GLP

REDEFINING LOGISTICS

Global Logistic Properties Annual Report 2016

Cross-reference to relevant sections within this report

View more information on our website: www.GLProp.com

REDEFINING LOGISTICS

GLP connects consumers and products. We are much more than a bricks-and-mortar business – we provide solutions instead of just properties. GLP continuously innovates to help customers improve their supply chain, increase efficiency and serve the market more competitively.

WHO WE ARE

GLP is the leading global owner, manager and developer of modern logistics facilities. GLP's US$36 billion property portfolio encompasses 52 million sqm (560 million sq ft) of logistics facilities across China, Japan, US and Brazil.

GLP remains focused on being the best operator in each of its markets, creating value through developments and expanding its fund management platform. GLP's customers include some of the world's most dynamic manufacturers, retailers and third-party logistics companies. Domestic consumption is a key driver of demand for GLP.

MISSION

To shape the development of the logistics industry by harnessing the power of our platform and team to drive value for our customers while making a positive difference in the broader community.

CONTENTS

The figures in this report may be subject to rounding differences

OWN. DEVELOP. MANAGE.

GLP's growth strategy is centered on being the best operator, creating value through developments and expanding its global footprint via its fund management platform. GLP's scale and proven track record differentiate it from its competitors.

FUND MANAGEMENT

GLP partners with world-class investors to grow the Company's network. Its fund management platform enhances returns while enabling GLP to grow faster.

See page 24

US$35bn
Fund management platform

US$150m
FY16 fund fees

DEVELOPMENT

GLP builds to meet market demand and serve customers' needs. It generates significant value through development.

See page 22

US$2.1bn
FY16 development completions

US$255m
Development profit
(27% development profit margin)

OPERATIONS

GLP owns and manages modern logistics facilities. Operations are the foundation of its business model.

See page 19

92%
Lease ratio

90%
Domestic consumption driven

"NETWORK EFFECT"

OUR STRATEGY

REDEFINING VALUE

GLP provides solutions, not just properties. Leveraging its vast network and proprietary technology, GLP helps its customers improve their supply chain, increase efficiency and serve the market more competitively.

	STRATEGY	FY16 HIGHLIGHTS	"NETWORK EFFECT"
FUND MANAGEMENT	• Continue asset recycling through fund management platform • Raise third-party institutional capital to fund growth globally while growing fee-based income stream	• Fund management AUM grew 75% year-on-year to US$35 billion with establishment of three new funds • Generated US$150 million of fund fees on US$24 billion of invested capital	• Co-investment from institutional investors enables GLP to further grow platform • Enhances GLP's ability to serve customers in multiple locations and strengthens customer relationships while maintaining a strong balance sheet
DEVELOPMENT	• Develop to meet customer demand and maintain strong capital discipline • Maintain 25% development profit margin • Continue land sourcing through strategic relationships	• US$2.8 billion of development starts and US$2.1 billion of development completions • Development profit: US$255 million • Development profit margin: 27%	• Build in best locations to serve customer demand
OPERATIONS	• Leverage relationships with new and existing customers to lease up portfolio and capture rent growth • Create optimal solutions to meet customer needs	• Signed 9.8 million sqm (105 million sq ft) of new and renewal leases, up 23% year-on-year[1] • Group lease ratio of 92% • Same-property net operating income growth up 6.9%	• Size and scale of GLP's platform allows for flexible customer expansion • Best locations allow customers to optimize distribution networks, drive efficiency and reduce overall logistics costs

1. Excludes impact of new US segment for comparability purposes

DELIVERING RETURNS

GLP's solid results for FY16 highlight the value of its solutions and strong "Network Effect".

NET ASSET VALUE PER SHARE

S$2.57

SFRS[1] NAV per share rose 4% year-on-year mainly due to higher asset values driven by development completions and growth in rental income.

SFRS[1] NAV does not include the full value of GLP's fund management platform and future value creation from development.

REVENUE

US$777m

FY16 Group revenue increased 10% year-on-year, driven by leasing and rent growth in China as well as GLP's entry into the US.

EARNINGS

US$719m

FY16 Group earnings increased 48% year-on-year due to higher asset values in China, higher development profits in Japan and GLP's entry into the US.

DIVIDEND PER SHARE

SG 6.0 cents

The Board has recommended a dividend payment of SG 6.0 cents per share[2], up 9% year-on-year.

FUND MANAGEMENT FEES

US$150m

GLP's fund management business continues to grow, with FY16 fund fees up 38% year-on-year to US$150 million.

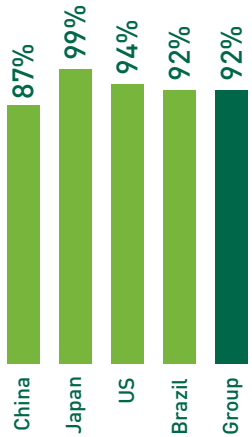
1. SFRS refers to Singapore Financial Reporting Standards
2. The proposed dividend is subject to shareholders' approval at the Annual General Meeting

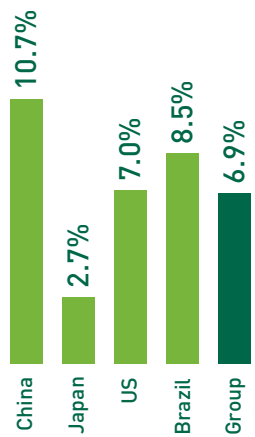
For more information see page 28

OPERATIONAL HIGHLIGHTS

CAPTURING GROWTH

GLP continues to capitalize on the strong global demand for modern, high-quality logistics space.





OPERATIONS

LEASE RATIO

92%

GLP's portfolio of modern logistic facilities remains well-leased across all markets.

SAME-PROPERTY NOI GROWTH

6.9%

FY16 same-property net operating income growth was 6.9%, led by China.

DEVELOPMENT

DEVELOPMENT STARTS

US$2.8bn

In FY16, GLP started US$2.8 billion of new developments, representing 14%[1] of its current completed portfolio.

DEVELOPMENT COMPLETIONS

US$2.1bn

In FY16, GLP completed US$2.1 billion of developments with an approximate development profit margin of 27%.

FUND MANAGEMENT

FUND MANAGEMENT AUM

US$35bn

GLP's US$35 billion fund management platform is a key area of growth going forward. As the platform matures, GLP's earnings and return-on-equity are expected to increase.

1. Based on GLP's completed portfolio in China, Japan and Brazil as of 31 March 2016

For more information see page 19

OUR MILESTONES

FROM STRENGTH TO STRENGTH

2002 - 2004

- Jeffrey Schwartz and Ming Mei established operations in China and Japan
- Presence in five key markets in China and Japan

2005 - 2007

- Established network in 18 major logistics hubs in China and three more in Japan
- Named Best Developer in China by Euromoney

2008 - 2010

- Selected as exclusive distribution center provider for Beijing 2008 Olympic Games
- Partnered with GIC to acquire Prologis' entire platform in China and stabilized assets in Japan
- Listed on the Main Board of the Singapore Stock Exchange in Oct 2010
- Named Best Global Industrial/Warehouse Developer by Euromoney

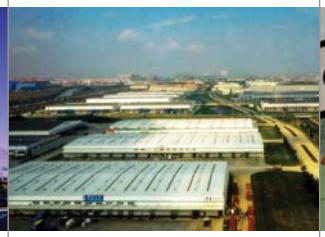
2011

- Acquired stake in BLOGIS, the second largest modern logistics facility provider in China
- Acquired majority interest in Airport City Development, the sole developer in the Beijing Capital International Airport
- Joined the Straits Times Index

2012

- Formed GLP Japan Development Venture I
- Formed GLP Japan Income Partners I to acquire a US$1.6 billion portfolio in Japan

GLP Shinkiba, Japan



GLP Suzhou, Suzhou, China

GLP IPO

GLP Park Beijing Airport, Beijing

GLP Ayase, Greater Tokyo, Japan

All years refer to GLP's financial year

2013

- Entered Brazil as market leader with US$1.45 billion platform acquisition via fund management business
- Listed US$1.3 billion J-REIT on Tokyo Stock Exchange - the largest real estate IPO in Japan
- More than doubled GLP Japan Development Venture I to US$2.2 billion

2014

- Established strategic partnerships with Bank of China, COFCO, Sinotrans, Guangdong Holdings and Jinbei in China
- Consolidated market-leading position in Brazil with establishment of second income fund
- Established CLF I, a US$3 billion China-focused logistics property development fund

2015

- Entered US market with US$8.1 billion GLP US Income Partners I
- Completed US$2.5 billion landmark agreement with Chinese SOEs and leading financial institutions
- GLP Misato III recognized with Urban Land Institute 2014 Global Award for Excellence

2016

- Fund management platform grew 75% year-on-year to US$35 billion with establishment of three new funds
- GLP became second largest logistics property owner and operator in the US
- Commenced GLP's largest development project in Japan - GLP Nagareyama in Greater Tokyo
- Completed landmark cross-border investment with CMSTD, China's largest state-owned warehouse provider

PORTFOLIO GROWTH
+55%
FY04-FY16

DEVELOPMENT COMPLETIONS
+43%
FY12-FY16

FUND MANAGEMENT AUM
+92%
FY12-FY16


GLP J-REIT IPO


GLP Campinas, São Paulo, Brazil

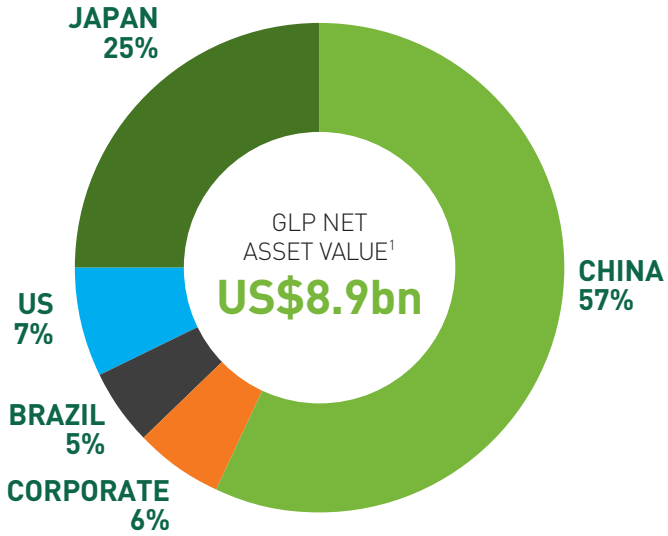

GLP Crescent Bay, California, US


GLP Nagareyama, Tokyo, Japan

WHERE WE OPERATE

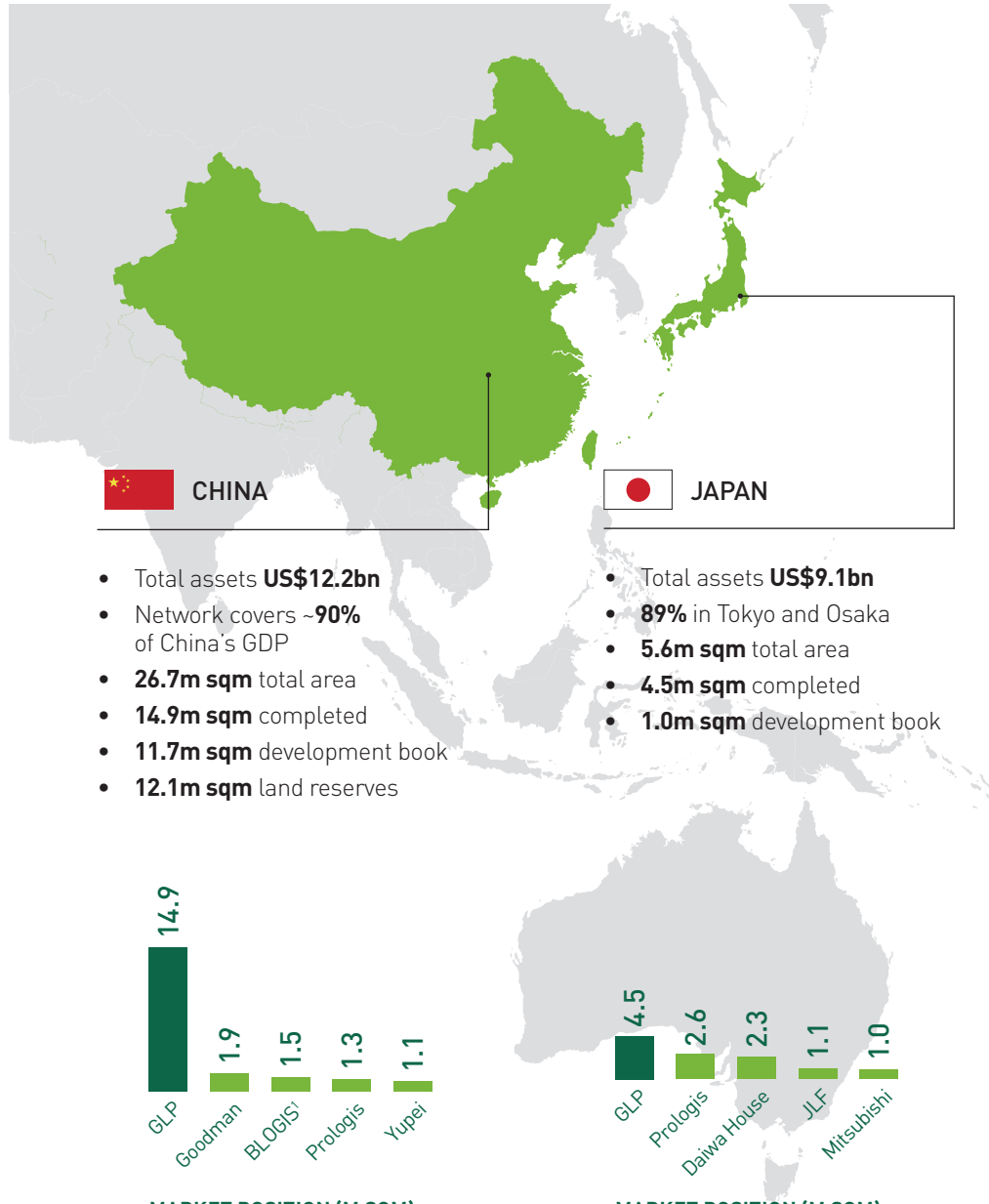
GLOBAL PLATFORM

GLP is the leading global provider of modern logistics facilities, with dominant market positions in China, Japan, US and Brazil. The scale and breadth of GLP's platform generates a powerful "Network Effect" which leads to good visibility on demand, faster lease-up and strong customer retention.



1. SFRS NAV does not include the full value of GLP's fund management platform and future value creation from development

For more information on the markets in which we operate see page 10



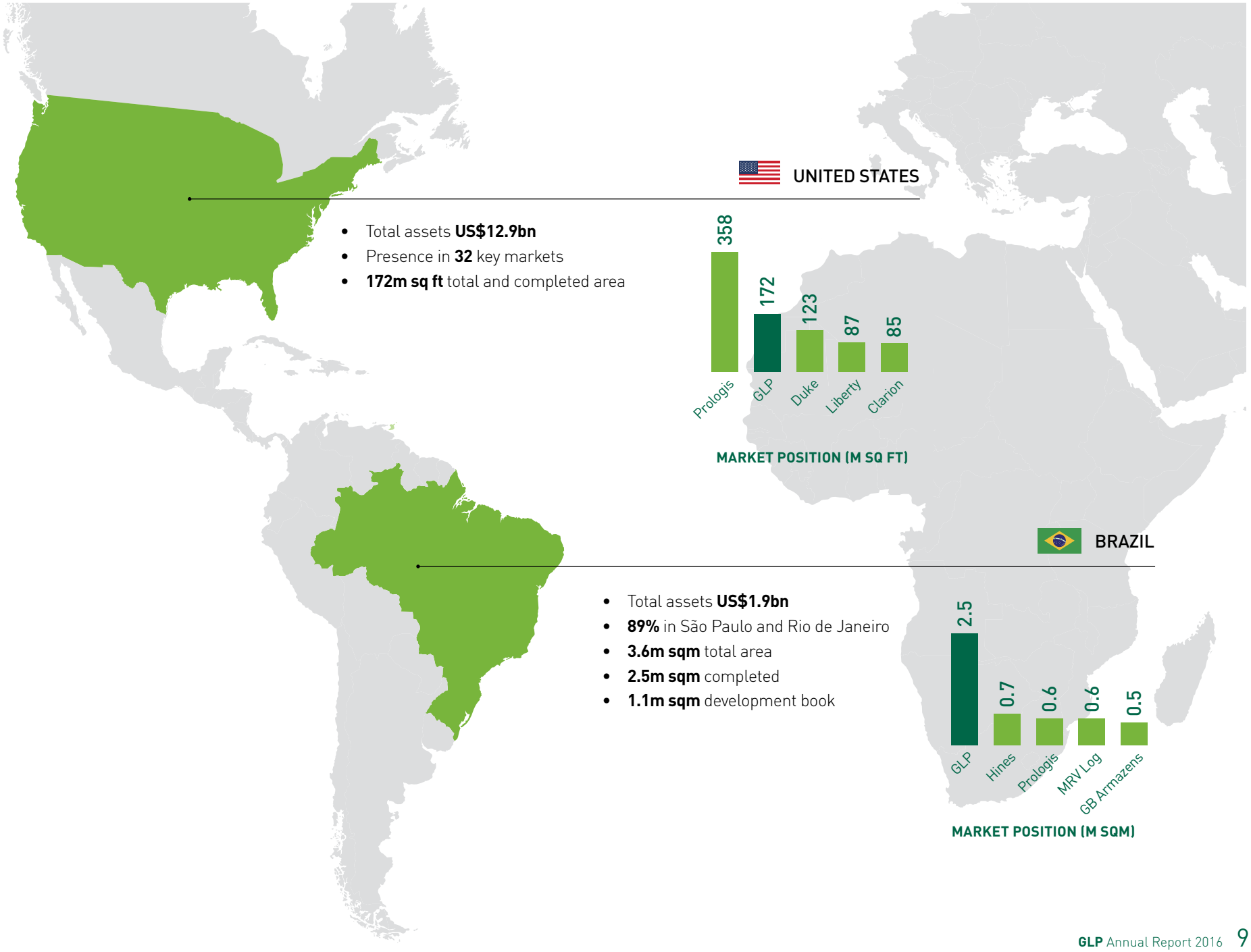
- Total assets **US$12.2bn**
- Network covers ~**90%** of China's GDP
- **26.7m sqm** total area
- **14.9m sqm** completed
- **11.7m sqm** development book
- **12.1m sqm** land reserves

- Total assets **US$9.1bn**
- **89%** in Tokyo and Osaka
- **5.6m sqm** total area
- **4.5m sqm** completed
- **1.0m sqm** development book

MARKET POSITION (M SQM)

MARKET POSITION (M SQM)

1. GLP stake: 19.9%


UNITED STATES
Total assets US$12.9bn
Presence in 32 key markets
172m sq ft total and completed area
358
172
123
87
85
Prologis
GLP
Duke
Liberty
Clarion
MARKET POSITION (M SQ FT)
BRAZIL
Total assets US$1.9bn
89% in São Paulo and Rio de Janeiro
3.6m sqm total area
2.5m sqm completed
1.1m sqm development book
2.5
0.7
0.6
0.6
0.5
GLP
Hines
Prologis
MRV Log
GB Armazens
MARKET POSITION (M SQM)

OVERVIEW OF LOGISTICS MARKETS

MACRO-ECONOMIC OVERVIEW

CHINA

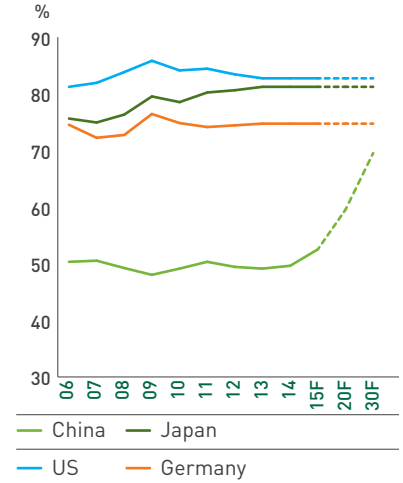
DOMESTIC CONSUMPTION IS THE KEY DEMAND DRIVER

Demand for modern logistics facilities in China is primarily based on domestic consumption, which has continued to expand despite slower GDP growth. Supply remains limited, with the current warehouse stock per capita in China standing at just 1/13th of that in the US. Moreover, most of the existing supply is obsolete and unable to meet customer requirements.

While China's economic growth has moderated, the long-term opportunity remains very attractive. China's GDP is projected to grow 6.5%[1] in 2016, with retail sales forecast to grow 10.6%[1] in the same year. China continues to transition from an export-driven economy to a domestic-consumption-driven one.

The continued growth of organized retail, which includes e-commerce and retail chain stores, is expected to carry on driving demand for modern logistics facilities, with location becoming more critical to customers than before. GLP sees continued strong leasing demand from the retail, fast-moving consumer goods, auto parts and pharmaceutical sectors.

DOMESTIC CONSUMPTION AS A % OF TOTAL GDP



Source: World Bank, GLP Estimates as of March 2016

UNITED STATES

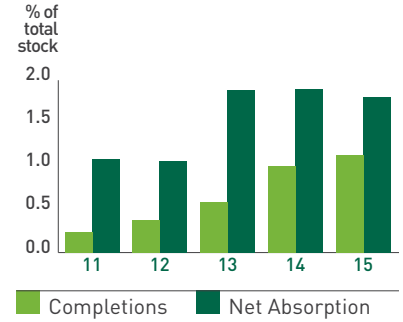
FAVORABLE MARKET DYNAMICS EXPECTED TO CONTINUE

US GDP is projected to grow at 1.8%[1] in 2016 while retail sales are forecast to grow 2.6%[1] in 2016. Trade, output and employment levels are all growing, generating rising demand for industrial real estate, highlighted by five consecutive years of positive absorption. Demand continues to be driven by e-commerce activity, which has grown at a compound annual growth rate of 13%[2] over the past seven years.

Supply remains well below historical levels: the supply level in 2015 satisfied less than two-thirds of demand[3]. These trends will continue pushing the logistics industry towards new heights in occupancy and rents. GLP's US portfolio has performed well, with best-in-sector leasing results and strong rent growth, supported by low market vacancies and customer expansion.

1. Consensus Forecasts published by Consensus Economics Inc as of May 2016
2. US Census Bureau as of March 2016
3. CBRE-EA as of January 2016

STRONG DEMAND OUTPACING SUPPLY



Source: CBRE-EA as of January 2016

JAPAN

MODERN ECONOMY WITH OUTDATED LOGISTICS INFRASTRUCTURE

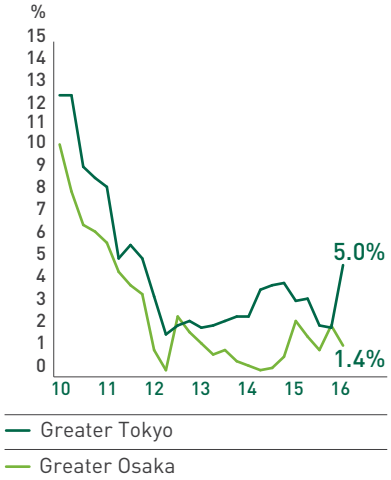
The fundamentals of the Japan logistics industry remain strong, with outsourcing and e-commerce trends driving demand for modern logistics facilities. The economy remains stable, with GDP projected to grow 0.6%[1] in 2016.

Demand continues to be driven by a strong consolidation and outsourcing trend as customers move towards leasing directly from warehouse providers rather than through third-party logistics companies.

Vacancy rates remain low in Greater Tokyo and Osaka, where GLP's portfolio is concentrated. As the market leader, GLP is the customers' choice as the Company seeks to advance its logistics and distribution infrastructure system in key markets while expanding quickly into new logistics hubs ahead of its competitors.

Given the strong demand in Japan, GLP continues to expand its market presence via its development program while recycling capital and maximizing returns on its operations. Investing via its fund management platform continues to generate the highest return-on-equity for the business.

LOGISTICS VACANCY - GREATER TOKYO AND OSAKA



Source: Ichigo Real Estate as of January 2016

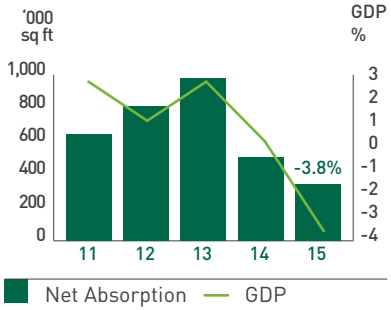
BRAZIL

LONG-TERM GROWTH OPPORTUNITY INTACT

Brazil's macro-economic environment remains challenging, with GDP forecast to contract 3.7%[1] in 2016.

The market remains attractive over the long term, with modern logistics facilities accounting for only 20% of total market supply[2]. GLP continues to monitor the business, economic and political environments closely to tailor its development strategy according to demand.

NET ABSORPTION IN SÃO PAULO



Source: CBRE, 2015

1. Consensus Forecasts published by Consensus Economics Inc as of May 2016
2. CBRE, 2015

DR. SEEK NGEE HUAT CHAIRMAN OF THE BOARD

MING Z. MEI CHIEF EXECUTIVE OFFICER

REDEFINING LOGISTICS

Dear Fellow Shareholders,

The year under review was marked by solid performance across GLP's three business pillars – operations, development and fund management. Against a backdrop of global uncertainty, GLP continues to see sustained demand for its modern logistics facilities: Our global portfolio has a high lease ratio of 92% and recorded same-property net operating income growth of 6.9% for the year. In FY16, we generated US$255 million of development profit, which contributed to a 3% increase in GLP's book net asset value. During the year, we established three new funds, with total fund management AUM standing at US$35 billion as of 31 March 2016, up 75% year-on-year. US$24 billion of capital is invested and fee-generating; US$11 billion of investment capacity will drive further growth of fund fees.

GLP's strategy is focused on building a sustainable, long-term business while managing our short-term needs. We place an extremely high importance on responsible capital management. The Board and Management believe that quality leadership in executing strategic plans goes hand-in-hand with a capable and effective risk management function to ensure the continuing success of the GLP story.

The strength of GLP's business model is reflected in our results. FY16 Group earnings (PATMI) was US$719 million, up 48% year-on-year. GLP is committed to providing consistent dividend payments while balancing the Company's projected capital needs for continued business growth. This year the Board has recommended a dividend payment of SGD 6.0 cents per share, an increase of 9% over last year. The proposed dividend is subject to approval by shareholders at GLP's Annual General Meeting.

REDEFINING LOGISTICS

This Annual Report marks five years since our IPO and is a perfect opportunity to look at how GLP continues to raise the bar in redefining logistics.

GLP is not just a bricks-and-mortar business – we view ourselves as a connector of consumers and products, providing solutions to our customers instead of just properties. Our size and scale generates a "Network Effect", where we are able to leverage our market-leading portfolios and operational expertise to serve our customers in multiple locations and help them grow, while offering flexibility.

GLP believes in continuously innovating to further help our customers improve their supply chain to be more efficient and competitive. In China and Brazil, we have developed warehouse location optimization tools that analyze our customers' supply chains and warehouse requirements to optimize their distribution networks. Working with some of the largest warehouse users, including e-commerce and retail, our results thus far show that reconfiguring warehouse locations to optimize delivery routes can save approximately 20% of a customer's transportation costs in China. This is extremely valuable to our customers, especially when their margins are under pressure.

GLP is not just a traditional developer – our business model is unique in that the Company is a fund manager in addition to owning and operating modern logistics facilities. We established our fund management platform as an efficient means to scale our business while delivering higher returns, entering the US and Brazil markets in 2014 and 2012, respectively, via this model. The fund management platform has allowed GLP to increase its portfolio five fold in the past five years while maintaining a strong balance sheet and keeping gearing low.

An asset-light business model helps us maximize capital efficiency for continued growth. Since FY12, GLP has generated US$2 billion of cash from US$6 billion of capital recycling initiatives in Japan and China.

DEDICATED EMPLOYEES

As a company, we are dedicated to constantly innovating and redefining logistics.

We would once again like to acknowledge the dedication and innovative spirit of our 1,010 GLP associates who work tirelessly to deliver exceptional results while significantly improving our financial position. It is their customer-centered focus, exceptional team work and passion for innovation that continues to make GLP a global leader in the industry.

LOOKING AHEAD

GLP remains well-positioned to serve its customers in the current environment. While there are some economic challenges to contend with today, we are confident of the markets we operate in as GLP's business is founded on long-term fundamentals.

In our operations business, we will focus on maintaining lease ratios and improving margins, with demand driven by domestic consumption which remains relatively stable even in times of slower economic growth. Given our well-located portfolio, we expect to continue growing rental income ahead of our peers.

Our development plans are driven by customer demand. We will maintain strong investment discipline and focus on markets that are seeing good demand and limited supply. In FY17, we are targeting to start US$2.1 billion of new development projects, an amount equal to approximately 10% of GLP's existing portfolio. At the same time, we expect to complete US$1.5 billion of developments with an average development profit margin of 25%.

GLP is an excellent fund manager because we allocate capital based on end-user customer demand, in addition to macro-economic trends. The support from capital partners positions GLP well to continue growing our fund management platform.

As the fund management platform matures, our earnings and return on equity are expected to increase. This also adds increased profitability – fee income generated enhances GLP returns by 300-500bps. Today, 66% of GLP's assets are managed as part of its fund management platform. This percentage is expected to grow as GLP expands its fund management platform and becomes increasingly asset light.

In China, the continuing evolution of debt and capital markets is creating a more positive environment for capital recycling initiatives and asset monetization.

The value we create from our development business along with fees from our fund management platform will continue to grow our NAV. The fund management business also provides a platform for GLP to crystallize revaluation gains.

We look forward to continuing the journey of building on our strong track record since the IPO with our employees, customers, investors and shareholders.

Dr. Seek Ngee Huat
Chairman of the Board

Ming Z. Mei
Chief Executive Officer

ANSWERING KEY QUESTIONS

MING Z. MEI CHIEF EXECUTIVE OFFICER

Q1 HOW DOES GLP "REDEFINE LOGISTICS"?

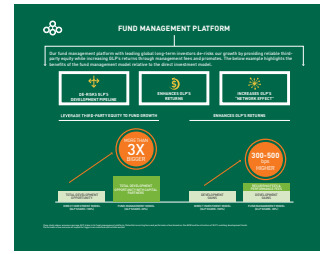
GLP is much more than a bricks-and-mortar business – we view ourselves as a connector of consumers and products. Technology is changing consumer buying habits and retail patterns. GLP has stayed ahead of the curve by anticipating and adapting to our customers' changing needs and providing solutions instead of just properties.

GLP is built on a culture that is extremely customer-centric. We seek to truly understand our customers' businesses to find ways to help them improve their supply chain, increase efficiency and stay more competitive. It is with this in mind that we have developed a state-of-the-art warehouse location optimization tool in China and Brazil, which helps our customers reduce overall logistics costs. We continuously innovate and remain focused on building up our proprietary technology and expertise so we can continue to better serve our customers.

Q2 WHY IS THE FUND MANAGEMENT PLATFORM IMPORTANT?

GLP's business model is unique in that the Company is a fund manager, developer and owner-operator of modern logistics facilities. GLP's US$35 billion fund management platform is a key area of growth going forward. Through our fund management business, we partner with world class investors to grow our network. The platform provides a stable recurring income stream that also enhances return-on-equity, enabling GLP to capture market opportunities and to grow faster. While our customers and private fund investors have seen the benefits of our business model, we believe the public market has yet to fully recognize the value creating potential of GLP as an integrated developer, landlord and fund manager.

As the fund management platform matures, our earnings and return-on-equity are expected to increase. For instance, GLP is looking to create more funds and co-investment vehicles with like-minded investors, which will expand our capital base to seize opportunities without straining our balance sheet.



For more information on the fund management platform see page 25

Q3 WHAT WILL GLP LOOK LIKE IN FIVE YEARS?

We continue moving towards being a full-scale solutions provider rather than just a landlord. In the future, we expect to provide an even wider spectrum of services to our customers as we seek to help them improve their supply chain, increase efficiency and serve the market more competitively.

The next five years will see us further growing our fund management platform. In China, we expect to monetize assets which will realize significant value for our shareholders. The continuing evolution of debt and capital markets in China is helping to accelerate this process. We see significant demand coming from domestic institutional capital, including China's insurance firms.

The share of assets managed within funds is expected to further increase from 66% today as we expand our fund management platform. We continue to look for investment opportunities to meet the demand from various international investment institutions looking to partner with GLP. This strong support from our investors, based largely on our proven track record as an effective operator and developer as well as prudent manager of their capital, positions GLP well to grow our fund management platform.

Finally, approximately 10% of our China portfolio is located in prime locations which could potentially be repositioned for commercial development. Currently, we have two projects in Shanghai and Beijing actively undergoing planning approval and consultation, with 10 other projects across the country which could be converted to commercial uses over the medium to long term.

Q4 WHAT IS YOUR DEVELOPMENT STRATEGY?

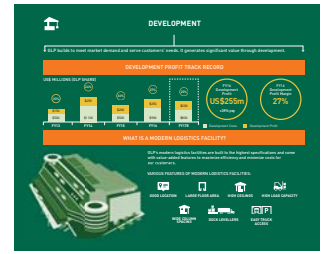
GLP's development decisions are guided by strict investment guidelines based on customer demand and targeted returns. We closely monitor the macro-economic environment. Brazil is a case in point where we tailored our development strategy in keeping with customer demand due to the challenging political and economic environment there over the past year.

Our development targets are guided by the need to balance both short-term demand and long-term profitability.

In FY17, GLP is targeting to start US$2.1 billion of new developments globally. This will expand our existing portfolio by 10%. We expect to maintain average development profit margins of 25%.

Our development targets in China for FY17 address the increased near-term uncertainty, although our longer-term China outlook remains positive. We closely monitor all markets and will adjust our development activity accordingly.

Our development pipeline is largely driven by the repeat business generated from our strong customer base. Customers choose GLP because of our scale, track record and unique solutions-focused business model.



For more information on GLP's development strategy see page 23

Q5 HOW DOES GLP VIEW COMMUNITY OUTREACH?

As GLP strives to perform well, we must also do good by creating enduring, positive social impact in all our markets. Our commitment extends beyond cash donations; it also involves staff volunteerism and contributions. In our experience, we have found that value-based community engagement boosts staff retention by adding a meaningful purpose that enhances employee satisfaction.

Over the past year, more than 200 GLP employees globally volunteered 7,000 man-hours for community projects including teaching, tree-planting and food distribution. Leveraging our scale, GLP has also cooperated with customers like Vipshop and Deppon in China and Nippon Logitech in Japan on donations and charity events to schools and underprivileged communities. Through all of these efforts, we are making our mark as a true connector of people and creating long-lasting value for generations to come. For further information, please see page 36.

Q6 IS THERE OVERSUPPLY OF LOGISTICS SPACE IN CHINA?

The overall China market faces a long-term undersupply of modern logistics facilities, with warehouse stock per capita in China only 1/13th the amount of the US. Certain sub-markets are facing oversupply today due to the influx of capital of the last few years, but oversupply is centered in only a few locations and the majority of GLP's markets are still seeing strong absorption. These include key markets like Beijing, Shanghai, Guangzhou, Shenzhen and Suzhou, which make up ~57% of our portfolio. Future development in these key markets is restricted due to the limited supply of land but GLP's superior land sourcing capabilities position it well to further strengthen its market leadership position. GLP will maintain its investment discipline and focus on markets that are seeing strong demand and limited supply.

Q7 HOW DOES THE GLOBAL SHIFT TOWARDS E-COMMERCE IMPACT GLP?

E-commerce is becoming increasingly important to consumers, with global e-commerce sales expected to grow by more than 20% annually, outpacing traditional retail sales. The global shift towards e-commerce is leading to a fundamental change in the role of warehouses and e-commerce companies, and express delivery providers are increasingly turning to GLP as a solutions provider to meet the needs of the evolving retail landscape.

China in particular has seen explosive growth over the last decade. The growth of e-commerce within our China business has outpaced the rest of the portfolio. E-commerce as a percentage of GLP's total leased area in China increased from 4% in FY10 to 26% today, despite the overall portfolio tripling in size.

Unlike traditional big box retailers, e-commerce involves a tremendous number of small-batch deliveries made throughout the day. This makes warehouse location critical as transportation costs increase significantly as delivery distance increases. GLP's well-located portfolios in major cities in the countries it operates are in a strong position to benefit from this global trend. In the US, for example, 29 out of 32 key markets GLP operates in have populations greater than one million, making them ideal locations for last mile e-commerce deliveries.

Overall, e-commerce is expected to be a key area of growth for GLP.


ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONTINUED

ENVIRONMENTAL, SOCIAL & GOVERNANCE POLICY

Sustainability is at the heart of delivering GLP's business objectives and its continued ability to provide enhanced economic, environmental and social value to shareholders, customers, staff and the communities in which GLP operates, both now and into the future. In FY16, GLP continued to further evolve the sustainability platform. GLP is committed to reducing its carbon footprint, improving inventory supply chain efficiency, and help meet the needs of domestic consumption led growth in its core markets in Asia and Japan.

GLP's ESG Policy Statement is a reflection of GLP's overarching commitment to integrating sustainability into its business operations, to ensure it adheres to its core values and social mission to 'shape the development of the logistics industry by harnessing the power of our platform to create value for our customers and making a difference in the broader business sense'.

The policy will provide a clear leadership position on ESG related issues, initiate consensus across GLP's business and create a common understanding of GLP's ESG principles.

ESG POLICY SCOPE

GLP's ESG policy applies to all its facilities globally. The ultimate goal is to achieve a sustainable portfolio, with the meaning that all GLP's new buildings comply with its ESG requirements, while adopting a continual improvement strategy in its existing assets.

OUR ESG PRINCIPLES

GLP believes that an integrated ESG approach will deliver the best results for GLP and its shareholders. This will be implemented through the following principles:

1 UPHOLDING ETHICS AND CORPORATE INTEGRITY AS THE FOUNDATION FOR THE MANAGEMENT OF BUSINESS AT ALL LEVELS OF OUR COMPANY

GLP maintains a zero corruption policy across all its operations. This is underpinned by the Code of Business Conduct and Ethics, which sets out the standards of business integrity and ethical values. Strict written policies detailing the Code of Business Conduct and Ethics are in place and are communicated to all employees required to comply on an annual basis.

2 IDENTIFYING MATERIAL ESG RISKS AND OPPORTUNITIES ACROSS THE BUSINESS

GLP is firmly committed to managing its activities throughout the Group to provide the highest level of safety and security for its customers, staff, and the health and safety of its employees, contractors and communities. GLP's commitment to ensuring that material ESG risks are identified and managed in its business research and screening, selection of investments and portfolio management.

3 ENGAGING STAKEHOLDERS WITH STRATEGIC INTENT

Proactive stakeholder engagement allows GLP to understand its impact on local and wider going / take and GLP business, the communities in which it operates, GLP investors, the customers it serves, its staff and is central to developing long-term value creation.

PHASE 1
Corporate commitment to sustainability and establishing policy framework

PHASE 2
Identifying our key stakeholders and what they consider to be important

PHASE 3
Identifying what issues are material to our business and our stakeholders, what our risks are and what our current measures and strategies are

PHASE 4
Setting performance targets, implementing processes and measures to achieve them, measuring how effective we have been

PHASE 5
Reporting on our performance to our key stakeholders and internal stakeholders

For more information on GLP's ESG activities see pages 36 to 39

GLP PARK LUJIA, SUZHOU, CHINA

OPERATIONS

GLP is the leading global provider of modern logistics facilities. The Company owns and operates a 52 million sqm (560 million sq ft) portfolio across China, Japan, US and Brazil. As of 31 March 2016, GLP's total owned and managed assets amounted to US$36 billion. GLP's 4,000 customers include some of the world's most dynamic manufacturers, retailers and third-party logistics companies.

90% of GLP's portfolio is occupied by businesses geared towards domestic consumption, which tends to remain relatively stable even in times of slower economic growth.

YEAR IN REVIEW

GLP's average lease ratio stands at 92%. Leasing remained strong, with GLP recording 9.8 million sqm (105 million sq ft) of new and renewal leases for the year, up 23% year-on-year[1].

GLP's portfolio of high-quality facilities in premium locations continued to deliver sustainable growth, underpinned by customer demand and limited supply. Same-property net operating income growth was strong across all of GLP's markets, with China up 10.7%, Japan up 2.7%, US up 7.0% and Brazil up 8.5% in FY16.

GLP saw record leasing and strong rent growth in Japan and the US, underpinned by rising customer demand and favorable market conditions. In China and Brazil, GLP's portfolio outperformed the market despite wider economic uncertainty.

GDP and retail sales growth in some of GLP's markets have moderated compared to previous years. This is where GLP sees its operational expertise and strong customer base becoming even more critical. GLP's experienced team and significant scale continue to differentiate the Group, as customers see the value that GLP's customer-centric business model offers in terms of improving efficiency and driving down logistics costs. For more information on GLP's solutions-focused case study, please see page 20.

LOOKING FORWARD

GLP remains well positioned to serve its customers in the current environment. This is due to its market-leading positions, operational expertise, solid balance sheet position and having the best teams in each market.

Demand for GLP's modern facilities is underpinned by long-term structural trends in domestic consumption and the need to replace old and inefficient distribution warehouses.

The majority of GLP's markets are experiencing a severe lack of modern logistics infrastructure. In Japan, modern logistics facilities make up just 3% of total supply. In China, more than 80% of the existing stock is considered obsolete, either from a functional or location perspective, and therefore unable to meet the increasing needs arising from the growth of organized retail, including chain stores and e-commerce.

The global shift towards e-commerce is leading to a fundamental change in consumer behavior and the role of logistics suppliers, with modern logistics facilities becoming the new 'store-front' for retail sales.

Globally, GLP sees incremental leasing demand from the retail, auto parts, pharmaceutical and healthcare sectors.

"NETWORK EFFECT"

70%
OF NEW LEASES WITH EXISTING CUSTOMERS

66%
CUSTOMER RETENTION

44%
LEASED AREA ACCOUNTED FOR BY MULTI-LOCATION CUSTOMERS

1. Excludes impact of new US segment for comparability purposes

OPERATIONS

GLP provides solutions, not properties. We leverage our proprietary technology and vast network to help our customers improve their supply chain and increase efficiency, reducing transportation costs by 20%.

CHALLENGE
High logistics costs

SOLUTION
GLP'S WAREHOUSE LOCATION OPTIMIZATION TOOL

BENEFIT
Significant cost savings

CHINA LOGISTICS EXPENDITURE

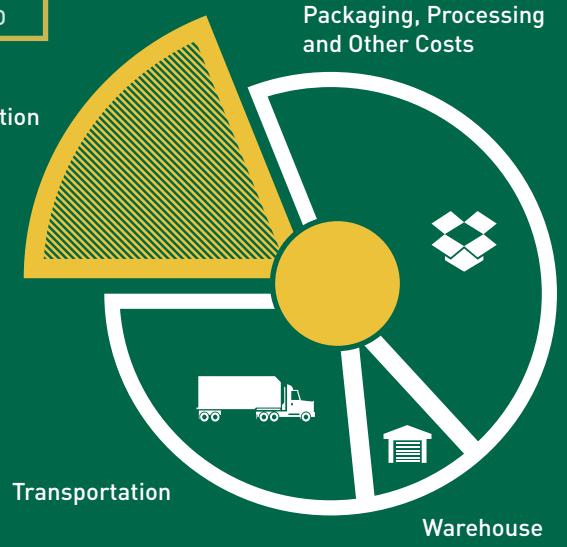
CURRENT

LOCATION OPTIMIZED

Our results show that warehouse reconfiguration based on GLP's optimization tool can lead to approximately

20% SAVINGS

on customers' transportation costs.



SOURCE: CHINA LOGISTICS AND PURCHASE FEDERATION

	CHINA	JAPAN	UNITED STATES	BRAZIL
FOCUS	• Selective development in high-demand markets where GLP can maintain 25% development profit margin • Leverage relationships with new and existing customers to lease-up portfolio	• Selective development to meet customers' demand • Continued asset recycling through fund management platform	• Focus on increasing rents in low-vacancy environment • Maintain high lease ratio and retain customers	• Actively renew leases ahead of expiration to keep customer retention high and reduce downtime between customers
RENTS	1.14 RMB/sqm/day	1,109 JPY/sqm/month	4.91 USD/sq ft/year	21.9 BRL/sqm/month
LEASE RATIO	91% 91% 87%	99% 99% 99%	91% 92% 94%	96% 97% 92%
COMPLETED PORTFOLIO	9.5 11.8 14.9 (sqm) 14 15 16	3.9 4.0 4.5 (sqm) 14 15 16	114 114 172 EN:Entry (as of Feb 2015) (sq ft) EN 15 16	1.4 2.4 2.5 (sqm) 14 15 16
SAME-PROPERTY NOI GROWTH	10.7%	2.7%	7.0%	8.5%
TOP FIVE CUSTOMERS BY LEASED AREA	1. Best Logistics 4.7% 2. JD.com 4.6% 3. Deppon 3.2% 4. Vipshop 2.3% 5. Amazon 1.9%	1. Hitachi Transport 12.0% 2. Nippon Express 10.4% 3. Senko 3.9% 4. Japan Logistic Systems 3.6% 5. ASKUL 3.6%	1. Amazon 2.3% 2. Whirlpool 2.2% 3. Home Depot 2.1% 4. FedEx 1.7% 5. Ozburn-Hessey Logistics 1.2%	1. GPA 9.2% 2. Tavex Algodonera 9.0% 3. DHL 7.8% 4. Unilever 7.6% 5. Riachuelo 4.9%
	INDUSTRY: 3PL Retailer Manufacturer			
E-COMMERCE AS A % OF LEASED AREA	26%	11%	10%	18%

Unless otherwise stated, lease ratios and rental relate to stabilized portfolio. Lease ratios and rentals for China are presented for stabilized logistics portfolio. Lease ratios and rentals for US portfolio are presented for all completed properties

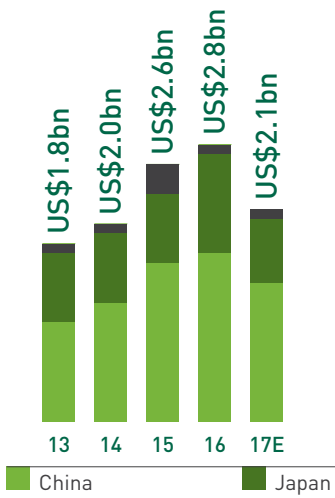
DEVELOPMENT

The development of modern logistics facilities is one of GLP's key engines of growth. Logistics offers an attractive development opportunity given its yield premium and relatively short development cycle compared with other sectors.

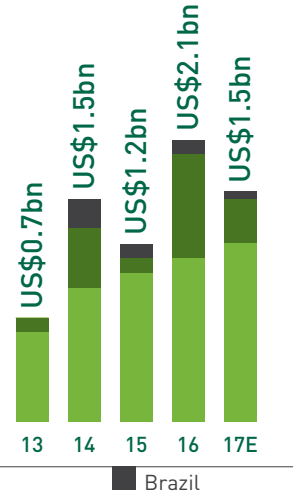
GLP builds to meet market demand and serve customers' needs. Investment decisions are guided by input from customers and industry partners, including locations for future demand and the size of facilities that will be required.

GLP adheres to strict investment guidelines for development. This includes having a strong pre-lease pipeline (at least 1.5-2x indicative demand) in place before the commencement of any new project. Every development proposal is intensively scrutinized by the team and senior management.

DEVELOPMENT STARTS



DEVELOPMENT COMPLETIONS



China Japan Brazil

YEAR IN REVIEW

In FY16, GLP started US$2.8 billion of developments in China, Japan and Brazil, which represents an amount equal to 14% of its current completed portfolio.

