GLP China Holdings Limited

Annual Report
For the year ended 31 December 2022

Directors' Report

The directors submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 December 2022.

Principal place of business

GLP China Holdings Limited ("the Company") is a company incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 33/F, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong.

Principal activities

The principal activity of the Company is investment holding. The principal activities of the Company and its subsidiaries ("the Group") are investment holding, provision of logistic facilities, fund management and solar energy business and data center business. Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Business Review set out on pages 4 to 9 of this Annual Report. This discussion forms part of this directors' report.

Financial statements

The profit of the Group for the year ended 31 December 2022 and the state of the Company's affairs as at that date are set out in the financial statements on pages 17 to 117.

Transfers to reserves and dividends

Profits attributable to owners of US$1,290,298,000 (2021: US$1,414,637,000) has been transferred to reserves. Other movements in reserves are set out in the statement of changes in equity.

Share capital

Details of the movements in share capital of the Company are set out in note 23(a) to the financial statements.

Directors

The directors during the financial year were:

Mei, Ming Zhi
Higashi Michihiro
Zhuge Wenjing
Fang Fenglei
MOK Chi Ming
CHAU Kwok Man (resigned on 8 February 2022)
Mark Tan
CHEN Rui Wei (resigned on 8 February 2022)

There being no provision in the Company's articles of association in connection with the retirement of directors, all existing directors continue in office for the following year.

Indemnity of directors

A permitted indemnity provision (as defined in section 469 of the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout this year.

Directors' interest and short positions in shares, underlying shares and debentures

None of the directors of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company, or any of its holding company, subsidiaries or other associated corporations.

Directors' interests in transactions, arrangements or contracts

No transaction, arrangement or contract of significance to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

Director

Director

Date: 3 1 MAR 2023

GLP China Holdings Limited

Business Review

GLP China Holdings Limited (“GLP China”) is a leading global business builder, owner, developer and operator of logistics real estate, data centers, renewable energy and related technologies. GLP’s deep expertise and operational insights allow it to build and scale high-quality businesses and create value for its customers.

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

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

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

Market overview

- With a large and growing middle-income population, China is becoming one of the world’s largest consumer markets. According to the Premier’s government work report at the National People's Congress, China sets GDP growth target of around 5% for 2023, beating other major markets in the world. The stable GDP growth is fundamental to the the sustained robust demand forlogistics and warehousing from the economy. In addition, compared with other modern developed countries, per capita high-end storage area in China is still relatively low. Hence, Chinese logistic real estate market is forecasted of high growth potential in the long run.

- Online sales have grown exponentially during the pandemic, which has also accelerated the development of omni-channel supply chains for various businesses, such as fashion, fresh food, pharmaceuticals, etc. The growing penetration of e-commerce business has brought new demand formodern logistics facilities.

Market overview (continued)

- The investment return of logistics real estate and its anti-cyclical nature have grown in attractiveness. In 2022, logistics property has generated returns surpassing other real estate asset classes in China thanks to its strong bonding with the supply chain resilience in the brick-and-mortar economy. It is expected that logistics real estate's capitalization rate will continue to beat other property types. Therefore, logistics assets attracts great interest in the capital market, which is evidenced by the current trends in fundraising and block trade.

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

- Data center market fundamentals remain strong with rising demand for local hyperscale data center facilities to support digitization including AI, IoT and cloud services applications across industries.

Overview of operational results

- **Operations**

  GLP China owns and manages a sizeable portfolio of 50 million sqm GFA across China. Our portfolio contains completed and stabilised properties valued at US$31 billion, representing over 82% of total portfolio with a strong lease rate of 88% and a robust occupancy ratio of 85% as of 31 December 2022. Besides, the net increase in leased area reached 1.7 million sqm during 2022, which was primarily driven by e-commerce acceleration and supply chain resilience which continues to generate demand for modern, institutional-grade logistics facilities in key markets.

- **Development**

  The development of modern logistics facilities is one of our key engines of growth with development profit a regular and recurring part of our earnings stream. In the current year we delivered US$750 million development projects or 1.4 million sqm GFA (including the properties held by the funds under our management) despite lockdowns and restrictions imposed to due to COVID-19, with an overall 21% development margin, and achieved an overall stabilisation margin of 39%.

- **Main fundraising activities**

  GLP China Income Partners V ("GLP CIP V") was established in July 2022 via approximately $5 billion recapitalisation of the portfolio developed within the 2013-vintage GLP China Logistics Fund I ("GLP CLF I"). GLP CLF I is GLP's first logistics development fund in China. More than 80% of CIP V's portfolio were located in Tier 1/1.5 cities with a lease ratio of over 90%. The portfolio had a diversified tenant roster anchored by major third-party logistics and e-commerce customers which represent approximately 70% of the leased area.

- **Main fundraising activities (continued)**

  GLP China Income Fund ("CIF VI") was established in November 2022 and has RMB 7.6 billion (equivalent to US$1.05 billion) AUM. CIF VI was seeded with 20 stabilised modern logistics assets across 19 cities that serve top customers in e-commerce, logistics and retail sectors with a total leasable area of 2.13 million sqm. The portfolio of assets are quality core income-generating properties ensuring strong and recurrent cash-flow generation.

  GLP China Value-Added Partners (CVP) was established in November 2022 and has US$2.6 billion AUM. CVP focused on acquiring existing assets and creating value through active asset management, including cold storage conversion and will capitalise on market opportunities arising from ongoing deleveraging initiatives and market consolidation in China. The fund was seeded with assets located in key logistics hubs in China with a total net leasable area of approximately 600,000 sqm and features significant committed investment capacity to capitalise on further opportunities, including GLP's robust acquisition pipeline.

  GLP China Income Fund VII ("CIF VII") was established in November 2022 and has RMB 5.4 billion (equivalent to US$0.7 billion) AUM. CIF VII was seeded with 13 stabilised modern logistics assets that are located across key logistics hubs including Shanghai, Qingdao, Wuhan and Changsha. The total leasable area is 800,000 sqm and serves top customers in e-commerce, logistics and retail sectors. In-line with GLP's income fund series, the portfolio consists of quality core income-generating properties ensuring strong and recurrent cash-flow generation.

Financial review

Rental and related income was US$851 million (2021: US$1,011 million). Decrease was primarily due to the continuous monetization of project companies to the non-consolidated funds during the current year, while partially offset by the rental rate growth and lease-up following the completion and stabilization of development projects.

Property-related and other business expenses was US$558.2 million (2021: US$381.5 million). Increase was mainly due to the increase of the operational cost incurred by data center and freezer services business in line with their business expansion (e.g., maintenance expense, depreciation expense of right-of-use assets and machinery, etc.).

Other income and share of results of joint ventures and associates was US$168.1million (2021: US$1,021.0 million). The private equity market was cooled down during 2022 which led to less profit contribution from the share of results of joint ventures and associates. The fluctuation was also partially derived from volatility in share price of the listed investments in the secondary market.

Financial review (continued)

Gain on disposal of subsidiaries was US$1,230.0 million (2021: US$552.7 million). The increase primarily attributable to the gains from the disposal of seed assets to GLP managed funds and fund management business restructuring in 2022.

The net profit for the year was US$1,446.7 million (2021: US$1,885.5 million). Despite a challenging economic landscape, GLP China has still delivered a stable profitability result in 2022. With visionary business strategies in place and confident of our industry-leading expertise, we believe we can continue to provide customers with high quality and best-in-class new economy infrastructure, combined with advanced technical and business solutions.

We have implemented prudent financial management policies that have enabled us to maintain a good credit profile, disciplined investment approach and strong balance sheet with sustainable growth. We benefit from accessing to diversified and multi-channel financing solutions including but not limited to bilateral loans, syndicated loans, capital markets, funds and other borrowings and equity. As of 31 December 2022, we have a total debt of US$10.0 billion (2021: US$8.4 billion), net debt of US$8.6 billion (2021: US$7.7 billion), and net debt to asset (excluding cash) ratio of 23.15% (2021: 22.87%), respectively.

Risk management

We place an extremely high importance on risk management. We believe that risk management is not just about minimizing downside risk, but also enables us to take on the necessary risks to grow and create value. We are committed to fostering a strong risk governance culture which encourages identification and proactive management of these risks.

The process of risk management is incorporated into day-to-day operations and forms an integral part of all decision-making processes with GLP China.

For example, our operation in China is naturally exposed to foreign exchange rate fluctuations, and our pre-tax profit is exposed to currency risks through sales and purchases which give rise to receivables, payables and cash balances denominated in foreign currencies, primarily United States dollars. In respect of the monetary assets and liabilities denominated in foreign currencies, we ensure that the net exposures to this risk is kept to an acceptable level by monitoring the currency gap and keep reducing our exposure by holding monetary assets and liabilities denominated in foreign currencies in short-term period.

We are also exposed to interest rate risk arising primarily from variable-rate borrowings and cash balances. We manage the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis.

Individual operating entities within GLP China are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. Our policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

Environmental social and governance

We are committed to a broad range of environmental, social and governance (ESG) commitments that elevate our business, create value for our shareholders and investors, support our employees and customers, and show respect to the local communities in which we work. We believe ESG is our corporate responsibility as business builders and investors as well as an opportunity to promote good business ethics and focus on a more sustainable and resilient future.

We focus on improving efficiency across our businesses through the use and integration of data and technology. As a result, we are able to reduce consumption, better manage assets and invest capital more efficiently, which in turn generates better returns for our shareholders and investors, reduces costs for our customers and partners, and helps our global employees by increasing motivation and productivity to enhance an individual’s livelihood.

We aim to be a global leader on integrated ESG commitments because we believe that sustainability is an essential part of our long-term success as global corporate citizens. To be a global leader we are committed to continuously improving our ESG policy to meet or exceed evolving standards and expectations of our shareholders, investors, customers, employees and communities.

Building business and investing responsibility means embedding ESG into our investment and decision-making process. This helps us to identify and avoid ESG risks. We understand and identify how our activities can impact material ESG factors and how these can affect our reputation, value and stakeholders. We focus on how we can best support our workforce, whether it is our own employees or contractors and suppliers. We recognize how we can work with the communities where we operate business and enhance our presence through economic development, limiting our environmental impact and seeking a community’s license to operate.

We consider material ESG factors during development, and operations. Our teams are empowered to prioritise, act, track and monitor the sustainability performance of our businesses and operations and collaborate with our workforce, partners and communities. Consistent ESG performance across an asset’s lifestyle helps us to actively manage the sustainability of assets.

As a global business builder, our mission is to build sustainable businesses, while providing exceptional operational services that enhance value. We focus on enhancing value through asset management, effective operations and improving efficiency of our business and assets through the integration of technology and innovation including data analytics, robotics, automated clearance systems, digital loading docks, smart sorting, telematics, energy-efficient fleet management systems, Internet of Things, resource conservation and renewable energy.

To provide our global customers with increased opportunities to enhance their sustainability endeavours, we focus on sustainability initiatives that increase resource conservation, leverage climate action, improve health and well-being and support local communities.

Environmental social and governance (continued)

We are committed to maintaining the highest standards of corporate governance as a means of enhancing corporate performance and accountability. To demonstrate our commitment towards excellence in corporate governance, we have established a series of well-defined policies and processes to protect our stakeholders' interests. Our leadership team recognizes the importance of strong corporate governance and the maintenance of high standards of accountability to our shareholders and remains firmly committed to seeing that those standards are satisfied through an evolving suite of governance practices that are woven into the fabric of our business.

We continually review and refine its processes in light of best practice, consistent with the needs and circumstances of the group. We maintain a zero-tolerance approach to bribery and corruption and require all management and employees to comply with our Code of Business Conduct at all times and provide annual certification.

We aim to incorporate health and well-being throughout our organization and assets in support of our employees, customers and the communities in which we work. By focusing on promoting well-being we can enhance an individual's livelihood, increase motivation and productivity as well as bring communities together.

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GLP China Holdings Limited

Independent auditor's report to the members of GLP China Holdings Limited

(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of GLP China Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 17 to 117, which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended 31 December 2022 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year ended 31 December 2022 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent auditor's report to the members of GLP China Holdings Limited (continued)

(Incorporated in Hong Kong with limited liability)

GLP China Holdings Limited

Key audit matters (continued)

<table>
<tr><th colspan="2">Valuation of investment properties</th></tr>
<tr><td colspan="2">Refer to note 11 to the consolidated financial statements and the accounting policies on note 2(j).</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>As at 31 December 2022, the Group had a significant portfolio of investment properties with respect to logistics and warehousing facilities located in Mainland China with a carrying amount of US$ 13,880 million, representing 36% of the Group's total assets.

These investment properties are stated at their fair values with reference to the valuation performed by external property valuers, with changes in fair value recognised in profit or loss. The valuation results are sensitive to key assumptions and parameters such as terminal yield capitalisation rate, capitalisation rate and discount rate.

We identified valuation of investment properties as a key audit matter because the valuation involves significant judgment in determining the appropriate valuation methodologies to be used, and in estimating the underlying assumptions and parameters to be applied.</td><td>Our audit procedures to assess the valuation of investment properties included the following:

• obtaining an understanding of the Group's process of, and assessing the design and implementation of the key internal controls over determining the fair value of investment properties;

• obtaining and inspecting the valuation reports prepared by the external property valuers engaged by management on which the directors' assessment of the fair values of investment properties was based;

• assessing the external property valuers' qualifications, experience and expertise in the properties being valued and considering their objectivity;

• with the assistance of our internal valuation specialist, assessing the appropriateness of the valuation methodologies with reference to the prevailing accounting standards and the appropriateness of the key assumptions and parameters adopted by the external valuers by comparing these assumptions against historical rates and available industry and market data, taking into consideration comparability and other factors;

• comparing significant input data used in the valuation to supporting documentation, on a sample basis, and

• assessing the appropriateness of the disclosures in the consolidated financial statements in respect of valuation of investment properties with reference to the requirements of prevailing accounting standards.</td></tr>
</table>

GLP China Holdings Limited

Key audit matters (continued)

Accounting for interests in limited liability partnerships	
Refer to notes 12, 13 and 14 to the consolidated financial statements and the accounting policies on note 2(d) and 2(f).	
The key audit matter	**How the matter was addressed in our audit**
The Group holds interests in limited liability partnerships and acts as the limited partners of these partnerships, and the Group's fellow subsidiaries act as the general partner of these partnerships. These limited liability partnerships are formed to invest in and operate various types of assets and businesses. Based on management analysis of the respective partnership's governance structure and decision-making mechanism, the Group's ability to control or influence the significant decisions of the partnership, and the level and variability of the Group's returns, the Group determines whether it should account for interests in these partnerships as subsidiaries, associates or joint ventures. We identified accounting for interests in limited liability partnerships as a key audit matter because the governance structure and decision-making mechanism of these partnerships vary and significant judgement is involved in assessing Group's ability to control or exercise significant influence over the significant decisions of these partnerships and the degree of linkage between the Group's decision-making abilities and returns, which could lead to different accounting treatment and different financial statement presentation.	Our audit procedures to assess the appropriateness of accounting for interests in limited liability partnerships included the following: • obtaining an understanding of the Group's process of classifying and accounting for equity interest in each limited liability partnership, understanding the purpose and design of each limited liability partnership and its relevant activities; • assessing management's analysis of the relevant activities of limited liability partnerships that affect the financial returns, as well as the Group's ability to control or exercise significant influence over the relevant activities that significantly affect the Group's financial returns; • inspecting legal and contractual documents and evaluating whether the decision-making mechanism as well as the scope of decisions where general partner and limited partners of these limited liability partnerships are empowered to make are consistent with the Group's analysis; • assessing whether the Group's classification and accounting for interests in limited liability partnerships are appropriate with reference to the prevailing accounting standards; and • assessing the appropriateness of disclosures and presentation in the consolidated financial statements in respect of the interests in limited liability partnerships with reference to requirements of prevailing accounting standards.

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Independent auditor's report to the members of GLP China Holdings Limited (continued)

(Incorporated in Hong Kong with limited liability)

Key audit matters (continued)

<table>
<tr><th colspan="2">Valuation of unquoted equity investments</th></tr>
<tr><td colspan="2">Refer to notes 18 and 30(f) to the consolidated financial statements and the accounting policies on note 2(h).</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>At 31 December 2022, the Group held a portfolio of unquoted equity instruments of US$1,864 million. The fair value of these unquoted equity investments is measured at Level 3 of the fair value hierarchy.

The fair value of the Group's unquoted equity investments is derived from valuation models with unobservable inputs and estimates, which involve significant management judgement and estimation.

We identified valuation of unquoted equity investments as a key audit matter because of the degree of complexity involved in valuing these unquoted equity investments and because of the significant degree of judgment exercised by management in determining the valuation models to be used and the inputs and assumptions used in the valuation models.</td><td>Our audit procedures to assess the valuation of unquoted equity investments included the following:

• obtaining an understanding of the Group's process of, and assessing the design and implementation of the key internal controls over determining the valuation of unquoted equity investments;

• with the assistance of our internal valuation specialists, on a sample basis, assessing the appropriateness of the valuation models with reference to the prevailing accounting standards and the key inputs and assumptions adopted in the valuation models by comparing these inputs and assumptions with market data derived from comparative companies or comparative transactions, or other publicly available information;

• comparing, on a sample basis, investees' financial data adopted in the valuation models to their respective financial statements; and

• assessing the appropriateness of the disclosures in the consolidated financial statements in respect of the valuation of unquoted equity investments with reference to the requirements of prevailing accounting standards.</td></tr>
</table>

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Independent auditor's report to the members of GLP China Holdings Limited (continued)

(Incorporated in Hong Kong with limited liability)

GLP China Holdings Limited

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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Independent auditor's report to the members of GLP China Holdings Limited (continued)

(Incorporated in Hong Kong with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor' s report is Alex M K Shum.

