**GLP Pte. Ltd. and its subsidiaries**

**Registration number: 200715832Z**

Annual Report

Year ended 31 December 2023

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# Directors' Report

## Directors' statement

We are pleased to submit this Annual Report to the member of GLP Pte. Ltd. (the "Company") together with the audited financial statements for the financial year ended 31 December 2023. In our opinion:

(a) the financial statements set out on pages FS1 to FS123 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and financial position of the Company as at 31 December 2023 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorized these financial statements for issue.

## Directors

The directors in office at the date of this statement are as follows:

Mark Tan Hai Nern
Nicholas Regan Johnson

## Directors' interests in Shares or Debentures

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares and share options in the Company and in its related corporations (other than wholly-owned subsidiaries) are as follows:

| | **Held in the name of Director or nominee** | | **Deemed Interest** | |
|---|---|---|---|---|
| **Name of Director and corporation in which interests are held** | **Holdings at beginning of year** | **Holdings at end of year** | **Holdings at beginning of year** | **Holdings at end of year** |
| **Subsidiary** | | | | |
| **GLP China Holdings Limited ("GLP China")** | | | | |
| ***Ordinary Shares*** | | | | |
| Mark Tan Hai Nern[1] | 121,072,268 | 121,072,268 | 121,072,268 | 121,072,268 |

**Note:**

*1. Under the Employee Share Plan of GLP ("Employee Share Plan"), awards of ordinary shares in the capital of GLP China ("GLP China Shares") are granted to eligible employees of the group comprising GLP and its subsidiaries (the "Group"). Holders of such awards may be entitled to receive GLP China Shares subject to fulfilment of certain conditions and the rules of the Employee Share Plan. Pursuant to the Employee Share Plan, a trust ("Trust") was established to hold 121,072,268 GLP China Shares for the benefit of certain eligible employees of the Group, including Mark Tan Hai Nern. Accordingly, by virtue of Section 7(2) of the Act, Mark Tan Hai Nern is deemed to have an interest in 121,072,268 GLP China Shares which are held pursuant to the Trust.*

## Directors' Contractual Benefits

Except as disclosed in Note 34 of the accompanying notes to the financial statements for the year ended 31 December 2023, since the end of the last financial year, no Director has received or become entitled to receive, a benefit by reason of a contract made by the Company or its related corporations with the Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

## Arrangements to Enable Directors to Acquire Shares and Debentures

Except as disclosed below and in Note 22 of the accompanying notes to the financial statements for the year ended 31 December 2023, neither at the end of nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## Options to Subscribe for Unissued Shares

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries. No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries. There were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year. No options have been granted during the financial year which enable the option holder to participate by virtue of the options in any share issue of any other company.

## Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

Signed by the Board of Directors

**Mark Tan Hai Nern**
*Director*

N.R. Johnson

**Nicholas Regan Johnson**
*Director*

**KPMG LLP**
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

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# Independent Auditors' Report

Member of the Company
GLP Pte. Ltd.

## Report on the audit of the financial statements

*Opinion*

We have audited the accompanying financial statements of GLP Pte. Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information as set out on pages FS1 to FS123.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

*Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA 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 judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Valuation of investment properties**
*(Refer to Note 4 – Investment properties and Note 6 – Equity accounted investments)*

***Risk:***

The Group has a significant portfolio of investment properties comprising logistic properties located mainly in the People's Republic of China ("PRC"), Japan, United Kingdom, Europe, United States and Brazil which are held through subsidiaries, associates and joint ventures.

These investment properties are stated at their fair values based on external and internal valuations, with changes in fair value recognized in profit or loss.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are sensitive to key assumptions applied in deriving the future cash flows, the capitalization rates, discount rates, terminal yield rates and estimated costs to complete.

A change in the key assumptions could have a significant impact on the valuations.

***Our response:***

We assessed the qualifications and competency of the valuers. We held discussions with the valuers to understand their valuation methods used, and the assumptions applied. We also considered the valuation methodologies used against those applied by valuers for similar property types.

We compared the projected cash flows used in the valuations to historical data, supporting leases, market data and other supporting evidence. Together with the assistance of our valuation expert, we evaluated the reasonableness of the capitalization rates, discount rates and terminal yields used in the valuation by comparing these against industry data used for similar properties, taking into consideration comparability and market forces. Where the rates were outside the expected range, we undertook further procedures to understand the effect of other additional factors and, where necessary, held further discussions with the valuers.

For investment properties under construction, we also evaluated the estimated costs to complete by comparing the costs incurred to date, against management budgets and construction contracts. We tested significant costs components to supporting documents.

We have also considered the adequacy of disclosures in the financial statements.

**Recoverable amount of goodwill**
*(Refer to Note 9 – Intangible assets)*

***Risk:***

The Group has goodwill with a carrying values of $1,532.9 million as at 31 December 2023. The goodwill is impaired when the carrying values of the Cash Generating Unit ("CGU") of which the goodwill is allocated to, exceeds their recoverable amounts. Estimating the recoverable amounts involves significant judgement in determining an appropriate model and the underlying assumptions to be applied; coupled with the inherent estimation uncertainties that arise when estimating and discounting future cash flows. The recoverable amount is sensitive to inputs and assumptions and underlying the model used. Some of the key inputs and assumptions relate to expectations of future cash flows, growth rates and discount rates.

***Our response:***

We evaluated management's determination of CGUs based on our knowledge of the business acquisitions giving rise to the goodwill and our understanding of the current business of the Group.

We assessed management's key assumptions underlying the cash flows projections by comparing them with historical performance, future business plans and external data, taking into consideration comparability and market factors. This also included enquiry with management to understand their business plan, strategies around revenue growth and cost initiatives.

We assessed the appropriateness of the underlying assumptions made by management in their cash flow projections, including the revenue growth rates, long-term growth rates and discount rates, based on the economic and industry conditions relevant to the CGUs.

We checked whether the cash flow projections were based on the approved business plan. We involved our valuation expert in evaluating the valuation methodology, the long-term growth rate and the discount rate applied by management.

We assessed the sensitivity of the cash flow projections and other key assumptions including discount rate and long term growth rate on the impairment assessment and the impact on the headroom over the carrying values.

We also considered the adequacy of the disclosures in the financial statements in respect of this matter.

**Accounting for acquisitions**
*(Refer to Note 28A – Acquisition of subsidiaries)*

***Risk:***

The Group makes acquisitions of investments as part of its business strategy. Such transactions can be complex and judgement is involved in determining whether an acquisition of a controlling interest is a business combination or an acquisition of an asset; and whether an acquisition of a non-controlling interest represents investment in an associate, a joint arrangement or other financial asset. In accounting for a business combination, there is further judgement involved and inherent uncertainty in the estimation used in allocating the overall purchase price to the assets, liabilities and goodwill that make up the acquisition.

***Our response:***

We examined the Group's process on classifying and accounting for each investment acquired. We assessed the accounting of the acquisitions by examining legal and contractual documents. For significant acquisition of interest accounted for as a business combination or investment in associate or joint venture during the year, we examined the terms and conditions of the sale and purchase agreements and the purchase price allocation exercise. We compared the methodologies and key assumptions used in determining the fair values allocated to the identified assets acquired and liabilities assumed to generally accepted market practices and market data.

We also considered the adequacy of disclosure in the financial statements.

**Valuation of other investments**
*(Refer to Note 10 – Other investments)*

***Risk:***

The Group's investment portfolio of US$2,954.8 million as at 31 December 2023 included unquoted equity investments of US$2,220.3 million, measured at Level 3 of the fair value hierarchy. The unquoted equity investments are measured using non-observable market data, and hence, the valuation of these investments involves significant judgement in determining the appropriate valuation technique to be used and underlying assumptions to be applied.

***Our response:***

We assessed the design and implementation of the key controls over the Group's other investments valuation processes, including the controls over:
- management testing and approval of valuation methods; and
- the completeness and accuracy of the data feeds and other inputs into valuation models.

Together with the assistance of our valuation expert, we assessed the reasonableness of the methodologies used and the key assumptions made for a sample of level 3 other investments.

*Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 controls.

- Obtain an understanding of internal controls 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 controls.

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

- Conclude on the appropriateness of management's 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 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 financial statements, including the disclosures, and whether the 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.

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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude 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.

## Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Karen Lee Shu Pei.

KPMG LLP

**KPMG LLP**
*Public Accountants and*
*Chartered Accountants*

**Singapore**
31 March 2024

**Statements of Financial Position**
**As at 31 December 2023**

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2023 US$'000 | 2022 US$'000 | 2023 US$'000 | 2022 US$'000 |
| **Non-current assets** | | | | | |
| Investment properties | 4 | 13,964,421 | 15,308,591 | — | — |
| Subsidiaries | 5 | — | — | 10,116,008 | 9,549,488 |
| Equity accounted investments | 6 | 8,222,333 | 8,079,060 | — | — |
| Deferred tax assets | 7 | 126,020 | 85,457 | — | — |
| Property, plant and equipment | 8 | 1,980,842 | 1,471,970 | 22,785 | 9,408 |
| Goodwill | 9 | 1,532,887 | 1,476,410 | — | — |
| Intangible assets | 9 | 393,103 | 506,998 | — | — |
| Financial derivative assets | 19 | 393 | 694 | — | 694 |
| Other investments | 10 | 2,954,807 | 2,863,794 | — | — |
| Other non-current assets | 11 | 3,040,648 | 3,436,701 | 2,452,771 | 2,312,782 |
| | | 32,215,454 | 33,229,675 | 12,591,564 | 11,872,372 |
| **Current assets** | | | | | |
| Trade and other receivables | 12 | 7,159,341 | 8,585,065 | 6,461,826 | 6,217,428 |
| Financial derivative assets | 19 | 1,168 | — | — | — |
| Cash and cash equivalents | 13 | 2,164,387 | 2,589,267 | 143,198 | 99,993 |
| Assets classified as held for sale | 14 | 2,222,897 | 6,644,094 | — | — |
| | | 11,547,793 | 17,818,426 | 6,605,024 | 6,317,421 |
| **Total assets** | | 43,763,247 | 51,048,101 | 19,196,588 | 18,189,793 |
| **Equity attributable to shareholders of the Company** | | | | | |
| Share capital and capital securities | 15 | 5,538,589 | 5,538,589 | 7,284,970 | 7,164,673 |
| Reserves | 16 | 5,038,172 | 5,496,729 | 1,138,192 | 1,062,686 |
| | | 10,576,761 | 11,035,318 | 8,423,162 | 8,227,359 |
| **Perpetual securities** | 15 | 1,128,439 | 1,130,103 | 1,128,439 | 1,130,103 |
| **Non-controlling interests** | 17 | 9,502,407 | 12,543,343 | — | — |
| **Total equity** | | 21,207,607 | 24,708,764 | 9,551,601 | 9,357,462 |
| **Non-current liabilities** | | | | | |
| Loans and borrowings | 18A | 5,426,322 | 8,581,839 | 2,090,303 | 2,201,353 |
| Non-recourse borrowings of managed entities | 18B | 1,777,599 | 1,585,298 | — | — |
| Financial derivative liabilities | 19 | 601 | — | 601 | — |
| Deferred tax liabilities | 7 | 1,393,160 | 1,588,515 | — | — |
| Other non-current liabilities | 20 | 2,921,323 | 2,546,465 | 722,098 | 861,214 |
| | | 11,519,005 | 14,302,117 | 2,813,002 | 3,062,567 |
| **Current liabilities** | | | | | |
| Loans and borrowings | 18A | 5,898,173 | 3,612,393 | 1,698,139 | 1,340,361 |
| Non-recourse borrowings of managed entities | 18B | 215,637 | 164,424 | — | — |
| Trade and other payables | 21 | 3,682,501 | 3,563,266 | 5,133,087 | 4,428,874 |
| Current tax payable | | 356,106 | 461,324 | 759 | 529 |
| Liabilities classified as held for sale | 14 | 884,218 | 4,235,813 | — | — |
| | | 11,036,635 | 12,037,220 | 6,831,985 | 5,769,764 |
| **Total liabilities** | | 22,555,640 | 26,339,337 | 9,644,987 | 8,832,331 |
| **Total equity and liabilities** | | 43,763,247 | 51,048,101 | 19,196,588 | 18,189,793 |

The accompanying notes form an integral part of these financial statements.

**Consolidated Income Statement**
**Year ended 31 December 2023**

| | Note | Group 2023 US$'000 | Group 2022 US$'000 |
|---|---|---|---|
| **Revenue** | 23 | | |
| Rental and related income | | 883,595 | 935,897 |
| Management fees | | 1,081,405 | 579,368 |
| Energy sales | | 152,715 | 170,940 |
| Freezer services | | 124,185 | 93,201 |
| Data center service income | | 135,389 | 45,393 |
| Sales of goods | | 16,314 | 27,719 |
| Distributions from investments | | 37,524 | 58,155 |
| | | **2,431,127** | **1,910,673** |
| **Other income/(losses)** | 24 | | |
| Changes in fair value of equity investments held at fair value through profit or loss | | (4,844) | (60,960) |
| Government subsidies and others | | 112,557 | 53,023 |
| | | **107,713** | **(7,937)** |
| **Direct expenses** | | | |
| Property-related expenses | | (581,543) | (459,438) |
| Cost of goods and energy sold | | (129,293) | (172,504) |
| | | **(710,836)** | **(631,942)** |
| **Other expenses** | | | |
| Employee compensation | | (785,996) | (452,100) |
| Depreciation and amortization | | (147,140) | (81,799) |
| General, administrative and other operating expenses | | (489,854) | (412,651) |
| | | **(1,422,990)** | **(946,550)** |
| **Share of results from equity accounted investments (net of tax expense)** | | **175,222** | **154,086** |
| **Profit from operating activities after share of results of equity accounted investments** | | **580,236** | **478,330** |
| **Net finance costs** | 25 | **(757,780)** | **(781,401)** |
| **Other net gains/(losses)** | | | |
| Gain on disposal of subsidiaries | | 62,964 | 140,765 |
| Gain on disposal of equity accounted investments | | — | 262,104 |
| Gain on disposal of investment properties | | 80,743 | 45,888 |
| Gain on disposal of assets and liabilities classified as held for sale | 28C | 251,054 | 242,524 |
| Others | | (11,514) | 24,567 |
| | | **383,247** | **715,848** |
| **Profit before changes in fair value of investment properties held by consolidated vehicles** | | **205,703** | **412,777** |
| **Changes in fair value of investment properties** | 4 | **341,670** | **890,418** |
| **Profit before tax** | 26 | **547,373** | **1,303,195** |
| **Tax expense** | 27 | **(314,093)** | **(769,175)** |
| **Profit for the year** | | **233,280** | **534,020** |
| **(Loss)/profit attributable to** | | | |
| **Equity owners of the Company** | | **(85,679)** | **100,630** |
| **Non-controlling interests** | 17 | **318,959** | **433,390** |
| | | **233,280** | **534,020** |

The accompanying notes form an integral part of these financial statements.

**Consolidated Statement of Comprehensive Income**
**Year ended 31 December 2023**

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| **Profit for the year** | 233,280 | 534,020 |
| **Other comprehensive income** | | |
| **Items that will not be reclassified to profit or loss:** | | |
| Change in fair value of equity investments at fair value through other comprehensive income ("FVOCI")[1] | (106,823) | (89,474) |
| | (106,823) | (89,474) |
| **Items that are or may be reclassified subsequently to profit or loss:** | | |
| Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans, net of effect of net investment hedges | (230,227) | (2,182,651) |
| Effective portion of changes in fair value of cash flow hedges[2] | (6,224) | 7,156 |
| Exchange differences reclassified to profit or loss on disposal of subsidiaries | — | (11,804) |
| Share of other comprehensive income of equity accounted investments | (2,714) | 21,603 |
| | (239,165) | (2,165,696) |
| **Other comprehensive income for the year[3]** | (345,988) | (2,255,170) |
| **Total comprehensive income for the year** | (112,708) | (1,721,150) |
| **Total comprehensive income attributable to:** | | |
| Equity owners of the Company | (186,993) | (1,112,984) |
| Non-controlling interests | 74,285 | (608,166) |
| **Total comprehensive income for the year** | (112,708) | (1,721,150) |

Notes:

1 Includes income tax effects of US$18.8 million (2022: US$4.7 million) refer to Note 7.

2 Includes income tax effects of US$0.3 million (2022: Nil), refer to Note 7.

3 Except for income tax effects relating to change in fair value of equity investments at FVOCI and effective portion of changes in fair value of cash flow hedges, there are no income tax effects relating to other components of other comprehensive income.

**Consolidated Statement of Changes in Equity**
**Year ended 31 December 2023**

| Group | Share capital US$'000 | Currency translation reserve US$'000 | Retained earnings US$'000 | Capital and other reserves US$'000 | Total attributable to equity owners of the Company US$'000 | Perpetual securities US$'000 | Non-controlling interests US$'000 | Total equity US$'000 |
|---|---|---|---|---|---|---|---|---|
| At 1 January 2022 | 5,538,589 | 198,964 | 7,104,325 | (103,916) | 12,737,962 | 1,144,039 | 10,430,633 | 24,312,634 |
| **Total comprehensive income for the year** | | | | | | | | |
| Profit for the year | — | — | 100,630 | — | 100,630 | — | 433,390 | 534,020 |
| **Other comprehensive income** | | | | | | | | |
| Change in fair value of equity investments as FVOCI | — | — | — | (64,811) | (64,811) | — | (24,663) | (89,474) |
| Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans, net of effect of net investment hedges | — | (1,139,629) | 9,485 | (31,040) | (1,161,184) | — | (1,021,467) | (2,182,651) |
| Exchange differences reclassified to profit or loss on disposal of subsidiaries | — | (11,804) | — | — | (11,804) | — | — | (11,804) |
| Effective portion of changes in fair value of cash flow hedges | — | — | — | 7,156 | 7,156 | — | — | 7,156 |
| Share of other comprehensive income of equity accounted investments | — | (2,861) | — | 19,890 | 17,029 | — | 4,574 | 21,603 |
| **Total other comprehensive income** | — | (1,154,294) | 9,485 | (68,805) | (1,213,614) | — | (1,041,556) | (2,255,170) |
| **Total comprehensive income for the year** | — | (1,154,294) | 110,115 | (68,805) | (1,112,984) | — | (608,166) | (1,721,150) |

The accompanying notes form an integral part of these financial statements.

**Consolidated Statement of Changes in Equity (continued)**
**Year ended 31 December 2023**

| | Share capital | Currency translation reserve | Retained earnings | Capital and other reserves | Total attributable to equity owners of the Company | Perpetual securities | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| **Group** | | | | | | | | |
| **Transactions with equity owners, recorded directly in equity** | | | | | | | | |
| Contributions by and distributions to equity owners | | | | | | | | |
| Capital contributions from non-controlling interests | — | — | — | 1,191,347 | 1,191,347 | — | 2,578,097 | 3,769,444 |
| Interim tax-exempt (one-tier) dividends declared of US$0.07 per share | — | — | (295,000) | — | (295,000) | — | — | (295,000) |
| Accrued distributions, payments and other movements (net) | — | — | (52,195) | 14,502 | (37,693) | (13,936) | — | (51,629) |
| Dividends paid to non-controlling interests | — | — | — | — | — | — | (2,239,678) | (2,239,678) |
| Dividends declared to non-controlling interests | — | — | — | — | — | — | (15,384) | (15,384) |
| Total contributions by and distributions to equity owners | — | — | (347,195) | 1,205,849 | 858,654 | (13,936) | 323,035 | 1,167,753 |
| Changes in ownership interests in subsidiaries | | | | | | | | |
| Acquisition of interests in subsidiaries from non-controlling interests | — | — | — | (362,666) | (362,666) | — | (108,061) | (470,727) |
| Disposal of interests in subsidiaries to non-controlling interests without a change in control | — | — | — | (1,132,763) | (1,132,763) | — | 594,519 | (538,244) |
| Disposal of subsidiaries and assets classified as held for sale | — | 153,598 | (153,598) | 7,423 | 7,423 | — | (194,690) | (187,267) |
| Share-based payment transactions | — | — | — | 39,692 | 39,692 | — | 888,262 | 927,954 |
| Acquisition of subsidiaries | — | — | — | — | — | — | 1,217,811 | 1,217,811 |
| Total changes in ownership interest in subsidiaries | — | 153,598 | (153,598) | (1,448,314) | (1,448,314) | — | 2,397,841 | 949,527 |
| **Total transactions with equity owners** | — | 153,598 | (500,793) | (242,465) | (589,660) | (13,936) | 2,720,876 | 2,117,280 |
| Transfer to reserves | — | — | 31,668 | (31,668) | — | — | — | — |
| **At 31 December 2022** | 5,538,589 | (801,732) | 6,745,315 | (446,854) | 11,035,318 | 1,130,103 | 12,543,343 | 24,708,764 |

The accompanying notes form an integral part of these financial statements.

**Consolidated Statement of Changes in Equity (continued)**
**Year ended 31 December 2023**

| Group | Share capital US$'000 | Currency translation reserve US$'000 | Retained earnings US$'000 | Capital and other reserves US$'000 | Total attributable to equity owners of the Company US$'000 | Perpetual securities US$'000 | Non-controlling interests US$'000 | Total equity US$'000 |
|---|---|---|---|---|---|---|---|---|
| At 1 January 2023 | 5,538,589 | (801,732) | 6,745,315 | (446,854) | 11,035,318 | 1,130,103 | 12,543,343 | 24,708,764 |
| **Total comprehensive income for the year** | | | | | | | | |
| Profit for the year | — | — | (85,679) | — | (85,679) | — | 318,959 | 233,280 |
| **Other comprehensive income** | | | | | | | | |
| Change in fair value of equity investments as FVOCI | — | — | — | (75,872) | (75,872) | — | (30,951) | (106,823) |
| Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans, net of effect of net investment hedges | — | (4,200) | (11,365) | (1,111) | (16,676) | — | (213,551) | (230,227) |
| Fair value reserve reclassified to profit or loss on disposal of subsidiaries | — | — | 36,150 | (36,150) | — | — | — | — |
| Effective portion of changes in fair value of cash flow hedges | — | — | — | (6,224) | (6,224) | — | — | (6,224) |
| Share of other comprehensive income of equity accounted investments | — | 9,892 | (3,427) | (9,007) | (2,542) | — | (172) | (2,714) |
| **Total other comprehensive income** | — | 5,692 | 21,358 | (128,364) | (101,314) | — | (244,674) | (345,988) |
| **Total comprehensive income for the year** | — | 5,692 | (64,321) | (128,364) | (186,993) | — | 74,285 | (112,708) |

The accompanying notes form an integral part of these financial statements.

**Consolidated Statement of Changes in Equity (continued)**
**Year ended 31 December 2023**

| | Share capital US$'000 | Currency translation reserve US$'000 | Retained earnings US$'000 | Capital and other reserves US$'000 | Total attributable to equity owners of the Company US$'000 | Perpetual securities US$'000 | Non-controlling interests US$'000 | Total equity US$'000 |
|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | |
| **Transactions with equity owners, recorded directly in equity** | | | | | | | | |
| Contributions by and distributions to equity owners | | | | | | | | |
| Capital contributions from non-controlling interests | — | — | — | — | — | — | 406,319 | 406,319 |
| Interim tax-exempt (one-tier) dividends declared of US$0.03 per share | — | — | (121,000) | — | (121,000) | — | — | (121,000) |
| Accrued distributions, payments and other movements (net) | — | — | (52,360) | 1,273 | (51,087) | (1,664) | — | (52,751) |
| Dividends paid to non-controlling interests | — | — | — | — | — | — | (260,202) | (260,202) |
| Dividends declared to non-controlling interests | — | — | — | — | — | — | (5,323) | (5,323) |
| Redemption of shares of non-controlling interests | — | — | — | — | — | — | (34,696) | (34,696) |
| Share-based payment transactions | — | — | — | 108,989 | 108,989 | — | 92,251 | 201,240 |
| Others | — | — | 826 | (167) | 659 | — | (4,533) | (3,874) |
| Total contributions by and distributions to equity owners | — | — | (172,534) | 110,095 | (62,439) | (1,664) | 193,816 | 129,713 |
| Changes in ownership interests in subsidiaries | | | | | | | | |
| Acquisition of interests in subsidiaries from non-controlling interests | — | — | — | (191,724) | (191,724) | — | (2,421,047) | (2,612,771) |
| Disposal of interests in subsidiaries to non-controlling interests without a change in control | — | — | — | (542) | (542) | — | 4,914 | 4,372 |
| Disposal of subsidiaries and assets classified as held for sale | — | — | — | (15,840) | (15,840) | — | (1,074,902) | (1,090,742) |
| Acquisition of subsidiaries | — | — | 496 | — | 496 | — | 181,998 | 182,494 |
| Total changes in ownership interest in subsidiaries | — | — | 496 | (208,106) | (207,610) | — | (3,309,037) | (3,516,647) |
| **Total transactions with equity owners** | — | — | (172,038) | (98,011) | (270,049) | (1,664) | (3,115,221) | (3,386,934) |
| Transfer to reserves | — | — | (6,702) | 5,187 | (1,515) | — | — | (1,515) |
| **At 31 December 2023** | 5,538,589 | (796,040) | 6,502,254 | (668,042) | 10,576,761 | 1,128,439 | 9,502,407 | 21,207,607 |

The accompanying notes form an integral part of these financial statements.

**Consolidated Statement of Cash Flows**
**Year ended 31 December 2023**

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | **US$'000** | **US$'000** |
| **Cash flows from operating activities** | | | |
| Profit before tax | | 547,373 | 1,303,195 |
| *Adjustments for non-cash and other items:* | | | |
| Depreciation of property, plant and equipment and right-of-use assets | | 136,333 | 73,329 |
| Amortization of intangible assets | 9 | 73,146 | 32,479 |
| Capitalized contract costs | | 24,703 | 14,420 |
| Share-based payment expense/(credit) | 22 | 250,289 | (103,416) |
| Impairment losses | | 168,873 | 44,141 |
| Changes in fair value of equity investments at FVTPL | 24 | 4,844 | 60,960 |
| Changes in fair value of investment properties | 4 | (341,670) | (890,418) |
| Distributions from other investments | 23 | (37,524) | (58,155) |
| Income from equity accounted investments | | (175,222) | (154,086) |
| Other net gains on disposals | | (383,247) | (715,848) |
| Net finance costs | | 757,780 | 781,401 |
| Others | | 590 | 2,610 |
| | | 1,026,268 | 390,612 |
| *Changes in operating assets and liabilities:* | | | |
| Trade and other receivables | | (173,020) | (68,888) |
| Trade and other payables | | 135,626 | (442,985) |
| Cash generated from/(used in) operations | | 988,874 | (121,261) |
| Restricted cash | | (140,370) | (27,453) |
| Tax paid | | (168,853) | (147,946) |
| **Net cash generated from/(used in) operating activities** | | **679,651** | **(296,660)** |

The accompanying notes form an integral part of these financial statements.

