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or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any securities of the Issuer, and no such inducement is intended.

Hong Kong, 30 May 2023

As at the date of this announcement, the directors of the Issuer are Mei Ming Zhi, Zhuge Wenjing, Michihiro Higashi, Mok Chi Ming Victor, Fang Fenglei and Tan Mark Hai-Nern.

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IMPORTANT NOTICE

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Confirmation of your Representation: This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, you shall be deemed to have represented to us that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and that you consent to delivery of such Offering Circular and any amendments or supplements thereto by electronic transmission.

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Restrictions: Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer or invitation by or on behalf of any of the Issuer (as defined in this Offering Circular), the Arranger (as defined below) or the Dealers (as defined in this Offering Circular) to subscribe for or purchase any of the securities described therein, in any place where offers or solicitations are not permitted by law and access has

prospective investors are deemed to have understood and consented to the collection, disclosure, use and

GLP China Holdings Limited

( )

(incorporated in Hong Kong with limited liability)

HK$20,000,000,000

Medium Term Note Programme

(the "Programme")

Under the HK$20,000,000,000 Medium Term Note Programme described in this Offering Circular, GLP China Holdings Limited ( ) (the "**Issuer**" or the "

IMPORTANT NOTICE

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes and determining appropriate distribution channels.

as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE – The Pricing Supplement in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the "**SFA**").

The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for the purposes of section 309B(1)(a). Any such legend included on the relevant Pricing Supplement will constitute notice to "relevant persons" for the purposes of section 309B(1)(c) of the SFA.

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The

any person in the United States. Distribution of this Offering Circular to any person within the United States is unauthorised and any disclosure, without the prior written consent of the Issuer, of any of its contents to any person within the United States is prohibited.

The distribution of this Offering Circular and any Pricing Supplement and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular and any Pricing Supplement comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Notes or the distribution of this Offering Circular and any Pricing Supplement in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto in certain jurisdictions including the United States, the United Kingdom, the PRC, Hong Kong and Singapore, and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Notes and distribution of this Offering Circular and any Pricing Supplement, see "*Subscription and Sale*".

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR

connection with the issue of the Notes shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Group or either of them since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular and any Pricing Supplement does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger, the Dealers, the Trustee or the Agents to subscribe for or purchase any of the Notes and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

No representation or warranty, express or implied, is made or given by the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of them) as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Arranger, the Dealers, the Trustee or the Agents. None of the Arranger, the Dealers, the Trustee and the Agents has independently verified any of the information contained in this Offering Circular and can give assurance that this information is accurate, truthful or complete. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Arranger, the Dealers, the Trustee or the Agents that any recipient of this Offering Circular should purchase the Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Notes should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

To the fullest extent permitted by law, none of the Arranger, the Dealers, the Trustee or the Agents or any of their respective affiliates, directors or advisers accepts any responsibility for the contents of this Offering Circular. Each of the Arranger, the Dealers, the Trustee and the Agents and their respective affiliates, directors or advisers accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Arranger, the Dealers, the Trustee or the Agents or any of their respective affiliates, directors or advisers undertakes to review the results of operations, financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger, the Dealers, the Trustee or the Agents.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE ARRANGER AND DEALERS DESIGNATED AS THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THEM) (THE "STABILISATION MANAGERS") IN THE RELEVANT PRICING SUPPLEMENT MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE RELEVANT ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION ON SUCH STABILISATION MANAGERS TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the offering, including the merits and risks involved. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Notes.

Each person receiving this Offering Circular and any Pricing Supplement acknowledges that such person has not relied on the Arranger, the Dealers, the Trustee or the Agents or any person affiliated with the Arranger, the Dealers, the Trustee or the Agents in connection with its investigation of the accuracy of such information or its investment decision.

"**U.S.**" or the "**United States**" are to the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

Unless otherwise specified or the context requires, references herein to "**Renminbi**", "**RMB**" or "**CNY**" are to the lawful currency of the PRC, references herein to "**Hong Kong dollars**", "**HK dollars**" or "**HKD**" are to the lawful currency of Hong Kong and references herein to "**U.S. dollars**", "**US$**" or "**USD**" are to the lawful currency of the United States.

Unless otherwise specified or the context requires, references herein to the "**Group**" refer to the Issuer and its Subsidiaries taken as a whole.

Certain monetary amounts and percentages in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding.

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although this information is believed to be reliable, it has not been independently verified by the Issuer, the Arranger, the Dealers, the Trustee, the Agents or their respective directors and advisers, and none of the Issuer, the Arranger, the Dealers, the Trustee, the Agents and their respective directors and advisers makes any representation as to the accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and the actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

SUPPLEMENTAL OFFERING CIRCULAR

The Issuer has given an undertaking to the effect that the Issuer shall update or amend this Offering Circular (following consultation with the Arranger which will consult with the Dealers) by the publication of a supplement thereto or a new offering circular in a form approved by the Dealers, on or before each anniversary of the date of this Offering Circular, and in the event that a significant new factor, material mistake or inaccuracy relating to the information included in this Offering Circular arises or is noted which is capable of affecting the assessment of any Notes which may be issued under the Programme, provided that the Issuer shall have no obligation to undertake an update of this Offering Circular for so long as the Issuer does not intend to issue any Notes under the Programme but shall ensure that prior to issuing any Notes, an offering circular is prepared which is dated no earlier than one year prior to the Issue Date of such Notes.

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

This Offering Circular includes forward-looking statements regarding, amongst other things, the Group's business, results of operations, financial condition, cash flow, future expansion plans and business strategy. These forward-looking statements can be identified by the use of forward-looking terminology, including the words and terms "**believe**", "**expect**", "**plan**", "**anticipate**", "**intend**", "**aim**", "**project**", "**seek**", "**should**", "**will**", "**would**", "**could**", "**schedule**", "**estimate**" or, in each case, their negative or other variations or

Issuer's intentions, belief or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospectus, growth, strategies and the industry in which the Group operates.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Investors are cautioned that forward-looking statements are not guarantees of the Group's future performance and their

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SUMMARY OF THE GROUP

Overview

The Group is a leading global business builder, owner, developer and operator of logistics real estate, data centres, renewable energy and related technologies. The Group believes that its deep expertise and operational insights allows it to build and scale high-quality businesses and create value for its customers.

The Group is the investor, developer and operator of approximately 450 facilities for logistics and supply chain operations, research and development, high-end manufacturing, data centres and renewable energy, across 70 cities in China. The Group is an early mover in investing in technologies and innovations to enhance its assets and has built a highly competitive business ecosystem that enables its customers and partners' growth. The Group is leading the way in adopting and supporting the latest innovations that improve operational efficiency and create value for its customers and investors.

The Group launched its data centre business in 2018, aiming to deliver efficient and resilient digital infrastructure safely and securely to its customers across the globe. The Group is currently one of the leading independent data centre operators in China with assets that will deliver approximately 1,400 MW of IT load capacity upon completion. For the year ended 31 December 2022, the Group secured the largest built-to-suit data centre contract in China from a leading domestic internet company.

The Group continues to drive the energy transition and meet clean energy demand by investing, developing, and operating assets across the renewable energy value chains. As at 31 December 2022, the total solar capacity of the Group-backed Pufeng New Energy that installs rooftop solar panels across the Group's and third-party properties, has reached 1 GW.

History

On 15 October 2013, Blear Services Limited established Iowa China Offshore Holdings (Hong Kong) Limited in Hong Kong (Companies Registrar number 1980082). At registry, the Company had a share capital of one share and equity capital of HK$10,000. As at 31 December 2022, the Company has issued 6,950,825,000 ordinary shares with a total share capital of approximately US$6.95 billion.

On 24 October 2013, Blear Services Limited transferred its entire share capital for HK$1 to CLH Limited, a wholly-owned subsidiary of GLP Pte Ltd. ("**GLP**") Since then, GLP has held 100 per cent. of the Company through its control of CLH Limited.

CLH Limited is registered in the Cayman Islands, and holds all of GLP's shareholding interests in logistics and warehousing companies in the PRC via many direct holding companies registered in Barbados, Singapore and Hong Kong. GLPH Limited is also registered in the Cayman Islands, and, through a Barbados-registered direct holding company, controls 100 per cent. of GLP's PRC warehousing development and management company, GLP Investment (Shanghai) Co., Ltd. CLH Limited and GLPH Limited are both wholly-owned subsidiaries of GLP.

On 18 February 2014, GLP entered into a strategic agreement with a strategic investment team to further expand and develop its modern logistics business in the PRC. In accordance with the strategic agreement, GLP completed the restructuring of its PRC assets and businesses on 22 May 2014, to which GLP transferred to the Company all PRC businesses, assets and liabilities under CLH Limited; all PRC development projects and business functions under GLPH Limited in the PRC (such as business management, talent development, financial and investment management and marketing and sales); and US$4,600,564,752 from GLP Investment (Shanghai) Co., Ltd. As such, the Company became the holding company of all of GLP's PRC warehouse development companies and business management companies. Concurrently, the Company issued

4,600,564,752 ordinary shares to CLH Limited, by which CLH Limited became the parent company of the Company.

On 24 September 2014, all investments made by the strategic investors into the Company were completed. Concurrent to GLP restructuring its PRC assets and businesses, the strategic investment team injected US$2,103,750,000 into the Company via Khangai Company Limited and Khangai II Company Limited and obtained 2,095,089,422 ordinary shares of the Company, thus becoming a shareholder of 30.15 per cent. of the Company's issued shares. Khangai Company Limited and Khangai II Company Limited are aligned with the Company's strategies. Simultaneously, GLP Associates (I) Limited and GLP Associates (II) LLC[1] also injected US$253,750,000 into the Company and obtained 252,787,714 ordinary shares of the Company, thus becoming a shareholder of an estimated 3.64 per cent. of the Company's issued shares. As a result, the Company's paid-in capital increased to US$6.958 billion, and CLH Limited's shareholding of the Company decreased from 100 per cent. to 66.21 per cent.

In February 2022, CLH Limited, Khangai Company Limited and Khangai II Company Limited entered into a share purchase agreement, pursuant to which Khangai Company Limited transferred 789,750,000 issued shares of the Company and Khangai II Company Limited transferred 467,303,653 issued shares of the Company to CLH Limited, as a result of which CLH Limited has held 5,857,618,406 shares of the Company, representing an increase of shareholding to 84.30 per cent. while Khangai Company Limited and Khangai II Company Limited have reduced their shareholding in the Company to 7.58 per cent. and 4.48 per cent. respectively after

SUMMARY OF THE PROGRAMME

The following summary is a brief summary of the Programme. For a more detailed description of the terms of the Notes, see "Terms and Conditions of the Notes". Capitalised terms used herein and not defined have the meanings given to them in "Terms and Conditions of the Notes". References to Condition in the following summary refer to the corresponding conditions in the Terms and Conditions of the Notes.

Issuer:	GLP China Holdings Limited ( ) (Legal Entity Identifier is 254900C6X2D3TGF2CO98).
Description:	Medium Term Note Programme.
Size:	Up to HK$20,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase the aggregate nominal amount of the Programme in accordance with the terms of the Dealer Agreement.
Risk Factors:	Investing in Notes under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil the obligations in respect of the Notes or the Trust Deed are discussed under the section "*Risk Factors*".
Arranger.	Morgan Stanley & Co. International plc.
Dealer:	Morgan Stanley & Co. International plc.
Certain Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, see the section on "*Subscription and Sale*". Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Trustee:	Citicorp International Limited.
Principal Paying Agent and Principal Transfer Agent:	Citibank, N.A., London Branch.
Principal Registrar:	Citibank Europe plc, Germany Branch.
CMU Lodging and Paying Agent, CMU Registrar and CMU Transfer Agent:	Citicorp International Limited.
Method of Issue:	The Notes may be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest and the timing of the NDRC Post-issue Filing, if applicable), the Notes of each Series being intended to be interchangeable with all other Notes of that Series, and each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche will be completed in the Pricing Supplement.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be

	issued, the issue price of which will be payable in two or more instalments.
Clearing Systems:	Clearstream, Euroclear and the CMU and in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Trustee and the Relevant Dealer.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the Relevant Dealer.
Specified Denomination:	Notes will be issued in such denominations as may be agreed between the Issuer and the Relevant Dealer save that the minimum denomination of each Notes will be such as may be allowed or required from time to time by the central banks (or equivalent body) or any laws or regulations applicable to the relevant currency (see "*Certain Restrictions*" above).
Withholding Tax:	All payments of principal, premium (if applicable) and interest in respect of the Notes will be made free and clear of withholding taxes of Hong Kong, unless the withholding is required by law. In that event, the Issuer shall (subject to the Conditions) pay such additional amounts as will result in the holders of the relevant Notes receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
Governing Law:	The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.
Rating:	Notes issued under the Programme may be rated, or unrated, as specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. The Programme may be rated from time to time. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessary be the same as the rating assigned to the Programme.
Listing and Admission to Trading:	Application has been made to the Hong Kong Stock Exchange for the listing of the Programme by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. However, unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange or listed, traded or quoted on or by any other competent authority, exchange or quotation system.

	Notes listed on the Hong Kong Stock Exchange will be traded on the Hong Kong Stock Exchange in a board lot size of at least HK$500,000 (or its equivalent in other currencies). The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the Relevant Dealers in relation to each Series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be initially listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be initially listed. Unlisted Series of Notes may also be issued pursuant to the Programme.
Initial Delivery of the Notes:	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, with a common depositary on behalf of Euroclear and/or Clearstream or, (b) in the case of a Tranche intended to be cleared through the CMU, with a sub-custodian for the Hong Kong Monetary Authority (the "**HKMA**") as operator of the CMU or (c) in the case of a Tranche intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream and/or the CMU or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer.
Status of Notes:	The Notes constitute direct, unconditional and (subject to Condition 5(a)) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* and without any preference or priority with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. See "*Terms and Conditions of the Notes — Status of the Notes*".
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity as may be agreed between the Issuer and the Relevant Dealers.
Form of Notes:	The Notes will be issued in bearer or registered form as described in "*Form of the Pricing Supplement in relation to the Notes*". Registered Notes will not be exchangeable for Bearer Notes and vice versa. Each Tranche of Bearer Notes will initially be represented by a Temporary Global Note or a Permanent Global Note as specified in the relevant Pricing Supplement, which, in each case, may be deposited on the Issue Date with a common depositary for Euroclear, Clearstream or any other agreed clearance system compatible with Euroclear and Clearstream or, in respect of Notes intended to be cleared through the CMU, a sub-custodian for the CMU. Each Temporary Global Note will be exchangeable

for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons. Any interest in a Temporary Global Note or a Permanent Global Note will be transferable only in accordance with the rules and procedures or the time being of Euroclear, Clearstream, the CMU and/or any other agreed clearance system, as appropriate.

Bearer Notes will be issued in compliance with applicable U.S. tax rules. Bearer Notes will be issued in compliance with rules in substantially the same form as U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the U.S. Internal Revenue Code (the "**TEFRA D Rules**") unless (i) the relevant Pricing Supplement states that the Bearer Notes are issued in compliance with rules in substantially the same form as U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) for purposes of Section 4701 of the U.S. Internal Revenue Code (the "**TEFRA C Rules**") or (ii) the Bearer Notes are issued other than in compliance with the TEFRA D Rules or the TEFRA C Rules but in circumstance in which the Notes will not constitute "registration required obligations" for U.S. federal income tax purposes, which circumstance will be referred to in the relevant Pricing Supplement. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note.

Each Tranche of Registered Notes will, unless specified in the relevant Pricing Supplement, be represented by a Global Certificate (as defined in the "*Form of the Notes*"*)*, which will be deposited on or about its issue date with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream or in respect of Notes intended to be cleared through the CMU, the Global Certificate will be lodged with a sub-custodian for the HKMA as operator of the CMU and registered in the name of the HKMA. With respect to all offers or sales by a Dealer of an unsold allotment or subscription, beneficial interests in a Global Certificate of such Tranche may be held only through Euroclear or Clearstream or the CMU.

Application will be made to have Global Notes or Global Certificates of any Tranche accepted for clearance and settlement through the facilities of Euroclear, Clearstream and/or the CMU as appropriate.

Fixed Rate Notes:	Fixed interest will be payable in arrear on such date or dates as may be agreed between the Issuer and the Relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as specified in the relevant pricing supplement.
Floating Rate Notes:	Floating Rate Notes will bear interest payable in arrear and determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) by reference to the applicable reference rate (such as interbank offered rates, risk free rates or such other benchmark) which appears on the relevant screen page as may be specified in the relevant Pricing Supplement and as adjusted for any applicable margin; or (iii) on such other basis as may be agreed between the Issuer and the Relevant Dealer. Interest Periods will be specified in the relevant Pricing Supplement.
Benchmark Discontinuation:	Fallback provisions might be specified in the relevant Pricing Supplement together with relevant risk factors, in case of the discontinuation of certain benchmarks, or changes in the manner of administration of any benchmarks.
Zero Coupon Notes:	Zero Coupon Notes (as defined in "*Terms and Conditions of the Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.
Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in "*Terms and Conditions of the Notes*") will be made in such currencies, and based on such rates of exchange as the Issuer and the Relevant Dealer may agree and as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates:	The length of the Interest Periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same Interest Period. All such information will be set out in the relevant Pricing Supplement.
Partly Paid Notes:	In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid

	on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Pricing Supplement.
Redemption:	The relevant Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the Relevant Dealer. The relevant Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the relevant Pricing Supplement. Notes having a maturity of less than one year are subject to certain restrictions on their denomination and distribution.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement and subject to Condition 9 *(Redemption and Purchase).*
Tax Redemption:	Notes will be redeemable at the Issuer's option prior to maturity for tax reasons as described in Condition 9(b) *(Redemption and Purchase — Redemption for tax reasons).*
Redemption for Change of Control:	At any time following the occurrence of a Change of Control, each Noteholder will have the right, at such Noteholder's option, to require the Issuer to redeem all, but not some only, of that Noteholder's Notes on the Change of Control Put Date at a price equal to the Early Redemption Amount (Change of Control), together with interest accrued (if any) to the Change of Control Put Date.
Redemption at the Option of the Issuer:	If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call).
Redemption at the option of Noteholders:	If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Noteholder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date.
Covenants:	The Notes will contain a covenants provision, each as described in Condition *5 (Covenants).*

Cross-acceleration:	The Conditions will contain a cross-acceleration provision as described in Condition 13(c) *(Events of Default — Cross-acceleration of Issuer or Principal Subsidiary).*

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary consolidated financial information of the Group as at and for the periods indicated.

The summary consolidated financial information of the Group as at and for the years ended 31 December 2020, 2021 and 2022 is derived from the 2021 Audited Consolidated Financial Statements and the 2022 Audited Consolidated Financial Statements. Such financial information should be read in conjunction with the 2021 Audited Consolidated Financial Statements, the 2022 Audited Consolidated Financial Statements and their respective notes thereto.

Historical results of the Group are not necessarily indicative of results that may be achieved for any future period.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the year ended 31 December		
	2020	**2021**	**2022**
		(US$ '000)	
Revenue[1]	1,149,124	1,273,512	1,205,310
Other income[2]	195,512	341,380	3,138
Cost of goods sold and other financial services costs[3]	(125,743)	(3,881)	(6,684)
Property-related and other business expenses	(279,087)	(381,534)	(558,165)
Other expenses	(203,414)	(299,807)	(296,994)
Changes in fair value of investment properties	532,835	973,433	933,515
Share of results (net of tax expense) of joint ventures	73,508	164,047	46,415
Share of results (net of tax expense) of associates[4]	194,043	501,336	118,552
Profit from operations	1,536,778	2,568,486	1,445,087
Finance costs	(457,018)	(501,954)	(684,773)
Finance income	304,365	98,519	136,657
Net finance costs	(152,653)	(403,435)	(548,116)
Gain on disposal of subsidiaries	314,400	552,697	1,230,002
Gain on acquisition of subsidiaries	80	19,477	—
Gain on disposal of investment properties	—	13,642	3,020

[1] The amount for the year ended 31 December 2021 has been restated in the 2022 Audited Consolidated Financial Statements as US$1,259,313,000 due to a reclassification of dividend income of US$14,199,000 from Other income to Revenue for conforming with the presentation for the year ended 31 December 2022. The amounts for the years ended 31 December 2020 and 2021 presented in this Offering Circular have not been adjusted to reflect the reclassifications stated.

[2] The amount for the year ended 31 December 2021 has been restated in the 2022 Audited Consolidated Financial Statements as US$355,579,000 due to a reclassification of dividend income of US$14,199,000 from Other income to Revenue for conforming with the presentation for the year ended 31 December 2022. The amounts for the years ended 31 December 2020 and 2021 presented in this Offering Circular have not been adjusted to reflect the reclassifications stated.

[3] Expressed as "Cost of goods sold" in the 2022 Audited Consolidated Financial Statements.

[4] Expressed as "Share of results (net of tax expense) of associates and loss on disposal of associates" in the 2022 Audited Consolidated Financial Statements.

	For the year ended 31 December		
	2020	**2021**	**2022**
		(US$ '000)	
Capital contribution to joint ventures	(773,393)	(756,503)	(56,963)
Capital contribution to associates	(929,301)	(785,650)	(429,287)
Interest income received	34,092	61,470	77,092
Net cash used in investing activities	(1,649,072)	(953,486)	(2,378,685)
Cash flows from financing activities			
Capital reduction from non-controlling interests[12]	—	(244,589)	(1,255)
Deposits received from issue of co-invest shares	—	4,398	2,416
Capital contribution from non-controlling interests, net of transaction costs[13]	626,175	457,544	2,261,029
Proceeds from bank loans	5,633,415	6,713,692	9,843,571
Proceeds from issue of bonds	599,999	2,751,731	322,532
Proceeds of loans from associates	—	—	4,770
Proceeds of loans from joint ventures	31,111	—	—
Proceeds of loans from non-controlling interests	8,849	—	1,646
Proceeds of loans from other related parties	—	—	366,911
Proceeds of loans from third parties	—	—	2,571
Repayment of bank loans	(4,292,235)	(6,829,248)	(6,433,457)
Repayment of bonds	(30,285)	(2,633,904)	(1,044,139)
Repayment of loans from intermediate holding company	(451,554)	—	—
Repayment of loans from associates	(51,090)	—	(28,501)
Repayment of loans from joint ventures	(59,639)	—	—
Repayment of loans from non-controlling interests	(10,672)	(10,202)	(3,204)
Repayment of loans from other related parties	—	—	(234,290)
Repayment of loans from third parties	(3,990)	(637)	(700)
Interest paid	(488,279)	(500,670)	(509,893)
Dividends paid to non-controlling interests	(14,527)	(35,223)	(1,705,559)
Cash payments for principal portion of lease liabilities	(4,622)	(14,400)	(19,384)
Cash payments for interest portion of lease liabilities	(3,231)	(6,852)	(7,474)
Acquisition of interests in subsidiaries from non-controlling interests	(17,451)	(220,286)	(60,255)
Dividend paid to co-invest shareholders	—	—	(6,833)

[12] Expressed as "Capital withdrawal from non-controlling interests" in the 2022 Audited Financial Statements.

[13] Expressed as "Capital contribution from non-controlling interests" in the 2022 Audited Consolidated Financial Statements.

	For the year ended 31 December		
	2020	**2021**	**2022**
		(US$ '000)	
Deposits pledged for bank loans	—	—	(57,548)
Proceeds from disposal of interests in subsidiaries to non-controlling interests	—	638,517	314,423
Net cash generated from financing activities	1,471,974	69,871	3,007,377
Net increase/(decrease) in cash and cash equivalents	310,368	(268,799)	1,159,952
Cash and cash equivalents at beginning of the year	859,715	1,222,062	963,449
Effect of exchange rate changes on cash balances held in foreign currencies	51,979	10,186	(53,278)
Cash and cash equivalents at end of year	1,222,062	963,449	2,070,123

OTHER FINANCIAL DATA

The Company uses certain non-HKFRS measures to evaluate the Group's financial performance such as EBITDA. EBTIDA is not an accounting measure under HKFRS and therefore should not be considered as an alternative measure to evaluate the Group's performance. EBTIDA is also not a measurement of performance of liquidity under HKFRS. Therefore, investors should not place undue reliance on this data.

	For the year ended 31 December		
	2020	**2021**	**2022**
		(US$ '000)	
EBITDA[(1)]	2,272,171	3,282,327	2,686,712

Note:

(1) EBITDA is defined as profits before tax, net borrowing costs, depreciation and amortisation. EBITDA, as used in this Offering Circular, is a supplemental measure of the Group's performance and liquidity that are not required by or presented in accordance with HKFRS or generally accepted accounting principles in certain other countries. Furthermore, EBITDA is not a measure of financial performance or liquidity under the HKFRS or any other generally accepted accounting principles and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with HKFRS or any other generally accepted accounting principles. EBITDA should not therefore be considered in isolation from, or as a substitute for, the analysis of the financial condition or results of operations of the Group, as reported under HKFRS. Further, EBITDA may not reflect all of the financial and operating results and requirements of the Group. In particular, EBITDA does not reflect the Group's needs for capital expenditures, debt servicing or additional capital that may be required to replace assets that are fully depreciated or amortised. Other companies may calculate or define EBITDA differently, limiting its usefulness as a comparative measure.

RISK FACTORS

Prior to making any investment decision, investors should consider carefully all of the information in this Offering Circular, including any documents incorporated by reference herein and the risks and uncertainties described below. Any of the risks described below could materially and adversely affect the Issuer's ability to satisfy its obligations under the Notes and have a material adverse effect on the Issuer's and/or the Group's business, financial condition or results of operations. In that event, the market price of the Notes could decline and investors may lose all or part of their investment in the Notes. The risks and uncertainties described below are not the only risks and uncertainties the Issuer and the Group face. In addition to the risks described below, there may be other risks and uncertainties not currently known to the Issuer or the Group or that the Issuer or the Group currently deem to be immaterial which may in the future become material risks. The risks discussed below may also include forward-looking statements and the Issuer's and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Subheadings are for convenience only and risk factors that appear under a particular sheading may also apply to one or more other sub-headings.

RISKS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS GENERALLY

The Group's business is sensitive to global economic conditions.

The Group's business is sensitive to global economic conditions. The outlook for the global economy and financial markets remains uncertain. In particular:

In Asia and other emerging markets, some countries are experiencing increasing inflationary pressure as a result of stronger than anticipated private consumption and investment spending and substantial monetary and fiscal policy support.

In addition, sustained tension between the United States and the PRC over trade policies including tariffs and barriers on imports and exports and government incentives to onshore and/or nearshore production and supply chains to favoured jurisdictions, could significantly undermine the stability of the global economies. On 15 January 2020, the U.S. and Chinese governments signed the U.S.-China Economic and Trade Agreement (the "**Phase I Agreement**"). Under the Phase I Agreement, the U.S. agreed to cancel a portion of tariffs imposed on Chinese products, China promised additional purchases of U.S. goods and services, and both parties expressed a commitment to further improving various trade issues. Despite this reprieve, however, it remains to be seen whether the Phase I Agreement will be abided by both governments and successfully reduce trade tensions.

The military conflict between Russia and Ukraine has further resulted in an escalated regional instability and amplified the tensions between international relationships, as well as adversely affected global economic conditions and the sanctions imposed by various countries on Russia continue to pose adverse effects on global economy. The sanctions imposed by various countries on Russia has also resulted in increased commodity and food costs which affects the global economy adversely.

The 2019-nCoV acute respiratory disease ("**COVID-19**") pandemic has adversely affected global financial, foreign exchange, commodity and energy markets since December 2019. Despite the World Health Organisation has recently announced that COVID-19 no longer constitutes a public health emergency, and a rebound in global economic activity as country borders re-open, the outlook on a sustained global recovery remains uncertain.

The exit of the United Kingdom from the European Union ("**Br6(u)-6. J5.4(u)-l.1(96 Tf 1 0 0 1 348.12 213.3/-5.g2**

incentives which may increase the Group's cost of investment or carrying on of business, or adversely affect the Issuer's ability to receive dividends or other distributions from entities in which it has made investments;

the risk of nationalisation and expropriation of assets;

currency controls and other regulations, which may affect the Issuer's ability to receive distributions or other dividends from the Issuer's subsidiaries or other entities in which it may have any interest, to borrow onshore or offshore where the facility or the relevant subsidiary or entity is located, or to carry out acquisition, divestment and capital expenditure plans; and

political and other conditions.

Such conditions and developments, many of which are outside of the Group's control, may have a material adverse effect on its business, financial condition, results of operations and prospects.

The impacts of the outbreak of the COVID-19 pandemic may sustain.

COVID-19 is a global pandemic that has had a significant impact on the global and PRC economy. With the outbreak of COVID-19, the PRC government and health authorities in affected areas have imposed measures designed to contain the outbreak, including, among others, temporary shutdowns, travel restrictions, quarantines and cancellations of gatherings and events. Similar measures have been adopted by the rest of the countries across the globe. This, in turn, has resulted in disruptions in global supply chains, reduced trade, lower industrial production and lower consumption generally, even in areas not directly affected by the outbreak.

Although the disruption caused by COVID-19 to the Group's development and operating projects has been minimal and there is no sustained shutdown of projects, there have been temporary delays on selected development projects. Furthermore, while the Group is seeing an increase in the demand for e-commerce

defects affecting the properties in the Group's portfolio which could affect the ability of the relevant tenants to operate on such properties;

the perception of prospective customers of the usefulness and convenience of the relevant property;

the Group's ability to provide adequate management, maintenance or insurance;

the financial condition of customers and the possible bankruptcy of customers;

high or increasing vacancy rates;

changes in tenancy laws; and

external factors including major world events, such as war, terrorist attacks, epidemics and pandemics, such as the COVID-19 pandemic, and acts of God such as floods and earthquakes. See also "*Risk Factors— Risks Relating to the Group's Business and Operations Generally — The impacts of the outbreak of the COVID-19 pandemic may sustain*.".

In addition, other factors may adversely affect a property's value without necessarily affecting its current revenues and operating profit, including (i) changes in laws and governmental regulations, including tenancy, zoning, planning, environmental or tax laws, (ii) potential environmental or other legal liabilities, (iii) unforeseen capital expenditure, (iv) the supply and demand for industrial properties or business space, (v) loss of anchor tenants, (vi) the availability of financing and (vii) changes in interest rates.

Consequently, the Group's operating results and financial condition may be materially adversely impacted by economic conditions. Reduction in the maximum loan-to-value ratio for mortgages and increases in interest rates in the PRC where the Group has property interests may also adversely affect the availability of loans on termniti51.7(6n-26(wa)-3.6(r)4o)-6(n)ts 38(a)-6.3(6(tl1.4(l)1.8t)1.8(e)-.2(g-3.1(c)-2.7(f)20.6(h)-5t)-2)-26.16(tl1.4(l)1.4.3( ))-1.8

other agreements require the Group to maintain a level of debt relative to asset value, and such covenants are triggered as a result of adjustments made to the fair value of the Group's properties.

The due diligence exercise on the Group's properties, tenancies, buildings and equipment may not have identified all material defects and other deficiencies.

The Group believes that reasonable due diligence investigations with respect to the Group's properties have been conducted prior to their acquisition. However, there is no assurance that the Group's properties will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects or asbestos contamination in the Group's properties which may require additional capital expenditure, special repair or maintenance expenses). Such undisclosed and undetected defects or deficiencies may require significant capital expenditure or trigger obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on the Group's business, financial condition, results of operations, performance and prospects.

The experts' due diligence reports that the Group relies upon as part of its due diligence process may be subject to inaccuracies and deficiencies. This may be because certain building defects and deficiencies are difficult or impossible to ascertain due to limitations inherent in the scope of the inspections, the technologies or techniques used and other factors. Any inadequacies in the due diligence investigations may result in an adverse impact on the Group's business, financial condition, performance and prospects.

The amount of cash flow available to the Group could be adversely affected if property and other operating expenses increase without a corresponding increase in revenue.

Factors which could increase property expenses and other operating expenses include any (i) increase in the amount of maintenance and sinking fund contributions payable to the management corporations of the properties, (ii) increase in agent commission expenses for procuring new customers, (iii) increase in property tax assessments and other statutory charges, (iv) change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies, (v) increase in subcontracted service costs, (vi) increase in the rate of inflation, (vii) increase in insurance premiums and (viii) increase in costs relating to adjustment of the tenant mix. Furthermore, the Group may potentially incur expenditures to restore its facilities to its original state should a customer or tenant fail to remove its equipment fully or adequately at the end of its lease term.

The Group is subject to risks associated with its significant growth and may not be able to optimally manage its capital and asset structure to maximise shareholder value.

The Group has significantly expanded its operations in recent years and expects to continue to look for opportunities to further develop its business whilst at the same time optimising its capital and asset structure to enhance shareholder value. The Group and GLP, the Group's parent and controlling shareholder, regularly considers and evaluates new business opportunities as well as strategic options to unlock value in their existing businesses, including acquisitions, disposals, restructuring or spin-off. Such proposals are considered and evaluated from time to time in a commercial and prudent and measured manner, taking into consideration a range of internal and external factors, including the strategic priorities and objectives of GLP. There is no assurance that actions taken by GLP will not adversely impact the Group's business, credit profile and future financial performances.

To manage its growth and consolidate its position in the market, the Group must continue to improve its managerial, technical, operational and other resources and to implement an effective financial management and risk management system.

There can be no assurance that the Group will not experience issues as it continues to expand and pursues new business opportunities as well as explore strategic options to unlock and maximise value in its existing

businesses. In particular, failure of the Group to implement its growth plans in a satisfactory manner could adversely affect its ability to maintain, expand and diversify its revenue base and to maintain its profitability. There can be no assurance that such growth plans will not adversely affect the Group's existing operations, which could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

Disputes or conflicts with joint venture or project development partners may materially and adversely affect the Group's business.

The Group has partnered with, or acquired interests in, joint ventures to acquire some of its investment properties. Co-operation and agreement among the Group and its joint venture partners on its existing or future projects is an important factor for the smooth operation and financial success of such projects. In fact, certain corporate actions of these joint ventures require approval of all partners. Such joint ventures may involve special risks associated with the possibility that Group's joint venture partners may (i) have economic or business interests or goals that are inconsistent with those of the Group, (ii) take action contrary to the instructions or requests of the Group or contrary to the Group's policies or objectives with respect to its investments, (iii) be unable or unwilling to fulfil their obligations under the joint venture agreements, (iv) experience financial or other difficulties or (v) have disputes with the Group as to the scope of their responsibilities and obligations.

Although the Group has not experienced any significant problems with respect to its joint venture partners to date which could not be resolved, should such problems occur in the future, they could have a material adverse effect on the success of these joint ventures and thereby material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, a disposal of the Group's interests in joint ventures is subject to certain pre-emptive rights on the part of the other joint venture partners or certain restrictions. As a result, a disposal of the Group's interests in its joint ventures may require a longer time to complete, if at all, than a disposal of a wholly-owned asset.

The Group relies on independent service providers for the provision of essential services.

The Group engages contractors and independent third-party service providers in connection with its business and its investment portfolio. There is no assurance that the services rendered by any contractors or independent service providers engaged by the Group will always be satisfactory or match the level of quality expected by the Group or required by the relevant contractual arrangements, or that such contractual relationships will not be breached or terminated.

Furthermore, there can be no assurance that the Group's contractors and service providers will always perform to contractual specifications, or that such providers will continue their contractual relationships with the Group under commercially reasonable terms, if at all, and the Group may be unable to source adequate replacement services in a timely or cost-efficient manner.

There is also a risk that the Group's major contractors and service providers may experience financial or other difficulties which may affect their ability to discharge their obligations, thus delaying the completion of their work in connection with the Group's ordinary business or development projects and may result in additional costs for the Group. The timely performance of these contractors and service providers may also be affected by natural and human factors such as natural disasters, calamities, pandemics such as the recent COVID-19 pandemic, outbreak of wars and strikes which are beyond the control of the Group. See "*Risk Factors— Risks Relating to the Group's Business and Operations Generally — The impacts of the outbreak of the COVID-19 pandemic may sustain*.". Moreover, such contractors and service providers depend on the services of experienced key senior management and it would be difficult to find and integrate replacement personnel in a timely manner or at all if such contractors and service providers lost their services. Any of these factors could adversely affect the business, financial condition or results of operations of the Group.

Covenants in the Group's credit agreements limit the Group's flexibility and breaches of these covenants could adversely affect its financial condition.

The terms of the Group's various credit and/or project finance agreements for its businesses require it to comply with a number of customary financial covenants such as restrictions on indebtedness, maintenance of loan-to-value and debt-service coverage ratios and mandatory redemption upon disposal of assets. These covenants may limit the Group's flexibility in its operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness. Certain of the Group's credit agreements also contain cross-default or cross-acceleration provisions that would permit the lenders thereunder to accelerate repayments of indebtedness in the event of a default or acceleration of repayment of other material indebtedness. Any default of such covenants or inability to cure such defaults could have a material adverse impact on the Group's business, financial condition, results of operations and prospects. The Group could be required to sell one or more logistics and warehousing facilities at times or under circumstances that reduce the Group's return on those assets. In addition, if the maturing debt were secured, the lender may foreclose on the property securing that indebtedness.

Potential investors should not place undue reliance on the financial information that is not audited or reviewed.

The Group publishes annual, semi-annual and/or quarterly consolidated financial information to satisfy its continuing disclosure obligations relating to its bonds listed on the stock exchanges in other jurisdictions according to the applicable regulations and rules of such stock exchanges. Such financial information may not be audited or reviewed by the Group's independent auditors and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or a review. Such unaudited or unreviewed consolidated interim financial information is not necessarily indicative of the results that may be expected for the full financial year or any period thereafter. Consequently, potential investors should not take such financial information as indicative of the expected financial condition or results of operations of the Company or the Group for the relevant full financial year. Potential investors should exercise caution when using such data to evaluate the Company's or the Group's financial condition and results of operations.

