



# GLP China Holdings Limited

Interim Financial Report  
For the three-month period ended 31 March 2021





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**Review report to the board of directors  
of GLP China Holdings Limited**  
*(Incorporated in Hong Kong with limited liability)*

HKSHA2100079

**Introduction**

We have reviewed the interim financial report set out on pages 3 to 45 which comprises the consolidated statement of financial position of GLP China Holdings Limited ("the Company") and its subsidiaries (hereinafter collectively referred to as "the Group") as at 31 March 2021 and the related consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three-month period then ended and selected explanatory notes. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**Scope of review**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.



Review report to the board of directors  
of GLP China Holdings Limited (continued)  
*(Incorporated in Hong Kong with limited liability)*

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 31 March 2021 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

Certified Public Accountants

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong


14 May 2021

## Consolidated Statement of Comprehensive Income for the three-month period ended 31 March 2021-unaudited

	Notes	Three-month period ended	
		31 March 2021 US\$'000	31 March 2020 US\$'000
<b>Revenue</b>	4	289,503	294,655
Other income	5	45,884	15,560
Cost of goods sold and other financial services costs		(965)	(41,748)
Property-related expenses		(80,127)	(63,448)
Other expenses		(54,030)	(44,044)
Changes in fair value of investment properties	9	126,328	116,678
Share of results (net of tax expense) of joint ventures		11,014	9,794
Share of results (net of tax expense) of associates		(15,338)	6,715
<b>Profit from operations</b>		<b>322,269</b>	<b>294,162</b>
Finance costs		(179,272)	(145,129)
Finance income		12,310	8,296
Net finance costs	6	(166,962)	(136,833)
Gain on acquisition of subsidiaries	27	16,491	-
Gain/(loss) on disposal of a subsidiary	27	1,341	(15)
Gain on disposal of assets held for sale		8,170	-
<b>Profit before taxation</b>	7	<b>181,309</b>	<b>157,314</b>
Tax expense	8	(68,371)	(68,795)
<b>Profit for the period</b>		<b>112,938</b>	<b>88,519</b>
<b>Profit attributable to:</b>			
Owners of the Company		25,161	51,727
Non-controlling interests		87,777	36,792
<b>Profit for the period</b>		<b>112,938</b>	<b>88,519</b>

The notes on pages 13 to 45 form part of these financial statements.


## Consolidated Statement of Comprehensive Income for the three-month period ended 31 March 2021-unaudited (continued)



	<i>Three-month period ended</i>	
	<i>31 March 2021</i>	<i>31 March 2020</i>
	US\$'000	US\$'000
<b>Profit for the period</b>	112,938	88,519
<b>Other comprehensive income for the period</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
Change in fair value of other investments	(23,364)	(13,045)
Surplus on revaluation of buildings held for own use carried at fair value	1,374	522
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements from functional currency to reporting currency	(99,324)	(147,175)
<b>Other comprehensive income for the period</b>	(121,314)	(159,698)
<b>Total comprehensive income for the period</b>	(8,376)	(71,179)
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	(38,123)	(66,917)
Non-controlling interests	29,747	(4,262)
<b>Total comprehensive income for the period</b>	(8,376)	(71,179)


The notes on pages 13 to 45 form part of these financial statements.

## Consolidated Statement of Financial Position as at 31 March 2021-unaudited

	 Notes	31 March 2021 US\$'000	31 December 2020 US\$'000
<b>Non-current assets</b>			
Investment properties	9	21,708,757	21,380,459
Joint ventures	10	2,124,150	2,090,883
Associates	11	2,063,903	1,799,882
Deferred tax assets	12	33,187	21,455
Property, plant and equipment	13	379,942	348,530
Intangible assets	14	307,783	309,790
Other investments	15	1,523,714	2,125,346
Other non-current assets	16	764,976	778,399
		<u>28,906,412</u>	<u>28,854,744</u>
<b>Current assets</b>			
Trade and other receivables	17	1,852,187	1,573,419
Assets classified as held for sale	18	1,086,700	1,166,970
Cash and cash equivalents	19	2,321,320	1,160,752
		<u>5,260,207</u>	<u>3,901,141</u>
<b>Total assets</b>		<u><u>34,166,619</u></u>	<u><u>32,755,885</u></u>
<b>Equity attributable to owners of the Company</b>			
Share capital	20	6,950,825	6,950,825
Reserves	22	5,391,530	5,432,846
		<u>12,342,355</u>	<u>12,383,671</u>
<b>Non-controlling interests</b>		<u>5,068,791</u>	<u>5,176,090</u>
<b>Total equity</b>		<u><u>17,411,146</u></u>	<u><u>17,559,761</u></u>

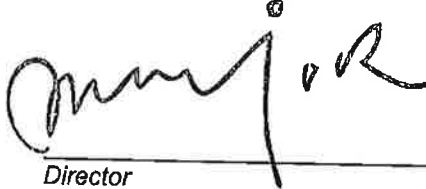
The notes on pages 13 to 45 form part of these financial statements.

Consolidated Statement of Financial Position  
as at 31 March 2021-unaudited (continued)

	 Notes	31 March 2021 US\$'000	31 December 2020 US\$'000
<b>Non-current liabilities</b>			
Loans and borrowings	23	8,471,696	7,096,129
Deferred tax liabilities	12	2,492,471	2,455,806
Other non-current liabilities	24	328,585	317,337
		<u>11,292,752</u>	<u>9,869,272</u>
<b>Current liabilities</b>			
Loans and borrowings	23	3,554,111	3,150,219
Trade and other payables	25	1,572,343	1,751,374
Current tax payable		50,965	95,758
Liabilities classified as held for sale	18	285,302	329,501
		<u>5,462,721</u>	<u>5,326,852</u>
<b>Total liabilities</b>		<u>16,755,473</u>	<u>15,196,124</u>
<b>Total equity and liabilities</b>		<u>34,166,619</u>	<u>32,755,885</u>

Approved and authorised for issue by the Board of Directors on

  
Director

  
Director

The notes on pages 13 to 45 form part of these financial statements.

## Consolidated Statement of Changes in Equity for the three-month period ended 31 March 2021-unaudited

	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 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
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	51,727	51,727	36,792	88,519
<b>Other comprehensive income</b> Exchange differences on translation of financial statements from functional currency to reporting currency	-	-	-	(106,121)	-	-	-	-	(106,121)	(41,054)	(147,175)
Change in fair value of other investments	-	-	-	-	-	(13,045)	-	-	(13,045)	-	(13,045)
Surplus on revaluation of buildings held for own use carried at fair value	-	-	-	-	522	-	-	-	522	-	522
<b>Total other comprehensive income</b>	-	-	-	(106,121)	522	(13,045)	-	-	(118,644)	(41,054)	(159,698)
<b>Total comprehensive income for the period</b>	-	-	-	(106,121)	522	(13,045)	-	51,727	(66,917)	(4,262)	(71,179)
<b>Transactions with owners, recorded directly in equity</b> Capital contribution from non-controlling interests	-	1,892	-	-	-	-	-	(1,892)	-	45,188	45,188
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-
Acquisition of interests in subsidiaries from non-controlling interests	-	1,040	-	-	-	-	-	-	1,040	(12,538)	(11,498)
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-	-	180,009	180,009
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,243)	(1,243)
<b>Total contributions by and distributions to owners</b>	-	2,932	-	-	-	-	-	(1,892)	1,040	211,416	212,456
At 31 March 2020	6,950,825	(5,399)	36,849	(953,803)	3,827	19,809	(1,554,630)	6,501,920	10,999,398	3,969,615	14,969,013

The notes on pages 13 to 45 form part of these financial statements.