GLP China Holdings Limited

KPMG

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

Date: 31 March 2023

Consolidated Statement of Comprehensive Income for the year ended 31 December 2022

	Notes	Year ended 31 December 2022 US$'000	Year ended 31 December 2021 US$'000
Revenue	4	1,205,310	1,259,313
Other income	5	3,138	355,579
Cost of goods sold		(6,684)	(3,881)
Property-related and other business expenses		(558,165)	(381,534)
Other expenses		(296,994)	(299,807)
Changes in fair value of investment properties		933,515	973,433
Share of results (net of tax expense) of joint ventures		46,415	164,047
Share of results (net of tax expense) of associates and loss on disposal of associates		118,552	501,336
Profit from operations		1,445,087	2,568,486
Finance costs	6	(684,773)	(501,954)
Finance income	6	136,657	98,519
Net finance costs	6	(548,116)	(403,435)
Gain on acquisition of subsidiaries	29	-	19,477
Gain on disposal of subsidiaries	29	1,230,002	552,697
Gain on disposal of investment properties		3,020	13,642
Profit before taxation	7	2,129,993	2,750,867
Tax expense	8	(683,329)	(865,333)
Profit for the year		1,446,664	1,885,534
Profit attributable to:			
Owners of the Company		1,290,298	1,414,637
Non-controlling interests		156,366	470,897
Profit for the year		1,446,664	1,885,534

The notes on pages 26 to 117 form part of these financial statements.

Consolidated Statement of Comprehensive Income for the year ended 31 December 2022 (continued)

	Note	*Year ended 31 December 2022* US$'000	*Year ended 31 December 2021* US$'000
Profit for the year		1,446,664	1,885,534
Other comprehensive income for the year	10		
Items that will not be reclassified to profit or loss:			
Surplus on revaluation of buildings held for own use carried at fair value		-	5,024
Change in fair value of other investments		(72,989)	115,480
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements from functional currency to reporting currency		(1,815,663)	429,019
Share of other comprehensive income of joint ventures		13,177	(3,236)
Share of other comprehensive income of associates		359	7,801
Other comprehensive income for the year		(1,875,116)	554,088
Total comprehensive income for the year		(428,452)	2,439,622
Total comprehensive income attributable to:			
Owners of the Company		(78,253)	1,844,570
Non-controlling interests		(350,199)	595,052
Total comprehensive income for the year		(428,452)	2,439,622

The notes on pages 26 to 117 form part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2022

	Notes	*31 December 2022* US$'000	*31 December 2021* US$'000
Non-current assets			
Investment properties	11	13,880,385	15,269,504
Joint ventures	13	2,809,348	3,080,404
Associates	14	2,844,715	2,811,647
Deferred tax assets	15	54,468	24,657
Property, plant and equipment	16	1,352,456	823,082
Intangible assets	17	703,948	316,716
Other investments	18	2,512,638	2,336,864
Other non-current assets	19	1,995,642	716,633
		26,153,600	25,379,507
Current assets			
Trade and other receivables	20	4,211,604	2,889,843
Assets classified as held for sale	21	6,608,509	5,532,665
Cash and cash equivalents	22	1,489,426	716,941
		12,309,539	9,139,449
Total assets		38,463,139	34,518,956
Equity attributable to owners of the Company			
Share capital	23	6,950,825	6,950,825
Reserves	24	7,162,993	7,278,443
		14,113,818	14,229,268
Non-controlling interests		6,145,160	5,627,871
Total equity		20,258,978	19,857,139

The notes on pages 26 to 117 form part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2022 (continued)

	Notes	*31 December 2022* US$'000	*31 December 2021* US$'000
Non-current liabilities			
Loans and borrowings	25	7,616,493	7,095,801
Deferred tax liabilities	15	1,417,960	1,751,698
Other non-current liabilities	26	711,512	500,368
		9,745,965	9,347,867
Current liabilities			
Loans and borrowings	25	2,104,844	1,086,493
Trade and other payables	27	1,717,428	1,591,910
Current tax payable		395,350	158,889
Liabilities classified as held for sale	21	4,240,574	2,476,658
		8,458,196	5,313,950
Total liabilities		18,204,161	14,661,817
Total equity and liabilities		38,463,139	34,518,956

Approved and authorised for issue by the Board of Directors on 3 1 MAR 2023.

Director

Director

GLP China Holdings Limited

The notes on pages 26 to 117 form part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 31 December 2022

	Share capital US$'000	Capital and PRC statutory reserve US$'000	Equity compensation reserve US$'000	Currency translation reserve US$'000	Property revaluation reserve US$'000	Fair value reserve (non-recycling) US$'000	Other reserve US$'000	Retained earnings US$'000	Total attributable to owners of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2021	6,950,825	3,838	36,849	(129,913)	6,730	113,227	(1,554,630)	6,956,745	12,383,671	5,176,090	17,559,761
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	-	1,414,637	1,414,637	470,897	1,885,534
Other comprehensive income											
Exchange differences on translation of financial statements from functional currency to reporting currency	-	-	-	304,864	-	-	-	-	304,864	124,155	429,019
Changes in fair value of other investments	-	-	-	-	-	115,480	-	-	115,480	-	115,480
Surplus on revaluation of buildings held for own use carried at fair value	-	-	-	-	5,024	-	-	-	5,024	-	5,024
Share of other comprehensive income of joint ventures	-	(3,236)	-	-	-	-	-	-	(3,236)	-	(3,236)
Share of other comprehensive income of associates	-	7,801	-	-	-	-	-	-	7,801	-	7,801
Total other comprehensive income	-	4,565	-	304,864	5,024	115,480	-	-	429,933	124,155	554,088
Total comprehensive income for the year	-	4,565	-	304,864	5,024	115,480	-	1,414,637	1,844,570	595,052	2,439,622
Transactions with owners, recorded directly in equity											
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	457,544	457,544
Capital withdrawal from non-controlling interests	-	-	-	-	-	-	-	-	-	(244,589)	(244,589)
Other adjustment	-	-	-	-	-	-	-	-	-	(95,033)	(95,033)
Transfer to reserves	-	69,595	-	-	-	-	-	(69,595)	-	-	-
Acquisition of interests in subsidiaries from non-controlling interests	-	(1,186)	-	-	-	-	-	-	(1,186)	(223,858)	(225,044)
Acquisition of subsidiaries (note 29)	-	-	-	-	-	-	-	-	-	100,374	100,374
Disposal of subsidiaries (note 29)	-	-	-	-	(11,754)	-	-	-	(11,754)	(727,036)	(738,790)
Disposal of interest in subsidiaries to minority interests	-	13,967	-	-	-	-	-	-	13,967	624,550	638,517
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(35,223)	(35,223)
Total contributions by and distributions to owners	-	82,376	-	-	(11,754)	-	-	(69,595)	1,027	(143,271)	(142,244)
At 31 December 2021	6,950,825	90,779	36,849	174,951	-	228,707	(1,554,630)	8,301,787	14,229,268	5,627,871	19,857,139

The notes on pages 26 to 117 form part of these financial statements.

Consolidated Statement of Changes in Equity for the year ended 31 December 2022 (continued)

	Share capital US$'000	Capital and PRC statutory reserve US$'000	Equity compensation reserve US$'000	Currency translation reserve US$'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 2022	6,950,825	90,779	36,849	174,951	228,707	(1,554,630)	8,301,787	14,229,268	5,627,871	19,857,139
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	1,290,298	1,290,298	156,366	1,446,664
Other comprehensive income										
Exchange differences on translation of financial statements from functional currency to reporting currency	-	-	-	(1,309,098)	-	-	-	(1,309,098)	(506,565)	(1,815,663)
Changes in fair value of other investments	-	-	-	-	(72,989)	-	-	(72,989)	-	(72,989)
Share of other comprehensive income of joint ventures	-	13,177	-	-	-	-	-	13,177	-	13,177
Share of other comprehensive income of associates	-	359	-	-	-	-	-	359	-	359
Total other comprehensive income	-	13,536	-	(1,309,098)	(72,989)	-	-	(1,368,551)	(506,565)	(1,875,116)
Total comprehensive income for the year	-	13,536	-	(1,309,098)	(72,989)	-	1,290,298	(78,253)	(350,199)	(428,452)
Transactions with owners, recorded directly in equity										
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	2,649,229	2,649,229
Capital withdrawal from non-controlling interests	-	-	-	-	-	-	-	-	(1,255)	(1,255)
Transfer to reserves	-	430	-	-	-	-	(430)	-	-	-
Acquisition of interests in subsidiaries from non-controlling interests	-	(54,379)	-	-	-	-	-	(54,379)	(5,876)	(60,255)
Acquisition of subsidiaries (note 29)	-	7,582	-	-	-	-	-	7,582	154,639	162,221
Disposal of subsidiaries (note 29)	-	(4,258)	-	-	-	-	-	(4,258)	(151,260)	(155,518)
Disposal of interest in subsidiaries to non-controlling interests	-	(1,612)	-	-	-	-	-	(1,612)	315,770	314,158
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(2,093,759)	(2,093,759)
Disposal of associates	-	15,470	-	-	-	-	-	15,470	-	15,470
Disposal of other investments	-	-	-	-	(48,234)	-	48,234	-	-	-
Total contributions by and distributions to owners	-	(36,767)	-	-	(48,234)	-	47,804	(37,197)	867,488	830,291
At 31 December 2022	6,950,825	67,548	36,849	(1,134,147)	107,484	(1,554,630)	9,639,889	14,113,818	6,145,160	20,258,978

The notes on pages 26 to 117 form part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 December 2022

	Year ended 31 December 2022 US$'000	Year ended 31 December 2021 US$'000
Cash flows from operating activities		
Profit before taxation	2,129,993	2,750,867
Adjustments for:		
Amortisation of intangible assets	9,579	1,369
Amortisation of deferred management costs	-	133
Depreciation of property, plant and equipment	49,068	28,137
Loss/(gain) on disposal of property, plant and equipment	8,549	(138)
Gain on disposal of subsidiaries	(1,230,002)	(552,697)
Gain on acquisition of subsidiaries	-	(19,477)
Gain on disposal of associates	-	(7,360)
Gain on disposal of investment properties	(3,020)	(13,642)
Share of results (net of tax expense) of joint ventures	(46,415)	(164,047)
Share of results (net of tax expense) of associates and loss on disposal of associates	(118,552)	(501,336)
Changes in fair value of investment properties	(933,515)	(973,433)
Changes in fair value of financial assets	60,960	(288,301)
Impairment losses on trade and other receivables	2,297	993
Other expenses	42,095	44,587
Net finance costs	548,116	403,435
Dividend income	(46,707)	(14,199)
	472,446	694,891
Changes in working capital:		
Trade and other receivables	66,569	(669,592)
Trade and other payables	98,635	740,490
Cash generated from operations	637,650	765,789
Tax paid	(106,390)	(150,973)
Net cash generated from operating activities	531,260	614,816

The notes on pages 26 to 117 form part of these financial statements.

Consolidated Cash Flow Statement
for the year ended 31 December 2022 (continued)

	Note	Year ended 31 December 2022 US$'000	Year ended 31 December 2021 US$'000
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired	29	(1,489,646)	(957,490)
Disposal of subsidiaries, net of cash disposed	29	1,645,155	4,224,412
Capital contribution to joint ventures		(56,963)	(756,503)
Capital contribution to associates		(429,287)	(785,650)
Dividends received from joint ventures		94,957	10,850
Dividends received from associates		146,547	55,306
Dividends received from other investments		49,558	-
Payment for purchase of property, plant and equipment		(323,533)	(205,036)
Payment for purchase of other investments		(689,792)	(393,210)
Proceeds from disposal of property, plant and equipment		7,614	1,033
Proceeds from disposal of investment properties		11,959	8,644
Proceeds from disposal of other investments		298,935	7,704
Proceeds from disposal of associates and joint ventures		522,011	110,117
Withholding tax paid on disposal gain, dividend and interest income from subsidiaries		(45,221)	(219,850)
Development expenditure on investment properties		(819,985)	(1,279,504)
Deposit paid for acquisitions of investment properties		(101,159)	(116,929)
Loans to joint ventures		(48,880)	(43,592)
Loans to associates		(81,322)	(48,313)
Loans to non-controlling interests		(7,123)	(7,243)
Loans to third parties		-	(349,419)
Loans to intermediate holding company and other related parties		(1,525,653)	(821,895)
Repayment of loans from joint ventures		18,615	72,136
Repayment of loans from associates		204,638	94,453
Repayment of loans from non-controlling interests		-	41,293
Repayment of loans from third parties		76,571	275,595
Repayment of loans from other related parties		86,227	68,135
Interest income received		77,092	61,470
Net cash used in investing activities		(2,378,685)	(953,486)

The notes on pages 26 to 117 form part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 December 2022 (continued)

	Note	Year ended 31 December 2022 US$'000	Year ended 31 December 2021 US$'000
Cash flows from financing activities			
Capital contribution from non-controlling interests		2,261,029	457,544
Deposits received from issue of co-invest shares		2,416	4,398
Repayment of loans from non-controlling interests	22(b)	(3,204)	(10,202)
Proceeds of loans from third parties	22(b)	2,571	-
Repayment of loans from third parties	22(b)	(700)	(637)
Proceeds of loans from associates	22(b)	4,770	-
Repayment of loans from associates	22(b)	(28,501)	-
Proceeds of loans from other related parties	22(b)	366,911	-
Repayment of loans from other related parties	22(b)	(234,290)	-
Proceeds from bank loans	22(b)	9,843,571	6,713,692
Repayment of bank loans	22(b)	(6,433,457)	(6,829,248)
Proceeds from issue of bonds	22(b)	322,532	2,751,731
Repayment of bonds	22(b)	(1,044,139)	(2,633,904)
Interest paid	22(b)	(509,893)	(500,670)
Dividends paid to non-controlling interests		(1,705,559)	(35,223)
Acquisition of interests in subsidiaries from non-controlling interests		(60,255)	(220,286)
Proceeds from disposal of interests in subsidiaries to non-controlling interests		314,423	638,517
Proceeds of loans from non-controlling interests	22(b)	1,646	-
Capital withdrawal from non-controlling interests		(1,255)	(244,589)
Cash payments for principal portion of lease liabilities	22(b)	(19,384)	(14,400)
Cash payments for interest portion of lease liabilities	22(b)	(7,474)	(6,852)
Dividend paid to co-invest shareholders		(6,833)	-
Deposits pledged for bank loans		(57,548)	-
Net cash generated from financing activities		3,007,377	69,871
Net increase/(decrease) in cash and cash equivalents		1,159,952	(268,799)
Cash and cash equivalents at beginning of year		963,449	1,222,062
Effect of exchange rate changes on cash balances held in foreign currencies		(53,278)	10,186
Cash and cash equivalents at end of year	22	2,070,123	963,449

The notes on pages 26 to 117 form part of these financial statements.

Notes to the Financial Statements

1. General information

The Company was set up in Hong Kong on 15 October 2013 by CLH Limited, a subsidiary of GLP Pte. Ltd. which was incorporated in the Republic of Singapore ("Singapore").

CLH Limited and Global Logistic Properties Holding Limited ("GLPH Limited"), two Cayman incorporated companies, are intermediate holding vehicles 100% owned by GLP Limited. CLH Limited holds its shares in project companies incorporated in the People's Republic of China (the "PRC") through various intermediate offshore holding companies incorporated in Barbados, Singapore and Hong Kong. GLPH Limited holds its shares in GLP Investment (Shanghai) Co. Ltd. ("CMC"), a management company incorporated in the PRC, through two intermediate holding companies, China Management Holding Srl, incorporated in Barbados, and China Management Holdings (Hong Kong) Limited, incorporated in Hong Kong.

In October 2013, subsequent to the establishment of the Company, GLP China Asset Holdings Limited (former name "Iowa China Asset Holdings (Hong Kong) Limited") ("China Asset Holdco") was then established as a direct subsidiary of the Company. GLP HK Holdings Limited ("HK Holding Platform") and GLP SG Holdings Pte. Ltd. ("SG Holding Platform") were then established as subsidiaries of China Asset Holdco.

On 20 May 2014, certain intermediate offshore holding companies incorporated in Singapore, together with their subsidiaries and joint ventures were transferred to SG Holding Platform, and the rest of the intermediate offshore holding companies incorporated in Barbados, Singapore and Hong Kong, together with their subsidiaries and joint ventures were then transferred to HK Holding Platform. On the same date, GLPH Limited transferred its shares in China Management Holding Srl to the Company.

Subsequent to the reorganisation mentioned above (the "Reorganisation"), the Company owns subsidiaries and joint ventures indirectly through offshore immediate holding companies. As part of the Reorganisation, the Company introduced new investors Khangai Company Limited, Khangai II Company Limited, GLP Associate (I) Limited and GLP Associate (II) LLC. CLH Limited's percentage of interest in the Company was reduced to 66.2%.

