

GLP China Holdings Limited

Interim Financial Report
For the three-month period ended 31 March 2023





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

Introduction

We have reviewed the interim financial report set out on pages 3 to 45 which comprises the consolidated statement of financial position of GLP China Holdings Limited ("the Company") and its subsidiaries (hereinafter collectively referred to as "the Group") as at 31 March 2023 and the related consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three-month period then ended and selected explanatory notes. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants.

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

Scope of review

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





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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 31 March 2023 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

Certified Public Accountants

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

15 May 2023



Consolidated Statement of Comprehensive Income for the three-month period ended 31 March 2023-unaudited

	Notes	Three-month period ended	
		31 March 2023 US\$'000	31 March 2022 US\$'000
Revenue	4	317,714	298,791
Other income	5	7,157	(17,565)
Cost of goods sold		(839)	(551)
Property-related and other business expenses		(158,975)	(99,866)
Other expenses		(59,624)	(75,682)
Change in fair value of investment properties	9	81,298	351,370
Share of results (net of tax expense) of joint ventures		7,197	5,768
Share of results (net of tax expense) of associates		(1,873)	45,280
Profit from operations		192,055	507,545
Finance costs		(106,857)	(102,952)
Finance income		39,821	13,266
Net finance costs	6	(67,036)	(89,686)
Gain on acquisition of subsidiaries	27	-	216
Gain on disposal of subsidiaries	27	4,698	15,916
Profit before taxation	7	129,717	433,991
Tax expense	8	(48,193)	(135,907)
Profit for the period		81,524	298,084
Profit attributable to:			
Owners of the Company		16,223	123,311
Non-controlling interests		65,301	174,773
Profit for the period		81,524	298,084



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



Consolidated Statement of Comprehensive Income
for the three-month period ended 31 March 2023-unaudited
(continued)

	<i>Three-month period ended</i>	
	<i>31 March 2023</i>	<i>31 March 2022</i>
	US\$'000	US\$'000
Profit for the period	81,524	298,084
Other comprehensive income for the period		
<i>Item that will not be reclassified to profit or loss:</i>		
Change in fair value of other investments	(5,519)	15,672
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements from functional currency to reporting currency	202,991	(28,925)
Share of other comprehensive income of joint ventures	(1,920)	-
Other comprehensive income for the period	<u>195,552</u>	<u>(13,253)</u>
Total comprehensive income for the period	<u>277,076</u>	<u>284,831</u>
Total comprehensive income attributable to:		
Owners of the Company	145,082	140,325
Non-controlling interests	<u>131,994</u>	<u>144,506</u>
Total comprehensive income for the period	<u>277,076</u>	<u>284,831</u>




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

Consolidated Statement of Financial Position as at 31 March 2023-unaudited

	Notes	31 March 2023 US\$'000	31 December 2022 US\$'000
Non-current assets			
Investment properties	9	14,235,215	13,880,385
Joint ventures	10	2,852,143	2,809,348
Associates	11	2,881,915	2,844,715
Deferred tax assets	12	54,090	54,468
Property, plant and equipment	13	1,426,443	1,352,456
Intangible assets	14	710,160	703,948
Other investments	15	2,632,560	2,512,638
Other non-current assets	16	1,988,865	1,995,642
		<u>26,781,391</u>	<u>26,153,600</u>
Current assets			
Trade and other receivables	17	4,413,766	4,211,604
Assets classified as held for sale	18	6,562,565	6,608,509
Cash and cash equivalents	19	1,047,266	1,489,426
		<u>12,023,597</u>	<u>12,309,539</u>
Total assets		<u>38,804,988</u>	<u>38,463,139</u>
Equity attributable to owners of the Company			
Share capital	20	6,950,825	6,950,825
Reserves	22	7,306,392	7,162,993
		14,257,217	14,113,818
Non-controlling interests		<u>6,425,514</u>	<u>6,145,160</u>
Total equity		<u>20,682,731</u>	<u>20,258,978</u>




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

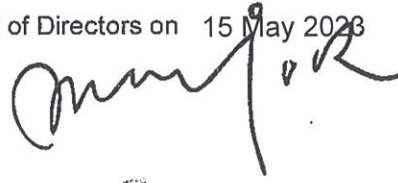
Consolidated Statement of Financial Position as at 31 March 2023-unaudited (continued)