## Consolidated Statement of Changes in Equity for the three-month period ended 31 March 2021-unaudited (continued)

	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
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-	25,161	25,161	87,777	112,938
Profit for the period	-	-	-	-	-	-	-	25,161	25,161	87,777	112,938
<b>Other comprehensive income</b>	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of financial statements from functional currency to reporting currency	-	-	-	(41,294)	-	-	-	-	(41,294)	(58,030)	(99,324)
Change in fair value of other investments	-	-	-	-	-	(23,364)	-	-	(23,364)	-	(23,364)
Surplus on revaluation of buildings held for own use carried at fair value	-	-	-	-	1,374	-	-	-	1,374	-	1,374
<b>Total other comprehensive income</b>	-	-	-	(41,294)	1,374	(23,364)	-	-	(63,284)	(58,030)	(121,314)
<b>Total comprehensive income for the period</b>	-	-	-	(41,294)	1,374	(23,364)	-	25,161	(38,123)	29,747	(8,376)
<b>Transactions with owners, recorded directly in equity</b>	-	-	-	-	-	-	-	-	-	-	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	164,444	164,444
Acquisition of interests in subsidiaries from non-controlling interests	-	(3,193)	-	-	-	-	-	-	(3,193)	(97,606)	(100,799)
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-	-	1,188	1,188
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(199,384)	(199,384)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(5,688)	(5,688)
<b>Total contributions by and distributions to owners</b>	-	(3,193)	-	-	-	-	-	-	(3,193)	(137,046)	(140,239)
At 31 March 2021	6,950,825	645	36,849	(171,207)	8,104	89,863	(1,554,630)	6,981,906	12,342,355	5,066,791	17,411,146

The notes on pages 13 to 45 form part of these financial statements.

## Consolidated Statement of Cash Flows for the three-month period ended 31 March 2021-unaudited

	Notes	Three-month period ended	
		31 March 2021 US\$'000	31 March 2020 US\$'000
<b>Cash flows from operating activities</b>			
Profit before taxation		181,309	157,314
Adjustments for:			
Amortisation of transaction costs of bonds and bank loans		8,934	2,178
Amortisation of intangible assets		332	380
Amortisation of deferred management costs		33	31
Depreciation of property, plant and equipment		5,798	5,813
Loss on disposal of property, plant and equipment		-	15
Gain on acquisition of subsidiaries	27	(16,491)	-
(Gain)/loss on disposal of subsidiaries	27	(1,341)	15
Share of results (net of tax expense) of joint ventures		(11,014)	(9,794)
Share of results (net of tax expense) of associates		15,338	(6,715)
Changes in fair value of investment properties		(126,328)	(116,678)
Changes in fair value of financial assets		(41,415)	(11,742)
Impairment loss on trade and other receivables		(113)	7,388
Net finance costs		158,029	134,655
Gain on disposal of assets held for sale		(8,170)	-
		<u>164,901</u>	<u>162,860</u>
Changes in working capital:			
Trade and other receivables and inventories		(35,223)	(70,631)
Trade and other payables		121,435	(8,341)
		<u>251,113</u>	<u>83,888</u>
Cash generated from operations		(72,332)	(27,508)
Tax paid			
		<u>178,781</u>	<u>56,380</u>
<b>Net cash generated from operating activities</b>			

The notes on pages 13 to 45 form part of these financial statements.

## Consolidated Statement of Cash Flows for the three-month period ended 31 March 2021-unaudited (continued)

	Notes	Three-month period ended	
		31 March 2021 US\$'000	31 March 2020 US\$'000
<b>Cash flows from investing activities</b>			
Acquisitions of subsidiaries, net of cash acquired	27	(65,424)	(20,074)
Disposal of subsidiaries, net of cash disposed	27	680,196	145,626
Deposit (paid)/refunded for acquisitions of investment properties		(520,118)	12,506
Development expenditure on investment properties		(438,266)	(234,307)
Payment for purchase of other investments		(29,459)	(75,612)
Payment for purchase of intangible assets		-	(16)
Payment for purchase of property, plant and equipment		(30,313)	(9,281)
Proceeds from disposal of associates and joint ventures		14,245	-
Withholding tax paid on dividend and interest income from subsidiaries		(15,908)	-
Loans to joint ventures		(9,497)	(42,215)
Loans to associates		(476)	(16,023)
Loans to third parties		(85,118)	(34,977)
Repayment of loans from joint ventures		15,631	-
Repayment of loans from non-controlling interests		10,008	2,940
Repayment of loans from associates		1,536	-
Repayment of loans from third parties		1,314	14,551
Capital contribution to joint ventures		(58,970)	(684,733)
Capital contribution to associates		(306,065)	(22,737)
Interest income received		11,030	6,888
<b>Net cash used in investing activities</b>		<b>(825,654)</b>	<b>(957,464)</b>

The notes on pages 13 to 45 form part of these financial statements.

## Consolidated Statement of Cash Flows for the three-month period ended 31 March 2021-unaudited (continued)

### Cash flows from financing activities

	<i>Three-month period ended</i>	
	31 March 2021 US\$'000	31 March 2020 US\$'000
Capital contribution from non-controlling interests	166,283	45,188
Proceeds from bank loans	1,852,063	1,398,375
Proceeds from issue of bonds	1,674,459	285,865
Proceeds of loans from joint ventures	-	28,282
Proceeds of loans from non-controlling interests	-	7,846
Proceeds of loans from third parties	-	3,504
Repayment of bank loans	(1,325,463)	(237,145)
Repayment of bonds	(398,086)	(7,731)
Repayment of loans from intermediate holding company	-	(7,374)
Repayment of loans from joint ventures	-	(24,662)
Repayment of loans from non-controlling interests	(7,695)	-
Repayment of loans from third parties	(637)	(1,404)
Interest paid	(105,557)	(97,600)
Dividends paid to non-controlling interests	(5,688)	(1,243)
Cash payments for principal portion of lease liabilities	(1,476)	(875)
Cash payments for interest portion of lease liabilities	(744)	(630)
Acquisition of interests in subsidiaries from non-controlling interests	(37,227)	(11,498)
<b>Net cash generated from financing activities</b>	<b>1,810,232</b>	<b>1,378,898</b>

The notes on pages 13 to 45 form part of these financial statements.

