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B30-新加坡普洛斯公司債券(I)

Corp DES

證券簡介

頁 1/1

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發行價 100.0000	帳簿管理行/交易所	
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Offering Circular dated 25 April 2011

Global Logistic Properties



Global Logistic Properties Limited

(a limited liability company incorporated in Singapore)

U.S.\$2,000,000,000

Euro Medium Term Note Programme

Under the U.S.\$2,000,000,000 Euro Medium Term Note Programme described in this Offering Circular (the "Programme"), Global Logistic Properties Limited (the "Issuer") may from time to time issue notes (the "Notes") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively "Bearer Notes" and "Registered Notes"). The maximum aggregate nominal amount of all Notes outstanding under the Programme will not at any time exceed U.S.\$2,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these see "Risk Factors".

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in and quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed or reports contained in this Offering Circular. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Programme or the Notes. Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a pricing supplement (each a "Pricing Supplement") which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST before the date of listing of Notes of such Tranche.

Each Series (as defined on page 8) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "Temporary Bearer Global Note") or a permanent global note in bearer form (each a "Permanent Bearer Global Note") (collectively, the "Bearer Global Note"). Each Series of Notes in registered form will be represented on issue by a registered global note (each, a "Registered Global Note"). Bearer Global Notes and Registered Global Notes (together with the Bearer Global Notes, the "Global Notes") may be deposited on the issue date with a common depository on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") or with a sub-custodian for the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority (the "CMU"). The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Form of the Notes".

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include bearer notes that are subject to U.S. tax law requirements. The Notes may not be offered or sold or, in the case of bearer notes, delivered within the United States. Accordingly, the Notes are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act. For a description of certain restrictions on offers, sales and transfers of Notes and distribution of this Offering Circular see "Subscription and Sale".

Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued.

Arrangers

J.P. Morgan (S.E.A.) Limited Goldman Sachs (Singapore) Pte. Citigroup Global Markets Singapore Pte. Ltd.

Dealers

**China International Capital Corporation
(Singapore) Pte. Limited
Goldman Sachs (Singapore) Pte.**

**J.P. Morgan (S.E.A.) Limited
Citigroup Global Markets Singapore Pte. Ltd.
Citicorp International Limited**

To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information and the Issuer accepts responsibility accordingly.

Copies of each Pricing Supplement relating to Notes issued under the Programme will be available to Noteholders upon request from the registered office of the Issuer and the specified office of the Fiscal Agent.

This Offering Circular is to be read in conjunction with any supplement hereto and with all documents which are incorporated herein by reference. This Offering Circular shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular and in relation to any Tranche of Notes shall be read and construed together with the relevant Pricing Supplement.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Pricing Supplement as the relevant Dealer, the Managers or the person named in or identifiable in the applicable Pricing Supplement as the financial intermediaries (the “Financial Intermediaries”), as the case may be.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition, results of operations and affairs, and its own appraisal of the creditworthiness, of the Issuer. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and in the Pricing Supplement of the relevant Tranche of Notes and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer of, or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for, or to purchase, any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that there has been no change in the affairs of the Issuer or the Issuer and its subsidiaries taken as a whole (the “Group”) since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which

this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom), Hong Kong, Singapore, PRC and Japan, see “Subscription and Sale”.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Notes or the accuracy or the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes described herein have not been approved or disapproved by the United States Securities and Exchange Commission or any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is unlawful.

None of the Dealers, nor the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Group’s audited financial statements for the financial years ended 31 March 2008, 2009 and 2010 contained in this Offering Circular were prepared and presented in accordance with International Financial Reporting Standards (“IFRS”). Following the corporate reorganisation undertaken by the Issuer in connection with its initial public offering, the Group prepared financial statements in accordance with Singapore Financial Reporting Standards (“SFRS”). Accordingly, the Group’s financial statements for the nine month period ended 31 December

2010 contained in this Offering Circular were prepared and presented in accordance with SFRS. For comparison purposes, the Group's financial statements for the nine month period ended 31 December 2009 contained in this Offering Circular were also prepared and presented in accordance with SFRS. SFRS reporting practices and accounting principles differ in certain respects from IFRS. Unless the context otherwise requires, financial information in this Offering Circular is presented on a consolidated basis.

Market data, industry forecasts and industry statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although the Issuer believes this information to be reliable, it has not been independently verified by the Issuer or the Dealers or their respective directors and advisors, and neither the Issuer, the Dealers nor their respective directors and advisors make any representation as to the accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. Due to possibly inconsistent collection methods and other problems, such statistics herein may be inaccurate. Investors should not unduly rely on such market data, industry forecasts and industry statistics.

In this Offering Circular, all references to "US\$" and "U.S. dollars" are to United States dollars, the official currency of the United States of America (the "United States" or "U.S.") and all references to "RMB" or "Renminbi" are to Renminbi, the official currency of the People's Republic of China ("China" or the "PRC").

The Group's financial statements are published in U.S. dollars.

References to "PRC" and "China," for the statistical purposes of this Offering Circular, except where the context otherwise requires, do not include the Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC or Taiwan. "PRC government" or "State" means the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local governments) and instrumentalities thereof, or, where the context requires, any of them.

Totals presented in this Offering Circular may not total correctly because of rounding of numbers.

VALUATIONS, PROPERTY VALUES AND GROSS FLOOR AREA

Valuations of the Group's interests in properties are included in this Offering Circular. These valuations reflect the market value of the properties at the date of valuation, being generally the estimated amount at which an asset would be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The methodologies used by the Issuer and each of the independent valuers (the "Independent Valuers") of the Group's property interests may differ, and are based on assumptions by the Issuer and the Independent Valuers of facts particular to that property.

Where valuations are performed by Independent Valuers, valuation reports generally provide that the Independent Valuers have relied on information provided by the entity owning the relevant property (which may not be the Issuer's subsidiary or an entity over which the Group has control), and that they do not take responsibility for the accuracy of the information.

A parcel of land in land reserve is not reflected as part of the Group's assets unless and until the relevant PRC subsidiary and/or a jointly controlled entity acquires the relevant parcel. For more information about the definition of "land reserve", see "Description of the Group—The Group's Portfolio—Portfolio Summary".

For the fiscal years ended 31 March 2008 and 2009, with respect to the Group's China properties, the Group used the results of its internal valuation for the purpose of stating the Group's completed investment properties and investment properties being re-positioned at fair value in the Group's financial statements. The Group's internal valuations were not inconsistent with the valuations subsequently obtained from the Independent Valuers. For the fiscal year ended 31 March 2010, the Group used the valuations of the Independent Valuers in the preparation of its financial statements. For the nine month period ended 31 December 2010, the Group used the results of its internal valuation in the preparation of its financial statements.

There can be no assurance that valuations and property values reflect accurately the value of the Group's property interests and that the Group's property interests will be realised at such values. See "Risk Factors—Risks Relating to the Group's Business and Operations—The valuations of the Group's logistics facilities contain assumptions that may not materialise".

The gross floor area ("GFA") of the Group's property interests are included in this Offering Circular. The Issuer determines GFA generally by reference to the built-up area of the property, excluding car park space. For properties under development, the GFA is based on the Issuer's estimation by reference to, among other things, construction plans, which may change. The GFA of the Group's properties under development, in certain cases, is subject to final verification by survey and regulatory approval. For properties being repositioned, the GFA is based on the current built-up area reflected in the title certificates. For land held for future development and land reserve, the GFA is assumed using certain planning parameters of the land, such as plot ratio and building coverage ratio. Unless otherwise expressly stated, the calculation of GFA and the information derived from GFA amounts (e.g. weighted average contracted rental rate) set forth in this Offering Circular are based on 100 per cent. of the GFA of the properties owned by the Issuer's subsidiaries and jointly controlled entities, and not just the Group's attributable interest in those properties. For more information about the GFA of properties held by the Issuer's subsidiaries and jointly-controlled entities, see "Description of the Group—The Group's Portfolio—Portfolio Summary".

Various operation ratios of the Group's property interests with regard to completed properties are also included in this Offering Circular:

- "Lease ratio" means the total floor area contracted to be leased as at 31 March 2009 or 2010 or 31 December 2010 (as the case may be) divided by the total net leasable area as at 31 March 2009 or 2010 or 31 December 2010 (as the case may be).
- "Average lease ratio" means the total floor area contracted to be leased over the fiscal years ended 31 March 2009 or 2010 or the nine-month period ended 31 December 2010 divided by the total floor area available for lease over the same period.
- "WALE" means the weighted average lease expiry, or the average lease term remaining to expiry across the portfolio, weighted by leased space.
- "Weighted average lease terms (original)" means the sum of the product between each lease's floor area contracted to be leased as at 31 March 2009 or 2010 or 31 December 2010 (as the case may be) and the full contractual term of the lease, divided by the total floor area leased as at 31 March 2009 or 2010 or 31 December 2010 (as the case may be).
- "Weighted average lease terms (remaining)" means the sum of the product between each lease's floor area contracted to be leased as at 31 March 2009 or 2010 or 31 December 2010 (as the case may be) and the remaining term of the lease, divided by the total floor area leased as at 31 March 2009 or 2010 or 31 December 2010 (as the case may be).

- “Weighted average contracted rental rate” means, in the case of properties in the Japan Portfolio, the sum of the product between the floor area of each property contracted to be leased and the contracted rent plus common area maintenance fee per sq.m. per month, divided by the total floor area leased as at 31 March 2009 or 2010 or 31 December 2010 (as the case may be); and, in the case of properties in the China Portfolio, the sum of the product between the floor area of each property contracted to be leased and the contracted rent plus property management fee per sq.m. per day, divided by the total floor area leased as at 31 March 2009 or 2010 or 31 December 2010 (as the case may be).

CLASSIFICATION OF PROPERTIES

Prospective investors should note that the approach which the Issuer uses for classifying a property’s development status may differ from that of independent valuers, in particular in relation to the China Portfolio. The Issuer classifies the status of a property based on its internal definition of actual development start date and the estimated completion date and the commercial or business intention with which the property is or will be placed, whilst certain independent valuers may value and classify the status of a property based on its actual physical status/condition as at the date of valuation. As an example to illustrate this difference, if the Issuer had commenced construction on a site but then suspended construction because of adverse changes in the global economic outlook during the recent financial crisis, the Issuer would treat the property as “Land held for future development”, while certain independent valuers may treat the property as “Property under development”.

Prospective investors should also note that any information derived from a particular category of properties such as the GFA of the Group’s completed and pre-stabilised portfolio in a particular city in China as a percentage of the total GFA is calculated and presented based on the Issuer’s classification of properties. Similarly, all derived information, such as the lease ratio, average lease ratio, weighted average lease term and weighted average contracted rental rate, are calculated and presented in the same way.

All of the Group’s properties in the Japan Portfolio are completed properties, and accordingly there is no difference between the Issuer’s classification of such properties and that of independent valuers.

Notwithstanding the differences in the classification of properties in the China Portfolio, the total valuation of the China portfolio is not affected although the value of properties comprising a particular sub-category may be different because of the differences in classification described above.

STABILISATION

In connection with the issue and distribution of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (the “Stabilising Managers”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding the respective financial positions of the Issuer and the Group, their business strategy, plans and objectives of management for future operations (including their respective development plans and objectives relating to their businesses), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer and the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's and the Group's present and future business strategies and the environment in which the Issuer and the Group will operate in the future. Factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors". These forward-looking statements speak only as of the date of this Offering Circular. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in their respective expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, the most recently published audited annual accounts and any interim accounts (whether audited or unaudited) published subsequently to such annual accounts of the Issuer from time to time (if any) and all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) from the specified offices of the Paying Agents set out at the end of this Offering Circular.

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SUMMARY

The Issuer is the holding company of the Group's portfolios of logistics facilities in Japan and China, as well as the asset management companies that manage these facilities. The Issuer was listed on the Main Board of the SGX-ST on 18 October 2010, and has a market capitalisation of S\$8,593.8 million as at 31 March 2011.

The Group is the leading modern logistics facility provider in Japan and China by floor area. Japan and China are Asia's two largest economies and China is one of Asia's largest logistics markets. The Group's early mover advantage in these markets has allowed it to establish its presence in strategically located sites across key gateway cities in these countries.

The Group owns, manages and leases out an extensive network of 308 completed properties within 123 integrated parks (including 121 logistics parks and two light assembly facilities parks) with a GFA of approximately 6.4 million square metres as of 31 December 2010. In China, the Group also has interests in an additional 1.4 million square metres of properties under development or being repositioned and approximately 1.9 million square metres of GFA under land held for future development as of 31 December 2010. In addition, the Group also has approximately 6.6 million square metres of GFA under land reserve in China. The Group's network is spread across 26 major cities in Japan and China. See "The Group's Portfolio". Each of the Group's parks is strategically located within key logistics hubs and near major seaports, airports, transportation hubs or industrial zones in the greater metropolitan areas of Japan and China.

The size and geographic reach of the Group's portfolio allows the Group to meet its customers' business and expansion needs in multiple locations.

For the financial years ended 31 March 2009 and 31 March 2010 and for the nine month period ended 31 December 2010, the Group had revenue of US\$51,278,000, US\$407,968,000 and US\$349,431,000, respectively. The Group recorded a net profit of US\$32,359,000 for the financial year ended 31 March 2009, a net loss of US\$149,680,000 for the financial year ended 31 March 2010 and a net profit of US\$673,629,000 for the nine month period ended 31 December 2010. As at 31 March 2009, 31 March 2010 and 31 December 2010, the total assets of the Group amounted to US\$7,200 million, US\$7,397 million and US\$10,637 million, respectively.

The Group's Strengths

- The Group is one of the largest providers of modern logistics facilities in Asia
- Leadership in Asia's two largest economies
- Strong balance sheet with defensive growth
- High quality and well diversified network
- High quality properties with strong lease profile
- Well-established brand and reputation
- Well-established track record
- Strong corporate governance and experienced management team

The Group's Strategy

- Strengthen the Group's market leadership position and capitalise on the significant market opportunities in Asia
- Increase economies of scale
- Strategically recycle capital to create and enhance shareholder value

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth the selected consolidated financial information of the Group as at and for the periods indicated.

The selected consolidated financial information as of and for the years ended 31 March 2009 and 2010 have been derived from the Group's audited financial statements included in this Offering Circular and should be read together with those financial statements and the notes thereto. The selected consolidated financial information for the nine-month periods ended 31 December 2009 and 2010 has been derived from the Group's unaudited interim financial statements for the nine-month periods ended 31 December 2009 and 2010 included in this Offering Circular. Save as set out below, the Group has prepared the unaudited interim financial statements on the same basis as its audited financial statements. The Group's historical results for any prior or interim periods are not necessarily indicative of results to be expected for a full financial year or for any future period.

The Group's financial statements are reported in US dollars.

The Group's audited financial statements for the financial years ended 31 March 2009 and 2010 contained in this Offering Circular were prepared and presented in accordance with IFRS. Following the corporate reorganisation undertaken by the Issuer in connection with its initial public offering, the Group prepares its financial statements in accordance with SFRS. Accordingly, the Group's financial statements for the nine month period ended 31 December 2010 contained in this Offering Circular were prepared and presented in accordance with SFRS. For comparison purposes, the Group's financial statements for the nine month period ended 31 December 2009 contained in this Offering Circular were also prepared and presented in accordance with SFRS. SFRS reporting practices and accounting principles differ in certain respects from IFRS.

