GLP China Holdings Limited

Annual Report
For the year ended 31 December 2023

Directors' Report

The directors submit herewith their annual report together with the audited consolidated financial statements for the year ended 31 December 2023.

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 11 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 2023 and the state of the Company's affairs as at that date are set out in the financial statements on pages 19 to 121.

Transfers to reserves and dividends

Profits attributable to owners of US$87,039,000 (2022: US$1,290,298,000) 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
Mark Tan
Nicholas Regan JOHNSON (appointed on 7 March 2023)

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: 31 March 2024

GLP China Holdings Limited

Business Review

GLP China Holdings Limited ("GLP China") is a leading global alternative investment manager as well as a business builder, owner, developer and operator in logistics real estate, data centers, renewable energy and related technologies and services. GLP's deep expertise and operational insights allow it to build and scale high-quality businesses and create value for all of its stakeholders.

GLP China is the developer and operator of over 450 logistics, manufacturing and R&D facilities across 70 cities in China, data centers of over 1,400 MW secured IT capacity, and over 1GW of accumulated renewable energy generating capacity. GLP China's assets under management reached US$78 billion[1]. GLP C-REIT is one of the first public offerings of infrastructure REITs in China and is one of the few C-REITs to have successfully completed a follow-on offering in June 2023.

- Logistics Real Estate

  GLP China owns and operates a national network of logistics properties strategically located in key logistics hubs, industrial zones and urban distribution centers. We are a trusted partner to a truly diverse customer base nationwide and work with blue-chip brands in a wide range of sectors from third-party logistics services, ecommerce, high-end manufacturing, pharmaceutical, automobile to renewable energy.

  Our well-located, high-quality facilities are designed to create value, drive efficiency while supporting our customers to achieve their sustainability goals. Our scale and outreach have resulted in a "Network Effect" enabling companies to expand and optimize their distribution network throughout prime warehouse locations in key markets nationally.

- Data Centers

  GLP China is a leading independent data center owner-operators in China, with a staff force of approximately 700 professionals. Founded in 2018, GLP's China data center business has more than 1,400 MW of secured IT capacity.

  By leveraging our existing logistics real estate portfolio, land acquisition capabilities, expertise in developing high-quality modern logistics facilities, and ecosystem partnerships, we are well-positioned to drive innovation and operational efficiency within the data center space in China.

  With a focus on sustainability, safety & security, as well as community development, GLP China is focused on delivering resilient and secure data centers in China, as well as innovative, sustainable solutions that support the business growth of its customers.

- Renewable Energy

  Energy transition is accelerating, leading to increased demand for renewable energy nationally. GLP China has launched a number of initiatives to pursue renewable energy development including rooftop solar on our global logistics real estate portfolio, wind assets and energy storage solutions.

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1 Including the equity-weighted AUM of China Merchants Capital, which is jointly managed by GLP and China Merchants Group

- Private equity investment

  The private equity investment of GLP China is mainly managed by the private equity investment arm, Hidden Hill Capital, complementing to GLP China's ecosystem in infrastructure investment, development and operations and related services and technologies. Hidden Hill Capital has been focusing on three investment themes, namely, logistics services, digital supply chain capabilities, logistics and renewable technologies. The investment portfolios not only represent the advanced technology benefiting the future industry development and automation upgrade, but also focus on the top players in the respective fields, which will bring up synergies to other businesses of GLP China, as well as expected returns to the investors through the unique investment strategies.

  The global supply chain evolution has been calling for reconfiguration of the solutions. In the past few years, cross-border e-commerce and high-end manufacturing reshoring have become mainstream practices, thus fuelling the growth of an offshore trading cycle. The strong and robust logistics and supply chain systems of Chinese enterprises have proven to be winners in the highly competitive offshore markets as well, with world-class efficiency. Besides, another strength of Hidden Hill Capital is its participation in a few mixed-ownership restructure projects for large state-owned enterprises, adding value to the competitiveness of these enterprises, and paving ways for the future capitalization.

Market overview

- China's GDP rose 5.2% in 2023 beating the target of 5% along with a modest recovery in consumption, which boosted online shopping to a record high and made warehousing spaces even more essential to supply chain management. Therefore, the market is anticipated to grow steadily in 2024.

- Live-streaming online shopping has become a new trend and reshaped the entire landscape. Powerhouses have been expanding fiercely and gained their market shares. Brands with a focus on reaching out to consumers directly have been building up vertical e-commerce interfaces. Both trends have been generating growth of logistics sector and increased demand logistics spaces.

- In 2023 multi-category retailers in China that aimed to win over new customers in overseas markets spurred cross-border ecommerce growth tremendously, which contributed 7.5% of the total export values, compared to less than 3% five years ago. The momentum is likely to keep up in the coming years owing to China's leading edges in manufacturing and logistics. The cross-border e-commerce has boosted the demand for logistics warehouses close to the sea ports, especially in Greater Bay Area and other manufacturing hubs.

- High-value export products like electric vehicles, lithium batteries and solar panels delivered a stellar performance in 2023, which grew fast at an average of 30% on a year-to-year basis. China replaced Japan to become the No. 1 automobile export country. Electric vehicle manufacturers are eager to upgrade their supply chains by seeking more warehousing spaces for delivery centers and R&D centers to cater to fast-growing deliveries.

Market overview (continued)

- The middle-term and long-term demand of data center market remains strong. With the economic recovery and technological innovation, the long-term demand for local hyperscale data center will gradually improve, and the outlook is bright. Data-related industries are developing stably. The AI and the cloud service markets are maintaining steady growth. The video cloud has become the driving force of business innovation and transformation. IoT has entered the stage of cross-border integration and scale innovation. The rapid development of science and technology has brought about a sharp increase in the amount of data generated by society. All these have made data storage and processing increasingly important and accelerate the market demand for data center.

Overview of operational results

- **Operations of logistics real estate**

  GLP China owns and manages a sizeable portfolio of 49 million sqm GFA across China. Our portfolio contains completed and stabilised properties valued at US$32 billion, representing over 83% of total portfolio with a strong lease rate of 90% as of 31 December 2023.

  The development of modern logistics facilities is one of our key engines of growth with a recurring and stable development profit contributed to our earnings stream. In the current year we delivered US$1,875 million development projects or 3.3 million sqm GFA (including the properties held by the funds under our management), with an overall 23% development margin, and achieved an overall stabilisation margin of 33%.

- **Main fundraising activities**

  GLP C-REIT (SSE: 508056) has completed a landmark follow-on equity offering of RMB 1.85 billion (equivalent to US$0.26 billion) and the new shares have started trading on the Shanghai Stock Exchange in June 2023. GLP C-REIT is one of the first logistics warehousing onshore REIT to be listed on SSE and one of the first international company-sponsored C-REITs to participate in the growth of China's publicly traded REIT program. In addition to being chosen as part of the inaugural listing batch in June 2021, GLP C-REIT demonstrated its growth potential by successfully completing a secondary offering in June 2023, a distinction shared by only three other C-REITs.

  GLP China Income Fund VIII ("CIF VIII") was established in July 2023 with equity commitments of approximately RMB 2.6 billion (equivalent to US$0.37 billion). The CIF VIII portfolio comprises over RMB 5.2 billion (equivalent to US$0.71 billion) of core, income-generating modern logistics assets with total gross floor area of 870,000 sqm located across key logistics hubs, including Shanghai, Guangzhou, Zhongshan, Xiamen, Changsha and Chengdu.

Overview of operational results (continued)

GLP China Income Fund IX ("CIF IX") was established in November 2023 with RMB 3.6 billion (equivalent to US$0.51 billion) of assets under management. The income fund is invested in a high quality, core office complex in Beijing. The office complex comprising total gross floor area of 63,000 sqm and is leased to leading financial services, healthcare, pharmaceutical and agriculture and food companies. Situated in Beijing's East Second Ring Road Business District, the office complex serves many blue-chip customers seeking to establish headquarters in the well-established commercial cluster.

GLP China Income Fund X ("CIF X") was established in December 2023 with RMB 4.3 billion (equivalent to US$0.61 billion) of assets under management in partnership. The fund is seeded with 13 stabilised income-generating industrial parks with a total leasable area of over 970,000 sqm strategically located in core markets including Shanghai, Kunshan, Shaoxing, Tianjin, Chongqing, Shenyang and Dalian. CIF X's advanced manufacturing and warehousing logistics parks serve high-end intelligent manufacturing industries such as automobiles and parts, electronics and electrical appliances, pharmaceuticals and medical equipment, as well as new economy industries such as new materials, industrial robots, and semiconductors, which support key economic growth pillars.

GLP China Income Fund XI ("CIF XI") was established in December 2023 with RMB 3 billion (equivalent to US$0.42 billion) of assets under management. The fund is seeded with four modern logistics parks with total leasable area of 540,000 sqm, located in core logistics hubs of Shanghai, Jinan and Harbin. The parks serve customers in automobile manufacturing, pharmaceutical, e-commerce and third-party logistics service providers, with all parks incorporating smart park technologies and environment-friendly features such as rooftop photovoltaic systems, electric vehicle charging stations and LED lighting etc.

Financial review

Revenue was US$1,303 million (2022: US$1,205 million). Increase was mainly contributed by the growth of data center service business and global freezer service business.

Property-related and other business expenses was US$647.4 million (2022: US$558.2 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$79.3 million (2022: US$168.1 million). In 2023, the domestic economy was on a recovery cycle. Under this circumstance, less private equity investment activities took place, which led to less fair value gain contributed by the private equity investment portfolios.

Gain on disposal of subsidiaries was US$305.5 million (2022: US$1,230.0 million). The disposal gain amounting to US$1,230.0 million in 2022 consisted of one equity transaction with $944 million disposal gain contributed, under which GLP China transferred GLP China Fund Management Holdings Limited and its Chinese offshore subsidiaries to GLP Capital Partners L.P as part of a restructuring exercise.

The profit from the recurring business has kept strong in 2023. The recurring underlying EBITDA[2] was US$590.7 million (2022: US$494.5 million). The increase was mainly due to the improvement of GLP China's core operating performance.

We have implemented prudent financial management policies that have enabled us to maintain a sound credit profile, disciplined investment approach and strong balance sheet with sustainable growth. We benefit from accesses 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 2023, we have a total debt of US$9.3 billion (2022: US$10.2 billion), net debt of US$8.1 billion (2022: US$8.7 billion), and net debt to asset (excluding cash) ratio has kept at 25.47% as of 31 December 2023.

[2] Recurring underlying EBITDA is based on EBITDA and excludes items such as changes in fair value of investment properties, changes in fair value of financial assets, gain on disposal of subsidiaries and etc., which represents a fair view of the EBITDA generated from main course of operation and business management.

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, as for the liquidity risk management, we closely monitor cash inflow from operating activities, implementing monetization strategies, as well as proactively manage capital expenditures and a safe cash balance, this will enable us to achieve a balanced and optimized liquidity position, to meet the needs of business development and repayment of all debt due.

In addition, 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, capital value and stakeholders. We focus on how we can best manage our workforce, whether it is our own employees or contractors and suppliers. We recognize how we can work with the communities where we invest and operate business and how we can enhance our presence through economic development, limiting our environmental impact and seeking a community's license to operate.

ESG also is considered after the development, acquisition or investment decision. Our teams across investment management, asset management and corporate management are empowered to prioritize, act, track and monitor the sustainability performance of our assets and in certain instances collaborate with our workforce, partners and communities. Consistent ESG performance across an asset's lifestyle helps us to actively manage the sustainability of assets.

As a leading global investment manager and business builder, our mission is to build sustainable businesses and generate attractive risk-adjusted returns to shareholders and investors over the long term, while providing exceptional investment and operational services that enhance value. Our asset management teams are responsible for enhancing the value of our assets through effective operations.

Additionally, we develop and invest in technologies and innovations that enhance the efficiency of our assets including data analytics, robotics, automated clearance systems, digital loading docks, smart sorting, telematics, energy-efficient fleet management systems, Internet of Things, resource conservation and our transition to renewable energy.

Environmental social and governance (continued)

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

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.

We focus on introducing well-being concepts such as creating spaces that encourage physical activity, integrating natural lighting, improving access to nature and providing areas for healthy eating and socializing.