Foreign currency exchange rate fluctuations may have a material adverse effect on the Group's results of operations.

The Group operations are exposed to foreign exchange rate fluctuations. The Group's consolidated financial statements are presented in U.S. dollars and its pre-tax profit is also exposed to currency risks on revenue, expenses, borrowings and monetary balances that are denominated in currencies other than the functional currency (i.e. Renminbi) of the Group's entities in the PRC. Any significant depreciation of the Renminbi against these other currencies could have an adverse effect on the Group's business, financial condition, results of operations and prospects. Conversely, any significant appreciation of the Renminbi against these other currencies could have a positive effect on the Group's business, financial condition, results of operations and prospects. Exchange rate gains or losses will arise when the assets and liabilities in the Renminbi are translated or exchanged into U.S. dollars for financial reporting or repatriation purposes. Historically, there has been volatility of the Renminbi-US dollar exchange rate since the implementation of PBOC's further improvement mechanism for computing the Renminbi to US dollar middle price from 11 August 2015. Fluctuations in currency exchange rates could materially affect the Group's reported financial results. While the Group seeks to ensure that the net exposure risk to foreign exchange rate fluctuations in respect of its monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level through the purchase and sale of foreign currencies at spot rates where necessary to address short-term imbalances, there can be no assurance that such risk will always be kept to an acceptable level. The Group recorded a foreign exchange loss of US$186.7 million for the year ended 31 December 2022.

The Group depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

The Group's success depends, in part, upon the continued service and performance of members of the Issuer's senior management team and certain key senior personnel. These key personnel may leave the Group in the future and compete with the Group. The Group has experienced significant growth in recent years and as a consequence would require more personnel with specific skillsets as it continues to expand its operations. However, the competition for talent and skilled personnel is intense, especially for those who have the relevant skillset and experience in the industry in which the Group operates. Although the Group has in place succession planning policies and strategies, and while it believes that the salaries offered to its employees are competitive

The Group's operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks. The Group's computer systems, servers and software, including software licensed from vendors and networks, may be vulnerable to unauthorised access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft, including customer data, employee data and proprietary business data, for which it could potentially be liable. Any failure to effectively maintain, improve or upgrade its management information systems in a timely manner could adversely affect its competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly, are disabled or if there are other shortcomings or failures in its internal processes or systems, it could affect the Group's operations or result in financial loss, disruption of its businesses, regulatory intervention or damage to its reputation. In addition, the Group's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports its business.

The Group is subject to environmental laws and regulations.

The Group's business and operations are subject to environmental laws and regulations of the PRC including energy efficiency standards. As the PRC environmental laws and regulations are continuously evolving and have historically been subject to frequent change, there is no assurance that the Group has always complied with such regulations retrospectively or will continue to be in compliance with the applicable laws and regulations. Failure to comply with or the violation of any of these environmental laws and regulations could result in the Group being subject to or liable for fines, penalties, damages, or being sued generally. Additionally, the Group may incur additional costs to ensure compliance with such laws and regulations. Any of the foregoing could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is subject to various health and safety and environmental regulations, which could impose significant costs or liabilities on it.

As an owner and lessor of real property, the Group is subject to various laws and regulations concerning the protection of health and safety and the environment, including, among others, laws and regulations related to soil contamination, health and hygiene, environmental pollution, chemical processing, hazardous substances and waste storage.

The particular environmental laws and regulations which apply to any given project site vary greatly according to the site's location, its environmental condition, the present and former uses of the site, as well as the presence of any adjoining properties. In the PRC, the Environment Protection Law sets forth the general principles for pollution controls, and the Law on Prevention and Control of Atmospheric Pollution, the Law on Prevention and Control of Water Pollution and the Law on Prevention and Control of Environmental Pollution by Solid Waste provide more detailed rules on preventing and controlling these major types of pollutions. In addition, the Administration Regulations on Environmental Protection for Construction Projects and other relevant regulations of the PRC specifically regulate environmental issues related to construction activities. Environmental laws and conditions often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of hazardous substances and accordingly may adversely affect the Group's operations and developments, and may cause the Group to incur compliance and other costs and can prohibit or severely restrict project development activity in environmentally-sensitive regions or areas. While the Group generally conducts environmental reviews of assets that it acquires, these reviews may fail to identify all environmental problems. Based on these reviews and past experience, the Group is not aware of any environmental claims or other liabilities that would require material expenditure. However, there can be no assurance that potential environmental liabilities do not exist or will not arise in the future.

The Group may be involved in legal, regulatory and other proceedings arising from its operations from time to time.

The Group may be involved from time to time in disputes with various parties involved in the development and lease of its properties such as contractors, subcontractors, suppliers, construction companies, purchasers and tenants. These disputes may lead to legal or other proceedings, and may cause the Group to incur additional costs and delays in the Group's development schedule, and the diversion of resources and management's attention, regardless of the outcome. The Group is also unable to predict with certainty the cost of prosecution, the cost of defence or the ultimate outcome of litigation and other proceedings filed by or against it, including remedies and damage awards. If the Group were to fail to win these disputes, it may incur substantial losses and face significant liabilities.

The Group may be subject to regulatory action in the course of its operations, which may subject it to administrative proceedings and unfavourable decisions that could result in penalties and/or delayed construction of new logistics and warehousing facilities. In such cases, the Group's results of operations and cash flow could be materially and adversely affected.

The Group may suffer substantial losses in the event of a natural or man-made disaster, such as an earthquake or other casualty event in the PRC.

Natural disasters, severe weather conditions, the outbreak of epidemics, catastrophe or other events, all of which are beyond the Group's control, may adversely affect the economy and infrastructure of the PRC and/or result in severe personal injury, property damage and environmental damage, which may curtail the Group's operations and materially adversely affect its cash flows and, accordingly, adversely affect its ability to service debt. Some cities within the PRC where the Group operates are under the threat of typhoon, flood, earthquake, storm, sandstorm, snowstorm, fire, drought or epidemics such as Severe Acute Respiratory Syndrome ("**SARS**") and H5N1 avian flu or the human swine flu, also known as Influenza A (H1N1), and the recent COVID-19 pandemic. Past occurrences of such phenomena, for instance the outbreak of SARS in 2003 and the

RISKS RELATING TO THE GROUP'S LOGISTICS AND WAREHOUSING BUSINESS AND INDUSTRY

The Group is subject to the risks of the logistics and warehousing facilities business.

local market conditions, such as oversupply of logistics or warehousing facility space, reduction in demand for logistics or warehousing facility space and the rents that the Group can charge for a completed logistics or warehousing facility, which may make a logistics or warehousing facility unprofitable;

significant liabilities associated with logistics or warehousing facility assets, such as mortgage payments, and real estate taxes, are generally fixed and need to be paid even when market conditions reduce income from the assets;

the attractiveness of the Group's facilities to potential customers and investors;

the Group's ability to maintain, refurbish and redevelop existing facilities;

competition from other available logistics and warehousing facilities and new entrants into the logistics market;

the Group's ability to maintain, and obtain insurance for, its facilities;

the Group's ability to control rents and variable operating costs;

changes in labour laws;

governmental regulations, including changes in zoning and usage, condemnation, redevelopment and tax laws and changes in these laws;

difficulty in acquiring land to build logistics and warehousing facilities;

difficulty in finding a buyer for any real estate that the Group seeks to sell or in achieving the sales price which may not allow the Group to recover its investment, resulting in additional impairment charges;

construction costs (including labour costs) of a logistics or warehousing facility may exceed original estimates, or construction may not be concluded on schedule, due to factors such as contract default, the effects of local weather conditions, the possibility of local or national strikes by construction-related labour and the possibility of shortages or an increase in the cost of materials, building supplies or energy and fuel for equipment as a result of rising commodity prices, inflation or otherwise, making the logistics or warehousing facility less profitable than originally estimated or not profitable at all;

the Group's financing costs and ability to refinance on reasonable terms are dependent on numerous factors which are beyond the Group's control such as general economic and capital markets conditions, changes in monetary policies with respect to bank interest rates and lending policies as well as credit availability from banks or other lenders;

delays in obtaining governmental permits and authorisations, and changes to and liability under all applicable zoning, building, occupancy and other laws;

changes in or abandonment of development opportunities, and the requirement to recognise an impairment charge for those investments; and

a slowdown in global economic growth, including as a result of the ongoing COVID-19 pandemic.

Any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group faces increasing competition with other logistics and warehousing businesses in the PRC which could have an adverse impact on the Group's business.

The PRC market for properties in the logistics and warehousing sectors is competitive and new competition in the form of other property groups, commercial organisations or new facilities may emerge both generally and in the industry. In recent years, the logistics and warehousing facility market has been evolving rapidly. In addition to the expansions by the existing international and domestic logistics and warehousing facility providers of their operations and businesses in China, a number of new entrants from other industries have entered or plan to enter the logistics and warehousing facility market which in turn may severely challenge the Group's current market-leading position. The Group expects many of these providers have sufficient financial, managerial, marketing and other resources to be competitive, and may have more experience in logistics and warehousing facility and land development.

Competition between logistics and warehousing facility providers in the PRC is intense, and the Group may face significant competition for attractive investment opportunities from local and regional providers who may have better local knowledge and relationships as well as greater access to funding to acquire properties than the Group does, which may result in, among other things:

- an increased supply of business or industrial premises from time to time through overdevelopment, which could lead to downward pressure on rental rates;
- volatile supply of tenants and occupants, which may affect the Group's ability to maintain high occupancy levels and rental rates; and
- inflation of prices for existing properties or land for development through competing bids by potential purchasers and developers, which could lead to the inability to acquire properties or development land at satisfactory cost.

Any such developments could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. If the Group cannot respond to changes in market conditions more swiftly or effectively than its competitors do, it could have a material adverse effect on its business, financial condition, results of operations and prospects.

Moreover, the performance of the Group's investment portfolio depends in part on the volumes of trade flowing through the PRC that drives the demand for logistics and warehousing space, and factors such as more favourable regulatory taxation and tariff regimes, cheaper terminal costs and the cost-competitiveness of competing ports compared to the PRC that might divert trade to such alternative ports.

In addition, if the Group's competitors sell assets similar to those that the Group intends to divest in the same markets and/or at lower prices, the Group may not be able to divest its assets on expected terms or at all. Furthermore, competitors selling similar assets at lower prices than comparable assets held by the Group will have an adverse impact on the Group's property valuations. Likewise, the existence of such competition for lettable properties may have a material adverse impact on the Group's ability to secure customers for its properties at satisfactory rental rates and on a timely basis.

The Group measures its investment properties initially at cost. Subsequent to initial recognition, the Group is required to reassess the fair value of its investment properties at every reporting date for which it issues financial statements. The valuations will be based on market prices or alternative valuation methods, such as discounted cash flow analysis based on estimated future cash flows. In accordance with HKFRS, the Group recognises changes to the fair value of its investment properties as a gain or loss (as applicable) in its consolidated statement

of profit or loss in the period in which they arise. The profits attributable to equity holders of the Group may include gains and losses that arise from revaluation of the Group's investment properties. The amount of revaluation adjustments has been, and may continue to be, significantly affected by the prevailing property market conditions and may be subject to market fluctuations. There is no assurance that the fair value of its investment properties will not decrease in the future. Any such decrease in the fair value of the Group's investment properties will reduce the Group's profits, which in turn may have a material adverse effect on its business, financial condition, results of operations, performance and prospects.

The Group operates in a capital-intensive industry and may not have adequate funding resources to finance land acquisitions or logistics and warehousing facilities, or to service or refinance its existing financing obligations.

any land which the PRC government delivers to the Group failing to meet all its development or operational requirements, such as the lack of necessary infrastructure leading to the site, the lack of water and power supply, and unsuitable soil level and height of the land for construction. If the land delivered to the Group is not ready for construction or later suffers subsidence or similar damages, the Group would need to prepare its land for use before it commences construction. The costs involved in the preparation of the land may exceed the Group's budget;

the failure to resolve land resettlement issues;

the need to incur significant pre-operating costs, which the Group may not recover for some time, or a failure to budget adequately for these pre-operating costs;

the need to expend significant capital long before the Group's logistics and warehousing facilities begin to generate revenue;

limited cash available to fund construction and capital improvements and the related possibility that financing for these capital improvements may not be available on commercially acceptable terms or at all;

development and investment may not be available, (ii) the Group may be unable to complete acquisitions or develop facilities on the terms it originally anticipated, (iii) the Group's investments may not perform as well as it has expected and (iv) the Group's estimate of the cost required to upgrade an acquired logistics and warehousing facility to its standards or to develop a new logistics and warehousing facility may prove inaccurate.

The Group may be adversely affected if a significant number of its customers is unable to meet their, or its, lease obligations.

The Group's performance depends on its ability to renew leases as they expire, to re-let properties subject to non-renewed leases and to lease newly developed properties on economically favourable terms. If a significant number of the Group's customers are unable to meet their lease obligations and the expiring or terminated leases are unable to be either promptly renewed or the Group is not able to promptly re-let the space covered by such leases, or the terms of re-leasing (including the cost of required renovations or concessions to customers) may be commercially less favourable to the Group than previous lease terms, the Group's results of operations and cash flows would be adversely affected.

The Group's customers are exposed to their own business and other risks, and if one or more customers were to experience downturns in their businesses, the Group could lose the customer, or the customer may fail to make rental payments when due and/or require a restructuring of rental payments that might reduce its cash flow from the lease. If a customer in such a logistics and warehousing facility were not to renew its lease or were to default, the cash flow of the relevant logistics and warehousing facility would decline significantly. It is not possible to predict when the Group would be able to re-let the logistics and warehousing facility, the creditworthiness of the replacement customer or customers, or the rent it could charge the replacement customer. As some of the Group's customers may be related to each other, the risk of such loss is concentrated and could affect the Group's other properties if it should occur. In addition, a customer may seek the protection of bankruptcy, insolvency or similar laws, which could result in the rejection and termination of such customer's lease and thereby reduce the Group's available cash flow. The occurrence of any of these events could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In addition, as the Group leases a significant portion of the leasable area under its facilities in the PRC to its key customers, its exposure is increased and while the Group would try to replace any key customers it were to lose with other customers, there can be no assurance that the Group would succeed. If any of the Group's largest customers were to stop leasing from it and the Group were unable to replace the revenue it generates from them, it would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Changes to local, regional and global economic conditions may cause companies to downsize and even close their operations in the PRC and the demand and rental rates for industrial property and business space may greatly reduce. In the event of a default by a significant number of the Group's customers or a default by any of its major customers on all or a significant portion of their leases, the Group would suffer decreased rents and incur substantial costs in enforcing its rights as a landlord, which could adversely affect its results of operations and cash flows.

The Group may be exposed to operational and other external risk that could negatively impact its business and results of operations.

The existing logistics and warehousing network of the Group encompasses 70 cities within the PRC and covers a vast area, which in turn has exposed the Group to increasing demands on the overall management, technology upgrade, management systems, fund allocation and cost control of the Group. As the Group continues to expand its business and operations within the PRC, any oversight in management, control and even the failure of project

development processes to meet the business expansion may adversely affect the coordinated development of various business lines and subject the Issuer to certain operational risks.

The services that the Group provides are subject to failures resulting from numerous factors, including, but not limited to, human error or accident, natural disasters, and security breaches, whether accidental or wilful. The Group may in the future experience interruption in service, power outages and other technical failures or be otherwise unable to satisfy the requirements of the agreements the Group have with clients for reasons outside of its control. As the Group's services are critical to many of its clients' business operations, any significant or prolonged disruption in the Group's services could result in lost in profits or other indirect or consequential damages to the clients and subject the Group to lawsuits brought by the clients. Furthermore, these interruption in service, regardless of whether they result in breaches of the agreements the Group has with its clients, it may still negatively affect the Group's relationships with its clients and lead to clients terminating their agreements with the Group or seeking damages from the Group or other compensatory actions.

The Group has taken and continue to take steps to improve the Group's infrastructure to prevent service interruption and to satisfy the requirements of the agreements with clients, including upgrading its electrical and mechanical infrastructure and sourcing, designing the best facilities possible and implementing rigorous operational procedures to manage risk. Service interruption continues to be a significant risk to the Group and could affect the Group's reputation, affect the Group's relationships with its clients and would have a material adverse effect on its business, financial condition, results of operations and prospects.

If the Group is unable to adapt to new technologies or industry standards in a timely and cost-effective manner, the Group's business, financial performance and prospects could be materially and adversely affected.

The data centre markets as well as certain of the industries in which the Group's clients operate, are characterised by rapidly changing technologies and evolving industry standards. As a result, the infrastructure at the Group's data centres may become obsolete or unmarketable due to demand for new processes and technologies, including, new processes to deliver power to, or eliminate heat from, computer systems and new technology that permits higher levels of critical load and heat removal that the Group's data centres are currently designed to provide. In addition, the systems that connect the Group's data centres to the Internet and other external networks may become outdated, including with respect to latency, reliability and diversity of connectivity. The clients may expect and demand the Group to provide new processes or technologies, and the Group may not be able to upgrade its data centres on a cost-effective basis, or at all, due to, among other things, increased expenses to the Group that cannot be passed on to clients or insufficient revenues to fund the necessary capital expenditures.

To be successful, the Group must adapt to the rapidly changing market by continually improving performance, features and reliability of its services and modifying its business strategies accordingly, which could cause the Group to incur substantial costs. The Group may not be able to adapt to changing technologies in a timely and cost-effective manner, if at all, which would adversely impact its ability to sustain and grow its business. Failure to provide services to compete with new technologies or the obsolescence of the Group's services could lead the Group to losing its current and potential clients, which could materially and adversely affect the Group's business, financial performance and prospects.

In addition, new technologies or industry standards have the potential to replace or provide lower cost alternatives to the Group's services. The Group cannot guarantee that it will be able to identify the emergence of all the new service alternatives successfully, modify its services accordingly, or develop and bring new services to market in a timely and cost-effective manner to address these changes. If and when the Group does identify the emergence of new service alternatives and introduce new services to market, those new services may need to be made available at lower profit margins than the Group's then-current services. The Group's introduction of new alternative services that have lower price points than its current offerings may also result in its existing clients switching to the lower cost products, which could reduce its revenues and have a material adverse effect on its results of operation.

Security breaches or alleged security breaches of the Group's data centres could disrupt its operations and have a material adverse effect on its business, financial condition and results of operation.

Security breaches of the Group's data centre facilities could result in the misappropriation of the Group's or its clients' proprietary information, and may cause interruption or malfunction in the Group's operations or the operations of its clients. Although the Group commits to implement effective security measures to safeguard its data centres, security breaches may still be relevant. Security breaches' technique change frequently and is not often recognised until launched against a target. There may not be effective security measures in place to safeguard the Group's data centre facilities. Any security breaches could expose the Group to increased risk of lawsuits, regulatory penalties, loss of existing or potential clients, harm to the Group's reputation and increases in the Group's security costs, which could have a material adverse effect on the Group's business, financial condition, results of operation and prospects. In addition, any allegation of security breaches or systems failure could potentially affect the Group's reputation and similarly has a material adverse effect on its business, reputation, financial condition, results of operations and prospects. Security risks and deficiencies may also be identified during government inspections, which could subject the Group to fines, penalties and other sanctions.

GLP and the Group from time to time may have different business objectives and priorities.

Although the Group plays an important role in the overall business of the GLP group, interest of the Group may not always be aligned with those of GLP and GLP's related companies. For example, the Group previously managed several third-party pooled investment vehicles ("**Managed Funds**"). In 2022, the Company disposed seed assets of its Managed Funds and underwent fund management business restructuring. The Company transferred its fund management business to GLP Capital Partners Limited ("**GCP**"), another subsidiary of GLP as part of the Group's restructuring exercises for its various fund management businesses. The Group now focuses on the expansion of its portfolio using fund investments vehicles and has significant investments in such pooled investments vehicles managed by related company of GLP. There can be no assurance that GLP or related company of GLP would always make decisions or take actions that would have a positive impact on the Group's business, financial conditions, results of operations and prospects.

PARTICULAR RISKS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS IN THE PRC

The PRC government may require the Group to forfeit its land use rights or penalise the Group if it were to fail to comply with the terms of land grant contracts.

Under PRC laws and regulations, if a property owner fails to develop land according to the terms of the land grant contract (including those relating to payment of fees, designated use of land and time for commencement and completion of the development of the land), or to obtain the relevant governmental approval to extend the development period, the relevant government authorities may issue a warning to, or impose a penalty on, the property owner or in the worst case scenario require the property owner to forfeit the land.

Specifically, according to the Rules on Treatment of Idle Lands ( ) effective as at 1 July 2012, where land remains undeveloped for at least one year but less than two years, the idle land fee shall be 20 per cent. of the land premium; where land remains undeveloped for two years or more, the idle land would be forfeited to the PRC government without compensation unless the delay in development was caused by government action or force majeure. In addition, a holder of land use rights cannot count the idle land fee into its production costs. Under the Rules on Treatment of Idle Lands, ( ), "idle lands" refer to state-owned construction lands (i) for which development has failed to commence for at least one year from the commencement date stipulated in the land grant contract or (ii) for which development has commenced but the developed land accounts for less than one-third of the total land obligated for development or the invested

amount accounts for less than 25 per cent. of the total investment amount, and the development has been suspended for at least one year. According to the foregoing rules, "commencement of development" means, subject to the issuance of the construction permit, the completion of the excavation of foundation for projects requiring foundation pits, or the driving of all piles for projects using pile foundations, or the completion of one-third of the foundation for other projects.

There is no assurance that the Issuer's PRC subsidiaries and joint ventures will commence and/or complete a development within the time limits prescribed in the relevant land grant contracts due to changes of circumstances. In addition, the land held by PRC subsidiaries or joint ventures acquired by the Group might have de facto become idle before the Group's acquisition. There can also be no assurance that the government will not impose the "idle" land fee and/or forfeit the land in respect of which the Group did not begin timely construction. If the relevant government authorities impose the "idle" land fee and/or forfeit the land, it may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may fail to satisfy certain requirements on the development of land.

In addition to the requirement on the time limit of development of land, the land grant contracts may also contain, or local governmental agencies may impose, certain other requirements on the developments or the results of developments. Those requirements include, among other things, amount of total investment to be made, investment density to be achieved, the tax contributions or annual turnovers by the Issuer's relevant PRC subsidiaries and joint ventures to be achieved after the completion of developments. Failure to satisfy such requirements may result in penalties or an increase in the land grant premium which in turn could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may not always be able to acquire land reserves that are suitable for development.

The Group derives the majority of its revenue from the leasing of the logistics and warehousing facilities that it has developed. This revenue stream depends on the completion of, and its ability to lease, its developments. To have a steady stream of developed facilities available for lease and continuous growth in the long term, the Group needs to replenish and increase its land reserves that are suitable for development and at a commercially acceptable cost. The Group's ability to identify and acquire suitable development sites is subject to a number of factors, some of which are beyond its control and there can be no assurance that it can identify and undertake suitable future land development projects.

The PRC government controls the supply of land in the PRC and regulates the transfer of land use rights in the secondary market. As a result, the policies of the PRC government have a direct impact on the Group's ability to acquire the land use rights it seeks and could increase its costs of acquisition. Furthermore, most of the Group's land use rights are for a fixed duration of time. There can be no assurance that the Group will be able to renew its land use rights on commercially acceptable terms, or at all. In recent years, the PRC central and local governments have also implemented various measures to regulate the means by which companies obtain land for development and the manner in which land may be developed. The PRC government also controls land supply through zoning, land usage regulations and other measures. All these measures further intensify the competition for land in the PRC among companies. If the Group fails to acquire sufficient land reserves suitable for development in a timely manner and at acceptable prices, its prospects and competitive position may be adversely affected and its business strategies, growth potential and performance may be materially and adversely affected.

The Group may fail to contribute to the registered capital of its subsidiaries or joint ventures or experience material delays in contributing to the registered capital of its subsidiaries and there is

currently no clear applicable PRC law or regulation on governmental penalties in connection with the failure of making such capital contribution.

As at the date of this Offering Circular, except for companies in certain industries which are subject to special requirements in respect of paid-in capital, there is no clear applicable PRC law or regulation on statutory restrictions in terms of minimum amount and time limits for capital contribution, or on governmental penalties in connection with the failure to make capital contributions pursuant to joint venture contracts and/or articles of association for companies outside the specially regulated industries. However, it is possible that local government authorities may still request some of the Issuer's PRC subsidiaries to specify time limits under their articles of associations and/or any other written documents and in the event of any such restrictions on capital contributions, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The PRC government may redesignate the usage of land that has been granted to the Group.

The Group is subject to the Urban and Rural Planning Law of the PRC, pursuant to which relevant local governments may, from time to time, redesignate the usage of certain land for local planning and development purposes. When a government re-zones land that has been granted to the Group, it may be required to exchange its original land use right for the land use right of another parcel of land or accept a refund from the local government for the land premium that it paid for the original land use right, thereby affecting the Group's original development plans. There can be no assurance that relevant local governments will not change the zoning of certain land that the Group has already acquired, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The actual or intended usage of some land or properties may not be in full compliance with legal zoning or usage requirements.

Part of the land held by some of the Issuer's PRC subsidiaries and joint ventures for developing the logistic and warehousing facilities are zoned for "industrial use" or other usages rather than "logistic use", and part of the properties owned by some of the Issuer's PRC subsidiaries and joint ventures, although categorised as "factory building" or "others" rather than "warehouse", are actually used by the relevant subsidiaries and joint ventures or by the tenants for logistics and warehousing purposes. Such intended development or actual use may be found by the government to be incompatible with the zoning or other legal designation. The value of land zoned or permitted for use as a warehouse or logistics and warehousing facility may in some cases be greater than land that is designated for general manufacturing, agricultural, residential or other forms of use. As such, loss of such designation may have an immediate economic impact on the value of such property. Moreover, fines or other penalties may be imposed on the relevant subsidiaries and joint ventures, including administrative actions taken by relevant government departments to prevent continued non-conforming uses.

The Group may fail to obtain, or experience material delays in obtaining, requisite governmental approvals, licences and filings.

To establish a logistics and warehousing facility in the PRC, the Issuer's PRC subsidiaries and joint ventures must go through various PRC governmental approval and filing processes and obtain the requisite approvals and licences for its investment in such logistics and warehousing facility and related business operations. To construct a logistics and warehousing facility, the relevant PRC subsidiaries and joint ventures must obtain permits, licences, certificates and other approvals from the relevant administrative authorities at various stages of land acquisition and construction, including land use rights certificates, construction land planning permits, construction works planning permits, construction works commencement permits and filing forms of completion inspection etc.. Each approval is dependent on the satisfaction of a set of conditions.

The Group did not obtain the relevant required approvals and permits during the construction of certain of its projects in the past and there can be no assurance that the Group will not encounter significant problems in

satisfying the conditions to the approvals necessary for the development of its logistics and warehousing facilities, or that the Group will be able to adapt itself to new laws, regulations or policies, or the particular processes related to the granting of the approvals. There may also be delays on the part of the administrative bodies in reviewing the Group's applications and granting approvals. If the Group were to fail to obtain, or experience material delays in obtaining, the requisite governmental approvals, licences and filings, the Group's investment in its subsidiaries and joint ventures and the schedule of development and commencement of the Group's leasing and other business operations could be substantially disrupted, resulting in a material adverse effect on the Group's business, financial condition and results of operations.

The Group may not obtain all the building ownership certificates or real estate ownership certificates, as the case may be, for certain of its facilities in time prior to the leasing out of such facilities.

The Group is required to obtain building ownership certificates or real estate ownership certificates, as the case may be, for its facilities. In the ordinary course of its business, the Group may from time to time execute a pre-lease agreement with its clients in respect of certain of its facilities in advance prior to obtaining the relevant building ownership certificates of such facilities. The Group did not manage to obtain the building ownership certificate for some of its projects in the past and there can be no assurance that the Group will always be able to obtain the building ownership certificate or the real estate ownership certificate, as the case may be, prior to the commencement date of the lease as specified in those pre-lease agreements. Leasing, operating or otherwise disposing of the facilities without building ownership certificates may be impeded or cause inconvenience to protect or realize the commercial value of relevant properties which could in turn have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may face penalties for the non-registration of its lease agreements with customers in the PRC.

Non-registration does not affect the Group's rights or entitlements to lease out the facilities to customers, or the legality and effectiveness of the lease agreements between the parties to the agreements. However, pursuant to the requirements of the PRC Administrative Measures of Commodity Property Leases and relevant local rules, the Group may be subject to penalties for the non-registration of lease agreements imposed by the local authorities and/or requests by the local authorities to complete the registration formalities. The Group intends to register lease agreements to the extent practicable. Nevertheless, there can be no assurance that the Group would not be subject to such penalties and/or requests for undertaking the registration formalities in the future, any of which could increase its costs.

The Issuer is a holding company and its subsidiaries and jointly controlled entities are subject to restrictions on the payment of dividends.

The Issuer is a holding company with no substantive business operations of its own and accordingly is dependent on the receipt of dividends from its subsidiaries and jointly controlled entities to satisfy its obligations, including its obligations under the Notes. As at 31 December 2022, the Issuer had 1,018 subsidiaries and 625 jointly controlled entities/associates and, in the event that the business of operations of such subsidiaries and jointly controlled entities/associates fail to perform to their expected levels, this could have a material adverse impact on the Group's business, results of operations and financial condition.

The ability of the Issuer's subsidiaries and jointly controlled entities to pay dividends to their shareholders is however subject to, among other things, applicable laws and restrictions contained in the debt instruments and loan agreements of such companies. The Issuer's subsidiaries and jointly controlled entities that are foreign invested enterprises in the PRC are subject to PRC laws and regulations governing distribution of dividends and may pay dividends only from accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations.

The Issuer's subsidiaries and jointly controlled entities may also be restricted from paying dividends under the terms of loan agreements to which any of them is a party. Some of the Issuer's subsidiaries and jointly controlled entities in the PRC are required by banks not to pay dividends unless all principal and interest then due have been fully paid off. There can be no assurance that profits of the Issuer's subsidiaries and jointly controlled entities will be distributable. In addition, any delays in or a refusal to grant any such approval, a revocation or variation of consents previously granted, or the imposition of additional taxes or new restrictions may adversely affect the Group's business, results of operations and financial condition.

The logistics and warehousing facility industry in the PRC is susceptible to the industrial policies, macroeconomic policies and austerity measures of the PRC government.

The PRC government has exercised and continues to exercise significant influence over the PRC's economy. From time to time, the PRC government adjusts its monetary and economic policies to prevent and curtail the overheating of the national and provincial economies, which may affect the markets in which the Group operates. Any action by the PRC government concerning the economy or the logistics and warehousing facility industry in particular could have a material adverse effect on the business, financial condition and results of operations of the Group. The PRC economy may also be more susceptible to slowdowns or downturns as a result of uncertainties related to the recent trade war between the United States and the PRC. If bilateral trade between the two largest economies in the world shrinks as a result of newly introduced tariffs, the Group's business may be adversely impacted. Should trade tensions persist over a long period of time, the logistics and warehousing facility industry in the PRC may even suffer severe loss of income and encounter operational difficulties, thereby negatively impacting the Group's business, financial condition and results of operations.

The People's Bank of China (the "**PBOC**") has adjusted the deposit reserve ratio for commercial banks several times commencing from 1 January 2008. The deposit reserve refers to the amount of funds that banks must hold in reserve against deposits made by their customers. The increase of the deposit reserve ratio may negatively impact the amount of funds available to be lent to business, including the Group, by commercial banks in the PRC. The central and local authorities in the PRC may continuously adjust interest rates and other economic policies or impose other regulations or restrictions which may adversely affect the business, financial condition and results of operations of the Group.

The Group is also subject to the industrial policies implemented by the PRC government. In August 2011, the State Council issued the *Opinions of the General Office of the State Council on the Policies and Measures for Promoting the Healthy Development of the Logistics Industry (Guo Ban Fa [2011] No. 38)* aimed at promoting the development of the logistics industry through a series of measures, including the tax reduction for logistics enterprises and greater support in land-related policies for the logistics industry. In September 2014, the State Council further published the *Medium- and Long-term Development Plan for the Logistics Industry (2014-2020)* which emphasised that the logistics industry as a whole is fundamental and of strategic importance for the development of the PRC economy and provided guidelines for the warehousing industry to speed up the construction of modern stereoscopic warehouses, logistics distribution centres for resources products and warehousing facilities for vital commodities, as well as to improve the planning of modern distribution centres around large and medium-sized cities and manufacturing bases. In December 2022, the State Council issued *the 14th Five-Year Plan for the Development of a Modern Logistics Sector Through 2021 to 2025 (Guo Ban Fa [2022]) No.17)* which highlights the need to promote the digital transformation of the logistics sector, enhances the competitiveness of businesses and improves the quality and efficiency of logistics services. While the intensive launch of new policies to promote the logistics and warehousing industry may provide opportunities for the Group, this could also entail new challenges to for the business and operations of the Group. In addition, there is no assurance that the industrial policies of the PRC may not be further adjusted in the future and in turn adversely affect the Group's business, results of operations and financial condition.

OTHER RISKS RELATING TO THE PRC GENERALLY

The Issuer may be deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law and be subject to PRC taxation on the Issuer's worldwide income, which may significantly increase the Issuer's income tax expenses and materially decrease the Issuer's profitability or otherwise adversely affect the value of your investment.

The Issuer is currently not treated as a PRC resident enterprise by the relevant tax authorities. There is no assurance that the Issuer will not be considered a "resident enterprise" under the PRC Enterprise Income Tax Law and not be subject to the enterprise income tax rate of 25 per cent. on its global income in the future as a result of (a) any change in, or amendment to, the relevant PRC tax laws (including any regulations and rules promulgated thereunder), or (b) any change in, or amendment to, or amendment of any official interpretation or official application of such laws, regulations or rules. In the event that the Issuer is determined to be a PRC resident enterprise, the Issuer will consequently be subject to a 25 per cent. enterprise income tax rate on its

Therefore, if non-PRC enterprise or individual resident Noteholders are required to pay PRC income tax on gains derived from the transfer of Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual resident holders of Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Notes may be materially and adversely affected.

Interpretation and implementation of PRC laws and regulations may involve uncertainties.

PRC laws and regulations govern the Group's operations in the PRC. Many of the Issuer's operating subsidiaries are organised under PRC laws. The PRC's legal system is based on written statutes. While a few published prior court decisions may be cited for reference, they have limited precedential value. Since 1979, the PRC has promulgated laws and regulations dealing with economic matters, such as corporate organisation and governance, issuance and trading of securities, shareholder rights, foreign investment, commerce, taxation and trade. However, many of these laws and regulations, in particular with respect to the financial industry, are relatively new and evolving and may be inconsistently implemented, interpreted or enforced. In addition, because of the relatively limited volume of published court decisions and their non-binding nature, there are significant uncertainties relating to the interpretation and enforcement of the PRC laws and regulations. As a result, the legal remedies and protections available to the Group and to Noteholders under the PRC legal system may be limited.

Investors may experience difficulties in effecting service of legal process and enforcing judgments against the Group or the Group's management.

Substantially all of the Issuer's underlying assets and its subsidiaries holding such assets are located in the PRC. In addition, many of the Group's directors, supervisors and senior management reside in the PRC. The PRC does not have treaties providing for reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, Japan or many other jurisdictions. As a result, it may be difficult or impossible for investors to serve process upon the Group or its directors, supervisors and senior management in the PRC, or to enforce against the Group or such people in the PRC, any judgments obtained from non-PRC courts.

On 14 July 2006, the Supreme People's Court of the PRC and the government of Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement by the Courts of the Mainland and of the Hong Kong Special Administrative Region of Judgments in Civil and Commercial Matters under Consensual Jurisdiction ( ) (the "**Arrangement**"), which has become effective as from 1 August 2008. Under the Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute have not agreed to enter into a choice of court agreement in writing. In addition, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider that the enforcement of such judgment is contrary to the social and public interest of the PRC or meets other circumstances specified by the Arrangement. While it is expected that the PRC courts will recognise and enforce a judgment given by Hong Kong courts in respect of a dispute governed by English law, there can be no assurance that the PRC courts will do so for all such judgments as there is rarely established practice in this area. Compared to other debt securities issuances in the international capital markets where the relevant holders of the debt securities would not typically be required to submit to an exclusive jurisdiction, the holders of the Notes will be deemed to have submitted to the exclusive jurisdiction of the Hong Kong courts, and thus the holder's ability to initiate a claim outside of Hong Kong will be limited.

Additional procedures may be required to be taken to bring English law governed matters or disputes to the Hong Kong courts. There is also no assurance that the PRC courts will recognise and enforce judgments of the Hong Kong courts in respect of English law governed matters or disputes.

The Terms and Conditions and the transaction documents are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. In order to hear English law governed matters or disputes, Hong Kong courts may require certain additional procedures to be taken. Under the Arrangement, judgments of Hong Kong courts are likely to be recognised and enforced by the PRC courts where the contracting parties to the transactions pertaining to such judgments have agreed to submit to the exclusive jurisdiction of Hong Kong courts. However, recognition and enforcement of a Hong Kong court judgment could be refused if the PRC courts consider that the enforcement of such judgment is contrary to the social and public interest of the PRC. While it is expected that the PRC courts will recognise and enforce a judgment given by Hong Kong courts governed by English law, there can be no assurance that the PRC courts will do so for all such judgments as there is rarely established practice in this area.