GLP's largest development in FY16 was GLP Nagareyama, a US$490 million development in Greater Tokyo. The first-of-its-kind facility enables customers to locate their production, storage and distribution needs in one place, leading to lower costs.

In FY16, GLP completed US$2.1 billion of developments at an average development profit margin of 27%. This generated US$255 million of development profit (pre-tax) for GLP, increasing GLP's book net asset value by 3%.

LOOKING FORWARD

GLP's FY17 development targets reflect a more cautious outlook. The Company is targeting to start US$2.1 billion of new development projects and complete US$1.5 billion of developments.

In China, GLP's FY17 development starts target is US$1.4 billion, versus US$1.7 billion last year, yet the Company's development pace in key cities and major logistic hubs remains the same. This ability to quickly tailor starts and completions depending on market conditions, reflects GLP's rigorous internal guidelines over investment decisions to ensure that it is building in the strongest areas, while avoiding markets which are seeing oversupply.

Limited land supply in key cities which GLP operates in globally continues to restrict future development and supports a positive long-term outlook. GLP will maintain strong investment discipline and focus on markets that are seeing strong demand.

GLP'S COMPETITIVE ADVANTAGE

LOCAL EXPERTISE

INDUSTRY KNOWLEDGE AND EXPERTISE IN LAND SOURCING

GLP'S TEAM

BEST LOCAL TALENT

UNDERSTANDING OF CUSTOMERS' NEEDS

CUSTOMER RELATIONSHIPS

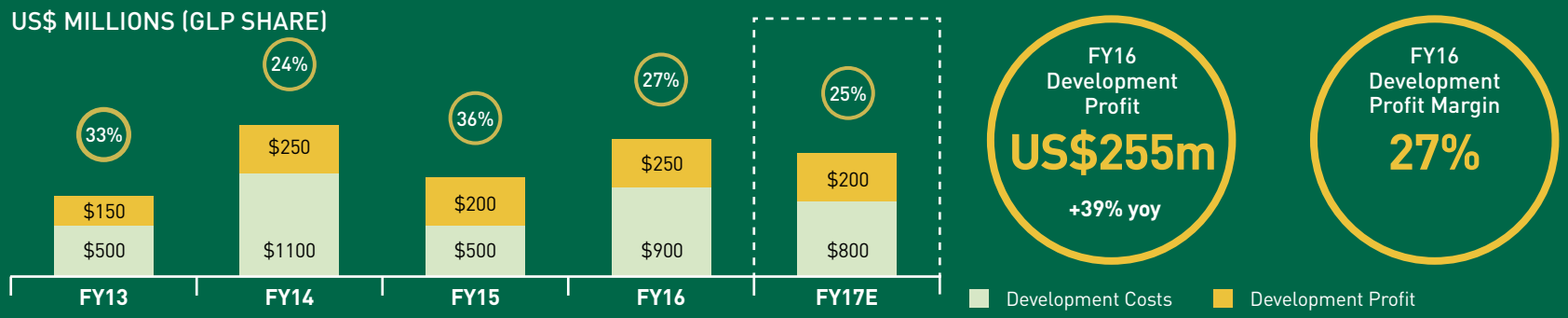
HIGH-QUALITY CUSTOMER BASE

SIGNIFICANT REPEAT BUSINESS

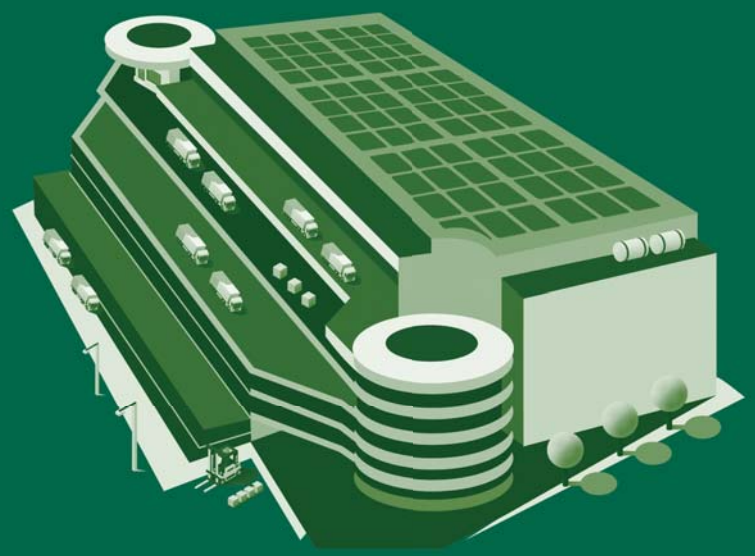
DEVELOPMENT

GLP builds to meet market demand and serve customers' needs. It generates significant value through development.

DEVELOPMENT PROFIT TRACK RECORD



WHAT IS A MODERN LOGISTICS FACILITY?



GLP's modern logistics facilities are built to the highest specifications and come with value-added features to maximize efficiency and minimize costs for our customers.

FEATURES OF A MODERN LOGISTICS FACILITY INCLUDE:

- GOOD LOCATION
- LARGE FLOOR AREA
- HIGH CEILINGS
- HIGH LOAD CAPACITY
- WIDE COLUMN SPACING
- DOCK LEVELLERS
- EASY TRUCK ACCESS

FUND MANAGEMENT

GLP's fund management business enables the Company to efficiently leverage capital to support long-term growth while enhancing returns on its equity. It provides a unique platform for co-investment opportunities with leading global institutional investors who value the strength of GLP's local teams, logistics warehouse expertise and leading positions in the world's best markets.

GLP manages 11 funds totaling US$35 billion of AUM[1]. This represents a compound annual growth rate of 92% since FY12. GLP's fund management platform comprises 13 capital partners, including several leading global sovereign wealth and pension funds.

GLP's funds provide a steady, growing source of fee income as well as GLP's share of each fund's earnings, with further upside from performance fees.

YEAR IN REVIEW

Fund management revenue in FY16 was US$150 million, up 38% from a year earlier. This comprised asset and property management fees of US$98 million and development fees of US$52 million from approximately US$24 billion of invested capital.

Given the large amounts of capital required to fund its development pipeline, GLP leverages its fund management platform to raise high-quality third-party capital. This means that for the same equity exposure, GLP is able to expand its network while maintaining a strong balance sheet. At the same time, the platform enhances returns on GLP's invested capital: GLP is able to achieve project-level returns that are 300-500 basis points higher when it invests via the fund management platform. For further information, please read the case study on page 25.

GLP established two new development funds in FY16 – CLF II and GLP Japan Development Venture II. The new funds are follow-on ventures from GLP's first development vehicles in China and Japan, which have reached their investment capacity. Over the past year, GLP continued to grow its platform in the US with the acquisition of a second US logistics portfolio via the fund management business, while contributing additional assets to GLP J-REIT (3281:Tokyo).

GLP is ranked by PERE as the fourth largest real estate manager in the world and the largest headquartered in Asia. In addition, GLP's US$7 billion CLF II was also voted Asia Capital Raise of the Year at the Global PERE Awards 2015.

LOOKING FORWARD

GLP's fund management platform has US$11 billion of investment capacity, which will drive further growth of fund fees.

The fund management business provides GLP with a platform to monetize development profit and recycle capital. This can be via the sale of completed assets to a REIT (as GLP has done in Japan) or to its income funds.

Given GLP's strong operational expertise and market leadership positions, it continues to see strong demand from new and existing capital partners. GLP will focus on being the best operator and developer in its main markets, while looking for potential opportunities to expand its fund management platform at the right time.

GLP is the fourth largest real estate fund manager in the world and the largest headquartered in Asia

FY16 FUND FEES

US$150m

INVESTED AUM

US$24bn

1. AUM includes invested capital today and future investment capacity based on equity committed by GLP and its capital partners

FUND MANAGEMENT PLATFORM

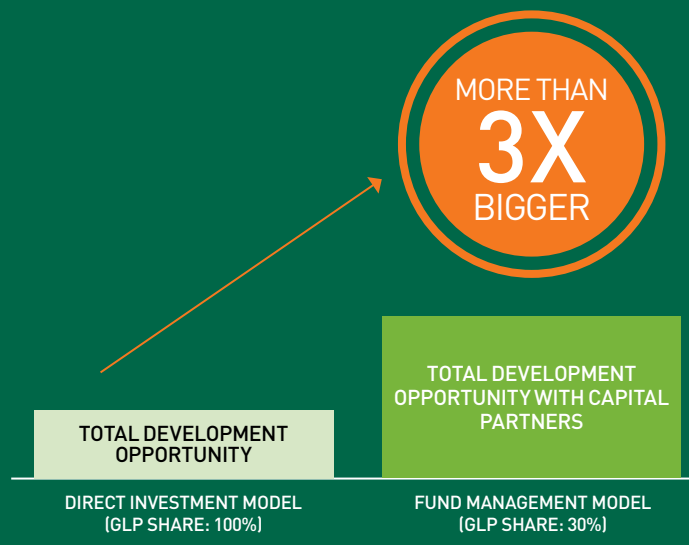
Our fund management platform with leading global long-term investors de-risks our growth by providing reliable third-party equity while increasing GLP's returns through management fees and promotes. The below example highlights the benefits of the fund management model relative to the direct investment model.

INCREASES GLP'S "NETWORK EFFECT"

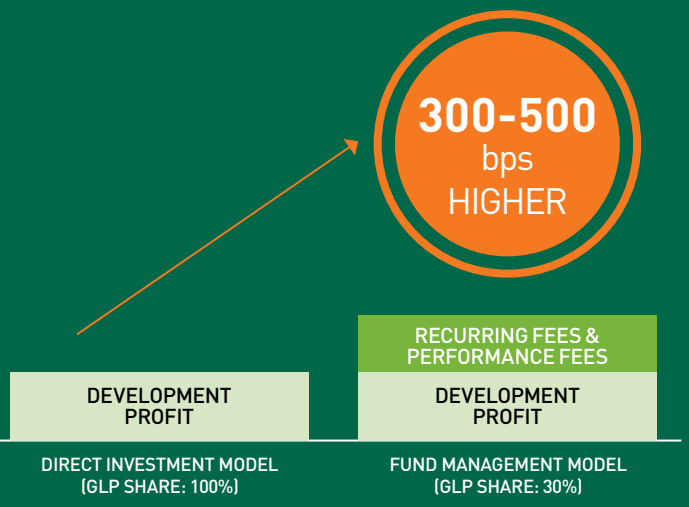
DE-RISKS GLP'S DEVELOPMENT PIPELINE

ENHANCES GLP'S RETURNS

LEVERAGE THIRD-PARTY EQUITY TO FUND GROWTH



ENHANCES GLP'S RETURNS



Case study above assumes average GLP stake in its fund management platform. Potential recurring fees and performance fees based on the AUM and fee structure of GLP's existing development funds
Performance fees assume all requisite triggers are satisfied and not discounted

	CHINA	JAPAN	UNITED STATES	BRAZIL	TOTAL
FUNDS	• CLF I & II	• GLP Japan Development Venture I & II • GLP Japan Income Partners I • GLP J-REIT (3281:Tokyo)	• GLP US Income Partners I & II	• GLP Brazil Development Partners I • GLP Brazil Income Partners I & II	11
FUND MANAGEMENT AUM[1]	US$10.0bn	US$9.6bn	US$12.9bn	US$2.5bn	US$35.0bn
TOTAL EQUITY COMMITMENT	US$5.2bn	US$4.1bn	US$5.2bn	US$1.6bn	US$16.1bn
INVESTMENT TO DATE	US$1.8bn	US$6.9bn	US$12.9bn	US$2.0bn	US$23.6bn
FUND PARTNERS	Various	CBRE, CIC, CPPIB	China Life, CPPIB, GIC & Other Investors	CIC, CPPIB, GIC & Other Investor	13 Capital Partners
GLP CO-INVESTMENT	56%	34%	10%	38%	32%

1. AUM includes invested capital today and future investment capacity based on equity committed by GLP and its capital partners

GLP ATSUGI I, GREATER TOKYO, JAPAN

DELIVERING SUSTAINABLE GROWTH

REVENUE

Revenue increased by 10% to US$777 million for the year ended 31 March 2016 as compared to US$708 million for the year ended 31 March 2015, primarily attributable to the completion and lease up of development projects in China with increasing rents and the inclusion of management fee income from GLP US Income Partners I and II, partially offset by the syndication of GLP Brazil Income Partners II to 40% which was previously consolidated in the prior year and the sale of properties in Japan to GLP J-REIT in September 2015.

REVENUE BY GEOGRAPHICAL MARKETS

CHINA

Revenue increased by 20% to US$531 million for the year ended 31 March 2016 as compared to US$444 million for the prior year, primarily attributable to the completion and lease-up of development projects, and rent growth, partially offset by depreciation of the Chinese Renminbi against the US Dollar.

JAPAN

Revenue decreased by 14% to US$179 million for the year ended 31 March 2016 as compared to US$207 million for the prior year, primarily attributable to the sale of five properties in Japan to GLP J-REIT and weakening of the Japanese Yen against the US Dollar, partially offset by the increase in fund management fees.

US

Revenue increased to US$59 million for the year ended 31 March 2016 as compared to US$4.1 million for the prior year, primarily attributable to a full year of management fees from GLP US Income Partners I and the inclusion of fees from GLP US Income Partners II.

BRAZIL

Revenue decreased by 84% to US$8.6 million for the year ended 31 March 2016 as compared to US$53 million for the prior year, primarily attributable to the syndication of GLP Brazil Income Partners II to 40% which was previously consolidated in the prior year.

EXPENSES

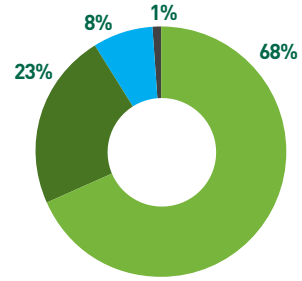
Property-related expenses increased by 13% to US$157 million for the year ended 31 March 2016 from US$139 million for the prior year, primarily attributable to a larger property portfolio in China, partially offset by the reduction in expenses for the Japan properties sold to GLP J-REIT.

Other expenses increased by 39% to US$236 million for the year ended 31 March 2016 from US$170 million for the prior year, primarily due to higher staff and business costs in the Group arising from business expansion.

SHARE OF RESULTS (NET OF INCOME TAX) OF JOINT VENTURES

Share of results of joint ventures increased by 237% to US$241 million for the year ended 31 March 2016 as compared to US$71 million for the prior year, primarily due to higher fair value gains from the completion of development activities in Japan, the inclusion of results from our US joint venture and fair value losses in Brazil in the prior year.

FY16 REVENUE BY GEOGRAPHICAL LOCATION



China	US$531m
Japan	US$179m
US	US$59m
Brazil	US$9m

EBIT AND EBIT EXCLUDING REVALUATION

EBIT increased by 64% to US$1.5 billion for the year ended 31 March 2016 as compared to US$910 million for the prior year, primarily due to higher investment properties values in China, higher share of fair value gains from investment properties of joint ventures in Japan and Brazil and higher contribution from GLP US Income Partners I and GLP US Income Partners II.

EBIT excluding revaluation[1] was US$597 million for the year ended 31 March 2016 as compared to US$391 million for the prior year.

PATMI AND PATMI EXCLUDING REVALUATION

PATMI increased by 48% to US$719 million for the year ended 31 March 2016 from US$486 million for the prior year, primarily due to higher EBIT, partially offset by higher non-controlling interests' share of results in China and higher income tax expense resulting from higher fair value gains of investment properties.

PATMI excluding revaluation[1] increased to US$241 million for the year ended 31 March 2016 as compared to US$201 million for the prior year.

ASSETS

Total assets as of 31 March 2016 was US$23.1 billion as compared to US$17.5 billion as of 31 March 2015.

Investment properties increased to US$13.0 billion as of 31 March 2016 from US$11.3 billion as of 31 March 2015, primarily due to land acquisitions, developments in progress and increase in fair values arising from the re-assessment of property values in China, partially offset by the sale of properties to GLP J-REIT and weakening of the Chinese Renminbi against the US Dollar.

Associates and joint ventures increased to US$2.0 billion as of 31 March 2016 from US$1.5 billion as of 31 March 2015, primarily due to expansion of joint ventures in Japan and China, the increase in share of results of joint ventures in Japan, US and China, partially offset by weakening of Brazilian Real against the US Dollar.

Intangible assets primarily comprised goodwill recognized from acquisition of GLPH (US$396 million) and Airport City Development Co., Ltd ("ACL") (US$60 million), trademark and non-competition.

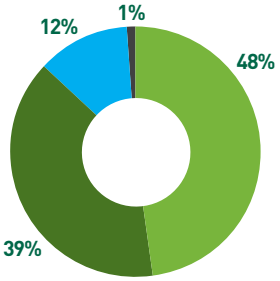
LIABILITIES

Trade and other payables increased to US$1.0 billion as of 31 March 2016 from US$811 million as of 31 March 2015, primarily due to higher development and land costs payable in China.

Deferred tax liabilities increased to US$1.0 billion as of 31 March 2016 from US$849 million as of 31 March 2015, primarily due to the increase in fair value of investment properties.

The total amount of loans and borrowings increased to US$4.8 billion as of 31 March 2016 from US$2.8 billion as of 31 March 2015, primarily due to issuance of a US Dollar medium-term note bond and Japanese Yen denominated loans, partially offset by repayment of loans and borrowings following the sale of properties in Japan to GLP J-REIT and weakening of the Chinese Renminbi against the US Dollar.

FY16 PATMI BY GEOGRAPHICAL LOCATION[2]



China	48%
Japan	39%
US	12%
Brazil	1%

1. Defined as EBIT or PATMI excluding changes in fair value of investment properties of subsidiaries and the share of changes in fair value of investment properties of joint ventures, net of deferred tax
2. Negative PATMI in Corporate (Listco and Singapore entities) not included

RESILIENT FINANCIAL POSITION

INVESTMENT PROPERTIES

The Group owns, manages and leases out a network of 2,499 completed properties that are geographically spread across 113 key markets in China, Japan, US and Brazil.

The pre-tax profit from completed properties of the Group is sensitive to material changes in occupancy and rental rates for lease renewals. Assuming a constant rental rate for every 1% change in occupancy, a full year's impact on the Group's pre-tax profit derived from these properties is approximately US$5.4 million.

In respect of the proportion of leases expiring in the next financial year, assuming all the leases are renewed, a full year's impact on the Group's pre-tax profit for every 10% change in average rental rates is about US$9.6 million. These sensitivities assume constant exchange rates.

LOANS AND BORROWINGS

The Group has total borrowings of US$4.8 billion as of 31 March 2016, of which 70% are on fixed interest rates and 30% on floating rates. If interest rates increase or decrease by 100 basis points, the Group's pre-tax profit will decrease or increase by approximately US$14.2 million. These sensitivities assume all other variables remain constant, in particular foreign exchange rates.

FOREIGN CURRENCY MONETARY BALANCES

The Group is exposed to foreign exchange rate fluctuations given its operations in China, Japan, US and Brazil. GLP manages its foreign currency exposure by maintaining a natural hedge, where 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 countries and uses sensitivity analysis to measure the foreign exchange risk exposure.

Where necessary, the Group is using foreign exchange contracts to hedge and minimize net foreign exchange risk exposures.

The Group's foreign currency monetary balances that are denominated in currencies other than the respective functional currencies of the Group's entities are disclosed in Note 32(d) to the financial statements.

Assuming that the US Dollar strengthens by 10% against other currencies below, the Group's pre-tax profit will increase or (decrease) as follows:

	US$'000
US Dollar[1]	(83,948)
Japanese Yen	9,493
Singapore Dollar	114
Hong Kong Dollar	(9,719)
Chinese Renminbi	(15,893)

AVAILABLE-FOR-SALE EQUITY INVESTMENTS

The Group holds equity investments in GLP J-REIT, CMST Development Co. Ltd and Shenzhen Chiwan Petroleum Supply Base Co., Ltd., which are listed on the Tokyo Stock Exchange, Shanghai Stock Exchange and Shenzhen Stock Exchange respectively. These investments are classified as available-for-sale investments, with fluctuations in the fair values taken to the reserves.

Assuming that all other variables, including foreign exchange rates, remain constant, an increase or decrease of 5% in the prices of these equity investments held by the Group at the reporting date would increase or decrease fair value reserves by US$49 million.

1. Pertains to USD monetary balances held in Renminbi functional currency entities

BUILDING A STRONG BASE

GLP's main objectives when managing capital are to build a strong base to sustain the future development of its business and maintain an optimal capital structure to maximize shareholder value. The Group maintains a strong balance sheet and actively monitors its capital structure through its gearing and debt ratios to maintain them within acceptable limits.

USES OF FUNDS

For the financial year ended 31 March 2016, the Group utilized US$285 million of cash primarily on development properties, investments in joint ventures and equity interests classified as held for sale, partially offset by cash received from disposal of investment properties and assets held for sale. New investments are structured with an appropriate mix of equity and debt after careful evaluation of risks.

FINANCIAL RESOURCES

The Group has sufficient cash balances maintained in various currencies as well as undrawn banking facilities and capital market programs.

As of 31 March 2016, the Group had cash balances of US$1 billion and undrawn credit facilities amounting to US$2.5 billion.

Due to the dynamic growth of the business, GLP maintains sufficient liquidity to allow for financial flexibility.

SOURCES OF FUNDS

The Group generated a surplus of cash from operations amounting to US$367 million[1] during the financial year ended 31 March 2016.

The Group maintains diversified sources of funding from reputable banks and capital markets. The Group borrows from local and international banks in the form of short and long-term loans, project loans and bonds.

Total borrowings as of 31 March 2016 were US$4.8 billion, of which 79% are due after one year. The Group reviews its debt maturity profile on an ongoing basis and proactively works with reputable banks to refinance existing borrowings. The Group's weighted average debt maturity remains long at 4.7 years.

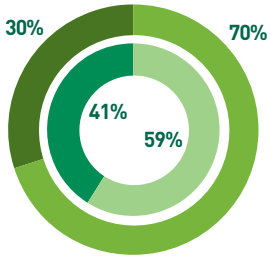
The Group also manages interest rate exposure through a combination of fixed and floating rate borrowings. Fixed rate borrowings constituted 70% of our total borrowings as of 31 March 2016. Where necessary, the Group hedges its short to medium-term interest rate exposure by using interest rate swaps. The Group's weighted average interest cost remained low at 2.9% for the year ended 31 March 2016.

Under our US$2 billion Euro medium-term note program, the Group issued a US$1 billion fixed rate note at 3.875% per annum due in 2025, RMB3 billion[2] (US$463 million) fixed rate notes and JPY15 billion (US$132 million) fixed rate note at 2.7% per annum due in 2027.

In May 2015, the Group entered into a JPY40 billion long -term loan (US$348 million) with a reputable Japanese bank, with the interest rate hedged at 1.095% per annum through an interest rate swap.

Unsecured bonds and loans constituted 59% of the Group's borrowings as of 31 March 2016, with the remaining Group borrowings secured by mortgages on the respective subsidiary companies' investment properties. The carrying value of the investment properties mortgaged to banks and bondholders amounted to approximately US$6.4 billion.

GROUP'S BORROWINGS AS OF 31 MAR 2016



Fixed Rate	70%
Floating Rate	30%
Unsecured	59%
Secured	41%

1. Excludes cash from discontinued operations
2. Consists of RMB2.65 billion due and repaid in May 2016 and RMB0.35 billion at 4% per annum due in 2018

The Group had also issued in prior years S$750 million (US$587 million) of Perpetual Capital Securities ("PCS") at a 5.5% distribution rate. The PCS are subordinated, do not have any fixed maturity and distribution payment may be deferred at the sole discretion of the Company. For the purpose of accounting, these PCS are classified as equity instruments.

During the year, the Group completed its syndication of 45% interest in GLP US Income Partners I for US$1.5 billion cash in October 2015 and further acquired a second portfolio in US to form GLP US Income Partners II in November 2015. GLP expects to complete the syndication of 90% interest in GLP US Income Partners II for US$1.8 billion in FY17. As of May 2016, GLP has syndicated 76% of the US$4.7 billion portfolio.

Additionally, the Group continued its capital recycling initiatives with divestments of its Japan properties to GLP J-REIT, and other capital recycling exercises to its fund management platform in China and Japan.

LEVERAGE, DEBT AND INTEREST RATIOS

As of 31 March 2016, the Group's net debt to assets, net debt to equity and total debt to assets ratios remained low at 20%, 29%, 24%.

As of 31 March 2016, the Group's weighted average interest cost remained stable at 2.9%.

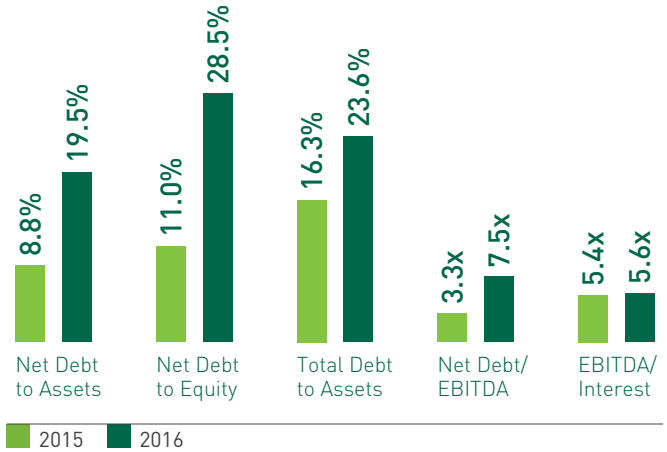
INVESTMENT GRADE CORPORATE RATINGS

Baa2

MOODY'S RATING

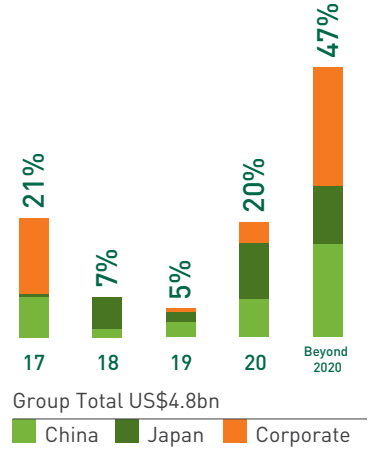
BBB+

FITCH RATING



Assuming GLP's equity stake in GLP US Income Partners II is syndicated down to 10%, pro-forma net debt to assets, net debt to equity and total debt to assets are 11.3%, 14.9% and 22.0%

DEBT MATURITY PROFILE AS OF 31 MAR 2016



GLP ONTARIO MILLS PARKWAY, CA, US

A PROACTIVE APPROACH

GLP places an extremely high importance on risk management. The Board and Management believe that quality leadership in executing strategic plans goes hand-in-hand with a capable and effective risk management function to ensure the continuing success of the GLP story.

Risk management is not just about minimizing downside risk, but also enabling the Group to take on the necessary risks to grow and create value. GLP is committed to fostering a strong risk-centric culture which encourages prudent risk-taking in decision-making and business processes, early risk identification and proactive management of these risks.

GLP strives for continuous improvement in its Enterprise Risk Management (ERM) framework and processes. During the year, Management reviewed and reaffirmed the Group's top risks in the changing business landscape. Independent reviews were conducted by third-party consultants to further enhance GLP's risk framework and provide reasonable assurance to stakeholders. Initiatives were also taken to spread best practices to strengthen the Group's risk culture and operational resiliency.

RISK PROCESS

The Audit Committee assists the Board in overseeing risk within GLP. As part of continuing risk management enhancement, the Board is looking into establishing a Board Risk Committee this year. Currently, there is an existing separate Management Risk Committee consisting of senior stakeholders which regularly reviews and assesses GLP's principal risks.

The process of risk management is incorporated into day-to-day operations and forms an integral part of all decision-making processes within GLP. The result of this process showing GLP's principal risks is presented in the table on the next page.

TOP DOWN
Oversight, identification, assessment and mitigation of risk at Group level

BOTTOM UP
Identification, assessment and mitigation of risk across functional areas and business unit levels

THE BOARD AND AUDIT COMMITTEE (AC)

- Overall responsibility for risk management
- Oversee risk management structures and processes
- Review adequacy and effectiveness of the Group's governance system

MANAGEMENT RISK COMMITTEE

- Assists the AC in discharging its responsibilities on risk oversight
- Establishes the Group's risk management policies based on risk appetite/attitudes/ exposures
- Ensures adequate risk management practices and procedures are operating efficiently across the organization

RISK MANAGEMENT DEPARTMENT

- Coordinates the Group's ERM program
- Receives reports from business units, reviews risk management activities and compiles the Group risk register
- Quarterly reporting and recommendations to the AC
- Tracks risk management activity across the Group

BUSINESS UNITS

- Responsible for risk management activities within their business unit
- Embed risk management activity as an integral part of business unit processes
- Ensure implementation of risk improvement recommendations
- Identify and report changes in risk/ environment to the risk management department

INTERNAL AUDIT
Independent opinion to the AC on the adequacy and effectiveness of the Group's internal control system

PRINCIPAL RISKS

Risk	Impact	Mitigation	Key Risk Indicators
Global Financial Risk			
• Exposure to un-hedged interest rate positions from the Group's operations internationally • Exposure to un-hedged currency positions from the Group's operations internationally • Lack of availability of funding	• Increase in financing costs • Negative impact on operational performance • Reduction in Net Asset Value • Inability to meet financial obligations as they fall due • Inability to meet strategic growth and expansion objectives	• High level of fixed rate debt maintained • Proactive financial management to respond to dynamic market conditions • Maintaining a natural hedge by borrowing in local currencies • Employ appropriate hedging instruments • Maintaining a strong balance sheet • Maintaining diversified and balanced sources of funding • Regular Management and Board reviews	• Major economic indicators such as GDP growth, foreign exchange rates and inflation • Leverage and debt ratios
Country Risk			
• Economic uncertainty, regulatory changes and potential political instability in the countries where GLP operates and/or has large investments	• Negative impact on operational performance • Negative valuation movements	• Monitoring of economic and market indicators to review against business strategies and investment targets • Rigorous due diligence and investment approval processes with escalation to the Executive Committee and the Board's Investment Committee for scrutiny	• Major economic indicators such as GDP growth, interest rates, inflation, business and consumer confidence
Fraud and Corruption Risk			
• Illegal or unethical acts by employees	• Financial and reputational damage to the Group • Loss of operating licences	• Robust corporate governance system in place including a whistle-blowing policy • Regular anti-corruption training • Annual ethics training and sign-off by all employees	
Access to Land Risk			
• Inability to obtain land in suitable locations or at appropriate prices	• Inability to meet strategic growth and expansion objectives	• Forming strategic partnerships (e.g. investor consortium) to gain access to land • Expansion of channels to further increase land access through marketing, branding and reputation • Maintaining a strong balance sheet for opportunistic acquisitions	• Monitoring of actual land acquisition rate versus planned development pace • Benchmarking GLP's land acquisition pace against peers
Project Management Risk			
• Inability to lease out spaces from newly completed developments • Cost and schedule overruns	• Negative impact on operational performance • Negative valuation movements	• Strict investment guidelines to be fulfilled before commencement of any new projects • Rigorous vendor selection process based on track records and financial performance • Comprehensive contracts with clearly defined deliverables and penalties for delays • Vast experience with proven delivery and execution track records in different markets	• Maintaining the development portfolio level as a proportion of GLP's total portfolio and keeping track of its completion targets
People and Talent Risk			
• Inability to attract, retain and develop the right people	• Inability to meet business objectives due to a lack of professional expertise	• Utilizing long-term incentive compensation packages to retain and attract talent • Clear employee objectives and development plans • Succession planning and talent management	• Senior staff turnover statistics
Catastrophic Business Event Risk			
• External events such as extreme weather, natural catastrophes or civil unrest	• Physical damage to assets, business interruption and financial losses • Disruption to the Group's operations • Inability to provide service to customers	• Comprehensive insurance and physical security measures at all properties and development sites • Business Continuity Management program for all locations to respond to incidents and/or catastrophic events	

CORPORATE SUSTAINABILITY

GLP seeks to contribute in a positive, meaningful way to the communities and environments in which it operates. GLP's commitment to sustainability is formalized in an overarching ESG Policy Framework which is readily made available to all employees, suppliers, service providers and partners. For more information, please read GLP's ESG Policy on page 38 of this report or on our website.

GLP is one of 84 companies in Singapore listed on the SGX Sustainability Index.

GRESB HIGHLIGHTS

GLP is a member of the Global Real Estate Sustainability Benchmark (GRESB), an industry-driven organization widely regarded as a global standard for real estate sustainability. In 2015, GLP Japan Development Venture I, GLP Japan Income Partners I and GLP J-REIT received "Green Star" ratings in the 2015 GRESB Survey for improving sustainability performance, the highest in four available categories.

ENVIRONMENTALLY-FRIENDLY BUILDINGS

To-date, 22 GLP buildings across Japan, US and Brazil have achieved LEED[1] certification, up 120% year-on-year. This includes three LEED Platinum certifications, the highest possible rating. In Japan, GLP consistently sets new benchmarks for the logistics industry and is the first and only provider to develop LEED Platinum projects. Notably, GLP Misato III was the first logistics facility in Japan to be certified LEED Platinum in 2013 and it was also selected as one of 13 international winners in Urban Land Institute's 2014 Global Awards for Excellence.

34 GLP buildings feature solar panels, up 36% year-on-year.

In Japan, GLP's LEED buildings, seismic isolators and solar panels reduce carbon emissions by approximately 44,000 tons per year. This is equivalent to the annual electricity use of approximately 6,000 homes. For its efforts, GLP was conferred the Environmental Enlightenment in Logistics Award from the Japan Association for Logistics and Transport.

Approximately 40% of GLP's facilities in Japan have in-built seismic isolators to protect employees, customers and communities from earthquakes. GLP continues its research collaboration with a number of Japan's leading organizations such as the Tokyo Institute of Technology. The Group also collaborated with the Architectural Association of Japan to actively work with customers across all regions to provide green technology solutions such as ground source heat pump systems, solar powered street lighting systems and rooftop solar thermal systems.

GOVERNANCE AND ETHICS

At GLP, ethics and corporate integrity are the cornerstones of how GLP does business at all levels of the Company. GLP maintains a zero corruption policy across all its operations and takes an active role to instill a culture of business integrity and ethical values. All management and staff are required to comply with the Company's Code of Business and Ethical Conduct, which forbids bribery, fraud and misappropriation of corporate funds, assets or confidential information. All employees sign an annual ethics declaration and a whistle-blowing policy is in place.

GLP EMPLOYEES

1,010

GLP HOPE SCHOOLS

13

LEED BUILDINGS

22

GLP PROPERTIES WITH SOLAR PANELS

34

1. Leadership in Energy and Environmental Design; Comprehensive Assessment System for Built Environment Efficiency

TALENT MANAGEMENT

GLP invests in long-term skills training, mentorship, talent management and career planning to help its employees realize their full potential. The Company's structured and sustained manner of developing talent ensures that staff with high potential are given opportunities to advance to leadership positions.

GLP considers its employees the Company's greatest asset and employee wellness and engagement is a key priority for management.

COMMUNITY OUTREACH

GLP is dedicated to giving back to the communities in which it operates, with its employees playing a vital part. The Company believes this involvement leads to greater employee satisfaction and happiness as they realize they are part of building something meaningful and long-lasting. Over the past year, more than 200 GLP employees globally volunteered 7,000 man-hours for community projects including teaching, tree planting, food distribution and cycling to raise funds and awareness. GLP employee-volunteers have partnered with organizations like Hands On Tokyo (Japan), National Multiple Sclerosis Society (US) and Food from the Heart (Singapore).

GLP has also cooperated with customers like Vipshop and Deppon in China and Nippon Logitech in Japan on donations and charity events to schools and underprivileged communities.

In the US, GLP has formed a philanthropy committee to coordinate and organize activities in GLP US offices.

CASE STUDY: GLP HOPE SCHOOLS & SPRING FUND

GLP is dedicated to inspiring and educating the next generation through its work with the Hope School program. Since its inception in 2006, GLP has funded 13 schools through the program, benefiting approximately 6,000 students.

In conjunction, Spring Children's Fund, founded by Ming Mei in 2014, is a unique music and English education program providing opportunities for students to build confidence and develop social skills. Working alongside GLP Hope Schools, Spring has seen encouraging results across the country.

In January 2016, Spring organized a six-day music camp at GLP Linggan Primary School, culminating in a concert. 63 children aged 7 to 12 years old were taught how to play musical instruments like the trumpet, flute, clarinet, trombone, dizi, yangqin, bawu and drums. Spring also focuses on recruiting and training local teachers to ensure the program is sustainable and scalable in the long term.

ENVIRONMENTAL, SOCIAL & GOVERNANCE POLICY

Sustainability is at the heart of delivering GLP's business objectives and its continued ability to provide enhanced economic, environmental and social value to shareholders, clients, staff, suppliers and the communities in which GLP operates, both now and into the future. In FY16, GLP continued to further evolve the sustainability platform. GLP is uniquely positioned to construct high-quality buildings that maximize supply chain efficiency and help meet the needs of domestic consumption-led growth in its core markets in a more sustainable way.

GLP's ESG Policy Statement is a reflection of GLP's overarching commitment to integrating sustainability into every aspect of its business. It is underpinned by GLP's core values and stated mission to "shape the development of the logistics industry by harnessing the power of our platform and team to drive value for our customers and making a difference in the broader community."

The policy will provide a clear leadership position on ESG related issues, initiate consensus across GLP's business and create a common understanding of GLP's ESG principles.

ESG POLICY SCOPE

GLP's ESG policy applies to all its facilities globally. The objective is to create a more resilient portfolio overall by ensuring that all of GLP's new buildings comply with its ESG requirements, while adopting a continual improvement strategy to its existing assets.

OUR ESG PRINCIPLES

GLP believes that an integrated ESG approach will deliver the best results for GLP and its shareholders. This will be implemented through the following principles:

1. **UPHOLDING ETHICS AND CORPORATE INTEGRITY AS THE CORNERSTONES OF HOW WE DO BUSINESS AT ALL LEVELS OF OUR COMPANY**
   GLP maintains a zero corruption policy across all its operations and takes an active role to instil a culture of business integrity and ethical values. Strict written policies detailing the Code of Business Conduct and Ethics underpin this commitment, with all employees required to comply on an annual basis.
2. **EMBEDDING MATERIAL ESG RISKS AND OPPORTUNITIES INTO DECISION-MAKING**
   GLP is firmly committed to managing its activities throughout the Group to provide the highest level of protection to the environment and to safeguard the health and safety of its employees, customers and communities. GLP is committed to ensuring that material ESG risks and opportunities are built into investment research and screening, selection of investments and portfolio management.
3. **ENGAGING PROACTIVELY WITH STAKEHOLDERS**
   Proactive stakeholder engagement allows GLP to understand and respond to local and emerging risks and opportunities in the communities in which it operates. GLP believes that this is key to being a dynamic business and is central to developing long-term value creation.

PHASE 1

Corporate commitment to sustainability and overarching policy framework.

PHASE 2

Identifying our key stakeholders and what they consider to be important.

PHASE 3

Identifying what issues are materially relevant to our business and our stakeholders, what our impacts are and how we can best measure and manage them.

PHASE 4

Setting performance targets, implementing processes and procedures to meet them and measuring how effective we have been.

PHASE 5

Reporting on our performance to our key internal and external stakeholders.

4. **ATTRACTING AND RETAINING TALENTED, MOTIVATED EMPLOYEES**
   GLP's commitment to continuous improvement in its people and projects will see ESG being embedded into its talent management programs. GLP creates comprehensive training initiatives and a positive work environment that supports individual growth and development and promotes a healthy, safe and balanced lifestyle. As part of its cultural values, GLP seeks to identify talents both internally and externally and to build its talent pipeline for succession planning.

5. **MAXIMIZING SUPPLY CHAIN EFFICIENCY**
   GLP is committed to driving cost- and resource-based efficiency within its supply chain. Regional and national relationships will be established where possible, and GLP will work closely with its preferred suppliers to support the delivery of developments safely, on budget, on time and with minimal environmental impact.

6. **DRIVING PERFORMANCE THROUGH EVIDENCE**
   GLP recognises that building accountability and transparency relies on robust and defensible data metrics. GLP commits to putting in place the necessary performance and data management systems and processes that support its ESG Policy objectives.

7. **TAKING THE LEAD IN BUILDING BETTER COMMUNITIES**
   As part of GLP's commitment to continuous improvement, it will contribute positively to the debate on green buildings and wider sustainable development by sharing knowledge with its peers and learning from others. GLP constantly seeks ways to innovate in order to minimize the impact its projects have on the environment and strives to make a net positive contribution in its communities.

8. **CREATING A CULTURE OF ENTREPRENEURIAL VALUE CREATION**
   GLP constantly seeks ways to innovate in order to minimize the impact its projects have on the environment and make a net positive contribution where it can.

9. **PROTECTING AND ENHANCING THE ENVIRONMENT ACROSS ALL OF ITS OPERATIONS**
   GLP is vigilant about protecting the environment across all of its operations. GLP will aim to exceed national and local environmental standards relating to its operations and protect or enhance forested areas through its tree programs.

10. **SUPPORTING LIVELIHOOD OPPORTUNITIES IN THE COMMUNITIES GLP WORKS IN**
    Education is an area that needs urgent attention in many of GLP's communities – and one that offers the opportunity to make a significant impact. GLP is committed to doing its part to support and promote quality education through investment into schools, training and apprenticeships.

11. **PROMOTING ENERGY EFFICIENCY & RENEWABLES**
    Energy efficiency is fundamental to GLP's design and operations. GLP is committed to optimising energy use in both existing and new developments. As the continued supply of energy is an increasing concern for some of its growth markets, GLP will continue to promote the use of renewables in its local communities.

12. **BUILDING SUSTAINABLY CERTIFIED NEW DEVELOPMENTS**
    GLP is committed to building and operating high performing developments which meet or are capable of meeting recognized certification standards.

GLP commits to reviewing this Policy Statement on an annual basis as its business continues to grow.

GLP GUARULHOS, SÃO PAULO, BRAZIL

OUR GLP FAMILY

With more than 1,000 employees globally, teamwork is the key to our success. We pride ourselves on collaboration and innovation. Each member of the GLP family is excited about our goals, fiercely connected to our mission, passionate about our work and proud of what we stand for.

EFFECTIVE LEADERSHIP

Dr. Seek Ngee Huat
Chairman, Non-Executive & Independent Director

Ming Z. Mei
Chief Executive Officer, Chairman of the Executive Committee, Executive Director

Steven Lim Kok Hoong
Non-Executive & Independent Director

Dr. Dipak Chand Jain
Non-Executive & Independent Director

Paul Cheng Ming Fun
Non-Executive & Independent Director

Fang Fenglei
Non-Executive & Non-Independent Director

Yoichiro Furuse
Non-Executive & Independent Director

Luciano Lewandowski
Non-Executive & Independent Director

Lim Swe Guan
Non-Executive & Independent Director

Tham Kui Seng
Non-Executive & Independent Director

Dr. Seek Ngee Huat
Chairman
Non-Executive & Independent Director
Date of Appointment: Director on 24 September 2010 and Chairman on 17 July 2014
Last Re-elected: 17 July 2014

Dr. Seek Ngee Huat, 66, is Chairman of the Board of Directors of GLP and chairs the Investment Committee and Human Resource and Compensation Committee. He is also a Director on the Boards of Brookfield Asset Management Inc., Canada and Chongbang Holdings (International) Ltd. and serves as a senior advisor to Frasers Centrepoint Limited. He is Chairman of the Institute of Real Estate Studies and Practice Professor at the National University of Singapore.

Following his retirement in 2011 as President of GIC Real Estate Ltd and a Board Director of the Government of Singapore Investment Corporation (GIC), Dr. Seek served two more years as a Director of GIC Real Estate and an advisor to the GIC Group Executive Committee. Prior to joining GIC, he was a Senior Partner with Jones Lang Wootton (now known as Jones Lang Lasalle), based in Sydney.

Dr. Seek previously served on the International Advisory Councils of Peking University's Guanghua School of Management and Fundação Dom Cabral in Brazil and was a member of the real estate advisory boards of Cambridge University and Harvard University. His other industry appointments included: a Board Director of the Pension Real Estate Association (US), founding Chairman of the Property Council of Australia Property Index Committee and member of the Land Sub-committee of the 2009 Singapore Government Economic Strategy Committee. His previous board directorships included Fraser & Neave Limited, Banco BTG Pactual S.A. and BTG Pactual Participations Ltd.

Dr. Seek was conferred the Singapore Public Administration Gold Medal in 2007 and the Distinguished Alumni Service Award in 2011 and Outstanding Service Award in 2015 by the National University of Singapore, his alma mater, where he earned a BSc in Estate Management. He holds an MSc (Business Administration) from the University of British Columbia and a PhD from the Australian National University.

Ming Z. Mei
Chief Executive Officer
Chairman of the Executive Committee & Executive Director
Please see page 49 for full biography.

Date of Appointment: Director and CEO on 24 September 2010
Last Re-elected: 17 July 2014

Steven Lim Kok Hoong
Non-Executive & Independent Director
Date of Appointment: Director on 24 September 2010
Last Re-elected: 29 July 2015

Steven Lim Kok Hoong, 69, is an Independent Director. He serves as Chairman of GLP's Audit Committee and a member of GLP's Human Resource and Compensation Committee.

Mr. Lim has over 33 years of audit and financial consulting experience and was responsible for the audits of statutory boards and some of the largest multinational corporations in Singapore, Indonesia and Malaysia.

Mr. Lim served as a Senior Partner of Ernst & Young Singapore from 2002 to 2003. Mr. Lim started his career with Arthur Andersen in 1971 and served as the Managing Partner of Arthur Andersen Singapore from 1990 to 2002 and as Regional Managing Partner for the ASEAN region in Arthur Andersen from 2000 to 2002. Mr. Lim is also Chairman of the Board and a member of the Audit Committee at Parkway Trust Management Limited (manager of Parkway Life REIT) and Sabana Real Estate Investment Limited (manager of Sabana Shari'ah Compliant REIT). He is also an Independent Director and Audit Committee Chairman of Genting Singapore PLC. Mr. Lim's past appointments include directorships at Genting Integrated Resorts Operations Management Pte Ltd, Hoe Leong Corporation Ltd, Amtek Engineering Ltd. and Singapore Tourism Board.

Mr. Lim is a member of the Institute of Singapore Chartered Accountants and the Institute of Chartered Accountants in Australia. Mr. Lim graduated with a Bachelor of Commerce degree from the University of Western Australia in 1971.

Dr. Dipak Chand Jain
Non-Executive & Independent Director
Date of Appointment: Director on 24 September 2010
Last Re-elected: 29 July 2015

Dr. Dipak Chand Jain, 59, is an Independent Director. He is also Chairman of GLP's Nominating and Governance Committee and a member of GLP's Human Resource and Compensation Committee.

Dr. Jain is currently the Director (Dean) of Sasin Graduate Institute of Business Administration of Chulalongkorn University in Bangkok, Thailand. Dr. Jain held the position of Dean of INSEAD, a European business school with campuses in France, Singapore and Abu Dhabi, between 2011 and 2013. From 2001 to 2009, Dr. Jain served as Dean of the Kellogg School of Management at Northwestern University. Prior to Dr. Jain's appointment as Dean, he served as the Associate

Dean of Academic Affairs from 1996 until 2001. He was also the Sandy and Morton Goldman Professor in Entrepreneurial Studies and a Professor of Marketing at Kellogg School of Management at Northwestern University, where he has been a member of the faculty since 1986. Dr. Jain has been a Visiting Professor of Marketing at the Sasin Graduate Institute of Business Administration at Chulalongkorn University in Bangkok, Thailand, since 1989. Dr. Jain taught at Gauhati University in India from 1980 to 1983.