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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 19 to 121, which comprise the consolidated statement of financial position as at 31 December 2023, 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 2023 and notes, comprising material accounting policy information and other explanatory information.

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 2023 and of its consolidated financial performance and its consolidated cash flows for the year ended 31 December 2023 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.

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

(Incorporated in Hong Kong with limited liability)

Key audit matters (continued)

Valuation of investment properties	
Refer to note 11 to the consolidated financial statements and the accounting policies on note 2(j).	
The key audit matter	**How the matter was addressed in our audit**
As at 31 December 2023, 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$ 12,150 million, representing 37% 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.	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.

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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)

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)

GLP China Holdings Limited

Key audit matters (continued)

Valuation of unquoted equity investments	
Refer to notes 18 and 30(f) to the consolidated financial statements and the accounting policies on note 2(h).	
The key audit matter	**How the matter was addressed in our audit**
At 31 December 2023, the Group held a portfolio of unquoted equity instruments of US$2,067 million. The fair value of these unquoted equity investments is measured at Level 3 of the fair value hierarchy. The fair value of the Group's unquoted equity investments is derived from valuation models with unobservable inputs and estimates, which involve significant management judgement and estimation. We identified valuation of unquoted equity investments as a key audit matter because of the degree of complexity involved in valuing these unquoted equity investments and because of the significant degree of judgment exercised by management in determining the valuation models to be used and the inputs and assumptions used in the valuation models.	Our audit procedures to assess the valuation of unquoted equity investments included the following: • obtaining an understanding of the Group's process 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.

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

(Incorporated in Hong Kong with limited liability)

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.

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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

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.

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 2024

Consolidated Statement of Comprehensive Income for the year ended 31 December 2023

	Note	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Revenue	4	1,302,554	1,205,310
Other income	5	57,516	3,138
Cost of goods sold		(2,523)	(6,684)
Property-related and other business expenses		(647,351)	(558,165)
Other expenses		(251,724)	(296,994)
Changes in fair value of investment properties		132,814	933,515
Share of results (net of tax expense) of joint ventures		48,113	46,415
Share of results (net of tax expense) of associates and loss on disposal of associates		(26,374)	118,552
Profit from operations		613,025	1,445,087
Finance costs	6	(660,780)	(684,773)
Finance income	6	150,479	136,657
Net finance costs	6	(510,301)	(548,116)
Gain on disposal of subsidiaries	29	305,488	1,230,002
Gain on disposal of investment properties		65,839	3,020
Profit before taxation	7	474,051	2,129,993
Tax expense	8	(222,743)	(683,329)
Profit for the year		251,308	1,446,664
Profit attributable to:			
Owners of the Company		87,039	1,290,298
Non-controlling interests		164,269	156,366
Profit for the year		251,308	1,446,664

The notes on pages 28 to 121 form part of these financial statements.

Consolidated Statement of Comprehensive Income for the year ended 31 December 2023 (continued)

	Note	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Profit for the year		251,308	1,446,664
Other comprehensive income for the year	10		
Items that will not be reclassified to profit or loss:			
Change in fair value of other investments		(96,244)	(72,989)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements from functional currency to reporting currency		(332,282)	(1,815,663)
Share of other comprehensive income of joint ventures		2,150	13,177
Share of other comprehensive income of associates		(2,658)	359
Other comprehensive income for the year		(429,034)	(1,875,116)
Total comprehensive income for the year		(177,726)	(428,452)
Total comprehensive income attributable to:			
Owners of the Company		(240,110)	(78,253)
Non-controlling interests		62,384	(350,199)
Total comprehensive income for the year		(177,726)	(428,452)

The notes on pages 28 to 121 form part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2023

	Note	31 December 2023 US$'000	31 December 2022 US$'000
Non-current assets			
Investment properties	11	12,149,883	13,880,385
Joint ventures	13	2,798,864	2,809,348
Associates	14	2,861,733	2,844,715
Deferred tax assets	15	71,642	54,468
Property, plant and equipment	16	1,857,827	1,352,456
Intangible assets	17	678,103	703,948
Other investments	18	2,624,121	2,512,638
Other non-current assets	19	1,553,566	1,995,642
		24,595,739	26,153,600
Current assets			
Trade and other receivables	20	5,159,045	4,211,604
Assets classified as held for sale	21	2,227,999	6,608,509
Cash and cash equivalents	22	1,132,071	1,489,426
		8,519,115	12,309,539
Total assets		33,114,854	38,463,139
Equity attributable to owners of the Company			
Share capital	23	6,950,825	6,950,825
Reserves	24	6,923,830	7,162,993
		13,874,655	14,113,818
Non-controlling interests		5,457,986	6,145,160
Total equity		19,332,641	20,258,978

The notes on pages 28 to 121 form part of these financial statements.

Consolidated Statement of Financial Position as at 31 December 2023 (continued)

	Note	31 December 2023 US$'000	31 December 2022 US$'000
Non-current liabilities			
Loans and borrowings	25	4,800,751	7,616,493
Deferred tax liabilities	15	1,243,096	1,417,960
Other non-current liabilities	26	753,761	711,512
		6,797,608	9,745,965
Current liabilities			
Loans and borrowings	25	3,917,036	2,104,844
Trade and other payables	27	1,913,895	1,717,428
Current tax payable		256,389	395,350
Liabilities classified as held for sale	21	897,285	4,240,574
		6,984,605	8,458,196
Total liabilities		13,782,213	18,204,161
Total equity and liabilities		33,114,854	38,463,139

Approved and authorised for issue by the Board of Directors on 31 March 2024 .

Director

Director

The notes on pages 28 to 121 form part of these financial statements.

Consolidated Statement of Changes in Equity for the year ended 31 December 2023

	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 28 to 121 form part of these financial statements.

Consolidated Statement of Changes in Equity for the year ended 31 December 2023 (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 year										
Profit for the year	-	-	-	-	-	-	87,039	87,039	164,269	251,308
Other comprehensive income										
Exchange differences on translation of financial statements from functional currency to reporting currency	-	-	-	(230,397)	-	-	-	(230,397)	(101,885)	(332,282)
Changes in fair value of other investments	-	-	-	-	(96,244)	-	-	(96,244)	-	(96,244)
Share of other comprehensive income of joint ventures	-	2,150	-	-	-	-	-	2,150	-	2,150
Share of other comprehensive income of associates	-	(2,658)	-	-	-	-	-	(2,658)	-	(2,658)
Total other comprehensive income	-	(508)	-	(230,397)	(96,244)	-	-	(327,149)	(101,885)	(429,034)
Total comprehensive income for the year	-	(508)	-	(230,397)	(96,244)	-	87,039	(240,110)	62,384	(177,726)
Transactions with owners, recorded directly in equity										
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	403,946	403,946
Transfer to reserves	-	7,784	-	-	-	-	(7,784)	-	-	-
Acquisition of subsidiaries (note 29)	-	-	-	-	-	-	-	-	26,998	26,998
Acquisition of interests in subsidiaries from non-controlling interests	-	583	-	-	-	-	-	583	(2,618)	(2,035)
Disposal of subsidiaries (note 29)	-	-	-	-	-	-	-	-	(1,074,902)	(1,074,902)
Disposal of interest in subsidiaries to non-controlling interests	-	2,701	-	-	-	-	-	2,701	4,195	6,896
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(107,177)	(107,177)
Other changes	-	-	-	-	-	-	(2,337)	(2,337)	-	(2,337)
Total contributions by and distributions to owners	-	11,068	-	-	-	-	(10,121)	947	(749,558)	(748,611)
At 31 December 2023	6,950,825	78,108	36,849	(1,364,544)	11,240	(1,554,630)	9,716,807	13,874,655	5,457,986	19,332,641

The notes on pages 28 to 121 form part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 December 2023

	Year ended 31 December 2023 US$'000	*Year ended 31 December 2022* US$'000
Cash flows from operating activities		
Profit before taxation	474,051	2,129,993
Adjustments for:		
Amortisation of intangible assets	17,256	9,579
Depreciation of property, plant and equipment	103,896	49,068
Loss on disposal of property, plant and equipment	4,260	8,549
Gain on disposal of subsidiaries	(305,488)	(1,230,002)
Gain on disposal of investment properties	(65,839)	(3,020)
Share of results (net of tax expense) of joint ventures	(48,113)	(46,415)
Share of results (net of tax expense) of associates and loss on disposal of associates	26,374	(118,552)
Changes in fair value of investment properties	(132,814)	(933,515)
Changes in fair value of financial assets	4,844	60,960
Impairment losses on trade and other receivables	3,477	2,297
Other expenses	-	42,095
Net finance costs	510,301	548,116
Dividend income	(29,752)	(46,707)
	562,453	472,446
Changes in working capital:		
Trade and other receivables	6,785	66,569
Trade and other payables	87,491	98,635
Cash generated from operations	656,729	637,650
Tax paid	(79,768)	(106,390)
Net cash generated from operating activities	576,961	531,260

The notes on pages 28 to 121 form part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 December 2023 (continued)

	Note	*Year ended 31 December 2023* US$'000	*Year ended 31 December 2022* US$'000
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired	29	(527,269)	(1,489,646)
Disposal of subsidiaries, net of cash disposed	29	1,276,341	1,645,155
Capital contribution to joint ventures		(100,256)	(56,963)
Capital contribution to associates		(228,213)	(429,287)
Dividends received from joint ventures		25,543	94,957
Dividends received from associates		107,371	146,547
Dividends received from other investments		29,752	49,558
Payment for purchase of property, plant and equipment		(297,687)	(323,533)
Payment for purchase of other investments		(380,008)	(689,792)
Proceeds from disposal of property, plant and equipment		2,523	7,614
Proceeds from disposal of investment properties		290,442	11,959
Proceeds from disposal of other investments		131,662	298,935
Proceeds from disposal of associates and joint ventures		12,765	522,011
Withholding tax paid on disposal gain, dividend and interest income from subsidiaries		(319,626)	(45,221)
Development expenditure on investment properties		(600,508)	(819,985)
Deposit refunded/(paid) for acquisitions of investment properties		829	(101,159)
Loans to joint ventures		(2,333)	(48,880)
Loans to associates		(14,318)	(81,322)
Loans to non-controlling interests		(1,804)	(7,123)
Loans to intermediate holding company and other related parties		(386,445)	(1,525,653)
Repayment of loans from joint ventures		58,079	18,615
Repayment of loans from associates		130,741	204,638
Repayment of loans from non-controlling interests		14,024	-
Repayment of loans from third parties		9,220	76,571
Repayment of loans from intermediate holding company and other related parties		225,479	86,227
Interest income received		48,629	77,092
Deposits pledged for construction projects		(4,661)	-
Net cash used in investing activities		(499,728)	(2,378,685)

The notes on pages 28 to 121 form part of these financial statements.

Consolidated Cash Flow Statement for the year ended 31 December 2023 (continued)

	Note	*Year ended 31 December 2023* US$'000	*Year ended 31 December 2022* US$'000
Cash flows from financing activities			
Capital contribution from non-controlling interests		403,946	2,261,029
Deposits received from issue of co-invest shares		2,192	2,416
Dividends paid to co-invest shareholders		(14,221)	(6,833)
Proceeds of loans from non-controlling interests	22(b)	3,162	1,646
Repayment of loans from non-controlling interests	22(b)	(35,645)	(3,204)
Proceeds of loans from third parties	22(b)	16,869	2,571
Repayment of loans from third parties	22(b)	-	(700)
Proceeds of loans from associates	22(b)	72,637	4,770
Repayment of loans from associates	22(b)	(88,258)	(28,501)
Proceeds of loans from other related parties	22(b)	104,261	366,911
Repayment of loans from other related parties	22(b)	(117,772)	(234,290)
Proceeds from bank loans	22(b)	5,393,168	9,843,571
Repayment of bank loans	22(b)	(5,277,609)	(6,433,457)
Proceeds from issue of bonds	22(b)	-	322,532
Repayment of bonds	22(b)	(686,821)	(1,044,139)
Redemption of bonds	22(b)	(54,500)	-
Interest paid	22(b)	(611,966)	(509,893)
Cash payments for principal portion of lease liabilities	22(b)	(26,747)	(19,384)
Cash payments for interest portion of lease liabilities	22(b)	(15,184)	(7,474)
Dividends paid to non-controlling interests		(81,763)	(1,705,559)
Acquisition of interests in subsidiaries from non-controlling interests		(1,081)	(60,255)
Proceeds from disposal of interests in subsidiaries to non-controlling interests		5,038	314,423
Capital withdrawal from non-controlling interests		-	(1,255)
Deposits pledged for bank loans		(59,604)	(57,548)
Net cash (used in)/generated from financing activities		(1,069,898)	3,007,377
Net (decrease)/increase in cash and cash equivalents		(992,665)	1,159,952
Cash and cash equivalents at beginning of year		2,070,123	963,449
Effect of exchange rate changes on cash balances held in foreign currencies		(16,968)	(53,278)
Cash and cash equivalents at end of year	22	1,060,490	2,070,123

The notes on pages 28 to 121 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. On 31 December 2023, the deed of transfer has been terminated by collective agreement of CLH Limited and its related corporation as part of strategic decision of the Company.