Government control of foreign currency conversion may adversely affect the Group's foreign exchange transactions.

Substantially all of the Group's revenue and assets are denominated in Renminbi, which is currently not a freely convertible currency. Conversion and remittance of foreign currencies are subject to PRC foreign exchange laws and regulations which would affect exchange rates and the Group's foreign exchange transactions. A portion of the Group's cash may be required to be converted into other currencies in order to meet the Group's foreign currency needs, including payments of interest and principal of foreign debt obligations of the Group.

Renminbi to the U.S. dollar to make the exchange rate of Renminbi more market-based. The modified mechanism allows traders to consider the closing exchange rate of the previous trading day when they quote the mid-point price for Renminbi against the U.S. dollar. The exchange rate of Renminbi to the U.S. dollar continued to be volatile over the past years. There can be no assurance that Renminbi will not experience significant depreciation or appreciation against the U.S. dollar or against any other currency in the future. In the event of material fluctuations in the exchange rates of the U.S. dollar against Renminbi, the Group's ability to pay dividends in foreign currencies may be materially and adversely affected.

The Group cannot predict how the Renminbi will fluctuate in the future. For the past three decades, the PRC government authorities have implemented economic reform measures to emphasise the utilisation of the market as a fundamental factor in resource allocation. The PRC's economy has been transitioning from a planned economy to a more market-oriented economy. From time to time, the PRC government authorities implement various macroeconomic and other policies and measures, including contractionary or expansionary policies and measures at times of or in anticipation of changes in the PRC's economic conditions, to sustain economic stability and utilise new sources of economic growth. Economic reform measures, however, may be adjusted, modified or applied inconsistently from industry to industry or across different regions of the country, as economic reform is a developing process. As a result, the Group may not continue to benefit from all, or any, of these measures. In addition, it cannot be accurately predicted whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any adverse effect on the Group's current or future business, financial condition and results of operations. For instance, the United States and China have recently been involved in controversy over trade barriers that have threatened a trade war between the countries. Both countries have implemented or proposed to implement tariffs on certain imported products from the other. Sustained tension between the United States and China over trade policies could significantly undermine the stability of the global and China's economy. Any severe or prolonged slowdown or instability in the global or China's economy may materially and adversely affect the Group's business, financial condition and results of operations. From a global perspective, any further tightening of liquidity in the global financial markets may negatively affect the Group's liquidity, to the extent the Group is looking for expansion overseas. In addition, although the Group has entered into hedging transactions to mitigate its exposure to foreign exchange risk between Renminbi and other currencies, hedging instruments or strategies might not be fully effective in mitigating risk under all market conditions. As a result, the fluctuation of exchange rates between Renminbi and the U.S. dollar or other currencies could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

The implementation of the PRC Social Insurance Law may increase the Issuer's operating expenses and may materially and adversely affect its business, financial condition and results of operations.

The Social Insurance Law of the PRC (the "**Social Insurance Law**") was promulgated on 28 October 2010 and became effective on 1 July 2011 and was further revised on 29 December 2018. Pursuant to the Social Insurance Law, companies in the PRC are required to make social insurance contributions for the benefit of their employees. As at 31 December 2022, the Group had a total of 2,805 employees in the PRC. The implementation of the Social Insurance Law could increase the Issuer's staff costs and expenses associated with social insurance payable in the PRC and may materially and adversely affect its business, financial condition and results of operations.

The Issuer may be adversely affected by inflation in China.

In recent years, the PRC economy has experienced periods of rapid expansion and highly fluctuating rates of inflation. That has led to the adoption by the PRC government, from time to time, of various corrective measures designed to restrict the availability of credit or regulate growth and contain inflation. High inflation may in the future cause the PRC government to impose controls on credit or prices, or to take other action, which could

inhibit economic activity in China, and thereby harm the Issuer's business and the businesses of its customers, which could materially and adversely affect its business, financial condition and results of operations.

The Group is subject to the PRC government's control on currency conversion and risks relating to fluctuations in exchange rates.

The Group receives a substantial majority of its revenue in Renminbi, which is currently not a freely convertible currency.

Under the PRC's existing foreign exchange regulations, by complying with certain procedural requirements, the Group will be able to undertake current account foreign exchange transactions, including payment of dividends without prior approval from the SAFE. However, in the future, the PRC government may, at its discretion, take measures to restrict access to foreign currencies for capital account and current account transactions under certain circumstances.

The value of the Renminbi against the U.S. dollar and other currencies fluctuates and is affected by, among other things, changes in the PRC's and international political and economic conditions and the PRC government's fiscal and currency policies. Since 1994, the conversion of Renminbi into foreign currencies, including Hong Kong and U.S. dollars, has been based on rates set by the PBOC, which are set daily based on the previous business day's interbank foreign exchange market rates and current exchange rates on the world financial markets. From 1994 to 20 July 2005, the official exchange rate for the conversion of Renminbi to U.S. dollars was generally stable. On 21 July 2005, the PRC government adopted a more flexible managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band that is based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by approximately 2.1 per cent. against the U.S. dollar. In August 2008, the PRC revised the PRC Foreign Exchange Administration Regulations (中華人民共和國外匯管理條例) to promote the reform of its exchange rate regime. In June 2010, the PBOC decided to further reform the PRC's exchange rate system in order to make it more flexible. Any appreciation of the Renminbi against the U.S. dollar or any other foreign currencies may result in a decrease in the value of the Group's foreign currency-denominated assets. Although the Group seeks to reduce its exchange rate risk through currency derivatives or otherwise, it cannot assure investors that it will be able to reduce its foreign currency risk exposure relating to its foreign currency-dominated assets. In addition, there are limited instruments available for the Group to reduce its foreign currency risk exposure at reasonable costs. Any appreciation of the Renminbi against the U.S. dollar or any other foreign currencies may materially and adversely affect the financial conditions of certain of the Group's customers, particularly those deriving substantial income from exporting products or engaging in related businesses, and in turn affect their abilities to service their obligations to the Group. Furthermore, the Group is also currently required to obtain the approval of the SAFE before converting significant sums of foreign currencies into Renminbi. All of these factors could materially and adversely affect the Group's financial condition, results of operations and compliance with capital adequacy ratios and operational ratios.

RISKS RELATING TO THE NOTES ISSUED UNDER THE PROGRAMME

The Notes may not be a suitable investment for all investors.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to this Offering Circular or any Pricing Supplement;

have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial products and such products may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial products unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Modification and waivers are binding on all holders of Notes.

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting(s) and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders or Couponholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions or any of the provisions of the Trust Deed and the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to interests of the relevant Noteholders) or (ii) any modification which, in the opinion of the Trustee, is of a formal, minor or technical nature or is to correct a manifest error or to comply with mandatory provisions of law.

The Notes may be represented by Global Notes or Global Certificates and holders of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s).

Notes issued under the Programme may be represented by one or more Global Notes (in the case of Bearer Notes) or Global Certificates (in the case of Registered Notes). Such Global Notes and Global Certificates will be deposited with a common depositary for Euroclear and Clearstream or a sub-custodian for the CMU (each of Euroclear, Clearstream and the CMU, a "**Clearing System**"), as the case may be. Except in the circumstances

there is a default in payment under the Issuer's future secured indebtedness or other unsecured indebtedness; or

there is an acceleration of any of the Issuer's indebtedness.

If any of these events were to occur, the Issuer's assets may not be sufficient to pay amounts due on the Notes.

The liquidity and price of the Notes following each offering may be volatile.

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Issuer's revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the volume and price at which the Notes will trade. There is no assurance that these developments will not occur in the future.

The insolvency laws of Hong Kong and other local insolvency laws may differ from those of another jurisdiction with which the Noteholders are familiar.

As the Issuer is incorporated under the laws of Hong Kong, any insolvency proceeding relating to the Issuer, even if brought in other jurisdictions, would likely involve Hong Kong insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Noteholders are familiar.

If the Issuer is unable to comply with the restrictions and covenants in its debt agreements, there could be a default under the terms of these agreements or the Notes, which could cause repayment of its debt to be accelerated.

If the Issuer is unable to comply with its current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some of the Issuer's debt agreements, and the Notes, contain cross-acceleration or cross-default provisions. As a result, the Issuer's default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under the Issuer's other debt agreements, including the Notes. If any of these events occur, the Issuer cannot assure Noteholders that its assets and cash flows would be sufficient to repay in full all of its indebtedness, or that the Issuer would be able to find alternative financing. Even if the Issuer could obtain alternative financing, it cannot assure holders that it would be on terms that are favourable or acceptable to them.

Uncertainties abound with respect to the implementation of the NDRC Administrative Measures.

On 5 January 2023, the National Development and Reform Commission (the "**NDRC**") of the PRC issued the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debt of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第 56 號)) (the "**NDRC Administrative Measures**"), which came into effect on 10 February 2023. According to the NDRC Administrative Measures:

if a PRC enterprise or an offshore enterprise controlled by a PRC enterprise wishes to issue bonds outside of the PRC with a maturity of more than one year, such enterprise must in advance of the completion of issuing such bonds or drawdown of relevant foreign debt, file certain prescribed documents with the NDRC and obtain a registration certificate from the NDRC in respect of such issue;

an enterprise is obligated to (i) submit to the NDRC the offering information (including, without limitation, major business indicators of such enterprise and issue details of the relevant foreign debt)

within 10 working days after the completion of the issuance or drawdown of such foreign debt, (ii) submit to the NDRC the offering information related to the pre-issuance registration within 10 working days after the expiry date of such registration, (iii) submit to the NDRC the requisite information, including, without limitation to, the use of proceeds, repayment details and plans of the principal and interest, and major business indicators, within five working days before the end of January and July of each year, and (iv) submit the relevant information to the NDRC promptly upon the occurrence of any material event that may affect the due performance of debt obligations and take measures to avoid the

and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There can be no assurance that the ratings assigned to any Notes will remain in effect for any given period or that the ratings will not be revised or withdrawn by the rating agencies in the future if, in their judgment, the circumstances so warrant. The Group has no obligation to inform holders of the Notes of any such suspension, revision, downgrade or

Risks relating to the Structure of a Particular Issue of Notes under the Programme

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Dual Currency Notes have features which are different from single currency issues.

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- they may receive no interest;
- payment of principal or interest may occur at a different time or in a different currency than expected; and
- the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Failure by an investor to pay a subsequent instalment of partly-paid Notes may result in an investor losing all of its investment.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Notes carrying an interest rate which may be converted from fixed to floating interest rates, and vice versa, may have lower market values than other Notes.

Fixed Rate Notes and Floating Rate Notes (as defined in "*Summary of the Programme*") may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate.

The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

The market values of Notes issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At such times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future.

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmark Regulation or UK Benchmark Regulation, and such changes could (amongst other things) have the

The “Terms and Conditions of the Notes” provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a benchmark event or a benchmark transition event, as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an independent adviser, the relevant

Although the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016, and the PBOC and the Ministry of Commerce of the PRC have implemented policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

Remittance of proceeds in Renminbi into or out of the PRC.

In the event that the Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Issuer subsequently is not able to repatriate funds out of the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

(e) **The Notes**: The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for viewing and copies may be obtained from the Specified Office of each of the Paying Agents and Transfer Agents.

(f) **Summaries**: Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders (as defined below) and the holders of the related interest coupons, if any, (the "Couponholders" and the "Coupons", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection upon prior written notice and satisfactory proof of holding by Noteholders during normal business hours at the Specified Offices of each of the Agents.

2 Interpretation

(a) **Definitions**: In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Audited Financial Reports**" means the annual audited consolidated statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity of the Issuer and its Subsidiaries and statement of financial position of the Issuer together with any statements, reports (including any directors' and auditor's reports) and notes attached to or to be read with any of them;

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(b) in relation to any sum payable in Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed; and

(c) in relation to any sum payable in a currency other than euro and Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments generally, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

"**CMU**" means the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority;

"**Control**" means (a) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or (b) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise and the terms "**Controlling**" and "**Controlled**" shall have meanings correlative to the foregoing;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as number, in which the day immediately following the

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Change of Control)**" means, in respect of any Note, 101 per cent. of its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

"**Euroclear**" means Euroclear Bank S.A./N.V.;

"**Event of Default**" has the meaning given in Condition 13 (Events of Default);

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified, or determined in accordance with, in the relevant Pricing Supplement;

"**First Interest Payment Date**" means the date specified in the relevant Pricing Supplement;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Group**" means the Issuer and its Subsidiaries, taken as a whole;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Indebtedness for Borrowed Money**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility; and

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the relevant Pricing Supplement;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.);

"**Issue Date**" has the meaning given in the relevant Pricing Supplement;

"**Margin**" has the meaning given in the relevant Pricing Supplement;

"**Maturity Date**" has the meaning given in the relevant Pricing Supplement;

"**Maximum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Minimum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**NDRC**" means the National Development and Reform Commission of the PRC or its local counterparts;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Pricing Supplement;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Pricing Supplement;

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

(i) a day on which (A) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies and (B) a day

on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent or (as the case may be) the CMU Lodging and Paying Agent has its Specified Office; and

(ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

(i) a day on which (A) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies and (B) a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent or (as the case may be) the CMU Lodging and Paying Agent has its Specified Office;

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (excluding payments in Renminbi) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre; and

(iii) (in the case of payments in Renminbi) a day on which commercial banks and foreign exchange markets in Hong Kong are open for business and settlement of Renminbi payments;

"**Permitted Holders**" means GLP Pte. Ltd. and any trust, corporation, partnership or other entity, of which the direct or indirect beneficiary, equity holder, partner, owner or Person beneficially holding a majority (or more) controlling interest is GLP Pte. Ltd.;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Potential Event of Default**" means an event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 13 (*Events of Default*), become an Event of Default;

"**PRC**" means the People's Republic of China, which for the purpose of these Conditions, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency provided, however, that:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

(b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(c) in relation to Renminbi, it means Hong Kong or the Principal Financial Centre as is specified in the relevant Pricing Supplement;

"**Principal Subsidiary**" means any Subsidiary of the Issuer:

(a) whose total assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total assets, as shown by its latest audited consolidated accounts, are at least three per cent. of the

consolidated total assets of the Issuer and the Group taken as a whole, as shown by the Group's latest published audited consolidated accounts; or

(b) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall become a Principal Subsidiary at the date on which the first published audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraph (a) above;

provided that, in relation to paragraph (a) above:

(i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;

(ii) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, total assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for such purpose by the Issuer;

(iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its total assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for such purpose by the Issuer; and

(iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer.

A certificate prepared by a director of the Issuer, that in his opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Noteholders;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Pricing Supplement;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment (other than any change arising from the discontinuation of any interest rate benchmark used to determine the amount of any payment in respect of the Notes), to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

(a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended;

"**Unaudited Financial Reports**" means the semi-annual (or any other interim reporting period required by applicable law or regulations) unaudited consolidated statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows and statement of changes in equity of the Issuer and its Subsidiaries and statement of financial position of the Issuer together with any statements, reports (including any directors' and auditors' review reports, if any) and notes attached to or intended to be read with any of them; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement.

(b) **Interpretation**: In these Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;

(vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3 Form, Denomination, Title and Transfer

(a) **Bearer Notes**: Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) **Title to Bearer Notes**: Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) **Registered Notes**: Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.

(d) **Title to Registered Notes**: The relevant Registrar will maintain a register (the "**Register**") in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) **Ownership**: The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) **Transfers of Registered Notes**: Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the relevant Registrar or any Transfer Agent, together with such evidence as the relevant Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor. No transfer of title to a Note will be valid unless and until entered on the Register.

(g) **Registration and delivery of Note Certificates**: Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the relevant Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the relevant Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) **No charge**: The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the relevant Registrar or any Transfer Agent but against such indemnity as the relevant Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) **Closed periods**: Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) **Regulations concerning transfers and registration**: All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the relevant Registrar. A copy of the current regulations will be made available for inspection by the relevant Registrar to any Noteholder upon prior written request and satisfactory proof of holding.

4 Status of the Notes

The Notes constitute direct, unconditional and (subject to Condition 5(a) below) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* and without any preference or priority with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5 Covenants

(a) **Negative Pledge**: So long as any Note remains outstanding (as defined in the Trust Deed), the Issuer shall not, and the Issuer shall procure that none of its Subsidiaries will, create or permit to subsist any mortgage, lien, pledge, charge or other similar security interest analogous to any of the foregoing under the laws of any jurisdiction upon the whole or any part of its present or future assets or revenues to secure any Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith to the satisfaction of the Trustee or (b) providing such other security for the Notes

as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Noteholders or as may be approved by an Extraordinary Resolution of Noteholders.

(b) **Financial Statements, etc.**: For so long as any Note remains outstanding, the Issuer will furnish the Trustee with:

(i) a Compliance Certificate (on which the Trustee may rely as to such compliance without liability to any Noteholder) at the time of despatch to the Trustee of the Audited Financial Reports;

(ii) as soon as they are available, but in any event within 180 days after the end of each Relevant Period, copies of the Audited Financial Reports audited by a member firm of independent auditors; and

(iii) as soon as they are available, but in any event within 150 days after the end of each Relevant Period, copies of the Unaudited Financial Reports prepared on a basis consistent with the Audited Financial Reports.

(c) **Information Report to NDRC**: Where the Circular on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Enterprises (([2015]2044)) (the "**NDRC Circular**") issued by the NDRC and which came into effect on 14 September 2015 and any implementation rules as issued by the NDRC from time to time applies, for the benefit of the relevant Series or Tranche of Notes to be issued in accordance with these Conditions and the Trust Deed, the Issuer undertakes to:

(i) file or cause to be filed with the NDRC the requisite information and documents within the prescribed time frame after the relevant Issue Date in accordance with the NDRC Circular, and any implementation rules as issued by the NDRC from time to time (the "**NDRC Post-issue Filing**"); and

(ii) within 10 China Business Days after submission of such NDRC Post-issue Filing set out in Condition 5(c)(i), provide the Trustee with a certificate signed by an authorised signatory of the Issuer confirming the submission of the NDRC Post-issue Filing and provide the Trustee with a notice substantially in the form set out in the Trust Deed confirming the due filing of the NDRC Post-issue Filing for dissemination to the Noteholders in accordance with Condition 20 by the Principal Paying Agent on behalf of the Issuer.

The Trustee shall have no obligation to monitor or ensure the completion of the NDRC Post-issue Filing on or before the deadline referred to above or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the NDRC Post-issue Filing, and shall not be liable to Noteholders or any other person for not doing so.

6 Fixed Rate Note Provisions

(a) **Application**: This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Accrual of interest**: The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant

Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) **Fixed Coupon Amount**: The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) **Calculation of interest amount**: The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(e) **Notes accruing interest otherwise than a Fixed Coupon Amount**: This Condition 6(e) shall apply to Notes which are Fixed Rate Notes only where the Pricing Supplement for such Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The relevant amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest and the Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). The Calculation Agent shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agents, the relevant Registrar (in the case of Registered Notes) and the Noteholders in accordance with Condition 20 (*Notices*) as soon as possible after their determination or calculation but in no event later than the fourth Business Day thereafter. If the Notes are listed on a stock exchange and the rules of such exchange so require, the Issuer shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to such exchange as soon as possible after their determination or calculation but in no event later than the fifth Business Day thereafter or, if earlier, the time required by the rules of the relevant stock exchange.

7 Floating Rate Note Provisions

(a) **Application**: This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Accrual of interest**: The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) **Screen Rate Determination where the Reference Rate is an interbank offered rate**: If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of

Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable:

(A) the Issuer will request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time and the Issuer shall provide such quotations in writing to the Calculation Agent; and

(B) the Calculation Agent shall determine the arithmetic mean of such quotations; and

(v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading international banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) **Screen Rate Determination where the Reference Rate is specified as a risk-free alternative reference rate**: If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined and where the Reference Rate is a risk-free alternative reference rate (such as SOFR), the Rate of Interest for each Interest Accrual Period (including the method or basis of calculating or determining the Rate of Interest) will be as further specified in the relevant Pricing Supplement.

(e) **ISDA Determination**: If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement;

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is specified in the relevant Pricing Supplement; and

(iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(f) **Maximum or Minimum Rate of Interest**: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. If the relevant Pricing Supplement does not specify any Minimum Rate of Interest or the Rate of Interest as determined by the Calculation Agent according to this Condition 7 is a negative value, the Rate of Interest shall be zero per cent. per annum.

(g) **Calculation of Other Amounts**: If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the Pricing Supplement.

(h) **Calculation of Interest Amount**: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest

Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(i) **Publication**: The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and the Trustee as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given by the Issuer to the Noteholders and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(j) **Notifications etc**: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8 Zero Coupon Note Provisions

(a) **Application**: This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Late payment on Zero Coupon Notes**: If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9 Redemption and Purchase

(a) **Scheduled redemption**: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*).

(b) **Redemption for tax reasons**: The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (unless the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

(A) the Issuer has or will become obliged to pay Additional Amounts (as defined in Condition 12 (*Taxation*)) as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which

Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

(c) **Redemption for Change of Control**: At any time following the occurrence of a Change of Control, the holder of any Note will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of that holder's Notes on the Change of Control Put Date at a price equal to the Early Redemption Amount (Change of Control), together with interest accrued (if any) to the Change of Control Put Date. To exercise such right, the holder of the relevant Note must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a "**Change of Control Put**

(f) **Redemption at the option of Noteholders**: If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(f), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Pricing Supplement), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(f), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(f), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(g) **No other redemption**: The Issuer shall not be entitled to redeem the Notes and shall have no obligation to make any payment of principal in respect of the Notes otherwise than as provided in paragraphs (a) to (f) above.

(h) **Early redemption of Zero Coupon Notes**: Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(h) or, if none is so specified, a Day Count Fraction of 30E/360.

(i) **Purchase**: The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.

(j) **Cancellation**: All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10 Payments – Bearer Notes

This Condition 10 is only applicable to Bearer Notes.

(a) **Principal**: Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United

that where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

(g) **Unmatured Coupons void**: If the relevant Pricing Supplement specifies that this Condition 10(g) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption for Change of Control*), Condition 9(f) (*Redemption at the option of Noteholders*), Condition 9(d) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(h) **Payments on business days**: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(i) **Payments other than in respect of matured Coupons**: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(j) **Partial payments**

may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency; and

(ii) in the case of Renminbi, by transfer to an account denominated in Renminbi and maintained by the payee with a bank in Hong Kong,

and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) **Interest**: Payments of interest shall be made:

(i) in the case of a currency other than Renminbi, by transfer to an account denominated in the currency in which payment is due (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency; and

(ii) in the case of Renminbi, by transfer to an account denominated in Renminbi and maintained by the payee with a bank in Hong Kong,

and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

Payments of principal and interest in respect of Registered Notes held in the CMU will be made to the person(s) for whose account(s) interest in the relevant Registered Note are credited as being held with the CMU in accordance with the CMU Rules at the relevant time.

(c) **Payments subject to fiscal laws**: All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) **Payments on business days**: Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(e) **Partial payments**: If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) **Record date**: Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the close of business in the place of the relevant Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

So long as the Note Certificate is held on behalf of Euroclear, Clearstream or any other clearing system (other than the CMU), each payment in respect of the Note Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

So long as the Note Certificate is held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the Note Certificate are credited (as set out in the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means a day on which the CMU is operating and open for business.

12 Taxation

(a) **Gross up**: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Hong Kong or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note or Coupon:

(i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

(ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such Additional Amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days; or

(iii) presented for payment by, or on behalf of a holder who would be able to avoid such withholding or deduction by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

(b) **Taxing jurisdiction**: If the Issuer becomes subject at any time to any taxing jurisdiction other than Hong Kong, references in these Conditions to Hong Kong shall be construed as references to Hong Kong and/or such other jurisdiction.

(c) **Trustee and Agents**: Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 12 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, any Noteholder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

13 Events of Default

If any of the following events (each, an "**Event of Default**") occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or pre-funded and/or provided with security to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality:

(a) **Non-payment**: the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof and such default continues for a period of 7 days or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and such default continues for a period of 14 days; or

(b) **Breach of other obligations**: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes (other than any obligation for payment of any principal or interest in respect of the Notes) and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of remedy, remains unremedied for 45 days after the Trustee has given written notice thereof to the Issuer and requesting the same to be remedied; or

(c) **Cross-acceleration of Issuer or Principal Subsidiary**:

(i) any Indebtedness for Borrowed Money of the Issuer or any of its Principal Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;

(ii) any such Indebtedness for Borrowed Money of the Issuer or a Principal Subsidiary becomes due and payable prior to its stated maturity otherwise than (x) as a result of a failure by the Issuer or the relevant Principal Subsidiary to make payment when due or within any originally applicable grace period or (y) at the option of the Issuer or (as the case may be) the relevant Principal Subsidiary or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness for Borrowed Money; or

(iii) the Issuer or any of its Principal Subsidiaries fails to pay when due any amount payable by it under any guarantee of any Indebtedness for Borrowed Money (as extended by any originally applicable grace period),

provided that no such event shall constitute an Event of Default unless the amount of Indebtedness for Borrowed Money referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds U.S.$25,000,000 (or its equivalent in any other currency or currencies); or

(d) **Unsatisfied judgment**: one or more final judgment(s) of a court of competent jurisdiction for the payment of any amount which individually or in the aggregate exceeds U.S.$25,000,000 (or its equivalent in foreign currencies) is rendered against the Issuer or any of its Subsidiaries within 30 days from the receipt of notice that such final judgment has been entered against it or an execution is levied on or enforced upon or sued out in pursuance of any judgment against the assets or property of the Issuer or the relevant Subsidiary; or

(e) **Security enforced**: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial part of the undertaking, assets and revenues of the Group and is not discharged within 60 days; or

(f) **Insolvency etc**: (i) the Issuer or any of its Principal Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator is appointed (or application for any such appointment is made where such application is not revoked, discharged or dismissed within 60 days of such application) in respect of the Issuer or any of its Principal Subsidiaries or the whole or a substantial part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries, (iii) the Issuer or any of its Principal Subsidiaries takes any action for a readjustment or deferment of any of its obligations (save for any such readjustment or deferment where the Issuer or the relevant Principal Subsidiary, as applicable is solvent or makes a general assignment or an arrangement or composition with or for the benefit of its creditors in respect of Indebtedness for Borrowed Money or declares a moratorium in respect of any of its Indebtedness for Borrowed Money or any guarantee of any Indebtedness for Borrowed Money given by it) or (iv) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (except, in the case of a Principal Subsidiary, for the purposes of a reconstruction, disposal, sale, union, transfer, merger or amalgamation or other analogous process pursuant to which all or a substantial part of its property, assets and undertaking are transferred to (x) the Issuer or another Subsidiary; or (y) to any third party on an arm's length basis, provided that proceeds of such transfer are transferred to or vested in the Issuer or another Subsidiary); or

(g) **Winding up etc**: an order is made by a court of competent jurisdiction or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Principal Subsidiaries (except, in the case of a Principal Subsidiary, for the purposes of a reconstruction, disposal, sale, union, transfer, merger or amalgamation or other analogous process pursuant to which all or a substantial part of its property, assets and undertaking are transferred to (x) the Issuer or another Subsidiary; or (y) to any third party on an arm's length basis, provided that proceeds of such transfer are transferred to or vested in the Issuer or another Subsidiary); or

(h) **Analogous event**: any event occurs which under the laws of Hong Kong has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or

(i) **Failure to take action etc**: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes or the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Coupons and the Trust Deed admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or

(j) **Unlawfulness**: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Trust Deed; or

(k) **Government intervention**: any step is taken by any judicial, governmental, administrative or regulatory authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a substantial part of the assets of the Group.

14 Prescription

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented

15 Replacement of Notes and Coupons

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the relevant Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16 Trustee and Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or pre-funded to its satisfaction and relieved from responsibility in certain circumstances and to be paid its fees, costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer reserves the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent, registrar, CMU lodging and paying agent, CMU registrar or calculation agent and additional or successor paying agents; provided, however, that:

(i) the Issuer shall at all times maintain a principal paying agent and a registrar;

(ii)

17 Meetings of Noteholders; Modification and Waiver

(a) **Meetings of Noteholders**: The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders holding not less than 90 per cent. of the aggregate principal amount of the then outstanding Notes who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) **Modification and waiver**: The Trustee may, without the consent of the Noteholders, agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be binding on the Noteholders and shall be notified to the Noteholders by the Issuer as soon as practicable thereafter.

(c) **Directions from Noteholders**: Notwithstanding anything to the contrary, the Notes, the Trust Deed and/or the Agency Agreement, whenever the Trustee is required or entitled by the terms or the conditions of the Notes, the Trust Deed and/or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions from the Noteholders by way of an Extraordinary Resolution and shall have been indemnified and/or provided with security and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages expenses (including but not limited to legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee shall not be responsible for any loss or liability incurred as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction or clarification of any such direction from the Noteholders or in the event that no direction or clarification of any such direction is given to the Trustee by the Noteholders.

(d) **Certificates and reports**: The Trustee may rely, without liability to Noteholders, on a report, confirmation, opinion or certificate or any advice of any lawyers, accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely (without further investigation or enquiry) on any such report, confirmation, opinion or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer and the Noteholders.

18 Enforcement

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

(i)

in a CMU Issue Position Report issued by the Hong Kong Monetary Authority on the business day preceding the date of despatch of such notice. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear, Clearstream, the CMU and/or the alternative clearing system, as the case may be.

21 Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22 Governing Law and Jurisdiction

(a) **Governing law**: The Notes and the Trust Deed and all non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.

(b) **Jurisdiction**: The Issuer has (i) agreed that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes; (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; (iii) consented to the enforcement of any judgment; and (iv) to the extent that it may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction. The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee or any of the Noteholders from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and that, to the extent allowed by law, the Trustee or any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.

FORM OF PRICING SUPPLEMENT IN RELATION TO NOTES

The Pricing Supplement in respect of each Tranche of the Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue.

Except as otherwise stated in the Pricing Supplement prepared for a particular Tranche of Notes, subject to the disclosures in the "Taxation" section of the Offering Circular, any Notes issued under the Programme shall be regarded as a form of loan capital or debenture under applicable laws.

MiFID II product governance / target market – [*appropriate target market legend to be included*]

Option 1: Legend for issuances involving one or more MiFID Firm manufacturers

[**MiFID II product governance / Professional investors and ECPs only target market** – *Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II];*

of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Option 2: Legend for issuances where there is a sole manager that is a UK MiFIR Firm manufacturer (i.e. no syndicate) (and assuming that none of the Issuer, the Guarantor or other credit provider is a UK MiFIR regulated entity)

[**UK MiFIR product governance / Professional investors and ECPs only target market** – *Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**") only; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.*]

[***PROHIBITION OF SALES TO EEA RETAIL INVESTORS*** – *The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*]

[***PROHIBITION OF SALES TO UK RETAIL INVESTORS*** – *The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.*]

[**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 30913(1)(a) and 30913(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Regulation 3(b) of the Securities and Futures (Capital Markets Products) Regulations 2018 (the "**SF (CMP)**

Regulations")) that the Notes are "prescribed capital markets products" (as defined in the SF (CMP) Regulations) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

[This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**")) ("**Professional Investors**") only.

Notice to Hong Kong investors: **The Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.**

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered, sold or delivered within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

1.	Issuer:		GLP China Holdings Limited ( )
2.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	[Date on which the Notes become fungible:	[Not Applicable]/[The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*identify earlier tranches of* Notes] on [[●]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below [which is expected to occur on or about [●]]]].]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		[●]
	(i)	[Series:	[●]]
	(ii)	[Tranche:	[●]]
5.	(i)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
	(ii)	Net Proceeds	[●] [(*Required only for listed issues*)]
6.	(i)	Specified Denominations[1] [2] [3]:	[●]
	(ii)	Calculation Amount:	[●]
7.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement	[*Specify*/Issue Date/Not Applicable] Date:

[1] Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year and must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

[2] If the specified denomination is expressed to be EUR100,000 or its equivalent and

8.	Maturity Date:	[*Specify date or* (*for Floating Rate Notes*) Interest Payment Date falling in or nearest to the relevant month and year][4] *[If the Maturity Date is less than one year from the Issue Date and either* (*a*) *the issue proceeds are received by the Issuer in the United Kingdom, or* (*b*) *the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom,* (*i*) *the Notes must have a minimum redemption value of £100,000* (*or its equivalent in other currencies*) *and be sold only to "professional investors" or* (*ii*) *another applicable exemption from section 19 of the FSMA must be available.]*
9.	Interest Basis:	[[●] per cent. Fixed Rate] [*[Specify reference rate]* +/- [●] per cent. Floating Rate] [Zero Coupon] [Other (*Specify*)] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [Other (*Specify*)]
11.	Change of Interest or Redemption/Payment Basis:	*[Specify details of any provision for convertibility of the Notes into another interest or redemption/payment basis*] [Not Applicable]
12.	Put/Call Options:	[Redemption for tax reasons] [Redemption for Change of Control] [Redemption at the option of the Issuer] [Redemption at the option of the Noteholders] [(further particulars specified below)]
13.	[(i) Date of [Board] approval for issuance of Notes obtained:	[●] [and [●], respectively]] (*N.B. Only relevant where Board* (*or similar*) *authorisation is required for the particular tranche of Notes*)
	[(ii) Date of regulatory approval for issuance of Notes obtained:	Pre-issuance NDRC Registration Certificate dated [●]]
14.	Listing:	[Hong Kong/Other (*specify*)/None](For Notes to be listed on the HKSE, insert the expected effective listing date of the Notes)
15.	Method of distribution:	[Syndicated/Non-syndicated]

[4] Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)*]* in arrear]
	(ii)	Interest Payment Date(s):	[●] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre*(*s*) *for the definition of "Business Day"*]/not adjusted]
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount[5]
	(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on

		Convention/Floating Rate Convention/Euroclear Convention/other (give details)] [Not Applicable]
(vi)	Additional Business Centre(s):	[Not Applicable/*give details*]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent):	[*[Name]* shall be the Calculation Agent (*no need to specify if the Principal Paying Agent is to perform this function*)]
(ix)	Screen Rate Determination:	
	Reference Rate:	[*For example, EURIBOR or CNH HIBOR*]
	Interest Determination Date(s):	[●]
	Relevant Screen Page:	[*For example, Reuters EURIB0R 01*]
	Relevant Time:	[*For example, 11.00 a.m. Brussels time*]
	Relevant Financial Centre:	[*For example, Euro-zone* (*where Euro-zone means the region comprised of the countries whose lawful currency is the euro)*]
(x)	ISDA Determination:	
	Floating Rate Option:	[●]
	Designated Maturity:	[●]
	Reset Date:	[●]
	[ISDA Definitions	[2006]]
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiii)	Maximum Rate of Interest:	[●] per cent. per annum
(xiv)	Day Count Fraction:	[●]
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●] *[If Floating Rate Notes will be issued, fallback provisions and relevant risk factors may be set out in the schedule annexed to this Pricing Supplement, in case of the discontinuation of the relevant benchmarks, or changes in the manner of administration of any benchmarks]*

18.	Zero Coupon Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) [Amortisation/Accrual] Yield:	[●] per cent. per annum
	(ii) Reference Price:	[●]
	(iii) Day Count Fraction in relation to Early Redemption Amount:	[30/360/Actual/Actual (ICMA/ISDA)/other]
	(iv) Any other formula/basis of determining amount payable:	[*Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 9*(*i*)]

PROVISIONS RELATING TO REDEMPTION

19.	Call Option	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount (Call) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period:	[●]
20.	Change of Control Put	[Applicable/Not Applicable]
21.	**Put Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount (Put) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) Notice period:	[●]
22.	**Final Redemption Amount**	[●] per Calculation Amount
23.	**Early Redemption Amount**	[Not Applicable]
	Early Redemption Amount(s) per Calculation Amount payable on	[(*If each of the Early Redemption Amount* (*Tax*), *Early Redemption Amount* (*Change of Control*) *and the Early*

	redemption for taxation reasons, on change of control or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	*Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount* (*Tax*), *Early Redemption Amount* (*Change of Control*) *and/or the Early Termination Amount if different from the principal amount of the Notes*)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24.	Form of the Notes:	**Bearer Notes:**[6] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days notice/in the limited circumstances specified in the Permanent Global Note][7] [Temporary Global Note exchangeable for Definitive Notes on [●] days notice][8] [Permanent Global Note exchangeable for Definitive Notes on [●] days notice/in the limited circumstances specified in the Permanent Global Note][9] **Registered Notes:** [Global Note Certificate exchangeable for Individual Note Certificates on [●] days notice/in the limited circumstances described in the Global Note Certificate][10]
25.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details*] [Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraph 17(vi) relates]
26.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[No/Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payment are left.]
27.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to	[Not Applicable/*give details*]

[6] Bearer Notes issued in compliance with the D Rules must initially be represented by a Temporary Global Note.

[7] if the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000", the Permanent Global Note shall not be exchangeable on [●] days notice/at any time.

[8] if the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000", the Temporary Global Note shall not be exchangeable on [●] days notice.

[9] if the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000", the Permanent Global Note shall not be exchangeable on [●] days notice/at any time.