	Notes	31 March 2023 US\$'000	31 December 2022 US\$'000
Non-current liabilities			
Loans and borrowings	23	6,401,703	7,616,493
Deferred tax liabilities	12	1,457,873	1,417,960
Other non-current liabilities	24	727,602	711,512
		<u>8,587,178</u>	<u>9,745,965</u>
Current liabilities			
Loans and borrowings	23	3,620,080	2,104,844
Trade and other payables	25	1,627,197	1,717,428
Current tax payable		192,355	395,350
Liabilities classified as held for sale	18	4,095,447	4,240,574
		<u>9,535,079</u>	<u>8,458,196</u>
Total liabilities		<u>18,122,257</u>	<u>18,204,161</u>
Total equity and liabilities		<u>38,804,988</u>	<u>38,463,139</u>

Approved and authorised for issue by the Board of Directors on 15 May 2023



Director



Director




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

Consolidated Statement of Changes in Equity for the three-month period ended 31 March 2023-unaudited

	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 period										
Profit for the period	-	-	-	-	-	-	123,311	123,311	174,773	298,084
Other comprehensive income										
Exchange differences on translation of financial statements from functional currency to reporting currency	-	-	-	1,342	-	-	-	1,342	(30,267)	(28,925)
Change in fair value of other investments	-	-	-	-	15,672	-	-	15,672	-	15,672
Total other comprehensive income	-	-	-	1,342	15,672	-	-	17,014	(30,267)	(13,253)
Total comprehensive income for the period	-	-	-	1,342	15,672	-	123,311	140,325	144,506	284,831
Transactions with owners, recorded directly in equity										
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	124,264	124,264
Disposal of subsidiaries	-	-	-	-	-	-	-	-	(13,904)	(13,904)
Disposal of interests in subsidiaries to non-controlling interests	-	(441)	-	-	-	-	-	(441)	48,559	48,118
Total contributions by and distributions to owners	-	(441)	-	-	-	-	-	(441)	158,919	158,478
At 31 March 2022	6,950,825	90,338	36,849	176,293	244,379	(1,554,630)	8,425,098	14,369,152	5,931,296	20,300,448

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



Consolidated Statement of Changes in Equity for the three-month period ended 31 March 2023-unaudited (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 2023	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
Total comprehensive income for the period	-	-	-	-	-	-	16,223	16,223	65,301	81,524
Other comprehensive income										
Exchange differences on translation of financial statements from functional currency to reporting currency	-	-	-	136,298	-	-	-	136,298	66,693	202,991
Change in fair value of other investments	-	-	-	-	(5,519)	-	-	(5,519)	-	(5,519)
Share of other comprehensive income of joint ventures	-	(1,920)	-	-	-	-	-	(1,920)	-	(1,920)
Total other comprehensive income	-	(1,920)	-	136,298	(5,519)	-	-	128,859	66,693	195,552
Total comprehensive income for the period	-	(1,920)	-	136,298	(5,519)	-	16,223	145,082	131,994	277,076
Transactions with owners, recorded directly in equity										
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	178,658	178,658
Disposal of subsidiaries (note 27)	-	-	-	-	-	-	-	-	29	29
Disposal of interests in subsidiaries to non-controlling interests	-	654	-	-	-	-	-	654	(654)	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(29,673)	(29,673)
Other changes	-	-	-	-	-	-	(2,337)	(2,337)	-	(2,337)
Total contributions by and distributions to owners	-	654	-	-	-	-	(2,337)	(1,683)	148,360	146,677
At 31 March 2023	6,950,825	66,282	36,849	(997,849)	101,965	(1,554,630)	9,653,775	14,257,217	6,425,514	20,682,731

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



Consolidated Statement of Cash Flows for the three-month period ended 31 March 2023-unaudited

