GLP Pte. Ltd. and its subsidiaries

Registration number: 200715832Z

Annual Report

Year ended 31 December 2022

INDEX TO ANNUAL REPORT

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 2022.

In our opinion:

(a) the financial statements set out on pages FS1 to FS136 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 2022 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 33 of the accompanying notes to the financial statements for the year ended 31 December 2022, 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 2022, 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

Nicholas Regan Johnson
Director

31 March 2023

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

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

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 2022, 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 a summary of significant accounting policies as set out on pages FS1 to FS136.

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 financial position of the Company as at 31 December 2022 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)

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 capitalization, discount, terminal yield rates and estimated development costs.

Our response:

We evaluated the qualifications and competency of the valuers and made inquiries with the valuers to understand their valuation methods, and the assumptions and basis applied.

We considered the valuation methodologies used against those applied for similar property types by other valuers. We evaluated the reasonableness of the key assumptions used in the valuations which included a comparison of the assumptions against historical rates and available industry data, taking into consideration comparability and market factors.

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

Risk:

The Group recognizes goodwill of US$1,476 million on its consolidated statement of financial position mainly in connection with the acquisitions of Global Logistic Properties Holdings Limited, GLP Capital Partners LP, and Pengcheng Jinyun Technology Co., Ltd..

Goodwill is tested for impairment annually by estimating the recoverable amount of each identifiable cash-generating unit ("CGU") which goodwill has been allocated to. Management applies the value in use (discounted cash flow) method to determine the recoverable amount of each CGU.

The measurement of value in use as the recoverable amount of each identifiable CGU for operations in USA, PRC, Japan and Europe involves significant judgement and estimation in determining the cash flow projections, and risk-free, discount and terminal growth 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 independently derived applicable discount rates from available industry data and compared these with those used by management. We performed stress tests using plausible range of key assumptions and rates, and analyzed the impact to the recoverable amount determined by management.

Accounting for acquisitions
(Refer to Notes 10 and 28 – Other investments and Acquisitions)

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 and investment in associate and joint venture during the year, we examined the terms and conditions of the sale and purchase agreement 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.

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

Risk:

The Group's investment portfolio of US$2,864 million as at 31 December 2022 included unquoted equity investments of US$2,011 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:

For a sample of other investments, with the assistance of our valuation specialists, we assessed the reasonableness of the valuation methodologies used, assumptions and inputs used by management.

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 2023

Statements of Financial Position
As at 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000	Company 2022 US$'000	Company 2021 US$'000
Non-current assets					
Investment properties	4	15,308,591	16,619,297	–	–
Subsidiaries	5	–	–	9,549,488	6,022,565
Equity accounted investments	6	8,079,060	8,246,560	–	–
Deferred tax assets	7	85,457	54,963	–	–
Property, plant and equipment	8	1,471,970	861,294	9,408	4,903
Goodwill	9	1,476,410	507,395	–	–
Intangible assets	9	506,998	18,943	–	–
Financial derivative assets	19	694	–	694	–
Other investments	10	2,863,794	2,834,067	–	–
Other non-current assets	11	3,436,701	1,178,527	2,312,782	–
		33,229,675	30,321,046	11,872,372	6,027,468
Current assets					
Trade and other receivables	12	8,585,065	6,555,442	6,217,428	5,799,357
Cash and cash equivalents	13	2,589,267	2,045,215	99,993	964,548
Assets classified as held for sale	14	6,644,094	5,812,352	–	–
		17,818,426	14,413,009	6,317,421	6,763,905
Total assets		51,048,101	44,734,055	18,189,793	12,791,373
Equity attributable to shareholders of the Company					
Share capital	15	5,538,589	5,538,589	7,164,673	5,538,589
Reserves	16	5,528,297	7,199,373	1,062,686	770,027
		11,066,886	12,737,962	8,227,359	6,308,616
Perpetual securities	15	1,130,103	1,144,039	1,130,103	1,144,039
Non-controlling interests	17	12,511,775	10,430,633	–	–
Total equity		24,708,764	24,312,634	9,357,462	7,452,655
Non-current liabilities					
Loans and borrowings	18	10,167,137	10,250,605	2,201,353	2,842,849
Financial derivative liabilities	19	–	4,359	–	4,359
Deferred tax liabilities	7	1,574,451	1,817,642	–	–
Other non-current liabilities	20	2,546,465	862,773	861,214	7,166
		14,288,053	12,935,379	3,062,567	2,854,374
Current liabilities					
Loans and borrowings	18	3,776,817	1,505,134	1,340,361	200,000
Trade and other payables	21	3,563,266	3,232,641	4,428,874	2,283,815
Deferred tax liabilities	7	14,064	–	–	–
Current tax payable		461,324	192,217	529	529
Liabilities classified as held for sale	14	4,235,813	2,556,050	–	–
		12,051,284	7,486,042	5,769,764	2,484,344
Total liabilities		26,339,337	20,421,421	8,832,331	5,338,718
Total equity and liabilities		51,048,101	44,734,055	18,189,793	12,791,373

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

Consolidated Income Statement
Year ended 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000
Revenue	23		
Rental and related income		981,290	1,087,345
Management fees		579,368	449,856
Energy sales		170,940	–
Freezer services		93,201	65,085
Sales of goods		27,719	4,309
Distributions from investments		58,155	27,593
		1,910,673	**1,634,188**
Other (losses)/ income	24		
Changes in fair value of equity investments held at fair value through profit or loss		(60,960)	288,301
Government subsidies and others		53,023	77,227
		(7,937)	**365,528**
Direct expenses			
Property-related expenses		(459,438)	(376,094)
Cost of goods and energy sold		(172,504)	(3,881)
		(631,942)	**(379,975)**
Other expenses			
Employee compensation		(452,100)	(1,509,057)
Depreciation and amortization		(81,799)	(37,954)
General, administrative and other operating expenses		(412,651)	(305,715)
		(946,550)	**(1,852,726)**
Share of results from equity accounted investments (net of tax expense)		**154,086**	**1,077,921**
Profit from operating activities after share of results of equity accounted investments		**478,330**	**844,936**
Net finance costs	25	**(781,401)**	**(450,564)**
Other net (losses)/ gains			
Gain on disposal of subsidiaries		140,765	630,198
Gain on disposal of equity accounted investments		262,104	17,828
Gain on disposal of investment properties		45,888	49,498
Gain on disposal of assets and liabilities classified as held for sale	28B	242,524	192,716
Others	26	24,567	20,062
		715,848	**910,302**
Profit before changes in fair value of investment properties held by consolidated vehicles		**412,777**	**1,304,674**
Changes in fair value of investment properties	4	**890,418**	**1,359,752**
Profit before tax	26	**1,303,195**	**2,664,426**
Tax expense	27	**(769,175)**	**(978,389)**
Profit for the year		**534,020**	**1,686,037**
Profit attributable to			
Equity owners of the Company		**100,630**	**784,735**
Non-controlling interests	17	**433,390**	**901,302**
		534,020	**1,686,037**

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

Consolidated Statement of Comprehensive Income
Year ended 31 December 2022

	Group	
	2022	**2021**
	US$'000	**US$'000**
Profit for the year	534,020	1,686,037
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]	(89,474)	183,771
Revaluation of building[2]	–	5,024
	(89,474)	188,795
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	(2,111,391)	282,353
Effective portion of changes in fair value of cash flow hedges	7,156	1,749
Exchange differences reclassified to profit or loss on disposal of subsidiaries	(11,804)	–
Share of other comprehensive income of equity accounted investments	21,603	1,850
	(2,094,436)	285,952
Other comprehensive income for the year[3]	(2,183,910)	474,747
Total comprehensive income for the year	(1,649,890)	2,160,784
Total comprehensive income attributable to:		
Equity owners of the Company	(1,041,724)	975,780
Non-controlling interests	(608,166)	1,185,004
Total comprehensive income for the year	(1,649,890)	2,160,784

Notes:

1 Includes income tax effects of US$4,660,000 (2021: US$11,530,000), refer to Note 7.

2 Includes income tax effects of US$Nil (2021: US$2,398,000 (credit)), refer to Note 7.

3 Except for income tax effects relating to change in fair value of equity investments at FVOCI, revaluation of building 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 2022

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 2021	5,538,589	164,464	6,676,446	(446,961)	11,932,538	–	9,672,120	21,604,658
Total comprehensive income for the year								
Profit for the year	–	–	784,735	–	784,735	–	901,302	1,686,037
Other comprehensive income								
Change in fair value of equity investment as FVOCI	–	–	–	144,749	144,749	–	39,022	183,771
Revaluation of building	–	–	–	3,326	3,326	–	1,698	5,024
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans, net of effect of net investment hedges	–	39,679	–	(308)	39,371	–	242,982	282,353
Effective portion of changes in fair value of cash flow hedges	–	–	–	1,749	1,749	–	–	1,749
Share of other comprehensive income of equity accounted investments	–	(5,179)	–	7,029	1,850	–	–	1,850
	–		–			–		
Total other comprehensive income	–	34,500	–	156,545	191,045	–	283,702	474,747
Total comprehensive income for the year	–	34,500	784,735	156,545	975,780	–	1,185,004	2,160,784

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

Consolidated Statement of Changes in Equity (continued)
Year ended 31 December 2022

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
Transactions with equity owners, recorded directly in equity								
Contributions by and distributions to equity owners								
Capital contribution from non-controlling interests	–	–	–	–	–	–	224,759	224,759
Perpetual securities distribution paid	–	–	–	–	–	(26,025)	–	(26,025)
Interim tax-exempt (one-tier) dividends declared of US$0.07 per share	–	–	(280,000)	–	(280,000)	–	–	(280,000)
Issuance of perpetual securities net of transaction costs	–	–	–	–	–	1,139,287	–	1,139,287
Accrued perpetual securities distribution	–	–	(30,777)	–	(30,777)	30,777	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	(35,223)	(35,223)
Share-based payment transactions	–	–	–	139,565	139,565	–	–	139,565
Adjustment of shares to non-controlling interests	–	–	–	–	–	–	(390,403)	(390,403)
Other reclassifications	–	–	–	130	130	–	–	130
Total contributions by and distributions to equity owners	–	–	(310,777)	139,695	(171,082)	1,144,039	(200,867)	772,090

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

Consolidated Statement of Changes in Equity (continued)
Year ended 31 December 2022

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
Changes in ownership interests in subsidiaries								
Acquisition of interests in subsidiaries from non-controlling interests	–	–	–	(788)	(788)	–	(224,260)	(225,048)
Disposal of interests in subsidiaries to non-controlling interests	–	–	–	9,248	9,248	–	629,269	638,517
Disposal of subsidiaries and assets classified as held for sale	–	–	–	(7,734)	(7,734)	–	(731,007)	(738,741)
Acquisition of subsidiaries	–	–	–	–	–	–	100,374	100,374
Total changes in ownership interest in subsidiaries	–	–	–	726	726	–	(225,624)	(224,898)
Total transactions with equity owners	–	–	(310,777)	140,421	(170,356)	1,144,039	(426,491)	547,192
Transfer to reserves	–	–	(46,079)	46,079	–	–	–	–
At 31 December 2021	5,538,589	198,964	7,104,325	(103,916)	12,737,962	1,144,039	10,430,633	24,312,634

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

Consolidated Statement of Changes in Equity (continued)
Year ended 31 December 2022

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 investment 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)	9,484	40,221	(1,089,924)	–	(1,021,467)	(2,111,391)
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)	9,484	2,456	(1,142,354)	–	(1,041,556)	(2,183,910)
Total comprehensive income for the year	–	(1,154,294)	110,114	2,456	(1,041,724)	–	(608,166)	(1,649,890)

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

Consolidated Statement of Changes in Equity (continued)
Year ended 31 December 2022

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
Transactions with equity owners, recorded directly in equity								
Contributions by and distributions to equity owners								
Capital contribution 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

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

Consolidated Statement of Changes in Equity (continued)
Year ended 31 December 2022

Group	Note	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
Changes in ownership interests in subsidiaries									
Acquisition of interests in subsidiaries from non-controlling interests without a change in control		–	–	–	(362,666)	(362,666)	–	(108,061)	(470,727)
Disposal of interest in subsidiaries to non-controlling interests without a change in control		–	–	–	(1,132,764)	(1,132,764)	–	594,518	(538,246)
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	15	–	–	–	–	–	–	856,694	856,694
Acquisition of subsidiaries	28	–	–	–	–	–	–	1,217,811	1,217,811
Total changes in ownership interest in subsidiaries		–	153,598	(153,598)	(1,488,007)	(1,488,007)	–	2,366,273	878,266
Total transactions with equity owners		–	153,598	(500,793)	(282,158)	(629,352)	(13,936)	2,689,308	2,046,019
Transfer to reserves		–	–	31,668	(31,668)	–	–	–	–
At 31 December 2022		5,538,589	(801,732)	6,745,315	(415,286)	11,066,886	1,130,103	12,511,775	24,708,764

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

Consolidated Statement of Cash Flows
Year ended 31 December 2022

	Note	2022 US$'000	2021 US$'000
Cash flows from operating activities			
Profit before tax		1,303,195	2,664,426
Adjustments for non-cash and other items:			
Depreciation of property, plant and equipment and right of use assets		73,329	44,563
Amortization of intangible assets	9	32,479	2,096
Deferred acquisition costs		14,420	7,238
Share-based payment (credit)/expense	22	(93,404)	139,565
Impairment losses		44,141	44,585
Changes in fair value of equity investments at FVTPL	24	60,960	(288,301)
Changes in fair value of investment properties	4	(890,418)	(1,359,752)
Distributions from other investments	23	(58,155)	(27,593)
Income from equity accounted investments		(154,086)	(1,077,921)
Other net gains on disposals		(715,848)	(910,302)
Net finance cost	25	781,401	450,564
Others		2,610	1,457
		400,624	(309,375)
Changes in operating assets and liabilities:			
Trade and other receivables		(68,888)	(451,525)
Trade and other payables		(452,997)	1,840,062
Cash (used in)/generated from operations		(121,261)	1,079,162
Restricted cash		(27,453)	(27,453)
Tax paid		(147,946)	(185,946)
Net cash (used in)/generated from operating activities		**(296,660)**	**865,763**

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

Consolidated Statement of Cash Flows (continued)
Year ended 31 December 2022

	Note	2022 US$'000	2021 US$'000
Investing activities			
Acquisitions and investments:			
Acquisition of subsidiaries, net of cash acquired	28(A)	(1,631,292)	(966,581)
Acquisition of investment properties		(334,061)	(1,781,561)
Deposits placed for acquisitions of investment properties and other investments		(437,394)	(117,461)
Development expenditure on investment properties		(1,189,447)	(1,491,480)
Acquisition of equity accounted investments		(336)	(110,293)
Contribution to equity accounted investments	6	(762,890)	(1,930,941)
Acquisition of other investments		(761,527)	(538,220)
Purchase of property, plant and equipment		(367,339)	(216,583)
Acquisition of intangible assets	9	(5)	(1,235)
Advances to immediate holding company		(1,175,292)	(1,511,129)
Loans to related parties		(400,814)	–
Loans to equity accounted investments		(143,753)	(106,475)
Loans to non-controlling interests		(7,123)	(7,243)
Loans to third parties		(56,114)	(349,419)
Acquisition of non-controlling interests		(60,255)	(220,286)
Divestments and returns:			
Proceeds from disposal of assets classified as held for sale, net of deposits and tax	28(B)	872,256	1,867,488
Withholding tax paid on disposal of assets classified as held for sale		–	(3,566)
Proceeds from disposal of interest in subsidiaries	28(B)	2,076,582	3,032,840
Proceeds from disposal of investment properties		420,967	119,907
Dividends received from equity accounted investments		466,795	644,912
Withholding tax paid on dividend and interest income		(46,283)	(221,659)
Return of capital from equity accounted investments		117,665	79,595
Proceeds from disposal of equity accounted investments		515,258	110,117
Proceeds for liquidation of subsidiary		–	37
Proceeds from sale of property, plant and equipment		13,628	1,033
Distributions received from other investments		61,364	369,553
Proceeds from disposal of other investments		311,833	120,668
Interest income received		32,311	62,224
Loan repayment from related parties		69,114	–
Loan repayment from equity accounted investments		223,253	166,589
Loan repayment from non-controlling interests		–	41,293
Loan repayment from third parties		76,571	332,223
Net cash used in investing activities		**(2,116,328)**	**(2,625,653)**