2. Material 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 the requirements of the Hong Kong Companies Ordinance. Material 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 2023 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(x)).

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(v).

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. Material 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

(i) New and amended HKFRSs

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

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

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 new and amended HKFRSs are discussed below:

HKFRS 17, *Insurance contracts*

HKFRS 17, which replaces HKFRS 4, sets out the recognition, measurement, presentation and disclosure requirements applicable to issuers of insurance contracts. The standard does not have a material impact on these financial statements as the Group does not have contracts within the scope of HKFRS 17.

Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on these financial statements as the Group's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

2. Material accounting policies (continued)

Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented.

Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in note 15, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under HKAS 12.

Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD") (income tax arising from such tax laws is hereafter referred to as "Pillar Two income taxes"), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax including the estimated tax exposure to Pillar Two income taxes. The amendments are immediately effective upon issuance and require retrospective application.

However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2023 in any jurisdiction in which the Group operates and no related deferred tax was recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.

2. Material accounting policies (continued)

(ii) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022 the Hong Kong SAR Government (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which will come into effect from 1 May 2025 (the "Transition Date"). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund ("MPF") scheme to reduce the long service payment ("LSP") in respect of an employee's service from the Transition Date (the abolition of the "offsetting mechanism"). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The Amendment Ordinance does not have a material impact on these financial statements.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. 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.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(p) or (q) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

2. Material accounting policies (continued)

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 it is classified as held for sale (or included in a disposal group classified as held for sale) (see note 2(x)).

(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 the financial and operating policies. A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An interest in an associate or a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale) (see see note 2(x)). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence or joint control ceases.

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 any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture, after applying the ECL model to such other long-term interests where applicable (see note 2(h)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

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

2. Material accounting policies (continued)

(g) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see note 2(m)).

(h) Other investments in debt and equity securities

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

Investments in 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 FVPL 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.

(i) Non-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. Expected credit losses, interest income calculated using the effective interest method (see note 2(u)(vi)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

- 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. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

- FVPL 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.

2. Material accounting policies (continued)

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. 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. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income (see note 2(u)(v)).

(i) Property, plant and equipment

The following items of property, plant and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 2(m)):

- right-of-use assets arising from leases over freehold or leasehold properties where the Group is not the registered owner of the property interest; and

- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 2(l)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. 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 values, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Furniture, fittings and equipment	1 - 40 years
Buildings held for own use carried at amortised cost	40 years
Right-of-use assets	over the term of the lease terms

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Effective from 1 January 2023, the Group has refined the classification of certain plant and equipment items and their corresponding useful lives. The impact on depreciation expense for the year is immaterial.

2. Material accounting policies (continued)

(j) Investment properties

Investment property is initially measured at cost, and subsequently at fair value with changes therein recognised in profit or loss.

Any gain or loss on disposal of investment property is recognised in profit or loss. Rental income from investment properties is recognised in accordance with note 2(u)(i).

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(u)(i).

(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(w)).

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.

2. Material accounting policies (continued)

(k) Intangible assets (other than goodwill)

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognised in profit or loss as incurred. Capitalised development expenditure is subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets, including license rights, customer relationship and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(m)).

Expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

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

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2. Material accounting policies (continued)

(l) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case 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 leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss 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 recognised 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 are charged to profit or loss as incurred.

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 adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and 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, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(i) and 2(m)(iii)), 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 (see note 2(j)); and

- right-of-use assets related to leasehold land and buildings where the Group is the registered owner of the leasehold interest are carried at fair value (see note 2(i)); and

- 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.

2. Material accounting policies (continued)

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 2(h)(i), 2(u)(vi) and 2(m)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will 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 lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification 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 rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 *Leases*. In such cases, the Group has taken 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

The Group 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. Otherwise, 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(u)(i).

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.

2. Material accounting policies (continued)

(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 ("ECL"s) on:

- financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, including those loans to associates and joint ventures that are held for the collection of contractual cash flows which represent solely payments of principal and interest);

- contract assets;

- non-equity securities measured at FVOCI (recycling) (recycling) (see note 2(h)(i));

- lease receivables; and

- loan commitments issued, which are not measured at FVPL.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

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 rates if the effect 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; and

- loan commitments: current risk-free rate adjusted for risks specific to the cash flows.

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

2. Material accounting policies (continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

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

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and

- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

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.

The Group considers a financial asset to be in default when:

- the debtor 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

- the financial asset is 90 days past due.

2. Material accounting policies (continued)

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

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 non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position (see note 2(h)).

Credit-impaired financial assets

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 being more than 90 days past due;

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

- the disappearance of an active market for a security because of financial difficulties of the issuer.

2. Material accounting policies (continued)

Write-off policy

The gross carrying amount of a financial asset, lease receivable or contract asset is written off 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.

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.

The amount initially recognised as deferred income is subsequently amortised in profit or loss over the term of the guarantee as income.

The Group monitors the risk that the specified debtor will default on the contract and remeasures the above liability at a higher amount when ECLs on the financial guarantees are determined to be higher than the carrying amount in respect of the guarantees.

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. Material accounting policies (continued)

(iii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Material accounting policies (continued)

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 2(m)(i)).

Insurance reimbursement is recognised and measured in accordance with note 2(t).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, property pre-sale proceeds held by solicitors that are held for meeting short-term cash commitments, and other 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.

(p) 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.

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 2(w).

2. Material accounting policies (continued)

(r) Employee benefits

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

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(s) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

- taxable temporary differences arising on the initial recognition of goodwill; and

- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

2. Material accounting policies (continued)

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Where investment properties are carried at their fair value in accordance with 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 measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(t) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 2(m)(iii)).

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.

2. Material accounting policies (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

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(t). 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(t).

(u) 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.

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

(i) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. 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) Freezer services

The Group is involved in providing freezer services, including warehousing and transport services. The Group charges the customers based on parcel's size, weight, route to the end recipient's destination and other factors. Revenue from above services is recognized over time as customers receive and consume the benefits simultaneously.

2. Material accounting policies (continued)

(iii) Data center services

Certain contracts with customers for data center services provide for variable considerations that are primarily based on the usage of such services. Revenues on such contracts are recognised based on the agreed usage-based fees as the actual services are rendered throughout the contract term. Certain contracts with remaining customers provide for a fixed consideration over the contract service period. Revenues on such contracts are recognized on a straight-line basis over the term of the contract.

In certain colocation service contracts, the Group agrees to charge customers for their actual power consumption. Relevant revenue is recognised based on actual power consumption during each period. In certain other colocation service contracts, the Group agrees a fixed power consumption limit each month for customers. If a customer's actual power consumption is below the limit, no additional fee is charged. If the actual power consumption is above the limit, the relevant revenue is recognised each month based on actual additional power consumption fees.

(iv) Management fee income

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

(v) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(vi) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is 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. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2. Material accounting policies (continued)

(vii) 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.

(v) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into USD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Hong Kong dollars at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

2. Material accounting policies (continued)

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(w) 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.

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

(i) Non-current assets held for sale

Non-current assets, or disposal group comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to deferred tax assets, employee benefits assets, financial assets (other than investments in subsidiaries, associates and joint ventures) and investment properties, which continue to be measured in accordance with the Group’s other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

2. Material 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;
- 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 at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

Where an operation is classified as discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

(y) Asset acquisition

Groups of assets acquired and liabilities assumed are assessed to determine if they are business or asset acquisitions. On an acquisition-by-acquisition basis, the Group chooses to apply a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

2. Material accounting policies (continued)

(z) 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.

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

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

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

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

3. Accounting estimates and judgements

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

(a) Valuation of investment properties

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

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

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

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

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

	2023 US$'000	2022 US$'000
Revenue from rental income	653,175	664,312
Other rental related service income (Note)	182,990	186,739
	836,165	851,051
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
Management fee income	201,271	215,674
Data center service income	135,389	45,393
Freezer services income	124,185	83,925
Sales of goods	5,544	9,267
	466,389	354,259
Disaggregated by timing of revenue recognition		
Point in time	5,544	9,267
Over time	460,845	344,992
	466,389	354,259
	1,302,554	1,205,310

Note: other rental related service income is revenue from contracts with customers within the scope of HKFRS 15 and recognised over time.

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

5. Other income

	2023 US$'000	2022 US$'000
Dividend income	29,752	46,707
Government grants	17,861	23,737
Changes in fair value of financial assets	(4,844)	(60,960)
Loss on disposal of property, plant and equipment	(4,260)	(8,549)
Others	19,007	2,203
	57,516	3,138

6. Net finance costs

	2023 US$'000	2022 US$'000
Interest income on:		
- Fixed deposits and cash at bank	6,517	10,240
- Loans to joint ventures	30,254	31,743
- Loans to associates	7,948	5,904
- Loans to non-controlling interests	285	118
- Loans to intermediate holding company and other related parties	105,072	86,766
- Loans to third parties	403	1,886
Interest income	150,479	136,657
Amortisation of transaction costs of bank loans	(28,506)	(18,452)
Amortisation of transaction costs of bonds	(3,977)	(4,592)
Interest expenses on:		
- Bank loans	(438,883)	(315,042)
- Bonds	(143,595)	(153,059)
- Loans from joint ventures	-	(10)
- Loans from associates	(230)	(2)
- Loans from non-controlling interests	(382)	(1,653)
- Loans from intermediate holding company and other related parties	(15,247)	(17,205)
- Loans from third parties	(1,490)	(130)
- Lease liabilities	(25,214)	(13,912)
Total borrowing costs	(657,524)	(524,057)
Less: borrowing costs capitalised	29,813	25,985
Net borrowing costs	(627,711)	(498,072)
Foreign exchange loss	(33,069)	(186,701)
Net finance costs recognised in profit or loss	(510,301)	(548,116)

7. Profit before taxation

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

	2023 US$'000	2022 US$'000
(a) Staff costs		
Wages and salaries	(100,951)	(143,466)
Contributions to defined contribution plans, included in wages and salaries	(12,295)	(14,551)
(b) Other expenses		
Amortisation of intangible assets	(17,256)	(9,579)
Depreciation charge		
- Owned property, plant and equipment	(72,262)	(21,554)
- Right-of-use assets	(41,887)	(36,611)
Less: Right-of-use assets depreciation expense capitalised	10,253	9,097
Impairment loss on trade and other receivables	(3,477)	(2,297)
Auditors' remuneration - audit services	(3,766)	(3,248)

8. Tax expense

(a) Taxation in the consolidated statement of comprehensive income represents:

	2023 US$'000	*2022* US$'000
Current tax	151,870	53,324
Withholding tax on foreign-sourced income	31,882	389,968
	183,752	443,292
Deferred tax		
Origination and reversal of temporary differences	38,991	240,037
	222,743	683,329

(b) Reconciliation of expected to actual tax:

	2023 US$'000	*2022* US$'000
Profit before taxation	474,051	2,129,993
Less: share of results (net of tax expense) of joint ventures	(48,113)	(46,415)
Less: share of results (net of tax expense) of associates	26,374	(118,552)
Profit before share of results of joint ventures and associates (net of tax expense)	452,312	1,965,026
Tax expense using PRC tax rate of 25%	113,078	491,257
Effect of different tax from subsidiaries	(11,523)	(131,312)
Net income not subject to tax	(84,328)	(225,870)
Non-deductible expenses	87,967	132,153
Deferred tax assets not recognised	87,334	49,182
Recognition of previously unrecognised tax losses	(1,667)	(22,049)
Withholding tax on foreign-sourced income	31,882	389,968
	222,743	683,329