Dr. Jain serves as an Independent Director on the Board of Indian Conglomerate Reliance Industries Limited and also on the board of directors of Deere & Company and Northern Trust Corporation. Dr. Jain's past appointments included directorships at United Airlines and People Energy. He has also served as a consultant to Microsoft, American Express, Hyatt International, Sony and Nissan.

Dr. Jain holds a Master of Science in Management and Administrative Services and received his PhD in Management Science from the University of Texas at Dallas in 1986.

Paul Cheng Ming Fun
Non-Executive & Independent Director

Date of Appointment: Director on 24 September 2010
Last Re-elected: 29 July 2015

Paul Cheng Ming Fun, 79, is an Independent Director. He serves as a member of GLP's Audit Committee and Nominating and Governance Committee. Mr. Cheng is the Chairman of CHG Capital Growth Fund and Deputy Chairman and Independent Non-Executive Director of Esprit Holdings Ltd. In addition, Mr. Cheng also serves as Independent Non-Executive Director of Pacific Alliance China Land Ltd. and Chow Tai Fook Jewellery Group Limited.

Mr. Cheng was Chairman of The Link Management Ltd. from 2005 to 2007, Chairman of Inchcape Pacific Ltd. from 1992 to 1998, and the Chairman of N.M. Rothschild & Sons (Hong Kong) Ltd from 1996 to 1998. Mr. Cheng was a member of the Legislative Council of Hong Kong from 1988 to 1991 and from 1995 to 1998. He was also a member of the Preparatory Committee established by the Central Government of Beijing from 1994 to 1997 in relation to Hong Kong's reversion to Chinese sovereignty. Additionally, Mr. Cheng served as the Chairman of the Hong Kong General Chamber of Commerce from 1992 to 1994. Mr. Cheng was awarded the Independent Non-Executive Director of the Year Award from the Hong Kong Institute of Directors in 2009.

Mr. Cheng has a Bachelor of Arts from Lake Forest University, Illinois, United States in 1958 and received his Master of Business Administration from The Wharton Business School at the University of Pennsylvania, US in 1961.

Fang Fenglei
Non-Executive & Non-Independent Director

Date of Appointment: Director on 6 June 2014
Last Re-elected: 17 July 2014

Fang Fenglei, 64, is a Non-Independent Director. He also serves as a member of GLP's Investment Committee.

He is the Founding Partner and Chairman of HOPU Investments. He has been Non-Executive Chairman of Goldman Sachs Gao Hua Securities Company Limited since 2004. Previously, Mr. Fang served as Executive Vice President of China International Capital Corporation Limited, Chief Executive Officer of BOC International Holdings Limited and Chief Executive Officer of ICEA Finance Holdings Co., Ltd., China. Mr. Fang is a Board member of Phoenix Satellite Television Holdings Limited, a company listed on the Hong Kong Stock Exchange since 13 March 2013. Mr. Fang's appointments in the past include directorships at Central China Real Estate Limited and China Mengniu Dairy Company Limited.

Mr. Fang holds a Bachelor of Arts in Chinese Linguistic Literature from Sun Yat-sen University.

Yoichiro Furuse
Non-Executive & Independent Director

Date of Appointment: Director on 24 September 2010
Last Re-elected: 29 July 2015

Yoichiro Furuse, 74, is an Independent Director. He is a member of GLP's Investment Committee and Nominating and Governance Committee. Mr. Furuse is currently the President of Evanston Corporation, the Chairman of Permira Advisers K.K. and a Director of Nitto Denko Corporation. Mr. Furuse also serves as Chairman of Genki Nogyo Kaihatsukikou, a non-profit agricultural development organization in Japan, and Akindo Sushiro Co., Ltd.

From 2001 to 2005, Mr. Furuse was the Executive Director & Executive Vice President of SANYO Electric Co., Ltd where he was responsible for its corporate management functions and internal control. Prior to this, Mr. Furuse served as the Senior Managing Director of Mazda Motor Corporation from 1996 to 2000 where he was responsible for domestic marketing, financing and overseeing the relationship with Ford Motor Company. Mr. Furuse began his career with Sumitomo Bank Limited in 1964 where he served as an Executive Director of International Banking

Unit, West Japan Region, Domestic Corporate Planning. Mr. Furuse's last position with Sumitomo Bank Limited was as the bank's Senior Executive Director where he oversaw all the business activities of the bank within Europe, the Middle East and Africa.

Mr. Furuse received his Master of Business Administration from Northwestern University's Kellogg School of Management in 1970 and his Bachelor of Laws from Osaka University in 1964.

Luciano Lewandowski
Non-Executive & Independent Director

Date of Appointment: Director on 14 November 2013
Last Re-elected: 17 July 2014

Luciano Lewandowski, 57, is an Independent Director. He also serves as a member of GLP's Investment Committee. He is the Principal and Founder of AGBI Real Estates (AGBI), a fund management company focused in the agribusiness market and urban real estate market in Brazil. Prior to AGBI, Mr. Lewandowski was a founder of Prosperitas, a real estate private equity firm with approximately US$1.7 billion of assets under management in Brazil. At Prosperitas, Mr. Lewandowski had responsibilities for fund raising, investment and divestment in three different funds between 2006 and 2012.

Mr. Lewandowski has been in the fund management industry since 2003, when he led the group that created the predecessor fund to Prosperitas, GP II, a real estate private equity and receivables fund sponsored by GP Investimentos. Before leading the group that founded GP II, Mr. Lewandowski co-founded a group within Rio Bravo Investimentos which focused on structured product investment. Prior to that, Mr. Lewandowski was a Managing Director at UBF in charge of surety products and part of the team that oversaw the sale of UBF to Swiss Re. Mr. Lewandowski also sits on the Board of Agribusiness Participacoes Ltda., Calaari Participacoes Ltda., Schedar Empr. E Participacoes Ltda., Fazenda Itauna S.A. and Troyca Holdings Ltda.

Mr. Lewandowski graduated from Universidade Presbiteriana Mackenzie in São Paulo in 1980 with a Bachelor of Economics.

Lim Swe Guan
Non-Executive & Independent Director

Date of Appointment: Director on 14 August 2012
Last Re-elected: 29 July 2015

Lim Swe Guan, 62, is an Independent Director. He also serves as a member of GLP's Audit Committee and Investment Committee.

Mr. Lim currently serves as the Chairman of the Asia Pacific Real Estate Association (APREA). Mr. Lim joined GIC Real Estate Private Limited in 1997 and was Managing Director of GIC Real Estate Private Limited before retiring on 18 February 2011. In November 1995, Mr. Lim joined SUNCORP Investments in Brisbane, Australia as Portfolio Manager, Property Funds. In June 1986, Mr. Lim was recruited by Jones Lang Wootton in Sydney, Australia as a senior research analyst. Mr. Lim was appointed Manager in October 1987 and Director in 1989. Prior to that, he was a property consultant with Knight Frank, Cheong Hock Chye & Bailieu from 1985 to 1986. Mr. Lim sits on the Board of GPT Group in Australia and Sunway Berhad in Malaysia. He also serves as an independent member of the Investment Committee of CIMB-TrustCapital Advisors Singapore Pte. Ltd. and Silkroad Property Partners. Mr. Lim was previously a Director of Thakral Holdings Limited in Australia.

Mr. Lim graduated with a Bachelor of Science in Estate Management in 1979 from the University of Singapore and has a Master of Business Administration from the Colgate Darden Graduate School of Business, The University of Virginia in 1985. Mr. Lim obtained his CFA certification in 1991.

Tham Kui Seng
Non-Executive & Independent Director

Date of Appointment: Director on 24 September 2010
Last Re-elected: 17 July 2014

Tham Kui Seng, 58, is an Independent Director. He serves as a member of GLP's Audit Committee and Investment Committee. Mr. Tham was the former Chief Corporate Officer of CapitaLand Limited, overseeing the corporate services functions of the real estate group from 2002 to 2008.

Mr. Tham is currently a Non-Executive Director of The Straits Trading Company Limited, SembCorp Industries Ltd, Banyan Tree Holdings Limited, Straits Real Estate Pte. Ltd., Sembcorp Properties Pte. Ltd. and Avanda Investment Management Pte. Ltd. He is also a Board member of Singapore Land Authority and a corporate advisor to Temasek International Advisors Pte. Ltd. Mr. Tham's past appointments include directorships at SPI (Australia) Assets Pty Ltd, Maxwell Chambers Pte. Ltd and a member of the Board of The Housing & Development Board.

Mr. Tham received his Bachelor of Arts (First Class Honours) in Engineering from the University of Oxford, United Kingdom in 1979.

EXECUTIVE COMMITTEE

AN EXPERIENCED TEAM

Ming Z. Mei
Chief Executive Officer, Chairman of the Executive Committee

Yoshiyuki Chosa
President, GLP Japan

Mauro Dias
President, GLP Brazil

Higashi Michihiro
Chief Strategy Officer, GLP China

Victor Mok
Co-President, GLP China

Stephen Schutte
Chief Operating Officer

Charles Sullivan
President & Chief Operating Officer, GLP US

Kazuhiro Tsutsumi
Global Treasurer & Chief Financial Officer, GLP Japan

Ralf Wessel
Head of Fund Management & Business Development

Heather Xie
Chief Financial Officer

Kent Yang
Senior Advisor, GLP China

Teresa Zhuge
Co-President, GLP China

Ming Z. Mei

Chief Executive Officer
Chairman of the Executive Committee & Executive Director

Ming Z. Mei, 44, is Chief Executive Officer, Chairman of the Executive Committee and Executive Director of GLP. Mr. Mei was formerly the Chief Executive Officer of Prologis for China and Asian Emerging Markets. Mr. Mei opened Prologis' first China office in 2003 and built up its China operations to their current scale. Prior to joining Prologis, Mr. Mei was with Owens Corning, a world-leading construction materials manufacturer, where he held various key roles in finance, manufacturing, sales, marketing and strategic planning and general management.

Mr. Mei is an advisor to Nitto Denko Corporation. Mr. Mei also sits on the Board of Pacific Alliance China Land Limited and Shenzhen Chiwan Petroleum Supply Base Co. Ltd.

Mr. Mei's past appointments include a directorship at Rongxin Power Electronic Co Ltd. Mr. Mei graduated from the Kellogg School of Management at Northwestern University and the School of Business and Management at the Hong Kong University of Science and Technology with a Master of Business Administration. Mr. Mei received his Bachelor of Science in Finance from Indiana University School of Business. He attended the Advanced Management Program at Harvard Business School in 2009.

Yoshiyuki Chosa

President, GLP Japan

Yoshiyuki Chosa, 46, is President of GLP Japan and leads the Company's business in Japan.

Mr. Chosa was formerly Senior Vice President of Investment Management at Prologis Japan where he launched and expanded its acquisition business. Prior to joining Prologis Japan, Mr. Chosa held several key positions within Mitsui Fudosan Co., Ltd, and Mitsui Fudosan Investment Advisors, Inc., where he was involved in condominium and housing development projects, office leasing, asset management services and real estate investment advisory services to overseas institutional investors.

Mr. Chosa holds a Bachelor of Laws from Keio University and is based in Tokyo.

Mauro Dias

President, GLP Brazil

Mauro Dias, 53, is President of GLP Brazil. He joined the Company in 2014 and leads the Company's business in Brazil.

Mr. Dias was formerly Chief Executive Officer of Synergy Group's Shipyards and Shipping Divisions and, prior to that, Chief Executive Officer of Log-In Logistica Intermodal, a Brazilian logistics company, where he spearheaded their restructuring and IPO. From 1985 to 2007, Mr. Dias developed his career at VALE, one of the largest companies in Brazil, where he held various key roles in its logistics, shipping and transportation divisions, including Director of Logistics and Chairman and Chief Executive Officer of FCA Railway.

Mr. Dias was President of Brazil's National Association of Railways (ANTF) from 2006-2007. In 2006, he received the Medal Barão de Mauá from the Brazilian Government for his contributions to the Brazilian transportation sector.

Mr. Dias holds a Bachelor of Science in Mechanical Engineering and Economics from the Federal University of Espírito Santo and received his Master of Business Administration from the Anderson School at University of California-Los Angeles-UCLA. Mr. Dias is based in São Paulo.

Higashi Michihiro

Chief Strategy Officer, GLP China

Higashi Michihiro, 45, is Chief Strategy Officer of GLP China. Mr. Michihiro joined the Company in 2006, and is in charge of overseeing and setting the investment strategy for GLP China. He is also responsible for managing and establishing strategic alliances in China.

Mr. Michihiro was formerly Senior Vice President and Head of Investment of GLP China and helped to grow the Company's business relating to Japanese customers. Mr. Michihiro was previously at Nomura Research Institute in Japan where he was responsible for corporate strategy consulting, and Oita Bank where he was in charge of equity research.

Mr. Michihiro received his Bachelor of Law from Wuhan University and a Master of Economics from Oita University. Mr. Michihiro is based in Shanghai.

Victor Mok
Co-President, GLP China

Victor Mok, 51, is Co-President of GLP China and is responsible for the commercial and operational functions for the China business. Mr. Mok also spearheads strategic collaboration with GLP key partners such as China Material Storage and Transportation Corporation (CMSTD). He was formerly Chief Commercial Officer of GLP China.

Mr. Mok has close to three decades of experience in the aviation and logistics industries. Prior to joining GLP, Mr. Mok was CEO, North Asia, of DHL Supply Chain. Prior to DHL, Mr. Mok worked for Cathay Pacific Airways and Expeditors International holding various executive roles.

Mr. Mok holds a Master's Degree in Global Finance from Stern Business School at New York University and the School of Business and Management at the Hong Kong University of Science and Technology, as well as an Executive MBA from Ivey School of Business, University of Western Ontario Canada. Mr. Mok graduated from the University of Hong Kong with a Master's Degree in Transport Studies and a Bachelor's Degree in Economics and Management. He is a graduate of the Strategic Leadership Program from the University of Oxford and is based in Shanghai.

Stephen Schutte
Chief Operating Officer

Stephen Schutte, 49, is Chief Operating Officer of GLP. Mr. Schutte is responsible for global operations, legal services, strategic risk management, IT, human resources and key initiatives to enhance shareholder value, including investor relations. He also focuses on developing the Company's future strategy, new market entries, large portfolio transactions and global investment funds. Mr. Schutte joined the Company in 2011 and was formerly General Counsel and Chief Administrative Officer.

Prior to joining GLP, Mr. Schutte was Senior Vice President at DCT Industrial Trust Inc. where he was a market officer responsible for operating and growing the markets in Northern California, Mexico and Seattle through capital investments, leasing and portfolio management. He also served on the investment and executive management committees and was General Counsel overseeing all legal services, human resources, risk management and emerging markets. Prior to that, Mr. Schutte was Associate General Counsel of Prologis overseeing operations across multiple foreign countries and joint ventures, acquisitions, complex loan transactions and developments in excess of US$1 billion annually.

Mr. Schutte received his Juris Doctor from the University of Iowa College of Law and his Bachelor of Arts from Creighton University. Mr. Schutte is based in Singapore.

Charles Sullivan
President & Chief Operating Officer, GLP US

Charles Sullivan, 58, is President and Chief Operating Officer of GLP's US operations. He joined GLP as a part of its acquisition of IndCor Properties where he had been serving on the executive management team. Prior to IndCor, Mr. Sullivan was Head of Global Operations at Prologis, where he also served as Head of North American Operations, Senior Vice President and Regional Director of the Southeast, Northeast, and Mexican regions.

Mr. Sullivan currently serves on the Board of Directors of the Real Estate Center at the University of North Carolina at Chapel Hill. Mr. Sullivan received his Master of Business Administration from the Kenan-Flagler Business School at the University of North Carolina, and a Bachelor of Arts in Business Administration from the University of South Florida. Mr. Sullivan is based in the US.

Kazuhiro Tsutsumi
Global Treasurer & Chief Financial Officer, GLP Japan

Kazuhiro Tsutsumi, 48, is Global Treasurer and Chief Financial Officer of GLP Japan. Mr. Tsutsumi joined the Company in 2012 and is responsible for management of the Company's capital, cash and treasury risks and oversees treasury activities of each country. He is in charge of corporate finance, tax and human resource matters at GLP Japan.

Previously, Mr. Tsutsumi was Managing Director and Chief Financial Officer of Asia at Prologis, where he was overseeing the fund management business for its Japan portfolio. Prior to that, he served as Vice President for the Investment Management Division of Goldman Sachs from 1998 to 2002 and was responsible for financial management and strategic planning for its Japan and Asia operations. Mr. Tsutsumi started his career with Dai-ichi Life, where his responsibilities included portfolio management of US real estate, overseas financial management and corporate accounting/taxation.

Mr. Tsutsumi received his Master of Business Administration from the University of Chicago Booth School of Business, CPA from the State of Illinois, and Bachelor of Arts in Law from Waseda University. Mr. Tsutsumi is based in Tokyo.

Ralf Wessel

Head of Fund Management & Business Development

Ralf Wessel, 44, is Head of Fund Management and Business Development of GLP. Mr. Wessel is responsible for managing and growing GLP's fund management platform, which currently has US$34 billion of assets under management. He also manages long-standing relationships with some of the world's leading institutional investors, enabling GLP to scale the business and consistently deliver value to its investors.

Mr. Wessel was formerly Managing Director, Global Investment Management at Prologis where he was responsible for an investment platform valued at US$21 billion. Previously, Mr. Wessel was a partner at Equity Estate, a private equity company managing various real estate funds.

Mr. Wessel has more than 18 years of experience in the real estate sector and holds a Master in Financial Management from the University of Amsterdam and an Master in Science in Real Estate Investment from City University London. Mr. Wessel is based in Singapore.

Heather Xie

Chief Financial Officer

Heather Xie, 52, is Chief Financial Officer of GLP. Ms. Xie is responsible for Group-wide corporate finance including treasury, financial planning and reporting, controllership, tax and other financial services. Ms. Xie spearheads GLP's financial strategy and oversees the Company's capital structure.

Prior to joining GLP, Ms. Xie was Managing Director and Chief Financial Officer of Prologis China. Previously, Ms. Xie spent more than a decade at General Electric US and Asia holding various leadership positions such as Treasurer and Controller of GE Asia.

Ms. Xie received her Bachelor's and Master's degrees from People's University of China and a Master's degree in Economics from Cornell University in New York. Ms. Xie is based in Shanghai.

Kent Yang

Senior Advisor, GLP China

Kent Yang, 48, is Senior Advisor of GLP China. Mr. Yang joined the Company in 2005 and was formerly President of GLP China.

Previously, Mr. Yang served as Chief Operating Officer for Prologis China, where he was responsible for development and construction, leasing, property management and customer service. Prior to that, he was the General Manager responsible for the overall operation of GLP Park Lingang, Shanghai, a three sq km logistic park joint venture by GLP and Shanghai Lingang Group. From 2002 to 2005, Mr. Yang was the Managing Director of Wuxi Hua Yang Hi-Tech Venture Capital Inc., where he was responsible for the development and overall operation of a two sq km hi-tech industrial park in Wuxi, Jiangsu Province, China.

Mr. Yang received his Bachelor of Architecture degree from the University of Southern California and a Master of Science degree in Real Estate Development from Columbia University. Mr. Yang is based in Shanghai.

Teresa Zhuge

Co-President, GLP China

Teresa Zhuge, 39, is Co-President of GLP China and is responsible for the finance, investment-related and human resource functions for the China business. Ms. Zhuge oversees fund management, capital deployment and leads negotiations for GLP China's acquisitions and strategic projects. She was formerly Chief Financial Officer of GLP China.

Previously, Ms. Zhuge served as Fund Management Director and Assistant Chief Financial Officer of Prologis China. Prior to that, Ms. Zhuge was Deputy Chief Financial Officer of SZITIC Commercial Properties and also worked with Morgan Stanley Properties China and Deloitte.

Ms. Zhuge graduated with a Master of Business Administration from the Kellogg School of Management at Northwestern University and the School of Business and Management at the Hong Kong University of Science and Technology. Ms. Zhuge received her Bachelor's degree from Renmin University of China and is based in Shanghai.

CORPORATE GOVERNANCE

OUR GOVERNANCE FRAMEWORK

Global Logistic Properties Limited (the "Company" or "GLP" and together with its subsidiaries, the "Group") is committed to ensuring the highest standards of corporate governance as a means of enhancing corporate performance and accountability. The Company has established a series of well-defined policies and processes to protect key stakeholder interests, adhering to the principles prescribed under the revised Singapore Code of Corporate Governance 2012 ("Code"). The Company remains focused on the substance and spirit of the principles of the Code to ensure it remains relevant and well balanced while achieving operational excellence and delivering the Group's long-term strategic objectives.

The Board of Directors ("Board") and management of the Company recognize the importance of strong corporate governance and the maintenance of high standards of accountability to our shareholders, and remain firmly committed to seeing that those standards are satisfied through an evolving suite of governance practices that are woven into the fabric of the Company's business.

This Corporate Governance Report ("Report") sets out the Company's corporate governance processes and practices with reference to the principles of the Code for financial year ended 31 March 2016 ("FY16") and describes the Company's good governance principles in building a company committed to integrity, excellence and its people. The Company continually reviews and refines its processes in light of best practice, consistent with the needs and circumstances of the Group.

THE BOARD'S CONDUCT OF ITS AFFAIRS (PRINCIPLE 1)

ROLE OF THE BOARD

A critical function of the Board is to protect and enhance long-term value and returns for its shareholders. Beyond carrying out its statutory responsibilities, the Board also:

- provides entrepreneurial leadership and guidance on the overall strategic direction and business conduct of the Company and ensures that the necessary financial and human resources are in place for the Company to meet its objectives;
- reviews the performance of the Chief Executive Officer ("CEO") ("Key Management Personnel" or "Executive Director") and has oversight of the senior management executives[1] compensation to ensure that they are appropriately remunerated;
- reviews the adequacy and effectiveness of the Group's risk management and internal controls framework including establishing risk appetite, parameters and internal control systems which include financial, operational compliance and information technology controls;
- sets the Company's values and standards and ensures that obligations to shareholders and other stakeholders are understood and met;
- reviews and approves key operational and business initiatives, major funding proposals, significant investment and divestment proposals and other corporate actions, including determining the Group's annual budgets and capital expenditure, the Group's operating and financial performance, risk management processes and systems, human resource requirements, the release of the Group's quarterly and year-end financial results and a variety of other strategic initiatives tabled by management;
- reviews and sets corporate governance standards and practices ensuring that business objectives are pursued through prudent and effective controls including safeguarding of shareholders' interest and the Company's assets;
- identifies the key stakeholder groups and recognizes that their perceptions affect the Company's reputation; and
- considers sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

1. The term "senior management executives" shall mean the members of the Executive Committee, excluding the CEO

INDIVIDUAL BOARD MEMBER PROFILE

With the above responsibilities in mind, the Company seeks the following personal qualities in individual members of the Board:

- interacts with other Board members to build an effective and complementary Board;
- builds trusting relationships;
- applies independence of thought;
- is challenging but supportive in the boardroom;
- influences without creating conflict by applying a constructive, non-confrontation style; and
- is able and willing to commit adequate time to Board and Committee responsibilities.

Apart from matters specifically reserved for Board approval, such as material acquisition and disposition of assets, corporate or financial restructuring, the Group's corporate strategies and directions, annual budgets, share issuances and dividend distributions and a variety of responsibilities not specifically delegated pursuant to the Company's Constitution, the Board also appoints the Key Management Personnel, approves the policies and guidelines for the Board, Key Management Personnel and senior management executives' remuneration and approves the appointment of Directors.

The Board has adopted a set of internal controls which sets out authorization and approval limits governing treasury, operating and capital expenditure and investments and divestments. The Board relies on the integrity and due diligence of the Board, Key Management Personnel and senior management executives, external auditors and advisors to oversee the Group's overall performance, objectives and key operational initiatives.

INDEPENDENT JUDGMENT

All Directors exercise due diligence and independent judgment and make decisions objectively in the best interest of the Company. The Board has, at all times, exercised independent judgment in decision making, using its collective wisdom and experience to act in the best interests of the Company. Any Director who has an interest that may conflict with a subject under discussion by the Board either excuses himself from the information flow and discussion of the subject matter or declares his interest and abstains from decision-making.

DELEGATION BY THE BOARD

The Board is the highest authority of approval and to optimize operational efficiency has delegated certain of its functions to various Committees,

namely the Audit Committee, Nominating and Governance Committee, Human Resource and Compensation Committee and Investment Committee (each, a "Board Committee" and collectively, the "Board Committees"), whose purpose is to assist the Board in discharging its duties in an efficient manner with members bearing expertise in the Committees on which they serve. The Board may form other Board Committees to undertake specific duties as necessitated by business imperatives.

Each Board Committee has been constituted with clear written terms of reference. All Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. Each Committee may decide on matters within its terms of reference and applicable limits of authority. Board Committees will review their terms of reference annually to make sure they follow best practices and continue to address the responsibilities delegated to them. The terms of reference of the respective Board Committees have been amended following the issuance of the Code. Each Board Committee Chairman provides regular updates of activities to the full Board to give each Director insight into all aspects of the Company and minutes of all Board Committee meetings are available to each Director.

Composition of the Board Committees is structured to ensure an equitable distribution of responsibilities among Board members, maximize the effectiveness of the Board and foster active participation and contribution. Diversity of experience and appropriate skills are considered along with the need to maintain appropriate checks and balances between the different Board Committees.

The Board has delegated to the Investment Committee authority to approve the Group's transactions such as investments and divestments, participation in tenders and bids and credit facilities exceeding certain threshold limits. The Board has also approved the delegation of some of its authority to the Executive Committee comprising senior management executives and the Executive Director ("EXCO"). The EXCO reviews and approves business opportunities, strategic investments, divestments and major capital and operating expenditure and other transactions of the Group that are below the threshold limits set by the Board for the Investment Committee.

BOARD COMMITTEES

AUDIT COMMITTEE

The Audit Committee ("AC") is chaired by Mr. Steven Lim Kok Hoong and comprises a total of four members. The other members of the AC are Messrs. Paul Cheng Ming Fun, Lim Swe Guan and Tham Kui Seng. All members of the AC are Non-Executive and Independent. The overall objective of the AC is to assist the Board in ensuring the integrity of the Company's system of accounting and financial reporting and in maintaining a high standard of transparency and reliability in its corporate disclosures. The AC provides a channel of communication between the Board, management, internal auditors and external auditors on matters arising out of the internal and external audits.

The Chairman of the AC shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The AC held four meetings during FY16.

The AC's roles and responsibilities are disclosed in Principle 12 of this Report.

HUMAN RESOURCE AND COMPENSATION COMMITTEE

The Human Resource and Compensation Committee ("HRCC") is chaired by Dr. Seek Ngee Huat and comprises a total of three members. The other members of the HRCC are Messrs. Dipak Chand Jain and Steven Lim Kok Hoong. All members of the HRCC are Non-Executive and Independent. The responsibilities of the HRCC include regularly reviewing the appropriateness and relevance of the remuneration policy of the Directors, Key Management Personnel and senior management executives; determining the remuneration packages of individual Directors and Key Management Personnel; overseeing equity based plans and the terms of awards thereunder; reviewing succession plans for Key Management Personnel and senior management executives; and providing overall guidance on compensation recommendations for the Board of Directors and Key Management Personnel. The Chairman of the HRCC shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The HRCC held three meetings during FY16.

Additional details of the HRCC's roles and responsibilities are disclosed in Principles 7, 8 and 9 of this Report.

INVESTMENT COMMITTEE

The Investment Committee ("IC") is chaired by Dr. Seek Ngee Huat and comprises a total of six members. The other members of the IC are Messrs. Fang Fenglei, Yoichiro Furuse, Luciano Lewandowski, Lim Swe Guan and Tham Kui Seng.

The responsibilities of the IC include:

- reviewing and providing the Board of Directors with an annual investment and divestment strategy and identifying new business directions and strategies;

- monitoring and approving investment criteria, share-based transactions, and credit facility transactions above a certain threshold; and
- reviewing and approving investments in new markets, and investments or divestments in China, Japan, Brazil and the United States which are above a certain threshold delegated to management.

The Chairman of the IC shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The IC held three meetings during FY16.

NOMINATING AND GOVERNANCE COMMITTEE

The Nominating and Governance Committee ("NGC") is chaired by Dr. Dipak Chand Jain and comprises a total of three members. The other members of the NGC are Messrs. Paul Cheng Ming Fun and Yoichiro Furuse. All members of the NGC are Non-Executive and Independent.

The primary responsibilities of the NGC include:

- reviewing the composition of the Board annually to ensure there is an appropriate balance of expertise, skills, diversity and attributes;
- overseeing the review and appointment process of new Directors;
- reviewing and recommending to the Board nominees for re-election;
- reviewing annually the independence of Directors;
- reviewing annually the succession plans for Non-Executive Directors and the Chairman to ensure progressive renewal;
- ensuring the existence of a formal assessment of Board effectiveness as a whole and the contribution of each Director through individual Director self-assessment; and
- responsible for the role of governance oversight of the Company.

The Chairman of the NGC shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The NGC held two meetings during FY16.

Additional details of the NGC's roles and responsibilities are disclosed in Principles 2, 4 and 5 of this Report.

MEETINGS AND ATTENDANCE

The schedule of all Board and Board Committee meetings as well as the Annual General Meeting for the next calendar year is planned in advance. The Board convenes regularly scheduled meetings to, among other things, coincide with its review and approval of the Company's quarterly financial results and also to discuss reports by management on the Group's performance, plans and prospects. Typically, at least one Board meeting is held overseas, in a country where the Group has significant businesses and investments. The Company's Constitution permits Board and Board Committee meetings to occur via telephone conference, video conference or other electronic means of communication to facilitate participation at meetings by Directors who are unable to attend in person. In addition to its regular quarterly meetings, the Board also convenes ad-hoc meetings from time to time as warranted by business imperatives or other circumstances. Decisions of the Board and Board Committees may also be obtained via circular resolutions. When a physical meeting is not possible, timely communication with the Board can be achieved through electronic means.

If a Director is unable to attend a Board or Board Committee meeting, he still receives all the papers and materials for discussion at that meeting. He will review them and will advise the Chairman or Board Committee Chairman of his views and comments on the matters to be discussed so they can be conveyed to other members at the meeting.

NON-EXECUTIVE DIRECTORS' MEETING

The Company believes that an effective and robust Board, whose members engage in open and constructive debate and challenge management on its assumptions and proposals, is fundamental to good corporate governance. For this to happen, the Board, in particular Non-Executive Directors, must be kept well informed and be knowledgeable of the Company's businesses. To ensure that Non-Executive Directors are well supported by accurate, complete and timely information, Non-Executive Directors have unrestricted access to management. Non-Executive Directors also receive periodic information papers and board briefings on latest market developments and trends, and key business initiatives.

The Non-Executive Directors also set aside time to meet without the presence of management at each Board meeting, where necessary, to discuss matters such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and remuneration of Key Management Personnel. The Non-Executive Directors held three meetings during FY16. The Directors also participated in a two-day off-site workshop and strategy session in Chicago, US in May 2016, with senior management, to further foster in-depth discussion and consideration of the Group's long-term vision and strategy. This gave Non-Executive Directors a better understanding of the Group and its businesses and provided an opportunity for the Non-Executive Directors to familiarize themselves with the management teams of the various businesses.

Details of Board and Board Committee meetings held and attendance thereat during the financial year are set forth on the following page.

Board and Board Committee Meetings and Attendance

	Board		Committees			
Name	Scheduled	Ad-hoc	Audit Committee	Nominating and Governance Committee	Human Resource and Compensation Committee	Investment Committee
			Number of Meetings Held			
	4	**5**	**4**	**2**	**3**	**3**
			Number of Meetings Attended			
Dr. Seek Ngee Huat	4/4	4/5	–	–	3/3	3/3
Ming Z. Mei	4/4	5/5	–	–	–	–
Steven Lim Kok Hoong	4/4	3/5	4/4	–	3/3	–
Dr. Dipak Chand Jain	4/4	3/5	–	2/2	3/3	–
Paul Cheng Ming Fun	4/4	4/5	4/4	2/2	–	–
Fang Fenglei	4/4	3/5	–	–	–	2/3
Yoichiro Furuse	4/4	5/5	–	2/2	–	3/3
Luciano Lewandowski	4/4	5/5	–	–	–	3/3
Lim Swe Guan	4/4	5/5	4/4	–	–	3/3
Tham Kui Seng	4/4	5/5	4/4	–	–	3/3

DIRECTORS' ORIENTATION AND TRAINING

Upon appointment, each Director is issued a formal letter of appointment explaining the roles, duties and responsibilities expected together with Committee assignments. Newly appointed Directors are briefed by management on the Group's business, operations, financial, governance practices, risk management policies and processes, core values, strategic direction and industry-specific training.

The newly-appointed Director also receives an "Information Pack" which contains the Company's Constitution, respective Committees' terms of reference, Group's organization structure, contact details of members of senior management and Group Policy relating to disclosure of interests in securities and prohibition on dealings in GLP securities. All Directors will be able to access GLP's Board Paper application portal which contains, inter-alia, the Information Pack, Board calendar and Board and Committee meeting packs for each quarter's financial results through the electronic device issued to each Director.

BOARD COMPOSITION AND GUIDANCE (PRINCIPLE 2)

The Directors believe in having a strong and independent element on the Board that is sized to promote effective and candid discussion and efficient decision-making. Presently, the Board comprises 10 Directors of which eight are Independent Directors, one is a Non-Executive Non-Independent Director and one is an Executive Director (i.e. the CEO). The Board is of the view that, given that the majority of the Board comprises Non-Executive Independent Directors who are independent of management in terms of character and judgment, objectivity on issues deliberated is assured. Profiles of the Directors are provided on pages 44 to 47 of this Annual Report.

Details of the composition of the Company's Board and Board Committees during the financial year are set forth on the following page:

Composition of Board and Committees

Name of Director	Designation	Audit Committee	Nominating and Governance Committee	Human Resource and Compensation Committee	Investment Committee
Dr. Seek Ngee Huat (Chairman)	Non-Executive / Independent	–	–	Chairman	Chairman
Ming Z. Mei (CEO)	Executive / Non-Independent	–	–	–	–
Steven Lim Kok Hoong	Non-Executive / Independent	Chairman	–	Member	–
Dr. Dipak Chand Jain	Non-Executive / Independent	–	Chairman	Member	–
Paul Cheng Ming Fun	Non-Executive / Independent	Member	Member	–	–
Fang Fenglei	Non-Executive / Non-Independent	–	–	–	Member
Yoichiro Furuse	Non-Executive / Independent	–	Member	–	Member
Luciano Lewandowski	Non-Executive /Independent	–	–	–	Member
Lim Swe Guan	Non-Executive / Independent	Member	–	–	Member
Tham Kui Seng	Non-Executive / Independent	Member	–	–	Member

BOARD INDEPENDENCE

The NGC assesses the independence of each Director annually bearing in mind the Code's definition of an "Independent Director" who has no relationship with the Company, its related corporations, its shareholders who holds 10% or more of the voting shares of the Company or its officers that could interfere, or be reasonably perceived to interfere with the exercise of their independent business judgment. Each Director is required to complete a Director's independence declaration drawn up based on the guidelines provided in the Code. The independence declaration further requires each Director to assess whether he considers himself independent despite not being involved in any of the relationships identified in the Code. Thereafter, the NGC reviews the completed independence declaration and assesses the independence of the Directors by taking into account examples of relationships as set out in the Code. The NGC then recommends its assessment to the Board. Based on the guideline of the Code, the NGC noted that the Company currently does not have any Director who has served the Board beyond nine years from the date of his first appointment.

The Board, after taking into account the views of the NGC, determined that Mr. Ming Z. Mei and Mr. Fang Fenglei are the only Non-Independent Directors and the other eight Directors are able to act with independent judgment and are all considered Independent Directors within the meaning of the Code as at the date of this Report.

Mr. Luciano Lewandowski was appointed a Non-Independent Director of the Company on 14 November 2013. Mr. Lewandowski holds a remaining economic interest in affiliates of Prosperitas Investimentos S.A. ("Prosperitas"). Certain affiliates of Prosperitas had on 14 November 2012 sold to GLP the property holding companies comprising GLP's portfolio of stabilized and development properties in Brazil. There were payments made by GLP to the affiliates of Prosperitas in 2013 and 2014. There were also adjustments made with respect to the payment made to Prosperitas in 2014 and such adjustments would amount to not more than US$1.5 million. On 18 May 2016, the Board has determined that Mr. Lewandowski be considered independent on the basis that the affiliates of Prosperitas have not received any further payment from GLP and the said conflict of interests therefore had ceased in November 2014. Taking into consideration the foregoing, Mr. Lewandowski was re-designated as Independent Director with effect from 18 May 2016.

Mr. Fang Fenglei was appointed a Non-Independent Director of the Company on 6 June 2014. Mr. Fang is the Founding Partner and Chairman of Hopu Logistics Investment Management Company Limited, the general partner of an investment consortium who is a minority beneficiary shareholder of Iowa China Offshore Holdings (Hong Kong) Limited, a major subsidiary of GLP. Taking into consideration the foregoing, the NGC and the Board considers Mr. Fang a Non-Independent Director.

The other seven Directors, namely Messrs. Dr. Seek Ngee Huat, Steven Lim Kok Hoong, Dipak Chand Jain, Paul Cheng Ming Fun, Yoichiro Furuse, Lim Swe Guan and Tham Kui Seng are considered independent as they have demonstrated independence in character and judgment in the discharge of their responsibilities as Directors of the Company and, based on their independence declarations received, there are no relationships or circumstance that are likely to affect, or could appear to affect, their independent judgment.

BOARD SIZE AND COMPETENCY

The NGC is also responsible for examining the size and composition of the Board to ensure it operates in an efficient manner with effective decision-making, sufficient competencies represented as needed, and a healthy balance of Executive and Non-Executive Directors operating in an open forum allowing for independent judgment. In carrying out the review, the NGC takes into account that the Board composition should reflect balance in matters such as skill sets and competencies, tenure, knowledge, experience, age spread and diversity (including gender diversity). The NGC conducts annually a review of the Board composition and the Board skills matrix as well as on each occasion that an existing Non-Executive Director gives notice of his intention to resign. The NGC is satisfied that the current Board composition provides the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies in areas such as real estate, accounting and finance, private equity and banking, business and management experience, tax, fund management, marketing, manufacturing, strategic planning and customer based knowledge to lead and govern the Group effectively. The outcome of that annual assessment will be reported to the Board.

The Board takes into account the nature and scope of business operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees and considers that the present Board size and the existing composition of the Board Committees effectively serves the Group and the Board is efficient and effective when it comes to decision-making and has adequate strong and independent elements. As evidenced by their respective business and working experience set out in the Profiles of the Directors provided on pages 44 to 47 of this Annual Report, the Directors possess the appropriate expertise to act as Directors of our Company and are expected to bring a valuable range of experience and expertise to contribute to the development of the Group's business operations, strategy and performance.

The Board also has the assistance of the Non-Executive and Independent Directors in fulfilling a pivotal role in corporate accountability and transparency. Their presence is important as they provide unbiased independent views, advice and judgment to address the interests of the Company and those of the shareholders and other stakeholders. The Independent and Non-Executive Chairman does not have any relationships with the executive management of the Group.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER (PRINCIPLE 3)

The roles of the Chairman and CEO of the Company remain distinct through a clear division of responsibilities. The Board has adopted Role Statements for the Chairman and CEO for greater transparency.

The Chairman's Role Statement provides that his responsibilities include, without limitation:

- leading the Board and upholding the highest standards of integrity and probity;
- constructively determining and approving with the full Board the Company's strategy;
- ensuring that the Board is properly organized, functions effectively and meets its obligations and responsibilities;
- setting the agenda and ensuring adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting effective communication and constructive relations amongst the Directors, within Board Committees, and between the Directors and management;
- promoting a culture of openness and debate at the Board;
- ensuring that Board matters are effectively organized to enable Directors to receive complete, adequate and timely information in order to make sound decisions;
- facilitating effective contribution of Non-Executive Directors;
- promoting high standards of corporate governance;
- establishing a relationship of trust with the CEO; and
- ensuring effective communication with the shareholders.

The CEO is the highest-ranking executive officer of the Company whose primary role is to effectively manage and supervise the day-to-day business and operations of the Company, all in accordance with the strategy, policies, budget and business plans approved by the Board.

The Role Statement of the CEO provides that his responsibilities include, without limitation:

- running the Company's business and developing its vision, mission, core values, strategies and business objectives;
- providing clear and decisive leadership and guidance to employees of the Company;
- accounting to the Board for all aspects of the Company's administration, operations and performance;
- providing timely strategic and operational information to the Board, including performance reports and other matters that the Board may not otherwise be aware of;
- managing and cultivating relationships with regulators, leading communication efforts with shareholders and the public and ensuring compliance with disclosure obligations; and
- developing organizational structures which ensure an effective and cohesive senior management team.

As the roles of the Chairman and CEO are separate, and given the independence of our Chairman, the Board has determined that the Company need not appoint a lead Independent Director.

BOARD MEMBERSHIP (PRINCIPLE 4) AND BOARD PERFORMANCE (PRINCIPLE 5)

SUCCESSION PLANNING AND APPOINTMENT OF NEW DIRECTORS

The NGC recognizes succession planning as an important part of the governance process and reviews succession plans annually to ensure that Board membership is refreshed progressively and in an orderly manner. All appointments to the Board are made on merit and measured against objective criteria. In identifying and evaluating nominees for appointment as Directors, the NGC will evaluate the professional skill sets and competencies, knowledge, experience on the Board and attributes of the potential candidates such as personal qualities including integrity and reputation required to position the Board to lead and guide the growth of the Company, and in consultation with management, determine the role and the desirable competencies for a particular appointment. In identifying new Board members, the NGC considers gender as an important aspect of diversity alongside factors such as the geographic origin, age, ethnicity background, race, education, experience, interests and interpersonal skills of its members, as it believes that diversity in the Board's composition contributes to the quality of its decision making. Recommendations from Directors and management are the usual source for potential candidates. However, external search consultants are also considered. Next, the NGC will conduct formal interviews with the short-listed candidates to assess their suitability and to verify that the candidates are aware of the expectations and level of commitment required. Finally, the NGC will make a recommendation on the appointment to the Board for approval.

RE-APPOINTMENT OF DIRECTORS

The NGC is responsible for reviewing the re-nomination and retirement of Directors who retire by rotation. Whether a Director voluntarily retires or is required to retire from office by rotation or by statute, or the need for a new Director otherwise arises, the NGC seeks to maintain the proper balance of expertise, skills and attributes among Directors. Before making its recommendations to the full Board, the NGC is free to seek advice from external consultants, and will ultimately provide a shortlist of candidates for the Board's consideration.

The NGC considers attendance, preparedness, participation and ability to think independently when evaluating the performance and contributions of a Director for recommendation to the Board, as well as the evolving needs of various skills and expertise to best serve the business of the Company both now and in the future.

Pursuant to the Company's Constitution, at least one-third of the Board, including Executive and Non-Executive Directors, must retire from office by rotation and are subject to re-election at every Annual General Meeting ("AGM"). All Directors, including the Chairman and CEO, are required to retire at least once every three years. Newly appointed Directors are subject to retirement and re-election at the AGM immediately following their appointment. Thereafter, they are subject to the one-third rotation rule. The CEO is subject to the same provisions as to the retirement by rotation, resignation and removal as other Directors of the Company as part of the Board renewal.

Pursuant to the one-third rotation rule, Dr. Seek Ngee Huat, Mr. Luciano Lewandowski and Mr. Fang Fenglei will retire and submit themselves for re-election at the forthcoming AGM under Article 91 of the Company's Constitution. In addition, Mr. Paul Cheng Ming Fun and Mr. Yoichiro Furuse, who are retiring under the respective resolutions passed at last year's AGM pursuant to Section 153(6) of the Companies Act (which was then in force), will offer themselves for re-appointment at the forthcoming AGM.

Mr. Paul Cheng Ming Fun and Mr. Yoichiro Furuse, upon re-appointment as Directors of the Company, will continue in office as Directors of the Company, from the date of AGM onwards without limitation in tenure, save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution.

The Board does not encourage the appointment of alternate Directors. No alternate Director is currently being appointed to the Board.

KEY INFORMATION REGARDING DIRECTORS

The following key information regarding Directors is set out on the following pages of this Annual Report:

Pages 44 to 47: Academic and professional qualifications, Board Committees served on (as a member or Chairman), date of first appointment as Director, date of last re-election as Director, directorships or chairmanships both present and past held over the preceding three years in other listed companies and other principal commitments, whether appointment is Executive or Non-Executive, whether considered by the NGC to be independent; and

Pages 82: Directors' shareholding in the Company and its subsidiaries.

The dates of initial appointment, length of service as a Director and last re-election/re-appointment of each of the Directors of the current Board are set out below:

BOARD EVALUATION PROCESS AND PERFORMANCE

GLP believes that Board performance is ultimately reflected in the long-term performance of the Group. The Board, through the NGC, has established a review process to evaluate the composition of the Board and the performance and effectiveness of the Board and the Board Committees annually. Starting with its meeting in May 2016, the NGC undertakes a process to evaluate the contributions by each Director as well.

As part of the process, each Director is required to complete a set of Board performance evaluation forms, designed to seek their view on the various aspects of the Board performance so as to assess the overall effectiveness of the Board, Board Committees, and individual Directors' contribution and performance, and to be returned to the Company Secretary for collation and the consolidated responses will be presented to the NGC.

The benchmark for the Board performance evaluation includes factors such as the size and composition of the Board and Board Committees, Board independence, Board processes and accountability, Board and Board Committees' development and effectiveness, Board and Board Committees' information processes, risk management and control, succession planning and compensation as well as the Board's performance in relation to discharging its principal functions and the Board Committees' performance in relation to discharging their responsibilities set out in their respective terms of reference and financial targets. These targets include return on capital employed, return on equity, debt-equity ratio, dividend pay-out ratio, economic value added, earnings per share and total shareholder return (i.e. dividend plus share price increase over the year). In assessing the contributions of each Director to the effectiveness of the Board, the NGC takes into account various factors including Director's preparedness,

Current Board Members for 2016

Director	Position held on the Board	Date of first appointment to the Board	Length of service as a Director (as at 31 March 2016)	Date of last re-election / re-appointment as Director	Nature of appointment
Dr. Seek Ngee Huat	Chairman	24 Sep 2010	5 years 6 months	17 Jul 2014	Non-Executive / Independent
Ming Z. Mei	Director / CEO	24 Sep 2010	5 years 6 months	17 Jul 2014	Executive / Non-Independent
Steven Lim Kok Hoong	Director	24 Sep 2010	5 years 6 months	29 Jul 2015	Non-Executive / Independent
Dr. Dipak Chand Jain	Director	24 Sep 2010	5 years 6 months	29 Jul 2015	Non-Executive / Independent
Paul Cheng Ming Fun	Director	24 Sep 2010	5 years 6 months	29 Jul 2015	Non-Executive / Independent
Fang Fenglei	Director	6 Jun 2014	1 year 9 months	17 Jul 2014	Non-Executive / Non-Independent
Yoichiro Furuse	Director	24 Sep 2010	5 years 6 months	29 Jul 2015	Non-Executive / Independent
Luciano Lewandowski	Director	14 Nov 2013	2 years 4 months	17 Jul 2014	Non-Executive / Independent
Lim Swe Guan	Director	14 Aug 2012	3 years 7 months	29 Jul 2015	Non-Executive / Independent
Tham Kui Seng	Director	24 Sep 2010	5 years 6 months	17 Jul 2014	Non-Executive / Independent

participation and contribution at meetings, as well as business and market knowledge.

