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GLP China Holdings Limited

Interim Financial Report
For the six-month period ended 30 June 2021



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

HKSHO2100002

Introduction

We have reviewed the interim financial report set out on pages 3 to 50 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 30 June 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 six-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 30 June 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

13 AUG 2021

Consolidated Statement of Comprehensive Income for the six-month period ended 30 June 2021 - unaudited

	Notes	Six-month period ended	
		30 June 2021 US\$'000	30 June 2020 US\$'000
			
Revenue	4	612,069	619,128
Other income	5	52,899	38,451
Cost of goods sold and other financial services costs		(1,525)	(114,874)
Property-related expenses		(171,106)	(134,175)
Other expenses		(122,535)	(89,092)
Changes in fair value of investment properties	9	369,490	136,699
Share of results (net of tax expense) of joint ventures		38,901	33,832
Share of results (net of tax expense) of associates		1,807	46,468
Profit from operations		780,000	536,437
Finance costs		(242,216)	(280,129)
Finance income		23,827	15,960
Net finance costs	6	(218,389)	(264,169)
Gain on acquisition of subsidiaries	27	28,435	-
Gain on disposal of subsidiaries	27	167,614	186,026
Gain on disposal of investment properties		12,328	-
Gain on disposal of assets held for sale		8,170	-
Profit before taxation	7	778,158	458,294
Tax expense	8	(258,974)	(193,171)
Profit for the period		519,184	265,123
Profit attributable to:			
Owners of the Company		332,691	189,948
Non-controlling interests		186,493	75,175
Profit for the period		519,184	265,123

The notes on pages 13 to 50 form part of this interim financial report.


Consolidated Statement of Comprehensive Income for the six-month period ended 30 June 2021 - unaudited (continued)



	<u>Six-month period ended</u>	
	<u>30 June 2021</u>	<u>30 June 2020</u>
	US\$'000	US\$'000
Profit for the period	519,184	265,123
Other comprehensive income for the period		
<i>Items that will not be reclassified to profit or loss:</i>		
Change in fair value of other investments	32,489	51,100
Surplus on revaluation of office buildings held for own use carried at fair value	1,955	1,449
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements from functional currency to reporting currency	218,656	(219,419)
Other comprehensive income for the period	<u>253,100</u>	<u>(166,870)</u>
Total comprehensive income for the period	<u>772,284</u>	<u>98,253</u>
Total comprehensive income attributable to:		
Owners of the Company	546,762	83,481
Non-controlling interests	225,522	14,772
Total comprehensive income for the period	<u>772,284</u>	<u>98,253</u>


The notes on pages 13 to 50 form part of this interim financial report.

Consolidated Statement of Financial Position as at 30 June 2021 - unaudited

		30 June 2021 US\$'000	31 December 2020 US\$'000
	 Notes		
Non-current assets			
Investment properties	9	21,015,190	21,380,459
Joint ventures	10	2,880,032	2,090,883
Associates	11	2,123,671	1,799,882
Deferred tax assets	12	33,951	21,455
Property, plant and equipment	13	532,594	348,530
Intangible assets	14	312,792	309,790
Other investments	15	1,811,471	2,125,346
Other non-current assets	16	831,398	778,399
		<u>29,541,099</u>	<u>28,854,744</u>
Current assets			
Trade and other receivables	17	2,146,049	1,573,419
Assets classified as held for sale	18	2,110,624	1,166,970
Cash and cash equivalents	19	1,811,706	1,160,752
		<u>6,068,379</u>	<u>3,901,141</u>
Total assets		<u>35,609,478</u>	<u>32,755,885</u>
Equity attributable to owners of the Company			
Share capital	20	6,950,825	6,950,825
Reserves	22	5,969,955	5,432,846
		<u>12,920,780</u>	<u>12,383,671</u>
Non-controlling interests		<u>5,523,412</u>	<u>5,176,090</u>
Total equity		<u>18,444,192</u>	<u>17,559,761</u>

The notes on pages 13 to 50 form part of this interim financial report.

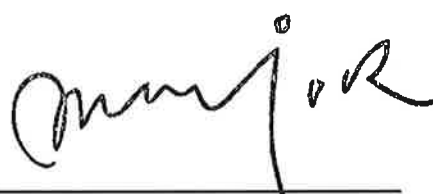
Consolidated Statement of Financial Position
as at 30 June 2021 - unaudited (continued)

		30 June 2021 US\$'000	31 December 2020 US\$'000
	 Notes		
Non-current liabilities			
Loans and borrowings	23	9,059,205	7,096,129
Deferred tax liabilities	12	2,363,461	2,455,806
Other non-current liabilities	24	383,093	317,337
		<u>11,805,759</u>	<u>9,869,272</u>
Current liabilities			
Loans and borrowings	23	3,261,056	3,150,219
Trade and other payables	25	1,495,500	1,751,374
Current tax payable		33,991	95,758
Liabilities classified as held for sale	18	568,980	329,501
		<u>5,359,527</u>	<u>5,326,852</u>
Total liabilities		<u>17,165,286</u>	<u>15,196,124</u>
Total equity and liabilities		<u>35,609,478</u>	<u>32,755,885</u>

Approved and authorised for issue by the Board of Directors on **13 AUG 2021**



Director



Director

The notes on pages 13 to 50 form part of this interim financial report.

Consolidated Statement of Changes in Equity for the six-month period ended 30 June 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	(6,331)	36,849	(847,682)	3,305	32,854	(1,554,630)	6,452,085	11,065,275	3,762,461	14,827,736
Total comprehensive income for the period	-	-	-	-	-	-	-	189,948	189,948	75,175	265,123
Other comprehensive income	-	-	-	-	-	-	-	-	(159,016)	(60,403)	(219,419)
Exchange differences on translation of financial statements from functional currency to reporting currency	-	-	-	(159,016)	-	-	-	-	-	-	-
Change in fair value of other investments	-	-	-	-	-	51,100	-	-	51,100	-	51,100
Surplus on revaluation of office buildings held for own use carried at fair value	-	-	-	-	1,449	-	-	-	1,449	-	1,449
Total other comprehensive income	-	-	-	(159,016)	1,449	51,100	-	-	(106,467)	(60,403)	(166,870)
Total comprehensive income for the period	-	-	-	(159,016)	1,449	51,100	-	189,948	83,481	14,772	98,253
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	(3,420)	-	109,439	109,439
Capital contribution from non-controlling interests	-	3,420	-	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-
Acquisition of interests in subsidiaries from non-controlling interests	-	-	-	-	-	-	-	-	1,024	(12,772)	(11,748)
Acquisitions of subsidiaries	-	1,024	-	-	-	-	-	-	-	174,663	174,663
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(15,124)	(15,124)
Dividends to owners of the Company	-	-	-	-	-	-	-	(430,453)	(430,453)	-	(430,453)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,666)	(2,666)
Total contributions by and distributions to owners	-	4,444	-	-	-	-	-	(433,873)	(429,429)	253,540	(175,889)
At 30 June 2020	6,950,825	(3,887)	36,849	(1,006,698)	4,754	83,954	(1,554,630)	6,208,160	10,719,327	4,030,773	14,750,100

The notes on pages 13 to 50 form part of this interim financial report.