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:

	2023 US$'000	*2022* US$'000
Executive Directors		
Salaries allowance and benefits in kind	(722)	(2,267)
Discretionary bonuses	(116)	(1,568)
Long-term incentive plan	(320)	(2,114)
Total	(1,158)	(5,949)

10. Other comprehensive income

(a) Tax effects relating to other comprehensive income

	2023			*2022*		
	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	(332,282)	-	(332,282)	(1,815,663)	-	(1,815,663)
Change in fair value of other investments	(103,559)	7,315	(96,244)	(89,327)	16,338	(72,989)
Share of other comprehensive income of jointly ventures and associates	(508)	-	(508)	13,536	-	13,536
Total other comprehensive income	(436,349)	7,315	(429,034)	(1,891,454)	16,338	(1,875,116)

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

	2023 US$'000	*2022* US$'000
Exchange differences on translation of financial statements from functional currency to reporting currency	(332,282)	(1,815,663)
Change in fair value of other investments	(96,244)	(72,989)
Share of other comprehensive income of jointly ventures and associates	(508)	13,536
Net movement during the year recognised in other comprehensive income	(429,034)	(1,875,116)

11. Investment properties

	31 December 2023 US$'000	*31 December 2022* US$'000
At 1 January	13,880,385	15,269,504
Additions	622,665	768,207
Disposals	(436,465)	(15,603)
Acquisition of subsidiaries (note 29)	217,651	1,361,732
Disposal of subsidiaries (note 29)	(1,170,131)	(569,504)
Borrowing cost capitalised (note 6)	25,270	22,140
Changes in fair value	132,814	933,515
Reclassification from assets held for sale (note 21)	67,121	-
Reclassification to assets held for sale (note 21)	(869,084)	(2,186,593)
Effect of movements in exchange rates	(320,343)	(1,703,013)
At 31 December	12,149,883	13,880,385
Comprising:		
Completed investment properties	9,895,330	10,536,168
Properties under development	1,209,849	2,039,600
Land held for development	1,044,704	1,304,617
	12,149,883	13,880,385

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 inputs

11. Investment properties (continued)

31 December 2023

	The Group			
	Level 1	*Level 2*	*Level 3*	*Total*
	US$'000	US$'000	US$'000	US$'000
Investment properties	-	-	12,149,883	12,149,883

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

During the year ended 31 December 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (year ended 31 December 2022: 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 2023, 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	5.10% - 10.00%
	Discounted cash flow and Residual value	Terminal yield capitalisation rate	3.10% - 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.

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$25,270,000 (31 December 2022: US$22,140,000) during the year. The capitalisation rates of borrowings range from 3.05% to 4.90% for the year ended 31 December 2023 (31 December 2022: 3.30% to 6.77%).

Investment properties with carrying value totalling approximately US$ 10,674,647,000 as at 31 December 2023 (31 December 2022: US$11,370,060,000) 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 2023 US$'000	*31 December 2022* US$'000
Lease payments receivable:		
- Within 1 year	342,154	391,569
- After 1 year but within 5 years	605,877	713,861
- After 5 years	235,554	293,534
	1,183,585	1,398,964

12. Investments in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group for the current reporting period. 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, LP ("CLF II")	Cayman Islands/PRC	30.93%	-	30.93%	US$'000 3,725,000	Property investment
GLP China Income Partners V, LP ("CIP V") (Note 29)	Singapore/PRC	-	-	-	US$'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. ("ACL")	PRC	53.14%	-	53.14%	RMB'000 1,800,000	Property investment
GLP Thor LP Limited	Cayman Islands.	100.00%	-	100.00%	US$'000 0.001	Investment holding
Shanghai Yinshan Zhineng Corporation Management Partnership (LP)	PRC	82.18%	-	82.18%	RMB'000 7,000,100	Investment holding
Zhuhai Puxing Logistic Industry Equity Investment Partnership (LP)	PRC	99.00%	-	99.00%	RMB'000 3,535,354	Property investment
Zhuhai Puhang Equity Investment Fund Partnership (LP)	PRC	31.89%	-	31.89%	RMB'000 3,600,000	Property investment
Xiamen Mingsi Junju Investment Fund LLP	PRC	100.00%	-	100.00%	RMB'000 2,500,000	Investment holding
Beijing Lihao Science & Technology Co., Ltd.	PRC	88.00%	-	88.00%	RMB'000 650,944	Property investment
Zhejiang Transfar Logistics Base Co., Ltd.	PRC	60.00%	-	60.00%	RMB'000 185,500	Property investment
Hidden Hill Fund I, L.P.	Cayman Islands	100.00%	-	100.00%	US$'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%	US$'000 185,000	Property investment
GLP Capital Investment 4 (HK) Limited	Hong Kong	100.00%	-	100.00%	US$'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%	RMB'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$'000 67,000	Property investment
Global Freezer Services Company Limited	Hong Kong	95.42%	-	95.42%	US$'000 160,023	Investment holding

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							
	CIP V US$'000	*CLF II* US$'000	*CLF I* US$'000	*ACL* US$'000	*CIF VI* US$'000	*HH_RMB_II* US$'000	*Subsidiaries without material NCI after elimination* US$'000	*Total* US$'000
Balance at 1 January 2022	-	2,287,426	1,648,695	574,959	-	314	1,116,477	5,627,871
Profit for the year	(126,356)	171,054	477,887	23,291	11,202	(5,867)	(394,845)	156,366
Exchange differences on translation of financial statements from functional currency to reporting currency	(43,374)	(234,886)	(128,369)	(49,434)	3	463	(50,968)	(506,565)
Capital contribution from NCI	1,600,000	310,300	-	-	306,679	378,955	53,295	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	-	(6,752)	29,425	-	-	-	(28,549)	(5,876)
Disposal of interest in a subsidiary to NCI	-	315,770	-	-	-	-	-	315,770
Dividends paid to non-controlling interests	-	(69,070)	(2,014,685)	-	-	-	(10,004)	(2,093,759)
Balance at 31 December 2022 and 1 January 2023	1,430,270	2,773,842	12,953	548,816	317,884	373,865	687,530	6,145,160
Profit for the year	(10,015)	66,580	20,988	14,478	39,467	13,073	19,698	164,269
Exchange differences on translation of financial statements from functional currency to reporting currency	(21,541)	(50,912)	(3,975)	(9,232)	(2,288)	(10,980)	(2,957)	(101,885)
Capital contribution from NCI	-	37,443	-	-	42,697	245,510	78,296	403,946
Acquisition of interests in subsidiaries from NCI	-	-	-	-	-	-	(2,618)	(2,618)
Acquisition of subsidiaries (note 29)	-	-	-	-	-	-	26,998	26,998
Disposal of subsidiaries (note29)	(1,369,326)	-	-	-	-	-	294,424	(1,074,902)
Disposal of interest in a subsidiary to NCI	-	-	-	-	-	-	4,195	4,195
Dividends paid to non-controlling interests	(29,388)	-	-	-	(22,771)	-	(55,018)	(107,177)
Balance at 31 December 2023	-	2,826,953	29,966	554,062	374,989	621,468	1,050,548	5,457,986

12. Investments in subsidiaries (continued)

The following tables list out the information relating to 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 2023 US$'000	*31 December 2022* US$'000
CIP V (Note)		
NCI percentage	65.30%	65.30%
Current assets	259,304	355,637
Non-current assets	4,295,652	4,352,806
Current liabilities	(97,698)	(110,245)
Non-current liabilities	(2,355,707)	(2,388,794)
Net assets	2,101,551	2,209,404
Disposal (Note)	(1,369,326)	-
Carrying amount of NCI	-	1,430,270

	2023 US$'000	*2022* US$'000
Revenue	213,567	113,235
Loss for the year	(15,337)	(169,783)
Total comprehensive income	(62,853)	(240,596)
Loss allocated to NCI	(10,015)	(126,356)
Net cash (decrease)/increase	(92,841)	320,457

Note: On 31 December 2023, the Group disposed all of its interest in CIP V to a fellow subsidiary at a consideration of US$ 727,651,000. The consideration will be settled in cash within 12 months according to the Deed of Transfer (see notes 29 and 33).

12. Investments in subsidiaries (continued)

	31 December 2023 US$'000	*31 December 2022* US$'000
CLF II (Note)		
NCI percentage	69.07%	69.07%
Current assets	310,652	313,870
Non-current assets	6,516,022	6,172,882
Current liabilities	(534,047)	(512,242)
Non-current liabilities	(2,248,577)	(2,007,013)
Non-controlling interests	(110,809)	(108,284)
Net assets	3,933,241	3,859,213
Carrying amount of NCI	2,826,953	2,773,842

	2023 US$'000	*2022* US$'000
Revenue	212,631	174,866
Profit for the year	93,152	244,142
Total comprehensive income	24,673	(86,990)
Profit allocated to NCI	66,580	171,054
Net cash (decrease)/increase	(13,152)	89,570

Note: The limited partnership agreement of CLF II will expire in July 2024, and the general partner intends to extend the Partnership's term for at least one year. As at the approval date of this consolidated financial statements, the communication on further extension of Partnership's term with limited partners is still on-going.

	31 December 2023 US$'000	*31 December 2022* US$'000
CLF I		
NCI percentage	69.88%	69.88%
Current assets	49,967	1,475,739
Current liabilities	(7,087)	(1,457,203)
Net assets	42,880	18,536
Carrying amount of NCI	29,966	12,953

	2023 US$'000	*2022* US$'000
Revenue	-	112,966
Profit for the year	30,033	683,865
Total comprehensive income	110,221	500,173
Profit allocated to NCI	20,988	477,887
Net cash (decrease)/increase	(184,006)	14,682

12. Investments in subsidiaries (continued)

	31 December 2023 US$'000	*31 December 2022* US$'000
ACL		
NCI percentage	46.86%	46.86%
Current assets	107,031	84,542
Non-current assets	1,844,439	1,873,571
Current liabilities	(118,273)	(121,590)
Non-current liabilities	(640,762)	(655,112)
Net assets	1,192,435	1,181,411
Carrying amount of NCI	554,062	548,816

	2023 US$'000	*2022* US$'000
Revenue	92,621	99,166
Profit for the year	30,897	49,701
Total comprehensive income	30,897	(55,786)
Profit allocated to NCI	14,478	23,291
Net cash increase	13,695	5,584

	31 December 2023 US$'000	*31 December 2022* US$'000
CIF VI (Note)		
NCI percentage	68.11%	60.05%
Current assets	106,054	311,847
Non-current assets	972,799	1,057,166
Current liabilities	(40,962)	(392,321)
Non-current liabilities	(529,271)	(596,574)
Net assets	508,620	380,118
Carrying amount of NCI	374,989	317,884

	2023 US$'000	*2022* US$'000
Revenue	72,668	6,549
Profit for the year	58,317	18,613
Total comprehensive income	58,317	18,613
Profit allocated to NCI	39,467	11,202
Net cash (decrease)/increase	(208,345)	305,762

Note: The assets/liabilities of CIF VI are classified as held for sale at 31 December 2023 and 2022 (note 21).