[10] if the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000", the Global Note Certificate [redacted]

	forfeit the Notes and interest due on late payment]:	
28.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/*give details*]
29.	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions annexed to this Pricing Supplement apply]
30.	Consolidation provisions:	[The provisions [in Condition 19 (*Further Issues*)] [annexed to this Pricing Supplement] apply]
31.	Any applicable currency disruption/fallback provisions:	[Not Applicable/*give details*]
32.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

33.	(i) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii) Stabilisation Manager(s) (if any):	[Not Applicable/*give names*]
34.	If non-syndicated, name and address of Dealer:	[Not Applicable/*give name and address*]
35.	Total commission and concession:	
36.	U.S. Selling Restrictions:	Reg. S Category [1/2] (*In the case of Bearer Notes*) – [C RULES/D RULES/TEFRA not applicable] [11] The Notes are being offered and sold only in accordance with Regulation S.
37.	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)
38.	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

[11] TEFRA not applicable may only be used for Registered Notes, or Bearer Notes with a maturity of 365 days or less (taking into account any unilateral rights to extend or rollover). Bearer Notes with a maturity of more than 365 days (taking into account unilateral rights to extend or rollover) that are held through the CMU must be issued in compliance with the C Rules, unless at the time of issuance the CMU and the CMU Lodging and Paying Agent have procedures in place so as to enable compliance with the certification requirements under the D Rules.

39.	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

40.	ISIN Code:	[●]
41.	Common Code:	[●]
42.	Legal Entity Identifier:	254900C6X2D3TGF2CO98
43.	CMU Instrument Number:	[●]
44.	Any clearing system(s) other than Euroclear/Clearstream and the CMU and the relevant identification number(s):	[Not Applicable/*give name*(*s*) *and number*(*s*)]
45.	Delivery:	Delivery [against/free of] payment
46.	Additional Paying Agent(s) (if any):	[●]

GENERAL

47.	Private Bank Rebate/Commission:	[Applicable/Not Applicable] [(*To be included if a PB rebate is paid*)*:* In addition, the Issuer has agreed with the Joint Lead Managers that it will pay a commission to certain private banks in connection with the distribution of the Notes to their clients. This commission will be based on the principal amount of the Notes so distributed, and may be deducted from the purchase price for the Notes payable by such private banks upon settlement]
48.	The aggregate principal amount of the Notes issued has been translated into Hong Kong dollars at the rate of [●], producing a sum of (for Notes not denominated in Hong Kong dollars):	[Not Applicable/HK$[●]]
49.	[Ratings:	The Notes to be issued [have been/are expected to be] rated: [[●]: [●]]; [[●]: [●]]; [and] (each a "**Rating Agency**"). If any Rating Agency shall not make a rating of the Notes publicly available, the Issuer shall select and substitute them with [●] or [●] and its successors.]

HONG KONG SFC CODE OF CONDUCT

50.	(i)	Rebates:	[A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
	(ii)	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide*] / [Not Applicable]
	(iii)	Marketing and Investor Targeting Strategy:	[*if different from the programme OC*]

[USE OF PROCEEDS

Give details if different from the "*Use of Proceeds*" section in the Offering Circular.]

[STABILISATION

In connection with the issue of the Notes, [*name(s) of Stabilisation Manager(s)*

By: _____

Duly authorised

Name:

Title:

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Bearer Notes

Each Tranche of the Notes to be issued in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear as operator of the Euroclear System and/or Clearstream and/or a sub-custodian for the CMU and/or any other relevant clearing system.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be issued in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, from the date (the "**Exchange Date**") which is 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note after the Exchange Date unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership, as described above.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent or the CMU Lodging and Paying Agent, as the case may be; and

(ii) receipt by the Principal Paying Agent or the CMU Lodging and Paying Agent, as the case may be, of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange. In the case of the CMU, no such exchange will be effected until all relevant accountholders (as set out in a CMU Issue Position Report) (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU have provided certification of non-U.S. beneficial ownership.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Bearer Notes in definitive form ("**Definitive Notes**") not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of the Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be issued in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes on or after the Exchange Date for the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership as described above. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent or the CMU Lodging and Paying Agent, as the case may be, within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be issued in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(ii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if the Permanent Global Note is held by or on behalf of Euroclear, Clearstream the CMU or any other relevant clearing system:

    (a) Euroclear or Clearstream the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (b) any of the circumstances described in Condition 13 *(Events of Default)* occurs in respect of any Note of the relevant Tranche.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent or the CMU Lodging and Paying Agent, as the case may be, within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

Legend concerning United States persons

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Registered Notes

Each Tranche of Notes in registered form ("**Registered Notes**") will be represented by either:

(i) individual Certificates in registered form ("**Individual Certificates**"); or

(ii) one or more unrestricted global certificates ("**Global Certificate(s)**"), in each case as specified in the relevant Pricing Supplement.

Each Note represented by a Global Certificate will be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream and/or a sub-custodian for the CMU and/or any other relevant clearing system, and the relevant Global Certificate will be deposited on or about the issue date with the common depositary and/or a sub-custodian for the CMU.

If the relevant Pricing Supplement specifies the form of Notes as being Individual Certificates, then the Notes will at all times be represented by Individual Certificates issued to each Noteholder in respect of their respective holdings.

Global Certificate exchangeable for Individual Certificates

If the relevant Pricing Supplement specifies the form of Notes as being "Global Certificate exchangeable for Individual Certificates", then the Notes will initially be represented by one or more Global Certificates, each of which will be exchangeable in whole, but not in part, for Individual Certificates:

(i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(ii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Global Certificate", then:

  (a) in the case of any Global Certificate held by or on behalf of Euroclear and/or Clearstream, the CMU and/or any other clearing system, if Euroclear, Clearstream, the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; and

  (b) in any case, if any of the circumstances described in Condition 13 *(Events of Default)* occurs in respect of any Note of the relevant Tranche.

Whenever a Global Certificate is to be exchanged for Individual Certificates, each person having an interest in a Global Certificate must provide the relevant Registrar (through the relevant clearing system) with such information as the Issuer and the relevant Registrar may require to complete and deliver Individual Certificates (including the name and address of each person in which the Notes represented by the Individual Certificates are to be registered and the principal amount of each such person's holding).

Whenever a Global Certificate is to be exchanged for Individual Certificates, the Issuer shall procure that Individual Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate within five business days of the delivery, by or on behalf of the registered holder of the

Global Certificate to the relevant Registrar of such information as is required to complete and deliver such Individual Certificates against the surrender of the Global Certificate at the specified office of the relevant Registrar.

Such exchange will be effected in accordance with the provisions of the Trust Deed and the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the relevant Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Certificate will be endorsed on that Individual Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Certificate will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions relating to the Notes while in Global Form*" below.

Summary of Provisions relating to the Notes while in Global Form

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream and/or a sub-custodian for the CMU and/or any other relevant clearing system, will be that depositary, common depositary or, as the case may be, sub-custodian.

In relation to any Tranche of Notes represented by one or more Global Certificates, references in the Conditions to "Noteholder" are references to the person in whose name the relevant Global Certificate is for the time being registered in the Register which (a) in the case of any Global Certificate which is lodged with a sub-custodian for or registered with the CMU, will be the HKMA; or (b) in the case of any Global Certificate which is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system, will be that depositary or common depositary or, a nominee for that depositary or common depositary.

Each of the persons shown in the records of Euroclear, Clearstream and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Certificate (each an "**Accountholder**") must look solely to Euroclear, Clearstream and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Certificate and in relation to all other rights arising under such Global Note or Global Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Certificate, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note or Global Certificate.

If a Global Note or a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in

the CMU in accordance with the rules of the CMU shall be the only person(s) entitled or, in the case of Registered Notes, directed or deemed by the CMU as entitled to receive payments in respect of the Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the

payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day: in the case of a Global Note or a Global Certificate, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "Clearing System Business Day" means a day on which each clearing system for which the Global Certificate is being held is open for business.

Exercise of put option: In order to exercise the option contained in Condition 9(c) *(Redemption and Purchase — Redemption for Change of Control)* or Condition 9(f) *(Redemption and Purchase — Redemption at the option of Noteholders),* the bearer of a Permanent Global Note or the holder of a Global Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent, specifying the principal amount of the Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

USE OF PROCEEDS

The net proceeds from the offering of each series of Notes will be used for (i) general corporate purposes and (ii) refinancing of existing indebtedness. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

CAPITALISATION AND INDEBTEDNESS

The following table sets out the Issuer's capitalisation and indebtedness as derived from the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2022. The following table should be read in conjunction with the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2022 and the notes thereto included in this Offering Circular.

	As at 31 December 2022
	(US$ '000)

DESCRIPTION OF THE GROUP

OVERVIEW

The Group is a leading global business builder, owner, developer and operator of logistics real estate, data centres, renewable energy and related technologies. The Group believes that its deep expertise and operational insights allows it to build and scale high-quality businesses and create value for its customers.

The Group is the investor, developer and operator of approximately 450 facilities for logistics and supply chain operations, research and development, high-end manufacturing, data centres and renewable energy, across 70 cities in China. The Group is an early mover in investing in technologies and innovations to enhance its assets and has built a highly competitive business ecosystem that enables its customers and partners' growth. The Group is leading the way in adopting and supporting the latest innovations that improve operational efficiency and create value for its customers and investors.

The Group launched its data centre business in 2018, aiming to deliver efficient and resilient digital infrastructure safely and securely to its customers across the globe. The Group is currently one of the leading independent data centre operators in China with assets that will deliver approximately 1,400 MW of IT load capacity upon completion. For the year ended 31 December 2022, the Group secured the largest built-to-suit data centre contract in China from a leading domestic internet company.

The Group continues to drive the energy transition and meet clean energy demand by investing, developing, and operating assets across the renewable energy value chains. As at 31 December 2022, the total solar capacity of the Group-backed Pufeng New Energy that installs rooftop solar panels across the Group's and third-party properties, has reached 1 GW.

History

On 15 October 2013, Blear Services Limited established Iowa China Offshore Holdings (Hong Kong) Limited in Hong Kong (Companies Registrar number 1980082). At registry, the Company had a share capital of one share and equity capital of HK$10,000. As at 31 December 2022, the Company has issued 6,950,825,000 ordinary shares with a total share capital of approximately US$6.95 billion.

On 24 October 2013, Blear Services Limited transferred its entire share capital for HK$1 to CLH Limited, a wholly-owned subsidiary of GLP. Since then, GLP has held 100 per cent. of the Company through its control of CLH Limited.

CLH Limited is registered in the Cayman Islands, and holds all of GLP's shareholding interests in logistics and warehousing companies in the PRC via many direct holding companies registered in Barbados, Singapore and Hong Kong. GLPH Limited is also registered in the Cayman Islands, and, through a Barbados-registered direct holding company, controls 100 per cent. of GLP's PRC warehousing development and management company, GLP Investment (Shanghai) Co., Ltd. CLH Limited and GLPH Limited are both wholly-owned subsidiaries of GLP.

On 18 February 2014, GLP entered into a strategic agreement with a strategic investment team to further expand and develop its modern logistics business in the PRC. In accordance with the strategic agreement, GLP completed the restructuring of its PRC assets and businesses on 22 May 2014, to which GLP transferred to the Company all PRC businesses, assets and liabilities under CLH Limited; all PRC development projects and business functions under GLPH Limited in the PRC (such as business management, talent development, financial and investment management and marketing and sales); and US$4,600,564,752 from GLP Investment (Shanghai) Co., Ltd. As such, the Company became the holding company of all of GLP's PRC warehouse development companies and business management companies. Concurrently, the Company issued

4,600,564,752 ordinary shares to CLH Limited, by which CLH Limited became the parent company of the Company.

On 24 September 2014, all investments made by the strategic investors into the Company were completed. Concurrent to GLP restructuring its PRC assets and businesses, the strategic investment team injected US$2,103,750,000 into the Company via Khangai Company Limited and Khangai II Company Limited and obtained 2,095,089,422 ordinary shares of the Company, thus becoming a shareholder of 30.15 per cent. of the Company's issued shares. Khangai Company Limited and Khangai II Company Limited are aligned with the Company's strategies. Simultaneously, GLP Associates (I) Limited and GLP Associates (II) LLC[12] also injected US$253,750,000 into the Company and obtained 252,787,714 ordinary shares of the Company, thus becoming a shareholder of an estimated 3.64 per cent. of the Company's issued shares. As a result, the Company's paid-in capital increased to US$6.958 billion, and CLH Limited's shareholding of the Company decreased from 100 per cent. to 66.21 per cent.

In February 2022, CLH Limited, Khangai Company Limited and Khangai II Company Limited entered into a share purchase agreement, pursuant to which Khangai Company Limited transferred 789,750,000 issued shares of the Company and Khangai II Company Limited transferred 467,303,653 issued shares of the Company to CLH Limited, as a result of which CLH Limited has held 5,857,618,406 shares of the Company, representing an increase of shareholding to 84.30 per cent. while Khangai Company Limited and Khangai II Company Limited have reduced their shareholding in the Company to 7.58 per cent. and 4.48 per cent. respectively after the completion of share transfer on 8 February 2022. In March 2022, CLH Limited entered into a share purchase agreement to transfer 1,257,053,653 shares of the Company to its related corporation. As at the date of this Offering Circular, such share transfer is still in progress.

As at the date of this Offering Circular, the Company's largest shareholder is CLH Limited holding 84.30 per cent. of the Company's shares. GLP holds 100.00 per cent. of the shares of CLH Limited, which means that GLP indirectly holds 84.30 per cent. of the Company's shares through CLH Limited.

As at 31 December 2022, the Group's total assets was approximately US$38.5 billion.

Corporate Milestones

Calendar Year	Event
2002-2004	Prologis (predecessor of GLP) established presence in China – Suzhou, Shanghai and Guangzhou
	Established its first park – Suzhou GLP Logistics Park and China set Suzhou GLP Logistics Park as the first pilot centre of the first B-type bonded logistics centre
2005-2007	Established its first port project – GLP Lingang International Logistics Park
	Established a network of 18 major logistics hubs in China
2008	Designated by the Chinese Olympic Committee as the exclusive Olympic logistics distribution centre
2009	Prologis separated its Chinese and Japanese business and GLP was formed therefrom
2010-2011	Acquired shares in a domestic large-scale logistics company to further expand the market

[12] GLP Associates (I) Limited and GLP Associates (II) LLC are both shareholding companies established for the purpose of the Issuer to implement employee stock ownership plans in the future.

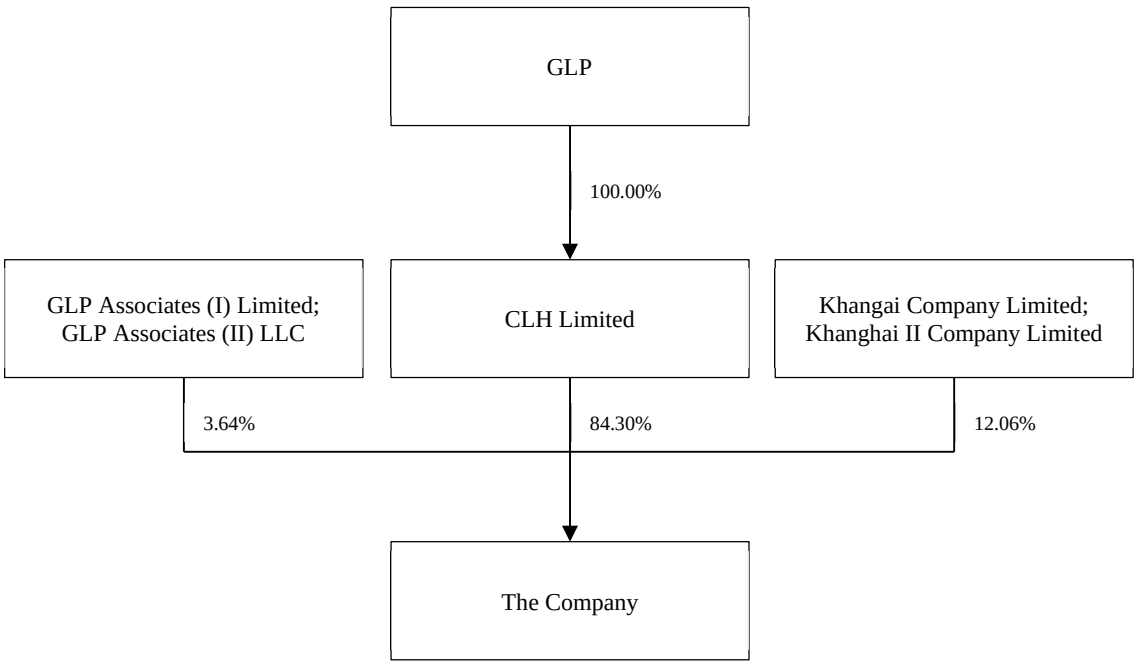
Calendar Year	Event
	GLP listed on the main board of Singapore Exchange Securities Trading Limited on 18 October 2010, the largest IPO project in Singapore since 1993
2012	Established strategic partnerships with a number of large Chinese companies
2013	Iowa China Offshore Holdings (Hong Kong) Limited was incorporated to handle GLP's business and operations in China.
2014-2016	US$2.5 billion landmark agreement with a consortium of Chinese state-owned enterprises and leading financial institutions starting from 2014
2016-2017	First international company to issue panda bonds on both the Shanghai Stock Exchange and China's Interbank Market
2018	GLP delisted from the main board of the Singapore Exchange Securities Trading Limited in January
	Iowa China Offshore Holdings (Hong Kong) Limited was renamed GLP China Holdings Limited
2019	The Issuer established a strategic investment partnership with China Merchants Group in which the Issuer will acquire a 50 per cent. stake in China Merchants Capital
2022	The Issuer disposed seed assets of its managed funds to other related party of GLP and underwent fund management business restructuring

RECOGNITION AND AWARDS

In recognition of the Group's outstanding development and the high quality of its projects, the Group has received numerous awards and recognitions for its operations.

Calendar Year

Calendar Year	Award / Recognition
	2021 Best Infrastructure Public REITs Award - The 6th Annual China Real Estate Securitization Summit
	"GLP IDC multi system Prefabrication Technology" won "the First Prize of Data Centre 2021 Scientific and Technological Achievements" on The 9th CDCC Data Centre Standards Summit
2020	Asian Investor Asset Management Awards 2020 – Best Asset Manager
	Euromoney Real Estate Awards 2020 – Best Industrial/Warehouse Developer (China and Japan)
2019	



THE GROUP'S STRENGTHS

The Group believes that it has the following competitive strengths:

Strong shareholder support and integration with GLP

The Group's parent and controlling shareholder, GLP, is a global leader in providing logistics solutions and modern logistics and warehousing facilities. With strong shareholder support and integration with GLP, the Group believes that it has a competitive advantage over its competitors and will be able to continue leveraging support from its relationship with GLP and its subsidiaries and affiliates to further enhance its competitiveness to meet its customer's needs, improving management capabilities and corporate governance and further strengthening the Group's brand equity and credibility. GLP has global operations across Brazil, China, Europe, India, Japan, the United States and Vietnam.

With 84.30 per cent. of the Company's share capital under GLP's ownership, GLP provides strong shareholder support to the Group and sets the key strategies of the Group. The commonality of shareholders (such as Hopu Logistics Investment Management ("**HOPU**") and Bank of China) at both the GLP and Group levels also ensures further alignment of strategy and focus for the Group. At the operational level, while the Company is responsible for the day-to-day management and operations of the Group and has its own investment committee and decision-making process, these remain guided by GLP. The Group also shares the same capital allocation, risk management structure and risk return threshold methodology as GLP, which aims to deliver strong returns for all stakeholders through the creation of synergies between the logistics ecosystem and operations. In relation to management, five out of six of the Group's directors are executive committee members of GLP, and the board of directors of the Group is supported by a senior management team with members who have been serving in GLP since its establishment.

The Group believes that it has a competitive advantage derived from the continued strong support from GLP in terms of its brand name and expertise in the logistics and warehousing facilities industry. The GLP brand is recognised internationally and is associated with quality, responsiveness and excellence, which provides a strong platform for the Group to further attract both well-known international and domestic customers. In

addition, GLP's shareholders such as HOPU, Bank of China, China Vanke Group and Hillhouse assist the Group with strengthening both GLP's and the Group's client base. The Group's high historical customer retention ratios, which, in turn, reflect customer demand for the facilities and services that the Group provides, are a strong reflection of the competitive advantages of the Group.

The Group is one of the largest providers in the PRC of modern logistics and warehousing facilities and integrated logistical solutions for its customers

As a leading business builder, owner, developer and operator of logistics real estate, data centres, renewable energy and related technologies, the Group's deep expertise and operational in sights allows it to build and scale high-quality businesses and create value for its customers, which offers the Group a number of strategic benefits:

"Network effect" – the geographic reach of the Group's network and the number, size, location and quality of its facilities allows customers to expand within its parks as well as across the Group's network locations as their businesses grow.

Diversified earnings base – the scale of the Group's network helps it to achieve revenue diversity, with established customers spread over seven end-user industry sectors as at 31 December 2022, as well as geographic coverage comprising logistics and supply chain operations, research and development, high-end manufacturing, data centres and renewable energy facilities across 70 cities in China.

Economies of scale – being a leading provider of modern logistics and warehousing facilities in the PRC offers the Group cost efficiencies in terms of negotiating construction contracts and facility management contracts, and optimising personnel resources and information systems.

"Smart Logistics Ecosystem" – the Group is pioneering the creation of a comprehensive logistics ecosystem for the future by utilising the latest technology and big data to provide solutions to its customers through the use of automation and robotics, data analytics, software solutions and site selection tools, the "Smart Logistics Ecosystem" approach leverages technology and data, takes into account critical details of the supply chain (including warehouse space) and offers both space and technology-led solutions that drive value for its customers. With a portfolio of warehousing assets and customer demand as pillars, the Group is well placed to establish a platform for the broader logistics ecosystem and extract value from the logistics value chain.

The Group's extensive experience and in-depth knowledge of its tenants also allows it to deliver integrated value-added logistical solutions and distinguish itself from its competitors. Leveraging on its network and resources, the Group works closely with its existing and potential tenants early in its project development process to help its customers improve their supply chains, increase efficiency and serve the market more competitively by connecting them with solutions through the creation of a logistics ecosystem that utilises the latest technology, data and service offerings to drive value for its customers. As a result of its close collaboration with its tenants and its dedication in providing value-added solutions, the Group has built a distinguished and well-recognised brand image in the logistics and warehousing facilities industry in the PRC.

The PRC's growing logistics markets provides the Group with attractive opportunities for growth and strengthening of market position

The increasingly developed and established logistics and warehousing market in the PRC allows the Group to derive from its China portfolio ("**China Portfolio**") positive and stable cash flows and a recurring source of capital for expansion. The Group's modern logistics and warehousing facilities in the PRC have experienced consistently high leasing ratios since 2016. At the same time, the PRC logistics and warehousing market also presents an attractive opportunity for growth for the Group, driven by the following factors:

Strong growth in gross domestic product ("**GDP**") and disposable income translates into strong demand for logistics and warehousing facilities: With a large and growing middle-income population, China is becoming one of the world's largest consumer markets. According to the Premier's government work report at the National People's Congress, China sets GDP growth target of around 5 per cent. for 2023. The stable GDP growth is fundamental to sustained robust demand for logistics and warehousing facilities. In addition, compared with other modern developed countries, per capita high-end storage area in China is still relatively low. Hence, Chinese logistic real estate market is forecast for high growth potential in the long run. The Group's portfolio comprises logistics and supply chain operations, research and development, high-end manufacturing, data centres and renewable energy facilities across 70 cities in China as at 31 December 2022, with plans for further expansion into other cities within China. As at 31 December 2022, the Group owns and manages a sizeable portfolio of 50 million square metres gross floor area ("**GFA**") across China. Its portfolio contains completed and stabilised properties valued at US$31.0 billion, representing over 82 per cent. of its total logistic and supply chain assets with a strong lease rate of 88 per cent. and a robust occupancy ratio of 85 per cent.

Logistics land supply has been on the constraint for years, particularly in core markets. In the long run, the Group is better positioned to weather any unforeseen headwinds as a result of its multi-asset class exposure and market leadership entrenched by its portfolios of premier location assets.

Growth of e-commerce in China: Online sales have grown exponentially during the COVID-19 pandemic, which has also accelerated the development of omni-channel supply chains for various

debt[13] over total assets) of 31.5 per cent., 24.6 per cent. and 26.5 per cent., respectively. Further, the Group's total external debt (expressed as the total of loans and borrowings, loans from non-controlling interests, loans from third parties and lease liabilities) as at 31 December 2020, 2021 and 2022 are US$10,323.7 million, US$8,447.6 million and US$10,048.8 million, respectively. The Group's net external debt (expressed as the difference between total external debt and cash and cash equivalents) as at 31 December 2020, 2021 and 2022 are US$9,163.0 million, US$7,730.7 million and US$8,559.4 million, respectively. The Group had an interest coverage ratio (expressed as a ratio of EBITDA over total borrowing costs) of 4.82x, 6.27x and 5.13x for the years ended 31 December 2020, 2021 and 2022, respectively.

In addition, compared to commercial property segments, the inherent characteristics of the modern logistics and warehousing facility sector, coupled with the Group's efficient development practices, result in shorter gestation and cash conversion cycles. In the Group's experience, the cost and time required to develop and stabilise a typical logistics and warehousing facility is substantially less than the cost and time required to develop and stabilise typical retail and office properties. As such, the Group is able to realise its cash returns earlier compared to commercial property segments, and these recurring cash flows can be re-invested to accelerate growth in the business. This lowers the risk exposure of the Group's business to exogenous factors such as economic cycles. A shorter cash conversion cycle also provides the Group with the advantage of being able to be adequately funded and have the flexibility to adjust its operations according to demand conditions.

High quality and diversified customer base characterised by strong long-term customer relationships

The Group's network is well diversified by tenant mix as well as by geographical presence within the PRC. The Group leases its facilities to a broad range of Fortune Global 500 firms, large- and mid-sized, multi-national

88.5 per cent. and 88.2 per cent., respectively. The weighted average lease expiry ("**WALE**") for such completed and stabilised logistics properties as at 31 December 2022 was approximately 1.94 years.

Well-established track record and network

The Group has a well-established track record, a commitment to excellence and in-depth local market knowledge. The Group adopts a research-driven, disciplined, institutionalised investment process for each development. As part of the Group's approach to development, the Group conducts extensive feasibility studies and fosters close working relationships with local governments to develop master plans for parks in the markets where it operates. The Group is closely involved in the project development process of each development to ensure adherence to development schedules and to ensure that facilities are built in line with specifications. Post development, the Group provides ongoing asset and property management, customer services and maintenance checks.

As at 31 December 2022, the Group had established its network in logistics and supply chain operations, research and development, high-end manufacturing, data centres and renewable energy facilities across 70 cities, with plans for further expansion into other cities within China. The Group's completed portfolio has continued to grow significantly since 2004. For the years ended 31 December 2020, 2021 and 2022, the Group had 31.7 million square metres, 37.0 million square metres and 38.3 million square metres, respectively, of completed properties (including the completed and stabilised properties and the completed and pre-stabilised properties).

Strong corporate governance and experienced management team

The Company has high standards of corporate governance in place and operates in accordance with global logistics and warehousing industry best practices. In addition to the Audit department, related departments such as Commercial, Asset Service and Finance monitor project operations, which send monthly operation reports to the Company's management team. The management team evaluates projects according to a pre-agreed and consistent set of investment criteria. The Company's management team comprises industry specialists with public company experience and knowledge of global logistics and warehousing industry best practices, and notably includes:

Mei, Ming Z, a director of the Company since June 2014, is also the Co-founder and the Chief Executive Officer of GLP. He was formerly the chief executive officer of Prologis for PRC and Asian Emerging Markets where he opened Prologis' first PRC office in 2003 and built up its operations in the PRC. Mr Mei has extensive experience in various business sectors, including but not limited to real estate, land acquisition, construction and asset acquisition.

Zhuge Teresa, a director of the Company since July 2014, is Vice Chairman of the Company and oversees fund management, financial services and capital deployment and leads negotiations for the Company's acquisitions and strategic projects. Ms. Zhuge previously served as the Co-President and Chief Financial Officer of the Company. Ms. Zhuge was deputy CFO of SZITIC Commercial Properties and also worked with Morgan Stanley Properties China and Deloitte.

Michihiro Higashi, a director of the Company since June 2014, is also the Chief Strategy Officer of the Company and is in charge of overseeing and setting the investment strategy for the Company. He is also responsible for managing and establishing strategic alliances in the PRC. Mr. Michihiro was formerly Senior Vice President and Head of Investment of the Company and helped to grow the Company business relating to Japanese customers.

Mok Victor, a director of the Company since November 2016, is also the Chairman and CEO of the Company's Asset Services Platform, a rapidly growing business within the Group that focuses on creating value through all stages of an asset's life-cycle, from project planning and design to the

industries, gradually expands the industrial ecology, creates a new era of logistics ecosystem, and explores more high-growth investment opportunities for its customers, investors and partners.

Further improve big data new infrastructure industry services and provide comprehensive solutions for safe, efficient, green and intelligent data centres

The Group is committed to developing big data new infrastructure industry services and providing comprehensive solutions for safe, efficient, green and intelligent data centres.

Leveraging on the collaboration of the professional operation management team and the Group's ecosystem, the Group provides customers in cloud computing, the internet, finance and governmental enterprise industries with a one-stop comprehensive solution, which covers solutions from data centre pre-planning and design, development and construction, fund raising to post-operation management. Through such one-stop comprehensive solution, the Group provides life-cycle value-added services to help its customers build data centres with high availability, high reliability and efficient operation management. The Group aims to further empower the digital transformation of the industry and boost the high-quality development of the digital economy.

Since entering the data centre industry, the Group has been committed to building energy-saving and environmentally friendly green data centres and continuously improving energy efficiency. Through the improvement of technology and management and the collaboration with ecological partners, the Group aims to integrate the concept of sustainable development into all stages of data centre business development and operation, and fully apply renewable energy in order to further unlock the "carbon neutrality" path for the development of the data centres industry.

Actively expand the "new energy" business and create an energy Internet that providing new energy assets management and service

Aiming to promote carbon neutrality, the Group actively expands the business of new energy, make green new energy a standard configuration of modern infrastructure and industrial chain, and improve the energy utilization efficiency of projects operation.

The Group has adopted a new model for its new energy development, i.e., a "one body and two wings" model consisting of strategic investment, asset construction and operation management. With a view of the four dimensions of source, network, capacity and storage and on the basis of owning and controlling the power generation and energy storage assets, the Group has formed a vertical, all-round and flexible market strategy through the provision of technological and digital operations and load-side services as well as the collaboration with the power grid, which will ultimately serve the application scenarios of green and smart cities and create an energy Internet that providing new energy assets management and service.

Strengthen the Group's market leadership position and capitalise on the increasing market opportunities within the PRC

The Group intends to continue to focus on strengthening its market leadership, the performance of its existing assets and the timely delivery of its development projects within the PRC and to capitalise on the increasing opportunities within the PRC. With the commitment on building a globally competitive industrial cluster in the three major fields of supple chain, big data and new energy, the Group's strategies in the PRC market are as follows:

> **Combine assets and service to build an industrial service ecosystem**: With a growing presence of logistics and supply chain operations, research and development, high-end manufacturing, data centres and renewable energy facilities across 70 cities in China as at 31 December 2022, the Group's customers can benefit from the Group's ability to offer them logistics and supply chain, big data infrastructure and

renewable energy solutions in multiple cities to which they plan to expand. Based on the infrastructure portfolio, the Group aims to build an industrial service ecosystem that combines assets and services and empowers technology and innovation in order to create greater value for its customers, investors and business partners. The Group is fully committed to leading the industry's cutting-edge thinking, promoting industrial upgrading, driving the development of industrial ecology and achieving a more efficient economic operation.

Continue to develop new energy business: the Group will continue to vigorously develop new energy business, especially new energy assets and services such as solar energy, wind energy, energy storage, charging and swapping infrastructure. The Group aims to steadily promote the replacement of traditional energy with green energy covering scenarios in big logistics, supply chain and big data infrastructure related industrial services. In addition, the Group is committed to reduce carbon emissions through various technological innovations, aiming to cooperate with the upstream and downstream of the industrial chain to achieve zero-carbon operation and the goal of carbon neutrality.

manner, taking into consideration a range of internal and external factors, including the strategic priorities and objectives of GLP, the Group's parent and controlling shareholder. This will also provide an additional source of funds to spur the Group's growth, in particular where the proceeds of the recycled capital and assets from mature, stabilised properties could be used to fund new developments. As an example, GLP C-REIT was listed on Shanghai Stock Exchange in June 2021, which provides the Group with a long-term capital vehicle for capital recycling in China.

Leverage and continue to build the Group's strong recurring income

The development of modern logistics facilities is one of the Group's key engines of growth, and it generates regular and recurring profit for the Group's earnings stream. For the year ended 31 December 2022, the Group delivered US$750 million development projects or 1.4 million square metres GFA (including the properties held by the funds under the Group's management) despite lockdowns and restrictions imposed due to COVID-19, with an overall 21 per cent. development margin and achieved an overall stabilisation margin of 39 per cent. The Group believes that the expected recurring income from such activities will allow it to build a strong cash flow position.

High priority on operating and governing with best business practices standards

The Group places a high priority on operating with best business practices standards, with a well-governed platform based on transparency and with consideration for social, environmental, and corporate responsibilities to its customers and communities.

Sustainability: The Group optimises sustainability of its new developments through green design initiatives, positioning its properties to minimise their environmental impact while providing long-term benefits to its customers and the local community. In addition, to reduce its customers' costs and contribute to a greener environment, the Group's warehouses are equipped with energy-efficient technology, such as energy-efficient lighting, waste water management systems, expansive green areas, and solar panels on the rooftops of its buildings.

Social responsibility: Throughout the development, construction and operational phases of each property, the Group is careful to guard against any breaches of human rights and ensure that its work conditions comply with the relevant laws and regulations. The Group also selects its partners carefully and mitigates risks through constant and thorough monitoring of activities on its sites. The management believes that, as a result of these initiatives, financial and reputational risks to its customers, properties and investors are reduced, while its image is enhanced.

Governance and transparency: The Group believes that effective corporate governance is critical to its success. Hence, the Group establishes robust processes and standard operating procedures to minimise the risk of errors while remaining transparent and accountable to its investment partners and other stakeholders. Wherever possible, the Group minimises conflicts of interest through the use of both technology and independent third parties.

PRINCIPAL BUSINESS ACTIVITIES

The Group is a leading global business builder, owner, developer and operator of logistics real estate, data centres, renewable energy and related technologies. The Group believes that its deep expertise and operational insights allows it to build and scale high quality and create value for its customers.

The Group is the investor, developer and operator of approximately 450 facilities for logistics and supply chain operations, research and development, high-end manufacturing, data centres and renewable energy, across 70 cities in China. The Group is an early mover in investing in technologies and innovations to enhance its assets

and has built a highly competitive business ecosystem that enables its customers and partners' growth. The Group is leading the way in adopting and supporting the latest innovations that improve operational efficiency and create value for its customers and investors.

The following table sets out the Group's total operating income derived from rental for industrial logistics

The Company's warehousing business maintained a high rental level. For the years ended 31 December 2020, 2021 and 2022, the leasing ratios of the completed stable properties were 87.0 per cent., 88.5 per cent. and 88.2 per cent., respectively. The average rental level has been growing constantly. For the years ended 31 December 2020, 2021 and 2022, the average rental of the Company's warehousing facilities were RMB36.3/square metre/month, RMB36.4/square metre/month and RMB36.5/square metre/month, respectively.

Development of modern logistics and warehousing facilities

The Group's China Portfolio was set up in 2003, and the Group has since built up a significant land bank of strategically located sites within key logistics hubs and near major seaports, airports, transportation hubs or industrial zones. The China Portfolio was initially focused on the cities of Shanghai, Beijing, Guangzhou and Shenzhen, as well as the industrial city of Suzhou, which represented the major hubs of economic activity in China. The Group has since gradually expanded into key gateway cities such as Qingdao, Tianjin, Hangzhou, Nanjing, Shenyang and Chengdu, where demand for modern logistics and warehousing facilities is supported by rapid growth in local GDP and consumption.

In China, the Group tries to acquire the best locations available to build logistics and warehousing facilities. On occasion, it also purchases existing facilities, generally with a view towards refurbishing, expanding and modernising or replacing them, or to form joint ventures with local governments, economic zones or port authorities to secure rights to large, strategically located sites. At times, the Group has also acquired and leased out facilities without additional renovation. As at 31 December 2022, the WALE of the Group's completed and stabilised logistics properties in China was approximately 1.94 years.

The Group is one of the largest providers of modern logistics and warehousing facilities in China and has an absolute leading position in the modern warehousing field. The Group can provide its customers with a full suite of solutions and products related to modern logistics and warehousing facilities, including multi-tenant logistics and warehousing facility development and design, customised warehouse design and construction, and acquisition and leasebacks.

Most of the Group's properties in China offer the following key features that the Company believes characterise modern logistics and warehousing facilities:

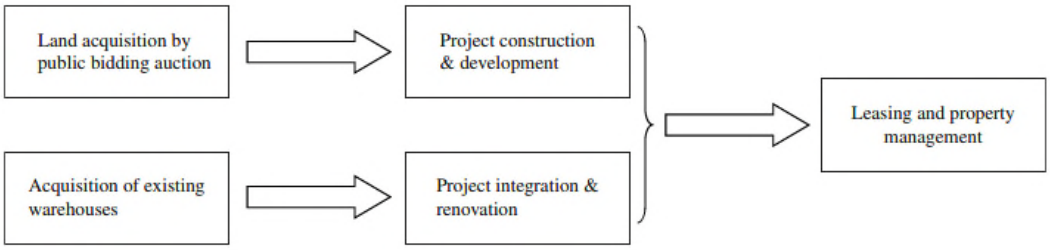
- storage safety: security and surveillance features, proper ventilation and basic fire-fighting features such as sprinkler systems;
- optimal space utilisation: large floor areas, high ceilings, wide column spacing, high load capacity, spacious and modern loading docks and easy track access;
- high operating efficiency: spacious loading and parking areas equipped with modern loading docks;
- convenient and optimal location to enable its customers to achieve savings on their transportation costs; and
- flexibility to provide customised features such as office space, air-conditioning and refrigeration/freezing.