Consolidated Statement of Cash Flows (continued)
Year ended 31 December 2022

	Note	2022 US$'000	2021 US$'000
Cash flows from financing activities			
Proceeds from bank loans		12,630,337	10,019,226
Repayment of bank loans		(8,281,225)	(9,000,959)
Proceeds from issue of bonds, net of transaction costs		375,359	3,139,706
Redemptions of bonds		(1,080,461)	(2,656,961)
Interest paid		(627,667)	(584,065)
Loans from non-controlling interests		1,646	–
Repayments of loans from non-controlling interests		(3,204)	(10,202)
Loans from equity accounted investments		4,770	–
Repayments of loans from equity accounted investments		(28,501)	–
Loans from related parties		129,448	–
Repayments of loans from related parties		(234,290)	–
Loans from third party		2,571	–
Repayment of loans from third party		(700)	(637)
Repayment of lease liabilities		(37,099)	(28,434)
Contributions from non-controlling interests		1,513,508	224,759
Proceeds from disposal of interest in subsidiaries to non-controlling interest		314,688	638,517
Redemption of shares from non-controlling interest		–	–
Proceeds from issue of perpetual securities		–	1,139,287
Proceeds from issue of capital securities instruments		1,138,500	–
Dividends paid to shareholders		(295,000)	(280,000)
Dividends paid to non-controlling interests		(1,851,478)	(35,223)
Distributions to perpetual security holders	15	(51,629)	(26,025)
Deposits pledged		(58,558)	–
Net cash from financing activities		**3,561,015**	**2,538,999**
Net increase in cash and cash equivalents		1,148,027	779,099
Cash and cash equivalents at beginning of year		2,017,762	1,482,927
Effect of exchange rate changes on cash balances held in foreign currencies		(42,927)	7,194
Cash and cash equivalents of subsidiaries reclassified as assets held for sale	14	(638,245)	(251,458)
Cash and cash equivalents at end of year	13	2,484,617	2,017,762
Restricted cash	13	104,650	27,453
Cash and cash equivalents in the consolidated statement of financial position	13	**2,589,267**	**2,045,215**

Consolidated Statement of Cash Flows (continued)
Year ended 31 December 2022

Significant non-cash transactions:

During the year ended 31 December 2022, the Group has the following significant non-cash transactions:

(1) The Group disposed an existing fund into a new fund in which a consideration of US$131,575,000 was settled by way of re-investment into the new fund.

(2) The Group declared a dividend in specie of US$388,200,000 which was settled by way of re-investment into the new fund.

(3) A receivable of US$Nil (2021: US$474,275,000) was novated from a related company to the immediate holding company arising from the sale of certain investment properties.

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 2023.

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.

Significant events during the period

During the year, the Group's fund management activities underwent an internal reorganization to facilitate the growth of the platform via:

i. external investment through the issue of additional equity by GLP Capital Partners Limited ("GCP"), the new holding company of the Group's fund management activities (Note 17);

the acquisition of the fund management business of GLP Capital Partners LP (also referred to as "US GCP") in the US and the remaining 50% interest in the Group's existing fund management joint venture in Vietnam through the issue of equity (see Note 28A).

1 General information and capital management (continued)

As a result of the reorganization, the Global Shares which represented stapled units in the holding companies of the Group's fund management activities, were exchanged for preference shares issued by the Company (see Note 15).

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 entities in our consolidated statement of financial position, and include the portion of equity held by others as non-controlling interests.

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 also monitors capital using a net debt to equity ratio, which is defined as net borrowings divided by total equity (including NCI).

	Group	
	2022	**2021**
	US$'000	**US$'000**
Gross loans and borrowings (net of transaction costs)	13,943,954	11,755,739
Less: Cash and cash equivalents excluding restricted cash	(2,484,617)	(2,017,762)
Net debt	11,459,337	9,737,977
Total equity	24,748,020	24,312,634
Net debt to equity ratio	0.46	0.40

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.

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.

The preparation of the financial statements in conformity with SFRS(I)s requires management to make judgements, estimates and assumptions 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. 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. *Share-based payments*

Details of the Group's share-based payment transactions are set out in Note 22. Two types of shares were granted under the Global Share Plan, 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.

2 Basis of preparation (continued)

Critical judgements (continued)

b. Share-based payments (continued)

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 judgements 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.

c. 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 uses external professional valuers to determine the relevant amounts.

2 Basis of preparation (continued)

Critical estimates (continued)

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 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 3.13.

2 Basis of preparation (continued)

Critical estimates (continued)

How climate risk affects our accounting judgements and 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 believe 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 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.

2 Basis of preparation (continued)

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 Significant 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 non-controlling interests ("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.

3 Significant accounting policies (continued)

3.1 Basis of consolidation (continued)

(iii) Loss of control

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

(iv) Investments in equity accounted investments

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 (collectively referred to as equity-accounted investments) are accounted for using the equity method and reported as equity accounted investments in our statements 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.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses (except for foreign currency translation gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Intra-group revenues and expenses between our subsidiaries, such as asset management fees, are eliminated on consolidation; however, these items affect the attribution of net income between our shareholders and non-controlling interests. For example, management fees paid by our consolidated funds or by other consolidated investments to our fund management business for managing the Group's investments and assets, are eliminated from consolidated revenues and expenses.

3 Significant accounting policies (continued)

3.1 Basis of consolidation (continued)

(v) Transactions eliminated on consolidation (continued)

For fees charged in respect of managing consolidated funds which include a significant percentage of third-party capital, shareholders of the Company are attributed their share of the fee expense and attributed their proportionate share of the fund management segment's revenue. As the Group's interest in the fund management segment is typically higher than the interest held in managed funds, the amount of net income attributable to the Company's shareholders is increased with a corresponding decrease in net income attributable to non-controlling interests.

For fees charged in respect of managing the Group's owned assets and investments outside of investment funds (which include third party capital), shareholders of the Company are attributed all of the fee expense and attributed their proportionate share of the fund management segment's revenue. As the Group's interest in the fund management segment is lower than its interests in owned assets and investments (generally 100%), the amount of net income attributable to the Company's shareholders is reduced with a corresponding increase in net income attributable to non-controlling interests.

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

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

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

(vii) 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 (i)). 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 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.

3 Significant accounting policies (continued)

3.1 Basis of consolidation (continued)

(vii) Business combinations (continued)

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

(i) Foreign currency transactions

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). Transactions in foreign currencies are translated to the respective functional currencies of Group's entities at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical costs are translated using the exchange rate at the date of the transaction.

3 Significant accounting policies (continued)

3.2 Foreign currency (continued)

(i) Foreign currency transactions

Foreign currency differences arising from translation are recognized in profit or loss. However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- an equity investment designated as fair value through other comprehensive income ("FVOCI");
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- qualifying cash flow hedges to the extent such hedges are effective.

(ii) 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 foreign 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 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 (“FVTOCI”) 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.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

Classification and measurement (continued)

- Financial instruments are measured at amortised cost if they are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are initially recognized at their fair value less directly attributable transaction costs 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 an equity investment 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 investments classified as FVOCI are initially recognized at their fair value less directly attributable transaction costs 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 recognised in OCI and 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 initially and 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.

- 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.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

Classification and measurement (continued)

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

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
Cash and cash equivalents	Amortized cost
Financial Liabilities	
Capital security instruments	Amortized cost
Loans and borrowings	Amortized cost
Financial derivative liabilities	FVTPL
Trade and other payables	Amortized cost
Other non-current liabilities	Amortized cost

Derecognition

- The Group derecognises a financial asset when:
  - the contractual rights to the cash flows from the financial asset expire; or
  - it transfers the rights to receive the contractual cash flows in a transaction in which either:
    - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
    - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.
- Transferred assets are not derecognized when the Group enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.
- The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.
- On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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 statement of cash flows, 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.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value and any directly attributable transaction costs are recognized in profit or loss as incurred. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Hedge accounting is applied when a derivative or non-derivative financial liability is designated as a hedge of a specific exposure and there is assurance that it will continue to be effective as a hedge based on an expectation of offsetting cash flows or fair values.

Hedge accounting is discontinued prospectively when the derivative or other financial instrument no longer qualifies as a hedge, or the hedging relationship is terminated. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. For net investment hedges, the amount recognized in OCI is reclassified to profit or loss on disposal of the foreign operation.

Cash flow hedges

The effective portion of changes in the fair value of a cash flow hedging instrument is recognized in OCI and accumulated in the hedging reserve limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognized in a cost of hedging reserve within equity.

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

Additional information: (continued)

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognized. For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

Net investment hedges

For hedging instruments in a hedge of a net investment in a foreign operation, any gain or loss relating to the effective portion of the hedge is recognized in OCI and presented in the translation reserve within equity. Any gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Items not classified as hedges

Derivative financial instruments that are not designated as hedges are subsequently carried at their estimated fair value, and gains and losses arising from changes in fair value are recognized in profit or loss.

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.

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.

(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 3.13.

3 Significant accounting policies (continued)

3.4 Investment properties (continued)

(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

(i) 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.

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 (except for buildings held for own use) 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.

3 Significant accounting policies (continued)

3.5 Property, plant and equipment (continued)

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	2-20 years
• Right-of-use assets	1-15 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

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 (vii). 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, 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	20 years
• License rights	over the term of the license period
• Fund management contracts	over the estimated term of the relevant contracts (6 to 10 years)

Amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3 Significant accounting policies (continued)

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.

3 Significant accounting policies (continued)

3.7 Impairment (continued)

(i) Non-derivative financial assets (continued)

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 the 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.

Equity accounted investments

Any impairment loss in respect of an associate or joint venture 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, only to the extent that the recoverable amount increases.

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

3 Significant accounting policies (continued)

3.7 Impairment (continued)

(ii) 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.

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 investment in associates and joint ventures is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in associates and joint ventures is tested for impairment as a single asset when there is objective evidence that the investment may be impaired.

3 Significant accounting policies (continued)

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. Investment 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 property, 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 Deferred acquisition 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. Deferred acquisition 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 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3 Significant accounting policies (continued)

3.10 Employee benefits

(iii) Employee leave entitlement

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring of benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

*(v) Share-based paymen*t transactions

For equity-settled share-based payment transactions, the fair value of the services received is recognized as an expense with a corresponding increase in equity over the vesting period during which the employees become unconditionally entitled to the equity instrument. The fair value of the services received is determined by reference to the fair value of the equity instrument granted at the date of the grant. At each reporting date, the number of equity instruments that are expected to be vested are estimated. The impact on the revision of original estimates is recognized as an expense and as a corresponding adjustment to equity over the remaining vesting period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions.

For cash-settled share-based payment transactions, the fair value of the goods or services received is recognized as an expense with a corresponding increase in liability. The grant-date fair value of the liability is recognized over the vesting period. If no services are required, then the amount is recognized immediately. Remeasurements during the vesting period are recognized immediately to the extent that they relate to past services, and recognition is spread over the remaining vesting period to the extent that they relate to future services. That is, in the period of the remeasurement, there is a catch-up adjustment for prior periods in order for the recognized liability at each reporting date to equal a defined proportion of the total fair value of the liability. The recognized proportion is generally calculated by dividing the period for which services have been provided as at the reporting date by the total vesting period. Remeasurements are recognized in profit or loss.

(vi) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than defined contribution and defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on US government 10-year bond yields and have maturity dates approximating the terms of the Group's obligations and are denominated in the currency in which the benefits are expected to be paid. The calculation is performed using the projected unit credit method. Remeasurements are recognized in profit or loss in the period in which they arise.

3 Significant accounting policies (continued)

3.11 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3.12 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 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.

3 Significant accounting policies (continued)

3.12 Leases (continued)

(i) As a lessee (continued)

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.

From 1 January 2022, 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 "other non-current liabilities" and "trade and other payables" 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.

3 Significant accounting policies (continued)

3.12 Leases (continued)

(ii) As a lessor (continued)

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 (see Note 3.7(i)).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".

3.13 Revenue recognition

Rental and related 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 revenue includes revenue 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.

3 Significant accounting policies (continued)

3.13 Revenue recognition (continued)

Fund management fee income (continued)

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

Revenue from sale of electricity arises from the sale of electricity produced and sold to customers. Performance obligations in the contract are the provisions of electricity power through the solar panels to the electricity distributor. They are provided continuously over the contractual period, so the services in the contract represent a single performance obligation. The customer simultaneously receives and consumes the benefits provided by the Group. Revenue is recognised over the contractual period.

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.

3.14 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 Significant accounting policies (continued)

3.15 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. Interest income or expense is recognized as it accrues in profit or loss, using the effective interest method.

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.

3.16 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 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:

3 Significant accounting policies (continued)

3.16 Tax (continued)

- 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 investments 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 properties that are 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 statements 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 Significant accounting policies (continued)

3.17 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.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3.18 New standards and amendments

The Group has adopted Amendments to SFRS(I) 37: Onerous Contracts – Cost of Fulfilling a Contract from 1 January 2022. This resulted in a change in accounting policy for performing an onerous contracts assessment. Previously, the Group included only incremental costs to fulfil a contract when determining whether that contract was onerous. The revised policy is to include both incremental costs and an allocation of other direct costs.

The amendments apply prospectively to contracts existing at the date when the amendments are first applied. The Group has analysed all contracts existing at 1 January 2022 and determined that none of them would be identified as onerous applying the revised accounting policy – i.e. there is no impact on the opening equity balances as at 1 January 2022 as a result of the change.

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 2022 and have not been listed in these financial statements as they either not relevant or are immaterial to the financial statements. Certain new accounting standards and interpretations have been published that are effective for financial years commencing after 31 December 2022 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.

3.19 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 2022 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

		Group	
	Note	**2022 US$'000**	**2021 US$'000**
At 1 January		16,619,297	22,438,429
Additions		1,495,902	3,472,236
Disposals		(513,933)	(108,752)
Acquisition of subsidiaries	28(A)	1,744,522	2,020,605
Disposal of subsidiaries	28(B)	(991,562)	(6,377,898)
Borrowing costs capitalized	25	34,947	26,520
Changes in fair value		890,418	1,359,752
Reclassification to assets classified as held for sale	14	(2,222,178)	(6,710,114)
Effect of movements in exchange rates		(1,748,822)	498,519
At 31 December		15,308,591	16,619,297
Comprising:			
Completed investment properties		11,099,560	12,213,353
Investment properties under re-development		–	10,424
Properties under development		2,727,728	2,245,244
Land held for development		1,481,303	2,150,276
		15,308,591	16,619,297

The Group reclassified certain investment properties of US$2,222,178,000 (2021: US$6,710,114,000) 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$12,183,466,000 as at 31 December 2022 (2021: US$11,920,179,000) were mortgaged to banks and bondholders to secure credit facilities for the Group (Note 18).

4 Investment properties (continued)

Measurement of fair value (continued) Measurement of fair value

(i) Fair value hierarchy

The Group's investment property portfolio is 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 metre in the area.