**Consolidated Statement of Cash Flows (continued)**
**Year ended 31 December 2023**

| | Note | 2023 US$'000 | 2022 US$'000 |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| *Acquisitions and investments:* | | | |
| Acquisition of subsidiaries, net of cash acquired | 28(A) | (545,528) | (1,631,292) |
| Acquisition of investment properties | | (188,308) | (334,061) |
| Deposits placed for acquisitions of assets | | (516,297) | (437,394) |
| Development expenditure on investment properties | | (986,715) | (1,189,447) |
| Acquisition of equity accounted investments | | — | (336) |
| Contribution to equity accounted investments | | (642,470) | (762,890) |
| Acquisition of other investments | | (386,539) | (761,527) |
| Purchase of property, plant and equipment | | (326,886) | (367,339) |
| Acquisition of intangible assets | | — | (5) |
| Advances to immediate holding company | | — | (1,175,292) |
| Amounts due from related parties | | (84,815) | (400,814) |
| Loans to equity accounted investments | | (13,249) | (143,753) |
| Loans to non-controlling interests | | (1,804) | (7,123) |
| Loans to third parties | | — | (56,114) |
| | | (3,692,611) | (7,267,387) |
| *Divestments and returns:* | | | |
| Proceeds from disposal of assets classified as held for sale, net of deposits and tax | 28(C) | 712,279 | 872,256 |
| Proceeds from disposal of interests in subsidiaries | 28(B) | 601,476 | 2,076,582 |
| Proceeds from disposal of investment properties | | 746,300 | 420,967 |
| Dividends received from equity accounted investments | 6 | 288,630 | 466,795 |
| Withholding tax paid on disposal of assets, dividend and interest income | | (325,384) | (46,283) |
| Return of capital from equity accounted investments | | 190,927 | 117,665 |
| Proceeds from disposal of equity accounted investments | | 12,765 | 515,258 |
| Proceeds from sale of property, plant and equipment | | 13,114 | 13,628 |
| Distributions received from other investments | | 37,436 | 61,364 |
| Proceeds from disposal of other investments | | 131,738 | 311,833 |
| Deposits received | | 229,753 | — |
| Interest income received | | 23,893 | 32,311 |
| Repayment from immediate holding company | | 86,559 | — |
| Repayment of amounts due from related parties | | 38,012 | 69,114 |
| Loan repayment from equity accounted investments | | 188,820 | 223,253 |
| Loan repayment from non-controlling interests | | 14,024 | — |
| Loan repayment from third parties | | 9,220 | 76,571 |
| | | 2,999,562 | 5,211,314 |
| **Net cash used in investing activities** | | **(693,049)** | **(2,056,073)** |

## Consolidated Statement of Cash Flows (continued)
## Year ended 31 December 2023

| | Note | 2023<br>US$'000 | 2022<br>US$'000 |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Proceeds from bank loans | 18 | 7,742,571 | 12,630,337 |
| Repayment of bank loans | 18 | (6,822,528) | (8,281,225) |
| Proceeds from issue of bonds, net of transaction costs | 18 | 73,417 | 375,359 |
| Redemption of bonds | 18 | (1,346,070) | (1,080,461) |
| Interest paid | 18 | (829,030) | (608,283) |
| Loans from non-controlling interests | 18 | 3,162 | 1,646 |
| Repayment of loans from non-controlling interests | 18 | (35,645) | (3,204) |
| Loans from equity accounted investments | 18 | 72,638 | 4,770 |
| Repayment of loans from equity accounted investments | 18 | (88,258) | (28,501) |
| Amounts due to related parties | 18 | 104,260 | 129,448 |
| Repayment of amounts due to related parties | 18 | — | (234,290) |
| Loans from third party | 18 | 16,869 | 2,571 |
| Repayment of loans from third party | 18 | — | (700) |
| Repayment of lease liabilities | 18 | (57,507) | (56,483) |
| Acquisition of non-controlling interests | | (238,645) | (60,255) |
| Contributions from non-controlling interests | | 406,461 | 1,513,508 |
| Proceeds from disposal of interest in subsidiaries to non-controlling interest | | 429,959 | 314,688 |
| Redemption of shares of non-controlling interests | | (34,696) | — |
| (Repayment of)/Proceeds from issue of capital security instrument | 18 | (21,526) | 1,138,500 |
| Dividends paid to shareholders | | (121,000) | (295,000) |
| Dividends paid to non-controlling interests | | (250,172) | (1,851,478) |
| Distributions to perpetual security holders | 15 | (52,023) | (51,629) |
| Distributions to capital security instrument holder | 18 | (10,401) | — |
| Deposits pledged | | (46,121) | (58,558) |
| **Net cash (used in)/generated from financing activities** | | **(1,104,285)** | **3,500,760** |
| **Net (decrease)/increase in cash and cash equivalents** | | (1,117,683) | 1,148,027 |
| Cash and cash equivalents at beginning of year | | 2,484,617 | 2,017,762 |
| Effect of exchange rate changes on cash balances held in foreign currencies | | (12,447) | (42,927) |
| Changes in cash and cash equivalents of subsidiaries reclassified as assets held for sale | | 518,759 | (638,245) |
| **Cash and cash equivalents at end of year** | 13 | 1,873,246 | 2,484,617 |
| Restricted cash | 13 | 291,141 | 104,650 |
| **Cash and cash equivalents in the consolidated statement of financial position** | 13 | **2,164,387** | **2,589,267** |

The accompanying notes form an integral part of these financial statements.

# Notes to the Financial Statements

These notes form an integral part of the financial statements. The financial statements were authorized for issue by the Board of Directors on 31 March 2024.

## 1 General information and capital management

***General information***

GLP Pte. Ltd. (the "Company") is incorporated in the Republic of Singapore and has its registered office at 8 Marina View, #07-04, Asia Square Tower 1, Singapore 018960. The Company's immediate holding company and ultimate holding company are GLP Bidco Limited and GLP Holdings L.P. respectively, which are incorporated in Cayman Islands. The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in equity accounted investments.

The principal activity of the Company is investment holding. The principal activity of the Company's subsidiaries is the acquisition, development, ownership and management of logistics facilities, together with investments in data infrastructure, renewable energy and related services and technologies. The Group invests in these activities through wholly-owned subsidiaries and other entities through which we co-invest with partners and investors who appoint us as the investment manager. We maintain a significant level of ownership in these investment vehicles which may be consolidated or unconsolidated based on our level of control of the entity.

Our applicable accounting standards apply a control-based model to assess whether these investment vehicles should be consolidated by the Group. We generally have the contractual ability to unilaterally direct the relevant activities of our funds and we generally invest significant amounts of capital alongside our investors and partners, which, in addition to our customary management fees and incentive fees, means that we earn meaningful returns as a principal investor in addition to our asset management returns compared to a manager who acts solely as an agent. This combination can result in certain vehicles being consolidated in our financial statements and our remaining capital invested in managed funds being equity accounted for due to our significant influence or joint control over the vehicles.

***Capital management***

The Group generates returns on its capital through 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.

We maintain a significant level of ownership in the investment vehicles which we manage and they may be consolidated or unconsolidated based on our level of control of the entity. All entities that we control are consolidated for financial reporting purposes. As a result, we include 100% of these entities' revenues and expenses in our consolidated income statement, even though a substantial portion of their net income is attributable to non-controlling interests. Similarly, we include all of the assets, liabilities, including non-recourse borrowings, of these managed entities in our consolidated statement of financial position, and include the portion of equity held by others as non-controlling interests. The Group monitors capital both on a consolidated prospective and from a corporate perspective (i.e. considering the impact of non-recourse borrowings of managed entities that we consolidate).

The Group's objectives when managing capital are to build a strong capital base so as to sustain the future developments of its business and to maintain an optimal capital structure to maximize shareholders' value. The Group defines "capital" as including all components of equity. The Group's capital structure is regularly reviewed. Adjustments are made to the capital structure in light of changes in economic conditions, regulatory requirements and business strategies affecting the Group. The Group monitors consolidated capital using a net debt to equity ratio, which is defined as net debt divided by total equity (including NCI).

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Loans and borrowings (net of transaction costs) | 11,324,495 | 12,194,232 |
| Non-recourse borrowings of managed entities | 1,993,236 | 1,749,722 |
| Less: Cash and cash equivalents excluding restricted cash | (1,873,246) | (2,484,617) |
| Net debt | 11,444,485 | 11,459,337 |
| Total equity | 21,207,607 | 24,708,764 |
| Net debt to equity ratio | 54% | 46% |
| Total assets | 43,763,247 | 51,048,101 |
| Less: Cash and cash equivalents excluding restricted cash | (1,873,246) | (2,484,617) |
| Total assets less cash | 41,890,001 | 48,563,484 |
| Net debt to total assets less cash ratio | 27% | 24% |

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. Except for the requirement on the maintenance of statutory reserve fund by subsidiaries incorporated in the PRC and certain financial ratios in excess of specific thresholds required by the credit facilities, there were no externally imposed capital requirements.

In addition, the Group's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions, regulatory requirements and business strategies affecting the Company or the Group.

## 2 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared on the historical cost basis except for certain assets and liabilities which are measured at fair value as described below. The financial statements are presented in United States dollars ("US dollars" or "US$"), which is the Company's functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

Certain comparative information has been re-presented to conform to the current year presentation.

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgments, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

***Critical judgements***

The following judgements when applying the Group's accounting policies have the most significant effect on the consolidated financial statements:

*a) Control or level of influence*

When determining the appropriate basis of accounting for the Group's investees, management makes judgements about the degree of influence that it exerts directly or through an arrangement over the investees' relevant activities. Control is obtained when the Group has the power to direct the relevant investing, financing and operating decisions of the investee and does so in its capacity as principal of the operations, rather than as an agent for other investors.

*b) Accounting for significant transactions*

Acquisition transactions are complex in nature, particularly those including property assets. Management considers each material transaction separately, with an assessment carried out to determine the most appropriate accounting treatment and judgements applied. The judgements include whether the transaction represents an asset acquisition or business combination and the determination of the acquisition date.

In making its judgement, management considers whether the integrated set of assets and activities acquired contain both inputs and substantive processes along with the ability to create outputs. Management also applies the optional 'concentration test' allowed under SFRS(I) 3. When applying the optional test, management considers if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset (or a group of similar assets). Where management judges that substantially all of the fair value of the gross assets acquired are concentrated in a single identifiable asset (or a group of similar assets) and the 'concentration test' is met, the assets acquired would not represent a business and the transaction would be treated as an asset acquisition. Management also considers all pertinent facts and circumstances in identifying the acquisition date, including when the control of ownership has transferred to the Group.

***Critical estimates***

The estimates used in determining the recorded amount for assets and liabilities in the consolidated financial statements that have a significant risk of resulting in a material adjustment within the next financial year are:

*a) Fair value of investment properties held either directly or through equity accounted investments*

The most significant estimates made in preparing these financial statements relate to the carrying value of investment properties, as disclosed in Note 4, including those within equity accounted investments, which are stated at fair value. The fair value of investment property is inherently subjective due to estimates in the underlying assumptions to be applied. The Group primarily uses external professional valuers to determine the relevant amounts.

*b) Valuation of unquoted equity investments held at fair value*

The Group invests in early-stage and growth technology companies linked to our ecosystem, through predominantly unlisted securities. Where there have been recent investments by third parties, the price of that investment will generally provide a basis of the valuation. Recent transactions may include post-year-end as well as pre-year-end transactions depending on the nature and timing of these transactions.

*c) Impairment of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount determined based on value in use of the cash-generating units to which the goodwill is allocated. Assessing the fair value less costs to sell and the value in use requires significant judgement in estimating the underlying assumptions including the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in Note 9.

*d) Accounting for acquisitions*

In accounting for a business combination, there is inherent uncertainty in the estimation used in allocating the overall purchase price to the assets, liabilities and goodwill that make up the acquisition.

*e) Revenue recognition*

The Group may be entitled to receive a share of profits as variable consideration which is dependent on the performance of the relevant fund and the development of the fund's underlying investments. SFRS(I) 15 requires recognition of the variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimating the variable consideration in the transaction price for such performance-based revenue includes an estimate of the value of the unrealized investments in the in-scope funds and an assessment of the likelihood of a future clawback on such fees.

Additional details about revenue recognition policies across our revenue streams are included in Note 3.11.

*f) Share-based payments*

Details of the current and previous share-based payment plans are set out in Note 22. The Group's current share-based plan (the "RSU Plan") grants Restricted Stocks Units ("RSUs") in GLP Capital Partners Limited to certain of its employees. RSUs are accounted for as equity-settled share-based payments, and the fair value is recognized as an expense with a corresponding increase in equity over the vesting period. The fair value of the RSU Awards at the respective grant dates has been calculated in reference to recent market comparable transactions. Judgment is required in respect of the fair value of the RSU Awards and assessing valuation risks. Under the Company's previous share-based plan (the "Global Share Plan"), two types of shares in GLP Capital Partners Limited were granted, namely "Award Shares" and "Leveraged Shares".

Award Shares are accounted for as cash-settled share-based payments, and the fair value of the services received is recognized as an expense with a corresponding increase in liability. The fair value of the liability is estimated at the grant date and is adjusted over the associated vesting period. If no services are required, then the amount is recognized immediately. Acceleration of vesting requires any unamortized compensation costs to be recognized immediately. The buyback of grants by the Group during vesting period is treated as an acceleration of vesting. The liability is measured, initially and at the end of each reporting period until settled. Remeasurements after the vesting period are recognized immediately in profit or loss.

Leveraged Shares are issued to participants based on an agreed price on the grant date. Participants may draw down on interest-bearing loans granted by the Group to purchase the Leveraged Shares. This arrangement is accounted for as a share option.

As the underlying shares are not traded in an active market, the respective fair values of the Award Shares and Leveraged Shares were estimated using a sum-of-the-parts valuation method to determine the total equity value at the relevant date. Significant estimates in parameters, such as market multiples, historical earnings and discounted future cash flows were used in performing the valuation. A Monte-Carlo option pricing model was then used to estimate the fair value of the Leveraged Shares at their grant date. Significant judgements in parameters, such as tenor of Leverage Shares, discount rate, risk free rates and expected volatility, were required to be made by management in applying the Monte-Carlo option pricing model.

***How climate risk affects our accounting estimates***

Management makes use of reasonable and supportable information to make accounting judgements and estimates. This includes information about the observable effects of the physical and transition risks of climate change on asset values and market indicators. It also includes the effect on the Group's competitiveness and profitability. Many of the effects arising from climate change will be longer term in nature, with an inherent level of uncertainty, and have limited effect on accounting judgements and estimates for the current period. Some physical and transition risks can manifest in the shorter term. The following items represent the most significant effects:

*i) Valuation of investment properties*

Management believes that sustainability factors will increasingly play a part in asset valuations in the future. 'Sustainability' is taken to mean the consideration of such matters as environment and climate change, health and wellbeing and corporate responsibility that can or impact the valuation of an asset. For example, assets with the highest standards of sustainability are likely to command the highest rental levels and have the least future capex requirements with regards to meeting relevant sustainability standards.

The Group's valuers note in their valuation reports that wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historical land use.

The introduction of climate risk legislation, such as mandatory climate related disclosures in different jurisdictions which includes the assessment of physical and transition climate risks, may potentially have an impact on how the market views such risks and incorporates them into the sale and letting of assets. Sustainability and climate risk legislation has an impact on the value of an asset, even if not explicitly recognized. Where the valuers recognize the value impacts of sustainability and legislation, they are reflecting their understanding of how market participants include sustainability and legislation requirements in their bids and the impact on market valuations.

*ii) Impairment assessments*

Asset impairment assessments are primarily based upon value in use. This represents the value of future cash flows and uses the Group's five-year forecast and the expectation of long-term economic growth beyond this period. The five-year forecast takes account of management's current expectations on competitiveness and profitability, including near term effects of climate transition risk. The long-term growth rate reflects external indicators which will include market expectations on climate risk. The use of market indicators as inputs to fair value is assumed to include current information and knowledge regarding the effect of climate risk.

***Measurement of fair values***

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. The Group regularly reviews all significant fair value measurements, including significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I), including the level in the fair value hierarchy in which such valuations should be classified. When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level or the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest). The Group recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

# 3 Material accounting policies

## 3.1 Basis of consolidation

*(i) Subsidiaries*

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 that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance. The Group's acquisitions of those subsidiaries which are special purpose vehicles established for the sole purpose of holding assets are primarily accounted for as acquisitions of assets.

*(ii) Acquisition of entities under common control*

For acquisition of entities under common control, the identifiable assets and liabilities were accounted for at their historical costs, in a manner similar to the "pooling-of-interests" method of accounting. Any excess or deficiency between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount recorded for the share capital acquired is recognized directly in equity.

*(iii) Investments in associates and joint ventures*

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investment in associates and joint ventures are accounted for using the equity method (collectively referred to as equity-accounted investees) and reported as equity accounted investments in our consolidated statement of financial position. Our equity accounted investments are recognized initially at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. The Group's investments in associates and joint ventures include goodwill identified on acquisition, net of any accumulated impairment losses.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operation or has made payments on behalf of the investee.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

*(iv) Accounting for subsidiaries, associates and joint ventures by the Company*

Investments in subsidiaries and equity accounted investees are stated in the Company's statement of financial position at cost less accumulated impairment losses.

*(v) Business combinations*

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to the Group (see Note 3.1 (ii)). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration payable is recognized at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognized in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognized amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s. If the business combination is achieved in stages, the Group's previously held equity interest in the acquiree is re-measured to fair value at each acquisition date and any changes are taken to the profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

## 3.2 Foreign currency

***Foreign operations***

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from the acquisition, are translated to US dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in an associate or joint ventures that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognized in OCI, and are presented in the currency translation reserve in equity.

## 3.3 Financial instruments

***Classification and measurement***

The Group classifies its financial assets as fair value through profit and loss (“FVTPL”), fair value through other comprehensive income (“FVOCI”) and amortized cost according to the Group’s business objectives for managing the financial assets and based on the contractual cash flow characteristics of the financial asset. The Group classifies its financial liabilities as amortized cost or FVTPL. On initial recognition, the Group may irrevocably designate a financial instrument that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

- Financial instruments are measured at amortized cost if they are held within a business model whose objective is to hold assets to collect contractual cash flows that are solely payments of principal and interest. They are initially recognized at their fair value and are subsequently measured at amortized cost using the effective interest rate method. Transaction costs of financial instruments classified as amortized cost are capitalized and amortized in profit or loss on the same basis as the financial instrument. The amortized cost is reduced by impairment losses. Interest income and expense, foreign exchange gains and losses, impairment, and any gains or losses on derecognition are recognized in profit or loss.

- On initial recognition of a financial instrument that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis. Equity instruments classified as FVOCI are initially recognized at their fair value and are subsequently measured at fair value at each reporting date. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains or losses are never reclassified to profit or loss.

- Financial instruments that are not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. These instruments are subsequently measured at fair value. Any gains or losses, including any interest income and expense or dividend income, are recognized in profit or loss. Directly attributable transaction costs are recognized in profit or loss as incurred.

The following table presents the types of financial instruments held by the Group within each financial instrument classification:

| Financial Instrument Type | Measurement |
|---|---|
| **Financial Assets** | |
| Other investments | FVOCI/FVTPL |
| Other non-current assets | Amortized cost |
| Trade and other receivables | Amortized cost |
| Financial derivative assets | FVTPL |
| Cash and cash equivalents | Amortized cost |
| **Financial Liabilities** | |
| Capital security instrument | Amortized cost |
| Loans and borrowings and non-recourse borrowings of managed entities | Amortized cost |
| Financial derivative liabilities | FVTPL |
| Other non-current liabilities | Amortized cost |
| Trade and other payables | Amortized cost |

***Additional information:***

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. For the purpose of the consolidated statement of cash flows, restricted cash are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Group's cash management are included in cash and cash equivalents.

## 3.4 Investment properties

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

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalized borrowing costs.

*(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 recognized in profit or loss. Rental income from investment properties is accounted for in the manner described in Note 3.11.

*(ii) 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 recognized initially at acquisition cost.

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

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

## 3.5 Property, plant and equipment

Property, plant and equipment are measured at cost which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent to recognition, buildings are measured at fair value less accumulated depreciation and accumulated impairment losses while other property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Any surplus arising on the revaluation is recognized in other comprehensive income ("OCI"), except to the extent that the surplus reverses a previous revaluation deficit on the same asset recognized in profit or loss, in which case the credit to that extent is recognized in profit or loss. Any deficit on revaluation is recognized in profit or loss except to the extent that it reverses a previous revaluation surplus on the same asset, in which case the debit to that extent is recognized in OCI. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss. The revaluation surplus included in OCI in respect of an item of property, plant and equipment measured using revaluation model, is transferred directly to retained earnings.

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognized as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Land is not depreciated. Depreciation is recognized from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

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

| | |
|---|---|
| • Buildings | 40 years |
| • Furniture, fittings and equipment | 1-40 years |
| • Right-of-use assets | 1-15 years |
| • Solar plants | 20 years |

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

## 3.6 Goodwill and intangible assets

*(i) Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1 (v). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates and joint ventures.

*(ii) Intangible assets*

Intangible assets that are acquired by the Group and have finite useful lives are measured at costs less accumulated amortization and accumulated impairment losses. Amortization is calculated over the cost of the asset, less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most clearly reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives of intangible assets are as follows:

| | |
|---|---|
| Trademarks | 4-20 years |
| License rights | over the term of the license period |
| Fund management contracts | over the estimated term of the relevant contract |
| Customer related assets | over the estimated term of the customer related assets |

## 3.7 Impairment

*(i) Non-derivative financial assets*

The Group recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost. Loss allowances of the Group are measured on either of the following bases:

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

**Simplified approach**

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

**General approach**

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition. At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating 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 and includes forward-looking information. If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

**Measurement of ECLs**

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

**Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortized cost are 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 data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

**Presentation of allowance for ECLs in statements of financial position**

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of these assets.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

*(ii)* *Equity accounted investments*

Any impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements of non-financial assets. An impairment loss is recognized in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimate used to determine the recoverable amount.

*(iii)* *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount are estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually 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 CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilized by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Goodwill that forms part of the carrying amount of an equity accounted investment is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the equity accounted investment is tested for impairment as a single asset when there is objective evidence that the investment may be impaired.

## 3.8 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. Investments properties classified within assets held for sale are subsequently remeasured at their fair values. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment properties, which continue to be measured in accordance with the Group's accounting policies.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss. Intangible assets and property, plant and equipment once classified as held for sale are not amortized or depreciated. In addition, equity accounting of joint ventures and associates ceases once classified as held for sale.

## 3.9 Capitalized contract costs

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalized when incurred if the costs relate to revenue that will be recognized in a future reporting period and the costs are expected to be recovered. Capitalized contract costs are stated at cost less accumulated amortization and impairment losses. Capitalized contract costs represent the costs incurred to secure the right to benefit from the provision of fund management services and are amortized as the Group recognizes the related revenue over the remaining tenure of the fund.

## 3.10 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***(i) As a lessee***

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset 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 depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It 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, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. 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.

Where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'trade and other payables' and 'other non-current liabilities' in the statements of financial position.

*Short-term leases and leases of low-value assets*

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

***(ii) As a lessor***

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease. The Group recognizes lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'. Rental income from sub-leased property is recognized as 'other income'.

## 3.11 Revenue recognition

***Rental income and other rental related service income***

We lease our properties to customers under agreements that are classified as operating leases. We recognize the total minimum lease payments provided for under the leases on a straight-line basis over the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognized in profit or loss as an integral part of the aggregate net lease payments receivable. Revenues from warehouse services and handling are recognized over the period consistent with the transfer of the service to the customer. Multiple contracts with a single counterparty are accounted for as separate arrangements.

***Fund management fee income***

Fund management fee revenues include revenues we earn from the management services we provide to unconsolidated entities. These fees are determined in accordance with the terms specific to each arrangement and may include recurring fees such as asset management and property management fees or transactional fees for leasing, acquisition, and development services provided. We recognize these fees as we provide the services.

We may also earn incentive returns based on a venture's cumulative returns over a certain time-period where the returns may be determined by both the operating performance and valuation of the venture, including highly variable inputs such as capitalization rates, market rents, interest rates and foreign currency exchange rates. In accordance with applicable accounting standards, this variable revenue can only be recognized to the extent that it is highly probable that a significant reversal will not occur in future periods. As the key inputs are highly volatile and out of our control, and such volatility can materially impact our performance entitlements period over period, we generally recognize such revenues towards the end of the performance period.

We also earn fees from investment vehicles that we consolidate. Upon consolidation, these fees are eliminated from our earnings and the third-party investors' share of these fees are recognized as a reduction to profit attributable to non-controlling interests (see Note 3.1 (v) for further details).

***Sales of goods***

Revenue from the sale of goods is recognized when the customer takes possession of and accepts the products. If the products are a partial fulfillment of a contract covering other goods and/or services, then the amount of revenue recognized is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis. If the Group provides any additional services to the customer after the contract for goods has passed (such as installation, maintenance, or other services), revenues from such services are considered to be separate performance obligations and are recognized over the time the service is rendered.

***Energy sales***

The Group generates revenue from energy trading. This revenue is recognized over time as the customer simultaneously receives and consumes the benefits provided and uses input method to measure progress towards complete satisfaction of the performance obligation.

