GLP Pte Limited

Management's Discussion & Analysis

Period Ended 30 June 2023

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Presentation of financial and other information

The financial statements of the Company and its subsidiaries (the "Group") are presented on a consolidated basis and are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) is equivalent to International Financial Reporting Standards ("IFRS"). For further information in respect of the convergence of SFRS(I) to IFRS refer to: https://www.acra.gov.sg/docs/default-source/default-document-library/accountancy/accounting-standards/pronouncements/sfrs-1-part-1/table_of_sfrs(i)s_and_ifrs_standards_1_jan_2023.pdf

PERFORMANCE SUMMARY

Resilient and growing business	• LTM June 2023 Core Underlying EBITDA remains strong at US$2.2billion • 1H revenue up 34% at US$1.2billion; 1H underlying EBITDA up 130% at US$481 million • Same-property NOI up 3% YTD • Stable Group lease ratio, improving retention ratio (up 9% yoy) and WALE (3.6 years) demonstrate resiliency of the Group's operations • Continued strong leasing demand driven by e-commerce – 14mn sqm new and renewal leases signed, up 6% yoy • Targeting strong asset monetizations in FY2023
Continued success of fund management business provides platform for sustainable AUM growth	• Amidst challenging markets, fund management business continues to thrive, successfully raising capital and growing investor base across strategies and geographies • Global AUM of US$127billion • Successfully raised US$3.2billion of capital from existing and new funds across strategies and geographies against a challenging backdrop in 2023 YTD, resulting in US$13.5billion of dry powder • Fundraising momentum remains positive, as evidenced by a number of landmark fund raises, and our fund management business has a strong pipeline for remainder of 2023 and beyond
Robust balance sheet and modest leverage	• Cash on hand of US$2.5billion • Solid credit profile with modest gearing and high interest coverage ratio – Net leverage: 25% – Net debt / Core Underlying EBITDA: 5.4x – Core Underlying EBITDA / interest paid: 2.9x • Met all key financial metrics and financial covenants

1. As of August 2023

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The selected unaudited consolidated interim financial information of the Group as of and for the financial period ended 30 June 2023 together with comparative information has been derived from the Unaudited Consolidated Interim Financial Statements of the Group and should be read together with such financial statements and the notes thereto.

INCOME STATEMENT

For the six months ended (US$'m)	30 June 2023	30 June 2022	%
Revenue	1,165	867	34 %
Other income	18	39	(54)%
Direct expenses	(352)	(254)	39 %
Other expenses	(602)	(230)	162 %
Share of results from equity accounted investments (net of tax expense)	204	201	1 %
Profit from operating activities after share of results of equity accounted investments	**432**	**623**	**(31)%**
Net finance costs	(321)	(384)	(16)%
Other net gains	54	85	(36)%
Profit before changes in fair value of investment properties held by consolidated vehicles	**165**	**324**	**(49)%**
Changes in fair value of investment properties	181	730	(75)%
Profit before tax	**346**	**1,054**	(67)%
Tax expense	(132)	(303)	(56)%
Profit for the year	**214**	**751**	**(72)%**

EBITDA	**788**	**1,482**	**(47)%**
Underlying EBITDA	**481**	**210**	**130 %**
Core Underlying EBITDA	**2,247**	**4,024**	**(44)%**

STATEMENT OF FINANCIAL POSITION

(US$'m)	As at 30 Jun 2023	As at 31 Dec 2022	%
Assets			
Investment properties	15,303	15,309	— %
Equity accounted investments	8,252	8,079	2 %
Property, plant and equipment	1,668	1,472	13 %
Other investments	2,907	2,864	2 %
Cash and cash equivalents	2,477	2,589	(4)%
Assets classified as held for sale	6,077	6,644	(9)%
Trade and other receivables	8,481	8,585	(1)%
Other non-current assets	3,161	3,437	(8)%
Other assets	2,210	2,069	7 %
Total Assets	**50,536**	**51,048**	**(1)%**
Liabilities			
Loans and Borrowings	14,618	13,944	5 %
Trade and other payables	3,315	3,563	(7)%
Liabilities classified as held for sale	3,755	4,236	(11)%
Deferred Tax Liabilities	1,568	1,588	(1)%
Other Liabilities	2,778	3,008	(8)%
Total Liabilities	**26,034**	**26,339**	**(1)%**
Equity			
Share capital	5,539	5,539	— %
Perpetual securities	1,128	1,130	— %
Reserves	5,195	5,528	(6)%
Non-controlling interests	12,640	12,512	1 %
Total Equity	**24,502**	**24,709**	**(1)%**

1. BUSINESS & STRATEGY

a. ABOUT THE BUSINESS

The Group is a leading global investment manager, business builder, investor, developer and operator of logistics, data centers, renewable energy and related technologies. These business activities are intertwined and, combined with the Group's size and scale, creates "Network Effect" synergies and recycles capital for the best possible returns and provides the best solutions for its customers, allowing customers to seamlessly expand and optimise their distribution network in convenient warehouse locations.

As of 30 June 2023, GLP owns, manages and leases an extensive network of approximately 3,200 completed properties across China, Japan, Brazil, Europe, US, India and Vietnam with a combined GFA and GLA of approximately 62.8 million square metres. The Group also has interests in an additional 22.2 million square metres of land held for future development, under development or under land reserve.

The following diagram summarises the geographical locations of the Group's portfolio of real assets as of 30 June 2023:

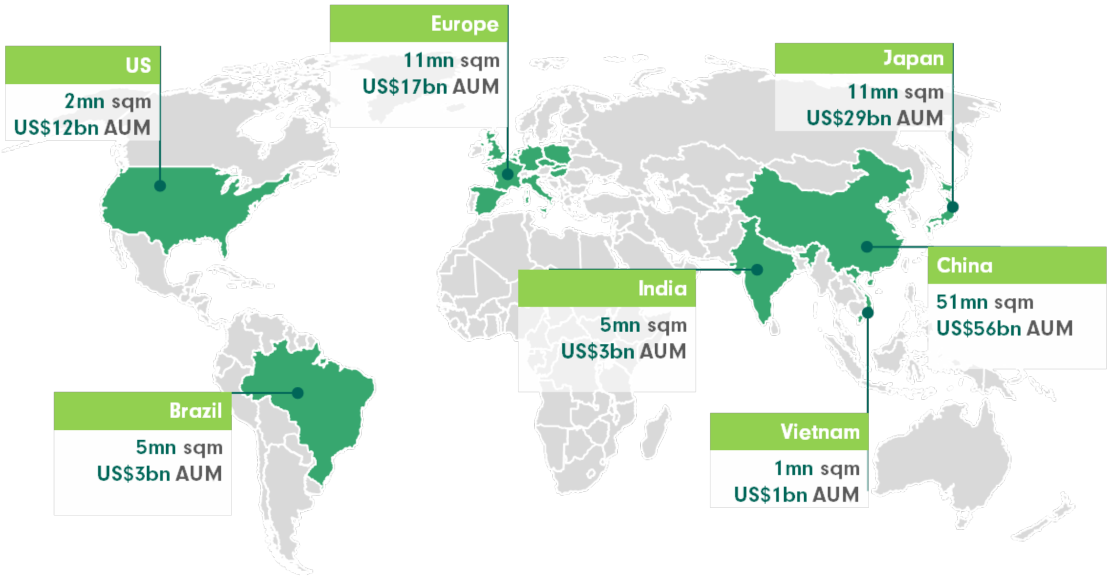


Figure 1: Real Estate AUM by geography

The Group has built a high quality and superior logistics real estate and fund management platform by focusing on its commitment to provide its customers with best-in-class, state-of-the-art distribution facilities. The Group also intends to continue to invest in innovative logistics technology that will create more efficient modern logistics ecosystems. These investments will enable the Group to continue to enhance and support customers with high quality and best-in-class logistics and warehousing facilities supported by technology-led solutions and provide a differentiated service offering.

For example, the Group is focused on data analytics, robotics, artificial intelligence, Internet of Things (IoT), telematics and sensor technology. The Group is also committed to developing intelligent, energy efficient and environmentally friendly facilities, with features such as energy efficient lighting and equipment, waste water management systems and expansive green areas.

At 30 June 2023, the Group's portfolio covers approximately 85 million square metres and has the ability to serve markets that comprise approximately 54% of the world's population and 77% of global GDP.

The Group, through GCP's fund management business, manages US$127 billion[1] of total AUM across real assets and private equity around the world as of 30 June 2023. GCP is one of the largest fund management business in the world and continues to be an important source of growth for the Group.