The Group's selected consolidated financial information as of and for the financial years ended 31 March 2009 and 2010 are not comparable. The Group recognised its properties on an equity-method for periods through to 8 February 2009, as the Group only had joint-control of the entities through which it held its properties, i.e. the Group recognised its share of net assets and results from the Group's portfolio as a single line under interests in jointly-controlled entities on its balance sheets and under share of results (net of income tax) of jointly-controlled entities in its income statements.

On 9 February 2009, the Group acquired the remaining 20 per cent. interests in three Japan funds, namely, JLP1, JLP2 and JLP3 (together, the "Japan Funds") and the remaining 33 per cent. interests in CLH Limited (the "China Fund") from ProLogis and all other entities owned by ProLogis in China (together, the "2009 Acquisition"). From 9 February 2009 through 31 March 2009, and for the financial year ended 31 March 2010, following the 2009 Acquisition, the Issuer consolidated its subsidiaries so that the assets and liabilities, income and expenses of its subsidiaries are recognised on a line-by-line basis in the Group's financial information. Since the 2009 Acquisition, the Issuer shared joint control over Global Logistic Properties Holdings Limited ("GLPH") with Schwartz-Mei Group Limited. Accordingly, the Issuer equity-accounted for the Group's share of its results following the 2009 Acquisition.

Accordingly, the Group's selected consolidated income statement information for the financial years ended 31 March 2009 and 2010 are not comparable. For a further discussion of the risks of non-comparability of the Group's financial statements, see "Risk Factors—Risks relating to the Group's Business and Operations—The Group's financial statements are not comparable to one another".

SELECTED CONSOLIDATED INCOME STATEMENT INFORMATION

	For the year ended 31 March		For the Nine-month period ended 31 December	
	2009 ⁽¹⁾	2010 ⁽¹⁾	2009	2010
	U.S.\$ (in thousands)			
Revenue	51,278	407,968	307,126	349,431
Other income	654	1,182	2,614	5,492
Management fees	(4,012)	(35,101)	(28,066)	(15,904)
Property-related expenses	(7,241)	(53,683)	(46,273)	(52,541)
Other expenses	(4,181)	(23,239)	(16,606)	(27,085)
	36,498	297,127	218,795	259,393
Share of results (net of income tax) of jointly-controlled entities	(280,280) ⁽²⁾	31,984	23,147	49,203
Profit/(Loss) from operating activities after share of results of jointly- controlled entities	(243,782)	329,111	241,942	308,596
Net finance costs	(9,633)	(60,468)	(46,636)	(30,919)
Non-operating income/(expenses)	290,207 ⁽³⁾	(27,680)	(27,676)	-
Profit before changes in fair value of investment properties	36,792	240,963	167,630	277,677
Changes in fair value of investment properties	-	(369,006) ⁽⁴⁾	(469,231)	465,240
Profit/(Loss) before income tax	36,792	(128,043)	(301,601)	742,917
Income tax (expense)/benefit	(4,433)	(21,637)	10,065	(69,288)
Profit/(Loss) for the year/period	32,359	(149,680)	(291,536)	673,629
Attributable to:				
Owners of the Company	31,946	(176,685)	(309,663)	656,826
Non-controlling interests	413	27,005	18,127	16,803
Profit/(Loss) for the year/period	32,359	(149,680)	(291,536)	673,629
Earnings/(Loss) per share (cents)				
- Basic and diluted	2.13 ⁽⁵⁾	(10.13) ⁽⁵⁾	(17.76) ⁽⁵⁾	26.30

Notes:

- (1) The Group gained control of the entities through which it holds its properties in February 2009, and therefore, the results and expenses relating to these entities were consolidated for less than 2 months of the fiscal year. Consequently, results for financial years ended 31 March 2009 and 2010 are non-comparable.
- (2) This includes losses in the value of the Japan Portfolio through entities accounted for under the equity method.
- (3) The Issuer's non-operating income in the financial year ended 31 March 2009 comprised mainly gain on acquisition of subsidiaries.
- (4) This reflects losses in the value of the Japan Portfolio. In the financial year ended 31 March 2009, a similar decrease was reflected in "Share of results (net of income tax) of jointly-controlled entities".
- (5) For the purpose of EPS computations for the years ended 31 March 2009 and 2010 and the nine-month period ended 31 December 2009, the weighted average numbers of ordinary shares were assumed to be 1,499,852,000, 1,743,357,000 and 1,743,357,000 respectively. These took into consideration the estimated ordinary shares of 1,066,794,000, 1,377,286,000 and 1,377,286,000 respectively to effect the acquisition of interests in common control entities pursuant to the Japan Reorganisation and GLPH Reorganisation. The EPS computations did not take into account the effect of the GLPH Acquisition, the capitalisation of certain shareholders' loans and the new shares issued pursuant to the initial public offering of the Company on SGX-ST.
- (6) For the purpose of note (5):
 - "GLPH Acquisition" the acquisition by the Issuer of approximately 50 per cent. of the issued share capital of GLPH from Schwartz-Mei Group Limited as part of the corporate reorganisation undertaken by the Issuer in connection with its initial public offering
 - "GLPH Reorganisation" the acquisition by the Issuer of approximately 50 per cent. of the issued share capital of GLPH from Reco Logistics Management Private Limited as part of the corporate reorganisation undertaken by the Issuer in connection with its initial public offering
 - "Japan Reorganisation" the acquisition by the Issuer of Japan Logistic Properties 1 Private Limited, Japan Logistic Properties 2 Pte. Ltd. and Japan Logistic Properties 3 Pte. Ltd. from Reco Platinum Pte Ltd, Reco Benefit Private Limited and Reco Heir Private Limited, respectively, as part of the corporate reorganisation undertaken by the Issuer in connection with its initial public offering

SELECTED CONSOLIDATED BALANCE SHEET INFORMATION

	As at 31 March		As at 31 December
	2009	2010	2010
	U.S.\$ (in thousands)		
Non-current assets			
Investment properties	6,374,448	6,528,973	7,927,725
Jointly-controlled entities	378,826	315,469	362,819
Deferred tax assets	10,948	20,232	14,535
Plant and equipment	104	75	3,063
Intangible assets	-	-	416,353
Other investments	-	-	70,281
Other non-current assets	16,478	17,351	22,645
	<u>6,780,804</u>	<u>6,882,100</u>	<u>8,817,421</u>
Current assets			
Trade and other receivables	107,337	103,227	65,674
Financial derivative assets	480	33	-
Cash and cash equivalents	311,397	412,021	1,753,589
	<u>419,214</u>	<u>515,281</u>	<u>1,819,263</u>
Total assets	<u>7,200,018</u>	<u>7,397,381</u>	<u>10,636,684</u>
Equity attributable to Owners of the Company			
Share capital	n/m ⁽¹⁾	n/m ⁽¹⁾	5,792,427
Reserves	1,746,484	1,566,222	672,954
	<u>1,746,484</u>	<u>1,566,222</u>	<u>6,465,381</u>
Non-controlling interests ⁽²⁾	745,952	776,197	94,029
Total equity	<u>2,492,436</u>	<u>2,342,419</u>	<u>6,559,410</u>
Non-current liabilities			
Loans and borrowings	2,667,069	2,664,831	2,428,564
Deferred tax liabilities	107,658	135,192	204,593
Other non-current liabilities	149,715	124,707	148,352
	<u>2,924,442</u>	<u>2,924,730</u>	<u>2,781,509</u>
Current liabilities			
Loans and borrowings ⁽³⁾	464,640	715,749	1,049,727
Trade and other payables ⁽⁴⁾	1,288,894	1,380,206	213,303
Financial derivative liabilities	28,280	32,729	29,490
Current tax payable	1,326	1,548	3,245
	<u>1,783,140</u>	<u>2,130,232</u>	<u>1,295,765</u>
Total liabilities	<u>4,707,582</u>	<u>5,054,962</u>	<u>4,077,274</u>
Total equity and liabilities	<u>7,200,018</u>	<u>7,397,381</u>	<u>10,636,684</u>

Notes:

- (1) Less than U.S.\$1,000.
- (2) Includes preferred equity issued by the Group's Japan subsidiaries and related accrued dividends, amounting to ¥63,978 million (U.S.\$657.6 million) and ¥64,689 million (U.S.\$697.9 million) as at 31 March 2009 and 31 March 2010 respectively, which were repaid and replaced by new preferred equity funded from the net proceeds of the Issuer's initial public offering, pursuant to the Group's corporate reorganisation.
- (3) Includes loans from third parties, amounting to U.S.\$313.6 million as at 31 March 2010, which have been novated to a related corporation, with effect from 27 August 2010 with an accompanying increase in interest-free intercompany advances of U.S.\$313.6 million. The intercompany advances have been capitalised by an issue and allotment of ordinary shares/repaid from net proceeds of the Issuer's initial public offering.
- (4) Includes outstanding intercompany advances and shareholders' loans, amounting to U.S.\$1,121.7 million and U.S.\$1,162.4 million as at 31 March 2009 and 31 March 2010, respectively, which were capitalised by issuance of new shares/repaid from the net proceeds of the Issuer's initial public offering, pursuant to the Group's corporate reorganisation.

SELECTED CONSOLIDATED STATEMENT OF CASH FLOWS INFORMATION

	For the year ended 31 March		For the Nine-month Period Ended 31 December	
	2009	2010	2009	2010
	U.S.\$ (in thousands)			
Net cash from operating activities	45,328	253,842	179,285	348,801
Net cash (used in)/from investing activities . . .	(894,848)	(159,152)	(165,114)	(190,534)
Net cash from financing activities	1,163,055	3,130	54,619	1,133,312
Net increase in cash and cash equivalents	313,535	97,820	68,790	1,291,579
Cash and cash equivalents at beginning of year/period	-	304,147	304,147	412,021
Effects of exchange rate changes on cash balances held in foreign currencies	(9,388)	10,054	20,084	49,989
Cash and cash equivalents at end of year/ period	304,147	412,021	393,021	1,753,589

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement.

Words and expressions defined in “Terms and Conditions of the Notes” below shall have the same meanings in this overview.

Issuer Global Logistic Properties Limited

Description Euro Medium Term Note Programme

Size Up to U.S.\$2,000,000,000 (or the equivalent in other currencies at the date of issue) in aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase the aggregate nominal amount of the Programme in accordance with the terms of the Programme Agreement.

Arrangers J.P. Morgan (S.E.A.) Limited

Goldman Sachs (Singapore) Pte.

Citigroup Global Markets Singapore Pte. Ltd.

Dealers China International Capital Corporation (Singapore) Pte. Limited

J.P. Morgan (S.E.A.) Limited

Goldman Sachs (Singapore) Pte.

Citigroup Global Markets Singapore Pte. Ltd.

Citicorp International Limited

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

Fiscal Agent Citicorp International Limited

Registrar and Transfer Agent .. Citibank, N.A., London Branch

CMU Fiscal Agent, Hong Kong

Paying Agent and Lodging

Agent Citicorp International Limited

Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the pricing supplement (the “Pricing Supplement”).
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Partly Paid Notes	Partly-paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes	The Notes may be issued in bearer form or in registered form as described in “Form of the Notes”.
Initial Delivery of Notes	On or before the issue date for each Tranche, the Bearer Global Note representing Bearer Notes or the Registered Global Note representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream, Luxembourg or deposited with a sub-custodian for the CMU or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee or a sub-custodian for, such clearing systems.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s).
Maturities	Such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws, regulations or directives applicable to the Issuer or the relevant Specified Currency.

Specified Denomination Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (“FSMA”) will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Currency Fallback The applicable Pricing Supplement may provide that Currency fallback provisions apply, in which case, if by reason of certain circumstances as described in Condition 6(h) of the Terms and Conditions, the Issuer is not able, or it would be impractical for it, to satisfy payments in principal or interest (in whole or in part) in respect of Notes where the Specified Currency is Renminbi, when any payment on such Notes is due, the Issuer shall be entitled to satisfy its obligations in respect of such payment by making such payment in US dollars on the basis of the then prevailing exchange rate, as further described in the Terms and Conditions “Currency Fallback”.

Fixed Rate Notes Fixed interest will be payable in arrear on such date or dates in each year specified in the relevant Pricing Supplement.

Floating Rate Notes Floating Rate Notes will bear interest at a rate determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Interest periods will be specified in the relevant Pricing Supplement.

Index Linked Notes Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

Dual Currency Notes Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Zero Coupon Notes Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Interest Periods and Interest

Rates The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Redemption The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Other Notes Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Note that the Issuer and any relevant Dealer(s) may agree to issue and subscribe respectively under the Programme will be set out in the relevant Pricing Supplement.

Optional Redemption The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

Early Redemption Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons.

Taxation	All payments in respect of the Notes will be made without deduction or withholding for or on account of tax imposed by any Tax Jurisdiction (as defined in Condition 8), subject as provided in Condition 8. In the event that any such deduction or withholding is made, the Issuer will, except in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge	The terms and conditions of the Notes will contain a negative pledge provision as further described in Condition 4.
Cross Default	The terms and conditions of the Notes will contain a cross default provision as further described in Condition 10.
Status of the Notes	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4), unsecured obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves and at least equally with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, other than obligations, if any, that are mandatorily preferred by statute or by operation of law.
Rating	Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, reduction or withdrawal at any time by the assigning rating agency.
Listing and Admission to Trading	Application has been made to the SGX-ST for permission to deal in and quotation of any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST will be approved. Notes may also be listed or admitted to trading on or by such other or further stock exchange(s) and/or competent listing authorities as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Pricing Supplement. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).

Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed or admitted to trading and, if so, on or by which stock exchange(s) and/or competent listing authorities.

Governing Law The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, **English law**.

Clearing Systems **Euroclear, Clearstream, Luxembourg, the CMU and**, in relation to any Tranche, any other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant dealer and specified in the relevant Pricing Supplement.

Selling Restrictions There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom), the PRC, Hong Kong, Singapore and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “Subscription and Sale”.

In connection with the offering and sale of a particular Tranche of Notes, additional restrictions may be imposed which will be set out in the relevant Pricing Supplement.

Each Tranche of Notes in bearer form will be issued either in compliance with U.S. Treas. Reg. 1.163-5(c)(2)(i)(D) (the “TEFRA D Rules”) or with U.S. Treas. Reg. 1.163-5(c)(2)(i)(C) (the “TEFRA C Rules”) unless the Notes are only in registered form and/or the applicable Pricing Supplement specifies that the TEFRA Rules are not applicable.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other unknown reasons and the Issuer does not make any representation that the statements below regarding the risks of holding any Notes are exhaustive. There may be additional risks not described below or not presently known to the Issuer or that the Issuer currently deems immaterial that turn out to be material. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Group's operations could differ materially from those anticipated in these forward-looking statements due to a variety of factors, including the risks described below and elsewhere in this Offering Circular.

Risks Relating to the Group's Business and Operations

The Group is subject to the risks of the logistics facilities business.