12. Investments in subsidiaries (continued)

	31 December 2023 US$'000	*31 December 2022* US$'000
HH_RMB_II		
NCI percentage	64.22%	62.91%
Current assets	60,674	71,666
Non-current assets	793,088	561,882
Current liabilities	(4,727)	(35,570)
Non-current liabilities	(9,701)	-
Non-controlling interests	(224,804)	(182,228)
Net assets	614,530	415,750
Carrying amount of NCI	621,468	373,865

	2023 US$'000	*2022* US$'000
Revenue	-	-
Profit for the year	10,147	(15,487)
Total comprehensive income	10,147	(15,487)
Profit allocated to NCI	13,073	(5,867)
Net cash (decrease)/increase	(9,797)	70,805

13. Joint ventures

	Notes	*31 December 2023*	*31 December 2022*
China Merchants Capital Investment Co., Ltd. ("CMCI")	(a)	799,579	799,786
GLP Thor Fund I, L.P ("Thor Fund")	(b)	591,247	570,589
Beijing Jintonggang Real Estate Development Co., Ltd. ("Z3 project")	(c)	326,360	331,012
GLP Guoyi (Zhuhai) Acquisition Fund (LP) ("CVA I Fund")	(d)	231,285	234,492
Others	(e)	850,393	873,469
		2,798,864	2,809,348

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

13. Joint ventures (continued)

(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 2023 US$'000	*31 December 2022* US$'000
Non-current assets	2,134,393	2,289,933
Current assets	369,371	385,685
Non-current liabilities	(335,732)	(1,036,909)
Current liabilities	(945,425)	(404,627)
Non-controlling interests	(22,005)	(23,461)
Equity attributed to equity shareholders	1,200,602	1,210,621
Group's effective interest	50.00%	50.00%
Carrying amount in the consolidated financial statements	799,579	799,786
Included in the above assets and liabilities:		
Cash and cash equivalents	263,267	245,008
Current financial liabilities (excluding trade and other payables)	(903,222)	(331,321)
Non-current financial liabilities (excluding trade and other payables)	(216,419)	(935,505)

13. Joint ventures (continued)

	Year ended 31 December 2023 US$'000	*Year ended 31 December 2022* US$'000
Revenue	94,510	142,607
Profit for the year from continuing operation	35,794	71,129
Profit attributable to NCI	(12,777)	(26,632)
Profit attributable to equity shareholders	23,017	44,497
Total comprehensive income	38,864	105,855
Total comprehensive income attributable to equity shareholders	25,962	75,530
Group's effective interest	50.00%	50.00%
Share of results (net of tax expense) of joint ventures	11,730	22,249
Included in the above profit:		
Interest expense	(62,572)	(62,783)
Interest income	6,809	2,673
Income tax expense	(26,040)	(26,166)

(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 2023, 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 2023 US$'000	*31 December 2022* US$'000
Non-current assets	1,266,800	1,091,313
Current assets	77,732	108,707
Non-current liabilities	(673,728)	(673,417)
Current liabilities	(53,998)	(55,140)
Equity attributed to equity shareholders	616,806	471,463
Group's effective interest	50.10%	50.10%
Carrying amount in the consolidated financial statements	591,247	570,589
Included in the above assets and liabilities:		
Cash and cash equivalents	15,818	23,666
Non-current financial liabilities (excluding trade and other payables)	(673,728)	(673,417)

	Year ended 31 December 2023 US$'000	*Year ended 31 December 2022* US$'000
Revenue	53,753	7,155
Loss for the year from continuing operation	(19,143)	(47,209)
Total comprehensive income	(19,143)	(47,209)
Group's effective interest	50.10%	50.10%
Share of results (net of tax expense) of joint ventures	(9,488)	(23,627)
Included in the above profit:		
Interest expense	(30,348)	(36,486)
Interest income	198	246

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. On 27 April 2023, Z3 Project obtained the certificate of construction.

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 2023 US$'000	*31 December 2022* US$'000
Non-current assets	1,041,611	1,024,701
Current assets	4,245	1,745
Non-current liabilities	(74,521)	(88)
Current liabilities	(9,047)	(50,347)
Equity attributed to equity shareholders	962,288	976,011
Group's effective interest	34.00%	34.00%
Carrying amount in the consolidated financial statements	326,360	331,012
Included in the above assets and liabilities:		
Cash and cash equivalents	1,309	1,238
Non-current financial liabilities (excluding trade and other payables)	(74,521)	-

	Year ended 31 December 2023 US$'000	*Year ended 31 December 2022* US$'000
Revenue	-	-
Profit/(loss) for the year from continuing operation	2,566	(3,310)
Total comprehensive income	2,566	(3,310)
Group's effective interest	34.00%	34.00%
Share of results (net of tax expense) of joint venture	872	(1,125)
Included in the above profit:		
Interest expense	(2,986)	(3,859)
Interest income	-	8

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 2023 US$'000	*31 December 2022* US$'000
Non-current assets	3,205,974	3,070,273
Current assets	136,395	234,742
Non-current liabilities	(1,574,440)	(1,529,443)
Current liabilities	(71,539)	(65,160)
Non-controlling interests	(269,523)	(261,826)
Equity attributed to equity shareholders	1,426,867	1,448,586
Group's effective interest	18.36%	18.36%
Carrying amount in the consolidated financial statements	231,285	234,492
Included in the above assets and liabilities:		
Cash and cash equivalents	121,388	218,865
Current financial liabilities (excluding trade and other payables)	(27,698)	(27,784)
Non-current financial liabilities (excluding trade and other payables)	(1,574,440)	(1,529,443)

13. Joint ventures (continued)

	Year ended 31 December 2023 US$'000	*Year ended 31 December 2022* US$'000
Revenue	202,229	204,845
Profit for the year from continuing operations	97,555	106,809
Less: Profit attributable to NCI	(18,913)	(15,564)
Profit attributable to equity shareholders	78,642	91,245
Total comprehensive income	97,555	106,809
Total comprehensive income attributable to equity shareholders	78,642	91,245
Group's effective interest	18.36%	18.36%
Share of results (net of tax expense) of joint venture	14,292	16,705
Included in the above profit:		
Depreciation and amortisation	(43)	(50)
Interest expense	(64,205)	(68,700)
Interest income	1,440	2,555
Income tax expense	(58,296)	(57,244)

(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 2023 US$'000	*Year ended 31 December 2022* US$'000
Profit for the year from continuing operations	91,252	107,878
Less: Loss/(profit) attributable to NCI	1,777	(1,854)
Profit attributable to equity shareholders	93,029	106,024
Total comprehensive income	91,252	107,878
Total comprehensive income attributable to equity shareholders	93,029	106,024
Aggregate amount of the share of results of joint ventures	30,707	32,213

14. Associates

	Notes	*31 December 2023* US$'000	*31 December 2022* US$'000
Zhuhai Hidden Hill Logistic Equity Investment Fund (LP) ("Hidden Hill Fund")	(a)	600,238	643,824
GLP Jianfa (Xiamen) Investment Fund LLP ("Jian Fa Fund")	(b)	365,245	424,547
Golden Lincoln Holdings II Limited (Cayman) ("Li & Fung")	(c)	327,631	327,639
Zhongjin Jiaye (Tianjin) Commercial Real Estate Investment Center LLP ("Zhongjin Jiaye")	(d)	192,522	200,977
Others	(e)	1,376,097	1,247,728
		2,861,733	2,844,715

(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 held 36.45% equity interest in Hidden Hill Fund as at 31 December 2023 (31 December 2022: 36.45%). 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 2023 US$'000	*31 December 2022* US$'000
Non-current assets	1,709,096	1,827,806
Current assets	5,773	40,994
Non-current liabilities	(85,960)	(115,936)
Current liabilities	(529)	(4,851)
Net assets attributable to equity shareholders	1,628,380	1,748,014
Group's interest in associate	36.45%	36.45%
Carrying amount in the consolidated financial statements	600,238	643,824
Included in the above assets and liabilities:		
Cash and cash equivalents	712	21,835

14. Associates (continued)

	Year ended 31 December 2023 US$'000	*Year ended 31 December 2022* US$'000
(Loss)/revenue	(26,263)	200,624
(Loss)/profit for the year from continuing operations	(16,325)	164,921
Total comprehensive income	(16,325)	164,921
Group's effective interest	36.45%	36.45%
Share of results (net of tax expense) of associate and loss on disposal of associates	(5,186)	9,583
Included in the above profit:		
Net interest income	63	330

(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 held 47.75% equity interest in Jian Fa Fund as at 31 December 2023 (31 December 2022: 47.75%). 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 2023 US$'000	*31 December 2022* US$'000
Non-current assets	558,254	573,250
Current assets	191,727	226,005
Current liabilities	(2,322)	(249)
Net assets attributable to equity shareholders	747,659	799,006
Group's interest in associate	47.75%	47.75%
Carrying amount in the consolidated financial statements	365,245	424,547
Included in the above assets and liabilities:		
Cash and cash equivalents	189,762	217,807

14. Associates (continued)

	Year ended 31 December 2023 US$'000	*Year ended 31 December 2022* US$'000
(Loss)/revenue	(13,547)	10,115
(Loss)/profit for the year from continuing operation	(23,542)	1,961
Total comprehensive income	(23,542)	1,961
Group's effective interest	47.75%	47.75%
Share of results (net of tax expense) of associate	(11,554)	936
Included in the above profit:		
Interest income	3,754	2,764

(c) Li & Fung

Golden Lincoln Holdings II Limited ("Golden Lincoln II") is a limited liability company incorporated in the Cayman Islands. It was formed for the purpose of privatising Li & Fung Limited ("Li & Fung"). Li & Fung Limited is a limited liability company incorporated in Bermuda whose main business is retail and supply-chain service.

In December 2022, the Group acquired 20.09% equity interest of Li & Fung through acquiring 100% equity interest of one limited partner of Golden Lincoln II. The Group held 20.09% equity interest as at 31 December 2023 (31 December 2022: 20.09%). Since the Group has 40% voting right of Golden Lincoln Holdings II Limited, therefore Golden Lincoln Holdings II Limited (Cayman) is an associate of the Group.

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

	31 December 2023 US$'000	*31 December 2022* US$'000
Non-current assets	2,476,361	2,307,336
Current assets	1,550,834	2,027,736
Non-current liabilities	(370,514)	(585,247)
Current liabilities	(1,358,629)	(1,458,414)
Non-controlling interests	(657,572)	(657,908)
Net assets attributed to equity shareholders	1,640,480	1,633,503
Group's interest in associate	20.09%	20.09%
Carrying amount in the consolidated financial statements	327,631	327,639
Included in the above assets and liabilities:		
Cash and cash equivalents	374,692	973,793

14. Associates (continued)

	Year ended 31 December 2023 US$'000	*Year ended 31 December 2022* US$'000
Revenue	6,436,817	7,629,372
Profit for the year from continuing operations	42,248	1,319,438
Less: Profit attributable to NCI	(33,720)	(54,767)
Profit attributable to equity shareholders	8,528	1,264,671
Total comprehensive income	40,766	1,321,447
Total comprehensive income attributable to equity shareholders	6,977	1,273,362
Group's effective interest	20.09%	20.09%
Share of results (net of tax expense) of associate	(8)	-
Included in the above profit:		
Interest income	35,008	11,294
Interest expense	(39,907)	(68,300)

(d) 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:

14. Associates (continued)

	31 December 2023 US$'000	*31 December 2022* US$'000
Non-current assets	328,538	333,973
Current assets	305	13,664
Current liabilities	(475)	(4,849)
Net assets attributed to equity shareholders	328,368	342,788
Group's interest in associate	58.63%	58.63%
Carrying amount in the consolidated financial statements	192,522	200,977
Included in the above assets and liabilities:		
Cash and cash equivalents	255	1,136

	Year ended 31 December 2023 US$'000	*Year ended 31 December 2022* US$'000
Revenue	-	-
Profit/(loss) for the year from continuing operations	1,748	(1,342)
Total comprehensive income	1,748	(1,342)
Group's effective interest	58.63%	58.63%
Share of results (net of tax expense) of associate	1,025	(787)
Included in the above profit:		
Interest income	2,034	198

(e) 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 2023 US$'000	*Year ended 31 December 2022* US$'000
Profit for the year from continuing operations	141,107	180,808
Total comprehensive income	145,690	180,961
Aggregate amount of the results of associates	(10,651)	108,820

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 OCI* (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 2022								
Unutilised tax losses	10,193	1,030	-	(1,399)	-	19,409	4,943	34,176
Lease liabilities	-	13,231	-	(496)	-	21,372	-	34,107
Others	4,891	24	-	(404)	-	(258)	-	4,253
	15,084	14,285	-	(2,299)	-	40,523	4,943	72,536
31 December 2023								
Unutilised tax losses	34,176	-	-	(522)	-	(11,051)	2,633	25,236
Lease liabilities	34,107	-	-	(1,128)	-	13,524	-	46,503
Others	4,253	52	(920)	(149)	-	13,032	-	16,268
	72,536	52	(920)	(1,799)	-	15,505	2,633	88,007
Deferred tax liabilities								
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	-	(20,730)	-	(31,716)
Others	(133,410)	(27,386)	26,944	11,836	-	41,462	-	(80,554)
	(1,742,125)	(46,835)	143,814	150,382	16,338	(280,560)	322,958	(1,436,028)
31 December 2023								
Investment properties	(1,284,904)	(31,913)	101,831	21,381	-	(39,606)	129,404	(1,103,807)
Other investments	(38,854)	-	-	648	7,315	(7,381)	-	(38,272)
Right-of-use assets	(31,716)	-	-	1,070	-	(10,349)	-	(40,995)
Others	(80,554)	-	-	1,327	-	2,840	-	(76,387)
	(1,436,028)	(31,913)	101,831	24,426	7,315	(54,496)	129,404	(1,259,461)