In February 2022, CLH Limited, Khangai Company Limited and Khangai II Company Limited entered into a share purchase agreement, pursuant to which Khangai Company Limited transferred 789,750,000 issued shares of the Company and Khangai II Company Limited transferred 467,303,653 issued shares of the Company to CLH Limited, as a result of which CLH Limited has held 5,857,618,406 shares of the Company, representing an increase of shareholding in the Company to 84.30%, while Khangai Company Limited and Khangai II Company Limited have reduced their shareholding in the Company to 7.58% and 4.48% respectively after the completion of share transfer on 8 February 2022. In March 2022, CLH Limited entered into a share purchase agreement to transfer 1,257,053,653 shares of the Company to its related corporation. As at 31 December 2022, the share transfer was still in progress.

2. Significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2022 comprise the Group and the Group's interests in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- equity investments (see note 2(h)); and

- investment properties (see note 2(j)).

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 2(z)).

The functional currency of the Company is Chinese Renminbi Yuan ("RMB"). These financial statements are presented in United States dollars ("USD") and rounded to the nearest thousand. All financial information presented in USD has been translated based on the accounting policy set out in note 2(x).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. 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.

2. Significant accounting policies (continued)

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The Group has applied the following amendments to HKFRSs issued by the HKICPA to these financial statements for the current accounting period:

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit and loss. The amendments do not have a material impact on these financial statements as the Group does not sell items produced before an item of property, plant and equipment is available for use.

Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Previously, the Group included only incremental costs when determining whether a contract was onerous. In accordance with the transitional provisions, the Group has applied the new accounting policy to contracts for which it has not yet fulfilled all its obligations at 1 January 2022, and has concluded that none of them is onerous.

2. Significant accounting policies (continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(r) or 2(s) depending on the nature of the liability.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(h)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 2(f)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(m)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2(z)).

2. Significant accounting policies (continued)

(e) Business combination for entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group's equity except that any share capital of the acquired entities is recognised as part of merger reserves in other reserves.

(f) Associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2(z)). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 2(g) and 2(m)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of comprehensive income, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

2. Significant accounting policies (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(h)).

In the Company's statement of financial position, investments in associates and joint venture are stated at cost less impairment losses (see note 2(m)), unless classified as held for sale (or included in a disposal group that is classified as held for sale) (see note 2(z)).

(g) Goodwill

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(m)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(h) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVTPL) for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 30(f). These investments are subsequently accounted for as follows, depending on their classification.

2. Significant accounting policies (continued)

(i) Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 2(w)(v)).

- fair value through other comprehensive income (FVOCI) - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

- fair value through profit or loss (FVTPL) if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss.

Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2(w)(iv).

2. Significant accounting policies (continued)

(i) Property, plant and equipment

The following properties held for own use are stated at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation:

- Buildings held for own use

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of reporting period.

The other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses:

Changes arising on the revaluation of properties held for own use are generally dealt with in other comprehensive income and are accumulated separately in equity in the property revaluation reserve. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and

- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(y)).

Items may be produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling any such items and the related costs are recognised in profit or loss.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Furniture, fittings and equipment	1 - 40 years
Buildings held for own use carried at amortised cost	40 years
Right-of-use assets	1 - 20 years

2. Significant accounting policies (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(j) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes. Investment properties comprise completed investment properties, investment properties under re-development, properties under development and land held for development.

Land held for development represents lease prepayments for acquiring rights to use land in the PRC with periods ranging from 40 to 50 years. Such rights granted with consideration are recognised initially at acquisition cost.

(i) Completed investment properties and investment properties under re-development

Completed investment properties and investment properties under re-development are measured at fair value with any changes therein recognised in profit or loss. Rental income from investment properties is accounted for in the manner described in note 2(w).

(ii) Properties under development and land held for development

Property that is being constructed or developed for future use as investment property is initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in profit or loss.

The cost of properties under development comprises specifically identified cost, including the acquisition cost of land use rights for properties under development, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see note 2(y)).

When an investment property is disposed of, the resulting gain or loss recognised in profit or loss is the difference between net disposal proceeds and the carrying amount of the property.

(k) Intangible assets (other than goodwill)

Other intangible assets that are acquired by the Group and have finite useful lives are measured at costs less accumulated amortisation and accumulated impairment losses (see note 2(m)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

2. Significant accounting policies (continued)

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Trademarks	20 years
License rights	over the term of the license period
Customer relationship	10 years

Both the period and method of amortisation are reviewed annually.

(l) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group, are motor vehicles and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

2. Significant accounting policies (continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(m)), except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 2(j);

- right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value in accordance with note 2(n).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of HKFRS 16 *Leases*. In such cases, the Group took advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the statement of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(v)(i).

2. Significant accounting policies (continued)

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(l)(i), then the Group classifies the sub-lease as an operating lease.

(m) Credit losses and impairment of assets

(i) Credit losses from financial instruments, contract assets and lease receivables

The Group recognises a loss allowance for expected credit losses (ECLs) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables and loans to associates);
- contract assets as defined in HKFRS 15 (see note 2(o));
- debt securities measured at FVOCI (recycling);
- lease receivables; and
- loan commitments issued, which are not measured at FVTPL

Other financial assets measured at fair value, including units in bond funds, equity securities measured at FVTPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

For undrawn loan commitments, expected cash shortfalls are measured as the difference between (i) the contractual cash flows that would be due to the Group if the holder of the loan commitment draws down on the loan and (ii) the cash flows that the Group expects to receive if the loan is drawn down.

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable;
- loan commitments: current risk-free rate adjusted for risks specific to the cash flows.

2. Significant accounting policies (continued)

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments (including loan commitments issued), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;

- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

- an actual or expected significant deterioration in the operating results of the debtor; and

- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

2. Significant accounting policies (continued)

For loan commitments, the date of initial recognition for the purpose of assessing ECLs is considered to be the date that the Group becomes a party to the irrevocable commitment. In assessing whether there has been a significant increase in credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of default occurring on the loan to which the loan commitment relates.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income recognised in accordance with note 2(w)(v) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

2. Significant accounting policies (continued)

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised within "trade and other payables at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in "trade and other payables" in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 2(m)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

2. Significant accounting policies (continued)

(iii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets (other than properties carried at revalued amounts);

- pre-paid interests in leasehold land classified as being held under an operating lease;

- intangible assets;

- goodwill; and

- investments in subsidiaries, associates and joint ventures in the Company's and the Group's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

  The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

- Recognition of impairment losses

  An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

  In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

  A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. Significant accounting policies (continued)

(n) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the individual valuation method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(o) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(w)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) in accordance with the policy set out in note 2(m)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(n)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(w)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(p)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(w)).

(p) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2(m)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(m)(i)).

2. Significant accounting policies (continued)

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(r) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities, trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(s) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 2(y)).

(t) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

For equity-settled share-based payment arrangements, the fair value of share awards and share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share awards and share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Group's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits). If the equity instruments granted to employees vest immediately, the fair

2. Significant accounting policies (continued)

value of the equity instruments granted is fully recognised as costs or expenses on the grant date, with a corresponding increase in capital reserve.

For cash-settled share-based payment arrangements, the fair value of the amount payable to employees which is settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the cash-settled share-base payment arrangement. Any changes in the liability are recognised in profit or loss.

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(u) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. Significant accounting policies (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 2(j), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  - the same taxable entity; or

  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. Significant accounting policies (continued)

(v) Provisions and contingent liabilities

(i) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) Onerous contracts

An onerous contract exists when the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of fulfilling the contract. The cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling that contract.

(iii) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortization where appropriate, and the amount that would be determined in accordance with note 2(v)(i). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with note 2(v)(i).

(w) Revenue recognition and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

The Group is the principal for its revenue transactions and recognises revenue on a gross basis, except for the revenue related to providing utilities to tenants. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

2. Significant accounting policies (continued)

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(ii) Sales of goods

Revenue is recognised when the customer takes possession of and accepts the products. Payment terms and conditions vary by customers and are based on the billing schedule established in the contracts or purchase orders with customers. The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

(iii) Management fee income

Management fee income is recognised in profit or loss as and when services are rendered.

(iv) Dividends

- Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

- Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

2. Significant accounting policies (continued)

(v) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(m)(i)).

(vi) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(x) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Nonmonetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into USD at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into USD at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2. Significant accounting policies (continued)

(y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(z) Non-current assets held for sale and discontinued operations

(i) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the above criteria for classification as held for sale are met, regardless of whether the Group will retain a non-controlling interest in the subsidiary after the sale.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell. The principal exceptions to this measurement policy so far as the financial statements of the Group and the Company are concerned are deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties. These assets, even if held for sale, would continue to be measured in accordance with the policies set out elsewhere in note 2.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

2. Significant accounting policies (continued)

(ii) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (see (i) above), if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss, which comprises:

- the post-tax profit or loss of the discontinued operation; and

- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(aa) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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

2. Significant accounting policies (continued)

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(ii) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2. Accounting estimates and judgements

The following critical accounting policies involve the most significant judgements and estimates used in the preparation of the consolidated financial statements.

(a) Valuation of investment properties

An external independent valuation company, has appropriate recognised professional qualifications and recent experience in the locations and categories of property being valued, values the Group's investment property portfolio every three months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in arms' length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Investment property under construction or development is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction or development, financing costs and a reasonable profit margin.

3. Accounting estimates and judgements (continued)

(b) Impairment of non-financial assets

If circumstances indicate that the carrying amounts of non-financial assets (other than investment properties and deferred tax assets) may not be recoverable, the assets may be considered impaired and are tested for impairment. An impairment loss is recognised when the asset's recoverable amount has declined below its carrying amount. The recoverable amount is the greater of the fair value less costs to sell and value in use. In determining the recoverable amount which requires significant judgements, the Group estimates the future cash flows to be derived from continuing use and ultimate disposal of the asset and applies an appropriate discount rate to these future cash flows.

(c) Recognition of deferred tax assets

The Group has recognised deferred tax assets in relation to the unused tax losses as set out in note 15. The ability to realise the deferred tax assets mainly depends on whether it is probable that future taxable profits will be available against which related tax benefits under the deferred tax assets can be utilised. In cases where the actual future taxable profits generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place.

(d) Valuation of unlisted financial instruments

For financial instruments without an active market, the Group adopts valuation techniques that are applicable in the current circumstances and sufficiently supported by available data and other information, and selects inputs that are consistent with the characteristics of the assets or liabilities considered by the market participants in the transactions of the relevant assets or liabilities, and prioritizes the use of relevant observable inputs. Unobservable inputs are used only if the relevant observable inputs are unavailable or not reasonably available.

4. Revenue

	2022 US$'000	2021 US$'000
Revenue from rental and related service income	851,051	1,010,540
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
Sales of goods	9,267	4,309
Management fee income	215,674	176,695
Freezer services income	83,925	60,059
Data center service income	45,393	7,710
	354,259	248,773
Disaggregated by timing of revenue recognition		
Point in time	9,267	4,309
Over time	344,992	244,464
	354,259	248,773
	1,205,310	1,259,313

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

5. Other income

	2022 US$'000	2021 US$'000
Dividend income	46,707	14,199
Government grants	23,737	40,443
Changes in fair value of financial assets	(60,960)	288,301
(Loss)/gain on disposal of property, plant and equipment	(8,549)	138
Disposal gain on interests in associates	-	7,360
Others	2,203	5,138
	3,138	355,579

6. Net finance costs

	2022 US$'000	2021 US$'000
Interest income on:		
- Fixed deposits and cash at bank	10,240	5,239
- Loans to joint ventures	31,743	33,172
- Loans to associates	5,904	5,268
- Loans to non-controlling interests	118	-
- Loans to intermediate holding company and other related parties	86,766	435
- Loans to third parties	1,886	15,902
Interest income	136,657	60,016
Amortisation of transaction costs of bank loans	(18,452)	(29,739)
Amortisation of transaction costs of bonds	(4,592)	(6,060)
Interest expenses on:		
- Bank loans	(315,042)	(251,075)
- Bonds	(153,059)	(229,089)
- Loans from non-controlling interests	(1,653)	(400)
- Loans from joint ventures	(10)	(3)
- Loans from associates	(2)	(56)
- Loans from intermediate holding company and other related parties	(17,205)	(260)
- Loans from third parties	(130)	(223)
- Lease liabilities	(13,912)	(6,182)
Total borrowing costs	(524,057)	(523,087)
Less: borrowing costs capitalised	25,985	21,133
Net borrowing costs	(498,072)	(501,954)
Foreign exchange (loss)/gain	(186,701)	38,503
Net finance costs recognised in profit or loss	(548,116)	(403,435)

GLP China Holdings Limited

7. Profit before taxation

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

	2022 US$'000	2021 US$'000
(a) Staff costs		
Wages and salaries	(143,466)	(106,919)
Contributions to defined contribution plans, included in wages and salaries	(14,551)	(14,179)
(b) Other expenses		
Amortisation of intangible assets	(9,579)	(1,369)
Depreciation charge		
- Owned property, plant and equipment	(21,554)	(10,453)
- Right-of-use assets	(36,611)	(17,684)
Less: Right-of-use assets depreciation expense capitalised	9,097	-
Impairment loss on trade and other receivables	(2,297)	(993)
Auditors' remuneration	(3,248)	(3,558)

8. Tax expense

	2022 US$'000	*2021* US$'000
Current tax	53,324	124,684
Withholding tax on foreign-sourced income	389,968	282,931
	443,292	407,615
Deferred tax		
Origination and reversal of temporary differences	240,037	457,718
	683,329	865,333

Reconciliation of expected to actual tax:

Profit before taxation	2,129,993	2,750,867
Less: share of results (net of tax expense) of joint ventures	(46,415)	(164,047)
Less: share of results (net of tax expense) of associates and loss on disposal of associates	(118,552)	(501,336)
Profit before share of results of joint ventures and associates (net of tax expense) and loss on disposal of associates	1,965,026	2,085,484
Tax expense using PRC tax rate of 25%	491,257	521,371
Effect of different tax from subsidiaries	(131,312)	(31,942)
Net income not subject to tax	(225,870)	(69,414)
Non-deductible expenses	132,153	90,889
Deferred tax assets not recognised	49,182	79,353
Recognition of previously unrecognised tax losses	(22,049)	(7,855)
Withholding tax on foreign-sourced income	389,968	282,931
	683,329	865,333

9. Directors' remuneration

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation is as follows:

	2022 US$'000	*2021* US$'000
Executive Directors		
Salaries allowance and benefits in kind	(2,267)	(3,407)
Discretionary bonuses	(1,568)	(1,708)
Long-term incentive plan	(2,114)	(1,841)
Total	(5,949)	(6,956)

10. Other comprehensive income

(a) Tax effects relating to other comprehensive income

	2022			2021		
	Before-Tax amount US$'000	Tax expense US$'000	Net-of-Tax amount US$'000	Before-Tax amount US$'000	Tax expense US$'000	Net-of-Tax amount US$'000
Exchange differences on translation of financial statements from functional currency to reporting currency	(1,815,663)	-	(1,815,663)	429,019	-	429,019
Changes in fair value of properties	-	-	-	6,698	(1,674)	5,024
Change in fair value of other investments	(89,327)	16,338	(72,989)	126,642	(11,162)	115,480
Share of other comprehensive income of jointly ventures and associates	13,536	-	13,536	4,565	-	4,565
Total other comprehensive income	(1,891,454)	16,338	(1,875,116)	566,924	(12,836)	554,088

(b) Components of other comprehensive income, including reclassification adjustments

	2022 US$'000	2021 US$'000
Exchange differences on translation of financial statements from functional currency to reporting currency	(1,815,663)	429,019
Surplus on revaluation of buildings held for own use carried at fair value	-	5,024
Change in fair value of other investments	(72,989)	115,480
Share of other comprehensive income of jointly ventures and associates	13,536	4,565
Net movement during the year recognised in other comprehensive income	(1,875,116)	554,088

11. Investment properties

	31 December 2022 US$'000	*31 December 2021* US$'000
At 1 January	15,269,504	21,380,459
Additions	768,207	1,486,058
Disposals	(15,603)	(8,645)
Acquisition of subsidiaries (note 29)	1,361,732	1,996,368
Disposal of subsidiaries (note 29)	(569,504)	(4,867,634)
Borrowing cost capitalised (note 6)	22,140	21,133
Changes in fair value	933,515	973,433
Reclassification to assets held for sale (note 21)	(2,186,593)	(6,258,089)
Effect of movements in exchange rates	(1,703,013)	546,421
At 31 December	13,880,385	15,269,504
Comprising:		
Completed investment properties	10,536,168	11,730,934
Investment properties under re-development	-	10,424
Properties under development	2,039,600	2,013,479
Land held for development	1,304,617	1,514,667
	13,880,385	15,269,504

Fair value measurement of properties

(a) Fair value hierarchy

The following table presents the fair value of the Group's properties 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 input

11. Investment properties (continued)

31 December 2022

	The Group			
	Level 1	*Level 2*	*Level 3*	*Total*
	US$'000	US$'000	US$'000	US$'000
Investment properties	-	-	13,880,385	13,880,385

31 December 2021

	The Group			
	Level 1	*Level 2*	*Level 3*	*Total*
	US$'000	US$'000	US$'000	US$'000
Investment properties	-	-	15,269,504	15,269,504

During the year ended 31 December 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (year ended 31 December 2021: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

As at 31 December 2022, the valuations were carried out by independent firms of surveyors, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, Colliers International (Hong Kong) Limited and Cushman & Wakefield plc which have among their staff fellows of the Hong Kong Institute of Surveyors with recent experience in the locations and categories of property being valued.