The Group is subject to risks associated with the provision of logistics facilities. Some of the factors that may affect the Group's business include:

- local market conditions, such as oversupply of logistics facility space, reduction in demand for logistics facility space and the rents that the Group can charge for a completed logistics facility, which may make a logistics facility unprofitable;
- significant liabilities associated with logistic facility assets, such as mortgage payments, and real estate taxes, are generally fixed and need to be paid even when market conditions reduce income from the assets;
- the attractiveness of the Group's facilities to potential customers and investors;
- the Group's ability to maintain, refurbish and redevelop existing facilities;
- competition from other available logistics facilities;
- the Group's ability to maintain, and obtain insurance for, its facilities;
- the Group's ability to control rents and variable operating costs;
- changes in labour laws;
- governmental regulations, including changes in zoning and usage, condemnation, redevelopment and tax laws and changes in these laws;
- difficulty in finding a buyer for any land parcel that the Group seeks to sell, or the sales price may not allow the Group to recover its investment, resulting in additional impairment charges;

- construction costs (including labour cost) of a logistics facility may exceed original estimates, or construction may not be concluded on schedule, due to factors such as contract default, the effects of local weather conditions, the possibility of local or national strikes by construction-related labour and the possibility of shortages or increase in the costs of materials, building supplies or energy and fuel for equipment as a result of rising commodity prices, inflation or otherwise, making the logistics facility less profitable than originally estimated or not profitable at all;
- delays in obtaining governmental permits and authorisations, and changes to and liability under all applicable zoning, building, occupancy and other laws; and
- changes in or abandonment of development opportunities, and the requirement to recognise an impairment charge for those investments.

Any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's long-term growth will partially depend upon future acquisitions of logistics facilities and land upon which to build new logistics facilities, and the Group may be unable to consummate acquisitions at commercially attractive terms or at all, or any such acquisitions may not perform as well as it anticipates.

From time to time the Group has acquired, and intends to continue acquiring, existing logistics facilities or land to build new logistics facilities. The acquisition of these assets entails various risks, including the risk that (i) the Group may be unable to complete acquisitions or develop facilities on the terms it originally anticipated, (ii) the Group's investments may not perform as well as it has expected, (iii) the Group may be unable to integrate its new acquisitions quickly and efficiently into its existing operations and (iv) the Group's estimate of the cost required to upgrade an acquired logistics facility to its standards or to develop a new logistics facility may prove inaccurate. The Group makes its developmental and other decisions based on economic, demographic and other data from various sources in addition to published sources. There can be no assurance that these sources are always complete or reliable. The facilities which the Group acquires and/or develops may not perform commercially as well as it anticipates, and the actual costs for acquisition, renovation and improvements identified in the pre-acquisition due diligence process may exceed the Group's estimates.

The Group operates in a capital-intensive industry and may not have adequate funding resources to finance land acquisitions or logistics facilities, or to service or refinance its existing financing obligations.

The logistics facility business is capital intensive. The Group intends to obtain financing for its logistics facilities primarily through a combination of borrowings from banks, cash from operations and capital contributions. The Group is subject to risks normally associated with debt financing, including the risk that its cash flow will be insufficient to meet required payments of principal and interest. There can be no assurance that the Group will be able to refinance any maturing indebtedness, that any refinancing would be on terms as favourable as the terms of the maturing indebtedness, or that the Group will be able to otherwise obtain funds by selling assets or raising equity to repay maturing indebtedness.

The Group's ability to arrange adequate financing for land acquisitions or logistics facilities on terms that will allow it to earn reasonable returns depends on a number of factors that are beyond its control. For example:

- Changes in the reserve requirement ratio affect the amount of funds that banks must hold in reserve against deposits made by their customers. Any future increase in the reserve requirement ratio will further reduce the amount of commercial bank credit available to businesses including the Group.

- Under certain circumstances the Group's lending banks may be forced to reduce their loan portfolio, in which case there can be no assurance that the Group would be able to refinance its existing debt in full, and the Group may therefore be required to repay part of its loans. As a result, the Group may not have adequate resources to fund land acquisitions or logistics facilities, or to service its financing obligations.

The terms of the Group's various credit agreements for its Japan and China businesses, including secured bank loans and notes, require it to comply with a number of customary financial covenants, such as in Japan, negative pledge, *pari passu* ranking, continued business, prohibition of amendments to material documents, restrictions on indebtedness, maintenance of loan-to-value and debt-service coverage ratios and mandatory redemption upon disposal of assets. These covenants may limit the Group's flexibility in its operations, and breaches of these covenants could result in defaults under the instruments governing the applicable indebtedness. If the Group were to default under its covenant provisions and were unable to cure the default, refinance its indebtedness or meet its payment obligations, it would have a material adverse effect on the Group's business, financial condition, results of operations and prospects. If the Group were unable to refinance its indebtedness at maturity or meet its payment obligations, it would have a material adverse effect on its business, financial condition, results of operations and prospects. The Group could be required to sell one or more logistics facilities at times or under circumstances that reduce the Group's return on those assets. In addition, if the maturing debt were secured, the lender may foreclose on the property securing that indebtedness.

The Group's secured loans and notes and certain other debt bear interest at variable rates. If debt is unavailable at commercially acceptable rates, the Group may be unable to finance the purchase of existing logistics facilities or land to develop new logistics facilities. If the Group incurs mortgage debt on properties, it bears the risk of being unable to refinance such debt when the loans become due, or of being unable to refinance such debt on favourable terms. Higher interest rates could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is exposed to a range of risks relating to the construction or expansion of its logistics facilities.

The Group's ability to construct or expand a logistics facility, as well as the time and costs required to complete its construction or expansion, may be adversely affected by various factors, including, but not limited to:

- delays or inability to obtain all necessary zoning, land use, building, development and other required governmental and regulatory licenses, permits, approvals and authorisations;
- construction risks, which include delays in construction and cost overruns (for example, due to variation from original design plans, a shortage or increase in the cost of construction and building materials, equipment or labour as a result of rising commodity prices, inflation or otherwise), inclement weather conditions, unforeseen engineering, environmental or geological problems, defective materials or building methods, default by contractors and other third party service and goods providers of their obligations, or financial difficulties faced by such persons, disputes between counterparties to a construction or construction related contract, work stoppages, strikes or accidents;
- any land which the government delivers to the Group failing to meet all its development or operational requirements, such as the lack of necessary infrastructure leading to the site, the lack of water and power supply, and unsuitable soil level and height of the land for construction. If the land delivered to the Group is not ready for

construction or later suffers subsidence or similar damages, the Group would need to prepare its land for use before it commences construction. The costs involved in the preparation of the land may exceed the Group's budget;

- the failure to resolve land resettlement issues;
- the need to incur significant pre-operating costs, which the Group may not recover for some time, or a failure to budget adequately for these pre-operating costs;
- the need to expend significant capital long before the Group's logistics facilities begin to generate revenue;
- limited cash available to fund construction and capital improvements and the related possibility that financing for these capital improvements may not be available on commercially acceptable terms or at all; and
- insufficient market demand from customers after construction or expansion has begun, whether resulting from a downturn in the economy, a change in the surrounding environment of the project, including the location or operation of transportation hubs or the population density, or otherwise.

Other than as referred to in the risk factors entitled "The PRC government may require the Group to forfeit its land use rights or penalise the Group if it were to fail to comply with the terms of land grant contracts", "The Issuer may fail to contribute to the registered capital of its PRC subsidiaries or joint ventures or experience material delays in contributing to the registered capital of its PRC subsidiaries" and "The Group may not have obtained all the land use rights certificates and building ownership certificates for certain of its facilities and one of its properties is subject to a land tender process", the Group has not experienced material occurrences of the risks listed above. However, there can be no assurance that the Group will complete any or all of its current or future logistics facilities within the anticipated time frame or budget, if at all, as a result of one or more of these risks. An inability to complete a logistics facility within the anticipated time frame and budget could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group faces increasing competition.

In recent years, a large number of logistics facility providers have begun to undertake investment projects in China, and the logistics facility market in China is evolving rapidly. In addition, a number of international logistics facility providers have expanded (or the Issuer expects will expand) their operations to China. The Issuer expects many of these providers have sufficient financial, managerial, marketing and other resources to be competitive, and may have more experience in logistics facility and land development.

Competition between logistics facility providers in both Japan and China is intense, and the Group faces significant competition for attractive investment opportunities from local and regional providers who may have better local knowledge and relationships as well as greater access to funding to acquire properties than the Group does, which may result in, among other things, difficulty in acquiring desirable investments or land at reasonable prices, increased costs for the acquisition of land for construction of logistics facilities, a reduced rate at which the relevant government authorities approve new logistics facilities, an increase in construction costs and difficulty in obtaining high quality contractors and qualified employees. Any such developments could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. If the Group cannot respond to changes in market conditions more swiftly or effectively than its competitors do, it could have a material adverse effect on its business, financial condition, results of operations and prospects. For more details, please refer to the section headed "Description of the Group—Competition" in this Offering Circular.

The Group's lease revenues may decrease.

If a significant number of the Group's customers were unable to meet their lease obligations, the Group's operating results would be adversely affected. The Group is also subject to the risk that, upon the expiration of leases for space located in its facilities, existing customers may not renew their leases, and the Group may be unable to re-let vacant space to new customers, or the terms of re-leasing (including the cost of required renovations or concessions to customers) may be commercially less favourable to the Group than previous lease terms. If a significant number of the Group's customers were to default on their leases, it would likely experience delays in collecting rental payments or re-letting its facilities, and incur substantial costs in enforcing its rights as landlord.

The Group's customers are exposed to their own business and other risks, and if one or more significant customers were to experience downturns in their businesses, the Group could lose the customer, or the customer may fail to make rental payments when due and/or require a restructuring of rental payments that might reduce its cash flow from the lease. Further, many of the Group's logistics facilities in Japan rely heavily on a very small number of customers. If a customer in such a logistics facility were not to renew its lease or were to default, the cash flow of the relevant logistics facility would decline significantly. It is not possible to predict when the Group would be able to re-let the logistics facility, the creditworthiness of the replacement customer or customers, or the rent it could charge the replacement customer. A customer may seek the protection of bankruptcy, insolvency or similar laws, which could result in the rejection and termination of such customer's lease and thereby reduce the Group's available cash flow. The occurrence of any of these events could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group faces risks inherent in concentrating its business in one asset class and in Japan and China, and it generates a significant portion of its revenue from a few customers.

The Group's principal business strategy is to strengthen its market leadership position and capitalise on the significant market opportunities in Asia. The Group's strategy rests on its belief that logistics facilities in Asia will benefit from significant economic growth, particularly domestic consumption in China. See "Description of the Group—Overview" and "Description of the Group—Strategy". The Group's principal business strategy exposes it to the risks inherent in concentrating its business in one asset class and two countries. These risks include, but are not limited to, an economic downturn, which would in turn affect valuations of the Group's logistics facilities, decreases in rental or occupancy rates and insolvency of customers and other counterparties. This risk may also restrict the Group's ability to raise funds for its business and result in higher financing costs. If this were to occur, or the potential economic and domestic consumption growth in Asia that the Group anticipates does not materialise, it could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group generates a significant portion of its revenue from its three largest customers. Panasonic Logistics Co. Ltd., Hitachi Transport System and Nippon Express accounted for approximately 30 per cent. of the Group's total revenue for the year ended 31 March 2010. While the Group would try to replace any key customers it were to lose with other customers, there can be no assurance that the Group would succeed. If any of the Group's largest customers were to stop leasing from it and the Group were unable to replace the revenue it generates from them, it would have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Issuer may not have identified all material defects, breaches of laws and regulations and other deficiencies on its facilities.

There can be no assurance that the Group's reviews, surveys or inspections (or the relevant third party review, survey or inspection reports on which it has relied) would have revealed all

defects or deficiencies affecting facilities in which the Group has interests or which it manages, including to the title thereof and existing environmental contamination or hazardous substances thereon. In particular, there can be no assurance that there are no latent or undiscovered defects, deficiencies or inaccuracies in such third party reviews, surveys or inspection reports or the Group's facilities, any of which may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's insurance coverage does not include all potential losses.

The Group currently carries property all risk insurance and business interruption insurance which covers the potential property damage and/or rental loss resulting from accidents and natural hazards such as windstorms and floods. The Group covers certain facilities and business operations against additional risks such as earthquakes and tsunamis under an extended coverage policy as the Group deems appropriate. In addition, the Group's China operations carry public liability insurance which covers the potential risks as the result of claims from the third parties due to its legal liability arising from its business operations. The insurance coverage contains policy specifications and insured limits customarily carried for similar facilities, business activities and markets. The Issuer believes the Group has insured its facilities in Japan and China in line with industry practices in the respective markets; however, there can be no assurance that such insurance coverage will be sufficient. For example, there are certain losses, including losses from floods, earthquakes, acts of war, acts of terrorism, riots or labour unrest, which are not customary to insure against in full or at all because it is not deemed economically feasible or prudent to do so. Moreover, in line with the industry practices in Japan referenced above, the Group does not maintain insurance against other personal injuries or property damage that might occur during the construction of new facilities in Japan. The Group also does not carry insurance coverage for the non-performance of contracts during construction and other risks associated with construction and installation work during the construction period. As is customary in Japan, the Group does not expect to obtain earthquake insurance coverage for its facilities of which "probable maximum loss" ("PML") is below a certain threshold percentage. For insured facilities, the Group obtains additional earthquake insurance to cover damages up to the PML value. See "Risk Factors—Risks Relating to the Group's Operations in Japan—The expert appraisals and reports upon which the Group relies are subject to significant uncertainties". If an uninsured loss or a loss in excess of insured limits were to occur with respect to one or more of its facilities, the Group could experience a significant loss of capital invested and potential revenues in these facilities, and could remain obligated under any recourse debt associated with the logistics facility. Any uninsured losses could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may suffer substantial losses in the event of a natural or man-made disaster, such as an earthquake or other casualty event in Japan or China.

Natural disasters, severe weather conditions and the outbreak of epidemics, all of which are beyond the Group's control, may adversely affect the economy and infrastructure of Japan and China. Some cities where the Group operates are under the threat of flood, earthquake, sandstorm, snowstorm, fire, drought, or epidemics such as Severe Acute Respiratory Syndrome ("SARS") and H5N1 avian flu or the human swine flu, also known as Influenza A (H1N1). Past occurrences of such phenomena, for instance the outbreak of SARS in 2003 and the Sichuan province earthquake in May 2008, have caused varying degrees of harm to business and the national and local economies.

Japan has experienced several large earthquakes that have caused extensive property damage. On 11 March 2011, an earthquake measuring 9.0 degrees on the Richter scale occurred in Tohoku district, northeast of Tokyo which, coupled with aftershocks in the days after the earthquake, associated tsunami waves on the east coast of Japan and a nuclear plant crisis in

Fukushima in Japan, caused considerable physical and economic damage to Japan. Based on the Issuer's initial investigation and site inspections, the estimated damage to the Group's total portfolio of properties in Japan is US\$38.8 million, which constitutes less than 0.6 per cent. of the Group's portfolio value in Japan. However, the impact of the earthquake on the businesses of the Group's customers in Japan, the Japanese economy in general and the global supply chain is uncertain. The Issuer anticipates that the Japanese economy will remain extremely volatile until the potential consequential events (such as the possibility of aftershocks and nuclear leakage) as a result of the earthquake have stabilised or settled in Japan. Any further events resulting from the recent earthquake, such as aftershock, tsunami, nuclear power plant explosion, or radiation leakage, could have a catastrophic effect on the Group's facilities in Japan, the businesses of the Group's customers in Japan, the Japanese economy in general and the global supply chain. This in turn, could have a material adverse effect on the Group's business, financial condition and results of operations and prospects.

The Group depends on key personnel.