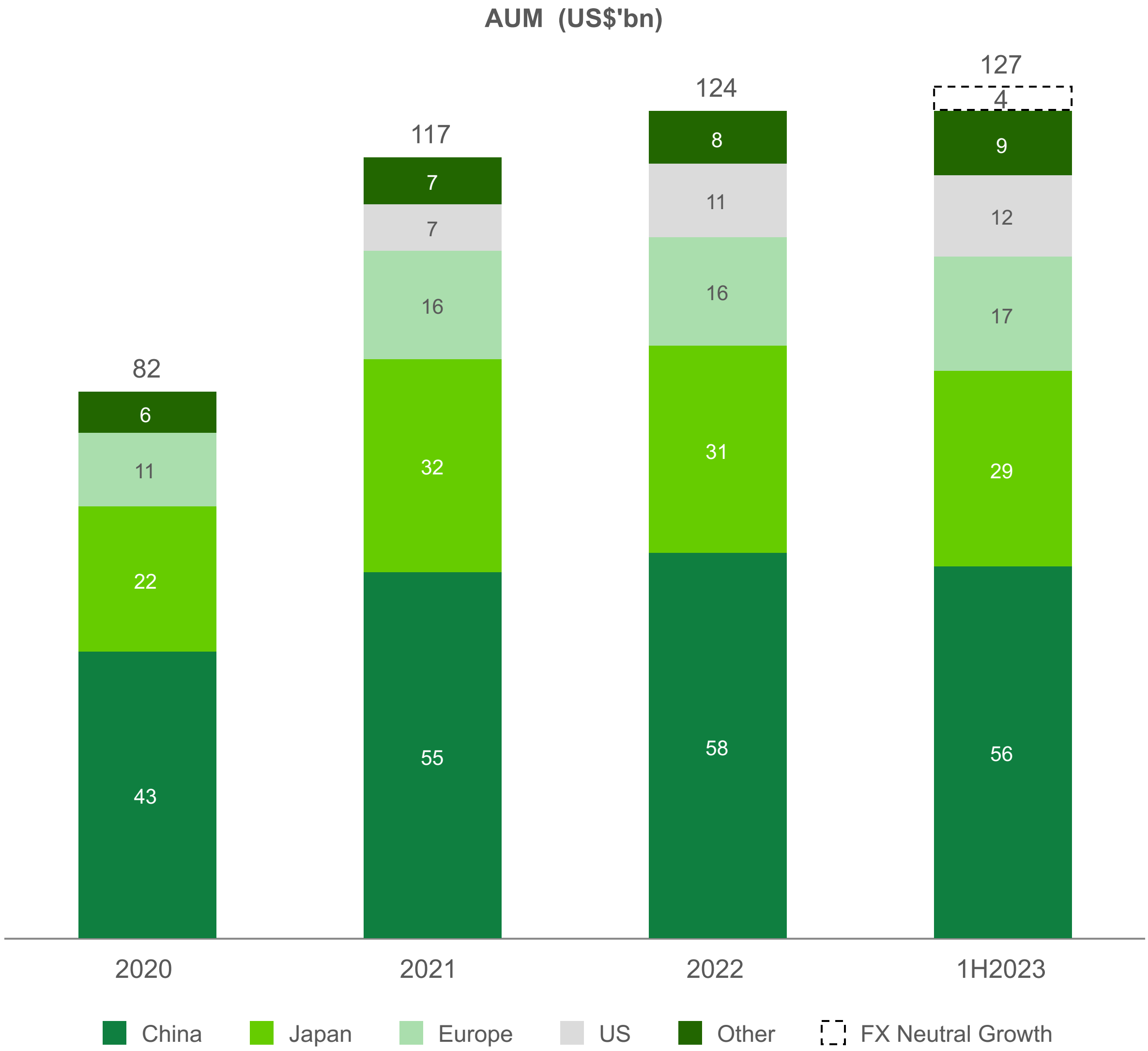


Figure 2: AUM growth

GLP's investment vehicles are backed by a global and diverse investor base, including public and corporate pension funds, sovereign wealth funds, insurance companies and other institutional asset managers, GCP has long-standing relationships with investors across Asia Pacific, North America, Europe and EMEA and continues to introduce new partners to its managed funds.

As of August 2023, GCP successfully raised US$3.2 billion of capital in total from existing and new funds across strategies and geographies against a challenging backdrop.

1. FX neutral; AUM as of June 2023 after FX impact is US$124bn; includes country-level funds and multi-geography AUM

b. STRENGTHS

The Group believes that it has the following competitive strengths as a leading global investment manager, business builder, investor, developer and operator of logistics, data centers, renewable energy and related technologies. These strengths drive its success and differentiate it from its peers.

The group builds businesses and scales dedicated operating platforms in new economy sectors which are supported by global macroeconomic and secular trends, including the sustained growth of globalised commerce, widespread adoption of e-commerce, increased demand from data storage/processing and worldwide focus on sustainable energy, which the Group believes will continue to benefit from the development and growth of the global economy. The Group's track record of success in logistics real estate has helped it to establish and grow other platforms, including in data centers and renewable energy. This, combined with its global platform, provides a runway for sustained growth as the Group creates value for its customers and investors. Capitalising on its strong local expertise and track record in Asia, Europe and the Americas, the Group plans to accelerate its market leadership and growth trajectory by continuing to take a disciplined and data driven approach.

Disciplined investor with proven track record of growing organically and via acquisitions

GLP has a proven track record of executing a full spectrum of transactions ranging from global mergers and acquisitions to ground-up development. The Group strives to create value through investing in and partnering with industry-leading businesses to achieve scale over the long term. The Group also forms strategic partnerships with companies that can bring about more opportunities and synergies with its core logistics real estate business globally and expand the Group's investment scope further into adjacent segments. This includes the strategic joint venture with IndoSpace in 2018, acquisition of a 50 per cent. equity interest in China Merchants Capital ("CMC") through an investment partnership with China Merchants Group ("CMG"), and the privatisation of Li & Fung in 2020. Globally, the Group, or investment funds managed by GCP, has also completed several large-portfolio transactions since 2015, including the acquisition of the US$8.1 billion IndCor portfolio (U.S., 2015). US$4.6 billion Industrial Income Trust (U.S., 2015), US$2.8 billion Gazeley portfolio (Europe, 2017), US$1.1 billion Goodman Group's Central and Eastern Europe logistics real estate portfolio (Europe, 2020), as well as more than US$6.2 billion of single asset and small portfolio deals across more than 130 transactions globally since 2016. In 2022, GCP completed the acquisition of the fund management business of GLP Capital Partners LP (referred to as "US GCP") in the US which managed a portfolio of US$10.6 billion at 31 December 2022, and the remaining 50% interest in the Group's existing fund management joint venture in Vietnam which managed a portfolio of US$1.3 billion at 31 December 2022.

Global fund manager with a track record of raising capital and strong, long-term relationships with capital partners

As a global fund manager, GCP partners with leading institutional investors around the world including some of the world's largest sovereign wealth funds, pension funds and property and insurance companies with the objective of delivering sustainable risk-adjusted returns. The Group co-invests in its managed funds, and such co-investment model ensures interests are optimally aligned.

The Group, through GCP's fund management business, has raised significant capital from its investment partners for a diversified range of logistics strategies, across multiple geographies, with return targets ranging from core to opportunistic. The growth in GCP's product offerings has been largely accompanied by a growing investor base and their affirmed support in the GCP's ability to identify, invest in, develop, manage and operate high-quality, modern logistics, renewable energy and data centre assets around the world.

GCP's investment funds are backed by a global and diverse investor base, including public and corporate pension funds, sovereign wealth funds, insurance companies and other institutional asset managers. The Group has long-standing relationships with investors across Asia Pacific, North America, Europe and EMEA and continues to introduce new partners to its fund management platform. GCP is an industry leader on the capital raising front and is consistently ranked in PERE's top real estate fund managers in Asia Pacific and globally.

Robust balance sheet and modest leverage

The Group has implemented financial management policies that have enabled it to maintain a solid credit profile, with a disciplined investment approach and strong balance sheet with defensive growth.

The Group benefits from access to diversified and multi-channel financing channels including but not limited to bilateral loans, syndicated loans, the capital markets, funds, and other borrowings and equity. The Group constantly monitors its current and expected liquidity requirements and compliance with borrowing covenants. The Group has long-standing relationships with its commercial lenders, which include the largest commercial banks worldwide, including, amongst others, China Merchants Bank, Citibank, Mizuho Bank and United Overseas Bank.

In addition, compared to other property types, the inherent characteristics of the modern logistics and warehousing facility sector, coupled with the Group's efficient development practices, result in shorter gestation and cash conversion cycles. As such, the Group is able to realise its cash returns, and these recurring cash flows can be re-invested to accelerate growth in the business. This lowers the risk exposure of the Group's business to exogenous factors such as economic cycles. A shorter cash conversion cycle also provides the Group with the advantage of being able to be adequately funded and have the flexibility to adjust its operations according to demand conditions.

Rental and fund management provides high margins and recurring, growing income

The Group's investment and asset management teams are located around the world and have extensive knowledge of local markets that enables access to more exclusive deal flow. The Group leverages its fund management platform, GCP, to recycle capital from stabilised, income-producing assets, using the proceeds to fund growth.