	<i>Notes</i> <u>Three-month period ended</u>	
	<u>31 March 2023</u> US\$'000	<u>31 March 2022</u> US\$'000
Cash flows from operating activities		
Profit before taxation	129,717	433,991
Adjustments for:		
Amortisation of intangible assets	4,494	399
Amortisation of deferred management costs	-	32
Depreciation of property, plant and equipment	20,218	11,690
(Gain)/loss on disposal of property, plant and equipment	(129)	370
Gain on disposal of subsidiaries	27 (4,698)	(15,916)
Gain on acquisition of subsidiaries	27 -	(216)
Share of results (net of tax expense) of joint ventures	(7,197)	(5,768)
Share of results (net of tax expense) of associates	1,873	(45,280)
Change in fair value of investment properties	(81,298)	(351,370)
Change in fair value of financial assets	(5,052)	21,907
Impairment loss on trade and other receivables	604	606
Other expenses	-	7,784
Net finance costs	67,036	89,686
Dividend income	(30)	-
	<u>125,538</u>	<u>147,915</u>
Changes in working capital:		
Trade and other receivables	(99,437)	(80,493)
Trade and other payables	75,100	98,243
Cash generated from operations	101,201	165,665
Tax paid	(14,219)	(61,601)
Net cash generated from operating activities	<u>86,982</u>	<u>104,064</u>

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




Consolidated Statement of Cash Flows for the three-month period ended 31 March 2023-unaudited (continued)

	Notes	Three-month period ended	
		31 March 2023 US\$'000	31 March 2022 US\$'000
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired	27	(359,700)	(3,893)
Disposal of subsidiaries, net of cash disposed	27	36,850	813,056
Capital contribution to joint ventures		(15,008)	(19,318)
Capital contribution to associates		(42,235)	(141,776)
Dividends received from joint ventures		8,876	1,324
Dividends received from associates		6,975	25,512
Dividends received from other investments		30	-
Payment for purchase of property, plant and equipment		(40,869)	(50,649)
Payment for purchase of other investments		(127,263)	(136,700)
Proceeds from disposal of property, plant and equipment		140	1,047
Proceeds from disposal of other investments		27,418	106,719
Proceeds from disposal of associates		-	52,491
Withholding tax paid on dividend and interest income from subsidiaries		(210,476)	(10,075)
Development expenditure on investment properties		(206,378)	(358,240)
Deposit paid for acquisitions of investment properties		(34,017)	(58,512)
Loans to joint ventures		(1,607)	(5,196)
Loans to associates		(247)	(7,862)
Loans to intermediate holding company and other related parties		(81,084)	(262,288)
Repayment of loans from joint ventures		5,439	-
Repayment of loans from associates		3,718	24,499
Repayment of loans from third parties		-	73,031
Repayment of loans from intermediate holding company and other related parties		22,193	60,432
Interest income received		11,144	25,091
Net cash (used in)/generated from investing activities		(996,101)	128,693

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




Consolidated Statement of Cash Flows for the three-month period ended 31 March 2023-unaudited (continued)

	<i>Three-month period ended</i>	
	<u>31 March 2023</u>	<u>31 March 2022</u>
	US\$'000	US\$'000
Cash flows from financing activities		
Capital contribution from non-controlling interests	178,658	124,264
Deposits received from issue of co-invest shares	17	78
Repayment of loans from non-controlling interests	(19,750)	(2,501)
Proceeds of loans from third parties	18,595	2,571
Proceeds of loans from associates	6,405	-
Repayment of loans from associates	(49,366)	-
Proceeds of loans from other related parties	25,144	6,128
Repayment of loans from other related parties	-	(102,972)
Proceeds from bank loans	2,899,998	1,626,906
Repayment of bank loans	(2,555,914)	(461,259)
Proceeds from issue of bonds	29,869	179,595
Repayment of bonds	(27,522)	(852,321)
Interest paid	(186,123)	(141,842)
Dividends paid to non-controlling interests	(29,673)	-
Proceeds from disposal of interests in subsidiaries to non-controlling interests	-	48,118
Cash payments for principal portion of lease liabilities	(5,930)	(5,518)
Cash payments for interest portion of lease liabilities	(1,839)	(3,035)
Dividends paid to co-invest shareholders	(10,502)	-
Net cash generated from financing activities	<u>272,067</u>	<u>418,212</u>



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



Consolidated Statement of Cash Flows
 for the three-month period ended 31 March 2023-unaudited
 (continued)

	Note	Three-month period ended	
		31 March 2023 US\$'000	31 March 2022 US\$'000
Net (decrease)/increase in cash and cash equivalents		(637,052)	650,969
Cash and cash equivalents at the beginning of the period		2,070,123	963,449
Effect of exchange rate changes on cash balances held in foreign currencies		9,934	1,756
Cash and cash equivalents at the end of the period	19	<u>1,443,005</u>	<u>1,616,174</u>