The Group's success depends to a significant degree upon the continued contributions of certain key personnel including, but not limited to, its key management team and other senior managers, each of whom would be difficult to replace. If any of the Group's key personnel were to cease employment with it, the Group's operating results could suffer. The Group's ability to retain its management group, or to attract suitable replacements should any member of the management group leave, is dependent on the availability of candidates with the relevant experience, and the competitive nature of the employment market. The loss of services from key members of the management group or a limitation in their availability could adversely affect the Group's business, financial condition, results of operations and prospects. Further, such a loss could be negatively perceived in the capital markets. The Group does not maintain, and does not expect to obtain, "key man" life insurance on any of its key personnel.

The Issuer also believes that, as the Group expands, its future success depends, in large part, upon the Group's ability to hire and retain highly skilled managerial, investment, financing, operational and marketing personnel. Competition for such personnel in the markets where it operates is intense, and there can be no assurance that the Group will be successful in attracting and retaining skilled personnel. Failure to do so could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's facilities are exposed to various environmental risks that may result in unanticipated costs.

The Group's operations are subject to various environmental laws, including those relating to soil contamination, health and hygiene, air pollution control, water pollution control, waste disposal and noise pollution control and storage of hazardous materials. For example, under the Soil Contamination Countermeasures Act and related regulations, landowners in Japan are responsible for removal or remedy of several hazardous substances. The costs of removal or remediation of such substances could be substantial. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of hazardous substances.

There can be no assurance that potential environmental liabilities do not exist or will not arise in the future. The presence of contamination or hazardous substances on the Group's facilities could adversely affect its ability to lease or sell such facilities or to borrow using these facilities as collateral, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's hedging strategies may not reduce interest rate risk.

The Group uses various derivative financial instruments to provide some protection against interest rate risks. These instruments involve risks, such as the risk that the counterparties may fail to honour their obligations under these arrangements, that these arrangements may not be effective in reducing the Group's exposure to interest rate changes and that a court could rule that such agreements are not legally enforceable. In addition, the nature and timing of hedging transactions may influence the effectiveness of the Group's hedging strategies. There can be no assurance that the Group's hedging strategies and the derivatives that it uses will adequately offset the risk of interest rate volatility, or that the Group's hedging transactions will not result in losses. Losses on hedging transactions could materially affect the Issuer's reported financial results.

The Group is subject to risks relating to foreign currency exchange rate fluctuations.

Because of the geographic diversity of its business, the Group receives income and incurs expenses in a variety of currencies, including Singapore dollars, Chinese Renminbi, Japanese Yen, and US dollars. Consequently, the Group's costs, profit margins and asset values are affected by fluctuations in the exchange rates among the above-mentioned currencies. It is not possible to predict the effect of future exchange rate fluctuations on the Group's assets, liabilities, income, cost of sales and margins. Some of the currencies used by the Group may not be readily convertible or exchangeable or may be subject to exchange controls.

In addition, the Issuer's financial information are presented in US dollars. Exchange rate gains or losses will arise when the assets and liabilities in foreign currencies are translated or exchanged into US dollars for financial reporting or repatriation purposes. Fluctuations in currency exchange rates could materially affect the Issuer's reported financial results.

Disputes with joint venture or project development partners may materially and adversely affect the Group's business.

The Group carries out some of its business through joint ventures or in collaboration with other third parties. Such joint venture arrangements or collaboration involve a number of risks, including:

- disputes with the Group's partners in connection with the performance of its or their obligations under the relevant project or joint venture agreements;
- disputes as to the scope of each party's responsibilities under these arrangements;
- financial difficulties encountered by the Group's partners affecting their ability to perform their obligations under the relevant project or joint venture agreements; and/or
- conflicts between the policies or objectives adopted by the Group's partners and those adopted by the Group.

The occurrence of any of these events could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

From time to time, the Group may be involved in legal, regulatory and other proceedings arising out of its operations, and may incur substantial costs arising therefrom.

From time to time the Group is, and in the future may continue to be, involved in disputes with various parties involved in the development and lease of its facilities, including customers, contractors, suppliers and construction workers. These disputes may lead to legal or other proceedings and may result in substantial costs, delays in the Group's development

schedule, and the diversion of resources and management's attention, regardless of the outcome. Furthermore, if the Group were to fail to win these disputes, it may incur substantial losses and face significant liabilities.

The Group may be subject to regulatory action in the course of its operations, which may subject it to administrative proceedings and unfavourable decisions that could result in penalties and/or delayed construction of new logistics facilities. In such cases, the Group's results of operations and cash flow could be materially and adversely affected. See "Description of the Group—Legal Proceedings".

The valuations of the Group's logistics facilities contain assumptions that may not materialise.

For the financial year ended 31 March 2009, with respect to the Group's China properties, the Group used the results of an internal valuation for the purpose of stating the Group's completed facilities and facilities under re-development at fair value in the Group's financial statements. For the financial year ended 31 March 2010, the Group used the valuations of the Independent Valuers in the preparation of its financial statements. For the nine month period ended 31 December 2010, the Group used the results of an internal valuation in the preparation of its financial statements.

The Group's valuers use market value for their valuation and the interpretative commentary in accordance with the International Valuation Standards and the RICS Valuation Standards. The assessment of market value is generally based on one or more of the following methodologies depending on the nature of the property: direct comparison, cost, residual, income capitalisation and discounted cash flow methods, pursuant to which the Group's facilities are directly compared with other comparable facilities of similar size, character and location to provide a fair comparison of capital values. The income methods also take into account the net rental income of facilities. Gains or losses arising from changes in the market value of the Group's facilities are included in its statements of comprehensive income in the period in which they arise. The Group's facilities are revalued on a quarterly basis and the most recent revaluation was conducted on 31 December 2010. The Group's facilities are revalued on open market and existing use basis which reflect market conditions on revaluation dates. The valuations are based on certain assumptions which, by their nature, are subjective and uncertain, and may differ materially from actual results.

Accordingly, the valuations may not reflect the actual value the Group eventually realises from these facilities. Unanticipated results or changes in particular logistics facilities, or changes in general or local economic conditions or other relevant factors, including changes in government regulations, could affect such values which could have a material adverse affect on the Group's business, financial condition, results of operations and prospects.

The interests of Recosia China Pte Ltd and its associates may differ from our own.

As at 31 March 2011, Recosia China Pte Ltd ("Recosia China") and its associates own 50.6 per cent. of the Issuer's Shares. Recosia China and its associates could influence the outcome of any corporate transactions or other matters submitted to the shareholders for approval, including mergers, consolidations and the sale of all or substantially all of the Issuer's assets, the election of directors and other significant corporate actions. In addition, Recosia China and its associates hold interests in assets or other companies that may compete (or could in the future compete) with the Issuer. There can be no assurance that Recosia China or its associates will act solely in the Issuer's interest, or that any differences of interest will be resolved in the Issuer's favour. There can be no assurance that conflict of interest will not arise between Recosia China, its associates and the Issuer, or that any such conflicts can be resolved.

The Group's financial statements are not comparable to one another.

The Group's financial statements as of and for the years ended 31 March 2008, 2009 and 2010 are not comparable to one another. Prior to February 2009, the Group only had joint control of the entities through which it held its logistics facilities and, as a result, all of the Group's revenues and expenses were reflected only in line items showing the results of jointly-controlled entities. The Group acquired control in its properties through the 2009 Acquisition (as defined herein) in February 2009. As a result, the Group's balance sheet as of 31 March 2009 reflects the acquired assets under the Group's control and is therefore not comparable to the Group's balance sheet as of 31 March 2008. Furthermore, after the 2009 Acquisition, the Group's income statement for the financial year ended 31 March 2009 reflects less than two months of the results of the entities that it controlled after the 2009 Acquisition in its revenues and expenses, while the income statement for the financial year ended 31 March 2010 reflects a full 12 months of results for those entities.

The Issuer's subsidiaries and jointly controlled entities are subject to restrictions on the payment of dividends

The Issuer is a holding company and is dependent on the receipt of dividends from its subsidiaries and jointly controlled entities to satisfy its obligations, including its obligations under the Notes. The ability of the Issuer's subsidiaries and jointly controlled entities to pay dividends to their shareholders is subject to, among other things, applicable laws and restrictions contained in the debt instruments and loan agreements of such companies. For example, subsidiaries and jointly controlled entities that are foreign invested enterprises in the PRC are subject to PRC laws and regulations governing distribution of dividends and may pay dividends only from accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. The Issuer's subsidiaries and jointly controlled entities may also be restricted from paying dividends under the terms of loan agreements to which they are party. Some of the Issuer's subsidiaries and jointly controlled entities in China are required by banks not to pay dividends unless all principal and interest then due have been fully paid off. There can be no assurance that profits of the Issuer's subsidiaries and jointly controlled entities will be distributable.

Adverse economic conditions would negatively affect the Group's business

The global financial markets have been undergoing pervasive and fundamental disruptions since the third quarter of 2008. The continuation or intensification of such disruptions may lead to additional adverse effects including, among others, availability of credit to businesses, and could lead to a further weakening of the global economies. The Group could be affected by market and economic challenges which may arise from a continued or exacerbated general economic slowdown experienced by the global markets, the local economies where its facilities are located, or the logistics industry. Accordingly, the Group's business could face challenges including, among others:

- an economic slowdown affecting consumer behaviour, which may in turn negatively affect the businesses of the Group's customers and their demand for logistics facilities;
- poor economic conditions resulting in customers defaulting on leases, or increasing vacancy rates;
- reduced demand that requires the Group to lower rents or make other contractual concessions under new and existing leases;
- adverse capital and credit market conditions that restrict the Group's development and redevelopment activities including development of its existing land bank; and

- restricted access to credit that results in the inability of potential buyers to acquire the Group's facilities offered for sale, including facilities held through joint ventures.

The pervasive and fundamental disruptions in the global financial markets have led to extensive and unprecedented governmental intervention in those markets. It is not possible to predict when governmental intervention will end or what, if any, additional temporary or permanent restrictions and/or increased regulation governments may impose on the financial markets. Any further government intervention, restrictions or regulation could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. It is not possible to predict with any certainty the likelihood or duration of any economic slowdown or downturn, and any such economic slowdown or downturn could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

General economic, political and social conditions and government policies in the places where the Group now operates or may in the future operate could affect its business.

The Group's business, financial condition, results of operations and prospects are subject to economic, political and legal developments in Japan, China and any other jurisdiction in which it may in the future operate. There are and will be variations in economic, political, governmental and regulatory structure among the jurisdictions in which it operates. The Group's business, financial condition and results of operations will depend in large part on its ability to adapt to economic, political, governmental and regulatory developments in these jurisdictions, especially as they undergo rapid growth or demographic or other change. The Group's business, earnings and prospects may be materially and adversely affected by a variety of conditions and developments in each of these countries, including:

- inflation, interest rates, and general economic conditions, for example in Japan where there are high public and private debt levels and there has been an extended period of weak consumption and of deflation;
- the structure of the economy, such as in China where the economy has been transitioning from a planned economy to a market-oriented economy but where the government still controls a substantial portion of productive assets, continues to play a significant role in regulating industries through industrial policies and exercises significant control over growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies;
- the introduction of economic policies to control inflation or stimulate growth, change the rate or method of taxation or impose additional restrictions on currency conversions and remittances abroad, such as in China where the government has periodically taken measures to slow economic growth to a more manageable level, in response to concerns about China's historical high growth rate in industrial production, bank credit, fixed investment and money supply;
- demographic factors, for instance in Japan which has an aging and shrinking population or the PRC which has a rapidly growing population requiring rapid economic growth to assure employment and stability;
- governmental policies, laws and regulations, including, without limitation, those relating to foreign investment or classification of industries, and changes to such policies, laws and regulations and their implementation and interpretation, which could prevent, delay, increase the cost of or otherwise adversely affect the Group's ability to invest in, acquire or divest, develop, operate or manage its facilities;

- certain recent changes in China tax law and proposed application and/or interpretation of these laws could increase the Group's China tax liability, and potentially adverse tax consequences from changes to or introduction of tax laws and tax treaties or their interpretation or application, or revocation of tax incentives, including Tokutei Mokuteki Kaisha ("TMK") laws in Japan, which may increase the Group's cost of investment or carrying on of business, or adversely affect the Issuer's ability to receive dividends or other distributions from entities in which it has made investments;
- the risk of nationalisation and expropriation of assets;
- currency controls and other regulations, which may affect the Issuer's ability to receive distributions or other dividends from the Issuer's subsidiaries or other entities in which it may have any interest, to borrow onshore or offshore where the facility or the relevant subsidiary or entity is located, or to carry out acquisition, divestment and capital expenditure plans; and
- political and other conditions.

Such conditions and developments, many of which are outside of the Group's control, may have a material adverse effect on its business, financial condition, results of operations and prospects.

Risks Relating to the Group's Operations in Japan

The expert appraisals and reports upon which the Group relies are subject to significant uncertainties.

The Group may obtain appraisals as well as engineering, environmental and seismic reports to help it assess whether to acquire new logistics facilities, and how to operate logistics facilities it already owns. However, these reports cannot give a precise assessment of the past, present or future value or engineering, environmental or seismic conditions of the relevant logistics facilities. Furthermore, the appraisers and other experts use a variety of different review methodologies or different sets of assumptions, which could affect the results of such appraisals, reports and the conclusions that the appraisers, other experts and the Group can draw from them. Thus, different experts reviewing the same logistics facility could reach significantly different conclusions.

Although the engineering, environmental and seismic reports the Group has obtained for its logistics facilities have not revealed any material risks or liabilities, because such risks are often hidden or difficult to evaluate, the reports the Group has obtained may not be an accurate reflection of such risks. If the Group were to discover any significant, unidentified engineering, environmental or seismic liabilities, the value of the affected logistics facility could fall, it may be required to incur additional costs and discharge of the liability could be time consuming.

In addition, in accordance with customary practice in Japan, the Group discloses certain information relating to a logistics facility's PML based on reports it receives from third parties. PML percentages are based on numerous assumptions. The Group is not an expert in assessing earthquake risk, and cannot independently verify the PML percentages provided to it, and the uncertainties inherent in such reports limit the value of them to the Group. An earthquake could severely damage or otherwise adversely offset the Group's logistics facilities and if its customers were to suffer significant uninsured losses due to earthquake damage to one or more of the Group's facilities, it could reduce their demand for the Group's facilities and therefore have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Several of the Group's facilities in Japan are in port areas, and are subject to regulation by the Port Labour Law.

Several of the Group's facilities in Japan are located in port areas defined by the Port Labour Law, and are therefore subject to regulation by the Port Labour Law and other related laws and regulations, and are also affected by certain business practices. For example, employers face constraints on the workers they may hire to work in affected facilities, and as a result, the Group's customers' labour and other operational costs for affected facilities may be higher than for unaffected facilities. There can be no assurance that such port area regulations will not affect the businesses of the Group's customers, which could consequently have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Some of the Group's logistics facilities violate the Construction Standards Law and related laws and regulations.