***Freezer services***

Revenue from freezer services arise from the sale of freezer services and when customer acquires the control of the services. Control of the service is transferred over a period of time or at a certain point in time, according to the terms of the contract. If the Company provides performance obligations and the customer receives and consumes the economic benefits of the performance, the control of the service is transferred over a period of time. If the control of the service is transferred over a period of time, revenue is recognized within the contract period according to the progress of performance of the responsibility. Otherwise, revenue is recognized at the point when the customer gains control of the service. The Group determines whether a company is the primary owner or agent in providing the service based on whether it has control over the service prior to the transfer of the service to the customer. If the Group is able to control the services before transferring the services to customers, it is the primary owner and recognizes revenue based on the total amount of consideration received or receivable. Otherwise, the Group acts as an agent and recognizes revenue based on the amount of the commission or handling fee it is expected to receive.

***Data center service income***

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 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.

***Dividend income***

Dividend income from unquoted investments is recognized when the shareholder’s right to receive payment is established. Dividend income from quoted investments is recognized when the share price of the investment goes ex-dividend.

## 3.12 Government subsidies

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and, where applicable, the Group will comply with all attached conditions. Grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support with no future related costs are recognized in profit or loss in the period in which it becomes receivable. Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which associated expenses are incurred.

## 3.13 Finance income and expenses

Finance income comprises interest income on funds invested (including equity investments) and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, and losses on hedging instruments that are recognized in profit or loss.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. 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 amortized cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance costs depending on whether foreign currency movements are in a net gain or net loss position.

## 3.14 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI. The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable 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 uncertainty related to income taxes, if any. 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 recognized 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 recognized 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;
- temporary differences related to investments in subsidiaries and equity accounted investees to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has been rebutted for investment properties held in certain countries which the Group operates in. Where this presumption has not been rebutted, the capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the consolidated statement of financial position regardless of whether the Group would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax assets are recognized 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 recognize 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 realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

## 3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. All operating segments’ operating results are reviewed regularly by the Group’s Chief Operating Decision Maker (“CODM”) to make decisions about resources to be allocated to the segment and to assess its performance and for which discrete financial information is available.

## 3.16 New standards and amendments

***Material accounting policy information***

The Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies in certain instances in line with the amendments.

***Global minimum top-up tax***

The Amendments to SFRS(I) 1-12: International Tax Reform - Pillar Two Model Rules provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organization for Economic Co-operation and Development ("OECD"), and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement the top-up tax was effective at 31 December 2023 in any jurisdiction in which the Group operates and no related deferred tax was recognized at that date, the retrospective application has no impact on the Group's consolidated financial statements.

The Group is in the process of assessing the exposure to the Pillar Two income taxes arising from the legislation. Due to the complex nature of the legislation and the calculations including the determination of the adjustments required under the Pillar Two legislation, the Group assessed that the quantitative impact of the potential top-up tax arising from the enacted/substantively enacted legislation is not yet reasonably estimable. The Group continues to assess the impact of the Pillar Two legislation on its financial statements and has engaged tax consultants to assist the Group in the impact assessment.

***New accounting pronouncements***

A number of other new standards, amendment to standards and new interpretations became effective for the first time for the financial year beginning on 1 January 2023 and have not been listed in these financial statements as they are either not relevant or are immaterial to the financial statements.

## 3.17 New standards and interpretations not adopted

Certain new accounting standards and interpretations have been published that are effective for financial years commencing after 31 December 2023 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

# 4 Investment properties

| | Note | Group 2023 US$'000 | Group 2022 US$'000 |
|---|---|---|---|
| At 1 January | | 15,308,591 | 16,619,297 |
| Additions | | 1,271,900 | 1,495,902 |
| Disposals | | (872,651) | (513,933) |
| Acquisition of subsidiaries | 28(A) | 217,651 | 1,744,522 |
| Disposal of subsidiaries | 28(B) | (1,235,377) | (991,562) |
| Borrowing costs capitalized | 25 | 47,147 | 34,947 |
| Changes in fair value | | 341,670 | 890,418 |
| Reclassification to assets classified as held for sale | | (698,601) | (2,222,178) |
| Effect of movements in exchange rates | | (415,909) | (1,748,822) |
| At 31 December | | 13,964,421 | 15,308,591 |
| ***Comprising:*** | | | |
| Completed investment properties | | 10,538,957 | 11,099,560 |
| Properties under development | | 2,147,312 | 2,727,728 |
| Land held for development | | 1,278,152 | 1,481,303 |
| | | 13,964,421 | 15,308,591 |

The Group reclassified certain investment properties of US$698.6 million (2022: US$2,222.2 million) to assets classified as held for sale following initiation of an active programme to sell (Note 14).

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

Investment properties with carrying value totaling approximately US$11,351.4 million as at 31 December 2023 (2022: US$12,183.5 million) were mortgaged to banks and bondholders to secure credit facilities for the Group (Note 18).

**Measurement of fair value**

***(i) Fair value hierarchy***

The Group's investment property portfolio are valued by external and internal valuers at the reporting date. The fair values are based on open 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 an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion. In determining the fair value as at the reporting date, the external and internal valuers have adopted a combination of valuation methods, including income capitalization, discounted cash flows and residual methods, which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalization rate, discount rate and terminal yield rate.

The income capitalization method capitalizes an income stream into a present value using single-year capitalization rates, the income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment properties. The discounted cash flow method 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 their development potential which involves deducting the estimated development costs to complete construction and developer's profit from the gross development value to arrive at the residual value of the property. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. The estimated cost to complete is determined based on the construction cost per square meter in the area.

The fair value measurement for investment properties of US$13,964.4 million (2022: US$15,308.6 million) has been categorized as a Level 3 fair value based on the inputs to the valuation technique used and was measured based on valuations by valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the respective investment property being valued. Because of the nature of the Group's investment properties, they are valued by reference to a level 3 fair value measurement. The reconciliation of opening to closing level 3 fair values is identical to the table set out above and separate disclosure is unnecessary.

***(ii)*** **Reconciliation of Level 3 fair values**

**Valuation techniques and significant unobservable inputs**

The following table shows the valuation methods and key unobservable inputs used in measuring the fair value of investment properties.

| Valuation method | Key unobservable inputs | Inter-relationship between key unobservable inputs and fair value measurement |
|---|---|---|
| Income capitalization | ***Capitalization rate:***<br>PRC: 3.10% to 7.00%<br>(2022: 4.00% to 7.00%)<br><br>Europe: 6.30%<br>(2022: 5.12%)<br><br>US: 4.00% (2022: 4.00%) | The estimated fair value varies inversely against the capitalization rate. |
| Discounted cash flow | ***Discount rate:***<br>PRC: 5.10% to 10.00%<br>(2022: 7.25% to 10.50%)<br><br>Brazil: 11.75%<br>(2022: Nil) | The estimated fair value varies inversely against the discount rate. |
| | ***Terminal yield rate:***<br>PRC: 3.10 % to 7.00%<br>(2022: 4.00% to 7.00%) | The estimated fair value varies inversely against the terminal yield rate. |
| Residual | ***Capitalization rate[1]:***<br>PRC: 3.10% to 7.00%<br>(2022: 4.50% to 7.00%)<br><br>Japan: 6.32% to 6.88%<br>(2022: 3.80% to 6.38%)<br><br>Europe: 5.19%<br>(2022: 4.42%)<br><br>Brazil: 7.5%<br>(2022: 7.0%) | The estimated fair value and gross development value vary inversely against the capitalization rate. |

Notes:

1 Income capitalization method is applied to derive the total gross development value under the residual approach.

# 5 Subsidiaries

| | Company | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Unquoted equity shares, at cost | 9,846,429 | 9,427,499 |
| Less: Allowance for impairment loss | (247,596) | (245,770) |
| | 9,598,833 | 9,181,729 |
| Loans to subsidiaries (interest-free) | 517,175 | 367,759 |
| | 10,116,008 | 9,549,488 |

During the year ended 31 December 2023, an impairment loss of US$1.8 million (2022: US$1.9 million) was recognized in profit or loss for the Company's investment in certain subsidiaries in Singapore, in view of the deficit in recoverable amount against the cost less accumulated impairment.

The recoverable amounts were estimated based on the subsidiaries' net assets which are expected to approximate their fair values less costs to sell as the assets held by the subsidiaries which comprise mainly investment properties or joint ventures owning investment properties were measured at fair value. and the fair value measurements are categorized as Level 3 in the fair value hierarchy.

The loans to subsidiaries form an extension of the Company's interest in subsidiaries. They are unsecured and not expected to be repaid within the next 12 months from 31 December 2023.

Details of significant subsidiaries are set out in Note 35.

# 6 Equity accounted investments

| | Group 2023 US$'000 | Group 2022 US$'000 |
|---|---|---|
| Interests in associates | 4,407,929 | 4,427,004 |
| Interests in joint ventures | 3,814,404 | 3,652,056 |
| | 8,222,333 | 8,079,060 |
| Capital commitments in relation to interests in equity accounted investments | 3,542,678 | 3,853,988 |

The Group has one joint venture and one associate (2022: one joint venture and four associates) that are material and a number of associates and joint ventures that are individually immaterial to the Group. All are equity accounted. The following are the material associates and joint ventures:

| Name of material joint ventures[1] | Principal activity | Principal place of business | Ownership interests/voting rights held 2023 % | Ownership interests/voting rights held 2022 % |
|---|---|---|---|---|
| GLP Japan Development Partners II ("JDP II") | Private equity fund focused on logistics properties | Japan | 50.00 | –[2] |
| China Merchants Capital Investments Co., Ltd. ("CMC") | Equity investment | PRC | –[2] | 50.00 |
| **Name of material associates** | | | | |
| GLP Japan Development Partners III ("JDP III") | Private equity fund focused on logistics properties | Japan | 25.64 | 25.64 |
| GLP Japan Income Fund L.P. ("JIF") | Private equity fund focused on logistics properties | Japan | –[2] | 14.04 |
| Hidden Hill Fund ("Hidden Hill") | Equity investment | PRC | –[2] | 66.91 |
| Hidden Hill Foundation ("HHF") | Equity investment | PRC | –[2] | 16.16 |

Notes:

1 Includes the commercial name of the joint ventures used under GLP's fund management platform where applicable.

2 CMC, JIF, Hidden Hill, and HHF are not material joint ventures and associates to the Group for the financial year ended 31 December 2023. JDP II was not a material joint venture to the Group for the financial year ended 31 December 2022.

**Summary information for associates and joint ventures that are material to the Group**

This summarized financial information is shown on a 100% basis. It represents the amounts shown in the associates and joint ventures' financial statements prepared in accordance with SFRS(I) under Group accounting policies.

| | **JDP II** | **JDP III** |
|---|---|---|
| **For the year ended 31 December 2023** | **US$'000** | **US$'000** |
| Results | | |
| Revenue | 20,875 | 12,589 |
| Profit for the year | 444,059 | 344,158 |
| Profit after tax include: | | |
| Interest income | — | 1 |
| Depreciation and amortization | (2,312) | (5,827) |
| Interest expense | (1,549) | (1,002) |
| Income tax expense | (24,141) | (12,557) |
| Assets and liabilities | | |
| Non-current assets | 605 | 1,288,280 |
| Current assets | 318,027 | 149,671 |
| Total assets | 318,632 | 1,437,951 |
| Non-current liabilities | (14,109) | (567,448) |
| Current liabilities | (33,261) | (333,220) |
| Total liabilities | (47,370) | (900,668) |
| Assets and liabilities include: | | |
| Cash and cash equivalents | 203,781 | 101,711 |
| Current financial liabilities (excluding trade and other payables) | — | (61,634) |
| Non-current financial liabilities (excluding trade and other payables) | (684) | (558,913 |

**Reconciliation of the above amounts to investment recognized in the consolidated statement of financial position**

| | JDP II | JDP III | Other individually immaterial associates and joint ventures | Total |
|---|---|---|---|---|
| | US$'000 | US$'000 | US$'000 | US$'000 |
| **31 December 2023** | | | | |
| Group's interest in net assets of associates and joint ventures at beginning of the year | 60,211 | 110,027 | 7,908,822 | 8,079,060 |
| Group's share of total comprehensive income | 221,631 | 27,417 | (76,540) | 172,508 |
| Dividends received from associates and joint ventures (the Group's share) | (91,500) | (59,138) | (137,992) | (288,630) |
| Group's share of total (distribution to)/contribution by shareholders (net) | (47,922) | 11,155 | 488,310 | 451,543 |
| Disposal of associates and joint ventures | — | — | (3,374) | (3,374) |
| Write-off of investment in associate | — | — | (20,841) | (20,841) |
| Effect of movements in exchange rates | (4,096) | (6,698) | (157,139) | (167,933) |
| Carrying amount of interest in associates and joint ventures at the end of the year | 138,324 | 82,763 | 8,001,246 | 8,222,333 |

| For the year ended 31 December 2022 | JDP III US$'000 | JIF US$'000 | CMC US$'000 | Hidden Hill US$'000 | HHF US$'000 |
|---|---|---|---|---|---|
| Results | | | | | |
| Revenue | 15,224 | 195,035 | 142,607 | 200,624 | — |
| Profit for the year | 431,171 | 242,350 | 71,129 | 164,921 | (13,743) |
| Profit after tax include: | | | | | |
| Interest income | 2 | 2 | 2,673 | 330 | — |
| Depreciation and amortization | (8,909) | (9,669) | — | — | — |
| Interest expense | (1,051) | (12,898) | (62,783) | — | — |
| Income tax expense | (6,558) | (9,996) | (26,166) | — | — |

| 31 December 2022 | JDP III US$'000 | JIF US$'000 | CMC US$'000 | Hidden Hill US$'000 | HHF US$'000 |
|---|---|---|---|---|---|
| Assets and liabilities | | | | | |
| Non-current assets | 1,520,139 | 5,223,354 | 2,289,933 | 1,827,806 | 461,303 |
| Current assets | 109,467 | 347,573 | 385,685 | 40,994 | 26,070 |
| Total assets | 1,629,606 | 5,570,927 | 2,675,618 | 1,868,800 | 487,373 |
| Non-current liabilities | (579,012) | (2,338,448) | (1,036,909) | (115,936) | (19,106) |
| Current liabilities | (350,306) | (362,241) | (404,627) | (4,851) | (12,323) |
| Total liabilities | (929,318) | (2,700,689) | (1,441,536) | (120,787) | (31,429) |
| Assets and liabilities include: | | | | | |
| Cash and cash equivalents | 71,472 | 322,254 | 245,007 | 21,835 | 17,886 |
| Current financial liabilities (excluding trade and other payables) | (122,040) | (277,381) | (331,321) | — | — |
| Non-current financial liabilities (excluding trade and other payables) | (547,677) | (2,240,653) | (935,505) | — | — |

**Reconciliation of the above amounts to investment recognized in the consolidated statement of financial position**

| | JDP III | JIF | CMC | Hidden Hill | HHF | Other individually immaterial associates and joint ventures | Total |
|---|---|---|---|---|---|---|---|
| | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| **31 December 2022** | | | | | | | |
| Group's interest in net assets of associates and joint ventures at beginning of the year | 170,872 | 273,275 | 891,263 | 1,252,481 | — | 5,658,669 | 8,246,560 |
| Group's share of total comprehensive income | 65,044 | 28,088 | 37,765 | 9,583 | (2,861) | 38,070 | 175,689 |
| Dividends received from associates and joint ventures (the Group's share) | (81,826) | — | (52,556) | (86,598) | (20,705) | (225,110) | (466,795) |
| Group's share of total (distribution to)/contribution by shareholders (net) | (20,208) | 23,157 | — | 13,140 | 158,330 | 588,471 | 762,890 |
| Group's share of total (distribution to)/contribution by shareholders (net)-Non Cash | — | — | — | — | — | 10,043 | 10,043 |
| Group's investment in associate through acquisition of subsidiaries | — | — | — | — | — | 352,124 | 352,124 |
| Disposal of associates and joint ventures | — | — | — | (455,065) | (13,329) | (36,218) | (504,612) |
| Write-off of investment in associate | — | — | — | — | — | (16,528) | (16,528) |
| Reclassification from other investment | — | — | — | — | — | 155,170 | 155,170 |
| Effect of movements in exchange rates | (23,855) | (37,219) | (76,686) | (91,080) | (4,275) | (402,366) | (635,481) |
| Carrying amount of interest in associates and joint ventures at the end of the year | 110,027 | 287,301 | 799,786 | 642,461 | 117,160 | 6,122,325 | 8,079,060 |

**Immaterial associates and joint ventures**

The Group has interests in a number of individually immaterial associates and joint ventures.

The following table summarizes, in aggregate, the carrying amount and share of profit and OCI of these associates and joint ventures that are accounted for using the equity method:

| | **Group** | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Carrying amount of interests in immaterial associates and joint ventures | 8,001,246 | 6,122,325 |
| Group's share of: | | |
| – Profit/(Loss) from continuing operations | (74,070) | 36,974 |
| – OCI | (2,470) | 1,096 |
| – Total comprehensive income | (76,540) | 38,070 |

# 7 Deferred tax

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

| Group | At 1 January US$'000 | Acquisition of subsidiaries (Note 28(A)) US$'000 | Disposal of subsidiaries (Note 28(B)) US$'000 | Effect of changes in tax rates US$'000 | Effect of movements in exchange rates US$'000 | Recognized in OCI US$'000 | Recognized in profit or loss (Note 27) US$'000 | Reclassified as held for sale US$'000 | At 31 December US$'000 |
|---|---|---|---|---|---|---|---|---|---|
| **31 December 2023** | | | | | | | | | |
| **Deferred tax assets** | | | | | | | | | |
| Unutilized tax losses | 34,782 | — | (4) | (7) | 4,139 | — | 8,483 | 2,633 | 50,026 |
| Others | 42,896 | 52 | (921) | — | 14,004 | — | 19,963 | — | 75,994 |
| | 77,678 | 52 | (925) | (7) | 18,143 | — | 28,446 | 2,633 | 126,020 |
| **Deferred tax liabilities** | | | | | | | | | |
| Investment properties | (1,346,816) | (31,913) | 103,194 | — | (3,165) | — | (65,179) | 129,404 | (1,214,475) |
| Other investments | (51,674) | — | — | 1 | 679 | 18,832 | (7,423) | — | (39,585) |
| Others | (182,246) | (11,831) | — | — | 3,661 | (282) | 51,598 | — | (139,100) |
| | (1,580,736) | (43,744) | 103,194 | 1 | 1,175 | 18,550 | (21,004) | 129,404 | (1,393,160) |
| Total | (1,503,058) | (43,692) | 102,269 | (6) | 19,318 | 18,550 | 7,442 | 132,037 | (1,267,140) |

| Group | At 1 January US$'000 | Acquisition of subsidiaries (Note 28(A)) US$'000 | Disposal of subsidiaries (Note 28(B)) US$'000 | Effect of movements in exchange rates US$'000 | Recognized in OCI US$'000 | Recognized in profit or loss (Note 27) US$'000 | Reclassified as held for sale US$'000 | At 31 December US$'000 |
|---|---|---|---|---|---|---|---|---|
| **31 December 2022** | | | | | | | | |
| **Deferred tax assets** | | | | | | | | |
| Unutilized tax losses | 27,871 | 1,327 | — | (3,144) | — | 8,728 | — | 34,782 |
| Others | 17,519 | 13,253 | — | (1,949) | — | 14,073 | — | 42,896 |
| | 45,390 | 14,580 | — | (5,093) | — | 22,801 | — | 77,678 |
| **Deferred tax liabilities** | | | | | | | | |
| Investment properties | (1,518,543) | (45,024) | 113,314 | 131,714 | — | (353,680) | 325,403 | (1,346,816) |
| Other investments | (148,247) | — | 52,440 | 8,960 | 4,660 | 30,513 | — | (51,674) |
| Others | (141,279) | (140,689) | 174 | 38,987 | — | 55,618 | 4,943 | (182,246) |
| | (1,808,069) | (185,713) | 165,928 | 179,661 | 4,660 | (267,549) | 330,346 | (1,580,736) |
| Total | (1,762,679) | (171,133) | 165,928 | 174,568 | 4,660 | (244,748) | 330,346 | (1,503,058) |

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against 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:

| | **Group** | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Deferred tax assets | 126,020 | 85,457 |
| Deferred tax liabilities | (1,393,160) | (1,588,515) |

As at reporting date, deferred tax liabilities have not been recognized in respect of taxes that would be payable on the undistributed earnings of certain subsidiaries of US$55.9 million (2022: US$57.6 million) as the Group do not have plans to distribute these earnings in the foreseeable future.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. 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 realized. The Group has not recognized deferred tax assets in respect of the following:

| | **Group** | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Tax losses | 1,227,316 | 948,870 |

Deferred tax assets in respect of tax losses have not been recognized because it is not probable that future taxable profit will be available against which the Group can utilize the benefits. Tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. Unutilized tax losses will expire within one to five years.

# 8 Property, plant and equipment

| | At cost | | | | | |
|---|---|---|---|---|---|---|
| | **Buildings held for own use US$'000** | **Furniture, fittings and equipment US$'000** | **Solar plants US$'000** | **Assets under construction US$'000** | **Right-of-use assets US$'000** | **Total US$'000** |
| **Group** | | | | | | |
| **<u>Cost</u>** | | | | | | |
| At 1 January 2022 | 86,726 | 196,165 | — | 176,441 | 508,398 | 967,730 |
| Acquisition of subsidiaries | 41,606 | 97,508 | — | 143,600 | 104,854 | 387,568 |
| Additions | 37,356 | 384,944 | 7,605 | (15,632) | 27,752 | 442,025 |
| Disposals | — | (11,852) | — | — | (29,972) | (41,824) |
| Disposal of subsidiaries | — | (8) | — | — | — | (8) |
| Reclassification to asset held for sale | — | (3,138) | — | (38) | — | (3,176) |
| Written off | — | (265) | — | — | — | (265) |
| Impairment losses | — | (590) | — | — | — | (590) |
| Effect of movements in exchange rates | (8,105) | (44,413) | 107 | (18,329) | (52,608) | (123,348) |
| At 31 December 2022 | 157,583 | 618,351 | 7,712 | 286,042 | 558,424 | 1,628,112 |
| Additions | 32,069 | 147,099 | 3,788 | 136,761 | 154,039 | 473,756 |
| Acquisition of subsidiaries | 16,127 | 49,253 | — | 154,500 | 34,188 | 254,068 |
| Disposals | — | (5,644) | (9,606) | (408) | (49,645) | (65,303) |
| Disposal of subsidiaries | — | (1,627) | — | — | — | (1,627) |
| Reclassification to asset held for sale | — | (79) | — | — | — | (79) |
| Written off | — | (412) | — | — | (667) | (1,079) |
| Effect of movements in exchange rates | (3,658) | (9,184) | 377 | (6,077) | (10,916) | (29,458) |
| At 31 December 2023 | 202,121 | 797,757 | 2,271 | 570,818 | 685,423 | 2,258,390 |

| | At cost | | | | | |
|---|---|---|---|---|---|---|
| | **Buildings held for own use US$'000** | **Furniture, fittings and equipment US$'000** | **Solar plants US$'000** | **Assets under construction US$'000** | **Right-of-use assets US$'000** | **Total US$'000** |
| **Group** | | | | | | |
| **Accumulated depreciation** | | | | | | |
| At 1 January 2022 | 3,523 | 54,853 | — | — | 48,060 | 106,436 |
| Depreciation charge for the year | 1,965 | 39,262 | 21 | — | 51,877 | 93,125 |
| Disposals | — | (3,853) | — | — | (14,809) | (18,662) |
| Disposal of subsidiaries | — | (7) | — | — | — | (7) |
| Reclassification | — | 946 | — | — | (946) | — |
| Reclassification to asset held for sale | — | (1,479) | — | — | — | (1,479) |
| Written off | — | (243) | — | — | — | (243) |
| Impairment | — | (5) | — | — | — | (5) |
| Effect of movements in exchange rates | (849) | (7,689) | — | — | (14,485) | (23,023) |
| At 31 December 2022 | 4,639 | 81,785 | 21 | — | 69,697 | 156,142 |
| Depreciation charge for the year | 5,640 | 87,029 | 72 | — | 53,845 | 146,586 |
| Disposals | — | (2,667) | — | — | (19,980) | (22,647) |
| Disposal of subsidiaries | — | (85) | — | — | — | (85) |
| Reclassification to asset held for sale | — | (371) | — | — | — | (371) |
| Written off | — | (2) | — | — | (667) | (669) |
| Effect of movements in exchange rates | (202) | (3,858) | 2 | — | 2,650 | (1,408) |
| At 31 December 2023 | 10,077 | 161,831 | 95 | — | 105,545 | 277,548 |
| | | | | | | |
| **Carrying amounts** | | | | | | |
| At 31 December 2022 | 152,944 | 536,566 | 7,691 | 286,042 | 488,727 | 1,471,970 |
| At 31 December 2023 | 192,044 | 635,926 | 2,176 | 570,818 | 579,878 | 1,980,842 |

| | At cost | | | |
|---|---|---|---|---|
| | **Furniture, fittings and equipment** | **Assets under construction** | **Right-of-use assets** | **Total** |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| **Company** | | | | |
| **Cost** | | | | |
| At 1 January 2022 | 18,764 | 1,320 | 1,965 | 22,049 |
| Additions | 814 | 5,544 | — | 6,358 |
| Transfer | 1,502 | (1,502) | — | — |
| At 31 December 2022 | 21,080 | 5,362 | 1,965 | 28,407 |
| Additions | 6,083 | 6,914 | 5,575 | 18,572 |
| At 31 December 2023 | 27,163 | 12,276 | 7,540 | 46,979 |
| **Accumulated depreciation** | | | | |
| At 1 January 2022 | 15,815 | — | 1,331 | 17,146 |
| Depreciation charge for the year | 1,336 | — | 517 | 1,853 |
| At 31 December 2022 | 17,151 | — | 1,848 | 18,999 |
| Depreciation charge for the year | 3,328 | — | 1,867 | 5,195 |
| At 31 December 2023 | 20,479 | — | 3,715 | 24,194 |
| **Carrying amounts** | | | | |
| At 31 December 2022 | 3,929 | 5,362 | 117 | 9,408 |
| At 31 December 2023 | 6,684 | 12,276 | 3,825 | 22,785 |

**The Group as a lessee**

**(a) Carrying amounts**

**ROU assets classified within Property, plant and equipment**

| | 2023 | 2022 |
|---|---|---|
| | US$'000 | US$'000 |
| Buildings | 563,989 | 472,804 |
| Plant and equipment | 15,889 | 15,923 |
| Total | 579,878 | 488,727 |

**(b) Depreciation charge during the year**

| | 2023 | 2022 |
|---|---|---|
| | US$'000 | US$'000 |
| Buildings | 50,016 | 48,511 |
| Plant and equipment | 3,829 | 3,366 |
| Total | 53,845 | 51,877 |

**(c) Interest expense**

| | | |
|---|---|---|
| Interest expense on lease liabilities | 15,447 | 11,831 |

(d) Total cash outflow for all the leases was US$57.5 million (2022: US$37.1 million) and includes interest paid of US$29.3 million (2022: US$19.4 million).
(e) Additions of ROU assets during the year were US$154.0 million (2022: US$27.8 million).