The Group constructs new facilities and develops integrated logistics solutions to meet market demand and serve its customers' needs, thereby helping its customers improve their supply chain, increase their efficiency and competitiveness as well as generate significant value through development.

Overall operating mode of the Group's warehousing projects

The current warehousing project development model of the Group is based on market demand, that is, the Group researches and investigates, selects and acquires the land by bidding, auction and listing, facilities designing, engaging in pre-marketing construction financing, construction and/or renovation of the park on it and provides

the supporting logistics and warehousing facilities, and ultimately leases it to the customers and requests the dedicated asset management team for logistics consulting services. In addition, although land supply in key markets in China has continued to tighten, the Group is well placed given its local strategic relationships. The Group's strategy is to pursue scarce land resources in cities through strategic partnerships with state-owned enterprises and private sellers. For the year ended 31 December 2022, the Group delivered US$750.0 million development projects or 1.4 million square metres GFA (including the properties held by the funds under its management) despite lockdowns and restrictions imposed due to COVID-19, with an overall 21 per cent. development margin, and achieved an overall stabilisation margin of 39 per cent.



The Group owns and manages a sizeable portfolio of 50 million square metres GFA across China. The Group's portfolio contains completed and stabilised properties valued at US$31 billion, representing over 82 per cent. of its logistic and supply chain assets with a strong lease rate of 88 per cent. and a robust occupancy ratio of 85 per cent. as of 31 December 2022.

The following table sets out the Group's warehousing assets portfolio as at or for the years ended 31 December 2020, 2021 and 2022:

	For the year ended 31 December		
	2020	**2021**	**2022**
		(*million sq. m.*)	
Warehousing assets portfolio			
Completed and stabilised properties[(1)]	29.1	33.3	37.1
Completed and pre-stabilised properties[(2)]	2.7	3.7	1.2
Properties under development or pending repositioning	5.2	6.8	5.9
Land reserves	6.4	4.8	5.4

Notes:

(1) "Completed and stabilised" property refers to the warehousing property projects that meet one of the two conditions: completed for one year or lease ratio over 90.0 per cent.

(2) "Completed and pre-stabilised" property refers to the warehousing property projects that have been completed for less than one year and the lease ratio is below 90.0 per cent. The modern warehousing industry generally describes the state of the warehousing property by these two expressions.

The following table sets out the leasing statistics of the Group's completed and stabilised properties as at the years ended 31 December 2020, 2021 and 2022:

	For the year ended 31 December		
	2020	**2021**	**2022**
		(*million sq. m.*)	
Item			
Total GFA (completed and stabilised properties)	29.1	33.3	37.1
GFA available for lease (completed and stabilised properties)	28.8	33.0	36.6
Actual GFA under lease (completed and stabilised properties)	25.1	29.4	32.2

Whether the Group acquires land or existing logistics and warehousing facilities depends on several factors. An investment decision-making committee considers factors such as the per capita GDP of each region, the rental level of parks in the local market, internal rate of return, project budget and future cash flow of the planned investment area. When the Group acquires land from the government directly (i.e. by public bidding auction), local governments will consider the integrated operational capabilities of the potential investor and to what extent the potential investor could contribute to the local economy. By virtue of its strong modern logistics warehousing operational capabilities, the Group has obtained land with optimal integration plans. When the Group acquires existing land or parks owed by other entities, they are willing to deal with the Group on the basis of the Group's good reputation and professionalism.

The following table sets out the Group's land reserves as at or for the years ended 31 December 2020, 2021 and 2022:

	For the year ended 31 December		
	2020	**2021**	**2022**
		(million sq. m.)	
Item			
Newly acquired land reserves site area	2.4	3.2	1.2
Newly acquired land reserves gross floor area	1.9	3.0	1.1
Land reserves site area at the end of the financial year	8.1	5.3	5.7
Land reserves gross floor area at the end of the financial year	6.4	4.8	5.4

As at 31 December 2022, the business layout of the Company's main land acquisition or acquisition of existing facilities was mainly in the coastal capital cities and cities with upswing economy, as well as in the main transportation hub zones of Tier 1 and Tier 1.5 cities.

The following table summarises the Group's regional land reserves in the PRC as at 31 December 2022:

Cut-off Date	Region in PRC	Estimated GFA	Site Area
		(million sq. m.)	
31 December 2022	Northern	1.5	1.2
	Eastern	0.8	1.1
	Southern	2.3	2.6
	Midwest	0.9	0.8
Total		**5.4**	**5.7**

Notes:

(1) "Northern" refers to the provinces or municipalities such as Beijing, Tianjin, Liaoning, Heilongjiang, Jilin and Hebei;

(2) "Eastern" refers to the provinces or municipalities such as Shandong, Shanghai, Jiangsu, Zhejiang and Anhui;

(3) "Southern" refers to the provinces such as Guangdong, Guangxi and Fujian;

(4) "Midwest" refers to the provinces or municipalities such as Sichuan, Shaanxi, Chongqing, Hunan, Henan, Hubei, Guizhou, and Yunnan.

The Group would usually complete the planning and design of the logistics and warehousing facility within three to six months after acquiring a piece of land by bidding or auctioning, and all the warehousing project construction and development or renovation projects will be undertaken by third-party contractors. The Group keeps a list of approximately 40 to 50 contractor partners, which was drafted based on past cooperation, and it selects the contractor for each new project by tender.

The average construction period of a new warehouse development is 12 to 18 months, and the payment schedule of the project funds is as follows: 20.0 to 30.0 per cent. Of a project's fee will be paid to the main contractor at the start of the project, and the remaining fee will be paid according to schedule after the supervisor has released the supervision report. The Group will simultaneously monitor payments made by the main contractor to sub-contractors to ensure that the project's fee is utilised for the purposes of the project. Any remaining balance will be paid to the main contractor after the project warranty period expires.

For acquired warehouse developments, the Group in most instances would manage its renovation and planning according to the specifications of its downstream tenants.

Modern warehousing operations

The Group owns and manages modern logistics and warehousing facilities and warehouse management is the foundation of its business model. As part of its modern warehousing operations, the Group also engages in lease management, asset and property management and the provision of maintenance checks and customer services. The modern logistics and warehousing facilities developed by the Group are characterised by large floor areas,

Note:

(1)

relevant national laws and regulations, such as land certificates, building planning permits and construction permits.

As at 31 December 2022, the project has completed an investment of RMB496.6 million, and it is expected to be completed by August 2024.

GLP Shunyi Yangzhen Logistics Park

The project is located in Yangzhen, Shunyi District in Beijing City. The Group holds 31 per cent. of the shares in the project. The project plans to construct two double-storey elevator warehouses. The total investment of

COMPETITION

The Company is the holding company of GLP's warehousing project assets and business management assets in China and owns leading modern warehouse logistics assets in China; and in terms of the total construction area of warehouse properties, the Group is one of the largest providers of modern logistics and warehousing facilities in China. While the Group is one of the largest providers of modern logistics and warehousing facilities in China, it faces competition from other large domestic and, to a lesser extent, international owners and operators of other logistics and warehousing facilities and, within any specific individual market, also from smaller, local players. The Group competes with other providers for locations and sites for future logistics and warehousing facilities. In China, potential customers may also compare the Group's products, services and rents to those of large state-owned logistics and warehousing facilities providers. While the Company believes that those providers generally do not provide modern facilities, potential customers may choose these providers over the Group on the basis of rent if they do not need the modern specifications offered by the Group's facilities.

The Group believes that, in choosing a provider of logistics and warehousing facilities, the Group's customers focus primarily on the size of a provider's network and on the quality of the service provided. Lease rates are generally determined by the market. The Company believes that the size of the Group's network and the Group's focus on customer service and on assisting its customers with establishing and maintaining their logistics networks allow the Group to compete favourably with many of its competitors.

EMPLOYEES

As at 31 December 2022, the Group employs a total of 2,805 staff. The following tables summarise the number of the Group's employees by education level and function as at 31 December 2022:

Employees by function

	Number of employees
General	307
Investment	54
Fund	4
Project development	177
Property management	461
Finance & Accounting	126
Leasing & Asset management	131
REIT	0
New business	1,545
Total	**2,805**

Employees by education level

	Number of employees
Master's degree or above	617
Bachelor's degree	1,823

Others	365
Total	**2,805**

Employees by age grroup

	Number of employees
30-year-old or below	465
30–40-year-old	1,586
40–50-year-old	638
50-year-old or above	116
Total	**2,805**

INSURANCE

The Company believes that its insurance practice is in line with what it believes to be the prevailing industry practice in China. The Group believes that the Group's insurance coverage in China is commercially reasonable and appropriate for a logistics and warehousing facility company operating in that market. Notwithstanding the Group's insurance coverage, should an uninsured loss or a loss in excess of insured limits occur, the Group could lose the capital invested in its property and the anticipated future revenue therefrom, while the Group remains liable for any mortgage indebtedness or other financial obligations relating to the relevant property. Any such loss could have a material adverse effect on the Group's financial condition and results of operations, to the extent that this disrupts the normal operation of its properties or its businesses. See "*Risk Factors — The Group's insurance coverage does not include all potential losses*".

The Group's insurance policies in China cover loss of rental, fire, flood, malicious damage, other material damage to property and development sites, business interruption and public liability (including third parties' property damage and/or personal injury). The Group also maintains other insurance policies for its employees in accordance with applicable laws and regulations, including workmen's compensation and personal accident insurance, as well as group hospitalisation insurance. There are certain types of risks that are not covered by these insurance policies, including acts of war, environmental damage and breaches of environmental laws and regulations.

LEGAL PROCEEDINGS

The Group is from time to time involved in certain legal proceedings concerning matters arising in the ordinary course of its business. As at the date of this Offering Circular, none of the members of the Group is a party to any legal or administrative proceedings which may have a material adverse effect on the Group's financial condition or results of operations, nor is the Group aware that such proceedings are pending or threatened.

ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

The Group's operations are subject to regulatory requirements and potential liabilities arising under applicable environmental-, health- or safety-related laws and regulations in each of the countries in which it has operations.

The Group believes that it is in compliance in all material respects with applicable environmental regulations in China. As at the date of this Offering Circular, no material environmental, health or safety-related incident involving the Company or any of its subsidiaries has occurred. The Group is not aware of any material environmental, health or safety-related proceedings or investigations to which any member of the Group might become a party.

As the Group does not undertake construction work for its development projects and asset enhancement initiatives itself, the responsibility for ensuring the health or safety of workmen at the Group's development project or asset enhancement worksites generally rests with the contractors it appoints.

INTELLECTUAL PROPERTY

All trademarks relating to "Global Logistic Properties", "GLP" and "GLOBAL LOGISTIC PROPERTIES" and their respective accompanying designs, as well as the GLP logo used by the Group, were registered by GLP.

As at the date of this Offering Circular, none of the members of the Group has infringed the intellectual property rights of other parties or identified any instances of third parties infringing its intellectual property rights.

DIRECTORS

Board of Directors

The following table sets out information in respect of the Directors of the Issuer as at the date of this Offering Circular:

Name	Position
Mei Ming Z (梅志明).....	Director
Zhuge Teresa (諸葛文靜).....	Director
Michihiro Higashi (東方浩).....	Director
Mok Victor (莫志明).....	Director
Tan Mark (陳海能).....	Director
Fang Fenglei (方風雷)	Director

Mr. Mei Ming Z ( ) has been a director of the Company since June 2014. He is also a co-founder and the chief executive officer of GLP. Mr. Mei sits on the board of GLP and holds a Master of Business Administration from the Kellogg School of Management at Northwestern University and the School of Business and Management at the Hong Kong University of Science and Technology. Mr. Mei received his Bachelor of Science in Finance from Indiana University School of Business.

Ms. Zhuge Teresa ( ) has been a director of the Company since June 2014. She is also an Executive Vice Chairman of the Company, responsible for strategic planning, investment and financing, legal affairs, internal audit and human resource management of the Group. She was formerly Co-President and CFO of the Company. In her role as Co-President of the Company, she was responsible for fund management, capital allocation, merger and acquisition and strategic cooperation, as well as finance and human resource management. Ms. Zhuge also worked with Morgan Stanley Asset Management and Deloitte. Ms. Zhuge graduated with a Master of Business Administration from the Kellogg School of Management at Northwestern University and the School of Business and Management at the Hong Kong University of Science and Technology. Ms. Zhuge received her Bachelor's degree from Renmin University of China.

Mr. Michihiro Higashi ( ) has been a director of the Company since June 2014. He is also the Chief Strategy Officer of the Company, and Chairman and Managing Partner of Hidden Hill Capital, responsible for the Company's overall strategy, logistics investment and ecological chain construction and other emerging areas investment and cooperation layout. Mr. Michihiro joined the Group in 2006 and was formerly Senior Vice President and Head of Investment of the Company and helped to grow the Company's business relating to Japanese customers. He was previously at Oita Bank where he was in charge of securities investment, and Nomura Research Institute in Japan where he was responsible for corporate strategy consulting. He has more than 10 years of experience in investments. Mr. Michihiro received his Bachelor of Law from Wuhan University and a Master of Economics from Oita University.

Mr. Mok Victor ( ) has been a director of the Company since November 2016. He is a President of Global Customer Management for GLP, he develops and enhances relationships with global strategic customers to better support their global business development through GLP logistics warehousing and other business synergies. Mr. Mok has close to three decades of experience in the aviation and logistics industries.

Mr. Mok graduated from the University of Hong Kong with a Master's Degree in Transport Studies and a Bachelor's Degree in Economics and Management. He is a graduate of the Strategic Leadership Program from the University of Oxford.

Mr. Tan Mark ( ) has been a director of the Company since May 2018. He is also General Counsel of GLP. Mr. Tan is responsible for overseeing all legal matters, including regulatory compliance, contract negotiations on fund management transactions, acquisitions and dispositions and other significant transactions. Prior to joining GLP, Mr. Tan worked at Shearman & Sterling LLP in Singapore, where he advised underwriters, issuers and private equity sponsors on debt and equity offerings. He also previously worked at Goldman Sachs and Sullivan & Cromwell LLP. Mr. Tan received his Juris Doctor with Honours from the University of Toronto and Bachelor of Mathematics in Computer Science and Bachelor of Economics from the University of Waterloo. He is currently based in Singapore.

Mr. Fang Fenglei ( ) has been a director of the Company since June 2014. He is also the founder and chairman of the Hopu Investment Management, and the director of Goldman Sachs Gao Hua Securities. He served as the vice president of China International Capital Corporation Ltd, the president of China International Capital Corporation (Hong Kong), chief executive officer of BOC International Holdings Limited, and chief executive officer of ICEA Financial Holdings Limited. Mr. Fang received his Bachelor's degree in Chinese Language and Literature and Economics from Sun Yat-sen University.

TAXATION

The following is a general description of certain Hong Kong tax consequences relating to the Notes. It is based upon applicable laws, regulations, rulings and decisions in effect as at the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Notes should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of the Notes, including such possible consequences under the laws of their country of citizenship, residence or domicile.

Hong Kong

Withholding tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Notes is derived from Hong Kong and is received by, or accrues to, a corporation carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) (the "**IRO**")) and arises through, or from, the carrying on by the financial institution of its business in Hong Kong; or

(iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by a corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of the Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

On 1 January 2023, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income Ordinance 2022 (the "**Refined Foreign-sourced Income Exemption Regime**") came into operation. Under

the Refined Foreign-sourced Income Exemption Regime, specified foreign-sourced income (meaning interest, dividends, disposal gain, or intellectual property income arising in or derived from a territory outside Hong Kong) accrued to a member of a multinational enterprise group (i.e., MNE entity) carrying on a trade,

of the final regulations defining “foreign passthru payment” and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE NOTEHOLDERS, IS UNCERTAIN AT THIS TIME. EACH NOTEHOLDER SHOULD CONSULT ITS OWN TAX ADVISERS TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH NOTEHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream or the CMU currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Arranger or any Dealer, the Trustee or any Agent takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer or any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Clearing Systems

Euroclear and Clearstream

Euroclear anh228(E)-3.3(h)7.1(a)-i8(o)-6(38( )-51.e)-7( )-3hepro 7-51.ehch

An investor holding an interest through an account with either Euroclear or Clearstream, in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream each have with the CMU.

SUBSCRIPTION AND SALE

The Arranger has, in an amended and restated dealer agreement dated 22 June 2021 as amended and/or supplemented from time to time (the "**Dealer Agreement**"), agreed with the Issuer a basis on which any dealer to be appointed by the Issuer in respect of a single Tranche or the whole Programme may from time to time agree to subscribe Notes. Any such agreement will extend to those matters stated under Conditions. Under the terms of the Dealer Agreement, the Issuer will undertake to pay each Relevant Dealer a commission as agreed between them in respect of Notes subscribed by it.

The Issuer has agreed to indemnify the Relevant Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Relevant Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

The Dealers and certain of their affiliates may have performed certain investment banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of their business. If a jurisdiction requires that an offering is made by a licensed broker or dealer and the Dealers or any affiliate of the Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuer in such jurisdiction.

In connection with each Tranche of Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the Issuer, any of its subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Notes to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Notes).

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

The name of each underlying investor;

A unique identification number for each investor;

Whether an underlying investor has any "Associations" (as used in the SFC Code);

Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);

Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood

and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Dealers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "**Person**"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://eeas.europa.eu/headquarters/headquartershomepage_en/8442/Consolidated%20list%20of%20sanctions); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf) (the "**SSI List**"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military- Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. "**Sanctions Authority**" means: (a) the United States government; (b) the United Nations; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

United States of America

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered, sold or (in the case of Bearer Notes) delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Dealers has agreed

that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver the Notes within the United States.

In addition, until 40 days after the commencement of any offering, an offer or sale of each Tranche of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

European Economic Area

Unless the relevant Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes whicE(e)-29.5(m)-5.1(ad)-7.6(e)-1..4(

o:9.7(e.9(9.5(m)-5.1(ad)-7.6(e)-1.8( )-28.1(204.320)2.4(6i-6.2e)-2226[(t) BT /F2 9.96 Tf -(c)-()T(-(e)2(dm-7()-4( )cr)1(642.7(a)4i)

(d) *Other exempt offers:* at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) Approval prospectus: if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or the Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) Qualified investors: at any time to any legal entity which is a qualified investor as defined in Article 2

Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore, and the Notes will be offered pursuant to exemptions under the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the "**SFA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant

Japan

The Notes have not been and will not be registered under the Financial Notes and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Offering Circular or any relevant Pricing Supplement or any related offering material, in all cases at its own expense. Other persons into whose hands this Offering Circular or any relevant Pricing Supplement comes are required by the Issuer and each of the Dealers to comply with all applicable laws

GENERAL INFORMATION

1. **Listing of Notes:** Application has been made to the HKSE for listing of the Programme by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the HKSE. Notes to be listed on the HKSE are required to be traded on the HKSE in a board lot size of at least HK$500,000 (or its equivalent in other currencies).

2. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations for issue of the Notes thereunder in connection with the update of the Programme and the issue of the Notes thereunder by resolutions of the board of directors of the Issuer dated 6 July 2018.

3. **No Material Adverse Change:** Except as disclosed in this Offering Circular, there has been no material adverse change in the prospects of the Issuer or the Group nor any material adverse change in the

7. **Financial Statements:** The 2021 Audited Consolidated Financial Statements and the 2022 Audited Consolidated Financial Statements, which are included elsewhere in this Offering Circular, have been audited by KPMG as stated in its reports thereon.

8. **Legal Entity Identifier:** The Legal Entity Identifier of the Issuer is 254900C6X2D3TGF2CO98.

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GLP China Holdings Limited

Annual Report
For the year ended 31 December 2022

Consolidated Statement of Financial Position as at 31 December 2022 (continued)

	Notes	*31 December 2022* US$'000	*31 December 2021* US$'000
Non-current liabilities			
Loans and borrowings	25	7,616,493	7,095,801
Deferred tax liabilities	15	1,417,960	1,751,698
Other non-current liabilities	26	711,512	500,368
		9,745,965	9,347,867
Current liabilities			
Loans and borrowings	25	2,104,844	1,086,493
Trade and other payables	27	1,717,428	1,591,910
Current tax payable		395,350	158,889
Liabilities classified as held for sale	21	4,240,574	2,476,658
		8,458,196	5,313,950
Total liabilities		18,204,161	14,661,817
Total equity and liabilities		38,463,139	34,518,956

Approved and authorised for issue by the Board of Directors on 31 MAR 2023

Director

Director

The notes on pages 26 to 117 form part of these financial statements.

2. Significant accounting policies (continued)

(e) Business combination for entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group's equity except that any share capital of the acquired entities is recognised as part of merger reserves in other reserves.

(f) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2(z)). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 2(g) and 2(m)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of comprehensive income, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

2. Significant accounting policies (continued)

(i) Property, plant and equipment

The following properties held for own use are stated at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation:

- Buildings held for own use

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of reporting period.

The other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses:

Changes arising on the revaluation of properties held for own use are generally dealt with in other comprehensive income and are accumulated separately in equity in the property revaluation reserve. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and

- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(y)).

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Furniture, fittings and equipment	1 - 40 years
Buildings held for own use carried at amortised cost	40 years
Right-of-use assets	1 - 20 years

2. Significant accounting policies (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(m)), except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 2(j);

- right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value in accordance with note 2(n).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of HKFRS 16 *Leases*. In such cases, the Group took advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the statement of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(v)(i).

2. Significant accounting policies (continued)

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised within "trade and other payables at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in "trade and other payables" in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 2(m)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

2. Significant accounting policies (continued)

value of the equity instruments granted is fully recognised as costs or expenses on the grant date, with a corresponding increase in capital reserve.

For cash-settled share-based payment arrangements, the fair value of the amount payable to employees which is settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the cash-settled share-base payment arrangement. Any changes in the liability are recognised in profit or loss.

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(u) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. Significant accounting policies (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(j), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. Significant accounting policies (continued)

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(ii) Sales of goods

Revenue is recognised when the customer takes possession of and accepts the products. Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

(iii) Management fee income

Management fee income is recognised in profit or loss as and when services are rendered.

(iv) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

2. Significant accounting policies (continued)

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(ii) 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).

(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 Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. Accounting estimates and judgements

The following critical accounting policies involve the most significant judgements and estimates used in the preparation of the consolidated financial statements.

(a) Valuation of investment properties

An external independent valuation company, has appropriate recognised professional qualifications and recent experience in the locations and categories of property being valued, values the Group's investment property portfolio every three months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in arms' length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Investment property under construction or development is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction or development, financing costs and a reasonable profit margin.

6. Net finance costs

	2022 US$'000	*2021* US$'000
Interest income on:		
- Fixed deposits and cash at bank	10,240	5,239
- Loans to joint ventures	31,743	33,172
- Loans to associates	5,904	5,268
- Loans to non-controlling interests	118	-
- Loans to intermediate holding company and other related parties	86,766	435
- Loans to third parties	1,886	15,902
Interest income	136,657	60,016
Amortisation of transaction costs of bank loans	(18,452)	(29,739)
Amortisation of transaction costs of bonds	(4,592)	(6,060)
Interest expenses on:		
- Bank loans	(315,042)	(251,075)
- Bonds	(153,059)	(229,089)
- Loans from non-controlling interests	(1,653)	(400)
- Loans from joint ventures	(10)	(3)
- Loans from associates	(2)	(56)
- Loans from intermediate holding company and other related parties	(17,205)	(260)
- Loans from third parties	(130)	(223)
- Lease liabilities	(13,912)	(6,182)
Total borrowing costs	(524,057)	(523,087)
Less: borrowing costs capitalised	25,985	21,133
Net borrowing costs	(498,072)	(501,954)
Foreign exchange (loss)/gain	(186,701)	38,503
Net finance costs recognised in profit or loss	(548,116)	(403,435)

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Included in the above profit:		
Interest income	330	478

(b) *Jian Fa Fund*

In November 2020, the Group invested in 49.76% equity interest of Jian Fa Fund, which is a private equity investment vehicle formed in the PRC. The Group decreased its equity interest in Jian Fa Fund to 47.75% as at 31 December 2022 (31 December 2021: 49.76%). The general partner and the key decision making of Jian Fa Fund is primarily controlled by its general partner's board of directors, which consists of seven members with two of them appointed by the Group. Resolutions at any meeting of these committees shall be decided by two-thirds of the voting members and the Group has significant influence in it by virtue of its two members in these boards.

Summarised financial information of the Jian Fa Fund, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	31 December 2022 US$'000	*31 December 2021* US$'000
Non-current assets	573,250	518,275
Current assets	226,005	241,685
Current liabilities	(249)	(70)
Net assets attributable to equity shareholders	799,006	759,890
Group's interest in associate	47.75%	49.76%
Carrying amount in the consolidated financial statements	424,547	365,258
Included in the above assets and liabilities:		
Cash and cash equivalents	217,807	215,543

14. Associates (continued)

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Revenue	-	-
Loss for the year from continuing operation	(1,342)	(2,906)
Total comprehensive income	(1,342)	(2,906)
Group's effective interest	58.63%	58.63%
Share of results (net of tax expense) of associate	(787)	(1,704)
Included in the above profit:		
Interest income	198	165

(d) Other individually immaterial associates

Summarised financial information of other individually immaterial associates, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Profit for the year from continuing operation	417,749	284,266
Total comprehensive income	375,897	284,149
Aggregate amount of the results of associates	108,820	28,975

15. Deferred tax

Movements in deferred tax assets and liabilities during the year are as follows:

	At 1 January US$'000	*Acquisition of subsidiaries* (note 29) US$'000	*Disposal of subsidiaries* (note 29) US$'000	*Effect of movement in exchange rates* US$'000	*Recognised in other comprehensive income* (note 10) US$'000	*Recognised in profit or loss* US$'000	*Reclassified to assets held for sale* US$'000	*At 31 December* US$'000
Deferred tax assets								
31 December 2021								
Unutilised tax losses	24,546	11,206	(11,235)	(571)	-	(3,609)	(10,144)	10,193
Others	4,873	-	-	112	-	(94)	-	4,891
	29,419	11,206	(11,235)	(459)	-	(3,703)	(10,144)	15,084
31 December 2022								
Unutilised tax losses	10,193	1,030	-	(1,399)	-	20,051	4,943	34,818
Lease liabilities	-	13,231	-	(496)	-	-	-	12,735
Others	4,891	24	-	(404)	-	(258)	-	4,253
	15,084	14,285	-	(2,299)	-	19,793	4,943	51,806
Deferred tax liabilities								
31 December 2021								
Investment properties	(2,331,240)	(18,590)	765,423	(59,036)	-	(320,137)	502,203	(1,461,377)
Other investments	(80,127)	-	-	(3,435)	(11,162)	(52,614)	-	(147,338)
Buildings held for own use carried at fair value	(2,372)	-	-	(26)	2,398	-	-	-
Others	(50,031)	-	-	(1,878)	(237)	(81,264)	-	(133,410)
	(2,463,770)	(18,590)	765,423	(64,375)	(9,001)	(454,015)	502,203	(1,742,125)
31 December 2022								
Investment properties	(1,461,377)	(8,035)	64,430	129,281	-	(332,161)	322,958	(1,284,904)
Other investments	(147,338)	-	52,440	8,837	16,338	30,869	-	(38,854)
Right-of-use assets	-	(11,414)	-	428	-	-	-	(10,986)
Others	(133,410)	(27,386)	26,944	11,836	-	41,462	-	(80,554)
	(1,742,125)	(46,835)	143,814	150,382	16,338	(259,830)	322,958	(1,415,298)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the statement of financial position as follows:

	31 December 2022 US$'000	*31 December 2021* US$'000
Deferred tax assets	54,468	24,657
Deferred tax liabilities	(1,417,960)	(1,751,698)

17. Intangible assets

	Goodwill US$'000	*Trademark* US$'000	*License rights* US$'000	*Customer relationship* US$'000	*Total* US$'000
Cost					
At 1 January 2021	295,879	24,949	3,383	-	324,211
Effect of movements in exchange rates	8,068	592	127	-	8,787
At 31 December 2021	303,947	25,541	3,510	-	332,998
Acquisition of subsidiaries (note 29)	293,560	2	11,188	139,090	443,840
Effect of movements in exchange rates	(40,646)	(2,160)	(896)	(5,267)	(48,969)
At 31 December 2022	556,861	23,383	13,802	133,823	727,869
Accumulated amortisation					
At 1 January 2021	-	(13,435)	(986)	-	(14,421)
Charge for the year	-	(1,284)	(85)	-	(1,369)
Effect of movements in exchange rates	-	(468)	(24)	-	(492)
At 31 December 2021	-	(15,187)	(1,095)	-	(16,282)
Charge for the year	-	(1,325)	(853)	(7,401)	(9,579)
Effect of movements in exchange rates	-	1,336	344	260	1,940
At 31 December 2022	-	(15,176)	(1,604)	(7,141)	(23,921)
Carrying amounts:					
At 31 December 2021	303,947	10,354	2,415	-	316,716
At 31 December 2022	556,861	8,207	12,198	126,682	703,948

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to country of operation and operating segment, carrying amount of each CGU as follows:

	31 December 2022 US$'000	*31 December 2021* US$'000
Data Center Group	282,706	-
GLP China (Note)	220,312	246,275
ACL Group	53,843	57,672
Total	556,861	303,947

Note: Relates to the leasing of logistic facilities and provision of asset management services in China and excludes the ACL Group and Data Center Group.

17. Intangible assets (continued)

(c) ACL Group

The recoverable amount of the CGU is determined based on value in use calculation. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent budgets and forecasts approved by management covering ten years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rate. The discount rate applied is the weighted average cost of capital from the relevant business segment. The terminal growth rate used does not exceed management's expectation of the long-term average growth rate of the respective industry and country in which the CGU operates. The pre-tax discount rate and terminal growth rate used as at 31 December 2022 are 7.5% and 3% respectively (31 December 2021: 7.5% and 3%). The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

18. Other investments

	31 December 2022 US$'000	*31 December 2021* US$'000
Listed equity securities - at FVOCI (non-recycling)	248,867	510,621
Listed REIT securities - at FVOCI (non-recycling)	234,473	230,883
Listed equity securities - at FVTPL	165,035	406,213
Unlisted equity securities - at FVTPL	1,864,263	1,189,147
	2,512,638	2,336,864

As at 31 December 2022, listed equity securities included equity interests in three (31 December 2021: three) listed companies which the Group has designated as investments at FVOCI (non-recycling), because these investments are held for strategic purposes.

As at 31 December 2022, listed REIT securities included 302,578,000 Units (31 December 2021: 302,578,000) of 中金普洛斯仓储物流封闭式基础设施证券投资基金 ("CICC GLP REIT"), which is listed on the Shanghai Stock Exchange.

Dividends of RMB 116,196,000 (US$ 17,619,000 equivalent) were received on these listed investments during the year ended 31 December 2022 (year ended 31 December 2021: Nil).

20. Trade and other receivables

	31 December 2022 US$'000	*31 December 2021* US$'000
Net trade receivables:		
- Trade receivables	98,833	52,052
- Impairment losses	(4,246)	(1,881)
	94,587	50,171
Amounts due from joint ventures:		
- Trade	6,558	10,346
- Non-trade	4,612	87,744
- Loans to joint ventures	124,020	100,859
	135,190	198,949
Amounts due from associates:		
- Trade	6,648	13,798
- Non-trade	763,984	248,242
- Loans to associates	194,329	142,223
	964,961	404,263
Amounts due from non-controlling interests:		
- Non-trade	10,360	8,611
- Loans to non-controlling interests	14,742	16,104
	25,102	24,715
Amount due from an intermediate holding company and other related parties:		
- Trade	44,665	14,116
- Non-trade	2,499,889	1,648,062
	2,544,554	1,662,177
Loans to third parties	32,385	130,058
Deposits	156,127	105,657
Net other receivables:		
- Other receivables	245,760	291,720
- Impairment losses	(1,470)	(218)
	244,290	291,502
Prepayments	14,408	22,351
	4,211,604	2,889,843

The non-trade amounts due from joint ventures, associates, non-controlling interests, intermediate holding company and other related parties are unsecured, interest-free and repayable on demand.

The loans to joint ventures, associates and non-controlling interests are unsecured, bear effective interests ranging from 1.50% to 15.22% (31 December 2021: 5.70% to 15.20%) per annum, except for approximately US$125,301,000 (21 December 2021: US$137,675,000) which are interest-free at the reporting date and are repayable within the next 12 months.

The loans to joint venture companies in relation to acquisition of new investments are secured repayable within the next 12 months, and bear effective interest rate at 10.00% (31 December 2021: 10.00% to 18.00%) per annum, except for approximately US$17,496,000 which is interest-free upon completion of the acquisition (31 December 2021: US$102,570,000 which is interest-free upon completion of the acquisition).

Deposits include an amount of approximately US$120,370,000 (31 December 2021: US$16,313,000) in relation to the acquisition of new investments. Other receivables comprise principally interest receivable and VAT recoverable.

Trade receivables are due on the date of billing. Further details on the Group's credit policy are set out in note 30(a).

(a) *Impairment of trade and other receivables*

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2021 and 31 December 2022:

		31 December 2021	
	Expected loss rate	*Gross carrying amount*	*Loss allowance*
	%	US$'000	$'000
Within 1 month	0.56	48,339	(272)
1 to 2 months	17.54	1,487	(261)
2 to 3 months	44.09	301	(133)
3 to 6 months	49.43	1,190	(589)
7 to 12 months	66.23	323	(214)
Over 12 months	100.00	412	(412)
		52,052	(1,881)

		31 December 2022	
	Expected loss rate	*Gross carrying amount*	*Loss allowance*
	%	US$'000	$'000
Within 1 month	1.06	85,508	(909)
1 to 2 months	11.87	3,919	(465)
2 to 3 months	18.50	1,130	(209)
3 to 6 months	16.44	5,603	(921)
7 to 12 months	50.58	1,884	(953)
Over 12 months	100.00	789	(789)
		98,833	(4,246)

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[illegible] oea ee.aaseb aeriod fro [illegible] une 2021 to [illegible] ecember 022, the [illegible] oup initiate [illegible] and com [illegible] ed to plans to dispose of groups of su sidiaries to elated pa ies and third pa 'es. he disposal consideration 'l be based on the fair val e of t e subsidiaries. eve heless, certain assets transfer o edures are still in progres and su h disposals are e pe ted to be co p e ed in the near re. s a result, the asse s and liabil ies of those subsid'aries in the d'sposal roups are resent d as assets held for sale and liabilities hel for sale respecti el as 3 Dece ber 2022 and 2021.

( ) sse o 'sposal ro ps hel for sale com ıse:

	31 e e 2 22 US$'000	*31 ece ber 2021* US '000
Investment properties	5,940,772	5,093,558
ash at an	638,245	2 6,508
ther assets	29,492	58 820
ssets held for sale	6,608,509	5,398,886

(b) iabili ie of i po al ro ps hel or s le comprıse:

	1 ece ber 2022 US$'000	*31 Dece be 2 21* US '000
oans and borro in	(3,080,038)	(1,20 ,536)
Deferred ta liabilitie	(719,102)	673,3 4)
ther lia ili ies	4 ,434	59 ,808
iab'lities held for sale	4, 40,574	2,4 6,658

22. Cash and cash equivalents

(a) Cash and cash equivalents comprise:

	31 December 2022 US$'000	*31 December 2021* US$'000
Cash at bank	1,431,878	716,941
Restricted cash (note)	57,548	-
Cash and cash equivalents in consolidated statement of financial position	1,489,426	716,941
Restricted cash	(57,548)	-
Cash and cash equivalents in disposal groups	638,245	246,508
Cash and cash equivalents in the consolidated cashflow statement	2,070,123	963,449

The effective interest rates relating to certain cash at bank balances at reporting date for the Group ranged from 0.01% to 1.4895% (31 December 2021: 0.01% to 0.45%) per annum respectively.

Note: the Group has pledged bank deposit of approximately US$57,548,000 for bank borrowings of its joint venture, Shanghai Pulong Information Technology Co., Ltd. Besides, the Group and ZHEJIANG CENTURY HUATONG GROUP CO., LTD. have provided corporate guarantees for 50.1% and 49.9% of the above-mentioned bank borrowings respectively. As at 31 December 2022, the outstanding amount of the relevant bank borrowings was approximately US$574,333,000 (31 December 2021: US$574,333,000). As at and during the year ended 31 December 2022, there was no overdue payment in respect of these bank borrowings (2021: none).