Consolidated Statement of Cash Flows  
for the three-month period ended 31 March 2021-unaudited  
(continued)

	Note	Three-month period ended	
		31 March 2021 US\$'000	31 March 2020 US\$'000
<b>Net increase in cash and cash equivalents</b>		1,163,359	477,814
Cash and cash equivalents at the beginning of the period		1,222,062	859,715
Effect of exchange rate changes on cash balances held in foreign currencies		<u>(6,299)</u>	<u>(7,191)</u>
<b>Cash and cash equivalents at the end of the period</b>	19	<u>2,379,122</u>	<u>1,330,338</u>

The notes on pages 13 to 45 form part of these financial statements.

# Notes to the Interim Financial Report



## 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 Pte. Ltd. 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 ("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 intermediate 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%.

The interim financial report for the three-month period ended 31 March 2021 comprises the Company and its subsidiaries and the Group's interests in joint ventures and associates.

## 2. Basis of preparation and measurement

### (a) Basis of preparation

This interim financial report has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2020 annual financial statements.

## 2. Basis of preparation and measurement (continued)

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2020. The interim financial report and notes thereon do not include all of the information required for full set of annual financial statements prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by HKICPA. KPMG's independent review report to the board of directors is included on pages 1 and 2.

The financial information relating to the financial year ended 31 December 2020 that is included in this interim financial report as comparative information does not constitute the Group's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Group will deliver the financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Group's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

### (b) Changes in accounting policies

The Group has applied the flowing 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

Other than amendments to HKFRS 9, HKFRS 39, HKFRS 7, HKFRS 4 and HKFRS 16, the Group has not applied any new standard for interpretation that is not yet effective for the current accounting period. There is no significant impact after adopting these amendments.

### (c) Functional currency and presentation currency

The functional currency of the Company and its subsidiaries is Chinese Renminbi Yuan ("RMB"). These financial statements are presented in United States Dollars ("USD") are rounded to the nearest thousand.

## 2. Basis of preparation and measurement (continued)

### (d) Use of estimates and judgements

The preparation of the interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## 3. Possible impact of amendments, new standards and interpretations issued but not yet effective for the financial year ending 31 December 2021

Up to the date of issue of this interim financial report, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, *Insurance contracts*, which are not yet effective for the financial year ending 31 December 2021 and which have not been adopted in this interim financial report. These include the following which may be relevant to the Group.

	<i>Effective for accounting periods beginning on or after</i>
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
HKFRS 17, Insurance contracts	1 January 2023
Amendment to HKFRS 4, Extension of the temporary exemption from applying HKFRS 9	1 January 2023

The Group is in the process of making an assessment of what the impact of these development is expected to be in the period of initial application. So far, the Group has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.



#### 4. Revenue

	<i>Three-month period ended</i>	
	<i>31 March 2021</i>	<i>31 March 2020</i>
	US\$'000	US\$'000
<b>Revenue from rental and related income</b>	<u>261,007</u>	<u>231,414</u>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Disaggregated by major products or service lines		
Sales of goods	1,090	39,817
Financial services income	-	8,339
Management fee income	27,406	15,085
	<u>28,496</u>	<u>63,241</u>
Disaggregated by timing of revenue recognition		
Point in time	1,090	39,817
Over time	27,406	23,424
	<u>28,496</u>	<u>63,241</u>
	<u>289,503</u>	<u>294,655</u>

The Group's customer base is diversified and no customer with whom transactions have exceeded 10% of the Group's revenue for the periods presented.

#### 5. Other income

	<i>Three-month period ended</i>	
	<i>31 March 2021</i>	<i>31 March 2020</i>
	US\$'000	US\$'000
Changes in fair value of financial assets	41,415	11,742
Government grants	2,612	3,638
Others	1,857	180
	<u>45,884</u>	<u>15,560</u>

## 6. Net finance costs

	<i>Three-month period ended</i>	
	31 March 2021 US\$'000	31 March 2020 US\$'000
Interest income on:		
- Fixed deposits and cash at bank	1,647	2,048
- Loans to joint ventures	7,650	2,500
- Loans to associates	1,419	1,911
- Loans to non-controlling interests	-	46
- Loans to employees	322	42
- Loans to related corporations	143	-
- Loans to third parties	1,129	1,749
Interest income	12,310	8,296
Amortisation of transaction costs of bank loans	(7,546)	(891)
Amortisation of transaction costs of bonds	(1,388)	(1,287)
Interest expenses on:		
- Bank loans	(52,963)	(54,601)
- Bonds	(55,553)	(47,212)
- Loans from intermediate holding company	-	(4,869)
- Loans from joint ventures	(13)	(329)
- Loans from non-controlling interests	(150)	(246)
- Lease liabilities	(810)	(698)
Total borrowing costs	(118,423)	(110,133)
Less: borrowing costs capitalised in investment properties	4,290	2,754
Net borrowing costs	(114,133)	(107,379)
Foreign exchange loss	(65,139)	(37,750)
Net finance costs recognised in profit or loss	(166,962)	(136,833)

## 7. Profit before taxation

The following items have been included in arriving at profit before taxation:

	<i>Three-month period ended</i>	
	<i>31 March 2021</i>	<i>31 March 2020</i>
	US\$'000	US\$'000
<b>(a) Staff costs</b>		
Wages and salaries	(33,978)	(16,839)
Contributions to defined contribution plans, included in wages and salaries	<u>(2,815)</u>	<u>(1,331)</u>
<b>(b) Other expenses</b>		
Amortisation of intangible assets	(332)	(380)
Depreciation of property, plant and equipment:		
- Owned property, plant and equipment	(3,195)	(3,949)
- Right-of-use assets	(2,603)	(1,864)
Impairment loss on trade and other receivables	<u>113</u>	<u>(7,388)</u>

## 8. Tax expense

	<i>Three-month period ended</i>	
	31 March 2021 US\$'000	31 March 2020 US\$'000
Current tax	35,761	14,312
Withholding tax on foreign-sourced income	7,929	1,372
	<u>43,690</u>	<u>15,684</u>
Deferred tax		
Origination and reversal of temporary differences	24,681	53,111
	<u>68,371</u>	<u>68,795</u>
<b>Reconciliation of expected to actual tax</b>		
Profit before taxation	181,309	157,314
Less: share of results (net of tax expense) of joint ventures	(11,014)	(9,794)
Less: share of results (net of tax expense) of associates	15,338	(6,715)
	<u>185,633</u>	<u>140,805</u>
Tax expense using PRC tax rate of 25%	46,408	35,201
Effect of different tax rates for subsidiaries	(5,514)	5,234
Net income not subject to tax	(9,551)	(3,566)
Non-deductible expenses	20,018	20,163
Deferred tax not recognised on tax losses and other temporary differences	12,363	12,690
Recognition of previously unrecognised tax losses	(3,282)	(2,299)
Withholding tax on foreign-sourced income	7,929	1,372
	<u>68,371</u>	<u>68,795</u>

## 9. Investment properties

	31 March 2021 US\$'000	31 December 2020 US\$'000
At 1 January	21,380,459	20,656,664
Additions	278,465	1,257,960
Acquisitions of subsidiaries (note 27)	142,433	1,050,716
Disposals of subsidiaries (note 27)	-	(2,392,203)
Borrowing cost capitalised	4,290	14,556
Changes in fair value	126,328	532,835
Reclassification to assets held for sale (note 18)	(91,559)	(1,065,798)
Effect of movements in exchange rates	(131,659)	1,325,729
	<u>21,708,757</u>	<u>21,380,459</u>
At 31 March/31 December		
<b>Comprising:</b>		
Completed investment properties	17,795,966	17,679,556
Investment properties under re-development	19,134	19,249
Properties under development	2,031,519	1,813,162
Land held for development	1,862,138	1,868,492
	<u>21,708,757</u>	<u>21,380,459</u>

Investment properties are held mainly for use by 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.