# 9 Goodwill and intangible assets

| | | Goodwill | Intangible Assets | | | | |
|---|---|---|---|---|---|---|---|
| | Note | Goodwill | Trademarks | License rights | Fund Management Contracts | Customer Related Assets | Total |
| **Group** | | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| **Cost** | | | | | | | |
| At 1 January 2022 | | 507,395 | 39,688 | 3,510 | — | — | 550,593 |
| Acquisition of subsidiaries | | 1,026,110 | 1,501 | 30,917 | 349,000 | 146,560 | 1,554,088 |
| Additions | | — | 5 | — | — | — | 5 |
| Written off | | (8,349) | — | — | — | — | (8,349) |
| Effect of movements in exchange rates | | (48,746) | (2,193) | (897) | — | (6,325) | (58,161) |
| At 31 December 2022 | | 1,476,410 | 39,001 | 33,530 | 349,000 | 140,235 | 2,038,176 |
| Acquisition of subsidiaries | 28(A) | 109,071 | 900 | — | — | 71,000 | 180,971 |
| Additions | | — | — | — | — | 438 | 438 |
| Disposal | | — | (499) | — | — | — | (499) |
| Transfer | | — | — | (19,728) | 19,728 | — | — |
| Effect of movements in exchange rates | | (6,112) | (414) | (230) | — | (2,614) | (9,370) |
| At 31 December 2023 | | 1,579,369 | 38,988 | 13,572 | 368,728 | 209,059 | 2,209,716 |
| **Accumulated amortization** | | | | | | | |
| At 1 January 2022 | | — | 23,159 | 1,096 | — | — | 24,255 |
| Amortization for the year | | — | 2,040 | 2,186 | 20,852 | 7,401 | 32,479 |
| Effect of movements in exchange rates | | — | (1,360) | (346) | — | (260) | (1,966) |
| At 31 December 2022 | | — | 23,839 | 2,936 | 20,852 | 7,141 | 54,768 |
| Amortization for the year | | — | 2,547 | 1,073 | 51,129 | 18,397 | 73,146 |
| Impairment loss for the year | | 46,482 | — | — | 110,297 | — | 156,779 |
| Transfers | | — | — | (1,333) | 1,333 | — | — |
| Effect of movements in exchange rates | | — | (733) | (32) | — | (202) | (967) |
| At 31 December 2023 | | 46,482 | 25,653 | 2,644 | 183,611 | 25,336 | 283,726 |
| **Carrying amounts** | | | | | | | |
| At 31 December 2022 | | 1,476,410 | 15,162 | 30,594 | 328,148 | 133,094 | 1,983,408 |
| At 31 December 2023 | | 1,532,887 | 13,335 | 10,928 | 185,117 | 183,723 | 1,925,990 |

***Goodwill and other intangible assets from business combination***

***Impairment losses***

As of 31 December 2023, the Group recognized impairment loss amounting to US$143.4 million (2022: Nil) and US$13.4 million (2022: Nil) in respect of goodwill and intangible assets in the GCP US and GCP Vietnam cash-generating units ("CGU") respectively.

Impairment indicators include significant declines in fund performance or downside deviations of results or cash flows from prior forecasts, increases to discount rates and any deferral of newly launched funds. Due to changes in forecasts regarding the expected maturity or termination of the fund management contracts and increases to discount rates, the Group reviewed the fund management contract intangible assets for impairment in 2023.

The impairment assessment was performed using the latest cash flow forecasts from the Company's business plan. The recoverable amount of each CGU is generally estimated based on the higher of its fair value less costs to sell and its value in use. The estimate of fair value less costs to sell has been determined primarily using a mix of the discounted cash flow model and market multiple valuation methodologies. The fair value less costs to sell has been determined primarily using a mix of the discounted cash flow model and market multiple valuation methodologies. Key assumptions for these valuation methodologies include the discount rate, future cash flow projections, long-term growth rate, terminal capitalization rate, market multiples, and earnings information specific to the CGU. The fair value measurement has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

As at 31 December 2023, the recoverable amounts are US$714.7 million (2022: US$639.5 million) and $50.5 million (2022: US$63.1 million) in respective of goodwill in the GCP US and GCP Vietnam CGUs respectively.

***Impairment test for goodwill***

For the purpose of goodwill impairment testing, the aggregate carrying amount of goodwill allocated to each CGU as at 31 December 2023 are as follows:

| | Carrying amount | |
|---|---|---|
| | **2023** | **2022** |
| **Group** | **US$'000** | **US$'000** |
| Airport City Development Group ("ACL Group") | 52,945 | 53,842 |
| GLP China[1] | 218,885 | 220,312 |
| GCP Vietnam[2] | 50,481 | 63,087 |
| Data Center Group[3] | 277,912 | 282,706 |
| Energy Group[4] | 8,719 | 9,051 |
| Forklift Group[5] | 16,494 | 17,751 |
| GCP Europe[6] | 48,788 | 46,194 |
| GCP US[7] | 714,669 | 639,475 |
| GLP Japan[8] | 141,467 | 141,467 |
| Others | 2,527 | 2,525 |
| Total | 1,532,887 | 1,476,410 |

Notes:

1 Relates to the provision of leasing, asset management and development services in PRC and excludes the ACL and Data Center Group.
2 Relates to the provision of fund management services in Vietnam.
3 Relates to a data center platform in PRC.
4 Relates to electricity trading services in Japan.
5 Relates to forklift services in Japan.
6 Relates to the provision of fund management services in central and eastern Europe.
7 Relates to fund management services from the acquisition of GLP Capital Partners LP in 2022. During the year, additional provisional goodwill arise from the acquisition of M3 Global Advisors LLC. The Group is in the midst of assessing the fair value of identified assets acquired, liabilities and contingent liabilities (if any) pursuant to the requirements of the SFRS(I) 3: Business Combinations. Upon finalization of this exercise, the resulting goodwill on consolidation will be adjusted accordingly.
8 Relates to the provision of leasing, asset management and development services in Japan.

Details of impairment testing of significant CGUs are as follows:

***Data Center Group***

The recoverable amount of the Data Center Group is determined based on value in use calculation. The value in use calculation uses 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 of 2.00% (2022: 3.00%). The discount rate of 9.74% (2022: 9.70%) 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 Data Center Group operates.

***GLP Japan***

The recoverable amount of GLP Japan as of 31 December 2023 is determined using the Sum-Of-The-Parts ("SOTP") approach to measure the fair value less costs of disposal of the respective CGUs by aggregating the standalone fair value of each of its business units within the CGU to arrive at a single total enterprise value. The equity value is then derived by adjusting the CGU's net debt and other non-operating assets and expenses from the total enterprise value.

The enterprise value of each business unit is derived separately and determined based on valuation by internal and external valuers with appropriate qualifications and experience using observable and unobservable inputs taking into account management's experience and knowledge of market conditions of the specific activities.

***GLP China***

The recoverable amount of the CGU is determined based on fair value less costs of disposal. The CGU comprises the following categories: development business, fund management, investment properties and other investments as at 31 December 2023. In determining fair value, a combination of approaches was used, including the direct comparison, income capitalization, 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 capitalization approach 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 approach requires the valuer to assume a rental growth rate indicative of the 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.

***GCP US and GCP Vietnam***

The recoverable amount of GCP US and GCP Vietnam as of 31 December 2023 is determined using higher of value-in-use or fair value less costs to sell primarily using a mix of the discounted cash flow model and market multiple valuation methodologies. The fair value less costs to sell has been determined primarily using a mix of the discounted cash flow model and market multiple valuation methodologies. Key assumptions for these valuation methodologies include the discount rate, future cash flow projections, long-term growth rate, terminal capitalization rate, market multiples, and earnings information.

*Significant business units - valuation technique and significant unobservable inputs*

Details of significant business units identified and the key unobservable inputs used in estimating the fair value less costs of disposal of these significant business units are as follows:

*Development business*

The fair value measurement for development business has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

| **Valuation method** | **Key unobservable inputs** | **Inter-relationship between key unobservable inputs and fair value measurement of business unit** |
|---|---|---|
| Discounted cash flow | ***Estimated development costs to complete construction:***<br>US$1,172 psm to US$21,757 psm<br>(2022: US$978 psm to US$13,441 psm) | The estimated fair value varies inversely against the estimated development costs to complete construction. |
| | ***Value creation margin:***<br>18.7% to 46.5%<br>(2022: 33.9% to 45.5%) | The estimated fair value varies proportionately against value creation margin. |

*Fund management services*

| **Valuation method** | **Key unobservable inputs** | **Inter-relationship between key unobservable inputs and fair value measurement** |
|---|---|---|
| **2023:** | | |
| Discounted cash flow | ***Discount rate:***<br>10.5% to 16% | Increases (decreases) in discount rate decrease (increase) the recoverable amount. |
| | ***Future cash flow projections:***<br>6 to 12 years | Increases (decreases) in future cash flow projections increase (decrease) the recoverable amount. |
| | **Long-term growth rate:**<br>2% to 5% | Increases (decreases) in long-term growth rate increase (decrease) the recoverable amount. |
| | **Terminal capitalization rate:**<br>7.5% to 12% | Increases (decreases) in terminal capitalization rate decrease (increase) the recoverable amount. |
| Guideline public company method | **Market multiples:**<br>12x to 25x | Increases (decreases) in the market multiple (increase) decrease the recoverable amount. |

*Fund management services*

| Valuation method | Key unobservable inputs | Inter-relationship between key unobservable inputs and fair value measurement |
|---|---|---|
| **2022:** | | |
| Market approach | Adjusted transaction price for minority interest investment | The estimated fair value increases as the discount applied to the price paid by strategic investors decreases. |

***Sensitivity analysis***

As at 31 December 2023, GCP US and GCP Vietnam recorded an impairment loss. Therefore, no sensitivity analysis was applicable for this CGU as at 31 December 2023 (2022: the estimated recoverable amount of GCP US and GCP Vietnam exceeded its carrying amount by 46% and Nil respectively).

For the fair value of each CGU, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

As at 31 December 2023 and 31 December 2022, the estimated recoverable amount of the CGUs exceeded its carrying amounts. Management has not identified any reasonably possible changes in the above key assumptions applied which are likely to materially cause the estimated recoverable amount of the CGUs to be lower than its carrying amount except for:

| | Recoverable amount | |
|---|---|---|
| | **Increase US$'000** | **Decrease US$'000** |
| **31 December 2023** | | |
| Development business value creation margin (5% movement) | | |
| – Japan | 157,000 | (157,000) |
| **31 December 2022** | | |
| Development business value creation margin (5% movement) | | |
| – Japan | 257,000 | (257,000) |
| Fund management services transaction price (5% movement) | | |
| – Japan | 71,000 | (71,000) |

## 10 Other investments

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Non-current investments | | |
| – Quoted equity investments – at FVOCI | 548,640 | 687,578 |
| – Quoted equity investments – at FVTPL | 185,852 | 165,035 |
| – Unquoted equity investments – at FVOCI | 199,360 | 139,647 |
| – Unquoted equity investments – mandatorily at FVTPL | 2,020,955 | 1,871,534 |
| | 2,954,807 | 2,863,794 |

The Group's exposure to market risks and fair value information related to other investments are disclosed in Notes 31 and 32.

The Group invests in companies listed in active markets and private companies that are not quoted in an active market. The quoted equity investments are stated at their fair values at the reporting date, determined by reference to their quoted closing bid price in an active market at the reporting date.

The unquoted equity investments are stated at their fair values at the reporting date, determined by cost approach, discounted cash flow method and the net asset value which approximates the investments' fair value or market comparison technique based on market multiple of comparable companies with adjustments for the effect of non-marketability of the investments. The fair value of unquoted equity securities using cost approach uses financial data. The fair value measurement is negatively correlated to the discount for lack of marketability. The fair value of unquoted equity securities using discounted cash flow uses discount rate.

**Reconciliation of Level 3 fair values**

| | **2023** | **2022** |
|---|---|---|
| | **US$'000** | **US$'000** |
| Balance at 1 January | 2,011,181 | 1,387,407 |
| Net unrealized gains recognized in profit or loss | | |
| – recognized in profit or loss | 2,895 | 26,984 |
| – recognized in other comprehensive income | 52,483 | 51,582 |
| Acquisition of subsidiaries | — | 500,914 |
| Additions | 275,951 | 861,428 |
| Disposal | (97,870) | (178,028) |
| Disposal of subsidiaries | — | (425,693) |
| Effects of movements in exchange rates | (24,325) | (58,243) |
| Reclassification to associate | — | (155,170) |
| Balance at 31 December | 2,220,315 | 2,011,181 |

## 11 Other non-current assets

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| Trade receivables | 36,616 | 31,334 | — | — |
| Deposits | 30,359 | 17,311 | — | — |
| Amounts due from: | | | | |
| – joint ventures | 12,587 | 15,026 | — | — |
| – an investee entity | 93,578 | 93,165 | — | — |
| Amounts due from immediate holding company | 2,396,137 | 2,256,149 | 2,396,137 | 2,256,149 |
| Loans to equity accounted investments | 12,650 | 464,437 | — | — |
| Loans to employees | 7,151 | 6,981 | — | — |
| Loans to third parties | 57,794 | 57,375 | 56,114 | 56,114 |
| Capitalized contract costs | 134,297 | 118,832 | — | — |
| Prepaid construction costs | 8,010 | 77,081 | — | — |
| Other investment held for disposal | 56,494 | 97,370 | — | — |
| Land purchase option | 348 | 117,965 | — | — |
| Deferred consideration receivable | 74,927 | — | — | — |
| Others | 119,700 | 83,675 | 520 | 519 |
| | 3,040,648 | 3,436,701 | 2,452,771 | 2,312,782 |

Management has assessed that no allowance for impairment losses is required in respect of the Group's non-current trade receivables, none of which are past due.

The amounts due from joint ventures and an investee entity are attributed to the transfer of tenant security deposits to these entities.

The loans to equity accounted investments are unsecured, bear fixed interest rate of 8.00% (2022: ranging from 5.70% to 8.00%) per annum at the reporting date and are fully repayable by December 2027 (2022: December 2027).

The loans to third parties are unsecured, bear fixed interest rate of 4.50% to 13.04% (2022: 4.50% to 10.00%) per annum at the reporting date and are fully repayable within 1 to 6 years (2022: within 1 to 3 years).

The amounts due from immediate holding company are non-trade, unsecured, non-interest bearing and repayable on demand. The Company does not expect to receive repayment in the next 12 months.

Other investment held for disposal relates to an equity investment and its disposal is still subject to approval from the relevant authority. The deposits received for the disposal is disclosed in Note 20.

Deferred consideration receivable represents the remaining proceeds due in respect of a disposal of equity in a subsidiary to a non-controlling interest.

## 12 Trade and other receivables

| | Group 2023 US$'000 | Group 2022 US$'000 | Company 2023 US$'000 | Company 2022 US$'000 |
|---|---|---|---|---|
| Trade receivables | 149,619 | 100,546 | — | — |
| Impairment losses | (4,270) | (4,255) | — | — |
| Net trade receivables | 145,349 | 96,291 | — | — |
| Finance lease receivables | 1,579 | 1,606 | — | — |
| Amounts due from immediate holding company (non-trade) | 2,191,942 | 3,123,371 | 2,191,942 | 3,123,371 |
| Amounts due from subsidiaries: | | | | |
| – non-trade | — | — | 4,268,323 | 3,078,796 |
| – impairment losses for amounts due from subsidiaries | — | — | (40,133) | (31,500) |
| Amounts due from equity accounted investments: | | | | |
| – trade | 221,093 | 143,699 | — | — |
| – non-trade and interest-free | 300,841 | 772,448 | — | — |
| Amounts due from related parties: | | | | |
| – trade | 1,555,249 | 2,391,493 | — | — |
| – non-trade and interest-free | 1,195,655 | 1,029,276 | 23,019 | 28,870 |
| Amounts due from an investee entity: | | | | |
| – trade | 17,112 | 18,012 | — | — |
| – non-trade and interest-free | 30,851 | 32,901 | — | — |
| Amounts due from NCI: | | | | |
| – non-trade and interest-free | 5,247 | 10,360 | — | — |
| Loans to NCI | 16,318 | 14,742 | — | — |
| Loans to equity accounted investments | 666,525 | 318,349 | — | — |
| Loans to third parties: | | | | |
| – in relation to acquisition of new investments | 72,750 | 82,595 | — | — |
| – Impairment losses for loan to a third party | (40,133) | (31,500) | — | — |
| | 6,235,029 | 7,907,352 | 6,443,151 | 6,199,537 |
| Deposits | 144,334 | 163,729 | 583 | 763 |
| Other receivables | 571,711 | 363,426 | 12,671 | 11,617 |
| Impairment losses | (4,354) | (1,586) | — | — |
| | 567,357 | 361,840 | 12,671 | 11,617 |
| Trade and other receivables | 7,092,069 | 8,529,212 | 6,456,405 | 6,211,917 |
| Prepayments and other assets | 67,272 | 55,853 | 5,421 | 5,511 |
| | 7,159,341 | 8,585,065 | 6,461,826 | 6,217,428 |

The non-trade amounts due from immediate holding company, equity accounted investments, an investee entity, related parties, NCI and subsidiaries are unsecured and are repayable on demand. The effective interest rates of non-trade interest-bearing amounts due from subsidiaries amounting to $717.2 million (2022: $503.9 million) at the reporting date range from 2.00% to 10.00% (2022: 2.00% to 10.00%) per annum.

The loans to NCI are unsecured, interest-free and are repayable on demand. The loans to equity accounted investments are unsecured, bear fixed interest at the reporting date ranging from 5.70% to 8.63% (2022: 1.50 % to 15.22%) per annum and are repayable within the next 12 months.

The loans to third parties in relation to acquisition of new investments are unsecured, repayable within the next 12 months, and bear fixed interest of 10.00% (2022: 10.00%) per annum, except for US$17.0 million (2022: US$17.5 million) which is interest-free until completion of the acquisition.

Deposits include an amount of US$116.1 million (2022: US$120.4 million) in relation to acquisitions of new investments. Other receivables comprise value added tax receivables of US$140.4 million (2022: US$133.7 million).

(a) The maximum exposure to credit risk for trade and other receivables (excludes prepayment and other assets) at the reporting date (by country) is:

| | **Gross** | **Allowance for doubtful receivables** | **Gross** | **Allowance for doubtful receivables** |
|---|---|---|---|---|
| | **2023** | **2023** | **2022** | **2022** |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| **Group** | | | | |
| PRC | 3,581,801 | (8,521) | 4,947,706 | (5,781) |
| Japan | 102,062 | (10) | 125,622 | (3) |
| Singapore | 3,211,515 | (40,133) | 3,390,287 | (31,500) |
| US | 170,389 | — | 27,437 | (51) |
| Brazil | 4,294 | — | 983 | — |
| EU | 65,374 | (93) | 74,518 | (6) |
| Others | 5,391 | — | — | — |
| | 7,140,826 | (48,757) | 8,566,553 | (37,341) |
| **Company** | | | | |
| Singapore | 6,496,538 | (40,133) | 6,243,41 | (31,500) |

(b) The aging of trade and other receivables (excludes prepayment and other assets) at the reporting date is:

| | Gross 2023 US$'000 | Allowance for doubtful receivables 2023 US$'000 | Gross 2022 US$'000 | Allowance for doubtful receivables 2022 US$'000 |
|---|---|---|---|---|
| **Group** | | | | |
| Not past due | 7,140,017 | (48,664) | 8,469,280 | (33,095) |
| Past due 1 – 60 days | 250 | — | 87,858 | (1,374) |
| Past due 61 – 180 days | 223 | — | 6,738 | (1,130) |
| More than 180 days | 336 | (93) | 2,677 | (1,742) |
| | 7,140,826 | (48,757) | 8,566,553 | (37,341) |
| **Company** | | | | |
| Not past due | 6,496,538 | (40,133) | 6,243,417 | (31,500) |

The Group's historical experience in the collection of accounts receivables falls within the recorded allowances. Based on historical payment behaviors, and the security deposits, bankers' guarantees and other forms of collateral held, the Group believes that no additional allowance for impairment losses is required in respect of its trade and other receivables.

The majority of the trade and other receivables are due from tenants that have good credit records with the Group. The Group monitors and considers credit risk based on trade and other receivables grouped by reportable business segments, and uses management's judgement in assessing the risk of default. The Group establishes an allowance for doubtful receivables that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

***Expected credit loss assessment for trade and other receivables (excludes prepayment and other assets)***

The Group measures loss allowances for trade and other receivables (excludes prepayment, other assets and related party balances) 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 and other receivables (excludes prepayment and other assets) as at 31 December:

| | **Expected loss rate** % | **Gross carrying amount** **US$'000** | **Lifetime ECL** **US$'000** |
|---|---|---|---|
| **2023** | | | |
| Not past due | 0.49 | 7,140,017 | (48,664) |
| Past due 1 – 60 days | — | 250 | — |
| Past due 61 – 180 days | — | 223 | — |
| More than 180 days | 27.60 | 336 | (93) |
| | | 7,140,826 | (48,757) |
| **2022** | | | |
| Not past due | 0.39 | 8,469,280 | (33,095) |
| Past due 1 – 60 days | 1.56 | 87,858 | (1,374) |
| Past due 61 – 180 days | 16.78 | 6,738 | (1,130) |
| More than 180 days | 65.17 | 2,677 | (1,742) |
| | | 8,566,553 | (37,341) |

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 year 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.

The non-trade amounts due from subsidiaries, associates, joint ventures, immediate holding company and an investee entity are amounts lent to satisfy the counterparties' short term funding requirements. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

(c) The movement in allowances for impairment losses in respect of trade and other receivables (excludes prepayment and other assets) during the year is as follows:

| | **Group** | |
|---|---|---|
| | **2023** **US$'000** | **2022** **US$'000** |
| At 1 January | 37,341 | 2,099 |
| Recognition of impairment losses | 12,145 | 35,202 |
| Impairment loss reversed | (51) | — |
| Disposal of subsidiaries | (794) | — |
| Effect of movements in exchange rates | 116 | 40 |
| At 31 December | 48,757 | 37,341 |

## 13 Cash and cash equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| Fixed deposits | 208,542 | 230,417 | 48,148 | 30,178 |
| Cash at bank | 1,955,845 | 2,358,850 | 95,050 | 69,815 |
| Cash and cash equivalents in the statements of financial position | 2,164,387 | 2,589,267 | 143,198 | 99,993 |
| Less: restricted cash | (291,141) | (104,650) | — | — |
| Cash and cash equivalents in the consolidated statement of cash flows | 1,873,246 | 2,484,617 | 143,198 | 99,993 |

The effective interest rates relating to fixed deposits and certain cash at bank balances at the reporting date for the Group ranged from 0.00%* to 12.45% (2022: 0.00%* to 11.81%) per annum. Interest rates reprice at intervals of one to twelve months.

Restricted cash deposits represent bank balances held separately from the Group under trust amounting to US$47.7 million (2022: US$46.1 million), deposits pledged amounting to US$113.6 million (2022: US$58.6 million) and deposits received in advance amounting to $129.8 million (2022: Nil).

* This is due to rounding

## 14 Assets and liabilities classified as held for sale

| | Group | |
|---|---|---|
| | 2023 | 2022 |
| | US$'000 | US$'000 |
| Assets classified as held for sale | 2,222,897 | 6,644,094 |
| Liabilities classified as held for sale | (884,218) | (4,235,813) |
| | 1,338,679 | 2,408,281 |

As at 31 December 2023, the assets and liabilities classified as held for sale pertains to equity interests in a group of investment property-holding entities in PRC. The Group plans to syndicate these assets and liabilities within the next 12 months from the reporting date.

As at 31 December 2022, the assets and liabilities classified as held for sale pertains to equity interests in a group of investment property-holding entities in PRC and US. The Group has syndicated these assets and liabilities in 2023.

**(a) Assets classified as held for sale comprises:**

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Investment properties | 2,077,739 | 5,976,357 |
| Cash and cash equivalents | 119,486 | 638,245 |
| Other assets | 25,672 | 29,492 |
| | 2,222,897 | 6,644,094 |

**(b) Liabilities classified as held for sale comprises:**

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Loans and borrowings and non-recourse borrowings of managed entities | 655,050 | 3,073,582 |
| Deferred tax liabilities | 156,005 | 719,102 |
| Other liabilities | 73,163 | 443,129 |
| | 884,218 | 4,235,813 |

## 15 Share capital and capital securities

### (a) Share capital

| | Ordinary shares No. of shares | | Preference shares No. of shares | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **'000** | **'000** | **'000** | **'000** |
| **Company** | | | | |
| In issue at 1 January | 4,165,477 | 4,165,477 | 438 | — |
| Issued on restructuring | — | — | — | 461 |
| Issued during the year | — | — | 37 | 99 |
| Redeemed during the year | — | — | (5,930) | (122) |
| Share split | — | — | 456,455 | — |
| In issue at 31 December | 4,165,477 | 4,165,477 | 451,000 | 438 |

All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares.

All issued shares are fully paid, with no par value.