The NGC Chairman will, upon receipt of all evaluation forms of the Directors and the consolidated responses of the Directors from the Company Secretary, personally call each Director to discuss the evaluation and obtain feedback from each Director. The NGC Chairman will consolidate all feedback from the Directors and present to the NGC members and the Chairman of the Board. The NGC Chairman will present the consolidated report, at the Board meeting, which is used to highlight areas of strength and weakness for the continuous improvement of the Board and its Committees' effectiveness. The NGC will further establish a platform which will allow each Director to assess the effectiveness of other Directors through a series of targeted questionnaires and individual meetings with the NGC Chairman.

DIRECTORS' TIME COMMITMENTS

The NGC also determines annually whether or not a Director with multiple Board representations and principal commitments has been adequately carrying out his duties as a Director of the Company. While the Directors may have several directorships in other companies, the NGC takes care to ensure and is satisfied that the appointees have contributed adequate time to meet the expectations of their role as Directors of the Company. The Board meetings for each year are scheduled in advance in the preceding year to facilitate Directors' individual administrative arrangements in respect of competing commitments.

The Board has adopted internal guidelines addressing competing time commitments faced by Directors who serve on multiple Boards and, as a guide, the Directors should not have more than six listed company Board representations and other principal commitments. In respect of FY16, taking into consideration the total time commitment required at the Board and Committee level of the Company and other directorships and Committees' duties of all its Board members, the Board was of the view that each Director's directorships was in line with the Company's internal guideline of a maximum of six listed company Board representations and other principal commitments and that each Director has given sufficient time and affairs to the Company and has been able to discharge his duties as Director effectively.

BOARD TRAINING AND DEVELOPMENT

As part of training and professional development programs for the Board, the Company ensures that Directors are provided with continuing education and training in areas such as Directors' duties and responsibilities, corporate governance, changes to regulations, guidelines and accounting standards, insider trading, changes to Companies Act, Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") and industry related matters so as to update and refresh the Directors on matters that may affect or enhance their performance as Board or Committee members. These are done either during Board meetings or at Board dinners or at specially convened sessions, including training sessions and seminars conducted by external professionals or through the circulation of articles of interest, legal updates and reports and press releases pertaining to the Company's business. In addition to the strategic planning session in May 2016, the Directors participated in on-site facilities tours and meetings with local officials to better understand the logistics industry, received regular in-depth briefings on a variety of industry-specific topics and engaged in regular compliance and governance training.

The Directors also undertook training by outside legal consultants to better understand continuing listing obligations of the Company, disclosure obligations, and general requirements of a Director serving on a Board of a SGX-listed company and industry-related matters. Changes to regulations which included revision to the Listing Manual of SGX-ST and the Code and accounting standards are monitored closely by management and Directors are briefed during Board meetings, at specially convened sessions or through circulation of Board papers, on any relevant changes to legislations and revisions to accounting standards that have any significant bearing on the Company or Directors' obligations. The Directors receive regular updates from all levels of management concerning key aspects of the Company's business and risk management practices.

The Company, in consultation with the NGC, identifies relevant training programs for the consideration of the Directors and the Company sponsors courses requested by Directors, as part of ongoing training. These include programs organized by the Singapore Institute of Directors, the Singapore Exchange, Directors-in-Dialogue series organized by Temasek Management Services Academy and others.

ACCESS TO INFORMATION (PRINCIPLE 6)

COMPLETE, ADEQUATE AND TIMELY INFORMATION

The Company recognizes that the Board should be provided with complete, adequate and timely information on an ongoing basis for the Board to be effective in the discharge of its duties. Prior to each meeting, management provides to the Board reports and information specific to the agendas for

that meeting which typically include general business and operational updates and reports, strategic initiatives, and financial statements and reports. In addition, as matters arise outside of scheduled meetings, the Board is provided with periodic updates on the Group's key operational activities, financial performance, key issues, challenges and opportunities on an ongoing basis. Financial highlights of the Group's performance and key developments are presented on a quarterly basis at Board meetings. The CEO, Group Chief Financial Officer ("CFO"), Group Chief Operating Officer ("COO") and members of senior management are present at these Board and Committee meetings to provide insight into matters under discussion and address any queries that Directors may have.

The Directors are also entitled to request additional information as needed to make informed decisions. As a general rule, soft copies of the Board papers will be emailed to the Board members at least five days before the Board and committee meetings to allow Board members to prepare for the Board meetings and to enable discussions to focus on any questions that they may have. The Company no longer provides printed copies of the Board papers, in line with the Company's drive towards environmental responsibility, and Directors are instead provided with tablet devices to enable them to access and read Board and Board Committees papers prior to and at meetings. However, sensitive matters may be tabled at the meeting itself or discussed without papers being distributed. At relevant times during the Board meeting, heads' of departments or senior management executives may be present to provide additional insight into the matters at hand.

The Board has separate, independent and regular access to the CEO, senior management, the Company Secretary and internal and external auditors at all times, should it need to request additional information, through email, telephone and face-to-face meetings. Any additional materials or information requested by the Directors to make informed decisions are promptly furnished.

COMPANY SECRETARY

The Company Secretary assists the Chairman and Chairman of each Board Committee in the development of the agendas for the various Board and Board Committees' meetings. She administers, attends all meetings of the Board and Board Committees, minutes Board and Board Committees' proceedings arising therefrom, and assists the Chairman to ensure that Board procedures (including but not limited to assisting the Chairman to ensure timely and good information flow within the Board and its Committees and between senior management and Non-Executive Directors, and facilitating orientation and assisting in the professional development of Directors) are followed and regularly reviewed to ensure effective functioning of the Board. The Company Secretary also assists the Chairman and the Board to implement and strengthen corporate governance practices and processes with a view to enhance long-term shareholder value and to ensure that proper protocols are observed and the Constitution and regulations, including requirements of the Companies Act, Securities and Futures Act and the Listing Manual of the SGX-ST, are complied with.

The Company Secretary is the primary channel of communication between the Company and the SGX-ST, the Accounting & Corporate Regulatory Authority, and she liaises with these bodies on the Company's behalf and also attends to shareholders' queries, when necessary. The appointment and removal of the Company Secretary is a matter for the Board as a whole. As needed, the Board and Board Committees are free to seek external advice at the Company's cost to ensure they have ready access to all resources needed to make informed decisions.

INDEPENDENT PROFESSIONAL ADVICE

In furtherance of their duties, the Directors, whether individually or collectively, exercise discretion to seek independent professional advice at the Company's expense, if deemed necessary, subject to the approval of the Chairman.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES (PRINCIPLE 7)

The Board has established the HRCC to assist the Board and to implement formal and transparent procedures for developing policies on senior management executives' remuneration and for determining the remuneration packages of individual Directors and Key Management Personnel to align with the long-term interest and risk policies of the Company. The HRCC has developed and recommended to the Board the Company's current policies and practices for remunerating Board members, Key Management Personnel and senior management executives to appropriately attract, retain and motivate without being excessive and with a focus on long term sustainability of business and long-term shareholders' return.

The HRCC is guided by its terms of reference and its key duties include:

- reviewing and recommending to the Board a general framework of remuneration for the Board and Key Management Personnel (which covers all aspects of remuneration including Non-Executive Directors' fees, salaries, allowances, bonuses, grant of shares and benefits-in-kind) and the specific remuneration packages for each Non-Executive Director and Key Management Personnel of the Company. The remuneration framework and packages are linked to:
  (a) the performance of GLP, the Group and the individuals;
  (b) industry practices and market compensation norms; and
  (c) the need to attract and retain Key Management Personnel and senior management executives to ensure continuing development of talent and renewal of strong leadership for GLP;
- reviewing and approving the policy for determining the remuneration of senior management executives with actual remuneration terms to be determined by Key Management Personnel;
- reviewing talent development and succession planning for Key Management Personnel and senior management executives and identifying potential candidates for immediate, medium and long-term needs;
- administering and reviewing the GLP Performance Share Plan ("GLP PSP") and the GLP Restricted Share Plan ("GLP RSP") in accordance with the GLP Equity Award Grant Policy and approving performance share awards and restricted share awards under the GLP PSP and GLP RSP and recommending to the Board for approval the grant of share awards to Non-Executive Directors and Key Management Personnel;
- assessing and approving candidates for key appointments; and
- reviewing the Company's obligation arising in the event of termination of the Key Management Personnel and senior management executives' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

On an annual basis, management will present to the HRCC the succession plans and the Company's talent management program for their review. The HRCC reviews the succession plans for key and critical positions to align the business goals and the Group's human capital needs. This enables the Company to identify the talent pool and allow focus and devotion of time and resources to leverage the full value and potential of identified successors.

The HRCC engaged an external compensation consultant, FPL Advisory Group ("FPL"), to conduct a remuneration study for GLP's Board and its Non-Executive Directors as well as the Executive Committee. As part of FPL's study on Board, Non-Executive Director and Executive Committee compensation, FPL conducted an assessment of Directors and senior management remuneration practices at global real estate companies comparable to the Company and SGX-listed peers. FPL also used benchmarking of fixed versus variable pay components with the peer group for Executive compensation and made recommendations for the Company's go forward remuneration practices. The HRCC undertook a review of the independence and objectivity of the external compensation consultants, and has confirmed that the external compensation consultants had no relationships with the Company which would affect their independence. The CEO was not present for discussions in relation to his own remuneration, terms and conditions of service and the review of his performance by the HRCC.

GLP COMPENSATION PHILOSOPHY

The Company adopts a compensation philosophy that is directed towards the attraction, retention and motivation of talent to achieve its business vision and create sustainable value for its shareholders. It emphasizes pay-for-performance by linking total compensation to the achievement of organizational and individual performance objectives, and considers relevant comparative compensation in the market to maintain market competitiveness. Total compensation is made up of fixed and variable compensation. The fixed compensation comprises annual basic salary, fixed allowances and an annual wage supplement. The variable or "at risk" compensation is subject to achievement of corporate and individual performance objectives. Consistent with market best practice, variable compensation may be paid in a combination of cash-based short-term incentives and share-based long-term incentives. By design, the proportion of variable compensation to total compensation increases with job grade seniority. Additionally, a greater proportion of senior management's variable compensation is deferred in the form of long-term incentives.

LEVEL AND MIX OF REMUNERATION (PRINCIPLE 8) AND DISCLOSURE ON REMUNERATION (PRINCIPLE 9)

The Company believes that the remuneration of its Directors, Key Management Personnel and senior management executives is competitive and in line with the market norms.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The Directors' fees payable to Non-Executive Directors consist of a fixed cash-based component (50% in cash) and fixed share-based component in the form of share awards under the GLP RSP in accordance with the GLP Equity Award Grant Policy (50% in equity). As an Executive Director, Mr. Ming Z. Mei does not receive Directors' fees but was remunerated as Key Management Personnel in FY16.

The Chairman's retainer fee comprised of 1/3 cash-based and 2/3 equity-based, excluding attendance fees and fees for serving as a Chairman or member of any of the Board Committees. The total Chairman's remuneration of the Company is in line with FPL's study on Chairman compensation benchmarked against SGX listed peers and global real estate companies.

In FY16, the HRCC in consultation with FPL conducted a review of the framework for Non-Executive Directors' remuneration taking into consideration the increasing demands and responsibilities of the Non-Executive Directors and prevailing market fees against comparable benchmarks and updated the Directors' fee framework to ensure a competitive level of Directors' compensation to attract, retain and motivate high-caliber Directors with experience in global markets and international businesses.

The framework for Non-Executive Directors' fees adopted by the Company is based on a scale of fees divided into basic retainer fees, fees for service on Board Committees, attendance fees and share awards under the GLP RSP. The share awards granted under the GLP RSP to all Non-Executive Directors as part of their Directors' fee will consist of the grant of fully paid shares and will vest fully over a period of one year. The actual number of shares to be awarded will be based on the weighted average price of the Company's share on the SGX-ST for the three-day period immediately preceding the effective date of the grant and restrictions placed on the potential vesting of any award. The Directors' cash fees and share awards will only be paid and granted upon approval by shareholders at the AGM of the Company.

The HRCC assessed the independent advice from FPL to determine the level and mix of remuneration for the Board and Key Management Personnel for the upcoming year FY17 and the HRCC and the Board determined that the framework and the aggregate remuneration for Non-Executive Directors' fees for FY17 is the same as that for FY16, all in US dollars per annum, as follows:

FY17

Basic Retainer Fee (in USD)	
Chairman	$500,000 (1/3 cash-based and 2/3 equity-based)
Director	$50,000

Fees for Audit Committee	
Committee Chairman	$45,000
Committee Members	$25,000

Fees for Other Committees	
Committee Chairman	$30,000
Committee Members	$15,000

Attendance Fees (per meeting)	$1,500
Restricted Share Grant ($ Value)	$120,000

The Directors' remuneration received for FY16 is as follows:

Name of Director	Directors' Fees US$	Fixed Component[1] US$	Variable Component[2] US$	Benefits[3] US$	Equity[4] US$	Total US$
Dr. Seek Ngee Huat	264,167	–	–	–	120,000	384,167
Ming Z. Mei[5]	–	1,207,710	3,608,200	0	4,600,000	9,415,910
Steven Lim Kok Hoong	147,500	–	–	–	120,000	267,500
Dr. Dipak Chand Jain	119,000	–	–	–	120,000	239,000
Paul Cheng Ming Fun	115,500	–	–	–	120,000	235,500
Fang Fenglei[6]	81,500	–	–	–	100,000	181,500
Yoichiro Furuse	107,000	–	–	–	120,000	227,000
Luciano Lewandowski	89,000	–	–	–	120,000	209,000
Lim Swe Guan	138,000	–	–	–	120,000	258,000
Tham Kui Seng	129,000	–	–	–	120,000	249,000

1. Fixed Component refers to base salary received in FY16. Mr. Mei's base monthly salary is inclusive of an allowance of US$100,000 per annum for housing expenses and tuition for his dependent children
2. Variable Component refers to cash bonuses received in FY16 for the performance for FY15
3. Mr. Mei's housing allowance and tuition reimbursement are part of his base salary as described above
4. The Directors' fees payable to Non-Executive Directors consist of a fixed cash-based component and fixed share-based component in the form of share awards under the GLP RSP in accordance with the GLP Equity Award Grant Policy. On 15 June 2015, each Non-Executive Director was awarded a share value award equal to US$120,000 per annum for the performance for FY15 which vested on 15 June 2016. On 15 June 2016, each Non-Executive Director other than Dr. Seek Ngee Huat, the Chairman of the Board, was awarded a share value award equal to US$120,000 per annum for performance for FY16 which was approved by shareholders at the AGM held on 29July 2015. On 15 June 2016, Dr. Seek Ngee Huat, was awarded a share value equal to US$333,333 per annum for performance for FY16.
5. Mr. Mei is entitled to share awards under the GLP RSP and GLP PSP pursuant to his service agreement. On 15 June 2015, Mr. Mei was awarded GLP RSP and GLP PSP share value award equal to US$4,600,000 per annum for the performance for FY15. Share awards to Mr. Mei will be divided evenly between the GLP RSP and GLP PSP. The GLP RSP share awards for Mr. Mei will vest over a period of three years and the GLP PSP share awards will vest only upon occurrence of pre-established conditions after a set period of time and as determined by the HRCC. The final terms and conditions recommended by the HRCC and approved by the Board will ultimately determine the precise makeup and terms of the grants issued. In May 2016, the Board approved the recommendation of the HRCC of a share value award equal to US$5,112,000 per annum for Mr. Mei for the performance for FY16 which was granted on 15 June 2016
6. On 15 June 2015, Mr. Fang was awarded a share value equal to US$100,000 for performance period from 6 June 2014 (date of appointment as Director) to 31 March 2015.

Details of the GLP Share Plans granted to Directors of the Company are as follows:

GLP Restricted Share Plans

Name of Director	Granted during financial year	Aggregate share award granted since commencement of Plan	Aggregate share award vested	Aggregate share award cancelled/ lapsed	Aggregate share award outstanding
Dr. Seek Ngee Huat	56,700	142,700	86,000[1]	–	56,700
Ming Z. Mei	1,107,300	2,611,300	1,102,000	–	1,509,300
Steven Lim Kok Hoong	56,700	158,700	102,000	–	56,700
Dr. Dipak Chand Jain	56,700	158,700	102,000	–	56,700
Paul Cheng Ming Fun	56,700	158,700	102,000	–	56,700
Fang Fenglei	47,200	47,200	–	–	47,200
Yoichiro Furuse	56,700	158,700	102,000	–	56,700
Luciano Lewandowski	56,700	79,700	23,000	–	56,700
Lim Swe Guan	56,700	118,700	62,000	–	56,700
Tham Kui Seng	56,700	158,700	102,000	–	56,700
	1,608,100	3,793,100	1,783,000	–	2,010,100

Note:
1. 24,000 ordinary shares have been transferred to Recosia China Pte Ltd pursuant to an agreement dated 10 July 2012 between Dr. Seek Ngee Huat and Recosia China Pte Ltd.

GLP Performance Share Plans

Name of director	Granted during financial year	Aggregate share award granted since commencement of Plan	Aggregate share award vested	Aggregate share award cancelled/ lapsed	Aggregate share award outstanding
Ming Z. Mei	2,250,700	5,068,700	1,226,000[1]	–	3,842,700

Note:
1. The final number of shares released to Ming Z. Mei for GLP PSP vested during the year is 1,315,500 upon achievement of performance targets at the end of the prescribed performance period, set out under the conditional award granted on 4 October 2011 pursuant to Global Logistic Properties Limited Performance Share Plan.

Directors are not involved in deciding their own remuneration. Fees are recommended by the HRCC and approved by the Board and remain subject to the approval of shareholders at each AGM. To attract and retain Directors, timely payment of their fees is essential. Accordingly, the Company will seek shareholder approval of Directors' fees for the current financial year so that they may be paid quarterly in arrears for that year rather than 17 months after services are provided. A partial payment of Directors' fees will be issued in Company stock with a vesting period to guarantee that the Board remains aligned with the interests of other shareholders.

REMUNERATION OF KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT EXECUTIVES

The Company advocates a performance based remuneration system for Executive Directors and senior management executives that is flexible and responsive to the market, the Company's business unit and individual employee performance. The HRCC seeks to ensure that the level and mix of remuneration are competitive, relevant and appropriate in finding a balance between current versus long-term compensation and between cash versus equity incentive compensation.

The remuneration is linked to the Company and an individual executive's performance, and total remuneration comprises a fixed monthly salary and other benefits, as well as variable or 'at risk' performance bonus and participation in the GLP PSP and GLP RSP which are further described in the Directors' Statement.

The total remuneration mix of the Executive Directors who are also the Key Management Personnel and the senior management executives comprises annual fixed cash, annual performance incentive and the GLP share plans. The annual fixed cash comprises the annual basic salary plus any other fixed allowances which the Company benchmarks with the relevant industry market median. The annual performance incentive comprises the cash bonus which is tied to the Company's business unit's and individual employee performance.

GLP EQUITY AWARDS

The GLP Equity Awards are in the form of GLP PSP and GLP RSP share plans which are long-term incentive plans, approved by shareholders. The shares to be awarded under the share plans will be divided evenly between the GLP RSP (50%) and GLP PSP (50%).

All Equity Awards will be priced on the effective date of grant, except as otherwise specifically provided in the Equity Award Grant Policy, and they will be priced in the manner described below.

The reference price for each underlying share award to be granted will be based on the fair value of the RSP and PSP ("Fair Value") respectively, which will take into account, among other things, the weighted average price of trades for shares of the Company on the SGX-ST for the three-day period immediately preceding the effective date of the grant and restrictions placed on the potential vesting of any award. Fair Value will be determined by Towers Watson, an independent consultant engaged by the Company.

In light of concerns raised with the potential dilution that may arise from GLP Equity Awards, the Company has reduced the limit on shares issuable under GLP Equity Awards from 10% to 5% of the Company outstanding shares. This reflects the Company's steadfast commitment to aligning interests of management with those of shareholders by providing effective incentives to Executive Directors and senior management executives to increase shareholder value while placing appropriate safeguards to protect shareholders' interest.

GLP RSP SHARE AWARDS

The GLP RSP share awards granted to Executive Directors and senior management executives each year and the GLP RSP is designed to attract, retain and incentivise participants to support the Group's business strategy and the ongoing enhancement of shareholder value through the delivery of annual financial strategy and operational objectives. Participants will be awarded RSP share awards based on the achievement of pre-determined performance targets at the Group, business unit and individual levels that are aligned with the Group's business strategy, thereby motivating Executive Directors and senior management executives to strive to achieve the Group's strategic vision and contribute to long-term value creation and growth. The GLP RSP also follows the design of incentive plans commonly used among Singapore companies to award senior executives based on their contributions to enhancing shareholder value as measured by achievement against business objectives. RSP share awards will vest over a period of three years from the effective date of the year the grant was given.

GLP PSP SHARE AWARDS

The GLP PSP share awards granted to Executive Directors and senior management executives are subject to certain performance criteria being met and other terms and conditions under the GLP PSP and the awards shall vest entirely on that date which is three years from the effective date of the year the grant was given. The total number of ordinary shares to be finally awarded ("PSP Award") will be based on:

(i) average share price on vesting being in excess of average share price on grant;

(ii) Net Asset Value per share growth; and

(iii) EBITDA per share growth (collectively, the "Performance Criteria").

The relative weighting and final determination of the Performance Criteria, including any decision to amend, add or remove any of the Performance Criteria, are determined by the HRCC. Upon satisfaction of the applicable Performance Criteria, the PSP Award is measured and vested only on the third anniversary of the grant and released to the Executive Directors and senior management executives.

The actual number of PSP final awards of fully paid ordinary shares will range from 0% to 200% of the base award and is subject to achievements against targets over the three-year performance period and other terms and conditions being met.

AGGREGATE SHARE ISSUANCE LIMIT FOR EQUITY AWARDS

The aggregate number of new shares to be issued under the GLP RSP and PSP share plans is subject to a maximum limit of 15% of the Company's total issued share capital when taken into account together with all other share plans concurrently implemented by the Company. A 15% limit will apply across the entire duration of the share plans. At the forthcoming AGM, the Company is seeking shareholders' approval up to a limit of 5% of the Company's total issued share capital to offer and grant awards under the GLP RSP and GLP PSP share plans and to allot and issue from time to time such number of fully-paid shares as may be required to be allotted. Nonetheless, the Directors currently do not intend, in any given financial year, to grant awards under the share plans which would comprise more than 1% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time (the "Yearly Limit"). Should the Yearly Limit not be fully utilized in any given financial year, the unutilized balance will be rolled forward and may be used by the Directors in subsequent years to make grants of awards under the share plans.

The HRCC recognized the need for a reasonable alignment between risk and remuneration to discourage excessive risk taking. Therefore, in determining the compensation structure, the HRCC had taken into account the risk policies and risk tolerance of the Group as well as the time horizon of risks adjustments into the compensation structure.

The Company had previously entered into a service agreement with Mr. Ming Z. Mei for a period of four years, from 18 October 2010. This service agreement was renewed in 2014, for a period of four years from 1 April 2014 to 31 March 2018, and is renewable thereafter unless otherwise terminated by either party by giving six months' written notice. Certain other senior management executives are also employed under service agreements which generally stipulate remuneration terms and other benefits consistent with the Company's prevailing policies.

Currently, the Company does not have and does not deem it appropriate to have, any contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and senior management executives as the Company's compensation structure already includes long-term incentives.

COMPENSATION OF SENIOR MANAGEMENT EXECUTIVES

The total compensation[1] of the Company's five top-earning senior management executives, other than the Key Management Personnel[2] whose detailed compensation breakdown (in dollar terms) has been

disclosed under Directors' Remuneration Table, in bands of S$250,000 for the financial year ended 31 March 2016, are set out as follows:

Compensation Bands	Executives
S$2,750,000 to below S$3,000,000	Heather Xie
S$2,500,000 to below S$2,750,000	–
S$2,250,000 to below S$2,500,000	Stephen Schutte
S$2,000,000 to below S$2,250,000	Ralf Wessel, Kent Yang, Yoshiyuki Chosa

1. The total compensation of the Company's five top-earning senior management executives comprises salary, annual wage supplement, bonus, employer's CPF, contingent awards of shares and other benefits-in-kind received during the financial year. The bonus and contingent share awards of shares paid in FY16 are for the performance for FY16. The contingent awards are based on dollar denominated grants given in the financial year which are converted into share awards based on a fair value analysis using a Monte Carlo simulation model by our third-party compensation consultants and are given under the GLP RSP and GLP PSP. Shares awarded under the GLP RSP vest over a three-year period, while those under the GLP PSP are released only if certain performance conditions, established by the HRCC, on a specified date have been achieved
2. Key Management Personnel shall mean the CEO

There were no termination, retirement and post-employment benefits granted to Directors and Key Management Personnel during FY16.

No employee of the Group whose remuneration exceeded S$50,000 during FY16 was an immediate family member of any of the members of the Board.

Details of the GLP RSP and GLP PSP, which have been approved by shareholders of the Company, are administered by the HRCC. Please refer to pages 83-85 of the Directors' Statement for details on the GLP RSP and GLP PSP.

ACCOUNTABILITY (PRINCIPLE 10)

The Board presents the Group's operating performance and financial results through the timely release of its quarterly and full year financial results via SGXNET. In presenting the quarterly and full year financial statements to shareholders, the Board aims to provide a balanced and understandable assessment of the Group's performance, position and prospects including interim and other price-sensitive public reports, and reports to regulators, if required.

The Board is committed to open and transparent conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial reports and other price-sensitive information are disseminated to shareholders through announcements via SGXNET to SGX, press releases, the Company's website, public webcast and media and analyst briefing. The Company's Annual Report is also accessible on the Company's website.

For the quarterly financial statements, the Board provides a negative assurance confirmation to shareholders, which is supported by a negative assurance statement from the CEO and the CFO in line with the SGX-ST Listing Manual. For FY16, the Company's CEO and CFO have provided assurance to the Board on the integrity of the Group's financial statements. The Board also provides an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems in place, including financial, operational, compliance and information technology controls. (Please refer to Risk Management and Internal Controls – Principle 11 below.)

The management provides the Board with a continual flow of relevant information, up-to-date financial reports and other information on a timely basis to enable the Board to effectively discharge its duties. The management highlights the key business indicators and major issues that are relevant to the Group's performance from time to time in order for the Board to make a balanced and informed assessment of the Company's performance, position and prospect.

RISK MANAGEMENT AND INTERNAL CONTROLS (PRINCIPLE 11)

The Board has overall responsibility for the governance of risk and exercises oversight of the material risks in the Group's business. The Board and management of the Company are fully committed to maintaining sound risk management and internal control systems to safeguard shareholders' interest and the Group's assets.

The Board also determines the Company's level of risk tolerance and risk policies, and oversees management in the design, implementation and monitoring of the risk management and internal control systems.

The AC assists the Board in overseeing risk management of the Group. The AC within its terms of reference has set up an interim sub-committee of the AC and delegated some of its members ("Risk Oversight Officers") to assist with the oversight of the Company's risk management practices and together with the Internal Audit Department ("IAD") and the Risk Management Team, made up of senior management staff, guides management in the formulation of risk policies and processes to effectively identify areas of business risk concern, key risk parameters and implements plans to mitigate these risks, evaluate and manage significant risks, to safeguard shareholders' interest and the Company's assets and oversees the update and maintenance of an adequate and effective risk management and internal control systems.

As part of the continuing risk management enhancement, the Board is looking into establishing a Board Risk Committee this year. The Risk Management report is set out in the "Risk Management" section of the Annual Report.

The Company seeks to improve internal controls and risk management on an ongoing basis to ensure that they remain sound and relevant. The internal control systems and risk management of the Company are designed to provide reasonable, but not absolute, assurance that the Company will not be adversely affected by events that can be reasonably foreseen as it strives to achieve certain internal control standards while allowing the Company to appropriately manage risk at varying levels while pursuing its business objectives.

The Company, with the assistance of the Risk Oversight Officers and Risk Management Team, has produced documentation on its risk profile which summarizes the material risks faced by the Group and the counter measures in place to manage and mitigate those risks for review by the AC and the Board during the quarterly meetings of the Company. The documentation provides an overview of the Group's key risks, ranging from financial to reputational, internal to external risks due to business operations and the competitive market in which it operates, how they are managed, the key personnel responsible for each identified risk type and the various assurance mechanisms in place. Risk registers are maintained by the business and operational units which identify the key risks facing the Group's business and the internal controls in place to manage those risks. It allows the Group to address the ongoing changes and the challenges in the business environment, reduces uncertainties and facilitates the shareholder value creation process.

On an annual basis, the IAD prepares the internal audit plan taking into consideration the risks identified, which is approved by the AC; the audits are conducted to assess the adequacy and the effectiveness of the Group's risk management and internal control systems put in place, including financial, operational, compliance and information technology controls. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC. A copy of the report would be issued to the relevant department for its follow-up action and time and proper implementation of all required corrective, preventive or improvement measures would be closely monitored.

Major control weaknesses on financial reporting, if any, are highlighted by the external auditors in the course of their statutory audit. The Board will ensure that if any significant internal control failings or weaknesses were to arise, necessary remedial actions would be promptly taken.

During the year under review, the Board was assured by the CEO and CFO that financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and that the internal control systems, including financial, operational, compliance and information technology risks, and risk management systems of the Group are adequate and effective in addressing material risks in the Group in its current business environment.

Based on the Group's framework of risk and management control, the internal control policies and procedures established and maintained by the Group, and the regular audits, monitoring and reviews performed by the internal and external auditors, the Board, with the concurrence of the AC, is satisfied that the internal control systems and risk management systems provide reasonable assurance that the assets are safeguarded and that proper accounting records are maintained and financial statements are reliable.

Accordingly, as at 31 March 2016, the Board, with the concurrence of the AC, is of the opinion that the Group's internal control systems, including financial, operational and compliance and information technology risks, and risk management systems are adequate and effective.

AUDIT COMMITTEE (PRINCIPLE 12)

The AC comprises four members, all of whom are Non-Executive and Independent. The Board considers that the AC Chairman, Mr. Steven Lim Kok Hoong, having been a Senior Partner of Ernst & Young Singapore from 2002 to 2003 and also former Managing Partner of Arthur Andersen Singapore from 1990 to 2002, possesses extensive and practical accounting and financial management knowledge and experience and is well qualified to chair the AC.

The other members of the AC, namely Messrs. Paul Cheng Ming Fun, Lim Swe Guan and Tham Kui Seng, have expertise or experience in accounting, fund management, banking, real estate management and related financial management and are qualified to discharge their responsibilities as AC members. Details of the AC members' qualifications and experience can be found on the section of Directors' profile in this Annual Report.

The AC does not have any member who is a former partner or Director of the Company's existing audit firm.

The AC has full discretion to investigate any matter within its terms of reference and may commission any investigation into matters involving suspected fraud or irregularity of internal controls or infringement of

law, rule or regulation which has or is likely to have a material impact on the Company's operating results or financial position. The AC is required to discuss any such matters with the external auditors and report to the Board at the appropriate time. The AC has full access to internal and external auditors and cooperation by management, full discretion to invite any Director or senior management executive to attend its meetings and reasonable resources (including access to external consultants) to enable it to discharge its functions properly. The Company has an internal audit team which, together with the external auditors, report their findings and recommendations to the AC independently.

The AC is principally charged with assisting the Board in discharging its statutory and other responsibilities concerning internal controls, financial and accounting matters, ensuring integrity of financial reporting, compliance and business and financial risk management.

The duties of the AC include:

- reviewing and approving the audit plan prepared by the external auditors and the audit plan prepared by the internal audit department;
- reviewing with external auditors and the internal audit department the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties);
- reviewing with the internal audit department the program, scope and results of the internal audit and management's response to their findings to ensure that appropriate follow-up measures are taken;
- reviewing the independence and objectivity of the external auditors, and the nature and extent of non-audit services provided by them;
- making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and approving the remuneration and terms of engagement of the external auditors;
- reviewing interested person transactions for potential conflicts of interest as well as all conflicts of interest to ensure that proper measures to mitigate such conflicts of interest have been put in place;
- reviewing filings with the SGX-ST or other regulatory bodies which contain the Group's financial information and ensured proper disclosure; and
- overseeing the Risk Management Team, made up of senior management staff, whose primary role is to assist the AC in discharging its responsibilities on risk oversight.

The AC meets on a quarterly basis to review the Group's quarterly and audited annual financial statements, significant financial reporting issues and financial information, SGXNET announcements and all related disclosures to shareholders with management and external auditors prior to submission to the Board. The AC reviews the key areas of management judgment applied for adequate provisioning and disclosure, assessment of the quality of critical accounting principles applied and any significant changes made that would have a material impact on the Group's financial performance to ensure the integrity of the financial statements.

During its meetings, the CEO, CFO, COO and other select executives were also in attendance.

The AC reviews the adequacy and effectiveness of the Group's internal controls including financial, operational, compliance and information technology controls and risk management systems through discussion with management and its internal and external auditors and reports to the Board annually.

The AC met with the external auditors and internal auditors four times a year, and at least one of these meetings was conducted without the presence of management to discuss the reasonableness of financial reporting processes, the system of internal control and comments and recommendations of auditors.

The AC reviews annually the adequacy of the internal audit function to ensure that an effective system of controls is maintained in the Group and is satisfied that the team is adequately resourced and the internal audits are performed effectively. The AC also reviews the internal auditors' plan to ensure that the plan covers sufficiently significant internal controls of the Company and approves the internal audit budget. Such significant controls comprise financial, operational, compliance and information technology controls. All audit findings and recommendations put up by the internal auditors were forwarded to the AC and discussed at these meetings.

The AC reviews the scope and results of the audit carried out by the external auditors, the audit plan, the cost effectiveness of the audit and the independence and objectivity of the external auditors. The AC undertook a review of the independence and objectivity of the external auditors through discussions with the external auditors as well as reviewing the non-audit fees awarded to them. During the year under review, the aggregate amount of fees paid to the external auditors for audit and non-audit services amounted to US$4,733,000 and US$525,000 respectively. The AC is satisfied that the nature and extent of the non-audit services performed by the external auditors has not prejudiced the independence and objectivity of the external auditors. The AC has recommended Messrs. KPMG LLP for re-appointment as statutory auditors of the Company at the forthcoming AGM.

The Company has complied with Rule 712 and 715 of the SGX Listing Manual in relation to its auditing firms as Messrs. KPMG LLP has been appointed as the auditors of the Company, the Company's Singapore-incorporated subsidiaries and foreign-incorporated subsidiaries and associated companies.

WHISTLEBLOWING POLICY

The Company has in place a Global Logistic Properties Limited Whistleblowing Policy ("GLP Whistleblowing Policy") through which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting, possible corporate malpractices or otherwise. Details of the GLP Whistleblowing Policy have been made available to all employees. The Company encourages whistleblowers to give their contact details when they make disclosure, however, anonymous reports are also accepted. The Company has also implemented anonymous telephonic messages and anonymous mail to be sent to the designated email stated in the GLP Whistleblowing Policy. It has a well-defined process which ensures independent investigation of issues/concerns raised and appropriate follow-up action, and provides assurance that employees will be protected from reprisal within the limits of the law. The GLP Whistleblowing Policy permits staff to communicate directly with the CEO or Chairman of the AC if they feel circumstances warrant. The AC is charged with reviewing periodic updates from the head of Internal Audit as to any reported impropriety, including the steps taken and ultimate resolution thereof and reports such matters at the Board meetings.

Should the AC receive reports relating to serious offences and/or criminal activities in the Group, the AC and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant government authorities for further investigation or action.

The AC also meets regularly with the management and the external auditors to review auditing and risk management matters and discuss accounting implications of any major transactions including significant financial reporting issues. The AC is kept abreast by the management and external auditors of changes to accounting standards, Listing Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

INTERNAL AUDIT (PRINCIPLE 13)

INTERNAL AUDIT OVERVIEW

The Board recognizes that it is responsible for maintaining a system of internal controls to safeguard shareholders' investments and the Group's businesses and assets, while the management is responsible for establishing and implementing the internal control procedure in a timely and appropriate manner. The role of the IAD is to assist the AC in ensuring that the controls are effective and functioning as intended and assist the Board and management in the discharge of their corporate governance responsibilities as well as in improving and promoting effective and efficient business processes within the Group.

The Company possesses an in-house internal audit function to assist the AC in discharging its responsibilities in ensuring there is sound control over the Company's operations, including statutory compliance, accounting and asset management by regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular in-depth audits of high risk areas.

LINES OF REPORTING AND ACTIVITIES

Internal Audit is an independent function at GLP. The head of IAD's primary line of reporting is to the AC Chairman and administratively to the CEO. The AC approves the hiring, termination, evaluation and compensation of the head of the IAD. The AC meets with the IAD at least once a year without the presence of management. The IAD has unfettered access to the Group's documents, properties records and personnel of the Company and the Group, including access to the AC.

The IAD uses a risk-based approach in developing its internal audit plan which aligns its focus on key risks across the Group's business. The IAD also seeks to identify and report on risks identified in consultation with the AC and ensure proper closure and remediation of any such risks. On a quarterly basis, the IAD submits audit reports for review and approval by the AC. Included in the reports are recommended corrective measures on risks identified, if any, for implementation by management.

The Company's external auditors, Messrs. KPMG LLP, have also provided an independent perspective and analysis on the internal financial control system. Material non-compliance and internal control weaknesses and recommendations for improvements noted during their audit are reported to the AC. The AC has reviewed the effectiveness of the actions taken by the management on the recommendations made by the internal audit team and external auditors in this respect.

COMPLIANCE

Structurally, the Company has created a clearly defined operating structure with lines of responsibility and delegated authority together with adequate reporting mechanisms to senior management and the Board. The Company is guided by its robust Operating Manual applicable to all employees, which governs a multitude of responsibilities and establishes various checks and balances on operating procedures. The Company also maintains a whistleblower system permitting the anonymous reporting of financial or other abuses, as outlined in its Whistleblowing Policy.

PROFESSIONAL STANDARDS AND COMPETENCY

The Internal Audit unit has adopted the Standards for the Professional Practice of Internal Auditing ("IIA Standards") laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors ("IIA"). The Internal Audit unit continues to meet or exceed the requirements of IIA Standards in all key aspects. Quality assessment reviews are carried out at least once in five years by external qualified professionals. The professional competence of the internal auditors is maintained or upgraded through training programs, conferences and seminars that provide updates on auditing techniques, regulations, financial products and services. The Internal Audit unit is staffed with suitably qualified experienced professionals with diverse operational and financial experience.

SHAREHOLDER RIGHTS (PRINCIPLE 14)

The Company ensures that all shareholders are treated fairly and equitably and keeps all its shareholders and other stakeholders and analysts in Singapore and around the world informed of its corporate activities, including changes in the Company or its business which would be likely to materially affect the price or value of its shares, on a timely and consistent basis.

The Company regularly communicates major developments in its business operations via SGXNET, press releases, presentation slides and other appropriate channels.

The Company also encourages shareholder participation and voting at general meetings of shareholders. Shareholders would be informed of the rules and the voting procedures at the commencement of the general meetings either by the Company or scrutineers.

COMMUNICATION WITH SHAREHOLDERS (PRINCIPLE 15)

The Company has in place an Investor Relations policy which sets out the principles and practices that the Company applies in order to provide shareholders and prospective investors with information necessary to make well-informed investment decisions and to ensure a level playing field.

The Company remains committed to maintaining high standards of disclosure and corporate transparency and employs various platforms to effectively engage the shareholders and investment community, with an emphasis on timely, accurate, fair and transparent disclosure and information. Through its Investor Relations and Communications Departments ("IRC"), the Company is focused on providing relevant and timely information about the Company's business developments and performance. In addition to its results briefings, the senior management also maintains regular dialogue with its shareholders through investor-targeted events such as AGMs, analyst briefings, one-on-one meetings, investor roadshows, conferences, site visits and group briefings. These platforms offer opportunities for senior management and Directors to interact first-hand with shareholders, understand their views, and gather feedback as well as address concerns. To enable shareholders to contact the Company easily, the contact details of the investors relations ("IR") personnel are set out in the Corporate Information page of this Annual Report as well as on the Company's websites. Shareholders are able to subscribe to email notifications from the Company at GLP's website (www.glprop.com), automatically alerting them to the latest postings in relation to IR presentations, press releases, announcements and the corporate calendar. The IR personnel have procedures in place for responding to investors' queries as soon as applicable.

The Company disseminates all price-sensitive and material information, including quarterly financial results, to its shareholders on a timely basis via SGXNET on a non-selective basis and keeps all stakeholders informed of its corporate activities in a timely and consistent manner. The Company's announcements are also uploaded on the Company's website, www.glprop.com, after dissemination on SGXNET. The Company maintains a robust website containing an abundance of investor-related information which will provide a locus of presentations, stock exchange announcements, Annual Reports, corporate calendar, and other items generally of interest to stakeholders in the Company.

The date of the release of the quarterly results is disclosed at least three weeks prior to the date of announcement via SGXNET. On the day of announcement, the financial statements as well as the accompanying press release and presentation slides are released to SGXNET as well as the Company's website at www.glprop.com. Thereafter, a teleconference by management is jointly held for the investors and analysts scheduled on the same day after the release of the announcement to SGXNET. A replay of the

teleconference is made available under the Investor Relations section of the Company's website at www.glprop.com.

DIVIDEND POLICY

The Company is committed to achieving sustainable income and growth to enhance total shareholder return. The Company aims to balance cash return to shareholders and investment for sustaining growth, while aiming for an efficient capital structure. The Company strives to provide consistent and sustainable ordinary dividend payments to its shareholders on an annual basis, taking into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate.

CONDUCT OF SHAREHOLDER MEETINGS (PRINCIPLE 16)

The Company encourages shareholder participation at general meetings of shareholders. Information on general meetings is disseminated through notices in the Annual Reports or circulars sent to all shareholders. The notices are also released via SGXNET and published in local newspapers, as well as posted on the Company's website. All registered shareholders are invited to participate in the Company's general meetings.

The Company continues producing and sending its Annual Report to all its shareholders in CD Edition for this year. In line with the Company's drive towards sustainable development, the Company encourages shareholders to read the Annual Report from the CD Edition or on the Company's website at www.glprop.com. Shareholders may however request a physical copy at no cost by completing the Request Form sent to shareholders together with the Notice of AGM and the CD Edition.

Any registered shareholder who cannot attend may appoint up to two proxies, as provided by the Company's Constitution, to attend, speak and vote on his behalf. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend, speak and vote at the Company's general meetings.

At each AGM, the CEO delivers a short presentation to shareholders to update them on the performance of GLP's business. At general meetings, every matter requiring approval is proposed as a separate resolution. Shareholders present are given an opportunity to clarify or direct questions on issues pertaining to the proposed resolutions before the resolutions are voted on. The Board and senior management will be in attendance to field questions and concerns of shareholders. The Company's external auditors and legal advisor will also be present to assist the Board as needed. Shareholders also have the opportunity to communicate their views and discuss with the Board and management matters affecting the Company after the general meetings.

To ensure greater transparency of the voting process, the Company conducts electronic poll voting for shareholders/proxies present at its general meetings for all the resolutions proposed at the general meetings, to allow shareholders present or represented at the meetings to vote on a one share, one vote basis. Votes cast, for or against and the respective percentages, on each resolution will be tallied and displayed "live-on-screen" to shareholders immediately at the AGM. The total number of votes cast for or against the resolutions and the respective percentages are also announced after the AGM via SGXNET and the Company's website. Shareholders are informed of the rules, including voting procedures, governing such meetings.

The Company Secretary prepares minutes of shareholders' meetings and keeps a record of the minutes in the Company's minutes book.

The Company is not implementing absentia voting methods such as voting via mail, email or fax until security, integrity of the information and authentication of the identity of shareholders through the web are not compromised and other pertinent issues are satisfactorily resolved.

DEALING IN SECURITIES

The Company has adopted and implemented the Global Logistic Properties Limited Internal Compliance Code on Dealing in Securities by Relevant Officers ("Securities Policy") to guide the Board, management and all employees in transacting in Company's securities.

The Securities Policy reminds Directors and officers of the Company to not deal, directly or indirectly, in the Company's securities on short-term considerations and to be mindful of the law on insider trading as prescribed by the Securities & Futures Act, Chapter 289 of Singapore. The Securities Policy also makes clear that it is an offence to deal in the Company's securities, and securities of other listed companies, while possessing material non-public information and prohibits trading as well during the following blackout periods:

(i) the period commencing two weeks before the announcement of the Company's financial statements for the first, second and third quarters of its financial year; and

(ii) the period commencing one month before the announcement of the Company's financial statements for its full financial year.

Each of the above blackout periods will end after the relevant results of the Company are announced. All Directors and employees are notified when each blackout period will commence by way of an internal memo issued by the Company Secretary.

Directors and employees are also expected to observe insider trading laws at all times, even when dealing in the Company's securities outside the prohibited trading period.

EMPLOYEE CODE OF CONDUCT

To build a culture of high integrity as well as reinforce ethical business practices, the Company has in place an employee code of conduct. This policy addresses, at the employee level, the standards of acceptable and unacceptable behavior and personal decorum as well as issues of workplace harassment. On the business front, the policy addresses the standards of business behavior pertaining to the offering and receiving of business courtesies as well as issues on conflict of interests. The policy also requires all staff to avoid any conflict between their own interests and the interests of the Company in dealing with its suppliers, customers and other third parties.

INTERESTED PERSON TRANSACTIONS

As a listed company on the Singapore Exchange, the Company is required to comply with Chapter 9 of the Singapore Exchange ("SGX") Listing Manual on interested person transactions ("IPTs"). To ensure compliance with Chapter 9 of the SGX Listing Manual, the AC, as well as the Board, meets quarterly to review if the Company will be entering into any interested person transaction. If the Company is intending to enter into an interested person transaction, the AC and the Board will ensure that the transaction is carried out based on normal commercial terms and will not be prejudicial to the interest of the Company and its non-controlling shareholders.

The Company has established robust procedures to manage internal conflict of interest between a Director and the Company and to ensure that all transactions with Interested Persons are reported to the AC in a timely manner. Checks are conducted before the Company enters into credit or other transactions with interested parties to ensure compliance with regulations. The AC has reviewed the IPTs entered into during the financial year by the Company and the aggregate value of IPTs entered during FY16 (excluding transactions less than S$100,000) are as follows:

Interested Person	Aggregate Value	Nature of Transaction
Schwartz-Mei Group	US$122,000	Reimbursement of office expenses
Affiliates of GIC	US$4,021,000	Payment of arm's length office leases to affiliates of GIC comprises leases for GLP's offices in Japan and China which have been in place since the IPO of the Company
	US$8,566,000	Joint investment
	US$10,615,000	Interest from shareholder loans
GLP US Income Partners I	US$11,914,000	Interest from shareholder loans
	US$15,200,000	Acquisition of investment property
	US$47,015,000	Asset and property management services
GLP Brazil Development Partners I	US$13,218,000	Capital contribution
GLP Brazil Income Partners I	US$1,087,000	Capital contribution
China Logistics Fund I	US$1,649,000	Investment and asset management services
Global Logistic Properties Investment Management (China) Co., Ltd.	US$1,186,000	Asset management services
	US$6,542,000	Reimbursement of office expenses
	US$8,745,000	Management services
Iowa China Offshore Holdings (Hong Kong) Limited	US$314,915,000	Shareholder loan[1] and interest
	US$636,840,000	Shareholder loans[2] and interest

Notes:
1. The loan of US$310,549,000 was issued for the purposes of funding Iowa China Offshore Holdings (Hong Kong) Limited ("China Holdco") 15.5% equity investment in China Materials Storage and Transportation Development Company as announced on 23 November 2015.
2. The loans were drawn down pursuant to the US$3 billion shareholders' loan to China Holdco which was approved by shareholders at the extraordinary general meeting on 29 July 2015.

As the Company does not have a shareholders' mandate under Rule 920 of the Listing Manual of SGX-ST, there is no IPT reporting associated herewith.