The fair value measurement for investment properties of US$15,308,591,000 (2021: US$16,619,297,000) has been categorized as a Level 3 fair value based on the inputs to the valuation technique used and was measured based on valuation 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.

4 Investment properties (continued)

(ii) Reconciliation of Level 3 fair values

Valuation technique 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:*** PRC: 4.00% to 7.00 % (2021: 4.00% to 7.00%) Europe: 5.12% (2021: 4.60%) USA: 4.00% (2021: 4.00% to 5.50%)	The estimated fair value varies inversely against the capitalization rate.
Discounted cash flow	***Discount rate:*** PRC: 7.25% to 10.50% (2021: 7.25% to 10.50%)	The estimated fair value varies inversely against the discount rate.
	Terminal yield rate: PRC: 4.00 % to 7.00% (2021: 4.00% to 7.00%)	The estimated fair value varies inversely against the terminal yield rate.
Residual	***Capitalization rate[1]:*** PRC: 4.50% to 7.00% (2021: 4.50% to 7.00%) Japan: 3.80% to 6.38% (2021: 3.62% to 6.08%) Europe: 4.42 %(2021: 4.44%)	The estimated fair value and gross development value vary inversely against the capitalization rate.

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

5 Subsidiaries

	Company	
	2022	**2021**
	US$'000	**US$'000**
Unquoted equity shares, at cost	9,427,499	5,727,855
Less: Allowance for impairment loss	(245,770)	(243,822)
	9,181,729	5,484,033
Loans to subsidiaries (interest-free)	367,759	538,532
	9,549,488	6,022,565

During the year ended 31 December 2022, a reversal of impairment loss of US$Nil (2021: reversal of impairment loss of US$59,795,000) was recognized in profit or loss for the Company's investment in a subsidiary in the USA, in view of the excess in recoverable amount against the cost less accumulated impairment.

During the year ended 31 December 2022, an impairment loss of US$Nil (2021: US$42,854,000) was recognized in profit or loss for the Company's investment in certain subsidiaries in Brazil, in view of the deficit of recoverable amount against the cost less accumulated impairment.

During the year ended 31 December 2022, an impairment loss of US$1,948,000 (2021: USNil) was recognized in profit or loss for the Company's investment in certain subsidiaries in Singapore, in view of the deficit of 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 2022.

Details of significant subsidiaries are set out in Note 34.

6 Equity accounted investments

	Group	
	2022	**2021**
	US$'000	**US$'000**
Interests in associates	4,427,004	4,178,170
Interests in joint ventures	3,652,056	4,068,390
	8,079,060	8,246,560
Capital commitments in relation to interests in equity accounted investments	3,853,988	3,375,223

6 Equity accounted investments (continued)

The Group has one joint venture and four associates (2021: two joint ventures and two 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 2022 %	2021 %
GLP Japan Development Partners II ("JDP II")	Private equity fund focused on logistics properties	Japan	–[2]	50.00
China Merchants Capital Investments Co., Ltd. ("CMC")	Equity investment	PRC	50.00	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	14.04	–[2]
Hidden Hill Fund ("Hidden Hill")	Equity investment	PRC	66.91	67.97
Hidden Hill Foundation ("HHF")	Equity investment	PRC	16.16	–[2]

Notes:

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

2 JDP II is not a material joint venture and associate to the Group for the financial year ended 31 December 2022. JIF and HHF were not material joint ventures and associates to the Group for the financial year ended 31 December 2021.

6 Equity accounted investments (continued)

Summary information for equity accounted investees 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 III US$'000	JIF US$'000	CMC US$'000	Hidden Hill US$'000	HHF US$'000
For the year ended 31 December 2022					
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)	–	–
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)	–	–

6 Equity accounted investments (continued)

Summary information for equity accounted investees that are material to the Group (continued)

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

As at 31 December 2022	JDP III US$'000	JIF US$'000	CMC US$'000	Hidden Hill US$'000	HHF US$'000	Other individually immaterial equity accounted investees US$'000	Total US$'000
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 (Note 25)	–	–	–	–	–	(16,528)	(16,528)
Reclassification from other investment (Note 10)	–	–	–	–	–	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

6 Equity accounted investments (continued)

Summary information for associates and joint ventures that are material to the Group (continued)

For the year ended 31 December 2021	JDP II US$'000	JDP III US$'000	CMC US$'000	Hidden Hill US$'000
Results				
Revenue	6,718	14,962	390,813	557,308
Profit for the year	207,407	639,573	308,523	448,019
Profit after tax include:				
Interest income	1	–	1,234	478
Depreciation and amortization	(4,341)	(4,020)	–	–
Interest expense	(299)	(1,053)	(58,724)	–
Assets and liabilities				
Non-current assets	784,825	946,823	2,364,642	1,874,210
Current assets	60,619	1,454,591	517,148	169,863
Total assets	845,444	2,401,414	2,881,790	2,044,073
Non-current liabilities	(352,736)	(1,047,763)	(1,059,336)	(112,776)
Current liabilities	(92,077)	(251,986)	(350,928)	(135)
Total liabilities	(444,813)	(1,299,749)	(1,410,264)	(112,911)
Assets and liabilities include:				
Cash and cash equivalents	43,796	140,374	139,596	169,864
Current financial liabilities (excluding trade and other payables)	(15)	(33,903)	(323,315)	–
Non-current financial liabilities (excluding trade and other payables)	(335,299)	(1,007,596)	(1,059,336)	–

6 Equity accounted investments (continued)

Summary information for associates and joint ventures that are material to the Group (continued)

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

31 December 2021	GLP Japan Development Partners II US$'000	GLP Japan Development Partners III US$'000	CMC US$'000	Hidden Hill US$'000	Other individually immaterial associates and joint ventures US$'000	Total US$'000
Group's interest in net assets of associates and joint ventures at beginning of the year	321,877	53,571	770,916	963,438	4,034,767	6,144,569
Group's share of total comprehensive income	100,812	98,238	101,071	373,385	406,265	1,079,771
Dividends received from associates and joint ventures (the Group's share)	(225,995)	(21,249)	–	(18,334)	(379,334)	(644,912)
Group's share of total (distribution to)/contribution by shareholders (net)	33,683	51,741	–	86,944	1,789,271	1,961,639
Group's share of total (distribution to)/contribution by shareholders (net)- Non Cash	–	–	–	–	21,651	21,651
Disposal of associates and joint ventures	–	–	–	–	(352,379)	(352,379)
Reclassification of joint venture to assets classified as held for sale	–	–	–	(182,599)	146,598	(36,001)
Effect of movements in exchange rates	(26,755)	(11,429)	19,276	29,647	61,483	72,222
Carrying amount of interest in associates and joint ventures at the end of the year	203,622	170,872	891,263	1,252,481	5,728,322	8,246,560

6 Equity accounted investments (continued)

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	
	2022 US$'000	2021 US$'000
Carrying amount of interests in immaterial associates and joint ventures	6,122,325	5,728,322
Group's share of:		
− Profit from continuing operations	36,974	401,079
− OCI	1,096	5,186
− Total comprehensive income	38,070	406,265

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 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)

7 Deferred tax (continued)

Group	At 1 January US$'000	Acquisition of subsidiaries (Note 28(A)) US$'000	Disposal of subsidiaries 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 2021								
Deferred tax assets								
Unutilized tax losses	37,546	11,206	(9,344)	(1,488)	–	1,990	(12,039)	27,871
Others	16,710	–	(1)	(810)	–	1,620	–	17,519
	54,256	11,206	(9,345)	(2,298)	–	3,610	(12,039)	45,390
Deferred tax liabilities								
Investment properties	(2,371,735)	(18,590)	495,212	(54,331)	–	(381,359)	812,260	(1,518,543)
Property, plant and equipment	(2,372)	–	–	(26)	2,398	–	–	–
Other investments	(80,664)	–	7	(3,360)	(11,530)	(52,700)	–	(148,247)
Others	(39,462)	–	44	(2,638)	(490)	(98,733)	–	(141,279)
	(2,494,233)	(18,590)	495,263	(60,355)	(9,622)	(532,792)	812,260	(1,808,069)
Total	(2,439,977)	(7,384)	485,918	(62,653)	(9,622)	(529,182)	800,221	(1,762,679)

7 Deferred tax (continued)

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	
	2022	**2021**
	US$'000	**US$'000**
Deferred tax assets	85,457	54,963
Deferred tax liabilities	(1,588,515)	(1,817,642)

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$57,575,000 (2021: US$83,311,000) as the Group does 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	
	2022	**2021**
	US$'000	**US$'000**
Tax losses	948,870	874,754

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. Unrecognized tax losses will expire within one to five years.

8 Property, plant and equipment

	Note	At valuation	At cost					
		Buildings US$'000	Buildings held for own use US$'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
At 1 January 2021		106,254	74,626	109,640	–	19,583	151,569	461,672
Acquisition of subsidiaries		–	–	39,057	–	3,030	50,310	92,397
Additions		41,995	10,519	54,118	–	151,640	326,381	584,653
Disposals		–	–	(1,365)	–	–	(18,977)	(20,342)
Disposal of subsidiaries		(156,822)	–	(6,221)	–	–	–	(163,043)
Reclassification to asset held for sale		–	–	(64)	–	–	–	(64)
Revaluation of buildings recognized in other comprehensive income		6,698	–	–	–	–	–	6,698
Written off		–	–	(61)	–	–	(5,364)	(5,425)
Elimination on revaluation of buildings		(827)	–	–	–	–	–	(827)
Effect of movements in exchange rates		2,702	1,581	1,061	–	2,188	4,479	12,011
At 31 December 2021		–	86,726	196,165	–	176,441	508,398	967,730
Additions		–	37,356	384,944	7,605	(15,632)	27,752	442,025
Acquisition of subsidiaries	28B	–	41,606	97,508	–	143,600	104,854	387,568
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

8 Property, plant and equipment (continued)

	At valuation	At cost					
Group	Buildings US$'000	Buildings held for own use US$'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
Accumulated depreciation							
At 1 January 2021	–	1,814	43,713	–	–	26,922	72,449
Depreciation charge for the year	827	1,100	13,877	–	–	28,759	44,563
Disposals	–	–	(513)	–	–	(6,152)	(6,665)
Disposal of subsidiaries	–	–	(2,697)	–	–	–	(2,697)
Reclassification to asset held for sale	–	–	158	–	–	–	158
Written off	–	–	(61)	–	–	(5,364)	(5,425)
Elimination on revaluation of buildings	(827)	–	–	–	–	–	(827)
Effect of movements in exchange rates	–	609	376	–	–	3,895	4,880
At 31 December 2021	–	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 losses	–	–	(5)	–	–	–	(5)
Effect of movements in exchange rates	–	(849)	(7,639)	–	–	(14,485)	(23,023)
At 31 December 2022	–	4,639	81,835	21	–	69,697	156,142
Carrying amounts							
At 31 December 2021	–	83,203	141,312	–	176,441	460,338	861,294
At 31 December 2022	–	152,944	536,566	7,691	286,042	488,727	1,471,970

8 Property, plant and equipment (continued)

	At cost			
	Furniture, fittings and equipment US$'000	**Assets under construction US$'000**	**Right-of-use assets US$'000**	**Total US$'000**
Company				
Cost				
At 1 January 2021	15,989	1,554	1,965	19,508
Additions	1,169	1,434	–	2,603
Transfer	1,668	(1,668)	–	–
Written off	(62)	–	–	(62)
At 31 December 2021	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
Accumulated depreciation				
At 1 January 2021	14,279	–	794	15,073
Depreciation charge for the year	1,536	–	537	2,073
At 31 December 2021	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
Carrying amounts				
At 31 December 2021	2,949	1,320	634	4,903
At 31 December 2022	3,929	5,362	117	9,408

9 Goodwill and intangible assets

Group	Goodwill Goodwill US$'000	Intangible Assets Trade-marks US$'000	License rights US$'000	Fund Management Contract US$'000	Customer Related Assets US$'000	Total US$'000
Cost						
At 1 January 2021	499,220	39,098	3,383	–	–	541,701
Additions	1,210	25	–	–	–	1,235
Effect of movements in exchange rates	6,965	565	127	–	–	7,657
At 31 December 2021	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
Accumulated amortization						
At 1 January 2021	–	20,700	987	–	–	21,687
Amortization for the year	–	2,010	85	–	–	2,095
Effect of movements in exchange rates	–	449	24	–	–	473
At 31 December 2021	–	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
Carrying amounts						
At 31 December 2021	507,395	16,529	2,414	–	–	526,338
At 31 December 2022	1,476,410	15,162	30,594	328,148	133,094	1,983,408

9 Intangible assets (continued)

Goodwill and other intangible assets from business combination

Impairment test for goodwill

For the purpose of goodwill impairment testing, the aggregate carrying amount of goodwill allocated to each cash-generating unit ("CGU") as at 31 December 2022 are as follows:

	Carrying amount	
	2022	**2021**
Group	**US$'000**	**US$'000**
Airport City Development Group ("ACL Group")	53,842	57,672
GLP China[1]	245,728	246,275
SEA Logistics[5]	63,087	–
Pengcheng Jinyun Technology Co., Ltd.[2]	257,290	–
GLP Japan[3]	168,269	141,467
GLP Europe[4]	46,194	59,456
GCP USA[5]	639,475	–
Others	2,525	2,526
Total	1,476,410	507,395

Notes:

1 Relates to the leasing of logistic facilities and provision of asset management services in China and excludes the ACL Group.
2 Relates to a data center platform in China.
3 Relates to the leasing of logistic facilities and provision of asset management services in Japan.
4 Relates to the provision of asset management services in central and eastern Europe.
5 These are provisional goodwill figures arising from the acquisition of GLP Capital Partners Inc. and SEA Logistics Ltd (thereafter individually referred to as "investees") as disclosed in Note 28(A). The Group is currently undergoing an exercise to determine the fair values to be assigned to the investees' identifiable assets, liabilities and contingent liabilities (if any) pursuant to the requirements of SFRS(I) 3: *Business Combinations*, Upon finalization of this exercise, the resulting goodwill on consolidation may be adjusted accordingly.

ACL Group

The recoverable amount of ACL Group are determined based on value in use calculation. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent budgets and forecasts approved by management covering five years. Cash flows beyond these periods are extrapolated using an estimated terminal growth rate of 3.00% (2021: 3.00%). The pre-tax discount rate of 7.50 % (2021: 7.50%) 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 ACL Group operates.

9 Intangible assets (continued)

Impairment test for goodwill (continued)

Pengcheng Jinyun Technology Co., Ltd.

The recoverable amount of Pengcheng Jinyun Technology Co., Ltd. are determined based on value in use calculation. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent budgets and forecasts approved by management covering five years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rate of 3.00% (2021: Nil%). The pre-tax discount rate of 11.20 % (2021: Nil) 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 Pengcheng Jinyun Technology Co., Ltd operates.

GLP China, GLP Japan and GLP Europe

Recoverable amounts of GLP China, GLP Japan and GLP Europe as of 31 December 2022 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.

GCP USA

The recoverable amount of GCP US as of 31 December 2022 is determined using the SOTP approach to measure the fair value less costs of disposal of the CGUs income streams.

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:

9 Intangible assets (continued)

Impairment test for goodwill (continued)

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 (see Note 2c(ii)).

Valuation method	**Key unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement of business**
Discounted cash flow	***Estimated development costs to complete construction*** US$256 psm to US$30,138 psm (2021: US$143 to US$7,345 psm)	The estimated fair value varies inversely against the estimated development costs to complete construction.
	Value creation margin: 6.0% - 64.8% (2021: 16.2% to 64.8%)	The estimated fair value varies proportionately against value creation margin.
	Discount rate: 3.85% to 18.44% (2021: 3.04% to 5.37%)	The estimated fair values varies inversely against the discount rate.