The Group, through GCP has a growing fund management business. The Group's in-house asset management teams drive value creation to maximise the investment performance through all phases of the investment cycle. GCP is founded based on its longstanding relationships with numerous global institutional investors and its senior management's extensive years of experience in private capital management. GCP's partnership with leading investors allows the Group to de-risk its development and investment activities through pre-commitments and diversification of capital partners.

GCP intends to continue to raise funds with third party investors to build its fee-based income and recycle capital from mature assets, using proceeds to fund growth. The Group seeks to generate long-term, stable income with low volatility by developing and investing in properties that are of institutional quality and design, well-located and substantially leased. GCP is also high margin and revenues will continue to grow as it forms new partnerships and diversifies.

Strong corporate governance framework, experienced management team and strong shareholder base, and a strong commitment to ESG

The Group has high standards of corporate governance in place and operates in accordance with global logistics and warehousing, data infrastructure and renewable energy and related technologies industry best practices, with a well-governed platform based on transparency and with consideration for environmental, social and corporate responsibilities to its shareholders, investors, employees, customers and communities. For further information on the Group's ESG practices, see "Environmental, Social and Governance best practices" below.

As the Group believes that effective corporate governance is critical to its success, it has established robust principles, processes and standard operating procedures to guide all of the Group's operations while remaining transparent and accountable to its investment partners and other stakeholders. Wherever possible, the Group minimises conflicts of interest through the use of both technology and independent third parties to maintain strong reporting and disclosure standards. The Group has instilled a culture of corporate governance amongst all of its employees globally, with its top-down focus and emphasis on this pillar of behaviour. The Board of Directors is chaired by Mr. Ang Kong Hua, and independent director who has helmed several of Singapore's biggest companies, bringing years of experience spanning the manufacturing, services and financial sectors. In addition, the audit committee of the Board of Directors is chaired by Mr. Steven Lim Kok Hoong, an independent director who brings over 30 years of audit and financial consulting experience. In addition to the audit committee, the Board of Directors also has sub-committees for investments, risk management, human resources and compensation.

The Executive Committee of the Group is led by Ming Z. Mei and is comprised of individuals with a well-established rack record, a commitment to excellence and knowledge of local markets and industry best practices. The Executive Committee has a global investment sub-committee that evaluates and approves all investments, acquisitions and dispositions, as well as the formation of all funds, joint ventures and partnerships globally according to a pre-agreed and consistent set of investment criteria.

Diverse talent pool with an entrepreneurial culture

The Group believes that people and culture are key elements to achieving global success. The Group's leadership empowers its employees at all levels to think beyond the bounds of their roles and its industry, sharing new ideas and working as a team to push each other to succeed. By doing so, the Group believe in pooling together different skill sets and mindsets that lead to better outcomes and decisions that add the most value.

The Group's ability to think globally and act locally differentiates the Group from others. As a global business with offices and talents around the world, the Group can capitalise on the opportunities to transfer knowledge and share insights from different markets to build a strong, more resilient global business and create value for the Group's investors and customers. The Group strives to create an inclusive environment with embraces diversity and fosters inclusion. It sees value in, and is committed to, having a well-rounded inclusive workplace. The Group strives to attract, develop, retain and promote the best talent - people from diverse backgrounds with unique knowledge bases, interest, cultural identities and skill sets. The Group believes that valuing diversity and inclusiveness enables it to achieve its vision to create value for its investors, customers, employees, shareholders and the communities in which it works. Its recruitment, training programs and talent development platform gives its employees opportunities to expand their roles and responsibilities and prepare them for leadership roles.

c. STRATEGY

The Group has a four-pillar strategy backed by secular trends driving the new economy. Together with the Group's fund management platform, the Group focuses on logistics, data centers and renewable energy which are supported by global macroeconomic trends, including the sustained growth of globalised commerce, widespread adoption of e-commerce, increased demand for data storage/processing and worldwide focus on sustainable energy.

	Logistics	Internet Data Centers	Renewable Energy	Fund Management
Description	• Core pillar of the business relates to the investment, development, and operation of logistics real estate and technologies globally	• Serving the digital infrastructure needs of hyperscale companies and large global enterprises	• Leverages network and leadership position in key markets to pursue renewable energy development • Aims to build out the use of clean energy in logistics and transportation	• Leading global alternative asset manager specialising in real assets and private equity investing • Partners with leading global investors including sovereign wealth funds, pension funds, property and insurance companies
Highlights	• Network of approximately 3,400 properties with a GFA of 85 million sqm • Complementary growth platforms including cold chain services and robotics	• ~1.4 GW of secured IT capacity in China upon completion • ~850 MW of secured IT capacity across Japan, the UK and Brazil	• ~700MW of installed solar capacity • Progressing the development of a multi-gigawatt renewables portfolio across distributed and ground-mounted solar, wind, and battery storage solutions	• ~US$127 billion[1] of AUM across real assets and private equity

1. FX neutral; AUM as of June 2023 after FX impact is US$124bn; includes country-level funds and multi-geography AUM

Figure 3: The Group's strategic pillars

The Group's advantage in these areas is grounded in its ability to recognise new economy sectors and trends early in their growth cycle, utilise its deep global industry/sector expertise combined with its local presence and connectivity. By developing expertise and credibility in growing sectors early, the Group believes it is able to identify high-quality investment and business opportunities. It has a long track record of success with this approach across multiple investment strategies and sectors. This, combined with its global platform, provides a runway for sustained growth of its business as the new economy sectors continue to expand worldwide.The Group intends to implement the following principal strategies to strengthen its market leadership position and support the further development of its business:

- Strengthen the Group's leadership position in logistics real estate
- Expand product offerings in existing and new business segments in high growth and new economy adjacent sectors
- Grow and scale the Group's business by leveraging its combined investment and operational expertise to build high-quality businesses and achieve long-term scale, with a focus on the growth of the fund management platform
- Enhance asset value by utilising operational expertise, global scale and data driven insights to further enhance asset values and strategically expand into adjacent businesses and asset classes
- Develop sector expertise and talent by building great teams which specialise across individual sectors, while retaining and fostering an entrepreneurial vision.

d. ENVIRONMENTAL, SOCIAL AND GOVERNANCE BEST PRACTICES

The Group is committed to a broad range of ESG initiatives that it believes elevate its business, create value for its investors, support its employees and customers, and have a meaningful impact on the local communities in which it operates. The Group is focused on the embedded alignment between sustainable outcomes and investment returns.

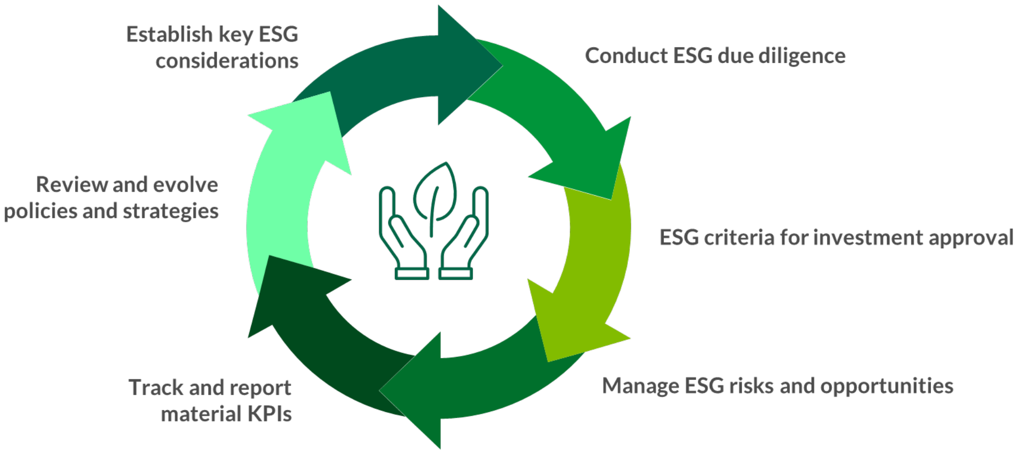


Figure 4: ESG initiative embedded in the Group's business model

The Group's ESG governance

The Group has established a strong governance structure and a responsible investment policy to embed ESG practices into its investment processes. Its management team has overall responsibility and accountability for ESG strategic direction and alignment on ESG commitments, and receives quarterly updates from the ESG Council, which includes members from every region in which we operate. Our Board of Directors receives information on ESG matters from the management team regularly.

Beyond aligning with the industry's associations and utilising their respective benchmarks, the Group has a robust policy and framework to govern its investment process. For each investment decision, the Group will consider environmental and social risks, resource use, labour and working conditions, the well-being of end users, its contribution to resilient communities, climate action, and/or ethics and governance. To ensure that the Group adheres to these considerations, the Group has structured a governance process, which includes a global ESG Council, country ESG Committees, and dedicated professionals accountable for ESG factors.

The Group endorses industry ESG standards and frameworks and have adopted a number of best practices. It became a signatory to the Principles for Responsible Investment (PRI) in 2021. The Group plans to increase the number of funds it submits to GRESB, of which it became a member in 2013, and the number of funds that receive a GRESB Green Star designation. The Group is committed to incorporating ESG best practices across its portfolio and organisation.