22. Cash and cash equivalents (continued)

	Loans and borrowings (note 25) US$'000	*Loans from non-controlling interests, joint ventures, associate, third parties and other related parties* (notes 26 and 27) US$'000	*Lease liabilities* (note 28) US$'000	*Interest payable* (note 27) US$'000	*Total* US$'000
At 1 January 2022	8,182,294	7,608	257,698	109,203	8,556,803
Changes from financing cash flows:					
Proceeds from bank loans	9,843,571	-	-	-	9,843,571
Repayment of bank loans	(6,433,457)	-	-	-	(6,433,457)
Proceeds from issue of bonds	322,532	-	-	-	322,532
Repayment of bonds	(1,044,139)	-	-	-	(1,044,139)
Proceeds of loans from non-controlling interests	-	1,646	-	-	1,646
Repayment of loans from non-controlling interests	-	(3,204)	-	-	(3,204)
Proceeds of loans from associates	-	4,770	-	-	4,770
Repayment of loans from associates	-	(28,501)	-	-	(28,501)
Proceeds of loans from third parties	-	2,571	-	-	2,571
Repayment of loans from third parties	-	(700)	-	-	(700)
Proceeds of loans from other related parties	-	366,911	-	-	366,911
Repayment of loans from other related parties	-	(234,290)	-	-	(234,290)
Cash payments for principal portion of lease liabilities	-	-	(19,384)	-	(19,384)
Cash payments for interest portion of lease liabilities	-	-	(7,474)	-	(7,474)
Interest paid	-	-	-	(509,893)	(509,893)
Total changes from financing cash flows	2,688,507	109,203	(26,858)	(509,893)	2,260,959
Other changes:					
Acquisition of subsidiaries (note 29)	633,285	91,291	80,851	10,247	815,674
Disposal of subsidiaries (note 29)	(133,368)	-	-	-	(133,368)
Additions	-	-	25,634	-	25,634
Interest expense	-	-	13,912	487,101	501,013
Effect of movements in exchange rates	(304,927)	(3,984)	(61,434)	(895)	(371,240)
Amounts reclassified as held for sale	(1,344,454)	(166,430)	-	-	(1,510,884)
Total other changes	(1,149,464)	(79,123)	58,963	496,453	(673,171)
At 31 December 2022	9,721,337	37,688	289,803	95,763	10,144,591

27. Trade and other payables

	31 December 2022 US$'000	*31 December 2021* US$'000
Trade payables	12,596	8,454
Accrued construction costs	463,426	574,052
Accrued operating expenses	118,021	117,408
Contract liabilities	30,711	38,015
Interest payable	83,946	102,484
Security deposits received	93,634	98,823
Amounts due to:		
- Intermediate holding company and other related parties (trade)	169,326	62,378
- Intermediate holding company and other related parties (non-trade)	249,615	218,977
- Non-controlling interests (trade)	2,879	2,992
- Non-controlling interests (non-trade)	25,318	28,640
- Joint ventures (trade)	121	2,188
- Joint ventures (non-trade)	614	4,787
- Associates (trade)	74	282
- Associates (non-trade)	141,438	35,441
Interest payable on loans from other related parties	4,930	6,284
Loans from non-controlling interests	32,105	957
Interest payable on loans from non-controlling interests	6,685	214
Loan from joint ventures	2,829	2,829
Loans from third parties	-	776
Interest payable on loans from third parties	202	221
Consideration payable for acquisition of subsidiaries	60,418	79,849
Deposits received and accrued expenses for disposal of investment properties	55,190	77,211
Other payables	138,626	107,643
Lease liabilities (note 28)	24,724	21,005
	1,717,428	1,591,910

The non-trade amounts due to intermediate holding company and other related parties, non-controlling interests, joint ventures, and associates are unsecured, interest-free and have no fixed repayment terms. The loans from non-controlling interests and joint ventures are unsecured and repayable within the next 12 months. The interest-bearing loans from non-controlling interests and joint ventures bear effective interests ranging from 4.00% to 8.00% (31 December 2021: 4.00% to 6.08%) per annum as at the reporting date.

28. Lease liabilities

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting year are as follows:

	At 31 December 2022	
	Present value of the minimum lease payments US$'000	*Total minimum lease payments* US$'000
Within 1 year	24,724	38,501
After 1 year but within 2 years	32,820	36,653
After 2 years but within 5 years	93,146	100,952
After 5 years	139,113	206,204
	289,803	382,310
Less: total future interest expenses		(92,507)
Present value of lease liabilities		289,803

	At 31 December 2021	
	Present value of the minimum lease payments US$'000	*Total minimum lease payments* US$'000
Within 1 year	21,005	33,270
After 1 year but within 2 years	21,951	33,164
After 2 years but within 5 years	62,548	89,693
After 5 years	152,194	185,835
	257,698	341,962
Less: total future interest expenses		(84,264)
Present value of lease liabilities		257,698

29. Notes to cash flow statement

Acquisitions of subsidiaries

The primary reason for the Group's acquisitions of subsidiaries is to expand its portfolio of investment properties and data center business in the PRC and possession of qualification for architecture designing.

(i) The list of material subsidiaries acquired during the year ended 31 December 2022 is as follows:

Name of subsidiaries	*Date acquired*	*Equity interest acquired* %
HAN SI CAPITAL HOLDINGS LIMITED.	January 2022	100
Shanghai Linfang Logistics Technology Co., Ltd.	February 2022	100
Pengcheng Jinyun Technology Co., Ltd.	May 2022	100
I-SERVICES NETWORK SOLUTION LIMITED	May 2022	100
Shenzhen Pujing Longze Technology Co., Ltd.	July 2022	70
China Logistics Holding (19) Pte Ltd.	August 2022	100
CLH 84 (HK) Limited	August 2022	100
Zhuhai Puyi Logistics Industry Investment LLP	December 2022	100
Chun Kwong Group Limited	December 2022	100
Tenglong Donghu (Wuhan) Data Management Co., Ltd.	December 2022	55

[illegible]	[illegible]	[illegible]
[illegible]alents	214,984	3 9, 9
[illegible]rade a[illegible]ables	(372,025	(1,889,799)
[illegible]oans and b[illegible]s - non curren	(133 368)	(981,405)
Loans and orro[illegible]s - c rrent	-	(6,968)
Current tax payable	(7,393)	(50,987)
Deferred tax liabilities	(364,955)	(765,423)
Other non-current liabilities	(7,856)	(9,408)
Non-controlling interests	(151,260)	(727,036)
Net assets disposed	2,134,889	4,371,521
Gain on disposal of subsidiaries recognised in profit and loss	1,230,002	552,697
Disposal consideration	3,364,891	4,924,218
Consideration receivable	(2,090,407)	(947,085)
Satisfied through non-cash settlement	(244,205)	(41,892)
Cash of subsidiaries disposed	(214,984)	(369,698)
Cash received in relation to dividend receivable prior to disposal	-	360,813
Receipt of consideration in relation to prior years' disposals	829,860	298,056
Cash inflow from disposals of subsidiaries	1,645,155	4,224,412

From 1 January 2022 to respective dates of disposals, the above-mentioned subsidiaries contributed approximately US$ 200,845,000 and US$ 154,880,000 to the Group's revenue and net profit respectively for the year ended 31 December 2022.

From 1 January 2022 to the respective dates of disposals, the amounts of disposed investment properties, deferred tax assets and deferred tax liabilities previously classified as held for sale were US$1,339,380,000, US$1,177,000 and US$221,141,000, respectively.

30. Financial risk management and fair values of financial instruments (continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date Group can be required to pay:

			Cash flows		
	Carrying amount US$'000	*Contractual cash flows* US$'000	*Within 1 year* US$'000	*From 1 to 5 years* US$'000	*After 5 years* US$'000
31 December 2022					
Bank loans	5,973,731	7,166,999	1,693,196	3,177,076	2,296,727
Unsecured bonds	3,747,606	3,970,241	838,401	3,131,840	-
Trade and other payables/other non-current liabilities *	2,398,229	2,433,121	1,637,480	729,551	66,090
	12,119,566	13,570,361	4,169,077	7,038,467	2,362,817
31 December 2021					
Bank loans	3,463,962	4,236,942	558,262	2,052,378	1,626,302
Secured bonds	323,081	524,129	18,267	73,454	432,408
Unsecured bonds	4,395,251	4,770,558	833,615	3,935,821	1,122
Trade and other payables/other non-current liabilities *	2,054,263	2,114,508	1,547,843	533,025	33,640
	10,236,557	11,646,137	2,957,987	6,594,678	2,093,472

* Excludes contract liabilities.

(c) Interest rate risk

The Group's interest rate risk arises primarily from loans and borrowings and cash and cash equivalents and restricted cash.

Cash and cash equivalents and restricted cash comprise mainly cash at bank, with an interest rate ranged from 0.01% to 1.49% per annum as at 31 December 2022 (31 December 2021: 0.01% to 0.45% per annum). Pledged bank deposits and time deposits maturing after three months are not held for speculative purposes but are placed to satisfy conditions for borrowing facilities granted to the Group and for higher yield returns than cash at bank.

The Group's variable rate loans and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. The interest rates of the loans and borrowings are disclosed in note 25.

When appropriate and at times of interest rate uncertainty or volatility, interest rate swaps may be used to assist in the Group's management of interest rate exposure.

31. Commitments

The Group had the following commitments as at the reporting date:

	31 December 2022 US$'000	*31 December 2021* US$'000
Commitments in relation to share capital of other investments not yet due and not provided for	221,182	345,158
Development expenditure contracted but not provided for	354,065	724,242

32. Remuneration of key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

The key management personnel compensation included as part of staff costs for those key management personnel employed by the Group are as follows:

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Salaries, bonuses, contributions to defined contribution plans and other benefits	9,990	10,570

37. Company-level cash flow statement (continued)

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Cash flows from financing activities		
Proceeds from issue of bonds	237,260	2,648,156
Repayment of bonds	(659,170)	(2,267,021)
Proceeds from bank loans	3,703,775	5,023,055
Repayment of bank loans	(1,998,798)	(6,499,364)
Repayment of loans from shareholder	-	(21,436)
Interest paid	(233,984)	(263,594)
Net cash generated from/(used in) financing activities	1,049,083	(1,380,204)
Net increase/(decrease) in cash and cash equivalents	120,186	(39,392)
Cash and cash equivalents at beginning of the year	31,120	70,074
Effect of exchange rate changes	(1,612)	438
Cash and cash equivalents at end of the year	149,694	31,120

38. Immediate parent and ultimate holding company

As at 31 December 2022, the directors consider the immediate parent company and the ultimate holding company of the Company to be CLH Limited and GLP Holdings, L.P., respectively, which are both incorporated in the Cayman Islands.

GLP China Holdings Limited

Annual Report
For the year ended 31 December 2021

Directors' Report

The directors submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 December 2021.

Principal place of business

GLP China Holdings Limited ("the Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 33/F, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong.

Principal activities

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries ("the Group") are investment holding, provision of logistic facilities, fund management and solar energy business and internet data center business. Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Business Review set out on pages 4 to 9 of this Annual Report. This discussion forms part of this directors' report.

Financial statements

The profit of the Group for the year ended 31 December 2021 and the state of the Company's affairs as at that date are set out in the financial statements on pages 17 to 113.

Transfers to reserves and dividends

Profits attributable to owners of US$1,414,637,000 (2020: US$952,320,000) has been transferred to reserves. Other movements in reserves are set out in the statement of changes in equity.

Share capital

Details of the movements in share capital of the Company are set out in note 23(a) to the financial statements.

Directors

The directors during the financial year were:

Mei, Ming Zhi
Higashi Michihiro
Zhuge Wenjing
Fang Fenglei
MOK Chi Ming
CHAU Kwok Man
Mark Tan
CHEN Rui Wei (appointed on 19 April 2021)

The following directors resigned after the end of the financial year:

CHAU Kwok Man (resigned on 8 February 2022)
CHEN Rui Wei (resigned on 8 February 2022)

There being no provision in the Company's articles of association in connection with the retirement of directors, all existing directors continue in office for the following year.

Indemnity of directors

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout this year.

Directors' interest and short positions in shares, underlying shares and debentures

As at 31 December 2021, certain directors of the Company had 347,150 numbers of shares in GLP China Fund Management Holdings Limited, a subsidiary of the Company (As at 31 December 2020: 345,106 numbers of shares). Apart from the foregoing, none of the directors of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, or any of its holding company, subsidiaries or other associated corporations.

Directors' interests in transactions, arrangements or contracts

No transaction, arrangement or contract of significance to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

Business Review

GLP China Holdings Limited ("GLP China") is a leading global investment manager and business builder in logistics, data infrastructure, renewable energy and related technologies. Our combined investing and operating expertise allow us to create value for our customers and investors.

GLP China is the investor, developer and operator of approximately 400 infrastructure facilities in logistics and supply chain, manufacturing and research, data infrastructure and renewable energy, across 70 cities in China. As a leading alternative asset manager, we have US$72 billion in assets under management in China, including several real estate and private equity funds with domestics and international investors and GLP C-REIT, one of the first public offering of infrastructure REITs in China.

GLP China is an early mover in investing in technology and innovation to enhance its assets

Market overview (continued)

- **Operations**

  GLP China owns and manages a portfolio of 49 million sqm site area across China with completed GFA of 37 million sqm in total, valued at US$33 billion as at 31 December 2021. Our portfolio contains completed and stabilised properties valued at US$29 billion, representing over 89% of total portfolio, shows a high lease rate of 84% and a high occupancy ratio for of 81% as at 31 December 2021. Rental and related income has reached US$1,011 million for the year ended 31 December 2021, compared to US$904 million for the year ended 31 December 2020 (hereinafter referred to as the “prior year”), shown a slight increase despite the adverse impact driven from the decreased portfolio relating to transfer of project companies into funds during the year. Besides, our net increase in leased area reached 4.7 million sqm and we are keeping steady rental rate increase over the whole period.

  Being a leading provider of modern logistics and warehousing facilities in China offers us cost efficiencies in terms of negotiating contraction contracts and facility management contracts, and optimizing personal resources and information systems. Besides, we are pioneering the creation of a comprehensive logistics ecosystem for the future by utilising the latest technology and big data to provide solutions to its customers through the use of automation and robotics, data analytics, software solutions and site selection tools, this approach leverages technology and data, takes into account critical details of the supply chain and offers both space and technology-led solutions that drive value for our customers.

- **Development**

  The development of modern logistics facilities is one of our key engines of growth with development profit a regular and recurring part of our earnings stream. In the current year we completed US$1,649 million developments or 2.8 million GFA constructions (including all the properties held by the funds under our management), showing an overall 19% development margin, and achieved an overall stabilisation margin of 27%.

  In China, land supply in key markets has continued to tighten. In recent years, it has been extremely difficult to acquire logistics land from the government but we have been well-placed given our local strategic relationships. Our strategy is to pursue scarce land resources in cities through strategic partnerships with SOEs and private sellers.

- **Fund management**

  Our fund management business offers a fund management platform based on our longstanding relationships with numerous global and domestics institutional investors and our senior management’s extensive years of experience in private capital management. As at 31 December 2021, we managed several third-party pooled investment vehicles, comprised of: CLF Fund I, LP (“CLF I”), CLF Fund II, LP (“CLF II”), GLP China Value-Added Venture I (“CVA I”) and GLP China Value-Added Venture I (“CVA II”), Zhuhai Hidden Hill Logistic Equity Investment Fund (“Hidden Hill Fund”), GLP China Income Fund I (“CIF I”), GLP China Value-Add Venture III ("CVA III"), GLP China Income Fund II (“CIF II”), GLP China Income Fund III (“CIF III”), CLF Fund III, LP (“CLF III”) and GLP China Income Fund IV (“CIF IV”), etc. These eleven funds represent in aggregate US$26 billion assets under management (“AUM”) when fully leveraged and invested.

Market overview (continued)

CIF II was established in April 2021 and has RMB 5.8 billion (equivalent to US$0.9 billion) AUM. CIF II is seeded with a portfolio of 13 modern logistics assets in prime locations across Yangtze River Delta, southern China and mid-western China.

CIF III was established in July 2021 and has RMB 4.5 billion (equivalent to US$0.7 billion) AUM. CIF III invest in stabilised, income-generating industrial and logistics park assets catering to growing high-tech and innovation based manufacturing industries aligned with China's economic growth initiatives.

CLF III was established in September 2021 and has US$5 billion AUM to develop the next generation of modern and environmentally-friendly logistics facilities in China, including smart warehouses with integrated technologies to meet evolving customer requirements.

CIF IV was established in November 2021 and has RMB 5.4 billion (equivalent to US$0.8 billion) AUM. CIF IV invests in logistics infrastructures in 10 important logistics nodes, all of which are modern logistics assets with high standards that have been completed and are in stable operation.

Financial review

Rental and related income increased by 15% to US$1,011 million (2020: US$879 million), which was primarily attributable to the rental rate growth and lease-up following the completion and stabilization of development projects, but partially offset by the transfer of project companies to non-consolidated fund during the current year.

Property-related and other business expenses increased by 37% to US$381.5 million (2020: US$279.0 million), which was mainly due to the higher property maintenance costs with the increased property portfolio and the development of freezer services and the internet data center business. Other expenses increased by 47% to US$299.8 million (2020: US$203.4 million), primarily due to the increase in staff related expenses.

Changes in fair value of investment properties increased by 83% to US$973.4 million (2020: US$532.8 million), primarily attributable to more completion of developments with higher development margin and the cap rate compression in certain locations under the prevailing market environment.

Share of results of associates increased to US$501.3 million (2020: US$194.1 million), primarily contributed by our investment on Hidden Hill Fund and GLP Jianfa (Xiamen) Investment Fund.

Gain on disposal of subsidiaries increased to US$552.7 million (2020: US$314.5 million), primarily attributable to gains on seed assets transferred to GLP C-REIT and certain GLP managed funds in 2021.

The net profit for the year increased by 50% to US$1,885.5 million (2020: US$1,253.5 million). The increase is mainly contributed by the new business exploration and investments while our core business on development and management of logistic facilities keeps strong and growing. With sticking to our business strategy and our intelligent and experienced team, we believe we can continue to provide customers with high quality and best-in-class new infrastructure facilities, together with integrated technical solutions in China, which will consistently drive our AUM growth in China.

Financial review (continued)

We have implemented prudential financial management policies that have enabled us to maintain a good credit profile, disciplined investment approach and strong balance sheet with sustainable growth. We benefit from accessing to diversified and multi-channel financing solutions including but not limited to bilateral loans, syndicated loans, capital markets, funds and other borrowings and equity. As at 31 December 2021, we have a total debt of US$8.4 billion (2020: US$10.3 billion) representing a decrease of 18%, net debt of US$7.7 billion (2020: US$9.1 billion) representing a decrease of 15%, and net debt to asset (excluding cash) ratio of 22.87% (2020: 29.00%), respectively.

Risk management

We place an extremely high importance on risk management. We believe that risk management is not just about minimizing downside risk, but also enabling us to take on the necessary risks to grow and create value. We are committed to fostering a strong risk-centric culture which encourages identification and proactive management of these risks.

The process of risk management is incorporated into day-to-day operations and forms an integral part of all decision-making processes with GLP China.

For example, our operation in China is naturally exposed to foreign exchange rate fluctuations, and our pre-tax profit is exposed to currency risks through sales and purchases which give rise to receivables, payables and cash balances denominated in foreign currencies, primarily United States dollars. In respect of the monetary assets and liabilities denominated in foreign currencies, we ensure that the net exposures to this risk is kept to an acceptable level by monitoring the currency gap and keep reducing our exposure by holding monetary assets and liabilities denominated in foreign currencies in short-term period.

We are also exposed to interest rate risk arising primarily from variable-rate borrowings and cash balances. We manage the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis.

Individual operating entities within GLP China are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. Our policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Environmental social and governance

We are deeply invested in fuelling the businesses that make the modern world run more efficiently. From expertly investing capital to efficiently operating our businesses, we take a thoughtful, innovative and sustainable approach to growth and value creation for our customers and investors. We focus on investing and building businesses in logistics, data infrastructure, renewable energy and related technologies.

Our ESG Policy is designed to support our progress in developing ESG commitments, better integrate ESG into our overall business and investment decisions and monitor and report on our commitments. We are committed to making sustainability a core component of our business in order to build a more sustainable and resilient future.

Building business and investing responsibility means embedding ESG into our investment and decision-making process. This helps us to identify and avoid ESG risks. We understand and identify how our activities can impact material ESG factors and how these can affect our reputation, capital value and stakeholders. We focus on how we can best manage our workforce, whether it is our employees or contractors and suppliers. We recognize how we can work with the communities where we invest and operate business and how we can enhance our presence through economic development, limiting our environmental impact and seeking a community's license to operate.

ESG also is considered after the development, acquisition or investment decision. Our teams across investment management, asset management and corporate management are empowered to prioritise, act, track and monitor the sustainability performance of our assets and in certain instances collaborate with our workforce, partners and communities. Consistent ESG performance across an asset's lifestyle helps us to actively manage the sustainability of assets.

As a leading global investment manager and business builder, our mission is to build sustainable businesses and generate attractive risk-adjusted returns to shareholders and investors over the long term, while providing exceptional investment and operational services that enhance value. Our asset management teams are responsible for enhancing the value of our assets through effective operations.

Additionally, we develop and invests in technologies and innovations that enhance the efficiency of our assets including data analytics, robotics, automated clearance systems, digital loading docks, smart sorting, telematics, energy-efficient fleet management systems, Internet of Things, resource conservation and our transition to renewable energy.

To provide our global customers with increased opportunities to enhance their sustainability endeavours, we focus on sustainability initiatives that increase resource conservation, leverage climate action, improve health and well-being and support local communities in corporate governance, we have established a series of well-defined policies and processes to protect its stakeholders' interests. Our leadership team recognizes the importance of strong corporate governance and the maintenance of high standards of accountability to our shareholders and remains firmly committed to seeing that those standards are satisfied through an evolving suite of governance practices that are woven into the fabric of the our business.

Environmental social and governance (continued)

We continually review and refine its processes in light of best practice, consistent with the needs and circumstances of the group. We maintain a zero-tolerance approach to bribery and corruption and require all management and employees to comply with our Code of Business Conduct at all times and provide annual certification.

We aim to incorporate health and well-being throughout its organization and assets in support of its employees, customers and the communities in which we work. By focusing on promoting well-being we can enhance an individual's livelihood, increase motivation and productivity as well as bring communities together. We focus on introducing well-being concepts such as creating spaces that encourage physical activity, integrating natural lighting, improving access to nature and providing areas for healthy eating and socializing.

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Independent auditor's report to the members of GLP China Holdings Limited

(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of GLP China Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 17 to 113, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended 31 December 2021 and notes to the financial statements, including a summary of significant accounting policies.

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 2021 and of its consolidated financial performance and its consolidated cash flows for the year ended 31 December 2021 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the 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 Group 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 judgment, 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.

Key audit matters (continued)

Valuation of investment properties	
Refer to note 11 to the consolidated financial statements and the accounting policies on note 2(j).	
The key audit matter	**How the matter was addressed in our audit**
As at 31 December 2021, the Group had a significant portfolio of investment properties with respect to logistics and warehousing facilities located in Mainland China with a carrying amount of US$ 15,269 million, representing 44% of the Group's total assets. These investment properties are stated at their fair values with reference to the valuation performed by external property valuers, with changes in fair value recognised in profit or loss. The valuation results are sensitive to key assumptions and parameters such as terminal yield rate, capitalisation rate and discount rate. We identified valuation of investment properties as a key audit matter because the valuation involves significant judgment in determining the appropriate valuation methodologies to be used, and in estimating the underlying assumptions and parameters to be applied.	Our audit procedures to assess the valuation of investment properties included the following: • obtaining an understanding of the Group's process of, and assessing the design and implementation of the key internal controls over determining the fair value of investment properties; • obtaining and inspecting the valuation reports prepared by the external property valuers engaged by management on which the directors' assessment of the fair values of investment properties was based; • assessing the external property valuers' qualifications, experience and expertise in the properties being valued and considering their objectivity; • with the assistance of our internal valuation specialist, assessing the appropriateness of the valuation methodologies with reference to the prevailing accounting standards and the appropriateness of the key assumptions and parameters adopted by the external valuers by comparing these assumptions against historical rates and available industry and market data, taking into consideration comparability and other factors; • comparing significant input data used in the valuation to supporting documentation, on a sample basis, and • assessing the of the disclosures in the consolidated financial statements in respect of valuation of investment properties with reference to the requirements of prevailing accounting standards.

Key audit matters (continued)

Accounting for interests in limited liability partnerships	
Refer to notes 12, 13 and 14 to the consolidated financial statements and the accounting policies on note 2(d) and 2(f).	
The key audit matter	**How the matter was addressed in our audit**
The Group holds interests in limited liability partnerships and acts as the general partner of these partnerships as part of its business model. These partnerships are formed to invest in and operate various types of assets and businesses. Based on management analysis of the respective partnership's governance structure and decision-making mechanism, the Group's ability to control or influence the significant decisions of the partnership, and the level and variability of the Group's returns, the Group determines whether it should account for interests in these partnerships as subsidiaries, associates or joint ventures. We identified accounting for interests in limited liability partnerships as a key audit matter because the governance structure and decision-making mechanism of these partnerships vary and significant judgement is involved in assessing Group's ability to control or exercise significant influence over the significant decisions of these partnerships and the degree of linkage between the Group's decision-making abilities and returns, which could lead to different accounting treatment and different financial statement presentation.	Our audit procedures to assess the appropriateness of accounting for interests in limited liability partnerships included the following: • obtaining an understanding of the Group's process of classifying and accounting for equity interest in each limited liability partnership, understanding the purpose and design of each limited liability partnership and its relevant activities; • assessing management's analysis of the relevant activities of limited liability partnerships that affect the financial returns, as well as the Group's ability to control or exercise significant influence over the relevant activities that significantly affect the Group's financial returns; • inspecting legal and contractual documents and evaluating whether the decision-making mechanism as well as the scope of decisions where general partner and limited partners of these limited liability partnerships are empowered to make are consistent with the Group's analysis; • assessing whether the Group's classification and accounting for interests in limited liability partnerships are appropriate with reference to the prevailing accounting standards; and • assessing the appropriateness of disclosures and presentation in the consolidated financial statements in respect of the interests in limited liability partnerships with reference to requirements of prevailing accounting standards.

Key audit matters (continued)

Valuation of unquoted equity investments	
Refer to notes 18 and 30(f) to the consolidated financial statements and the accounting policies on note 2(h).	
The key audit matter	**How the matter was addressed in our audit**
At 31 December 2021, the Group held a portfolio of unquoted equity instruments of US$1,189 million. The fair value of these unquoted equity investments is measured at Level 3 of the fair value hierarchy. The fair value of the Group's unquoted equity investments is derived from valuation models with unobservable inputs and estimates, which involve significant management judgement and estimation. We identified valuation of unquoted equity investments as a key audit matter because of the degree of complexity involved in valuing these unquoted equity investments and because of the significant degree of judgment exercised by management in determining the valuation models to be used and the inputs and assumptions used in the valuation models.	Our audit procedures to assess the valuation of unquoted equity investments included the following: • obtaining an understanding of the Group's process 66ow063 Tw346440/41uat98/MCI10uat110 >BD0.02478

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We communicate with the directors 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 directors with a statement that we have complied with relevant ethical requirements regarding independence and 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 directors, 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 Alex M K Shum.

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

Date:

Consolidated Statement of Comprehensive Income for the year ended 31 December 2021

	Notes	*Year ended 31 December 2021* US$'000	*Year ended 31 December 2020* US$'000
Revenue	4	1,273,512	1,149,124
Other income	5	341,380	195,512
Cost of goods sold and other financial services costs		(3,881)	(125,743)
Property-related and other business expenses		(381,534)	(279,087)
Other expenses		(299,807)	(203,414)
Changes in fair value of investment properties		973,433	532,835
Share of results (net of tax expense) of joint ventures		164,047	73,508
Share of results (net of tax expense) of associates		501,336	194,043
Profit from operations		2,568,486	1,536,778
Finance costs	6	(501,954)	(457,018)
Finance income	6	98,519	304,365
Net finance costs	6	(403,435)	(152,653)
Gain on acquisition of subsidiaries	29	19,477	80
Gain on disposal of subsidiaries	29	552,697	314,400
Gain on disposal of investment properties		13,642	-
Gain on disposal of assets held for sale		-	92,320
Profit before taxation	7	2,750,867	1,790,925
Tax expense	8	(865,333)	(537,469)
Profit for the year		1,885,534	1,253,456
Profit attributable to:			
Owners of the Company		1,414,637	952,320
Non-controlling interests		470,897	301,136
Profit for the year		1,885,534	1,253,456

The notes on pages 26 to 113 form part of these financial statements.

Consolidated Statement of Comprehensive Income for the year ended 31 December 2021 (continued)

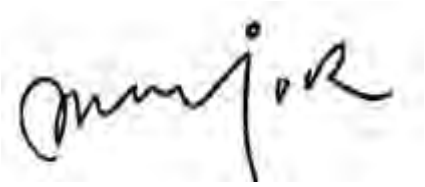
	Note	*Year ended 31 December 2021* US$'000	*Year ended 31 December 2020* US$'000
Profit for the year		1,885,534	1,253,456
Other comprehensive income for the year	10		
Items that will not be reclassified to profit or loss:			
Surplus on revaluation of buildings held for own use carried at fair value		5,024	3,425
Change in fair value of other investments		115,480	27,074
Disposal of other investments		-	53,299
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising from consolidation of foreign operations		429,019	1,023,341
Share of other comprehensive income of joint ventures and associates		4,565	(3,718)
Other comprehensive income for the year		554,088	1,103,421
Total comprehensive income for the year		2,439,622	2,356,877
Total comprehensive income attributable to:			
Owners of the Company		1,844,570	1,750,169
Non-controlling interests		595,052	606,708
Total comprehensive income for the year		2,439,622	2,356,877

The notes on pages 26 to 113 form part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2021

Ø	*Notes*	*31 December 2021*	*31 December 2020*
Ø	Ø	US$'000	US$'000
Non-current assets	Ø	Ø	Ø
Investment properties	11	15,269,504	21,380,459
Joint ventures	13	3,080,404	2,090,883
Associates	14	2,811,647	1,799,882
Deferred tax assets	15	24,657	21,455
Property, plant and equipment	16	823,082	348,530
Intangible assets	17	316,716	309,790
Other investments	18	2,336,864	2,125,346
Other non-current assets	19	716,633	778,399
Ø	Ø		
Ø		25,379,507	28,854,744
Ø	Ø		
Current assets	Ø	Ø	Ø
Trade and other receivables	20	2,889,843	1,573,419
Assets classified as held for sale	21	5,532,665	1,166,970
Cash and cash equivalents	22	716,941	1,160,752
Ø	Ø		
Ø		9,139,449	3,901,141
Ø	Ø		
Total assets		34,518,956	32,755,885
Ø	Ø		
Equity attributable to owners of the Company	Ø	Ø	Ø
Share capital	23	6,950,825	6,950,825
Reserves	24	7,278,443	5,432,846
Ø	Ø		
Ø	Ø	14,229,268	12,383,671
Non-controlling interests		5,627,871	5,176,090
Ø	Ø		
Total equity		19,857,139	17,559,761

The notes on pages 26 to 113 form part of these financial statements.



Consolidated Statement of Changes in Equity for the year ended 31 December 2021

Ø	*Share capital* US$'000	*Capital and PRC statutory reserve* US$'000	*Equity compensation reserve* US$'000	*Currency translation reserve* US$'000	*Property revaluation reserve* US$'000	*Fair value reserve (non-recycling)* US$'000	*Other reserve* US$'000	*Retained earnings* US$'000	*Total attributable to owners of the Company* US$'000	*Non-controlling interests* US$'000	*Total T.s.7.9 equity* US$'000	*329.6*	*T*
Ø	Ø	Ø	Ø	Ø		Ø	Ø	Ø	Ø	Ø	Ø		
At 1 January 2020	6,950,825	(8,331)	36,849	(847,682)	3,305	32,854	(1,554,630)	6,452,085	11,065,275	3,762,461	14,827,736		
Ø	Ø	Ø	Ø	Ø		Ø	Ø	Ø	Ø	Ø	Ø		
Total comprehensive income for the year													
Profit for the year	-	-	-	-	-	-	-	952,320	952,320	301,136	1,253,456		
Ø													
Other comprehensive income													
Exchange differences arising from consolidation of foreign operations	-	-	-	717,769	-	-	-	-	717,769	305,572	1,023,341		
Ø hanges in fair value of other investments	-	-	-	-	-	27,074	-	-	27,074	-	27,074		
Disposal of other investments	-	-	-	-	-	53,299	-	-	53,299	-	53,299		
Share of other comprehensive income of joint ventures	-	(3,718)	-	-	-	-	-	-	(3,718)	-	(3,718)		
Surplus on revaluation of buildings held for own use carried at fair value	-	-	-	-	3,425	-	-	-	3,425	-	3,425		
Ø													
Total other Total (3,718)													

Consolidated Statement of Changes in Equity for the year ended 31 December 2021

	Share capital US$'000	*Capital and PRC statutory reserve* US$'000	*Equity compensation reserve* US$'000	*Currency translation reserve* US$'000	*Property revaluation reserve* US$'000	*Fair value reserve (non-recycling)* US$'000	*Other reserve* US$'000	*Retained earnings* US$'000	*Total attributable to owners of the Company* US$'000	*Non-controlling interests* US$'000	*Total equity* US$'000
At 1 January 2021	6,950,825	3,838	36,849	(129,913)	6,730	113,227	(1,554,630)	6,956,745	12,383,671	5,176,090	17,559,761
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	1,414,637	1,414,637	470,897	1,885,534
Other comprehensive income											
Exchange differences arising from consolidation of foreign operations	-	-	-	304,864	-	-	-	-	304,864	124,155	429,019
Changes in fair value of other investments	-	-	-	-	-	115,480	-	-	115,480	-	115,480
Surplus on revaluation of buildings held for own use carried at fair value	-	-	-	-	5,024	-	-	-	5,024	-	5,024
Share of other comprehensive income of joint ventures	-	(3,236)	-	-	-	-	-	-	(3,236)	-	(3,236)
Share of other comprehensive income of associates	-	7,801	-	-	-	-	-	-	7,801	-	7,801
Total other comprehensive income	-	4,565	-	304,864	5,024	115,480	-	-	429,933	124,155	554,088
Total comprehensive income for the year	-	4,565	-	304,864	5,024	115,480	-	1,414,637	1,844,570	595,052	2,439,622
Transactions with owners, recorded directly in equity											
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	457,544	457,544
Capital reduction from non-controlling interests	-	-	-	-	-	-	-	-	-	(244,589)	(244,589)
Other adjustment	-	-	-	-	-	-	-	-	-	(95,033)	(95,033)
Transfer to reserves	-	69,595	-	-	-	-	-	(69,595)	-	-	-
Acquisition of interests in subsidiaries from non-controlling interests	-	(1,186)	-	-	-	-	-	-	(1,186)	(223,858)	(225,044)
Acquisition of subsidiaries (note 29)	-	-	-	-	-	-	-	-	-	100,374	100,374
Disposal of subsidiaries (note 29)	-	-	-	-	(11,754)	-	-	-	(11,754)	(727,036)	(738,790)
Disposal of interest in subsidiaries to minority interests	-	13,967	-	-	-	-	-	-	13,967	624,550	638,517
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(35,223)	(35,223)
Total contributions by and distributions to owners	-	82,376	-	-	(11,754)	-	-	(69,595)	1,027	(143,271)	(142,244)
At 31 December 2021	6,950,825	90,779	36,849	174,951	-	228,707	(1,554,630)	8,301,787	14,229,268	5,627,871	19,857,139

The notes on pages 26 to 113 form part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 December 2021

	Year ended 31 December 2021 US$'000	*Year ended 31 December 2020* US$'000
Cash flows from operating activities		
Profit before taxation	2,750,867	1,790,925
Adjustments for:		
Amortisation of intangible assets	1,369	1,624
Amortisation of deferred management costs	133	124
Depreciation of property, plant and equipment	28,137	22,604
(Gain)/loss on disposal of property, plant and equipment	(138)	1,030
Gain on acquisition/disposal of subsidiaries	(572,174)	(406,800)
Gain on disposal of associates	(7,360)	-
Gain on disposal of investment properties	(13,642)	-
Share of results (net of tax expense) of joint ventures	(164,047)	(73,508)
Share of results (net of tax expense) of associates	(501,336)	(194,043)
Changes in fair value of investment properties	(973,433)	(532,835)
Changes in fair value of financial assets	(288,301)	(155,069)
Impairment loss on trade and other receivables	993	12,387
Other expense	44,587	-
Net finance costs	403,435	152,653
Dividend income	(14,199)	-
Other income from disposal of investments in associates and financial assets	-	(8,647)
	694,891	610,445
Changes in working capital:		
Trade and other receivables	(669,592)	(1,106,929)
Trade and other payables	740,490	1,078,532
Cash generated from operations	765,789	582,048
Tax paid	(150,973)	(94,582)
Net cash generated from operating activities	614,816	487,466

The notes on pages 26 to 113 form part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 December 2021 (continued)

	Note	*Year ended 31 December 2021* US$'000	*Year ended 31 December 2020* US$'000
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired	29	(957,490)	(299,500)
Disposals of subsidiaries, net of cash disposed	29	4,224,412	2,432,012
Capital contribution to joint ventures		(756,503)	(773,393)
Acquisition of associates		-	(926,810)
Capital contribution to associates		(785,650)	(929,301)
Dividends received from joint ventures		10,850	-
Dividends received from associates		55,306	2,968
Payment for purchase of property, plant and equipment		(205,036)	(87,910)
Proceeds from sale of property, plant and equipment		1,033	1,282
Proceeds from disposal of other investments		7,704	422,325
Payment for purchase of other investments		(393,210)	(225,302)
Proceeds from disposal of associates and joint ventures		110,117	5,576
Withholding tax paid on disposal gain, dividend and interest income from subsidiaries		(219,850)	(148,059)
Acquisition of intangible assets		-	(18)
Proceeds from sale of investment properties		8,644	-
Development expenditure on investment properties		(1,279,504)	(1,082,681)
Deposit paid for acquisition of investment properties		(116,929)	(20,174)
Refund of deposits placed for other investments		-	11,522
Loans to joint ventures		(43,592)	(528,759)
Loans to associates		(48,313)	(23,058)
Loans to non-controlling interests		(7,243)	(49,503)
Loans to third parties		(349,419)	(60,315)
Loan to intermediate holding company		(753,760)	-
Loan to fellow subsidiaries		(68,135)	-
Loan repayment from jointly ventures		72,136	136,228
Loan repayment from associates		94,453	305,997
Loan repayment from non-controlling interests		41,293	7,350
Loan repayment from third parties		275,595	146,359
Loan repayment from fellow subsidiaries		68,135	-
Interest income received		61,470	34,092
Net cash used in investing activities		(953,486)	(1,649,072)

The notes on pages 26 to 113 form part of these financial statements.