Consolidated Statement of Changes in Equity for the six-month period ended 30 June 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
Total comprehensive income for the period	-	-	-	-	-	-	-	332,691	332,691	186,493	519,184
Other comprehensive income											
Exchange differences on translation of financial statements from functional currency to reporting currency	-	-	-	172,581	-	-	-	-	172,581	39,029	211,610
Change in fair value of other investments	-	-	-	-	-	32,489	-	-	32,489	-	32,489
Share of other comprehensive income of joint ventures	-	(147)	-	-	-	-	-	-	(147)	-	(147)
Share of other comprehensive income of associates	-	7,193	-	-	-	-	-	-	7,193	-	7,193
Surplus on revaluation of office buildings held for own use carried at fair value	-	-	-	-	1,955	-	-	-	1,955	-	1,955
Total other comprehensive income	-	7,046	-	172,581	1,955	32,489	-	-	214,071	39,029	253,100
Total comprehensive income for the period	-	7,046	-	172,581	1,955	32,489	-	332,691	546,762	225,522	772,284
Transactions with owners, recorded directly in equity											
Capital contribution from non-controlling interests	-	57,074	-	-	-	-	-	(57,074)	-	259,594	259,594
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-
Acquisition of interests in subsidiaries from non-controlling interests	-	(13,851)	-	-	-	-	-	-	(13,851)	(94,554)	(108,405)
Acquisitions of subsidiaries	-	-	-	-	-	-	-	-	-	50,038	50,038
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(305,114)	(305,114)
Disposal of interests in subsidiaries to non-controlling interests	-	4,198	-	-	-	-	-	-	4,198	236,315	240,513
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(24,479)	(24,479)
Total contributions by and distributions to owners	-	47,421	-	-	-	-	-	(57,074)	(9,653)	121,800	112,147
At 30 June 2021	6,950,825	58,305	36,849	42,668	8,685	145,716	(1,554,630)	7,232,362	12,920,780	5,523,412	18,444,192

The notes on pages 13 to 50 form part of this interim financial report.

Consolidated Statement of Cash Flows for the six-month period ended 30 June 2021 - unaudited

	Note	Six-month period ended	
		30 June 2021 US\$'000	30 June 2020 US\$'000
Cash flows from operating activities			
Profit before taxation		778,158	458,294
Adjustments for:			
Amortisation of intangible assets	14	663	825
Amortisation of deferred management costs		66	62
Depreciation of property, plant and equipment	13	15,006	13,365
(Gain)/loss on disposal of property, plant and equipment		(8)	18
Gain on disposal of investment properties		(12,328)	-
Gain on disposal of subsidiaries	27	(167,614)	(186,026)
Gain on acquisition of subsidiaries	27	(28,435)	(52)
Gain on disposal of assets classified as held for sale		(8,170)	-
Share of results (net of tax expense) of joint ventures		(38,901)	(33,832)
Share of results (net of tax expense) of associates		(1,807)	(46,468)
Changes in fair value of investment properties		(369,490)	(136,699)
Changes in fair value of financial assets		(44,682)	(18,387)
Other income from disposal of investments in associates and financial assets		-	(8,647)
Impairment loss on trade and other receivables		357	13,569
Net finance costs		218,389	264,169
		<u>341,204</u>	<u>320,191</u>
Changes in working capital:			
Trade and other receivables and inventories		(82,658)	(69,344)
Trade and other payables		60,389	(61,799)
Cash generated from operations		318,935	189,048
Tax paid		(91,838)	(72,536)
Net cash generated from operating activities		<u>227,097</u>	<u>116,512</u>

The notes on pages 13 to 50 form part of this interim financial report.

Consolidated Statement of Cash Flows for the six-month period ended 30 June 2021 - unaudited (continued)

	Note	Six-month period ended	
		30 June 2021 US\$'000	30 June 2020 US\$'000
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired	27	(560,670)	(104,639)
Disposal of subsidiaries, net of cash disposed	27	890,137	133,348
Deposit paid for acquisitions of investment properties		(366,422)	(5,817)
Deposit refunded for other investments		-	11,522
Development expenditure on investment properties		(546,218)	(411,879)
Payment for purchase of other investments		(235,703)	(88,975)
Payment for purchase of intangible assets		-	(16)
Payment for purchase of property, plant and equipment		(178,720)	(31,605)
Proceeds from sale of property, plant and equipment		884	113
Loans to joint ventures		(4,347)	(167,557)
Loans to associates		(7,075)	(19,497)
Loans to third parties		(127,890)	(34,267)
Repayment of loans from joint ventures		72,136	26,867
Repayment of loans from associates		13,425	6,183
Repayment of loans from non-controlling interests		30,415	2,940
Repayment of loans from third parties		88,703	109,768
Acquisition of associate		-	(926,810)
Proceeds from disposal of assets and liabilities classified as held for sale		122,942	-
Proceeds from disposal of associates		14,245	5,576
Proceeds from disposal of other investments		7,704	398,073
Withholding tax paid on dividend and interest income from subsidiaries		(88,214)	-
Capital contribution to joint ventures		(708,025)	(701,750)
Capital contribution to associates		(310,769)	(566,794)
Interest income received		28,070	9,039
Net cash used in investing activities		(1,865,392)	(2,356,177)

The notes on pages 13 to 50 form part of this interim financial report.

