSUs granted to Connected Grantees and 883,138 of the RSUs granted to Non-connected Grantees will vest in three equal tranches on 25 May of each of 2025, 2026 and 2027; and
   (ii) 75,000 of the RSUs granted to Non-connected Grantees will vest in two equal tranches on 8 June of each 2025 and 2026.
9. The 561,820 RSUs granted to the Connected Grantees held at 1 January 2024 will vest in four equal tranches on 20 July of each of 2024, 2025, 2026 and 2027.

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

As at 1 January 2024 and 31 December 2024, the number of options and awards available for grant under the Scheme Mandate Limit was 218,283,931 and 218,283,931, respectively, and the number of options and awards available for grant under the Service Provider Sublimit was 43,937,696 and 43,937,696, respectively.

The number of Shares that may be issued in respect of options and awards granted under Post-IPO Share Option Scheme and Long Term Incentive Scheme of the Company divided by the weighted average number of ordinary Shares in issue (excluding treasury shares) for the year ended 31 December 2024 is 0.43%.

For the options and awards ("**Grants**") granted during the year ended 31 December 2024 with less than 12 months of vesting period, the Remuneration Committee considered it appropriate to award the Grants with vesting period of less than 12 months as those Grants would have been granted earlier but were granted in subsequent tranches for administrative or compliance reasons. Therefore, the Grants were awarded with a shorter vesting period with a view to putting the relevant Grantees in the same position as they would have been in had the Grants been made earlier.

Directors' Report

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Shares Repurchase

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

During the financial year ended 31 December 2024, the Company had repurchased, under the Repurchase Mandate, a total of 55,126,800 Shares on market ranging from HK$9.02 to HK$11.16 per share, representing approximately 1.30% of the issued Shares as at 31 December 2024 for a consideration of approximately HK$562.8 million (approximately US$72.0 million, excluding transaction cost). At the date of this annual report, the repurchased Shares have been cancelled. Details of Shares repurchased are as follows:

Month	Number of Shares repurchased	Purchase price per Share Highest HK$	Purchase price per Share Lowest HK$	Aggregate consideration HK$ million
January 2024	37,416,600	11.16	9.64	392.4
February 2024	17,710,200	10.38	9.02	170.4
	55,126,800			562.8

Details of cancellation of the repurchased Shares are as follows:

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

The share repurchase reflects the Company's confidence in its financial position, business fundamentals and prospects, and would, ultimately, benefit the Company and create value to the Shareholders. The share repurchase was financed by the Company with its existing available cash. The Board believes that the current financial resources of the Company would enable it to implement the share repurchase while maintaining a solid and healthy financial position for the continued growth of the Group's operations.

Directors' Report

Shares Purchased By Trustee Under The Long Term Incentive Scheme

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

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

ORDINARY SHARES ISSUED

During the year ended 31 December 2024, a total of 489,599 ordinary shares were issued by the Company in satisfaction of the 1,507,531 options exercised under KM ESOP, since all options holders opted for net share settlement method in lieu of paying in full the exercise price for the number of shares over which the option was exercised. The shares issued at nominal value of US$0.001 each was credited as fully paid.

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

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

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

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

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Sale of ARA Private Funds Business

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

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

Disposal of ARA US Hospitality Trust

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

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

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

Directors' Report

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

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

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

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

Acquisition of remaining interest in LOGOS Property Group Limited

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

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

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

Directors' Report

PRE-EMPTIVE RIGHTS

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

CONNECTED TRANSACTIONS (INCLUDING CONTINUING CONNECTED TRANSACTIONS)

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

Continuing Connected Transactions with BW Industrial Development Joint Stock Company

(i) Framework agreement on services

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

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

(ii) Continuing connected transactions with joint ventures

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

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

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

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

Directors' Report

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

The annual caps under the Management Agreements are as follows:

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

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

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

Continuing Connected Transactions Under Management Agreements with Joint Venture Companies

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

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

Directors' Report

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

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

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

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

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

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

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

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

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

Directors' Report

RELATED PARTY TRANSACTIONS

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

CHARITABLE DONATIONS

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

IMPORTANT EVENT AFTER THE REPORTING PERIOD

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

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

PERMITTED INDEMNITY PROVISION

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

Directors' Report

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

SUFFICIENCY OF PUBLIC FLOAT

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

AUDIT COMMITTEE

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

AUDITOR

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

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

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

On behalf of the Board

Mr Brett Harold Krause
Chairman of the Board

Hong Kong, 25 March 2025

Independent Auditor's Report

Ernst & Young
27/F, One Taikoo Place,
979 King's Road,
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

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

OPINION

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

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

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

Independent Auditor's Report

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

Independent Auditor’s Report

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

Independent Auditor's Report

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

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

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

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

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

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

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

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

Independent Auditor's Report

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

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

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

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

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

Ernst & Young
Certified Public Accountants
Hong Kong
25 March 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2024

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

Consolidated Statement of Financial Position

31 December 2024

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

Consolidated Statement of Financial Position

31 December 2024

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

Mr Jinchu Shen
Director

Mr Stuart Gibson
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

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

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company														
	Issued capital (note 40) US$'000	Share premium* (note 40) US$'000	Statutory reserve* (note 43) US$'000	Merger reserve* (note 43) US$'000	Share-based payment reserve* (note 41) US$'000	Exchange fluctuation reserve* (note 43) US$'000	Retained profits* (note 43) US$'000	Investment reserve (non-recycling)* (note 43) US$'000	Hedge reserves* (note 43) US$'000	Equity components of convertible bonds (note 31) US$'000	Perpetual capital securities (note 42) US$'000	Other reserve* (note 43) US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
As at 1 January 2023	4,422	6,448,219	4,802	56,358	49,130	(467,294)	2,050,186	(113,741)	-	48,501	742,701	(8,625)	8,814,659	325,655	9,140,314
Profit for the year	-	-	-	-	-	-	230,849	-	-	-	-	-	230,849	37,207	268,056
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	(85,430)	-	-	-	-	(85,430)	(821)	(86,251)
Effect of hedge	-	-	-	-	-	-	-	-	(4,977)	-	-	-	(4,977)	-	(4,977)
Exchange differences on translation of foreign operations	-	-	-	-	-	(50,275)	-	-	-	-	-	-	(50,275)	(8,270)	(58,545)
Share of other comprehensive loss of joint ventures and associates	-	-	-	-	-	(54,911)	-	1,881	(3,090)	-	-	-	(56,120)	(143)	(56,263)
Total comprehensive income for the year	-	-	-	-	-	(105,186)	230,849	(83,549)	(8,067)	-	-	-	34,047	27,973	62,020
Transferred from retained profit	-	-	2,824	-	-	-	(2,824)	-	-	-	-	-	-	-	-
Reclassification of financial asset at fair value through other comprehensive income	-	-	-	-	-	-	2,394	(2,394)	-	-	-	-	-	-	-
Profit attributable to holders of perpetual capital securities (note 42)	-	-	-	-	-	-	(41,920)	-	-	-	41,920	-	-	-	-
Distribution paid to holders of perpetual capital securities (note 42)	-	-	-	-	-	-	-	-	-	-	(41,755)	-	(41,755)	-	(41,755)
Adjustment on redemption value of the option granted to non-controlling shareholders of a subsidiary (note 27)	-	-	-	-	-	-	-	-	-	-	-	(13,610)	(13,610)	(5,567)	(19,177)
Acquisition of non-controlling interests	-	-	-	-	-	(346)	(6,155)	-	-	-	-	-	(6,501)	(8,397)	(14,898)
Transfer of interest to non-controlling interests without change of control	-	-	-	-	-	-	-	-	-	-	-	-	-	2,912	2,912
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	10,154	10,154
Dividend distributions to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(38,889)	(38,889)
Dividend distributions	-	-	-	-	-	-	(139,630)	-	-	-	-	-	(139,630)	-	(139,630)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	4,406	4,406
Disposal of subsidiaries	-	-	-	-	-	7,053	-	-	-	-	-	-	7,053	(5)	7,048
Share repurchased and cancellation	(145)	(217,625)	-	-	-	-	-	-	-	-	-	-	(217,770)	-	(217,770)
Conversion of convertible bonds	-	800	-	-	-	-	58	-	-	(111)	-	-	747	-	747
Redemption of convertible bonds	-	-	-	-	-	-	8,294	-	-	(48,390)	-	-	(40,096)	-	(40,096)
Issue of shares upon exercise of share options	2	3,040	-	-	(3,126)	-	-	-	-	-	-	-	(84)	-	(84)
Issue of shares upon vesting of units under Long Term Incentive Scheme	1	2,765	-	-	(8,492)	-	-	-	-	-	-	-	(5,726)	-	(5,726)
Transfer of share-based payment reserve upon the forfeiture of share options and Long Term Incentive Scheme	-	-	-	-	(7,642)	-	7,642	-	-	-	-	-	-	-	-
Share-based compensation arrangement (note 41)	-	-	-	-	19,178	-	-	-	-	-	-	-	19,178	-	19,178
As at 31 December 2023	4,280	6,237,199	7,626	56,358	49,048	(565,773)	2,108,894	(199,684)	(8,067)	-	742,866	(22,235)	8,410,512	318,242	8,728,754

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

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

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

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

STRATEGIC REPORTS CORPORATE GOVERNANCE FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

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

Notes to the Consolidated Financial Statements

31 December 2024

1. CORPORATE INFORMATION

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

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

Information about subsidiaries

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

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

Notes to the Consolidated Financial Statements

31 December 2024

1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

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

Notes to the Consolidated Financial Statements

31 December 2024

1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

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

STRATEGIC REPORTS CORPORATE GOVERNANCE FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

31 December 2024

1. CORPORATE INFORMATION (continued)

Information about subsidiaries (continued)

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

2.1 BASIS OF PREPARATION

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

Basis of consolidation

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

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

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

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

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES

Investments in associates and joint ventures

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

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

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

Fair value measurement

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

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

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

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

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

Related parties

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Related parties (continued)

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

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

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

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

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

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

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

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

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

Property, plant and equipment and depreciation

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

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

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

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

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

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

Investment properties

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Non-current assets and disposal groups held for sale

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

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

Other intangible assets (other than goodwill)

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases

Group as a lessee

Right-of-use assets

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

Lease liabilities

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

Group as a lessor

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Investments and other financial assets (continued)

Subsequent measurement

Financial assets measured at amortised cost

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

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

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

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

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

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

Derecognition of financial assets

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets

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

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

General approach

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

General approach (continued)

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

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

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

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

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

Simplified approach

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Loans and borrowings

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

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

Convertible bond and redeemable convertible instruments

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Put options in relation to non-controlling interests

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

Reclassification of financial liabilities

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Cash and cash equivalents

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

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

Provisions

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

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

Income tax

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

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

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

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

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

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

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

Government grants

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue from contracts with customers

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

Management fee income

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

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

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

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

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

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

Solar energy income

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (continued)

Construction income

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

Revenue from other sources

Rental income

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

Interest income

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

Dividend income

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

Contract assets

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

Contract liabilities

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payment

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Other employee benefits

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

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

Borrowing costs

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

Dividends

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

Notes to the Consolidated Financial Statements

31 December 2024

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

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

Judgement

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

Operating lease commitments – Group as lessor

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

Deferred tax liabilities for withholding tax

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Judgement (continued)

Consolidation of structured entities

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

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

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

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

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

Estimation uncertainty

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

Impairment of goodwill

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

Notes to the Consolidated Financial Statements

31 December 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Estimation uncertainty (continued)

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

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

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Estimation uncertainty (continued)

Fair value of financial instruments

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

Deferred tax assets

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

Impairment of non-financial assets (other than goodwill)

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

Notes to the Consolidated Financial Statements

31 December 2024

4. OPERATING SEGMENT INFORMATION

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

4. OPERATING SEGMENT INFORMATION (continued)

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

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

Notes to the Consolidated Financial Statements

31 December 2024

4. OPERATING SEGMENT INFORMATION (continued)

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

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

Notes to the Consolidated Financial Statements

31 December 2024

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

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

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

(b) Non-current assets

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

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

Information about major customers

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

Notes to the Consolidated Financial Statements

31 December 2024

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

(a) Revenue

An analysis of revenue is as follows:

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

Timing of revenue recognition

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

Note:

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

Performance obligations

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

Construction services

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

Notes to the Consolidated Financial Statements

31 December 2024

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

(a) Revenue (continued)

Performance obligations (continued)

Management services

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

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

Solar energy sales

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

6. (LOSS)/PROFIT BEFORE TAX

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

(a) Employee benefit expense

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

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

(b) Other items

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

Note:

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

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

Notes to the Consolidated Financial Statements

31 December 2024

7. FINANCE COSTS

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

Note:

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

8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

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

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

Note:

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

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

Notes to the Consolidated Financial Statements

31 December 2024

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

(a) Independent non-executive directors

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

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

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

(b) Executive directors and non-executive directors

2024

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

Notes to the Consolidated Financial Statements

31 December 2024

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

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

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

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

Notes:

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

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

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

2023

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

Notes:

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

Notes to the Consolidated Financial Statements

31 December 2024

9. FIVE HIGHEST PAID EMPLOYEES

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

10. INCOME TAX (CREDIT)/EXPENSE

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

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

Pillar Two income taxes

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

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

11. DIVIDENDS

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

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

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

The calculation of the diluted (loss)/earnings per share amounts is based on the loss or profit for the year attributable to ordinary equity holders of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic (loss)/earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

13. PROPERTY, PLANT AND EQUIPMENT

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

Notes to the Consolidated Financial Statements

31 December 2024

13. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

Notes to the Consolidated Financial Statements

31 December 2024

14. RIGHT-OF-USE ASSETS

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

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

15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

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

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

Notes to the Consolidated Financial Statements

31 December 2024

15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

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

Name	Place of registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activities	Classified as investment in
e-Shang Star Cayman Limited ("**e-Shang Star**")	Cayman Islands	25.65%	25.65%	25.65%	Investment holding	Joint venture
Sunwood Star Pte. Ltd. ("**Sunwood Star**")	Singapore	20.00%	20.00%	20.00%	Investment holding	Joint venture
ESR GIC Limited ("**ESR-GIC**")	British Virgin Islands	51.00%	51.00%	51.00%	Investment holding	Joint venture
Victory Lane Development Limited ("**Victory Lane**")	Hong Kong	70.00%	70.00%	70.00%	Property investment	Joint venture
ESR Milestone Partnership ("**EMP**")	Australia	20.00%	20.00%	20.00%	Investment holding	Associate
Cromwell Property Group	Australia	30.69%	30.69%	30.69%	Property investment, funds management, property management and property development	Associate
Kenedix, Inc	Japan	30.00%	30.00%	30.00%	Fund management	Associate
BW Industrial Development Joint Stock Company ("**BW**")	Vietnam	15.57%	note (i)	15.57%	Warehousing and storage business, property management and property development	Associate

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

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

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

Notes to the Consolidated Financial Statements

31 December 2024

15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

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

Note:

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

Notes to the Consolidated Financial Statements

31 December 2024

15. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (continued)

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

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

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

Notes:

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

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

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

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

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

The listed equity investments comprise the following:

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

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

Notes to the Consolidated Financial Statements

31 December 2024

18. INVESTMENT PROPERTIES

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

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

STRATEGIC REPORTS CORPORATE GOVERNANCE FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

31 December 2024

18. INVESTMENT PROPERTIES (continued)

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

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

(b) Completed investment properties leased out under operating leases

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

18. INVESTMENT PROPERTIES (continued)

(d) Fair value hierarchy

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

18. INVESTMENT PROPERTIES (continued)

(d) Fair value hierarchy (continued)

The valuation of investment properties categorised within Level 2 of the fair value hierarchy is based on comparable market transactions for which the Group considers sales of similar properties that have been transacted in the open market.

Below is a summary of the valuation techniques used and the key unobservable inputs to the valuation of investment properties categorised within Level 3 of the fair value hierarchy:

Investment property details	Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Logistics Facility, Data Centres, Land	Income capitalisation	**Capitalisation rate:** China: 5.40% to 7.25% (2023: 5.40% to 7.00%) Japan: 3.80% to 4.00% (2023: 3.30% to 4.80%) India: 7.50% (2023: N/A)	The estimated fair value varies inversely against capitalisation rate
	Discounted cash flows	**Discount rate:** China: 7.25% to 9.00% (2023: 7.25% to 9.00%) Japan: 3.50% to 3.80% (2023: 3.10% to 4.70%) India: 11.50% to 13.85% (2023: 11.27% to 14.50%)	The estimated fair value varies inversely against the discount rate
		Terminal capitalisation rate: China: 4.25% to 6.25% (2023: 4.25% to 6.25%) Japan: 3.80% to 4.10% (2023: 3.50% to 5.20%) India: 7.50% (2023: 7.50%)	The estimated fair value varies inversely against the terminal capitalisation rate

Notes to the Consolidated Financial Statements

31 December 2024

19. GOODWILL

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

Impairment testing of goodwill

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

Redwood asset management business cash-generating unit

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

Notes to the Consolidated Financial Statements

31 December 2024

19. GOODWILL (continued)

Impairment testing of goodwill (continued)

Infinitysub asset management business cash-generating unit

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

ESR Australia asset management business cash-generating unit

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

SIP asset management business cash-generating unit

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

Notes to the Consolidated Financial Statements

31 December 2024

19. GOODWILL (continued)

Impairment testing of goodwill (continued)

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

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

20. OTHER INTANGIBLE ASSETS

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

Notes to the Consolidated Financial Statements

31 December 2024

20. OTHER INTANGIBLE ASSETS (continued)

Notes:

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

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

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

21. OTHER NON-CURRENT ASSETS

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

Notes:

(i) The Group subscribed to the Optionally Convertible Debentures ("**OCD**") issued by the Group's joint ventures. The OCD, at the request of the lender and consent of the borrower, shall be convertible into equity shares at any time before 3 years from the drawdown date, but before the date of completion of 6 years from the drawdown date. The OCD may be converted into equity shares in one or more tranches. The OCD shall convert into equity shares at the fair market value of the equity shares on the date of conversion of OCD into equity shares. The outstanding OCD that are neither converted nor redeemed, shall be compulsorily redeemed on the date of completion of 6 years from the drawdown date. The fair value measurement for the OCD has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used (see note 46).

The balances due from non-controlling interests of subsidiaries are non-trade in nature and unsecured. As at 31 December 2024, the balance of US$11,515,000 (2023: US$27,549,000) bears interest of 4.00% to 5.25% (2023: 4.00% to 5.50%) per annum. The remaining balance is non-interest bearing.

The balance due from joint ventures are non-trade in nature and unsecured. As at 31 December 2024, the balance of US$34,341,000 (2023: US$19,576,000) bears interest of 5.79% to 9.17% (2023: 6.00% to 9.21%) per annum. The remaining balance is non-interest bearing.

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

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

Notes to the Consolidated Financial Statements

31 December 2024

22. TRADE RECEIVABLES

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

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

An aging analysis of the trade receivables as at 31 December 2024 and 2023, based on the invoice date and net of loss allowance, is as follows:

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

Notes to the Consolidated Financial Statements

31 December 2024

22. TRADE RECEIVABLES (continued)

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

24. CASH AND BANK BALANCES

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

25. BANK AND OTHER BORROWINGS

Group

	31 December 2024			31 December 2023		
	Effective interest rate (%)	Maturity	US$'000	Effective interest rate (%)	Maturity	US$'000
Current						
Bank loans — secured	2.00–9.60	2025	231,152	1.77–9.90	2024	111,904
Bank loans — unsecured	3.35–7.30	2025	189,750	3.55–7.67	2024	720,913
Other borrowings — unsecured	10.00	2025	6,569	10.00	2024	6,714
Bonds — secured	2.25	2025	33,286	–	–	–
Bonds — unsecured	5.10	2025	165,452	4.15	2024	60,353
			626,209			899,884
Non-current						
Bank loans — secured	1.87–9.60	2026–2044	996,703	0.62–9.90	2025–2043	1,221,658
Bank loans — unsecured	0.93–7.78	2026–2030	4,316,711	0.66–8.17	2025–2030	3,480,574
Bonds — secured	5.57	2029	18,865	–	–	–
Bonds — unsecured	1.16–1.68	2026–2030	189,834	1.16–5.10	2025–2030	377,437
			5,522,113			5,079,669
			6,148,322			5,979,553

Notes to the Consolidated Financial Statements

31 December 2024

25. BANK AND OTHER BORROWINGS (continued)

Group (continued)

Debt maturity profile of bank and other borrowings:

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Bank loans repayable		
Within one year	420,902	832,817
In the second year	1,540,954	364,595
In the third to fifth year, inclusive	3,302,608	3,940,737
Beyond five years	469,852	396,900
	5,734,316	5,535,049
Bonds and other borrowings repayable		
Within one year	205,307	67,067
In the second year	126,415	168,745
In the third to fifth year, inclusive	18,915	138,889
Beyond five years	63,369	69,803
	414,006	444,504
	6,148,322	5,979,553

Company

	31 December 2024			31 December 2023		
	Effective interest rate (%)	Maturity	US$'000	Effective interest rate (%)	Maturity	US$'000
Current						
Bank loans — unsecured	5.28	2025	113,755	7.27–7.67	2024	719,232
Bonds — unsecured	5.10	2025	165,452	–	–	–
			279,207			719,232
Non-current						
Bank loans — unsecured	0.93–7.17	2026–2030	3,483,248	0.66–8.17	2025–2030	2,768,335
Bonds — unsecured	1.16–1.68	2026–2030	189,834	1.16–5.10	2025–2030	377,437
			3,673,082			3,145,772
			3,952,289			3,865,004

Notes to the Consolidated Financial Statements

31 December 2024

25. BANK AND OTHER BORROWINGS (continued)

Company (continued)

Debt maturity profile of bank and other borrowings:

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Bank loans repayable		
Within one year	113,755	719,232
In the second year	1,330,729	–
In the third to fifth year, inclusive	2,122,365	2,735,459
Beyond five years	30,154	32,876
	3,597,003	3,487,567
Bonds and other borrowings repayable		
Within one year	165,452	–
In the second year	126,465	168,745
In the third to fifth year, inclusive	–	138,889
Beyond five years	63,369	69,803
	355,286	377,437
	3,952,289	3,865,004

Note:

As at 31 December 2024, certain of the Group's completed investment properties and investment properties under construction with a total fair value of US$2,141,667,000 (2023: US$2,896,812,000) (note 18(c)), property, plant and equipment with a carrying amount of US$35,849,000 (2023: US$32,162,000) (note 13), pledged bank deposits with an amount of US$949,000 (2023: US$632,000)(note 24), listed equity interests at market value with a fair value of US$164,648,000 (2023: US$197,545,000) (note 17), investment in joint venture and associate with a carrying amount of US$389,974,000 (2023: US$405,721,000) (note 15), and an asset held for sale of US$57,887,000 (2023: US$52,411,000), and equity interests of certain subsidiaries were pledged to secure bank and other borrowings granted to the Group.

26. LEASE LIABILITIES

	31 December 2024			31 December 2023		
	Effective interest rate (%)	Maturity	US$'000	Effective interest rate (%)	Maturity	US$'000
Current lease liabilities	1–13	2025	10,000	1–13	2024	11,367
Non-current lease liabilities	1–13	2026–2044	33,156	1–13	2025–2043	20,590
			43,156			31,957

Notes to the Consolidated Financial Statements

31 December 2024

27. OTHER NON-CURRENT LIABILITIES

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Amounts due to related parties (note (i))	**4,010**	2,806
Deferred revenue	**3,669**	8,147
Provision for long services payment and retirement pension	**609**	263
Long-term employee benefits liability	**866**	6,512
Redemption value of the option granted to non-controlling shareholders of a subsidiary (note (ii))	**–**	112,864
Security deposits	**5,686**	7,808
Others	**1,446**	934
	16,286	139,334

Note:

(i) The amounts due to related parties are non-trade in nature and unsecured. As at 31 December 2024, the balance bears interest of 11.61% to 19.16% (31 December 2023: 11.82% to 12.25%) per annum.

(ii) The redemption value of the option granted to non-controlling shareholders of a subsidiary represents liabilities of the Group to acquire interest owned by the non-controlling shareholders of a subsidiary, determined based on net asset fair value.

Pursuant to the Company announcement on 21 and 26 July 2024, the Company has completed the acquisition of the interest owned by a non-controlling shareholder of the subsidiary on 20 June 2024; and entered into share purchase agreements with the remaining non-controlling shareholders on 25 July 2024. Refer to announcement dated 21 and 26 July 2024 for more details.

28. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Trade payables	**12,144**	13,681
Accruals	**91,347**	70,730
Consideration payable for acquisition of subsidiaries	**11,057**	18,290
Deferred revenue	**348**	3,362
Interest payable	**36,115**	19,894
Due to non-controlling shareholders of subsidiaries	**4,463**	7,707
Due to related parties	**10,480**	15,088
Other tax payable	**9,888**	14,718
Payables for addition to property, plant and equipment and investment properties	**74,414**	110,474
Payable for disposal of assets held for sale	**3,978**	–
Payable to a fund	**273**	2,402
Rental income received in advance	**2,244**	1,528
Staff payroll and welfare payables	**66,131**	70,084
Others	**4,980**	12,751
	327,862	360,709

Notes to the Consolidated Financial Statements

31 December 2024

28. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES (continued)

An aging analysis of the trade payables as at 31 December 2024 and 2023, based on the invoice date, is as follows:

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Within 30 days	**8,020**	11,939
30 to 60 days	**1,733**	156
Over 60 days	**2,391**	1,586
Total	**12,144**	13,681

The amounts due to related parties are non-trade in nature, unsecured and payable on demand. As at 31 December 2024, the balance of US$454,000 (2023: US$410,000) bears an interest of 5.65% (2023: 6.10%) per annum. The remaining balance is interest free.