(b) Information about Level 3 fair value measurements

In determining fair value, a combination of approaches were used, including the cost method, income capitalization method, discounted cash flow analysis, residual method and direct comparison method. The cost method is based on purchase cost of land, and takes into account the land holding cost and expended construction cost. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income capitalization method capitalizes an income stream into a present value using single-year capitalization rates, and the income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property. The discounted cash flow analysis requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements. The residual method values properties under development and land held for development by reference to its development potential and deducting development costs to be incurred, together with developers' profit margin, assuming it was completed as at the date of valuation.

In relying on the valuation reports of Jones Lang LaSalle Corporate Appraisal and Advisory Limited, Colliers International (Hong Kong) Limited and Cushman & Wakefield plc, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

11. Investment properties (continued)

	Valuation Techniques	*Unobservable input*	*Range*
Investment properties without facilities	Income Capitalisation method	Capitalisation rate	4.25% - 7.00%
	Discounted cash flow and Residual value	Discount rate	
		Terminal yield	7.25% - 10.50%
		capitalisation rate	4.25% - 7.00%

Descriptions of the sensitivity in unobservable inputs and inter-relationship:

The fair value measurement is negatively correlated to the unobservable input that the lower the factor will result in a higher fair value.

Fair value adjustment of investment properties is recognised in the line item "changes in fair value of investment properties" on the face of the consolidated statement of comprehensive income.

Surplus on revaluation of buildings held for own use is recognised in the line item "surplus on revaluation of buildings held for own use carried at fair value" on the face of the consolidated statement of comprehensive income.

Investment properties are held mainly for leasing to external customers under operating leases. Generally, the leases contain an initial non-cancellable period of one to twenty years. Subsequent renewals are negotiated with the lessees. There are no contingent rents arising from the lease of investment properties.

Interest capitalised as costs of investment properties amounted to approximately US$22,140,000 (31 December 2021: US$21,133,000) during the year. The capitalisation rates of borrowings range from 3.30% to 6.77% for the year ended 31 December 2022 (31 December 2021: 3.80% to 6.77%).

Investment properties with carrying value of totalling approximately US$11,370,060,000 as at 31 December 2022 (31 December 2021: US$11,318,951,000) were mortgaged to secure credit facilities for the Group (note 25).

Operating lease rental receivables

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

	31 December 2022 US$'000	*31 December 2021* US$'000
Lease payments receivable:		
- Within 1 year	391,569	437,647
- After 1 year but within 5 years	713,861	843,309
- After 5 years	293,534	385,738
	1,398,964	1,666,694

12. Investments in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

	Proportion of ownership interest					
Name of subsidiaries	*Place of incorporation and business*	*Group's effective interest*	*Held by the Company*	*Held by a subsidiary*	*Registered capital*	*Principal activities*
CLF Fund II	Cayman Islands/PRC	30.93%	-	30.93%	US$'000 3,725,000	Property investment
GLP China Income Partners V, LP	Singapore/PRC	34.70%	-	34.70%	US$'000 2,450,000	Property investment
GLP Investment (Shanghai) Co. Ltd	PRC	100.00%	-	100.00%	US$'000 1,700,000	Property management
CLH 20 (Cayman) Limited	Cayman Islands.	100.00%	-	100.00%	US$'000 0.001	Investment holding
Zhuhai Puyin Logistic Investment Partnership (LP)	PRC	99.98%	-	99.98%	RMB'000 6,590,000	Investment holding
Airport City Development Co., Ltd.	PRC	53.14%	-	53.14%	RMB'000 1,800,000	Property investment
GLP Thor LP Limited	Cayman Islands.	100.00%	-	100.00%	US$'000 0.001	Investment holding
Shanghai Yinshan Zhineng Corporation Management Partnership (LP)	PRC	82.18%	-	82.18%	RMB'000 7,000,100	Investment holding
Zhuhai Puxing Logistic Industry Equity Investment Partnership (LP)	PRC	99.00%	-	99.00%	RMB'000 3,535,354	Property investment
Zhuhai Puhang Equity Investment Fund Partnership (LP)	PRC	39.95%	-	39.95%	RMB'000 3,600,000	Property investment
Xiamen Mingsi Junju Investment Fund LLP	PRC	100.00%	-	100.00%	RMB'000 2,500,000	Investment holding
Beijing Lihao Science & Technology Co., Ltd.	PRC	88.00%	-	88.00%	RMB'000 650,944	Property investment
Zhejiang Transfar Logistics Base Co., Ltd.	PRC	60.00%	-	60.00%	RMB'000 185,500	Property investment
Beijing Kirin Property Management Development Co.,Ltd	PRC	80.00%	-	80.00%	RMB'000 100,000	Property investment
Hidden Hill Fund I, L.P.	Cayman Islands	100.00%	-	100.00%	US$'000 206,271	Investment holding
Shanghai Fuhe Industrial Development Co., Ltd.	PRC	70.00%	-	70.00%	RMB'000 2,000,000	Property investment
Beijing Sifang Tianlong Medicine Logistic Co., Ltd.	PRC	100.00%	-	100.00%	RMB'000 185,000	Property investment
GLP Capital Investment 4 (HK) Limited	Hong Kong	100.00%	-	100.00%	US$'000 119,088	Investment holding
Zhuhai Puwen Logistic Industrial Investment LLP	PRC	99.00%	-	99.00%	RMB'000 1,662,889	Property investment
Shenzhen Lingxian Technology Co., Ltd.	PRC	100.00%	-	100.00%	RMB'000 40,000	Property investment
Pengcheng Jinyun Technology Co., Ltd.	PRC	100.00%	-	100.00%	RMB'000 100,000	Data center Business
Foshan Pufeng Logistics Facilities Co., Ltd	PRC	60.00%	-	60.00%	RMB'000 422,813	Property investment
GLP Xujing Logistics Co.Ltd.	PRC	100.00%	-	100.00%	US$'000 20,200	Property investment
Guofu Huijin (Tianjin) Investment Management LLP	PRC	100.00%	-	100.00%	RMB'000 3,000,000	Property investment
Beijing City Power Warehousing Co.Ltd.	PRC	60.00%	-	60.00%	RMB'000 174,497	Property investment
Dexin Telecommunications Technology (Hangzhou) Co., Ltd.	PRC	100.00%	-	100.00%	US$'000 67,000	Property investment
GLP Shanghai Shenjiang Logistics Facilities Co.,Ltd.	PRC	100.00%		100.00%	US$'000 20,000	Property investment

12. Investments in subsidiaries (continued)

The following table lists out the information relating to changes in non-controlling interests ("NCI"), and the subsidiaries of the Group which have material NCI.

	Changes in NCI						
	CLF I US$'000	*CLF II* US$'000	*CIP V* US$'000	*ACL* US$'000	*CIF VI* US$'000	*Subsidiaries without material NCI after elimination* US$'000	*Total* US$'000
Balance at 1 January 2021	1,674,504	1,267,024	-	537,270	-	1,697,292	5,176,090
Profit for the year	169,970	194,655	-	24,814	-	81,458	470,897
Exchange differences on translation of financial statements from functional currency to reporting currency	48,810	22,175	-	12,875	-	40,295	124,155
Capital contribution from NCI	-	308,327	-	-	-	149,217	457,544
Capital withdrawal from NCI	(244,589)	-	-	-	-	-	(244,589)
Other adjustment	-	-	-	-	-	(95,033)	(95,033)
Acquisition of subsidiaries (note 29)	-	2,944	-	-	-	97,430	100,374
Disposal of subsidiaries (note29)	-	-	-	-	-	(727,036)	(727,036)
Acquisition of interests in subsidiaries from NCI	-	(44,774)	-	-	-	(179,084)	(223,858)
Disposal of interest in a subsidiary to NCI	-	537,075	-	-	-	87,475	624,550
Dividends paid to non-controlling interests	-	-	-	-	-	(35,223)	(35,223)
Balance at 31 December 2021 and 1 January 2022	1,648,695	2,287,426	-	574,959	-	1,116,791	5,627,871
Profit for the year	477,887	171,054	(126,356)	23,291	11,202	(400,712)	156,366
Exchange differences on translation of financial statements from functional currency to reporting currency	(128,369)	(234,886)	(43,374)	(49,434)	3	(50,505)	(506,565)
Capital contribution from NCI	-	310,300	1,600,000	-	306,679	432,250	2,649,229
Capital withdrawal from NCI	-	-	-	-	-	(1,255)	(1,255)
Acquisition of subsidiaries (note 29)	-	-	-	-	-	154,639	154,639
Disposal of subsidiaries (note29)	-	-	-	-	-	(151,260)	(151,260)
Acquisition of interests in subsidiaries from NCI	29,425	(6,752)	-	-	-	(28,549)	(5,876)
Disposal of interest in a subsidiary to NCI	-	315,770	-	-	-	-	315,770
Dividends paid to non-controlling interests	(2,014,685)	(69,070)	-	-	-	(10,004)	(2,093,759)
Balance at 31 December 2022	12,953	2,773,842	1,430,270	548,816	317,884	1,061,395	6,145,160

12. Investments in subsidiaries (continued)

The following tables list out the information relating to CLF I, CLF II, CIP V, ACL and CIF VI the subsidiaries of the Group which have material non-controlling interest ("NCI"). The summarised financial information presented below represent the amounts before any inter-company elimination.

	31 December 2022 US$'000	*31 December 2021* US$'000
CLF I		
NCI percentage	69.88%	69.88%
Current assets	1,475,739	4,467,499
Current liabilities	(1,457,203)	(2,117,227)
Net assets	18,536	2,350,272
Carrying amount of NCI	12,953	1,648,695

	2022 US$'000	*2021* US$'000
Revenue	112,966	228,292
Profit for the year	683,865	243,223
Total comprehensive income	500,173	313,068
Profit allocated to NCI	477,887	169,970
Net cash increase	14,682	85,510

12. Investments in subsidiaries (continued)

	31 December 2022 US$'000	*31 December 2021* US$'000
CLF II		
NCI percentage	69.07%	60.50%
Current assets	313,870	276,061
Non-current assets	6,172,882	5,643,476
Current liabilities	(512,242)	(689,248)
Non-current liabilities	(2,007,013)	(1,537,630)
Non-controlling interests	(108,284)	(106,053)
Net assets	3,859,213	3,586,606
Carrying amount of NCI	2,773,842	2,287,426

	2022 US$'000	*2021* US$'000
Revenue	174,866	102,234
Profit for the year	244,142	351,916
Total comprehensive income	(86,990)	431,804
Profit allocated to NCI	171,054	221,508
Net cash increase	89,570	22,487

	31 December 2022 US$'000
CIP V (Note)	
NCI percentage	65.30%
Current assets	355,637
Non-current assets	4,352,806
Current liabilities	(110,245)
Non-current liabilities	(2,388,794)
Net assets	2,209,404
Carrying amount of NCI	1,430,270

	2022 US$'000
Revenue	113,235
Loss for the year	(169,783)
Total comprehensive income	(240,596)
Loss allocated to NCI	(126,356)
Net cash increase	320,457

Note: The assets/liabilities of CIP V are classified as held for sale at 31 December 2022 (note 21).

12. Investments in subsidiaries (continued)

	31 December 2022 US$'000	*31 December 2021* US$'000
ACL		
NCI percentage	46.86%	46.86%
Current assets	84,542	83,964
Non-current assets	1,873,571	2,013,303
Current liabilities	(121,590)	(148,011)
Non-current liabilities	(655,112)	(711,109)
Net assets	1,181,411	1,238,147
Carrying amount of NCI	548,816	574,959

	2022 US$'000	*2021* US$'000
Revenue	99,166	91,217
Profit for the year	49,701	52,952
Total comprehensive income	(55,786)	80,427
Profit allocated to NCI	23,291	24,814
Net cash increase	5,584	10,272

	31 December 2022 US$'000
CIF VI (Note)	
NCI percentage	60.05%
Current assets	311,847
Non-current assets	1,057,166
Current liabilities	(392,321)
Non-current liabilities	(596,574)
Net assets	380,118
Carrying amount of NCI	317,884

	2022 US$'000
Revenue	6,549
Profit for the year	18,613
Total comprehensive income	18,613
Profit allocated to NCI	11,202
Net cash increase	305,762

Note: The assets/liabilities of CIF VI are classified as held for sale at 31 December 2022 (note 21).

13. Joint ventures

	Notes	*31 December 2022*	*31 December 2021*
China Merchants Capital Investment Co., Ltd. ("CMCI")	(a)	799,786	891,263
GLP Thor Fund I, L.P ("Thor Fund")	(b)	570,589	633,021
Beijing Jintonggang Real Estate Development Co., Ltd. ("Z3 project")	(c)	331,012	362,772
GLP Guoyi (Zhuhai) Acquisition Fund (LP) ("CVA I Fund")	(d)	234,492	278,905
Others	(e)	873,469	914,443
		2,809,348	3,080,404

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

(a) CMCI

On 24 March 2020, the Group entered into an investment partnership with China Merchants Group ("CMG") by acquiring 50% equity interest in China Merchants Capital Investment Co., Ltd. ("CMCI"), CMG's private equity investment vehicle incorporated in the PRC. Thereafter CMCI becomes a joint venture of the Group.

Summarised financial information of CMCI, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	31 December 2022 US$'000	*31 December 2021* US$'000
Non-current assets	2,289,933	2,364,642
Current assets	385,685	517,147
Non-current liabilities	(1,036,909)	(1,059,336)
Current liabilities	(404,627)	(350,929)
Non-controlling interests	(23,461)	(103,306)
Equity attributed to equity shareholders	1,210,621	1,368,218
Group's effective interest	50.00%	50.00%
Carrying amount in the consolidated financial statements	799,786	891,263
Included in the above assets and liabilities:		
Cash and cash equivalents	245,008	139,596
Current financial liabilities (excluding trade and other payables)	(331,321)	(323,315)
Non-current financial liabilities (excluding trade and other payables)	(935,505)	(1,059,336)

13. Joint ventures (continued)

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Revenue	142,607	390,813
Profit for the year from continuing operation	71,129	308,523
Profit attributable to NCI	(26,632)	(99,710)
Profit attributable to equity shareholders	44,497	208,813
Total comprehensive income	105,855	300,515
Total comprehensive income attributable to equity shareholders	75,530	202,141
Group's effective interest	50.00%	50.00%
Share of results (net of tax expense) of joint ventures	22,249	104,407
Included in the above profit:		
Interest expense	(62,783)	(58,724)
Interest income	2,673	1,234
Income tax expense	(26,166)	(101,773)

(b) Thor Fund

In June 2021, the Group completed the formation of Thor Fund with Grand Master Technology Limited ("Grand Master"), in which the Group injects capital of RMB4,000,000,000 for 50.1% equity interest of the Thor Fund. The Thor Fund invests in a portfolio of data centers, including properties and related infrastructure. As the general partner and the key decision making of Thor Fund's underlying operating entities are jointly controlled by the Group and Grand Master, Thor Fund is accounted for as a joint venture of the Group upon its formation.

According to the agreement between the Group and Grand Master, after the defined business conditions are met, the Group may obtain the power to control key decision-making of the underlying operating entities. Further, the Group may be required to pay contingent consideration when certain financial performance is achieved by the underlying operating entities.

As at 31 December 2022, these underlying data centers are still under construction, and the conditions for paying contingent consideration are not met.

13. Joint ventures (continued)

Summarised financial information of Thor Fund, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	31 December 2022 US$'000	*31 December 2021* US$'000
Non-current assets	3,198,119	2,493,966
Current assets	108,707	182,091
Non-current liabilities	(574,333)	(627,382)
Current liabilities	(154,224)	(121,713)
Equity attributed to equity shareholders	2,578,269	1,926,964
Group's effective interest	50.10%	50.10%
Carrying amount in the consolidated financial statements	570,589	633,021
Included in the above assets and liabilities:		
Cash and cash equivalents	23,666	30,541
Non-current financial liabilities (excluding trade and other payables)	(574,333)	(627,382)

	31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Revenue	7,155	188
Loss for the year from continuing operation	(47,209)	(31,176)
Total comprehensive income	(47,209)	(31,176)
Group's effective interest	50.10%	50.10%
Share of results (net of tax expense) of joint ventures	(23,627)	(15,746)
Included in the above profit:		
Interest expense	(36,486)	(19,370)
Interest income	246	694
Income tax expense	-	(146)

13. Joint ventures (continued)

(c) Z3 Project

Beijing Jintonggang Real Estate Development Co., Ltd. (referred to as "Jintonggang") is a property developer and constructor incorporated in the PRC. The Group obtained joint control of Jintonggang through acquiring 100% shares of five limited partnerships which hold equity interests in Jintonggang, namely Beijing Zhengqi Shangcheng Investment Center LLP, Beijing Zhengqi Shangxin Investment Center LLP, Beijing Zhengqi Shangde Investment Center LLP, Beijing Zhengqi Shangyu Investment Center LLP and Beijing Zhengqi Shanghui Investment Center LLP, jointly referred to as "Z3 Project", in November 2019.