MATERIAL CONTRACTS (RULE 1207(8) OF THE LISTING MANUAL)

Except as disclosed in IPTs, there were no material contracts entered into by the Company or any of its subsidiaries involving interests of any Director or controlling shareholder during FY16.

CODE OF CORPORATE GOVERNANCE 2012

Specific Principles and Guidelines for Disclosure

Relevant Guideline or Principle	Page Reference in 2016 Annual Report
Principle 1: The Board's Conduct of Affairs	
Every Company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and Management remains accountable to the Board.	
Guideline 1.3 Delegation of authority, by the Board to any board committee, to make decisions on certain board matters	Pages 53 to 54
Guideline 1.4 The number of meetings of the Board and board committees held in the year, as well as the attendance of every board member at these meetings	Pages 54 to 56
Guideline 1.5 The type of material transactions that require board approval under guidelines	Page 53
Guideline 1.6 The induction, orientation and training provided to new and existing directors	Page 56
Principle 2: Board Composition and Guidance	
There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and the Company's substantial shareholders (those who own 10% or more of the Company's shares). No individual or small group of individuals should be allowed to dominate the Board's decision making.	
Guideline 2.3 The Board should identify in the company's Annual Report each director it considers to be independent. Where the Board considers a director to be independent in spite of the existence of a relationship as stated in the Code that would otherwise deem a director not to be independent, the nature of the director's relationship and the reasons for considering him as independent should be disclosed	Pages 57 to 58
Guideline 2.4 Where the Board considers an independent director, who has served on the Board for more than nine years from the date of his first appointment, to be independent, the reasons for considering him as independent should be disclosed	Not applicable
Principle 3: Chairman and Chief Executive Officer	
There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.	
Guideline 3.1 Relationship between the Chairman and the CEO where they are immediate family members	Not applicable
Principle 4: Board Membership	
There should be a formal and transparent process for the appointment and re-appointment of Directors to the Board.	
Guideline 4.1 Names of the members of the Nominating and Governance Committee ("NGC") and the key terms of reference of the NGC, explaining its role and the authority delegated to it by the Board	Page 55
Guideline 4.4 The maximum number of listed company board representations which directors may hold should be disclosed	Page 61

Relevant Guideline or Principle	Page Reference in 2016 Annual Report
Principle 4: Board Membership (cont'd)	
Guideline 4.6 Process for the selection, appointment and re-appointment of new directors to the Board, including the search and nomination process	Pages 59 to 60
Guideline 4.7 Key information regarding directors, including which directors are executive, non-executive or considered by the NGC to be independent	Pages 56 to 60
Principle 5: Board Performance	
There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.	
Guideline 5.1 The Board should state in the company's Annual Report how assessment of the Board, its board committees and each director has been conducted. If an external facilitator has been used, the Board should disclose in the company's Annual Report whether the external facilitator has any other connection with the company or any of its directors	Pages 60 to 61
Principle 7: Procedures for Developing Remuneration Policies	
There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.	
Guideline 7.1 Names of the members of the Human Resources and Compensation Committee ("HRCC") and the key terms of reference of the HRCC, explaining its role and the authority delegated to it by the Board	Pages 54, 62 to 63
Guideline 7.3 Names and firms of the remuneration consultants (if any) should be disclosed in the annual remuneration report, including a statement on whether the remuneration consultants have any relationships with the company	Page 63
Principle 9	
Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration.	
Guideline 9.1 Remuneration of directors, the CEO and at least the top five key management personnel (who are not also directors or the CEO) of the company. The annual remuneration report should include the aggregate amount of any termination, retirement and post-employment benefits that may be granted to directors, the CEO and the top five key management personnel (who are not directors or the CEO)	Pages 64 to 68
Guideline 9.2 Fully disclose the remuneration of each individual director and the CEO on a named basis. There will be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives	Pages 65 to 66
Guideline 9.3 Name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S$250,000. There will be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives. In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel	Pages 67 to 68
Guideline 9.4 Details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S$50,000 during the year. This will be done on a named basis with clear indication of the employee's relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S$50,000	Not applicable
Guideline 9.5 Details and important terms of employee share schemes	Pages 65 to 67

Relevant Guideline or Principle	Page Reference in 2016 Annual Report
Principle 9 (cont'd)	
Guideline 9.6 For greater transparency, companies should disclose more information on the link between remuneration paid to the executive directors and key management personnel, and performance. The annual remuneration report should set out a description of performance conditions to which entitlement to short-term and long-term incentive schemes are subject, an explanation on why such performance conditions were chosen, and a statement of whether such performance conditions are met	Pages 66 to 67
Principle 11: Risk Management and Internal Controls	
The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.	
Guideline 11.3 The Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems The commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems The Board should also comment on whether it has received assurance from the CEO and the CFO: (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) regarding the effectiveness of the company's risk management and internal control systems	Pages 68 to 69
Principle 12: Audit Committee ("AC")	
The Board should establish an AC with written terms of reference which clearly set out its authority and duties.	
Guideline 12.1 Names of the members of the AC and the key terms of reference of the AC, explaining its role and the authority delegated to it by the Board	Pages 69 to 71
Guideline 12.6 Aggregate amount of fees paid to the external auditors for that financial year, and breakdown of fees paid in total for audit and non-audit services respectively, or an appropriate negative statement	Page 70
Guideline 12.7 The existence of a whistle-blowing policy should be disclosed in the company's Annual Report	Page 71
Guideline 12.8 Summary of the AC's activities and measures taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements	Pages 69 to 71
Principle 15: Communication with Shareholders	
Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.	
Guideline 15.4 The steps the Board has taken to solicit and understand the views of the shareholders e.g. through analyst briefings, investor roadshows or Investors' Day briefings	Page 72
Guideline 15.5 Where dividends are not paid, companies should disclose their reasons	Not applicable

PROACTIVELY ENGAGING STAKEHOLDERS

YEAR IN REVIEW

GLP's investor relations strategy is centered around a proactive outreach and maintaining the highest standards of transparency and integrity to communicate its investment story to investors and research analysts.

Approximately 260 meetings and calls with analysts and fund managers were held across Asia, North America, Europe, Australia and Brazil in FY16. GLP also hosted 18 property tours during the year. Questions and concerns from the investment community are provided as feedback to senior management regularly to facilitate a better understanding of the perceptions and expectations of the Company.

Senior management is committed to investor relations. GLP conducts live teleconferences and webcasts every quarter to present GLP's financial results. These briefings enable the global investing community to hear from management and ask questions in real time. Recorded audio presentations are immediately posted on GLP's corporate website.

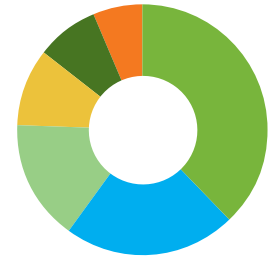
GLP is one of the few companies in Asia to provide supplemental financial information that can be downloaded directly in Excel. This is provided on a quarterly basis. GLP continues to improve its disclosure every quarter based on feedback from analysts and investors. This year, GLP introduced new disclosure on one-time adjustments to enable better comparability of underlying earnings.

GLP was ranked 22nd among 639 Singapore publicly-listed companies at the Governance and Transparency Index (GTI) 2015. This represents an improvement from 25th the year before. GLP remains committed to upholding high standards of corporate governance and continues to invest much effort in improving overall levels of transparency and disclosure.

FY16 INVESTOR RELATIONS CALENDAR

Q1	
May 15	4QFY15 Earnings Briefing/Webcast
May 15	dbAccess Asia Conference, Singapore
May 15	Investor Meetings, US
June 15	Investor Meetings, Shanghai
Q2	
Jul 15	Annual General Meeting
Aug 15	1QFY16 Earnings Briefing/Webcast
Sep 15	CLSA Investors' Forum 2015, Hong Kong
Sep 15	BOA-ML Global Real Estate Conference, New York
Q3	
Oct 15	2QFY16 Earnings Briefing/Webcast
Nov 15	Morgan Stanley Annual Asia Pacific Summit, Singapore
Nov 15	Investor Meetings, Hong Kong
Nov 15	Investor Meetings, China
Q4	
Jan 16	UBS Greater China Conference 2016, Shanghai
Jan 16	Investor Meetings, US
Feb 16	3QFY16 Earnings Briefing/Webcast
Mar 16	Daiwa Investment Conference 2016, Tokyo
Mar 16	Citi Global Property CEO Conference, Florida

SHAREHOLDER PROFILE AS AT 31 MAR 2016

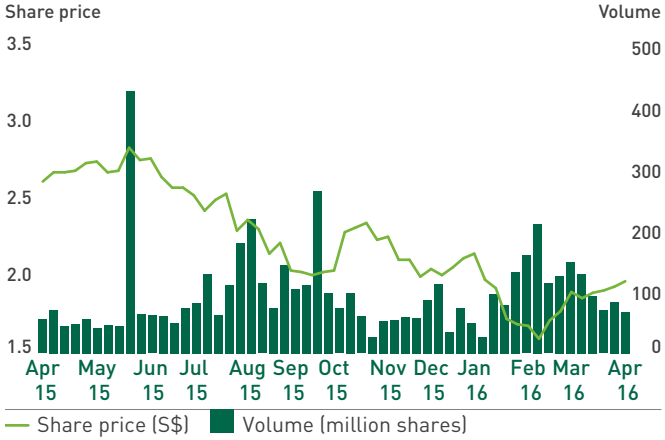


GIC	36.5%
North America	21.5%
China/HK	15.0%
Singapore	9.4%
Europe/UK	8.0%
Others	5.9%

RESEARCH ANALYST COVERAGE

1	Bank of America Merrill Lynch	9	JP Morgan Securities
2	China International Capital Corporation	10	Macquarie
3	CIMB Research	11	Morgan Stanley
4	Citi Investment Research	12	Nomura
5	CLSA	13	OCBC Securities
6	DBS Vickers Securities	14	Phillip Securities
7	Deutsche Bank	15	UBS Securities
8	Goldman Sachs		

GLP WEEKLY SHARE PRICE AND VOLUME FY16



TIMELY AND THOROUGH COMMUNICATION

GLP places a high priority on providing timely and accurate disclosure. Market-sensitive news is promptly posted on GLP's website, as well as on the Singapore Exchange website at the end or beginning of each market day. Email alerts on the latest press releases and key industry news are also sent to subscribers on GLP's mailing list.

GLP's investor relations website is a key resource for corporate information and financial data. It is also available on mobile devices to facilitate access to information.

As of 31 March 2016, GLP's largest shareholder was GIC Pte Ltd, which owns a 37% stake. GLP's shares are primarily held by institutional investors, with investors from North America holding approximately 22% and China/Hong Kong investors holding 15%.

GLP is covered by 15 research houses in Singapore and Hong Kong.

GLP is a charter member of the Investor Relations Professionals Association (Singapore), which aims to cultivate best practice and enhance the professional standards of investor relations in Singapore.

TOTAL MEETINGS

260

CONFERENCES

7

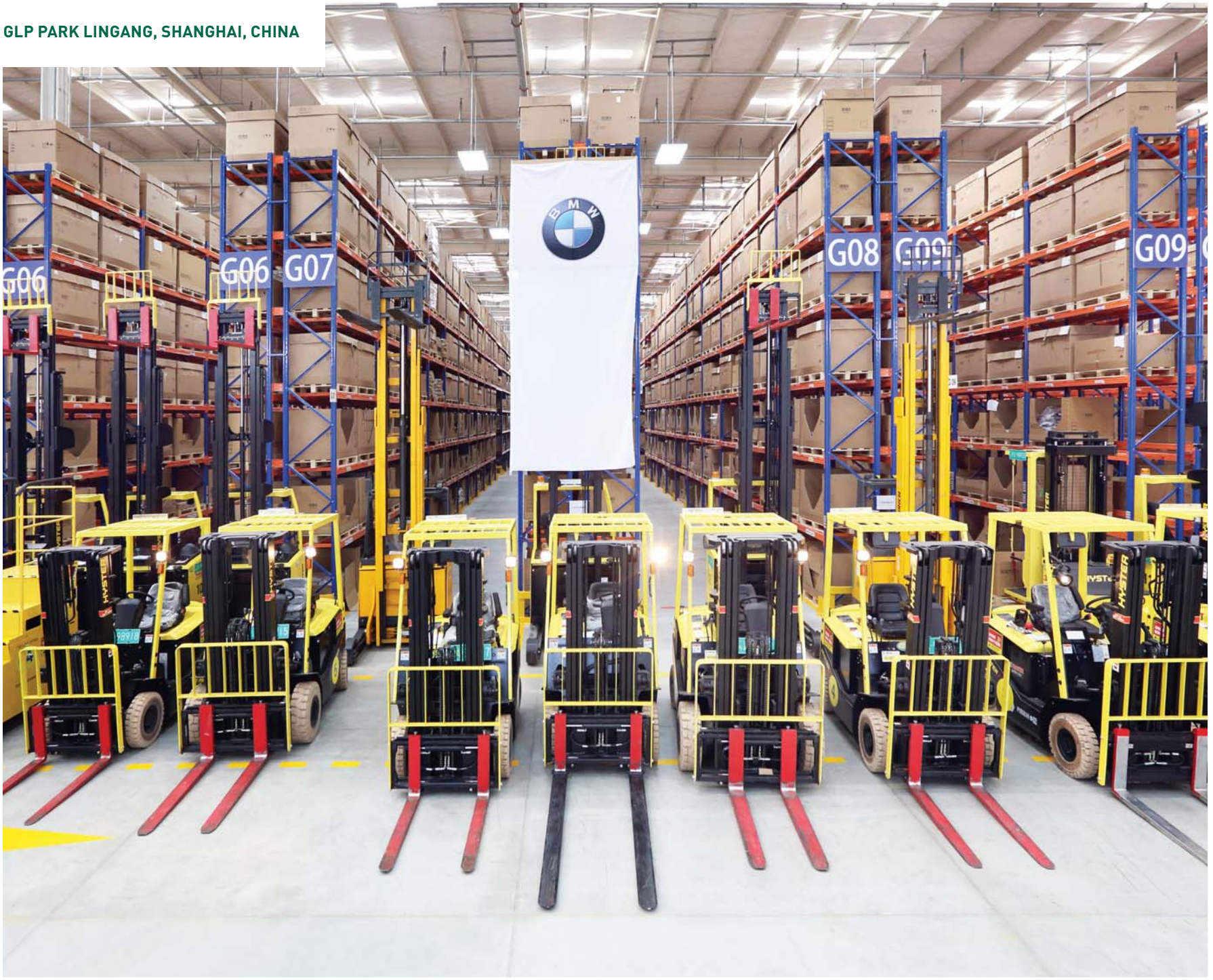
PROPERTY TOURS

18

MEMBER OF

- FTSE Straits Times Index
- MSCI Asia Pacific ex-Japan Index
- GPR 250 Index
- SGX Sustainability Index

GLP PARK LINGANG, SHANGHAI, CHINA



FINANCIAL REPORT

For more information about GLP visit www.GLProp.com

CONTENTS

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

We are pleased to submit this Annual Report to the members of Global Logistic Properties Limited (the "Company") together with the audited financial statements for the financial year ended 31 March 2016.

In our opinion:

(a) the financial statements set out on pages 88 to 175 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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:

Dr. Seek Ngee Huat (Chairman)	Steven Lim Kok Hoong	Paul Cheng Ming Fun	Tham Kui Seng	Luciano Lewandowski
Ming Z. Mei (Chief Executive Officer)	Dr. Dipak Chand Jain	Yoichiro Furuse	Lim Swe Guan	Fang Fenglei

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (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	
Ordinary Shares	Holdings at beginning of year	Holdings at end of year	Holdings at beginning of year	Holdings at end of year
Dr. Seek Ngee Huat[1]	39,000	62,000	200,000	400,000
Ming Z. Mei[2]	40,625,231	42,375,731	22,128,076	6,750,000
Steven Lim Kok Hoong	79,000	102,000	–	–
Dr. Dipak Chand Jain	79,000	102,000	–	–
Paul Cheng Ming Fun	79,000	102,000	–	–
Yoichiro Furuse	79,000	102,000	–	–
Tham Kui Seng	79,000	102,000	–	–
Lim Swe Guan	39,000	62,000	–	–
Luciano Lewandowski	–	23,000	–	–
Fang Fenglei[3]	–	–	74,278,292	74,278,292

Notes:

1. Junestar Capital Limited ("Junestar") and Dreamhouse Holdings Ltd ("Dreamhouse") each holds 200,000 shares in the Company (the "Shares"). Dr. Seek Ngee Huat is deemed interested in the Shares by virtue of Section 7 of the Act. Dr. Seek and his spouse, Au Yeong Chai Yoke each own 50% shareholdings in Junestar, while Dreamhouse is solely owned by Dr. Seek. Dr. Seek and his spouse are also directors of both Junestar and Dreamhouse.
2. Mr. Ming Z. Mei's deemed interest in 6,750,000 ordinary shares in the capital of the Company ("Shares") arises from the 6,750,000 Shares which he has transferred to a counterparty pursuant to a financing transaction, in respect of which he will continue to retain financial exposure subject to certain specified cap and floor levels in respect of up to 6,750,000 Shares. Mr. Mei's direct shareholding interest in 42,375,731 Shares are registered in the name of Citibank Nominees Singapore Pte. Ltd., acting as nominee.
3. Mr. Fang Fenglei is one of the directors of the management company which is the general partner of Hopu Logistics Fund L.P. (the "Fund"). The Fund is the sole shareholder of Khangai Company Limited. The directors of such management company could be accustomed to act in accordance with the directions of Mr. Fang. Accordingly, by virtue of Section 7 of the Act, Mr. Fang is deemed to be interested in 74,278,292 Shares held by Khangai Company Limited (through a nominee).

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES CONTINUED

Except as disclosed in this statement, no Director who held office at the end of the financial year had interest in shares, debentures, warrants or share options of the Company or of its related corporations either at the beginning or at the end of the financial year.

There were no changes in any of the above mentioned Directors' interests in the Company and its related corporations between the end of the financial year and 21 April 2016.

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in Note 35 of the Notes to the Financial Statements for the year ended 31 March 2016, 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 23 of the Notes to the Financial Statements for the year ended 31 March 2016, 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.

SHARE PLANS

The Human Resource and Compensation Committee of the Company has been designated as the committee responsible for the administration of the GLP Share Plans. The Human Resource and Compensation Committee comprises the following members:

Dr. Seek Ngee Huat
Dr. Dipak Chand Jain
Steven Lim Kok Hoong

(a) GLP Performance Share Plan and GLP Restricted Share Plan

The GLP Performance Share Plan ("GLP PSP") and Restricted Share Plan ("GLP RSP") (collectively referred to as the "GLP Share Plans") were approved and adopted at the Company's Extraordinary General Meeting held on 24 September 2010.

The GLP RSP is intended to apply to a broader base of employees, Non-Executive Directors and Directors of the Company, while the GLP PSP is intended to apply to a narrower range of executives of the Group.

Awards under the GLP PSP represent the right of a participant to receive fully paid shares free of charge, upon the Company achieving certain prescribed performance conditions over a three-year time period. Awards are released only if the performance conditions specified on the date on which the award is to be granted have been achieved. There is no vesting period beyond the performance achievement periods. Approximately one-half of annual equity-based compensation paid to certain senior executives are under the GLP PSP which ensures a close alignment between Company performance over an extended measurement period and executive remuneration.

Awards under the GLP RSP represent the right of a participant to receive fully paid shares free of charge. Awards granted under the GLP RSP are based on Company and individual performance and vest pro rata over a three-year to four-year period. Unlike awards granted under the performance share plan, GLP RSP awards will not be subject to future performance targets.

The aggregate number of new shares to be delivered under the GLP Share Plans is subject to a maximum limit of 15.0% of the total number of issued shares in the capital of the Company (excluding treasury shares) on the date preceding the grants of awards thereunder.

SHARE PLANS CONTINUED

(b) Awards under the GLP Share Plans

During the financial year, the Human Resource and Compensation Committee of the Company has granted awards under the GLP RSP and GLP PSP, and details of the movement in the awards are as follows:

GLP Restricted Share Plans

Year of Award	Balance as at 1 April 2015	Granted	Vested	Cancelled/ Lapsed	**Balance as at 31 March 2016**
2011/2012	185,000	–	(185,000)	–	**–**
2012/2013	1,189,000	–	(1,189,000)	–	**–**
2013/2014	2,506,334	–	(1,358,666)	(12,000)	**1,135,668**
2014/2015	4,384,000	–	(1,884,000)	(37,000)	**2,463,000**
2015/2016	–	6,006,300	–	(70,800)	**5,935,500**
Total	8,264,334	6,006,300	(4,616,666)	(119,800)	**9,534,168**

GLP Performance Share Plans

Year of Award	Balance as at 1 April 2015	Granted	Vested	Cancelled/ Lapsed	**Balance as at 31 March 2016**
2012/2013	2,896,000	–	(2,896,000)	–	**–**
2013/2014	2,697,000	–	–	–	**2,697,000**
2014/2015	3,335,000	–	–	–	**3,335,000**
2015/2016	–	4,647,700	–	–	**4,647,700**
Total	8,928,000	4,647,700	(2,896,000)	–	**10,679,700**

Details of the GLP Share Plans granted to Directors of the Company are as follows:

GLP Restricted Share Plans

Name of Director	Granted during financial year	Aggregate share award granted since commencement of Plan	Aggregate share award vested	Aggregate share award cancelled/ lapsed	Aggregate share award outstanding
Dr. Seek Ngee Huat	56,700	142,700	86,000[1]	–	56,700
Ming Z. Mei	1,107,300	2,611,300	1,102,000	–	1,509,300
Steven Lim Kok Hoong	56,700	158,700	102,000	–	56,700
Dr. Dipak Chand Jain	56,700	158,700	102,000	–	56,700
Yoichiro Furuse	56,700	158,700	102,000	–	56,700
Paul Cheng Ming Fun	56,700	158,700	102,000	–	56,700
Tham Kui Seng	56,700	158,700	102,000	–	56,700
Lim Swe Guan	56,700	118,700	62,000	–	56,700
Luciano Lewandowski	56,700	79,700	23,000	–	56,700
Fang Fenglei	47,200	47,200	–	–	47,200
	1,608,100	3,793,100	1,783,000	–	2,010,100

Note:
1. 24,000 ordinary shares have been transferred to Recosia China Pte Ltd pursuant to an agreement dated 10 July 2012 between Dr. Seek Ngee Huat and Recosia China Pte Ltd.

SHARE PLANS CONTINUED

(b) Awards under the GLP Share Plans continued

GLP Performance Share Plans

Name of director	Granted during financial year	Aggregate share award granted since commencement of Plan	Aggregate share award vested	Aggregate share award cancelled/ lapsed	Aggregate share award outstanding
Ming Z. Mei	2,250,700	5,068,700	1,226,000[1]	–	3,842,700

Note:
1. The final number of shares released to Ming Z. Mei for GLP PSP vested during the year is 1,315,500 upon achievement of performance targets at the end of the prescribed performance period, set out under the conditional award granted on 4 October 2011 pursuant to the Global Logistic Properties Limited Performance Share Plan.

Since the commencement of the GLP Share Plans, no awards have been granted to any of the Company's controlling shareholders or their associates (as defined in the Singapore Exchange Securities Trading Listing Manual).

No employee or employee of related companies has received 5.00% or more of the total awards available under the Share Plans.

The awards granted by the Company do not entitle the holders of the awards, by virtue of such holding, to any rights to participate in any share issue of any other company.

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.

AUDIT COMMITTEE

The members of the Audit Committee during the year and at the date of this report are:

- Steven Lim Kok Hoong (Chairman), Non-Executive Director
- Tham Kui Seng, Non-Executive Director
- Paul Cheng Ming Fun, Non-Executive Director
- Lim Swe Guan, Non-Executive Director

The Audit Committee performs the functions specified in Section 201B of the Act, the Listing Manual of the SGX-ST and the Code of Corporate Governance.

The Audit Committee also reviews arrangements by which employees of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. Pursuant to this, the Audit Committee has introduced a Whistleblowing Policy where employees may raise improprieties to the Audit Committee Chairman in good faith, with the confidence that employees making such reports will be treated fairly and be protected from reprisal.

AUDIT COMMITTEE CONTINUED

The Audit Committee met four times during the year ended 31 March 2016. Specific functions performed during the year included reviewing the scope of work and strategies of both the internal and external auditors, and the results arising therefrom, including their evaluation of the system of internal controls. The Audit Committee also reviewed the assistance given by the Company's officers to the auditors. The financial statements of the Group and the Company were reviewed by the Audit Committee prior to the submission to the Board of Directors of the Company for adoption. The Audit Committee also met with the internal and external auditors, without the presence of management, to discuss issues of concern to them.

The Audit Committee has, in accordance with Chapter 9 of the Listing Manual of the SGX-ST, reviewed the requirements for approval and disclosure of interested person transactions, reviewed the procedures set by the Group and the Company to identify and report and, where necessary, seek approval for interested person transactions and, with the assistance of the internal auditors, reviewed interested person transactions.

The Audit Committee also undertook quarterly reviews of all non-audit services provided by KPMG LLP and its member firms and was satisfied that they did not affect their independence as external auditors of the Company.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

AUDITORS

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

On behalf of the Board of Directors

Seek Ngee Huat
Director

Ming Z. Mei
Director

1 June 2016

INDEPENDENT AUDITORS' REPORT
MEMBERS OF THE COMPANY - GLOBAL LOGISTIC PROPERTIES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Global Logistic Properties Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 March 2016, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 88 to 175.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

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.

KPMG LLP

KPMG LLP
Public Accountants and Chartered Accountants
Singapore
1 June 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	Group		Company	
		31 March 2016 US$'000	31 March 2015 US$'000	**31 March 2016 US$'000**	31 March 2015 US$'000
Non-current assets					
Investment properties	4	**13,024,178**	11,331,778	**–**	–
Subsidiaries	5	**–**	–	**8,742,669**	8,442,085
Associates and joint ventures	6	**1,953,686**	1,544,017	**–**	–
Deferred tax assets	7	**20,888**	32,001	**–**	–
Plant and equipment	8	**52,871**	52,175	**7,395**	7,020
Intangible assets	9	**466,408**	487,723	**–**	–
Other investments	10	**1,015,867**	467,831	**–**	–
Other non-current assets	11	**128,182**	159,660	**–**	–
		16,662,080	14,075,185	**8,750,064**	8,449,105
Current assets					
Trade and other receivables	12	**547,791**	474,853	**1,245,195**	290,227
Cash and cash equivalents	14	**1,024,563**	1,445,675	**42,750**	429,787
Assets classified as held for sale	15	**4,894,628**	1,466,592	**–**	–
		6,466,982	3,387,120	**1,287,945**	720,014
Total assets		**23,129,062**	17,462,305	**10,038,009**	9,169,119
Equity attributable to owners of the Company					
Share capital	16	**6,456,303**	6,446,957	**6,456,303**	6,446,957
Capital securities	16	**593,994**	594,852	**593,994**	594,852
Reserves	17	**1,837,484**	1,713,625	**46,657**	606,043
		8,887,781	8,755,434	**7,096,954**	7,647,852
Non-controlling interests	18	**4,272,327**	4,006,987	**–**	–
Total equity		**13,160,108**	12,762,421	**7,096,954**	7,647,852
Non-current liabilities					
Loans and borrowings	19	**3,749,529**	2,476,453	**1,868,223**	943,746
Financial derivative liabilities	20	**30,520**	20,901	**18,887**	14,950
Deferred tax liabilities	7	**1,013,334**	849,078	**–**	–
Other non-current liabilities	21	**163,715**	149,407	**100**	100
		4,957,098	3,495,839	**1,887,210**	958,796
Current liabilities					
Loans and borrowings	19	**1,020,908**	371,256	**808,944**	180,000
Trade and other payables	22	**1,025,798**	810,887	**222,177**	382,393
Financial derivative liabilities	20	**22,821**	2,272	**19,724**	78
Current tax payable		**53,534**	19,630	**3,000**	–
Liabilities classified as held for sale	15	**2,888,795**	–	**–**	–
		5,011,856	1,204,045	**1,053,845**	562,471
Total liabilities		**9,968,954**	4,699,884	**2,941,055**	1,521,267
Total equity and liabilities		**23,129,062**	17,462,305	**10,038,009**	9,169,119

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

CONSOLIDATED INCOME STATEMENT
YEAR ENDED 31 MARCH 2016

	Note	Group 2016 US$'000	2015 US$'000
Continuing operations			
Revenue	24	**777,473**	708,009
Other income	25	**7,038**	5,233
Property-related expenses		**(157,041)**	(138,510)
Other expenses		**(235,805)**	(169,935)
		391,665	404,797
Share of results (net of tax expense) of associates and joint ventures		**240,771**	71,426
Profit from operating activities after share of results of associates and joint ventures		**632,436**	476,223
Net finance costs	26	**(101,355)**	(47,933)
Non-operating income/(costs)	27	**55,091**	(54,233)
Profit before changes in fair value of subsidiaries' investment properties		**586,172**	374,057
Changes in fair value of investment properties		**720,403**	488,178
Profit before tax	27	**1,306,575**	862,235
Tax expense	28	**(309,768)**	(194,265)
Profit from continuing operations		**996,807**	667,970
Discontinued operation			
Profit from discontinued operation (net of tax)	15	**36,010**	–
Profit for the year		**1,032,817**	667,970
Profit attributable to:			
Owners of the Company		**719,083**	486,199
Non-controlling interests		**313,734**	181,771
Profit for the year		**1,032,817**	667,970
Earnings per share (US cents)			
– Basic	29	**14.43**	9.41
– Diluted	29	**14.38**	9.38
Earnings per share (US cents) – Continuing operations			
– Basic	29	**13.68**	9.41
– Diluted	29	**13.63**	9.38

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2016

	Group	
	2016 US$'000	2015 US$'000
Profit for the year	**1,032,817**	667,970
Other comprehensive income		
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	**(476,998)**	(321,049)
Effective portion of changes in fair value of cash flow hedges[1]	**(6,174)**	(12,249)
Change in fair value of available-for-sale financial investments[2]	**147,480**	65,021
Share of other comprehensive income of associates and joint ventures	**(86,396)**	(181,410)
Exchange differences reclassified to profit or loss[3]	**–**	60,660
Other comprehensive income for the year[4]	**(422,088)**	(389,027)
Total comprehensive income for the year	**610,729**	278,943
Total comprehensive income attributable to:		
Owners of the Company	**502,438**	83,629
Non-controlling interests	**108,291**	195,314
Total comprehensive income for the year	**610,729**	278,943

1. Includes income tax effects of US$290,000 (2015: US$146,000), refer to Note 7.
2. Includes income tax effects of US$17,513,000 (2015: US$638,000), refer to Note 7.
3. Exchange differences reclassified to profit or loss during the year ended 31 March 2015 comprise cumulative exchange differences relating to the subsidiaries and assets held for sale disposed of US$24,483,000 and US$36,177,000 respectively, refer to Note 27(a).
4. Except for income tax effects relating to effective portion of changes in fair value of cash flow hedges and change in fair value of available-for-sale financial investments, there are no income tax effects relating to other components of other comprehensive income.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2016

Group	Share capital US$'000	Capital securities US$'000	Currency translation reserve US$'000	Retained earnings US$'000	Capital and other reserves US$'000	Total attributable to owners of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 April 2014	6,278,812	595,375	(179,211)	2,524,189	(461,410)	8,757,755	1,365,587	10,123,342
Total comprehensive income for the year								
Profit for the year	–	–	–	486,199	–	486,199	181,771	667,970
Other comprehensive income								
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans	–	–	(334,592)	–	–	(334,592)	13,543	(321,049)
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	(12,249)	(12,249)	–	(12,249)
Change in fair value of available-for-sale financial investments	–	–	–	–	65,021	65,021	–	65,021
Share of other comprehensive income of joint ventures	–	–	(181,177)	–	(233)	(181,410)	–	(181,410)
Exchange differences reclassified to profit or loss	–	–	60,660	–	–	60,660	–	60,660
Total other comprehensive income	–	–	(455,109)	–	52,539	(402,570)	13,543	(389,027)
Total comprehensive income for the year	–	–	(455,109)	486,199	52,539	83,629	195,314	278,943
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares, net of transaction costs	168,145	–	–	–	(9,130)	159,015	–	159,015
Capital contribution from non-controlling interests	–	–	–	–	–	–	35,816	35,816
Capital securities distribution paid	–	(32,532)	–	–	–	(32,532)	–	(32,532)
Accrued capital securities distribution	–	32,009	–	(32,009)	–	–	–	–
Share-based payment transactions	–	–	–	–	12,655	12,655	–	12,655
Tax-exempt (one-tier) dividends paid of S$0.045 per share	–	–	–	(174,441)	–	(174,441)	–	(174,441)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(4,367)	(4,367)
Total contribution by and distribution to owners	168,145	(523)	–	(206,450)	3,525	(35,303)	31,449	(3,854)
Acquisition of interests in subsidiaries from non-controlling interests	–	–	–	–	1,449	1,449	(15,828)	(14,379)
Acquisition of subsidiaries	–	–	–	–	–	–	28,427	28,427
Disposal of interest in subsidiaries to non-controlling interests	–	–	(66,384)	–	14,288	(52,096)	2,402,108	2,350,012
Disposal of subsidiaries	–	–	–	–	–	–	(70)	(70)
Total transactions with owners	168,145	(523)	(66,384)	(206,450)	19,262	(85,950)	2,446,086	2,360,136
Transfer to reserves	–	–	–	(630)	630	–	–	–
At 31 March 2015	6,446,957	594,852	(700,704)	2,803,308	(388,979)	8,755,434	4,006,987	12,762,421

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED
YEAR ENDED 31 MARCH 2016

Group	Share capital US$'000	Capital securities US$'000	Currency translation reserve US$'000	Retained earnings US$'000	Capital and other reserves US$'000	Total attributable to owners of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 April 2015	6,446,957	594,852	(700,704)	2,803,308	(388,979)	8,755,434	4,006,987	12,762,421
Total comprehensive income for the year								
Profit for the year	–	–	–	719,083	–	719,083	313,734	1,032,817
Other comprehensive income								
Exchange differences arising from consolidation of foreign operations and translation of foreign currency loans, net of effect of net investment hedges	–	–	(226,971)	–	–	(226,971)	(250,027)	(476,998)
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	(6,174)	(6,174)	–	(6,174)
Change in fair value of available-for-sale financial investments	–	–	–	–	102,896	102,896	44,584	147,480
Share of other comprehensive income of associates and joint ventures	–	–	(81,219)	–	(5,177)	(86,396)	–	(86,396)
Total other comprehensive income	–	–	(308,190)	–	91,545	(216,645)	(205,443)	(422,088)
Total comprehensive income for the year	–	–	(308,190)	719,083	91,545	502,438	108,291	610,729
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Issue of ordinary shares under Share Plan, net of transaction costs	9,346	–	–	–	(9,346)	–	–	–
Capital contribution from non-controlling interests	–	–	–	–	–	–	113,281	113,281
Capital securities distribution paid	–	(29,524)	–	–	–	(29,524)	–	(29,524)
Accrued capital securities distribution	–	28,666	–	(28,666)	–	–	–	–
Share-based payment transactions	–	–	–	–	14,362	14,362	–	14,362
Purchase of treasury shares, net of transaction costs	–	–	–	–	(164,641)	(164,641)	–	(164,641)
Tax-exempt (one-tier) dividends paid of S$0.055 per share	–	–	–	(189,597)	–	(189,597)	–	(189,597)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(10,717)	(10,717)
Total contribution by and distribution to owners	9,346	(858)	–	(218,263)	(159,625)	(369,400)	102,564	(266,836)
Acquisition of interests in subsidiaries from non-controlling interests	–	–	–	–	(732)	(732)	(717)	(1,449)
Acquisition of subsidiaries	–	–	–	–	–	–	55,202	55,202
Share of reserves of joint ventures	–	–	–	–	41	41	–	41
Total transactions with owners	9,346	(858)	–	(218,263)	(160,316)	(370,091)	157,049	(213,042)
Transfer to reserves	–	–	–	(1,437)	1,437	–	–	–
At 31 March 2016	6,456,303	593,994	(1,008,894)	3,302,691	(456,313)	8,887,781	4,272,327	13,160,108

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

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2016

	Note	2016 US$'000	2015 US$'000
Cash flows from operating activities			
Profit before tax		**1,306,575**	862,235
Adjustments for:			
Depreciation of plant and equipment		**8,830**	8,107
Amortization of intangible assets		**2,958**	3,451
(Gain)/Loss on disposal of subsidiaries		**(34)**	25,339
Loss/(Gain) on disposal of investment properties		**294**	(2,436)
Gain on liquidation of subsidiary		**–**	(514)
(Gain)/Loss on disposal of asset classified as held for sale		**(54,269)**	31,639
(Gain)/Goodwill written off on acquisition of associate and subsidiaries		**(999)**	274
(Gain)/Loss on disposal of plant and equipment		**(105)**	36
Share of results (net of tax expense) of associates and joint ventures		**(240,771)**	(71,426)
Changes in fair value of subsidiaries' investment properties		**(720,403)**	(488,178)
Recognition/(Reversal) of impairment losses on trade and other receivables		**4,979**	(1,739)
Equity-settled share-based payment transactions		**14,362**	12,655
Net finance costs		**101,355**	47,933
		422,772	427,376
Changes in working capital:			
Trade and other receivables		**(28,057)**	(26,519)
Trade and other payables		**3,615**	72,046
Cash generated from operations		**398,330**	472,903
Tax paid		**(31,538)**	(28,493)
Net cash from operating activities		**366,792**	444,410
Net cash from operating activities of discontinued operation		**51,698**	–
		418,490	444,410
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	30(a)	**(217,848)**	(728,181)
Acquisition of investment properties		**(167,087)**	(439,150)
Proceeds from disposal of investment properties		**313,649**	518,142
Development expenditure on investment properties		**(1,121,312)**	(1,195,717)
Proceeds from disposal of subsidiaries, net of cash disposed	30(b)	**14**	23,316
Proceeds from disposal of assets classified as held for sale, net of deposits received	30(c)	**1,578,096**	356,753
Loans to associate and joint ventures		**(23,959)**	(84,820)
Balance carried forward		**361,553**	(1,549,657)

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

	2016 US$'000	2015 US$'000
Cash flows from investing activities continued		
Balance brought forward	**361,553**	(1,549,657)
Contribution to associate and joint ventures	**(289,561)**	(414,215)
Return of capital from joint ventures	**65,605**	77,027
Purchase of plant and equipment	**(8,357)**	(9,872)
Proceeds from sale of plant and equipment	**324**	565
Acquisition of other investments	**(371,940)**	(48,647)
Acquisition of intangible assets	**–**	(6)
Interest income received	**23,222**	12,257
Dividends received from joint ventures	**24,102**	12,933
Acquisition of ownership interests of assets classified as held for sale	**–**	(1,466,592)
Prepaid transaction costs arising from interest in associate	**(6,250)**	–
Withholding tax paid on dividend and interest income from joint ventures and subsidiaries	**(21,332)**	(22,719)
Withholding tax paid on disposal of asset classified as held for sale	**(18,954)**	–
Loans to non-controlling interests	**(9,808)**	–
Loan to a third party	**(53,933)**	–
Loan repayment from non-controlling interests	**20,165**	–
Net cash used in investing activities	**(285,164)**	(3,408,926)
Net cash used in investing activities of discontinued operation	**(4,652,024)**	–
	(4,937,188)	(3,408,926)
Cash flows from financing activities		
Proceeds from issue of shares	**–**	159,015
Acquisition of non-controlling interests	**(1,449)**	(14,379)
Contribution from non-controlling interests[1]	**83,525**	35,816
Proceeds from disposal of interests in subsidiaries to non-controlling interests	**–**	2,350,732
Prepaid transaction costs arising from disposal of interest in subsidiaries to non-controlling interests	**(22,475)**	–
Proceeds from bank loans	**1,910,539**	1,173,618
Repayment of bank loans	**(853,332)**	(319,992)
Proceeds from issue of bonds, net of transaction costs	**1,075,210**	297,012
Redemption of bonds	**(166,964)**	(464,075)
Settlement of financial derivative liabilities	**(1,042)**	(5,914)
Interest paid	**(96,671)**	(82,957)
Capital securities distribution	**(29,524)**	(32,532)
Dividends paid to shareholders	**(189,597)**	(174,441)
Dividends paid to non-controlling interests	**(10,717)**	(4,367)
Balance carried forward	**1,697,503**	2,917,536

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

	Note	2016 US$'000	2015 US$'000
Cash flows from financing activities continued			
Balance brought forward		**1,697,503**	2,917,536
Purchase of treasury shares, net of transaction costs		**(164,641)**	–
Repayments of loan from non-controlling interests		**(12,450)**	–
Net cash from financing activities		**1,520,412**	2,917,536
Net cash from financing activities of discontinued operation		**2,768,527**	–
		4,288,939	2,917,536
Net decrease in cash and cash equivalents		**(229,759)**	(46,980)
Cash and cash equivalents at beginning of year		**1,445,675**	1,500,737
Effect of exchange rate changes on cash balances held in foreign currencies		**(26,659)**	(8,082)
Cash and cash equivalents at end of year		**1,189,257**	1,445,675
Cash and cash equivalents of subsidiaries reclassified as assets held for sale		**(164,694)**	–
Cash and cash equivalents at end of year in the statement of financial position	14	**1,024,563**	1,445,675

Non-cash transaction:

1. During the year ended 31 March 2016, capital contributions by non-controlling interests were settled by way of transfer of investment properties amounting to US$29,756,000 to the Group.

The accompanying notes form an integral part of these consolidated 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 1 June 2016.

1 DOMICILE AND ACTIVITIES

Global Logistic Properties Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and joint ventures.

The principal activities of the Company and its subsidiaries are those of investment holding and provision of distribution facilities and services respectively.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") issued by the Singapore Accounting Standards Council.

2.2 Basis of measurement

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.

2.3 Functional and presentation currency

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.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs 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.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note 7 – Utilization of tax losses

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 4 – Determination of fair value of investment properties

Note 9 – Measurement of recoverable amounts of goodwill

Note 15 – Valuation of assets and liabilities held for sale and discontinued operations

Note 33 – Determination of fair value of financial assets and liabilities

2 BASIS OF PREPARATION CONTINUED

2.4 Use of estimates and judgements 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. This includes a valuation team that has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The valuation team regularly reviews 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 FRS, 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 might be categorized in 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.

Further information about the assumptions made in measuring fair values is included in:

Note 4 – Investment property

Note 33 – Determination of fair value of financial instruments

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to 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 Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.1 Basis of consolidation continued

(i) Business combinations continued

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

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

When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration payable is recognized at fair value at the acquisition date 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, subsequent changes to the fair value of the contingent consideration are recognized in 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.

For non-controlling interests that are present ownership interest and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognized in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiaries.

(ii) 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 in a subsidiary are allocated to the non-controlling interests even if this results in the non-controlling interests having 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.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.1 Basis of consolidation continued

(iii) 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.

(iv) Investments in associates and joint ventures

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

Associates and joint ventures are accounted for using the equity method and 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 of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases. The Group's investments in joint ventures include goodwill identified on acquisition, net of any accumulated impairment losses.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. 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.

3.2 Foreign currencies

(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 rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated 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 retranslated to the functional currency at the exchange rate at the date on which 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 currencies continued

(i) Foreign currency transactions continued

Foreign currency differences arising from retranslation are recognized in profit or loss, except for the following differences which are recognized in other comprehensive income arising from the retranslation of:

- available-for-sale equity instruments (except on impairment in which case foreign currency differences that have been recognized in other comprehensive income are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective (see (iii) below); or
- qualifying cash flow hedges to the extent such hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising from the acquisition, are translated to US dollars at exchange rates prevailing at the end of the reporting period. The income and expenses of foreign operations are translated to US dollars at exchange rates prevailing at the dates of the transactions. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rates at the reporting date.

Foreign currency differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. 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 transferred 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 non-controlling interests. 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 other comprehensive income, and are presented in the translation reserve in equity.

(iii) Hedge of a net investment in foreign operation

The Group applies hedge accounting to foreign currency differences arising between the functional currency of the foreign operation and the Company's functional currency (US dollars), regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognized in other comprehensive income to the extent the hedge is effective, and presented within equity in the foreign currency translation reserve. To the extent that the hedge is ineffective, such differences are recognized in profit or loss. When the hedged net investment is disposed of, the relevant amount in the foreign currency translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

3.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.3 Financial instruments continued

(i) Non-derivative financial assets continued

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

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

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables, except prepayments.

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the other categories of financial assets. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value and changes therein, other than impairment losses (see Note 3.7) and foreign exchange differences on available-for-sale monetary items are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities. Investment in equity securities whose fair value cannot be reliably measured are measured at cost less impairment loss.

(ii) Non-derivative financial liabilities

The Group initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. Financial liabilities for contingent consideration payable in a business combination are recognized at the acquisition date. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities for contingent consideration payable in a business combination are initially measured at fair value. Subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

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

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.3 Financial instruments continued

(ii) Non-derivative financial liabilities continued

The Group classifies its non-derivative financial liabilities, comprising loans and borrowings and trade and other payables, into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

(iv) Capital securities

Capital securities are classified as equity if they are non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognized as distributions within equity.

(v) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

(vi) Derivative financial instruments and hedging activities

The Group holds derivative financial instruments mainly to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80% - 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.3 Financial instruments continued

(vi) Derivative financial instruments and hedging activities continued

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognized. In other cases, the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to profit or loss.

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognized immediately in profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a qualifying hedge relationship, all changes in its fair value are recognized immediately 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 People's Republic of China ("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.

(ii) Properties under development and land held for development

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 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.5 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent expenditure relating to 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 recognized in profit or loss, from the date the asset is ready for its intended use, on a straight-line basis over the estimated useful lives of furniture, fittings and equipment ranging from 2 to 20 years.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if necessary, at each reporting date.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

3.6 Intangible assets

(i) Goodwill

For business combinations on or after 1 April 2010, the Group measures goodwill as at acquisition date based on the fair value of the consideration transferred (including the fair value of any previously-held equity interest in the acquiree) and the recognized amount of any non-controlling interests in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the amount is negative, a bargain purchase gain is recognized in the profit or loss. Goodwill is subsequently measured at cost less accumulated impairment losses.

For acquisitions prior to 31 March 2010, goodwill is measured at cost less accumulated impairment loss. Negative goodwill is credited to profit or loss in the period of the acquisition.

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of joint ventures is presented together with investments in joint ventures.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at costs less accumulated amortization and accumulated impairment losses.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most clearly reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives of intangible assets are as follows:

Trademarks	20 years
Non-competition	over the term of relevant agreement
License rights	over the term of the license period

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.7 Impairment

(i) Non-derivative financial assets (including receivables)

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment on an individual basis. All individually significant financial assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet been identified. The remaining financial assets that are not individually significant are collectively assessed for impairment by grouping together such instruments with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss recognized previously in profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in other comprehensive income.

Associate and joint venture

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 Note 3.7(ii). 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.

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 to sell. 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 belongs.

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

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

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

3.8 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. 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 plant and equipment once classified as held for sale are not amortized or depreciated. In addition, equity accounting of joint ventures ceases once classified as held for sale.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.9 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative year.

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.

(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) Share-based payment

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 fair value of the services received is determined by reference to the fair value of the liability. Until the liability is settled, the fair value of the liability is remeasured at each reporting date and at the date of settlement, with any changes in fair value recognized as an expense for the period.

The proceeds received from the exercise of the equity instruments, net of any directly attributable transaction costs, are credited to share capital when the equity instruments are exercised.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.11 Provision

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

When entities within the Group are lessees of an operating lease

Where the Group has the use of assets under operating leases, payments made under the leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

When entities within the Group are lessors of an operating lease

Assets subject to operating leases are included in investment properties (see Note 4).