The Group's focus on responsible investment

As a signatory for the PRI, the Group has embedded ESG into its investment and decision-making processes to identify and mitigate ESG-related risks and it is committed to aligning with the Task Force on Climate-Related Financial Disclosures (TCFD) to increase transparency on climate-related risks and opportunities. The Group has a track record of replacing fossil fuels with renewable energy sources and using technology to create efficiencies and reduce energy consumption and waste across portfolio assets. The Group has increased the percentage of green-certified properties in its funds every year and committed to building 100 percent of new logistics real estate developments to globally recognised green certification standards. It is an industry leader in solar installation with over 775 MW of capacity installed across its real estate portfolio as of 30 June 2023 and the Group was one of the pioneers in APAC in sponsorship of sustainability-linked loans and green bonds.

The Group has established plans to continually evolve its ESG policies and processes to identify and protect key stakeholder interests and is committed to regularly engaging with its stakeholders through materiality interviews and updates. The Group's responsible investment policy currently sets out its approach to ESG integration for all of its real assets and private equity portfolio. The current ESG integration covers pre-acquisition screening and due diligence, as well as management and monitoring of ESG performance during its ownership period.

The Group's ESG screening and due diligence process allows it to review material ESG factors for each investment opportunity, and mitigate and address matters that arise. Recommendations from its pre-investment due diligence are included in transaction negotiations and post-transaction action plans for continuous improvement.

ESG in the Group's operations

The Group's people are crucial to the success of its business, and the Group seeks to attract, develop and retain a talented, diverse group of employees. The Group promotes a diverse and inclusive workforce and have a dedicated learning platform with programs and courses on diversity and inclusion.

The Group supports local initiatives across its geographies in order to give back to its communities and help its employees create positive impact.

The Group integrates ESG across the full lifecycle of its investment and ownership process, including screening, due diligence, portfolio management, and realisation. The Group identified ESG risks and opportunities based on its ESG due diligence toolkit, which customises the scope of due diligence based on identified risks. The Group collects ESG data on its fund investments on a regular basis and takes action to show continual improvement. At least every two years, the Group reviews and suggests improvements to its ESG policy commitments, which its Board of Directors will ultimately approve.

ESG impact on the Group's investors and customers

The Group's ESG programs are designed to deliver positive outcomes for the Group's investors and customers which having a positive impact on the communities in which it operates. The Group is committed to investing responsibly and consider relevant ESG factors including health, safety, environmental and social considerations in its investment and decision making processes. The Group supports its customers' ESG goals by offering sustainable space and opportunities to partner with it on social impact initiatives. It creates sustainable building guides specific to its different markets. For properties in the Group's real estate funds, the Group incorporates ESG elements including increase insulation, LED lighting, water refuse systems, solar and renewable energy, biodiversity and green fields surrounding buildings, and exterior colors harmonised with landscapes.

Climate change resilience

The Group is focused on the transition to a low-carbon economy throughout its business, including in its investment criteria, asset management, construction standards and growth of its renewable energy business. The Group recognises the importance of taking action to address climate change and in 2022 undertook a climate risk assessment and scenario analysis exercise across the countries and regions where we operate to understand how climate risks and opportunities may impact our real assets and operations. The initial analysis refers to two scenarios, one where the Group achieved “Net Zero by 2050” and another where “Current Policies” were pursued. These scenarios were developed by the Network of Central Banks and Supervisors for Greening the Financial Systems (NGFS) and a report was published in 2022.

The Group works to identify and measure the physical energy transition risks of its investments, and intends to conduct scenario analysis to understands and quantify the physical and transition risks and uncertainties it may face in the future and to better understand its climate resilience.

The Group’s investment and asset management process

The Group has developed a disciplined investment process that it believes allows it to successfully identify attractive opportunities that fit the investment criteria of its funds. The Group’s investment process capitalises on its global scale and leverages its local knowledge in the geographies in which it operates. By pairing consistent and rigorous underwriting with deep sector and market expertise, the Group believes it can effectively investigate and analyse investment opportunities to make selective and informed decisions.

The Group utilises a comprehensive process across all of its geographies and strategies, ensuring that all new investments are subject to appropriately high standards. The Group believes one of its distinct investing advantages is its entrenched local presence, in the form of both investment and operating professionals, in all of the regions in which its operates. The Group is vertically integrated and has a commitment to building and maintaining deep, on-the-ground teams with sector specialisation. This approach generates investment opportunities and differentiated data to evaluate these opportunities that other managers may lack. The Group’s investment teams leverage an extensive network of relationships, at both the local market and global levels. From the Group’s various sourcing channels and broad access to real-tine data, the Group believes it gains meaningful insight into markets and prospective investment opportunities that it carefully analyses and underwrites.

Investment opportunities that advance beyond a preliminary review stage undergo further extensive underwriting and due diligence, including the involvement of internal specialists that are assembled to rigorously evaluate the opportunity and execute diligence and analysis processes. The Group’s internal teams - which, depending on the opportunity and sector it is evaluating, may include specialists in capital markets, supply chain and data center technology, property operations and development - provide insight and expertise that the Group believes is a competitive advantage and is additive to its risk management processes. In addition, the Group believes its commitment to the same new economy sectors across both of its business strategies creates enhanced knowledge and processes within those sectors. For example, by utilizing the insight and data generate from management of its logistics real estate funds, the Group has a differentiated perspective in evaluating investment opportunities in supply chain technology companies within its corporate private equity and growth equity strategies.

The Group applies the same rigour and comprehensive approach to asset management that it utilises in its investment process. The Group’s vertically integrated platforms include professionals specialising in areas that span the lifecycle of an investment, allowing it to focus on protecting and enhancing the value of each of its investments. While specific asset management plans vary by business strategy and each fund’s objectives, the Group consistently adopts a proactive approach to regularly monitor assets and capital markets to maximise return on invested capital. It implements strategic review processes to evaluate and define investment exit strategies, which may include single investment dispositions, structured transactions and recapitalisations, public listings and private sales. Throughout the Group’s asset management process, it adopts a data-oriented approach, often utilising proprietary technology tools, to enhance and create value.

2. BUSINESS PERFORMANCE REVIEW

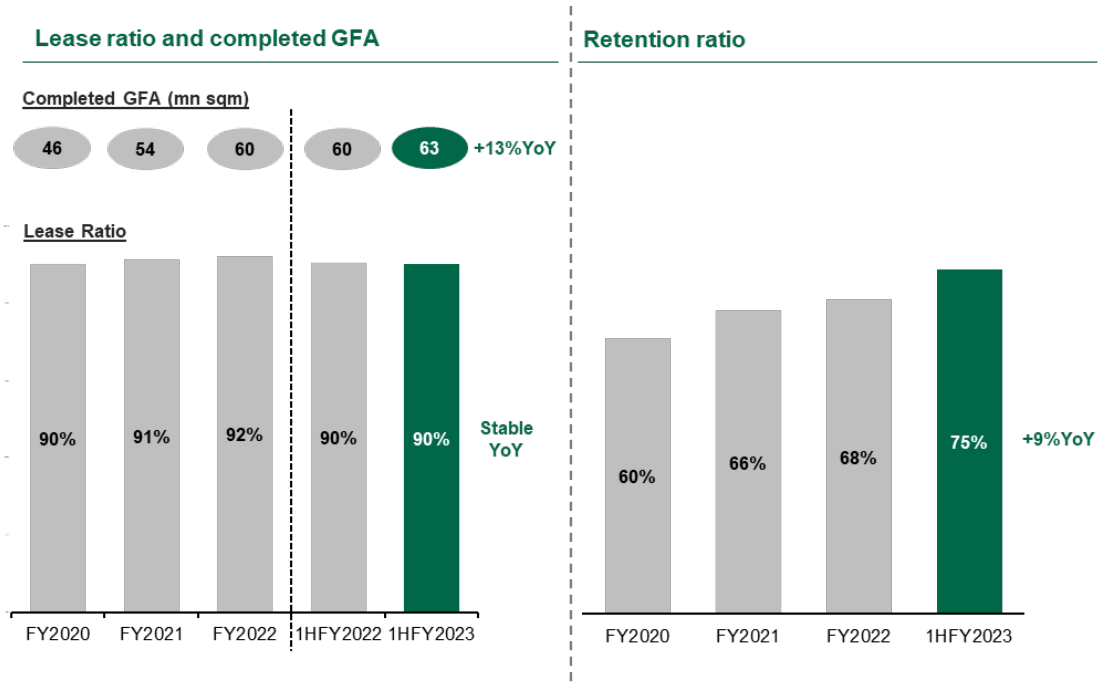
a. LOGISTICS REAL ESTATE

OVERVIEW

The Group owns, manages and operates a global network of logistics properties strategically located in key logistics hubs, industrial zones and urban distribution centres. In the first half of 2023, logistics real estate fundamentals remained resilient as demand for modern logistics facilities remained strong, driven by global supply chain shifts and growing domestic consumption met by undersupply in key markets.