Consolidated Statement of Cash Flows for the six-month period ended 30 June 2021 - unaudited (continued)

	<i>Six-month period ended</i>	
	<u>30 June 2021</u>	<u>30 June 2020</u>
	US\$'000	US\$'000
Cash flows from financing activities		
Capital contribution from non-controlling interests	258,673	109,439
Proceeds from bank loans	3,527,420	3,757,772
Proceeds from issue of bonds	2,226,761	285,708
Proceeds of loans from joint ventures	-	28,282
Proceeds of loans from an associate	-	2,829
Proceeds of loans from non-controlling interests	-	7,410
Proceeds of loans from third parties	-	3,504
Proceeds from issue of co-invest shares	2,762	-
Repayment of bank loans	(2,357,493)	(1,602,088)
Repayment of bonds	(1,252,815)	(14,171)
Repayment of loans from intermediate holding company	-	(13,357)
Repayment of loans from joint ventures	-	(30,306)
Repayment of loans from associates	-	(51,090)
Repayment of loans from non-controlling interests	(8,160)	-
Repayment of loans from third parties	(637)	(3,990)
Interest paid	(240,674)	(233,399)
Dividends paid to non-controlling interests	(24,479)	(2,666)
Cash payments for principal portion of lease liabilities	(4,266)	(1,878)
Cash payments for interest portion of lease liabilities	(1,880)	(1,255)
Acquisition of interests in subsidiaries from non-controlling interests	(44,833)	(11,748)
Disposal of interests in subsidiaries to non-controlling interests	240,513	-
Net cash generated from financing activities	<u>2,320,892</u>	<u>2,228,996</u>

The notes on pages 13 to 50 form part of this interim financial report.

Consolidated Statement of Cash Flows
for the six-month period ended 30 June 2021 - unaudited
(continued)

	Note	Six-month period ended	
		30 June 2021	30 June 2020
Net increase/(decrease) in cash and cash equivalents		682,597	(10,669)
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		10,880	(10,672)
Cash and cash equivalents at the end of the period	19	<u>1,915,539</u>	<u>838,374</u>

The notes on pages 13 to 50 form part of this interim financial report.

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 six-month period ended 30 June 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.

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 a 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:

As the Group is a private company, it is not required to deliver its statutory annual financial statements to the Registrar of Companies, and will not do so.

The Group’s auditor has reported on those statutory annual 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.

2. Basis of preparation and measurement (continued)

(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") and rounded to the nearest thousand.

(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
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
Amendments to HKFRS 10 and HKAS 28, Sale or contribution of assets between an investor and its associate or joint venture	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>Six-month period ended</i>	
	<i>30 June 2021</i>	<i>30 June 2020</i>
	US\$'000	US\$'000
Revenue from rental and related income	545,757	456,659
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
Sales of goods	1,701	106,642
Financial services income	-	13,850
Management fee income	64,611	40,479
Others	-	1,498
	<u>66,312</u>	<u>162,469</u>
Disaggregated by timing of revenue recognition		
Point in time	1,701	108,140
Over time	64,611	54,329
	<u>66,312</u>	<u>162,469</u>
	<u>612,069</u>	<u>619,128</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>Six-month period ended</i>	
	<i>30 June 2021</i>	<i>30 June 2020</i>
	US\$'000	US\$'000
Changes in fair value of financial assets	44,682	18,387
Government grants	6,765	10,035
Utility income	1,187	592
Gain/(loss) on disposal of property, plant and equipment	8	(18)
Disposal gain on investments in associates	184	2,051
Disposal gain on financial assets	-	8,947
Disposal loss from financial assets	-	(2,351)
Others	73	808
	<u>52,899</u>	<u>38,451</u>

6. Net finance costs

	<i>Six-month period ended</i>	
	<i>30 June 2021</i>	<i>30 June 2020</i>
	US\$'000	US\$'000
Interest income on:		
- Fixed deposits and cash at bank	2,687	3,012
- Loans to joint ventures	15,897	6,472
- Loans to associates	2,972	4,733
- Loans to non-controlling interests	-	112
- Loans to related corporations	440	-
- Loans to third parties	1,831	1,631
Interest income	23,827	15,960
Amortisation of transaction costs of bank loans	(16,432)	(5,275)
Amortisation of transaction costs of bonds	(2,912)	(2,617)
Interest expenses on:		
- Bank loans	(110,357)	(114,218)
- Bonds	(115,806)	(98,204)
- Loans from intermediate holding company	(39)	(9,541)
- Loans from joint ventures	-	(680)
- Loans from associates	-	(28)
- Loans from non-controlling interests	(242)	(620)
- Loans from third parties	-	(20)
- Right-of-use assets	(2,458)	(1,321)
Total borrowing costs	(248,246)	(232,524)
Less: borrowing costs capitalised in investment properties	9,180	5,673
Net borrowing costs	(239,066)	(226,851)
Foreign exchange loss	(3,150)	(53,278)
Net finance costs recognised in profit or loss	(218,389)	(264,169)

7. Profit before taxation

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

	<i>Six-month period ended</i>	
	<u>30 June 2021</u>	<u>30 June 2020</u>
	US\$'000	US\$'000
(a) Staff costs		
Wages and salaries	(69,446)	(34,483)
Contributions to defined contribution plans, included in wages and salaries	<u>(6,777)</u>	<u>(2,030)</u>
(b) Other expenses		
Amortisation of intangible assets	(663)	(825)
Amortisation of deferred management costs	(66)	(62)
Depreciation of property, plant and equipment:		
- Owned property, plant and equipment	(6,634)	(9,475)
- Right-of-use assets	(8,372)	(3,890)
Impairment loss on trade and other receivables	<u>(357)</u>	<u>(13,569)</u>

8. Tax expense

	<i>Six-month period ended</i>	
	<i>30 June 2021</i>	<i>30 June 2020</i>
	US\$'000	US\$'000
Current tax	83,576	47,157
Withholding tax on foreign-sourced income	81,616	70,335
	<u>165,192</u>	<u>117,492</u>
Deferred tax		
Origination and reversal of temporary differences	93,782	75,679
	<u>258,974</u>	<u>193,171</u>
Reconciliation of expected to actual tax		
Profit before taxation	778,158	458,294
Less: share of results (net of tax expense) of joint ventures	(38,900)	(33,832)
Less: share of results (net of tax expense) of associates	(1,807)	(46,468)
	<u>737,451</u>	<u>377,994</u>
Profit before share of results of joint ventures and associates (net of tax expense)		
Tax expense using PRC tax rate of 25%	184,363	94,499
Effect of different tax rates for subsidiaries	(40,246)	(9,970)
Net income not subject to tax	(17,818)	(20,528)
Non-deductible expenses	36,823	33,684
Deferred tax not recognised on tax losses and other temporary differences	18,026	29,246
Recognition of previously unrecognised tax losses	(3,790)	(4,095)
Withholding tax on foreign-sourced income	81,616	70,335
	<u>258,974</u>	<u>193,171</u>

9. Investment properties

	30 June 2021 US\$'000	31 December 2020 US\$'000
At 1 January	21,380,459	20,656,664
Additions	657,163	1,257,960
Acquisitions of subsidiaries (note 27)	1,413,487	1,050,716
Disposals of subsidiaries (note 27)	(1,997,018)	(2,392,203)
Borrowing cost capitalised	9,180	14,556
Reclassification to property, plant and equipment (note 13)	(21,380)	-
Changes in fair value	369,490	532,835
Reclassification to assets held for sale (note 18)	(1,045,128)	(1,065,798)
Effect of movements in exchange rates	248,937	1,325,729
	<u>21,015,190</u>	<u>21,380,459</u>
Comprising:		
Completed investment properties	17,131,470	17,679,556
Investment properties under re-development	40,416	19,249
Properties under development	1,957,787	1,813,162
Land held for development	1,885,517	1,868,492
	<u>21,015,190</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\$16,339,624,000 as at 30 June 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.