29. DEFERRED TAX

The movements in deferred tax assets during the years ended 31 December 2024 and 2023 are as follows:

	Losses available for offsetting against future taxable profits US$'000	Employee benefit payable US$'000	Accrued expenses US$'000	Transaction costs from acquisition of subsidiaries US$'000	Others US$'000	Total US$'000
31 December 2024						
At 1 January 2024	**42,703**	**3,138**	**4,077**	**33,949**	**5,003**	**88,870**
Deferred tax credited/(charged) to profit or loss during the year	**8,555**	**302**	**4,253**	**(15,486)**	**4,121**	**1,745**
Reclassification to assets of a disposal group held for sale	**(144)**	**(130)**	**(50)**	**–**	**(115)**	**(439)**
Disposal of subsidiaries	**–**	**–**	**–**	**–**	**(112)**	**(112)**
Exchange realignment	**(2,902)**	**(334)**	**(554)**	**(1,659)**	**(480)**	**(5,929)**
At 31 December 2024	**48,212**	**2,976**	**7,726**	**16,804**	**8,417**	**84,135**
31 December 2023						
At 1 January 2023	43,577	2,981	4,175	46,051	4,492	101,276
Deferred tax credited/(charged) to profit or loss during the year	(771)	99	(31)	(12,194)	607	(12,290)
Exchange realignment	(103)	58	(67)	92	(96)	(116)
At 31 December 2023	42,703	3,138	4,077	33,949	5,003	88,870

Notes to the Consolidated Financial Statements

31 December 2024

29. DEFERRED TAX (continued)

The movements in deferred tax liabilities during the years ended 31 December 2024 and 2023 are as follows:

	Fair value adjustments of investment properties US$'000	Gain on fair value change of financial assets at fair value through profit or loss US$'000	Fair value adjustments arising from acquisition of subsidiaries US$'000	Unbilled revenue US$'000	Others US$'000	Total US$'000
31 December 2024						
At 1 January 2024	**228,695**	**7,312**	**313,267**	**17,364**	**14,200**	**580,838**
Deferred tax charged/(credited) to profit or loss during the year	**(68,699)**	**(2,720)**	**(10,594)**	**(11,413)**	**14,806**	**(78,620)**
Reclassification	**10,350**	**–**	**(10,350)**	**–**	**–**	**–**
Reclassification to liabilities directly associated with the assets held for sale	**(4,854)**	**–**	**(19,772)**	**–**	**–**	**(24,626)**
Disposal of subsidiaries	**(30,390)**	**(2)**	**–**	**(679)**	**–**	**(31,071)**
Exchange realignment	**(6,197)**	**(280)**	**(525)**	**(578)**	**(448)**	**(8,028)**
At 31 December 2024	**128,905**	**4,310**	**272,026**	**4,694**	**28,558**	**438,493**
31 December 2023						
At 1 January 2023	250,762	7,100	322,827	20,751	16,064	617,504
Acquisition of subsidiaries	–	–	–	–	36	36
Deferred tax charged/(credited) to profit or loss during the year	23,403	761	(9,711)	(2,679)	(1,150)	10,624
Disposal of subsidiaries	(36,602)	–	–	–	–	(36,602)
Exchange realignment	(8,868)	(549)	151	(708)	(750)	(10,724)
At 31 December 2023	228,695	7,312	313,267	17,364	14,200	580,838

In accordance with China laws and regulations, tax losses could be carried forward for five years to offset against future taxable profits. Deferred tax assets relating to unutilised tax losses are recognised to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilised.

The Group had unused tax losses available for offsetting against future profits in respect of certain subsidiaries of US$59,739,000 as at 31 December 2024 (2023: US$38,642,000), and the deferred tax assets have not been recognised.

No deferred tax assets have been recognised in respect of these losses due to the unpredictability of future available taxable profit of the subsidiaries to offset against the unused tax losses. The available period of the unused tax losses will expire in one to five years for offsetting against future taxable profits.

Pursuant to China Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in China. The requirement becomes effective on 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. The Group is therefore liable to withholding taxes on dividends distributed by its subsidiaries, joint ventures and associates established in China in respect of earnings generated from 1 January 2008.

Notes to the Consolidated Financial Statements

31 December 2024

29. DEFERRED TAX (continued)

At 31 December 2024, no deferred tax (2023: nil) has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in China and the Group's investments in joint ventures. In the opinion of the directors, it is not probable that these subsidiaries and investments in joint ventures will distribute such earnings in the foreseeable future. The aggregate amounts of temporary differences associated with investments in subsidiaries in China for which deferred tax liabilities have not been recognised totalled approximately US$26,313,000 at 31 December 2024 (2023: US$48,768,000).

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

The Group had non-cash additions to right-of-use assets and lease liabilities of US$26,204,000 and US$28,868,000 (2023: US$11,462,000 and US$11,381,000), respectively.

(b) Changes in liabilities arising from financing activities

	Bank and other borrowings US$'000	Interest payable US$'000	Lease liabilities US$'000
31 December 2024			
At 1 January 2024	**5,979,553**	**19,894**	**31,957**
Changes from financing cash flows	**480,500**	**(287,034)**	**(15,058)**
Changes in investing cash flows — additions to investment properties and capital injection in joint ventures	**–**	**(11,032)**	**–**
Changes in investing cash flows — Proceeds from disposal of assets held for sale	**–**	**–**	**(2,075)**
Changes in operating cash flows	**–**	**–**	**(928)**
Reclassification to assets of a disposal group held for sale	**(36,976)**	**–**	**–**
Foreign exchange movements	**(183,419)**	**–**	**(1,503)**
Interest expense	**17,909**	**303,255**	**2,020**
Capitalised interest expense	**–**	**11,032**	**–**
Additions	**–**	**–**	**28,868**
Disposal of subsidiaries	**(109,245)**	**–**	**(125)**
At 31 December 2024	**6,148,322**	**36,115**	**43,156**
31 December 2023			
At 1 January 2023	5,496,630	26,713	34,188
Changes from financing cash flows	640,611	(305,178)	(14,168)
Changes in investing cash flows – additions to investment properties and capital injection in joint ventures	–	(13,838)	–
Foreign exchange movements	(70,773)	–	(402)
Interest expense	26,577	298,359	1,803
Capitalised interest expense	–	13,838	–
Additions	–	–	11,381
Disposal of subsidiaries	(113,492)	–	(836)
Modifications	–	–	(9)
At 31 December 2023	5,979,553	19,894	31,957

Notes to the Consolidated Financial Statements

31 December 2024

31. CONVERTIBLE BONDS

There was no outstanding convertible bonds as at 31 December 2023 and 2024.

On 9 September 2020, the Company issued US$350,000,000 in principal amount of 1.50% convertible bonds due 2025. The convertible bonds could be converted into ordinary shares of the Company at the option of the convertible bondholders at the prevailing conversion price on or after the date which is 41 days after 30 September 2020 up to and including on the ten day prior to 30 September 2025 ("**Maturity Date**") (both days inclusive). On the date of issuance, the initial conversion price was HK$32.13 per share ("**Conversion Price**"), subject to adjustment upon occurrence of certain prescribed events based on the terms and conditions of the convertible bonds.

Subject to satisfaction of certain conditions, the convertible bonds could be redeemed at the option of the Company at any time after 30 September 2023 and prior to the Maturity Date, in whole, but not in part, for the time being outstanding at their principal amount, together with interest accrued but unpaid to but excluding the date fixed for redemption. The Company could, at the option of the convertible bondholder to redeem all or some only of such holder's convertible bonds on 30 September 2023 at 100% of their principal amount, together with interest accrued but unpaid up to but excluding such date. The convertible bonds were interest-bearing at 1.50% per annum payable semi-annually in arrears in March and September respectively.

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

Redemption and Cancellation of Convertible Bonds during 2023

The Company announced on 15 September 2023 that, due to the declaration of interim dividend and final dividend for 2022 and interim dividend for 2023 respectively, accordingly the conversion price of the convertible bonds was adjusted to HK$31.61 per share with effect from 17 June 2023, and to HK$31.29 per Share with effect from 15 September 2023 respectively, as per the adjustment provisions stipulated under the terms and conditions of the convertible bonds. Based on the total outstanding principal amount of the convertible bonds of US$350,000,000 on the date of the announcement and the adjusted conversion price, 86,693,512 additional shares could be issued upon conversion of all the outstanding convertible bonds.

On 29 September 2023, the Company announced that it received a conversion notice from a holder of the convertible bonds for the exercise of the conversion rights attached to the convertible bonds in respect of the aggregate principal amount of US$800,000 (the "**Converted Bonds**"). All of the Converted Bonds have been converted to ordinary shares (the "**Conversion Shares**") and a total number of 196,150 Conversion Shares were issued to the bondholder on 19 September 2023 in accordance with the terms and conditions of the convertible bonds.

Notes to the Consolidated Financial Statements

31 December 2024

31. CONVERTIBLE BONDS (continued)

Redemption and Cancellation of Convertible Bonds during 2023 (continued)

The terms and conditions of the bonds provide, among other matters, that the Issuer could, at the option of the holder of any convertible bonds (the "**Put Option**"), redeem all or some only of such holder's bonds on 30 September 2023 at 100 per cent. of their principal amount, together with interest accrued but unpaid up to but excluding such date.

At the same date, the Company announced that as the holders of the convertible bonds in an aggregate principal amount of US$348,600,000 gave notice to exercise their Put Option, the Company had on 29 September 2023 fully redeemed parts of the outstanding convertible bonds in an aggregate principal amount of US$348,600,000, representing approximately 99.6% of the initial aggregate principal amount of the convertible bonds.

On 4 October 2023, the Company served a notice to exercise its right to redeem all and not some only of the outstanding convertible bonds in the aggregate principal amount of US$600,000 on 3 November 2023. Following such redemption, the redeemed bonds were cancelled in accordance with the terms and conditions of the convertible bonds and none of the convertible bonds remained outstanding as of 31 December 2023 and 2024.

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

	Liability component US$'000	Equity component US$'000	Total US$'000
Issue of convertible bonds	301,499	48,501	350,000
Direct transaction costs	(4,959)	–	(4,959)
At the issuance date	296,540	48,501	345,041
At 1 January 2023	319,053	48,501	367,554
Effective interest expense	11,901	–	11,901
Net increase in interest payable	(3,922)	–	(3,922)
Conversion of convertible bonds	(747)	(111)	(858)
Redemption of convertible bonds	(326,285)	(48,390)	(374,675)
At 31 December 2023 and 31 December 2024	–	–	–

Notes to the Consolidated Financial Statements

31 December 2024

32. DISPOSAL GROUP HELD FOR SALE

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

Hong Kong warehousing facility

The Group initiated the sale of a portfolio of warehousing facility (the "**Target Entity**") in Hong Kong with potential investors. The Target Entity is a wholly-owned subsidiary of the Company as of 31 December 2024. As a result, all assets and liabilities of the Target Entity (including the investment property) were reclassified as disposal group held for sale as at 31 December 2024.

Details of assets and liabilities classified as held for sale as at 31 December 2024 are as follows:

	As at 31 December 2024 US$'000
Assets	
Investment properties	262,623
Cash and bank balances	4,912
Other assets	467
Assets of a disposal group classified as held for sale	268,002
Liabilities	
Bank and other borrowings	(130,906)
Other liabilities	(138,604)
Liabilities directly associated with assets classified as held for sale	(269,510)
Net liabilities directly associated with the disposal group	(1,508)

As at 31 December 2024, the bank and other borrowings of US$130,906,000 bears floating interest rate with maturity in August 2028. As of 31 December 2024, the interest rate was 6.49% per annum. The investment property with a fair value of US$262,623,000 was pledged to secure bank and other borrowings.

The fair value of the investment properties under the disposal group held for sale as at 31 December 2024 was based on the valuation conducted by Colliers International (Hong Kong) Limited using residual method on the development potential of the property conversion to the data centre (Level 3).

Notes to the Consolidated Financial Statements

31 December 2024

32. DISPOSAL GROUP HELD FOR SALE (continued)

Cromwell Property Group ("Cromwell")

The Group identified its holding in Cromwell as a non-core investment and reclassified the investment as asset held for sale. In accordance with IFRS 5, the assets and liabilities classified as held for sale were written down to their fair value less costs to sell, based on the market price as at 31 December 2024. Accordingly, an impairment loss on assets held for sale amounting to US$147,731,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2024. The impairment loss on assets held for sale is included in Administrative Expenses.