In the first six months of 2023, the Group completed 3.0 million square metres of developments and commenced 2.6 million square metres of new developments, bringing its total logistics real estate footprint to approximately 85 million square metres as of 30 June 2023.

The Group has also continued to develop and build its logistics supply chain ecosystem through scaling its cold storage business. The cold chain market is expected to grow with the surge in demand for longer shelf-life and temperature-controlled logistics within the pharmaceuticals, chemicals, food, and beverage sectors. At 30 June 2023, GLP delivered over 3 million square metres of cold storage space across Asia, Europe and the Americas, and continues to identify opportunities to invest in this complementary sector.



Note: Operating statistics include both owned and fund-level real assets

Figure 5: Logistics operating statistics

In the first six months of 2023, the Group delivered strong operational performance, with a lease ratio of 90 per cent. The Group signed leases covering 14.0 million square metres, representing an increase of 6 per cent. compared to the first six months of 2022 with a retention ratio of 75 per cent. In the six months ended 30 June 2023, the Group achieved same-property NOI growth of more than 3 per cent. The Group's Weighted Average Lease Expiry (WALE) as of 30 June 2023 was 3.6 years.

i. **CHINA**

Operational performance remained solid, with a lease ratio of 86 per cent. as of 30 June 2023. During the period, the Group signed 11.9 million square metres of total leases. The portfolio also generated same-property NOI growth of 2 per cent. for the six month period.

Due to the growth that is anticipated in the Chinese logistics and warehousing facilities market, leases in China are generally shorter than other markets. Leases typically have one to 10-year terms, with leases under build-to-suit arrangements generally having longer terms, and include a rental premium for the specific customisation requested by the customer. The WALE of the China portfolio was 2.0 years as of 30 June 2023.

ii. **JAPAN**

The lease ratio for GLP Japan's property portfolio remained stable at 99 per cent. at 30 June 2023 and retained 77 per cent. of its customers. 1.1 million square metres of total leases were signed in the six months ended 30 June 2023, which generated effective rent growth of 8.4 per cent. The Group's customers in Japan comprise primarily large Japanese companies that operate across a wide variety of industries, as well as other multinational companies.

Leases for the properties in the Japan portfolio typically run for a fixed term of three to five years for multi-tenant facilities and for 10 years or more for build-to-suit arrangements. Some of the Group's leases contain provisions for rental adjustments every three years based on the corresponding change in the consumer price index. As of 30 June 2023, the Japan portfolio had a WALE of 5.4 years.

iii. **BRAZIL**

The lease ratio for the Brazil portfolio was 93 per cent. as of 30 June 2023, with same-property NOI growth of 3.9 per cent. and 218,000 square metres of new and renewal leases signed in the six months ended 30 June 2023.

Leases for properties in Brazil generally run for a fixed term of five years for typical contracts and multi-tenant facilities; and for 10 years or more for built-to-suit or similar arrangements. The Brazil portfolio had WALE of 6.4 years as of 30 June 2023.

iv. **EUROPE**

GLP Europe operates a total portfolio of 11.2 million square metres across 11 countries as of 30 June 2023. The Europe portfolio was 99 per cent. leased as of 30 June 2023. In the six months ended 30 June 2023, the Group signed 391,000 square metres of new and renewal leases, and retained 45 per cent. of its customers. Same-property NOI growth for the year was 9.1 per cent.

Leases for the properties in Europe typically depend on the country's market characteristics, although longer leases are typical for built-to-suit developments across all markets. In France, leases are generally for nine years (with break options at the third and sixth year); in Germany, leases range between five to fifteen years for standing assets with an average unexpired lease term of 6.8 years; in Belgium leases tend to be between five to nine years with an average unexpired lease term of 7.4 years; in the Netherlands leases tend to be between five to ten years but can vary, the average unexpired lease term is 4.2 years; whereas in the UK most leases range between ten to fifteen years, the average unexpired lease term being 10.3 years. In Spain leases typically range from five to twelve years whereas leases in Central and Eastern Europe are between five to ten years with an average unexpired lease term of 3.6 years. As of 30 June 2023, the WALE was 6.6 years across the Europe portfolio.

v. US

As of 30 June 2023, the U.S. portfolio comprised 2.2 million square metres of completed assets and 0.3 million square metres of properties under development and land held for future development. The portfolio was 95 per cent. leased with a WALE of 5.2 years as of 30 June 2023.

vi. INDIA

GLP operates in India through a strategic joint venture with IndoSpace.

As of 30 June 2023, the portfolio was 95 per cent. leased with a WALE of 6.6 years. The portfolio signed 299,000 square metres of new and renewal leases in the six months ending 30 June 2023, and maintained a 65 per cent. retention ratio. Same-property NOI growth was 11.7 per cent. for the period.

vii. VIETNAM

The Group entered the Vietnam market in October 2020 through a joint venture with SEA Logistics Partners which became a subsidiary of the Group in 2022. As of 30 June 2023, the Group has acquired six development sites with a total land area of over 900,000 square metres, focusing on Vietnam's two largest markets, Greater Hanoi and Greater Ho Chi Minh City. As of 30 June 2023, the portfolio was 97 per cent. leased.

CUSTOMERS

The Group continues to expand its global customer base, partnering with customers to support their cross-border expansion plans as they enter and grow in new markets. The Group has a diversified customer base with ~2,400 customers globally, driven by e-commerce penetration. As of 30 June 2023, the top 10 customers in the portfolio occupied ~18 per cent. of the Group's total leased area. Over 60 per cent. of the total leased area is let to industry leading third-party logistics players and online retailers which benefit from global secular tailwinds.

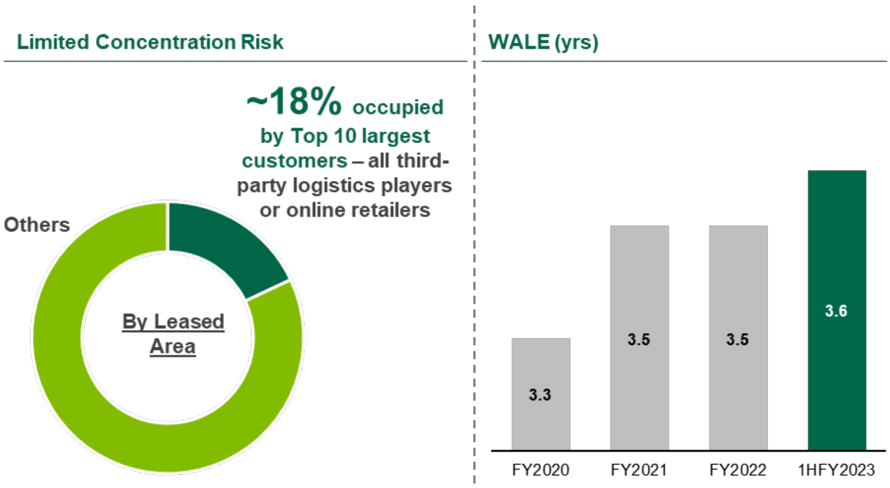


Figure 6: Global customer base profile

LOGISTICS PORTFOLIO SUMMARY

The Group's property interests are held through a combination of direct holdings and equity-accounted investment vehicles. The following table summarises the Group's portfolio of logistics and warehousing assets as of 30 June 2023.

	Total Area million sqm[1]	Pro-rata Area million sqm[2]	Pro-rata Valuation US$ Millions[2]
China			
Completed and stabilized	36.38	12.00	10,935
Completed and pre-stabilized	1.79	0.63	401
Other facilities [3]	0.99	0.32	110
Properties under development or being repositioned [4]	6.58	2.21	1,438
Land held for future development [5]	3.49	2.08	1,209
China total	**49.23**	**17.23**	**14,094**
Japan			
Completed and stabilized (GLP-owned)	3.23	0.36	844
Completed and stabilized (GLP J-REIT owned)	4.06	0.14	271
Completed and pre-stabilized	0.32	0.13	308
Properties under development or being repositioned [4]	0.52	0.11	82
Land held for future development [5]	2.48	0.69	625
Japan total	**10.62**	**1.43**	**2,130**
US			
Completed and stabilized	2.03	0.19	360
Completed and pre-stabilized	0.16	0.01	21
Properties under development or being repositioned [4]	0.25	0.01	16
Land held for future development [5]	—	—	—
US total	**2.44**	**0.21**	**397**
Vietnam			
Completed and stabilized	0.08	0.01	8
Completed and pre-stabilized	0.23	0.04	26
Properties under development or being repositioned [4]	0.12	0.02	12
Land held for future development [5]	0.49	0.09	18
Vietnam total	**0.92**	**0.16**	**64**
Brazil			
Completed and stabilized	2.74	1.01	756
Completed and pre-stabilized	0.33	0.09	69
Properties under development or being repositioned [4]	0.59	0.16	80
Land held for future development [5]	0.87	0.30	82
Brazil total	**4.53**	**1.56**	**987**
Europe			
Completed and stabilized	7.73	1.09	1,486
Completed and pre-stabilized	0.21	0.03	29
Properties under development or being repositioned [4]	1.20	0.27	258
Land held for future development [5]	2.02	0.58	505
Europe total	**11.16**	**1.97**	**2,278**
India			
Completed and stabilized	2.34	0.06	33
Completed and pre-stabilized	0.14	0.00	1
Properties under development or being repositioned [4]	0.45	0.01	2
Land held for future development [5]	1.82	0.04	7
India total	**4.75**	**0.11**	**43**
Total	**83.65**	**25.34**	**21,902**

Notes:

(1) Total area is based on GFA in China, Japan, Europe, India, US, Vietnam, and GLA in Brazil. There is an additional 1 million sqm of land reserves in China that is not included within the table above.