Notes to the Financial Statements

1. General information

The Company was set up in Hong Kong on 15 October 2013 by CLH Limited, a subsidiary of GLP Pte. Ltd. which was incorporated in the Republic of Singapore ("Singapore").

CLH Limited and Global Logistic Properties Holding Limited ("GLPH Limited"), two Cayman incorporated companies, are intermediate holding vehicles 100% owned by GLP Limited. CLH Limited holds its shares in project companies incorporated in the People's Republic of China (the "PRC") through various intermediate offshore holding companies incorporated in Barbados, Singapore and Hong Kong. GLPH Limited holds its shares in GLP Investment (Shanghai) Co. Ltd. ("CMC"), a management company incorporated in the PRC, through two intermediate holding companies, China Management Holding Srl, incorporated in Barbados, and China Management Holdings (Hong Kong) Limited, incorporated in Hong Kong.

In October 2013, subsequent to the establishment of the Company, GLP China Asset Holdings Limited (former name "Iowa China Asset Holdings (Hong Kong) Limited") ("China Asset Holdco") was then established as a direct subsidiary of the Company. GLP HK Holdings Limited ("HK Holding Platform") and GLP SG Holdings Pte. Ltd. ("SG Holding Platform") were then established as subsidiaries of China Asset Holdco.

On 20 May 2014, certain intermediate offshore holding companies incorporated in Singapore, together with their subsidiaries and joint ventures were transferred to SG Holding Platform, and the rest of the intermediate offshore holding companies incorporated in Barbados, Singapore and Hong Kong, together with their subsidiaries and joint ventures were then transferred to HK Holding Platform. On the same date, GLPH Limited transferred its shares in China Management Holding Srl to the Company.

Subsequent to the reorganisation mentioned above (the "Reorganisation"), the Company owns subsidiaries and joint ventures indirectly through offshore immediate holding companies. As part of the Reorganisation, the Company introduced new investors Khangai Company Limited, Khangai II Company Limited, GLP Associate (I) Limited and GLP Associate (II) LLC. CLH Limited's percentage of interest in the Company was reduced to 66.2%.

2. Significant accounting policies

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the Group are disclosed below.

2. Significant accounting policies (continued)

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

The consolidated financial statements for the year ended 31 December 2021 comprise the

2. Significant accounting policies (continued)

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16, Interest Rate Benchmark Reform-Phase 2
- Amendment to HKFRS 16, Covid-19-related rent concessions beyond 30 June 2021

Other than the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. There is no significant impact after adopting these amendments.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of

2. Significant accounting policies (continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair

2. Significant accounting policies (continued)

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(h)).

In the Company's statement of financial position, investments in associates and joint venture are stated at cost less impairment losses (see note 2(m)), unless classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2(z)).

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(m)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

2. Significant accounting policies (continued)

2. Significant accounting policies (continued)

The following properties held for own use are stated at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation:

- Buildings held for own use

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of reporting period.

The other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses:

Changes arising on the revaluation of properties held for own use are generally dealt with in other comprehensive income and are accumulated separately in equity in the property revaluation reserve. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and

- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(y)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives ranging from 2 to 20 years.

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2. Significant accounting policies (continued)

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes. Investment properties comprise completed investment properties, investment properties under re-development, properties under development and land held for development.

Land held for development represents lease prepayments for acquiring rights to use land in the PRC with periods ranging from 40 to 50 years. Such rights granted with consideration are recognised initially at acquisition cost.

(i) Completed investment properties and investment properties under re-development

Completed investment properties and investment properties under re-development are measured at fair value with any changes therein recognised in profit or loss. Rental income from investment properties is accounted for in the manner described in note 2(w).

(ii) Properties under development and land held for development

Property that is being constructed or developed for future use as investment property is initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in profit or loss.

The cost of properties under development comprises specifically identified cost, including the acquisition cost of land use rights for properties under development, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see note 2(y)).

When an investment property is disposed of, the resulting gain or loss recognised in profit or loss is the difference between net disposal proceeds and the carrying amount of the property.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at costs less accumulated amortisation and accumulated impairment losses (see note 2(m)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

2. Significant accounting policies (continued)

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Trademarks	20 years
Non-competition agreement	over the term of relevant agreement
License rights	over the term of the license period

Both the period and method of amortisation are reviewed annually.

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group, are motor vehicles and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

2. Significant accounting policies (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(m)), except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 2(j);

- right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value in accordance with note 2(n).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of HKFRS 16 *Leases*. In such cases, the Group took advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the statement of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(v)(i).

2. Significant accounting policies (continued)

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(l)(i), then the Group classifies the sub-lease as an operating lease.

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and loans to associates);
- contract assets as defined in HKFRS 15 (see note 2(o));
- debt securities measured at FVOCI (recycling);
- lease receivables; and
- loan commitments issued, which are not measured at FVTPL

Other financial assets measured at fair value, including units in bond funds, equity securities measured at FVTPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable;
- loan commitments: current risk-free rate adjusted for risks specific to the cash flows.

2. Significant accounting policies (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including loan commitments issued), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;

- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

- an actual or expected significant deterioration in the operating results of the debtor; and

- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

2. Significant accounting policies (continued)

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income recognised in accordance with note 2(w)(v) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;

- a breach of contract, such as a default or delinquency in interest or principal payments;

- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

2. Significant accounting policies (continued)

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised within "trade and other payables at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued (see note 2(w)(viii)).

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in "trade and other payables" in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 2(m)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

2. Significant accounting policies (continued)

(iii) Impairment of other non-current assets

2. Significant accounting policies (continued)

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the individual valuation method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any writedown of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any writedown of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

A contract asset is recognised when the Group recognises revenue (see note 2(w)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in note 2(m)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(n)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(w)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(p)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(w)).

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2(m)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(m)(i)).

2. Significant accounting policies (continued)

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities, trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 2(y)).

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

For equity-settled share-based payment arrangements, the fair value of share awards and share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share awards and share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Group's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits). If the equity instruments granted to employees vest immediately, the fair

2. Significant accounting policies (continued)

value of the equity instruments granted is fully recognised as costs or expenses on the grant date, with a corresponding increase in capital reserve.

For cash-settled share-based payment arrangements, the fair value of the amount payable to employees which is settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the cash-settled share-base payment arrangement. Any changes in the liability are recognised in profit or loss.

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. Significant accounting policies (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided

2. Significant accounting policies (continued)

(i) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

(iii) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortization where appropriate, and the amount that would be determined in accordance with note 2(v)(i). Contingent liabilities assumed in a business combination that cannot be re1.70 (ogn)5 (i)-12 wnesac70 tinge

2. Significant accounting policies (continued)

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(ii) Sales of goods

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

(iii) Management fee income

Management fee income is recognised in profit or loss as and when services are rendered.

(iv) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method.

2. Significant accounting policies (continued)

(vi) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(vii) Finance income under finance lease

Where the Group provides finance leasing of its warehouses and machines to customers, the Group recognises profit or loss equivalent to the profit or loss resulting from an outright sale of the warehouses and machines products being leased at normal selling prices and finance income over the period of the lease. Finance income implicit in finance lease is recognised over the period of the lease so as to produce an approximately constant periodic rate of return on the outstanding net investment in the lease for each accounting period. Commission paid to dealers for acquisition of finance lease contract is included in the carrying value of the assets and amortised to the profit or loss over the expected life of the lease as an adjustment to finance income.

(viii) Income from financial guarantees issued

Income from financial guarantees issued is recognised over the term of the guarantees (see note 2(m)(ii)).

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Nonmonetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

2. Significant accounting policies (continued)

The results of foreign operations are translated into USD at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into USD at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(i) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

2. Significant accounting policies (continued)

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (see (i) above), if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss, which comprises:

- the post-tax profit or loss of the discontinued operation; and

- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(a) A person, or a close member of that person's family, is related to the Group if 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 the Group's parent.

2. Significant accounting policies (continued)

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii)

3. Accounting estimates and judgements (continued)

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Investment property under construction or development is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction or development, financing costs and a reasonable profit margin.

If circumstances indicate that the carrying amounts of non-financial assets (other than investment properties and deferred tax assets) may not be recoverable, the assets may be considered impaired and are tested for impairment. An impairment loss is recognised when the asset's recoverable amount has declined below its carrying amount. The recoverable amount is the greater of the fair value less costs to sell and value in use. In determining the recoverable amount which requires significant judgements, the Group estimates the future cash flows to be derived from continuing use and ultimate disposal of the asset and applies an appropriate discount rate to these future cash flows.

The Group has recognised deferred tax assets in relation to the unused tax losses as set out in note 15. The ability to realise the deferred tax assets mainly depends on whether it is probable that future taxable profits will be available against which related tax benefits under the deferred tax assets can be utilised. In cases where the actual future taxable profits generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place.

For financial instruments without an active market, the Group adopts valuation techniques that are applicable in the current circumstances and sufficiently supported by available data and other information, and selects inputs that are consistent with the characteristics of the assets or liabilities considered by the market participants in the transactions of the relevant assets or liabilities, and prioritizes the use of relevant observable inputs. Unobservable inputs are used only if the relevant observable inputs are unavailable or not reasonably available.

4. Revenue

Ø	*2021*	*2020*
Ø	US$'000	US$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Øisaggregated by major products or service lines	Ø	Ø

6. Net finance costs

	2021	*2020*
Ø	US$'000	[redacted]
Ø		

7. Profit before taxation

The following items have been included in arriving at profit before taxation:

	2021	*2020*
	US$'000	US$'000
Wages and salaries	(106,919)	(91,665)
Contributions to defined contribution retirement plans, included in wages and salaries	(14,179)	(4,324)
Amortisation of intangible assets	(1,369)	(1,624)
Depreciation charge of property, plant and equipment	(28,137)	(22,604)
Impairment loss on trade and other receivables	(993)	(12,387)
Auditors' remuneration	(3,558)	(2,953)

8. Tax expense

Ø	*2021*	*2020*
Ø	US$'000	US$'000
Current tax	124,684	136,556
Withholding tax on foreign-sourced income	282,931	148,990
Ø		
Ø	407,615	285,546
Deferred tax		
Origination and reversal of temporary differences	457,718	251,923
Ø		
	865,333	537,469
Ø		
Reconciliation of expected to actual tax:	Ø	Ø
Profit before taxation	2,750,867	1,790,925
Less: share of results (net of tax expense) of joint ventures	(164,047)	(73,508)
Less: share of results (net of tax expense) of associates	(501,336)	(194,043)
Ø		
Profit before share of results of joint ventures and associates (net of tax expense)	2,085,484	1,523,374
Ø		
Tax expense using PRC tax rate of 25%	521,371	380,844
Effect of different tax from subsidiaries	(31,942)	(26,140)
Net income not subject to tax	(69,414)	(60,902)
Non-deductible expenses	90,889	38,841
Deferred tax assets not recognised	79,353	64,006
Recognition of previously unrecognised tax losses	(7,855)	(8,170)
Withholding tax on foreign-sourced income	282,931	148,990
Ø		
	865,333	537,469

9. Directors' remuneration

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation is as follows:

Ø	*2021*	*2020*
Ø	US$'000	US$'000
Executive Directors		Ø
Director fee	-	-
Salaries allowance and benefits in kind	(3,407)	(3,510)
Discretionary bonuses	(1,708)	(2,521)
Long-term incentive plan	(1,841)	(4,585)
Ø		
Total	(6,956)	(10,616)

10. Other comprehensive income

	2021			*2020*		
	Before-Tax amount US$'000	*Tax amount* US$'000	*Net-of-Tax amount* US$'000	*Before-Tax amount* US$'000	*Tax amount* US$'000	*Net-of-Tax amount* US$'000
Exchange differences arising from consolidation of foreign operations	429,019	-	429,019	1,023,341	-	1,023,341
Changes in fair value of properties	6,698	(1,674)	5,024	4,567	(1,142)	3,425
Change in fair value of other investments	126,642	(11,162)	115,480	26,707	367	27,074
Disposal of other investments	-	-	-	58,561	(5,262)	53,299
Share of other comprehensive income of jointly ventures and associates	4,565	-	4,565	(3,718)	-	(3,718)
Total other comprehensive income	566,924	(12,836)	554,088	1,109,458	(6,037)	1,103,421

	2021 US$'000	*2020* US$'000
Exchange differences arising from consolidation of foreign operations	429,019	1,023,341
Surplus on revaluation of buildings held for own use carried at fair value	5,024	3,425
Change in fair value of other investments	115,480	27,074
Disposal of other investments	-	53,299
Share of other comprehensive income of jointly ventures and associates	4,565	(3,718)
Net movement during the year recognised in other comprehensive income	554,088	1,103,421

11. Investment properties 1,257,960

Ø	*31 December 2021* US$'000 Ø	*31 December 2020* US$'000 Ø
At 1 January	21,380,459	20,656,664
Additions	1,486,058	1,257,960
Disposals	(8,645)	-
Acquisition of subsidiaries (note 29)	1,996,368	1,050,716
Disposal of subsidiaries (note 29)	(4,867,634)	

11. Investment properties (continued)

	The Group			
	Level 1	*Level 2*	*Level 3*	*Total*
	US$'000	US$'000	US$'000	US$'000
Investment properties	-	-	15,269,504	15,269,504
Buildings held for own use	-	-	-	-

	The Group			
	Level 1	*Level 2*	*Level 3*	*Total*
	US$'000	US$'000	US$'000	US$'000
Investment properties	-	-	21,380,459	21,380,459
Buildings held for own use	-	-	106,254	106,254

During the year ended 31 December 2021, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (year ended 31 December 2020: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

As at 31 December 2021, the valuations were carried out by independent firm of surveyors, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, who has among their staff fellows of the Hong Kong Institute of Surveyors with recent experience in the locations and categories of property being valued.

In determining fair value, a combination of approaches were used, including the income capitalization method, discounted cash flow analysis, residual method and direct comparison method. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income capitalization method capitalizes an income stream into a present value using single-year capitalization rates, and the income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property. The discounted cash flow analysis requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements. The residual method values properties under development and land held for development by reference to its development potential and deducting development costs to be incurred, together with developers' profit margin, assuming it was completed as at the date of valuation.

In relying on the valuation reports of Jones Lang LaSalle Corporate Appraisal and Advisory Limited, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

11. Investment properties (continued)

Ø	*Valuation Techniques*	*Unobservable input*	*Range*
Ø	Ø	Ø	Ø
Investment properties:			
Mainland China	Capitalisation approach	Capitalisation rate	4.00% - 7.00%
	Discounted cash flow and	Discount rate	7.25% - 10.50%
	Residual value	Terminal yield rate	4.00% - 7.00%

Descriptions of the sensitivity in unobservable inputs and inter-relationship:

The fair value measurement is negatively correlated to the unobservable input that the lower the factor will result in a higher fair value.

Fair value adjustment of investment properties is recognised in the line item “changes in fair value of investment properties” on the face of the consolidated statement of comprehensive income.

Surplus on revaluation of buildings held for own use is recognised in the line item “surplus on revaluation of buildings held for own use carried at fair value” on the face of the consolidated statement of comprehensive income.

Investment properties are held mainly for leasing to external customers under operating leases. Generally, the leases contain an initial non-cancellable period of one to twenty years. Subsequent renewals are negotiated with the lessees. There are no contingent rents arising from the lease of investment properties.

Interest capitalised as costs of investment properties amounted to approximately US$21,133,000 (31 December 2020: US$14,556,000) during the year. The capitalisation rates of borrowings range from 3.80% to 6.77% for the year ended 31 December 2021 (31 December 2020: 4.31% to 6.00%).

Investment properties with carrying value totalling approximately US$11,318,951,000 as at 31 December 2021 (31 December 2020: US$15,445,068,000) were mortgaged to secure credit facilities for the Group (note 25).

Operating lease rental receivables

Future minimum rental receivables of the Group on non-cancellable operating leases from investment properties are as follows:

	31 December 2021 US$’000	*31 December 2020* US$’000
Lease payments receivable:		
- Within 1 year	437,647	788,935
- After 1 year but within 5 years	843,309	1,408,705
- After 5 years	385,738	503,994
	1,666,694	2,701,634

12. Investments in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

	Proportion of ownership interest					
Name of subsidiaries	*Place of incorporation and business*	*Group's Effective interest*	*Held by the Company*	*Held by a subsidiary*	*Registered capital*	*Principal activities*
GLP Investment (Shanghai) Co., Ltd.	PRC	100.00%	-	100.00%	US$'000 1,700,000	Property management
GLP Capital Investment 4 (HK) Limited	Hong Kong	100.00%	-	100.00%	US$'000 119,088	Investment holding
Hidden Hill Fund I, L.P.	Cayman Islands	80.76%	-	80.76%	US$'000 519,862	Investment holding
CLF Fund I, LP ("CLF I")	Singapore/PRC	30.12%	-	30.12%	US$'000 1,530,000	Property investment
CLF Fund II, LP ("CLF II")	Cayman Islands/PRC	39.50%	-	39.50%	US$'000 3,725,000	Property investment
GLP Shanghai Chapu Logistics Facilities Co., Ltd.	PRC	100.00%	-	100.00%	US$'000 14,000	Property investment
GLP Shanghai Minhang Logistics Facilities Co., Ltd.	PRC	100.00%	-	100.00%	US$'000 26,000	Property investment
GLP Xujing Logistics Co. Ltd.	PRC	100.00%	-	100.00%	US$'000 20,200	Property investment
GLP Shanghai Shenjiang Logistics Facilities Co., Ltd.	PRC	100.00%	-	100.00%	US$'000 20,000	Property investment

12. Investments in subsidiaries (continued)

The following tables list out the information relating to CLF I, ACL and CLF II, the subsidiaries of the Group which have material non-controlling interest ("NCI"). The summarised financial information presented below represent the amounts before any inter-company elimination.

	31 December 2021	*31 December 2020*
Ø	US$'000	US$'000
CLF I (Note)	Ø	Ø
NCI percentage	69.88%	69.88%
Current assets	4,467,499	181,617
Non-current assets	-	3,843,506
Current liabilities	(2,117,227)	(164,882)
Non-current liabilities	-	(1,473,037)
Net assets	2,350,272	2,387,204
Carrying amount of NCI	1,648,695	1,674,504
Ø	Ø	Ø

	2021	*2020*
	US$'000	US$'000
Revenue	228,292	187,007
Profit for the year	243,223	191,207
Total comprehensive income	313,068	343,566
Profit allocated to NCI	169,970	133,620
Net cash (decrease)/increase	85,510	41,952

Note: The assets/liabilities of CLF I are classified as held for sale at 31 December 2021 (note 21).

	31 December 2021	*31 December 2020*
	US$'000	US$'000
ACL	Ø	Ø
NCI percentage	46.86%	46.86%
Current assets	83,964	77,804
Non-current assets	2,013,303	1,919,171
Current liabilities	(148,011)	(143,715)
Non-current liabilities	(711,109)	(695,796)
Net assets	1,238,147	1,157,464
Carrying amount of NCI	574,959	537,270

	2021	*2020*
	US$'000	US$'000
Revenue	91,217	78,104
Profit for the year	52,952	23,335
Total comprehensive income	80,427	97,250
Profit allocated to NCI	24,814	10,935
Net cash increase	10,272	15,450

12. Investments in subsidiaries (continued)

	31 December 2021	*31 December 2020*

13. Joint ventures (continued)

On 24 March 2020, the Group entered into an investment partnership with China Merchants Group ("CMG") by acquiring 50% equity interest in China Merchants Capital Investment Co., Ltd. ("CMCI"), CMG's private equity investment vehicle incorporated in the PRC. Thereafter CMCI becomes a joint venture of the Group.

Summarised financial information of CMCI, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	31 December 2021 US$'000	*31 December 2020* US$'000
Non-current assets	2,364,642	2,241,684
Current assets	517,147	162,764
Non-current liabilities	(1,059,336)	(978,274)
Current liabilities	(350,929)	(253,781)
Non-controlling interests	(103,306)	(35,076)
Equity attributed to equity shareholders	1,368,218	1,137,386
Group's effective interest	50.00%	50.00%
Carrying amount in the consolidated financial statements	891,263	770,916
Included in the above assets and liabilities:		
Cash and cash equivalents	139,596	114,298
Current financial liabilities (excluding trade and other payables)	(323,315)	(184,577)
Non-current financial liabilities (excluding trade and other payables)	(1,059,336)	(978,274)

	Year ended 31 December 2021 US$'000	*Year ended 31 December 2020* US$'000
Revenue	390,813	150,132
Profit for the year from continuing operation	308,523	97,739
Profit attributable to NCI	(99,710)	(15,561)
Profit attributable to equity shareholders	208,813	82,178
Total comprehensive income	300,515	89,098
Total comprehensive income attributable to equity shareholders	202,141	74,743
Group's effective interest	50.00%	50.00%
Share of results (net of tax expense) of joint ventures	104,407	41,089
Included in the above profit:		
Interest expense	(58,724)	(41,773)
Interest income	1,234	1,364
Income tax expense	(101,773)	(16,153)

13. Joint ventures (continued)

In June 2021, the Group completed the formation of Thor Fund with Grand Master Technology Limited ("Grand Master"), in which the Group injects capital of RMB4,000,000,000 for 50.1% equity interest of the Thor Fund. The Thor Fund invests in a portfolio of internet data centers, including properties and related infrastructure. As the general partner and the key decision making of Thor Fund's underlying operating entities are jointly controlled by the Group and Grand Master, Thor Fund is accounted for as a joint venture of the Group upon its formation.

According to the agreement between the Group and Grand Master, after the defined business conditions are met, the Group may obtain the power to control key decision-making of the underlying operating entities. Further, the Group may be required to pay contingent consideration when certain financial performance is achieved by the underlying operating entities.

13. Joint ventures (continued)

	Year ended 31 December 2021 US$'000
Revenue	188
Loss for the year from continuing operation	(31,176)
Total comprehensive income	(31,176)
Group's effective interest	50.10%
Share of results (net of tax expense) of joint ventures	(15,746)
Included in the above profit:	
Interest expense	(19,370)
Interest income	694
Income tax expense	(146)

Beijing Jintonggang Real Estate Development Co., Ltd. (referred to as "Jintonggang") is a property developer and constructor incorporated in the PRC. The Group obtained joint control of Jintonggang through acquiring 100% shares of five limited partnerships which hold equity interests in Jintonggang, namely Beijing Zhengqi Shangcheng Investment Center LLP, Beijing Zhengqi Shangxin Investment Center LLP, Beijing Zhengqi Shangde Investment Center LLP, Beijing Zhengqi Shangyu Investment Center LLP and Beijing Zhengqi Shanghui Investment Center LLP, jointly referred to as "Z3 Project", in November 2019.

Summarised financial information of Z3 Project, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

Ø	*31 December 2021* US$'000	*31 December 2020* US$'000
Ø		
Non-current assets	1,111,229	1,082,187
Current assets	5,033	2,873
Non-current liabilities	(334)	(475)
Current liabilities	(46,278)	(34,109)
Equity attributed to equity shareholders	1,069,650	1,050,476
Group's effective interest	34.00%	34.00%
Carrying amount in the consolidated financial statements	362,772	357,162
Ø		
Included in the above assets and liabilities:		
Cash and cash equivalents	3,775	1,780

13. Joint ventures (continued)

	Year ended 31 December 2021 US$'000	*Year ended 31 December 2020* US$'000
Ø		
Revenue	-	-
Loss for the year from continuing operation	(7,985)	(7,052)
Total comprehensive income	(7,985)	(7,052)
Group's effective interest	34.00%	34.00%
Share of results (net of tax expense) of joint venture	(2,715)	(2,398)
Ø		
Included in the above profit:		
Interest expense	(3,465)	-
Interest income	18	7

CVA I Fund is a limited partnership established in the PRC in February 2018 by the Group and another third party investor with total equity commitments of RMB9.8 billion (equivalent to approximately US$1.4 billion). The Fund engages in acquisition and management of completed logistics and industrial estate assets in China.

Summarised financial information of CVA I Fund, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

Ø	*31 December 2021* US$'000	*31 December 2020* US$'000
Ø		
Ø	Ø	Ø
Non-current assets	3,257,933	2,681,910
Current assets	213,594	303,113
Non-current liabilities	(1,435,064)	(1,171,875)
Current liabilities	(73,484)	(129,395)
Non-controlling interests	(287,021)	(253,611)
Equity attributed to equity shareholders	1,675,958	1,430,142
Group's effective interest	18.37%	18.37%
Carrying amount in the consolidated financial statements	278,905	236,593
Ø		
Included in the above assets and liabilities:		
Cash and cash equivalents	194,404	284,043
Current financial liabilities (excluding trade and other payables)	(16,800)	(5,933)
Non-current financial liabilities (excluding trade and other payables)	(1,435,064)	(1,171,875)

13. Joint ventures (continued)

	Year ended 31 December 2021 US$'000	*Year ended 31 December 2020* US$'000
Revenue	202,071	151,703
Profit for the year from continuing operations	219,587	67,111
Less: Profit attributable to NCI	(26,181)	(11,458)
Profit attributable to equity shareholders	193,406	55,653
Total comprehensive income	219,587	67,111
Total comprehensive income attributable to equity shareholders	193,406	55,653
Group's effective interest	18.37%	18.37%
Share of results (net of tax expense) of joint venture	35,529	10,223
Included in the above profit:		
Depreciation and amortisation	(64)	(76)
Interest expense	(62,724)	(46,381)
Interest income	1,670	1,552
Income tax expense	(93,730)	(41,011)

Summarised financial information of other individually immaterial joint ventures, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	Year ended 31 December 2021 US$'000	*Year ended 31 December 2020* US$'000
Profit for the year from continuing operation	126,710	109,318
Less: Profit attributable to NCI	(5,850)	(7,115)
Profit attributable to equity shareholders	125,371	116,434
Total comprehensive income	126,710	109,318
Total comprehensive income attributable to equity shareholders	125,371	116,434
Aggregate amount of the share of results of joint ventures	42,572	24,594

14. Associates

Ø	*Notes*	*31 December 2021*	*31 December 2020*
Ø	Ø	US$'000	US$'000
Ø	Ø	Ø	Ø
Zhongjin Jiaye (Tianjin) Commercial Real Estate Investment Center LLP ("Zhongjin Jiaye")	(a)	220,368	216,997
Zhuhai Hidden Hill Logistic Equity Investment Fund (LP) ("Hidden Hill Fund")	(b)	1,252,481	963,438
GLP Jianfa (Xiamen) Investment Fund LLP ("Jian Fa Fund")	(c)Ø	365,258	114,840
Others	(d)Ø	973,540	504,607
Ø	Ø		
Ø		2,811,647	1,799,882

Zhongjin Jiaye (Tianjin) Commercial Real Estate Investment Center LLP (referred to as "Zhongjin Jiaye") is limited partnership established in the PRC. The purpose of the limited partnership is to seek capital appreciation by investing in the Z3 project (see note 13(c)). In April 2019, the Group acquired 58.63% equity interest of Zhongjin Jiaye through acquiring 100% equity interest of one limited partner of Zhongjin Jiaye. Zhongjin Jiaye is primarily controlled by its consulting committee board and investing committee board and the Group has significant influence in it through its membership in these boards.

Summarised financial information of Zhongjin Jiaye, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

Ø	*31 December 2021*	*31 December 2020*
Ø	US$'000	US$'000
Ø	Ø	Ø
Non-current assets	366,004	360,289
Current assets	10,408	10,194
Current liabilities	(550)	(372)
Net assets attributed to equity shareholders	375,862	370,111
Group's interest in associate	58.63%	58.63%
Carrying amount in the consolidated financial statements	220,368	216,997

14. Associates (continued)

	Year ended 31 December 2021 US$'000	*Year ended 31 December 2020* US$'000
Revenue	-	-
Loss for the year from continuing operation	(2,906)	(1,597)
Total comprehensive income	(2,906)	(1,597)
Group's effective interest	58.63%	58.63%
Share of results (net of tax expense) of associate	(1,704)	(936)
Ø		
Included in the above profit:		
Interest income	165	807

In May 2018, the Group invested in 30.76% equity interest of Hidden Hill Fund, which is focusing on logistics ecology. The Group increased its equity interest in Hidden Hill Fund to 67.97% as at 31 December 2021 (31 December 2020: 67.97%). The Hidden Hill Fund is primarily controlled by its consulting committee board and investing committee board consisting of five members with one of them appointed by the Group. Resolutions at any meeting of these committees shall be decided by two-thirds of the voting members and the Group has significant influence in it by virtue of its one membership in these boards.

Summarised financial information of the Hidden Hill Fund, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

Ø	*31 December 2021* US$'000	*31 December 2020* US$'000
Ø		
Non-current assets	1,874,210	1,098,061
Current assets	169,864	177,178
Non-current liabilities	(112,776)	(35,128)
Current liabilities	(136)	(29,168)
Net assets attributable to equity shareholders	1,931,162	1,210,943
Group's interest in associate	67.97%	67.97%
Carrying amount in the consolidated financial statements	1,252,481	963,438
Interest in associate held for sale (note 21)	133,779	-
Ø		
Included in the above assets and liabilities:		
Cash and cash equivalents	169,864	130,732

14. Associates (continued)

	Year ended 31 December 2021 US$'000	*Year ended 31 December 2020* US$'000
Revenue	557,308	257,366
Profit for the year from continuing operation	448,019	213,447
Total comprehensive income	448,019	213,447
Group's effective interest	67.97%	67.97%
Share of results (net of tax expense) of associate	373,385	185,610
Ø		
Included in the above profit:		
Interest income	478	351

In November 2020, the Group invested in 49.76% equity interest of Jian Fa Fund, which is a private equity investment vehicle formed in the PRC. The general partner and the key decision making of Jian Fa Fund is primarily controlled by its general partner's board of directors, which consists of seven members with two of them appointed by the Group. Resolutions at any meeting of these committees shall be decided by two-thirds of the voting members and the Group has significant influence in it by virtue of its two members in these boards.

Summarised financial information of the Jian Fa Fund, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

Ø Ø Ø	*31 December 2021* US$'000	*31 December 2020* US$'000
Non-current assets	518,275	184,893
Current assets	241,685	13,338
Current liabilities	(70)	-
Net assets attributable to equity shareholders	759,890	198,231
Group's interest in associate	49.76%	49.76%
Carrying amount in the consolidated financial statements	365,258	114,840
Ø		

14. Associates (continued)

	Year ended 31 December 2021 US$'000	*Year ended 31 December 2020* US$'000
Revenue	194,431	12,165
Profit for the year from continuing operation	188,654	11,875
Total comprehensive income	188,654	11,875
Group's effective interest	49.76%	49.76%
Share of results (net of tax expense) of associate	100,680	(14)
Ø		
Included in the above profit:		
Interest expense	(4)	-

Summarised financial information of other individually immaterial associates, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	Year ended 31 December 2021 US$'000	*Year ended 31 December 2020* US$'000
Profit for the year from continuing operation	284,266	51,474
Total comprehensive income	284,149	51,474
Aggregate amount of the results of associates	28,975	9,369

15. Deferred tax

Movements in deferred tax assets and liabilities during the year are as follows:

	At 1 January	*Acquisition of subsidiaries* (note 29)	*Disposal of subsidiaries* (note 29)	*Effect of movement in exchange rates*	*Recognised in other comprehensive income* (note 10)	*Recognised in profit or loss*	*Reclassified to assets held for sale*	*At 31 December*
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Deferred tax assets								
31 December 2020								
Unutilised tax losses	35,396	255	(9,665)	1,510	-	(2,393)	(557)	24,546
Others	4,007	-	-	309	-	557	-	4,873
	39,403	255	(9,665)	1,819	-	(1,836)	(557)	29,419
31 December 2021								
Unutilised tax losses	24,546	11,206	(11,235)	(571)	-	(3,609)	(10,144)	10,193
Others	4,873	-	-	112	-	(94)	-	4,891
	29,419	11,206	(11,235)	(459)	-	(3,703)	(10,144)	15,084
Deferred tax liabilities								
31 December 2020								
Investment properties	(2,299,937)	(135,196)	307,504	(182,304)	-	(188,997)	167,690	(2,331,240)
Other investments	(48,443)	-	(6,513)	(4,211)	367	(21,327)	-	(80,127)
Buildings held for own use carried at fair value	(1,089)	-	-	(141)	(1,142)	-	-	(2,372)
Others	(7,464)	(297)	298	(2,805)	-	(39,763)	-	(50,031)
	(2,356,933)	(135,493)	301,289	(189,461)	(775)	(250,087)	167,690	(2,463,770)
31 December 2021								
Investment properties	(2,331,240)	(18,590)	765,423	(59,036)	-	(320,137)	502,203	(1,461,377)
Other investments	(80,127)	-	-	(3,435)	(11,162)	(52,614)	-	(147,338)
Buildings held for own use carried at fair value	(2,372)	-	-	(26)	2,398	-	-	-
Others	(50,031)	-	-	(1,878)	(237)	(81,264)	-	(133,410)
	(2,463,770)	(18,590)	765,423	(64,375)	(9,001)	(454,015)	502,203	(1,742,125)

15. Deferred tax (continued)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the statement of financial position as follows:

	31 December 2021	*31 December 2020*
	US$'000	US$'000
Deferred tax assets	24,657	21,455
Deferred tax liabilities	(1,751,698)	(2,455,806)

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from:

	31 December 2021	*31 December 2020*
	US$'000	US$'000
Tax losses	857,248	653,028

Tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. As at 31 December 2021, unrecognised tax losses amounting to approximately US$ 857,248,000 (31 December 2020: US$653,028,000) will expire within 1 to 5 years.

The PRC income tax law and its relevant regulations impose a withholding tax at 10%, unless reduced by a tax treaty/arrangement, for dividend distributions out of earnings accumulated beginning on or after 1 January 2008. As at 31 December 2021, the Group has not recognised a deferred tax liability amounting to US$ 83,311,000 (31 December 2020: US$89,448,000) in respect of undistributed earnings of PRC subsidiaries because the Group can control the timing of the distribution and it is probable that the dividend will not be distributed to the holding company outside the PRC in the foreseeable future.

16. Property, plant and equipment

	Furniture, fittings and equipment US$'000	*Solar plants* US$'000	*Assets under construction* US$'000	*Buildings held for own use carried at fair value* US$'000 (note 11)	*Buildings held for own use carried at amortised cost* US$'000	*Right-of-use assets* US$'000	*Total* US$'000
Cost							
At 1 January 2020	90,887	438	-	73,693	-	69,953	234,971
Acquisition of subsidiaries	33,990	-	-	-	75,471	28,325	137,786
Additions	59,155	-	17,048	23,995	-	11,706	111,904
Disposal of subsidiaries	(98,159)	(436)	-	-	-	(1,789)	(100,384)
Disposals	(8,929)	-	-	-	-	-	(8,929)
Elimination on revaluation	-	-	-	(2,591)	-	-	(2,591)
Changes in fair value recognised in OCI	-	-	-	4,566	-	-	4,566
Effect of movements in exchange rates	3,328	(2)	981	6,591	6,117	6,603	23,618
At 31 December 2020	80,272	-	18,029	106,254	81,588	114,798	400,941
Acquisition of subsidiaries	40,004	-	3,030	-	-	50,310	93,344
Additions	54,862	-	150,174	41,995	-	320,547	567,578
Disposal of subsidiaries	(6,221)	-	-	(156,822)	-	-	(163,043)
Disposals	(1,365)	-	-	-	-	(18,977)	(20,342)
Transfers	37,816	-	(8,513)	-	(30,589)	-	(1,286)
Elimination on revaluation	-	-	-	(827)	-	-	(827)
Changes in fair value recognised in OCI	-	-	-	6,698	-	-	6,698
Effect of movements in exchange rates	2,764	-	2,187	2,702	1,453	7,025	16,131
Reclassification to assets held for sale	(64)	-	-	-	-	-	(64)
At 31 December 2021	208,068	-	164,907	-	52,452	473,703	899,130
Accumulated depreciation							
At 1 January 2020	(27,730)	(8)	-	-	-	(4,592)	(32,330)
Acquisition of subsidiaries	(8,330)	-	-	-	(6,962)	(970)	(16,262)
Charge for the year	(9,737)	(4)	-	(2,591)	(1,117)	(9,155)	(22,604)
Disposal of subsidiaries	14,468	12	-	-	-	293	14,773
Disposals	6,617	-	-	-	-	-	6,617
Elimination on revaluation	-	-	-	2,591	-	-	2,591
Effect of movements in exchange rates	(3,625)	-	-	-	(697)	(874)	(5,196)
At 31 December 2020	(28,337)	-	-	-	(8,776)	(15,298)	(52,411)
Acquisition of subsidiaries	(947)	-	-	-	-	-	(947)
Charge for the year	(8,620)	-	-	(827)	(1,006)	(17,684)	(28,137)
Disposal of subsidiaries	2,697	-	-	-	-	-	2,697
Disposals	470	-	-	-	-	6,152	6,622
Elimination on revaluation	-	-	-	827	-	-	827
Effect of movements in exchange rates	(1,524)	-	-	-	(607)	(3,918)	(6,049)
Transfers	-	-	-	-	1,286	-	1,286
Reclassification to assets held for sale	64	-	-	-	-	-	64
At 31 December 2021	(36,197)	-	-	-	(9,103)	(30,748)	(76,048)
Carrying amounts							
At 31 December 2020	51,935	-	18,029	106,254	72,812	99,500	348,530
At 31 December 2021	171,871	-	164,907	-	43,349	442,955	823,082

17. Intangible assets

Ø	*Goodwill*	*Trademark*	*License rights*	*Total*
Ø	US$'000	US$'000	US$'000	US$'000
Cost	**Ø**	**Ø**	**Ø**	**Ø**
At 1 January 2020	276,739	23,327	913	300,979
Acquisition of subsidiaries	59,841	4,879	2,597	67,317
Additions	-	-	18	18
Disposal of subsidiaries	(25,657)	(4,956)	(212)	(30,825)
Reclassified to assets held for sale	(34,742)	-	-	(34,742)
Effect of movements in exchange rates	19,698	1,699	67	21,464
Ø				
At 31 December 2020	295,879	24,949	3,383	324,211
Effect of movements in exchange rates	8,068	592	127	8,787
At 31 December 2021	303,947	25,541	3510	332,998
Ø				
Accumulated amortisation	**Ø**	**Ø**	**Ø**	**Ø**
At 1 January 2020	-	(11,230)	(777)	(12,007)
Charge for the year	-	(1,300)	(324)	(1,624)
Disposal of subsidiaries	-	212	172	384
Effect of movements in exchange rates	-	(1,117)	(57)	(1,174)
Ø				
At 31 December 2020	-	(13,435)	(986)	(14,421)
Charge for the year	-	(1,284)	(85)	(1,369)
Effect of movements in exchange rates	-	(468)	(24)	(492)
Ø				
At 31 December 2021	-	(15,187)	(1,095)	(16,282)
Ø				
Carrying amounts:	**Ø**	**Ø**	**Ø**	**Ø**
At 31 December 2020	295,879	11,514	2,397	309,790
Ø				
At 31 December 2021	303,947	10,354	2,415	316,716

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to country of operation and operating segment, carrying amount of each CGU as follows:

Ø	*31 December 2021*	*31 December 2020*
Ø	US$'000	US$'000
Ø	Ø	Ø
GLP China (Note)	246,275	239,526
ACL Group	57,672	56,353
Ø		
Ø Total	303,947	295,879

Note: Relates to the leasing of logistic facilities and provision of asset management services in China and excludes the ACL Group.