The Construction Standards Law and related laws and regulations (collectively, "Construction Standards Laws") establish the building codes for building properties in Japan. Currently, several of the Group's logistics facilities in Japan are not in compliance with Construction Standards Laws. In order to increase the GFA, Japanese customers occasionally retrofit a mezzanine level into the logistics facility, as a result of which the relevant facility may exceed maximum GFA limits imposed by the Construction Standards Laws. In addition, some customers or previous owners of the Group's facilities have installed other ancillary structures such as office space, corridors between facilities or sheds in the Group's properties in order to meet their specific business needs. In case of non-compliance of Construction Standards Laws, the relevant administrative agency would normally take preliminary actions first to assess the property in question and, if the violation is not cured, may issue a written announcement to set forth the actions that the owner of the property needs to take. If the violation remains uncured, the relevant administrative agency may then issue a corrective order for the owner of the property to take corrective action, including removal of the illegal structures. Although the timing of issuance of corrective orders and their content, as well as the decision as to whether such corrective orders should be issued in the first place, are determined by the relevant administrative agency at its discretion, the relevant administrative agency normally opt for the most feasible solution, and a corrective action to require the property owner to demolish the entire property in question without justifiable reason is seen as an abuse of discretionary power by the authorities and such order is likely to be void. The Group intends to rectify the properties that do not comply with Construction Standards Laws as soon as practicable (rectification may be difficult when the customer occupies the relevant property). The Group has also made provision of ¥822.5 million (approximately \$13.0 million) for the removal costs reserve amount for the 15 properties owned by Azalea Special Purpose Company, one of the TMKs owning the warehouses most affected by these non-compliance issues. The Group may draw from these funds as necessary for the payment of costs and expenses to remove the illegal constructions in the Group's facilities.

There can be no assurance that the government will not order the Group to remove such additional structures or take more severe regulatory action. If any of these events were to occur, it may increase costs, as well as result in a loss of utility space for the Group's customers, which could have an adverse effect on its business, financial condition, results of operations and prospects.

Climate change regulation could increase the Group's capital and operating expenses.

The national and various local governments in Japan have adopted (and may adopt further) regulations intended to limit activities they deem to contribute to global warming. For example, in April 2010, the Tokyo Metropolitan Government amended the Tokyo Metropolitan Ordinance on Environmental Preservation to impose on owners of large

properties an obligation to decrease carbon dioxide emissions. The Group's capital and operating expenses could increase in the future by, for example, the imposition of stricter energy efficiency standards for buildings or the cost of environmentally-friendly building materials. The Group's customers' businesses are heavily reliant on trucks to transport their goods. Increased regulation, such as municipal restrictions on vehicular emissions of nitrogen oxide and particulate matters, could increase its customers' costs and consequently reduce their demand for the Group's facilities.

The Japanese real property registration system may not accurately reflect the ownership of the real property-related title or right.

Japan has a system of registering the ownership of real property (which includes land and buildings) as well as certain other real property-related rights, such as security rights over real property and easements, pursuant to which an unregistered owner of real property or an unregistered holder of certain other rights cannot assert its title or such rights against a third party. However, the real property register does not necessarily reflect the true owner of the real property-related title or right. In practice, parties who plan to enter into a real property transaction usually rely upon the register, as it is generally the best indication of the true owner of the real property-related title or right. However, a party has no recourse to anyone but the seller if, relying on the register, it purchases the property or a related right from a seller and the information contained in the register turns out to be incorrect. The purchaser may claim for damages against the seller pursuant to statutory warranties or contractual warranties, but, in general, cannot acquire the ownership of or title to the real property. Imperfect title to one or more of the Group's facilities in Japan could have a material adverse effect on its business, financial condition, results of operations and prospects.

Risks Relating to the Group's Operations in China

The PRC government may require the Group to forfeit its land use rights or penalise the Group if it were to fail to comply with the terms of land grant contracts.

Under PRC laws and regulations, if a property owner fails to develop land according to the terms of the land grant contract (including those relating to payment of fees, designated use of land and time for commencement and completion of the development of the land), or to get the relevant governmental approval to extend the development period, the relevant government authorities may issue a warning to, or impose a penalty on, the property owner or require the property owner to forfeit the land. Specifically, under current PRC laws and regulations, if the Group were to fail to commence development for one year or more but less than two years from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may serve a warning notice on it and impose an "idle" land fee on the land of up to 20 per cent. of the land premium. If the Group were to fail to commence development for two years or more from the commencement date stipulated in the land grant contract, and the relevant government authority did not grant it an extension of time, the land use right would be subject to forfeiture by the PRC government without compensation unless the delay in development were caused by government actions, force majeure or necessary preparatory work. The policy was reinforced in the "Notice on Enhancing the Economical and Intensive Use of Land" promulgated by the State Council on 3 January 2008 which states, among other things, that (i) policies in relation to the forfeiture of land use rights without compensation for land which has remained "idle" for two years or more shall be strictly implemented; (ii) if any land remains "idle" for one year or more but less than two years, an "idle" land fee of 20 per cent. of the relevant land premium will be levied; and (iii) financial institutions are required to exercise caution when approving financing for any property owner who, after one year from the commencement date stipulated in the land grant contract, fails to complete at least one-third of the development of its project or provide at least 25 per cent. of the total funds for investment in the project. Some of the Group's land grant contracts stipulate a minimum amount it has to invest in the relevant project, which may exceed the amount the Group deems commercially reasonable.

The Issuer believes that some of the Group's properties may be considered "idle" land. As at 31 March 2011, the Issuer has received notices from the relevant government authorities with respect to the property held by one of its PRC subsidiaries imposing the default penalty due under the relevant land contract for not developing the land in accordance with the terms of the land grant contract. The construction works on this property have commenced before 31 March 2011. For this property, the Issuer has been advised by its PRC legal advisor, Commerce & Finance Law Offices that there is a relatively low risk that the relevant government authority will forfeit the land.

There can be no assurance that the government will not impose the "idle" land fee and/or forfeit the land in respect of which the Group did not begin timely construction. If the relevant government authorities impose the "idle" land fee and/or forfeit the land, it may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, any other breach of the terms of the land grant contracts, including without limitation, failure to adhere to the commencement date of the development of the land or the development period may subject the Group to further liabilities and penalties under the land grant contracts. If the government authorities impose penalties or other liabilities on it for failure to adhere to the strict terms and conditions of the land grant contracts, it may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Issuer may fail to contribute to the registered capital of its PRC subsidiaries or joint ventures or experience material delays in contributing to the registered capital of its PRC subsidiaries.

Under PRC laws, the Issuer is allowed to contribute to the registered capital of its PRC subsidiaries or joint ventures in instalments, provided that each instalment is made within the prescribed time limits and the final instalment is made within two years after the date of issue of the PRC entity's business license. A failure to contribute to the registered capital in accordance with the requirements of PRC laws may invalidate the relevant PRC entity's approval certificate, and the relevant PRC government authorities may cancel the approval certificate for the establishment of the PRC entity and revoke its business licence.

The PRC government may redesignate the usage of land that has been granted to the Group.

The Group is subject to the Urban and Rural Planning Law of the PRC, pursuant to which relevant local governments may, from time to time, redesignate the usage of certain land for local planning and development purposes. When a government re-zones land that has been granted to the Group, it may be required to exchange its original land use right for the land use right of another parcel of land or accept a refund from the local government for the land premium that it paid for the original land use right, thereby affecting the Group's original development plans. There can be no assurance that relevant local governments will not change the zoning of certain land that the Group has already acquired, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may fail to obtain, or experience material delays in obtaining, requisite governmental approvals, licenses and filings.

To establish a logistics facility in China, the Issuer's PRC subsidiaries and joint ventures must go through various PRC governmental approval and filing processes and obtain the requisite approvals and licenses for its investment in such logistics facility and related business operations. To construct a logistics facility, the Issuer's relevant PRC subsidiaries and joint

ventures must obtain permits, licenses, certificates and other approvals from the relevant administrative authorities at various stages of land acquisition and construction, including land use rights certificates, construction land planning permits, construction works planning permits, construction works commencement permits and filing forms of completion inspection. Each approval is dependent on the satisfaction of a set of conditions.

There can be no assurance that the Group will not encounter significant problems in satisfying the conditions to the approvals necessary for the development of its logistics facilities, or that the Group will be able to adapt itself to new laws, regulations or policies, or the particular processes related to the granting of the approvals. There may also be delays on the part of the administrative bodies in reviewing the Group's applications and granting approvals. If the Group were to fail to obtain, or experience material delays in obtaining, the requisite governmental approvals, licenses and filings, the Issuer's investment in its PRC subsidiaries and joint ventures and the schedule of development and commencement of the Group's leasing operations could be substantially disrupted, resulting in a material adverse effect on the Group's business, financial condition and results of operations.

The Group may not have obtained all the land use rights certificates and building ownership certificates for certain of its facilities, and one of its properties is subject to a land tender process.

The Group has not obtained the construction land planning permit, the construction works planning permit, the construction works commencement permit, the inspection acceptance certificate, the land use rights certificates and/or building ownership certificates of certain of its facilities for a parcel of land under GLP Nanjing Jiangning Development Co., Ltd because the applicable land quota has not been allocated to the land. The Group's PRC legal advisor, Commerce and Finance Law Offices, has advised it that because of the lack of land use rights certificates and/or building ownership certificates and the related title defects for the relevant facilities, (i) the relevant PRC government authority may require the Group to apply for the certificate and pay a fine (which represents more than 2 per cent. but less than 4 per cent. of the consideration payable under the relevant construction agreement of the relevant facilities), (ii) the users of the relevant facilities may claim against the Group for losses they suffer, (iii) the Group may be required to vacate the relevant facilities which, to the extent that any of the relevant facilities are leased to its customers, may also affect the Group's ability to continue to perform its obligations under the lease agreements and/or (iv) the relevant PRC government authority may demolish the buildings or foreclose on the relevant properties. This property is still subject to the completion of a land tender process required under PRC law, after the land quota is allocated to the land by the government, and there can be no assurance that the Group will win. Any such consequences could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may face penalties for the non-registration of its lease agreements with customers in China.

A majority of the Group's lease agreements with customers in China have not been registered with the relevant local authorities in China. Non-registration does not affect the Group's rights or entitlements to lease out the facilities to customers, or the legality and effectiveness of the lease agreements between the parties to the agreements. However, pursuant to the requirements of the PRC Administrative Measures of Commodity Property Leases and relevant local rules, the Group may be subject to penalties for the non-registration of lease agreements imposed by the local authorities and/or requests by the local authorities to complete the registration formalities. As of 31 March 2011, the Group has neither been penalised for the non-registration of its lease agreements nor received a request from any government authority to complete the registration formalities. The Group intends to register future lease agreements to the extent practicable. Nevertheless, there can be no assurance that the Group would not be subject to such penalties and/or requests for undertaking the registration formalities in the future, any of which could increase its costs.

The Group may be unable to register certain of its trademarks in China.

Under PRC law, for a person or entity to become a registered owner of a trademark (and therefore to receive the full protection of the relevant PRC trademark laws), the trademark must be registered with the relevant governmental authority. As part of the 2009 Acquisition, the Group acquired the “普洛斯” trademark from ProLogis (including 4 classes registered trademarks and an additional application in class 35 in China). The additional class 35 application was partially rejected in June 2010 by relevant trademark authorities, due to the fact that a company located in Shenyang, PRC (the “Shenyang Company”) had registered a similar trademark—“普洛” in class 35 (business consultancy) in China. A trademark search shows that the Shenyang Company’s trademark rights over the “普洛” trademark expired in March 2010 and were not renewed within the grace period that expired in September 2010. The Group has appealed against the relevant trademark authorities’ decision to reject its class 35 application, and its appeal is currently pending.

Should the Group fail to register the “普洛斯” trademark in class 35, its China management company would not have exclusivity to use the trademark when conducting its consultancy business and may have to use another mark or name instead.

The enforcement of the Labour Contract Law and other labour-related regulations in China may adversely affect the Group’s business and its results of operations.

The Labour Contract Law of the PRC was promulgated by the Standing Committee of the National People’s Congress on 29 June 2007, and came into effect on 1 January 2008. The Labour Contract Law is primarily aimed at the regulation of employee/employer rights and obligations, including matters with respect to the establishment, performance and termination of labour contracts. Certain of the Issuer’s subsidiaries and joint ventures in PRC had previously engaged employees indirectly through employment service companies. As at 31 March 2011, the relevant employees are already employed directly by one or more of the Issuer’s subsidiaries or joint ventures in PRC. However, there can be no assurance that the government will not fine the Group or take corrective action for historical or future violations of the Labour Contract Law. Furthermore, the Group’s labour costs may increase as a result of these new protective labour measures, which could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.

The PRC logistics facility industry is susceptible to the macro-economic policies and austerity measures of the PRC government.

The PRC government has exercised and continues to exercise significant influence over the PRC’s economy. From time to time, the PRC government adjusts its monetary and economic policies to prevent and curtail the overheating of the national and provincial economies, which may affect the markets in which the Group operates. Any action by the PRC government concerning the economy or the real estate industry in particular could have a material adverse effect on the business, financial condition and results of operations of the Group.

Macroeconomic policies and austerity measures previously implemented by the PRC government in respect of the PRC real estate market have focused on the residential property market. Such measures have included regulations to limit mortgage loans on residential properties and increases in residential mortgage interest rates. There can be no assurance that macroeconomic policies and austerity measures introduced in the future will not adversely affect the Group’s ability to fund future acquisitions of land upon which to build new logistics facilities, or to service or refinance its existing financing obligations.

The People’s Bank of China (the “PBOC”) has adjusted the deposit reserve ratio for commercial banks several times commencing from 1 January 2008. As at 1 January 2008, 2009, 2010 and 2011, the then-current effective deposit reserve ratio was 14.5 per cent.,

15.5 per cent., 15.5 per cent. and 18.5 per cent. respectively. The deposit reserve ratio was adjusted three times between 1 January 2011 and 31 March 2011 and the effective deposit reserve ratio as at 31 March 2011 was 20.0 per cent. The deposit reserve refers to the amount of funds that banks must hold in reserve against deposits made by their customers. The increase of the deposit reserve ratio may negatively impact the amount of funds available to be lent to business, including the Group, by commercial banks in the PRC. The central and local authorities in PRC may continuously adjust interest rates and other economic policies or impose other regulations or restrictions which may adversely affect the business, financial condition and results of operations of the Group.

Current tax policies providing the Group with preferential tax treatment may change.

The Issuer's PRC subsidiaries are subject to PRC income tax. In March 2007, the National People's Congress adopted the New Enterprise Income Tax Law (the "New EIT Law"), which provides that the income tax for both domestic and foreign-invested enterprises is unified at 25 per cent., effective 1 January 2008. Under the New EIT Law, enterprises that enjoyed a preferential tax rate prior to the New EIT Law's promulgation would gradually migrate to the new tax rate over 5 years from the effective date of the New EIT Law. Enterprises that were entitled to a fixed period of tax exemptions or reductions prior to the New EIT Law's promulgation would continue to enjoy such treatment until such fixed term expires. Three of the Issuer's PRC subsidiaries benefit from income tax rates of 20 per cent. in 2009 and of 22 per cent. in 2010, compared to the national rate of 25 per cent. generally applied. The preferential tax treatment enjoyed by these subsidiaries will be gradually phased out under the New EIT Law. The Issuer's PRC subsidiaries will be required to pay more taxes after the expiration of these tax benefits, which may have a material adverse effect on the Group's results of operations.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally.

There can be no assurance as to the liquidity of the Notes or that an active trading market will develop. If a market does develop, it may not be liquid and the Notes may trade at prices that may be higher or lower than the initial offering price, depending upon many factors, including prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Group. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for the Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Offering Circular), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer. It is not possible to predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Exchange rate risks and exchange controls.