Investment properties with carrying value totaling approximately US\$16,115,297,000 as at 31 March 2021 (31 December 2020: US\$15,445,068,000) were mortgaged to secure credit facilities for the Group (note 23).

The Group's investment properties are stated at fair value. In determining the fair value of investment properties, 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 sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates, 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 property developers' profit margin, assuming it was completed as at the date of valuation.

In determining the fair value of investment properties, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

## 9. Investment properties (continued)

### Operating lease rental receivables

Future minimum rental receivables of the Group on non-cancellable operating leases from investment properties are as follows:

	31 March 2021 US\$'000	31 December 2020 US\$'000
Lease payments receivable:		
- Within 1 year	854,613	788,935
- After 1 year but within 5 years	1,457,574	1,408,705
- After 5 years	495,304	503,994
	<u>2,807,491</u>	<u>2,701,634</u>

## 10. Joint ventures

	31 March 2021 US\$'000	31 December 2020 US\$'000
China Merchants Capital Investment Co., Ltd. ("CMCI")	765,787	770,916
Beijing Jintonggang Real Estate Development Co., Ltd. ("Z3 project")	354,765	357,162
GLP Guoyi (Zhuhai) Acquisition Fund (LP) ("CVA I Fund")	235,261	236,593
Others	768,337	726,212
	<u>2,124,150</u>	<u>2,090,883</u>

All the joint ventures are unlisted corporate entities whose quoted market prices are not available.

## 11. Associates

	31 March 2021 US\$'000	31 December 2020 US\$'000
Zhongjin Jiaye (Tianjin) Commercial Real Estate Investment Center LLP ("Zhongjin Jiaye")	215,541	216,997
Zhuhai Hidden Hill Logistic Equity Investment Fund (LP) ("Hidden Hill Fund")	1,040,026	963,438
Others	808,336	619,447
	<u>2,063,903</u>	<u>1,799,882</u>

## 12. Deferred tax

Movements in deferred tax assets and liabilities during the period/year are as follows:

	At 1 January	Acquisition of subsidiaries (note 27)	Disposal of subsidiaries (note 27)	Effect of movement in exchange rates	Recognised in other comprehen- sive income	Recognised in profit or loss	Reclassified to assets held for sale	At 31 December/ 31 March
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Deferred tax assets</b>								
<b>31 December 2020</b>								
Unutilised tax losses	35,396	255	(9,665)	1,510	-	(2,393)	(557)	24,546
Others	4,007	-	-	309	-	557	-	4,873
	<u>39,403</u>	<u>255</u>	<u>(9,665)</u>	<u>1,819</u>	<u>-</u>	<u>(1,836)</u>	<u>(557)</u>	<u>29,419</u>
<b>31 March 2021</b>								
Unutilised tax losses	24,546	1	-	(260)	-	9,034	(40)	33,281
Others	4,873	-	-	(38)	-	739	-	5,574
	<u>29,419</u>	<u>1</u>	<u>-</u>	<u>(298)</u>	<u>-</u>	<u>9,773</u>	<u>(40)</u>	<u>38,855</u>
<b>Deferred tax liabilities</b>								
<b>31 December 2020</b>								
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)
	<u>(2,356,933)</u>	<u>(135,493)</u>	<u>301,289</u>	<u>(189,461)</u>	<u>(775)</u>	<u>(250,087)</u>	<u>167,690</u>	<u>(2,463,770)</u>
<b>31 March 2021</b>								
Investment properties	(2,331,240)	(14,609)	-	(4,867)	-	(30,366)	15,380	(2,365,702)
Other investments	(80,127)	-	-	(2,841)	3,929	(4,843)	-	(83,882)
Buildings held for own use carried at fair value	(2,372)	-	-	20	(458)	-	-	(2,810)
Others	(50,031)	-	-	3,531	-	755	-	(45,745)
	<u>(2,463,770)</u>	<u>(14,609)</u>	<u>-</u>	<u>(4,157)</u>	<u>3,471</u>	<u>(34,454)</u>	<u>15,380</u>	<u>(2,498,139)</u>

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 March 2021 US\$'000	31 December 2020 US\$'000
Deferred tax assets	33,187	21,455
Deferred tax liabilities	<u>(2,492,471)</u>	<u>(2,455,806)</u>

## 12. Deferred tax (continued)

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 in the foreseeable future:

	31 March 2021 US\$'000	31 December 2020 US\$'000
Tax losses	<u>617,624</u>	<u>653,028</u>

Tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. Unrecognised tax losses amounting to approximately US\$617,624,000 (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. The Group has not recognised a deferred tax liability amounting to approximately US\$66,741,000 (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.



### 13. 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 9)	Buildings held for own use carried at amortised cost US\$'000	Right-of-use assets US\$'000	Total US\$'000
<b>Cost</b>							
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)
Surplus on revaluation	-	-	-	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	2	-	-	-	-	-	2
Additions	3,359	-	22,744	9,785	-	4,210	40,098
Disposal	-	-	-	-	-	(1,446)	(1,446)
Transfers	-	-	28,828	-	(30,543)	-	(1,715)
Elimination on revaluation	-	-	-	(1,034)	-	-	(1,034)
Surplus on revaluation	-	-	-	1,832	-	-	1,832
Effect of movements in exchange rates	(516)	-	(755)	(766)	(104)	(721)	(2,862)
Reclassification to assets held for sale	(547)	-	-	-	-	-	(547)
At 31 March 2021	82,570	-	68,846	116,071	50,941	116,841	435,269
<b>Accumulated depreciation</b>							
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	(1)	-	-	-	-	-	(1)
Charge for the period	(1,837)	-	-	(1,034)	(324)	(2,603)	(5,798)
Disposals	-	-	-	-	-	438	438
Transfers	-	-	-	-	1,715	-	1,715
Elimination on revaluation	-	-	-	1,034	-	-	1,034
Effect of movements in exchange rates	(293)	-	-	-	(498)	118	(673)
Reclassification to assets held for sale	369	-	-	-	-	-	369
At 31 March 2021	(30,099)	-	-	-	(7,883)	(17,345)	(55,327)
<b>Carrying amounts</b>							
At 31 December 2020	51,935	-	18,029	106,254	72,812	99,500	348,530
At 31 March 2021	52,471	-	68,846	116,071	43,058	99,496	379,942

#### (a) Valuation

In determining fair value of buildings held for own use carried at fair value, a combination of approaches were used, including income capitalisation and discounted cash flow approaches. The income capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates, the income stream used is adjusted to market rentals currently being achieved within comparable properties. 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.