Details of assets and liabilities classified as held for sale as at 31 December 2024 are as follows:

	As at 31 December 2024 US$'000
Assets	
Investment in associate	190,472
Assets of a disposal group classified as held for sale	190,472
Liabilities	
Liabilities directly associated with assets classified as held for sale	–
Net assets directly associated with the disposal group	190,472

Notes to the Consolidated Financial Statements

31 December 2024

32. DISPOSAL GROUP HELD FOR SALE (continued)

Cosmosquare OS2 and OS3

During the year, a fund managed by the Group, entered into a joint venture agreement ("**JVA**") to dispose of a 51% stake in JP DC OS 1 Pte. Ltd. to a capital partner. This transaction is part of a broader collaboration between the Group and the capital partner to jointly develop and operate the data centers (namely, OS1, OS2 and OS3).

In accordance with the JVA, the Group and the capital partner will also enter into joint venture agreements to acquire OS2 and OS3, which are investment properties held by Skye TMK, a wholly-owned subsidiary of the Company. The transaction was completed on 11 December 2024.

	US$'000
Net assets disposed of:	
Investment properties	86,935
Cash and bank balances	2,399
Other assets	3,918
Bank and other borrowings	(39,015)
Other liabilities	(6,423)
Non-controlling interests	(17)
	47,797
Loss on disposal of assets held for sale	(450)
	47,347
Satisfied by:	
Cash	14,410
Investment in associate	13,845
Other receivables	19,092
	47,347

An analysis of the net cash and cash equivalents in respect of the disposal of assets held for sale is as follows:

	US$'000
Cash consideration	14,410
Cash and bank balances disposed of	(2,399)
Net inflow of cash and cash equivalents included in cash flows related to investing activities	12,011

Notes to the Consolidated Financial Statements

31 December 2024

32. DISPOSAL GROUP HELD FOR SALE (continued)

ARA Private Funds business

In March 2024, the subsidiaries of the Group entered into certain Share Purchase Agreements to dispose of interests in the ARA Private Funds business in Australia, Singapore, South Korea and U.S. to buyers which include an affiliate of Sumitomo Mitsui Finance and Leasing Co. for an initial consideration based on an agreed enterprise value of US$270 million for the businesses, subject to adjustments.

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

	US$'000
Net assets disposed of:	
Investments in joint ventures and associates	8,796
Financial assets at fair value through other comprehensive income	128,463
Financial assets at fair value through profit or loss	7,893
Goodwill arising from acquisition	112,387
Management rights and trust management rights arising from acquisition	29,332
Cash and bank balances	53,448
Other assets	21,685
Deferred tax liabilities	(6,981)
Other liabilities	(90,830)
Non-controlling interests	(1,267)
	262,926
Exchange fluctuation reserve	32,575
Loss on disposal of assets held for sale	(39,284)
	256,217
Satisfied by:	
Cash	260,195
Other payables	(3,978)
	256,217

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of assets held for sale is as follows:

	US$'000
Cash consideration	260,195
Cash and bank balances disposed of	(53,448)
Net inflow of cash and cash equivalents included in cash flows related to investing activities	206,747

Notes to the Consolidated Financial Statements

31 December 2024

32. DISPOSAL GROUP HELD FOR SALE (continued)

ARA US Hospitality Trust ("USHT")

On 27 May 2024, the subsidiaries of the Group entered into Share Purchase Agreements to sell 100% of the total number of issued shares in ARA Trust Management (USH) Pte Ltd and ARA Business Trust Management (USH) Pte Ltd.

ARA Real Estate Investors 23 Pte. Ltd. ("**ARA RE23**") entered into a sale and purchase agreement to sell 110,200,640 stapled securities of ARA US Hospitality Trust ("**ARA H-Trust**" and the stapled securities of ARA H-Trust, the "**Stapled Securities**"), representing approximately 19.0% of the total number of Stapled Securities in issue on 27 May 2024. The transactions were completed on 9 July 2024.

	US$'000
Net assets disposed of:	
Investments in joint ventures and associates	42,166
Cash and bank balances	3,067
Other assets	951
Other liabilities	(838)
	45,346
Loss on disposal of assets held for sale	(398)
	44,948
Satisfied by:	
Cash	44,948

An analysis of the net cash and cash equivalents in respect of the disposal of assets held for sale is as follows:

	US$'000
Cash consideration	44,948
Cash and bank balances disposed of	(3,067)
Net inflow of cash and cash equivalents included in cash flows related to investing activities	41,881

In accordance with IFRS 5, the assets and liabilities classified as held for sale were written down to their fair value less costs to sell, resulting in an impairment loss on assets held for sale amounting to US$97,411,000, which was included in the consolidated statement of profit or loss for the year ended 31 December 2024. The impairment loss on assets held for sale is included in Administrative Expenses.

Notes to the Consolidated Financial Statements

31 December 2024

33. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	As at 31 December 2024	As at 31 December 2023
Percentage of equity interests held by non-controlling interests at the reporting date:		
Equity interest held by non-controlling interests:		
Higashi	**30%**	30%
Shanghai Yurun	**30%**	30%
Sunwood Astra Pte Ltd	**50%**	50%
LOGOS Property Group Limited	**–**	13.6%

	US$'000	US$'000
(Loss)/profit for the year allocated to non-controlling interests:		
Equity interests held by non-controlling interests:		
Higashi	**(8)**	2,843
Shanghai Yurun	**(19,089)**	12,234
Sunwood Astra Pte Ltd	**1,815**	(2,201)
LOGOS Property Group Limited	**–**	5,566
	(17,282)	18,442

	US$'000	US$'000
Distributions for the year allocated to non-controlling interests:		
Equity interests held by non-controlling interests:		
Higashi	**–**	36,606
Accumulated balances of non-controlling interests at the reporting date:		
Equity interests held by non-controlling interests:		
Higashi	**409**	459
Shanghai Yurun	**86,743**	107,865
Sunwood Astra Pte Ltd	**39,872**	38,954
LOGOS Property Group Limited	**Nil**	Nil
	127,024	147,278

Notes to the Consolidated Financial Statements

31 December 2024

33. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

	Higashi US$'000	Shanghai Yurun US$'000	Sunwood Astra Pte Ltd US$'000
2024			
Revenue	–	4,406	–
Total expense	(27)	(7,027)	(54)
Profit/(loss) for the year	(27)	116,838	(9,045)
Total comprehensive income/(loss) for the year	(27)	116,838	(9,045)
Current assets	1,378	16,139	280
Non-current assets	–	369,593	28,103
Current liabilities	16	1,103	838
Non-current liabilities	–	338,151	–
Net cash flow from operating activities	–	1,570	*
Net cash flow used in investing activities	–	(15,687)	(4,819)
Net cash flow from financing activities	–	1,564	4,819
Net decrease in cash and cash equivalents	–	(12,553)	*

* Amount less than US$1,000

	Higashi US$'000	Shanghai Yurun US$'000	Sunwood Astra Pte Ltd US$'000	LOGOS Property Group Limited US$'000
2023				
Revenue	5,041	512	–	141,909
Total expense	(2,029)	(1,480)	(10)	(91,485)
Profit/(loss) for the year	(8,965)	74,812	(4,402)	40,571
Total comprehensive income/(loss) for the year	1,686	74,812	(5,401)	20,314
Current assets	2,705	28,450	1	205,746
Non-current assets	–	876,380	77,954	596,564
Current liabilities	1,175	11,562	46	55,065
Non-current liabilities	–	292,586	–	149,021
Net cash flow from/(used in) operating activities	3,108	287	–	(6,636)
Net cash flow from/(used in) investing activities	115,643	(64,278)	(4,819)	2,565
Net cash flow from/(used in) financing activities	(128,002)	47,361	4,819	5,901
Net increase/(decrease) in cash and cash equivalents	(9,251)	(16,630)	–	1,830

Notes to the Consolidated Financial Statements

31 December 2024

34. INTERESTS IN THE UNCONSOLIDATED STRUCTURED ENTITIES

As at 31 December 2024, the Group considers its equity investments in 53 (2023: 60) investment funds to be interests in unconsolidated structured entities. The investment funds are designed so that the management rights are not the dominant factor in deciding who controls them, and are financed through the issue of an ownership interest instrument to each investor.

The Group also acts as the investment/asset manager for 59 (2023: 75) real estate funds to manage the operations of those assets to earn fee income based on their capital contributed by investors, development costs incurred on real estate projects, or for the acquisition advisory services and brokerage services. The assets have been designed so that voting and similar rights are not the dominant factor in deciding how the investing activities should be conducted and are financed through the issue of ownership interest instruments to investors. The Group did not provide any financial support and has no intention of providing financial or any other support.

The Group earned a total gross fee Income of US$155,584,000 (2023: US$204,163,000) from the real estate funds for the year ended 31 December 2024. As at 31 December 2024, the Group's maximum exposure to loss as a result of acting as the investment manager of the real estate funds was equivalent to the carrying amount of the fee income receivable from them amounting to US$95,911,000 (2023: US$174,799,000) and the carrying amount of the investments amounting to US$855,476,000 (2023: US$965,815,000).

Notes to the Consolidated Financial Statements

31 December 2024

35. DISPOSAL OF SUBSIDIARIES

Fenhu Quansheng

In April 2024, the Group has, through its subsidiary, entered into a sale and purchase agreement to dispose of the 100% interests in a subsidiary, Suzhou Eshang Quansheng Warehousing Service Co., Ltd, to RMB Income Fund.

	US$'000
Net assets disposed of:	
Investment properties	37,263
Cash and bank balances	43
Other assets	1,748
Bank and other borrowings	(8,143)
Other liabilities	(4,935)
	25,976
Exchange fluctuation reserve	732
Gain on disposal of subsidiaries	3,765
	30,473
Satisfied by:	
Cash	30,473

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

	US$'000
Cash consideration	30,473
Cash and bank balances of a subsidiary disposed of	(43)
Net inflow of cash and cash equivalents included in cash flows related to investing activities	30,430

Notes to the Consolidated Financial Statements

31 December 2024

35. DISPOSAL OF SUBSIDIARIES (continued)

Sunflower TMK

In April 2024, the Group has, through its wholly-owned subsidiary, entered into a sale and purchase agreement to dispose of the 91.329% interests in a subsidiary, ESR Sunflower TMK, to a third party. Accordingly, the Group lost its control of ESR Sunflower TMK and accounted for its remaining 8.671% ownership in ESR Sunflower TMK as a financial asset at fair value through profit or loss.

	US$'000
Net assets disposed of:	
Investment properties	21,857
Cash and bank balances	14,566
Other assets	940
Bank and other borrowings	(24,239)
Other liabilities	(72)
	13,052
Gain on disposal of subsidiaries	54
	13,106
Satisfied by:	
Cash	11,970
Financial assets at fair value through profit or loss	1,136
	13,106

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

	US$'000
Cash consideration	11,970
Cash and bank balances of a subsidiary disposed of	(14,566)
Net outflow of cash and cash equivalents included in cash flows related to investing activities	(2,596)

Notes to the Consolidated Financial Statements

31 December 2024

35. DISPOSAL OF SUBSIDIARIES (continued)

Dangmok Holding

In January 2024, the Group has, through its wholly-owned subsidiary, entered into a sale and purchase agreement to dispose of the 45% interests in a subsidiary, which is Dangmok Holding Pte. Ltd., to a third party.

	US$'000
Net assets disposed of:	
Investment properties	54,857
Cash and bank balances	379
Other assets	39
Other liabilities	(2,587)
Non-controlling interests	(105)
	52,583
Exchange fluctuation reserve	11
Gain on disposal of subsidiaries	410
	53,004
Satisfied by:	
Cash	23,632
Investments in joint ventures	29,372
	53,004

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

	US$'000
Cash consideration	23,632
Cash and bank balances of a subsidiary disposed of	(379)
Net inflow of cash and cash equivalents included in cash flows related to investing activities	23,253

Notes to the Consolidated Financial Statements

31 December 2024

35. DISPOSAL OF SUBSIDIARIES (continued)

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

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

Following completion of the Disposals, ESR C-REIT indirectly holds the ESR C-REIT Assets through the ABS Vehicle and Jiangsu Friend.

	US$'000
Net assets disposed of:	
Investment properties	287,784
Cash and bank balances	67,213
Other assets	2,351
Bank and other borrowings	(76,863)
Other liabilities	(30,788)
	249,697
Exchange fluctuation reserve	1,039
Gain on disposal of subsidiaries	18,874
	269,610
Satisfied by:	
Other receivables	269,610

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

	US$'000
Cash consideration	–
Cash and bank balances of a subsidiary disposed of	(67,213)
Net outflow of cash and cash equivalents included in cash flows related to investing activities	(67,213)

Notes to the Consolidated Financial Statements

31 December 2024

35. DISPOSAL OF SUBSIDIARIES (continued)

Logos Founders Roll-Up

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

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

The Group also disposed the following subsidiaries: LVLV Portfolio 2 Pte Ltd and its subsidiaries, 5% interest in LOGOS Vietnam Logistics Mandate 1 Pte Ltd, LOGOS SE Asia Vietnam Limited Liability Company, LOGOS India Holdco Pte Ltd and its subsidiaries; and LOGOS India Pte Ltd and its subsidiaries. This transaction was completed in July 2024.