9. Investment properties (continued)

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.

Operating lease rental receivables

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

	30 June 2021 US\$'000	31 December 2020 US\$'000
Lease payments receivable:		
- Within 1 year	858,118	788,935
- After 1 year but within 5 years	1,453,262	1,408,705
- After 5 years	492,623	503,994
	<u>2,804,003</u>	<u>2,701,634</u>

10. Joint ventures

	<i>Notes</i>	30 June 2021 US\$'000	31 December 2020 US\$'000
GLP Thor Fund I, L.P. ("Thor Fund")	(a)	616,051	-
China Merchants Capital Investment Co., Ltd. ("CMCI")		794,359	770,916
Beijing Jintonggang Real Estate Development Co., Ltd. ("Z3 project")		359,706	357,162
GLP Guoyi (Zhuhai) Acquisition Fund (LP) ("CVA I Fund")		262,447	236,593
Others		847,469	726,212
		<u>2,880,032</u>	<u>2,090,883</u>

10. Joint ventures (continued)

- (a) 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 RMB 4,000,000,000 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, the 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 underlying internet data centers have completed construction and approval of their operation licenses have been obtained from government authorities, 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.

As at 30 June 2021, these underlying internet data centers are still under construction.

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

11. Associates

	30 June 2021 US\$’000	31 December 2020 US\$’000
Zhuhai Hidden Hill Logistic Equity Investment Fund (LP) (“Hidden Hill Fund”)	1,070,979	963,438
GLP Jianfa (Xiamen) Investment Fund LLP (“Jian Fa Fund”)	275,996	114,840
Zhongjin Jiaye (Tianjin) Commercial Real Estate Investment Center LLP (“Zhongjin Jiaye”)	218,523	216,997
Others	558,173	504,607
	<u>2,123,671</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 comprehensiv e income	Recognised in profit or loss	Reclassified to assets held for sale	At 31 December/ 30 June
	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
	<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>
30 June 2021								
Unutilised tax losses	24,546	11,206	(6,186)	(2,519)	-	4,617	(2,274)	29,390
Others	4,873	-	-	47	-	(1,551)	-	3,369
	<u>29,419</u>	<u>11,206</u>	<u>(6,186)</u>	<u>(2,472)</u>	<u>-</u>	<u>3,066</u>	<u>(2,274)</u>	<u>32,759</u>
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)
	<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>
30 June 2021								
Investment properties	(2,331,240)	(18,590)	163,878	(67,473)	-	(92,373)	127,147	(2,218,651)
Other investments	(80,127)	-	-	(4,184)	(1,926)	(6,657)	-	(92,894)
Buildings held for own use carried at fair value	(2,372)	-	-	(26)	(652)	-	-	(3,050)
Others	(50,031)	-	-	176	-	2,181	-	(47,674)
	<u>(2,463,770)</u>	<u>(18,590)</u>	<u>163,878</u>	<u>(71,507)</u>	<u>(2,578)</u>	<u>(96,849)</u>	<u>127,147</u>	<u>(2,362,269)</u>

12. 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 consolidated statement of financial position as follows:

	<i>30 June</i> 2021 US\$'000	<i>31 December</i> 2020 US\$'000
Deferred tax assets	33,951	21,455
Deferred tax liabilities	<u>(2,363,461)</u>	<u>(2,455,806)</u>

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:

	<i>30 June</i> 2021 US\$'000	<i>31 December</i> 2020 US\$'000
Tax losses	<u>662,354</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\$662,354,000 (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\$60,547,000 (31 December 2020: US\$89,448,000) because it is probable that these earnings 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	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)
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
Acquisitions of subsidiaries (note 27)	842	-	-	-	-	-	842
Additions	11,860	-	95,022	-	-	71,837	178,719
Reclassification from investment properties	-	-	-	21,380	-	-	21,380
Reclassification to assets held for sale	(577)	-	-	-	-	-	(577)
Disposals of subsidiaries (note 27)	(3,923)	-	-	-	-	-	(3,923)
Disposals	(1,261)	-	-	-	-	(6,208)	(7,469)
Transfers	-	-	29,302	-	(30,588)	-	(1,286)
Elimination on revaluation	-	-	-	(2,279)	-	-	(2,279)
Surplus on revaluation	-	-	-	2,607	-	-	2,607
Effect of movements in exchange rates	858	-	466	1,153	779	1,340	4,596
30 June 2021	88,071	-	142,819	129,115	51,779	181,767	593,551
Accumulated depreciation							
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)
Acquisitions of subsidiaries (note 29)	(841)	-	-	-	-	-	(841)
Charge for the period	(3,598)	-	-	(2,279)	(757)	(8,372)	(15,006)
Elimination on revaluation	-	-	-	2,279	-	-	2,279
Disposals of subsidiaries (note 29)	1,653	-	-	-	-	-	1,653
Disposals	385	-	-	-	-	2,422	2,807
Transfers	-	-	-	-	1,286	-	1,286
Reclassification to assets held for sale	394	-	-	-	-	-	394
Effect of movements in exchange rates	(854)	-	-	-	(91)	(173)	(1,118)
30 June 2021	(31,198)	-	-	-	(8,338)	(21,421)	(60,957)
Carrying amounts							
At 31 December 2020	51,935	-	18,029	106,254	72,812	99,500	348,530
At 30 June 2021	56,873	-	142,819	129,115	43,441	160,346	532,594

13. Property, plant and equipment (continued)

(a) Valuation

In determining fair value of office 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.