Fund management

Valuation method	**Key unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
Market approach	2022: Adjusted transaction price for minority interest investment	The estimated fair value increases as the discount applied to the price paid by strategic investors decreases
	2021: Fee related earnings multiple: 17x	The estimated fair value increases as the multiple increases.
	Fund management services margin: 2021: 5.73% to 65.84%	The estimated fair value increases as the fund management services margin increases.
Discounted cash flow	Discount rate: 7.46% to 23.15% (2021: 4.28% to 18.07%)	The estimated fair value varies inversely against the discount rate.

9 Intangible assets (continued)

Impairment test for goodwill (continued)

Sensitivity analysis

As at 31 December 2022 and 31 December 2021, the estimated recoverable amounts 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:

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.

	Recoverable amounts	
	Increase US$'000	**Decrease US$'000**
31 December 2022		
Development business value creation margin (5% movement)		
PRC	205,000	(205,000)
Japan	257,000	(257,000)
Central Europe	92,000	(92,000)
Fund management services transaction price (5% movement)		
PRC	140,000	(140,000)
Japan	71,000	(71,000)
Central Europe	39,000	(39,000)
31 December 2021		
Development business value creation margin (5% movement)		
PRC	302,000	(302,000)
Japan	203,000	(203,000)
Central Europe	94,000	(94,000)
Fund management services funds margin (5% movement)		
PRC	146,000	(146,000)
Japan	133,000	(133,000)
Fund management services fee related earnings multiple (1x movement)		
PRC	108,000	(108,000)
Japan	103,000	(103,000)

10 Other investments

	Group 2022 US$'000	Group 2021 US$'000
Non-current investments		
Quoted equity investments – at FVOCI	687,578	1,040,447
Quoted equity investments – at FVTPL	165,035	406,213
Unquoted equity investments – at FVOCI	139,647	198,260
Unquoted equity investments – mandatorily at FVTPL	1,871,534	1,189,147
	2,863,794	2,834,067

The Group's exposure to market risk and fair value information related to other investments are disclosed in Notes 30 and 31.

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 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.

Reconciliation of Level 3 fair values

	Note	2022 US$'000	2021 US$'000
Balance at 1 January		1,387,407	1,862,474
Net unrealized gains:			
– recognized in profit or loss		26,984	253,494
– recognized in other comprehensive income		51,582	30,378
Acquisition of subsidiaries	28(A)	500,914	–
Additions		861,428	273,154
Disposals		(178,028)	(412,910)
Disposal of subsidiaries	28(B)	(425,693)	(633,190)
Effects of movements in exchange rates		(58,243)	14,007
Reclassification to equity accounted investments	6	(155,170)	–
Balance at 31 December		2,011,181	1,387,407

11 Other non-current assets

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Trade receivables	31,334	34,352	–	–
Deposits	17,311	2,463	–	–
Amounts due from:			–	–
– joint ventures	15,026	17,951	–	–
– an investee entity	93,165	89,390	–	–
Amounts due from immediate holding company	2,256,149	–	2,256,149	–
Loans to equity accounted investments	464,437	472,869	–	–
Loans to employees	6,981	–	–	–
Loans to third parties	57,375	5,249	56,114	–
Deferred acquisition costs	118,832	106,091	–	–
Prepaid construction costs	77,081	70,484	–	–
Other investment held for disposal	97,370	128,201	–	–
Land purchase option	117,965	202,400	–	–
Others	83,675	49,077	519	–
	3,436,701	1,178,527	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 ranging from 5.70% to 8.00% (2021: 5.70% to 8.00%) per annum at the reporting date and are fully repayable by December 2027 (2021: December 2024).

The loans to third parties are unsecured, bear fixed interest rate of 4.50% (2021: 0.00%) and to 10.00% per annum at the reporting date and are fully repayable on 28 July 2025within 1 to 3 years (2021: within 2 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.

Land purchase option relates to a call and put option for the purchase of land in Europe (see Note 20 and Note 21).

12 Trade and other receivables

	Group 2022 US$'000	Group 2021 US$'000	Company 2022 US$'000	Company 2021 US$'000
Trade receivables	100,546	54,255	–	–
Impairment losses	(4,255)	(1,881)	–	–
Net trade receivables	96,291	52,374	–	–
			–	–
Finance lease receivables	1,606	–	–	–
Amounts due from immediate holding company (non-trade)	3,123,371	4,096,219	3,123,371	4,096,219
Amounts due from subsidiaries:				
– non-trade and interest-free	–	–	3,078,796	1,262,234
– non-trade and interest-bearing	–	–	–	428,265
– impairment losses for amounts due from subsidiaries	–	–	(31,500)	–
Amounts due from equity accounted investments:				
– trade	143,699	165,337	–	–
– non-trade and interest-free	772,448	339,625	–	269
Amounts due from related companies:				
– trade	2,391,493	211,087	–	–
– non-trade and interest-free	1,029,276	665,882	28,870	1,311
Amounts due from an investee entity:				
– trade	18,012	18,671	–	–
– non-trade and interest-free	32,901	39,271	–	–
Amounts due from NCI				
– non-trade and interest-free	10,360	8,611	–	–
Loans to NCI	14,742	16,104	–	–
Loans to equity accounted investments	318,349	243,082	–	–
Loans to third parties:			–	–
– in relation to acquisition of new investments	82,595	180,228	–	–
Impairment losses for loan to third parties	(31,500)	–	–	–
– others	–	40	–	–
	7,907,352	5,984,157	6,199,537	5,788,298
Deposits	163,729	124,713	763	205
Other receivables	363,426	349,289	11,617	7,409
Impairment losses	(1,586)	(218)	–	–
	361,840	349,071	11,617	7,409
Trade and other receivables	8,529,212	6,510,315	6,211,917	5,795,912
Prepayments and other assets	55,853	45,127	5,511	3,445
	8,585,065	6,555,442	6,217,428	5,799,357

12 Trade and other receivables (continued)

The non-trade amounts due from immediate holding company, equity accounted investments, an investee entity, related companies, NCI and subsidiaries are unsecured and are repayable on demand. The effective interest rates of non-trade interest-bearing amounts due from subsidiaries at the reporting date range from 2.00 % to 10.00% (2021: 2.00% to 10.00%) per annum.

The loans to NCI are unsecured, bears fixed interest of Nil% (2021: Nil%) per annum at the reporting date and are repayable on demand. The loans to equity accounted investments are unsecured, bear fixed interest at the reporting date ranging from 1.50 % to 15.22 % (2021: 5.70% to 15.20%) per annum and are repayable within the next 12 months.

The loan to third parties in relation to acquisition of new investments are unsecured, repayable within the next 12 months, and bear fixed interest ranging from 10.00% (2021: 10.00% to 18.00%) per annum, except for US$17,496,000 (2021: US$102,570,000) which is interest-free until completion of the acquisition. The other loans to third parties are unsecured, repayable within the next 12 months and bear fixed interest at the reporting date ranging from Nil % (2021: 10.00%) per annum.

The non-trade amounts due from immediate holding company, associates and joint ventures, an investee entity, related companies, NCI and subsidiaries are unsecured and are repayable on demand. The effective interest rates of non-trade interest-bearing amounts due from subsidiaries at the reporting date range from 2.00 % to 10.00% (2021: 2.00% to 10.00%) per annum.

The loans to NCI are unsecured, bears fixed interest of Nil% (2021: Nil%) per annum at the reporting date and are repayable on demand. The loans to equity accounted investments are unsecured, bear fixed interest at the reporting date ranging from 1.50 % to 15.22 % (2021: 5.70% to 15.20%) per annum and are repayable within the next 12 months.

Deposits include an amount of US$120,370,000 (2021: US$16,313,000) in relation to acquisitions of new investments. Other receivables include value added tax receivables of US$133,659,000 (2021: US$ 162,155,000).

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

	Gross 2022 US$'000	Allowance for doubtful receivables 2022 US$'000	Gross 2021 US$'000	Allowance for doubtful receivables 2021 US$'000
Group				
PRC	4,947,706	(5,781)	2,073,106	(2,099)
Japan	125,622	(3)	113,984	–
Singapore	3,390,287	(31,500)	4,232,710	–
USA	27,437	(51)	8,705	–
Brazil	983	–	2,415	–
EU	74,518	(6)	81,180	–
Others	–	–	314	–
	8,566,553	(37,341)	6,512,414	(2,099)
Company				
Singapore	6,243,417	(31,500)	5,795,912	–

12 Trade and other receivables (continued)

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

	Gross 2022 US$'000	Allowance for doubtful receivables 2022 US$'000	Gross 2021 US$'000	Allowance for doubtful receivables 2021 US$'000
Group				
Not past due	8,469,280	(33,095)	6,460,363	–
Past due 1 – 60 days	87,858	(1,374)	49,824	(751)
Past due 61 – 180 days	6,738	(1,130)	1,491	(721)
More than 180 days	2,677	(1,742)	736	(627)
	8,566,553	(37,341)	6,512,414	(2,099)
Company				
Not past due	6,243,417	(31,500)	5,795,912	–

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 and other 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.

The Group's historical experience in the collection of trade and other 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 customers 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 and other 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.

12 Trade and other receivables (continued)

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

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

The Group measures loss allowances for trade and other receivables 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 as at 31 December:

	Expected loss rate %	**Gross carrying amount US$'000**	**Lifetime ECL US$'000**
2022			
Not past due	–	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)
2021			
Not past due	–	6,460,363	–
Past due 1 – 60 days	1.07	49,824	(751)
Past due 61 – 180 days	48.35	1,491	(721)
More than 180 days	85.16	736	(627)
		6,512,414	(2,099)

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 and loans 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.

12 Trade and other receivables (continued)

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

	Group	
	2022 US$'000	2021 US$'000
At 1 January	2,099	2,196
Recognition of impairment losses	35,202	1,010
Impairment loss reversed	–	(26)
Acquisition of subsidiaries	–	189
Disposal of subsidiaries	–	(428)
Effect of movements in exchange rates	40	(842)
At 31 December	37,341	2,099

13 Cash and cash equivalents

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Fixed deposits	230,417	164,430	30,178	–
Cash at bank	2,358,850	1,880,785	69,815	964,548
Cash and cash equivalents in the statements of financial position	2,589,267	2,045,215	99,993	964,548
Less: restricted cash	(104,650)	(27,453)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	2,484,617	2,017,762	99,993	964,548

The effective interest rates relating to fixed deposits and certain cash at bank balances at the reporting date for the Group range from 0.00%* to 11.81% (2021: 0.00%* to 4.80%) per annum. Interest rates reprice at intervals of one to twelve months.

*This is due to rounding

Restricted cash deposits represent bank balances held separately from the Group under trust amounting to US$46,092,000 (2021: US$27,453,000) and deposits pledged amounting to US$58,558,000 (2021: US$Nil).

14 Assets and liabilities classified as held for sale

	Group	
	2022	**2021**
	US$'000	**US$'000**
Assets classified as held for sale	6,644,094	5,812,352
Liabilities classified as held for sale	(4,235,813)	(2,556,050)
	2,408,281	3,256,302

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 China, USA and Europe. The Group plans to syndicate these assets and liabilities within the next 12 months from the reporting date.

As at 31 December 2021, the assets and liabilities classified as held for sale pertains to equity interests in a group of investment property-holding entities in China, USA and Europe. The Group has syndicated these assets and liabilities in 2022.

(a) Assets classified as held for sale comprises:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Investment properties	5,976,357	5,363,072
Associates and joint venture	–	133,779
Cash and cash equivalents	638,245	251,458
Other assets	29,492	64,043
	6,644,094	5,812,352

(b) Liabilities classified as held for sale comprises:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Loans and borrowings	3,073,582	1,769,665
Deferred tax liabilities	719,102	695,290
Other liabilities	443,129	91,095
	4,235,813	2,556,050

15 Share capital & perpetual securities

(a) Share capital

	Note	Ordinary shares No. of shares 2022 '000	2021 '000	Preference shares No. of shares 2022 '000	2021 '000
Company					
In issue at 1 January		4,165,477	4,165,477	–	–
Issued on restructuring	22	–	–	461	–
Issued during the year				99	
Redeemed during the year		–	–	(122)	–
In issue at 31 December		4,165,477	4,165,477	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, 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 relate 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.

(b) Perpetual securities

In 2021, the Company issued US$850,000,000 and US$300,000,000 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.

15 Share capital & perpetual securities (continued)

(b) Perpetual securities (continued)

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 Company 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	
	2022	**2021**
	US$'000	**US$'000**
Distributions accrued	52,195	30,777
Distributions paid	51,629	26,025

16 Reserves

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Capital reserve	379,890	133,387	(20,064)	(20,064)
Hedging reserve	7,915	(10,169)	694	(4,359)
Fair value reserve	236,262	333,009	–	–
Other reserve	(1,110,613)	(699,708)	14,954	–
Equity compensation reserves	71,260	139,565	–	–
Capital and other reserves	(415,286)	(103,916)	(4,416)	(24,423)
Currency translation reserve	(801,732)	198,964	–	–
Retained earnings	6,745,315	7,104,325	1,098,602	794,450
	5,528,297	7,199,373	1,094,186	770,027

16 Reserves (continued)

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 2022, retained earnings include approximately US$17,147,000 (2021: US$32,152,000) 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 share options under the global share plans of the Group.

Other reserve comprises the pre-acquisition reserves of those common control entities that were acquired in connection with the Group reorganization which occurred immediately prior to the initial public offering of the Company.

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 operations.

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**	
		2022	**2021**
		%	**%**
Airport City Development Co., Ltd. ("ACC")	PRC	46.86	46.86
CLF Fund I, LP ("CLF I")	PRC	69.88	69.88
CLF Fund II, LP ("CLF II")	PRC	69.07	60.50
GLP China Holdings Limited ("China Holdco Group")	PRC	33.79	33.79

17 Non-controlling interests (continued)

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 34 for details of the significant subsidiaries of the Group.