### 13. Property, plant and equipment (continued)

In determining fair value of buildings held for own use, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

#### (b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	31 March 2021 US\$'000	31 December 2020 US\$'000
Other properties leased for own use carried at cost	<u>99,496</u>	<u>99,500</u>

The Group has obtained the right to use certain properties as its warehouses, office premises and internet data centers through lease agreements. These leases typically run for an initial period of 2 to 20 years. Lease payments are usually increased every 1 to 3 years to reflect market rentals.

### 14. Intangible assets

	Goodwill US\$'000	Trademark US\$'000	License rights US\$'000	Total US\$'000
<b>Cost</b>				
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)
Exchange differences	19,698	1,699	67	21,464
At 31 December 2020	<u>295,879</u>	<u>24,949</u>	<u>3,383</u>	<u>324,211</u>
Exchange differences	(1,559)	(141)	(20)	(1,720)
At 31 March 2021	<u>294,320</u>	<u>24,808</u>	<u>3,363</u>	<u>322,491</u>
<b>Accumulated amortisation</b>				
At 1 January 2020	-	(11,230)	(777)	(12,007)
Additions	-	(1,300)	(324)	(1,624)
Disposal	-	212	172	384
Exchange differences	-	(1,117)	(57)	(1,174)
At 31 December 2020	<u>-</u>	<u>(13,435)</u>	<u>(986)</u>	<u>(14,421)</u>
Additions	-	(312)	(20)	(332)
Exchange differences	-	39	6	45
At 31 March 2021	<u>-</u>	<u>(13,708)</u>	<u>(1,000)</u>	<u>(14,708)</u>
<b>Carrying amounts</b>				
At 31 December 2020	<u>295,879</u>	<u>11,514</u>	<u>2,397</u>	<u>309,790</u>
At 31 March 2021	<u>294,320</u>	<u>11,100</u>	<u>2,363</u>	<u>307,783</u>

## 15. Other investments

	31 March 2021 US\$'000	31 December 2020 US\$'000
Listed equity securities-at FVOCI (non-recycling)	389,450	418,902
Listed equity securities-at FVTPL	63,910	50,525
Unlisted equity securities-at FVTPL	1,070,354	1,655,919
	<u>1,523,714</u>	<u>2,125,346</u>

Listed equity securities comprise 6.10% (31 December 2020: 6.10%) equity interest in Shenzhen New Nanshan Holding (Group) Co., Ltd. ("SNNH"), which is listed on the Shenzhen Stock Exchange, 1.47% (31 December 2020: 1.47%) equity interest in Shanghai Lingang Holdings Co., Ltd. ("SHLG") and 10.00% (31 December 2020: 10.00%) equity interest in Beijing Vantone Real Estate Co., Ltd. ("BJ Vantone"), which are listed on the Shanghai Stock Exchange. The Group designated these investments at FVOCI (non-recycling), as these investments are held for strategic purposes. No dividends were received on these listed investments during the three-month period ended 31 March 2021 (three-month period ended 31 March 2020: none).

## 16. Other non-current assets

	31 March 2021 US\$'000	31 December 2020 US\$'000
Trade receivables	51,895	50,253
Prepayments	118,909	74,079
Loans to joint ventures	464,553	513,416
Loans to associates	-	4,971
Loans to third parties	5,098	10,411
Other investments held for disposal	124,521	125,269
	<u>764,976</u>	<u>778,399</u>

The loans to joint ventures are repayable after one year, and bear interest rates ranging from 5.70% to 7.90% per annum (31 December 2020: 5.70% to 8.63%).

The loans to associates as at 31 December 2020 bore interest rate ranging from 8.00% to 10.00% per annum.

The loans to third parties in relation to new strategic investments are unsecured, repayable after one year, and interest-free (31 December 2020: 18.00%).

## 17. Trade and other receivables

	31 March 2021 US\$'000	31 December 2020 US\$'000
Net trade receivables:		
- Trade receivables	76,719	53,122
- Impairment losses	(1,803)	(1,921)
	74,916	51,201
Amounts due from joint ventures:		
- Trade	12,772	16,635
- Non-trade	178,670	58,056
- Loans to joint ventures	76,193	29,468
	267,635	104,159
Amounts due from associates:		
- Trade	33,135	41,834
- Non-trade	2,005	240,780
- Loans to associates	195,663	193,722
	230,803	476,336
Amounts due from non-controlling interests:		
- Non-trade	3,493	15,301
- Loans to non-controlling interests	39,335	49,503
	42,828	64,804
Amounts due from other related parties:		
- Non-trade	76,385	331,452
Loans to third parties	121,536	34,546
Loans to employees	104,589	103,731
Deposits	598,401	78,283
Net other receivables		
- Other receivables	306,032	301,527
- Impairment losses	(264)	(265)
	305,768	301,262
Prepayments	29,326	27,645
	<u>1,852,187</u>	<u>1,573,419</u>

## 17. Trade and other receivables (continued)

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 5.10% to 15.20% (31 December 2020: 5.10% to 10.00%) per annum, except for a loan of US\$1,500,000 which are interest-free at the reporting date and are repayable within the next 12 months.

The loans to third parties in relation to acquisition of new investments are secured, repayable within the next 12 months, and bear effective interest ranging from 8.00% to 18.00% (31 December 2020: 8.00% to 10.00%) per annum, except for a loan of US\$17,741,000 which is interest-free upon completion of the acquisition (31 December 2020: US\$12,935,000).

Deposits include an amount of approximately US\$583,556,000 (31 December 2020: US\$47,341,000) in relation to the acquisition of new investments. Other receivables comprise VAT recoverable and other recoverable.

Trade receivables are due on the date of billing.

## 18. Assets classified as held for sale

	31 March 2021 US\$'000	31 December 2020 US\$'000
Assets of disposal group held for sale	1,086,700	1,166,970
Liabilities of disposal group held for sale	(285,302)	(329,501)
	<u>801,398</u>	<u>837,469</u>

In December 2020, the Group entered into an agreement with a related party to dispose of a subsidiary, Shanghai Lingang GLP International Logistics Development Co., Ltd., at a consideration approximately of RMB5,847,241,000 (equivalent to approximately US\$890,791,000). In February 2021, the Group entered into an agreement with a related party to dispose of a subsidiary, GLP Suzhou Hi-Tech Logistics Facilities Co., Ltd., at a consideration of RMB540,000,000 (equivalent to approximately US\$82,266,000). Nevertheless, certain assets transfer procedures are still in progress and such disposal is expected to be completed in the near future. As a result, the assets and liabilities of those subsidiaries were presented as assets held for sale and liabilities held for sale respectively as 31 March 2021.