Summarised financial information of Z3 Project, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	31 December 2022 US$'000	*31 December 2021* US$'000
Non-current assets	1,024,701	1,111,229
Current assets	1,745	5,033
Non-current liabilities	(88)	(334)
Current liabilities	(50,347)	(46,278)
Equity attributed to equity shareholders	976,011	1,069,650
Group's effective interest	34.00%	34.00%
Carrying amount in the consolidated financial statements	331,012	362,772
Included in the above assets and liabilities:		
Cash and cash equivalents	1,238	3,775
Non-current financial liabilities (excluding trade and other payables)	-	(334)

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Revenue	-	-
Loss for the year from continuing operation	(3,310)	(7,985)
Total comprehensive income	(3,310)	(7,985)
Group's effective interest	34.00%	34.00%
Share of results (net of tax expense) of joint venture	(1,125)	(2,715)
Included in the above profit:		
Interest expense	(3,859)	(3,465)
Interest income	8	18

13. Joint ventures (continued)

(d) CVA I Fund

CVA I Fund is a limited partnership established in the PRC in February 2018 by the Group and another third party investor with total equity commitments of RMB9.8 billion (equivalent to approximately US$1.4 billion). The Fund engages in acquisition and management of completed logistics and industrial estate assets in China.

Summarised financial information of CVA I Fund, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	31 December 2022 US$'000	*31 December 2021* US$'000
Non-current assets	3,070,273	3,257,933
Current assets	234,742	213,594
Non-current liabilities	(1,529,443)	(1,435,064)
Current liabilities	(65,160)	(73,484)
Non-controlling interests	(261,826)	(287,021)
Equity attributed to equity shareholders	1,448,586	1,675,958
Group's effective interest	18.36%	18.37%
Carrying amount in the consolidated financial statements	234,492	278,905
Included in the above assets and liabilities:		
Cash and cash equivalents	218,865	194,404
Current financial liabilities (excluding trade and other payables)	(27,784)	(16,800)
Non-current financial liabilities (excluding trade and other payables)	(1,529,443)	(1,435,064)

13. Joint ventures (continued)

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Revenue	204,845	202,071
Profit for the year from continuing operations	106,809	219,587
Less: Profit attributable to NCI	(15,564)	(26,181)
Profit attributable to equity shareholders	91,245	193,406
Total comprehensive income	106,809	219,587
Total comprehensive income attributable to equity shareholders	91,245	193,406
Group's effective interest	18.36%	18.37%
Share of results (net of tax expense) of joint venture	16,705	35,529
Included in the above profit:		
Depreciation and amortisation	(50)	(64)
Interest expense	(68,700)	(62,724)
Interest income	2,555	1,670
Income tax expense	(57,244)	(93,730)

(e) Other individually immaterial joint ventures

Summarised financial information of other individually immaterial joint ventures, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Profit for the year from continuing operation	107,878	126,710
Less: Profit attributable to NCI	(1,854)	(5,850)
Profit attributable to equity shareholders	106,024	125,371
Total comprehensive income	107,878	126,710
Total comprehensive income attributable to equity shareholders	106,024	125,371
Aggregate amount of the share of results of joint ventures	32,213	42,572

14. Associates

	Notes	*31 December 2022* US$'000	*31 December 2021* US$'000
Zhuhai Hidden Hill Logistic Equity Investment Fund (LP) ("Hidden Hill Fund")	(a)	643,824	1,252,481
GLP Jianfa (Xiamen) Investment Fund LLP ("Jian Fa Fund")	(b)	424,547	365,258
Zhongjin Jiaye (Tianjin) Commercial Real Estate Investment Center LLP ("Zhongjin Jiaye")	(c)	200,977	220,368
Others	(d)	1,575,367	973,540
		2,844,715	2,811,647

(a) Hidden Hill Fund

In May 2018, the Group invested in 30.76% equity interest of Hidden Hill Fund, which is focusing on logistics ecology. The Group decreased its equity interest in Hidden Hill Fund to 36.45% as at 31 December 2022 (31 December 2021: 67.97%). The Hidden Hill Fund is primarily controlled by its consulting committee board and investing committee board consisting of five members with one of them appointed by the Group. Resolutions at any meeting of these committees shall be decided by two-thirds of the voting members and the Group has significant influence in it by virtue of its one membership in these boards.

Summarised financial information of the Hidden Hill Fund, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	31 December 2022 US$'000	*31 December 2021* US$'000
Non-current assets	1,827,806	1,874,210
Current assets	40,994	169,864
Non-current liabilities	(115,936)	(112,776)
Current liabilities	(4,851)	(136)
Net assets attributable to equity shareholders	1,748,014	1,931,162
Group's interest in associate	36.45%	67.97%
Carrying amount in the consolidated financial statements	643,824	1,252,481
Interest in associate held for sale (note 21)	-	133,779
Included in the above assets and liabilities:		
Cash and cash equivalents	21,835	169,864

14. Associates (continued)

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Revenue	200,624	557,308
Profit for the year from continuing operation	164,921	448,019
Total comprehensive income	164,921	448,019
Group's effective interest	36.45%	67.97%
share of results (net of tax expense) of associates and loss on disposal of associates	9,583	373,385
Included in the above profit:		
Interest income	330	478

(b) Jian Fa Fund

In November 2020, the Group invested in 49.76% equity interest of Jian Fa Fund, which is a private equity investment vehicle formed in the PRC. The Group decreased its equity interest in Jian Fa Fund to 47.75% as at 31 December 2022 (31 December 2021: 49.76%). The general partner and the key decision making of Jian Fa Fund is primarily controlled by its general partner's board of directors, which consists of seven members with two of them appointed by the Group. Resolutions at any meeting of these committees shall be decided by two-thirds of the voting members and the Group has significant influence in it by virtue of its two members in these boards.

Summarised financial information of the Jian Fa Fund, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	31 December 2022 US$'000	*31 December 2021* US$'000
Non-current assets	573,250	518,275
Current assets	226,005	241,685
Current liabilities	(249)	(70)
Net assets attributable to equity shareholders	799,006	759,890
Group's interest in associate	47.75%	49.76%
Carrying amount in the consolidated financial statements	424,547	365,258
Included in the above assets and liabilities:		
Cash and cash equivalents	217,807	215,543

14. Associates (continued)

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Revenue	10,115	194,431
Profit for the year from continuing operation	1,961	188,654
Total comprehensive income	1,961	188,654
Group's effective interest	47.75%	49.76%
Share of results (net of tax expense) of associate	936	100,680
Included in the above profit:		
Interest income	2,764	-
Interest expense	-	(4)

(c) Zhongjin Jiaye

Zhongjin Jiaye (Tianjin) Commercial Real Estate Investment Center LLP (referred to as "Zhongjin Jiaye") is limited partnership established in the PRC. The purpose of the limited partnership is to seek capital appreciation by investing in the Z3 project (see note 13(c)). In April 2019, the Group acquired 58.63% equity interest of Zhongjin Jiaye through acquiring 100% equity interest of one limited partner of Zhongjin Jiaye. Zhongjin Jiaye is primarily controlled by its consulting committee board and investing committee board and the Group has significant influence in it through its membership in these boards.

Summarised financial information of Zhongjin Jiaye, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	31 December 2022 US$'000	*31 December 2021* US$'000
Non-current assets	333,972	366,004
Current assets	13,664	10,408
Current liabilities	(4,849)	(550)
Net assets attributed to equity shareholders	342,788	375,862
Group's interest in associate	58.63%	58.63%
Carrying amount in the consolidated financial statements	200,977	220,368
Included in the above assets and liabilities:		
Cash and cash equivalents	1,136	97

14. Associates (continued)

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Revenue	-	-
Loss for the year from continuing operation	(1,342)	(2,906)
Total comprehensive income	(1,342)	(2,906)
Group's effective interest	58.63%	58.63%
Share of results (net of tax expense) of associate	(787)	(1,704)
Included in the above profit:		
Interest income	198	165

(d) Other individually immaterial associates

Summarised financial information of other individually immaterial associates, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Profit for the year from continuing operation	417,749	284,266
Total comprehensive income	375,897	284,149
Aggregate amount of the results of associates	108,820	28,975

15. Deferred tax

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

	At 1 January	*Acquisition of subsidiaries* (note 29)	*Disposal of subsidiaries* (note 29)	*Effect of movement in exchange rates*	*Recognised in other comprehensive income* (note 10)	*Recognised in profit or loss*	*Reclassified to assets held for sale*	*At 31 December*
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Deferred tax assets								
31 December 2021								
Unutilised tax losses	24,546	11,206	(11,235)	(571)	-	(3,609)	(10,144)	10,193
Others	4,873	-	-	112	-	(94)	-	4,891
	29,419	11,206	(11,235)	(459)	-	(3,703)	(10,144)	15,084
31 December 2022								
Unutilised tax losses	10,193	1,030	-	(1,399)	-	20,051	4,943	34,818
Lease liabilities	-	13,231	-	(496)	-	-	-	12,735
Others	4,891	24	-	(404)	-	(258)	-	4,253
	15,084	14,285	-	(2,299)	-	19,793	4,943	51,806
Deferred tax liabilities								
31 December 2021								
Investment properties	(2,331,240)	(18,590)	765,423	(59,036)	-	(320,137)	502,203	(1,461,377)
Other investments	(80,127)	-	-	(3,435)	(11,162)	(52,614)	-	(147,338)
Buildings held for own use carried at fair value	(2,372)	-	-	(26)	2,398	-	-	-
Others	(50,031)	-	-	(1,878)	(237)	(81,264)	-	(133,410)
	(2,463,770)	(18,590)	765,423	(64,375)	(9,001)	(454,015)	502,203	(1,742,125)
31 December 2022								
Investment properties	(1,461,377)	(8,035)	64,430	129,281	-	(332,161)	322,958	(1,284,904)
Other investments	(147,338)	-	52,440	8,837	16,338	30,869	-	(38,854)
Right-of-use assets	-	(11,414)	-	428	-	-	-	(10,986)
Others	(133,410)	(27,386)	26,944	11,836	-	41,462	-	(80,554)
	(1,742,125)	(46,835)	143,814	150,382	16,338	(259,830)	322,958	(1,415,298)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the statement of financial position as follows:

	31 December 2022	*31 December 2021*
	US$'000	US$'000
Deferred tax assets	54,468	24,657
Deferred tax liabilities	(1,417,960)	(1,751,698)

15. 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 there from:

	31 December 2022 US$'000	*31 December 2021* US$'000
Tax losses	920,581	857,248

Tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. As at 31 December 2022, unrecognised tax losses amounting to approximately US$920,581,000 (31 December 2021: US$857,248,000) will expire within 1 to 5 years.

The PRC income tax law and its relevant regulations impose a withholding tax at 10%, unless reduced by a tax treaty/arrangement, for dividend distributions out of earnings accumulated beginning on or after 1 January 2008. As at 31 December 2022, the Group has not recognised a deferred tax liability amounting to approximately US$57,575,000 (31 December 2021: US$83,311,000) in respect of undistributed earnings of PRC subsidiaries because the Group can control the timing of the distribution and it is probable that the dividend will not be distributed to the holding company outside the PRC in the foreseeable future.

16. Property, plant and equipment

	Furniture, fittings and equipment US$'000	*Assets under construction* US$'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 2021	80,272	18,029	106,254	81,588	114,798	400,941
Acquisition of subsidiaries	40,004	3,030	-	-	50,310	93,344
Additions	54,862	150,174	41,995	-	320,547	567,578
Disposal of subsidiaries	(6,221)	-	(156,822)	-	-	(163,043)
Disposals	(1,365)	-	-	-	(18,977)	(20,342)
Transfers	37,816	(8,513)	-	(30,589)	-	(1,286)
Elimination on revaluation	-	-	(827)	-	-	(827)
Changes in fair value recognised in OCI	-	-	6,698	-	-	6,698
Effect of movements in exchange rates	2,764	2,187	2,702	1,453	7,025	16,131
Reclassification to asset held for sale	(64)	-	-	-	-	(64)
At 31 December 2021	208,068	164,907	-	52,452	473,703	899,130
Acquisition of subsidiaries	113,978	143,600	-	-	85,962	343,540
Additions	171,339	152,194	-	-	25,634	349,167
Interest and right-of-use asset depreciation expenses capitalised	8,722	4,220	-	-	-	12,942
Disposal of subsidiaries	(1,885)	-	-	-	(5,744)	(7,629)
Disposals	(5,695)	-	-	-	(18,328)	(24,023)
Transfers	177,233	(176,056)	-	33,071	(34,248)	-
Effect of movements in exchange rates	(37,257)	(18,327)	-	(5,597)	(48,160)	(109,341)
Reclassification to asset held for sale	(3,138)	(38)	-	-	-	(3,176)
At 31 December 2022	631,365	270,500	-	79,926	478,819	1,460,610
Accumulated depreciation						
At 1 January 2021	(28,337)	-	-	(8,776)	(15,298)	(52,411)
Acquisition of subsidiaries	(947)	-	-	-	-	(947)
Charge for the year	(8,620)	-	(827)	(1,006)	(17,684)	(28,137)
Disposal of subsidiaries	2,697	-	-	-	-	2,697
Disposals	470	-	-	-	6,152	6,622
Elimination on revaluation	-	-	827	-	-	827
Effect of movements in exchange rates	(1,524)	-	-	(607)	(3,918)	(6,049)
Transfers	-	-	-	1,286	-	1,286
Reclassification to asset held for sale	64	-	-	-	-	64
At 31 December 2021	(36,197)	-	-	(9,103)	(30,748)	(76,048)
Charge for the year	(20,305)	-	-	(1,249)	(36,611)	(58,165)
Disposal of subsidiaries	464	-	-	-	1,161	1,625
Disposals	1,723	-	-	-	6,137	7,860
Effect of movements in exchange rates	4,848	-	-	814	9,433	15,095
Transfers	(945)	-	-	-	945	-
Reclassification to asset held for sale	1,479	-	-	-	-	1,479
At 31 December 2022	(48,933)	-	-	(9,538)	(49,683)	(108,154)
Carrying amounts						
At 31 December 2021	171,871	164,907	-	43,349	442,955	823,082
At 31 December 2022	582,432	270,500	-	70,388	429,136	1,352,456

17. Intangible assets

	Goodwill US$'000	*Trademark* US$'000	*License rights* US$'000	*Customer relationship* US$'000	*Total* US$'000
Cost					
At 1 January 2021	295,879	24,949	3,383	-	324,211
Effect of movements in exchange rates	8,068	592	127	-	8,787
At 31 December 2021	303,947	25,541	3,510	-	332,998
Acquisition of subsidiaries (note 29)	293,560	2	11,188	139,090	443,840
Effect of movements in exchange rates	(40,646)	(2,160)	(896)	(5,267)	(48,969)
At 31 December 2022	556,861	23,383	13,802	133,823	727,869
Accumulated amortisation					
At 1 January 2021	-	(13,435)	(986)	-	(14,421)
Charge for the year	-	(1,284)	(85)	-	(1,369)
Effect of movements in exchange rates	-	(468)	(24)	-	(492)
At 31 December 2021	-	(15,187)	(1,095)	-	(16,282)
Charge for the year	-	(1,325)	(853)	(7,401)	(9,579)
Effect of movements in exchange rates	-	1,336	344	260	1,940
At 31 December 2022	-	(15,176)	(1,604)	(7,141)	(23,921)
Carrying amounts:					
At 31 December 2021	303,947	10,354	2,415	-	316,716
At 31 December 2022	556,861	8,207	12,198	126,682	703,948

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to country of operation and operating segment, carrying amount of each CGU as follows:

	31 December 2022 US$'000	*31 December 2021* US$'000
Data Center Group	282,706	-
GLP China (Note)	220,312	246,275
ACL Group	53,843	57,672
Total	556,861	303,947

Note: Relates to the leasing of logistic facilities and provision of asset management services in China and excludes the ACL Group and Data Center Group.

17. Intangible assets (continued)

(a) Data Center Group

The recoverable amount of the CGU is determined based on value in use calculation. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent budgets and forecasts approved by management covering ten years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rate. The discount rate applied is the weighted average cost of capital from the relevant business segment. The terminal growth rate used does not exceed management's expectation of the long-term average growth rate of the respective industry and country in which the CGU operates. The pre-tax discount rate and terminal growth rate used as at 31 December 2022 are 11.2% and 3% respectively. The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

(b) GLP China

The recoverable amount of the CGU is determined based on fair value less costs of disposal. The CGU comprises following categories: development business, fund management, investment properties and other investments as at 31 December 2022. In determining fair value, a combination of approaches were used, including the direct comparison, income capitalisation, discounted cash flow and residual approaches. The direct comparison approach involves the analysis of comparable properties or public companies, the Group invests in companies listed in active markets, and these equity securities are stated at their fair values at the reporting date. The income capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates, and the income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property. The discounted cash flow approach requires the valuer to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements. The residual approach values properties under development and land held for development by reference to its development potential and deducting development costs to be incurred, together with developers' profit margin, assuming it was completed as at the date of valuation.