31 December 2022	ACL US$'000	CLF I US$'000	CLF II US$'000	China Holdco Group US$'000	Other individually immaterial subsidiaries* US$'000	Total US$'000
Results						
Revenue	99,166	112,966	174,866	1,252,017		
Profit for the year	49,702	83,858	244,143	1,446,664		
OCI	–	–	–	(1,875,116)		
Total comprehensive income	49,702	83,858	244,143	(428,452)		
Attributable to:						
– NCI	–	–	–	(350,199)		
– Shareholders of the Company	49,702	83,858	244,143	(78,253)		
Attributable to NCI:						
– Profit for the year	23,291	58,602	171,054	450,551	(270,108)	433,390
– OCI	(49,433)	(128,368)	(234,886)	(469,396)	(159,473)	(1,041,556)
– Total comprehensive income	(26,142)	(69,766)	(63,832)	(18,845)	(429,581)	(608,166)

* Included in Other individually immaterial subsidiaries is a NCI of US$1 billion relating to the global share participants (note 15)

17 Non-controlling interests (continued)

31 December 2022	ACL US$'000	CLF I US$'000	CLF II US$'000	China Holdco Group US$'000	Other individually immaterial subsidiaries US$'000	Total US$'000
Assets and liabilities						
Non-current assets	1,873,571	–	6,149,197	26,154,163		
Current assets	84,543	1,475,739	283,509	12,309,539		
Total assets	1,958,114	1,475,739	6,432,706	38,463,702		
Non-current liabilities	(655,112)	–	(2,010,155)	(9,745,965)		
Current liabilities	(121,590)	(2,107,968)	(455,054)	(8,458,195)		
Total liabilities	(776,702)	(2,107,968)	(2,465,209)	(18,204,161)		
NCI	–	–	(108,284)	(6,124,137)		
Net assets attributable to shareholders of the Company	1,181,412	(632,229)	3,859,213	14,135,404		
Net assets attributable to NCI	548,816	(435,757)	2,773,842	4,793,660	4,831,214	12,511,775
Cash flows from/(used in) operating activities	47,062	–	(84,319)	531,215		
Cash flows used in investing activities	(8,623)	–	(654,904)	(2,266,,010)		
Cash flows from/(used in) financing activities (dividends to NCI: US$Nil)	(32,855)	234,803	838,009	2,894,747		
Net increase/(decrease) in cash and cash equivalents	5,584	234,803	98,786	1,159,952		

17 Non-controlling interests (continued)

31 December 2021	ACL US$'000	CLF I US$'000	CLF II US$'000	China Holdco Group US$'000	Other individually immaterial subsidiaries US$'000	Total US$'000
Results						
Revenue	91,217	228,292	102,234	1,273,512		
Profit for the year	52,952	243,223	351,916	1,605,166		
OCI	–	69,815	79,888	554,088		
Total comprehensive income	52,952	313,038	431,804	2,159,254		
Attributable to:						
NCI	–	–	28,301	595,052		
Shareholders of the Company	52,952	243,223	403,503	1,564,202		
Attributable to NCI:						
– Profit for the year	24,814	169,964	199,738	383,270	123,516	901,302
– OCI	–	48,787	44,381	162,279	28,255	283,702
– Total comprehensive income	24,814	218,751	244,119	545,549	151,771	1,185,004

17 Non-controlling interests (continued)

31 December 2021	ACL US$'000	CLF I US$'000	CLF II US$'000	China Holdco Group US$'000	Other individually immaterial subsidiaries US$'000	Total US$'000
Assets and liabilities						
Non-current assets	2,013,303	–	5,584,597	25,379,510		
Current assets	83,964	4,456,050	251,106	9,139,284		
Total assets	2,097,267	4,456,050	5,835,703	34,518,794		
Non-current liabilities	(711,109)	–	(1,541,458)	(9,347,868)		
Current liabilities	(148,011)	(2,105,778)	(601,586)	(5,543,831)		
Total liabilities	(859,120)	(2,105,778)	(2,143,044)	(14,891,699)		
NCI	–	–	(106,053)	(5,627,871)		
Net assets attributable to shareholders of the Company	1,238,147	2,350,272	3,586,606	13,999,224		
Net assets attributable to NCI	580,214	1,642,431	2,287,426	4,730,338	1,190,224	10,430,633
Cash flows from/(used in) operating activities	10,272	138,324	(21,276)	614,816		
Cash flows used in investing activities	–	(60,565)	(1,005,744)	(199,726)		
Cash flows from/(used in) financing activities (dividends to NCI: US$Nil)	–	4,958	1,047,274	(683,889)		
Net increase/(decrease) in cash and cash equivalents	10,272	82,717	20,254	(268,799)		

18 Loans and borrowings

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Non-current liabilities				
Secured bank loans	3,597,687	2,765,837	–	–
Secured bonds	68,349	384,042	–	–
Unsecured bank loans	1,862,797	1,213,608	611,137	681,240
Unsecured bonds	4,638,304	5,887,118	1,590,216	2,161,609
	10,167,137	10,250,605	2,201,353	2,842,849
Current liabilities				
Secured bank loans	376,460	428,889	–	–
Secured bonds	14,446	2,925	–	–
Unsecured bank loans	2,227,970	403,577	881,939	200,000
Unsecured bonds	1,157,941	669,743	458,422	–
	3,776,817	1,505,134	1,340,361	200,000

(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$12,053,408,000 (2021: US$11,279,778,000) (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 0.42% to 7.64% (2021: 0.44% to 6.77%) per annum and 1.52% to 6.30% (2021: 1.52% to 4.01%) per annum respectively.

Maturity of bank loans:

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Within 1 year	2,604,430	832,466	881,939	200,000
From 1 to 5 years	2,997,254	2,006,470	131,325	128,305
After 5 years	2,463,230	1,972,975	479,812	552,935
After 1 year	5,460,484	3,979,445	611,137	681,240
	8,064,914	4,811,911	1,493,076	881,240

Analysis of bank loans by geographic regions:

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
PRC	5,973,730	3,463,963	–	–
Japan	156,709	102,666	–	–
USA	111,503	196,695	–	–
Europe	329,896	167,347	–	–
Singapore	1,493,076	881,240	1,493,076	881,240
	8,064,914	4,811,911	1,493,076	881,240

18 Loans and borrowings (continued)

(b) Secured bonds

The bonds issued by the Group are fully secured by investment properties with carrying amounts of US$130,058,000 (2021: US$640,401,000) (Note 4) owned by subsidiaries.

The effective interest rates as at 31 December 2022 for secured bonds (taking into account the effects of interest rate swaps) ranged from 0.41% to 15.43% (2021: 0.41% to 12.99%) per annum.

Maturity of secured bonds:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Within 1 year	14,446	2,925
From 1 to 5 years	68,349	77,288
After 5 years	–	306,754
	82,795	386,967

(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 0.55% to 4.99% (2021: 0.55% to 5.65%) per annum.

Maturity of unsecured bonds:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Within 1 year	1,157,941	669,743	458,422	–
From 1 to 5 years	4,530,187	5,762,203	1,482,099	2,037,809
After 5 years	108,117	124,915	108,117	123,800
	5,796,245	6,556,861	2,048,638	2,161,609

18 Loans and borrowings (continued)

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

	Liabilities						
	Loans and borrowings	**Loans from equity accounted investments, NCI, related companies and third parties (Note 20 & 21)**	**Lease liabilities (Note 20 & 21)**	**Interest payable (Note 21)**	**Financial derivative liabilities**	**Capital securities (Note 20)**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Balance at 1 January 2022	11,755,739	8,043	343,429	113,281	4,359	–	12,224,851
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 securities instrument	–	–	–	–	–	1,138,500	1,138,500
Repayments of loans from NCI	–	(3,204)	–	–	–	–	(3,204)
Repayment of loans from third party	–	(700)	–	–	–	–	(700)
Repayment of loans from related companies	–	(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 equity accounted investments	–	4,770	–	–	–	–	4,770
Loans from NCI	–	1,646	–	–	–	–	1,646
Loans from third party	–	2,571	–	–	–	–	2,571
Loans from related companies	–	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 sales	(1,391,227)	104,842	–	–	–	–	(1,286,385)
The effect of changes in foreign exchange rates	(656,400)	(33,026)	(42,266)	(28,670)	2,797	–	(757,565)
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
Effective portion of changes in fair value of cash flow	–	–	–	–	(7,156)	–	(7,156)
Other changes	34,211	–	47,382	654,336	(7,156)	–	728,773
Balance at 31 December 2022	13,943,954	42,227	419,609	116,362	–	1,138,500	15,594,600

18 Loans and borrowings (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	Liabilities						
	Loans and borrowings	**Loans from equity accounted investments, NCI, related companies and third parties (Note 20 & 21)**	**Lease liabilities (Note 20 & 21)**	**Interest payable (Note 21)**	**Financial derivative liabilities**	**Capital security instrument (Note 20)**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Balance at 1 January 2021	13,343,827	18,370	105,775	124,229	6,048	–	13,598,249
Changes from financing cash flows							
Proceeds from bank loans	10,019,226	–	–	–	–	–	10,019,226
Repayment of bank loans	(9,000,959)	–	–	–	–	–	(9,000,959)
Proceeds from issue of bonds, net of transaction costs	3,139,706	–	–	–	–	–	3,139,706
Redemption of bonds	(2,656,961)	–	–	–	–	–	(2,656,961)
Interest paid	–	–	–	(584,065)	–	–	(584,065)
Proceeds from issue of capital securities instruments	–	–	–	–	–	–	–
Repayments of loans from NCI	–	(10,202)	–	–	–	–	(10,202)
Repayment of loans from third party	–	(637)	–	–	–	–	(637)
Repayment of loans from equity accounted investments	–	–	–	–	–	–	–
Repayment of lease liabilities	–	–	(28,434)	–	–	–	(28,434)
Total changes from financing cash flows	1,501,012	(10,839)	(28,434)	(584,065)	–	–	877,674
Changes arising from obtaining or losing control of subsidiaries or other business	(1,456,649)	-	–	(1,263)	–	–	(1,457,912)
Changes arising from asset and liabilities classified as held for sales	(1,571,108)	-					(1,571,108)
The effect of changes in foreign exchange rates	(116,861)	512	227,950	43	60	–	111,704
Other changes		–				–	
Amortization of transaction costs of bonds and bank loans	55,518	–	–	–	–	–	55,518
New leases	–	–	29,503	–	–	–	29,503
Interest expense	–	–	8,635	574,337	–	–	582,972
hedges	–	–	–	–	(1,749)	–	(1,749)
Other changes	55,518	–	38,138	574,337	(1,749)	–	666,244
Balance at 31 December 2021	11,755,739	8,043	343,429	113,281	4,359	–	12,224,851

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	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Security deposits received	149,222	151,253	–	–
Provision for reinstatement costs	1,969	768	100	100
Lease liabilities	382,820	312,117	–	100
Loans from NCI	406	3,046	–	–
Amounts due to a subsidiary	–	–	856,017	–
Employee bonus/incentive payable	16,121	16,253	–	–
Deposits received for disposal of other investments	97,412	128,201	–	–
Land purchase option	85,880	124,917	–	–
Capital security instrument	1,138,500	–	–	–
Other payables	674,135	126,218	5,097	6,966
	2,546,465	862,773	861,214	7,166

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

The capital security instrument has no fixed maturity and entitle the holders 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 instruments are exchangeable into a variable number of shares of GCP on the occurrence of a liquidity event based on a prescribed return to the holders. The instrument is secured on shares of GCP held by a subsidiary of the Company.

The amount due to a subsidiary relates to future potential promote fee income that is to be transferred from the limited partners of the funds to the subsidiaries on receipt.

21 Trade and other payables

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Trade payables	38,947	38,225	–	–
Accrued development expenditure	483,042	582,655	–	–
Accrued operating expenses	386,516	251,405	38,141	61,499
Advance rental received	34,983	42,814	–	–
Security deposits received	129,761	140,967	–	–
Amounts due to:				
– immediate holding company (non-trade)	70,773	294,699	–	211,937
– subsidiaries (non-trade)	–	–	4,372,933	1,994,605
– equity accounted investments (trade)	195	2,470	–	–
– equity accounted investments (non-trade)	144,238	42,359	–	–
– related companies (non-trade)	165,106	131,211	–	–
– NCI (trade)	5,511	2,992	–	–
– NCI (non-trade)	1,419,169	28,640	–	–
Loan from a joint venture (interest-bearing)	2,829	2,829	–	–
Loan from NCI (interest-bearing)	38,790	1,171	–	–
Loan from a third party (interest-bearing)	202	997	–	–
Interest payable	116,362	113,281	12,632	10,547
Consideration payable for acquisition of equity accounted investments and subsidiaries	60,418	79,849	–	–
Deposits received and accrued expenses for disposal of investment properties	55,190	77,211	–	–
Lease liabilities	36,789	31,312	95	534
Share-based payment liabilities	–	1,145,871	–	–
Land purchase option	31,755	77,483	–	–
Other payables	350,668	144,200	5,073	4,693
	3,563,266	3,232,641	4,428,874	2,283,815

The non-trade amounts due to immediate holding company, subsidiaries, equity accounted investments, related companies 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 joint venture, NCI and third party are unsecured, bear fixed interests ranging from 4.00% to 8.00% (2021: 4.00% to 6.08%) 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

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, 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. 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.

The share-based payment expense recognized in profit or loss during the year is US$25,548,000 (2021: US$17,459,000).

Global Share Plan

The Group introduced the Global Share Plan (the "Global Share Plan") in 2019 that provides 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.

Two types of shares under the Global Share Plan, namely, Award Shares and Leveraged Shares were issued.

22 Equity compensation benefits (continued)

Global Share Plan (continued)

(a) Award Shares

Award Shares are converted from present or future compensation elected to be in lieu of by the participants at a defined purchase price. The length of the vesting period (i.e. immediately, 36 months or 120 months from the grant date) varies for different group of employees and it is solely at the discretion of the Company. Vested Award Shares will generally be redeemed but subject to discretionary rights of the Group to adjust the percentage being purchased. Redeemed shares will be settled by cash with reference to the fair market value of the share at date of redemption. The shares are accounted for cash settled share-based plan under SFRS(I) 2 *Share Based Payments*. Fair value of the liability at grant date is recognized either over the vesting period or immediately should no future services be required. Remeasurements during the vesting period are recognized immediately to the extent that they relate to past services, and over the remaining vesting period to the extent relating to future services. Re-measurement adjustments are accounted such that recognized liability at each reporting date equals a defined proportion of total fair value of the liability. Proportion to be recognized is calculated by dividing the period for which services have been provided as at the reporting date by the total vesting period. Re-measurement effects are recognized in profit or loss.

On 23 June 2022, the Group modified the terms of the Global Share Plan with respect to the Award Shares. As a result of the modification, the Award Shares becomes an equity-settled share-based payment transaction and the transaction is accounted for as such from the date of the modification. The difference between the amount recognized in equity for the new equity-settled transaction and the liability derecognized is recognized in the profit or loss as gain or loss on modification.

Fair market value of the share was determined from valuation of fund management business calculated using a combination of income approach and market approach.

The following table illustrates the number and fair value of, and movement of Award shares during the year:

	Note	Fix cost per share US$	Number of shares
At 1 January 2021			248,543
Granted during the year		1,166 – 3,979	7,182
Redeemed during the year		3,979	(22,339)
At 31 December 2021			233,386
Fair value of the Award share at reporting date			US$4,471
Redeemable at the end of the year			233,386
At 1 January 2022			233,386
Exchange for shares under restructuring[1]	15		(233,386)
At 31 December 2022			–

[1] During the year, the Group underwent a reorganization exercise to transfer certain entities under the Group to a newly incorporated subsidiary, GLP Capital Partner and accordingly the award shares granted under the Global Share Plan were exchanged for ordinary shares in GLP Capital Partners.

22 Equity compensation benefits (continued)

Global Share Plan (continued)

(a) Award Shares (continued)

	Group	
	2022	**2021**
	US$'000	**US$'000**
Total share-based payment (credit)/expenses recognized as share-based payment (credit)/expenses	(93,404)	1,082,264

(b) Leveraged shares

Leveraged Shares are issued to participants at a value agreed on the grant date. Participants may draw down on interest-bearing loans granted by the Group to purchase the Leveraged Shares. The interest rate of the loans is set at prevailing external borrowing rates. The shares vest immediately upon issuance. Redemption of shares is initiated by the participants and subject to the discretionary rights of the Group. The shares are accounted for as an equity-settled share-based payment plan under SFRS(I) 2 *Share Based Payments*. The fair value of the services received from these equity settled share-based payment transactions at grant date is estimated indirectly with reference to the fair value of the Leverage Shares at grant date.

In the prior years, the fair value of the Leveraged Shares granted to employees is estimated on the grant date using a Monte-Carlo option pricing model. The exercise price is the principal due from the participants, including accrued interest. The fair value of the award is expensed on the date of grant, as the Leveraged Shares vest immediately.