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

30. Company-level statement of financial position

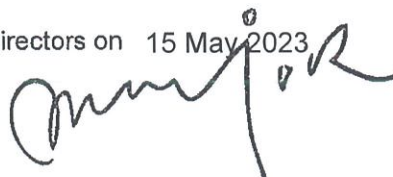
As at 31 March 2023-unaudited

	Notes	31 March 2023 US\$'000	31 December 2022 US\$'000
Non-current assets			
Investments in subsidiaries		21,268,075	20,777,066
Loans to subsidiaries		642,151	848,237
Other non-current assets		836	957
		<u>21,911,062</u>	<u>21,626,260</u>
Current assets			
Other receivables		5,049,307	4,951,658
Cash and cash equivalents		88,232	149,694
		<u>5,137,539</u>	<u>5,101,352</u>
Total assets		<u>27,048,601</u>	<u>26,727,612</u>
Equity attributable to owners of the Company			
Share capital	20	6,950,825	6,950,825
Reserves		(70,191)	(150,251)
Total equity		<u>6,880,634</u>	<u>6,800,574</u>
Non-current liabilities			
Loans and borrowings		2,907,946	4,299,749
		<u>2,907,946</u>	<u>4,299,749</u>
Current liabilities			
Loans and borrowings		3,267,917	1,764,238
Other payables		13,976,497	13,847,615
Current tax payable		15,607	15,436
		<u>17,260,021</u>	<u>15,627,289</u>
Total liabilities		<u>20,167,967</u>	<u>19,927,038</u>
Total equity and liabilities		<u>27,048,601</u>	<u>26,727,612</u>

Approved and authorised for issue by the Board of Directors on 15 May 2023



Director



Director




31. Company-level statement of comprehensive income

For the three-month period ended 31 March 2023-unaudited

	<i>Three-month period ended</i>	
	<i>31 March 2023</i>	<i>31 March 2022</i>
	US\$'000	US\$'000
Revenue	351	-
Other expenses	(182)	(8,240)
Profit/(loss) from operations	169	(8,240)
Finance costs	(78,403)	(54,872)
Finance income	83,738	14,156
Net finance income/(costs)	5,335	(40,716)
Profit/(loss) before taxation	5,504	(48,956)
Tax expense	(441)	(373)
Profit/(loss) for the period	5,063	(49,329)
Other comprehensive income for the period		
<i>Item that may be reclassified subsequently to profit of loss:</i>		
Exchange differences on translation of financial statements from functional currency to reporting currency	74,997	19,858
Total comprehensive income for the period	80,060	(29,471)




32. Company-level statement of cash flows

For the three-month period ended 31 March 2023-unaudited

	<i>Three-month period ended</i>	
	<i>31 March 2023</i>	<i>31 March 2022</i>
	US\$'000	US\$'000
Cash flows from operating activities		
Profit /(loss) before taxation	5,504	(48,956)
Adjustments for:		
Net finance costs	(5,335)	(11,481)
Withholding tax	-	373
	169	(60,064)
Changes in working capital:		
Trade and other receivables	(100,035)	377,182
Trade and other payables	79,289	432,528
Cash (used in)/generated from operations	(20,577)	749,646
Net cash (used in)/generated from operating activities	(20,577)	749,646
Cash flows from investing activities		
Interest income received	4,789	4,253
Repayment of loans from subsidiaries	240,032	47,257
Loans to subsidiaries	(14,787)	(619,877)
Investments in subsidiaries	(263,870)	(554,439)
Net cash used in investing activities	(33,836)	(1,122,806)



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

For the three-month period ended 31 March 2023-unaudited

	<i>Three-month period ended</i>	
	<i>31 March 2023</i>	<i>31 March 2022</i>
	US\$'000	US\$'000
Cash flows from financing activities		
Proceeds from bank loans	322,072	914,554
Proceeds from issue of bonds	-	157,356
Repayment of bank loans	(233,912)	-
Repayment of bonds	-	(519,832)
Interest paid	(95,673)	(88,748)
Net cash (used in)/generated from financing activities	(7,513)	463,330
Net (decrease)/increase in cash and cash equivalents	(61,926)	90,170
Cash and cash equivalents at the beginning of the period	149,694	31,120
Effect of exchange rate changes on cash balances held in foreign currencies	464	140
Cash and cash equivalents at the end of the period	88,232	121,430