Notes to the Consolidated Financial Statements

31 December 2024

35. DISPOSAL OF SUBSIDIARIES (continued)

Logos Founders Roll-Up (continued)

	US$'000
Net assets disposed of:	
Investments in joint ventures and associates	21,040
Cash and bank balances	1,778
Other assets	24,858
Other liabilities	(8,046)
Other reserves	5,806
Non-controlling interests	(293)
	45,143
Exchange fluctuation reserve	(527)
	44,616
Satisfied by:	
Other non-current assets	44,616

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

	US$'000
Cash consideration	–
Cash and bank balances of a subsidiary disposed of	(1,778)
Net outflow of cash and cash equivalents included in cash flows related to investing activities	(1,778)

Notes to the Consolidated Financial Statements

31 December 2024

35. DISPOSAL OF SUBSIDIARIES (continued)

The Group also disposed the following subsidiaries during the period:

Name of subsidiaries disposed	Equity interest disposed	Month of disposal
ECN X Offshore Holdings (HK) Limited	100%	January 2024
ECN X Offshore Holdings (BVI) Limited	100%	January 2024
Arran TMK	46%	March 2024
Wuxi Yitai Equipment Manufacturing Co., Ltd	50%	July 2024
Logos SE Asia Vietnam Limited Liability Company	100%	July 2024

	US$'000
Net assets disposed of:	
Investment properties	12,037
Cash	2,403
Other assets	28,111
Other liabilities	(30,076)
Other reserves	(57)
	12,418
Exchange fluctuation reserve	623
Gain on disposal of subsidiaries	1,570
	14,611
Satisfied by:	
Cash	6,088
Investments in joint ventures	6,564
Other receivables	1,959
	14,611

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

	US$'000
Cash consideration	6,088
Cash and bank balances of a subsidiary disposed of	(2,403)
Net inflow of cash and cash equivalents included in cash flows related to investing activities	3,685

Notes to the Consolidated Financial Statements

31 December 2024

36. CONTINGENT LIABILITIES

As at 31 December 2024 and 2023, neither the Group nor the Company had any significant contingent liabilities.

37. PLEDGE OF ASSETS

Details of the Group's interest-bearing bank and other borrowings, which are secured by the assets of the Group, are included in note 25 to the financial statements.

38. COMMITMENTS

(a) Operating lease commitments

As lessor

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

At 31 December 2024 and 2023, the Group had total future minimum leases receivable under non-cancellable operating leases with its tenants falling due as stated in note 18.

(b) Capital commitments

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Contracted, but not provided for investment properties	122,873	449,607
Contracted, but not provided for plant and machinery	1,869	8,709
Undrawn capital calls to real estate investment funds	2,483,183	1,675,211
	2,607,925	2,133,527

Notes to the Consolidated Financial Statements

31 December 2024

39. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the years ended 31 December 2024 and 2023:

(a) Transactions with related parties:

	2024 US$'000	2023 US$'000
Associates:		
— Management fee income (note (i))	**121,312**	162,877
— Sale of investment property	**–**	12,685
— Construction revenue	**60,918**	39,000
— Repayment from/(Advances to) associates (note (ii))	**1,083**	(2,377)
Joint ventures:		
— Management fees income (note (i))	**90,386**	90,775
— Advances to joint ventures (note (ii))	**(32,421)**	(18,638)
— Repayment from joint ventures (note (iii))	**–**	50,532
— Investments in debentures issued by joint ventures (note (iv))	**–**	1,799
— Interest income on investment in debentures (note (iv))	**2,039**	1,773
Directors:		
— Interest	**469**	921

Notes:

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

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

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

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

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

(ii) Advances to associates and joint ventures are unsecured, interest-free and repayable on demand. The outstanding net amount due from associates and joint ventures as of 31 December 2024 is US$42,546,000 (2023: US$29,424,000).

(iii) During the year ended 31 December 2023, the Group received repayment of US$50,532,000 from the subsidiaries disposed to joint ventures of the Group. The amount was paid to the Group after disposal was completed.

(iv) Investments in debentures issued by joint ventures and related interest income are relating to Group's investments in Optionally Convertible Debentures and Non-convertible Debentures as disclosed in Note 21.

(b) Commitments with related parties

The Group expects the total capital commitment to associates and joint ventures to be US$1,032,881,000 and US$544,674,000 (2023: US$306,473,000 and US$519,720,000), respectively.

Notes to the Consolidated Financial Statements

31 December 2024

39. RELATED PARTY TRANSACTIONS (continued)

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

	2024 US$'000	2023 US$'000
Short term employee benefits	**10,747**	9,836
Pension scheme contributions	**60**	43
Share-based compensation expense	**2,615**	3,495
Total compensation paid to key management personnel	**13,422**	13,374

(d) Loans to Directors

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

Name	At 1 January 2023 US$'000	Maximum amount outstanding during the year US$'000	At 31 December 2023 and 1 January 2024 US$'000	Maximum amount outstanding during the year US$'000	At 31 December 2024 US$'000
Mr Stuart Gibson	4,600	5,244	5,244	5,383	**–**
Mr Charles Alexander Portes	4,600	5,244	5,244	5,383	**–**

Loans granted to directors bear interest at SOFR plus 4% (2023: SOFR plus 4%) per annum, and they are unsecured. The loans were fully repaid during the financial year ended 31 December 2024. Loans to Directors and the related interest receivables were included in the balance of prepayments, other receivables and other assets as of 31 December 2023.

Notes to the Consolidated Financial Statements

31 December 2024

40. SHARE CAPITAL

	As at 31 December 2024	As at 31 December 2023
Authorised number of shares	**8,000,000,000**	8,000,000,000

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Issued and fully paid	**4,245**	4,280

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

	Number of shares in issue	Share capital US$'000	Share premium account US$'000	Total US$'000
At 1 January 2023	4,422,264,192	4,422	6,448,219	6,452,641
Conversion of convertible bonds	196,150	*	800	800
Share-based compensation plan exercised (note (i), (ii), (iii))	2,485,818	3	5,805	5,808
Share repurchased and cancellation (note (iv))	(144,501,600)	(145)	(217,625)	(217,770)
At 31 December 2023 and 1 January 2024	4,280,444,560	4,280	6,237,199	6,241,479
Issue of shares for the acquisition of remaining interest in Logos Property Group Limited	32,074,310	32	47,861	47,893
Share-based compensation plan exercised (note (i), (ii), (v))	858,679	*	6,676	6,676
Share repurchased and cancellation (note (vi))	(67,949,200)	(67)	(72,158)	(72,225)
At 31 December 2024	4,245,428,349	4,245	6,219,578	6,223,823

* Denotes less than US$1,000

Notes to the Consolidated Financial Statements

31 December 2024

40. SHARE CAPITAL (continued)

Notes:

(i) Pursuant to the rules and trust deed of the Long Term Incentive Scheme ("**LTI Scheme**") adopted on 2 June 2021, the trustee of the LTI Scheme had purchased on the Hong Kong Stock Exchange a total of 2,475,000 shares (31 December 2023: 3,559,146 shares) of the Company at a total consideration of US$2,647,000 (31 December 2023: US$5,613,000) during the year ended 31 December 2024.

(ii) During the period ended 31 December 2024, the Company paid withholding tax of US$143,000 (31 December 2023: US$84,000) in relation to share options exercised. The withholding tax expense was recorded in share premium account.

(iii) 1,967,705 shares were issued by the Company in satisfaction of 4,650,902 share options exercised in 2023 at the exercise price of US$0.96 per share and 518,113 shares were issued by the Company in satisfaction of 3,297,622 award RSUs and PSUs granted under the Long Term Incentive Scheme (note 41). An amount of US$11,618,000 was transferred from the share-based payment reserve to share capital and share premium upon the exercise of the share-based compensation plan.

(iv) During the year ended 31 December 2023, the Company repurchased 151,674,000 of its own shares on the Hong Kong Stock Exchange for a consideration of approximately US$217,770,000. 138,851,600 shares have been cancelled before the reporting date of 31 December 2023 and 12,822,400 shares were cancelled subsequent to the reporting date in January 2024, the amount paid for the purchase of the shares has been charged to share capital and share premium.

(v) 489,599 shares were issued by the Company in satisfaction of 1,507,531 share options exercised in 2024 at the exercise price of US$0.94 per share and 369,080 shares were issued by the Company in satisfaction of 3,420,337 award RSUs and PSUs granted under the Long Term Incentive Scheme (note 41). An amount of US$9,349,000 was transferred from the share-based payment reserve to share capital and share premium upon the exercise of the share-based compensation plan.

(vi) During the period ended 31 December 2024, the Company repurchased 55,126,800 of its own shares on the Hong Kong Stock Exchange for a consideration of approximately US$72,225,000. These shares have been cancelled before the reporting date of 31 December 2024, the amount paid for the purchase of the shares has been charged to share capital and share premium.

41. SHARE-BASED COMPENSATION PLAN

A. Share Option Plan issued by the Company

The following share options were outstanding under the share option plans including KM ESOP, Tier 1 ESOP and Post-IPO Share Option Scheme (the "**Plans**") during the years ended 31 December 2024 and 2023:

	Weighted average exercise price US$	Number of options '000
At 1 January 2023		44,391
Forfeited during the year	2.79	(304)
Exercised during the year	0.96	(4,651)
At 31 December 2023 and at 1 January 2024		39,436
Forfeited during the year	2.77	(1,434)
Exercised during the year	0.94	(1,508)
At 31 December 2024		36,494

The weighted average share price at the date of exercise for share options exercised during the year ended 2024 was HK$11.08 (2023: HK$12.87) per share.

Notes to the Consolidated Financial Statements

31 December 2024

41. SHARE-BASED COMPENSATION PLAN (continued)

A. Share Option Plan by the Company (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of each of the years ended 31 December 2024 and 2023 are as follows:

Number of options			
2024 '000	2023 '000	Exercise price per share	Exercise period
7,800	7,800	US$0.4600	20-04-17 to 20-01-26
–	100	US$0.4722	01-01-23* to 22-02-29
7,709	9,227	US$0.9445	01-01-23* to 19-05-29
873	873	US$1.1453	16-08-23* to 15-08-28
948	948	US$1.3655	16-02-24* to 25-02-29
1,988	2,260	US$1.5172	20-05-24* to 19-05-29
6,150	6,650	HK$27.30	28-12-21 to 27-12-30
10,642	11,194	HK$24.50	23-08-21 to 22-08-31
384#	384#	HK$22.78	08-06-22 to 07-06-32
36,494	39,436		

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

a) an IPO;

b) an Early Vesting Event;

c) 5 years of the date of grant.

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

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

The 1,507,531 share options exercised during the year resulted in the issue of 489,599 ordinary shares of the Company and new share capital of US$490 (before issue expenses), as further detailed in note 40.

At 31 December 2024, the Company had 36,493,698 share options outstanding under the Plans. The exercise in full of the outstanding share options by the conventional exercise method would, under the present capital structure of the Company, result in the issue of 36,493,698 additional ordinary shares of the Company and additional share capital and share premium of US$72,425 (before issue expenses).

At the date of approval of these financial statements, the Company had 36,493,698 share options outstanding under the Plans, which represented approximately 0.86% of the Company's shares in issue as at that date.

Notes to the Consolidated Financial Statements

31 December 2024

41. SHARE-BASED COMPENSATION PLAN (continued)

B. Share Option Plan by a subsidiary of the Company

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

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

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

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

In September 2021, a total of 790.13 options were granted under the ESOP Plan to certain eligible employees. These options vest equally in 4 tranches on 1 September 2021 and in December of each year from 2021 to 2023.

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

In August 2023, a total of 747.48 options were granted under the ESOP Plan to certain eligible employees. These options vest equally in 5 tranches in August 2023 and in December of each year from 2023 to 2026.

In 2024, the exit event clause in the ESOP Plan has been triggered due to the founders roll up exercise. According to the terms indicated in the ESOP Plan, the vested options would be settled at a price determined by the subsidiary's board of directors. The non-vested options and those options which were out of the money were cancelled.