An investment in Notes denominated in, or the payment of which is related to the value of, a specified currency (the “Specified Currency”) other than the currency of the country in which a purchaser is resident or in the currency (including any composite currency) in which a purchaser conducts its business (the “Home Currency”) entails significant risks not associated with a similar investment in a security denominated in the Home Currency. Such risks include, without limitation, the possibility of significant changes in rates of exchange between the Home Currency and the Specified Currency and the possibility of the imposition or modification of foreign exchange controls with respect to the Specified Currency. Such risks generally depend on factors over which the Issuer and Noteholders have no control, such as economic and political events and the supply of and demand for the relevant currencies. In recent years, rates of exchange for certain currencies have been highly volatile, and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in the rate that may occur during the term of any Note. Depreciation of the Specified Currency in which a Note is payable against the relevant Home Currency would result in a decrease in the effective yield of such Note below its stated rate of interest, and in certain circumstances, could result in a loss to an investor on a Home Currency basis. In addition, depending on the specific terms of a Note, changes in exchange rates relating to any of the currencies involved may result in a decrease in its effective yield and, in certain circumstances, could result in a loss to the investor of all or a substantial portion of the principal of a Note.

Governments have from time to time imposed, and may in the future impose, exchange controls that could affect exchange rates as well as the availability of a Specified Currency on an interest payment date, maturity date or in the redemption month, as the case may be. There can be no assurances that exchange controls will not restrict or prohibit payments of principal or interest in any such currency or composite currency. Even if there are no actual exchange controls, it is possible that on an interest payment date, maturity date or in a redemption month, as the case may be, a Specified Currency for such Note would not be available to the Issuer to make payments of interest and principal then due.

This Offering Circular does not describe all the risks of an investment in Notes denominated in, or the payment of which is related to the value of, a currency other than a prospective purchaser’s Home Currency, and the Issuer disclaims any responsibility to advise prospective purchasers of such risks as they exist at the date of this Offering Circular or as such risks may change from time to time. Prospective purchasers should consult their own financial, legal and tax advisers as to the risks entailed by an investment in Notes denominated in, or the payment of which is related to the value of currencies (including composite currencies) other than the particular Home Currency. Such Notes are not an appropriate investment for persons who are unsophisticated with respect to foreign currency transactions.

Interest rate risks.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Risks relating to Notes issued under the Programme

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes are structurally subordinated to any and all existing and future liabilities and obligations of the Issuer's subsidiaries, associated companies and joint ventures.

Most of the Issuer's assets are shareholdings (direct and indirect) in its subsidiaries, associated companies and joint ventures. Both the timing and the ability of certain subsidiaries, associated companies and joint ventures to pay dividends may be constrained by applicable laws. In the event that the Issuer's subsidiaries, associated companies and joint ventures do not pay any dividends or do so irregularly, the Issuer's cash flow may be adversely affected.

As a result of the holding company structure of the Group, the Notes are structurally subordinated to any and all existing and future liabilities and obligations of the Issuer's subsidiaries, associated companies and joint ventures. Generally, claims of creditors, including trade creditors, and claims of preferred shareholders, if any, of such companies will have priority with respect to the assets and earnings of such companies over the claims of the Issuer and its creditors, including the holders of the Notes. The Notes will not be guaranteed by any current or future subsidiaries.

Noteholders are bound by decisions of defined majorities in respect of any modification, waivers and substitution.

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Noteholders are subject to the risk of a change of law.

The terms and conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular. Furthermore, no assurance can be given as to the impact of any possible judicial decision or change to taxation law in the United States, United Kingdom, Ireland, Germany, Japan, Luxembourg or any other applicable taxation law in connection with this Programme or any issue of Notes after the date of this Offering Circular.

In addition, changes in PRC laws between the date on which an agreement is reached to issue Renminbi denominated Notes and the issue date of such Renminbi denominated Notes may prevent the Issuer from issuing such Renminbi denominated Notes.

Payments on the Notes may be subject to withholding tax pursuant to the EU Savings Directive.

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident, or certain limited types of entity established, in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax, were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Noteholders may be subject to Singapore taxation.

The Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2013 are intended to be “qualifying debt securities” for the purposes of the Income Tax Act, Chapter 134 of Singapore (“ITA”), subject to the fulfilment of certain conditions more particularly described in the section “Singapore Taxation”. However, there is no assurance that such Notes will continue to enjoy the tax concessions should the relevant tax laws be amended or revoked at any time.

The Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”) has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain qualifications and conditions, income tax exemption is granted on interest, discount income (not including discount income from secondary trading), “prepayment fee”, “redemption premium” and “break cost” (as such terms are defined in the ITA) derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

- (i) are issued during the period from 16 February 2008 to 31 December 2013;
- (ii) have an original maturity of not less than 10 years;
- (iii) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (iv) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

With respect to any tranche of the Notes issued with an original maturity of at least 10 years and which are “qualifying debt securities”, there is no assurance that holders of such Notes would enjoy any tax exemption under the QDS Plus Scheme as it is currently unclear how the above requirements would be applicable in the context of certain events (including regulatory or tax changes or events) occurring within 10 years from the date of issue of such Notes.

Risks related to the structure of a particular issue of Notes.

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or

indirectly, or other factors (each, a “Relevant Factor”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) neither the current nor the historical value of a Relevant Factor should be taken as an indication of future performance of the Relevant Factor during the term of any Note;
- (vii) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (viii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, potential investors should consult their own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of their particular circumstances.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Additional Risks Relating to Renminbi-denominated Notes

Notes denominated in RMB (“RMB Notes”) may be issued under the Programme. RMB Notes contain particular risks for potential investors.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in June 2010 to cover 20 provinces and cities in the PRC and to make RMB trade and other current account item settlement available in all countries worldwide.

Subject to limited exceptions, generally there is no specific PRC regulation on the remittance of Renminbi into the PRC for settlement of capital account items. Foreign investors may only remit offshore RMB into the PRC for capital account purposes such as shareholders’ loan or capital contribution upon obtaining specific approvals from the relevant authorities on a case by case basis.

On 25 February 2011, the Ministry of Commerce of PRC (the “MOC”) promulgated a Notice on Relevant Issues regarding the Administration on Foreign Investment (In Chinese: 关于外商投资管理有关问题的通知) (Shang Zi Han [2011] No. 72) (the “Notice”). According to this Notice, if any foreign investor applies to use Renminbi which it obtained from the cross-border trades or lawfully obtained outside the PRC for investing into the PRC (including setting up new foreign-invested enterprise, increasing the registered capital of the established foreign-invested enterprise set up by it, acquiring the PRC domestic enterprise or providing loan, etc.), the local commerce authority shall firstly report such application in writing to the Foreign Investment Department (in Chinese: 外资司) of the MOC. Only after the Foreign Investment Department of the MOC has granted a written consent to such report, the local commerce authority may continue to handle the subsequent procedures. The local commerce authority shall also expressly indicate the currency and the amount of the investment in its approval. There is no assurance that the written consent from the Foreign Investment Department of the MOC as mentioned above may be granted.

However, there is currently still no specific regulation on the remittance of Renminbi for settlement of transactions categorised as capital account items issued by the State Administration of Foreign Exchange (the “SAFE”) or the PBOC. Given the lack of specific PRC regulation on the remittance of Renminbi into the PRC for settlement of capital account items, local governments and authorities may impose various conditions and requirements relating to such remittance of Renminbi into the PRC. There is no assurance that the Issuer will be able to comply with such conditions and requirements.

Subject to the prior receipt of all necessary governmental approvals and consents, the Issuer may, in respect of any RMB Notes issued under the Programme, intend to remit the net

proceeds from such issuance into the PRC as a shareholder's loan to its PRC subsidiaries within the excess of the total investment over the registered capital, cumulative utilisation of long and medium term foreign debt, outstanding short-term foreign debt and the enforcement amount of the offshore security of such PRC subsidiaries, and to utilise interest and principal payments under the shareholder's loan to service its obligations under the RMB Notes. The Issuer is required to obtain the relevant PRC governmental approvals for such remittance, complete a sanction (in Chinese: 核准) process with the local SAFE and comply with such other conditions and requirements as may be imposed by local governments and authorities for each remittance of interest and principal under the shareholder's loan. There is no assurance that such approvals will be obtained and if obtained, will not be revoked or amended in the future. See also "PRC Currency Controls and Exchange Rates—Remittance of Renminbi into and outside the PRC".

There is no assurance that the PRC government will continue to gradually liberalise the control over cross-border RMB remittances in the future, that the pilot scheme introduced in July 2009 will not be discontinued, that local governments and authorities will not impose additional conditions and requirements restricting the remittance of RMB into or outside the PRC or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the Issuer is not able to repatriate funds outside the PRC in Renminbi to service its shareholder's loan, the Issuer will need to source Renminbi offshore to finance its obligations under the RMB Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the Issuer's ability to source Renminbi outside the PRC to service such RMB Notes.

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC Central Government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The PBOC, the central bank of China, has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of RMB Business (the "Settlement Agreement") between the PBOC and Bank of China (Hong Kong) Limited (the "RMB Clearing Bank") to further expand the scope of RMB business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open RMB accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert RMB; and there will no longer be any restriction on the transfer of RMB funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As of 28 February 2011, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately RMB407.7 billion. In addition, participating banks are also required by the HKMA to maintain a total amount of Renminbi (in the form of cash and its settlement account balance with the RMB Clearing Bank) of no less than 25 per cent. of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC. The RMB Clearing Bank only has access to onshore liquidity support from PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers of up to RMB20,000 per person per day. The RMB Clearing Bank is not obliged to square for participating banks any

open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of its RMB Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in RMB Notes is subject to exchange rate risks.

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to RMB Notes in Renminbi. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollar or other applicable foreign currency terms will decline.

Payments in respect of RMB Notes will only be made to investors in the manner specified in such RMB Notes.

All payments to investors in respect of RMB Notes will be made solely by (i) when RMB Notes are represented by global certificates, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, or (ii) when RMB Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below), each Definitive Bearer Note (as defined below) and each Definitive Registered Note (as defined below), but in the case of Definitive Bearer Notes and Definitive Registered Notes, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Bearer Note or Definitive Registered Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of the Notes” for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Global Logistic Properties Limited (the “**Issuer**”). This Note is issued pursuant to the Agency Agreement (as defined below).

References herein to the “Notes” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a “**Global Note**”), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Note in bearer form (each a “**Bearer Global Note**”);
- (iii) any Global Note in registered form (each a “**Registered Global Note**”);
- (iv) any definitive Notes in bearer form (“**Definitive Bearer Notes**” and together with the Bearer Global Notes, the “**Bearer Notes**”) issued in exchange for a Global Note in bearer form; and
- (v) any definitive Notes in registered form (“**Definitive Registered Notes**” and together with the Registered Global Notes, the “**Registered Notes**”) (whether or not issued in exchange for a Global Note in registered form).

An Agency Agreement (the “**Agency Agreement**”) dated 25 April 2011 has been entered into between the Issuer, Citicorp International Limited as fiscal agent and agent bank (the “**Fiscal Agent**”, which expression shall include any successor fiscal agent) and the other paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents), Citibank, N.A., London Branch as transfer agent and the other transfer agents named therein (the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents), Citicorp International Limited as CMU fiscal agent (the “**CMU Fiscal Agent**”), Citicorp International Limited as CMU lodging and paying agent (the “**CMU Lodging and Paying Agent**”), and Citibank, N.A., London Branch as registrar (the “**Registrar**”, which expression shall include any successor registrar).

For the purposes of these Conditions, all references to the Paying Agent shall, with respect to a Series of Notes to be held in the CMU, be deemed to be a reference to the CMU Lodging and Paying Agent, all references to the Fiscal Agent shall be deemed to be a reference to the CMU Fiscal Agent and all references to the Agency Agreement shall be to the CMU Agency Agreement to between the Issuer and the CMU Fiscal Agent and all such references shall be construed accordingly.

Interest bearing Definitive Bearer Notes have interest coupons (“**Coupons**”) and, if indicated in the applicable Pricing Supplement, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (“**Receipts**”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note and supplement these Terms and Conditions (the “**Conditions**”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify these Conditions for the purposes of this Note. References to the “applicable Pricing Supplement” are to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to “**Noteholders**” or “**holders**” in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to “**Receiptholders**” shall mean the holders of the Receipts and any reference herein to “**Couponholders**” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the “**Deed of Covenant**”) dated 25 April 2011 and made by the Issuer. The original of the Deed of Covenant is held by the Fiscal Agent.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the registered office of each of the Fiscal Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the “**Agents**”). Copies of the applicable Pricing Supplement are available for viewing and obtainable during normal business hours at the registered office of the Issuer and the specified office of each of the Agents and copies may be obtained from those offices provided that, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the relevant Issuer and the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Pricing Supplement which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1 Form, Denomination and Title

The Notes are either in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of Definitive Bearer Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law or ordered by a court having jurisdiction or an official authority) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Bearer Global Note held on behalf of Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and/or the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “**CMU**”), each person (other than Euroclear, Clearstream, Luxembourg or the CMU) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or the CMU as the case may be, as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or the CMU as the case may be, as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, or the CMU as applicable. References to Euroclear, Clearstream, Luxembourg and the CMU shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

2 Transfers of Registered Notes

(a) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear, Clearstream, Luxembourg, or the CMU as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, Luxembourg, the CMU as the case may be and in accordance with the terms and conditions specified in the Agency Agreement.

(b) Transfers of Registered Notes in definitive form

Subject as provided in paragraphs (e) and (f) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (i) the holder or holders must (a) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 7 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the address of the transferor.

(c) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) *Costs of registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) *Closed Periods*

No Noteholder may require the transfer of a Note to be registered (i) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(d)) or (ii) during the period from (and including) the date of the giving of notice to Noteholders by the Issuer to (and including) the date fixed for redemption pursuant to Condition 7(c) or (iii) after a Change of Control Redemption Notice (as defined in Condition 7(d)) has been deposited in respect of such Note.

(f) *Exchanges and transfers of Registered Notes generally*

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

3 Status of the Notes

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least equally with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, other than obligations, if any, that are mandatorily preferred by statute or by operation of law.

4 Negative Pledge

For so long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer will not permit to subsist, and the Issuer will ensure that none of its Material Subsidiaries (as defined below) will create or permit to subsist, any mortgage, lien, pledge or other charge upon the whole or any part of its assets or revenues, present or future, to secure any Relevant Indebtedness (as defined below) unless:

- (a) the same security shall forthwith be extended equally and rateably to the Notes, the Receipts and the Coupons; or
- (b) such other security as shall be approved by an Extraordinary Resolution of the Noteholders shall previously have been or shall forthwith be extended equally and rateably to the Notes, the Receipts and the Coupons.

As used herein:

“**Japan Funds**” means Japan Logistic Properties 1 Private Limited, Japan Logistic Properties 2 Pte. Ltd., Japan Logistic Properties 3 Pte. Ltd. and such other funds through which the Group’s properties in Japan are from time to time held;

“**Material Subsidiary**” means any Subsidiary of the Issuer:

- (a) whose total assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total assets, as shown by its latest audited balance sheet, are at least

5 per cent. of the consolidated total assets of the Issuer and its Subsidiaries taken as a whole (the “Group”), as shown by the Group’s latest published audited consolidated balance sheet; or

- (b) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Material Subsidiary, provided that the Material Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Material Subsidiary and the Subsidiary to which the assets are so transferred shall become a Material Subsidiary at the date on which the first published audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Material Subsidiary on the basis of such accounts by virtue of the provisions of paragraph (a) above;

provided that, in relation to paragraph (a) above:

- (i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (ii) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, total assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for such purpose by the Issuer;
- (iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its total assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for such purpose by the Issuer; and
- (iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer.