*Ordinary shares*

The holders of ordinary shares (excluding treasury 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 shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

*Preference shares*

As part of the restructuring of the Group's fund management platform under a single holding company in 2022, the holders of the Group's existing Global Shares (see Note 22) exchanged their fully-vested Global Shares for preference shares issued by the Company maintaining the value of their economic interest in the Group. The rights attached to each preference share relates to an element of the Group's aggregate interest in GCP and do not entitle the preference shareholders to vote at any general meeting of the Company other than in respect of a resolution to wind up the Company or to vary the rights attached to such preference shares. Any dividend payable in respect of the preference shares is at the sole discretion of the directors and for any financial year shall not exceed the profits of the Company as derived solely from the respective interest held by the Company indirectly in GCP or the amount the Company is legally permitted to distributed. The holders of the preference shares are not entitled to any profit of the Company as derived from the assets of the Company, dividends or other distributions received from any other subsidiaries, associates and/or investee companies of the Company, other than from the respective indirect interest in GCP.

On 29 September 2023, the Company effected a 1,000-for-one share split of its issued and outstanding Class A and Class B preference shares.

**(b) Perpetual securities**

In 2021, the Group issued US$850.0 million and US$300.0 million. Green Subordinated Perpetual Capital Notes ("Notes") with an initial dividend distribution rate of 4.50% and 4.60% per annum respectively with the first distribution rate reset falling on 17 May 2026 and 29 June 2027 respectively. Subsequent resets occurring every five years thereafter.

The holders of the Notes are entitled to receive dividends as declared from time to time.

The perpetual securities have no fixed redemption date and the redemption is at the option of the Group in accordance with the terms of issue of the securities. The distribution will be payable semi-annually. The Company may elect to defer making distributions on the perpetual securities, and is not subject to any limits as to the number of times a distribution can be deferred.

As a result, the perpetual securities do not meet the definition for classification as a financial liability under SFRS(I) 1-32 Financial Instruments: Presentation. The whole instrument is presented within equity, and distributions are treated as dividends.

The perpetual securities constitute direct, unconditional, subordinated and unsecured obligations of the Company and shall at all times rank pari passu, without any preference or priority among themselves, and pari passu with any unsecured obligations of the Company.

During the year, distributions accrued and paid to perpetual security holders were as follows:

| | **Group and Company** | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Distribution accrued | 52,360 | 52,195 |
| Distribution paid | 52,023 | 51,629 |

# 16 Reserves

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| Capital reserve | 137,222 | 379,890 | (20,064) | (20,064) |
| Hedging reserve | (7,006) | 7,915 | (601) | 694 |
| Fair value reserve | 124,240 | 236,262 | — | — |
| Other reserve | (1,071,179) | (1,110,613) | 16,226 | 14,954 |
| Equity compensation reserves | 148,681 | 39,692 | — | — |
| Capital and other reserves | (668,042) | (446,854) | (4,439) | (4,416) |
| Currency translation reserve | (796,040) | (801,732) | — | — |
| Retained earnings | 6,502,254 | 6,745,315 | 1,142,631 | 1,067,102 |
| | 5,038,172 | 5,496,729 | 1,138,192 | 1,062,686 |

Capital reserve comprises mainly capital contributions from shareholders, gains/losses in connection with changes in ownership interests in subsidiaries that do not result in loss of control and the Group's share of the statutory reserve of its PRC-incorporated subsidiaries. Subsidiaries incorporated in the PRC are required by the Foreign Enterprise Law to contribute and maintain a non-distributable statutory reserve fund whose utilization is subject to approval by the relevant PRC authorities. In accordance with the relevant PRC rules and regulations, and the articles of association of the subsidiaries incorporated in PRC, 10% of the retained earnings are to be transferred to statutory reserves prior to the distribution of dividends to shareholders. As at 31 December 2023, retained earnings include approximately US$16.7 million (2022: US$17.1 million) to be transferred to statutory reserve fund before the distribution of dividends to shareholders.

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Fair value reserve comprises the cumulative net change in the fair value of equity investments designated at FVOCI.

Equity compensation reserves comprise the cumulative value of restricted stock units under the Restricted Stocks Units Plan (2022: share options under the Global Share Plan).

Other reserve comprises the pre-acquisition reserves of those common control entities that were acquired in connection with the Group's reorganization which occurred immediately prior to the initial public offering of the Company, restructuring of the Group's fund management platform under a single holding company (see Note 15(a)), and buyback of perpetual securities (see Note 15(b)).

Currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

## 17 Non-controlling interests

The following subsidiaries have NCI that are material to the Group:

| Name of Company | Principal place of business | Ownership interest held by NCI | |
|---|---|---|---|
| | | 2023 | 2022 |
| | | % | % |
| GLP China Holdings Limited ("China Holdco Group")[1] | PRC | 15.70 | 33.79 |
| GLP Capital Partners Limited ("GCP") | US | 45.50 | 44.30 |

The following table summarizes the financial information of each of the Group's subsidiaries with material NCI, based on their respective (consolidated) financial statements prepared in accordance with SFRS(I). See Note 35 for details of the significant subsidiaries of the Group.

| 31 December 2023 | China Holdco Group US$'000 | GCP US$'000 | Other individually immaterial subsidiaries US$'000 | Total US$'000 |
|---|---|---|---|---|
| Results | | | | |
| Revenue | 1,332,305 | 1,142,056 | | |
| Profit for the year | 251,348 | 140,632 | | |
| OCI | (428,771) | (30,478) | | |
| Total comprehensive income | (177,423) | 110,154 | | |
| Attributable to: | | | | |
| – NCI | (43,449) | 4,464 | | |
| – Shareholders of the Company | (133,974) | 105,690 | | |
| Attributable to NCI: | | | | |
| – Profit for the year | 204,955 | 52,127 | 61,877 | 318,959 |
| – OCI | (247,248) | (521) | 3,095 | (244,674) |
| – Total comprehensive income | (42,293) | 51,606 | 64,972 | 74,285 |
| Assets and liabilities | | | | |
| Non-current assets | 24,595,739 | 2,531,651 | | |
| Current assets | 7,890,319 | 1,317,606 | | |
| Total assets | 32,486,058 | 3,849,257 | | |
| Non-current liabilities | (6,797,608) | (246,288) | | |
| Current liabilities | (9,857,862) | (838,903) | | |
| Total liabilities | (16,655,470) | (1,085,191) | | |
| NCI | (5,457,986) | (104,086) | | |
| Net assets attributable to shareholders of the Company | 10,372,602 | 2,659,980 | | |
| Net assets attributable to NCI | 7,272,551 | 2,157,727 | 72,129 | 9,502,407 |
| Cash flows from operating activities | 578,039 | 58,398 | | |
| Cash flows used in investing activities | (495,066) | (67,371) | | |
| Cash flows from/(used in) financing activities (dividends to NCI: US$204.2 million) | (1,073,949) | (71,727) | | |
| Net increase/(decrease) in cash and cash equivalents | (990,976) | (80,700) | | |

Notes:

1 In March 2022, CLH Limited entered into a share purchase agreement to transfer 1,257,053,653 shares of the Company to a related corporation. On 31 December 2023, the deed of transfer was terminated by collective agreement of CLH Limited and the related corporation as part of a strategic decision by the Group.

| **31 December 2022** | **China Holdco Group US$'000** | **Other individually immaterial subsidiaries* US$'000** | **Total US$'000** |
|---|---|---|---|
| Results | | | |
| Revenue | 1,249,237 | | |
| Profit for the year | 1,448,701 | | |
| OCI | (1,880,713) | | |
| Total comprehensive income | (432,012) | | |
| Attributable to: | | | |
| NCI | (83,991) | | |
| Shareholders of the Company | (348,021) | | |
| Attributable to NCI: | | | |
| – Profit for the year | 353,050 | 80,340 | 433,390 |
| – OCI | (1,010,266) | (31,290) | (1,041,556) |
| – Total comprehensive income | (657,216) | 49,050 | (608,166) |
| Assets and liabilities | | | |
| Non-current assets | 26,153,599 | | |
| Current assets | 14,362,646 | | |
| Total assets | 40,516,245 | | |
| Non-current liabilities | (9,745,966) | | |
| Current liabilities | (11,319,919) | | |
| Total liabilities | (21,065,885) | | |
| NCI | (6,124,137) | | |
| Net assets attributable to shareholders of the Company | 13,326,223 | | |
| Net assets attributable to NCI | 10,483,223 | 2,060,120 | 12,543,343 |
| Cash flows from/(used in) operating activities | 538,100 | | |
| Cash flows used in investing activities | (2,265,986) | | |
| Cash flows from/ (used in) financing activities (dividends to NCI: US$1.7 billion) | 2,895,477 | | |
| Net increase/(decrease) in cash and cash equivalents | 1,167,591 | | |

* Included within Other individually immaterial subsidiaries in 2022 is GCP as the restructuring and set up of GCP occurred in July 2022. Included in GCP is a NCI of US$1 billion relating to the global share participants (Note 15).

# 18 A. Loans and borrowings

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| **Non-current liabilities** | | | | |
| Secured bank loans | 1,790,982 | 2,012,389 | — | — |
| Secured bonds | 93,896 | 68,349 | — | — |
| Unsecured bank loans | 1,169,893 | 1,862,797 | 610,061 | 611,137 |
| Unsecured bonds | 2,371,551 | 4,638,304 | 1,480,242 | 1,590,216 |
| | 5,426,322 | 8,581,839 | 2,090,303 | 2,201,353 |
| **Current liabilities** | | | | |
| Secured bank loans | 506,735 | 212,036 | — | — |
| Secured bonds | 2,321 | 14,446 | — | — |
| Unsecured bank loans | 3,298,972 | 2,227,970 | 1,698,139 | 881,939 |
| Unsecured bonds | 2,090,145 | 1,157,941 | — | 458,422 |
| | 5,898,173 | 3,612,393 | 1,698,139 | 1,340,361 |

## B. Non-recourse borrowings of managed entities

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| **Non-current liabilities** | | | | |
| Secured bank loans | 1,777,599 | 1,585,298 | — | — |
| **Current liabilities** | | | | |
| Secured bank loans | 215,637 | 164,424 | — | — |

## C. Analysis of loans and borrowings and non-recourse borrowings of managed entities

### (a) Secured and unsecured bank loans

The secured bank loans are secured by mortgages on the borrowing subsidiaries' investment properties with a carrying amount of US$11,274.3 million (2022: US$12,053.4 million) (Note 4).

At the reporting date, the effective interest rates for bank borrowings for the Group and Company (taking into account the effects of interest rate swaps) ranged from 0.1% to 7.9% (2022: 0.4% to 7.6%) per annum and 1.5% to 6.9% (2022: 1.5% to 6.3%) per annum respectively.

Maturity of bank loans:

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| Within 1 year | 4,021,344 | 2,604,430 | 1,698,139 | 881,939 |
| From 1 to 5 years | 3,081,628 | 2,997,254 | 599,702 | 131,325 |
| After 5 years | 1,656,846 | 2,463,230 | 10,359 | 479,812 |
| | 8,759,818 | 8,064,914 | 2,308,200 | 1,493,076 |

Analysis of bank loans by geographic regions:

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| PRC | 5,752,978 | 5,973,730 | — | — |
| Japan | 148,455 | 156,709 | — | — |
| US | 171,336 | 111,503 | — | — |
| Europe | 378,849 | 329,896 | — | — |
| Singapore | 2,308,200 | 1,493,076 | 2,308,200 | 1,493,076 |
| | 8,759,818 | 8,064,914 | 2,308,200 | 1,493,076 |

### (b) Secured bonds

The bonds issued by the Group are fully secured by investment properties with carrying amounts of US$77.1 million (2022: US$130.1 million) (Note 4) owned by subsidiaries.

The effective interest rates as at 31 December 2023 for secured bonds (taking into account the effects of interest rate swaps) ranged from 0.4% to 13.1% (2022: 0.4% to 15.4%) per annum.

Maturity of secured bonds:

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Within 1 year | 2,321 | 14,446 |
| From 1 to 5 years | 93,896 | 68,349 |
| | 96,217 | 82,795 |

### (c) Unsecured bonds

At the reporting date, the bonds issued by the Group and the Company bear fixed interest rates (taking into account the effects of interest rate swaps) ranging from 0.6% to 5.0% (2022: 0.6% to 5.0%) per annum.

Maturity of unsecured bonds:

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| Within 1 year | 2,090,145 | 1,157,941 | — | 458,422 |
| From 1 to 5 years | 2,268,868 | 4,530,187 | 1,377,559 | 1,482,099 |
| After 5 years | 102,683 | 108,117 | 102,683 | 108,117 |
| | 4,461,696 | 5,796,245 | 1,480,242 | 2,048,638 |

***Reconciliation of movements of liabilities to cash flows arising from financing activities***

| | Liabilities | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Loans and borrowings and non-recourse borrowings of managed entities** | **Loans from equity accounted investments, NCI, third parties and amounts due to related parties** | **Lease liabilities** | **Interest and distribution payable** | **Capital security instrument** | **Redeemable non-controlling interest** | **Total** |
| | | **(Note 20 & 21)** | **(Note 20 & 21)** | **(Note 21)** | **(Note 20)** | **(Note 20)** | |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| **Balance at 1 January 2023** | 13,943,954 | 199,355 | 419,609 | 116,362 | 1,138,500 | — | 15,817,780 |
| **Changes from financing cash flows** | | | | | | | |
| Proceeds from bank loans | 7,742,571 | — | — | — | — | — | 7,742,571 |
| Repayment of bank loans | (6,822,528) | — | — | — | — | — | (6,822,528) |
| Proceeds from issue of bonds, net of transaction costs | 73,417 | — | — | — | — | — | 73,417 |
| Redemption of bonds | (1,346,070) | — | — | — | — | — | (1,346,070) |
| Interest paid | — | — | — | (829,030) | — | — | (829,030) |
| Repayment of capital security instrument | — | — | — | — | (21,526) | — | (21,526) |
| Distribution to capital security instrument | — | — | — | (10,401) | — | — | (10,401) |
| Proceeds from disposal of interest in subsidiaries to non-controlling interest | — | — | — | — | — | 424,992 | 424,992 |
| Repayment of loans from NCI | — | (35,645) | — | — | — | — | (35,645) |
| Repayment of loans from equity accounted investments | — | (88,258) | — | — | — | — | (88,258) |
| Repayment of lease liabilities | — | — | (57,507) | — | — | — | (57,507) |
| Loans from equity accounted investments | — | 72,638 | — | — | — | — | 72,638 |
| Loans from NCI | — | 3,162 | — | — | — | — | 3,162 |
| Loans from third party | — | 16,869 | — | — | — | — | 16,869 |
| Amounts due to related parties | — | 104,260 | — | — | — | — | 104,260 |
| **Total changes from financing cash flows** | (352,610) | 73,026 | (57,507) | (839,431) | (21,526) | 424,992 | (773,056) |
| Changes arising from obtaining or losing control of subsidiaries or other business | (149,796) | 1,140 | (36,206) | (137) | — | — | (184,999) |
| Changes arising from assets and liabilities classified as held for sale | 54,865 | 46,310 | — | — | — | — | 101,175 |
| The effect of changes in foreign exchange rates | (225,099) | 1,508 | (5,835) | 21,812 | — | — | (207,614) |
| **Other changes** | | | | | | | |
| Amortization of transaction costs of bonds and bank loans | 46,417 | — | — | — | — | — | 46,417 |
| New leases | — | — | 115,722 | — | — | — | 115,722 |
| Interest expense | — | — | 15,447 | 865,747 | — | — | 881,194 |
| Others | — | 44,068 | — | (41,685) | 41,685 | 74,521 | 118,589 |
| **Other changes** | 46,417 | 44,068 | 131,169 | 824,062 | 41,685 | 74,521 | 1,161,922 |
| **Balance at 31 December 2023** | 13,317,731 | 365,407 | 451,230 | 122,668 | 1,158,659 | 499,513 | 15,915,208 |

| | Liabilities | | | | | |
|---|---|---|---|---|---|---|
| | **Loans and borrowings and non-recourse borrowings of managed entities** | **Loans from equity accounted investments, NCI, third parties and amounts due to related parties** | **Lease liabilities** | **Interest payable** | **Capital security instrument** | **Total** |
| | | **(Note 20 & 21)** | **(Note 20 & 21)** | **(Note 21)** | | |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| **Balance at 1 January 2022** | 11,755,739 | 139,254 | 343,429 | 113,281 | — | 12,351,703 |
| **Changes from financing cash flows** | | | | | | |
| Proceeds from bank loans | 12,630,337 | — | — | — | — | 12,630,337 |
| Repayment of bank loans | (8,281,225) | — | — | — | — | (8,281,225) |
| Proceeds from issue of bonds, net of transaction costs | 375,359 | — | — | — | — | 375,359 |
| Redemption of bonds | (1,080,461) | — | — | — | — | (1,080,461) |
| Interest paid | — | — | — | (627,667) | — | (627,667) |
| Proceeds from issue of capital security instrument | — | — | — | — | 1,138,500 | 1,138,500 |
| Repayment of loans from NCI | — | (3,204) | — | — | — | (3,204) |
| Repayment of loans from third party | — | (700) | — | — | — | (700) |
| Repayment of amounts due from related parties | — | (234,290) | — | — | — | (234,290) |
| Repayment of loans from equity accounted investments | — | (28,501) | — | — | — | (28,501) |
| Repayment of lease liabilities | — | — | (37,099) | — | — | (37,099) |
| Loans from a joint venture | — | 4,770 | — | — | — | 4,770 |
| Loans from NCI | — | 1,646 | — | — | — | 1,646 |
| Loans from third party | — | 2,571 | — | — | — | 2,571 |
| Amounts due to related parties | — | 129,448 | — | — | — | 129,448 |
| **Total changes from financing cash flows** | 3,644,010 | (128,260) | (37,099) | (627,667) | 1,138,500 | 3,989,484 |
| Changes arising from obtaining or losing control of subsidiaries or other business | 557,621 | 24,576 | 108,163 | 5,082 | — | 695,442 |
| **Changes arising from assets and liabilities classified as held for sale** | (1,391,227) | 104,842 | — | — | — | (1,286,385) |
| **The effect of changes in foreign exchange rates** | (656,400) | 33,026 | (42,266) | (28,670) | — | (694,310) |
| **Other changes** | | | | | | |
| Amortization of transaction costs of bonds and bank loans | 34,211 | — | — | — | — | 34,211 |
| New leases | — | — | 35,551 | — | — | 35,551 |
| Interest expense | — | — | 11,831 | 654,336 | — | 666,167 |
| Others | — | 25,917 | — | — | — | 25,917 |
| **Other changes** | 34,211 | 25,917 | 47,382 | 654,336 | — | 761,846 |
| **Balance at 31 December 2022** | 13,943,954 | 199,355 | 419,609 | 116,362 | 1,138,500 | 15,817,780 |

## 19 Financial derivative instruments

Interest rate swaps are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, interest rates and forward rate curves.

## 20 Other non-current liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| Security deposits received | 135,644 | 149,222 | — | — |
| Lease liabilities | 406,290 | 382,820 | 2,066 | — |
| Loans from NCI | 737 | 406 | — | — |
| Amounts due to a subsidiary | — | — | 716,008 | 856,017 |
| Employee bonus/incentive payable | 15,101 | 16,121 | — | — |
| Deposits received for disposal of other investments | 97,412 | 97,412 | — | — |
| Land purchase option | 49,481 | 85,880 | — | — |
| Capital security instrument | 1,158,659 | 1,138,500 | — | — |
| Redeemable non-controlling interest | 499,513 | — | — | — |
| Other payables | 558,486 | 676,104 | 4,024 | 5,197 |
| | 2,921,323 | 2,546,465 | 722,098 | 861,214 |

Lease liabilities relate to leases of property, plant and equipment (Note 8).

The capital security instrument has no fixed maturity and entitles the holder to distributions commencing at 4.5% per annum for the first three years with increments thereafter. These distributions can be deferred at the discretion of the issuer. The instrument is exchangeable into a variable number of shares of GLP Capital Partners Limited ("GCP") on the occurrence of a liquidity event based on a prescribed return to the holder. The instrument is secured on shares of GCP held by a subsidiary of the Company.

Redeemable non-controlling interest represents equity interests in subsidiaries where the rights attached to such equity instruments provide redemption and return rights to the non-controlling shareholders.

The amounts due to a subsidiary relate to future potential promote fee income that is to be transferred from the limited partners of the funds to the subsidiary on receipt and deposits.

## 21 Trade and other payables

| | Group | | Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| Trade payables | 58,309 | 38,947 | — | — |
| Accrued development expenditure | 479,825 | 483,042 | — | — |
| Accrued operating expenses | 498,303 | 383,516 | 29,820 | 38,141 |
| Advance rental received | 33,927 | 34,983 | — | — |
| Security deposits received | 229,676 | 129,761 | — | — |
| Amounts due to: | | | | |
| – immediate holding company (non-trade) | 4,374 | 70,773 | — | — |
| – subsidiaries (non-trade) | — | — | 5,077,685 | 4,372,933 |
| – equity accounted investments (non-trade) | 136,725 | 144,433 | — | — |
| – related parties (non-trade) | 347,639 | 157,128 | — | — |
| – NCI (trade) | 13,220 | 5,511 | — | — |
| – NCI (non-trade) | 1,206,158 | 1,419,169 | — | — |
| Loan from a joint venture (interest-bearing) | 2,829 | 2,829 | — | — |
| Loan from NCI (interest-bearing) | 14,003 | 38,790 | — | — |
| Loan from a third party (interest-bearing) | 199 | 202 | — | — |
| Interest payable | 122,668 | 116,362 | 14,848 | 12,632 |
| Consideration payable for acquisition of equity accounted investments and subsidiaries | 46,438 | 60,418 | — | — |
| Deposits received and accrued expenses for disposal of investment properties | 54,269 | 55,190 | — | — |
| Lease liabilities | 44,940 | 36,789 | 1,847 | 95 |
| Land purchase option | 49,481 | 31,755 | — | — |
| Other payables | 339,518 | 353,668 | 8,887 | 5,073 |
| | 3,682,501 | 3,563,266 | 5,133,087 | 4,428,874 |

The non-trade amounts due to immediate holding company, subsidiaries, equity accounted investments, related parties and NCI relate mainly to payment made on behalf, are unsecured, interest-free and are repayable on demand.

At the reporting date, the loans from a joint venture and NCI are unsecured, bear fixed interest at 5.00% (2022: ranging from 4.00% to 8.00%) per annum and are repayable on demand.

Lease liabilities relate to leases of property, plant and equipment (Note 8).

Other payables relate principally to retention sums, advance payments received and amounts payable in connection with capital expenditure incurred.

# 22 Equity compensation benefits

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| **Share based payment expense/(credit)** | | |
| Equity settled | 212,477 | 71,260 |
| Cash settled | 37,812 | (174,676) |
| | 250,289 | (103,416) |

***Global Share Plan***

The Group introduced the Global Share Plan (the "Global Share Plan") in 2019 that provided eligible senior personnel and advisors of the Group the opportunity to participate in the value creation of the fund management business of the Group through the acquisition of Global Shares and align the economic interests of the senior personnel and advisors of the Group with those of the Company and its shareholders in growing the fund management business in a sustainable, profitable manner. Following the restructuring of the Group's fund management platform in 2022, the Global Share Plan was replaced with the Group's Restricted Stock Units Plan. No further grants were issued under the Global Share Plan in 2023. Details of the historical grants are set out in the Group's consolidated financial statements for the year ended 31 December 2022.

***Restricted Stocks Units Plan***

The Group established the Restricted Stocks Units ("RSU") Plan in 2022.

RSUs are issued to certain employees under the Group's share-based compensation plan to provide the opportunity to participate in the value creation through the acquisition of Class A shares of the Company's subsidiary, GLP Capital Partners Limited ("GCP"). Each RSU Award granted relates to one share of Class A shares of GCP.

The fair value is recognized as an expense with a corresponding increase in equity over the vesting period. Forfeitures of the RSUs are taken into consideration by estimating the number of equity instruments that are expected to vest. Forfeitures are estimated and trued up to numbers of vested instruments at each reporting date. Forfeitures in the case of death or disability are accounted for as accelerated vesting, and the amount that would otherwise have been recognized for services received is recognized immediately. Dividends declared over the vesting period are accounted for in the grant date fair value of the equity-settled award. As participants are entitled to expected dividends, no further adjustments are made to the RSU valuation. Dividends paid during the vesting period are recognized in equity. No adjustment is made if the expected dividends included in the grant date fair value are not equal to the actual dividends paid in the future periods. Forfeited dividends are accounted for as a reversal entry in the period in which the forfeiture occurs.

During the year ended 31 December 2023, GCP issued 43,000,000 (rounded) RSUs denominated in Class A shares (31 December 2022: 39,000). All the RSUs are subject to the participant's continuous service with the Group through each such vesting date. These RSUs granted on 31 March 2023 vest based on service over three years on a graded basis every year on the anniversary of the grant date.

Settlement of vested RSU Awards occurs either within 30 days of the vesting date or at the discretion of the participant post-vesting, depending on the respective agreements. Distribution of equity takes place in the form of Class A Shares on a net-share basis, where required by law to fulfill employee tax obligations. The RSUs include a settlement feature under which the Group will withhold shares with a fair value equal to the monetary value of the employee's tax obligation and issue the remaining shares, net of any tax withholdings, upon completion of the vesting period. Unvested RSUs and shares issued in settlement of RSUs are subject to transfer restrictions that require GCP Board, Audit or Compensation Committee approval. The awards are also subject to a four-year lockup agreement from the date of the grant that can be extended if GCP completes a public offering of its shares.

RSUs granted under the plan accrue dividends beginning on grant date and ending on settlement date. Dividends are subject to the same vesting conditions applicable to the RSU Award. However, these RSU Awards do not give rights as shareholders until the shares are completely under a participant's control.