In determining fair value of office 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:

	30 June 2021 US\$'000	31 December 2020 US\$'000
Other properties leased for own use carried at cost	<u>160,346</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
Cost				
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	295,879	24,949	3,383	324,211
Effect of movements in exchange rates	3,577	268	57	3,902
At 30 June 2021	299,456	25,217	3,440	328,113
Accumulated amortisation				
At 1 January 2020	-	(11,230)	(777)	(12,007)
Additions	-	(1,300)	(324)	(1,624)
Disposal of subsidiaries	-	212	172	384
Exchange differences	-	(1,117)	(57)	(1,174)
At 31 December 2020	-	(13,435)	(986)	(14,421)
Additions	-	(621)	(42)	(663)
Effect of movements in exchange rates	-	(227)	(10)	(237)
At 30 June 2021	-	(14,283)	(1,038)	(15,321)
Carrying amounts				
At 31 December 2020	295,879	11,514	2,397	309,790
At 30 June 2021	299,456	10,934	2,402	312,792

15. Other investments

	30 June 2021 US\$'000	31 December 2020 US\$'000
Non-current assets		
Listed equity securities – FVOCI (non-recycling)	457,607	418,902
Listed equity securities – FVTPL	316,261	50,525
Listed REIT securities	181,791	-
Unlisted equity securities	855,812	1,655,919
	<u>1,811,471</u>	<u>2,125,346</u>

As at 30 June 2021, listed equity securities include equity interests in three (31 December 2020: three) listed companies. The Group has designated these investments at FVOCI (non-recycling), as these investments are held for strategic purposes.

As at 30 June 2021, listed REIT securities include 301,560,000 Units (31 December 2020: Nil) 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. In June 2021, the Group disposed of certain subsidiaries to CICC GLP REIT (note 27).

No dividends were received on these listed investments during the six-month period ended 30 June 2021 (six-month period ended 30 June 2020: Nil).

16. Other non-current assets

	30 June 2021 US\$'000	31 December 2020 US\$'000
Trade receivables	47,493	50,253
Prepayments	118,603	74,079
Loans to joint ventures	426,146	513,416
Loans to associates	3,097	4,971
Loans to third parties	5,182	10,411
Loans to employees	104,306	-
Other investments held for disposal	126,571	125,269
	<u>831,398</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 are repayable after one year, and bear interest rate at 6.00% per annum (31 December 2020: 8.00% to 10.00%).

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

17. Trade and other receivables

	30 June 2021 US\$'000	31 December 2020 US\$'000
Net trade receivables:		
- Trade receivables	73,923	53,122
- Impairment losses	(1,523)	(1,921)
	72,400	51,201
Amounts due from joint ventures:		
- Trade	16,487	16,635
- Non-trade	10,277	58,056
- Loans to joint ventures	60,200	29,468
	86,964	104,159
Amounts due from associates:		
- Trade	26,360	41,834
- Non-trade	4,798	240,780
- Loans to associates	189,156	193,722
	220,314	476,336
Amounts due from non-controlling interests:		
- Non-trade	3,549	15,301
- Loans to non-controlling interests	19,844	49,503
	23,393	64,804
Amounts due from other related parties:		
- Trade	1,033	-
- Non-trade	75,582	331,452
	76,615	331,452
Amount due from CICC GLP REIT:		
- Disposal consideration receivable	458,787	-
- Dividends receivable from former subsidiaries	358,481	-
	817,268	-
Loans to third parties	78,526	34,546
Loans to employees	-	103,731
Deposits	444,645	78,283
Net other receivables		
- Other receivables	293,768	301,527
- Credit losses	(284)	(265)
	293,484	301,262
Prepayments	32,440	27,645
	<u>2,146,049</u>	<u>1,573,419</u>

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 rates 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 (31 December 2020: nil) which is interest-free at the reporting date and are repayable within the next 12 months.

17. Trade and other receivables (continued)

The loans to third parties in relation to acquisition of new investments are secured, repayable within the next 12 months, and bear effective interests ranging from 8.00% to 18.00% (31 December 2020: 8.00% to 10.00%) per annum, except for a loan of US\$18,033,000 which is interest-free upon completion of the acquisition (31 December 2020: US\$12,935,000).

Deposits include an amount of approximately US\$425,641,000 (31 December 2020: US\$47,341,000) in relation to the acquisition of new investments. Other receivables comprise VAT recoverable and other recoverable.

18. Assets classified as held for sale

	30 June 2021 US\$'000	31 December 2020 US\$'000
Assets of disposal group held for sale	2,110,624	1,166,970
Liabilities of disposal group held for sale	<u>(568,980)</u>	<u>(329,501)</u>
	<u>1,541,644</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).

As at 30 June 2021, the Group has initiated and committed to plans to dispose of fourteen subsidiaries to two related parties. The disposal consideration will be based on the fair value of the subsidiaries.

Nevertheless, certain assets transfer procedures are still in progress and such disposals are expected to be completed in the near future. As a result, the assets and liabilities of those subsidiaries are presented as assets held for sale and liabilities held for sale respectively as 30 June 2021.

19. Cash and cash equivalents

	30 June 2021 US\$'000	31 December 2020 US\$'000
Fixed deposits	13,995	58
Cash at bank	1,797,711	1,160,694
Cash and cash equivalents in consolidated statement of financial position	1,811,706	1,160,752
Cash and cash equivalents in disposal group	103,833	61,310
Cash and cash equivalents in the consolidated cashflow statement	1,915,539	1,222,062

20. Share capital and capital management

(a) Share capital

Issued share capital

	30 June 2021/ 31 December 2020	
	No. of shares'000	US\$'000
Ordinary shares, issued and fully paid:	6,950,825	6,950,825

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.

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).

20. Share capital and capital management (continued)

	30 June 2021 US\$'000	31 December 2020 US\$'000
Loans and borrowings	12,320,261	10,246,348
Loans from joint ventures	2,829	2,829
Loans from non-controlling interests	5,978	14,039
Loans from third parties	766	513
Lease liabilities	92,465	60,001
Total debt	<u>12,422,299</u>	<u>10,323,730</u>
Less: cash and cash equivalents	<u>(1,811,706)</u>	<u>(1,160,752)</u>
Net debt	<u>10,610,593</u>	<u>9,162,978</u>
Total equity	<u>18,444,192</u>	<u>17,559,761</u>
Total assets	<u>35,609,478</u>	<u>32,755,885</u>
Net debt to total equity ratio	<u>57.53%</u>	<u>52.18%</u>
Net debt to total assets ratio	<u>29.80%</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 six-month period ended 30 June 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 30 June 2021, none of the covenants relating to drawn down facilities had been breached (31 December 2020: Nil).