When entities within the Group are lessors of a finance lease

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognized and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognized on the balance sheet and included in "trade and other receivables". The difference between the gross receivable and the present value of the lease receivable is recognized as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognized in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and recognized as an expense in profit or loss over the lease term on the same basis as the lease income.

3.13 Revenue recognition

Rental income

Rental income receivable under operating leases is recognized in profit or loss on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognized as an integral part of the total rental income to be received. Contingent rentals are recognized as income in the accounting period in which they are earned.

Management fee income

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

Dividend income

Dividend income is recognized on the date that the Group's right to receive payment is established.

Interest income

Interest income, including income arising from finance leases and other financial instruments, is recognized using the effective interest method.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.14 Government grants

Grants that compensate the Group for expenses already incurred or for purpose of giving immediate financial support with no future related costs are recognized in profit or loss in the period in which they become receivable.

3.15 Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on disposal of available-for-sale financial assets 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, losses on disposal of available-for-sale financial assets, impairment losses recognized on financial assets (other than trade receivables), and losses on hedging instruments that are recognized in profit or loss.

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 is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and equity accounted investees to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. 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.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.16 Tax continued

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.

A deferred tax asset is recognized for unused tax losses, 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 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.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.17 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, and the effects of all dilutive potential ordinary shares, which comprise awards of performance and restricted shares granted to employees.

3.18 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-makers ("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 reported to the Group's CODM 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 plant and equipment, and intangible assets other than goodwill.

3.19 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party, jointly control, or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common joint control. Related parties may be individuals or other entities.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

3.20 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing these financial statements.

These new standards include, among others, FRS 115 Revenue from Contracts with Customers and FRS 109 Financial Instruments which are mandatory for adoption by the Group on 1 April 2018.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognized as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 Revenue, FRS 11 Construction Contracts, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for the Construction of Real Estate, INT FRS 118 Transfers of Assets from Customers and INT FRS 31 Revenue – Barter Transactions Involving Advertising Services.
- FRS 109 replaces most of the existing guidance in FRS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Company. The Group is currently assessing the impact of FRS 115 and FRS 109 and plans to adopt the new standard on the required effective date.

The Accounting Standards Council ("ASC") announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange ("SGX") will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year ending 31 March 2019 onwards. Singapore-incorporated companies listed on SGX will have to assess the impact of IFRS 1 First-time adoption of IFRS when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements.

4 INVESTMENT PROPERTIES

	Note	Group 2016 US$'000	Group 2015 US$'000
At 1 April		**11,331,778**	10,164,715
Additions		**1,546,588**	1,713,654
Disposals		**(315,016)**	(511,496)
Acquisition of subsidiaries	30(a)	**392,218**	936,569
Disposal of subsidiaries	30(b)	**–**	(44,492)
Borrowing cost capitalized	26	**9,722**	7,599
Changes in fair value		**720,403**	488,178
Reclassification to assets classified as held for sale	30(c)	**(152,224)**	(610,843)
Transferred to joint ventures		**–**	(406,889)
Effect of movements in exchange rates		**(509,291)**	(405,217)
At 31 March		**13,024,178**	11,331,778
Comprising:			
Completed investment properties		**10,535,518**	9,096,094
Investment properties under re-development		**169,901**	141,967
Properties under development		**1,287,713**	1,129,362
Land held for development		**1,031,046**	964,355
		13,024,178	11,331,778

During the financial year ended 31 March 2016, the Group reclassified certain investment properties to assets classified as held for sale following initiation of active programme to sell.

During the previous financial year ended 31 March 2015, the Group completed the acquisition of a Brazil portfolio of logistics properties and formed a new fund in Brazil on 11 June 2014. The investment properties reclassified to assets held for sale pertain to 60.02% equity interests of the Brazil portfolio which the Group intended to divest within 12 months from the date of reclassification on 30 September 2014. The divestment was completed on 28 October 2014. Investment properties relating to the remaining 39.98% equity interests in the Brazil portfolio were reclassified to investment properties held by joint ventures in September 2014.

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$6,431,920,000 as at 31 March 2016 (2015: US$4,126,778,000) were mortgaged to banks and bondholders to secure credit facilities for the Group (Note 19). Interest capitalized as costs of investment properties amounted to approximately US$9,722,000 (2015: US$7,599,000) during the year.

4 INVESTMENT PROPERTIES CONTINUED

Measurement of fair value

(i) Fair value hierarchy

The Group's investment property portfolio are valued by independent external 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 independent external valuers have adopted a combination of valuation methods, including the direct comparison, 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 property. 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 direct comparison method is used as a secondary method and involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. 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 pertinent area.

In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The fair value measurement for investment properties of US$13,024,178,000 (2015: US$11,331,778,000) has been categorized as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2.4) and was measured based on valuation by independent valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the respective investment property being valued.

(ii) Reconciliation of Level 3 fair values

	Group	
	2016 US$'000	2015 US$'000
Balance at 1 April	**11,331,778**	10,164,715
Capital expenditure incurred and borrowing costs capitalized	**1,556,310**	1,721,253
Disposal of investment properties	**(315,016)**	(511,496)
Acquisition of subsidiaries	**392,218**	936,569
Disposal of subsidiaries	**–**	(44,492)
Reclassification to assets classified as held for sale	**(152,224)**	(610,843)
Transferred to joint ventures	**–**	(406,889)
Gains and losses for the year		
Changes in fair value of investment properties	**720,403**	488,178
Gains and losses recognized in other comprehensive income		
Effect of movements in exchange rates	**(509,291)**	(405,217)
Balance at 31 March	**13,024,178**	11,331,778

4 INVESTMENT PROPERTIES CONTINUED

Measurement of fair value continued

(ii) Reconciliation of Level 3 fair values continued

Valuation technique and significant unobservable inputs

The following table shows the key unobservable inputs used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation approach	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Income capitalization	**Capitalization rate:** PRC: 5.75% to 7.25% (2015: 6.00% to 7.50%) Japan: 4.70% to 6.40% (2015: 4.65% to 6.50%)	The estimated fair value varies inversely against the capitalization rate.
Discounted cash flow	**Discount rate:** PRC: 8.50% to 11.50% (2015: 9.00% to 12.00%) Japan: 5.20% to 6.90% (2015: 5.15% to 7.00%)	The estimated fair value varies inversely against the discount rate.
	Terminal yield rate: PRC: 5.75% to 7.25% (2015: 6.00% to 7.50%) Japan: 4.95% to 6.65% (2015: 4.90% to 6.75%)	The estimated fair value varies inversely against the terminal yield rate.
Residual	**Capitalization rate[1]:** PRC: 5.75% to 7.25% (2015: 6.00% to 7.50%)	The estimated fair value and gross development value vary inversely against the capitalization rate.
	Estimated development costs to complete construction	The estimated fair value varies inversely against the development costs to complete construction.

1. Capitalization approach is applied to derive the total gross development value under the residual approach.

5 SUBSIDIARIES

	Company	
	2016 **US$'000**	2015 US$'000
Unquoted equity shares, at cost	**8,529,199**	8,149,609
Less: Allowance for impairment loss	**(94,370)**	–
	8,434,829	8,149,609
Loans to subsidiaries (interest-free)	**307,840**	292,476
	8,742,669	8,442,085

During the year, impairment loss of US$94,370,000 (2015: Nil) was recognized for the Company's investment in certain subsidiaries as a result of losses incurred by those subsidiaries in respect of their underlying interests in joint ventures in Brazil. The Company has taken impairment on the value of the investments in view of the depreciation of the Brazilian Real which the investments are denominated in. The recoverable amount for the relevant joint ventures was estimated based on the higher of the value in use calculation using cash flow projection or the fair value of the net assets as at the reporting date. The fair value measurement was estimated based on net assets and categorized as Level 3 on the fair value hierarchy.

The loans to subsidiaries are unsecured and the settlement of these amounts is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the Company's net investment in subsidiaries, they are stated at cost less accumulated impairment losses.

Details of significant subsidiaries are set out in Note 36.

6 ASSOCIATES AND JOINT VENTURES

	Group	
	2016 US$'000	2015 US$'000
Interests in associates	**26,201**	–
Interests in joint ventures	**1,927,485**	1,544,017
	1,953,686	1,544,017
Capital commitments in relation to interests in joint ventures	**830,113**	576,814
Proportionate interest in associates' and joint ventures' commitments	**218,307**	20,160

Associates

The associates of the Group are individually immaterial. The following table summarizes, in aggregate, the carrying amount and share of profit and other comprehensive income of these associates that are accounted for using the equity method:

	2016 US$'000	2015 US$'000
Group's interest in net assets of associates at beginning of the year	**–**	–
Group's share of total comprehensive income	**(382)**	–
Group's share of total contribution by owners*	**27,043**	–
Effect of movements in exchange rates	**(460)**	–
Carrying amount of interests in associates at the end of the year	**26,201**	–

* Includes consideration payable of US$17,043,000 (2015: Nil).

Joint ventures

The Group has seven (2015: seven) joint ventures that are material and a number of joint ventures that are individually immaterial to the Group. All are equity accounted. The following are the material joint ventures:

Name of joint ventures[1]	Principal activity	Principal place of business	2016 %	2015 %
GLP Japan Income Partners I	Private equity fund focused on logistics properties	Japan	**33.33%**	33.33%
GLP Japan Development Partners I	Private equity fund focused on logistics properties	Japan	**50.00%**	50.00%
Ichikawashiohama	Joint venture in Ichikawashiohama logistic property	Japan	**50.00%**	50.00%
GLP Brazil Development Partners I	Private equity fund focused on logistics properties	Brazil	**40.00%**	40.00%
GLP Brazil Income Partners I	Private equity fund focused on logistics properties	Brazil	**34.20%**	34.20%
GLP Brazil Income Partners II	Private equity fund focused on logistics properties	Brazil	**39.98%**	39.98%
GLP US Income Partners I	Private equity fund focused on logistics properties	United States of America	**10.35%**	10.00%

Note:
1. Relates to the commercial name of the joint ventures used under GLP fund management platform.

6 ASSOCIATES AND JOINT VENTURES CONTINUED

Joint ventures continued

Summary information for joint ventures that are material to the Group

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

	GLP Japan Income Partners I US$'000	GLP Japan Development Partners I US$'000	Ichikawa-shiohama US$'000	GLP Brazil Development Partners I US$'000	GLP Brazil Income Partners I US$'000	GLP Brazil Income Partners II US$'000	GLP US Income Partners I US$'000	Immaterial Joint Ventures US$'000	Total US$'000
2016									
Group's interests	**33.33%**	**50.00%**	**50.00%**	**40.00%**	**34.20%**	**39.98%**	**10.35%**		
Results									
Revenue	57,344	49,319	12,638	22,166	62,262	62,813	676,324	44,313	987,179
Expenses	(21,612)	(27,782)	(3,236)	(17,969)	(39,986)	(37,633)	(464,715)	(26,440)	(639,373)
Changes in fair value of investment properties	106,270	241,186	10,489	1,713	3,689	(11,953)	155,928	49,936	557,258
Income tax (expense)/credit	(8,250)	(14,454)	(870)	56	(4,402)	727	(119,378)	(17,392)	(163,963)
Profit for the year	133,752	248,269	19,021	5,966	21,563	13,954	248,159	50,417	741,101
Other comprehensive income	(1,626)	(8,603)	–	(72,021)	(71,227)	(70,157)	–	(664)	(224,298)
Total comprehensive income	132,126	239,666	19,021	(66,055)	(49,664)	(56,203)	248,159	49,753	516,803
Profit after tax include:									
Interest income	8	11	2	3,185	2,079	3,230	74	370	8,959
Depreciation and amortization	(2,036)	(3,365)	(363)	–	–	–	–	(84)	(5,848)
Interest expense	(6,509)	(2,847)	(213)	(7,945)	(30,936)	(31,439)	(214,886)	(12,400)	(307,175)
Assets and liabilities									
Non-current assets	1,106,923	1,798,213	270,050	538,866	701,195	661,591	8,283,747	1,062,321	14,422,906
Current assets	54,805	116,181	14,581	22,084	22,869	36,916	196,894	94,367	558,697
Total assets	1,161,728	1,914,394	284,631	560,950	724,064	698,507	8,480,641	1,156,688	14,981,603
Non-current liabilities	(329,055)	(719,922)	(6,746)	(120,625)	(284,685)	(247,509)	(5,080,215)	(335,443)	(7,124,200)
Current liabilities	(232,846)	(278,649)	(141,543)	(20,208)	(25,668)	(20,410)	(131,968)	(126,833)	(978,125)
Total liabilities	(561,901)	(998,571)	(148,289)	(140,833)	(310,353)	(267,919)	(5,212,183)	(462,276)	(8,102,325)
Assets and liabilities include:									
Cash and cash equivalents	47,742	98,475	12,850	12,587	12,184	20,970	167,521	49,659	421,988
Current financial liabilities (excluding trade and other payables)	(213,112)	(196,274)	(137,751)	(6,850)	(8,838)	(15,319)	–	(14,133)	(592,277)
Non-current financial liabilities (excluding trade and other payables)	(296,608)	(674,435)	–	(106,764)	(248,426)	(244,476)	(4,934,419)	(244,770)	(6,749,898)

6 ASSOCIATES AND JOINT VENTURES CONTINUED

Joint ventures continued

Summary information for joint ventures that are material to the Group continued

	GLP Japan Income Partners I US$'000	GLP Japan Development Partners I US$'000	Ichikawa-shiohama US$'000	GLP Brazil Development Partners I US$'000	GLP Brazil Income Partners I US$'000	GLP Brazil Income Partners II US$'000	GLP US Income Partners I US$'000	Immaterial Joint Ventures US$'000	Total US$'000
2015									
Group's interests	**33.33%**	**50.00%**	**50.00%**	**40.00%**	**34.20%**	**39.98%**	**10.00%**		
Results									
Revenue	61,003	30,499	8,041	22,776	88,206	34,213	62,605	28,219	335,562
Expenses	(25,098)	(20,066)	(2,920)	(8,970)	(47,582)	(24,518)	(80,241)	(18,575)	(227,970)
Changes in fair value of investment properties	52,399	54,317	11,871	(52,142)	(12,493)	(46,221)	–	33,785	41,516
Income tax (expense)/credit	(5,433)	(5,069)	(807)	12,241	6,012	14,279	(5,147)	(11,307)	4,769
Profit/(Loss) for the year	82,871	59,681	16,185	(26,095)	34,143	(22,247)	(22,783)	32,122	153,877
Other comprehensive income	1,653	(1,561)	–	(166,830)	(181,962)	(130,574)	–	–	(479,274)
Total comprehensive income	84,524	58,120	16,185	(192,925)	(147,819)	(152,821)	(22,783)	32,122	(325,397)
Profit after tax include:									
Interest income	9	9	2	2,226	2,195	1,711	–	300	6,452
Depreciation and amortization	(1,052)	(485)	(174)	–	–	–	–	(93)	(1,804)
Interest expense	(7,129)	(1,900)	(380)	(7,158)	(41,540)	(17,280)	(20,056)	(5,495)	(100,938)
Assets and liabilities									
Non-current assets	945,343	1,004,758	244,422	506,374	809,073	770,753	8,044,828	933,651	13,259,202
Current assets	56,925	52,493	7,504	68,976	20,234	45,202	212,652	68,484	532,470
Total assets	1,002,268	1,057,251	251,926	575,350	829,307	815,955	8,257,480	1,002,135	13,791,672
Non-current liabilities	(496,601)	(348,507)	(135,632)	(92,745)	(333,489)	(314,384)	(5,320,122)	(289,586)	(7,331,066)
Current liabilities	(38,731)	(307,645)	(2,320)	(29,582)	(27,376)	(28,774)	(114,827)	(107,522)	(656,777)
Total liabilities	(535,332)	(656,152)	(137,952)	(122,327)	(360,865)	(343,158)	(5,434,949)	(397,108)	(7,987,843)
Assets and liabilities include:									
Cash and cash equivalents	50,281	34,815	6,210	56,557	6,448	28,203	181,671	26,105	390,290
Current financial liabilities (excluding trade and other payables)	(3,504)	(72,086)	–	(5,644)	(9,364)	(22,989)	(33,405)	(9,445)	(156,437)
Non-current financial liabilities (excluding trade and other payables)	(476,529)	(327,211)	(130,097)	(76,942)	(294,964)	(308,811)	(5,295,938)	(206,094)	(7,116,586)

6 ASSOCIATES AND JOINT VENTURES CONTINUED

Joint ventures continued

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

	GLP Japan Income Partners I US$'000	GLP Japan Development Partners I US$'000	Ichikawa-shiohama US$'000	GLP Brazil Development Partners I US$'000	GLP Brazil Income Partners I US$'000	GLP Brazil Income Partners II US$'000	GLP US Income Partners I US$'000	Immaterial Joint Ventures US$'000	Total US$'000
2016									
Group's interests	**33.33%**	**50.00%**	**50.00%**	**40.00%**	**34.20%**	**39.98%**	**10.35%**		
Group's interest in net assets of joint ventures at beginning of the year	157,533	204,872	56,986	187,007	164,846	188,624	290,903	293,246	1,544,017
Group's share of total comprehensive income	44,042	119,833	9,511	(26,422)	(16,987)	(22,471)	25,692	21,559	154,757
Dividends received from joint ventures (the Group's share)	(4,647)	–	–	–	(2,766)	–	(16,689)	–	(24,102)
Reclassification of joint ventures to subsidiaries[1]	–	–	–	–	–	–	–	(25,880)	(25,880)
Group's share of total (distribution to)/contribution by owners	(6,474)	113,573	(2,027)	13,260	1,087	5,665	(6,063)	94,935	213,956
Transaction costs in connection with acquisition of joint venture	–	–	–	–	–	–	–	3,215	3,215
Reclassification of joint venture to assets classified as held for sale[2]	–	–	–	–	–	–	–	(7,008)	(7,008)
Reclassification of assets classified as held for sale to joint ventures[3]	–	–	–	–	–	–	10,044	–	10,044
Capitalization of loan to joint venture to equity contribution to joint venture	–	–	–	–	–	–	36,547	–	36,547
Effect of movements in exchange rates	11,486	24,204	3,700	–	–	–	–	(17,451)	21,939
Carrying amount of interest in joint ventures at the end of the year	201,940	462,482	68,170	173,845	146,180	171,818	340,434	362,616	1,927,485

1. Pursuant to the acquisition of additional equity investment in three joint ventures in China during the year, the Group gained control of these companies which were then reclassified as subsidiaries (Note 30(a)).
2. Relates to 45.00% equity interest in New Dulles Asset LLC which the Group has intended to sell within the next 12 months (Note 15).
3. Relates to 0.35% equity interest retained subsequent to disposal of 44.65% equity interest in GLP US Income Partners I in October 2015. 45.00% equity interest in GLP US Income Partners I was previously classified as asset held for sale as at 31 March 2015.

6 ASSOCIATES AND JOINT VENTURES CONTINUED

Joint ventures continued

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

	GLP Japan Income Partners I US$'000	GLP Japan Development Partners I US$'000	Ichikawa-shiohama US$'000	GLP Brazil Development Partners I US$'000	GLP Brazil Income Partners I US$'000	GLP Brazil Income Partners II US$'000	GLP US Income Partners I US$'000	Immaterial Joint Ventures US$'000	Total US$'000
2015									
Group's interests	**33.33%**	**50.00%**	**50.00%**	**40.00%**	**34.20%**	**39.98%**	**10.00%**		
Group's interest in net assets of joint ventures at beginning of the year	165,662	214,269	82,533	217,177	223,188	–	–	260,923	1,163,752
Group's share of total comprehensive income	28,172	29,060	8,093	(77,170)	(50,554)	(61,098)	(2,278)	15,791	(109,984)
Dividends received from joint ventures (the Group's share)	(5,315)	–	–	–	(7,618)	–	–	–	(12,933)
Reclassification of subsidiary to joint ventures[1]	–	–	–	–	–	224,285	–	–	224,285
Group's share of (distribution to)/total contribution by owners	(5,326)	(5,103)	(22,791)	47,000	(170)	25,437	284,531	13,610	337,188
Transaction costs in connection with acquisition of joint ventures	–	–	–	–	–	–	8,650	–	8,650
Effect of movements in exchange rates	(25,660)	(33,354)	(10,849)	–	–	–	–	2,922	(66,941)
Carrying amount of interest in joint ventures at the end of the year	157,533	204,872	56,986	187,007	164,846	188,624	290,903	293,246	1,544,017

1. Relates to 39.98% equity interest held in Brazil Income Partners II which was reclassified to joint ventures upon the reclassification of 60.02% equity interest in the fund to assets and liabilities held for sale on 30 September 2014 (refer to Note 30(a)).

During year ended 31 March 2015, the Group completed its acquisition of a Brazil portfolio of logistics properties in June 2014 and formed a new fund under GLP Brazil Income Partners II. As at 30 September 2014, 60.02% of the assets and liabilities of GLP Brazil Income Partners II were reclassified as assets and liabilities classified as held for sale and the remaining 39.98% equity interest was accounted by the Group as investment in joint venture. The information presented in the table above includes the Group's share of results of GLP Brazil Income Partners II for the period from 29 October 2014 to 31 March 2015 only.

7 DEFERRED TAX

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

Group	At 1 April US$'000	Acquisition of subsidiaries (Note 30(a)) US$'000	Effect of movements in exchange rates US$'000	Recognized in other comprehensive income US$'000	Recognized in profit or loss (Note 28) US$'000	At 31 March US$'000
2016						
Deferred tax assets						
Unutilized tax losses	25,342	512	(1,394)	–	1,969	26,429
Investment properties	1,035	–	41	–	(305)	771
Interest rate swaps	407	–	41	290	(2)	736
Others	5,625	–	(128)	–	4,603	10,100
	32,409	512	(1,440)	290	6,265	38,036
Deferred tax liabilities						
Investment properties	(842,398)	(5,111)	52,341	–	(198,857)	(994,025)
Available-for-sale financial investments	(584)	–	72	(17,513)	–	(18,025)
Others	(6,504)	–	416	–	(12,344)	(18,432)
	(849,486)	(5,111)	52,829	(17,513)	(211,201)	(1,030,482)
Total	(817,077)	(4,599)	51,389	(17,223)	(204,936)	(992,446)

Group	At 1 April US$'000	Acquisition of subsidiaries (Note 30(a)) US$'000	Disposal of subsidiaries (Note 30(b)) US$'000	Effect of movements in exchange rates US$'000	Recognized in other comprehensive income US$'000	Recognized in profit or loss (Note 28) US$'000	Transferred to joint ventures US$'000	Reclassification to asset held for sale (Note 30(c)) US$'000	At 31 March US$'000
2015									
Deferred tax assets									
Unutilized tax losses	20,036	–	–	(89)	–	5,395	–	–	25,342
Investment properties	4,640	–	–	(411)	–	(3,194)	–	–	1,035
Interest rate swaps	638	–	–	(81)	(146)	(4)	–	–	407
Others	4,994	–	–	(317)	–	948	–	–	5,625
	30,308	–	–	(898)	(146)	3,145	–	–	32,409
Deferred tax liabilities									
Investment properties	(707,107)	(1,517)	2,918	(1,541)	–	(135,151)	–	–	(842,398)
Available-for-sale financial investments	–	–	–	54	(638)	–	–	–	(584)
Others	(11,271)	(18,437)	–	1,524	–	(941)	9,044	13,577	(6,504)
	(718,378)	(19,954)	2,918	37	(638)	(136,092)	9,044	13,577	(849,486)
Total	(688,070)	(19,954)	2,918	(861)	(784)	(132,947)	9,044	13,577	(817,077)

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	
	2016 US$'000	2015 US$'000
Deferred tax assets	**20,888**	32,001
Deferred tax liabilities	**(1,013,334)**	(849,078)

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$16,689,000 (2015: US$14,183,000) as the Group do not have plans to distribute these earnings in the foreseeable future.

Deferred tax assets have not been recognized in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom:

	Group	
	2016 US$'000	2015 US$'000
Tax losses	**264,366**	201,095

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 amounting to US$264,366,000 (2015: US$201,095,000) will expire within one to five years.

8 PLANT AND EQUIPMENT

Group	Furniture, fittings and equipment US$'000	Software under development US$'000	Total US$'000
Cost			
At 1 April 2014	71,056	1,362	72,418
Additions	5,710	4,195	9,905
Disposals	(658)	–	(658)
Reclassifications	3,140	(3,140)	–
Effect of movements in exchange rates	(7,239)	(3)	(7,242)
At 31 March 2015	72,009	2,414	74,423
Acquisitions of subsidiaries (Note 30(a))	239	–	239
Additions	5,699	2,658	8,357
Disposals	(408)	–	(408)
Reclassifications	266	(266)	–
Effect of movements in exchange rates	459	6	465
At 31 March 2016	**78,264**	**4,812**	**83,076**

8 PLANT AND EQUIPMENT CONTINUED

Group	Furniture, fittings and equipment US$'000	Software under development US$'000	Total US$'000
Accumulated depreciation			
At 1 April 2014	14,869	–	14,869
Depreciation charge for the year	8,107	–	8,107
Disposals	(57)	–	(57)
Effect of movements in exchange rates	(671)	–	(671)
At 31 March 2015	22,248	–	22,248
Depreciation charge for the year	8,830	–	8,830
Disposals	(189)	–	(189)
Effect of movements in exchange rates	(684)	–	(684)
At 31 March 2016	**30,205**	**–**	**30,205**
Carrying amount			
At 1 April 2014	56,187	1,362	57,549
At 31 March 2015	49,761	2,414	52,175
At 31 March 2016	**48,059**	**4,812**	**52,871**

Company	Furniture, fittings and equipment US$'000	Software under development US$'000	Total US$'000
Cost			
At 1 April 2014	2,964	1,362	4,326
Additions	1,029	4,162	5,191
Reclassifications	3,140	(3,140)	–
At 31 March 2015	7,133	2,384	9,517
Additions	584	2,158	2,742
Reclassifications	234	(234)	–
At 31 March 2016	**7,951**	**4,308**	**12,259**
Accumulated depreciation			
At 1 April 2014	681	–	681
Depreciation charge for the year	1,816	–	1,816
At 31 March 2015	2,497	–	2,497
Depreciation charge for the year	2,367	–	2,367
At 31 March 2016	**4,864**	**–**	**4,864**
Carrying amount			
At 1 April 2014	2,283	1,362	3,645
At 31 March 2015	4,636	2,384	7,020
At 31 March 2016	**3,087**	**4,308**	**7,395**

9 INTANGIBLE ASSETS

Group	Goodwill US$'000	Trademark US$'000	Non-competition US$'000	License rights US$'000	Total US$'000
Cost					
At 1 April 2014	455,367	40,637	7,100	–	503,104
Additions	–	6	–	–	6
Effect of movements in exchange rates	–	(39)	–	–	(39)
At 31 March 2015	455,367	40,604	7,100	–	503,071
Acquisitions of subsidiaries (Note 30(a))	–	–	–	762	762
Effect of movements in exchange rates	(17,944)	(1,540)	(269)	(15)	(19,768)
At 31 March 2016	**437,423**	**39,064**	**6,831**	**747**	**484,065**
Accumulated amortization					
At 1 April 2014	–	7,004	4,902	–	11,906
Amortization for the year	–	2,031	1,420	–	3,451
Effect of movements in exchange rates	–	(9)	–	–	(9)
At 31 March 2015	–	9,026	6,322	–	15,348
Amortization for the year	–	2,108	734	116	2,958
Effect of movements in exchange rates	–	(420)	(225)	(4)	(649)
At 31 March 2016	**–**	**10,714**	**6,831**	**112**	**17,657**
Carrying amount					
At 1 April 2014	455,367	33,633	2,198	–	491,198
At 31 March 2015	455,367	31,578	778	–	487,723
At 31 March 2016	**437,423**	**28,350**	**–**	**635**	**466,408**

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 March 2016 and the key assumptions used in the calculation of recoverable amounts in respect of terminal growth rate and discount rate are as follows:

	Carrying amount		Discount rate		Terminal growth rate	
Group	**2016 US$'000**	2015 US$'000	**2016 %**	2015 %	**2016 %**	2015 %
GLP China[1]	**239,588**	254,114	**8.5**	8.5	**3.0**	3.0
GLP Japan[2]	**141,467**	141,467	**5.0**	5.5	**1.0**	1.0
Airport City Development Group ("ACL Group")	**56,368**	59,786	**8.5**	8.5	**3.0**	3.0
Total	**437,423**	455,367				

1. Relates to the leasing of logistic facilities and provision of asset management services in China and excludes the ACL Group.
2. Relates to the leasing of logistic facilities and provision of asset management services in Japan.

9 INTANGIBLE ASSETS CONTINUED

Impairment test for goodwill continued

The recoverable amount of the CGUs is determined based on value in use calculation. The value in use calculation is a discounted cash flow model using cash flow projections based on the most recent budgets and forecasts approved by management covering five years. Cash flows beyond these periods are extrapolated using the estimated terminal growth rates stated in the table above. The discount rate applied is the weighted average cost of capital from the relevant business segment.

The terminal growth rate used for each CGU does not exceed management's expectation of the long-term average growth rate of the respective industry and country in which the CGU operates.

The Group believes that any reasonably possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

10 OTHER INVESTMENTS

	Group	
	2016 US$'000	2015 US$'000
Available-for-sale financial investments:		
– Quoted equity securities, at fair value	**985,943**	467,810
– Unquoted equity securities, at cost	**29,924**	21
	1,015,867	467,831

Quoted equity securities comprise 15.0% (2015: 15.0%) interest in GLP J-REIT, which is listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange, 15.5% (2015: Nil) interest in CMST Development Co. Ltd ("CMSTD"), which is listed on the Shanghai Stock Exchange and 19.9% (2015: 19.9%) interest in Shenzhen Chiwan Petroleum Supply Base Co., Ltd. ("SCPSB"), which is listed on the Shenzhen Stock Exchange.

During the year, the Group acquired 15.5% shareholdings in CMSTD for a consideration of RMB1,992,240,000 (equivalent to approximately US$311,794,000) in December 2015, and additional shares in GLP J-REIT for a consideration of JPY3,519,984,000 (equivalent to approximately US$29,469,000) in September 2015 (2015: JPY5,003,266,000 (equivalent to approximately US$48,647,000) in August 2014).

The Group also acquired unquoted equity securities in three companies in China for an aggregate consideration of RMB195,000,000 (equivalent to approximately US$30,677,000) during the year.

The quoted equity securities 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 Group's exposure to credit and market risks and fair value information related to other investments are disclosed in Notes 32 and 33.

Reconciliation of Level 3 fair values

	Group	
	2016 US$'000	2015 US$'000
Balance at 1 April	**21**	54
Additions	**30,677**	9
Disposals	**–**	(27)
Effects of movements in exchange rates	**(774)**	(15)
Balance at 31 March	**29,924**	21

11 OTHER NON-CURRENT ASSETS

	Group	
	2016 US$'000	2015 US$'000
Trade receivables	**31,419**	24,626
Deposits	**2,786**	2,667
Prepayments	**3,930**	7,459
Amounts due from:		
– joint ventures	**21,412**	13,715
– an investee entity	**52,331**	50,377
Loans to joint ventures	**10,634**	41,378
Loans to non-controlling interests	**–**	17,912
Finance lease receivables (Note 13)	**5,402**	686
Others	**268**	840
	128,182	159,660

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 joint ventures are unsecured, bear interest of 5.39% to 8.00% (2015: 8.00%) per annum at the reporting date and are fully repayable by August 2024.

At 31 March 2015, the loans to non-controlling interests were unsecured, bear interest of 10.00% per annum and were due to be repaid in 2017. The loans were repaid in full during the year ended 31 March 2016.

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Trade receivables	**77,947**	54,929	**–**	–
Impairment losses	**(588)**	(401)	**–**	–
Net trade receivables	**77,359**	54,528	**–**	–
Amounts due from subsidiaries:				
– non-trade and interest-free	**–**	–	**104,077**	260,423
– non-trade and interest-bearing	**–**	–	**1,137,568**	28,077
Amounts due from associates and joint ventures:				
– trade	**75,150**	66,344	**–**	–
– non-trade and interest-free	**3,837**	7,656	**300**	272
Amounts due from an investee entity:				
– trade	**12,820**	10,247	**–**	–
– non-trade and interest-free	**19,145**	13,286	**–**	–
Amounts due from discontinued operation (trade)	**6,394**	–	**–**	–
Loans to non-controlling interests	**21,462**	16,284	**–**	–
Loans to associate and joint ventures	**36,370**	48,096	**–**	–
Consideration receivable from joint venture partners	**54,145**	–	**–**	–
Loan to a third party in relation to acquisition of new investment	**53,655**	–	**–**	–
	282,978	161,913	**1,241,945**	288,772
Finance lease receivables (Note 13)	**4,479**	632	**–**	–
Deposits	**51,568**	56,242	**187**	194
Other receivables	**43,183**	56,295	**2,045**	460
Impairment losses	**(13)**	(97)	**–**	–
	43,170	56,198	**2,045**	460
Loans and receivables	**459,554**	329,513	**1,244,177**	289,426
Prepayments	**88,237**	145,340	**1,018**	801
	547,791	474,853	**1,245,195**	290,227

The non-trade amounts due from subsidiaries, associates, joint ventures and an investee entity 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 2.82% to 5.00% (2015: 2.82% to 5.00%) per annum.

The loans to non-controlling interests are unsecured, bear fixed interest at the reporting date of 10.00% (2015: 5.60%) per annum and are repayable on demand. The loans to associate and joint ventures are unsecured, bear fixed interest at the reporting date of 4.00% to 10.00% (2015: 1.50% to 8.55%) per annum and are repayable within the next 12 months. The loan to a third party is secured, repayable within the next 12 months and is interest-free upon completion of the acquisition.

12 TRADE AND OTHER RECEIVABLES CONTINUED

Deposits include an amount of US$50,508,000 (2015: US$55,539,000) in relation to the acquisition of new investments. Other receivables comprise principally recoverable from sale of a property and other recoverables (2015: principally interest receivables and other recoverables). Prepayments include prepaid construction costs of US$34,475,000 (2015: US$125,661,000) and prepaid transaction costs of US$28,725,000 (2015: Nil) for new projects under GLP fund management platform.

(a) The maximum exposure to credit risk for loans and receivables at the reporting date (by country) is:

	Gross 2016 US$'000	Allowance for doubtful receivables 2016 US$'000	Gross 2015 US$'000	Allowance for doubtful receivables 2015 US$'000
Group				
PRC	**285,577**	**(601)**	201,240	(498)
Japan	**49,338**	**–**	49,354	–
Singapore	**56,718**	**–**	51,252	–
US	**66,574**	**–**	26,130	–
Others	**1,948**	**–**	2,035	–
	460,155	**(601)**	330,011	(498)
Company				
Singapore	**1,244,177**	**–**	289,426	–

(b) The ageing of loans and receivables at the reporting date is:

	Gross 2016 US$'000	Allowance for doubtful receivables 2016 US$'000	Gross 2015 US$'000	Allowance for doubtful receivables 2015 US$'000
Group				
Not past due	**423,589**	**–**	301,592	–
Past due 1 – 30 days	**19,825**	**–**	14,238	–
Past due 31 – 90 days	**10,524**	**–**	6,233	–
More than 90 days	**6,217**	**(601)**	7,948	(498)
	460,155	**(601)**	330,011	(498)
Company				
Not past due	**1,244,177**	**–**	289,426	–

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

The majority of the trade receivables are due from tenants that have good credit records with the Group. The allowance account in respect of trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly.

12 TRADE AND OTHER RECEIVABLES CONTINUED

(c) The movement in allowances for impairment losses in respect of loans and receivables during the year is as follows:

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
At 1 April	**498**	2,214	**–**	–
Recognition/(Reversal) of impairment losses	**4,979**	(1,739)	**–**	–
Amounts written-off	**(4,843)**	–	**–**	–
Effect of movements in exchange rates	**(33)**	23	**–**	–
At 31 March	**601**	498	**–**	–

13 FINANCE LEASE RECEIVABLES

The Group leases investment properties to non-related parties under finance leases. The agreement expires between 2017 and 2019, and the non-related parties have options to extend these leases at the prevailing market rates.

	Group	
	2016 US$'000	2015 US$'000
Gross receivables due:		
– Not later than one year	**5,076**	686
– Later than one year but within five years	**5,697**	745
	10,773	1,431
Less: Unearned finance income	**(892)**	(113)
Net investment in finance leases	**9,881**	1,318

The net investment in finance leases is analyzed as follows:

	Group	
	2016 US$'000	2015 US$'000
Not later than one year (Note 12)	**4,479**	632
Later than one year but within five years (Note 11)	**5,402**	686
	9,881	1,318

14 CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Fixed deposits	**22,993**	41,783	**45**	732
Cash at bank	**1,001,570**	1,403,892	**42,705**	429,055
Cash and cash equivalents in the statement of cash flows	**1,024,563**	1,445,675	**42,750**	429,787

The effective interest rates relating to fixed deposits and certain cash at bank balances at the reporting date for the Group and Company ranged from 0.01% to 2.52% (2015: 0.02% to 2.80%) and 0.02% to 0.85% (2015: 0.06% to 0.71%) per annum respectively. Interest rates reprice at intervals of one to twelve months.

15 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATION

	Group	
	2016 US$'000	2015 US$'000
Assets classified as held for sale	**4,894,628**	1,466,592
Liabilities classified as held for sale	**(2,888,795)**	–
	2,005,833	1,466,592

On 4 November 2015, the Group acquired 100% equity interests in a portfolio of companies ("GLP US Income Partners II"), with a view to syndicate 90.10% equity interest within 12 months from date of acquisition. Accordingly, the assets and liabilities of GLP US Income Partners II were classified as discontinued operation. As at 31 March 2016, the Group has contracted with various global investors and are in negotiations with additional investors to syndicate 65.66% and 24.44% equity interest of the disposal group respectively. This discontinued operation was stated at fair value less costs to sell of US$1,998,825,000 at the reporting date, determined based on the estimated syndication consideration.

Results from the discontinued operation amounting to US$36,010,000 are presented in the income statement as profit from discontinued operation (net of tax). There are no change in fair value less costs to sell and no cumulative income or expenses included in other comprehensive income relating to the discontinued operation.

As at 31 March 2016, the assets classified as held for sale includes 45.00% equity interest in New Dulles Asset LLC which the Group intended to sell within the next 12 months. This disposal group was stated at fair value less costs to sell of US$7,008,000 at the reporting date.

As at 31 March 2015, the assets classified as held for sale comprised 45.00% equity interest in GLP US Income Partners I acquired on 26 February 2015 which the Group intended to syndicate within 12 months from the date of acquisition. This disposal group was stated at fair value less costs to sell of US$1,466,592,000 at the reporting date, determined based on the estimated syndication consideration.

The syndication was completed on 26 October 2015, with the remaining 10.35% equity interest being accounted for as interest in joint venture (Note 6). Accordingly, a gain on disposal of assets classified as held for sale of US$54,145,000 was recognized during the year.

16 SHARE CAPITAL, CAPITAL SECURITIES AND CAPITAL MANAGEMENT

(a) Share capital

	No. of shares	
	2016 '000	2015 '000
Fully paid ordinary shares, with no par value:		
At 1 April	**4,839,908**	4,760,126
Issued for cash	**–**	74,278
Issue of shares pursuant to the GLP Share Plans[1]	**4,458**	5,504
At 31 March, including treasury shares	**4,844,366**	4,839,908
Less: Treasury shares	**(100,680)**	–
At 31 March, excluding treasury shares	**4,743,686**	4,839,908

1. Relates to the performance and restricted share plans, and includes additional 1,448,000 (2015: 663,000) shares that were issued during the year pursuant to the performance share plan.

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.

(b) Movements in the Company's treasury shares were as follows:

	No. of shares	
	2016 '000	2015 '000
At 1 April	**–**	–
Purchase of treasury shares	**105,214**	–
Treasury shares transferred pursuant to the GLP Share Plans	**(4,534)**	–
At 31 March	**100,680**	–

(c) Capital securities

During the financial year ended 31 March 2012, the Company issued capital securities with a nominal amount of S$750,000,000 (equivalent to US$587,490,000) for cash. Transaction costs incurred in connection with the issuance of perpetual capital securities, which was recognized as a deduction from equity, amounted to US$7,764,000. The capital securities are perpetual, subordinated and the distribution of 5.5% on the securities may be deferred at the sole discretion of the Company. As such, the perpetual capital securities are classified as equity instruments and recorded in equity in the statement of financial position. As at 31 March 2016, the Group has accrued capital securities distribution of US$28,666,000 (2015: US$32,009,000).

(d) Capital management

The Group's objectives when managing capital are to build a strong capital base so as to sustain the future developments of its business and to maintain an optimal capital structure to 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.

16 SHARE CAPITAL, CAPITAL SECURITIES AND CAPITAL MANAGEMENT CONTINUED

(d) Capital management continued

The Group also monitors capital using a net debt to equity ratio, which is defined as net borrowings divided by total equity (including non-controlling interests).

	Group	
	2016 US$'000	2015 US$'000
Gross borrowings (net of transaction costs)	**4,770,437**	2,847,709
Less: Cash and cash equivalents	**(1,024,563)**	(1,445,675)
Net debt	**3,745,874**	1,402,034
Total equity	**13,160,108**	12,762,421
Net debt to equity ratio	**0.28**	0.11

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. In addition, the Company has a share purchase mandate as approved by its shareholders which allows the Company greater flexibility over its share capital structure with a view to improving, inter alia, its return on equity. The shares which are purchased are held as treasury shares which the Company may transfer for the purpose of or pursuant to its employee share-based incentive schemes. The use of treasury shares in lieu of issuing new shares would also mitigate the dilution rights on the existing shareholders.

There were no changes in the Group's approach to capital management during the year.

Except for the requirement on the maintenance of statutory reserve fund by subsidiaries incorporated in the PRC, there are no externally imposed capital requirements.

17 RESERVES

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Capital reserve	**89,783**	92,164	**(3,127)**	–
Equity compensation reserve	**19,639**	18,591	**19,639**	18,591
Hedging reserve	**(45,148)**	(33,797)	**(15,690)**	(15,027)
Fair value reserve	**336,737**	233,841	**–**	–
Other reserve	**(699,778)**	(699,778)	**–**	–
Reserve for own shares	**(157,546)**	–	**(157,546)**	–
Capital and other reserves	**(456,313)**	(388,979)	**(156,724)**	3,564
Currency translation reserve	**(1,008,894)**	(700,704)	**–**	–
Retained earnings	**3,302,691**	2,803,308	**203,381**	602,479
	1,837,484	1,713,625	**46,657**	606,043

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.

17 RESERVES CONTINUED

Equity compensation reserve comprises the cumulative value of employee services received for the issue of shares under the Company's Performance Share Plan and Restricted Share Plan.

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 available-for-sale financial investments until the investments are derecognized or impaired.

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.

Reserve for the Company's own shares comprises the purchase consideration for issued shares of the Company acquired and held in treasury.

Currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations, as well as from the translation of foreign currency loans and bonds that hedge the Group's net investments in foreign operations.

18 NON-CONTROLLING INTERESTS

The following subsidiaries have non-controlling interests ("NCI") that are material to the Group:

		Ownership interest held by NCI	
Name of Company	Principal place of business	**2016 %**	2015 %
Airport City Development Co., Ltd.	PRC	**46.86%**	46.86%
CLF Fund I, LP	PRC	**44.12%**	44.12%
Iowa China Offshore Holdings (Hong Kong) Limited ("China Holdco")	PRC	**33.79%**	33.79%[1]

1. On 6 June and 24 September 2014, the Group disposed 33.79% interest in China Holdco to an investor consortium for an aggregate consideration of US$2,350,732,000 and recognizing a gain on disposal of interest in subsidiaries to NCI of US$14,288,000.

18 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 FRS. See Note 36 for details of the significant subsidiaries of the Group.

	ACL Group US$'000	CLF Fund I, LP US$'000	China Holdco Group US$'000	Other individually immaterial subsidiaries US$'000	Total US$'000
2016					
Results					
Revenue	64,279	33,978	532,057	141,050	
Profit for the year	40,893	109,163	681,598	182,774	
Other comprehensive income	(41,808)	(80,401)	(430,627)	–	
Total comprehensive income	(915)	28,762	250,971	182,774	
Attributable to:					
– NCI	–	–	33,070	–	
– Owners of the Company	(915)	28,762	217,901	182,774	
Attributable to NCI:					
– Profit for the year	19,163	48,160	187,737	58,674	313,734
– Other comprehensive income	(19,592)	(35,472)	(114,108)	(36,271)	(205,443)
– Total comprehensive income	(429)	12,688	73,629	22,403	108,291
Assets and liabilities					
Non-current assets	1,315,209	1,778,044	12,375,694	2,923,151	
Current assets	31,539	227,285	1,239,897	306,931	
Total assets	1,346,748	2,005,329	13,615,591	3,230,082	
Non-current liabilities	(476,189)	(437,300)	(3,056,433)	(524,518)	
Current liabilities	(181,767)	(187,891)	(1,231,958)	(477,410)	
Total liabilities	(657,956)	(625,191)	(4,288,391)	(1,001,928)	
NCI	–	–	(1,692,594)	–	
Net assets attributable to owners of the Company	688,792	1,380,138	7,634,606	2,228,154	
Net assets attributable to NCI	322,778	608,884	2,579,733	760,932	4,272,327
Cash flows from operating activities	67,566	12,304	254,430		
Cash flows used in investing activities	(2,741)	(488,281)	(1,825,475)		
Cash flows (used in)/from financing activities (dividends to NCI: Nil)	(56,100)	371,092	1,576,578		
Net increase/(decrease) in cash and cash equivalents	8,725	(104,885)	5,533		

18 NON-CONTROLLING INTERESTS CONTINUED

	ACL Group US$'000	CLF Fund I, LP US$'000	China Holdco Group US$'000	Other individually immaterial subsidiaries US$'000	Total US$'000
2015					
Results					
Revenue	59,316	4,024	444,172	123,508	
Profit for the year	37,634	67,292	467,453	81,739	
Other comprehensive income	7,576	8,400	84,825	–	
Total comprehensive income	45,210	75,692	552,278	81,739	
Attributable to:					
– NCI	–	–	92,911	–	
– Owners of the Company	45,210	75,692	459,367	81,739	
Attributable to NCI:					
– Profit for the year	17,635	29,687	102,318	32,131	181,771
– Other comprehensive income	3,550	3,707	85	6,201	13,543
– Total comprehensive income	21,185	33,394	102,403	38,332	195,314
Assets and liabilities					
Non-current assets	1,350,846	1,255,593	10,087,132	4,880,587	
Current assets	19,656	356,917	1,241,350	567,991	
Total assets	1,370,502	1,612,510	11,328,482	5,448,578	
Non-current liabilities	(418,462)	(176,166)	(1,589,877)	(1,081,521)	
Current liabilities	(262,463)	(211,468)	(824,139)	(762,777)	
Total liabilities	(680,925)	(387,634)	(2,414,016)	(1,844,298)	
NCI	–	–	(1,502,475)	–	
Net assets attributable to owners of the Company	689,577	1,224,876	7,411,991	3,604,280	
Net assets attributable to NCI	323,207	540,387	2,504,512	638,881	4,006,987
Cash flows from/(used in) operating activities	104,806	(3,091)	276,887		
Cash flows used in investing activities	(14,768)	(496,936)	(1,228,478)		
Cash flows (used in)/from financing activities (dividends to NCI: Nil)	(90,510)	150,573	678,270		
Net decrease in cash and cash equivalents	(472)	(349,454)	(273,321)		

19 LOANS AND BORROWINGS

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Non-current liabilities				
Secured bank loans	**1,187,467**	827,478	**–**	–
Secured bonds	**693,839**	705,229	**–**	–
Unsecured bank loans	**700,134**	331,981	**700,134**	331,981
Unsecured bonds	**1,168,089**	611,765	**1,168,089**	611,765
	3,749,529	2,476,453	**1,868,223**	943,746
Current liabilities				
Secured bank loans	**87,738**	114,574	**–**	–
Secured bonds	**7,894**	76,682	**–**	–
Unsecured bank loans	**516,332**	180,000	**400,000**	180,000
Unsecured bonds	**408,944**	–	**408,944**	–
	1,020,908	371,256	**808,944**	180,000

(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$4,818,401,000 (2015: US$2,392,101,000) (Note 4).