Notes to the Consolidated Financial Statements

31 December 2024

41. SHARE-BASED COMPENSATION PLAN (continued)

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

The fair value of the share options as at 31 December 2023 has been measured using the Black-Scholes option-pricing model. The following table lists the inputs to the model used:

	As at 31 December 2023
Expected dividend yield (%)	–
Exercise price (US$)	33,453
Volatility (%)	26.9%
Risk-free interest rate (%)	4.49%
Expected life (years)	3.3 years

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

	Weighted average exercise price US$	Number of options
At 1 January 2023		779.40
Granted during the year	33,453	747.48
Cancelled during the year	33,453	(72.47)
At 31 December 2023 and at 1 January 2024		1,454.41
Granted during the year	28,779	(672.91)
Cancelled during the year	33,453	(781.50)
At 31 December 2024		–

Notes to the Consolidated Financial Statements

31 December 2024

41. SHARE-BASED COMPENSATION PLAN (continued)

C. Long Term Incentive Scheme

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

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

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

The following awarded shares were outstanding under the Long Term Incentive Scheme during the year ended 31 December 2024:

	Weighted average share price at grant date HK$	Number of awarded shares '000
At 1 January 2023		13,722.3
Granted during the year	11.69	8,261.8
Cancelled during the year	23.49	(4,173.7)
Vested during the year	21.76	(3,402.9)
At 31 December 2023 and at 1 January 2024		14,407.5
Cancelled during the year	17.65	(4,180.8)
Vested during the year	19.34	(3,315.0)
At 31 December 2024		6,911.7

Notes to the Consolidated Financial Statements

31 December 2024

41. SHARE-BASED COMPENSATION PLAN (continued)

C. Long Term Incentive Scheme (continued)

The share price at grant date and vesting periods of the awarded shares outstanding under the Long Term Incentive Scheme outstanding as at 31 December 2024 and 2023 is as follows:

Number of awarded shares		Share price at	Exercise period
2024 '000	2023 '000	grant date per share	
451	1,008	HK$24.35	23-02-22 to 30-06-25
1,511	5,631	HK$22.70	08-06-22 to 08-06-26
–	316	HK$12.90	20-04-23 to 31-12-26
1,203	2,166	HK$11.32	25-05-24 to 25-05-27
75	413	HK$11.32	08-06-23 to 08-06-26
–	150	HK$11.32	25-05-24 to 25-05-27
–	69	HK$11.32	01-10-23 to 01-10-24
2,407	3,249	HK$11.32	15-05-25 to 15-05-27
843	843	HK$12.88	20-07-23 to 30-06-27
422	562	HK$12.88	20-07-23 to 20-07-27
6,912	14,407		

None of the awarded shares were granted during the year ended 31 December 2024. The total expense recognised in respect of the Long Term Incentive Scheme adopted by the Company for the year ended 31 December 2024 was US$9,038,000.

At the date of approval of these financial statements, the Company had 6,912,000 awarded shares outstanding under the Long Term Incentive Scheme, which represented approximately 0.16% of the Company's shares in issue as at that date.

Notes to the Consolidated Financial Statements

31 December 2024

42. PERPETUAL CAPITAL SECURITIES

Perpetual Securities NC5 5.65%

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

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

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

Perpetual Securities Series 001, Series 002 and Series 004

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

Such perpetual securities bear distributions at a rate of 5.2% (Series 001), 5.65% (Series 002) and 5.6% (Series 004) per annum, payable semi-annually. Subject to relevant terms and conditions in the Information Memorandum dated 29 June 2017 (Series 001), 12 February 2018 (Series 002) and 4 September 2019 (Series 004), the Group may elect to defer making distributions on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred. The perpetual capital securities are classified as equity instruments and recorded in equity in the consolidated statement of financial position.

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

Notes to the Consolidated Financial Statements

31 December 2024

42. PERPETUAL CAPITAL SECURITIES (continued)

Movements of the perpetual capital securities are as follows:

	Principal US$'000	Distribution US$'000	Total US$'000
At 1 January 2023	739,547	3,154	742,701
Profit attributable to holders of perpetual capital securities	–	41,920	41,920
Distributions to holders of perpetual capital securities	–	(41,755)	(41,755)
At 31 December 2023 and 1 January 2024	739,547	3,319	742,866
Profit attributable to holders of perpetual capital securities	–	42,212	42,212
Distributions to holders of perpetual capital securities	–	(42,061)	(42,061)
At 31 December 2024	739,547	3,470	743,017

43. RESERVES

(a) Group

The amount of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity of the financial statements.

(i) Statutory reserve

In accordance with the Company Law of the People's Republic of China, the subsidiaries in China are required to allocate 10% of the statutory after tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the subsidiaries' registered capital. Subject to approval from the relevant China authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The statutory reserve is not available for dividend distribution to shareholders of China subsidiaries.

(ii) Merger reserve

The merger reserve of the Group represents the reserve arising pursuant to the reorganisation of subsidiaries.

(iii) Exchange fluctuation reserve

The exchange fluctuation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

Notes to the Consolidated Financial Statements

31 December 2024

43. RESERVES (continued)

(b) The Company

	Share premium US$'000	Share-based payment reserve US$'000	Exchange fluctuation reserve US$'000	Accumulated losses US$'000	Investment reserve (non-recycling) US$'000	Hedge reserves US$'000	Other reserve US$'000	Total US$'000
As at 1 January 2024	6,237,199	47,139	(13,855)	(1,171,796)	(740)	(4,977)	29,218	5,122,188
Profit for the year	–	–	–	95,449	–	–	–	95,449
Change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	(1,076)	–	–	(1,076)
Effect of hedge	–	–	–	–	–	8,322	–	8,322
Share of other comprehensive loss of joint ventures	–	–	(5,628)	–	–	–	–	(5,628)
Total comprehensive income for the year	–	–	(5,628)	95,449	(1,076)	8,322	–	97,067
Profit attributable to holders of perpetual capital securities	–	–	–	(14,834)	–	–	–	(14,834)
Dividend distributions	–	–	–	(67,375)	–	–	–	(67,375)
Share repurchased and cancellation	(72,158)	–	–	–	–	–	–	(72,158)
Issue of shares for the acquisition of remaining interest in Logos Property Group Limited	47,861	–	–	–	–	–	–	47,861
Issue of shares upon exercise of share options	920	(1,040)	–	–	–	–	–	(120)
Issue of shares upon vesting of units under Long Term Incentive Scheme	5,756	(8,309)	–	–	–	–	–	(2,553)
Transfer of share-based payment reserve upon the forfeiture of share options and Long Term Incentive Scheme	–	(8,867)	–	8,867	–	–	–	–
Share-based compensation arrangement	–	9,070	–	–	–	–	–	9,070
As at 31 December 2024	6,219,578	37,993	(19,483)	(1,149,689)	(1,816)	3,345	29,218	5,119,146

Notes to the Consolidated Financial Statements

31 December 2024

43. RESERVES (continued)

(b) The Company (continued)

	Share premium US$'000	Share-based payment reserve US$'000	Exchange fluctuation reserve US$'000	Accumulated losses US$'000	Investment reserve (non-recycling) US$'000	Hedge reserves US$'000	Other reserve US$'000	Total US$'000
As at 1 January 2023	6,448,219	47,395	(8,058)	(808,308)	(1,107)	–	29,218	5,707,359
Loss for the year	–	–	–	(225,147)	–	–	–	(225,147)
Change in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	367	–	–	367
Effect of hedge	–	–	–	–	–	(4,977)	–	(4,977)
Share of other comprehensive loss of joint ventures	–	–	(5,797)	–	–	–	–	(5,797)
Total comprehensive loss for the year	–	–	(5,797)	(225,147)	367	(4,977)	–	(235,554)
Profit attributable to holders of perpetual capital securities	–	–	–	(14,705)	–	–	–	(14,705)
Dividend distributions	–	–	–	(139,630)	–	–	–	(139,630)
Share repurchased and cancellation	(217,625)	–	–	–	–	–	–	(217,625)
Issue of shares upon exercise of share options	3,040	(3,126)	–	–	–	–	–	(86)
Issue of shares upon vesting of units under Long Term Incentive Scheme	2,765	(8,492)	–	–	–	–	–	(5,727)
Conversion of convertible bonds	800	–	–	58	–	–	–	858
Redemption of convertible bonds	–	–	–	8,294	–	–	–	8,294
Transfer of share-based payment reserve upon the forfeiture of share options and Long Term Incentive Scheme	–	(7,642)	–	7,642	–	–	–	–
Share-based compensation arrangement	–	19,004	–	–	–	–	–	19,004
As at 31 December 2023	6,237,199	47,139	(13,855)	(1,171,796)	(740)	(4,977)	29,218	5,122,188

Notes to the Consolidated Financial Statements

31 December 2024

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank and other borrowings, financial liabilities included in trade and other payables, cash and bank balances, trade receivables, financial assets included in prepayments, other receivables and other assets, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets included in other non-current assets. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, cash and short-term deposits, which arose directly from its operations. The main risks faced by the Group are interest rate risk, foreign currency risk, credit risk, liquidity risk and equity price risk. The Group monitors closely and assesses the use of financial derivative instruments as additional tools when appropriate to manage the financial risks exposure. The Group does not hold or issue financial derivative instruments for trading purposes. The directors review and agree policies for managing each of the risks which are summarised below:

Interest rate risk

The Group's exposure to the risk of changes in interest rates relates primarily to its interest-bearing bank and other borrowings. The interest rates and terms of repayments of the borrowings are disclosed in note 25.

The following table demonstrates the sensitivity to reasonably possible changes in interest rates, with all other variables held constant, of the Group's profit before tax (mainly the impact on floating rate borrowings). The Group's equity is not affected, other than the consequential effect on the accumulated losses of the changes in profit before tax as disclosed below.

	Increase/(decrease) in basis point	(Decrease)/increase in profit before tax US$'000
Year ended 31 December 2024	100/(100)	(53,048)/53,048
Year ended 31 December 2023	100/(100)	(54,587)/54,587

Foreign currency risk

The Group had monetary assets and liabilities, which were denominated in foreign currencies, and were exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities, which are denominated in currencies that are not the functional currencies of the relevant entities.

Notes to the Consolidated Financial Statements

31 December 2024

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

The following table details the Group's sensitivity to a 1% increase and decrease in the relevant foreign currencies against the functional currency (before taking into consideration the financial derivatives). The sensitivity analysis includes only outstanding monetary items denominated in a foreign currency and adjusts their translation at 31 December 2024 for a 1% change in foreign currency rates.

	2024 US$'000	2023 US$'000
Increase/(decrease) in profit before tax		
If US$ weakens against RMB	672	490
If US$ strengthens against RMB	(672)	(490)
If US$ weakens against JPY	(9,622)	(7,196)
If US$ strengthens against JPY	9,622	7,196
If US$ weakens against SGD	(8,226)	(5,967)
If US$ strengthens against SGD	8,226	5,967
If US$ weakens against AUD	12	(2,223)
If US$ strengthens against AUD	(12)	2,223
If US$ weakens against INR	1,211	1,114
If US$ strengthens against INR	(1,211)	(1,114)
If US$ weakens against HKD	(11,846)	(10,646)
If US$ strengthens against HKD	11,846	10,646
If US$ weakens against KRW	1,242	1,336
If US$ strengthens against KRW	(1,242)	(1,336)

Notes to the Consolidated Financial Statements

31 December 2024

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

IFRS 9

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meets its contractual obligation. The Group has no concentration of credit risk from third party debtors. The carrying amounts of restricted cash, cash and bank balances, financial assets included in prepayments, other receivables and other assets in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

All cash and bank balances were deposited in high-credit-quality financial institutions without significant credit risk.

The Group has established a policy to perform an assessment of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the other receivables into Stage 1 and Stage 2, as described below:

Stage 1 — When other receivables are first recognised, the Group recognises an allowance based on 12 months' expected credit loss (ECL)

Stage 2 — When other receivables have shown a significant increase in credit risk since origination, the Group recognises an allowance for the lifetime ECLs

Management also regularly reviews the recoverability of these receivables and follow up the dispute or amount overdue, if any. Management is of the opinion that the risk of default by counterparties is low.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as of the reporting date with the risk of default as of the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables and other receivables and expected loss allowance provision are disclosed in notes 22 and 23.