## 19. Cash and cash equivalents

	31 March 2021 US\$'000	31 December 2020 US\$'000
Fixed deposits	57	58
Cash at bank	<u>2,321,263</u>	<u>1,160,694</u>
Cash and cash equivalents in consolidated statement of financial position	2,321,320	1,160,752
Cash and cash equivalents in disposal group	<u>57,802</u>	<u>61,310</u>
Cash and cash equivalents in the consolidated cashflow statement	<u><u>2,379,122</u></u>	<u><u>1,222,062</u></u>

## 20. Share capital and capital management

### (a) Share capital

Issued share capital

	31 March 2021/ 31 December 2020	
	No. of shares'000	US\$'000
<b>Ordinary shares, issued and fully paid:</b>	<u>6,950,825</u>	<u>6,950,825</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

### (b) Capital management

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 maximize shareholder's value. The Group defines "capital" as including all components of equity plus loans from its intermediate holding company and related corporations with no fixed terms of repayment.

The Group's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions, regulatory requirements and business strategies affecting the Group.

## 20. Share capital and capital management (continued)

The Group also monitors capital using a net debt to equity ratio, which is defined as net borrowings divided by total equity (including non-controlling interests).

	31 March 2021 US\$'000	31 December 2020 US\$'000
Loans and borrowings	12,025,807	10,246,348
Loans from joint ventures	2,829	2,829
Loans from non-controlling interests	6,338	14,039
Loans from third parties	754	513
Lease liabilities	57,685	60,001
Total debt	<u>12,093,413</u>	<u>10,323,730</u>
Less: cash and cash equivalents	<u>(2,321,320)</u>	<u>(1,160,752)</u>
Net debt	<u>9,772,093</u>	<u>9,162,978</u>
Total equity	<u>17,411,146</u>	<u>17,559,761</u>
Total assets	<u>34,166,619</u>	<u>32,755,885</u>
Net debt to total equity ratio	<u>56.13%</u>	<u>52.18%</u>
Net debt to total assets ratio	<u>28.60%</u>	<u>27.97%</u>

The Group seeks to strike a balance between the higher returns that might be possible with higher levels of borrowings and the liquidity and security afforded by a sound capital position.

There were no significant changes in the Group's approach to capital management during the period.

During the three-month period ended 31 March 2021, the Group's strategy, which was unchanged from 31 December 2020, was to maintain either an adjusted net debt to total assets ratio of no more than 50% or net debt to total 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 fulfillment 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. As at 31 March 2021, none of the covenants relating to drawn down facilities had been breached (31 December 2020: none).

## 21. Fair value measurement of financial instruments

### (a) Financial assets and liabilities measured at fair value

#### (i) 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

The Group has a team headed by the finance manager performing valuations for the financial instruments, including the unlisted equity securities. The team reports directly to the chief financial officer. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the chief financial officer.

	<i>Fair value at 31 March 2021 US\$'000</i>	<i>Fair value measurements as at 31 March 2021 categorised into</i>		
		<i>Level 1 US\$'000</i>	<i>Level 2 US\$'000</i>	<i>Level 3 US\$'000</i>
<b>Recurring fair value measurement</b>				
Financial assets:				
Other investments (note 15):				
- Listed equity securities	453,360	453,360	-	-
- Unlisted equity securities	1,070,354	-	-	1,070,354
	<i>Fair value at 31 December 2020 US\$'000</i>	<i>Fair value measurements as at 31 December 2020 categorised into</i>		
		<i>Level 1 US\$'000</i>	<i>Level 2 US\$'000</i>	<i>Level 3 US\$'000</i>
<b>Recurring fair value measurement</b>				
Financial assets:				
Other investments (note 15):				
- Listed equity securities	469,427	469,427	-	-
- Unlisted equity securities	1,655,919	-	-	1,655,919



## 21. Fair value measurement of financial instruments (continued)

During the three-month period ended 31 March 2021, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (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.

### (ii) Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Range
Unlisted equity securities	Income approach	Internal Rate of Return	10%
Unlisted equity securities	Market approach	Discount for lack of marketability	0%-20%

The fair value of unlisted equity securities is determined using income approach and market approach. The fair value of unlisted equity securities using income approach uses the agreed internal rate of return from potential buyer. The fair value measurement is positively correlated to the internal rate of return. The fair value of unlisted equity securities using market approach uses the price/sales ratios and price/book ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability.

The movement during the period in the balance of Level 3 fair value measurements is as follows:

	31 March 2021 US\$'000	31 December 2020 US\$'000
Unlisted equity securities:		
At 1 January	1,655,919	1,026,406
Additional securities acquired	29,459	872,940
Disposals	(633,190)	(434,256)
Net unrealised gains or losses recognised in profit or loss during the period/year	27,553	137,631
Exchange differences	(9,387)	53,198
At 31 March/31 December	<u>1,070,354</u>	<u>1,655,919</u>
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	<u>27,553</u>	<u>137,631</u>

### (b) 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 March 2021 and 31 December 2020.

## 22. Reserves

	31 March 2021 US\$'000	31 December 2020 US\$'000
Capital reserve	645	3,838
Equity compensation reserve	36,849	36,849
Currency translation reserve	(171,207)	(129,913)
Property revaluation reserve	8,104	6,730
Fair value reserve (non-recycling)	89,863	113,227
Other reserve	(1,554,630)	(1,554,630)
Retained earnings	6,981,906	6,956,745
	<u>5,391,530</u>	<u>5,432,846</u>

The capital reserve comprises mainly equity transactions gain or loss from the changes in the Group's interests in subsidiaries 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 these subsidiaries incorporated in PRC, and were approved by the respective board of directors.

The equity compensation reserve comprises the cumulative value of employee services received for the issue of the shares under the GLP Performance Share Plan and Restricted Share Plan.

The property revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for buildings held for own use carried at fair value.

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of listed equity securities carried at FVOCI until the securities are derecognised or impaired.

Other reserve mainly represents capital contributions from the intermediate holding company and the merger reserve which was the difference between the Company's share of the nominal value of the paid-up capital and capital reserve related to shareholders' injection of the subsidiaries acquired over the nominal value of the ordinary shares issued by the Company.

## 23. Loans and borrowings

	31 March 2021 US\$'000	31 December 2020 US\$'000
<b>Non-current liabilities</b>		
Secured bank loans	4,871,399	4,393,572
Secured bonds	742,064	746,715
Unsecured bank loans	228,853	461,705
Unsecured bonds	2,629,380	1,494,137
	<u>8,471,696</u>	<u>7,096,129</u>
<b>Current liabilities</b>		
Secured bank loans	770,174	248,428
Secured bonds	2,636	2,458
Unsecured bank loans	241,388	465,968
Unsecured bonds	2,539,913	2,433,365
	<u>3,554,111</u>	<u>3,150,219</u>

The secured bank loans and bonds are secured by mortgages on the borrowing subsidiaries' investment properties with aggregate carrying amount of approximately US\$16,115,297,000 (31 December 2020: US\$15,445,068,000) (note 9).

The effective interest rates for bank borrowings and bonds ranged from 1.24% to 6.77% (31 December 2020: 1.29% to 6.77%) per annum.