The following table illustrates the number and fair value of, and movement of Leveraged shares during the year:

	Note	**Fair value per share US$**	**Number of shares**
At 1 January 2021			169,711
Granted during the year			
1 March 2021		1,509	1,201
16 December 2021		585	59,197
			230,109
Redeemed during the year		3,979	(1,955)
At 31 December 2021			228,154
Redeemable at the end of the year			228,154
At 1 January 2022			228,154
Exchange for shares under restructuring	15		(228,154)
At 31 December 2022			–

22 Equity compensation benefits (continued)

Global Share Plan (continued)

(b) Leveraged shares (continued)

	At 1 March 2021	At 16 December 2021
Period to maturity	1.5 years	0.5 years
Exercise price (US$)	2,032	4,017
Risk free rate-%	0.10 to 1.7	0.10 to 1.7
Volatility-%	25 to 40	25 to 40
Expected term (in years)	0.5 to 4	0.5 to 4

	2022 US$'000	2021 US$'000
Leveraged Shares share-based payment expense recognized as share-based payment expenses	–	146,720

(c) Events in 2021

On 16 December, 2021, the Group notified grantees of its intention to buy back Leveraged Shares and Award Shares from certain individuals at an agreed price per share of $3,979. The excess of the consideration over the fair value of the relevant Leveraged Shares at the date of the buyback has been expensed as an additional share-based payment. The liability that arose from the buyback of Award Shares is deemed to be settled by the Controlling Shareholder and has been accounted as a deemed capital contribution within net parent investment. Any difference between the buyback price and the share-based payment liability has been reflected as an additional share-based payment.

On 16 December, 2021 and 22 December, 2021, the Group approved the accelerated vesting of all outstanding Global Shares. As a result, the income statement charge that was being spread over the vesting period in respect of the Award Shares was accelerated and recognized in December 2021. At that time, the accelerated vesting of the Award Shares for one participant was subject to approval from a relevant authority. The approval was considered to be standard and procedural in nature, and thus, the vesting of the accelerated Award Shares of this participant was deemed to have occurred on 22 December, 2021. Formal approval from the relevant authority was obtained on 28 July, 2022. There was no impact from the accelerated vesting in respect of the Leveraged Shares which were already fully vested at the grant date.

On 16 December 2021, the Group transferred 39,000 Global Shares into a trust controlled by the Group to be held for future grant to employees.

22 Equity compensation benefits (continued)

Global Share Plan (continued)

(d) Events in 2022

On 23 June 2022, the Group signed separate agreements with Award Shareholders which stipulated that the Award Shares would no longer be repurchased by the Group under any circumstance. As a result of this modification, the Award Shares became accounted for as equity-settled share-based payment transactions from the date of the modification. Any remaining share-based payment liability outstanding at the date of modification was transferred to equity.

On 1 July 2022, the Group granted 39,000 shares from the trust with a fair value of 3,768 per share. These grants were subject to time-dependent vesting conditions and continued employment with the Group. There were no cash-alternative provisions in respect of these grants. The associated expense recognised in year ended 31 December 2022 was US$72,259,857.

On 7 November 2022, GCP introduced its own share-based compensation scheme for eligible employees. These awards will vest based on service conditions and will entitle the recipient to Class A Ordinary Shares in GCP on vesting. This is an equity-settled share-based payment scheme operated by a subsidiary.

23 Revenue

	Group	
	2022	**2021**
	US$'000	**US$'000**
Revenue recognized over time:		
Rental and related income	981,290	1,087,345
Management fees	579,368	449,856
Solar energy sales	170,940	–
Freezer services	93,201	65,085
	1,824,799	1,602,286
Revenue recognized at point in time:		
Sales of goods	27,719	4,309
Distributions from investments	58,155	27,593
	85,874	31,902
Total	1,910,673	1,634,188

24 Other (losses)/income

	Group 2022 US$'000	Group 2021 US$'000
Changes in fair value of quoted and unquoted equity investments at FVTPL	(60,960)	288,301
Government grants	41,581	40,443
Investment income	–	26,367
Others	11,442	10,417
	(7,937)	365,528

25 Net finance costs

	Note	Group 2022 US$'000	Group 2021 US$'000
Interest income on:			
– fixed deposits and cash at bank		35,390	10,987
– loans to equity accounted investments		48,808	47,597
– loans to related corporations		14,256	435
– loans to employees		118	–
– loans to third parties		9,055	21,738
		107,627	80,757
Amortization of transaction costs of bonds and bank loans		(34,211)	(55,516)
Interest expenses on:			
– financial liabilities measured at amortized cost		(630,277)	(573,554)
– loans from immediate holding company		–	(105)
– loans from NCI		(1,653)	(400)
– loans from equity accounted investments		(12)	(59)
– loans from related corporations		(1,163)	–
– loans from third parties		(21,231)	(222)
– lease liabilities		(11,831)	(8,635)
– others		(1,195)	(4,548)
Total borrowing costs		(701,573)	(643,039)
Less: borrowing costs capitalized in investment properties	4	34,947	26,520
Net borrowing costs		(666,626)	(616,519)
Gain on derecognition of bonds		21,405	–
Foreign exchange (loss)/gain		(243,807)	85,198
Net finance costs recognized in profit or loss		(781,401)	(450,564)

26 Other net (losses)/gains

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

	Note	Group 2022 US$'000	Group 2021 US$'000
Write off of investment in an associate	6	(16,528)	–
Bargain purchase gain on acquisition of subsidiaries and joint ventures		–	19,477
Gain on disposal of equity interest in joint venture upon step acquisition		39,583	–

27 Tax expense

	Note	Group 2022 US$'000	Group 2021 US$'000
Current tax			
Current year		128,570	160,278
Withholding tax on foreign-sourced income		396,273	288,661
(Over)/Under provision of prior years' tax		(416)	268
		524,427	449,207
Deferred tax			
Origination and reversal of temporary differences	7	244,748	529,182
		769,175	978,389

Reconciliation of expected to actual tax

		2022	2021
Profit before tax		1,303,195	2,664,426
Less: Share of results of equity accounted investments		(154,086)	(1,077,921)
Profit before share of equity accounted investments and tax		1,149,110	1,586,505
Income tax using Singapore tax rate of 17% (2021: 17%)		195,349	269,706
Effect of tax rates in foreign jurisdictions		40,550	97,114
Net income not subject to tax		(313,891)	(166,525)
Non-deductible expenses		380,877	400,123
Deferred tax assets not recognized		84,512	88,978
Recognition of previously unrecognized tax losses		(22,049)	(7,855)
Withholding tax on foreign-sourced income		396,273	288,661
(Over)/Under or over provision of prior year's tax		(416)	268
Others		7,970	7,919
		769,175	978,389

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 Combinations 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"), which was previously recorded as a joint venture. As a result, the Group's equity interest in SEA increased from 50% to 100%. The Group has accounted for the acquisition as a business combination.

28 Acquisitions (continued)

(A) Acquisition of subsidiaries (continued)

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%
Tenglong Donghu (Wuhan) Data Management Co., Ltd.	December 2022	100%
GLP Capital Partners LP	July 2022	100%

28 Acquisitions (continued)

(A) Acquisition of subsidiaries (continued)

(i) Business Combinations during the year ended 31 December 2022 (continued)

(a) Identifiable assets acquired and liabilities

	Recognized values on acquisition US$'000
Intangible assets	527,978
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	(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$42,188,000 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 US$2,248,942,000 and consolidated profit after tax for the year would have been US$514,336,000.

28 Acquisitions (continued)

(A) Acquisition of subsidiaries (continued)

(i) Business Combinations during the year ended 31 December 2022 (continued)

(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$96,584,000

Other current assets and liabilities

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

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

28 Acquisitions (continued)

(A) Acquisition of subsidiaries (continued)

(ii) 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%

28 Acquisitions (continued)

(A) Acquisition of subsidiaries (continued)

(ii) Acquisitions of subsidiaries during the year ended 31 December 2022 (continued)

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
Interests 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	(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)

28 Acquisitions (continued)

(A) Acquisition of subsidiaries (continued)

(iii) Business combinations during the year ended 31 December 2021

On 18 March 2021, the Group acquired 100% equity interests in GLP Yiwu Pujie Logistics Facilities Co., Ltd, which is principally involved in the provision of logistics facilities and related services. The Group has accounted for the acquisition as a business combination as the acquired inputs (comprising built assets and land banks), substantive processes and organized workforce under the acquisition contributed to the creation of outputs.

Name of subsidiaries	Date acquired	Equity interest acquired %
GLP Yiwu Pujie Logistics Facilities Co., Ltd	March 2021	100

(a) Identifiable assets acquired and liabilities

	Recognized values on acquisition US$'000
Investment properties	130,559
Intangible assets	–
Plant and equipment	–
Other investment	–
Deferred tax assets	–
Trade and other receivables	1,620
Cash and cash equivalents	2,141
Other assets	–
Trade and other payables	(3,537)
Loans and borrowings	(22,532)
Deferred tax liabilities	(14,609)
Other liabilities	–
Net assets acquired	93,642
Goodwill	(19,477)
Total purchase consideration	(74,165)
Purchase consideration payable	–
Paid by carrying amount of previously held equity interest	18,773
Purchase consideration satisfied in cash	(55,392)
Cash of subsidiary acquired	2,141
Cash outflow on acquisition of subsidiary	(53,251)

28 Acquisitions (continued)

(A) Acquisition of subsidiaries (continued)

(iii) Business combinations during the year ended 31 December 2021 (continued)

(a) Identifiable assets acquired and liabilities (continued)

From the dates of acquisitions to 31 December 2021, the above-mentioned acquisitions contributed net profit after tax of US$3,771,000 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 2021, management estimates that consolidated revenue would have been US$1,645,126,000 and consolidated profit after tax for the year would have been US$1,690,978,000.

(b) Fair values measurement

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

Property, plant and equipment

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

- *Market comparison technique and cost technique* – The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence

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.

28 Acquisitions (continued)

(A) Acquisition of subsidiaries (continued)

(iii) Business combination during the year ended 31 December 2021 (continued)

(b) Fair value measurement (continued)

Acquired receivables

The fair value of trade and other receivables, after taking into account the expected credit losses, is US$1,620,000

Other current assets and liabilities

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

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 2021

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 2021 is as follows:

Name of subsidiaries	Date acquired	Equity interest acquired %
Anhui Nuohan Intelligent Equipment Co., Ltd.	January 2021	91
GLP Solar GK	March 2021	100
GLP Development Fund ML GK	March 2021	100
Zhuhai Puyi Logistics Industry Investment LLP	March 2021	80
Harbin Suning Purchasing Co., Ltd.	March 2021	100
Changchun Suning Yida Logistics Co., Ltd.	March 2021	100
Shijiazhuang Shining Suning Trading Co., Ltd.	March 2021	100
Jiangsu Zhichen Asset Management Co., Ltd.	March 2021	100
Hefei Luning Yida Logistics Co., Ltd.	March 2021	100
Chengdu Suning Yida Warehousing Co., Ltd.	March 2021	100
Nanjing Jingfu Asset Management Co., Ltd.	March 2021	100
Shaoxing Suning Yuncang Logistics Co., Ltd.	March 2021	98
Fuzhou Suning Tesco Trading Co., Ltd.	March 2021	99
Guiyang Suning Logistics Co., Ltd.	March 2021	100
Yunnan Suning Logistics Co., Ltd.	March 2021	100
Hainan Suning Yida Logistics Co., Ltd.	March 2021	100
Urumqi Suning Tesco Trading Co., Ltd.	March 2021	100
Nanjing Yuyue Asset Management Co., Ltd.	March 2021	100

28 Acquisitions (continued)

(A) Acquisition of subsidiaries (continued)

(iv) Acquisitions of subsidiaries during the year ended 31 December 2021 (continued)

Name of subsidiaries	Date acquired	Equity interest acquired %
Lanzhou Suning Purchasing Co., Ltd.	March 2021	100
Jining Yanzhou Suning Yida Logistics Warehousing Co., Ltd.	March 2021	100
Yancheng Yanning Suning Tesco Co., Ltd.	March 2021	100
Wuhu Suning Yida Logistics Co., Ltd.	March 2021	100
Ezhou Suning Yida Logistics Investment Co., Ltd.	March 2021	100
Xuzhou Suning Yida Logistics Co., Ltd.	March 2021	100
Yancheng Yanning Suning Tesco Co., Ltd.	March 2021	100
Ezhou Suning Yida Logistics Investment Co., Ltd.	March 2021	100
GLP Yiwu Pujie Logistics Facilities Co.,Ltd.	March 2021	100
Hangzhou Yunchu Investment Management LLP	April 2021	100
Shanghai Wangyu Network Technology Co., Ltd.	April 2021	90
Nanning Xinbao Zhihui Supply Chain Management Co., Ltd.	April 2021	90
Yanpu (Langfang) Supply Chain Management Co.,Ltd.	August 2021	70
Beijing Kirin Property Management Development Co.,Ltd	August 2021	80
Guangde International Investment (Zhejiang) Sports Co., Ltd.	August 2021	100
Beijing Aidixi Technology Co., Ltd.	September 2021	70
Beijing Addison Data Technology Development Co., Ltd	September 2021	70
Beijing Logistics Pte. Ltd.	October 2021	100
Beijing Zhongtai Huasheng Consulting Co., Ltd	November 2021	100
Hubei Woju Food Co., Ltd	November 2021	100
GLP Japan DH TMK	November 2021	100
Beijing Yongle Jiadi Technology Development Co., Ltd.	December 2021	100
Beijing Besunyen Food & Beverage Co., Ltd.	December 2021	100
CCISA123 Incorporadora Ltda	December 2021	100

28 Acquisitions (continued)

(A) Acquisition of subsidiaries (continued)

(iv) Acquisitions of subsidiaries during the year ended 31 December 2021 (continued)

Effects of acquisitions

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

	Recognized values on acquisition US$'000
Investment properties	1,890,046
Plant and equipment	92,397
Trade and other receivables	71,253
Deferred tax assets	11,206
Other assets	36
Cash and cash equivalents	18,033
Trade and other payables	(667,225)
Loans and borrowings	(280,903)
Other non-current liabilities	(292)
Deferred tax liabilities	(3,981)
Non-controlling interests	(100,374)
Net assets acquired	1,030,196
Purchase consideration payable	(203,692)
Purchase consideration satisfied in cash	(826,504)
Cash of subsidiaries acquired	18,033
Purchase consideration satisfied in cash in relation to subsidiaries acquired in prior year	(104,859)
Cash outflow on acquisition of subsidiaries	(913,330)

From the dates of acquisitions to 31 December 2021, the above-mentioned acquisitions contributed net profit after tax of US$19,522,000 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 2021, management estimates that consolidated revenue would have been US$86,345,000 and consolidated profit after tax for the year would have been US$49,274,000.

28 Acquisitions (continued)

(A) Acquisition of subsidiaries (continued)

(i) 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 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)
31 December 2021			
Purchase consideration satisfied in cash	(55,392)	(826,504)	(881,896)
Cash of subsidiaries acquired	2,141	18,033	20,174
Purchase consideration satisfied in cash in relation to subsidiaries acquired in prior year	–	(104,859)	(104,859)
Cash outflow on acquisition of subsidiaries	(53,251)	(913,330)	(966,581)

28 Acquisitions (continued)

(B) Disposal of subsidiaries

During the year ended 31 December 2022, the Group syndicated equity interest in several of its portfolio of subsidiaries in China, 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	(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
Disposal consideration receivables	(142,345)
Non-cash settlement	(287,781)
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$888,505,000 relating to non-controlling interest and Group's partial interest in a subsidiary.

28 Acquisitions (continued)

(B) Disposal of subsidiaries

During the year ended 31 December 2021, the Group syndicated equity interest in Fundo de Investimento em Participacoes Camacari Multiestrategia and its subsidiaries (FIP IV), GLP Capital Partners IV LP, Shanghai Lingang and a portfolio of investment property-holding entities in PRC.