17. Intangible assets (continued)

The recoverable amount of the CGU is determined based on fair value less costs of disposal. The CGU comprises following categories: development business, fund management, investment properties and other investments as at 31 December 2021. In determining fair value, a combination of approaches were used, including the direct comparison, income capitalisation, discounted cash flow and residual approaches. The direct comparison approach involves the analysis of comparable properties or public companies, the Group invests in companies listed in active markets, and these equity securities are stated at their fair values at the reporting date. The income capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates, and the income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property. The discounted cash flow approach requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements. The residual approach values properties under development and land held for development by reference to its development potential and deducting development costs to be incurred, together with developers' profit margin, assuming it was completed as at the date of valuation.

As at 31 December 2021, key assumptions on which management has based its determination of fair value less costs to sell or disposal are capitalisation rate 4.00% - 7.00% (31 December 2020: 4.00% - 7.00%), discount rate 7.25% - 10.50% (31 December 2020: 8.00% - 10.50%), terminal yield rate 4.00% - 7.00% (31 December 2020: 4.00% - 7.00%). The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to cause the recoverable amount to be materially lower than its carrying amount.

The recoverable amount of the CGU is determined based on value in use calculation. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent budgets and forecasts approved by management covering ten years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rate. The discount rate applied is the weighted average cost of capital from the relevant business segment. The terminal growth rate used does not exceed management's expectation of the long-term average growth rate of the respective industry and country in which the CGU operates. The discount rate and terminal growth rate used as at 31 December 2021 are 7.5% and 3% respectively (31 December 2020: 7.5% and 3%). The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

18. Other investments

	31 December 2021 US$'000	*31 December 2020* US$'000
Listed equity securities - at FVOCI (non-recycling)	510,621	418,902
Listed REIT securities - at FVOCI (non-recycling)	230,883	-
Listed equity securities - at FVTPL	406,213	50,525
Unlisted equity securities - at FVTPL	1,189,147	1,655,919
	2,336,864	2,125,346

As at 31 December 2021, listed equity securities included equity interests in three (31 December 2020: three) listed companies which the Group has designated as investments at FVOCI (non-recycling), because these investments are held for strategic purposes.

As at 31 December 2021, listed REIT securities included 302,578,000 Units (31 December 2020: Nil) of Po[illegible] (" CICC GLP REIT"), which is listed on the Shanghai Stock Exchange. In June 2021, the Group disposed of certain subsidiaries to CICC GLP REIT (note 29).

19. Other non-current assets

	31 December 2021 US$'000	*31 December 2020* US$'000
Trade receivables	34,352	50,253
Prepayments	70,484	65,738
Deferred management costs	19,749	8,341
Loans to joint ventures	437,576	513,416
Loans to associates	21,022	4,971
Loans to third parties	5,249	10,411
Other investments held for disposal	128,201	125,269
	716,633	778,399

The loans to joint ventures are repayable after one year, and bear interest rate ranging from 5.70% to 8.00% (31 December 2020: 5.70% to 8.63%) per annum, except for a loan of US$700,000 (31 December 2020: nil) which is interest-free at the reporting date.

The loans to associates are repayable after one year, and bear interest rate at 6.00% (31 December 2020: 8.00% to 10.00%) per annum, except for approximately US$11,612,000 which is interest-free upon completion of the acquisition.

The loans to third parties in relation to new strategic investments are unsecured, repayable after one year. The balance of 2021 is interest-free upon completion of the acquisition (31 December 2020: 18.00% per annum).

20. Trade and other receivables

	31 December 2021 US$'000	*31 December 2020* US$'000
Net trade receivables:		
- Trade receivables	52,052	53,122
- Impairment losses	(1,881)	(1,921)
	50,171	51,201
Amounts due from joint ventures:		
- Trade	10,346	16,635
- Non-trade	87,744	58,056
- Loans to joint ventures	100,859	29,468
	198,949	104,159
Amounts due from associates:		
- Trade	13,798	41,834
- Non-trade	248,242	240,780
- Loans to associates	142,223	193,722
	404,263	476,336
Amounts due from non-controlling interests:		
- Non-trade	8,611	15,301
- Loans to non-controlling interests	16,104	49,503
	24,715	64,804
Amount due from an intermediate holding company:		
- Non-trade	753,760	-
Amounts due from other related parties:		
Trade	14,116	-
Non-trade	894,301	331,452
	908,417	331,452
Loans to third parties	130,058	34,546
Loans to employees	-	103,731
Deposits	105,657	78,283
Net other receivables:		
- Other receivables	291,720	301,527
- Impairment losses	(218)	(265)
	291,502	301,262
Prepayments	22,351	27,645
	2,889,843	1,573,419

The non-trade amounts due from joint ventures, associates, non-controlling interests and other related parties are unsecured, interest-free and repayable on demand.

The loans to joint ventures, associates and non-controlling interests are unsecured, bear effective interests ranging from 5.70% to 15.20% (31 December 2020: 5.10%% to 10.00%) per annum, except for approximately US$137,675,000 (21 December 2020: nil) which is interest-free at the reporting date and are repayable within the next 12 months.

20. Trade and other receivables (continued)

		31 December 2021	
Ø	*Expected loss rate*	*Gross carrying amount*	*Loss allowance*
Ø	%	US$'000	$'000
Ø	Ø	Ø	Ø
Within 1 month	0.56	48,339	(272)
1 to 2 months	17.54	1,487	(261)
2 to 3 months	44.09	301	(133)
3 to 6 months	49.43	1,190	(589)
7 to 12 months	66.23	323	(214)
Over 12 months	100.00	412	(412)
Ø	Ø		
Ø	Ø	52,052	(1,881)

Expected loss rates are based on actual loss experience over the past 12 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	31 December 2021	*31 December 2020*
Ø	US$'000	US$'000
Ø	Ø	Ø
Balance at 1 January	2,186	25,484
Impairment loss recognised	993	12,387
Acquisition of subs(oup')-1.10 (s)-10 Tr (s)T1fo (h the h7		

21. Assets classified as held for sale and disposal group held for sale

Ø	*Note*	*31 December 2021* US$'000 Ø	*31 December 2020* US$'000 Ø
Assets of disposal group held for sale	(a)	5,398,886	1,166,970
Liabilities of disposal group held for sale	(b)	(2,476,658)	(329,501)
Interest in an associate		133,779	-
Ø		3,056,007	

21. Assets classified as held for sale and disposal group held for sale (continued)

22. Cash and cash equivalents (continued)

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

	Loans and borrowings	*Loans from intermediate holding company*	*Loans from non-controlling interests, joint ventures, associate and third parties*	*Notes payable*	*Lease liabilities*	*Interest payable*	*Total*

22. Cash and cash equivalents (continued)

	Loans and borrowings (note 25)	*Loans from non-controlling interests, joint ventures, associate and third parties* (notes 26 and 27)	*Lease liabilities* (note 28)	*Interest payable*	*Total*

23. Share capital and capital management

23. Share capital and capital management (continued)

The Board of Directors has not declared any dividend in respect of the year ended 31 December 2021. On 22 June 2020, the Board of Directors resolved to pay dividend of US$ 430,453,000 in respect of the year ended 31 December 2020.

The Group's objectives when managing capital are to build a strong capital base so as to sustain the future developments of its business and to maintain an optimal capital structure to maximise shareholder's value. The Group defines "capital" as including all components of equity plus

23. Share capital and capital management (continued)

During year 2021, the Group's strategy, which was unchanged from the year ended 31 December 2020, was to maintain net debt-to-asset ratio of no more than 50% or net debt-to-equity ratio of no more than 55%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares or request new loans from other group companies or sell assets to reduce debt.

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 30(b). As at and during the year ended 31 December 2021, none of the covenants relating to drawn down facilities had been breached (31 December 2020: none).

24. Reserves

Ø Ø ø	*31 December 2021* US$'000 ø	*31 December 2020* US$'000 ø
Capital reserve	90,779	3,838
Equity compensation reserve	36,849	36,849
Currency translation reserve	174,951	(129,913)
Fair value reserve (non-recycling)	228,707	113,227
Property revaluation reserve	-	6,730
Other reserve	(1,554,630)	(1,554,630)
Retained earnings	8,301,787	6,956,745
ø		
	7,278,443	5,432,846

The capital reserve comprises mainly equity transactions gain or loss from the changes in the Group's interest in a subsidiary that do not result in a loss of control and the Group's share of the statutory reserve of its PRC-incorporated subsidiaries. Statutory reserve of its PRC-incorporated subsidiaries was transferred from retained earnings in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries incorporated in PRC, and were approved by the respective board of directors. As at 31 December 2021, retained earnings includes approximately US$102,790,000(31 December 2020: US$58,958,000) to be transferred to statutory reserve before distribution of any dividends to shareholders in the future.

25. Loans and borrowings

Ø Ø	*31 December 2021* US$'000	*31 December 2020* US$'000
Non-current liabilities	**Ø**	**Ø**
Secured bank loans	2,517,768	4,393,572
Secured bonds	320,156	746,715
Unsecured bank loans	532,369	461,705
Unsecured bonds	3,725,508	1,494,137
Ø		
	7,095,801	7,096,129
Ø		
Current liabilities	**Ø**	**Ø**
Secured bank loans	357,821	248,428
Secured bonds	2,925	2,458
Unsecured bank loans	56,004	465,968
Unsecured bonds	669,743	2,433,365
Ø		
	1,086,493	3,150,219

The secured bank loans and secured bonds are secured by mortgages on the borrowing subsidiaries' investment properties with a carrying amount of approximately US$11,318,951,000(31 December 2020: US$15,445,068,000) (note 11).

The effective interest rates for bank borrowings ranged from 1.42% to 6.77% (31 December 2020: 1.29% to 6.77%) per annum.

26. Other non-current liabilities

Ø Ø Ø	*31 December 2021* US$'000 **Ø**	*31 December 2020* US$'000 **Ø**
Security deposits received	43,911	77,791
Contract liabilities	-	551
Employee bonus and incentive payable	16,111	21,483
Loans from non-controlling interests	3,046	10,388
Lease liabilities (note 28)	236,693	53,813
Deposits received for disposal of other investments	128,201	114,396
Consideration payable for acquisition of subsidiaries and joint ventures	38,572	37,303
Others	33,834	1,612
Ø		
	500,368	317,337

27. Trade and other payables

Ø Ø	*31 December 2021* US$'000	*31 December 2020* US$'000
Trade payables	8,454	2,379
Accrued construction costs	574,052	692,675
Accrued operating expenses	117,408	92,429
Contract liabilities	38,015	40,645
Interest payable	102,484	116,380
Security deposits received	98,823	87,744
Amounts due to:		
- Intermediate holding company (trade)	139,040	51,266
- Other related parties (trade)	8,223	14,532
- Other related parties (non-trade)	134,092	300,342
- Non-controlling interests (trade)	2,992	3,358
- Non-controlling interests (non-trade)	28,640	17,736
- Joint ventures (trade)	2,188	1,522
- Joint ventures (non-trade)	4,787	495
- Associates (trade)	282	70
- Associates (non-trade)	35,441	32
Interest payable on loans from intermediate holding company	6,284	7,383
Loans from non-controlling interests	957	3,651
Interest payable on loans from non-controlling interests	214	129
Loan from joint ventures	2,829	2,829
Interest payable on loans from joint ventures	-	644
Loans from third parties	776	513
Interest payable on loans from third parties	221	216
Consideration payable for acquisition of subsidiaries	79,849	143,018
Deposits received and accrued expenses for disposal of investment properties	77,211	58,909
Consideration payable for acquisition of investment properties	-	8,950
Other payables	107,643	95,423
Dividends payable	-	1,916
Lease liabilities (note 28)	21,005	6,188
Ø	1,591,910	1,751,374

The non-trade amounts due to non-controlling interests, joint ventures, associates and other related parties are unsecured, interest-free and have no fixed repayment terms. The loans from non-controlling interests, joint ventures and third parties are unsecured and repayable on demand. The interest-bearing loans from non-controlling interests, joint ventures and third parties bear effective interests ranging from 4.00% to 6.08% (31 December 2020: 3.00% to 6.08%) per annum as at the reporting date.

28. Lease liabilities

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting year are as follows:

	At 31 December 2021	
	Present value of the minimum lease payments US$'000	*Total minimum lease payments* US$'000
Within 1 year	21,005	33,270
After 1 year but within 2 years	21,951	33,164
After 2 years but within 5 years	62,548	89,693
After 5 years	152,194	185,835
	257,698	341,962
Less: total future interest expenses		(84,264)
Present value of lease liabilities		257,698

	At 31 December 2020	
	Present value of the minimum lease payments US$'000	*Total minimum lease payments* US$'000
Within 1 year	6,188	9,313
After 1 year but within 2 years	5,963	8,734
After 2 years but within 5 years	15,540	22,185
After 5 years	32,310	40,312
	60,001	80,544
Less: total future interest expenses		(20,543)
Present value of lease liabilities		60,001

29. Notes to cash flow statement

The primary reason for the Group's acquisitions of subsidiaries is to expand its portfolio of investment properties held in the PRC and possession of qualification for architecture designing.

(i) The list of subsidiaries acquired during the year ended 31 December 2021 is as follows:

Name of subsidiaries	*Date acquired*	*Equity interest acquired* %

29. Notes to cash flow statement (continued)

(ii) The list of subsidiaries acquired during the year ended 31 December 2020 is as follows:

Name of subsidiaries	*Date acquired*	*Equity interest acquired* %
Shanghai Lingang GLP International Logistics Development Co., Ltd.	Jan 2020	70
Hangzhou Yunchu Technology Co., Ltd.	Jan 2020	100
Shanghai Jiangao Logistics Co., Ltd.	March 2020	100
Jiangsu Kangbo Supply Chain Management Co., Ltd.	March 2020	90
Tompkins International LLC.	April 2020	66
Dalian Zhangzidao Central Freezer Logistics Co., Ltd.	May 2020	75
Suzhou Industrial Park Chuangpu Asset Management Co., Ltd	June 2020	70
Shanghai Tongjiang Management Co., Ltd.	July 2020	100
Suzhou Industrial Zone Pushuo Logistics Facilities Co., Ltd.	August 2020	50
Shanghai Jiangkai Technology Co., Ltd.	September 2020	100
HK Daily Products Limited	December 2020	100
Meiriyouxian (Changshu) Supply Chain Management Co., Ltd	December 2020	94
Green Peak Tech Co., Ltd.	November 2020	100
Hongyun Technology Development (Changshu) Co., Ltd	November 2020	100
Beijing Huayuan Yingdu Real Estate Development Co., Ltd.	December 2020	100
Shanghai G2link Internet Technology Co., Ltd.	December 2020	80

29. Notes to cash flow statement (continued)

The cash flow and the net assets of the subsidiaries acquired during the year ended 31 December 2021 and 2020 are provided below:

Ø	*Year ended 31 December 2021*	*Year ended 31 December 2020*
Ø	*Recognised values on acquisition*	*Recognised values on acquisition*
Ø	US$'000	US$'000
Ø	Ø	Ø
Investment properties	1,996,368	1,050,716
Property, plant and equipment	92,397	121,524
Other investments	-	1,134
Deferred tax assets	11,206	255
Other assets	36	347
Cash and cash equivalents	20,109	72,905
Trade and other receivables	72,562	26,310
Trade and other payables	(670,858)	(138,053)
Loans and borrowings	(303,465)	(144,093)
Current tax payable	70	(1,574)
Deferred tax liabilit 0 0 10.9799 393.1199 586.38 T1062		

29. Notes to cash flow statement (continued)

(i) The list of subsidiaries disposed during the year ended 31 December 2021 is as follows:

Name of subsidiaries	*Date disposed*	*Equity interest disposed*
Ø	Ø	%
GLP Tongxiang Logistics Facilities Co., Ltd.	January 2021	100
GLP (Chengdu) Hi-Tech Industrial Park Development Co., Ltd.	January 2021	100
Minshang (Nanning) Internet of Things Technology Development Co., Ltd.	January 2021	100
GLP GOLDEN LINCOLN B Partners, LP	March 2021	68.51
Shanghai Zhongji Yangshan Container Services Co., Ltd.	April 2021	50
GLP Beijing Airport Logistics Development Co., Ltd. (*)	June 2021	100
Pushun Logistics Park Development Co., Ltd. (*)	June 2021	100
Kunshan GLP Dianshanhu Logistics Co., Ltd. (*)	June 2021	100
Suzhou GLP Wangting Development Co., Ltd. (*)	June 2021	100
GLP Guangzhou Bonded Development Co., Ltd. (*)	June 2021	100
GLP Guangzhou Warehousing Co., Ltd. (*)	June 2021	100
CLH 88 (HK) Limited	June 2021	100
GLP Beijing Jinma Technology Development Co., Ltd.	August 2021	100
Shanghai Lingang GLP International Logistics Development Co., Ltd.	September 2021	70
GLP Suzhou Hi-Tech Logistics Facilities Co., Ltd.	July 2021	90
GLP Shanghai Fengjia Logistics Facilities Co., Ltd.	September 2021	100
GLP Shanghai Songjiang Logistics Facilities Co., Ltd.	September 2021	100
Shanghai Zhuorui Packing Co., Ltd.	September 2021	100
Beijing Chongjing Management Co., Ltd.	September 2021	99.80
Beijing Huayuan Yingdu Real Estate Development Co., Ltd.	September 2021	100
GLP Luoxin Logistics Co.Ltd.	October 2021	100
Uni-top Aviation Logistics (Wuxi) Co., Ltd.	October 2021	100
Uni-top Aviation Logistics (XianYang) Co., Ltd.	October 2021	100
Minshang(Changshu) Internet of Things Technology	November 2021	100
GLP Chongqing Bishan Logistics Facilities Co., Ltd.	November 2021	100
Wuxi Pucheng Technology Industrial Development Co., Ltd.	November 2021	100
GLP Wuxi Puxin Technology & Industrial Development Co., Ltd.	November 2021	100
Changzhou Puxin Intelligent Manufacturing Co., Ltd.	November 2021	100
Tianjin GIP Industry Development Co., Ltd.	December 2021	100
GH Investment 3 Limited	December 2021	100
China Logistics Holding XII Srl (Barbados IBC)	November 2021	100
CLH 84 (HK) Limited	December 2021	100
Kong Hwa International Holding Company Limited	December 2021	100
CLH 23 (HK) Limited	December 2021	100
CLH 96 (HK) Limited	December 2021	100
China Logistics Holding LXII Srl	December 2021	100
CLH 41 (HK) Limited	December 2021	100
CLH 106 (HK) Limited	December 2021	100
China Logistics Holding (19) Pte Ltd	December 2021	100

29. Notes to cash flow statement (continued)

Name of subsidiaries	*Date disposed*	*Equity interest disposed*
Ø	**Ø**	%
CLH (40) Pte. Ltd.	December 2021	100
CLH (49) Pte. Ltd.	December 2021	100
Hangzhou Puxin Logistics Facilities Co., Ltd.	December 2021	100
CLH 43 (HK) Limited	December 2021	100
CLH 32 (HK) Limited	December 2021	100
CLH 40 (HK) Limited	December 2021	100
CLH 112 (HK) Limited	December 2021	100
China Logistics Holding IV Srl (Barbados IBC)	December 2021	100
China Logistics Holding IX Srl (Barbados IBC)	December 2021	100
China Logistics Holding XXVII Srl (Barbados IBC)	December 2021	100
China Logistics Holding (30) Pte Ltd	December 2021	100
CLH (44) Pte. Ltd.	December 2021	100
CLH (56) Pte. Ltd.	December 2021	100
CLH (78) Pte. Ltd.	December 2021	100
CLH 123 (HK) Limited	December 2021	100
CLH 120 (HK) Limited	December 2021	100
Be & Cheery International Limited	December 2021	100

(ii) The list of subsidiaries disposed during the year ended 31 December 2020 is as follows:

Name of subsidiaries	*Date disposed*	*Equity interest disposed*
Ø	Ø	%
Jiangsu Beisheng Technology Co., Ltd.	March 2020	100
Wuxi Pulanfeng New Energy Co., Ltd.	March 2020	100
Foshan Pudan Warehousing Services Co., Ltd.	May 2020	100
Dongguan Ever Profit Logistics Co., Ltd.	May 2020	100
Guangzhou Pufu Warehousing Service Co., Ltd.	May 2020	80
GLP Kunshan Shipu Logistics Facilities Co., Ltd.	May 2020	100
Xi'an Kapu Logistics Facilities Co., Ltd.	May 2020	96
Sanhui Food Logistic (Tianjin) Co., Ltd.	May 2020	90
GLP Chongqing Development Co., Ltd.	June 2020	100
GLP Pukai Xi’an Warehousing Service Co., Ltd.	June 2020	100
Vailog (Nanjing) Storage Services Co., Ltd.	June 2020	100
Global Logistic Properties (ChengDu) Warehousing Facilities Co., Ltd.	June 2020	100
GLP (Ningbo Beilun) Warehousing Co., Ltd.	June 2020	100
Shenyang Puling Warehousing Services Co., Ltd.	June 2020	100
GLP Puxin Xi'an Warehousing Service Co., Ltd.	June 2020	100
Suzhou Yuhang Logistics Co., Ltd.	June 2020	100
GLP Wuhan Puxia Logistics Facilities Co., Ltd.	June 2020	100
Wuxi GLP Logistics Development Co., Ltd.	June 2020	100
GLP Kunshan Puxing Logistics Development Co., Ltd.	June 2020	100
GLP Kunshan Pujiang Logistics Facilities Co., Ltd	June 2020	100
Vailog (Kunshan) Storage Co., Ltd.	June 2020	100
GLP Feidong Logistics Facilities Co., Ltd.	June 2020	100
GLP Changzhou High-tech District Logistics Facilities Co., Ltd.	June 2020	100
Tianjin Puling Warehousing Service Co., Ltd.	June 2020	100
Tianjin Pushi Logistics Facilities Co., Ltd.	June 2020	100
GLP Wuhan Huangpi Logistics Facilities Co., Ltd.	June 2020	100
GLP Hefei Hi-Tech Logistics Facilities Co., Ltd.	June 2020	100

29. Notes to cash flow statement (continued)

Name of subsidiaries	*Date disposed*	*Equity interest disposed*
Ø	Ø	%
GLP Changsha Puxia Logistics Facilities Co., Ltd.	June 2020	100
GLP China Financing Holding Limited	June 2020	100
GLP (Hangzhou) Warehousing Co., Ltd.	July 2020	100
Hangzhou Linpu Logistics Facilities Co., Ltd.	July 2020	100
GLP Tianjin Puya Logistics Facilities Co., Ltd.	July 2020	100
GLP Langfang Logistics Facilities Co., Ltd.	July 2020	100
Tianjin Puqing Logistics Co., Ltd.	July 2020	100
GLP Zhuozhou Logistics Facilities Co., Ltd.	July 2020	100
GLP Hangzhou Logistics Development Co., Ltd.	July 2020	100
GLP Jiashan Pujia Logistics Co., Ltd.	July 2020	100
GLP Haining Logistics Facilities Co., Ltd.	July 2020	100
GLP Tianjin Pujia Logistics Facilities Co., Ltd.	July 2020	100
GLP (Qingdao) Airport International Logistics Development Co., Ltd.	September 2020	100
CLH 38 (HK) Limited & Suzhou Industrial Park Pushang Logistics Facilities Co., Ltd.	September 2020	100
Tompkins International LLC	December 2020	83
CLH 12 (HK) Limited	December 2020	100
GLP Golden Lincoln A Partners, LP	December 2020	100
GLP Nantong NSIP Logistics Facilities Co., Ltd.	December 2020	100
Buffalo (Jinan) Warehousing Co., Ltd	December 2020	100

29. Notes to cash flow statement (continued)

30. Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, bills receivable and derivative financial assets is limited because the counterparties are banks and financial for which the Group considers to have low credit risk.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due from the date of billing. Debtors with balances that are more than 6 months past due are requested to settle all outstanding balances before any further credit is granted.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 20.

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

30. Financial risk management and fair values of financial instruments (continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 31 December 2020.

The Group designated three listed equity securities and CCIC GLP REIT at FVOCI (non-recycling) and other listed investments at FVTPL (see note 18). The Group's listed investments are listed on the Shenzhen Stock Exchange, Shanghai Stock Exchange and Hong Kong Stock Exchange. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Index and other industry indicators, as well as the Group's liquidity needs. Certain listed investments held in the other investments have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. The other listed investments held in the other investments have been chosen based on short term market performance and profitability through open market.

At 31 December 2021, it is estimated that an increase of 5% (31 December 2020: 5%) in the relevant stock market index (for listed investments) with all other variables held constant, would have increased the Group's fair value reserve and profit before tax as follows:

	31 December 2021	*31 December 2020*
Ø	US$'000	US$'000
Ø		Ø
Other investments	57,386	23,471

A decrease of 5% in the relevant stock market index at 31 December would have had the equal but opposite effect on the above equity investment to the amounts shown above, on the basis that all other variables remain constant.

The sensitivity analysis indicates the instantaneous change in the Group's fair value reserve and profit before tax that would arise assuming that the changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, that none of the Group's available-for-sale investments would be considered impaired as a result of the decrease in the relevant stock market index or other relevant risk variables, and that all other variables remain constant. The analysis is performed on the same basis for 31 December 2020.

30. Financial risk management and fair values of financial instruments (continued)

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at 31 December 2021	*Fair value measurements as at 31 December 2021 categorised into*		
		Level 1	*Level 2*	*Level 3*
	$'000	$'000	$'000	$'000
Recurring fair value measurement				
Financial assets:				
Other investments:				
- Listed securities	1,147,717	1,147,717	-	-
- Unlisted equity securities	1,189,147	-	-	1,189,147

	Fair value at 31 December 2020	*Fair value measurements as at 31 December 2020 categorised into*		
		Level 1	*Level 2*	*Level 3*
	$'000	$'000	$'000	$'000
Recurring fair value measurement				
Financial assets:				
Other investments:				
- Listed securities	469,427	469,427	-	-
- Unlisted equity securities	1,655,919	-	-	1,655,919

30. Financial risk management and fair values of financial instruments (continued)

During the year ended 31 December 2021, there were no transfers between Level 1 and Level 2, and the investments in Eastern Air Logistics Co., Ltd., Jingdong Express Group Corporation, China Railway Special Cargo Logistics Co., Ltd. and Linklogis Financial Holdings Inc. were reclassified from Level 3 to Level 1 because these equity securities became listed during the year (year ended 31 December 2020: none). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

	Valuation techniques	*Significant unobservable inputs*	*Range*
Unlisted equity securities	Market approach	Discount for lack of marketability	0% - 50%
Unlisted equity securities	Market approach	Price-to sales ratio	17.2x
Unlisted equity securities	Market approach	Price-to earnings ratio	12x

The fair value of unlisted equity securities is determined using cost approach and market approach. The fair value of unlisted equity securities using cost approach uses financial data. The fair value of unlisted equity securities using market approach uses the price/sales ratios and price/book ratios of comparable listed companies, post-money valuation and adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability.

	31 December 2021 $'000	*31 December 2020* $'000
Unlisted equity securities:		
At 1 January	1,655,919	1,026,406
Additional securities acquired	193,550	872,940
Net unrealised gains or losses recognised in profit or loss during the year	253,494	137,631
Disposals	(640,894)	(434,256)
Reclassification to listed equity securities	(292,243)	-
Exchange differences	19,321	53,198
At 31 December	1,189,147	1,655,919
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting year	253,494	137,631

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2021 and 31 December 2020.

33. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, there were the following significant related party transactions which were carried out in the normal course of business on terms agreed between the parties during the year:

Ø Ø	*Year ended 31 December 2021* US$'000	*Year ended 31 December 2020* US$'000
Joint ventures	Ø	Ø
Asset management fee income from joint ventures	14,218	11,238
Investment management fee income from joint ventures	1,235	542
Property management fee income from joint ventures	8,963	6,484
Development management fee income from joint ventures	1,604	4,290
Leasing management fee income from joint ventures	4,453	4,474
Acquisition management fee income from joint ventures	3,633	6,927
Dividend income received from joint ventures	16,246	4,690
Interest income from joint ventures	33,172	18,456
Interest expenses charged by joint ventures	(3)	(988)
Ø		
Associates	Ø	Ø
Asset management fee income from associates	26,009	6,439
Investment management fee income from associates	33,004	15,773
Property management fee income from associates	6,155	2,767
Development fee income from associates	480	134
Dividend income received from associates	55,306	2,968
Leasing management fee income from associates	3,521	1,582
Acquisition management fee income from associates	968	-
Interest income from associates	5,268	12,160
Interest expenses charged by associates	56	(43)
Ø		
Fellow subsidiaries	Ø	Ø
Asset management fee charged by fellow subsidiaries	(16,914)	(13,074)
Asset management fee income from fellow subsidiaries	11,169	8,634
Interest income from fellow subsidiaries	435	531
Interest expenses charged by fellow subsidiaries	(400)	(1,122)
Ø		
Intermediate holding company	Ø	Ø
Management service fee charged by intermediate holding company	(4,501)	(6,271)
Loan to intermediate holding company	753,760	-
Interest expenses charged by intermediate holding company	(260)	(13,950)
Ø		

33. Significant related party transactions (continued)

During the year ended 31 December 2021, the Group disposed of certain subsidiaries, associates to CVA II-II Fund (Joint venture), GLP RE HOLDINGS PTE. LTD. (entity under common control), CVA III Fund (Associate), CIF II Fund (Associate), CIF III Fund (Associate), and GLP GV China Limited (entity under common control).

The assets and liabilities disposed of are provided below:

	Joint venture US$'000	*Associate* US$'000	*GLP RE HOLDINGS PTE. LTD.* US$'000	*GLP GV China Limited* US$'000	*Total* US$'000
Net assets disposed	122,863	1,425,508	887,759	1,397,002	3,833,132
Disposal gain recognised in profit and loss	27,238	165,343	142,770	37,241	372,592
Disposal consideration	150,101	1,590,851	1,030,529	1,434,243	4,205,724

Guarantees provided to related parties

The Group has provided guarantees for bank borrowings of related parties, GLP China Financing Holding Limited's subsidiaries. As at 31 December 2021, the outstanding amount of the relevant bank borrowings was approximately US$211,320,000(31 December 2020: US$160,527,000). As at and during the year ended 31 December 2021, there was no overdue payment in respect of these bank borrowings (2020: none).

Besides, GLP Commercial Factoring (Chongqing) Co., Ltd., issued asset-backed securities amounting to RMB216,000,000 (equivalent to approximately US$33,879,000) in August 2020 with maturity dates ending between years 2020 and 2022 with a fixed interest rate of 3.85%. The Group has provided guarantee to investors of the asset-backed securities. The scope of guarantee hereunder includes any shortfall of scheduled payment of debt principal and interest, penalty, damages and expenses incurred in execution of the creditors' rights. As at 31 December 2021, the outstanding amount of the relevant asset-backed securities was approximately US$ 25,910,000 (31 December 2020: US$31,418,000). As at and during the year ended 31 December 2021, there was no shortfall of scheduled payment to creditors (2020: none).

34. Subsequent events

Subsequent to 31 December 2021, the following non-adjusting events have occurred:

In February 2022, CLH Limited, Khangai Company Limited and Khangai II Company Limited entered into a share purchase agreement, pursuant to which Khangai Company Limited transferred 789,750,000 issued shares of the Company and Khangai II Company Limited transferred 467,303,653 issued shares of the Company to CLH Limited, as a result of which CLH Limited would hold 5,857,618,406 shares of the Company, representing an increase of shareholding to 84.30% while Khangai Company Limited and Khangai II Company Limited would be reduced to 7.58% and 4.48% respectively after the completion of share transfer on 8 February 2022.

In March 2022, the Company issued RMB 1,000,000,000 (equivalent to approximately US $ 156,846,000) of RMB denominated bonds due 2025 on Shanghai Stock Exchange at fixed interest rate of 4.30% per annum.

36. Company-level statement of comprehensive income

	Year ended 31 December 2021	*Year ended 31 December 2020*
Ø	US$'000	US$'000
Revenue		
Ø	Ø	Ø
Dividend income from a subsidiary	-	1,050,990
Other expenses	(19,228)	(25,371)
Ø		
(Loss)/profit from operations	(19,228)	1,025,619
Finance costs	(271,302)	(283,500)
Finance income	125,402	226,295
Ø		
Net finance costs	(145,900)	(57,205)
Ø		
(Loss)/profit before taxation	(165,128)	968,414
Income tax	(3,507)	(5,057)
Ø		
(Loss)/profit for the year	(168,635)	963,357
Ø		
Other comprehensive income for the year	Ø	Ø
Items that may be reclassified subsequently to profit of loss:		Ø
Exchange differences on translation of financial statements	152,844	431,658
Ø		
Total comprehensive income for the year	(15,791)	1,395,015

37. Company-level cash flow statement

	Year ended 31 December 2021	*Year ended 31 December 2020*
Ø	US$'000	US$'000
Cash flows from operating activities	Ø	Ø
Ø	Ø	Ø
(Loss)/profit before taxation	(165,128)	968,414
Ø		
Adjustments for:		
Ø		
Dividend income	-	(1,050,990)
Net finance costs	164,245	(44,732)
Withholding tax	3,507	1,668
Ø		
Ø	2,624	(125,640)
Changes in working capital:		
Trade and other receivables	(1,244,160)	61,943
Trade and other payables	6,088,730	1,821,220
Ø		
Cash generated from operations	4,847,194	1,757,523
Ø		
Net cash generated from operating activities	4,847,194	1,757,523
Ø		
Cash flows from investing activities	Ø	Ø
Ø	Ø	Ø
Interest income received	46,241	63,454
Repayment of loan from subsidiaries	366,425	448,307
Loans to subsidiaries	(262,481)	(107,186)
Investments in subsidiaries	(3,656,567)	(2,539,712)
Ø		
Net cash used in investing activities	(3,506,382)	(2,135,137)

37. Company-level cash flow statement (continued)

	Year ended 31 December 2021	*Year ended 31 December 2020*
Ø		
Ø	US$'000	US$'000
Cash flows from financing activities	Ø	Ø
Ø	Ø	Ø
Proceeds from issue of bonds	2,648,156	314,118
Repayment of bonds	(2,267,021)	-
Proceeds from bank loans	5,023,055	4,859,173
Repayment of bank loans	(6,499,364)	(4,080,545)
Repayment of loans from shareholder	(21,436)	(451,554)
Interest paid	(263,594)	(295,058)
Ø		
Net cash (used in)/generated from financing activities	(1,380,204)	346,134
Ø		
Net decrease in cash and cash equivalents	(39,392)	(31,480)
Cash and cash equivalents at beginning of the year	70,074	100,406
Effect of exchange rate changes	438	1,148
Ø		
Cash and cash equivalents at end of the year		

39. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2021

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, *Insurance contracts*, which are not yet effective for the year ended 31 December 2021 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 3, *Reference to the Conceptual Framework*	1 January 2022
Amendments to HKAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*	1 January 2022
Amendments to HKAS 37, *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
Annual Improvements to HKFRSs 2018-2020 Cycle	1 January 2022
Amendments to HKAS 1, *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2, *Disclosure of accounting policies*	1 January 2023
Amendments to HKAS 8, *Definition of accounting estimates*	1 January 2023
Amendments to HKAS 12, *Deferred tax related to assets and liabilities arising from a single transaction*	1 January 2023

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

ISSUER

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Principal Registrar

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