## 24. Other non-current liabilities

	31 March 2021 US\$'000	31 December 2020 US\$'000
Security deposits received	79,185	77,791
Contract liabilities	-	551
Employee bonus and incentive payable	31,742	21,483
Loans from non-controlling interests	2,709	10,388
Lease liabilities (note 26)	51,746	53,813
Deposits received for disposal of other investments	124,521	114,396
Consideration payable for acquisition of joint ventures	37,080	37,303
Others	1,602	1,612
	<u>328,585</u>	<u>317,337</u>

## 25. Trade and other payables

	31 March 2021 US\$'000	31 December 2020 US\$'000
Trade payables	2,544	2,379
Accrued construction costs	591,713	692,675
Accrued operating expenses	110,025	92,429
Contract liabilities	58,533	40,645
Interest payable	120,226	116,380
Security deposits received	96,852	87,744
Amounts due to:		
- Intermediate holding company (trade)	53,219	51,266
- Related parties (trade)	18,510	14,532
- Related parties (non-trade)	395	300,342
- Non-controlling interests (trade)	4,356	3,358
- Non-controlling interests (non-trade)	19,385	17,736
- Joint ventures (trade)	704	1,522
- Joint ventures (non-trade)	494	495
- Associates (trade)	4	70
- Associates (non-trade)	32	32
Interest payable on loans from intermediate holding company	7,339	7,383
Loans from non-controlling interests	3,629	3,651
Interest payable on loans from non-controlling interests	206	129
Loans from joint ventures	2,829	2,829
Interest payable on loans from joint ventures	691	644
Loans from third parties	754	513
Interest payable on loans from third parties	215	216
Consideration payable for acquisitions of subsidiaries	227,370	143,018
Deposits received and accrued expenses for disposal of investment properties	58,557	58,909
Consideration payable for acquisition of other investments	8,897	8,950
Other payables	177,021	95,423
Dividends payable	1,904	1,916
Lease liabilities (note 26)	5,939	6,188
	<u>1,572,343</u>	<u>1,751,374</u>

The non-trade amounts due to joint ventures and non-controlling interests are unsecured, interest-free and have no fixed repayment terms. The loans from joint ventures, non-controlling interests and third parties are unsecured and repayable within the next 12 months. The interest-bearing loans from joint ventures, non-controlling interests and third parties bear effective interests ranging from 3.00% to 6.08% (31 December 2020: 3.00% to 6.08%) per annum as at the reporting date.

## 26. Lease liabilities

The remaining contractual maturities of the Group's lease liabilities at the end of the reporting period are as follows:

	<i>At 31 March 2021</i>	
	<i>Present value of the minimum lease payments US\$'000</i>	<i>Total minimum lease payments US\$'000</i>
Within 1 year	5,939	8,941
After 1 year but within 2 years	5,414	8,088
After 2 years but within 5 years	14,950	21,290
After 5 years	31,382	38,891
	<u>57,685</u>	<u>77,210</u>
Less: total future interest expenses		(19,525)
Present value of lease liabilities		<u>57,685</u>

	<i>At 31 December 2020</i>	
	<i>Present value of the minimum lease payments US\$'000</i>	<i>Total minimum lease payments US\$'000</i>
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
	<u>60,001</u>	<u>80,544</u>
Less: total future interest expenses		(20,543)
Present value of lease liabilities		<u>60,001</u>

## 27. Note to the consolidated statement of cash flows

### Acquisitions of subsidiaries

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.

## 27. Note to the consolidated statement of cash flows (continued)

The list of subsidiaries acquired during the three-month period ended 31 March 2021 is as follows:

<i>Name of subsidiaries</i>	<i>Date acquired</i>	<i>Equity interest acquired %</i>
Anhui Nuohan Intelligent Equipment Co., Ltd.	20 January 2021	91
GLP Yiwu Pujie Logistics Facilities Co., Ltd. ("Yiwu Pujie")	18 March 2021	100

### Effect of acquisitions

The cash flow and the net assets of the subsidiaries acquired during the three-month period ended 31 March 2021 are provided below:

	<i>Recognised values on acquisitions US\$'000</i>
Investment properties	142,433
Property, plant and equipment	1
Deferred tax assets	1
Trade and other receivables	2,954
Cash and cash equivalents	2,183
Trade and other payables	(6,574)
Loans and borrowings	(22,562)
Current tax payable	30
Deferred tax liabilities	(14,609)
Non-controlling interests	(1,188)
<b>Net assets acquired</b>	<b>102,669</b>
<b>Gain on acquisition of subsidiaries</b>	<b>(16,491)</b>
<b>Purchase consideration</b>	<b>86,178</b>
Consideration payable	(58,189)
Cash of subsidiaries acquired	(2,183)
Fair value of previous held equity interest	(18,774)
Payment of consideration in relation to prior years' acquisitions	58,392
<b>Cash outflow on acquisitions of subsidiaries</b>	<b>65,424</b>

In respect of the above acquisitions of subsidiaries, Yiwu Pujie is accounted as business combination, and the other acquisition is treated as asset acquisition.

## 27. Note to the consolidated statement of cash flows (continued)

From the date of acquisition to 31 March 2021, Yiwu Pujie contributed US\$0 to the Group's revenue and net profit for the period respectively, before accounting for financing costs attributable to the acquisition. Had the acquisition occurred on 1 January 2021, management estimates that Yiwu Pujie would have contributed approximately US\$2,619,000 and US\$1,166,000 to the Group's revenue and net profit respectively for the three-month period ended 31 March 2021.

### Disposals of subsidiaries

During the three-month period ended 31 March 2021, the Group sold the equity interest in GLP GOLDEN LINCOLN B Partners, LP to a related party, namely GLP GV CHINA 4 HOLDINGS LIMITED.

The subsidiaries disposed of during the three-month period ended 31 March 2021 are as follows:

<i>Name of subsidiary</i>	<i>Disposal date</i>	<i>Equity interest disposed %</i>
GLP GOLDEN LINCOLN B Partners, LP	31 March 2021	68.51

### Effect of disposals

The cash flow and the net assets of the subsidiaries disposed of during the three-month period ended 31 March 2021 are provided below:

	<i>Recognised values on disposals US\$'000</i>
Other investments	633,191
Non-controlling interests	(199,384)
	<hr/>
Net assets disposed	433,807
Gain on disposal of a subsidiary	1,341
	<hr/>
Disposal consideration received in cash	435,148
Receipt of consideration in relation to prior years' disposals	245,048
	<hr/>
<b>Cash inflow on disposals of subsidiaries</b>	<b>680,196</b>
	<hr/> <hr/>

From 1 January 2021 to the respective dates of disposals, the above-mentioned subsidiary contributed nil to the Group's revenue and net profit for the three-month period ended 31 March 2021.