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 2023	*31 December 2022*
	US$'000	US$'000
Deferred tax assets	71,642	54,468
Deferred tax liabilities	(1,243,096)	(1,417,960)

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 2023	*31 December 2022*
	US$'000	US$'000
Tax losses	827,109	632,992

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 2023, unrecognised tax losses amounting to approximately US827,109,000 (31 December 2022: US$632,992,000) 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 2023, the Group has not recognised a deferred tax liability amounting to approximately US$55,979,000 (31 December 2022: US$57,575,000) 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 amortised cost* US$'000	*Right-of-use assets* US$'000	*Total* US$'000
Cost					
At 1 January 2022	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
Acquisition of subsidiaries (note 29)	67,455	154,500	-	33,138	255,093
Additions	49,481	248,206	-	112,347	410,034
Interest and right-of-use asset depreciation expenses capitalised	3,771	11,025	-	-	14,796
Disposal of subsidiaries (note 29)	(1,627)	-	-	-	(1,627)
Disposals	(1,997)	(408)	-	(47,623)	(50,028)
Transfers	110,359	(129,384)	-	19,025	-
Effect of movements in exchange rates	(8,734)	(6,077)	(2,484)	(8,645)	(25,940)
Reclassification to asset held for sale	(80)	1	-	-	(79)
At 31 December 2023	849,993	548,363	77,442	587,061	2,062,859
Accumulated depreciation					
At 1 January 2022	(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)
Acquisition of subsidiaries (note 29)	(2,187)	-	-	-	(2,187)
Charge for the year	(71,070)	-	(1,192)	(41,887)	(114,149)
Disposal of subsidiaries (note 29)	85	-	-	-	85
Disposals	219	-	-	17,007	17,226
Effect of movements in exchange rates	(153)	-	165	1,764	1,776
Reclassification to asset held for sale	371	-	-	-	371
At 31 December 2023	(121,668)	-	(10,565)	(72,799)	(205,032)
Carrying amounts					
At 31 December 2022	582,432	270,500	70,388	429,136	1,352,456
At 31 December 2023	728,325	548,363	66,877	514,262	1,857,827

Property, plant and equipment with carrying value totalling approximately US$426,870,000 as on 31 December 2023 (31 December 2022: US$195,495,000) were mortgaged to secure credit facilities for the Group (note 25).

Interest capitalised as costs of Property, Plant and equipment amounted to approximately US$12,568,000 (31 December 2022: US$3,450,000) during the year. The capitalisation rates of borrowings range from 4.15% to 4.75% for the year ended 31 December 2023 (31 December 2022: 4.50% to 5.25%).

17. Intangible assets

	Goodwill US$'000	*Trademark* US$'000	*License rights* US$'000	*Customer relationship* US$'000	*Total* US$'000
Cost					
At 1 January 2022	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
Additions	-	-	-	438	438
Effect of movements in exchange rates	(7,118)	(401)	(230)	(2,234)	(9,983)
At 31 December 2023	549,743	22,982	13,572	132,027	718,324
Accumulated amortisation					
At 1 January 2022	-	(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)
Charge for the year	-	(1,731)	(1,073)	(14,452)	(17,256)
Effect of movements in exchange rates	-	723	33	200	956
At 31 December 2023	-	(16,184)	(2,644)	(21,393)	(40,221)
Carrying amounts:					
At 31 December 2022	556,861	8,207	12,198	126,682	703,948
At 31 December 2023	549,743	6,798	10,928	110,634	678,103

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 is as follows:

	31 December 2023 US$'000	*31 December 2022* US$'000
Data Center Group	277,913	282,706
GLP China (Note)	218,885	220,312
ACL Group	52,945	53,843
Total	549,743	556,861

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 post-tax discount rate and terminal growth rate used as at 31 December 2023 are 9.74% and 2% respectively (31 December 2022: 9.7% 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.

(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 2023. 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 2023, key assumptions on which management has based its determination of fair value less costs to sell or disposal are capitalisation rate 3.10% - 7.00% (31 December 2022: 4.25% - 7.00%), discount rate 5.10% - 10.00% (31 December 2022: 7.25% - 10.50%), terminal yield capitalisation rate 3.10% - 7.00% (31 December 2022: 4.25% - 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 post-tax discount rate and terminal growth rate used as at 31 December 2023 are 7.5% and 3% respectively (31 December 2022: 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 2023 US$'000	*31 December 2022* US$'000
Listed equity securities - at FVOCI (non-recycling)	184,522	248,867
Listed REIT securities - at FVOCI (non-recycling)	186,638	234,473
Listed equity securities - at FVTPL	185,852	165,035
Unlisted equity securities - at FVTPL	2,013,785	1,864,263
Unlisted equity securities - at FVOCI (non-recycling)	53,324	-
	2,624,121	2,512,638

As at 31 December 2023, listed equity securities included equity interests in two (31 December 2022: 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 2023, listed REIT securities included 387,653,737 Units (31 December 2022: 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 RMB106,612,000 (US$15,138,000 equivalent) were received on these listed investments during the year ended 31 December 2023 (year ended 31 December 2022: RMB116,196,000 (US$17,619,000 equivalent)).

19. Other non-current assets

	31 December 2023 US$'000	*31 December 2022* US$'000
Trade receivables	29,194	32,769
Prepayments	7,305	35,208
Deferred management costs	60	59
Loans to joint ventures	1,650	400,571
Loans to associates	-	51,596
Loans to other related parties	7,151	-
Loans to non-controlling interests	7,151	6,981
Consideration receivables due from other related parties	1,367,790	1,316,039
Deposits	19,564	3,633
Other investments held for disposal	56,494	97,412
Other non-current receivables	57,207	51,374
	1,553,566	1,995,642

At the year end of 2023, the loans to joint ventures amounting to US$1,650,000 are repayable after one year which is interest-free at the reporting date (31 December 2022: US$1,500,000).

The loans to other related parties are repayable after one year, and bear interest rate at 5.00% per annum.

Consideration receivables due from other related parties, including loan notes with principal amounts of US$ 1,293,779,000 (31 December 2022: US$1,293,779,000) are unsecured, bear a fixed interest rate of 4.00% per annum.

20. Trade and other receivables

	31 December 2023 US$'000	*31 December 2022* US$'000
Net trade receivables:		
- Trade receivables	141,381	98,833
- Impairment losses	(4,166)	(4,246)
	137,215	94,587
Amounts due from joint ventures:		
- Trade	7,953	6,558
- Non-trade	222,898	4,612
- Loans to joint ventures	461,981	124,020
	692,832	135,190
Amounts due from associates:		
- Trade	5,670	6,648
- Non-trade	55,144	763,984
- Loans to associates	201,444	194,329
	262,258	964,961
Amounts due from non-controlling interests:		
- Non-trade	5,247	10,360
- Loans to non-controlling interests	16,318	14,742
	21,565	25,102
Amounts due from intermediate holding companies and other related parties:		
- Trade	5,333	44,665
- Non-trade	3,394,204	2,499,889
	3,399,537	2,544,554
Loans to third parties	22,540	32,385
Deposits	134,120	156,127
Net other receivables:		
- Other receivables	481,119	247,578
- Impairment losses	(4,354)	(1,470)
	476,765	246,108
Prepayments	12,213	12,590
	5,159,045	4,211,604

The non-trade amounts due from joint ventures, associates, non-controlling interests, intermediate holding companies and other related parties are unsecured, interest-free and repayable on demand, except for certain amounts due from intermediate holding companies, which bear interest at 4.00% per annum. On 31 December 2023, the Group disposed all of its interest (34.7%) in CIP V to a fellow subsidiary at a consideration of US$ 727,651,000. The consideration will be settled in cash in one year (see notes 29 and 33).

The loans to joint ventures, associates and non-controlling interests are unsecured, bear effective interests ranging from 1.50% to 10.00% (31 December 2022: 1.50% to 15.22%) per annum, except for an amount of approximately US$126,749,000 (21 December 2022: US$125,301,000) which is interest-free.

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 2022: 10.00%) per annum, except for an amount of approximately US$ 7,943,000 which is interest-free upon completion of the acquisition (31 December 2022: US$17,496,000).

Deposits include an amount of approximately US$ 117,728,000 (31 December 2022: US$120,370,000) 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 2022 and 31 December 2023:

		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)

		31 December 2023	
	Expected loss rate %	*Gross carrying amount* US$'000	*Loss allowance* $'000
Within 1 month	1.36	121,612	(1,652)
1 to 2 months	6.82	7,166	(489)
2 to 3 months	10.23	4,231	(433)
3 to 6 months	7.46	6,297	(470)
7 to 12 months	31.29	1,387	(434)
Over 12 months	100.00	688	(688)
		141,381	(4,166)

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 2023 US$'000	*31 December 2022* US$'000
Balance at 1 January	5,716	2,099
Impairment loss recognised	3,477	2,297
Acquisition of subsidiaries	-	2,049
Disposal of subsidiaries	(794)	(695)
Exchange differences	121	(34)
Balance at 31 December	8,520	5,716

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 2023* US$'000	*31 December 2022* US$'000
Assets of disposal groups held for sale	(a)	2,227,999	6,608,509
Liabilities of disposal groups held for sale	(b)	(897,285)	(4,240,574)
		1,330,714	2,367,935

During the period from December 2022 to December 2023, 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 at 31 December 2023 and 2022.

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

	31 December 2023 US$'000	*31 December 2022* US$'000
Investment properties	2,077,739	5,940,772
Cash at bank	119,485	638,245
Other assets	30,775	29,492
Assets held for sale	2,227,999	6,608,509

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

	31 December 2023 US$'000	*31 December 2022* US$'000
Loans and borrowings	(650,038)	(3,080,038)
Deferred tax liabilities	(156,004)	(719,102)
Other liabilities	(91,243)	(441,434)
Liabilities held for sale	(897,285)	(4,240,574)

22. Cash and cash equivalents

(a) Cash and cash equivalents comprise:

	31 December 2023 US$'000	*31 December 2022* US$'000
Cash at bank	941,005	1,431,878
Restricted cash (note)	191,066	57,548
Cash and cash equivalents in consolidated statement of financial position	1,132,071	1,489,426
Restricted cash	(191,066)	(57,548)
Cash and cash equivalents in disposal groups	119,485	638,245
Cash and cash equivalents in the consolidated cashflow statement	1,060,490	2,070,123

The effective interest rates relating to certain cash at bank balances at reporting date for the Group ranged from 0.01% to 4.5% (31 December 2022: 0.01% to 1.49%) per annum respectively.

Note:

The Group has pledged bank deposit of US$56,588,000 (2022: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 2023, the outstanding amount of the relevant bank borrowings was approximately US$553,461,000 (31 December 2022: US$574,333,000). As at and during the year ended 31 December 2023, there was no overdue payment in respect of these bank borrowings (2022: Nil).

As at 31 December 2023, bank deposit of US$4,725,000 (31 December 2022: Nil) was pledged to secure for construction projects of certain companies.

As at 31 December 2023, bank deposit of US$129,753,000 (31 December 2022: Nil) was received for fund setup and restricted from other use.