Effects of disposals

	Recognized values on disposal 2021 US$'000
Investment properties	6,377,898
Plant and equipment	160,346
Trade and other receivables	447,482
Cash and cash equivalents	258,220
Other investments	633,190
Other assets	2,461
Deferred tax assets	9,345
Loans and borrowings	(1,430,276)
Other non-current liabilities	(9,699)
Trade and other payables	(1,734,389)
Current tax payable	(45,502)
Deferred tax liabilities	(495,274)
Non-controllng interests	(514,011)
Net assets disposed	3,659,791
Gain on disposal of subsidiaries	630,198
Disposal consideration	4,289,989
Disposal consideration receivables	(885,153)
Non-cash settlement	(411,832)
Cash of subsidiaries disposed	(258,220)
Sales consideration satisfied in cash in relation to subsidiaries disposed in prior year	298,056
Cash inflow on disposal of subsidiaries	3,032,840

28 Acquisitions (continued)

(B) 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 2022

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

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 (non-current)	(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 disposals of subsidiaries	872,256

28 Acquisitions (continued)

(B) Assets and liabilities classified as held for sale (continued)

(ii) Disposal of assets and liabilities classified as held for sale during the year ended 31 December 2021

During the year ended 31 December 2021, the Group syndicated equity interest in Fundo de Investimento em Participacoes Camacari Multiestrategia and its subsidiaries (FIP IV), GLP Capital Partners IV LP, Shanghai Lingang and a portfolio of investment property-holding entities in PRC.

Effects of disposals

	Recognized values on disposal 2021 US$'000
Investment properties	2,428,616
Jointly-controlled entities	101,996
Intangible assets	34,730
Plant and equipment	95
Trade and other receivables	59,559
Cash and cash equivalents	167,979
Other assets	357,818
Deferred tax assets	1,895
Loans and borrowings(non-current)	(341,150)
Trade and other payables	(242,113)
Current tax payable	(5,490)
Deferred tax liabilities	(288,081)
Non-controlling interests	(213,030)
Net assets disposed	2,062,824
Gain on disposal of assets and liabilities classified as held for sale	192,716
Disposal consideration	2,255,540
Disposal consideration receivable	(220,073)
Cash of subsidiaries disposed	(167,979)
Cash Inflow on disposal of subsidiaries	1,867,488

29 Operating segments

The Group has five reportable geographical segments, representing its operations in the PRC, Japan, USA, Brazil and Europe, which are managed separately due to the different geographical locations. The Group's CODM reviews internal management reports on these segments on a quarterly basis, at a minimum, for strategic decisions making, performance assessment and resources allocation purposes.

Performance of each reportable segment is measured based on segment revenue and segment earnings before 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. Monetized fair value gains ("MFV") is a performance indicator for the Group's real estate business. It is used to measure the earnings realized upon the sale of an asset, and is calculated based on the difference between the selling price to related companies and third parties and the historical cost of the asset.

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.

29 Operating segments (continued)

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

Information about reportable geographical segments

	PRC		Japan		USA		Brazil		Europe		Others		Total	
Group	**2022 US$'000**	**2021 US$'000**	**2022 US$'000**	**2021 US$'000**	**2022 US$'000**	**2021 US$'000**	**2022 US$'000**	**2021 US$'000**	**2022 US$'000**	**2021 US$'000**	**2022 US$'000**	**2021 US$'000**	**2022 US$'000**	**2021 US$'000**
Continuing operations														
Revenue and expenses														
External revenue	1,282,954	1,264,941	469,051	261,430	41,091	16,446	14,766	12,482	102,800	78,889	10	–	1,910,673	1,634,188
Changes in fair value of investment properties held by subsidiaries	956,296	973,433	(6)	3,319	30,513	109,413	9,526	–	(105,911)	273,587	-	–	890,418	1,359,752
Share of changes in fair value of investment properties (net of tax) held by equity accounted investments	81,305	96,414	86,585	280,934	–	–	(1,657)	7,214	(71,197)	134,951	-	–	95,035	519,512
Net finance (costs)/income	(612,933)	(403,275)	(4,243)	155	(4,403)	(6,518)	14,231	3,921	6,772	(497)	(180,825)	(44,351)	(781,401)	(450,564)
Tax (expense)/credit	(719,496)	(865,768)	(7,803)	(19,602)	(648)	(23,918)	(6,969)	(9,198)	(33,568)	(59,435)	(691)	(467)	(769,175)	(978,389)
Profit/(Loss) after tax	512,228	1,839,638	208,760	707,999	40,137	148,126	23,700	4,727	(119,982)	360,238	(130,822)	(1,374,692)	534,020	1,686,036
Monetized fair value gains	1,207,547	1,356,310	206,752	733,181	398,844	48,405	–	33,199	155,240	11,337	–	–	1,968,383	2,182,432
Profit attributable to:														
Shareholders of the Company ("PATMI")	153,376	985,471	209,321	707,999	11,470	83,032	23,700	4,727	(119,982)	360,238	(177,254)	(1,356,733)	100,631	784,735
NCI	358,852	854,167	(561)	–	28,666	65,094	–	–	–	–	46,433	(17,959)	433,390	901,302
PATMI excluding revaluation	(126,868)	666,030	122,742	423,912	(12,635)	(3,404)	19,070	(2,487)	75,437	13,067	(177254)	(1,356,733)	(99,508)	(259,614)

29 Operating segments (continued)

Information about reportable geographical segments (continued)

Group	PRC 2022 US$'000	PRC 2021 US$'000	Japan 2022 US$'000	Japan 2021 US$'000	USA 2022 US$'000	USA 2021 US$'000	Brazil 2022 US$'000	Brazil 2021 US$'000	Europe 2022 US$'000	Europe 2021 US$'000	Others 2022 US$'000	Others 2021 US$'000	Total 2022 US$'000	Total 2021 US$'000
Assets and liabilities														
Investment properties	13,880,385	15,269,504	207,397	111,919	453,932	575,928	35,681	24,237	731,195	637,709	1	–	15,308,591	16,619,297
Equity accounted investments	5,679,578	5,892,053	487,818	702,076	237,817	7,619	594,142	553,993	678,094	622,929	401,611	467,890	8,079,060	8,246,560
Other segment assets	18,642,043	12,569,550	929,142	818,278	1,436,095	179,161	198,322	175,009	431,349	735,630	6,6,023,499	5,390,570	227,660,450	19,868,198
Reportable segment assets	38,202,006	33,731,107	1,624,357	1,632,273	2,127,844	762,708	828,145	753,239	1,840,638	1,996,268	6,425,111	5,858,460	51,048,101	44,734,055
Loans and borrowings	(9,693,234)	(8,182,294)	(222,704)	(124,258)	(111,503)	(196,695)	(44,904)	(42,295)	(3298,896)	(167,348)	(3,542,713)	(3,042,849)	(13,943,954)	(11,755,739)
Other segment liabilities	(10,096,895)	(6,631,391)	(320,806)	(230,179)	(295,848)	(89,881)	(30,210)	(35,021)	(278,598)	(394,614)	(1,404,427(	(1,284,596)	(12,426,784)	(8,665,682)
Reportable segment liabilities	(19,790,129)	(14,813,685)	(543,510)	(354,437)	(407,351)	(286,576)	(75,114)	(77,316)	(6078,494)	(561,962)	(4,946,140)(	(4,327,445)	(26,339,337)	(20,421,421)
Other information														
Depreciation and amortization	(73,432)	(27,898)	(18,390)	(10,614)	(29,291)	(234)	(2,523)	(4,182)	(10,501)	(8,052)	(1,997)	(2,917)	(136,134)	(53,897)
Interest income	64,572	60,018	3	(102)	60	–	23,065	5,536	11,161	9,142	8,766	6,163	107,627	80,757
NCI's share of EBITDA[1] excluding revaluation	423,088	808,274	–	–	–	–	–	–	–	–	–	–	423,088	808,274
Capital expenditure[2]	1,117,049	2,074,769	156,630	1,273,440	382,894	385,214	3,326	1,159	287,181	346,151	6,394	2,676	1,953,474	4,083,409

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 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	
		2022	**2021**	**2022**	**2021**
		US$'000	**US$'000**	**US$'000**	**US$'000**
Non-current assets[1]	11	3,240,788	798,645	2,312,782	
Trade and other receivables[2]	12	8,560,712	6,510,315	6,243,417	5,795,912
Cash and cash equivalents		2,589,267	2,045,215	99,993	964,548
		14,390,767	9,354,175	8,656,192	6,760,460

Notes:
1 Excludes prepaid construction costs and deferred acquisition costs.
2 Excludes prepayments and other assets.

30 Financial risk management (continued)

(b) Credit risk (continued)

Exposure to credit risk (continued)

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	US$'000	**US$'000**	**US$'000**	**US$'000**
PRC	7,232,354	3,423,025	–	–
Japan	385,816	276,753	–	–
Singapore	5,923,580	5,253,198	8,656,191	6,760,461
USA	371,567	73,046	–	–
Europe	275,789	154,471	–	–
Others	201,543	173,682	–	–
	14,390,649	9,354,175	8,656,191	6,760,461

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 companies and loans to third parties

Management assessed the credit loss associated with the employee loans and amounts, and loans due from immediate holding company, subsidiaries, associates, investee, NCI, joint ventures and related companies and loans to third 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.

30 Financial risk management (continued)

(c) Liquidity risk (continued)

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

Group	Carrying amount US$'000	Contractual cash flows US$'000	Cash flows: Within 1 year US$'000	Cash flows: From 1 to 5 years US$'000	Cash flows: After 5 years US$'000
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]	6,075,779	(5,841,147)	(3,774,005)	(1,947,767)	(117,406)
	20,019,733	(21,585,298)	(8,096,778)	(10,444,772)	(3,041,779)
Derivative financial liabilities					
Interest rate swaps (net-settled)	(694)	(1,572)	(1,289)	(284)	–
	20,021,008	(21,586,870)	(8,098,067)	(10,445,056)	(3,043,748)
31 December 2021					
Non-derivative financial liabilities					
Bank loans	4,811,911	(5,519,315)	(851,472)	(2,462,667)	(2,205,176)
Bonds	6,943,828	(7,773,866)	(962,570)	(6,107,875)	(703,421)
Trade and other payables[1]	4,052,600	(4,113,347)	(3,423,809)	(626,672)	(62,866)
	15,808,339	(17,406,528	(5,237,851)	(9,197,214)	(2,971,463)
Derivative financial liabilities					
Interest rate swaps (net-settled)	4,359	(5,026)	(1,655)	(3,371)	–
	15,812,698	(17,411,554)	(5,239,506)	(9,200,585)	(2,971,463)
Company					
31 December 2022					
Non-derivative financial liabilities					
Bank loans	1,493,076	(1,550,392)	(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	(9,103,146)	(6,696,405)	(1,796,360)	(610,382)
Derivative financial liabilities					
Interest rate swaps (net-settled)	(694)	(1,572)	(1,289)	(284)	–
	8,831,008	(9,104,718)	(6,697,694)	(1,796,644)	(610,382)
31 December 2021					
Non-derivative financial liabilities					
Bank loans	881,240	(958,885)	(210,084)	(169,927)	(578,874)
Bonds	2,161,609	(2,414,990)	(68,305)	(2,076,794)	(269,891)
Trade and other payables[1]	2,290,981	(2,289,981)	(2,282,815)	(7,166)	–
	5,333,830	(5,663,856)	(2,561,204)	(2,253,887)	(848,765)
Derivative financial liabilities					
Interest rate swaps (net-settled)	4,359	(5,026)	(1,655)	(3,371)	–
	5,338,189	(5,668,882)	(2,562,859)	(2,257,258)	(848,765)

Note:
[1] Excludes advance rental received and provision for reinstatement costs.

30 Financial risk management (continued)

(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, USA, 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.

30 Financial risk management (continued)

(d) Market risk (continued)

Currency risk (continued)

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 2022 and 31 December 2021 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 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	–	–	–	828	6	–
	2,854,736	423,747	19,991	98,326	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	(1,687,737)	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	(1,687,737)	253,229	(185,186)	119,339	3,092

30 Financial risk management (continued)

(d) Market risk (continued)

Currency risk (continued)

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 2021								
Financial assets								
Cash and cash equivalents	85,712	8	8,288	3,884	578,818	22,184	1,111	317
Trade and other receivables	49,021	533,868	5,744	8	44,951	257,323	151,138	–
Other investments	967,170	679	–	48,619	–	–	–	–
	1,101,903	534,555	14,032	52,511	623,769	279,507	152,249	317
Financial liabilities								
Bank loans	(572,726)	(681,240)	–	–	–	–	–	–
Bonds	(1,326,000)	(382,184)	–	–	–	(487,031)	–	–
Trade and other payables	(6,284)	(767,806)	(534)	–	(578,762)	(2,110)	–	–
	(1,905,010)	(1,831,230)	(534)	–	(578,762)	(489,141)	–	–
Net financial (liabilities)/assets	(803,107)	(1,296,675)	13,498	52,511	45,007	(209,634)	152,249	317
Add: Loans/Bonds designated for net investment hedge	–	1,089,677	–	–	–	413,410	–	–
urrency exposure of net financial (liabilities)/assets	(803,107)	(206,998)	13,498	52,511	45,007	203,776	152,249	317

30 Financial risk management (continued)

(d) Market risk (continued)

Currency risk (continued)

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 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
31 December 2021						
Financial assets						
Cash and cash equivalents	8	365	1	578,818	12	2
Trade and other receivables	487,361	5,745	8	44,951	257,323	151,138
	487,369	6,110	9	623,769	257,335	151,140
Financial liabilities						
Bank loans	(681,240)	–	–	–	–	–
Bonds	(382,184)	–	–	–	(487,031)	–
Trade and other payables	(767,807)	(534)	–	(578,762)	(2,110)	–
	(1,831,231)	(534)	–	(578,762)	(489,141)	–
Currency exposure of net financial (liabilities)/ assets	(1,343,862)	5,576	9	45,007	(231,806)	151,140

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.

30 Financial risk management (continued)

(d) Market risk (continued)

Currency risk (continued)

Sensitivity analysis (continued)

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
US Dollar[1]	(66,790)	(80,311)	—	—
Japanese Yen[2]	10,858	(20,700)	(84,783)	(134,386)
Singapore Dollar[2]	1,981	1,350	1,455	558
Hong Kong Dollar[2]	(168,774)	5,251	8,936	1
Chinese Renminbi[2]	25,323	4,501	25,323	4,501
Euros[2]	(18,519)	20,378	(1,378)	(23,181)
Sterling Pound[2]	11,934	15,225	45,959	15,114
Polish Zloty[2]	309	32	—	—

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.

30 Financial risk management (continued)

(d) Market risk (continued)

Interest rate risk (continued)

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

As a result of these uncertainties, significant judgement is involved in determining certain hedge accounting relationships that hedge the variability of interest rate risk due to expected changes in IBORs continue to qualify for hedge accounting as at 31 December 2021. 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 2021 and 31 December 2022. 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 2022, the Group has interest rate swaps classified as cash flow hedges with notional contractual amount of JPY55,000 million (2021: JPY60,000 million) which pay fixed interest rates ranging from 0.27% - 0.36% (2021: 0.23% - 0.36%) per annum and receive variable rates ranging equal to JPY TIBOR (2021: JPY TIBOR) on the notional amount.