Notes to the Consolidated Financial Statements

31 December 2024

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group's policy is to maintain sufficient cash and bank balances or to have available funding through the use of bank and other borrowings to meet its commitments over the foreseeable future in accordance with its strategic plan. The maturity profile of the Group's financial liabilities as at 31 December 2024 and 2023, based on the contractual undiscounted payments, is as follows:

Group

	Less than 1 year US$'000	1 to 5 years US$'000	Over 5 years US$'000	Total US$'000
31 December 2024				
Non-derivative financial liabilities				
Interest-bearing bank and other borrowings	883,630	5,422,244	648,245	6,954,119
Trade and other payables	249,230	21	–	249,251
Contingent consideration payable	19,353	47,001	–	66,354
Lease liabilities	12,369	27,267	9,795	49,431
Other non-current liabilities	–	1,586	11,031	12,617
	1,164,582	5,498,119	669,071	7,331,772
Derivative financial instruments				
Foreign currency forward contracts (gross settled) and cross-currency interest rate swap				
— Outflow	(15,909)	(32,793)	(72)	(48,774)
— Inflow	29,642	52,430	57	82,129
	13,733	19,637	(15)	33,355
31 December 2023				
Non-derivative financial liabilities				
Interest-bearing bank and other borrowings	1,192,422	5,199,200	542,540	6,934,162
Trade and other payables	271,017	–	–	271,017
Contingent consideration payable	6,746	11,664	–	18,410
Lease liabilities	12,681	19,948	1,946	34,575
Other non-current liabilities	–	120,206	10,981	131,187
	1,482,866	5,351,018	555,467	7,389,351
Derivative financial instruments				
Foreign currency forward contracts (gross settled) and cross-currency interest rate swap				
— Outflow	(5,724)	(9,653)	–	(15,377)
— Inflow	17,171	40,611	–	57,782
	11,447	30,958	–	42,405

Notes to the Consolidated Financial Statements

31 December 2024

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Company

	Less than 1 year US$'000	1 to 5 years US$'000	Over 5 years US$'000	Total US$'000
31 December 2024				
Non-derivative financial liabilities				
Interest-bearing bank and other borrowings	445,317	3,841,103	96,363	4,382,783
Trade and other payables	457,863	–	–	457,863
	903,180	3,841,103	96,363	4,840,646
Derivative financial instruments				
Cross-currency interest rate swap				
— Outflow	(15,130)	(32,793)	(72)	(47,995)
— Inflow	28,850	52,430	57	81,337
	13,720	19,637	(15)	33,342
31 December 2023				
Non-derivative financial liabilities				
Interest-bearing bank and other borrowings	923,701	3,432,411	107,511	4,463,623
Trade and other payables	131,664	–	–	131,664
	1,055,365	3,432,411	107,511	4,595,287
Derivative financial instruments				
Cross-currency interest rate swap				
— Outflow	(3,570)	(9,653)	–	(13,223)
— Inflow	15,018	40,611	–	55,629
	11,448	30,958	–	42,406

Notes to the Consolidated Financial Statements

31 December 2024

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group was exposed to equity price risk arising from listed equity investments classified as financial assets at fair value through comprehensive income (note 17) and financial assets at fair value through profit or loss (note 16) as at 31 December 2024 and 2023. The Group's listed investments are listed on Hong Kong Exchanges and Clearing Limited, Singapore Exchange Securities Trading Limited, and Korea Exchange and are valued at quoted market prices.

The market equity indices for the following stock exchanges, at the close of business from the nearest trading day in the year to the end of each of the years ended 31 December 2024 and 2023, and their respective highest and lowest points during the year were as follows:

	31 December 2024	High/Low 2024	31 December 2023	High/Low 2023
Singapore — STI Index	**3,788**	**3,843/3,101**	3,240	3,408/3,042
Hong Kong — Hang Seng Index	**20,060**	**23,242/14,794**	17,047	22,701/15,972
Korea — KRX KOSPI Index	**2,399**	**2,896/2,360**	2,655	2,668/2,181

Notes to the Consolidated Financial Statements

31 December 2024

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The Group adopts a proactive and disciplined capital management approach to maintain a strong and well-capitalised balance sheet, and regularly review its debt maturity profile and liquidity position on an ongoing basis. The Group maintains a strong balance sheet, and actively diversifies its funding sources through a combination of facilities with both local and international banks, and capital market issuances in optimising its costs of debt financing.

The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

The Group monitors the capital using net gearing ratio, which is calculated by dividing net debt, defined as total bank and other borrowings less cash and bank balances, by total assets at the end of each year. The gearing ratios as at 31 December 2024 and 2023 were as follows:

	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
Bank and other borrowings		
Current	**626,209**	899,884
Non-current	**5,522,113**	5,079,669
Bank and other borrowings — Total	**6,148,322**	5,979,553
Less: Cash and bank balances	**(913,979)**	(1,001,568)
Net debt	**5,234,343**	4,977,985
Total assets	**14,822,964**	16,191,075
Gearing ratio (net debt/total assets)	**35.3%**	30.7%

Notes to the Consolidated Financial Statements

31 December 2024

45. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2024 and 2023 are as follows:

31 December 2024

	Financial assets at fair value through profit or loss US$'000	Financial assets at amortised cost US$'000	Financial assets at fair value through other comprehensive income US$'000	Total US$'000
Financial assets				
Financial assets at fair value through profit or loss	839,836	–	–	839,836
Financial assets at fair value through other comprehensive income	–	–	901,785	901,785
Trade receivables	–	335,839	–	335,839
Financial assets included in other non-current assets	40,593	197,196	–	237,789
Financial assets included in prepayments, other receivables and other assets	3,603	626,094	–	629,697
Pledged bank deposits	–	949	–	949
Restricted bank balances	–	125,858	–	125,858
Cash and bank balances	–	785,458	–	785,458
Non-pledged fixed time deposits with maturity period over three months	–	1,714	–	1,714
	884,032	2,073,108	901,785	3,858,925

	Financial liabilities at fair value through profit or loss US$'000	Financial liabilities at amortised cost US$'000	Total US$'000
Financial liabilities			
Financial liabilities included in trade payables, accruals and other payables	–	249,251	249,251
Interest-bearing bank and other borrowings	–	6,148,322	6,148,322
Lease liabilities	–	43,156	43,156
Contingent consideration payable	–	66,354	66,354
Financial liabilities included in other non-current liabilities	–	12,617	12,617
	–	6,519,700	6,519,700

Notes to the Consolidated Financial Statements

31 December 2024

45. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

31 December 2023

	Financial assets at fair value through profit or loss US$'000	Financial assets at amortised cost US$'000	Financial assets at fair value through other comprehensive income US$'000	Total US$'000
Financial assets				
Financial assets at fair value through profit or loss	837,314	–	–	837,314
Financial assets at fair value through other comprehensive income	–	–	1,050,442	1,050,442
Trade receivables	–	532,861	–	532,861
Financial assets included in other non-current assets	19,586	149,577	–	169,163
Financial assets included in prepayments, other receivables and other assets	3,486	436,082	–	439,568
Pledged bank deposits	–	632	–	632
Restricted bank balances	–	81,429	–	81,429
Cash and bank balances	–	915,657	–	915,657
Non-pledged fixed time deposits with maturity period over three months	–	3,850	–	3,850
	860,386	2,120,088	1,050,442	4,030,916

	Financial liabilities at fair value through profit or loss US$'000	Financial liabilities at amortised cost US$'000	Total US$'000
Financial liabilities			
Financial liabilities included in trade payables, accruals and other payables	–	271,017	271,017
Interest-bearing bank and other borrowings	–	5,979,553	5,979,553
Lease liabilities	–	31,957	31,957
Contingent consideration payable	–	18,410	18,410
Financial liabilities included in other non-current liabilities	112,864	18,323	131,187
	112,864	6,319,260	6,432,124

Notes to the Consolidated Financial Statements

31 December 2024

46. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

31 December 2024

46. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the financial years is as follows:

	Valuation technique	Key unobservable input	Range	Sensitivity of the fair value to the input
Unlisted financial assets at fair value through other comprehensive income and profit or loss	Net asset value	Net asset value	2024: US$195,000 to US$3,895,952,000 2023: US$4,500 to US$1,097,000,000	1% increase (decrease) in net asset value would result in increase (decrease) in fair value by 1%
Investment in OCD at fair value	Discounted cash flows	Cost of equity	2024: 10.25% 2023: 10.25%	1% increase (decrease) in cost of equity would result in (decrease) increase in estimated fair value by 0.20%
Put option contract	Option pricing model	Share price of investment in associate	2024: N/A 2023: JPY611	5% increase (decrease) in share price of investment in associate would result in (decrease) increase in estimated fair value by (US$Nil) and US$Nil
		Discount rate	2024: N/A 2023: 1.07%	10 basis points increase (decrease) in discount rate would result in (decrease) increase in estimated fair value by US$Nil
Redemption value of option	Discounted cash flow	Net asset fair value	2024: N/A 2023: US$1,054,277,000	1% increase (decrease) in net asset fair value would result in increase (decrease) in estimated fair value by Nil%

Notes to the Consolidated Financial Statements

31 December 2024

46. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

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

Assets measured at fair value

	Quoted prices in active markets (Level 1) US$'000	Significant observable inputs (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
As at 31 December 2024				
Financial assets at fair value through profit or loss	**59,792**	**–**	**789,478**	**849,270**
Financial assets at fair value through other comprehensive income	**783,303**	**–**	**118,482**	**901,785**
Financial derivative assets	**–**	**34,762**	**–**	**34,762**
	843,095	**34,762**	**907,960**	**1,785,817**
As at 31 December 2023				
Financial assets at fair value through profit or loss	38,428	–	808,722	847,150
Financial assets at fair value through other comprehensive income	820,246	–	230,196	1,050,442
Financial derivative assets	–	7,345	5,890	13,235
	858,674	7,345	1,044,808	1,910,827

Notes to the Consolidated Financial Statements

31 December 2024

46. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Assets measured at fair value (continued)

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

	Put option contract US$'000	Unlisted financial assets US$'000
Financial assets at fair value		
At 1 January 2023	10,765	953,446
Disposal of interests in financial assets	–	(22,224)
Disposal of subsidiaries	–	7,656
Distribution and capital redemption	–	(29,107)
Gain on sale of interests in financial assets at fair value through profit or loss	–	2,076
Interest receivable	–	553
Purchases	–	151,089
Reclassification to investments in joint ventures	–	(2,446)
Total loss recognised in other comprehensive income	–	(11,025)
Total (loss)/gain recognised in profit or loss included in other income	(4,146)	9,390
Exchange realignment	(729)	(20,490)
At 31 December 2023 and 1 January 2024	5,890	1,038,918
Disposal of interests in financial assets	–	(1,587)
Disposal of subsidiaries	–	1,136
Disposal of assets held for sale	–	(136,356)
Distribution and capital redemption	–	(32,086)
Loss on sale of interests in financial assets at fair value through profit or loss	–	(43)
Dilution gains of interest in investment in financial assets	–	1,017
Interest receivable	–	523
Purchases	–	128,098
Redemption	–	(12,776)
Total loss recognised in other comprehensive income	–	(15,160)
Total loss recognised in profit or loss included in other income	(5,516)	(14,613)
Exchange realignment	(374)	(49,111)
At 31 December 2024	–	907,960

Notes to the Consolidated Financial Statements

31 December 2024

46. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Liabilities measured at fair value

	Significant observable inputs (Level 2) US$'000	Significant unobservable inputs (Level 3) US$'000	Total US$'000
At 31 December 2024			
Financial derivative liabilities	–	–	–
Redemption value of option	–	–	–
	–	–	–
At 31 December 2023			
Financial derivative liabilities	–	–	–
Redemption value of option	–	112,864	112,864
	–	112,864	112,864

During the years ended 31 December 2024 and 2023, there were no transfers of fair values measurements into or out of Level 3 for financial liabilities.

47. EVENTS AFTER THE REPORTING DATES

Completion of proposed spin-off and separate listing of logistics assets through a publicly offered infrastructure securities investment fund on the Shanghai Stock Exchange

Reference is made to the announcements of ESR Group Limited dated 13 December 2022, 6 March 2023, 1 December 2023, 21 June 2024, 29 November 2024, 10 December 2024 and 24 January 2025 (the "**Announcements**") in relation to the potential listing of Jiangsu Friend — I, Jiangsu Friend — II and Jiangsu Friend — III, three high-standard logistics projects located in Kunshan, Jiangsu Province, the PRC, through a publicly offered infrastructure securities investment fund on the Shanghai Stock Exchange pursuant to a pilot programme launched by the NDRC and the CSRC. Unless otherwise stated, capitalised terms used in this section shall have the same meanings as those defined in the Announcements. All the conditions precedent to the Proposed Transaction have been fulfilled and completion of the Proposed Transaction took place on 24 January 2025. The REIT has been listed on the Shanghai Stock Exchange with stock code 508078 since 9:30 a.m. on 24 January 2025.

Immediately upon completion of the Unit Subscription and the Proposed Transaction, the Company effectively holds 41% equity interest in the Project Company through the REIT, and the Project Company is no longer a subsidiary of the Company and is deconsolidated from the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

31 December 2024

48. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December 2024 US$'000	As at 31 December 2023 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**44**	44
Financial assets at fair value through other comprehensive income		**12,196**	13,171
Investments in subsidiaries		**5,577,311**	5,574,574
Investment in a joint venture		**248,914**	285,163
Other intangible assets		**53**	96
Other non-current assets		**43,274**	19,975
Total non-current assets		**5,881,792**	5,893,023
CURRENT ASSETS			
Prepayments, other receivables and other assets		**3,584,574**	3,223,778
Cash and bank balances		**222,145**	271,489
Total current assets		**3,806,719**	3,495,267
CURRENT LIABILITIES			
Bank and other borrowings	25	**279,207**	719,232
Trade payables, accruals and other payables		**350,537**	134,674
Income tax payable		**994**	994
Total current liabilities		**630,738**	854,900
NET CURRENT ASSETS		**3,175,981**	2,640,367
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,057,773**	8,533,390
NON-CURRENT LIABILITIES			
Bank and other borrowings	25	**3,673,082**	3,145,772
Total non-current liabilities		**3,673,082**	3,145,772
NET ASSETS		**5,384,691**	5,387,618
EQUITY			
Issued capital		**4,245**	4,280
Perpetual capital securities		**261,300**	261,150
Other reserves	43	**5,119,146**	5,122,188
TOTAL EQUITY		**5,384,691**	5,387,618

49. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 25 March 2025.