(2) Pro-rata area and pro-rata valuation refer to the area and valuation of properties in the GLP portfolio and pro-rated based on GLP's interest in these investment vehicles

(3) "Other facilities" includes container yards and parking lot facilities

(4) "Properties under development or being repositioned" consists of five sub-categories of properties: (i) properties that the Group has commenced development; (ii) logistics and warehousing facilities which are being converted from bonded logistics and warehousing facilities to non-bonded logistics and warehousing facilities; (iii) a logistics and warehousing facility which will be upgraded into a standard logistics and warehousing facility; (iv) a logistic facility which is waiting for heating and power supply from government and (v) logistics and warehousing facilities which are undergoing more than three months of major renovation.

(5) "Land held for future development" refers to land which the Group has signed the land grant contract and/or the Group has obtained the land certificate.

b. DATA CENTERS

GLP launched its China data center business in 2018 and is now one of the largest independent data center operators in the country with assets that will deliver over 1,400 MW of IT capacity. There are seven in-flight campuses across Japan, the UK, and Brazil, representing over 850 MW of power and, combined with the Americas, more than 1,500 MW in the global pipeline. In August 2023, GLP commenced construction of Tokyo West 1, a new 31 MW data campus which will be constructed to LEED Gold certification standards. The first phase of 10MW is expected to be ready for service by February 2025.

GLP's data center assets are designed to maximize efficiencies using a repeatable core product built around sustainability, security and EHS leadership to deliver reliable, safe, secure and sustainable data center solutions to satisfy current and future demand from business application, cloud and AI computing deployments. Data center fundamentals remain strong with rising demand for local hyperscale data center facilities to support digitisation trends such as AI, IoT and cloud services across industries.

c. RENEWABLE ENERGY

GLP continues to aid global energy transition and meet clean energy demand by operating and developing assets across the renewable energy value chain including solar energy, wind energy and energy storage solutions. As of 30 June 2023, GLP reached ~700 MW of installed solar energy capacity from onsite solar panels installed across properties in Asia, Europe and the Americas, resulting in a 68 per cent. increase in total solar capacity year-over-year.

d. FUND MANAGEMENT

The Group continues to grow its fund management platform through GCP. GCP has an in-house asset management team which drives value creation to maximise investment and fund performance through all phases of the investment cycle. GCP is founded on the Group's longstanding relationships with numerous global institutional investors and its senior management's extensive years of experience in private capital management. The Group's partnership with leading investors allows it to de-risk the Group's development and investment activities through pre-commitments and diversification of capital partners.

As of 30 June 2023, GCP had US$127 billion[1] of total AUM across 55 funds which include real assets and private equity. Year-to-date August 2023, GCP has raised an aggregate US$3.2 billion from existing and new funds. For the six months ended 30 June 2023, GCP generated US$447 million of fund management revenue, an increase of 67 per cent. from the first half of 2022

GCP intends to continue to raise investment funds with third party investors, capitalising on its development capabilities to build its fee-based income and recycle capital from mature assets, using proceeds to fund growth. The Group seeks to generate long-term, stable income with low volatility by developing and investing in properties that are of institutional quality and design, well-located and substantially leased. The fund management business is high margin and revenues will continue to grow as the Group forms new partnerships.

1. FX neutral; AUM as of June 2023 after FX impact is US$124bn; includes country-level funds and multi-geography AUM

2. CONSOLIDATED FINANCIAL RESULTS REVIEW

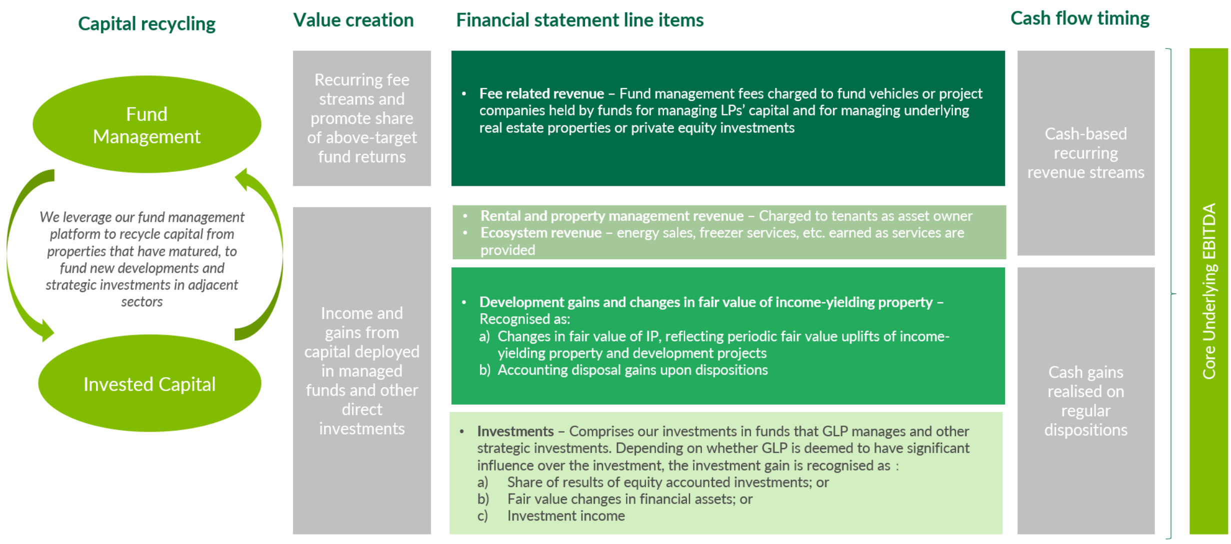
The Group generates returns on its capital primarily through rental income, management fees and performance revenues earned as an investment manager, as well as distributions or dividends earned from its capital invested in managed entities, and through performance of the Group's financial asset investments and other platforms. In addition, the Group's owned investment properties and investments are held at fair value with any changes in carrying value recognised as unrealised fair value changes in our consolidated income statement which become realised on disposal.

The Group generally invests capital alongside our investors and partners, which, in addition to GCP's customary management fees and incentive fees, means that we also earn meaningful returns as an investor.

This combination can result in certain vehicles being consolidated in our financial statements. As a result, we include 100% of these entities' revenues and expenses in our consolidated income statement. Similarly, we include all of the assets, liabilities, including non-recourse borrowings, of these entities in our consolidated statement of financial position, and include the portion of equity held by others as non-controlling interests. The Group's remaining capital invested in GCP managed funds is equity accounted for due to our significant influence or joint control over the vehicles and is reflected as income from equity accounted investments.

Accounting disposal gains generally arise as we recycle capital from owned assets into managed funds, or to third parties, based on the difference between the asset's carrying value and the transaction price.

This business model result in the value created by the Group being reflected across different line items in our consolidated income statement:



Our ecosystem provides us with a healthy mix of cash-based recurring revenue and consistent transactional gains

Figure 7: GLP's business model and linkage to financial performance

In order to assess underlying performance and report profitability on a realised basis, the Group uses GLP Pte Ltd's Core Underlying EBITDA as a key performance indicator.