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$'000	*Loans from non-controlling interests, joint ventures, associates third parties and amounts due to other related parties* (notes 26 and 27) US$'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

22. Cash and cash equivalents (continued)

	Loans and borrowings (note 25) US$'000	*Loans from non-controlling interests, joint ventures, associates third parties and amounts due to other related parties* (notes 26 and 27) US$'000	*Lease liabilities* (note 28) US$'000	*Interest payable* (note 27) US$'000	*Total* US$'000
At 1 January 2023	9,721,337	37,688	289,803	95,763	10,144,591
Changes from financing cash flows:					
Proceeds from bank loans	5,393,168	-	-	-	5,393,168
Repayment of bank loans	(5,277,609)	-	-	-	(5,277,609)
Repayment of bonds	(686,821)	-	-	-	(686,821)
Redemption of bonds	(54,500)	-	-	-	(54,500)
Proceeds of loans from non-controlling interests	-	3,162	-	-	3,162
Repayment of loans from non-controlling interests	-	(35,645)	-	-	(35,645)
Proceeds of loans from associates	-	72,637	-	-	72,637
Repayment of loans from associates	-	(88,258)	-	-	(88,258)
Proceeds of loans from third parties	-	16,869	-	-	16,869
Proceeds of loans from other related parties	-	104,261	-	-	104,261
Repayment of loans from other related parties	-	(117,772)	-	-	(117,772)
Cash payments for principal portion of lease liabilities	-	-	(26,747)	-	(26,747)
Cash payments for interest portion of lease liabilities	-	-	(15,184)	-	(15,184)
Interest paid	-	-	-	(611,966)	(611,966)
Total changes from financing cash flows	(625,762)	(44,746)	(41,931)	(611,966)	(1,324,405)
Other changes:					
Acquisition of subsidiaries (note 29)	99,081	-	-	2,431	101,512
Disposal of subsidiaries (note 29)	(2,612,544)	-	-	(555)	(2,613,099)
Additions	-	-	112,347	-	112,347
Interest expense	-	-	16,115	608,926	625,041
Effect of movements in exchange rates	(176,553)	1,139	(32,859)	4,439	(203,834)
Amounts reclassified as held for sale	2,312,228	213,184	-	-	2,525,412
Total other changes	(377,788)	214,323	95,603	615,241	547,379
At 31 December 2023	8,717,787	207,265	343,475	99,038	9,367,565

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 2022	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
Total comprehensive income for the year	-	(37,063)	(354,453)	(391,516)
Balance at 31 December 2023	6,950,825	(790,134)	248,367	6,409,058

(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 2023 and the year ended 31 December 2022.

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 2023 US$'000	*31 December 2022* US$'000
Loans and borrowings	8,717,787	9,721,337
Loans from non-controlling interests	6,267	32,511
Loans from third parties	4,364	2,348
Loans from joint ventures	2,829	2,829
Loans from associates	40,442	-
Finance lease payable	162,562	151,213
Lease liabilities	343,475	289,803
Total debt	9,277,726	10,200,041
Less: cash and cash equivalents	(1,132,071)	(1,489,426)
Net debt	8,145,655	8,710,615
Total equity	19,332,641	20,258,978
Total assets	33,114,854	38,463,139
Net debt to equity ratio	42.13%	43.00%
Net debt to asset (excluding cash) ratio	25.47%	23.56%

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 2023, the Group's strategy, which was unchanged from the year ended 31 December 2022, 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 2023, none of the covenants relating to drawn down facilities had been breached (31 December 2022: none).

24. Reserves

	31 December 2023 US$'000	*31 December 2022* US$'000
Capital reserve	78,108	67,548
Equity compensation reserve	36,849	36,849
Currency translation reserve	(1,364,544)	(1,134,147)
Fair value reserve (non-recycling)	11,240	107,484
Other reserve	(1,554,630)	(1,554,630)
Retained earnings	9,716,807	9,639,889
	6,923,830	7,162,993

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 2023, retained earnings include an amount of approximately US$264,616,000 (31 December 2022: US$231,390,000) to be transferred to statutory reserve before distribution of any dividends to shareholders in the future.

25. Loans and borrowings

	31 December 2023 US$'000	*31 December 2022* US$'000
Non-current liabilities		
Secured bank loans	3,326,631	3,316,745
Unsecured bank loans	559,833	1,251,660
Unsecured bonds	914,287	3,048,088
	4,800,751	7,616,493
Current liabilities		
Secured bank loans	364,006	258,189
Unsecured bank loans	1,502,508	1,147,137
Unsecured bonds	2,050,522	699,518
	3,917,036	2,104,844

The weighted average interest rates for bank borrowings and bonds is 4.70% (2022: 4.92%).

Subsequent to the end of the reporting period and up to the approval date of this financial statements, current unsecured bonds of approximately US$1,329,441,000 have been repaid.

26. Other non-current liabilities

	31 December 2023 US$'000	*31 December 2022* US$'000
Deposits received	29,836	41,028
Employee bonus and incentive payable	11,635	11,758
Loans from non-controlling interests	737	406
Loans from third parties	4,364	2,348
Loans from associates	40,442	-
Lease liabilities (note 28)	314,996	265,079
Deposits received for disposal of other investments	56,494	97,412
Consideration payable for acquisition of subsidiaries and joint ventures	34,365	34,948
Finance lease payable	152,134	151,213
Amounts due to other related parties	100,806	102,516
Others	7,952	4,804
	753,761	711,512

27. Trade and other payables

	31 December 2023 US$'000	*31 December 2022* US$'000
Trade payables	23,567	12,596
Notes payables	4,156	-
Accrued construction costs	459,065	463,426
Accrued operating expenses	87,892	118,021
Contract liabilities	28,642	30,711
Interest payable	85,501	83,946
Deposits received	193,322	93,634
Amounts due to:		
- Intermediate holding company and other related parties (trade)	204,384	169,326
- Intermediate holding company and other related parties (non-trade)	330,462	249,615
- Non-controlling interests (trade)	2,278	2,879
- Non-controlling interests (non-trade)	46,638	25,318
- Joint ventures (trade)	112	121
- Joint ventures (non-trade)	1,483	614
- Associates (trade)	68	74
- Associates (non-trade)	132,894	141,438
Interest payable on loans from other related parties	4,848	4,930
Loans from non-controlling interests	5,530	32,105
Interest payable on loans from non-controlling interests	8,472	6,685
Loan from joint ventures	2,829	2,829
Interest payable on loans from third parties	199	202
Interest payable on loans from associates	18	-
Consideration payable for acquisition of subsidiaries	46,438	60,418
Deposits received and accrued expenses for disposal of investment properties	54,269	55,190
Other payables	151,921	138,626
Finance lease payable	10,428	-
Lease liabilities (note 28)	28,479	24,724
	1,913,895	1,717,428

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 interest rate of 5.00% (31 December 2022: 4.00% to 8.00%) 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 2023	
	Present value of the minimum lease payments US$'000	*Total minimum lease payments* US$'000
Within 1 year	28,479	40,790
After 1 year but within 2 years	24,781	43,630
After 2 years but within 5 years	78,442	115,780
After 5 years	211,773	264,144
	343,475	464,344
Less: total future interest expenses		(120,869)
Present value of lease liabilities		343,475

	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

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 2023 is as follows:

Name of subsidiaries	*Date acquired*	*Equity interest acquired* %
Guangdong Tenglong Data Technology Co., Ltd.	March 2023	100
Guangdong Tenglong Data Technology Development Co., Ltd.	March 2023	100
Dragon Guangdong I Pte. Ltd.	March 2023	60
Dragon Chongqing III Pte. Ltd.	May 2023	70
Tenglong Yunbo (Chongqing) Data Technology Co., Ltd.	May 2023	70
Tenglong Chuangyun (Chongqing) Data Technology Co., Ltd.	May 2023	70
Tenglong East Lake (Wuhan) Technology Co., Ltd.	August 2023	70
Dragon Shanghai Pte. Ltd.	September 2023	70
Shanghai Linpu Supply Chain Management Co., Ltd.	November 2023	100
Shanghai Lingang GLP Warehousing & Logistics Development	November 2023	100

(ii) 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
GLP GV China 3 Holdings Limited	December 2022	100
GLP GV China 4 Holdings Limited	December 2022	63.5

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 2023 and 2022 are provided below:

	Year ended 31 December 2023 Recognised values on acquisition US$'000	*Year ended 31 December 2022 Recognised values on acquisition* US$'000
Investment properties	217,651	1,361,732
Associates	-	327,639
Property, plant and equipment	252,906	343,540
Intangible assets	-	150,280
Other investments	-	500,650
Deferred tax assets	52	14,285
Other assets	15	23,178
Cash and cash equivalents	22,304	135,149
Trade and other receivables	41,773	149,241
Trade and other payables	(92,043)	(314,879)
Loans and borrowings	(99,081)	(633,285)
Current tax payable	(285)	-
Deferred tax liabilities	(31,913)	(46,835)
Other non-current liabilities	-	(94,195)
Non-controlling interests	(26,998)	(154,639)
Net assets acquired	284,381	1,761,861
Goodwill	-	293,560
Loss on acquisition of subsidiaries under common control	-	(7,582)
Purchase consideration	284,381	2,047,839
Fair value of previous held equity interest	(88,369)	-
Consideration payable	(9,354)	(450,232)
Cash of subsidiaries acquired	(22,304)	(135,149)
Payment of consideration in relation to prior years' acquisitions	362,915	27,188
Cash outflow on acquisitions of subsidiaries	527,269	1,489,646

The total related acquisition costs for the above-mentioned subsidiaries amounted to approximately US$ 284,381,000 (year ended 31 December 2022: US$2,047,839,000).

29. Notes to cash flow statement (continued)

From the respective dates of acquisitions to 31 December 2023, the above-mentioned acquisitions contributed net loss of approximately US$5,411,000 to the Group's results for the year, before accounting for financing costs attributable to the acquisitions. Had the acquisitions occurred on 1 January 2023, management estimates that the above-mentioned acquisitions would have contributed approximately US$16,350,000 and US$1,964,000 to the Group's revenue and net profit respectively for year ended 31 December 2023.

Disposals of subsidiaries

(i) The list of material subsidiaries disposed during the year ended 31 December 2023 is as follows:

Name of subsidiaries	*Date disposed*	*Equity interest disposed* %
SEA Fund I Investment 16 Pte. Ltd.(Note 1)	January 2023	100
Haimei Holdings Limited	February 2023	55
GLP (Qingdao) Qianwan Harbor International Logistics Development Co., Ltd.(Note 3)	June 2023	100
GLP Chongqing Banan Logistics facilities Co., Ltd.(Note 3)	June 2023	100
GLP Heshan Logistics Facilities Co., Ltd. (Note 3)	June 2023	100
SZITIC Shenzhen Commercial Property Co., Ltd.	August 2023	100
GLP Yangzhou Economic Development Zone Logistics Facilities Co., Ltd. (Note 1) (*)	August 2023	100
GLP Wuhu Puhua Logistics Facilities Co., Ltd. (Note 1)	September 2023	100
GLP Yiwu Pujie Logistics Facilities Co., Ltd. (Note 1) (*)	September 2023	100
GLP Huan' an Logistics Facilities Co., Ltd. (Note 1)	October 2023	100
CLH 56 (HK) Limited (Note 2)	November 2023	100
CHINA LOGISTICS HOLDING XXI SRL (Note 2)	November 2023	100
Minshang No.1 Network Industry Development Limited (Note 1) (*)	December 2023	95
Beijing Kirin Property Management Development Co., Ltd. (Note 2)	December 2023	80
Haimei (Taicang) Intelligent Technology Development Co., Ltd.	December 2023	60
Chengdu Suning Yida Warehousing Co., Ltd. (*)	December 2023	100
CIP V SINGAPORE HOLDINGS PTE. LTD. (*)	December 2023	34.7

Note 1: The Companies were disposed to associates.

Note 2: The Companies were disposed to joint ventures.

Note 3: The Companies were disposed to CICC GLP REIT.

* These subsidiaries were classified as assets held for sale as at 31 December 2022.

29. Notes to cash flow statement (continued)

(ii) 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

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.