Group Financial Summary

RESULTS (US$'000)

For the year ended	FY2020	FY2021	FY2022	FY2023	FY2024
Revenue					
Rental income	101,402	110,508	91,626	71,992	66,871
Management fee income	189,278	244,042	713,296	736,747	497,812
Construction income	92,160	43,815	10,735	56,250	65,760
Solar energy income	5,491	6,061	5,497	6,337	8,544
	388,331	**404,426**	**821,154**	**871,326**	**638,987**
Segment Results					
Investment	225,938	342,493	333,646	34,103	(560,056)
Fund management	147,598	198,956	573,734	574,682	271,954
New Economy development	289,178	235,324	342,677	259,781	9,016
	662,714	**776,773**	**1,250,057**	**868,566**	**(279,086)**
Profit/(loss) after tax	**314,707**	**382,676**	**631,109**	**268,056**	**(726,310)**
Profit attributable to:					
Owners of the Company ("**PATMI**")	286,466	349,440	574,145	230,849	(699,810)
Non-controlling interests	28,241	33,236	56,964	37,207	(26,500)
	314,707	**382,676**	**631,109**	**268,056**	**(726,310)**

ASSETS, LIABILITIES AND SHAREHOLDERS' EQUITY (US$'000)

At 31 December	FY2020	FY2021	FY2022	FY2023	FY2024
Non-current assets	5,861,284	7,417,348	13,189,083	13,740,620	12,242,094
Current assets	1,826,157	1,920,270	3,010,291	2,450,455	2,580,870
Total assets	**7,687,441**	**9,337,618**	**16,199,374**	**16,191,075**	**14,822,964**
Current liabilities	985,662	1,581,843	1,079,717	1,630,226	1,314,275
Non-current liabilities	2,896,574	3,341,740	5,979,343	5,832,095	6,057,049
Total liabilities	**3,882,236**	**4,923,583**	**7,059,060**	**7,462,321**	**7,371,324**
Net assets	**3,805,205**	**4,414,035**	**9,140,314**	**8,728,754**	**7,451,640**
Equity attributable to owners of the Company	3,596,209	4,158,858	8,814,659	8,410,512	7,172,548
Non-controlling interests	208,996	255,177	325,655	318,242	279,092
Total equity	**3,805,205**	**4,414,035**	**9,140,314**	**8,728,754**	**7,451,640**

Group Financial Summary

FINANCIAL METRICS

Financial Year	FY2020 US$'000	FY2021 US$'000	FY2022 US$'000	FY2023 US$'000	FY2024 US$'000
EBITDA [1]	571,177	664,198	1,068,536	724,597	**(415,563)**
Adjusted EBITDA [1]	585,259	706,834	1,151,882	885,331	**(79,624)**
PATMI	286,466	349,440	574,145	230,849	**(699,810)**
Adjusted PATMI [1]	286,466	377,258	654,623	400,338	**(359,533)**
Net debt [2]	1,779,848	2,609,667	3,689,715	4,977,985	**5,234,343**
Net debt/total assets	23.2%	27.9%	22.8%	30.7%	**35.3%**
Profit/(loss) before tax	410,704	488,840	815,125	394,238	**(747,011)**
Add/(less):					
Depreciation and amortisation	17,141	17,137	47,863	50,343	**50,287**
Finance costs	147,414	163,549	222,415	312,901	**314,090**
Interest income	(4,082)	(5,328)	(16,867)	(32,885)	**(32,929)**
EBITDA [a]	571,177	664,198	1,068,536	724,597	**(415,563)**
Add back/(less):					
Changes in fair value of financial derivative assets [b]	–	–	(6,191)	4,146	**5,516**
Impairment of goodwill and other intangible assets [c]	–	–	–	29,167	**–**
Impairment of assets held for sale [d] & [e]	–	–	–	–	**245,142**
Share of fair value losses relating to Cromwell [d]	–	–	40,531	108,243	**65,295**
Share-based compensation expense [f]	14,082	14,818	26,543	19,178	**15,151**
Transaction costs related to ARA acquisition [g] [i]	–	27,818	22,463	–	**–**
Transaction costs related to Proposed Privatisation [h]	–	–	–	–	**4,835**
Adjusted EBITDA	585,259	706,834	1,151,882	885,331	**(79,624)**
Less:					
Fair value changes on Investment Properties ("**IP**") [i]	(224,680)	(274,484)	(195,431)	(187,722)	**312,076**
Adjusted EBITDA (less fair value changes on IP)	360,579	432,350	956,451	697,609	**232,452**
Profit after tax and minority interests (PATMI)	286,466	349,440	574,145	230,849	**(699,810)**
Add back/(less):					
Amortisation relating to intangible assets arising from acquisition of ARA, net of tax [g] [ii]	–	–	17,791	18,767	**14,406**
Changes in fair value of financial derivative assets [b]	–	–	(6,191)	4,146	**5,516**
Impairment of goodwill and other intangible assets [c]	–	–	–	29,167	**–**
Impairment of assets held for sale [d] & [e]	–	–	–	–	**245,142**
Share of fair value losses relating to Cromwell [d]	–	–	40,531	108,243	**65,295**
Share-based compensation (related to ARA) [g] [iii]	–	–	5,884	9,166	**5,083**
Transaction costs related to ARA acquisition [g] [i]	–	27,818	22,463	–	**–**
Transaction costs related to Proposed Privatisation [h]	–	–	–	–	**4,835**
Adjusted PATMI	286,466	377,258	654,623	400,338	**(359,533)**

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

(2) Net debt is calculated as bank and other borrowings less cash and bank balances.

Group Financial Summary

EXPLANATION OF ADJUSTING ITEMS

(a) EBITDA is calculated as profit/(loss) before tax, adding back depreciation and amortisation and finance costs (net). EBITDA is presented because the Group believes this is a useful measure to determine the Group's financial condition and historical ability to provide investment returns.

(b) Changes in fair value of financial derivative assets relates to (gain)/loss arising from change in fair value of a put option agreement entered into by the Group's subsidiaries with an agreed floor price to sell its investment in an associate. The fair value is capital in nature and is a non-operational item, which is not directly related to the Group's operating activities.

(c) Impairment on goodwill and other intangible assets recorded within "Administrative expenses" represent impairment on goodwill and trust management rights of non-core business.

(d) In FY2024, share of fair value losses of approximately US$65.3 million estimated from the asset revaluation of Cromwell's Australia investment portfolio as well as the sale of Cromwell's European fund management platform and associated co-investments. In FY2023, share of fair value losses related to investment properties and financial assets at fair value through profit or loss.

During FY2024, the Group 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 and recognised an impairment loss of US$147.7 million that was recorded within "Administrative expenses". Accordingly, these are adjusted to better reflect the Group's underlying operating activities.

(e) Write-down of US$97.4 million arose from non-core divestment of the Group's stake in USHT completed on 9 July 2024, in line with the Group's strategy to simplify and streamline the Group to focus on New Economy. The impairment of assets held for sale was recorded within "Administrative expenses".

(f) Share-based compensation expense represents share-based incentives which are primarily non-cash in nature.

(g) On 20 January 2022, the Company completed the acquisition of ESR Asset Management Limited (formerly known as ARA Asset Management Limited) ("**ARA**", together with its subsidiaries, the "**ARA Group**"). In connection with the acquisition, the Group adjusted the following items which are not directly related to the operating activities:

(i) transactions costs related to ARA acquisition which are recorded within "Administrative expenses" are one-off non-recurring which are not directly related to operating performance of the Group;

(ii) amortisation relating to intangible assets arising from acquisition of ARA, net of tax, recorded within "Administrative expenses" represents management rights recognised that are non-cash and non-operational in nature. Accordingly, it is not directly correlated to the Group's business performance in a given period; and

(iii) share-based compensation expenses relating to ARA which represents share-based incentive granted pursuant to the Company's Long-term Incentive Scheme which were incurred as part of the acquisition.

(h) Reference is made to (i) the announcement (the "**Rule 3.5 Announcement**") issued jointly by MEGA BidCo and the Company dated 4 December 2024 pursuant to Rule 3.5 of the Hong Kong Codes on Takeovers and Mergers; and (ii) the update announcements issued jointly by the Offeror and the Company dated 8 January 2025, 7 February 2025 and, 7 March 2025 for a possible privatisation of the Company which, if proceeded with, could result in a delisting of the Company from the Stock Exchange (the "**Proposed Privatisation**"). During the year ended 31 December 2024, the Company has incurred transaction costs in relation to the Proposed Privatisation. The transaction costs is a non-operational item, which is not directly related to the Group's operating activities.

(i) Fair value changes on investment properties represents the changes in fair value which are non-cash in nature. Accordingly, it is adjusted from EBITDA.

Corporate Information

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 w.e.f. 2 Sept 2024)
Mr Charles Alexander PORTES
(Group Co-founder)
Mr Hwee Chiang LIM
(retired on 21 Jan 2025)
Dr Kwok Hung Justin CHIU
(retired on 31 May 2024)
Mr Rajeev Veeravalli KANNAN
Ms Joanne Sarah MCNAMARA
(w.e.f. 1 Jan 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr Brett Harold KRAUSE
(Chairman of the Board)
(w.e.f. 2 Sep 2024)
Mr Simon James MCDONALD
Ms Jingsheng LIU
(resigned on 16 Oct 2024)
Ms Serene Siew Noi NAH
Ms Wei-Lin KWEE
(retired on 31 May 2024)

COMPANY SECRETARY
Mr Richard Kin-sing LEE

MEMBERS OF AUDIT COMMITTEE
Mr Simon James MCDONALD
(Chairman)
Mr Brett Harold KRAUSE
Ms Serene Siew Noi NAH

MEMBERS OF NOMINATION COMMITTEE
Mr Brett Harold KRAUSE
(Chairman)
Mr Simon James MCDONALD
(w.e.f. 14 Jan 2025)
Ms Jingsheng LIU
(resigned on 16 Oct 2024)
Ms Serene Siew Noi NAH

MEMBERS OF REMUNERATION COMMITTEE
Mr Brett Harold KRAUSE
(Chairman)
Mr Jeffrey David PERLMAN
Mr Simon James MCDONALD
Ms Wei-Lin KWEE
(retired on 31 May 2024)

AUTHORISED REPRESENTATIVES
Mr Jinchu SHEN
Mr Richard Kin-sing LEE

REGISTERED OFFICE
Walkers Corporate Limited
190 Elgin Avenue, GeorgeTown,
Grand Cayman KY1-9008,
Cayman Islands

PLACE OF BUSINESS IN HONG KONG
Suites 2905–06,
Two Exchange Square,
8 Connaught Place, Central,
Hong Kong

PRINCIPAL BANKERS
Bank of China
Bank of Communications
China Merchants Bank Co., Ltd
CIMB Bank Berhad, Singapore branch
Citibank N.A., Singapore branch
Crédit Agricole Corporate and Investment Bank, Hong Kong branch
DBS Bank Ltd.
E. Sun Commercial Bank, Ltd
Industrial and Commercial Bank of China
Maybank Banking Berhad
Mizuho Bank, Ltd.
MUFG Bank, Ltd.
Natixis, Hong Kong branch
Oversea-Chinese Banking Corporation Limited
RHB Bank Berhad
Standard Chartered Bank
SRCB Shanghai
Sumitomo Mitsui Banking Corporation
The Hong Kong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE
Walkers Corporate Limited
190 Elgin Avenue, George Town,
Grand Cayman KY1-9008,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE
Computershare Hong Kong Investor Services Limited
Shops 1712–16, 17/F.,
Hopewell Centre,
183 Queen's Road East, Wan Chai,
Hong Kong

AUDITOR
Ernst & Young
(Registered Public Interest Entity Auditor)

WEBSITE
ESR Group
(www.esr.com)

STOCK CODE
The Stock Exchange of Hong Kong Limited
Code: 1821

ESR

esr.com

MIX
Paper | Supporting responsible forestry
FSC® C176382
FSC
www.fsc.org

This annual report has been produced using Forest Stewardship Council™ (FSC™) certified paper and other controlled material, and has been printed with soy-based ink.