A certificate prepared by the Directors of the Issuer, that in their opinion, a Subsidiary is or is not, or was or was not, a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Noteholders.

“**Relevant Indebtedness**” means any present or future indebtedness for borrowed money of the Issuer or any of its Material Subsidiaries which is in the form of, or represented by, bonds, notes, debentures or other securities and which is or are intended to be quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other established securities market (whether or not publicly offered) provided that Relevant Indebtedness shall not include TMK Bonds;

“**Subsidiary**” means a “subsidiary” as such term is defined under the Singapore Companies Act;

“**TMK**” means refers to a special-purpose securitisation vehicle established under the TMK Law;

“**TMK Bonds**” means asset-backed securities issued by the TMK subsidiaries of the Japan Funds; and

“**TMK Law**” means the Law concerning the Liquidation of Assets of Japan (Law No. 105 of 1998).

5 Interest

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

- (i) if “**Actual/Actual (ICMA)**” is specified in the applicable Pricing Supplement:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if

none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if “**30/360**” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

“**Actual/365 (Fixed)**” means the actual number of days in the Interest Period divided by 365.

In the Conditions:

“**Determination Period**” means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent

Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, “**Business Day**” means a day which is both:

- (A) a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Pricing Supplement; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as **TARGET2**) System which launched on 19 November 2007 or any successor thereto (the “**TARGET System**”) is open or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets in **Hong Kong** are open for business and settlement of Renminbi payments.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal

Agent under an interest rate swap transaction if the Fiscal Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “**ISDA Definitions**”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (2) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London interbank offered rate (“**LIBOR**”) or on the Euro-zone interbank offered rate (“**EURIBOR**”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes

- (1) Save where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the applicable Reference Rate is specified in the applicable Pricing Supplement to be SHIBOR (defined below), the Rate of Interest for each Interest Period will, subject as provided below, be either:
 - (a) the offered quotation; or
 - (b) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11:00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Fiscal Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

- (2) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the applicable Reference Rate is specified in the applicable Pricing Supplement to be SHIBOR (defined below), the Rate of Interest for each Interest Period will, subject as provided below, be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) determined at 11:30 am (Beijing time) on the business day prior to the commencement of each Interest Period (the “**SHIBOR Determination Date**”) of the offered quotations (expressed as a percentage rate per annum) for SHIBOR for a period corresponding to the relevant Interest Period as at 11:30 a.m. (Beijing time) on each of the 5 business days ending on the SHIBOR Determination Date in question, plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Fiscal Agent. For the purposes of these Conditions, “**SHIBOR**” means the Shanghai Interbank Offered Rate as published on <http://www.shibor.org> by China Foreign Exchange Trade System & National Interbank Funding Centre under the authorisation of the People’s Bank of China, at around 11.30 a.m. (Beijing time) on each business day. If for any reason SHIBOR is not published in respect of a certain business day, the rate for SHIBOR for a period corresponding to the relevant Interest Period in respect of the business day immediately preceding that business day shall be applied in place thereof.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being a rate other than SHIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(iii) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect

of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Fiscal Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Fiscal Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Fiscal Agent in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Notes will calculate the amount of interest (the “**Interest Amount**”) in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if “**Actual/Actual (ISDA)**” or “**Actual/Actual**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

- (iii) if “**Actual/365 (Sterling)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if “**30E/360 (ISDA)**” is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls; “M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

- (viii) *Notification of Rate of Interest and Interest Amounts*

The Fiscal Agent or, if applicable, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be given in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth **London Business Day** thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(ix) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Interest Notes*

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

(d) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(e) *Accrual of interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

6 Payments

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency;
- (ii) payments in euro will be made by credit or transfer to a euro denominated account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro denominated cheque; and

- (iii) payments in Renminbi will be made by credit or transfer to a Renminbi denominated account maintained by or on behalf of a Noteholder with a bank in Hong Kong.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

(b) *Presentation of Definitive Bearer Notes, Receipts and Coupons*

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case only at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “Long Maturity Note” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

(c) Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note only at the specified office of any Paying Agent outside the United States and its possessions. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

(d) Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the “**Register**”) at the close of business on the business day (in the case of Notes in global form) or the fifth (in the case of payments in Renminbi) or 15th (in the case of payments in a currency other than Renminbi) business day (in the case of Notes in definitive form) (a business day being for this purpose a day on which banks are open for general business in the city where the specified office of the Registrar is located) before the relevant due date (the “**Record Date**”). For these purposes, “**Designated Account**” means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and “**Designated Bank**” means (i) in the case of payment in a Specified Currency other than euro and Renminbi, a bank in the principal financial centre of the country of such Specified Currency and (ii) in the case of a payment in euro, any bank which processes payments in euro and (iii) in the case of a payment in Renminbi, a bank in Hong Kong.

Payments of interest and payments of instalments of principal (other than the final instalment) payable otherwise than in Renminbi in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payments of interest and payments of instalments of principal (other than the final instalment) payable in Renminbi in respect of each Registered Note will be made by transfer on the due date in the manner provided in the preceding paragraph. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer and the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) *General provisions applicable to payments*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or the CMU as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or the CMU, as the case may be, for his share of each payment so made by the Issuer to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents

would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(f) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation (if presentation and/or surrender of such Note, Receipt or Coupon is required);
 - (B) each Additional Financial Centre specified in the applicable Pricing Supplement; and
- (ii) (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which the TARGET System is open or (3) in relation to any sum payable in Renminbi, a day on which commercial banks and foreign exchange markets in Hong Kong are open for the business of settlement of Renminbi payments.

(g) *Interpretation of principal and interest*

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(e)); and

- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8.

(h) Currency Fallback

If by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able, or it would be impracticable for it, to satisfy payments of principal or interest (in whole or in part) in respect of Notes where the Specified Currency is Renminbi when any payment on the Notes is due, the Issuer shall give the notice specified in Condition 6(i) and satisfy its obligations in respect of such payment by making such payment in U.S. dollars on the basis of the Spot Rate on the Rate Calculation Date. Any payment made under such circumstances in U.S. dollars, will constitute valid payment and will not constitute a default in respect of the Notes.

In the event of a payment pursuant to this Condition 6(h), the following modifications shall be made in respect of the Conditions:

- (i) the following language shall be included at the end of Condition 6(a)(iii):
 - “unless Condition 6(h) applies, in which case payments will be made by credit or transfer to a U.S. dollar denominated account with a bank in New York City ; and
- (ii) for the purposes of Condition 6(f)(ii), the Specified Currency will be deemed to be U.S. dollars.

For the purposes of this Condition 6(h):

“**Governmental Authority**” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of the PRC or Hong Kong (including the Hong Kong Monetary Authority or any successor to it);

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

“**Illiquidity**” means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes;

“**Inconvertibility**” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the relevant Series of Notes and it is impossible for the Issuer due to an event beyond its control, to comply with such law, rule or regulation);

“**Independent Investment Bank**” means an independent investment bank of international repute (acting as an expert) selected by the Issuer;

“**Non-transferability**” means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the relevant Series of Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

“**PRC**” means the People’s Republic of China, excluding Hong Kong, Macau or Taiwan;

“**Rate Calculation Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in **Hong Kong and in New York City**;

“**Rate Calculation Date**” means the day which is two Rate Calculation Business Days before the due date of the relevant amount under these Conditions; and

“**Spot Rate**”, for a Rate Calculation Date, means the spot Renminbi/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Rate Calculation Date Business Days, as determined by an Independent Investment Bank at or around 11:00 a.m. (Hong Kong time) on the Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Independent Investment Bank will determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the Rate Calculation Date as the most recently available Renminbi/U.S. dollar official fixing rate for settlement in two Rate Calculation Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All determinations, calculations and quotations given, made or obtained for the purposes of this 6(h) by the Independent Investment Bank will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and holders of the Notes of that Series.

(i) Notice

In the event of a payment pursuant to Condition 6(h) being required, the Issuer shall give not less than ten days’ or more than 30 days’ irrevocable notice to the Fiscal Agent prior to the due date for payment. For the avoidance of doubt, the requirement to make such payment shall not be conditional on the giving of any such notice.

7 Redemption and Purchase

(a) Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency

Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

(b) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing in a Tax Jurisdiction (as defined in Condition 8) to the effect that the Issuer has or will become obliged, as aforesaid, to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

(c) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Fiscal Agent and, in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

In the case of a partial redemption of Notes, the Notes to be redeemed (“**Redeemed Notes**”) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or the CMU (to be reflected in the records of Euroclear, Clearstream, Luxembourg and the CMU as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Selection Date**”). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

(d) Redemption upon Change of Control

- (i) If a Change of Control Put is specified in the applicable Pricing Supplement, following the occurrence of a Change of Control (as defined below), the holder of any Note will have the right at such holder’s option, to require the Issuer to redeem all, or some only, of that holder’s Notes on the applicable Change of Control Redemption Date (as defined below) at a price equal to 101% of their principal amount together, if applicable, with accrued interest. If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of redemption in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (the “**Change of Control Redemption Notice**”) and in which the holder must specify a bank account (or, if payment is required or permitted to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b) by no later than 30 days following the Change of Control, or, if later, 30 days following the date upon which notice thereof is given to holders of Notes in accordance with Condition 14. The “**Change of Control Redemption Date**” shall be the fourteenth day after the expiry of such period of 30 days after the later of a Change in Control or the date

upon which notice of a Change of Control is given to the holders of Notes by the Issuer in accordance with Condition 14 as referred to above. If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg, or the CMU to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or the CMU as the case may be (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or the CMU or any common depositary, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg or the CMU from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

- (ii) A Change of Control Redemption Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes the subject of Change of Control Redemption Notices delivered as aforesaid on the Change of Control Redemption Date.
- (iii) The Issuer shall give notice to Noteholders in accordance with Condition 14 by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition and shall give brief details of the Change of Control.
- (iv) For the purposes of this Condition 7(d):

“**Control**” means (1) the ownership or control of more than 50 per cent. of the voting rights of the issued share capital of the Issuer or (2) the right to appoint and/or remove all or the majority of the members of the Issuer’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise;

a “**Change of Control**” occurs when:

- (1) any Person or Persons acting together acquires or acquire Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Issue Date;
- (2) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer’s assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Issuer or the successor entity; or
- (3) one or more Persons (other than any Person referred to in sub-paragraph (1) above) acquires the legal or beneficial ownership of all or substantially all of the Issuer’s issued share capital.

“**Person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer’s board of directors or any other governing board and does not include the Issuer’s wholly-owned direct or indirect Subsidiaries.

(e) **Early Redemption Amounts**

For the purpose of paragraph (b) above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the “**Amortised Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“**RP**” means the Reference Price;

“**AY**” means the Accrual Yield expressed as a decimal; and

“**y**” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

(f) **Instalments**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) **Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(h) **Purchases**

The Issuer or any Subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are attached or surrendered therewith) in the open market or by tender or by private agreement at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

(i) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(j) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), or (d) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Fiscal Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8 Taxation

8.1 All payments of principal, premium (if any) and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal, premium (if any) and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment in any Tax Jurisdiction (as defined below); or
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (c) presented for payment by, or on behalf of, a holder who would be able to avoid such withholding or deduction by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so; or
- (d) presented for payment by, or on behalf of, a holder who would be able to avoid such withholding or deduction by presenting the relevant Note and/or Coupon to another Paying Agent in a Member State of the European Union; or

- (e) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (f) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day to have been a Payment Day (as defined in Condition 6(f)).

As used herein:

- (i) “**Tax Jurisdiction**” means the Republic of Singapore or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject.; and
- (ii) the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent or the Registrar on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

8.2 If the Issuer is, or becomes, subject at any time to any taxing jurisdiction(s) other than or in addition to the Tax Jurisdiction, references in Condition 7(b) and this Condition 8 to Tax Jurisdiction shall be read and construed as including references to such other taxing jurisdiction(s).

9 Prescription

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6(b) or any Talon which would be void pursuant to Condition 6(b).

10 Events of Default

If any one or more of the following events (each an “**Event of Default**”) shall occur and be continuing:

- (a) a default is made in the payment of principal of or any interest in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal or 14 days in the case of interest; or
- (b) default is made by the Issuer in the performance or observance of any obligation, condition or provision binding on the Issuer under the Notes in relation to, or in respect of, the Notes (other than any obligation for payment of any principal or interest in respect of the Notes) and (except in any case where the default is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) such default continues for 45 days after written notice thereof addressed to the Issuer by any Noteholder and requiring the same to be remedied has been delivered to the Issuer or to the specified office of the Fiscal Agent; or

- (c) (i) any Indebtedness for Borrowed Money of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;
- (ii) any Indebtedness for Borrowed Money of the Issuer or a Material Subsidiary becomes due and payable prior to its stated maturity otherwise than (x) as a result of a failure by the Issuer or relevant Material Subsidiary to make payment when due or within any originally applicable grace period or (y) at the option of the Issuer, the relevant Material Subsidiary or (*provided that* no event of default, howsoever declared, has occurred) any Person entitled to such Indebtedness for Borrowed Money; or
- (iii) the Issuer any of its Material Subsidiaries fails to pay any amount payable by it under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person (as extended by any originally applicable grace period);

provided that no such event shall constitute an Event of Default unless (1) the amount of Indebtedness for Borrowed Money referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under sub-paragraph (iii) above individually or in the aggregate exceeds U.S.\$25,000,000 (or its equivalent in any other currency) and (2), in the case of an event referred to in sub-paragraph (i) above which occurs solely as a result of a Change in PRC Law, (x) such failure to pay continues for a period of 90 days and (y) no other creditors of the Issuer or any Material Subsidiary declares any Indebtedness for Borrowed Money of the Issuer or any Material Subsidiary to be due and payable within such period of 90 days; or

- (d) the Issuer or any of its Material Subsidiaries fails to pay any one or more final judgments of a court of competent jurisdiction which individually or in aggregate exceeds U.S.\$25,000,000 (or its equivalent in any other currency) within 30 days from the receipt of notice that such final judgment has been entered against it or an execution is levied on or enforced upon or sued out in pursuance of any such judgment against the assets or property of the Issuer; or
- (e) (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due;
- (ii) an administrator or liquidator of the Issuer or any of its Material Subsidiaries or the whole or a substantial part of the undertaking, assets or revenues of the Issuer or any of its Material Subsidiaries is appointed (or application for any such appointment is made where such application is not revoked, discharged or dismissed within 60 days of such application);
- (iii) the Issuer or any of its Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations (save for any such readjustment or deferment while the Issuer or the relevant Material subsidiary, as applicable, is solvent) or makes a general assignment or an arrangement or composition with or for the benefit of creditors in respect of Indebtedness for Borrowed Money or declares a moratorium in respect of Indebtedness for Borrowed Money or any guarantee of Indebtedness for Borrowed Money given by it;
- (iv) the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business (except, in the case of a Material Subsidiary, for the purposes of a reconstruction, union, transfer,

merger or amalgamation or other analogous process pursuant to which all or a substantial part of its property, assets and undertaking are transferred to the Issuer or another Subsidiary); or

- (f) an order is made by a court of competent jurisdiction or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any of its Material Subsidiaries (except, in the case of a Material Subsidiary, for the purposes of a reconstruction, union, transfer, merger or amalgamation or other analogous process pursuant to which all or a substantial part of its property, assets and undertaking are transferred to the Issuer or another Subsidiary); or
- (g) any step is taken by any judicial, governmental, administrative or regulatory authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer; or
- (h) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes; or
- (i) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) to (f) inclusive,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of this Condition:

“Change in PRC law” means the coming into force of any change in law, regulation, policy, decision or directive of the PRC or any governmental or regulatory authority thereof which has jurisdiction over the Issuer or any Material Subsidiary and which change has a material adverse impact on the ability of the Issuer or any such Material Subsidiary to make payments when due on the relevant Indebtedness for Borrowed Money of the Issuer or such Material Subsidiary;

“Indebtedness for Borrowed Money” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of:

- (i) money borrowed; or
- (ii) any notes, bonds, debentures, debenture stock, loan stock, hybrid securities or redeemable preference shares or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash; and

“material part of the assets of the Issuer” means assets which represent at least 5 per cent of the total assets of the Issuer.