CONSOLIDATED INCOME STATEMENT

For the six month period ended	30 June 2023	30 June 2022
	US$'000	US$'000
Revenue	**1,164,764**	**866,624**
Rental and related income	474,542	484,796
Management fees	447,150	268,227
Energy sales	86,671	33,870
Freezer services	61,646	39,879
Sales of goods	12,129	13,441
Data center service income	56,173	10,054
Distributions from investments	26,453	16,357
Other income/(losses)	**18,122**	**38,570**
Changes in fair value of equity investments held at fair value through profit or loss	(7,981)	11,604
Government subsidies and others	26,103	26,966
Direct expenses	**(352,459)**	**(254,049)**
Property-related expenses	(282,272)	(211,635)
Cost of goods and energy sold	(70,187)	(42,414)
Other expenses	**(602,282)**	**(229,705)**
Employee compensation	(393,193)	(41,461)
Depreciation and amortization	(73,289)	(22,898)
General, administrative and other operating expenses	(135,800)	(165,346)
Share of results from equity accounted investments (net of tax expense)	**203,708**	**201,070**
Profit from operating activities after share of results of equity accounted investments	**431,853**	**622,510**
Net finance costs	**(320,711)**	**(384,102)**
Other net gains/(losses)	**54,293**	**85,311**
Gain on disposal of subsidiaries	42,278	3,381
Gain on disposal of investment properties	10,237	23,775
Gain on disposal of assets and liabilities classified as held for sale	542	61,116
Others	1,236	(2,961)
Profit before changes in fair value of investment properties held by consolidated vehicles	**165,435**	**323,719**
Changes in fair value of investment properties	**180,590**	**730,076**
Profit before tax	**346,025**	**1,053,795**
Tax expense	**(132,070)**	**(302,905)**
Profit for the period	**213,955**	**750,890**
Profit attributable to:		
Equity owners of the Company	35,774	473,182
Non-controlling interests	178,181	277,708
Profit for the period	**213,955**	**750,890**

INCOME STATEMENT ANALYSIS

In the first six months of 2023, the business continued to perform well operationally, and revenue for the period increased 34 per cent to US$1,165 million, primarily due to:

- increases in fund management revenue as a result of higher promotes and from growth in AUM and new fund launches
- additional contributions from the electricity trading platform that serves retail and wholesale customers in Japan that was acquired in April 2022
- growth of our data center and cold chain platforms

Our results for the first half of 2022 benefited from the non-recurring impact of fair value gains recognised on a fund exit and favourable fair value changes in respect of legacy share-based payment arrangements.

Direct expenses were US$352 million, an increase of 39 per cent compared to the prior year period, primarily due to the continued business expansion of the Group's data center and cold chain operations and additional cost of energy sold in the acquired energy trading platform.

Other expenses were US$602 million, up 162 per cent compared to the prior year period due to favourable fair value changes in share-based payment liabilities in the prior year period, which was partially offset by increases in depreciation and amortisation expenses, legal and professional fees and staff costs.

Net finance costs were US$321 million for the year, a decrease of 17 per cent compared to the prior year period. This was primarily due to US$80 million of non-cash foreign exchange gains during the period due to China, compared to a loss of US$153 million in the prior year period. This was partially offset by a higher interest expense as a result of increasing borrowing rates.

The Group recorded lower fair value changes on investment properties of US$181 million during the period, a decrease of 62 per cent compared to the prior year period. This was primarily contributed by a one-off fair value uplift driven by the exit of a fund in the prior year period, and driven by cap rate expansion in Europe in the first half of 2023.

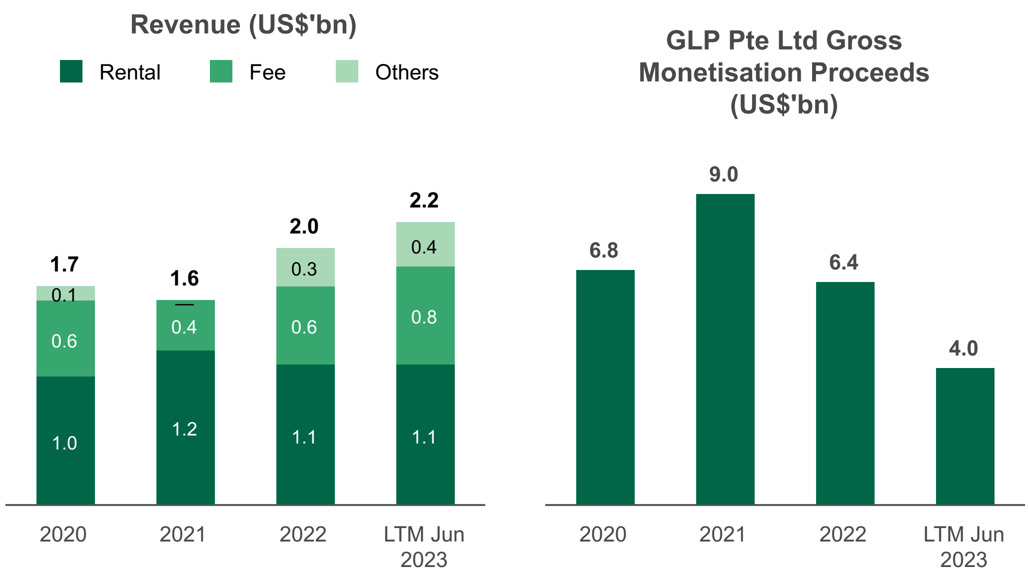


Figure 8: Revenue and GLP Pte Ltd Gross Monetisation Proceeds

SUMMARY OF RESULTS BY COUNTRY

i. CHINA

For the six months ended 30 June 2023, revenue in China was up 23 per cent compared to the prior year period at US$749 million, largely due to the continued business expansion of the Group's data centre and cold chain operations, and higher fund management revenue from growth of AUM and development.

Cap rates remained stable during the period. The comparative period benefited from the maturity of a fund which generated US$488 million of gains on asset disposals. There were no fund exits in the first half of 2023. However, the Group generated US$114 million of gains from development. This resulted in lower net profit of US$188 million for the six months ended 30 June 2023 compared to net profit of US$440 million for the prior year period.

ii. JAPAN

Revenue increased by 69 per cent to US$313 million, primarily due to higher fund management revenue from higher performance related fees, growth in AUM, continued development and higher revenue from energy sales following the acquisition of the energy trading platform in April 2022.

The higher net profit of US$378 million for the period was also largely driven by higher fair value gains from development completions at the Nagareyama site held by JDV II, a fund which was jointly controlled by the Group during the period.

iii. BRAZIL

Revenue in Brazil increased 24 per cent. to US$8 million, driven by higher management fee revenue as more capital was deployed within the fund management platform. Fair value gains on the investment properties across owned and within funds decreased by US$13 million during the period, which resulted in a lower net profit of US$12 million for the period.

iv. EUROPE

Revenue increased by 7 per cent. to US$57 million. There were adverse non-cash fair value changes during the period across owned investment properties and those within funds due to the impact of increasing interest rates. This resulted in a net loss of US$93 million for the period.

v. US

Revenue in the US increased by 246 per cent. to US$36 million, largely due to the contribution from the US GCP fund management business that was acquired in Q3 2022. This substantially expands the Group's presence in the US. Consequently due to the business expansion, G&A expenses increased by US$21 million, net profit increased by US$10 million to US$57 million for the period.

CORE UNDERLYING EBITDA

We use Underlying and Core Underlying EBITDA to assess our performance as an asset manager and separately as an investor in our assets. Core Underlying EBITDA includes the fees that we earn from managing capital as well as revenues earned and costs incurred within our operations. Core Underlying EBITDA also includes other cash costs incurred to operate our business. We include regular Monetised Fair Value Gains within Core Underlying EBITDA in order to provide additional insight regarding the performance of investments on a cumulative realised basis, and believe it is useful to investors to better understand variances between reporting periods. Unrealised fair value changes are excluded from Core Underlying EBITDA until the period in which the asset is sold.

	US$'m	Note	1H2023	1H2022	LTM June 2023	LTM June 2022
	PBT		**346**	**1,054**	**595**	**2,544**
(+)	Net finance cost	(1)	321	384	718	619
(+)	Depreciation and amortisation	(2)	121	44	197	69
	EBITDA		**788**	**1,482**	**1,510**	**3,232**
	Adjustments in respect of investment properties					
(-)	Changes in fair value of investment properties	(3)	(181)	(730)	(341)	(1,698)
(-)	Changes in fair value of investment properties held by JCEs	(4)	(208)	(49)	(195)	(203)
(-)	Changes in fair value of investment properties in associates	(4)	(26)	(170)	84	(402)
(-)	(Gain)/Loss on disposal of investment properties	(5)	(10)	(24)	(32)	(63)
(+)	**Other non-cash adjustments**	(6)	153	(220)	373	1,005
	Non-recurring accounting impact of dispositions & FV changes					
(-)	(Gain)/Loss on disposal of subsidiaries	(7)	(43)	(7)	(177)	(212)
(-)	(Gain)/Loss on disposal of equity accounted investments	(8)	-	-	(262)	0
(-)	FV changes on equity investments loss/(gain)	(9)	8	(12)	81	(255)
(+)	FV changes on equity investments loss/(gain) within JCE/ associates	(10)	-	-	(81)	0
(-)	(Gain)/Loss on disposal of assets and liabilities held for sale	(11)	0	(61)	(179)	(246)
(-)	Other gains/losses		-	-	(27)	0
	Underlying EBITDA		**481**	**210**	**754**	**1,158**
(+)	GLP Pte Ltd Monetised Fair Value Gains	(12)	178	1,269	1,493	2,866
	Core Underlying EBITDA		**659**	**1,479**	**2,247**	**4,024**

Notes:

(1) This represents net finance cost incurred during the year (and does not add back the finance costs recorded within joint ventures and associates).
(2) This represents depreciation and amortisation incurred during the year.
(3) This represents the net valuation movements of consolidated investment properties recognised during the year.
(4) This represents Group's share of net valuation movements in investment property in joint ventures and associates, net of tax.
(5) This represents the net gain/(loss) of disposal of investment properties recognised during the year.
(6) This represents non-cash expenses such as impairments and share-based compensation.
(7) This represents the gain/(loss) on disposal of subsidiaries recognised during the year.
(8) This represents accounting gains recorded on disposal of equity accounted investments recognised during the year.
(9) This represents fair value changes of Group's equity investments recognised during the year.
(10) This represents fair value changes of Group's equity investments within joint ventures and associates recognised during the year.
(11) This represents accounting gains and losses on the disposal of assets and liabilities classified as held for sale and bargain purchase gain on acquisition of subsidiaries and equity accounted investments.
(12) GLP Pte Ltd Monetised Fair Value Gains represents the Group's pre-tax profits on the realisation of investment properties, available-for-sale financial assets, and share of profits in interests in jointly-controlled entities and associates, through asset divestments or equity syndications.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2023	As at 31 December 2022
	US$'000	**US$'000**
Non-current assets		
Investment properties	15,303,104	15,308,591
Equity accounted investments	8,251,671	8,079,060
Deferred tax assets	95,270	85,457
Property, plant and equipment	1,667,960	1,471,970
Goodwill	1,574,945	1,476,410
Intangible assets	537,568	506,998
Financial derivative assets	2,809	694
Other investments	2,906,725	2,863,794
Other non-current assets	3,160,848	3,436,701
	33,500,900	33,229,675
Current assets		
Trade and other receivables	8,481,045	8,585,065
Financial derivative assets	137	—
Cash and cash equivalents	2,476,584	2,589,267
Assets classified as held for sale	6,077,300	6,644,094
	17,035,066	17,818,426
Total assets	**50,535,966**	**51,048,101**
Equity		
Share capital	5,538,589	5,538,589
Reserves	5,195,402	5,528,297
Equity attributable to shareholders of the Company	10,733,991	11,066,886
Perpetual securities	1,128,030	1,130,103
Non-controlling interests	12,640,134	12,511,775
Total equity	**24,502,155**	**24,708,764**
Non-current liabilities		
Loans and borrowings	8,088,722	10,167,137
Financial derivative liabilities	1,136	—
Deferred tax liabilities	1,567,626	1,574,451
Other non-current liabilities	2,545,278	2,546,465
	12,202,762	14,288,053
Current liabilities		
Loans and borrowings	6,528,618	3,776,817
Trade and other payables	3,314,725	3,563,266
Deferred tax liabilities	—	14,064
Current tax payable	232,964	461,324
Liabilities classified as held for sale	3,754,742	4,235,813
	13,831,049	12,051,284
Total liabilities	**26,033,811**	**26,339,337**
Total equity and liabilities	**50,535,966**	**51,048,101**

BALANCE SHEET & LIQUIDITY

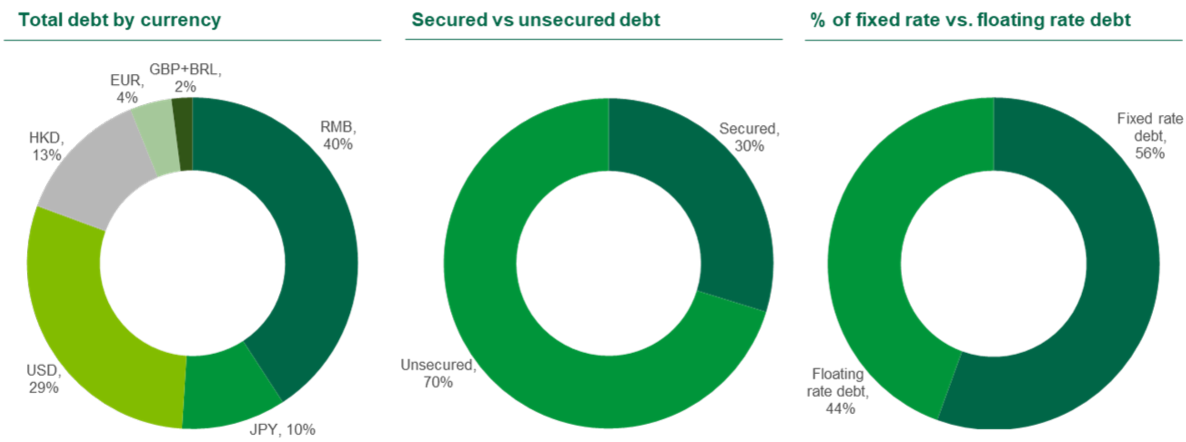
Total assets as of 30 June 2023 were US$50,536 million as compared to US$51,048 million as of 31 December 2022. Primarily driven by a decrease in the value of investment properties by US$5 million compared to the prior year period mainly due to seed asset dispositions into funds, adverse fair value impact in Europe and adverse translation impact as a result of the appreciation of USD against CNY, partially offset by development expenditure of US$593 million. Overall the Group recorded fair value gains on investment property of US$181 million.

Property, plant and equipment increased to US$1,668 million as of 30 June 2023 mainly due to the growth of our data center business and cold chain operations in China.

Total liabilities as of 30 June 2023 were US$26,034 million, compared with US$26,339 million in the prior year period. Total loans and borrowings were US$14,617 million, an increase of 4.8 per cent. compared to 31 December 2022, mainly due to the drawdown of bank loans in China, Europe and Corporate to fund growth, partially offset by the redemption of Panda bonds in China. The Group's loans and borrowings have phased maturities and the Group intends to continue to apply monetisation proceeds to fund debt repayments or certain other strategic transactions from disposition into managed funds.

Assets and liabilities classified as held for sale primarily comprised investment properties and borrowings which the Group plans to seed into funds over the next 12 months.

As of 30 June 2023, the Group had US$2,477 million in cash and cash equivalents with net debt (expressed as the difference between total loans and borrowings and cash and cash equivalents) as of 30 June 2023 of US$12,147 million. The Group's net leverage ratio (expressed as a percentage of net debt over total assets less cash) as of 30 June 2023 was 25.3 per cent.



Note: As of 30 June 2023, loans and borrowings of US$14.6 billion

Figure 9: Analysis of loans and borrowings

3. NOTES & DEFINITIONS

Assets Under Management ("AUM"). *Refers to assets of funds, partnerships and accounts which the Group provides investment management services. AUM is calculated as the sum of the gross asset value and available financing capacity for real estate funds and is calculated as the sum of the fair value of investments, uncalled capital and uninvested cash for private equity funds.*

Core Underlying EBITDA. *We use Core Underlying EBITDA, a non-GAAP financial measure, as a measure of our operating performance. The most directly comparable GAAP measure to Core Underlying EBITDA is profit before tax.*

We calculate Core Underlying EBITDA by beginning with profit before tax and removing the effect of: net finance costs, depreciation and amortisation, gains or losses from the revaluation of investment properties and equity investments, accounting gains and lossess arising on disposition transactions and other non-cash expenses. We include GLP Pte Ltd Monetised Fair Value Gains (see below) in Core Underlying EBITDA which reflects our share of realised pre-tax profits on asset sales. Our definition of Core Underlying EBITDA therefore excludes non-cash unrealised fair value changes on investment properties and equity investments and includes realised gains on asset disposals in order to provide additional insight regarding the performance of our investments on a cumulative realised basis when the asset is sold and the profit available for redeployment.

We believe Core Underlying EBITDA provides relevant and useful information because it permits stakeholders to view our operating performance and analyse our ability to meet interest payment obligations on an unleveraged basis before the effects of income tax, depreciation and amortisation expense, non-cash fair value changes in investment properties and equity investments held in consolidated and unconsolidated investment vehicles, accounting gains and losses on dispositions and other items (outlined above), that affect comparability. While all items are not infrequent or unusual in nature, these items may result from market fluctuations that can have inconsistent effects on our results of operations. The economics underlying these items reflect market and financing conditions in the short-term but can obscure our performance and the value of our long-term investment decisions and strategies.

While we believe Core Underlying EBITDA is an important measure, it should not be used alone because it excludes significant components of net earnings, such as our historical cash expenditures or future cash requirements for working capital, capital expenditures, distribution requirements, contractual commitments or interest and principal payments on our outstanding debt and is therefore limited as an analytical tool.

GLP Pte Ltd Monetised Fair Value Gains ("GLP Pte Ltd MFVG"). *Monetised fair value gains is a performance indicator used to measure our share of pre-tax earnings realised upon the sale of an asset, and is calculated based on the difference between the selling price to related companies and third parties and the historical cost of the asset. We calculate our Monetised Fair Value Gains based on the total gains from consolidated ventures and our proportionate ownership share of our unconsolidated ventures. We reflect our share of our Monetised Fair Value Gains for unconsolidated ventures by applying our average ownership percentage for the period to the applicable reconciling items on an entity by entity basis.*

Our computation of Core Underlying EBITDA may not be comparable to EBITDA reported by other companies in both the real estate industry and other industries. We compensate for the limitations of Core Underlying EBITDA by providing investors with financial statements prepared in accordance with prevailing accounting standards and a reconciliation to Core Underlying EBITDA from profit before tax.