***Co-invest Share Plan***

The Group introduced the Co-Investment Share Plan (the "Co-invest Share Plan") in 2019 that provides eligible employee to indirectly co-invest in GLP's development projects. The Co-invest shares are issued to participants in exchange for cash and at fair value on grant date. The fair value of each Co-invest share granted is derived from the fair value of the Group's identified development projects. Participants may drawdown on interest-bearing loans granted by the Group for up to 80% of the Co-invest shares purchased. Interest rate of the loans are set at the prevailing external borrowing rates. Redemption of shares are initiated by the participants and subject to discretionary rights of the Group. The shares are accounted for as cash-settled share-based payment plan under SFRS(I) 2 Share Based Payments.

During the year ended 31 December 2023, fair value of the liability at grant date is recognized over the period upon development projects stabilization. Re-measurement adjustments are accounted such that the recognized liability at each reporting date equals a defined proportion of total fair value of the liability. The proportion to be recognized is calculated by dividing the development period as at the reporting date by the total time to completion. Re-measurement effects are recognized in profit or loss.

## 23 Revenue

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| **Revenue recognized over time:** | | |
| Rental income | 667,248 | 739,152 |
| Other rental related service income | 216,347 | 196,745 |
| Management fees | 1,081,405 | 579,368 |
| Energy sales | 152,715 | 170,940 |
| Freezer services | 124,185 | 93,201 |
| Data center service income | 135,389 | 45,393 |
| | 2,377,289 | 1,824,799 |
| **Revenue recognized at point in time:** | | |
| Sales of goods | 16,314 | 27,719 |
| Distributions from investments | 37,524 | 58,155 |
| | 53,838 | 85,874 |
| Total | 2,431,127 | 1,910,673 |

## 24 Other income/(losses)

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Changes in fair value of quoted and unquoted equity investments at FVTPL | (4,844) | (60,960) |
| Government subsidies | 92,668 | 41,581 |
| Others | 19,889 | 11,442 |
| | 107,713 | (7,937) |

## 25 Net finance costs

| | Note | Group 2023 US$'000 | Group 2022 US$'000 |
|---|---|---|---|
| Interest income on: | | | |
| – fixed deposits and cash at bank | | 28,965 | 35,390 |
| – loans to equity-accounted investments | | 48,724 | 48,808 |
| – loans to third parties | | 11,432 | 23,429 |
| | | 89,121 | 107,627 |
| Amortization of transaction costs of bonds and bank loans | | (46,417) | (34,211) |
| Interest expenses and distributions on: | | | |
| – loans and borrowings and non-recourse borrowings of managed entities | | (806,575) | (630,277) |
| – lease liabilities | | (15,447) | (11,831) |
| – capital security instrument | | (54,244) | (19,069) |
| – others | | (4,928) | (6,185) |
| Total borrowing costs | | (927,611) | (701,573) |
| Less: borrowing costs capitalized in investment properties | 4 | 47,147 | 34,947 |
| Net borrowing costs | | (880,464) | (666,626) |
| (Loss)/gain on derecognition of bonds | | (686) | 21,405 |
| Foreign exchange gain/(loss) | | 34,249 | (243,807) |
| Net finance costs recognized in profit or loss | | (757,780) | (781,401) |

# 26 Profit before tax

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

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| **(a) Non-operating income** | | |
| Gain on disposal of equity interest in joint venture upon step acquisition | — | 39,583 |
| **(b) Staff costs included in other expenses** | | |
| Wages and salaries (excluding contributions to defined contribution plans) | 573,089 | 581,062 |
| Contributions to defined contribution plans | 13,161 | 16,568 |

| | Group |
|---|---|
| | **2023** |
| | **US$'000** |
| Fees charged by the auditor of the Company and other firms affiliated with KPMG International Limited for the year ended 31 December: | |
| – Financial statement audit(s) | 8,390 |
| – Non-audit fee | 2,087 |

## 27 Tax expense

| | Note | Group | |
|---|---|---|---|
| | | **2023** | **2022** |
| | | **US$'000** | **US$'000** |
| **Current tax** | | | |
| Current year | | 281,655 | 128,570 |
| Withholding tax on foreign-sourced income | | 39,855 | 396,273 |
| Under/(over) provision of prior years' tax | | 25 | (416) |
| | | 321,535 | 524,427 |
| **Deferred tax** | | | |
| Origination and reversal of temporary differences | 7 | (7,442) | 244,748 |
| | | 314,093 | 769,175 |

***Reconciliation of effective tax rate***

| | 2023 | 2022 |
|---|---|---|
| Profit before tax | 547,373 | 1,303,195 |
| Less: Share of results of equity accounted investments | (175,222) | (154,086) |
| Profit before share of results of equity accounted investments and tax | 372,151 | 1,149,109 |
| Income tax using Singapore tax rate of 17% (2022: 17%) | 63,266 | 195,349 |
| Effect of tax rates in foreign jurisdictions | 55,145 | 40,550 |
| Net income not subject to tax | (61,589) | (313,891) |
| Non-deductible expenses | 137,791 | 380,877 |
| Deferred tax assets not recognized | 77,528 | 84,512 |
| Recognition of previously unrecognized tax losses | (1,134) | (22,049) |
| Withholding tax on foreign-sourced income | 39,855 | 396,273 |
| Under/(over) provision of prior year's tax | 25 | (416) |
| Others | 3,206 | 7,970 |
| | 314,093 | 769,175 |

# 28 Acquisitions and disposals

## (A) Acquisition of subsidiaries

The Group principally acquires subsidiaries that own real estate and the primary reason for the Group's acquisitions is to expand its portfolio of investment properties in different geographical locations. In addition, the Group acquires businesses to expand the Group's other platforms and ecosystem activities. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired. Typically, the Group assesses the acquisition as a purchase of business when the strategic management function and the associated processes were purchased along with the underlying assets.

### *(i) Business combination during the year ended 31 December 2023*

In March 2023, the Group acquired 100% equity interests in M3 Global Advisors LLC ("M3 Global") and, in substance, control over M3 UK Advisors LLC ("M3 UK"). M3 Global is a private equity capital advisory firms with expertise in creating and scaling specialized fund management businesses across real estate, renewable energy, data centers and other real assets. M3 Global has advised the Group on a broad range of fundraising and fund management activities and will continue to advise the Group on a broad range of fundraising activities as well as enhance the Group's investor relationships. The Group has accounted for the acquisition as a business combination as the acquired inputs (comprising employees, existing contracts and customer lists), substantive processes and organized workforce under the acquisition contributed to the creation of outputs.

The list of subsidiaries acquired and accounted for as a business combination during the year ended 31 December 2023 is as follows:

| Name of subsidiaries | Date acquired | Equity interest acquired |
|---|---|---|
| | | % |
| M3 Global Advisors LLC | March 2023 | 100% |
| M3 UK Advisors LLC | March 2023 | 100% |

***(a) Identifiable assets acquired and liabilities***

| | **Recognized values on acquisition US$'000** |
|---|---|
| Intangible assets | 71,900 |
| Plant and equipment | 1,162 |
| Trade and other receivables | 23,480 |
| Cash and cash equivalents | 6,123 |
| Other assets | 3,232 |
| Trade and other payables | (1,890) |
| Deferred tax liabilities | (11,831) |
| Other non-current liabilities | (1,247) |
| Net assets acquired | 90,929 |
| Goodwill | 109,071 |
| Total purchase consideration | (200,000) |
| Purchase consideration satisfied in shares | 155,000 |
| Purchase consideration satisfied in cash | (45,000) |
| Cash of subsidiary acquired | 6,123 |
| **Cash outflow on acquisition of subsidiary** | (38,877) |

From the date of acquisition to 31 December 2023, the above-mentioned acquisition contributed net loss after tax of US$6.6 million to the Group's results for the period, before accounting for financing costs attributable to the acquisition. If the acquisition had occurred on 1 January 2023, management estimates that consolidated revenue would have been higher by US$0.6 million and consolidated profit after tax for the year would have been lower by US$8.2 million.

***(b) Fair values measurement***

The fair values of identifiable assets acquired and liabilities assumed have been determined based on the provisional purchase price allocation.

***Provisional goodwill***

Goodwill arising from the acquisition of subsidiaries above is provisionally determined as the Group is still in the midst of assessing the fair value of the identified assets acquired, liabilities and contingent liabilities assumed. The fair value exercise is expected to be finalized within 12 months from the date of acquisition.

***Intangible assets***

The most significant intangible assets recognized relate to trademarks and M3 Global's investor relationships. The main factor contributing to the goodwill recognized is the expertise of M3 Global's personnel and the ability to continue to place capital for the Group's funds. The goodwill that arose is not expected to be deductible for income tax purposes.

***Acquired receivables***

The fair value of trade and other receivables, after taking into account the expected credit losses, is US$23.5 million.

***Other current assets and liabilities***

Other current assets and liabilities include cash and cash equivalents and trade and other payables.

The fair values of these assets and liabilities are determined to approximate the carrying amounts since they are short term in nature.

***(ii) Acquisitions of subsidiaries during the year ended 31 December 2023***

The primary reason for the Group's acquisitions of subsidiaries is to expand its portfolio of investment properties in different geographical locations. The Group has accounted for the acquisitions as acquisition of assets. The list of 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% |

***Effects of acquisitions***

The cash flow and the net assets of subsidiaries acquired during the year ended 31 December 2023 are provided below:

| | **Recognized values on acquisition US$'000** |
|---|---|
| Investment properties | 217,651 |
| Plant and equipment | 252,906 |
| Trade and other receivables | 41,773 |
| Deferred tax assets | 52 |
| Other assets | 16 |
| Cash and cash equivalents | 22,304 |
| Trade and other payables | (92,043) |
| Loans and borrowings and non-recourse borrowings of managed entities | (99,081) |
| Current tax payable | (285) |
| Deferred tax liabilities | (31,913) |
| Non-controlling interests | (26,998) |
| Net assets acquired | 284,382 |
| Purchase consideration payable | (9,354) |
| Carrying amount of equity interest held previously | (88,369) |
| Purchase consideration satisfied in cash | (186,659) |
| Cash of subsidiaries acquired | 22,304 |
| Purchase consideration satisfied in cash in relation to subsidiaries acquired in prior year | (342,296) |
| **Cash outflow on acquisition of subsidiaries** | (506,651) |

From the dates of acquisitions to 31 December 2023 the above-mentioned acquisitions contributed net loss after tax of US$5.4 million to the Group's results for the period, before accounting for financing costs attributable to the acquisitions. If the acquisitions had occurred on 1 January 2023, management estimates that consolidated revenue would have been higher by US$16.4 million and consolidated profit after tax for the year would have been higher by US$2.0 million.

***(iii) Business combination during the year ended 31 December 2022***

In January 2022, the Group acquired 100% equity interests in PCS Inc., which is principally involved in the forklift rental, sales and related services. The Group has accounted for the acquisition as a business combination as the acquired inputs (comprising employees, existing contracts and customer lists), substantive processes and organized workforce under the acquisition contributed to the creation of outputs.

In April 2022, the Group acquired 100% equity interests in FPS Inc., which is principally involved in the sale of energy generation. The Group has accounted for the acquisition as a business combination as the acquired inputs (comprising employees, existing contracts and customer lists), substantive processes and organized workforce under the acquisition contributed to the creation of outputs.

In June, July and December 2022, the Group acquired 100% interests in a portfolio of subsidiaries, which is principally involved in the provision of data center facilities and related services. The Group has accounted for the acquisition as a business combination as the acquired inputs (comprising existing contracts and customer lists), substantive processes and organized workforce under the acquisition contributed to the creation of outputs.

In July 2022, the Group acquired the remaining 50% equity interest in SEA Logistics Limited ("SEA Logistics"), which was previously recorded as a joint venture. As a result, the Group's equity interest in SEA Logistics increased from 50% to 100%. The Group has accounted for the acquisition as a business combination.

The list of subsidiaries acquired and accounted for as a business combination during the year ended 31 December 2022 is as follows:

| **Name of subsidiaries** | **Date acquired** | **Equity interest acquired** |
|---|---|---|
| | | **%** |
| PCS Inc | January 2022 | 100% |
| FPS Inc | April 2022 | 100% |
| Pengcheng Jinyun Technology Co., Ltd. | June 2022 | 100% |
| Guangdong Qizhi Network Technology Co., Ltd. | June 2022 | 100% |
| Shanghai Jinyun Zhixin Data Service Co., Ltd. | June 2022 | 100% |
| Jinyun Data Service (Hangzhou) Co., Ltd. | June 2022 | 100% |
| Jinyun (Guangzhou) Data Service Co., Ltd. | June 2022 | 100% |
| Shenzhen Pujing Longze Technology Co., Ltd. | July 2022 | 70% |
| SEA Logistics Ltd | July 2022 | From 50% to 100% |
| GLP Capital Partners LP | July 2022 | 100% |
| Tenglong Donghu (Wuhan) Data Management Co., Ltd. | December 2022 | 100% |

***(a) Identifiable assets acquired and liabilities***

| | **Recognized values on acquisition** |
|---|---|
| | **US$'000** |
| Intangible assets | 527,977 |
| Plant and equipment | 375,316 |
| Other investment | 982 |
| Deferred tax assets | 13,550 |
| Trade and other receivables | 96,584 |
| Cash and cash equivalents | 49,504 |
| Other assets | 23,350 |
| Trade and other payables | (127,190) |
| Loans and borrowings and non-recourse borrowings of managed entities | (57,571) |
| Deferred tax liabilities | (174,976) |
| Other non-current liabilities | (129,013) |
| Non-controlling interests | (50,226) |
| Net assets acquired | 548,288 |
| Goodwill | 1,026,110 |
| Total purchase consideration | (1,574,398) |
| Purchase consideration payable | 114,599 |
| Purchase consideration satisfied in shares | 854,225 |
| Purchase consideration satisfied in cash | (605,574) |
| Cash of subsidiary acquired | 49,504 |
| **Cash outflow on acquisition of subsidiary** | (556,070) |

From the dates of acquisitions to 31 December 2022, the above-mentioned acquisitions contributed net loss after tax of US$40.0 million to the Group's results for the period, before accounting for financing costs attributable to the acquisitions. If the acquisitions had occurred on 1 January 2022, management estimates that consolidated revenue would have been higher by US$341.0 million and consolidated profit after tax for the year would have been lower by US$40.9 million.

### *(b) Fair values measurement*

The fair values of identifiable assets acquired and liabilities assumed have been determined based on the finalized purchase price allocation.

***Investment properties***

The valuation techniques used for measuring the fair value of investment properties were as follows:

- *Income capitalization* – The income capitalization method values completed investment properties and capitalizes an income stream into a present value using single-year capitalization rates, the income stream used is adjusted to market rentals currently being achieved within comparable investment properties and recent leasing transactions achieved within the investment property.

- *Residual* – The residual method values properties under development and land held for development by reference to their development potential which involves deducting the estimated development costs to complete construction and developer's profit from the gross development value to arrive at the residual value of the property. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation. The estimated cost to complete is determined based on the construction cost per square meter in the pertinent area.

***Acquired receivables***

The fair value of trade and other receivables, after taking into account the expected credit losses, is US$96.6 million.

***Other current assets and liabilities***

Other current assets and liabilities include cash and cash equivalents, trade and other payables and loans and borrowings and non-recourse borrowings of managed entities.

The fair values of these assets and liabilities are determined to approximate the carrying amounts since they are short term in nature.

***(iv) Acquisitions of subsidiaries during the year ended 31 December 2022***

The primary reason for the Group's acquisitions of subsidiaries is to expand its portfolio of investment properties in different geographical locations. The Group has accounted for the acquisition as an acquisition of assets.

The list of 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% |
| Han Hui Capital Limited | January 2022 | 100% |
| Han Si Capital HK Limited | January 2022 | 100% |
| Han Hui Advisors HK Limited | January 2022 | 100% |
| Han Hui Capital Advisors Limited | January 2022 | 100% |
| Han Nuo GP Limited | January 2022 | 100% |
| Han Yi Capital Limited | January 2022 | 100% |
| Shanghai Linfang Logistics Technology Co., Ltd. | February 2022 | 100% |
| Kesslers Properties North Ltd | March 2022 | 100% |
| Kesslers Properties South Ltd | March 2022 | 100% |
| I-Services Network Solution Limited | May 2022 | 100% |
| China Logistics Holding (19) Pte Ltd | July 2022 | 100% |
| GLP Chongqing Banan Logistics facilities Co., Ltd. | July 2022 | 100% |
| GLP Taishan Warehousing Co., Ltd. | July 2022 | 100% |
| CLH 84 (HK) Limited | July 2022 | 100% |
| Zhuhai Puyi Logistics Industry Investment LLP | December 2022 | 100% |
| GLP GV China 3 Holdings Limited | December 2022 | 100% |
| GLP GV China 4 Holdings Limited | December 2022 | 63.5% |
| Chun Kwong Group Limited | December 2022 | 100% |
| Gazeley Peruvian Sarl | December 2022 | 100% |
| Gazeley Peruvian 2 Sarl | December 2022 | 100% |

***Effects of acquisitions***

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

| | **Recognized values on acquisition US$'000** |
|---|---|
| Investment properties | 1,744,522 |
| Interest in associates | 352,214 |
| Plant and equipment | 1,553 |
| Trade and other receivables | 63,273 |
| Deferred tax assets | 1,030 |
| Other assets | 4,214 |
| Cash and cash equivalents | 109,968 |
| Other investment | 499,932 |
| Trade and other payables | (280,968) |
| Loans and borrowings and non-recourse borrowings of managed entities | (561,183) |
| Current tax payable | (638) |
| Other non-current liabilities | (20,191) |
| Deferred tax liabilities | (10,737) |
| Non-controlling interests | (182,564) |
| Net assets acquired | 1,720,425 |
| Total purchase consideration | 1,720,425 |
| Purchase consideration payable | (414,596) |
| Purchase consideration satisfied in shares | (147,827) |
| Purchase consideration satisfied in cash | (1,158,002) |
| Cash of subsidiaries acquired | 109,968 |
| Purchase consideration satisfied in cash in relation to subsidiaries acquired in prior year | (27,188) |
| **Cash outflow on acquisition of subsidiaries** | (1,075,222) |

***(v) Effect of business combination and acquisition of assets on cash flows of the Group***

| | Business combination US$'000 | Acquisition of assets US$'000 | Total US$'000 |
|---|---|---|---|
| **31 December 2023** | | | |
| Purchase consideration satisfied in cash | (45,000) | (186,659) | (231,659) |
| Cash of subsidiaries acquired | 6,123 | 22,304 | 28,427 |
| Purchase consideration satisfied in cash in relation to subsidiaries acquired in prior year | — | (342,296) | (342,296) |
| Cash outflow on acquisition of subsidiaries | (38,877) | (506,651) | (545,528) |
| **31 December 2022** | | | |
| Purchase consideration satisfied in cash | (605,574) | (1,158,002) | (1,763,576) |
| Cash of subsidiaries acquired | 49,504 | 109,968 | 159,472 |
| Purchase consideration satisfied in cash in relation to subsidiaries acquired in prior year | — | (27,188) | (27,188) |
| Cash outflow on acquisition of subsidiaries | (556,070) | (1,075,222) | (1,631,292) |

## (B) Disposal of subsidiaries

### *(i) Disposal of subsidiaries during the year ended 31 December 2023*

During the year ended 31 December 2023, the Group syndicated equity interest in several of its portfolio of subsidiaries in PRC, Japan and Europe. The table below does not include the partial disposals.

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. | January 2023 | 100% |
| SLP Park Binh Minh Company Limited | January 2023 | 100% |
| Haimei Holdings Limited | February 2023 | 55% |
| Kashiwa Two Logistic TMK | February 2023 | 100% |
| Gazeley Spain Investment Holdings SL | April 2023 | 100% |
| Gazeley Project Pinto SL | April 2023 | 100% |
| Gazeley Project Sagunto SL | April 2023 | 100% |
| GLP (Qingdao) Qianwan Harbor International Logistics Development Co., Ltd. | June 2023 | 100% |
| GLP Chongqing Banan Logistics facilities Co., Ltd. | June 2023 | 100% |
| GLP Heshan Logistics Facilities Co., Ltd. | June 2023 | 100% |
| SZITIC Shenzhen Commercial Property Co., Ltd. | August 2023 | 100% |
| GLP Wuhu Puhua Logistics Facilities Co., Ltd. | September 2023 | 100% |
| GLP Huan'an Logistics Facilities Co., Ltd. | October 2023 | 100% |
| CLH 56 (HK) Limited | November 2023 | 100% |
| China Logistics Holding XXI SRL | November 2023 | 100% |
| Beijing Kirin Property Management Development Co., Ltd. | December 2023 | 80% |
| Haimei (Taicang) Intelligent Technology Development Co., Ltd | December 2023 | 60% |
| Gazeley Magenta 89 S.a.r.l. | December 2023 | 100% |
| Gazeley Magenta 96 S.a.r.l. | December 2023 | 100% |
| Gazeley Magenta 98 S.a.r.l. | December 2023 | 100% |

During the year ended 31 December 2023, the Group syndicated equity interest in several of its portfolio of subsidiaries in PRC, Japan and Europe. The table below does not include the partial disposals.

***Effects of disposals***

| | **Recognized values on disposal 2023 US$'000** |
|---|---|
| Investment properties | 1,235,377 |
| Plant and equipment | 1,542 |
| Other assets | 1,237 |
| Trade and other receivables | 31,136 |
| Cash and cash equivalents | 60,823 |
| Deferred tax assets | 925 |
| Trade and other payables | (190,785) |
| Loans and borrowings and non-recourse borrowings of managed entities | (248,877) |
| Current tax recoverable | 12 |
| Deferred tax liabilities | (103,194) |
| Non-controlling interests | (101,300) |
| Net assets disposed | 686,896 |
| Gain on disposal of subsidiaries | 49,402 |
| Disposal consideration | 736,298 |
| Consideration receivables | (233,363) |
| Cash of subsidiaries disposed | (60,823) |
| Sales consideration satisfied in cash in relation to subsidiaries disposed in prior year | 159,364 |
| **Cash inflow on disposal of subsidiaries** | 601,476 |

***(ii) Disposal of subsidiaries during the year ended 31 December 2022***

During the year ended 31 December 2022, the Group syndicated equity interest in several of its portfolio of subsidiaries in PRC, Europe and US. The table below does not include the partial disposals.

***Effects of disposals***

| | **Recognized values on disposal 2022 US$'000** |
|---|---|
| Investment properties | 991,562 |
| Plant and equipment | 7 |
| Other investments | 425,693 |
| Other assets | 889,795 |
| Trade and other receivables | 111,701 |
| Cash and cash equivalents | 47,773 |
| Trade and other payables | (360,932) |
| Loans and borrowings and non-recourse borrowings of managed entities | (61,133) |
| Current tax payable | (229) |
| Deferred tax liabilities | (165,928) |
| Non-controlling interests | (95,457) |
| Net assets disposed | 1,782,852 |
| Gain on disposal of subsidiaries | 135,888 |
| Disposal consideration | 1,918,740 |
| Consideration receivable | (142,345) |
| Non-cash settlement | (287,871) |
| Cash of subsidiaries disposed | (47,780) |
| Sales consideration satisfied in cash in relation to subsidiaries disposed in prior year | 635,838 |
| **Cash inflow on disposal of subsidiaries*** | 2,076,582 |

* Included in the cash inflow on disposal of subsidiaries is an amount of US$888.5 million relating to non-controlling interest and Group's partial interest in a subsidiary.

**(C) Assets and liabilities classified as held for sale**

***(i) Disposal of assets and liabilities classified as held for sale during the year ended 31 December 2023***

During the year ended 31 December 2023, the Group syndicated equity interest in several of its portfolio of subsidiaries in PRC and US. This largely relates to the disposal of all of its interest in CIP V on 31 December 2023 to a fellow subsidiary at a consideration of US$727.7 million resulting in a disposal gain of US$210.9 million.

***Effects of disposals***

| | **Recognized values on disposal 2023 US$'000** |
|---|---|
| Investment properties | 4,597,219 |
| Plant and equipment | 405 |
| Trade and other receivables | 23,519 |
| Cash and cash equivalents | 240,594 |
| Other assets | 9,290 |
| Deferred tax assets | 1,778 |
| Loans and borrowings and non-recourse borrowings of managed entities | (2,363,667) |
| Trade and other payables | (114,379) |
| Current tax payable | (5,382) |
| Deferred tax liabilities | (692,501) |
| Non-controlling interests | (973,602) |
| Net assets disposed | 723,274 |
| Gain on disposal of assets and liabilities classified as held for sale | 251,054 |
| Disposal consideration | 974,328 |
| Disposal consideration receivable | (728,132) |
| Cash of subsidiaries disposed | (240,594) |
| Disposal consideration satisfied in cash in relation to prior year disposal | 706,677 |
| **Cash inflow on disposals of subsidiaries** | 712,279 |

***(ii) Disposal of assets and liabilities classified as held for sale during the year ended 31 December 2022***

During the year ended 31 December 2022, the Group syndicated equity interest in several of its portfolio of subsidiaries in PRC, Europe and US.

***Effects of disposals***

| | **Recognized values on disposal 2022 US$'000** |
|---|---|
| Investment properties | 1,694,401 |
| Trade and other receivables | 70,891 |
| Cash and cash equivalents | 107,346 |
| Other assets | 1,428 |
| Loans and borrowings and non-recourse borrowings of managed entities | (82,264) |
| Trade and other payables | (162,683) |
| Current tax payable | (2,202) |
| Deferred tax liabilities | (330,346) |
| Non-controlling interests | (99,233) |
| Net assets disposed | 1,197,338 |
| Gain on disposal of assets and liabilities classified as held for sale | 242,524 |
| Disposal consideration | 1,439,862 |
| Disposal consideration receivable | (654,283) |
| Cash of subsidiaries disposed | (107,346) |
| Disposal consideration satisfied in cash in relation to prior year disposal | 194,023 |
| **Cash inflow on disposal of subsidiaries** | 872,256 |

# 29 Operating segments

The Group has five reportable geographical segments, representing its operations in the PRC, Japan, US, Brazil and Europe, which are managed separately due to the different geographical locations. The Group's Chief Operating Decision Maker ("CODM"), which is collectively our Chief Executive Officer, and Directors, reviews internal management reports on this basis on a quarterly basis, at a minimum, for strategic decisions making, performance assessment and resource allocation purposes.