The effective interest rates for bank borrowings for the Group and Company (taking into account the effects of interest rate swaps) ranged from 0.18% to 6.55% (2015: 0.67% to 6.88%) and 0.83% to 1.34% (2015: 1.01% to 1.11%) per annum.

Maturity of bank loans:

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Within 1 year	**604,070**	294,574	**400,000**	180,000
From 1 to 5 years	**1,073,881**	872,857	**351,640**	331,981
After 5 years	**813,720**	286,602	**348,494**	–
After 1 year	**1,887,601**	1,159,459	**700,134**	331,981
	2,491,671	1,454,033	**1,100,134**	511,981

19 LOANS AND BORROWINGS CONTINUED

(a) Secured and unsecured bank loans continued

Analysis of bank loans by geographic regions:

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
PRC	**1,223,291**	800,260	**–**	–
Japan	**168,246**	141,792	**–**	–
Singapore	**1,100,134**	511,981	**1,100,134**	511,981
	2,491,671	1,454,033	**1,100,134**	511,981

(b) Secured bonds

The bonds are issued by certain subsidiaries in Japan and are fully secured by investment properties with carrying amounts of US$1,613,519,000 (2015: US$1,734,677,000) (Note 4) owned by these subsidiaries.

The effective interest rates as at 31 March 2016 for secured bonds (taking into account the effects of interest rate swaps) ranged from 0.15% to 1.70% (2015: 0.42% to 2.04%) per annum.

Maturity of secured bonds:

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Within 1 year	**7,894**	76,682	**–**	–
From 1 to 5 years	**642,658**	546,692	**–**	–
After 5 years	**51,181**	158,537	**–**	–
After 1 year	**693,839**	705,229	**–**	–
	701,733	781,911	**–**	–

(c) Unsecured bonds

The bonds are issued by the Company and bear fixed interests (taking into account the effects of interest rate swaps) ranging from 2.76% to 4.17% (2015: 1.65% to 2.85%) per annum.

Maturity of unsecured bonds:

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Within 1 year	**408,944**	–	**408,944**	–
From 1 to 5 years	**53,894**	487,269	**53,894**	487,269
After 5 years	**1,114,195**	124,496	**1,114,195**	124,496
After 1 year	**1,168,089**	611,765	**1,168,089**	611,765
	1,577,033	611,765	**1,577,033**	611,765

20 FINANCIAL DERIVATIVE LIABILITIES

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Non-current liabilities				
Forward foreign exchange contracts	**4,496**	14,262	**4,496**	14,262
Interest rate swaps	**26,024**	6,639	**14,391**	688
	30,520	20,901	**18,887**	14,950
Current liabilities				
Forward foreign exchange contracts	**19,724**	–	**19,724**	–
Interest rate swaps	**3,097**	2,272	**–**	78
	22,821	2,272	**19,724**	78
	53,341	23,173	**38,611**	15,028

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

21 OTHER NON-CURRENT LIABILITIES

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Security deposits received	**142,271**	125,747	**–**	–
Payables for acquisition of investment properties	**12,913**	13,717	**–**	–
Provision for reinstatement costs	**395**	385	**100**	100
Advance rental received	**7,391**	9,558	**–**	–
Other payables	**745**	–	**–**	–
	163,715	149,407	**100**	100

22 TRADE AND OTHER PAYABLES

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Trade payables	**4,391**	3,811	**–**	–
Accrued development expenditure	**495,773**	368,626	**–**	–
Accrued operating expenses	**82,260**	79,149	**20,961**	22,630
Advance rental received	**32,241**	30,425	**–**	–
Security deposits received	**95,870**	93,871	**–**	–
Amounts due to:				
– subsidiaries (non-trade)	**–**	–	**181,633**	353,664
– joint ventures (non-trade)	**2,135**	3,120	**–**	–
– non-controlling interests (trade)	**1,218**	2,163	**–**	–
Interest payable	**22,423**	7,054	**18,595**	4,593
Loans from non-controlling interests:				
– interest-free	**11,772**	1,008	**–**	–
– interest-bearing	**35,753**	32,568	**–**	–
Consideration payable for acquisition of associate and subsidiaries	**99,536**	66,900	**–**	–
Deposits received and accrued expenses for disposal of investment properties	**58,924**	62,612	**–**	–
Other payables	**83,502**	59,580	**988**	1,506
	1,025,798	810,887	**222,177**	382,393

The non-trade amounts due to subsidiaries and joint ventures are unsecured, interest-free and are repayable on demand.

The loans from non-controlling interests are unsecured and are repayable on demand. The effective interest rates of interest-bearing loans from non-controlling interests at the reporting date range from 4.35% to 10.00% (2015: 5.40% to 6.16%) per annum.

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

23 EQUITY COMPENSATION BENEFITS

GLP Share Plans

The Company currently has share-based incentive plans, comprising the GLP Performance Share Plan ("GLP PSP") and the GLP Restricted Share Plan ("GLP RSP", together with GLP PSP, hereinafter referred to as the "GLP Share Plans"), whereby performance shares have been conditionally awarded to the employees of the Group. The GLP Share Plans are administered by the Company's Human Resource and Compensation Committee comprising Dr. Seek Ngee Huat, Dr. Dipak Chand Jain and Steven Lim Kok Hoong.

The fair value of GLP PSP and GLP RSP is measured using Monte Carlo simulation. Measurement inputs include the share price on grant date, expected volatility (based on an evaluation of the historic volatility of the Company's share price), expected term of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

23 EQUITY COMPENSATION BENEFITS CONTINUED

GLP Share Plans continued

GLP PSP

This relates to compensation costs of the GLP PSP reflecting the benefits accruing to certain employees of the Group. Awards under the GLP PSP represent the right of a participant to receive fully paid shares free of charge, upon the achievement of prescribed performance conditions within the time period prescribed by the Human Resource and Compensation Committee. Awards are released once the performance conditions specified on the date on which the award is to be granted have been achieved. There is no vesting period beyond the performance achievement periods.

Details of the share awards under the GLP PSP are as follows:

	Group	
	2016 '000	2015 '000
At 1 April	**8,928**	6,666
Granted during the year	**4,648**	3,335
Vested during the year	**(2,896)**	(1,073)
Balance at 31 March	**10,680**	8,928

The fair value of shares is determined using Monte Carlo simulation at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. The fair value and assumptions are set out below:

	Group	
Year of Award	**2016**	2015
Weighted average fair value at measurement date	**S$1.21**	S$1.30
Volatility based on three-year historical share price from grant date	**13.10%**	15.74%
Weighted average share price at grant date	**S$2.61**	S$2.68
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	**1.32%**	0.72%
Expected dividend yield	**2.29%**	1.77%

GLP RSP

This relates to compensation costs of the GLP RSP reflecting the benefits accruing to certain employees of the Group and Directors of the Company over the service period to which the performance criteria relate. Awards under the GLP RSP represent the right of a participant to receive fully paid shares free of charge. Awards granted under the GLP RSP will be subject to vesting periods but, unlike awards granted under the performance share plan, will not be subject to performance targets.

23 EQUITY COMPENSATION BENEFITS CONTINUED

GLP Share Plans continued

GLP RSP continued

Details of the share awards under the GLP RSP are as follows:

	Group	
	2016 '000	2015 '000
At 1 April	**8,264**	7,777
Granted during the year	**6,006**	4,478
Vested during the year	**(4,616)**	(3,768)
Lapsed during the year	**(120)**	(223)
Balance at 31 March	**9,534**	8,264

The fair value of shares is determined using Monte Carlo simulation at the measurement date which projects future share price assuming log normal distribution based on Geometric Brownian Motion Theory. The fair value and assumptions are set out below:

	Group	
Year of Award	2016	2015
Weighted average fair value at measurement date	**S$2.50**	S$2.59
Volatility based on three-year historical share price from grant date	**20.26%**	27.28%
Weighted average share price at grant date	**S$2.61**	S$2.68
Risk-free interest rate equal to the implied yield on zero-coupon Singapore Government bond with a term equal to the length of vesting period	**1.06%**	0.32% – 0.72%
Expected dividend yield	**2.20%**	1.77%

The Group recognized total expenses of US$14,362,000 (2015: US$12,655,000) related to equity settled share-based payment transactions during the year.

24 REVENUE

	Group	
	2016 US$'000	2015 US$'000
Rental and related income	**633,578**	623,648
Fund management fee	**123,905**	67,181
Dividend income from other investments	**14,394**	12,524
Others	**5,596**	4,656
	777,473	708,009

25 OTHER INCOME

	Group	
	2016 US$'000	2015 US$'000
Government grant	**4,323**	4,151
Utility income	**2,313**	809
Others	**402**	273
	7,038	5,233

26 NET FINANCE COSTS

		Group	
	Note	2016 US$'000	2015 US$'000
Interest income on:			
– fixed deposits and cash at bank		**6,681**	13,729
– loans to non-controlling interests		**2,369**	220
– loans to associate and joint ventures		**13,345**	3,069
– others		**–**	1,083
Interest income		**22,395**	18,101
Amortization of transaction costs of bonds and bank loans		**(8,104)**	(10,522)
Interest expenses on:			
– bonds		**(51,621)**	(28,295)
– bank loans		**(58,282)**	(66,903)
– loans from non-controlling interests		**(1,977)**	(1,886)
– others		**–**	(175)
Total borrowing costs		**(119,984)**	(107,781)
Less: Borrowing costs capitalized in investment properties	4	**9,722**	7,599
Net borrowing costs		**(110,262)**	(100,182)
Foreign exchange (loss)/gain		**(8,744)**	43,447
Changes in fair value of financial derivatives		**(4,744)**	(9,299)
Net finance costs recognized in profit or loss		**(101,355)**	(47,933)

27 PROFIT BEFORE TAX

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

	Group	
	2016 US$'000	2015 US$'000
(a) Non-operating income/(costs)		
Gain/(Loss) on disposal of subsidiaries*	**34**	(25,339)
Gain on liquidation of subsidiary	**–**	514
(Loss)/Gain on disposal of investment properties	**(294)**	2,436
Gain/(Loss) on disposal of assets and liabilities held for sale**	**54,269**	(31,639)
Gain/(Loss) on disposal of plant and equipment	**105**	(36)
Gain/(Goodwill written-off) on acquisition of:		
– subsidiaries	**2,267**	(274)
– an associate	**(1,268)**	–
Others	**(22)**	105
	55,091	(54,233)
(b) Staff costs included in other expenses		
Wages and salaries (excluding contributions to defined contribution plans)	**(82,986)**	(57,606)
Contributions to defined contribution plans	**(4,836)**	(2,804)
Share-based expenses, equity settled:		
– Directors	**(4,835)**	(4,604)
– Staff	**(9,527)**	(8,051)
	(14,362)	(12,655)
(c) Other expenses include:		
Depreciation of plant and equipment	**(8,830)**	(8,107)
Amortization of intangible assets	**(2,958)**	(3,451)
(Recognition)/Reversal of impairment losses on trade and other receivables	**(4,979)**	1,739
Operating lease expense	**(9,182)**	(7,853)
Asset management fees	**(1,702)**	(2,418)
Audit fees paid to:		
– Auditors of the Company	**(1,137)**	(1,111)
– Other auditors	**(3,596)**	(3,197)
Non-audit fees paid to:		
– Auditors of the Company	**(477)**	(636)
– Other auditors	**(48)**	(938)
(d) Other information		
Operating expenses arising from investment properties that generate rental income#	**(235,550)**	(206,971)

* Loss on disposal of subsidiaries for the year ended 31 March 2015 primarily comprise loss on reclassification of cumulative exchange differences related to foreign operations to profit or loss of US$24,483,000 and net cash loss on disposal of subsidiaries of US$856,000 (Note 30(b)).

** Gain on disposal of assets held for sale for the year ended 31 March 2016 primarily comprise gain of US$54,145,000 arising from the syndication of 44.65% interest in GLP US Income Partners I (Note 30(c)). Loss on disposal of assets held for sale for the year ended 31 March 2015 primarily comprise loss on reclassification of cumulative exchange differences related to foreign operations to profit or loss of US$36,177,000 and net cash gain on disposal of assets and liabilities classified as held for sale of US$4,538,000 (Note 30(c)).

Comprise property-related expenses, staff costs and asset management fees.

28 TAX EXPENSE

	Group	
	2016 US$'000	2015 US$'000
Current tax	**51,615**	36,208
Withholding tax on foreign-sourced income	**48,860**	25,110
Underprovision of prior years' tax	**4,357**	–
	104,832	61,318
Deferred tax		
Origination and reversal of temporary differences	**204,936**	132,947
	309,768	194,265

Reconciliation of expected to actual tax

Profit before tax	**1,306,575**	862,235
Less: Share of results of associates and joint ventures	**(240,771)**	(71,426)
Profit before share of results of associates and joint ventures and tax expense	**1,065,804**	790,809
Tax expense using Singapore tax rate of 17%	**181,187**	134,438
Effect of tax rates in foreign jurisdictions	**39,940**	14,370
Net income not subjected to tax	**(2,757)**	(3,709)
Non-deductible expenses	**27,383**	11,977
Deferred tax assets not recognized	**15,670**	14,149
Recognition of previously unrecognized tax losses	**(4,335)**	(2,528)
Withholding tax on foreign-sourced income	**48,860**	25,110
Underprovision of prior years' tax	**4,357**	–
Others	**(537)**	458
	309,768	194,265

29 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the years ended 31 March 2016 and 2015 were based on the profit attributable to ordinary shareholders less accrued distribution to holders of capital securities of US$690,417,000 and US$454,190,000 and a weighted average number of ordinary shares outstanding of 4,783,296,000 and 4,824,491,000 respectively, calculated as follows:

	Group		
	Continuing operations US$'000	Discontinued operation US$'000	Total US$'000
2016			
Profit attributable to ordinary shareholders	**683,073**	**36,010**	**719,083**
Less: Accrued distribution to holders of capital securities	**(28,666)**	**–**	**(28,666)**
	654,407	**36,010**	**690,417**
Earnings per share based on weighted average number of ordinary shares in issue (in US cents)	**13.68**	**0.75**	**14.43**
2015			
Profit attributable to ordinary shareholders	486,199	–	486,199
Less: Accrued distribution to holders of capital securities	(32,009)	–	(32,009)
	454,190	–	454,190
Earnings per share based on weighted average number of ordinary shares in issue (in US cents)	9.41	–	9.41

Weighted average number of ordinary shares

	Group Number of shares	
	2016 '000	2015 '000
Issued ordinary shares at 1 April	**4,839,908**	4,760,126
Issue of ordinary shares during the year	**–**	59,925
Issue of shares pursuant to the GLP Share Plans	**2,622**	4,440
Purchase of treasury shares	**(61,902)**	–
Treasury shares transferred pursuant to the GLP Share Plans	**2,668**	–
Weighted average number of shares at 31 March	**4,783,296**	4,824,491

29 EARNINGS PER SHARE CONTINUED

(b) Diluted earnings per share

The diluted earnings per share for the years ended 31 March 2016 and 2015 was based on the profit attributable to ordinary shareholders less accrued distribution to holders of capital securities of US$690,417,000 and US$454,190,000 and a weighted average number of ordinary shares outstanding of 4,801,335,000 and 4,840,028,000 respectively, calculated as follows:

	Group		
	Continuing operations US$'000	Discontinued operation US$'000	Total US$'000
2016			
Profit attributable to ordinary shareholders	**683,073**	**36,010**	**719,083**
Less: Accrued distribution to holders of capital securities	**(28,666)**	**–**	**(28,666)**
	654,407	**36,010**	**690,417**
Earnings per share based on fully diluted basis (in US cents)	**13.63**	**0.75**	**14.38**
2015			
Profit attributable to ordinary shareholders	486,199	–	486,199
Less: Accrued distribution to holders of capital securities	(32,009)	–	(32,009)
	454,190	–	454,190
Earnings per share based on fully diluted basis (in US cents)	9.38	–	9.38

Weighted average number of ordinary shares (diluted)

	Group Number of shares	
	2016 '000	2015 '000
Weighted average number of ordinary shares (basic)	**4,783,296**	4,824,491
Weighted average number of unissued ordinary shares from shares under the GLP Share Plans	**18,039**	15,537
Weighted average number of ordinary shares (diluted) at 31 March	**4,801,335**	4,840,028

30 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Acquisition of subsidiaries

The primary reason for the Group's acquisitions of subsidiaries is to expand its portfolio of investment properties in different geographical locations.

(i) The list of subsidiaries acquired during the year ended 31 March 2016 is as follows:

Name of subsidiaries	Date acquired	Equity interest acquired %
Foshan Pufeng Logistics Facilities Co., Ltd.	April 2015	60
Tai Da (Hong Kong) Technology Limited	July 2015	100
Zhonghui (Nanjing) Curtain Wall Technology Co., Ltd.	July 2015	100
Shanghai Haiyi Design Co., Ltd.	July 2015	100
Hangzhou Linpu Supply Chain Management Co., Ltd.	August 2015	100
Kun Shan Chuan Shi Photoelectric Technology Co., Ltd.	September 2015	100
GLP Wuhu Puhua Logistics Facilities Co., Ltd.	October 2015	70
Minshang No.1 Network Industry Development Limited	November 2015	90
Minshang(Wuhan) Internet of Things Technology Development Co., Ltd.	November 2015	90
Minshang No.2 Network Industry Development Limited	November 2015	95
Minshang(Changshu) Internet of Things Technology Development Co., Ltd.	November 2015	95
Yunnan Mingyong Logistics Facilities Co., Ltd.	December 2015	55.90
Guizhou Puqian Multimodal Transportation Co., Ltd.	December 2015	60
GLP-MC Shenyang Logistics Property Development Pte. Ltd.	December 2015	95
GLP-MC Nantong Logistics Property Development Pte. Ltd.	December 2015	95
GLP Kunshan Rishang Logistics Co., Ltd.	March 2016	56.38
Changchun CMT International Logistic Co., Ltd.	March 2016	100

30 NOTES TO THE STATEMENT OF CASH FLOWS CONTINUED

(a) Acquisition of subsidiaries continued

Effects of acquisitions

The cash flow and the net assets of subsidiaries acquired during the year ended 31 March 2016 are provided below:

	Recognized values on acquisition US$'000
Investment properties	392,218
Intangible assets	762
Deferred tax assets	512
Other assets	28
Plant and equipment	239
Trade and other receivables	7,725
Cash and cash equivalents	10,297
Trade and other payables	(80,540)
Current tax payable	(253)
Deferred tax liabilities	(5,111)
Non-controlling interests	(55,202)
Net assets acquired	270,675
Gain on acquisition of subsidiaries	(2,267)
Total purchase consideration	(268,408)
Purchase consideration payable	39,042
Paid by carrying amount of previously held equity interest	25,880
Purchase consideration satisfied in cash	(203,486)
Cash of subsidiaries acquired	10,297
Purchase consideration satisfied in cash in relation to subsidiaries acquired in prior year	(24,659)
Cash outflow on acquisition of subsidiaries	(217,848)

The total related acquisition costs for the above-mentioned subsidiaries amounted to US$268,408,000. From the dates of acquisitions to 31 March 2016, the above-mentioned acquisitions contributed net profit of US$9,585,000 to the Group's results for the year, before accounting for financing costs attributable to the acquisitions. If the acquisitions had occurred on 1 April 2015, management estimates that consolidated revenue would have been US$791,342,000 and consolidated profit for the year would have been US$1,045,643,000.

30 NOTES TO THE STATEMENT OF CASH FLOWS CONTINUED

(a) Acquisition of subsidiaries continued

(ii) The list of subsidiaries acquired during the year ended 31 March 2015 is as follows:

Name of subsidiaries	Date acquired	Equity interest acquired %
Beijing Dream Land Properties Limited	April 2014	100
GLP Japan DH TMK (f.k.a Shiodome Eleven Logistic TMK)	June 2014	100
Hirakata Three Logistic TMK (f.k.a Shiodome Twelve Logistic TMK)	June 2014	100
Kashiwa Two Logistic TMK (f.k.a Shiodome Thirteen Logistic TMK)	June 2014	100
Shiodome Fourteen Logistic TMK	June 2014	100
Shiodome Fifteen Logistic TMK	June 2014	100
Shiodome Sixteen Logistic TMK	June 2014	100
Shiodome Seventeen Logistic TMK	June 2014	100
Shiodome Eighteen Logistic TMK	June 2014	100
Shiodome Nineteen Logistic TMK	June 2014	100
Shiodome Twenty Logistic TMK	June 2014	100
Rec 81 Empreendimentos e Participações Ltda.[1]	June 2014	100
Rec 84 Empreendimentos e Participações Ltda.[1]	June 2014	100
Rec 815 Empreendimentos e Participações Ltda.[1]	June 2014	100
Rec 816 Empreendimentos e Participações Ltda.[1]	June 2014	100
Rec 823 Empreendimentos e Participações Ltda.[1]	June 2014	100
Rec 826 Empreendimentos e Participações Ltda.[1]	June 2014	100
Rec 841 Empreendimentos Imobiliários e Participações Ltda.[1]	June 2014	100
Rec 844 Securitizadora de Créditos Imobiliários S.A.[1]	June 2014	100
Rec 848 Empreendimentos Imobiliários e Participações Ltda.[1]	June 2014	100
Rec 849 Empreendimentos Imobiliários e Participações Ltda.[1]	June 2014	100
Rec 858 Empreendimentos Imobiliários e Participações Ltda.[1]	June 2014	100
Rec 859 Empreendimentos Imobiliários e Participações Ltda.[1]	June 2014	100
Rec 860 Empreendimentos Imobiliários e Participações Ltda.[1]	June 2014	100
Vailog Hong Kong DC10 Limited (Hong Kong)	July 2014	85
Weilong (Xianghe) Storage Service Co., Ltd.	July 2014	85
GLP Pengshan Puhai Logistics Facilities Co., Ltd.	August 2014	100
Lanchi Limited	August 2014	56
Huizhou Yonghu Logistics Facilities Co., Ltd.	August 2014	56
Rec 820 Empreendimentos Imobiliários e Participações Ltda.[1]	September 2014	100
Shanghai Kangjiekong Logistics Co., Ltd.	December 2014	100
Beijing Lihao Technology Co., Ltd.	December 2014	65
Wuhan Bangsong Logistics Co., Ltd.	January 2015	56

1. These acquired companies are jointly held by Koblue Holdings LLC ("Koblue"), Monk Holdings LLC and Bebop Holdings LLC with an effective interest of 39.98%, 30.01% and 30.01% respectively. Pursuant to the reclassification of the Group's aggregate equity interest of 60.02% in Monk Holdings LLC and Bebop Holdings LLC to assets and liabilities classified as held for sale on 30 September 2014, the remaining 39.98% equity interest held by the Group in Koblue was reclassified as investment in joint venture.

30 NOTES TO THE STATEMENT OF CASH FLOWS CONTINUED

(a) Acquisition of subsidiaries continued

Effects of acquisitions

The cash flow and the net assets of subsidiaries acquired during the year ended 31 March 2015 are provided below:

	Recognized values on acquisition US$'000
Investment properties	936,569
Other assets	135
Trade and other receivables	23,732
Cash and cash equivalents	9,662
Trade and other payables	(22,570)
Loans and borrowings	(119,361)
Current tax payable	(2,082)
Deferred tax liabilities	(19,954)
Non-controlling interests	(28,427)
Net assets acquired	777,704
Loss on acquisition of subsidiaries	274
Total purchase consideration	(777,978)
Purchase consideration payable	40,135
Purchase consideration satisfied in cash	(737,843)
Cash of subsidiaries acquired	9,662
Cash outflow on acquisition of subsidiaries	(728,181)

The total related acquisition costs for the above-mentioned subsidiaries amounted to US$777,978,000. From the dates of acquisitions to 31 March 2015, the above-mentioned acquisitions contributed net profit of US$7,166,000 to the Group's results for the year, before accounting for financing costs attributable to the acquisitions. If the acquisitions had occurred on 1 April 2014, management estimates that consolidated revenue would have been US$721,287,000 and consolidated profit for the year would have been US$673,069,000.

(b) Disposal of subsidiaries

(i) The list of subsidiaries disposed during the year ended 31 March 2016 is as follows:

Name of subsidiaries	Date disposed	Equity interest disposed %
Soja Two Logistic Special Purpose Company (f.k.a Shiodome Seventeen Logistic Special Purpose Company)	October 2015	100
GLP Japan DH2 Special Purpose Company (f.k.a Shiodome (15) Logistic Special Purpose Company)	February 2016	100
GLP Japan DH2 Pte. Ltd. (f.k.a Shiodome (15) Logistic Pte. Ltd.)	February 2016	100

30 NOTES TO THE STATEMENT OF CASH FLOWS CONTINUED

(b) Disposal of subsidiaries continued

Effects of disposals

The cash flow and the net assets of subsidiaries disposed during the year ended 31 March 2016 are provided below:

	Recognized values on disposal US$'000
Trade and other receivables	19
Cash and cash equivalents	10
Trade and other payables	(39)
Net liabilities disposed	(10)
Gain on disposal of subsidiaries	34
Disposal consideration	24
Cash of subsidiaries disposed	(10)
Cash inflow on disposals of subsidiaries	14

From 1 April 2015 to the date of disposal, the above subsidiaries contributed net loss of US$30,000 to the Group's results for the year. The subsidiaries did not record any revenue during the period.

(ii) The list of subsidiaries disposed during the year ended 31 March 2015 is as follows:

Name of subsidiaries	Date disposed	Equity interest disposed %
Yoshimi Pte. Ltd. (f.k.a Shiodome Ten Logistic Pte. Ltd.)	April 2014	100
Yoshimi Logistic TMK (f.k.a Shiodome Ten Logistic TMK)	April 2014	100
Xiamen Jade Logistics Investment Co., Ltd.	April 2014	99
GLP Japan Development TMK Holdings Pte. Ltd. (f.k.a Shiodome (11) Logistic Pte. Ltd.)	August 2014	100
GLP Japan DH TMK (f.k.a Shiodome Eleven Logistic TMK)	August 2014	100
GLP Shanghai Fengmin Logistics Facilities Co., Ltd.	December 2014	100
GLP Shanghai Fengsong Logistics Facilities Co., Ltd.	December 2014	100
Suita One Pte. Ltd. (f.k.a Shiodome Seven Logistic Pte. Ltd.)	February 2015	100
Suita Logistic TMK (f.k.a Soja Two Logistic TMK)	February 2015	100
Hirakata Three Pte. Ltd. (f.k.a Shiodome (12) Logistic Pte. Ltd.)	February 2015	100
Hirakata Three Logistic TMK (f.k.a Shiodome Twelve Logistic TMK)	February 2015	100
Shiodome (20) Logistic Pte. Ltd.	March 2015	100
Shiodome Twenty Logistic TMK	March 2015	100
Kashiwa Two Pte. Ltd. (f.k.a Shiodome (13) Logistic Pte. Ltd.)	March 2015	100
Kashiwa Two Logistic TMK (f.k.a Shiodome Thirteen Logistic TMK)	March 2015	100

30 NOTES TO THE STATEMENT OF CASH FLOWS CONTINUED

(b) Disposal of subsidiaries continued

Effects of disposals continued

The cash flows and the net assets of subsidiaries disposed during the year ended 31 March 2015 are provided below:

	Recognized values on disposal US$'000
Investment properties	44,492
Trade and other receivables	97
Cash and cash equivalents	429
Other assets	42
Trade and other payables	(7,497)
Current tax payable	(67)
Deferred tax liabilities	(2,918)
Non-controlling interests	(70)
Net assets disposed	34,508
Loss on disposal of subsidiaries	(856)
Disposal consideration	33,652
Disposal consideration receivable	(9,907)
Cash of subsidiaries disposed	(429)
Cash inflow on disposals of subsidiaries	23,316

From 1 April 2014 to the date of disposal, the above subsidiaries contributed net loss of US$42,000 to the Group's results for the year. The subsidiaries did not record any revenue during the period.

(c) Disposal of assets and liabilities classified as held for sale

As at 31 March 2015, assets classified as held for sale primarily comprised 45.00% equity interest in GLP US Income Partners I acquired on 26 February 2015 which the Group intended to syndicate within 12 months from date of acquisition. The syndication was completed on 26 October 2015 for a consideration of US$1,524,145,000 and recognized gain on disposal of assets classified as held for sale of US$54,145,000.

During the year ended 31 March 2016, the Group also reclassified investment properties and subsidiary companies (comprising Nagareyama One Logistic Special Purpose Company, Nagareyama Two Logistic Special Purpose Company and Nagareyama Three Logistic Special Purpose Company) to assets and liabilities classified as held for sale following the initiation of active programmes to dispose them. The disposals were all completed during the year for an aggregate consideration of US$117,785,000 and recognized gain on disposal of assets and liabilities classified as held for sale of US$124,000.

30 NOTES TO THE STATEMENT OF CASH FLOWS CONTINUED

(c) Disposal of assets and liabilities classified as held for sale continued

Effects of disposals continued

The cash flows relating to assets and liabilities classified as held for sale disposed during the year ended 31 March 2016 are provided below:

	Recognized values on disposal US$'000
Investment properties	152,224
Joint venture	1,270,346
Trade and other receivables	2,648
Cash and cash equivalents	9,689
Loan receivables	199,655
Trade and other payables	(869)
Loans and borrowings	(46,032)
Net assets disposed	1,587,661
Gain on disposal of assets and liabilities classified as held for sale	54,269
Disposal consideration	1,641,930
Disposal consideration receivable	(54,145)
Cash of subsidiaries disposed	(9,689)
Cash inflow on disposals of assets and liabilities classified as held for sale	1,578,096

Effects of disposals

Monk Holdings LLC and Bebop Holdings LLC were acquired on 11 June 2014 and reclassified to assets and liabilities classified as held for sale on 30 September 2014 (see Note 30(a)) following the initiation of an active programme to locate buyers. These subsidiaries were subsequently disposed of on 28 October 2014.

The cash flows relating to assets and liabilities classified as held for sale disposed during the year ended 31 March 2015 are provided below:

	Recognized values on disposal US$'000
Investment properties	610,843
Trade and other receivables	17,712
Cash and cash equivalents	22,680
Other assets	63
Trade and other payables	(3,627)
Current tax payable	(3,459)
Deferred tax liabilities	(13,577)
Loans and borrowings	(254,477)
Other non-current liabilities	(1,263)
Net assets disposed	374,895
Gain on disposal of assets and liabilities classified as held for sale	4,538
Disposal consideration	379,433
Cash of subsidiaries disposed	(22,680)
Cash inflow on disposals of assets and liabilities classified as held for sale	356,753

31 OPERATING SEGMENTS

The Group has four reportable segments, representing its operations in the PRC, Japan, US and Brazil, which are managed separately due to the different geographical locations. The Group's CODM review 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, associates and joint ventures (net of tax) ("EBIT excluding revaluation"). EBIT 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.

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.

31 OPERATING SEGMENTS CONTINUED

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

Information about reportable segments

	PRC		Japan		US		Brazil		Others		Total	
Group	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000
Continuing operations												
Revenue and expenses												
External revenue	**531,036**	444,218	**178,651**	207,109	**59,211**	4,133	**8,575**	52,549	**–**	–	**777,473**	708,009
Changes in fair value of investment properties held by subsidiaries	**682,421**	405,307	**37,982**	82,871	**–**	–	**–**	–	**–**	–	**720,403**	488,178
Share of changes in fair value of investment properties (net of tax) held by associates and joint ventures	**15,808**	12,387	**153,198**	48,032	**9,656**	–	**(1,787)**	(29,740)	**–**	–	**176,875**	30,679
Net finance (costs)/income	**(39,371)**	(28,975)	**(11,842)**	(25,688)	**11,914**	2,390	**(138)**	(16,847)	**(61,918)**	21,187	**(101,355)**	(47,933)
Tax expense	**(255,641)**	(167,209)	**(18,177)**	(15,420)	**(32,613)**	(55)	**(139)**	(10,048)	**(3,198)**	(1,533)	**(309,768)**	(194,265)
Profit/(Loss) from continuing operations	**708,797**	486,613	**318,790**	264,549	**63,129**	(1,385)	**7,456**	(40,796)	**(101,365)**	(41,011)	**996,807**	667,970
Profit from discontinued operation	**–**	–	**–**	–	**36,010**	–	**–**	–	**–**	–	**36,010**	–
Profit/(Loss) after tax	**708,797**	486,613	**318,790**	264,549	**99,139**	(1,385)	**7,456**	(40,796)	**(101,365)**	(41,011)	**1,032,817**	667,970
EBIT	**1,003,809**	682,797	**348,809**	305,657	**170,150**	(3,720)	**7,733**	(13,901)	**(36,249)**	(60,665)	**1,494,252**	910,168
EBIT excluding revaluation	**305,580**	265,103	**157,629**	174,754	**160,494**	(3,720)	**9,520**	15,839	**(36,249)**	(60,665)	**596,974**	391,311
Profit attributable to:												
- Owners of the Company ("PATMI")	**395,063**	304,842	**318,790**	264,549	**99,139**	(1,385)	**7,456**	(40,796)	**(101,365)**	(41,011)	**719,083**	486,199
- NCI	**313,734**	181,771	**–**	–	**–**	–	**–**	–	**–**	–	**313,734**	181,771
PATMI excluding revaluation	**114,040**	116,432	**129,509**	137,790	**89,482**	(1,385)	**9,243**	(11,055)	**(101,365)**	(41,011)	**240,909**	200,771

31 OPERATING SEGMENTS CONTINUED

Information about reportable segments continued

	PRC		Japan		US		Brazil		Others		Total	
Group	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000	**2016 US$'000**	2015 US$'000
Assets and liabilities												
Investment properties	**11,060,495**	9,281,554	**1,963,683**	2,050,224	**–**	–	**–**	–	**–**	–	**13,024,178**	11,331,778
Associates and joint ventures	**367,844**	293,246	**751,952**	419,392	**342,047**	290,903	**491,843**	540,476	**–**	–	**1,953,686**	1,544,017
Other segment assets	**2,186,098**	1,753,686	**825,880**	767,699	**5,014,996**	1,552,027	**8,346**	8,680	**115,878**	504,418	**8,151,198**	4,586,510
Reportable segment assets	**13,614,437**	11,328,486	**3,541,515**	3,237,315	**5,357,043**	1,842,930	**500,189**	549,156	**115,878**	504,418	**23,129,062**	17,462,305
Loans and borrowings	**(1,223,291)**	(800,260)	**(869,980)**	(923,703)	**–**	–	**–**	–	**(2,677,166)**	(1,123,746)	**(4,770,437)**	(2,847,709)
Other segment liabilities	**(1,925,130)**	(1,592,724)	**(267,115)**	(204,307)	**(2,911,683)**	(5,626)	**(5,283)**	(4,782)	**(89,306)**	(44,736)	**(5,198,517)**	(1,852,175)
Reportable segment liabilities	**(3,148,421)**	(2,392,984)	**(1,137,095)**	(1,128,010)	**(2,911,683)**	(5,626)	**(5,283)**	(4,782)	**(2,766,472)**	(1,168,482)	**(9,968,954)**	(4,699,884)
Other information												
Depreciation and amortization	**(5,507)**	(5,271)	**(3,366)**	(3,817)	**–**	–	**(547)**	(654)	**(2,368)**	(1,816)	**(11,788)**	(11,558)
Interest income	**7,220**	8,501	**19**	24	**11,914**	2,390	**371**	2,867	**2,871**	4,319	**22,395**	18,101
NCI's share of EBITDA excluding revaluation#	**145,633**	105,876	**–**	–	**–**	–	**–**	–	**–**	–	**145,633**	105,876
Capital expenditure*	**1,409,259**	1,252,083	**151,759**	62,055	**437**	–	**471**	411,829	**2,741**	5,191	**1,564,667**	1,731,158

* Capital expenditure includes acquisition, borrowing costs and development expenditure of investment properties and acquisition of plant and equipment.
\# EBITDA refers to EBIT excluding depreciation and amortization.

32 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 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.

The Audit Committee ("AC"), which reports to the Board of Directors, is charged with overseeing risk management practices and, in conjunction with the Internal Audit Department, seeks to identify areas of concern and implement plans to mitigate significant risks to the Company. GLP's Management Risk Committee ("MRC") consists of senior stakeholders in the Company. The Committee regularly reviews, assesses and monitors various risk factors. The MRC also guides management in forming policies and processes to identify, evaluate and manage risks and to safeguard shareholders' interests and Company assets. The Risk Management Department assists the MRC by coordinating GLP's Enterprise Risk Management programme across the Group and providing quarterly updates and feedback directly to the AC.

(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	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Loans and receivables (non-current and current)	**583,806**	481,714	**1,244,177**	289,426
Cash and cash equivalents	**1,024,563**	1,445,675	**42,750**	429,787
	1,608,369	1,927,389	**1,286,927**	719,213

32 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	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
PRC	**1,203,817**	1,149,576	**–**	–
Japan	**182,415**	190,399	**–**	–
Singapore	**107,066**	496,578	**1,286,927**	719,213
US	**109,833**	85,163	**–**	–
Others	**5,238**	5,673	**–**	–
	1,608,369	1,927,389	**1,286,927**	719,213

(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 constantly raise committed 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.

As at 31 March 2016, the Group and the Company has unutilized credit facilities amounting to US$2,539,355,000 (2015: US$2,533,747,000) and US$1,500,000,000 (2015: US$1,420,000,000) respectively.

32 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:

			Cash flows		
Group	Carrying amount US$'000	Contractual cash flows US$'000	Within 1 year US$'000	From 1 to 5 years US$'000	After 5 years US$'000
2016					
Non-derivative financial liabilities					
Bank loans	**2,491,671**	**2,881,300**	**631,790**	**1,249,655**	**999,855**
Bonds	**2,278,766**	**2,733,327**	**471,756**	**879,884**	**1,381,687**
Trade and other payables*	**1,149,881**	**1,153,375**	**997,050**	**120,645**	**35,680**
	5,920,318	**6,768,002**	**2,100,596**	**2,250,184**	**2,417,222**
Derivative financial liabilities					
Interest rate swaps (net-settled)	**29,121**	**29,739**	**5,419**	**22,440**	**1,880**
Forward foreign exchange contracts (gross-settled):	**24,220**				
– Outflow		**496,493**	**437,015**	**59,478**	**–**
– Inflow		**(472,935)**	**(418,467)**	**(54,468)**	**–**
	5,973,659	**6,821,299**	**2,124,563**	**2,277,634**	**2,419,102**
2015					
Non-derivative financial liabilities					
Bank loans	1,454,033	1,653,552	343,062	998,549	311,941
Bonds	1,393,676	1,495,789	101,769	1,081,156	312,864
Trade and other payables*	920,311	921,182	781,333	105,287	34,562
	3,768,020	4,070,523	1,226,164	2,184,992	659,367
Derivative financial liabilities					
Interest rate swaps (net-settled)	8,911	11,923	2,416	9,172	335
Forward foreign exchange contracts (gross-settled):	14,262				
– Outflow		505,364	8,871	496,493	–
– Inflow		(490,858)	(16,437)	(474,421)	–
	3,791,193	4,096,952	1,221,014	2,216,236	659,702

* Excludes advance rental received.

32 FINANCIAL RISK MANAGEMENT CONTINUED

(c) Liquidity risk continued

Company	Carrying amount US$'000	Contractual cash flows US$'000	Cash flows Within 1 year US$'000	From 1 to 5 years US$'000	After 5 years US$'000
2016					
Non-derivative financial liabilities					
Bank loans	**1,100,134**	**1,145,258**	**407,135**	**378,797**	**359,326**
Bonds	**1,577,033**	**2,017,274**	**460,474**	**226,589**	**1,330,211**
Trade and other payables	**222,277**	**222,279**	**222,179**	**100**	**–**
	2,899,444	**3,384,811**	**1,089,788**	**605,486**	**1,689,537**
Derivative financial liabilities					
Interest rate swaps (net-settled)	**14,391**	**14,602**	**2,139**	**11,131**	**1,332**
Forward foreign exchange contracts (gross-settled):	**24,220**				
– Outflow		**496,493**	**437,015**	**59,478**	**–**
– Inflow		**(472,935)**	**(418,467)**	**(54,468)**	**–**
	2,938,055	**3,422,971**	**1,110,475**	**621,627**	**1,690,869**
2015					
Non-derivative financial liabilities					
Bank loans	511,981	529,634	183,087	346,547	–
Bonds	611,765	685,967	20,227	515,037	150,703
Trade and other payables	382,493	382,493	382,393	100	–
	1,506,239	1,598,094	585,707	861,684	150,703
Derivative financial liabilities					
Interest rate swaps (net-settled)	766	1,469	276	1,193	–
Forward foreign exchange contracts (gross-settled):	14,262				
– Outflow		505,364	8,871	496,493	–
– Inflow		(490,858)	(16,437)	(474,421)	–
	1,521,267	1,614,069	578,417	884,949	150,703

(d) Market risk

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

Currency risk

The Group operates mainly in the PRC, Japan, US and Brazil. 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.

32 FINANCIAL RISK MANAGEMENT CONTINUED

(d) Market risk continued

Currency risk continued

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

The Group's and Company's exposures to foreign currencies (financial assets and liabilities not denominated in the respective entities' functional currencies) as at 31 March 2016 and 31 March 2015 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
2016					
Financial assets					
Cash and cash equivalents	377,517	9,467	160	8	45
Trade and other receivables	–	47,856	33	–	191,188
Available-for-sale financial investments	–	–	–	97,184	–
	377,517	57,323	193	97,192	191,233
Financial liabilities					
Bank loans	(264,989)	(700,133)	–	–	–
Bonds	–	(131,753)	–	–	(462,837)
Trade and other payables	(952,005)	(152,255)	(1,330)	–	(32,306)
	(1,216,994)	(984,141)	(1,330)	–	(495,143)
Net financial (liabilities)/assets	(839,477)	(926,818)	(1,137)	97,192	(303,910)
Add: Forward foreign exchange contracts	–	–	–	–	462,837
Add: Loans designated for net investment hedge	–	831,887	–	–	–
Currency exposure of net financial (liabilities)/assets	(839,477)	(94,931)	(1,137)	97,192	158,927

32 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
2015					
Financial assets					
Cash and cash equivalents	409,331	415	14,835	–	115
Trade and other receivables	–	206,994	32	–	35,786
Available-for-sale financial investments	–	–	–	95,384	–
	409,331	207,409	14,867	95,384	35,901
Financial liabilities					
Bank loans	(95,100)	(331,981)	–	–	–
Bonds	–	(124,495)	–	–	(487,269)
Trade and other payables	(41,623)	(324,755)	(78)	(130)	(33,689)
	(136,723)	(781,231)	(78)	(130)	(520,958)
Net financial assets/(liabilities)	272,608	(573,822)	14,789	95,254	(485,057)
Add: Forward foreign exchange contracts	–	–	–	–	487,269
Currency exposure of net financial assets/(liabilities)	272,608	(573,822)	14,789	95,254	2,212

32 FINANCIAL RISK MANAGEMENT CONTINUED

(d) Market risk continued

Currency risk continued

Company	Japanese Yen US$'000	Singapore Dollar US$'000	Chinese Renminbi US$'000
2016			
Financial assets			
Cash and cash equivalents	1,881	126	45
Trade and other receivables	8,318	–	191,188
	10,199	126	191,233
Financial liabilities			
Bank loans	(700,134)	–	–
Bonds	(131,753)	–	(462,837)
Trade and other payables	(152,118)	(178)	(31,142)
	(984,005)	(178)	(493,979)
Net financial liabilities	(973,806)	(52)	(302,746)
Add: Forward foreign exchange contracts	–	–	462,837
Currency exposure of net financial (liabilities)/assets	(973,806)	(52)	160,091

Company	Japanese Yen US$'000	Singapore Dollar US$'000	Chinese Renminbi US$'000
2015			
Financial assets			
Cash and cash equivalents	3	14,834	115
Trade and other receivables	155,068	–	35,786
	155,071	14,834	35,901
Financial liabilities			
Bank loans	(331,981)	–	–
Bonds	(124,495)	–	(487,269)
Trade and other payables	(324,739)	(78)	(33,034)
	(781,215)	(78)	(520,303)
Net financial (liabilities)/assets	(626,144)	14,756	(484,402)
Add: Forward foreign exchange contracts	–	–	487,269
Currency exposure of net financial (liabilities)/assets	(626,144)	14,756	2,867

32 FINANCIAL RISK MANAGEMENT CONTINUED

(d) Market risk continued

Sensitivity analysis

A 10% strengthening of US Dollar 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 Group's outstanding forward foreign exchange contracts have been included in this calculation. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
US Dollar[1]	**(83,948)**	27,261	**–**	–
Japanese Yen[2]	**9,493**	57,382	**97,381**	62,614
Singapore Dollar[2]	**114**	(1,479)	**5**	(1,476)
Hong Kong Dollar[2]	**(9,719)**	(9,525)	**–**	–
Chinese Renminbi[2]	**(15,893)**	(221)	**(16,009)**	(287)

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

A 10% weakening of US Dollar 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.

At 31 March 2016, the Group has interest rate swaps with an aggregate notional contract amount of US$1,366,186,000 (2015: US$1,074,562,000). After taking into account the effects of the interest rate swaps, the Group pays fixed interest rates ranging from 0.55% to 1.60% (2015: 0.42% to 2.04%) per annum and receives a variable rate equal to the Swap Offer Rate on the notional amounts. The Group has designated certain interest rate swaps with an aggregate notional contract amount of US$1,366,186,000 (2015: US$1,061,562,000) as cash flow hedges. The aggregate fair value of interest rate swaps held by the Group as at 31 March 2016 is a net liability of US$29,121,000 (2015: US$8,911,000); of which, the fair value of interest rate swaps designated as cash flow hedges is a net liability of US$29,121,000 (2015: US$8,869,000).

At 31 March 2016, the Company has interest rate swaps with an aggregate notional contract amount of US$707,040,000 (2015: US$334,200,000) as cash flow hedges. After taking into account the effects of the interest rate swaps, the Company pays fixed interest rates ranging from 0.83% to 1.09% (2015: 0.83% to 1.02%) per annum and receives a variable rate equal to the Swap Offer Rate on the notional amounts. The aggregate fair value of interest rate swaps held by the Company as at 31 March 2016 is a net liability of US$14,391,000 (2015: US$766,000) which are designated as cash flow hedges.

During the years ended 31 March 2016 and 2015, there was no ineffectiveness of cash flow hedges recognized in profit or loss.

32 FINANCIAL RISK MANAGEMENT CONTINUED

(d) Market risk continued

Interest rate risk continued

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**
2016				
Fixed rate instruments				
Loans and borrowings	**3,391,774**	**3,422,573**	**2,677,167**	**2,702,720**
Variable rate instruments				
Loans and borrowings	**1,414,416**	**1,415,248**	**–**	**–**

	Group		Company	
	Carrying amount US$'000	Principal/ notional amount US$'000	Carrying amount US$'000	Principal/ notional amount US$'000
2015				
Fixed rate instruments				
Loans and borrowings	1,818,204	1,830,292	943,746	948,045
Variable rate instruments				
Loans and borrowings	1,062,073	1,062,223	180,000	180,000

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 by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

32 FINANCIAL RISK MANAGEMENT CONTINUED

(d) Market risk continued

Cash flow sensitivity analysis for variable rate instruments continued

	Group		Company	
	100 bp Increase US$'000	100 bp Decrease US$'000	100 bp Increase US$'000	100 bp Decrease US$'000
2016				
Loans and borrowings	**(14,152)**	**14,152**	**–**	**–**
Cash flow sensitivity (net)	**(14,152)**	**14,152**	**–**	**–**
2015				
Loans and borrowings	(10,622)	10,622	(1,800)	1,800
Cash flow sensitivity (net)	(10,622)	10,622	(1,800)	1,800

Other market price risk

Equity price risk arises from available-for-sale equity securities 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 MRC.