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</i>	<i>Fair value measurements as at</i>		
	<i>30 June</i>	<i>30 June 2021 categorised into</i>		
	<i>2021</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Recurring fair value measurement				
Financial assets:				
Other investments (note 15):				
- Listed equity securities	955,659	955,659	-	-
- Unlisted equity securities	855,812	-	-	855,812
	<i>Fair value at</i>	<i>Fair value measurements as at</i>		
	<i>31 December</i>	<i>31 December 2020 categorised into</i>		
	<i>2020</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Recurring fair value measurement				
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 six-month period ended 30 June 2021, there were no transfers between Level 1 and Level 2, and Eastern Air Logistics Co., Ltd. is classified from Level 3 to Level 1 (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

	<i>Valuation techniques</i>	<i>Significant unobservable inputs</i>	<i>Range</i>
Unlisted equity securities	Income approach	Discount rate	14.1%
Unlisted equity securities	Market approach	Discount for lack of marketability	0% - 24%
Unlisted equity securities	Market approach	Price-to-sales ratio	0.4 x to 105 x
Unlisted equity securities	Market approach	Price-to-earnings ratio	23 x to 30.9 x

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 redemption rate of return from potential buyer. The fair value measurement is negatively correlated to the redemption rate. The fair value of unlisted equity securities using market approach uses the price-to-sales ratios and price-to-earnings 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:

	<i>30 June</i> <i>2021</i> <i>\$'000</i>	<i>31 December</i> <i>2020</i> <i>\$'000</i>
Unlisted equity securities:		
At 1 January	1,655,919	1,026,406
Additional securities acquired	51,873	872,940
Net unrealised gains or losses recognised in profit or loss during the period	22,441	137,631
Disposals	(640,894)	(434,256)
Reclassification to listed equity securities	(242,920)	-
Exchange differences	9,393	53,198
	<u>855,812</u>	<u>1,655,919</u>
At 30 June/31 December		
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	<u>22,441</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 30 June 2021 and 31 December 2020.

22. Reserves

	30 June 2021 US\$'000	31 December 2020 US\$'000
Capital reserve	58,305	3,838
Equity compensation reserve	36,849	36,849
Currency translation reserve	42,668	(129,913)
Property revaluation reserve	8,685	6,730
Fair value reserve (non-recycling)	145,716	113,227
Other reserve	(1,554,630)	(1,554,630)
Retained earnings	7,232,362	6,956,745
	<u>5,969,955</u>	<u>5,432,846</u>

The capital and PRC statutory 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 PRC statutory reserve of its PRC-incorporated subsidiaries. PRC 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 office 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

	30 June 2021 US\$'000	31 December 2020 US\$'000
Non-current liabilities		
Secured bank loans	4,704,432	4,393,572
Secured bonds	753,286	746,715
Unsecured bank loans	232,379	461,705
Unsecured bonds	3,369,108	1,494,137
	<u>9,059,205</u>	<u>7,096,129</u>
Current liabilities		
Secured bank loans	1,514,213	248,428
Secured bonds	3,222	2,458
Unsecured bank loans	199,584	465,968
Unsecured bonds	1,544,037	2,433,365
	<u>3,261,056</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\$16,339,624,000 (31 December 2020: US\$15,445,068,000) (note 9).

The effective interest rates for bank borrowings and bonds ranging from 1.39% to 6.77% (31 December 2020: 1.29% to 6.77%) per annum.

24. Other non-current liabilities

	30 June 2021 US\$'000	31 December 2020 US\$'000
Security deposits received	81,315	77,791
Payable for acquisition of properties	2,904	-
Contract liabilities	-	551
Employee bonus and incentive payable	42,560	21,483
Loans from non-controlling interests	5,033	10,388
Lease liabilities (note 26)	81,838	53,813
Deposits received for disposal of other investments	126,571	114,396
Consideration payable for acquisition of joint ventures	37,690	37,303
Others	5,182	1,612
	<u>383,093</u>	<u>317,337</u>

25. Trade and other payables

	30 June 2021 US\$'000	31 December 2020 US\$'000
Trade payables	4,420	2,379
Accrued construction costs	673,267	692,675
Accrued operating expenses	102,732	92,429
Contract liabilities	53,993	40,645
Interest payable	104,380	116,380
Security deposits received	90,539	87,744
Amounts due to:		
- Intermediate holding company (trade)	52,716	51,266
- Other related parties (trade)	24,231	14,532
- Other related parties (non-trade)	640	300,342
- Non-controlling interests (trade)	3,928	3,358
- Non-controlling interests (non-trade)	21,924	17,736
- Joint ventures (trade)	1,061	1,522
- Joint ventures (non-trade)	498	495
- Associates (trade)	73	70
- Associates (non-trade)	32	32
Interest payable on loans from intermediate holding company	7,498	7,383
Loans from joint ventures	2,829	2,829
Interest payable on loans from joint ventures	680	644
Loans from non-controlling interests	945	3,651
Interest payable on loans from non-controlling interests	284	129
Loans from third parties	766	513
Interest payable on loans from third parties	206	216
Consideration payable for acquisitions of subsidiaries	119,946	143,018
Deposits received and accrued expenses for disposal of investment properties	59,521	58,909
Consideration payable for acquisitions of investment properties	9,043	8,950
Other payables	146,785	95,423
Dividends payable	1,936	1,916
Lease liabilities (note 26)	10,627	6,188
	<u>1,495,500</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 interest rates ranging from 3% 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 30 June 2021</i>	
	<i>Present value of the minimum lease payments</i>	<i>Total minimum lease payments</i>
	\$'000	\$'000
Within 1 year	10,627	15,152
After 1 year but within 2 years	10,382	14,364
After 2 years but within 5 years	26,338	35,268
After 5 years	45,118	53,671
	<u>92,465</u>	<u>118,455</u>
Less: total future interest expenses		(25,990)
Present value of lease liabilities		<u>92,465</u>
	<i>At 31 December 2020</i>	
	<i>Present value of the minimum lease payments</i>	<i>Total minimum lease payments</i>
	\$'000	\$'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
	<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.