As at 31 December 2022, key assumptions on which management has based its determination of fair value less costs to sell or disposal are capitalisation rate 4.25% - 7.00% (31 December 2021: 4.00% - 7.00%), discount rate 7.25% - 10.50% (31 December 2021: 7.25% - 10.50%), terminal yield capitalisation rate 4.25% - 7.00% (31 December 2021: 4.00% - 7.00%). The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to cause the recoverable amount to be materially lower than its carrying amount.

17. Intangible assets (continued)

(c) ACL Group

The recoverable amount of the CGU is determined based on value in use calculation. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent budgets and forecasts approved by management covering ten years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rate. The discount rate applied is the weighted average cost of capital from the relevant business segment. The terminal growth rate used does not exceed management's expectation of the long-term average growth rate of the respective industry and country in which the CGU operates. The pre-tax discount rate and terminal growth rate used as at 31 December 2022 are 7.5% and 3% respectively (31 December 2021: 7.5% and 3%). The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

18. Other investments

	31 December 2022 US$'000	*31 December 2021* US$'000
Listed equity securities - at FVOCI (non-recycling)	248,867	510,621
Listed REIT securities - at FVOCI (non-recycling)	234,473	230,883
Listed equity securities - at FVTPL	165,035	406,213
Unlisted equity securities - at FVTPL	1,864,263	1,189,147
	2,512,638	2,336,864

As at 31 December 2022, listed equity securities included equity interests in three (31 December 2021: three) listed companies which the Group has designated as investments at FVOCI (non-recycling), because these investments are held for strategic purposes.

As at 31 December 2022, listed REIT securities included 302,578,000 Units (31 December 2021: 302,578,000) of 中金普洛斯仓储物流封闭式基础设施证券投资基金 ("CICC GLP REIT"), which is listed on the Shanghai Stock Exchange.

Dividends of RMB 116,196,000 (US$ 17,619,000 equivalent) were received on these listed investments during the year ended 31 December 2022 (year ended 31 December 2021: Nil).

19. Other non-current assets

	31 December 2022 US$'000	*31 December 2021* US$'000
Trade receivables	32,769	34,352
Prepayments	35,208	70,484
Deferred management costs	59	19,749
Loans to joint ventures	400,571	437,576
Loans to associates	51,596	21,022
Loans to third parties	-	5,249
Loans to non-controlling interests	6,981	-
Consideration receivables due from other related parties	1,316,039	-
Deposits	3,633	-
Other investments held for disposal	97,412	128,201
Other non-current receivables	51,374	-
	1,995,642	716,633

The loans to joint ventures are repayable after one year, and bear interest rate ranging from 5.70% to 8.00% (31 December 2021: 5.70% to 8.00%) per annum, except for a loan of US$1,500,000 (31 December 2021: US$700,000) which is interest-free at the reporting date.

The loans to associates are repayable after one year, and bear interest rate at 6.00% (31 December 2021: 6.00%) per annum, nil is interest-free upon completion of the acquisition.

Consideration receivables due from other related parties, including loan notes with principal amounts of US$1,293,779,000 (31 December 2021: nil) are unsecured, bear a fixed interest rate of 4.00% per annum.

20. Trade and other receivables

	31 December 2022 US$'000	*31 December 2021* US$'000
Net trade receivables:		
- Trade receivables	98,833	52,052
- Impairment losses	(4,246)	(1,881)
	94,587	50,171
Amounts due from joint ventures:		
- Trade	6,558	10,346
- Non-trade	4,612	87,744
- Loans to joint ventures	124,020	100,859
	135,190	198,949
Amounts due from associates:		
- Trade	6,648	13,798
- Non-trade	763,984	248,242
- Loans to associates	194,329	142,223
	964,961	404,263
Amounts due from non-controlling interests:		
- Non-trade	10,360	8,611
- Loans to non-controlling interests	14,742	16,104
	25,102	24,715
Amount due from an intermediate holding company and other related parties:		
- Trade	44,665	14,116
- Non-trade	2,499,889	1,648,062
	2,544,554	1,662,177
Loans to third parties	32,385	130,058
Deposits	156,127	105,657
Net other receivables:		
- Other receivables	245,760	291,720
- Impairment losses	(1,470)	(218)
	244,290	291,502
Prepayments	14,408	22,351
	4,211,604	2,889,843

The non-trade amounts due from joint ventures, associates, non-controlling interests, intermediate holding company and other related parties are unsecured, interest-free and repayable on demand.

The loans to joint ventures, associates and non-controlling interests are unsecured, bear effective interests ranging from 1.50% to 15.22% (31 December 2021: 5.70% to 15.20%) per annum, except for approximately US$125,301,000 (21 December 2021: US$137,675,000) which are interest-free at the reporting date and are repayable within the next 12 months.

20. 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 interest rate at 10.00% (31 December 2021: 10.00% to 18.00%) per annum, except for approximately US$17,496,000 which is interest-free upon completion of the acquisition (31 December 2021: US$102,570,000 which is interest-free upon completion of the acquisition).

Deposits include an amount of approximately US$120,370,000 (31 December 2021: US$16,313,000) in relation to the acquisition of new investments. Other receivables comprise principally interest receivable and VAT recoverable.

Trade receivables are due on the date of billing. Further details on the Group's credit policy are set out in note 30(a).

(a) Impairment of trade and other receivables

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2021 and 31 December 2022:

		31 December 2021	
	Expected loss rate %	*Gross carrying amount* US$'000	*Loss allowance* $'000
Within 1 month	0.56	48,339	(272)
1 to 2 months	17.54	1,487	(261)
2 to 3 months	44.09	301	(133)
3 to 6 months	49.43	1,190	(589)
7 to 12 months	66.23	323	(214)
Over 12 months	100.00	412	(412)
		52,052	(1,881)

		31 December 2022	
	Expected loss rate %	*Gross carrying amount* US$'000	*Loss allowance* $'000
Within 1 month	1.06	85,508	(909)
1 to 2 months	11.87	3,919	(465)
2 to 3 months	18.50	1,130	(209)
3 to 6 months	16.44	5,603	(921)
7 to 12 months	50.58	1,884	(953)
Over 12 months	100.00	789	(789)
		98,833	(4,246)

20. Trade and other receivables (continued)

Expected loss rates are based on actual loss experience over the past 12 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade and other receivables during the year is as follows:

	31 December 2022 US$'000	*31 December 2021* US$'000
Balance at 1 January	2,099	2,186
Impairment loss recognised	2,297	993
Acquisition of subsidiaries	2,049	189
Disposal of subsidiaries	(695)	(428)
Exchange differences	(34)	(841)
Balance at 31 December	5,716	2,099

Credit risk arising from loans to joint ventures, loans to associates, loans to non-controlling interests and loans to third parties.

The loans to joint ventures, the loans to associates, the loans to non-controlling interests and the loans to third parties are repayable within the next 12 months. The Group considers that the credit risk arising from these loans are insignificant as the loans are within the credit period.

21. Assets classified as held for sale and disposal group held for sale

	Note	*31 December 2022* US$'000	*31 December 2021* US$'000
Assets of disposal groups held for sale	(a)	6,608,509	5,398,886
Liabilities of disposal groups held for sale	(b)	(4,240,574)	(2,476,658)
Interest in an associate		-	133,779
		2,367,935	3,056,007

During the period from June 2021 to December 2022, the Group initiated and committed to plans to dispose of groups of subsidiaries to related parties and third 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 in the disposal groups are presented as assets held for sale and liabilities held for sale respectively as 31 December 2022 and 2021.

(a) Assets of disposal groups held for sale comprise:

	31 December 2022 US$'000	*31 December 2021* US$'000
Investment properties	5,940,772	5,093,558
Cash at bank	638,245	246,508
Other assets	29,492	58,820
Assets held for sale	6,608,509	5,398,886

(b) Liabilities of disposal groups held for sale comprise:

	31 December 2022 US$'000	*31 December 2021* US$'000
Loans and borrowings	(3,080,038)	(1,209,536)
Deferred tax liabilities	(719,102)	(673,314)
Other liabilities	(441,434)	(593,808)
Liabilities held for sale	(4,240,574)	(2,476,658)

22. Cash and cash equivalents

(a) Cash and cash equivalents comprise:

	31 December 2022 US$'000	*31 December 2021* US$'000
Cash at bank	1,431,878	716,941
Restricted cash (note)	57,548	-
Cash and cash equivalents in consolidated statement of financial position	1,489,426	716,941
Restricted cash	(57,548)	-
Cash and cash equivalents in disposal groups	638,245	246,508
Cash and cash equivalents in the consolidated cashflow statement	2,070,123	963,449

The effective interest rates relating to certain cash at bank balances at reporting date for the Group ranged from 0.01% to 1.4895% (31 December 2021: 0.01% to 0.45%) per annum respectively.

Note: the Group has pledged bank deposit of approximately US$57,548,000 for bank borrowings of its joint venture, Shanghai Pulong Information Technology Co., Ltd. Besides, the Group and ZHEJIANG CENTURY HUATONG GROUP CO., LTD. have provided corporate guarantees for 50.1% and 49.9% of the above-mentioned bank borrowings respectively. As at 31 December 2022, the outstanding amount of the relevant bank borrowings was approximately US$574,333,000 (31 December 2021: US$574,333,000). As at and during the year ended 31 December 2022, there was no overdue payment in respect of these bank borrowings (2021: none).

22. Cash and cash equivalents (continued)

(b) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

	Loans and borrowings (note 25) US$'000	*Loans from non-controlling interests, joint ventures, associate and third parties* (notes 26 and 27) US$'000	*Lease liabilities* (note 28) US$'000	*Interest payable* (note 27) US$'000	*Total* US$'000
At 1 January 2021	10,246,348	17,381	60,001	124,752	10,448,482
Changes from financing cash flows:					
Proceeds from bank loans	6,713,692	-	-	-	6,713,692
Repayment of bank loans	(6,829,248)	-	-	-	(6,829,248)
Proceeds from issue of bonds	2,751,731	-	-	-	2,751,731
Repayment of bonds	(2,633,904)	-	-	-	(2,633,904)
Proceeds of loans from non-controlling interests	-	-	-	-	-
Repayment of loans from non-controlling interests	-	(10,202)	-	-	(10,202)
Proceeds of loans from associates	-	-	-	-	-
Repayment of loans from associates	-	-	-	-	-
Proceeds of loans from third parties	-	-	-	-	-
Repayment of loans from third parties	-	(637)	-	-	(637)
Cash payments for principal portion of lease liabilities	-	-	(14,400)	-	(14,400)
Cash payments for interest portion of lease liabilities	-	-	(6,852)	-	(6,852)
Interest paid	-	-	-	(500,670)	(500,670)
Total changes from financing cash flows	2,271	(10,839)	(21,252)	(500,670)	(530,490)
Other changes:					
Acquisition of subsidiaries (note 29)	303,465	-	-	2,466	305,931
Disposal of subsidiaries (note 29)	(988,374)	-	(12,825)	(502)	(1,001,701)
Additions	-	-	220,280	-	220,280
Interest expense	-	-	6,182	481,105	487,287
Effect of movements in exchange rates	153,893	170	5,312	2,052	161,427
Amounts reclassified as held for sale	(1,535,309)	896	-	-	(1,534,413)
Total other changes	(2,066,325)	1,066	218,949	485,121	(1,361,189)
At 31 December 2021	8,182,294	7,608	257,698	109,203	8,556,803

22. Cash and cash equivalents (continued)

	Loans and borrowings (note 25) US$'000	*Loans from non-controlling interests, joint ventures, associate, third parties and other related parties* (notes 26 and 27) US$'000	*Lease liabilities* (note 28) US$'000	*Interest payable* (note 27) US$'000	*Total* US$'000
At 1 January 2022	8,182,294	7,608	257,698	109,203	8,556,803
Changes from financing cash flows:					
Proceeds from bank loans	9,843,571	-	-	-	9,843,571
Repayment of bank loans	(6,433,457)	-	-	-	(6,433,457)
Proceeds from issue of bonds	322,532	-	-	-	322,532
Repayment of bonds	(1,044,139)	-	-	-	(1,044,139)
Proceeds of loans from non-controlling interests	-	1,646	-	-	1,646
Repayment of loans from non-controlling interests	-	(3,204)	-	-	(3,204)
Proceeds of loans from associates	-	4,770	-	-	4,770
Repayment of loans from associates	-	(28,501)	-	-	(28,501)
Proceeds of loans from third parties	-	2,571	-	-	2,571
Repayment of loans from third parties	-	(700)	-	-	(700)
Proceeds of loans from other related parties	-	366,911	-	-	366,911
Repayment of loans from other related parties	-	(234,290)	-	-	(234,290)
Cash payments for principal portion of lease liabilities	-	-	(19,384)	-	(19,384)
Cash payments for interest portion of lease liabilities	-	-	(7,474)	-	(7,474)
Interest paid	-	-	-	(509,893)	(509,893)
Total changes from financing cash flows	2,688,507	109,203	(26,858)	(509,893)	2,260,959
Other changes:					
Acquisition of subsidiaries (note 29)	633,285	91,291	80,851	10,247	815,674
Disposal of subsidiaries (note 29)	(133,368)	-	-	-	(133,368)
Additions	-	-	25,634	-	25,634
Interest expense	-	-	13,912	487,101	501,013
Effect of movements in exchange rates	(304,927)	(3,984)	(61,434)	(895)	(371,240)
Amounts reclassified as held for sale	(1,344,454)	(166,430)	-	-	(1,510,884)
Total other changes	(1,149,464)	(79,123)	58,963	496,453	(673,171)
At 31 December 2022	9,721,337	37,688	289,803	95,763	10,144,591

23. Share capital and capital management

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

Company	*Share capital* US$'000	*Currency translation reserve* US$'000	*Retained earnings* US$'000	*Total* US$'000
Balance at 1 January 2021	6,950,825	(320,086)	(11,484)	6,619,255
Total comprehensive income for the year	-	152,844	(168,635)	(15,791)
Balance at 31 December 2021	6,950,825	(167,242)	(180,119)	6,603,464
Total comprehensive income for the year	-	(585,829)	782,939	197,110
Balance at 31 December 2022	6,950,825	(753,071)	602,820	6,800,574

(b) Share capital

Issued share capital

	31 December	
	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 regarding to the Company's residual assets.

(c) Dividends

The Board of Directors has not declared any dividend in respect of the year ended 31 December 2022 and the year ended 31 December 2021.

23. Share capital and capital management (continued)

(d) 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 maximise shareholder's value. The Group defines "capital" as including all components of equity plus loans from its holding companies 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 larger 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).

	31 December 2022 US$'000	*31 December 2021* US$'000
Loans and borrowings	9,721,337	8,182,294
Loans from non-controlling interests	32,511	4,003
Loans from third parties	2,348	776
Loans from joint ventures	2,829	2,829
Lease liabilities	289,803	257,698
Total debt	10,048,828	8,447,600
Less: cash and cash equivalents	(1,489,426)	(716,941)
Net debt	8,559,402	7,730,659
Total equity	20,258,978	19,857,139
Total assets	38,463,139	34,518,956
Net debt to equity ratio	42.25%	38.93%
Net debt to asset (excluding cash) ratio	23.15%	22.87%

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 changes in the Group's approach to capital management during the year.

During year 2022, the Group's strategy, which was unchanged from the year ended 31 December 2021, was to maintain net debt-to-asset ratio of no more than 45% or net debt-to-equity ratio of no more than 55%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares or request new loans from other group companies or sell assets to reduce debt.

23. Share capital and capital management (continued)

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 30(b). As at and during the year ended 31 December 2022, none of the covenants relating to drawn down facilities had been breached (31 December 2021: none).

24. Reserves

	31 December 2022 US$'000	*31 December 2021* US$'000
Capital reserve	67,548	90,779
Equity compensation reserve	36,849	36,849
Currency translation reserve	(1,134,147)	174,951
Fair value reserve (non-recycling)	107,484	228,707
Other reserve	(1,554,630)	(1,554,630)
Retained earnings	9,639,889	8,301,787
	7,162,993	7,278,443

The capital reserve comprises mainly equity transactions gain or loss from the changes in the Group's interest in a subsidiary that do not result in a loss of control and the Group's share of the statutory reserve of its PRC-incorporated subsidiaries. Statutory reserve of its PRC-incorporated subsidiaries was transferred from retained earnings in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries incorporated in PRC, and were approved by the respective board of directors.

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 fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see note 2(h)).

Other reserve mainly represents capital contributions from the immediate 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.

As at 31 December 2022, retained earnings include an amount of approximately US$231,390,000 (31 December 2021: US$102,790,000) to be transferred to statutory reserve before distribution of any dividends to shareholders in the future.

25. Loans and borrowings

	31 December 2022 US$'000	*31 December 2021* US$'000
Non-current liabilities		
Secured bank loans	3,316,745	2,517,768
Secured bonds	-	320,156
Unsecured bank loans	1,251,660	532,369
Unsecured bonds	3,048,088	3,725,508
	7,616,493	7,095,801
Current liabilities		
Secured bank loans	258,189	357,821
Secured bonds	-	2,925
Unsecured bank loans	1,147,137	56,004
Unsecured bonds	699,518	669,743
	2,104,844	1,086,493

The secured bank loans and secured bonds are secured by mortgages on the borrowing subsidiaries' investment properties with a carrying amount of approximately US$11,370,060,000 (31 December 2021: US$11,318,951,000) (note 11).