An increase/(decrease) in 5% of the equity price of available-for-sale equity securities held by the Group at the reporting date would have increased/(decreased) fair value reserve by US$49.3 million (2015: US$23.4 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(e) 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 and the 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.

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.

32 FINANCIAL RISK MANAGEMENT CONTINUED

(e) Offsetting financial assets and financial liabilities continued

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

Group	Gross amounts of recognized financial assets/ (liabilities) US$'000	Gross amounts of recognized financial assets/ (liabilities) offset in the statement of financial position US$'000	Net amounts of financial assets/ (liabilities) presented in the statement of financial position US$'000	Related amounts not offset in the statement of financial position US$'000	Net amount US$'000
31 March 2016					
Financial liabilities					
Forward foreign exchange contracts	**(24,220)**	**–**	**(24,220)**	**–**	**(24,220)**
Interest rate swaps	**(29,121)**	**–**	**(29,121)**	**–**	**(29,121)**
	(53,341)	**–**	**(53,341)**	**–**	**(53,341)**
31 March 2015					
Financial liabilities					
Forward foreign exchange contracts	(14,262)	–	(14,262)	–	(14,262)
Interest rate swaps	(8,911)	–	(8,911)	–	(8,911)
	(23,173)	–	(23,173)	–	(23,173)

Company	Gross amounts of recognized financial assets/ (liabilities) US$'000	Gross amounts of recognized financial assets/ (liabilities) offset in the statement of financial position US$'000	Net amounts of financial assets/ (liabilities) presented in the statement of financial position US$'000	Related amounts not offset in the statement of financial position US$'000	Net amount US$'000
31 March 2016					
Financial liabilities					
Forward foreign exchange contracts	**(24,220)**	**–**	**(24,220)**	**–**	**(24,220)**
Interest rate swaps	**(14,391)**	**–**	**(14,391)**	**–**	**(14,391)**
	(38,611)	**–**	**(38,611)**	**–**	**(38,611)**
31 March 2015					
Financial liabilities					
Forward foreign exchange contracts	(14,262)	–	(14,262)	–	(14,262)
Interest rate swaps	(766)	–	(766)	–	(766)
	(15,028)	–	(15,028)	–	(15,028)

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.

33 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			
Group	**Note**	**Fair value – hedging instruments US$'000**	**Loans and receivables US$'000**	**Available -for-sale 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**
2016										
Available-for-sale financial investments	10	–	–	1,015,867	–	1,015,867	985,943	–	29,924	1,015,867
Other non-current assets[1]	11	–	124,252	–	–	124,252	–	–	128,121	128,121
Trade and other receivables[1]	12	–	459,554	–	–	459,554				
Cash and cash equivalents	14	–	1,024,563	–	–	1,024,563				
		–	1,608,369	1,015,867	–	2,624,236				
Secured loans	19	–	–	–	(1,275,205)	(1,275,205)	–	(1,275,205)	–	(1,275,205)
Secured bonds	19	–	–	–	(701,733)	(701,733)	–	(701,733)	–	(701,733)
Unsecured loans	19	–	–	–	(1,216,466)	(1,216,466)	–	(1,216,466)	–	(1,216,466)
Unsecured bonds	19	–	–	–	(1,577,033)	(1,577,033)	–	(1,631,084)	–	(1,631,084)
Forward foreign exchange contracts	20	(24,220)	–	–	–	(24,220)	–	(24,220)	–	(24,220)
Interest rate swaps	20	(29,121)	–	–	–	(29,121)	–	(29,121)	–	(29,121)
Other non-current liabilities[2]	21	–	–	–	(156,324)	(156,324)	–	–	(149,423)	(149,423)
Trade and other payables[2]	22	–	–	–	(993,557)	(993,557)				
		(53,341)	–	–	(5,920,318)	(5,973,659)				

1. Excludes prepayments
2. Excludes advance rental received

33 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CONTINUED

(a) Accounting classifications and fair values continued

		Carrying amount						Fair value			
Group	Note	Fair value – hedging instruments US$'000	Designated at fair value US$'000	Loans and receivables US$'000	Available -for-sale US$'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
2015											
Available-for-sale financial investments	10	–	–	–	467,831	–	467,831	467,810	–	21	467,831
Other non-current assets[1]	11	–	–	152,201	–	–	152,201	–	–	173,679	173,679
Trade and other receivables[1]	12	–	–	329,513	–	–	329,513				
Cash and cash equivalents	14	–	–	1,445,675	–	–	1,445,675				
		–	–	1,927,389	467,831	–	2,395,220				
Secured loans	19	–	–	–	–	(942,052)	(942,052)	–	(942,052)	–	(942,052)
Secured bonds	19	–	–	–	–	(781,911)	(781,911)	–	(781,911)	–	(781,911)
Unsecured loans	19	–	–	–	–	(511,981)	(511,981)	–	(511,981)	–	(511,981)
Unsecured bonds	19	–	–	–	–	(611,765)	(611,765)	–	(626,185)	–	(626,185)
Forward foreign exchange contracts	20	(14,262)	–	–	–	–	(14,262)	–	(14,262)	–	(14,262)
Interest rate swaps	20	(8,869)	(42)	–	–	–	(8,911)	–	(8,911)	–	(8,911)
Other non-current liabilities[2]	21	–	–	–	–	(139,849)	(139,849)	–	–	(131,697)	(131,697)
Trade and other payables[2]	22	–	–	–	–	(780,462)	(780,462)				
		(23,131)	(42)	–	–	(3,768,020)	(3,791,193)				

1. Excludes prepayments
2. Excludes advance rental received

33 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CONTINUED

(a) Accounting classifications and fair values continued

		Carrying amount				Fair value			
Company	Note	Fair value – hedging instruments US$'000	Loans and receivables US$'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
2016									
Trade and other receivables[1]	**12**	**–**	**1,244,177**	**–**	**1,244,177**				
Cash and cash equivalents	**14**	**–**	**42,750**	**–**	**42,750**				
		–	**1,286,927**	**–**	**1,286,927**				
Unsecured loans	**19**	**–**	**–**	**(1,100,134)**	**(1,100,134)**	**–**	**(1,100,134)**	**–**	**(1,100,134)**
Unsecured bonds	**19**	**–**	**–**	**(1,577,033)**	**(1,577,033)**	**–**	**(1,631,084)**	**–**	**(1,631,084)**
Forward foreign exchange contracts	**20**	**(24,220)**	**–**	**–**	**(24,220)**	**–**	**(24,220)**	**–**	**(24,220)**
Interest rate swaps	**20**	**(14,391)**	**–**	**–**	**(14,391)**	**–**	**(14,391)**	**–**	**(14,391)**
Other non-current liabilities	**21**	**–**	**–**	**(100)**	**(100)**				
Trade and other payables	**22**	**–**	**–**	**(222,177)**	**(222,177)**				
		(38,611)	**–**	**(2,899,444)**	**(2,938,055)**				
2015									
Trade and other receivables[1]	12	–	289,426	–	289,426				
Cash and cash equivalents	14	–	429,787	–	429,787				
		–	719,213	–	719,213				
Unsecured loans	19	–	–	(511,981)	(511,981)	–	(511,981)	–	(511,981)
Unsecured bonds	19	–	–	(611,765)	(611,765)	–	(626,185)	–	(626,185)
Forward foreign exchange contracts	20	(14,262)	–	–	(14,262)	–	(14,262)	–	(14,262)
Interest rate swaps	20	(766)	–	–	(766)	–	(766)	–	(766)
Other non-current liabilities	21	–	–	(100)	(100)				
Trade and other payables	22	–	–	(382,393)	(382,393)				
		(15,028)	–	(1,506,239)	(1,521,267)				

1. Excludes prepayments

33 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES CONTINUED

(b) Level 3 fair value measurements

(i) Reconciliation of Level 3 fair value

The reconciliation from the beginning balance to the ending balance for Level 3 fair value measurements for investment properties and available-for-sale financial instruments presented in Note 4 and Note 10 respectively.

(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
Available-for-sale financial investments	*Net asset value:* The fair value of the underlying assets and liabilities of the entity to which the financial instrument relates. The assets held by the relevant entities comprise mainly investment properties whose fair values were determined by independent external valuers. The fair values of the properties were based on market values determined using the discounted cash flow, direct comparison and residual approaches.
Financial derivative instruments: – Interest rate swaps – Forward foreign exchange contracts	*Market comparison technique:* 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.

Financial instruments not measured at fair value

Type	Valuation technique	Inputs used in determining fair value
Loans to joint ventures, security deposits, loans and borrowings and finance lease receivables	Discounted cash flows	Government yield curve at the reporting date plus an adequate credit spread.

(iii) Transfer between Level 1 and 2

During the years ended 31 March 2016 and 2015, there were no transfers between Level 1 and 2 of the fair value hierarchy.

34 COMMITMENTS

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

(a) Operating lease commitments

(i) Operating lease rental payable

Future minimum lease payments for the Group on non-cancellable operating leases are as follows:

	Group		Company	
	2016 US$'000	2015 US$'000	**2016 US$'000**	2015 US$'000
Lease payments payable:				
– Within 1 year	**6,125**	6,839	**644**	646
– After 1 year but within 5 years	**9,126**	5,111	**–**	646
	15,251	11,950	**644**	1,292

34 COMMITMENTS CONTINUED

(a) Operating lease commitments continued

(ii) Operating lease rental receivable

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

	Group	
	2016 US$'000	2015 US$'000
Lease rentals receivable:		
– Within 1 year	**567,267**	600,960
– After 1 year but within 5 years	**1,102,101**	1,151,715
– After 5 years	**475,727**	569,808
	2,145,095	2,322,483

(b) Other commitments

	Group	
	2016 US$'000	2015 US$'000
Commitments in relation to share capital of subsidiaries due but not provided for	**229,107**	321,372
Commitments in relation to share capital of subsidiaries not yet due and not provided for	**2,769,306**	733,441
Commitments in relation to share capital of associate not yet due and not provided for	**122,884**	–
Development expenditure contracted but not provided for	**713,354**	851,372

35 SIGNIFICANT RELATED PARTY TRANSACTIONS

Remuneration of key management personnel

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The members of the Executive Committee of the Company 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	
	2016 US$'000	2015 US$'000
Wages and salaries (excluding contributions to defined contribution plans)	**16,750**	14,926
Contributions to defined contribution plans	**46**	38
Share-based expenses, equity settled	**7,046**	6,744
	23,842	21,708

35 SIGNIFICANT RELATED PARTY TRANSACTIONS CONTINUED

Remuneration of key management personnel continued

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	
	2016 US$'000	2015 US$'000
Joint ventures		
Asset and investment management fee income from joint venture funds	**62,811**	17,771
Development and other management fee income from joint venture funds	**23,282**	25,779
Asset and investment management fee income from other joint ventures	**1,560**	638
Development and other management fee income from other joint ventures	**3,544**	3,378
Subsidiaries of a substantial shareholder		
Operating lease expenses paid/payable	**(4,021)**	(4,091)
A company in which a Director of the Company have substantial financial interests		
Reimbursement of office expenses and allocation of expenses	**(122)**	(329)

36 SIGNIFICANT SUBSIDIARIES

Details of significant subsidiaries are as follows:

Name of company	Principal activities	Country of incorporation and place of business	Effective interest held by the Group 2016 %	2015 %
GLP Japan Investment Holdings Pte. Ltd.	Investment holding	Singapore	**100**	100
Japan Logistic Properties 1 Private Limited and its significant subsidiaries:	Investment holding	Singapore	**100**	100
Shinsuna Logistic SPC	Property investment	Japan	**100**	100
Osaka Logistic SPC	Property investment	Japan	**100**	100
Yokohama Logistic SPC	Property investment	Japan	**100**	100
Japan Logistic Properties 2 Pte. Ltd. and its significant subsidiaries:	Investment holding	Singapore	**100**	100
Maishima One Logistic SPC	Property investment	Japan	**100**	100
Azalea II SPC ("formerly Komaki Logistic SPC")	Property investment	Japan	**100**	100
Japan Logistic Properties 3 Pte. Ltd. and its subsidiary:	Investment holding	Singapore	**100**	100
Azalea SPC	Property investment	Japan	**100**	100
Japan Logistic Properties 4 Pte. Ltd. and its joint venture[1]	Investment holding	Singapore	**100**	100

36 SIGNIFICANT SUBSIDIARIES CONTINUED

Name of company	Principal activities	Country of incorporation and place of business	Effective interest held by the Group 2016 %	2015 %
GLP Capital Japan 2 Private Limited and its subsidiary:	Investment holding	Singapore	**100**	100
GLP Japan LPS	Investment holding	Japan	**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**[2]	–
GLP Light Year Investment Pte. Ltd. and its joint venture[1]	Investment holding	Singapore	**100**	100
BLH (1) Pte. Ltd. and its joint venture[1]	Investment holding	Singapore	**100**	100
BLH (2) Pte. Ltd. and its joint venture[1]	Investment holding	Singapore	**100**	100
BLH (3) Pte. Ltd. and its joint venture[1]	Investment holding	Singapore	**100**	100
GLP Investment Holdings[4]	Investment holding	Cayman Islands	**100**	100
New GLP Holdings, LLC and its joint venture[1,4]	Investment holding	Cayman Islands	**100**	100
New Western Holdings, LLC and its subsidiaries	Investment holding	US	**100**[2,3]	–
CLH Limited and its significant subsidiaries[4]	Investment holding	Cayman Islands	**100**	100
Iowa China Offshore Holdings (Hong Kong) Limited and its significant subsidiaries:	Investment holding	Hong Kong	**66.21**	66.21
GLP Puyun Warehousing Services Co., Ltd.	Property investment	PRC	**66.21**	66.21
GLP Shanghai Chapu Logistics Facilities Co., Ltd.	Property investment	PRC	**66.21**	66.21
GLP Beijing Airport Logistics Development Co., Ltd.	Property investment	PRC	**66.21**	66.21
GLP Hangzhou Logistics Development Co., Ltd.	Property investment	PRC	**66.21**	66.21
GLP Shanghai Minhang Logistics Facilities Co., Ltd.	Property investment	PRC	**66.21**	66.21
GLP Wanqing Logistics Co., Ltd.	Property investment	PRC	**66.21**	66.21
GLP Xujing Logistics Co., Ltd.	Property investment	PRC	**66.21**	66.21
Kunshan GLP Dianshanhu Logistics Co., Ltd.	Property investment	PRC	**66.21**	66.21
Tianjin Puya Logistics Facilities Co., Ltd.	Property investment	PRC	**66.21**	66.21
GLP Shanghai Waigaoqiao Logistics Facilities Co., Ltd.	Property investment	PRC	**66.21**	66.21
GLP Pugao Logistics Co., Ltd.	Property investment	PRC	**66.21**	66.21
Weilun Storage Services Co., Ltd.	Property investment	PRC	**66.21**	66.21
GLP Foshan Logistics Co., Ltd.	Property investment	PRC	**66.21**	66.21

36 SIGNIFICANT SUBSIDIARIES CONTINUED

Name of company	Principal activities	Country of incorporation and place of business	Effective interest held by the Group 2016 %	2015 %
CLH Limited and its significant subsidiaries[4] (continued)				
Iowa China Offshore Holdings (Hong Kong) Limited and its significant subsidiaries: (continued)				
GLP Zhengzhou ILZ Logistics Facilities Co., Ltd.	Property investment	PRC	**66.21**	66.21
Beijing Lihao Science & Technology Co., Ltd.	Property investment	PRC	**43.04**	43.04
Suzhou Industrial Park Genway Factory Building Industrial Development Co., Ltd.	Property investment	PRC	**33.11**	33.11
GLP Suzhou Development Co., Ltd.	Property investment	PRC	**52.97**	52.97
Airport City Development Co., Ltd.	Property investment	PRC	**35.18**	35.18
Zhejiang Transfar Logistics Base Co., Ltd.	Property investment	PRC	**39.73**	39.73
Dalian GLP – Jifa Logistics Facilities Co., Ltd.	Property investment	PRC	**39.73**	39.73
Foshan Pufeng Logistics Facilities Co., Ltd.	Property investment	PRC	**39.73**	39.73
GLP I-Park Xi'An Science & Technology Industrial Development Co., Ltd.	Property investment	PRC	**31.18**	31.18
CLF Fund I, LP	Property investment	Singapore/PRC	**37.00**	37.00
China Logistics Holdings (12) Pte. Ltd.	Investment holding	Singapore	**66.21**	66.21
GLP Investment Management (China) Co., Ltd.	Property management	PRC	**66.21**	66.21
CLH 12 (HK) Limited	Investment holding	Hong Kong	**66.21**	66.21
GLP Wuxi Puxin Technology & Industrial Development Co., Ltd.	Property investment	PRC	**66.21**[2]	–
Global Logistic Properties Holdings Limited and its subsidiaries[4]:	Investment holding and property management	Cayman Islands	**100**	100
Global Logistic Properties Inc.	Property management	Japan	**100**	100
GLP Japan Advisors Inc.	Property management	Japan	**100**	100
GLP Investment Management Pte. Ltd. and its subsidiaries:	Investment holding and fund management	Singapore	**100**	100
GLP Brasil Empreendimentos E Participações Ltda.	Property management	Brazil	**100**	100
GLP US Management LLC	Property management	US	**100**[3]	100[3]

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.

Notes:
1. Significant joint ventures of the Group are disclosed in Note 6 to the financial statements.
2. Incorporated during the year ended 31 March 2016.
3. Audited by Deloitte & Touche LLP Chicago.
4. Not required to be audited by laws of country of incorporation.

37 SUBSEQUENT EVENTS

Subsequent to the year ended 31 March 2016, the following events occurred:

(i) On 5 April 2016, the Group completed its syndication of 65.66% interest in GLP US Income Partners II to other unrelated third-party co-investors (the "Investors") for an aggregate consideration of US$1,300,000,000, subject to post-closing adjustments.

(ii) On 11 May 2016, the Group redeemed 100% of the RMB2,650,000,000 3.375% per annum senior fixed rate note issued under GLP US$2,000,000,000 Euro medium-term note programme.

(iii) On 19 May 2016, the Directors proposed a final dividend of approximately US$207,556,000 at 6.0 Singapore cents per share (estimated based on the number of issued shares excluding treasury shares) in respect of the financial year ended 31 March 2016, which is subject to approval by shareholders at the Annual General Meeting of shareholders.

(iv) On 24 May 2016, the Group entered into agreement with a third party co-investor (the "Additional Investor"), pursuant to which the Group's 9.95% interest in GLP US Income Partners II will be syndicated to the Additional Investor for an aggregate consideration of US$197,000,000, subject to post-closing adjustments. The syndication is subject to, inter alia, customary closing conditions that are commercially acceptable to the Group and the Additional Investor.

(v) On 27 May 2016, the Group entered into agreements with a third party to acquire the limited partner interests in Beijing Youshan Hengrong Yanong Investment Management LP and Beijing Youshan Shengyue Investment Management LP (collectively "Youshan LPs") for an aggregate consideration of RMB448,400,000 (equivalent to approximately US$68,739,000).

STATISTICS OF SHAREHOLDINGS
AS AT 1 JUNE 2016

Paid-up Capital:	S$8,619,175,080.86
Number of Issued and Paid-up Shares (including Treasury Shares):	4,844,365,222
Number and Percentage of Treasury Shares:	111,958,700 or 2.37%[1]
Number of Issued and Paid-up Shares (excluding Treasury Shares):	4,732,406,522
Class of Shares:	Ordinary shares
Voting Rights:	One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	25	0.06	574	0.00
100 - 1,000	23,433	58.82	23,319,687	0.49
1,001 - 10,000	12,659	31.78	59,020,330	1.25
10,001 - 1,000,000	3,689	9.26	147,258,919	3.11
1,000,001 and above	32	0.08	4,502,807,012	95.15
Total	39,838	100.00	4,732,406,522	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	DBS Nominees (Private) Limited	2,235,277,039	47.23
2	Citibank Nominees Singapore Pte Ltd	822,900,287	17.39
3	HSBC (Singapore) Nominees Pte Ltd	335,998,565	7.10
4	DBSN Services Pte. Ltd.	327,742,937	6.93
5	Merrill Lynch (Singapore) Pte Ltd	238,644,102	5.04
6	United Overseas Bank Nominees (Private) Limited	149,728,770	3.16
7	Morgan Stanley Asia (Singapore) Securities Pte Ltd	140,004,056	2.96
8	Raffles Nominees (Pte) Limited	59,604,681	1.26
9	Bank of Singapore Nominees Pte. Ltd.	54,967,358	1.16
10	BNP Paribas Securities Services Singapore Branch	36,700,085	0.78
11	UOB Kay Hian Private Limited	13,919,800	0.29
12	DB Nominees (Singapore) Pte Ltd	11,745,838	0.25
13	Phillip Securities Pte Ltd	10,981,233	0.23
14	OCBC Securities Private Limited	9,876,357	0.21
15	BNP Paribas Nominees Singapore Pte Ltd	9,477,948	0.20
16	DBS Vickers Securities (Singapore) Pte Ltd	9,222,500	0.19
17	Maybank Kim Eng Securities Pte. Ltd.	7,001,543	0.15
18	CIMB Securities (Singapore) Pte. Ltd.	4,291,075	0.09
19	OCBC Nominees Singapore Private Limited	3,911,809	0.08
20	Mrs Lee Li Ming Nee Ong	2,399,000	0.05
	Total	4,484,394,983	94.75

PUBLIC FLOAT

On the basis of (1) notifications and other confirmations received from substantial shareholders; and (2) the register of substantial shareholders, as at 1 June 2016, approximately 45.06%[1] of the Company's shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

1. Percentage is calculated based on total number of 4,732,406,522 issued ordinary shares, excluding treasury shares of the Company.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 1 June 2016)

Name of Substantial Shareholders	Direct	%[1]	Deemed	%[1]
Recosia China Pte Ltd[2]	885,015,979	18.70	-	-
Reco Benefit Private Limited[2]	845,690,838	17.87	-	-
Recosia Pte Ltd[2]	-	-	1,730,706,817	36.57
GIC (Realty) Private Limited[3]	-	-	1,730,706,817	36.57
GIC Real Estate Private Limited[4]	-	-	1,730,706,817	36.57
GIC Private Limited[5]	-	-	1,730,706,817	36.57
Gaoling Fund, L.P[6]	380,534,700	8.04	-	-
Hillhouse Capital Management, Ltd.[6]	-	-	385,005,700	8.14
Hillhouse Capital Group Limited[6]	-	-	385,005,700	8.14
Hillhouse Capital Group Holdings Limited[6]	-	-	385,005,700	8.14
Gaoling Feeder, Ltd.[6]	-	-	380,534,700	8.04
Lei Zhang[6]	-	-	385,005,700	8.14
BlackRock, Inc[7]	-	-	330,956,958	6.99
The PNC Financial Services Group, Inc.[7]	-	-	330,956,958	6.99
Bank of America Corporation[8]	-	-	251,413,856	5.31
NB Holdings Corporation[8]	-	-	251,413,856	5.31
Merrill Lynch International Incorporated[8]	-	-	243,823,128	5.15
Merrill Lynch Group Holdings LLC[8]	-	-	243,823,128	5.15
BofAML Jersey Holdings Limited[8]	-	-	243,823,128	5.15
Merrill Lynch UK Holdings Limited[8]	-	-	243,823,128	5.15
MLEIH Funding[8]	-	-	243,823,128	5.15
BofAML Investments[8]	-	-	243,823,128	5.15
ML UK Capital Holdings[8]	-	-	243,823,128	5.15
Merrill Lynch International[8]	1,555,028	0.03	242,268,100	5.12

Notes:

1. Percentage is calculated based on total number of 4,732,406,522 issued ordinary shares, excluding treasury shares of the Company.
2. Recosia China Pte Ltd and Reco Benefit Private Limited are wholly-owned subsidiaries of Recosia Pte Ltd ("Recosia"). All Shares are registered in the name of DBS Nominees (Private) Limited.
3. GIC (Realty) Private Limited ("GIC Realty") is the holding company of Recosia. Accordingly, by virtue of section 4 of the Securities and Futures Act, Chapter 289 (the "SFA"), GIC Realty is deemed to be interested in all the shares in which Recosia and its subsidiaries have an interest in.
4. GIC Real Estate Private Limited ("GIC Real Estate") manages the real estate investments which are held by GIC Realty, the holding company of Recosia. Accordingly, by virtue of section 4 of the SFA, GIC Real Estate is deemed to be interested in all the shares in which GIC Realty and its subsidiaries have an interest in.
5. GIC Real Estate is a wholly owned subsidiary of GIC Private Limited ("GIC"). Accordingly, by virtue of section 4 of the SFA, GIC is deemed to be interested in the shares that GIC Real Estate has an interest in.
6. Hillhouse Capital Management, Ltd. ("Hillhouse") is the sole management company of Gaoling Fund, L.P. ("Gaoling") and the sole general partner of YHG Investment, L.P. ("YHG"). Gaoling Feeder, Ltd. ("Gaoling Feeder") holds not less than 20% of the voting rights of Gaoling. Hillhouse Capital Group Limited ("Hillhouse Group") holds more than 50% of the voting rights of Hillhouse. Hillhouse Capital Group Holdings Limited ("Hillhouse Holdings") holds more than 50% of the voting rights of Hillhouse Group. Mr. Lei Zhang holds more than 50% of the voting rights of Hillhouse Holdings. Accordingly, each of Gaoling Feeder, Hillhouse, Hillhouse Group, Hillhouse Holdings and Mr. Lei Zhang may be deemed to have an interest in the Shares held by Gaoling. In addition, each of Hillhouse, Hillhouse Group, Hillhouse Holdings and Mr. Lei Zhang may be deemed to have an interest in the Shares held by YHG.
7. BlackRock, Inc. is deemed to have an interest in 330,956,958 Shares held through its various subsidiaries. The PNC Financial Services Group, Inc. is deemed to have an interest in the same Shares held by BlackRock, Inc. through its over 20% interest in BlackRock, Inc. In addition, The PNC Financial Services Group, Inc. is deemed to be interested in 676,960 Shares represented by 67,696 American Depository Receipts held by various accounts managed, held in custody or advised by a subsidiary of The PNC Financial Services Group, Inc. and over which the subsidiary has disposal rights.
8. Bank of America Corporation is the controlling shareholder of NB Holdings Corporation, and by virtue of this, has a deemed interest in the shares of the listed company that NB Holdings Corporation has an interest in.
   NB Holdings Corporation is the controlling shareholder of Merrill Lynch International Incorporated and various other group entities, and by virtue of this, has a deemed interest in the shares of the listed company that these other group entities, and Merrill Lynch International Incorporated have an interest in. Merrill Lynch International Incorporated is the controlling shareholder of Merrill Lynch Group Holdings LLC, and by virtue of this, has a deemed interest in the shares of the listed company that Merrill Lynch Group Holdings LLC has an interest in. Merrill Lynch Group Holdings LLC is the controlling shareholder of BofAML Jersey Holdings Limited, and by virtue of this, has a deemed interest in the shares of the listed company that BofAML Jersey Holdings Limited has an interest in. BofAML Jersey Holdings Limited is the controlling shareholder of Merrill Lynch UK Holdings Limited, and by virtue of this, has a deemed interest in the shares of the listed company that Merrill Lynch UK Holdings Limited has an interest in. Merrill Lynch UK Holdings Limited is the controlling shareholder of MLEIH Funding, and by virtue of this, has a deemed interest in the shares of the listed company that MLEIH Funding has an interest in. MLEIH Funding is the controlling shareholder of BofAML Investments, and by virtue of this, has a deemed interest in the shares of the listed company that BofAML Investments has an interest in. BofAML Investments is the controlling shareholder of ML UK Capital Holdings, and by virtue of this, has a deemed interest in the shares of the listed company that ML UK Capital Holdings has an interest in. ML UK Capital Holdings is the controlling shareholder of Merrill Lynch International, and by virtue of this, has a deemed interest in the shares of the listed company that Merrill Lynch International has an interest in. Merrill Lynch International has a deemed interest in 242,268,100 Shares as it has the ability to exercise rights of use in relation to, and to dispose of, those Shares as part of its international prime brokerage business.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **GLOBAL LOGISTIC PROPERTIES LIMITED** (the "**Company**") will be held at Nicoll 1, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 29 July 2016 at 11.00 a.m. (the "**AGM**") to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement, Audited Financial Statements and Auditor's Report for the financial year ended 31 March 2016. **(Resolution 1)**

2. To declare a final one-tier tax-exempt dividend of S$0.06 per ordinary share for the financial year ended 31 March 2016. **(Resolution 2)**

   (For additional details on Dividend Policy, see Explanatory Note 1)

3. To re-elect the following Directors, each of whom will retire by rotation pursuant to Article 91 of the Constitution of the Company and who, being eligible, offer themselves for re-election:

   (a) Dr. Seek Ngee Huat **(Resolution 3(a))**

   (b) Mr. Luciano Lewandowski **(Resolution 3(b))**

   (c) Mr. Fang Fenglei **(Resolution 3(c))**

4. To re-appoint the following Directors retiring under the respective resolutions passed at the Annual General Meeting of the Company held on 29 July 2015 pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore (which was then in force), to hold office from the date of this AGM:

   (a) Mr. Paul Cheng Ming Fun **(Resolution 4(a))**

   (b) Mr. Yoichiro Furuse **(Resolution 4(b))**

5. To approve Directors' fees of US$2,700,000 for the financial year ending 31 March 2017. (2016: US$2,700,000). **(Resolution 5)**

6. To re-appoint Messrs. KPMG LLP as the Company's Auditor and to authorize the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification, the following resolutions, of which Resolutions 7, 8 and 9 will be proposed as Ordinary Resolutions and Resolution 10 will be proposed as a Special Resolution:

7. **Authority to issue shares**

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (i) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

   provided that:

   (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution and any adjustment effected under any relevant instrument) does not exceed fifty per cent. (50%) of the total number of issued shares (excluding ordinary shares held as treasury shares) of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed ten per cent. (10%) of the total number of issued shares (excluding ordinary shares held as treasury shares) of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding ordinary shares held as treasury shares) of the Company at the time this Resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(b) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. **(Resolution 7)**

8. **Authority to issue shares under the GLP Performance Share Plan and the GLP Restricted Share Plan**

That the Directors of the Company be and are hereby authorized to:

(a) grant awards in accordance with the provisions of the GLP Performance Share Plan and/or the GLP Restricted Share Plan (collectively, the "**Share Plans**"); and

(b) allot and issue from time to time such number of fully-paid ordinary shares of the Company as may be required to be issued pursuant to the vesting of the awards granted or to be granted under the Share Plans,

provided always that the aggregate number of (i) new ordinary shares allotted and issued and/or to be allotted and issued, and (ii) existing ordinary shares (including ordinary shares held as treasury shares) delivered and/or to be delivered, pursuant to the Share Plans shall not exceed five per cent. (5%) of the total number of issued shares (excluding ordinary shares held as treasury shares) of the Company from time to time. **(Resolution 8)**

9. **Proposed Renewal of the Share Purchase Mandate**

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued fully-paid ordinary shares of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the listing rules of the SGX-ST as may for the time being be applicable, be and is hereby authorized and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held;

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or

(iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the five consecutive market days (a "**market day**" being a day on which the SGX-ST is open for trading in securities) on which transactions in the Shares were recorded, in the case of Market Purchases, before the day on which the purchase or acquisition of Shares was made, or in the case of Off-Market Purchases, before the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the rules of the Listing Manual of the SGX-ST for any corporate action that occurs after the relevant five-day period;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares, and

(d) the Directors of the Company and/or any of them be and are/is hereby authorized to complete and do all such acts and things (including without limitation, executing all such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interest of the Company to give effect to the transactions contemplated and/or authorized by this Resolution. **(Resolution 9)**

10. **Proposed Adoption of the New Constitution**

That the regulations contained in the new Constitution submitted to this meeting and, for the purpose of identification, subscribed to by the Chairman, be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution. **(Resolution 10)**

By Order of the Board

Julie Koh Ngin Joo
Company Secretary

Singapore,
28 June 2016

NOTES:

(1) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's Proxy Form appoints more than one proxy, he/she shall specify the proportion of his/her shareholding concerned (expressed as a percentage of the whole) to be represented by each proxy. If no proportion or number of shares is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's Proxy Form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

(2) A proxy need not be a member of the Company.

(3) The instrument appointing a proxy or proxies (a form is enclosed) must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time appointed for holding the AGM. In the case of members of the Company whose shares are entered against their names in the Depository Register maintained by The Central Depository (Pte) Limited, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

EXPLANATORY NOTES ON ORDINARY AND SPECIAL BUSINESS:

1. The Company strives to provide consistent and sustainable ordinary dividend payments to its shareholders on an annual basis, taking into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. Please refer to Principle 15 under the "Corporate Governance" section in the Annual Report 2016 for further details on the Company's Dividend Policy.

2. In relation to Ordinary Resolutions 3(a), 3(b) and 3(c) and 4(a) and 4(b), please refer to the "Board of Directors" and "Corporate Governance" sections in the Annual Report 2016 for information on the current directorships in other listed companies and other principal commitments of Dr. Seek Ngee Huat, Mr. Luciano Lewandowski, Mr. Fang Fenglei, Mr. Paul Cheng Ming Fun and Mr. Yoichiro Furuse. The aforementioned Directors have no relationships (including immediate family relationships) with each other or with the other Directors, the Company or its 10% shareholders.

3. Ordinary Resolutions 3(a) to 3(c) are to re-elect Directors who are retiring by rotation under Article 91 of the Company's Constitution.

   Dr. Seek Ngee Huat will, upon re-election, continue to serve as Chairman of each of the Board, Human Resource and Compensation Committee ("**HRCC**") and Investment Committee ("**IC**"). He is considered by the Nominating and Governance Committee ("**NGC**") to be an Independent Director.

   Mr. Luciano Lewandowski will, upon re-election, continue to serve as a member of the IC. He is considered by the NGC to be an Independent Director.

   Mr. Fang Fenglei will, upon re-election, continue to serve as a member of the IC. He is considered by the NGC to be a Non-Executive and Non-Independent Director.

4. Ordinary Resolution 4(a) is to re-appoint Mr. Paul Cheng Ming Fun, a Director of the Company, who is above 70 years old and who is retiring under the resolution passed at the Annual General Meeting held on 29 July 2015 as pursuant to Section 153(6) of the Companies Act which was then in force, such resolution could only permit the re-appointment of the Director to hold office until this AGM. If passed, Ordinary Resolution 4(a) will approve and authorize the continuation of Mr. Paul Cheng in office, as a Director of the Company, from the date of this AGM onwards without limitation in tenure, save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution.

   Mr. Paul Cheng will, upon re-appointment, continue to serve as a member of the Audit Committee ("**AC**") and the NGC. He is considered by the NGC to be an Independent Director.

5. Ordinary Resolution 4(b) is to re-appoint Mr. Yoichiro Furuse, a Director of the Company, who is above 70 years old and who is retiring under the resolution passed at the Annual General Meeting held on 29 July 2015 as pursuant to Section 153(6) of the Companies Act which was then in force, such resolution could only permit the re-appointment of the Director to hold office until this AGM. If passed, Ordinary Resolution 4(b) will approve and authorize the continuation of Mr. Yoichiro Furuse in office, as a Director of the Company, from the date of this AGM onwards without limitation in tenure, save for prevailing applicable laws, listing rules and/or regulations, including the Company's Constitution.

   Mr. Yoichiro Furuse will, upon re-appointment, continue to serve as a member of the NGC and the IC. He is considered by the NGC to be an Independent Director.

6. Ordinary Resolution 5 is to approve Non-Executive Directors' fees for the financial year ending 31 March 2017 comprising a basic retainer, additional fees for appointment to and chairing of Board Committees, attendance fees and share awards under the GLP Restricted Share Plan. Detailed information on the breakdown of Non-Executive Directors' fees can be found under the "Corporate Governance" section (page 64 of the Annual Report 2016).

7. Ordinary Resolution 7, if passed, will empower the Directors of the Company to issue shares of the Company, make or grant Instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such Instruments, up to a number not exceeding, in total, fifty per cent. (50%) of the total number of issued shares (excluding ordinary shares held as treasury shares) of the Company, with a sub-limit ("**Sub-Limit**") of ten per cent. (10%) for issues other than on a *pro-rata* basis to shareholders.

   For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding ordinary shares held as treasury shares) of the Company at the time this Ordinary Resolution is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares.

   The Sub-Limit of ten per cent. (10%) for issues other than on a *pro-rata* basis is below the twenty per cent. (20%) sub-limit permitted by the Listing Manual of the SGX-ST. The Company believes that the lower Sub-Limit of ten per cent. (10%), for the issue of shares made other than on a *pro-rata* basis to shareholders, is sufficient for the financial year ending 31 March 2017 and the Company will review this Sub-Limit annually.

8. In light of concerns raised with the potential dilution that may arise from GLP Equity Awards, the Company has reduced the limit on shares issuable under GLP Equity Awards from ten per cent. (10%) to five per cent. (5%) of the Company's outstanding shares. This reflects the Company's steadfast commitment to aligning interests of management with those of shareholders by providing effective incentives to Executive Directors and senior management executives to increase shareholder value while placing appropriate safeguards to protect shareholders' interest.

   Ordinary Resolution 8, if passed, will empower the Directors of the Company to offer and grant awards under the Share Plans in accordance with the provisions of the Share Plans and to allot and issue from time to time such number of fully-paid ordinary shares as may be required to be allotted and issued pursuant to the vesting of such awards under the Share Plans provided that the aggregate number of (i) new ordinary shares allotted and issued and/or to be allotted and issued, and (ii) existing ordinary shares (including ordinary shares held as treasury shares) delivered and/or to be delivered, pursuant to awards granted under the Share Plans shall not exceed five per cent. (5%) of the total number of issued shares (excluding ordinary shares held as treasury shares) of the Company from time to time. The maximum level allowable, across the entire duration of the Share Plans, is fifteen per cent. (15%) of the total number of issued shares (excluding ordinary shares held as treasury shares) of the Company from time to time (the "**Overall Limit**"). The Directors of the Company believe that the lower level of five per cent. (5%) in Ordinary Resolution 8 is adequate for the

Company's current needs. The approval of shareholders may be sought at any subsequent Annual General Meeting of the Company for another level, including a higher level up to the full extent of the Overall Limit, if then considered appropriate.

Nonetheless, the Directors of the Company currently do not intend, in any given financial year, to grant awards under the Share Plans which would comprise more than one per cent. (1%) of the total number of issued shares (excluding ordinary shares held as treasury shares) of the Company from time to time (the "**Yearly Limit**"). Should the Yearly Limit not be fully utilized in any given financial year, the unutilized balance will be rolled forward and may be used by the Directors of the Company in subsequent years to make grants of awards under the Share Plans. Ordinary Resolution 8 is independent from Ordinary Resolution 7 and the passing of Ordinary Resolution 8 is not contingent on the passing of Ordinary Resolution 7.

9. Ordinary Resolution 9 is to renew the Share Purchase Mandate and if passed, will empower Directors of the Company to exercise the powers of the Company to purchase or otherwise acquire its issued ordinary shares, until the date of the next Annual General Meeting of the Company unless such authority is earlier revoked or varied by the shareholders of the Company at a general meeting. The Company may use internal sources of funds and/or external borrowings to finance the purchase or acquisition of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, and the price at which such Shares were purchased or acquired and whether the Shares purchased or acquired are held as treasury shares or cancelled.

   Based on the existing issued and paid-up Shares of the Company as at 1 June 2016 (the "**Latest Practicable Date**") and excluding any Shares held as treasury shares, the purchase by the Company of 10% of its issued Shares will result in the purchase or acquisition of 473,240,652 Shares.

   Assuming that the Company purchases or acquires 473,240,652 Shares at the Maximum Price, in the case of Market Purchases of S$1.89 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required is approximately S$894 million and in the case of Off-Market Purchases of S$1.98 for one Share (being the price equivalent to 110% of the Average Closing Price of the Shares for the five consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required is approximately S$937 million.

   For illustrative purposes only, the financial effects of an assumed purchase or acquisition of 10% of its Shares by the Company pursuant to the Share Purchase Mandate as at the Latest Practicable Date, at a purchase price equivalent to the Maximum Price per Share, in the case of a Market Purchase and an Off-Market Purchase respectively, on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 March 2016, based on certain assumptions, are set out in paragraph 2.8 of the Letter to Shareholders dated 28 June 2016 (the "**Letter**").

   Please refer to the Letter for further details.

10. Special Resolution 10 is to adopt a new Constitution following the wide-ranging changes to the Companies Act introduced pursuant to the Companies (Amendment) Act 2014 (the "**Amendment Act**"). The new Constitution will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016, and incorporate amendments to, *inter alia*, take into account the changes to the Companies Act introduced pursuant to the Amendment Act.

    Please refer to the Letter for more details.

NOTICE OF BOOKS CLOSURE AND DIVIDEND PAYMENT DATE

Notice had been given on 19 May 2016 that the Share Transfer Books and the Register of Members of the Company will be closed on 8 August 2016 for the purpose of determining entitlement of shareholders to the proposed final one-tier tax-exempt dividend of 6 cents per ordinary share for the financial year ended 31 March 2016 (the "**Proposed Final Dividend**") and for the preparation of dividend warrants.

Duly stamped and completed transfers in respect of ordinary shares of the Company ("**Shares**") together with all relevant documents of title received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 5 August 2016 will be registered to determine shareholders' entitlement to the Proposed Final Dividend.

Subject to the aforesaid, shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 5 August 2016 will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved by shareholders at the forthcoming AGM to be held on 29 July 2016, will be paid on 22 August 2016.

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GLOBAL LOGISTIC PROPERTIES LIMITED

Company Registration No. 200715832Z
(Incorporated In Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the AGM.
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS investors who have used their CPF/SRS funds to buy the Company's shares. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 28 June 2016.

I/We, (Name) (NRIC/Passport/Company Regn. No.)

of (Address)

being a member/members of **GLOBAL LOGISTIC PROPERTIES LIMITED** (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf, at the Annual General Meeting of the Company ("**AGM**") to be held at Nicoll 1, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Friday, 29 July 2016 at 11.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the AGM (of which Resolutions No. 1 to 9 will be proposed as Ordinary Resolutions and Resolution No. 10 will be proposed as a Special Resolution) as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

(If you wish to exercise all your votes "For" or "Against", please indicate with a tick "✓" within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Ordinary Resolutions	For*	Against*
	Ordinary Business		
1	Adoption of Directors' Statement, Audited Financial Statements and Auditor's Report.		
2	Declaration of Final Dividend.		
3	(a) Re-election of Dr. Seek Ngee Huat as a Director.		
	(b) Re-election of Mr. Luciano Lewandowski as a Director.		
	(c) Re-election of Mr. Fang Fenglei as a Director.		
4	(a) Re-appointment of Mr. Paul Cheng Ming Fun as a Director.		
	(b) Re-appointment of Mr. Yoichiro Furuse as a Director.		
5	Approval of Directors' fees.		
6	Re-appointment of Messrs. KPMG LLP as Auditor.		
	Special Business		
7	General authority for Directors to issue shares subject to limits.		
8	Authority to Directors to grant awards and issue shares under the GLP Performance Share Plan and the GLP Restricted Share Plan.		
9	Renewal of the Share Purchase Mandate.		
No.	Special Resolution		
10	Adoption of the new Constitution.		

Dated this day of 2016

Signature of Member(s)
or Common Seal of Corporate Member

*** Voting will be conducted by poll.**

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

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GLP

Affix postage stamp

Global Logistic Properties Limited
c/o Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

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Notes:

1. A member should insert the total number of ordinary shares (the "**Shares**") held by him. If the member has Shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of Shares. If the member has Shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of Shares. If the member has Shares entered against his name in the Depository Register and Shares registered in his name in the Register of Members, he should insert the aggregate number of Shares. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by the member (in both the Register of Members and the Depository Register).
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding concerned (expressed as a percentage of the whole) to be represented by each proxy. If no proportion or number of Shares is specified, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where more than one proxy is appointed, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the Proxy Form.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**").
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the instrument appointing a proxy shall not preclude a member from attending and voting at the meeting. If a member attends the AGM in person, the relevant instrument appointing a proxy or proxies will be deemed to be revoked and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the AGM.
5. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorized. Where the original instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the original letter or power of attorney under which the instrument of proxy is signed or a duly certified copy of that letter or power of attorney (failing previous registration with the Company) shall be attached to the original instrument of proxy and must be left at the office of the Company's Share Registrar, not less than 48 hours before the time appointed for the holding of the AGM or the adjourned AGM at which it is to be used failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act. The Company shall be entitled to treat an original certificate under the seal of the corporation as conclusive evidence of the appointment or revocation of appointment of a representative.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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CORPORATE INFORMATION

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Fax: (65) 6536 1360

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Singapore 238880
Tel: (65) 6643 6388
Fax: (65) 6643 6389

Place of Incorporation
Singapore

Company Registration Number
200715832Z

Date of Incorporation
28 August 2007

Board of Directors

Dr. Seek Ngee Huat
Chairman of the Board and Non-Executive & Independent Director

Ming Z. Mei
Chief Executive Officer, Chairman of the Executive Committee and Executive Director

Steven Lim Kok Hoong
Non-Executive & Independent Director

Dr. Dipak Chand Jain
Non-Executive & Independent Director

Paul Cheng Ming Fun
Non-Executive & Independent Director

Fang Fenglei
Non-Executive & Non-Independent Director

Yoichiro Furuse
Non-Executive & Independent Director

Luciano Lewandowski
Non-Executive & Independent Director

Lim Swe Guan
Non-Executive & Independent Director

Tham Kui Seng
Non-Executive & Independent Director

Audit Committee
Steven Lim Kok Hoong (Chairman)
Paul Cheng Ming Fun
Lim Swe Guan
Tham Kui Seng

Human Resource and Compensation Committee
Dr. Seek Ngee Huat (Chairman)
Dr. Dipak Chand Jain
Steven Lim Kok Hoong

Nominating and Governance Committee
Dr. Dipak Chand Jain (Chairman)
Paul Cheng Ming Fun
Yoichiro Furuse

Investment Committee
Dr. Seek Ngee Huat (Chairman)
Fang Fenglei
Yoichiro Furuse
Luciano Lewandowski
Lim Swe Guan
Tham Kui Seng

Company Secretary
Julie Koh Ngin Joo

Auditors
KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Partner in charge:
Tan Wah Yeow

Date of appointment:
Financial year ended 31 March 2016

Principal Bankers
Citibank N.A.
DBS Bank Ltd.
JP Morgan Chase & Co.
Deutsche Bank AG
United Overseas Bank Limited
Mizuho Bank, Ltd.
Sumitomo Mitsui Banking Corporation
Bank of Tokyo Mitsubishi UFJ, Ltd
China Merchants Bank
Bank of China Limited
Bank of Communications Co., Ltd.
Banco Itau
Banco Bradesco
Goldman Sachs Group Inc.
Morgan Stanley
Bank of America Corporation
Wells Fargo & Co.
Credit Suisse
Sumitomo Mitsui Trust Bank, Limited
The Norinchukin Bank

Share Registrar
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
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