At 31 December 2022, the Group also has interest rate caps classified as cash flow hedges with notional contractual amounts of EUR 24 million and GBP 71 million. The capped increase in interest rates on these amounts are 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 US$'000	Principal/ notional amount US$'000	Carrying amount US$'000	Principal/ notional amount US$'000
31 December 2022				
Fixed rate instruments				
Loans and borrowings	7,262,623	7,324,013	3,541,714	3,603,006
Trade and other payables	1,600,336	1,600,336	95	95
	8,862,959	8,924,349	3,541,809	3,603,101
Variable rate instruments				
Loans and borrowings	6,681,332	6,682,873	–	–

30 Financial risk management (continued)

(d) Market risk (continued)

Interest rate risk (continued)

Exposure to interest rate risk (continued)

	Group		Company	
	Carrying amount US$'000	Principal/ notional amount US$'000	Carrying amount US$'000	Principal/ notional amount US$'000
31 December 2021				
Fixed rate instruments				
Loans and borrowings	7,928,529	7,962,388	3,042,849	3,076,708
Trade and other payables	306,592	306,592	635	635
	8,235,121	8,268,980	3,043,484	3,077,343
Variable rate instruments				
Loans and borrowings	3,827,210	3,827,540	–	–

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 or loss		Equity	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
Group				
31 December 2022				
Variance rate instruments	(66,380)	66,380	(66,380)	66,380
Cashflow sensitivity (net)	(66,380)	66,380	(66,380)	66,380
31 December 2021				
Variance rate instruments	(35,824)	35,824	(35,824)	35,824
Cashflow sensitivity (net)	(35,824)	35,824	(35,824)	35,824

30 Financial risk management (continued)

(d) Market risk (continued)

Interest rate risk (continued)

	Profit or loss		Equity	
	100 bp increase $'000	100 bp decrease $'000	100 bp increase $'000	100 bp decrease $'000
Company				
31 December 2022				
Variance rate instruments	–	–	–	–
Cashflow sensitivity (net)	–	–	–	–
31 December 2021				
Variance 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 in equity by US$34.4 million (2021: US$52.0 million) and profit or loss by US$8.3 million (2021: US$20.3 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

30 Financial risk management (continued)

(e) Hedge accounting

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				
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	JPY55,000,000	694	Financial derivative liabilities	5,055	(5,055)	–	0.27% - 0.36%	2022 - 2025
	EUR94,932	–	Financial derivative liabilities	2,101	(2,101)	–	1.50%	2023-2024
	GBP70,932	–	Financial derivative liabilities	–	–	–	3.00%	2023-2024
Net Investment hedges								
Foreign exchange risk								
Borrowings to hedge net investment in foreign operations	US$1,340,048	(1,340,048)	Loans and borrowings	(172,153)	172,153	–	–	2023 - 2029
Company								
Cash flow hedges								
Interest rate risk								
Interest rate swaps to hedge floating rate borrowings	JPY55,000,000	694	Financial derivative liabilities	5,055	(5,055)	–	0.27% - 0.36%	2022-2025

30 Financial risk management (continued)

(e) Hedge accounting (continued)

At 31 December 2021, 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	JPY60,000,000	(4,454)	Financial derivative liabilities	1,689	(1,689)	–	0.23% - 0.36%	2022 - 2025
	EUR69,500	95	Financial derivative liabilities	60	(60)	–	1.00% -1.50%	2023-2024
Net investment hedges								
Foreign exchange risk								
Borrowings to hedge net investment in foreign operations	US$1,503,087	(1,503,087)	Loans and borrowings	(107,810)	107,810	–	–	2023 - 2029
Company								
Cash flow hedges								
Interest rate risk								
Interest rate swaps to hedge floating rate borrowings	JPY60,000,000	(4,359)	Financial derivative liabilities	1,689	(1,689)	–	0.23% - 0.36%	2022 - 2025

30 Financial risk management (continued)

(e) Hedge accounting (continued)

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 2021	(15,925)
Cash flow hedges	
Change in fair value:	
Interest rate risk	1,749
Others	4,007
Balance at 31 December 2021	(10,169)
Balance at 1 January 2022	(10,169)
Cash flow hedges	
Change in fair value:	
Interest rate risk	7,156
Others	10,927
Balance at 31 December 2022	7,914
Company	
Balance at 1 January 2021	(6,048)
Cash flow hedges	
Change in fair value:	
Interest rate risk	1,689
Balance at 31 December 2021	(4,359)
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

30 Financial risk management (continued)

(e) Hedge accounting (continued)

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$1,340,048,000 (2021: US$1,503,087,000) and the fair value of the borrowings was US$1,439,455,000 (2021: US$1,514,373,000). 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 statement 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.

30 Financial risk management (continued)

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

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) US$'000	Net amounts of financial assets/(liabilities) presented in statement of financial position US$'000	Net amount US$'000
Group			
Financial liabilities			
Interest rate swaps used for hedging			
31 December 2022	694	694	694
31 December 2021	(4,359)	(4,359)	(4,359)
Company			
Financial liabilities			
Interest rate swaps used for hedging			
31 December 2022	694	694	694
31 December 2021	(4,359)	(4,359)	(4,359)

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

31 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$'000**	**Amortized cost US$'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	165,036	–	1,871,534	2,036,570
Financial derivative assets	19	694	–	–	–	–	694	–	694	–	–
Other non-current assets[1]	11	–	3,122,823	–	–	–	3,122,823	–	–	3,240,788	3,240,788
Trade and other receivables[2]	12	–	8,560,712	–	–	–	8,560,712				
Cash and cash equivalents	13	–	2,589,267	–	–	–	2,589,267				
		694	14,272,802	2,036,569	827,225	–	17,137,290				
Secured bank loans	18	–	–	–	–	(3,974,147)	(3,974,147)	–	(6,816,784)	–	(6,816,784)
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[3]	20	–	–	–	–	(2,075,796)	(2,075,796)	–	–	(2,161,676)	(2,161,676)
Trade and other payables[4]	21	–	–	–	–	(3,459,739)	(3,459,739)				
		–	–	–	–	(19,479,489)	(19,479,489)				

Notes:
1 Excludes prepaid construction costs, deferred acquisition costs and land call option.
2 Excludes prepayments and other assets.
3. Excludes provision for reinstatement costs, lease liabilities and land purchase option
4. Excludes advance rental received, lease liabilities and land purchase option.

31 Fair value of financial assets and liabilities (continued)

(a) Accounting classifications and fair values (continued)

		Carrying amount						Fair value			
	Note	Fair value – hedging instruments US$'000	Amortized cost US$'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 2021											
Equity investments – at FVOCI	10	–	–	–	1,238,707	–	1,238,707	1,040,447	–	198,260	1,238,707
Equity investment – mandatorily at FVTPL	10	–	–	1,595,360	–	–	1,595,360	406,213	–	1,189,147	1,595,360
Other non-current assets[1]	11	–	798,645	–	–	–	798,645	–	–	798,645	798,645
Trade and other receivables[2]	12	–	6,510,315	–	–	–	6,510,315				
Cash and cash equivalents	13	–	2,045,215	–	–	–	2,045,215				
		–	9,354,175	1,595,360	1,238,707	–	12,188,242				
Secured bank loans	18	–	–	–	–	(3,194,726)	(3,194,726)	–	(3,174,165)	–	(3,174,165)
Secured bonds	18	–	–	–	–	(386,967)	(386,967)	–	(386,967)	–	(386,967)
Unsecured bank loans	18	–	–	–	–	(1,617,185)	(1,617,185)	–	(1,308,284)	–	(1,308,284)
Unsecured bonds	18	–	–	–	–	(6,556,861)	(6,556,861)	–	(6,630,461)	–	(6,630,461)
Interest rate swaps	19	(4,359)	–	–	–	—	(4,359)	–	(4,359)	–	(4,359)
Other non-current liabilities[3]	20	–	–	–	–	(862,773)	(862,773)	–	–	(587,638)	(587,638)
Trade and other payables[3]	21	–	–	–	–	(3,189,827)	(3,189,827)				
		(4,359)	–	–	–	(15,808,339)	(15,812,698)				

Notes:
1 Excludes prepaid construction costs, deferred acquisition costs and land call option.
2 Excludes prepayments and other assets.
3. Excludes advance rental received and land purchase option.

31 Fair value of financial assets and liabilities (continued)

(a) Accounting classifications and fair values (continued)

	Note	Carrying amount				Fair value			
		Fair value - hedging instruments US$'000	Amortized cost US$'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
Company									
31 December 2022									
Other non-current assets	11	–	2,312,782	–	2,312,782	–	–	2,312,782	2,312,782
Financial derivative assets	19	694	–	–	694	–	694	–	694
Trade and other receivables[1]	12	–	6,243,417	–	6,243,417				
Cash and cash equivalents	13	–	99,993	–	99,993				
		694	8,656,192	–	8,656,886				
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)
Other non-current liabilities[2]	20	–	–	(861,114)	(861,114)	–	–	(861,114)	(861,114)
Trade and other payables[3]	21	–	–	(4,428,779)	(4,428,779)				
		–	–	(8,831,607)	(8,831,607)				
31 December 2021									
Trade and other receivables[1]	12	–	5,795,912	–	5,795,912				
Cash and cash equivalents	13	–	964,548	–	964,548				
		–	6,760,460	–	6,760,460				
Unsecured bank loans	18	–	–	(881,240)	(881,240)	–	(719,912)	–	(719,912)
Unsecured bonds	18	–	–	(2,161,609)	(2,161,609)	–	(2,235,209)	–	(2,235,209)
Interest rate swaps	19	(4,359)	–	—	(4,359)	–	(4,359)	–	(4,359)
Other non-current liabilities	20	–	–	(7,166)	(7,166)	–	–	(7,166)	(7,166)
Trade and other payables	21	–	–	(2,283,815)	(2,283,815)				
		(4,359)	–	(5,333,830)	(5,338,189)				

Notes:
1. Excludes prepayments and other assets.
2. Excludes provision for reinstatement costs.
3. Excludes lease liabilities.

31 Fair value of financial assets and liabilities (continued)

(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 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:** 0% - 32% (2021: 0% - 50%) **Price-to-sales ratio:** 10 x (2021: 17.2x) **Price-to-earnings ratio:** 9.6 x (2021: 12x)	The estimated fair value would increase (decrease) if: – the discount for lack of marketability were lower (higher); or – price-to-sales ratio were higher (lower); or – price-to-earnings ratio were higher (lower)
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

31 Fair value of financial assets and liabilities (continued)

(b) Level 3 fair value measurements (continued)

(ii) Valuation techniques and significant unobservable inputs (continued)

Financial instruments not measured at fair value

Type	Valuation technique	Inputs used in determining fair value
Loans and borrowings	Discounted cash flows	Government yield curve at the reporting date plus an adequate credit spread.

For the other non-current assets and other non-current liabilities, their fair values approximate their carrying amounts as the effects of discounting are immaterial.

(iii) Transfer between Level 1 and 2

During the year ended 31 December 2022 and 31 December 2021, there were no transfers between Level 1 and 2 of the fair value hierarchy.

32 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	
	2022	**2021**
	US$'000	**US$'000**
Lease rentals receivable:		
Within one year	399,221	449,638
After one year but within five years	742,121	913,497
After five years	319,093	456,504
	1,460,435	1,819,639

(b) Other commitments

	Group	
	2022	**2021**
	US$'000	**US$'000**
Development expenditure contracted but not provided for	570,311	905,600

33 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. For purposes of SFRS(I) 1-24 Related Party Disclosures, the executive directors are considered key management personnel of the Group.

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

	Group	
	2022	**2021**
	US$'000	**US$'000**
Wages and salaries (excluding contributions to defined contribution plans)	3,457	3,556
Contributions to defined contribution plans	48	48
Share based payment	(5,656)	–
	(2,151)	3,604

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	
	2022	**2021**
	US$'000	**US$'000**
Associates and joint ventures		
Asset and investment management fee income from associates and joint venture funds	239,942	174,108
Development and other management fee income from associates and joint venture funds	45,034	85,751
Promote fees income from associates and joint venture funds	61,655	100,773
Asset and investment management fee income from other associates and joint ventures	10,285	12,633
Development and other management fee income from other associates and joint ventures	926	921
Perpetual fund fee income from immediate holding company	31,203	–

During the year ended 31 December 2021, the Group disposed of certain subsidiaries to GLP GV China Limited and GLP GV Global Limited (entities under common control).

The Group has agreed, subject to formalisation of loan agreements, to grant interest-bearing loans to participants of the Co-invest Share Plan and Global Share Plan. The loan amount and interest would be determined at the formalisation of the loan agreements with the respective participants. As at 31 December 2022, outstanding loans granted to participants of the Co-invest Share Plan and Global Share Plan (as set out in Note 22) was US$363,000,000 (2021: US$385,000,000). The loan agreement amounting to US$35,900,000 with one participant of the Global Share Plan was formalized and drawn down in December 2021.

34 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 2022 %	Effective interest held by the Group 2021 %
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	66.21	66.21
GLP China Asset Holdings Limited	Investment holding	Hong Kong	66.21	66.21

34 Significant subsidiaries (continued)

Name of company	Principal activities	Jurisdiction of incorporation and place of business	Effective interest held by the Group	
			2022 %	2021 %
Beijing Lihao Science & Technology Co., Ltd.	Property investment	Mainland China	58.26	58.26
Airport City Development Co., Ltd.	Property investment	Mainland China	35.81	35.81
Zhejiang Transfar Logistics Base Co., Ltd.	Property investment	Mainland China	39.73	39.73
Beijing Sifang Tianlong Medicine Logistic Co., Ltd.	Property investment	Mainland China	66.21	66.21
Shanghai Fuhe Industrial Development Co., Ltd.	Property investment	Mainland China	46.35	46.35
GLP Investment (Shanghai) Co., Ltd. and its significant subsidiaries	Property management	Mainland China	66.21	66.21
Zhuhai Puyin Logistic Investment Partnership	Investment holding	Mainland China	66.21	66.21
China Management Holdings (Hong Kong) Limited	Investment holdings	Hong Kong	66.21	66.21
GLP Global Cloud Hub Fund, L.P and its significant subsidiaries	Investment holding	Mainland China	66.21	66.21
GLP Thor LP Limited	Investment holding	Cayman Islands	66.21	66.21
Xiamen Mingsi Junju Investment Fund LLP	Investment holding	Mainland China	66.21	66.21
GLP Capital Investment 4 (HK) Limited	Investment holding	Hong Kong	66.21	66.21
Zhuhai Puxing Logistic Industry Equity Investment Partership	Investment holding	Mainland China	66.21	66.21

34 Significant subsidiaries (continued)

Name of company	Principal activities	Jurisdiction of incorporation and place of business	Effective interest held by the Group	
			2022 %	2021 %
Beijing Kirin Property Management Development Co., Ltd	Property management	Mainland China	52.97	52.97
Pengcheng Jinyun Technology Co., Ltd.	IDC business	Mainland China	66.21	–
Shanghai Yinshan Zhineng Corporation Management Partnership (LP)	Investment holding	Mainland China	24.56	–[3]
Xiamen Yinshan Investment Partnership (LP)	Property investment	Mainland China	20.68	–[3]
Zhuhai Puhang Equity Investment Fund Partnership (LP)	Property investment	Mainland China	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	USA	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.

3 GLP Japan Income Fund L.P., Hidden Hill Foundation, and Li & Fung are not material joint ventures and associates to the Group for the financial year ended 31 December 2021.

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. As 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.

35 Events after the reporting date

Subsequent to 31 December 2022, the following events occurred:

On 24 March 2023, a subsidiary of the Group acquired M3 Global Advisors LLC and M3 UK Advisors LLC for a consideration of US$200,000,000 satisfied through cash and shares in a subsidiary.

GLP