## 28. Commitments

The Group had the following commitments as at the reporting date:

	31 March 2021 US\$'000	31 December 2020 US\$'000
Commitments in relation to share capital of other investments not yet due and not provided for	<u>338,310</u>	<u>422,716</u>
Development expenditure contracted but not provided for	<u>886,683</u>	<u>1,493,469</u>

## 29. Significant related party transactions

### *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:

	<u>Three-month period ended</u>	
	31 March 2021 US\$'000	31 March 2020 US\$'000
Salaries, bonuses, contributions to defined contribution plans and other benefits	<u>2,390</u>	<u>3,167</u>



## 29. Significant related party transactions (continued)

In addition to the related party information disclosed elsewhere in the interim financial report, 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 period:

	<i>Three-month period ended</i>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
	US\$'000	US\$'000
<b>Joint ventures</b>		
Asset management fee income from joint ventures	2,956	2,648
Investment management fee income from joint ventures	227	163
Property management fee income from joint ventures	2,055	1,427
Development management fee income from joint ventures	528	639
Leasing management fee income from joint ventures	902	560
Acquisition management fee income from joint ventures	2,462	-
Interest income from joint ventures	7,650	2,500
Interest expenses charged by joint ventures	(13)	(329)
<b>Associates</b>		
Asset management fee income from associates	3,014	332
Investment management fee income from associates	6,794	5,513
Property management fee income from associates	1,206	218
Development fee income from associates	65	64
Leasing management fee income from associates	589	-
Interest income from associates	1,419	1,911
<b>Fellow subsidiaries</b>		
Asset management fee charged by fellow subsidiaries	(4,029)	(3,022)
Asset management fee income from fellow subsidiaries	2,660	1,995
Gain on disposal of a subsidiary	1,341	(15)
Interest income from fellow subsidiaries	-	46
Interest expenses charged by fellow subsidiaries	(150)	(246)
<b>Intermediate holding company</b>		
Management service fee charged by intermediate holding company	(663)	(1,113)
Interest expenses charged by intermediate holding company	-	(4,869)

### 30. Subsequent events

Subsequent to 31 March 2021, the following subsequent events occurred:

On 21 April 2021, the Group issued RMB1.5 billion (equivalent to approximately US\$229 million) of RMB-denominated bonds ("panda bonds") on Shanghai Stock Exchange. The panda bonds is 5-year term with a holder put option at the end of the third year from issuance date.

On 27 April 2021, the Group established GLP China Income Fund II ("CIF II Fund") with planned total assets under management ("AUM") of RMB5.8 billion (equivalent to approximately US\$900 million).

In April 2021, a subsidiary of the Group, Zhuhai Puyi Logistics Industry Investment Partnership Limited, completed the acquisition of certain entities' equity interest from Suning Group.

**31. Company-level statement of financial position**

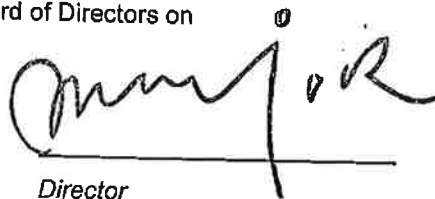
As at 31 March 2021-unaudited

	Notes	31 March 2021 US\$'000	31 December 2020 US\$'000
<b>Non-current assets</b>			
Investments in subsidiaries		15,188,577	14,439,971
Loans to subsidiaries		722,962	763,911
Other non-current assets		1,985	2,136
		<u>15,913,524</u>	<u>15,206,018</u>
<b>Current assets</b>			
Other receivables		2,514,453	3,135,838
Cash and cash equivalents		1,245,598	70,074
		<u>3,760,051</u>	<u>3,205,912</u>
<b>Total assets</b>		<u>19,673,575</u>	<u>18,411,930</u>
<b>Equity attributable to owners of the Company</b>			
Share capital		6,950,825	6,950,825
Reserves	20	(457,854)	(331,570)
<b>Total equity</b>		<u>6,492,971</u>	<u>6,619,255</u>
<b>Non-current liabilities</b>			
Loans and borrowings		4,310,502	3,050,841
		<u>4,310,502</u>	<u>3,050,841</u>
<b>Current liabilities</b>			
Loans and borrowings		2,992,016	2,840,330
Other payables		5,876,767	5,900,177
Current tax payable		1,319	1,327
		<u>8,870,102</u>	<u>8,741,834</u>
<b>Total liabilities</b>		<u>13,180,604</u>	<u>11,792,675</u>
<b>Total equity and liabilities</b>		<u>19,673,575</u>	<u>18,411,930</u>

Approved and authorised for issue by the Board of Directors on



Director



Director

### 32. Company-level statement of comprehensive income

For the three-month period ended 31 March 2021-unaudited

	<i>Three-month period ended</i>	
	<i>31 March 2021</i>	<i>31 March 2020</i>
	US\$'000	US\$'000
<b>Revenue</b>	-	-
Other expenses	(2,764)	(977)
<b>Loss from operations</b>	(2,764)	(977)
Finance costs	(92,198)	(96,358)
Finance income	8,859	13,072
Net finance costs	(83,339)	(83,286)
<b>Loss before taxation</b>	(86,103)	(84,263)
Tax expense	(1,451)	(752)
<b>Loss for the period</b>	(87,554)	(85,015)
<b>Other comprehensive income for the period</b>		
<i>Item that may be reclassified subsequently to profit of loss:</i>		
Exchange differences on translation of financial statements from functional currency to reporting currency	(38,730)	(54,080)
<b>Total comprehensive income for the period</b>	(126,284)	(139,095)

### 33. Company-level statement of cash flows

For the three-month period ended 31 March 2021-unaudited

	<i>Three-month period ended</i>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
	US\$'000	US\$'000
<b>Cash flows from operating activities</b>		
Loss before taxation	(86,103)	(84,263)
Adjustments for:		
Net finance costs	59,149	77,076
Withholding tax	1,451	503
	<u>(25,503)</u>	<u>(6,684)</u>
Changes in working capital:		
Other receivables	(94,396)	(28,697)
Other payables	(58,583)	(29,875)
	<u>(178,482)</u>	<u>(65,256)</u>
Cash used in operations	<u>(178,482)</u>	<u>(65,256)</u>
<b>Net cash used in operating activities</b>	<u>(178,482)</u>	<u>(65,256)</u>
<b>Cash flows from investing activities</b>		
Interest income received	8,902	9,159
Repayment of loans from subsidiaries	40,644	100,441
Loans to subsidiaries	(6,771)	(23,163)
Investments in subsidiaries	(16,416)	(676,884)
	<u>26,359</u>	<u>(590,447)</u>
<b>Net cash generated from/(used in) investing activities</b>	<u>26,359</u>	<u>(590,447)</u>

### 33. Company-level statement of cash flows (continued)

For the three-month period ended 31 March 2021-unaudited

	<i>Three-month period ended</i>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
	US\$'000	US\$'000
<b>Cash flows from financing activities</b>		
Proceeds from bank loans	1,382,462	1,070,029
Proceeds from issue of bonds	1,641,391	-
Repayment of bank loans	(1,234,955)	(130,146)
Repayment of bonds	(366,948)	(64)
Repayment of loans from shareholder	(13,696)	(7,374)
Interest paid	(80,105)	(56,213)
	<u>1,328,149</u>	<u>876,232</u>
<b>Net cash generated from financing activities</b>		
<b>Net increase in cash and cash equivalents</b>	1,176,026	220,529
Cash and cash equivalents at the beginning of the period	70,074	100,406
Effect of exchange rate changes on cash balances held in foreign currencies	(502)	(146)
	<u>(502)</u>	<u>(146)</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>1,245,598</u></u>	<u><u>320,789</u></u>