The effective interest rates for bank borrowings and bonds ranging from 2.20% to 7.46% (31 December 2021: 1.42% to 6.77%) per annum.

26. Other non-current liabilities

	31 December 2022 US$'000	*31 December 2021* US$'000
Security deposits received	41,028	43,911
Employee bonus and incentive payable	11,758	16,111
Loans from non-controlling interests	406	3,046
Loans from third parties	2,348	-
Lease liabilities (note 28)	265,079	236,693
Deposits received for disposal of other investments	97,412	128,201
Consideration payable for acquisition of subsidiaries and joint ventures	34,948	38,572
Finance lease payable	151,213	28,982
Amount due to other related party	102,516	-
Others	4,804	7,562
	711,512	500,368

27. Trade and other payables

	31 December 2022 US$'000	*31 December 2021* US$'000
Trade payables	12,596	8,454
Accrued construction costs	463,426	574,052
Accrued operating expenses	118,021	117,408
Contract liabilities	30,711	38,015
Interest payable	83,946	102,484
Security deposits received	93,634	98,823
Amounts due to:		
- Intermediate holding company and other related parties (trade)	169,326	62,378
- Intermediate holding company and other related parties (non-trade)	249,615	218,977
- Non-controlling interests (trade)	2,879	2,992
- Non-controlling interests (non-trade)	25,318	28,640
- Joint ventures (trade)	121	2,188
- Joint ventures (non-trade)	614	4,787
- Associates (trade)	74	282
- Associates (non-trade)	141,438	35,441
Interest payable on loans from other related parties	4,930	6,284
Loans from non-controlling interests	32,105	957
Interest payable on loans from non-controlling interests	6,685	214
Loan from joint ventures	2,829	2,829
Loans from third parties	-	776
Interest payable on loans from third parties	202	221
Consideration payable for acquisition of subsidiaries	60,418	79,849
Deposits received and accrued expenses for disposal of investment properties	55,190	77,211
Other payables	138,626	107,643
Lease liabilities (note 28)	24,724	21,005
	1,717,428	1,591,910

The non-trade amounts due to intermediate holding company and other related parties, non-controlling interests, joint ventures, and associates are unsecured, interest-free and have no fixed repayment terms. The loans from non-controlling interests and joint ventures are unsecured and repayable within the next 12 months. The interest-bearing loans from non-controlling interests and joint ventures bear effective interests ranging from 4.00% to 8.00% (31 December 2021: 4.00% to 6.08%) per annum as at the reporting date.

28. Lease liabilities

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

	At 31 December 2022	
	Present value of the minimum lease payments US$'000	*Total minimum lease payments* US$'000
Within 1 year	24,724	38,501
After 1 year but within 2 years	32,820	36,653
After 2 years but within 5 years	93,146	100,952
After 5 years	139,113	206,204
	289,803	382,310
Less: total future interest expenses		(92,507)
Present value of lease liabilities		289,803

	At 31 December 2021	
	Present value of the minimum lease payments US$'000	*Total minimum lease payments* US$'000
Within 1 year	21,005	33,270
After 1 year but within 2 years	21,951	33,164
After 2 years but within 5 years	62,548	89,693
After 5 years	152,194	185,835
	257,698	341,962
Less: total future interest expenses		(84,264)
Present value of lease liabilities		257,698

29. Notes to cash flow statement

Acquisitions of subsidiaries

The primary reason for the Group's acquisitions of subsidiaries is to expand its portfolio of investment properties and data center business in the PRC and possession of qualification for architecture designing.

(i) The list of material subsidiaries acquired during the year ended 31 December 2022 is as follows:

Name of subsidiaries	*Date acquired*	*Equity interest acquired* %
HAN SI CAPITAL HOLDINGS LIMITED.	January 2022	100
Shanghai Linfang Logistics Technology Co., Ltd.	February 2022	100
Pengcheng Jinyun Technology Co., Ltd.	May 2022	100
I-SERVICES NETWORK SOLUTION LIMITED	May 2022	100
Shenzhen Pujing Longze Technology Co., Ltd.	July 2022	70
China Logistics Holding (19) Pte Ltd.	August 2022	100
CLH 84 (HK) Limited	August 2022	100
Zhuhai Puyi Logistics Industry Investment LLP	December 2022	100
Chun Kwong Group Limited	December 2022	100
Tenglong Donghu (Wuhan) Data Management Co., Ltd.	December 2022	55

29. Notes to cash flow statement (continued)

(ii) The list of material subsidiaries acquired during the year ended 31 December 2021 is as follows:

Name of subsidiaries	*Date acquired*	*Equity interest acquired* %
Anhui Nuohan Intelligent Equipment Co., Ltd.	January 2021	91
GLP Yiwu Pujie Logistics Facilities Co., Ltd. ("Yiwu Pujie")	March 2021	100
Changchun Suning Yida Logistics Co., Ltd.	April 2021	80
Jiangsu Zhichen Asset Management Co., Ltd.	April 2021	80
Nanjing Jingfu Asset Management Co., Ltd.	April 2021	80
Chengdu Suning Yida Warehousing Co., Ltd.	April 2021	80
Fuzhou Suning Tesco Trading Co., Ltd.	April 2021	80
Harbin Suning Purchasing Co., Ltd.	April 2021	80
Shijiazhuang Shining Suning Trading Co., Ltd.	April 2021	80
Yunnan Suning Logistics Co., Ltd.	April 2021	80
Shaoxing Suning Yuncang Logistics Co., Ltd.	April 2021	80
Hefei Luning Yida Logistics Co., Ltd.	April 2021	80
Hainan Suning Yida Logistics Co., Ltd.	April 2021	80
Guiyang Suning Logistics Co., Ltd.	April 2021	80
Nanjing Yuyue Asset Management Co., Ltd.	April 2021	80
Yancheng Yanning Suning Tesco Co., Ltd.	April 2021	80
Ezhou Suning Yida Logistics Investment Co., Ltd.	April 2021	80
Wuhu Suning Yida Logistics Co., Ltd.	April 2021	80
Jining Yanzhou Suning Yida Logistics Warehousing Co., Ltd.	April 2021	80
Lanzhou Suning Purchasing Co., Ltd.	April 2021	80
Urumqi Suning Tesco Trading Co., Ltd.	April 2021	80
Xuzhou Suning Yida Logistics Co., Ltd.	May 2021	80
Nanning Xinbao Zhihui Supply Chain Management Co., Ltd.	April 2021	90
Wenzhou Chengya Supply Chain Co., Ltd.	May 2021	50
Haikou Xinjia Logistics Co., Ltd.	June 2021	100
Zhengzhou Donggong Wanchi Industrial Co., Ltd.	June 2021	95
Hangzhou Oujixing Food Co., Ltd.	August 2021	63.9
Beijing Kirin Property Management Development Co., Ltd.	August 2021	80
Guangde International Investment (Zhejiang) Sports Co., Ltd.	July 2021	100
Beijing Aidixi Technology Co., Ltd.	September 2021	70
Beijing Addison Data Technology Development Co., Ltd.	September 2021	70
Beijing Logistics Pte. Ltd.	September 2021	100
Beijing Yongle Jiadi Technology Development Co., Ltd.	September 2021	100
Beijing Bishengyuan Food and Beverage Co., Ltd.	December 2021	100

29. Notes to cash flow statement (continued)

Effect of the acquisitions

The cash flow and the net assets of the subsidiaries acquired during the years ended 31 December 2022 and 2021 are provided below:

	Year ended 31 December 2022 Recognised values on acquisition US$'000	*Year ended 31 December 2021 Recognised values on acquisition* US$'000
Investment properties	1,361,732	1,996,368
Associates	327,639	-
Property, plant and equipment	343,540	92,397
Intangible assets	150,280	-
Other investments	500,650	-
Deferred tax assets	14,285	11,206
Other assets	23,178	36
Cash and cash equivalents	135,149	20,109
Trade and other receivables	149,241	72,562
Trade and other payables	(314,879)	(670,858)
Loans and borrowings	(633,285)	(303,465)
Current tax payable	-	70
Deferred tax liabilities	(46,835)	(18,590)
Other non-current liabilities	(94,195)	-
Non-controlling interests	(154,639)	(100,374)
Net assets acquired	1,761,861	1,099,461
Goodwill	293,560	-
Gain on acquisition of subsidiaries under common control recognised directly in capital reverse	(7,582)	-
Gain on acquisition of subsidiaries	-	(19,477)
Purchase consideration	2,047,839	1,079,984
Fair value of previous held equity interest	-	(18,774)
Consideration payable	(450,232)	(188,470)
Cash of subsidiaries acquired	(135,149)	(20,109)
Payment of consideration in relation to prior years' acquisitions	27,188	104,859
Cash outflow on acquisitions of subsidiaries	1,489,646	957,490

The total related acquisition costs for the above-mentioned subsidiaries amounted to approximately US$ 2,047,839,000 (year ended 31 December 2021: US$1,079,984,000).

From the respective dates of acquisitions to 31 December 2022, the above-mentioned acquisitions contributed net loss of approximately US$7,070,000 to the Group's results for the year, before accounting for financing costs attributable to the acquisitions. Had the acquisitions occurred on 1 January 2022, management estimates that the above-mentioned acquisitions would have contributed approximately US$ 582,827,000 and US$ 212,478,000 to the Group's revenue and net profit respectively for year ended 31 December 2022.

29. Notes to cash flow statement (continued)

Disposals of subsidiaries

(i) The list of material subsidiaries disposed during the year ended 31 December 2022 is as follows:

Name of subsidiaries	*Date disposed*	*Equity interest disposed* %
Wuxi Guolian Logistic Facilities Co., Ltd. (*)	January 2022	60
Airport Nanning Holding Limited.	February 2022	100
Nanning Airport Logistics Co., Ltd.	February 2022	66
GLP Chengdu Xindu Logistics Facilities Co. Ltd.(*)	March 2022	100
Kun Shan Chuan Shi Photoelectric Technology Co., Ltd. (*)	March 2022	100
SEA Fund I Holdings Pte. Ltd.	April 2022	100
Han Si Capital Holdings Limited	April 2022	100
Dongguan Shipai Dongli-GLP Logistics Co., Ltd.(*)	June 2022	100
GLP China Fund Management Holdings Limited	July 2022	53.9
GLP Beijing Majuqiao Logistics Development Co.Ltd.(*)	July 2022	100
Hangzhou Tianyu Management Consulting Co., Ltd.&Mengxi Fastener (Kunshan) Co., Ltd.(*)	July 2022	100
GLP Wanqing Logistics Co.Ltd.(*)	August 2022	100
Xi'an Pufeng Logistics Facilities Co., Ltd.(*)	September 2022	100
Dealwin (Shanghai) Warehouse Co., Ltd.(*)	October 2022	100
Xiamen Zhongma Supply Chain Management Co., Ltd.	November 2022	100
GLP Shanghai Chapu Logistics Facilities Co.,Ltd.	December 2022	100
Qingyuan Wode Supply Chain Management Co., Ltd.	December 2022	100
China Logistics Holding (31) Pte Ltd	December 2022	100
Beijing Logistics Pte. Ltd.	December 2022	100
Yuepu Logistic Holdings Limited	December 2022	99
Nantong Puxing Warehousing Services Co., Ltd	December 2022	100
GLP (Qingdao) Jiaonan International Logistics Development Co.Ltd.	December 2022	100
Qingdao Shuangyi Logistics Co.Ltd.(*)	December 2022	100
GLP Changsha Puwang Logistics Facilities Co., Ltd.	December 2022	100
Changsha Wangcheng Jingyang Logistics Facilities Co., Ltd.	December 2022	100
Hunan Landun Machinery & Equipment Co., Ltd.	December 2022	100
GLP Shanghai Minhang Logistics Facilities Co.,Ltd.	December 2022	100
GLP Shanghai Liantang Logistics Facilities Co., Ltd	December 2022	100
Weicheng (Shanghai) Storage Co., Ltd.	December 2022	100

* These subsidiaries were classified as assets held for sale as at 31 December 2021.

29. Notes to cash flow statement (continued)

In July 2022, the Company transferred GLP China Fund Management Holdings Limited and its subsidiaries, which for the avoidance of doubt are all Chinese offshore entities to GLP Capital Partners L.P., an other related party of the Company as part of a restructuring exercise. The total disposal consideration is US$1,293,779,000 which is recognised as a loan receivable from other related parties (note 19), and the gain on disposal is US$943,719,000.

(ii) The list of material subsidiaries disposed during the year ended 31 December 2021 is as follows:

Name of subsidiaries	*Date disposed*	*Equity interest disposed* %
GLP Tongxiang Logistics Facilities Co., Ltd.	January 2021	100
GLP (Chengdu) Hi-Tech Industrial Park Development Co., Ltd.	January 2021	100
Minshang (Nanning) Internet of Things Technology Development Co., Ltd.	January 2021	100
GLP GOLDEN LINCOLN B Partners, LP	March 2021	68.51
Shanghai Zhongji Yangshan Container Services Co., Ltd.	April 2021	50
GLP Beijing Airport Logistics Development Co., Ltd.	June 2021	100
Pushun Logistics Park Development Co., Ltd.	June 2021	100
Kunshan GLP Dianshanhu Logistics Co., Ltd.	June 2021	100
Suzhou GLP Wangting Development Co., Ltd.	June 2021	100
GLP Guangzhou Bonded Development Co., Ltd.	June 2021	100
GLP Guangzhou Warehousing Co., Ltd.	June 2021	100
CLH 88 (HK) Limited	June 2021	100
GLP Beijing Jinma Technology Development Co., Ltd.	August 2021	100
Shanghai Lingang GLP International Logistics Development Co., Ltd.	September 2021	70
GLP Suzhou Hi-Tech Logistics Facilities Co., Ltd.	July 2021	90
GLP Shanghai Fengjia Logistics Facilities Co., Ltd.	September 2021	100
GLP Shanghai Songjiang Logistics Facilities Co., Ltd.	September 2021	100
Shanghai Zhuorui Packing Co., Ltd.	September 2021	100
Beijing Chongjing Management Co., Ltd.	September 2021	99.80

29. Notes to cash flow statement (continued)

Name of subsidiaries	*Date disposed*	*Equity interest disposed %*
Beijing Huayuan Yingdu Real Estate Development Co., Ltd.	September 2021	100
GLP Luoxin Logistics Co.Ltd.	October 2021	100
Uni-top Aviation Logistics (Wuxi) Co., Ltd.	October 2021	100
Uni-top Aviation Logistics (XianYang) Co., Ltd.	October 2021	100
Minshang(Changshu) Internet of Things Technology	November 2021	100
GLP Chongqing Bishan Logistics Facilities Co., Ltd.	November 2021	100
Wuxi Pucheng Technology Industrial Development Co., Ltd.	November 2021	100
GLP Wuxi Puxin Technology & Industrial Development Co., Ltd.	November 2021	100
Changzhou Puxin Intelligent Manufacturing Co., Ltd.	November 2021	100
Tianjin GIP Industry Development Co., Ltd.	December 2021	100
GH Investment 3 Limited	December 2021	100
China Logistics Holding XII Srl (Barbados IBC)	November 2021	100
CLH 84 (HK) Limited	December 2021	100
Kong Hwa International Holding Company Limited	December 2021	100
CLH 23 (HK) Limited	December 2021	100
CLH 96 (HK) Limited	December 2021	100
China Logistics Holding LXII Srl	December 2021	100
CLH 41 (HK) Limited	December 2021	100
CLH 106 (HK) Limited	December 2021	100
China Logistics Holding (19) Pte Ltd	December 2021	100
CLH (40) Pte. Ltd.	December 2021	100
CLH (49) Pte. Ltd.	December 2021	100
Hangzhou Puxin Logistics Facilities Co., Ltd.	December 2021	100
CLH 43 (HK) Limited	December 2021	100
CLH 32 (HK) Limited	December 2021	100
CLH 40 (HK) Limited	December 2021	100
CLH 112 (HK) Limited	December 2021	100
China Logistics Holding IV Srl (Barbados IBC)	December 2021	100
China Logistics Holding IX Srl (Barbados IBC)	December 2021	100
China Logistics Holding XXVII Srl (Barbados IBC)	December 2021	100
China Logistics Holding (30) Pte Ltd	December 2021	100
CLH (44) Pte. Ltd.	December 2021	100
CLH (56) Pte. Ltd.	December 2021	100
CLH (78) Pte. Ltd.	December 2021	100
CLH 123 (HK) Limited	December 2021	100
CLH 120 (HK) Limited	December 2021	100
Be & Cheery International Limited	December 2021	100

29. Notes to cash flow statement (continued)

Effect of the disposals

The cash flow and the net assets of the subsidiaries disposed during the years ended 31 December 2022 and 2021 are provided below:

	Year ended 31 December 2022 Recognised values on disposal US$'000	*Year ended 31 December 2021 Recognised values on disposal* US$'000
Investment properties	1,908,884	7,097,963
Joint ventures	2,580	-
Associates	127,484	-
Intangible assets	-	34,730
Property, plant and equipment	6,005	160,441
Other investments	425,692	633,190
Deferred tax assets	1,178	11,235
Other assets	591	4,202
Trade and other receivables	484,348	491,088
Cash and cash equivalents	214,984	369,698
Trade and other payables	(372,025)	(1,889,799)
Loans and borrowings - non-current	(133,368)	(981,405)
Loans and borrowings - current	-	(6,968)
Current tax payable	(7,393)	(50,987)
Deferred tax liabilities	(364,955)	(765,423)
Other non-current liabilities	(7,856)	(9,408)
Non-controlling interests	(151,260)	(727,036)
Net assets disposed	2,134,889	4,371,521
Gain on disposal of subsidiaries recognised in profit and loss	1,230,002	552,697
Disposal consideration	3,364,891	4,924,218
Consideration receivable	(2,090,407)	(947,085)
Satisfied through non-cash settlement	(244,205)	(41,892)
Cash of subsidiaries disposed	(214,984)	(369,698)
Cash received in relation to dividend receivable prior to disposal	-	360,813
Receipt of consideration in relation to prior years' disposals	829,860	298,056
Cash inflow from disposals of subsidiaries	1,645,155	4,224,412

From 1 January 2022 to respective dates of disposals, the above-mentioned subsidiaries contributed approximately US$ 200,845,000 and US$ 154,880,000 to the Group's revenue and net profit respectively for the year ended 31 December 2022.