The list of subsidiaries acquired during the six-month period ended 30 June 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
Changchun Suning Yida Logistics Co., Ltd.	1 April 2021	80
Jiangsu Zhichen Asset Management Co., Ltd.	1 April 2021	80
Nanjing Jingfu Asset Management Co., Ltd.	1 April 2021	80
Chengdu Suning Yida Warehousing Co., Ltd.	1 April 2021	80
Fuzhou Suning Tesco Trading Co., Ltd.	1 April 2021	80
Harbin Suning Purchasing Co., Ltd.	1 April 2021	80
Shijiazhuang Shining Suning Trading Co., Ltd.	1 April 2021	80
Yunnan Suning Logistics Co., Ltd.	1 April 2021	80
Shaoxing Suning Yuncang Logistics Co., Ltd.	1 April 2021	80
Hefei Luning Yida Logistics Co., Ltd.	1 April 2021	80
Hainan Suning Yida Logistics Co., Ltd.	1 April 2021	80
Guiyang Suning Logistics Co., Ltd.	1 April 2021	80
Nanjing Yuyue Asset Management Co., Ltd.	1 April 2021	80
Yancheng Yanning Suning Tesco Co., Ltd.	1 April 2021	80
Ezhou Suning Yida Logistics Investment Co., Ltd.	1 April 2021	80
Wuhu Suning Yida Logistics Co., Ltd.	1 April 2021	80
Jining Yanzhou Suning Yida Logistics Warehousing Co., Ltd.	1 April 2021	80
Lanzhou Suning Purchasing Co., Ltd.	1 April 2021	80
Urumqi Suning Tesco Trading Co., Ltd.	1 April 2021	80
Nanning Xinbao Zhihui Supply Chain Management Co., Ltd.	22 April 2021	90
Xuzhou Suning Yida Logistics Co., Ltd.	21 May 2021	80
Wenzhou Chengya Supply Chain Co., Ltd.	27 May 2021	50
Haikou Xinjia Logistics Co., Ltd.	11 June 2021	100
Zhengzhou Donggong Wanchi Industrial Co., Ltd.	28 June 2021	95

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

Effect of acquisitions

The cash flow and the net assets of the subsidiaries acquired during the six-month period ended 30 June 2021 are provided below:

	<i>Recognised values on acquisitions US\$'000</i>
Investment properties	1,413,487
Property, plant and equipment	1
Deferred tax assets	11,206
Other non-current assets	29
Trade and other receivables	53,910
Cash and cash equivalents	7,783
Trade and other payables	(609,828)
Loans and borrowings	(68,999)
Deferred tax liabilities	(18,590)
Non-controlling interests	(50,038)
	<hr/>
Net assets acquired	738,961
Gain on acquisition of subsidiaries	(28,435)
	<hr/>
Purchase consideration	710,526
Consideration payable	(195,461)
Cash of subsidiaries acquired	(7,783)
Fair value of previous equity interests held	(18,774)
Payment of consideration in relation to prior years' acquisitions	72,162
	<hr/>
Cash outflow on acquisitions of subsidiaries	560,670
	<hr/>

The total related acquisition costs for the above-mentioned subsidiaries amounted to approximately US\$710,526,000.

From the date of acquisition to 30 June 2021, the above-mentioned acquisitions contributed net profit of approximately US\$24,348,000 for the period, before accounting for financing costs attributable to the acquisition. Had the acquisition occurred on 1 January 2021, management estimates that the above-mentioned acquisitions would have contributed approximately US\$35,268,000 and US\$19,057,000 to the Group's revenue and net profit respectively for the six-month period ended 30 June 2021.

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

Disposals of subsidiaries

During the six-month period ended 30 June 2021, the Group sold the equity interests in GLP GOLDEN LINCOLN B Partners, LP and Shanghai Puyi Logistic Industry Investment LLP to related parties, namely GLP GV CHINA 4 HOLDINGS LIMITED and GLP GV CHINA 7 HOLDINGS LIMITED respectively.

The subsidiaries disposed of during the six-month period ended 30 June 2021 are as follows:

<i>Name of subsidiaries</i>	<i>Disposal date</i>	<i>Equity interest disposed %</i>
GLP GOLDEN LINCOLN B Partners, LP	31 March 2021	68.51
Shanghai Zhongji Yangshan Container Services Co., Ltd.	20 April 2021	50
GLP Beijing Airport Logistics Development Co.Ltd.(*)	8 June 2021	100
Pushun Logistics Park Development Co.Ltd.(*)	8 June 2021	100
Kunshan GLP Dianshanhu Logistics Co.Ltd.(*)	8 June 2021	100
Suzhou GLP Wangting Development Co.Ltd. (*)	8 June 2021	100
GLP Guangzhou Bonded Development Co.Ltd. (*)	8 June 2021	100
GLP Guangzhou Warehousing Co.Ltd. (*)	8 June 2021	100
CLH 88 (HK) Limited	28 June 2021	100

* These subsidiaries are disposed to CICC GLP REIT (note 15).

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

Effect of disposals

The cash flow and the net assets of the subsidiaries disposed of during the six-month period ended 30 June 2021 are provided below:

	<i>Recognised values on disposals US\$'000</i>
Investment properties	1,997,018
Deferred tax assets	6,186
Other assets	26
Plant and equipment	2,270
Other investments	633,190
Trade and other receivables	54,316
Cash and cash equivalents	132,306
Trade and other payables	(985,415)
Loans and borrowings - non-current	(205,154)
Loans and borrowings - current	(6,968)
Current tax payable	(43,317)
Deferred tax liabilities	(163,878)
Other non-current liabilities	(9,408)
Non-controlling interests	(305,114)
	<hr/>
Net assets disposed	1,106,058
Gain on disposal of subsidiaries	167,614
	<hr/>
Disposal consideration	1,273,672
Consideration receivable	(512,166)
Satisfied through non-cash settlement	(41,892)
Cash of the subsidiaries disposed	(132,306)
Cash received for prior years' disposal consideration	297,902
Disposal-related agency expenses payable	4,927
	<hr/>
Cash inflow on disposals of subsidiaries	890,137
	<hr/> <hr/>

From 1 January 2021 to the respective dates of disposals, the above-mentioned subsidiaries contributed approximately US\$101,408,000 and US\$82,611,000 to the Group's revenue and net profit respectively for the six-month period ended 30 June 2021.