Performance of each reportable segment is measured based on segment revenue and segment earnings after net interest expense, tax expense, and excluding changes in fair value of investment properties held by subsidiaries, equity accounted investments (net of tax) ("PATMI excluding revaluation"). PATMI excluding revaluation is used to measure performance as management believes that such information is the most relevant in evaluating the results of these segments relative to other entities that operate within the logistics industry. Segment assets and liabilities are presented net of inter-segment balances.

GLP Pte Ltd Monetized Fair Value Gains ("GLP Pte Ltd MFVG") is a performance indicator used to measure our share of pre-tax earnings realized upon the sale of an asset, and is calculated based on the difference between the selling price to related parties and third parties and the historical cost of the asset. We calculate our Monetized 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 Monetized 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.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. There are no transactions between reportable segments. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Information regarding the Group's reportable geographical segments is presented in the tables below.

## Information about reportable geographical segments

| | PRC | | Japan | | US | | Brazil | | Europe | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| **Group** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| **Continuing operations** | | | | | | | | | | | | | | |
| ***Revenue and expenses*** | | | | | | | | | | | | | | |
| External revenue | 1,552,636 | 1,282,954 | 659,484 | 469,051 | 77,263 | 41,091 | 15,355 | 14,766 | 120,917 | 102,800 | 5,472 | 11 | 2,431,127 | 1,910,673 |
| Changes in fair value of investment properties held by subsidiaries | 165,424 | 956,296 | 19,257 | (6) | 124,077 | 30,513 | (4,054) | 9,526 | 36,967 | (105,911) | (1) | — | 341,670 | 890,418 |
| Share of changes in fair value of investment properties (net of tax) held by equity accounted investments | 66,791 | 81,305 | 246,017 | 86,585 | (4,863) | — | (21,912) | (1,657) | (69,922) | (71,197) | (1) | — | 216,110 | 95,036 |
| Net finance (costs)/income | (612,338) | (612,933) | (1,359) | (4,243) | (4,717) | (4,403) | 11,599 | 14,231 | (23,001) | 6,772 | (127,964) | (180,825) | (757,780) | (781,401) |
| Tax (expense)/ credit | (306,176) | (719,496) | (29,060) | (7,803) | (760) | (648) | (601) | (6,969) | (20,736) | (33,568) | 43,240 | (691) | (314,093) | (769,175) |
| Profit/(Loss) after tax | 375,982 | 512,228 | 536,045 | 208,760 | 138,090 | 40,137 | 3,832 | 23,700 | (73,620) | (119,982) | (747,049) | (130,823) | 233,280 | 534,020 |
| GLP Pte. Ltd. Monetized Fair Value Gains ("GLP Pte Ltd MFVG") | 440,813 | 1,207,547 | 406,847 | 206,752 | 112,516 | 398,844 | 30,615 | — | 44,596 | 155,240 | — | — | 1,035,387 | 1,968,383 |
| Profit/(Loss) attributable to: | | | | | | | | | | | | | | |
| Shareholders of the Company ("PATMI") | 158,379 | 153,376 | 537,175 | 209,321 | 70,281 | 11,471 | 3,832 | 23,700 | (73,620) | (119,982) | (781,726) | (177,256) | (85,679) | 100,630 |
| NCI | 217,603 | 358,852 | (1,130) | (561) | 67,809 | 28,666 | — | — | — | — | 34,677 | 46,433 | 318,959 | 433,390 |
| PATMI excluding revaluation | 42,981 | (126,868) | 272,864 | 122,742 | (22,876) | (12,635) | 28,420 | 19,070 | (13,683) | 75,437 | (781,728) | (177,254) | (474,022) | (99,508) |

| | PRC | | Japan | | US | | Brazil | | Europe | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| **Group** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| ***Assets and liabilities*** | | | | | | | | | | | | | | |
| Investment properties | 12,149,883 | 13,880,385 | 114,079 | 207,397 | 487,898 | 453,932 | 142,038 | 35,681 | 1,070,523 | 731,195 | — | 1 | 13,964,421 | 15,308,591 |
| Equity accounted investments | 5,705,274 | 5,679,578 | 583,359 | 487,818 | 259,694 | 237,817 | 683,143 | 594,142 | 638,643 | 678,094 | 352,220 | 401,611 | 8,222,333 | 8,079,060 |
| Other segment assets | 12,690,265 | 18,642,043 | 864,494 | 929,142 | 330,065 | 1,396,938 | 117,967 | 198,322 | 321,034 | 431,349 | 7,252,668 | 6,062,656 | 21,576,493 | 27,660,450 |
| Reportable segment assets | 30,545,422 | 38,202,006 | 1,561,932 | 1,624,357 | 1,077,657 | 2,088,687 | 943,148 | 828,145 | 2,030,200 | 1,840,638 | 7,604,888 | 6,464,268 | 43,763,247 | 51,048,101 |
| Loans and borrowings and non-recourse borrowings of managed entities | (8,693,169) | (9,693,234) | (195,730) | (222,704) | (124,299) | (111,503) | (90,206) | (44,904) | (378,849) | (329,896) | (3,835,478) | (3,541,713) | (13,317,731) | (13,943,954) |
| Other segment liabilities | (6,196,905) | (10,096,895) | (556,970) | (320,806) | (269,610) | (267,446) | (20,290) | (30,210) | (499,978) | (278,598) | (1,694,156) | (1,401,428) | (9,237,909) | (12,395,383) |
| Reportable segment liabilities | (14,890,074) | (19,790,129) | (752,700) | (543,510) | (393,909) | (378,949) | (110,496) | (75,114) | (878,827) | (608,494) | (5,529,634) | (4,943,141) | (22,555,640) | (26,339,337) |
| ***Other information*** | | | | | | | | | | | | | | |
| Depreciation and amortization | (133,747) | (64,335) | (20,169) | (18,390) | (6,485) | (22,482) | (582) | (2,523) | (13,114) | (10,501) | (60,085) | (1,997) | (234,182) | (120,228) |
| Impairment losses of intangible assets and goodwill | — | — | — | — | — | — | — | — | — | — | (156,779) | — | (156,779) | — |
| Interest income | 48,726 | 64,572 | 3 | 3 | — | 60 | 17,298 | 23,065 | 10,550 | 11,161 | 12,544 | 8,766 | 89,121 | 107,627 |
| NCI's share of EBITDA excluding revaluation[1] | 388,236 | 423,088 | — | — | — | — | — | — | — | — | — | — | 388,236 | 423,088 |
| Capital expenditure[2] | 1,040,761 | 1,117,049 | 69,708 | 156,630 | 230,929 | 382,894 | 104,467 | 3,326 | 321,973 | 287,181 | 24,965 | 25,794 | 1,792,803 | 1,972,874 |

Notes:

1 EBITDA refers to EBIT excluding depreciation and amortization.

2 Capital expenditure includes acquisition, borrowing costs and development expenditure of investment properties and acquisition of property, plant and equipment.

# 30 Key non-consolidated financials of equity accounted investments

Key non-consolidated financials based on the Group's proportion of ownership interests held is presented in the tables below.

**Statement of Financial Position**

| | 31 December 2023 | | | | | 31 December 2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Investment properties** | **Cash and cash equivalents** | **Total assets** | **Loans and borrowings and non-recourse borrowings of managed entities** | **Total liabilities** | **Investment properties** | **Cash and cash equivalents** | **Total assets** | **Loans and borrowings and non-recourse borrowings of managed entities** | **Total liabilities** |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| ***Interests in managed funds*** | | | | | | | | | | |
| PRC | 2,302,332 | 280,574 | 4,024,262 | (999,056) | (1,452,648) | 1,734,626 | 252,392 | 3,226,281 | (789,028) | (1,043,347) |
| Japan | 1,090,754 | 173,672 | 1,302,950 | (592,497) | (722,041) | 1,116,715 | 56,929 | 1,199,205 | (506,451) | (713,541) |
| Brazil | 813,293 | 86,783 | 1,030,170 | (258,399) | (347,028) | 859,342 | 26,065 | 968,283 | (265,225) | (372,999) |
| Europe | 1,433,889 | 35,875 | 1,528,471 | (759,546) | (889,828) | 1,279,575 | 41,189 | 1,378,668 | (581,796) | (700,574) |
| US | 456,370 | 12,518 | 488,508 | (215,485) | (228,814) | 375,601 | 18,892 | 422,103 | (163,201) | (193,729) |
| **Total** | 6,096,638 | 589,422 | 8,374,361 | (2,824,983) | (3,640,359) | 5,365,859 | 395,467 | 7,194,540 | (2,305,701) | (3,024,190) |
| ***Others*** | | | | | | | | | | |
| PRC | 1,352,171 | 260,966 | 4,768,856 | (997,264) | (1,978,085) | 1,436,670 | 265,700 | 5,197,866 | (1,015,006) | (1,993,728) |
| Japan | — | 4,213 | 5,434 | — | (2,984) | — | 4,104 | 5,404 | — | (3,250) |
| US | — | — | — | — | — | 9,443 | — | 9,443 | — | — |
| **Total** | 1,352,171 | 265,179 | 4,774,290 | (997,264) | (1,981,069) | 1,446,113 | 269,804 | 5,212,713 | (1,015,006) | (1,996,978) |
| ***Total*** | | | | | | | | | | |
| PRC | 3,654,503 | 541,540 | 8,793,118 | (1,996,320) | (3,430,733) | 3,171,296 | 518,092 | 8,424,147 | (1,804,034) | (3,037,075) |
| Japan | 1,090,754 | 177,885 | 1,308,384 | (592,497) | (725,025) | 1,116,715 | 61,033 | 1,204,609 | (506,451) | (716,791) |
| Brazil | 813,293 | 86,783 | 1,030,170 | (258,399) | (347,028) | 859,342 | 26,065 | 968,283 | (265,225) | (372,999) |
| Europe | 1,433,889 | 35,875 | 1,528,471 | (759,546) | (889,828) | 1,279,575 | 41,189 | 1,378,668 | (581,796) | (700,574) |
| US | 456,370 | 12,518 | 488,508 | (215,485) | (228,814) | 385,044 | 18,892 | 431,546 | (163,201) | (193,729) |
| **Total** | **7,448,809** | **854,601** | **13,148,651** | **(3,822,247)** | **(5,621,428)** | **6,811,972** | **665,271** | **12,407,253** | **(3,320,707)** | **(5,021,168)** |

Carrying amounts of certain PRC equity accounted investments at the end of the year include goodwill and other adjustments made in the period in which the investments were acquired.

| **Income Statement** | **Year ended 31 December 2023** | | | **Year ended 31 December 2022** | | |
|---|---|---|---|---|---|---|
| | **Revenue** | **Gross profit** | **Net finance costs** | **Revenue** | **Gross profit** | **Net finance costs** |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| ***Interests in managed funds*** | | | | | | |
| PRC | 88,312 | 43,489 | (39,599) | 161,281 | 200,735 | (30,746) |
| Japan | 29,759 | 14,276 | (5,510) | 27,477 | 13,367 | (4,010) |
| Brazil | 58,395 | 52,575 | (31,621) | 56,240 | 43,494 | (30,494) |
| Europe | 66,021 | 38,056 | (40,607) | 47,767 | 27,794 | (25,503) |
| US | 13,809 | 2,544 | (12,565) | 3,054 | 1,462 | (539) |
| **Total** | 256,296 | 150,940 | (129,902) | 295,819 | 286,852 | (91,292) |
| ***Others*** | | | | | | |
| PRC | 359,010 | 11,568 | (104,121) | 349,606 | 73,182 | (109,967) |
| Japan | 6,258 | 427 | — | 456 | (167) | — |
| **Total** | 365,268 | 11,995 | (104,121) | 350,062 | 73,015 | (109,967) |
| ***Total*** | | | | | | |
| PRC | 447,322 | 55,057 | (143,720) | 510,887 | 273,917 | (140,713) |
| Japan | 36,017 | 14,703 | (5,510) | 27,933 | 13,200 | (4,010) |
| Brazil | 58,395 | 52,575 | (31,621) | 56,240 | 43,494 | (30,494) |
| Europe | 66,021 | 38,056 | (40,607) | 47,767 | 27,794 | (25,503) |
| US | 13,809 | 2,544 | (12,565) | 3,054 | 1,462 | (539) |
| **Total** | 621,564 | 162,935 | (234,023) | 645,881 | 359,867 | (201,259) |

# 31 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

## (a) Risk management framework

The Group adopts the risk management policies and guidelines of the ultimate holding entity, GLP Holdings, L.P., which has a system of controls in place to create an acceptable balance between the costs of risks occurring and the cost of managing the risks. Risk management policies and guidelines are reviewed regularly to reflect changes in market conditions and the Group's activities.

## (b) Credit risk

Credit risk is the risk of financial loss resulting from the failure of a customer or counterparty to meet its contractual obligations. Financial transactions are restricted to counterparties that meet appropriate credit criteria that are approved by the Group and are being reviewed on a regular basis. In respect of trade receivables, the Group has guidelines governing the process of granting credit and outstanding balances are monitored on an ongoing basis. Concentration of credit risk relating to trade receivables is limited due to the Group's many varied customers. These customers are engaged in a wide spectrum of activities and operate in a variety of markets.

***Exposure to credit risk***

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| Non-current assets [1] | 2,897,369 | 3,122,764 | 2,452,771 | 2,312,782 |
| Trade and other receivables [2] | 7,092,069 | 8,529,212 | 6,456,405 | 6,211,917 |
| Cash and cash equivalents | 2,164,387 | 2,589,267 | 143,198 | 99,993 |
| | 12,153,825 | 14,241,243 | 9,052,374 | 8,624,692 |

Notes:

1 Excludes prepaid construction costs, capitalized contract costs, deferred expenditure and land purchase option.
2 Excludes prepayments and other assets.

The maximum exposure to credit risk for financial assets at the reporting date by geographic region is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| PRC | 5,083,421 | 7,199,383 | — | — |
| Japan | 362,531 | 385,816 | — | — |
| Singapore | 5,957,732 | 5,923,580 | 9,052,374 | 8,624,692 |
| US | 430,959 | 371,567 | — | — |
| Europe | 195,270 | 240,501 | — | — |
| Others | 123,912 | 120,396 | — | — |
| | 12,153,825 | 14,241,243 | 9,052,374 | 8,624,692 |

***Expected credit loss assessment for cash and cash equivalents***

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short-term maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties and low credit risks exposures. The amount of ECL on cash and cash equivalents was negligible.

***Expected credit loss assessment for employee loans, loans and amounts due from immediate holding company, subsidiaries, associates, investee, NCI, joint ventures and related parties***

Management assessed the credit loss associated with the employee loans, and amounts due from immediate holding company, subsidiaries, associates, investee, NCI, joint ventures and related parties to be insignificant. The analysis performed assessed the probability of default and calculated ECLs across the portfolio based on the 12-month expected loss basis which reflects the low credit risk of the exposures.

**(c) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. The Group maintains a level of cash and cash equivalents deemed adequate by management to meet the Group's working capital requirement. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position.

As far as possible, the Group will raise medium and long-term funding from both capital markets and financial institutions and prudently balance its portfolio with some short-term funding so as to achieve overall cost effectiveness.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

| | | | ---------------- Cash flows ---------------- | | |
|---|---|---|---|---|---|
| | **Carrying amount** | **Contractual cash flows** | **Within 1 year** | **From 1 to 5 years** | **After 5 years** |
| **Group** | **US$'000** | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| **31 December 2023** | | | | | |
| **Non-derivative financial liabilities** | | | | | |
| Bank loans | 8,759,818 | (9,450,568) | (4,133,369) | (3,425,809) | (1,891,390) |
| Bonds | 4,557,913 | (4,788,817) | (2,216,079) | (2,463,236) | (109,502) |
| Trade and other payables[1] | 6,469,001 | (6,756,721) | (3,662,165) | (1,515,778) | (1,578,778) |
| | 19,786,732 | (20,996,106) | (10,011,613) | (7,404,823) | (3,579,670) |
| **Derivative financial assets** | | | | | |
| Interest rate swaps (net-settled) | (960) | 665 | 1,049 | (384) | — |
| | 19,785,772 | (20,995,441) | (10,010,564) | (7,405,207) | (3,579,670) |
| **31 December 2022** | | | | | |
| **Non-derivative financial liabilities** | | | | | |
| Bank loans | 8,064,914 | (9,353,670) | (2,904,047) | (3,642,287) | (2,807,336) |
| Bonds | 5,879,040 | (6,390,481) | (1,418,726) | (4,854,718) | (117,037) |
| Trade and other payables[1] | 5,955,144 | (5,843,116) | (3,774,005) | (1,947,767) | (121,344) |
| | 19,899,098 | (21,587,267) | (8,096,778) | (10,444,772) | (3,045,717) |
| **Derivative financial assets** | | | | | |
| Interest rate swaps (net-settled) | (694) | 1,573 | 1,289 | 284 | — |
| | 19,898,404 | (21,585,694) | (8,095,489) | (10,444,488) | (3,045,717) |
| **Company** | | | | | |
| **31 December 2023** | | | | | |
| **Non-derivative financial liabilities** | | | | | |
| Bank loans | 2,308,200 | (2,355,800) | (1,707,040) | (637,906) | (10,854) |
| Bonds | 1,480,242 | (1,603,321) | (49,736) | (1,444,083) | (109,502) |
| Trade and other payables[1] | 5,855,085 | (5,855,085) | (5,133,087) | (721,998) | — |
| | 9,643,527 | (9,814,206) | (6,889,863) | (2,803,987) | (120,356) |
| **Derivative financial liabilities** | | | | | |
| Interest rate swaps (net-settled) | 601 | (896) | (512) | (384) | — |
| | 9,644,128 | (9,815,102) | (6,890,375) | (2,804,371) | (120,356) |
| **31 December 2022** | | | | | |
| **Non-derivative financial liabilities** | | | | | |
| Bank loans | 1,493,076 | (1,550,393) | (891,122) | (165,926) | (493,345) |
| Bonds | 2,048,638 | (2,262,766) | (520,492) | (1,625,237) | (117,037) |
| Trade and other payables[1] | 5,289,988 | (5,289,988) | (5,284,791) | (5,197) | — |
| | 8,831,702 | (9,103,147) | (6,696,405) | (1,796,360) | (610,382) |
| **Derivative financial assets** | | | | | |
| Interest rate swaps (net-settled) | (694) | 1,573 | 1,289 | 284 | — |
| | 8,831,008 | (9,101,574) | (6,695,116) | (1,796,076) | (610,382) |

<u>Notes:</u>

1 Excludes advance rental received, provision for reinstatement costs, deferred income and land purchase option.

### (d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

***Currency risk***

The Group operates mainly in the PRC, Japan, US, Brazil and Europe. Other than the respective functional currency of the Group's subsidiaries, the foreign currency which the Group has exposure to at the reporting date is the US Dollar.

The Group maintains a natural hedge, wherever possible, by borrowing in the currency of the country in which the investment is located. Foreign exchange exposures in transactional currencies other than the functional currencies of the operating entities are kept to an acceptable level.

The Group also monitors any surplus cash held in currencies other than the functional currency of the respective companies and uses sensitivity analysis to measure the foreign exchange risk exposure. Where necessary, the Group will use foreign exchange contracts to hedge and minimize net foreign exchange risk exposures. In relation to its overseas investments in foreign subsidiaries whose net assets are exposed to currency translation risk and which are held for long-term investment purposes, the differences arising from such translation are captured under the foreign currency translation reserve. These translation differences are reviewed and monitored on a regular basis.

The Group's and Company's exposures to foreign currencies (financial assets and liabilities not denominated in the respective entities' functional currencies) as at 31 December 2023 and 31 December 2022 are as follows:

| Group | United States Dollar US$'000 | Japanese Yen US$'000 | Singapore Dollar US$'000 | Hong Kong Dollar US$'000 | Chinese Renminbi US$'000 | Euros US$'000 | Pound Sterling US$'000 | Polish Zloty US$'000 |
|---|---|---|---|---|---|---|---|---|
| **31 December 2023** | | | | | | | | |
| **Financial assets** | | | | | | | | |
| Cash and cash equivalents | 153,124 | 5,447 | 5,667 | 13,718 | — | 19,740 | 54,185 | 1,541 |
| Trade and other receivables | 2,144,207 | 168,946 | 38,165 | 66,452 | 247,759 | 899,118 | 579,066 | 3,056 |
| Other investments | 475,769 | 2,194 | — | 527,000 | — | 1,980 | — | — |
| | 2,773,100 | 176,587 | 43,832 | 607,170 | 247,759 | 920,838 | 633,251 | 4,597 |
| **Financial liabilities** | | | | | | | | |
| Bank loans | (452,869) | (972,321) | — | (385,440) | — | (482,248) | (197,949) | — |
| Bonds | (1,271,500) | (207,895) | — | — | — | — | — | — |
| Trade and other payables | (1,818,083) | (715,266) | (1,948) | (54,262) | — | (562,389) | (421,344) | (5,172) |
| | (3,542,452) | (1,895,482) | (1,948) | (439,702) | — | (1,044,637) | (619,293) | (5,172) |
| **Net financial (liabilities)/assets** | (769,352) | (1,718,895) | 41,884 | 167,468 | 247,759 | (123,799) | 13,958 | (575) |
| Add: Loans/bonds designated for net investment hedge | — | 1,196,287 | — | — | — | 442,429 | — | — |
| **Currency exposure of net financial (liabilities)/assets** | (769,352) | (522,608) | 41,884 | 167,468 | 247,759 | 318,630 | 13,958 | (575) |

| Group | United States Dollar US$'000 | Japanese Yen US$'000 | Singapore Dollar US$'000 | Hong Kong Dollar US$'000 | Chinese Renminbi US$'000 | Euros US$'000 | Pound Sterling US$'000 | Polish Zloty US$'000 |
|---|---|---|---|---|---|---|---|---|
| **31 December 2022** | | | | | | | | |
| **Financial assets** | | | | | | | | |
| Cash and cash equivalents | 351,792 | 168 | 5,779 | 8,969 | 608 | 36,163 | 51,746 | 4,272 |
| Trade and other receivables | 2,137,871 | 421,710 | 14,212 | 89,357 | 252,621 | 483,917 | 464,828 | 3,933 |
| Other investments | 365,073 | 1,869 | — | 527,000 | — | 828 | 6 | — |
| | 2,854,736 | 423,747 | 19,991 | 625,326 | 253,229 | 520,908 | 516,580 | 8,205 |
| **Financial liabilities** | | | | | | | | |
| Bank loans | (725,953) | (591,190) | — | (1,709,108) | — | (564,758) | (189,990) | — |
| Bonds | (1,326,000) | (332,044) | — | — | — | — | — | — |
| Trade and other payables | (1,470,682) | (346,312) | (183) | (76,955) | — | (527,009) | (207,251) | (5,113) |
| | (3,522,635) | (1,269,546) | (183) | (1,786,063) | — | (1,091,767) | (397,241) | (5,113) |
| **Net financial (liabilities)/assets** | (667,899) | (845,799) | 19,808 | (1,160,737) | 253,229 | (570,859) | 119,339 | 3,092 |
| Add: Loans/bonds designated for net investment hedge | — | 954,375 | — | — | — | 385,673 | — | — |
| **Currency exposure of net financial (liabilities)/assets** | (667,899) | 108,576 | 19,808 | (1,160,737) | 253,229 | (185,186) | 119,339 | 3,092 |

| Company | Japanese Yen US$'000 | Singapore Dollar US$'000 | Hong Kong Dollar US$'000 | Chinese Renminbi US$'000 | Euros US$'000 | Pound Sterling US$'000 |
|---|---|---|---|---|---|---|
| **31 December 2023** | | | | | | |
| **Financial assets** | | | | | | |
| Cash and cash equivalents | 3 | 282 | — | 1 | 5 | 2 |
| Trade and other receivables | 168,946 | 38,165 | 66,452 | 247,759 | 528,181 | 393,252 |
| | 168,949 | 38,447 | 66,452 | 247,760 | 528,186 | 393,254 |
| **Financial liabilities** | | | | | | |
| Bank loans | (972,321) | — | — | — | (442,429) | — |
| Bonds | (207,895) | — | — | — | — | — |
| Trade and other payables | (715,266) | (1,948) | — | — | (1,167) | (418) |
| | (1,895,482) | (1,948) | — | — | (443,596) | (418) |
| **Currency exposure of net financial (liabilities)/ assets** | (1,726,533) | 36,499 | 66,452 | 247,760 | 84,590 | 392,836 |
| **31 December 2022** | | | | | | |
| **Financial assets** | | | | | | |
| Cash and cash equivalents | 3 | 524 | 1 | 608 | 1 | 30,179 |
| Trade and other receivables | 421,710 | 14,212 | 89,357 | 252,621 | 415,537 | 429,406 |
| | 421,713 | 14,736 | 89,358 | 253,229 | 415,538 | 459,585 |
| **Financial liabilities** | | | | | | |
| Bank loans | (591,190) | — | — | — | (426,439) | — |
| Bonds | (332,044) | — | — | — | — | — |
| Trade and other payables | (346,312) | (183) | — | — | (2,874) | — |
| | (1,269,546) | (183) | — | — | (429,313) | — |
| **Currency exposure of net financial (liabilities)/ assets** | (847,833) | 14,553 | 89,358 | 253,229 | (13,775) | 459,585 |

*Sensitivity analysis*

A 10% strengthening of foreign currency against the respective functional currencies of the subsidiaries at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| US Dollar[1] | (76,935) | (66,790) | — | — |
| Japanese Yen[2] | (52,261) | 10,858 | (172,653) | (84,783) |
| Singapore Dollar[2] | 4,188 | 1,981 | 3,650 | 1,455 |
| Hong Kong Dollar[2] | 16,747 | (116,074) | 6,645 | 8,936 |
| Chinese Renminbi[2] | 24,776 | 25,323 | 24,776 | 25,323 |
| Euros[2] | 31,863 | (18,519) | 8,459 | (1,378) |
| Sterling Pound[2] | 1,396 | 11,934 | 39,284 | 45,959 |
| Polish Zloty[2] | (58) | 309 | — | — |

Notes:

[1] As compared to functional currency of Renminbi.
[2] As compared to functional currency of US Dollar.