From 1 January 2022 to the respective dates of disposals, the amounts of disposed investment properties, deferred tax assets and deferred tax liabilities previously classified as held for sale were US$1,339,380,000, US$1,177,000 and US$221,141,000, respectively.

30. Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, bills receivable and derivative financial assets is limited because the counterparties are banks and financial for which the Group considers to have low credit risk.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due from the date of billing. Debtors with balances that are more than 6 months past due are requested to settle all outstanding balances before any further credit is granted.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 20.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

30. Financial risk management and fair values of financial instruments (continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date Group can be required to pay:

			Cash flows		
	Carrying amount US$'000	*Contractual cash flows* US$'000	*Within 1 year* US$'000	*From 1 to 5 years* US$'000	*After 5 years* US$'000
31 December 2022					
Bank loans	5,973,731	7,166,999	1,693,196	3,177,076	2,296,727
Unsecured bonds	3,747,606	3,970,241	838,401	3,131,840	-
Trade and other payables/other non-current liabilities*	2,398,229	2,433,121	1,637,480	729,551	66,090
	12,119,566	13,570,361	4,169,077	7,038,467	2,362,817
31 December 2021					
Bank loans	3,463,962	4,236,942	558,262	2,052,378	1,626,302
Secured bonds	323,081	524,129	18,267	73,454	432,408
Unsecured bonds	4,395,251	4,770,558	833,615	3,935,821	1,122
Trade and other payables/other non-current liabilities*	2,054,263	2,114,508	1,547,843	533,025	33,640
	10,236,557	11,646,137	2,957,987	6,594,678	2,093,472

* Excludes contract liabilities.

(c) Interest rate risk

The Group's interest rate risk arises primarily from loans and borrowings and cash and cash equivalents and restricted cash.

Cash and cash equivalents and restricted cash comprise mainly cash at bank, with an interest rate ranged from 0.01% to 1.49% per annum as at 31 December 2022 (31 December 2021: 0.01% to 0.45% per annum). Pledged bank deposits and time deposits maturing after three months are not held for speculative purposes but are placed to satisfy conditions for borrowing facilities granted to the Group and for higher yield returns than cash at bank.

The Group's variable rate loans and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. The interest rates of the loans and borrowings are disclosed in note 25.

When appropriate and at times of interest rate uncertainty or volatility, interest rate swaps may be used to assist in the Group's management of interest rate exposure.

30. Financial risk management and fair values of financial instruments (continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's loans and borrowings at the balance sheet date:

	31 December 2022		*31 December 2021*	
	Effective interest rate %	US$'000	*Effective interest rate %*	US$'000
Fixed rate borrowings				
Trade and other payables/other non-current liabilities	4.00%-10.00%	478,704	4.00% - 6.08%	294.288
Loans and borrowings	2.60%-4.99%	3,747,607	2.60% - 5.65%	4,718,332
Variable rate borrowings				
Loans and borrowings	2.20%-7.46%	5,973,731	1.42% - 6.77%	3,463,962
Total interest-bearing financial liabilities		10,200,042		8,476,582
Fixed rate borrowings as a percentage of total borrowings		41.43%		59.13%

(ii) Sensitivity analysis

At 31 December 2022, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit before taxation by approximately US$ 29,870,000 (31 December 2021: US$17,320,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit before taxation and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit before taxation and other components of consolidated equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 31 December 2021.

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to other investments, cash balances, receivables, payables, non-current liabilities, loans and borrowings that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily USD.

In respect of the monetary assets and liabilities denominated in foreign currencies, the Group ensures that the net exposures to this risk is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances. Management does not enter into currency hedging transactions since it considers that the cost of such instruments outweighs the potential risk of exchange rate fluctuations.

30. Financial risk management and fair values of financial instruments (continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognized assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in USD, translated using the spot rate at the year-end date.

	2022 US$'000	*2021* US$'000
Other investments	366,942	1,016,469
Cash and cash equivalents	333,621	87,035
Trade and other receivables	2,137,871	49,021
Trade and other payables	(81,885)	(6,284)
Loans and borrowings	(3,756,860)	(1,898,726)
Overall exposure	(1,000,311)	(752,485)

The following significant exchange rates applied during the year:

	Average rates		*Reporting date spot rate*	
	2022	*2021*	*2022*	*2021*
United States Dollars against RMB	6.7203	6.4534	6.9646	6.3757

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit before taxation and other components of consolidated equity in response to a 5% strengthening of the USD against RMB to which the Group had exposure at the balance sheet date. This analysis assumes that the reasonably possible change in foreign exchange rates had occurred at the balance sheet date and had been applied to each for the Group entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

	2022 US$'000	*2021* US$'000
United States Dollars	(50,016)	(37,624)

A 5% weakening of the USD against RMB at 31 December would have had the equal but opposite effect on the RMB to the amounts shown above, on the basis that all other variables remain constant.

30. Financial risk management and fair values of financial instruments (continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 31 December 2021.

(e) Equity price risk

The Group designated three listed equity securities and CCIC GLP REIT at FVOCI (non-recycling) and other listed investments at FVTPL (see note 18). The Group's listed investments are listed on stock exchanges in the PRC, Hong Kong and United States. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Index and other industry indicators, as well as the Group's liquidity needs. Certain listed investments held in the other investments have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. The other listed investments held in the other investments have been chosen based on short term market performance and profitability through open market.

At 31 December 2022, it is estimated that an increase of 5% (31 December 2021: 5%) in the relevant stock market index (for listed investments) with all other variables held constant, would have increased the Group's fair value reserve and profit before tax as follows:

	31 December 2022 US$'000	*31 December 2021* US$'000
Other investments	32,419	57,386

A decrease of 5% in the relevant stock market index at 31 December would have had the equal but opposite effect on the above equity investment to the amounts shown above, on the basis that all other variables remain constant.

The sensitivity analysis indicates the instantaneous change in the Group's fair value reserve and profit before tax that would arise assuming that the changes in the stock market index or other relevant risk variables had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to equity price risk at the end of the reporting period. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, that none of the Group's available-for-sale investments would be considered impaired as a result of the decrease in the relevant stock market index or other relevant risk variables, and that all other variables remain constant. The analysis is performed on the same basis for 31 December 2021.

30. Financial risk management and fair values of financial instruments (continued)

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at 31 December 2022	*Fair value measurements as at 31 December 2022 categorised into*		
		Level 1	*Level 2*	*Level 3*
	$'000	$'000	$'000	$'000
Recurring fair value measurement				
Financial assets:				
Other investments:				
- Listed securities	648,375	648,375	-	-
- Unlisted equity securities	1,864,263	-	-	1,864,263

	Fair value at 31 December 2021	*Fair value measurements as at 31 December 2021 categorised into*		
		Level 1	*Level 2*	*Level 3*
	$'000	$'000	$'000	$'000
Recurring fair value measurement				
Financial assets:				
Other investments:				
- Listed securities	1,147,717	1,147,717	-	-
- Unlisted equity securities	1,189,147	-	-	1,189,147

30. Financial risk management and fair values of financial instruments (continued)

During the year ended 31 December 2022, there were no transfers between Level 1 and Level 2, and the investments in Cenntro Electric Group Ltd. was reclassified from Level 3 to Level 1 because this equity security became listed during the period during the year (year ended 31 December 2021: investments in Eastern Air Logistics Co., Ltd., Jingdong Express Group Corporation, China Railway Special Cargo Logistics Co., Ltd. and Linklogis Financial Holdings Inc. were reclassified from Level 3 to Level 1 because these equity securities became listed during the year). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

	Valuation techniques	*Significant unobservable inputs*	*Range*
Unlisted equity securities	Market approach	Discount for lack of marketability	0% - 32%
Unlisted equity securities	Market approach	Price-to earnings ratio	5.95x
Unlisted equity securities	Market approach	EV/EBITDA ratio	9.6X
Unlisted equity securities	Dividend discount model method	Discount rate	10%

The fair value of unlisted equity securities is determined using cost approach, market approach and discounted cash flow method. The fair value of unlisted equity securities using cost approach uses financial data. The fair value of unlisted equity securities using market approach uses the price/book ratios of comparable listed companies, post-money valuation and adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. The fair value of unlisted equity securities using discounted cash flow uses discount rate.

	31 December 2022 $'000	*31 December 2021* $'000
Unlisted equity securities:		
At 1 January	1,189,147	1,655,919
Additional securities acquired	1,190,442	193,550
Reclassified from associates	105,294	-
Net unrealised gains or losses recognised in profit or loss during the year	27,566	253,494
Disposals	(579,527)	(640,894)
Reclassification to listed equity securities	(12,261)	(292,243)
Exchange differences	(56,398)	19,321
At 31 December	1,864,263	1,189,147
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting year	27,566	253,494

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2022 and 31 December 2021.

31. Commitments

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

	31 December 2022 US$'000	*31 December 2021* US$'000
Commitments in relation to share capital of other investments not yet due and not provided for	221,182	345,158
Development expenditure contracted but not provided for	354,065	724,242

32. Remuneration of key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

The key management personnel compensation included as part of staff costs for those key management personnel employed by the Group are as follows:

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Salaries, bonuses, contributions to defined contribution plans and other benefits	9,990	10,570

33. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, there were the following significant related party transactions which were carried out in the normal course of business on terms agreed between the parties during the year:

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Joint ventures		
Asset management fee income from joint ventures	6,000	14,218
Investment management fee income from joint ventures	2,088	1,235
Property management fee income from joint ventures	8,295	8,963
Development management fee income from joint ventures	4,014	1,604
Leasing management fee income from joint ventures	3,368	4,453
Acquisition management fee income from joint ventures	147	3,633
Dividend income received from joint ventures	94,957	16,246
Interest income from joint ventures	31,743	33,172
Interest expenses charged by joint ventures	(10)	(3)
Associates		
Asset management fee income from associates	20,465	26,009
Investment management fee income from associates	9,778	33,004
Property management fee income from associates	4,043	6,155
Development fee income from associates	5,059	480
Dividend income received from associates	146,537	55,306
Leasing management fee income from associates	1,810	3,521
Acquisition management fee income from associates	-	968
Interest income from associates	5,904	5,268
Interest expenses charged by associates	(2)	(56)
Intermediate holding company		
Management service fee charged by intermediate holding company	(3,045)	(4,501)
Interest expenses charged by intermediate holding company	-	(260)
Other related parties		
Asset management fee charged by other related parties	(76,499)	(16,914)
Asset management fee income from other related parties	3,663	11,169
Service fee income from other related parties	46,820	-
Interest income from other related parties	86,766	435
Interest expenses charged by other related parties	(17,205)	(400)

33. Significant related party transactions (continued)

Acquisition of assets and liabilities from related parties

The assets and liabilities acquired are provided below:

	Total US$'000
Net assets acquired	1,180,090
Acquisition gain recognised in capital reverse	(7,582)
Acquisition consideration	1,172,508

Disposal of assets and liabilities to related parties

The assets and liabilities disposed of are provided below:

	Total US$'000
Net assets disposed	1,853,098
Disposal gain recognised in profit and loss	1,230,218
Disposal consideration	3,083,316

Guarantees provided to related parties

The Group has provided corporate guarantees for bank borrowings of related parties, GLP China Financing Holding Limited's subsidiaries. As at 31 December 2022, the outstanding amount of the relevant bank borrowings was approximately US$197,359,000 (31 December 2021: US$243,648,000). As at and during the year ended 31 December 2022, there was no overdue payment in respect of these bank borrowings (2021: none).

Besides, the Group has provided pledged bank deposit and corporate guarantees for bank borrowing of its joint venture, Shanghai Pulong Information Technology Co., Ltd during the year (note 22).

34. Subsequent events

The management has evaluated events after the date of the statement of financial position up to 31 March 2023, the date on which the financial statements are approved for issuance. No significant event that would require adjustment to or disclosure in these financial statements is identified.

35. Company-level statement of financial position

	Note	*31 December* *2022* US$'000	*31 December* *2021* US$'000
Non-current assets			
Investments in subsidiaries	12	20,777,066	18,120,812
Other non-current assets		957	14,384
Loans to subsidiaries		848,237	630,394
		21,626,260	18,765,590
Current assets			
Other receivables		4,951,658	4,029,524
Cash and cash equivalents		149,694	31,120
		5,101,352	4,060,644
Total assets		26,727,612	22,826,234
Equity attributable to owners of the Company			
Share capital	23	6,950,825	6,950,825
Reserves		(150,251)	(347,361)
Total equity		6,800,574	6,603,464
Non-current liabilities			
Loans and borrowings		4,299,749	4,257,884
		4,299,749	4,257,884
Current liabilities			
Loans and borrowings		1,764,238	658,930
Other payables		13,847,615	11,289,094
Current tax payable		15,436	16,862
		15,627,289	11,964,886
Total liabilities		19,927,038	16,222,770
Total equity and liabilities		26,727,612	22,826,234

Approved and authorised for issue by the Board of Directors on 31 MAR 2023

Director

Director

36. Company-level statement of comprehensive income

	Year ended 31 December 2022 US$'000	Year ended 31 December 2021 US$'000
Revenue	401	-
Other expenses	(14,854)	(19,228)
Loss from operations	(14,453)	(19,228)
Finance costs	(520,313)	(271,302)
Finance income	94,196	125,402
Net finance costs	(426,117)	(145,900)
Gain on disposal of subsidiaries	1,228,454	-
Profit/(loss) before taxation	787,884	(165,128)
Income tax	(4,945)	(3,507)
Profit/(loss) for the year	782,939	(168,635)
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit of loss:		
Exchange differences on translation of financial statements	(585,829)	152,844
Total comprehensive income for the year	197,110	(15,791)

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37. Company-level cash flow statement

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Cash flows from operating activities		
Profit/(loss) before taxation	787,884	(165,128)
Adjustments for:		
Net finance costs	1,162,345	164,245
Withholding tax	-	3,507
Gain on disposal of subsidiaries	(1,228,454)	-
	721,775	2,624
Changes in working capital:		
Trade and other receivables	(930,170)	(1,244,160)
Trade and other payables	1,289,470	6,088,730
Cash generated from operations	1,081,075	4,847,194
Tax paid	-	-
Net cash generated from operating activities	1,081,075	4,847,194
Cash flows from investing activities		
Interest income received	21,891	46,241
Repayment of loan from subsidiaries	782,410	366,425
Loans to subsidiaries	(1,029,940)	(262,481)
Investments in subsidiaries	(1,784,333)	(3,656,567)
Net cash used in investing activities	(2,009,972)	(3,506,382)

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37. Company-level cash flow statement (continued)

	Year ended 31 December 2022 US$'000	*Year ended 31 December 2021* US$'000
Cash flows from financing activities		
Proceeds from issue of bonds	237,260	2,648,156
Repayment of bonds	(659,170)	(2,267,021)
Proceeds from bank loans	3,703,775	5,023,055
Repayment of bank loans	(1,998,798)	(6,499,364)
Repayment of loans from shareholder	-	(21,436)
Interest paid	(233,984)	(263,594)
Net cash generated from/(used in) financing activities	1,049,083	(1,380,204)
Net increase/(decrease) in cash and cash equivalents	120,186	(39,392)
Cash and cash equivalents at beginning of the year	31,120	70,074
Effect of exchange rate changes	(1,612)	438
Cash and cash equivalents at end of the year	149,694	31,120

38. Immediate parent and ultimate holding company

As at 31 December 2022, the directors consider the immediate parent company and the ultimate holding company of the Company to be CLH Limited and GLP Holdings, L.P., respectively, which are both incorporated in the Cayman Islands.

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39. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2022

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2022 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the group.

	Effective for accounting periods beginning on or after
HKFRS 17, *Insurance contracts*	1 January 2023
Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*	1 January 2023
Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*	1 January 2023
Amendments to HKAS 8, Accounting policies, changes in accounting estimates and errors: *Definition of accounting estimates*	1 January 2023
Amendments to HKAS 12, *Income taxes*: *Deferred tax related to assets and liabilities arising from a single transaction*	1 January 2023

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