28. Commitments

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

	30 June 2021 US\$'000	31 December 2020 US\$'000
Commitments in relation to capital contribution to investees not yet due and not provided for	<u>379,803</u>	<u>422,716</u>
Property development expenditure contracted but not provided for	<u>825,231</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>Six-month period ended</u>	
	<u>30 June 2021</u> US\$'000	<u>30 June 2020</u> US\$'000
Salaries, bonuses, contributions to defined contribution plans and other benefits	<u>4,953</u>	<u>6,177</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>Six-month period ended</i>	
	<i>30 June 2021</i>	<i>30 June 2020</i>
	US\$'000	US\$'000
Joint ventures		
Asset management fee income from joint ventures	6,791	4,886
Investment management fee income from joint ventures	663	336
Property management fee income from joint ventures	4,170	2,943
Development management fee income from joint ventures	1,254	2,377
Leasing management fee income from joint ventures	2,160	1,868
Acquisition management fee income from joint ventures	2,374	5,005
Gain on disposal of subsidiaries to joint ventures	-	23,559
Interest income from joint ventures	15,897	6,472
Interest expenses charged by joint ventures	-	(680)
Associates		
Asset management fee income from associates	6,068	787
Investment management fee income from associates	23,786	5,335
Property management fee income from associates	2,432	502
Development management fee income from associates	65	151
Leasing management fee income from associates	1,425	-
Gain on disposal of subsidiaries to associates	-	147,065
Interest income from associates	2,972	4,733
Interest expenses charged by associates	-	(28)
Fellow subsidiaries		
Asset management fee charged by fellow subsidiaries	(8,271)	(6,147)
Asset management fee income from fellow subsidiaries	5,493	3,974
(Loss)/gain on disposal of subsidiaries to fellow subsidiary	(13,466)	15,402
Interest income from fellow subsidiaries	-	112
Interest expenses charged by fellow subsidiaries	(242)	(620)
Intermediate holding company		
Management service fee charged by intermediate holding company	(1,159)	(2,801)
Interest expenses charged by intermediate holding company	(39)	(9,541)

29. Significant related party transactions (continued)

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 30 June 2021, the outstanding amount of the relevant bank borrowings was approximately US\$221,833,000 (31 December 2020: US\$160,527,000).

Besides, GLP Commercial Factoring (Chongqing) Co., Ltd., issued asset-backed securities amounting to RMB205,000,000 in August 2020 and RMB325,000,000 in May 2021 respectively with maturity dates ending between years 2020 and 2022. The Group has provided guarantee to investors of these 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 30 June 2021, the outstanding amount of the relevant asset-backed securities was approximately US\$ 82,071,000 (31 December 2020: US\$ 31,418,000).

30. Subsequent events

Subsequent to 30 June 2021, the following subsequent events occurred:

On 28 July 2021, the Group established GLP China Income Fund III ("CIF III Fund") with planned total assets under management ("AUM") of RMB4.5 billion (equivalent to approximately US\$700 million).

On 2 July 2021, the Group issued RMB 1,200,000,000 Medium Term Notes due to 2024 on the Hong Kong Stock Exchange at fixed interest rate of 4.00% per annum.

31. Company-level statement of financial position

As at 30 June 2021 - unaudited

	Note	30 June 2021 US\$'000	31 December 2020 US\$'000
Non-current assets			
Investments in subsidiaries		16,474,504	14,439,971
Loans to subsidiaries		674,652	763,911
Other non-current assets		1,877	2,136
		<u>17,151,033</u>	<u>15,206,018</u>
Current assets			
Other receivables		2,875,336	3,135,838
Cash and cash equivalents		625,191	70,074
		<u>3,500,527</u>	<u>3,205,912</u>
Total assets		<u><u>20,651,560</u></u>	<u><u>18,411,930</u></u>
Equity attributable to owners of the Company			
Share capital	22	6,950,825	6,950,825
Reserves		(354,999)	(331,570)
Total equity		<u>6,595,826</u>	<u>6,619,255</u>
Non-current liabilities			
Loans and borrowings		5,332,046	3,050,841
		<u>5,332,046</u>	<u>3,050,841</u>
Current liabilities			
Loans and borrowings		2,237,589	2,840,330
Other payables		6,484,759	5,900,177
Current tax payable		1,340	1,327
		<u>8,723,688</u>	<u>8,741,834</u>
Total liabilities		<u>14,055,734</u>	<u>11,792,675</u>
Total equity and liabilities		<u><u>20,651,560</u></u>	<u><u>18,411,930</u></u>

Approved and authorised for issue by the Board of Directors on **13 AUG 2021**



Director



Director

32. Company-level statement of comprehensive income

For the six-month period ended 30 June 2021 - unaudited

	<i>Six-month period ended</i>	
	<i>30 June 2021</i>	<i>30 June 2020</i>
	US\$'000	US\$'000
Dividend income from subsidiary	-	1,050,990
Other expenses	(7,345)	(6,307)
(Loss)/profit from operations	(7,345)	1,044,683
Finance costs	(99,748)	(184,569)
Finance income	17,258	24,354
Net finance costs	(82,490)	(160,215)
(Loss)/profit before taxation	(89,835)	884,468
Tax expense	(2,169)	(1,399)
(Loss)/profit for the period	(92,004)	883,069
Other comprehensive income for the period		
<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	68,575	(93,394)
Total comprehensive income for the period	(23,429)	789,675

33. Company-level statement of cash flows

For the six-month period ended 30 June 2021 - unaudited

	<u>Six-month period ended</u>	
	<u>30 June 2021</u>	<u>30 June 2020</u>
	US\$'000	US\$'000
Cash flows from operating activities		
(Loss)/profit before taxation	(89,835)	884,468
Adjustments for:		
Net finance costs	91,202	153,773
Dividend income from a subsidiary	-	(1,050,990)
Withholding tax	2,169	892
	<u>3,536</u>	<u>(11,857)</u>
Changes in working capital:		
Increase in other receivables	(500,632)	(57,133)
Increase/(decrease) in other payables	253,626	(11,148)
	<u>(243,470)</u>	<u>(80,138)</u>
Cash generated from /(used in) operations	(243,470)	(80,138)
Tax paid	-	-
	<u>(243,470)</u>	<u>(80,138)</u>
Net cash generated from/(used in) operating activities		
Cash flows from investing activities		
Interest income received	17,858	19,325
Repayment of loans from subsidiaries	103,655	164,777
Loans to subsidiaries	(10,946)	(29,921)
Investments in subsidiaries	(784,104)	(1,720,840)
	<u>(673,537)</u>	<u>(1,566,659)</u>
Net cash used in investing activities		



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

For the six-month period ended 30 June 2021 - unaudited

	<i>Six-month period ended</i>	
	<u>30 June 2021</u>	<u>30 June 2020</u>
	US\$'000	US\$'000
Cash flows from financing activities		
Proceeds from bank loans	2,787,669	3,087,809
Proceeds from issue of bonds	2,179,279	-
Transaction costs on issue of bonds	-	(178)
Repayment of bank loans	(2,121,171)	(1,325,166)
Repayment of bonds	(1,224,940)	-
Repayment of loans from intermediate holding company	(13,696)	(13,357)
Interest paid	(135,279)	(134,660)
	<u>1,471,862</u>	<u>1,614,448</u>
Net cash generated from financing activities		
	1,471,862	1,614,448
Net increase/(decrease) in cash and cash equivalents	554,855	(32,349)
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	262	(213)
	<u>262</u>	<u>(213)</u>
Cash and cash equivalents at the end of the period	<u>625,191</u>	<u>67,844</u>