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 2023 and 2022 are provided below:

	Year ended 31 December 2023 Recognised values on disposal US$'000	*Year ended 31 December 2022 Recognised values on disposal* US$'000
Investment properties	5,731,765	1,908,884
Joint ventures	-	2,580
Associates	-	127,484
Property, plant and equipment	1,948	6,005
Other investments	-	425,692
Deferred tax assets	2,698	1,178
Other assets	10,527	591
Trade and other receivables	51,106	484,348
Cash and cash equivalents	300,712	214,984
Trade and other payables	(312,916)	(372,025)
Loans and borrowings	(2,612,544)	(133,368)
Current tax payable	(5,382)	(7,393)
Deferred tax liabilities	(781,589)	(364,955)
Other non-current liabilities	-	(7,856)
Non-controlling interests	(1,074,902)	(151,260)
Net assets disposed	1,311,423	2,134,889
Gain on disposal of subsidiaries recognised:		
- In profit and loss	300,613	1,230,002
Disposal consideration	1,612,036	3,364,891
Consideration receivable	(961,495)	(2,090,407)
Satisfied through non-cash settlement	-	(244,205)
Restricted cash of subsidiary disposed	60,472	-
Cash of subsidiaries disposed	(300,712)	(214,984)
Receipt of consideration in relation to prior years' disposals	753,188	829,860
Cash received in relation to dividend receivable and loan prior to disposal	112,852	-
Cash inflow from disposals of subsidiaries	1,276,341	1,645,155

From 1 January 2023 to respective dates of disposals, the above-mentioned subsidiaries contributed approximately US$263,952,000 and US$4,995,000 to the Group's revenue and net loss respectively for the year ended 31 December 2023.

29. Notes to cash flow statement (continued)

Gain on disposal of above subsidiaries	300,613
Consideration adjustment related to prior year's disposals	4,875
Gain on disposal of subsidiaries for the year in profit and loss	305,488

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.

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

(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.

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 2023					
Bank loans	5,752,978	6,671,735	2,100,099	2,706,475	1,865,161
Unsecured bonds	2,964,810	3,047,174	2,103,770	943,404	-
Trade and other payables/other non-current liabilities *	2,639,013	2,765,670	1,901,465	811,833	52,372
	11,356,801	12,484,579	6,105,334	4,461,712	1,917,533
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

* 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 4.5% per annum as at 31 December 2023 (31 December 2022: 0.01% to 1.49% 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 2023		*31 December 2022*	
	Effective interest rate %	US$'000	*Effective interest rate %*	US$'000
Fixed rate borrowings				
Trade and other payables/other non-current liabilities	1.50% - 7.00%	559,939	4.00% - 10.00%	478,704
Loans and borrowings	2.60% - 4.97%	2,964,810	2.60% - 4.99%	3,747,607
Variable rate borrowings				
Loans and borrowings	3.00% - 8.13%	5,752,977	2.20% - 7.46%	5,973,730
Total interest-bearing financial liabilities		9,277,726		10,200,041
Fixed rate borrowings as a percentage of total borrowings		37.99%		41.43%

(ii) Sensitivity analysis

At 31 December 2023, 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$28,760,000 (31 December 2022: US$29,870,000).

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 2022.

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

(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.

(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 recognised 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.

	2023	*2022*
	US$'000	US$'000
Other investments	1,002,534	893,942
Cash and cash equivalents	131,969	333,621
Trade and other receivables	2,140,030	2,137,871
Other non-current assets	1,367,790	1,316,039
Trade and other payables	(173,496)	(81,885)
Loans and borrowings	(2,109,809)	(3,756,860)
Overall exposure	2,359,018	842,728

The following significant exchange rates applied during the year:

	Average rates		*Reporting date spot rate*	
	2023	*2022*	*2023*	*2022*
United States Dollars against RMB	7.0427	6.7203	7.0827	6.9646

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

(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.

	2023 US$'000	*2022* US$'000
United States Dollars	117,951	42,136

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.

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 2022.

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

(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 2023, it is estimated that an increase of 5% (31 December 2022: 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 2023 US$'000	*31 December 2022* US$'000
Other investments	27,851	32,419

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 2022.

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 2023	*Fair value measurements as at 31 December 2023 categorised into*		
		Level 1	*Level 2*	*Level 3*
	$'000	$'000	$'000	$'000
Recurring fair value measurement				
Financial assets:				
Other investments:				
- Listed securities	557,012	557,012	-	-
- Unlisted equity securities	2,067,109	-	-	2,067,109

	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

During the year ended 31 December 2023, there were no transfers between Level 1 and Level 2, and the investments in J&T Global Express Limited and China Post Technology Co., Ltd. were reclassified from Level 3 to Level 1 because this equity security became listed during the period during the year (year ended 31 December 2022: investments in Cenntro Electric Group Ltd. was 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.

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

	Valuation techniques	*Significant unobservable inputs*	*Range*
Unlisted equity securities	Market approach	Discount for lack of marketability	0% - 30%
Unlisted equity securities	Market approach	Price-to earnings ratio	9.95X
Unlisted equity securities	Market approach	Price-to sales ratio	22x
Unlisted equity securities	Market approach	EV/EBITDA ratio	9.5x - 11x
Unlisted equity securities	Dividend discount model method	Discount rate	11.5%

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 2023 $'000	*31 December 2022* $'000
Unlisted equity securities:		
At 1 January	1,864,263	1,189,147
Additional securities acquired	325,851	1,190,442
Reclassified from associates	-	105,294
Net unrealised gains or losses recognised in profit or loss during the year	2,895	27,566
Net unrealised gains or losses recognised in other comprehensive income during the year	(10,852)	-
Disposals	(15,426)	(579,527)
Reclassification to listed equity securities	(82,444)	(12,261)
Exchange differences	(17,178)	(56,398)
At 31 December	2,067,109	1,864,263
Total gains or losses for the year included in profit or loss for assets held at the end of the reporting year	2,895	27,566

(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 2023 and 31 December 2022.

31. Commitments

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

	31 December 2023 US$'000	*31 December 2022* US$'000
Commitments in relation to share capital of other investments not yet due and not provided for	100,004	221,182
Development expenditure contracted but not provided for	809,558	859,911

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 2023 US$'000	*Year ended 31 December 2022* US$'000
Salaries, bonuses, contributions to defined contribution plans and other benefits	2,388	9,990

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:

33. Significant related party transactions (continued)

	Year ended 31 December 2023 US$'000	*Year ended 31 December 2022* US$'000
Joint ventures		
Asset management fee income from joint ventures	1,108	4,193
Investment management fee income from joint ventures	-	2,088
Property management fee income from joint ventures	-	8,295
Development management fee income from joint ventures	-	4,014
Leasing management fee income from joint ventures	-	3,368
Acquisition management fee income from joint ventures	-	147
Service fee income from joint ventures	1,771	1,807
Dividend income received from joint ventures	25,543	94,957
Interest income from joint ventures	30,254	31,743
Interest expenses charged by joint ventures	-	(10)
Associates		
Asset management fee income from associates	160	20,094
Investment management fee income from associates	-	9,778
Property management fee income from associates	-	4,043
Development fee income from associates	-	5,059
Leasing management fee income from associates	-	1,810
Service fee income from associates	278	371
Dividend income received from associates	107,371	146,537
Interest income from associates	7,948	5,904
Interest expenses charged by associates	(230)	(2)
Intermediate holding company		
Management service fee charged by intermediate holding company	-	(3,045)
Other related parties		
Asset management fee charged by other related parties	(137,032)	(76,499)
Asset management fee income from other related parties	-	3,473
Service fee income from other related parties	90,915	47,010
Interest income from other related parties	105,072	86,766
Interest expenses charged by other related parties	(15,247)	(17,205)

33. Significant related party transactions (continued)

Disposal of subsidiaries to related parties

The assets and liabilities of the subsidiaries disposed of are provided below:

	Total US$'000
Net assets disposed	1,124,167
Disposal gains recognised in profit and loss	219,597
Disposal consideration	1,343,764

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 2023, the outstanding amount of the relevant bank borrowings was approximately US$57,716,000 (31 December 2022: US$197,359,000). As at and during the year ended 31 December 2023, there was no overdue payment in respect of these bank borrowings (2022: none).

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

34. Subsequent events

Subsequent to 31 December 2023 and up to the approval date of this financial report, the following subsequent events occurred:

On 26 January 2024, the Group established CIF XII with planned total assets under management ("AUM") of approximately RMB 10 billion (equivalent to approximately US$1,412 million).

On 14 February 2024, the Group established GCP CAVP with planned total assets under management ("AUM") of approximately US$350 million.

35. Company-level statement of financial position

	Note	31 December 2023 US$'000	31 December 2022 US$'000
Non-current assets			
Investments in subsidiaries	12	21,008,134	20,777,066
Other non-current assets		428	957
Loans to subsidiaries		306,322	848,237
		21,314,884	21,626,260
Current assets			
Other receivables		5,276,490	4,951,658
Cash and cash equivalents		169,336	149,694
		5,445,826	5,101,352
Total assets		26,760,710	26,727,612
Equity attributable to owners of the Company			
Share capital	23	6,950,825	6,950,825
Reserves		(541,767)	(150,251)
Total equity		6,409,058	6,800,574
Non-current liabilities			
Loans and borrowings		1,472,494	4,299,749
		1,472,494	4,299,749
Current liabilities			
Loans and borrowings		3,455,526	1,764,238
Other payables		15,408,969	13,847,615
Current tax payable		14,663	15,436
		18,879,158	15,627,289
Total liabilities		20,351,652	19,927,038
Total equity and liabilities		26,760,710	26,727,612

Approved and authorised for issue by the Board of Directors on 31 March 2024

Director

Director

36. Company-level statement of comprehensive income

	Year ended 31 December 2023 US$'000	Year ended 31 December 2022 US$'000
Revenue	645	401
Other income	5,155	-
Other expenses	(16,504)	(14,854)
Loss from operations	(10,704)	(14,453)
Finance costs	(408,206)	(520,313)
Finance income	67,144	94,196
Net finance costs	(341,062)	(426,117)
Gain on disposal of subsidiaries	-	1,228,454
(Loss)/profit before taxation	(351,766)	787,884
Income tax	(2,687)	(4,945)
(Loss)/profit or the year	(354,453)	782,939
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit of loss:		
Exchange differences on translation of financial statements	(37,063)	(585,829)
Total comprehensive income for the year	(391,516)	197,110

37. Company-level cash flow statement

	Year ended 31 December 2023 US$'000	*Year ended 31 December 2022* US$'000
Cash flows from operating activities		
Loss/(profit) before taxation	(351,766)	787,884
Adjustments for:		
Net finance costs	321,182	1,162,345
Gain on disposal of subsidiaries	-	(1,228,454)
	(30,584)	721,775
Changes in working capital:		
Trade and other receivables	(335,935)	(930,170)
Trade and other payables	1,440,210	1,289,470
Cash generated from operations	1,073,691	1,081,075
Tax paid	(722)	-
Net cash generated from operating activities	1,072,969	1,081,075
Cash flows from investing activities		
Interest income received	30,587	21,891
Repayment of loans from subsidiaries	559,559	782,410
Loans to subsidiaries	(40,164)	(1,029,940)
Investments in subsidiaries	(586,500)	(1,784,333)
Net cash used in investing activities	(36,518)	(2,009,972)

37. Company-level cash flow statement (continued)

	Year ended 31 December 2023 US$'000	*Year ended 31 December 2022* US$'000
Cash flows from financing activities		
Proceeds of loans from subsidiaries	460,119	-
Proceeds from bank loans	1,879,730	3,703,775
Proceeds from issue of bonds	-	237,260
Repayment of loans from subsidiaries	(84,600)	-
Repayment of bank loans	(2,256,140)	(1,998,798)
Repayment of bonds	(688,127)	(659,170)
Redemption of bonds	(54,500)	-
Interest paid	(273,006)	(233,984)
Net cash (used in)/generated from financing activities	(1,016,524)	1,049,083
Net increase in cash and cash equivalents	19,927	120,186
Cash and cash equivalents at beginning of the year	149,694	31,120
Effect of exchange rate changes	(285)	(1,612)
Cash and cash equivalents at end of the year	169,336	149,694

38. Immediate parent and ultimate holding company

As at 31 December 2023, 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.

39. Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

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 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1, Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")	1 January 2024
Amendments to HKAS 1, Presentation of financial statements: Non-current liabilities with covenants ("2022 amendments")	1 January 2024
Amendments to HKFRS 16, Leases: Lease liability in a sale and leaseback	1 January 2024
Amendments to HKAS 7, Statement of cash flows and HKFRS 7, Financial Instruments: Disclosures: Supplier finance arrangements	1 January 2024
Amendments to HKAS 21, The effects of changes in foreign exchange rates: Lack of exchangeability	1 January 2025

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.