A 10% weakening of foreign currency against the respective functional currencies of the subsidiaries at the reporting date would have the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

### *Interest rate risk*

The Group's interest rate risk arises primarily from the interest-earning financial assets and interest-bearing financial liabilities.

The Group manages its interest rate exposure by maintaining a mix of fixed and variable rate borrowings. Where necessary, the Group hedges a portion of its interest rate exposure within the short to medium term by using interest rate derivatives.

The Group classifies these interest rate swaps as cash flow hedges which were effective during the year.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedging relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

*Hedge accounting*

IBORs continue to be used as a reference rate in financial markets and is used in the valuation of instruments with maturities that exceed the expected end date for IBOR. The Group believes the current market structure supports the continuation of hedge accounting as at 31 December 2022 and 31 December 2023. The Group applies the amendments to SFRS(I) 9 issued in December 2020 to those hedging relationships directly affected by IBOR reform.

At 31 December 2023, the Group has interest rate swaps classified as cash flow hedges with notional contractual amount of JPY40,000.0 million (2022: JPY55,000.0 million) which pay fixed interest rates ranging from 0.31% to 0.36% (2022: 0.27% to 0.36%) per annum and receive variable rates ranging equal to JPY TIBOR (2022: JPY TIBOR) on the notional amount.

At 31 December 2023, the Group also has interest rate caps classified as cash flow hedges with notional contractual amounts of EUR 24.0 million and GBP 72.2 million (2022: EUR 24.0 million and GBP 70.9 million). The capped increase in interest rates on these notional amounts are 3.00% and 3.50% (2022: 1.50% and 3.00%) respectively.

*Exposure to interest rate risk*

At the reporting date, the interest rate profile of interest-bearing financial liabilities (after taking into account the effects of the interest rate swaps) are as follows:

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **Carrying amount** | **Principal/ notional amount** | **Carrying amount** | **Principal/ notional amount** |
| | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| **31 December 2023** | | | | |
| **Fixed rate instruments** | | | | |
| Loans and borrowings and non-recourse borrowings of managed entities | 6,822,011 | 6,838,411 | 3,596,693 | 3,613,093 |
| Trade and other payables | 468,998 | 468,998 | 3,913 | 3,913 |
| Capital security instrument | 1,158,659 | 1,158,659 | — | — |
| | 8,449,668 | 8,466,068 | 3,600,606 | 3,617,006 |
| **Variable rate instruments** | | | | |
| Loans and borrowings and non-recourse borrowings of managed entities | 6,495,720 | 6,390,415 | 191,749 | 194,470 |
| **31 December 2022** | | | | |
| **Fixed rate instruments** | | | | |
| Loans and borrowings and non-recourse borrowings of managed entities | 7,262,622 | 7,324,013 | 3,541,714 | 3,603,006 |
| Trade and other payables | 461,836 | 461,836 | 95 | 95 |
| Capital security instrument | 1,138,500 | 1,138,500 | — | — |
| | 8,862,958 | 8,924,349 | 3,541,809 | 3,603,101 |
| **Variable rate instruments** | | | | |
| Loans and borrowings and non-recourse borrowings of managed entities | 6,681,332 | 6,682,873 | — | — |

*Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for any fixed rate financial assets and liabilities at fair value through the profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

*Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit before tax and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

| | Profit and loss | | Equity | |
|---|---|---|---|---|
| | **100 bp Increase** | **100 bp Decrease** | **100 bp Increase** | **100 bp Decrease** |
| **Group** | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| **31 December 2023** | | | | |
| Variable rate instruments | (63,904) | 63,904 | (63,904) | 63,904 |
| Cashflow sensitivity (net) | (63,904) | 63,904 | (63,904) | 63,904 |
| **31 December 2022** | | | | |
| Variable rate instruments | (66,829) | 66,829 | (66,829) | 66,829 |
| Cashflow sensitivity (net) | (66,829) | 66,829 | (66,829) | 66,829 |

| | Profit and loss | | Equity | |
|---|---|---|---|---|
| | **100 bp Increase** | **100 bp Decrease** | **100 bp Increase** | **100 bp Decrease** |
| **Company** | **US$'000** | **US$'000** | **US$'000** | **US$'000** |
| **31 December 2023** | | | | |
| Variable rate instruments | (1,945) | 1,945 | (1,945) | 1,945 |
| Cashflow sensitivity (net) | (1,945) | 1,945 | (1,945) | 1,945 |
| **31 December 2022** | | | | |
| Variable rate instruments | — | — | — | — |
| Cashflow sensitivity (net) | — | — | — | — |

**Other market price risk**

Equity price risk arises from quoted equity investment designated at FVOCI or mandatorily at FVTPL held by the Group. Management of the Group monitors the equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Group's Investment Committee.

An increase/(decrease) in 5% of the equity price of quoted equity investments held by the Group at the reporting date would have increased/(decreased) fair value reserve by US$27.4 million (2022: US$34.4 million) and profit or loss by US$9.3 million (2022: US$8.3 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

### (e) Hedge accounting

At 31 December 2023, the Group and the Company held the following instruments to hedge exposures to changes in interest rates and foreign currency.

| | Carrying Amount | | | Changes in fair value used for calculating hedge effectiveness | | | | |
|---|---|---|---|---|---|---|---|---|
| **Group** | **Notional amount ‘000** | **Assets/ (Liabilities) US$’000** | **Financial Statement line item** | **Hedging instrument US$’000** | **Hedged item US$’000** | **Hedge ineffectiveness recognized in profit or loss US$’000** | **Hedge rate** | **Year of maturity** |
| **Cash flow hedges** | | | | | | | | |
| Interest rate risk | | | | | | | | |
| - Interest rate swaps to hedge floating rate borrowings | JPY40,000,000 | (601) | Financial derivative liabilities | (1,295) | 1,295 | — | 0.31% - 0.36% | 2024- 2025 |
| | EUR 24,000 | 1,561 | Financial derivative assets | (4,929) | 4,929 | — | 3.50% | 2024 |
| | GBP 72,207 | — | Financial derivative assets | — | — | — | 3.00% | 2024 |
| **Net Investment hedges** | | | | | | | | |
| Foreign exchange risk | | | | | | | | |
| - Borrowings to hedge net investment in foreign operations | JPY169,167,000 | (1,196,287) | Loans and borrowings and non-recourse | (70,300) | 70,300 | — | — | 2024 - 2029 |
| | EUR 400,000 | (442,429) | borrowings of managed entities | 15,990 | (15,990) | — | — | 2026 |
| **Company** | | | | | | | | |
| **Cash flow hedges** | | | | | | | | |
| Interest rate risk | | | | | | | | |
| - Interest rate swaps to hedge floating rate borrowings | JPY40,000,000 | (601) | Financial derivative liabilities | (1,295) | 1,295 | — | 0.31% - 0.36% | 2024- 2025 |

At 31 December 2022, the Group and the Company held the following instruments to hedge exposures to changes in interest rates and foreign currency.

| | Carrying Amount | | | Changes in fair value used for calculating hedge effectiveness | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Notional amount** | **Assets/ (Liabilities)** | **Financial Statement line item** | **Hedging instrument** | **Hedged item** | **Hedge ineffectiveness recognized in profit or loss** | **Hedge rate** | **Year of maturity** |
| **Group** | **'000** | **US$'000** | | **US$'000** | **US$'000** | **US$'000** | | |
| **Cash flow hedges** | | | | | | | | |
| Interest rate risk | | | | | | | | |
| Interest rate swaps to hedge floating rate borrowings | JPY 55,000,000 | 694 | Financial derivative assets | 5,053 | (5,053) | — | 0.27% - 0.36% | 2022 - 2025 |
| | EUR 24,000 | — | Financial derivative assets | 2,103 | (2,103) | — | 1.50% | 2023-2024 |
| | GBP 70,932 | — | Financial derivative assets | — | — | — | 3% | 2023-2024 |
| **Net investment hedges** | | | | | | | | |
| Foreign exchange risk | | | | | | | | |
| Borrowings to hedge net investment in foreign operations | JPY 125,400,000 | (954,375) | Loans and borrowings and non-recourse borrowings of managed entities | (147,032) | 147,032 | — | — | 2023 - 2029 |
| | EUR 365,000 | (385,673) | | (25,121) | 25,121 | — | — | 2023 |
| **Company** | | | | | | | | |
| **Cash flow hedges** | | | | | | | | |
| Interest rate risk | | | | | | | | |
| Interest rate swaps to hedge floating rate borrowings | JPY 55,000,000 | 694 | Financial derivative assets | 5,053 | (5,053) | — | 0.27% - 0.36% | 2022-2025 |

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

| **Group** | **Hedging reserve US$'000** |
|---|---|
| Balance at 1 January 2022 | (10,169) |
| Cash flow hedges | |
| Change in fair value: | |
| Interest rate risk | 7,156 |
| Others | 10,928 |
| Balance at 31 December 2022 | 7,915 |
| Balance at 1 January 2023 | 7,915 |
| Cash flow hedges | |
| Change in fair value: | |
| Interest rate risk | (6,224) |
| Others | (8,697) |
| Balance at 31 December 2023 | (7,006) |
| **Company** | |
| Balance at 1 January 2022 | (4,359) |
| Cash flow hedges | |
| Change in fair value: | |
| Interest rate risk | 5,053 |
| Balance at 31 December 2022 | 694 |
| Balance at 1 January 2023 | 694 |
| Cash flow hedges | |
| Change in fair value: | |
| Interest rate risk | (1,295) |
| Balance at 31 December 2023 | (601) |

**Net investment hedge**

A foreign currency exposure arises from the Group's net investment in its subsidiaries in Europe and Japan that has a EUR and JPY functional currency respectively. The risk arises from the fluctuation in spot exchange rates between the EUR, JPY and the US$, which causes the amount of the net investment to vary.

The hedged risk in the net investment hedges are the risk of a weakening EUR and JPY against the US$ that will result in a reduction in the carrying amount of the Group's net investment in its subsidiaries in Europe and Japan.

Part of the Group's net investment in its subsidiaries in Europe and Japan are hedged through the use of JPY and EUR denominated borrowings. As at the reporting date, the carrying amount of these JPY and EUR denominated borrowings was US$1,638.7 million (2022: US$1,340.0 million) and the fair value of the borrowings was US$1,694.2 million (2022: US$1,439.5 million). The net investment hedges were effective during the year. The Group's investments in other subsidiaries are not hedged.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal.

### (f) Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's and Company's statement of financial position; or
- are subject to an enforceable master netting arrangement, irrespective of whether they are offset in the statement of financial position.

Financial instruments such as trade receivables and trade payables are not disclosed in the tables below unless they are offset in the statements of financial position.

The Group's derivative transactions that are not transacted on an exchange are entered into under International Swaps and Derivatives Association (ISDA) Master Netting Agreements. In general, under such agreements, the amounts owed by each counterparty that are due on a single day in respect of all transactions outstanding in the same currency under the agreement are aggregated into a single net amount being payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognized amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

***Financial assets and financial liabilities subject to offsetting and enforceable master netting arrangements***

| | Gross amounts of recognized financial assets/(liabilities) | Net amounts of financial assets/(liabilities) presented in statement of financial position | Net amount |
|---|---|---|---|
| | **US$'000** | **US$'000** | **US$'000** |
| **Group** | | | |
| **Financial assets** | | | |
| Interest rate swaps used for hedging | 1,561 | 1,561 | 1,561 |
| **Financial liabilities** | | | |
| Interest rate swaps used for hedging | (601) | (601) | (601) |
| **31 December 2023** | 960 | 960 | 960 |
| **Financial assets** | | | |
| Interest rate swaps used for hedging | 694 | 694 | 694 |
| **31 December 2022** | 694 | 694 | 694 |
| **Company** | | | |
| **Financial liabilities** | | | |
| Interest rate swaps used for hedging | (601) | (601) | (601) |
| **31 December 2023** | (601) | (601) | (601) |
| **Financial assets** | | | |
| Interest rate swaps used for hedging | 694 | 694 | 694 |
| **31 December 2022** | 694 | 694 | 694 |

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the statements of financial position that are disclosed in the above tables are measured in the statement of financial position at fair value.

# 32 Fair value of financial assets and liabilities

## (a) Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy, are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

| | | Carrying amount | | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Note** | **Fair value – hedging instruments US$'000** | **Equity instrument – Mandatorily at FVTPL US$'000** | **FVOCI – equity instruments US$'000** | **Other financial liabilities US$'000** | **Total carrying amount US$'000** | **Level 1 US$'000** | **Level 2 US$'000** | **Level 3 US$'000** | **Total US$'000** |
| **Group** | | | | | | | | | | |
| **31 December 2023** | | | | | | | | | | |
| Equity investments – at FVOCI | 10 | — | — | 748,000 | — | 748,000 | 548,640 | — | 199,360 | 748,000 |
| Equity investment – mandatorily at FVTPL | 10 | — | 2,206,807 | — | — | 2,206,807 | 185,852 | — | 2,020,955 | 2,206,807 |
| Financial derivative assets | 19 | 1,561 | — | — | — | 1,561 | — | 1,561 | — | 1,561 |
| Secured bank loans | 18 | — | — | — | (4,290,953) | (4,290,953) | — | (3,854,110) | — | (3,854,110) |
| Secured bonds | 18 | — | — | — | (96,217) | (96,217) | — | (96,217) | — | (96,217) |
| Unsecured bank loans | 18 | — | — | — | (4,468,865) | (4,468,865) | — | (4,370,516) | — | (4,370,516) |
| Unsecured bonds | 18 | — | — | — | (4,461,696) | (4,461,696) | (747,507) | (3,398,574) | — | (4,146,081) |
| Financial derivative liabilities | 19 | (601) | — | — | — | (601) | — | (601) | — | (601) |
| Other non-current liabilities[1] | 20 | — | — | — | (2,398,458) | (2,398,458) | — | (2,126,919) | — | (2,126,919) |

Notes:

1. Excludes provision for reinstatement costs, deferred income, lease liabilities and land purchase option.

| | | Carrying amount | | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Note | Fair value – hedging instruments US$'000 | Equity instrument – Mandatorily at FVTPL US$'000 | FVOCI – equity instruments US$'000 | Other financial liabilities US$'000 | Total carrying amount US$'000 | Level 1 US$'000 | Level 2 US$'000 | Level 3 US$'000 | Total US$'000 |
| **Group** | | | | | | | | | | |
| **31 December 2022** | | | | | | | | | | |
| Equity investments – at FVOCI | 10 | — | — | 827,225 | — | 827,225 | 687,578 | — | 139,647 | 827,225 |
| Equity investment – mandatorily at FVTPL | 10 | — | 2,036,569 | — | — | 2,036,569 | 165,035 | — | 1,871,534 | 2,036,569 |
| Financial derivative assets | 19 | 694 | — | — | — | 694 | — | 694 | — | 694 |
| Secured bank loans | 18 | — | — | — | (3,974,147) | (3,974,147) | — | (3,858,987) | — | (3,858,987) |
| Secured bonds | 18 | — | — | — | (82,795) | (82,795) | — | (65,994) | — | (65,994) |
| Unsecured bank loans | 18 | — | — | — | (4,090,767) | (4,090,767) | — | (3,317,785) | — | (3,317,785) |
| Unsecured bonds | 18 | — | — | — | (5,796,245) | (5,796,245) | — | (6,202,175) | — | (6,202,175) |
| Other non-current liabilities[1] | 20 | — | — | — | (2,061,732) | (2,061,732) | — | — | (2,161,676) | (2,161,676) |

Notes:

[1] Excludes provision for reinstatement costs, deferred income, lease liabilities and land purchase option.

| | | Carrying amount | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | Note | Fair value - hedging instruments | Other financial liabilities | Total carrying amount | Level 1 | Level 2 | Level 3 | Total |
| | | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| **Company** | | | | | | | | |
| **31 December 2023** | | | | | | | | |
| Unsecured bank loans | 18 | — | (2,308,200) | (2,308,200) | — | (2,308,176) | — | (2,308,176) |
| Unsecured bonds | 18 | — | (1,480,242) | (1,480,242) | (747,507) | (392,501) | — | (1,140,008) |
| Financial derivatives liabilities | 18 | (601) | — | (601) | — | (601) | — | (601) |
| **31 December 2022** | | | | | | | | |
| Unsecured bank loans | 18 | — | (1,493,076) | (1,493,076) | — | (918,987) | — | (918,987) |
| Unsecured bonds | 18 | — | (2,048,638) | (2,048,638) | — | (2,454,569) | — | (2,454,569) |

**(b) Level 3 fair value measurements**

*(i) Reconciliation of Level 3 fair values*

The reconciliation from the beginning balance to the ending balance for Level 3 fair value measurements for investment properties is presented in Note 4, and unquoted equity investments – at FVOCI and unquoted equity investments – mandatorily at FVTPL are presented in Note 10.

*(ii) Valuation techniques and significant unobservable inputs*

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

***Financial instruments measured at fair value***

| Type | Valuation technique | Key unobservable input | Inter-relationship between key unobservable inputs and fair value measurement |
|---|---|---|---|
| Unquoted equity investments – at FVOCI<br><br>Unquoted equity investments – mandatorily at FVTPL | The unquoted equity investments are stated at their fair values at the reporting date, determined based on recent transacted price, at net asset value which approximates the investments' fair value, market comparison technique based on market multiple of comparable companies with adjustments for the effect of non-marketability of the investments. | **Discount for lack of marketability:**<br>0% - 30% (2022: 0% - 32%)<br><br>**Price-to-earnings ratio:**<br>9.5x - 11x (2022: 9.6x)<br><br>**EV/EBIDTA ratio:**<br>9.95x (2022: 9.6x)<br><br>**Dividend discount rate:**<br>10% (2022: 10%) | The estimated fair value would increase (decrease) if:<br>– the discount for lack of marketability were lower (higher); or<br>– price-to-earnings ratio were higher (lower); or<br>– EV/EBITDA ratio were higher (lower)<br>– dividend discount rate were lower (higher) |
| Financial derivative instruments: – Interest rate swaps | The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments. | NA | NA |

***Financial instruments not measured at fair value***

| Type | Valuation technique | Inputs used in determining fair value |
|---|---|---|
| Loans and borrowings and non-recourse borrowings of managed entities | Discounted cash flows | Government bond yield curve at the reporting date plus an adequate credit spread. |
| Other non-current liabilities | Discounted cash flows | Company cost of borrowing. |

*(iii) Transfer between Level 1 and 2*

During the year ended 31 December 2023 and 31 December 2022, there were no transfers between Level 1 and 2 of the fair value hierarchy.

## 33 Commitments

Investment properties are held mainly for leasing to external customers under operating leases.

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

**(a) Operating lease commitments**

***Operating lease rental receivable***

Future minimum lease rental receivable for the Group on non-cancellable operating leases from investment properties are as follows:

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Lease rentals receivable: | | |
| Within one year | 360,032 | 399,221 |
| After one year but within five years | 656,963 | 742,121 |
| After five years | 307,842 | 319,093 |
| | 1,324,837 | 1,460,435 |

**(b) Other commitments**

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Development expenditure contracted but not provided for | 828,555 | 570,311 |

# 34 Significant related party transactions

*Remuneration of key management personnel*

In accordance with SFRS(I) 1-24 Related Party Disclosures, key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Following an internal restructuring, the Group has reassessed those individuals performing the role of key management and determined that it comprises the Chief Executive Officer and the Directors.

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

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Wages and salaries (excluding contributions to defined contribution plans) | 3,823 | 4,038 |
| Contributions to defined contribution plans | 76 | 48 |
| Share based payment | — | (5,656) |
| | 3,899 | (1,570) |

As part of the legacy Global Share Scheme, members of key management received loans in respect of Leveraged Share grants from entities within the group. As at 31 December 2023, the total amount outstanding was US$227.8 million (31 December 2022: US$225.2 million). In addition, members of key management received loans from entities within the group in respect of settlement of tax liabilities related to the group's share-based payment arrangements. As at 31 December 2023 the total amount outstanding was US$203.4 million (31 December 2022: US$217.3 million).

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 financial year:

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| | **US$'000** | **US$'000** |
| Management fee revenue earned from related parties | 908,912 | 481,613 |

Management fee revenue earned from related parties comprises 78.7% (2022: 93.5%) from equity accounted investments and the remainder from other subsidiaries of GLP Holdings LP, the Company's ultimate parent.

# 35 Significant subsidiaries

Details of significant subsidiaries are as follows:

| Name of company | Principal activities | Jurisdiction of incorporation and place of business | Effective interest held by the Group at 31 December 2023 | 2022 |
|---|---|---|---|---|
| | | | % | % |
| GLP Japan Investment Holdings Pte. Ltd. | Investment holding | Singapore | 100 | 100 |
| Japan Logistic Properties 1 Pte. Ltd. and its subsidiaries | Investment holding | Singapore | 100 | 100 |
| Japan Logistic Properties 2 Pte. Ltd. and its subsidiaries | Investment holding | Singapore | 100 | 100 |
| GLP Capital Japan 2 Pte. Ltd. and its subsidiaries | Investment holding | Singapore | 100 | 100 |
| GLP Japan Development Investors Pte. Ltd. and its joint venture[1] | Investment holding | Singapore | 100 | 100 |
| GLP Japan Development Investors 2 Pte. Ltd. and its joint venture[1] | Investment holding | Singapore | 100 | 100 |
| GLP Light Year Investment Pte. Ltd. and its joint venture[1] | Investment holding | Singapore | 100 | 100 |
| GLP Japan Development Investors III, Pte Ltd and its associates | Investment holding | Singapore | 100 | 100 |
| GLP Japan Income Investors, Pte. Ltd. and its associates | Investment holding | Singapore | 100 | 100 |
| GLP Investment Holdings[2] | Investment holding | Cayman Islands | 100 | 100 |
| CLH Limited and its significant subsidiaries[2] | Investment holding | Cayman Islands | 100 | 100 |
| GLP China Holdings Limited and its significant subsidiaries | Investment holding | Hong Kong | 84.30 | 66.21 |
| GLP China Asset Holdings Limited and its significant subsidiaries | Investment holding | Hong Kong | 84.30 | 66.21 |
| Beijing Lihao Science & Technology Co., Ltd. | Property investment | PRC | 74.18 | 58.26 |
| Airport City Development Co., Ltd. | Property investment | PRC | 44.80 | 35.81 |
| Zhejiang Transfar Logistics Base Co., Ltd. | Property investment | PRC | 50.58 | 39.73 |
| Beijing Sifang Tianlong Medicine Logistic Co., Ltd. | Property investment | PRC | 84.30 | 66.21 |
| Shanghai Fuhe Industrial Development Co., Ltd. | Property investment | PRC | 46.35 | 46.35 |
| GLP Investment (Shanghai) Co., Ltd. and its significant subsidiaries | Property management | PRC | 84.30 | 66.21 |
| Zhuhai Puyin Logistic Investment Partnership | Investment holding | PRC | 84.30 | 66.21 |
| China Management Holdings (Hong Kong) Limited | Investment holdings | Hong Kong | 84.30 | 66.21 |
| GLP Global Cloud Hub Fund, L.P and its significant subsidiaries | Investment holding | PRC | 84.30 | 66.21 |
| GLP Thor LP Limited | Investment holding | Cayman Islands | 84.30 | 66.21 |
| Xiamen Mingsi Junju Investment Fund LLP | Investment holding | PRC | 84.30 | 66.21 |
| GLP Capital Investment 4 (HK) Limited | Investment holding | Hong Kong | 84.30 | 66.21 |
| Zhuhai Puxing Logistic Industry Equity Investment Partnership | Investment holding | PRC | 83.46 | 66.21 |
| Pengcheng Jinyun Technology Co., Ltd. | IDC business | PRC | 84.30 | 66.21 |
| Shanghai Yinshan Zhineng Corporation Management Partnership (LP) | Investment holding | PRC | 29.84 | 24.56 |
| Xiamen Yinshan Investment Partnership (LP) | Property investment | PRC | 24.70 | 20.68 |
| Zhuhai Puhang Equity Investment Fund Partnership (LP) | Property investment | PRC | 33.68 | 26.45 |
| GLP Investment Management Pte. Ltd. and its subsidiaries | Investment holding and fund management | Singapore | 100 | 100 |
| GLP Capital Partners Limited and its subsidiaries | Fund management | US | 54.50 | 55.70 |

Notes:

1 Significant associates and joint ventures of the Group are disclosed in Note 6 to the financial statements.
2 Not required to be audited by laws of country of incorporation.

KPMG LLP is the auditor of all Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of significant foreign-incorporated subsidiaries unless otherwise indicated.

Although the Group holds less than 50% of effective interest in some of the subsidiaries, management has determined that the Group has control over these entities by virtue of the arrangement over the subsidiaries' relevant activities. The Group receives substantial returns related to the subsidiaries' operations and net assets and, through the Board of Directors, has the current ability to direct the relevant activities of the entities that most significantly affect their returns.

## 36 Events after reporting period

Subsequent to 31 December 2023, the following events occurred:

***Capital raising***

- On 3 January 2024, the Group announced the final close of Hidden Hill PE RMB Fund II, raising RMB 8 billion in capital commitments.
- On 29 January 2024, the Group announced the close of China Income Fund XII with RMB10.0 billion of assets under management seeded with 25 logistics and business park assets from the Group's consolidated statement of financial position.
- On 31 January 2024, the Group announced the sale of 12 logistics assets, in two separate transactions in the Group's two Brazil funds with an aggregate value of approximately US$300.0 million.
- On 14 February 2024, the Group announced it had entered into an agreement to establish a new fund with an initial investment capacity exceeding US$350.0 million targeting industrial park investments with a focus on advanced research and manufacturing in China's core economic hubs.

***Repayments***

- On 25 January 2024, the Group repaid bonds with a principal of RMB700.0 million.
- On 9 February 2024, the Group repaid bonds with a principal of US$126.0 million.
- On 26 February 2024, the Group repaid bonds with a principal of US$451.0 million.
- On 8 March 2024, the Group repaid bonds with principal of RMB1,700.0 million.
- On 18 March 2024, the Group repaid bonds with principal of RMB1,500.0 million.
- On 25 March 2024, the Group repaid bonds with principal of RMB1,500.0 million.