11 Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of

Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12 Agents

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be (i) a Principal Paying Agent, (ii) a Registrar and a Transfer Agent in relation to Registered Notes, and (iii) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14 Notices

(a) *To holders of Bearer Notes*

Notices to holders of Bearer Notes will, save where another means of effective communication has been specified herein or in the Pricing Supplement, be deemed to be validly given if:

- (i) published in a leading daily newspaper having general circulation in Asia (which is expected to be *The Wall Street Journal Asia*); or
- (ii) if such publication is not practicable, published in a leading English language daily newspaper having general circulation in Europe; or

- (iii) if permitted by the rules of the relevant competent listing authority and/or stock exchange, in the case of Notes represented by a Global Note, delivered to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein; or
- (iv) in the case of Notes represented by a Global Note which is held in the CMU, given to the persons shown in a “CMU Instrument Position Report” issued by the CMU on the Business Day immediately before the preceding Interest Payment Date, or (in the case of notices given pursuant to Condition 7(c) (*Redemption at the option of the Issuer*)) on the Business Day immediately before the date on which such notices are given, or any other date as agreed between Citicorp International Limited as Hong Kong Paying Agent and Lodging Agent and the CMU holding interests in the relevant Temporary Global Note or Permanent Global Note, as the case may be.

The Issuer shall also ensure that notices are duly published in compliance with the requirements of each competent listing authority and/or stock exchange on or by which the Notes are listed and/ or traded. Any notice so given will be deemed to have been validly given: (a) on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or (b) unless it has been specified otherwise in the Pricing Supplement on the date of such delivery to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system or the persons shown in the “CMU Instrument Position Report”. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Notes in accordance with this Condition. A copy of each notice given pursuant to this Condition will in any event be delivered to Euroclear, Clearstream, Luxembourg, the CMU and/or any other relevant clearing system.

(b) *To holders of Registered Notes*

Notices to holders of Registered Notes will be deemed to be validly given if:

- (i) sent by first class mail (or equivalent) or (if posted to an overseas address) by air mail to them (or, in the case of joint holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, and will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day; or
- (ii) to the extent such Registered Notes are Registered Global Notes, given in accordance with the provisions of Conditions 14(a)(iii) or 14(a)(iv) as applicable.

For so long as any Registered Notes are listed on a stock exchange or are admitted to listing by another relevant authority and the rules of stock exchange (or relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

15 Meetings of Noteholders, Modification and Waiver

(a) *Meetings*

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the

sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than one-tenth in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than one-half in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding plus the favourable vote of the Issuer. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

An Extraordinary Resolution may also be effected in writing executed by or on behalf of the persons holding or representing not less than 90 per cent. of the nominal amount of the Notes for the time being outstanding.

(b) *Modification and Waiver*

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

16 Substitution

The Issuer may at any time, without the consent of the Noteholders, the Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, the Receipts and the Coupons, any company (the “**Substitute**”) that is a Subsidiary of the Issuer, provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the “**Substitution Deed Poll**”) and may take place only if:

- (i) the Issuer shall, by means of the Substitution Deed Poll, agree to indemnify each Noteholder and Couponholder against (A) any tax, duty, assessment or

governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt or Coupon or the Deed of Covenant and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and (B) any cost or expense, relating to the substitution;

- (ii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Substitution Deed Poll, the Notes, Receipts, Coupons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute, and in the case of the Substitution Deed Poll, of the Issuer, have been taken, fulfilled and done and are in full force and effect;
- (iii) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (iv) Confirmation from the relevant credit rating agencies, if any, that the rating(s) assigned to the relevant series of notes shall not be downgraded following such substitution; and
- (v) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents.

References in Condition 10 to obligations under the Notes shall be deemed to include obligations under the Substitution Deed Poll.

17 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19 Governing Law and Submission to Jurisdiction

(a) *Governing law*

The Agency Agreement, the Programme Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) *Submission to jurisdiction*

In relation to any legal action or proceedings arising out of or in connection with the Notes, the Receipts, the Coupons, the Agency Agreement and the Deed of

Covenant (“Proceedings”), the Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders, the Receiptholders and the Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) to the extent permitted by law.

(c) *Appointment of Process Agent*

The Issuer appoints Hackwood Secretaries Limited at its registered office at One Silk Street, London EC2Y 8HQ, United Kingdom as its agent in England to receive service of process in any Proceedings in England based on any of the Notes, the Receipts, the Coupons, the Agency Agreement and the Deed of Covenant. If for any reason such process agent ceases to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute agent for service of process and to give notice to the Noteholders of such appointment in accordance with Condition 14.

(d) *Other documents*

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons (“Coupons”) attached, or registered form, without Coupons attached. Bearer Notes and Registered Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”).

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of either a Temporary Bearer Global Note or a Permanent Bearer Global Note as indicated in the applicable Pricing Supplement, which, will be delivered on or prior to the original issue date of the Tranche to a common depository (the “Common Depository”) for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) or lodged on or prior to the original issue date of the Tranche with a sub-custodian for CMU.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note) outside the United States and its possessions and only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by the Hong Kong Paying Agent (in the case of a Temporary Bearer Global Note lodged with a sub-custodian for the CMU) or by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg has given a like certification (based on the certifications it has received) to the Fiscal Agent.

On and after the date (the “Exchange Date”) which is 40 days after a Temporary Bearer Global Note is issued, beneficial interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership thereof as required by U.S. Treasury Regulations as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The CMU may require that any such exchange for a Permanent Bearer Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Fiscal Agent by the CMU) have so certified. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made outside the United States and its possessions and through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note) without any requirement for certification.

In respect of a Permanent Bearer Global Note held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Permanent Bearer Global Note are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU

Fiscal Agent by the CMU) and, save in the case of final payment, no presentation of the relevant Permanent Bearer Global Note shall be required for such purpose.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice (i) in the case of Notes held by a Common Depository for Euroclear and Clearstream, Luxembourg, from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Fiscal Agent as described therein or (ii) in the case of Notes held through a sub-custodian for the CMU, from the relevant account holders therein to the CMU Fiscal Agent as described therein or (b) only upon the occurrence of an Exchange Event or (c) at any time at the request of the Issuer. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have, or in the case of Notes cleared through the CMU, the CMU has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes held by a Common Depository for Euroclear and Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or, (b) in the case of Notes held through a sub-custodian for the CMU, the relevant account holders therein may give notice to the Fiscal Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Fiscal Agent or as the case may be, the CMU Fiscal Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent or, as the case may be, the CMU Fiscal Agent.

The following legend will appear on all Bearer Notes with a maturity of more than one year and on all receipts, interest coupons or talons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The provisions of the Code referred to in the legend generally provide that any United States person who holds a Bearer Note with a maturity of more than one year, with certain exceptions, will not be allowed to deduct any loss sustained on the sale, exchange or other disposition of such Bearer Note, and will be subject to tax at ordinary income rates (as opposed to capital gain rates) on any gain recognised on such sale, exchange or other disposition.

Notes which are represented by a Temporary Bearer Global Note and/or Permanent Bearer Global Note will only be transferable in accordance with the then current rules and procedures of Euroclear or Clearstream, Luxembourg or the CMU, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States, will initially be represented by a global note in registered form, without Receipts or Coupons (a "Registered Global Note").

Registered Global Notes will be deposited with a common depository for, and registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg and/or deposited with a sub-custodian for the CMU (if applicable) as specified in the applicable Pricing Supplement.

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6(d)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent and the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a common depository for Euroclear or Clearstream, Luxembourg or the sub-custodian in relation to the CMU, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg or the CMU, as the case may be, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes registered in the name of a nominee for a Common Depository for Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) and/or (b) in the case of Notes held through a sub-custodian for the CMU, the relevant account holders therein may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of the CMU, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

General

For so long as any of the Notes is represented by a Bearer Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or the CMU, as the case may be, each person (other than Euroclear or Clearstream, Luxembourg or the CMU) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or the CMU (as applicable) as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or the CMU as to the

nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Notwithstanding the above, if a Note (whether in global or definitive form) is held through the CMU, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU in accordance with the CMU Rules (as defined in the Fiscal Agency Agreement) at the relevant time as notified to the CMU Fiscal Agent by the CMU in a relevant CMU Instrument Position Report or any other relevant notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or the CMU shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

A Note may be accelerated automatically by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or the CMU, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and the CMU on and subject to the terms of a deed of covenant (the “Deed of Covenant”) dated 25 April 2011 and executed by the Issuer.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a Paying Agent in Singapore (where such Notes may be presented or surrendered for payment or redemption) in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes. In addition, in the event that any of the Global Notes is exchanged for definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore unless the Issuer obtains an exemption from SGX-ST.

USE OF PROCEEDS

The net proceeds of any Notes issued under the Programme shall be used for general corporate purposes or as may otherwise be disclosed in the relevant Pricing Supplement.

CAPITALISATION AND INDEBTEDNESS

The table below sets out the capitalisation and indebtedness of the Group as at 31 December 2010. The information set out in this table has been extracted from and should be read in conjunction with the Group's unaudited interim financial statements appearing elsewhere in this Offering Circular:

	As at 31 December 2010
	U.S.\$ (in thousands)
Bank loans	
Short-term	1,049,727
Long-term	2,428,564
Total borrowings	3,478,291
Shareholders' funds	
Share capital	5,792,427
Reserves	672,954
	6,465,381
Total capitalisation⁽¹⁾	8,893,945

Note:

(1) "Total capitalisation" is defined as long-term borrowings and equity attributable to owners of the Company.

The acquisition of 53 per cent. equity interest in ACL on 5 January 2011, as described in Business—Recent Developments, entails the issuance of approximately 88,905,000 ordinary shares of the Issuer, amounting to US\$148.7 million. ACL's total borrowings as at 5 January 2011 amounted to approximately US\$268.8 million. Other than the above, there has been no material change in the capitalisation or indebtedness of the Group since 31 December 2010.

DESCRIPTION OF THE GROUP

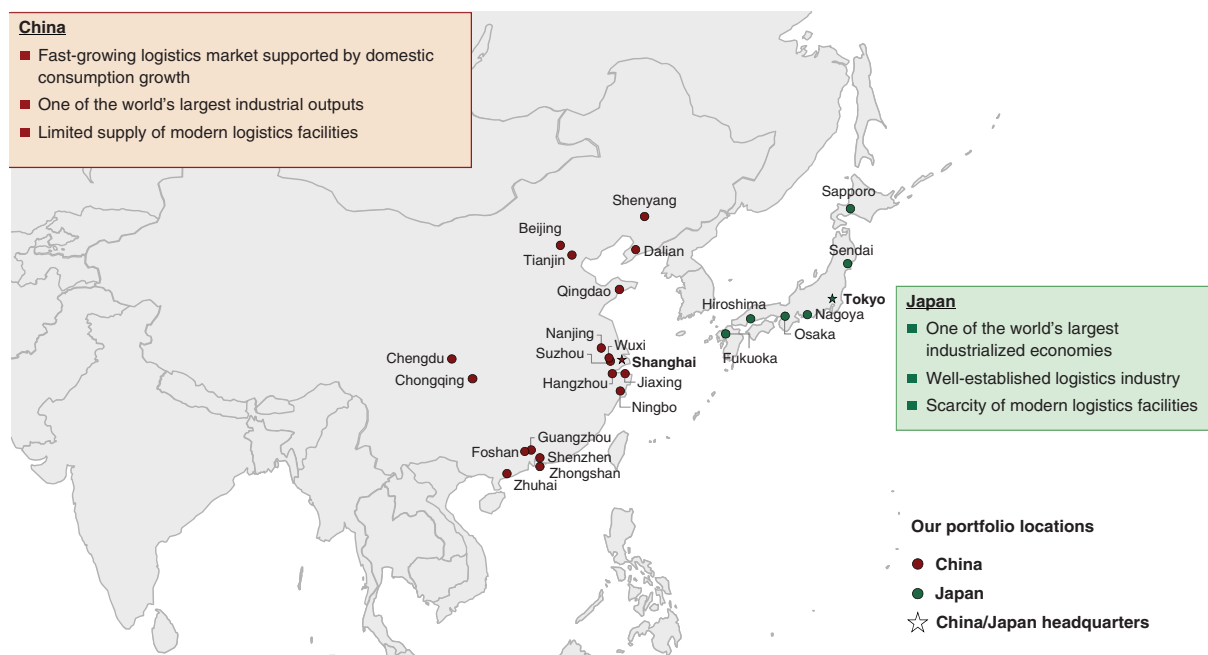
OVERVIEW

The Issuer is the holding company of the Group's portfolios of logistics facilities in Japan and China, as well as the asset management companies that manage these facilities. The Issuer was listed on the Main Board of the SGX-ST on 18 October 2010, and has a market capitalisation of S\$8,593.8 million as at 31 March 2011.

The Group is the leading modern logistics facility provider in Japan and China by floor area. Japan and China are Asia's two largest economies and China is one of Asia's largest logistics markets. The Group's early mover advantage in these markets has allowed it to establish its presence in strategically located sites across key gateway cities in these countries.

The Group owns, manages and leases out an extensive network of 308 completed properties within 123 integrated parks (including 121 logistics parks and two light assembly facilities parks) with a GFA of approximately 6.4 million square metres as of 31 December 2010. In China, the Group also has interests in an additional 1.4 million square metres of properties under development or being repositioned and approximately 1.9 million square metres of GFA under land held for future development as of 31 December 2010. In addition, the Group also has approximately 6.6 million square metres of GFA under land reserve in China. The Group's network is spread across 26 major cities in Japan and China. See "The Group's Portfolio". Each of the Group's parks is strategically located within key logistics hubs and near major seaports, airports, transportation hubs or industrial zones in the greater metropolitan areas of Japan and China.

The size and geographic reach of the Group's portfolio, as illustrated below, allows the Group to meet its customers' business and expansion needs in multiple locations.



For the financial years ended 31 March 2009 and 31 March 2010 and for the nine month period ended 31 December 2010, the Group had revenue of US\$51,278,000, US\$407,968,000 and US\$349,431,000, respectively. The Group recorded a net profit of US\$32,359,000 for the financial year ended 31 March 2009, a net loss of US\$149,680,000 for the financial year ended 31 March 2010 and a net profit of US\$673,629,000 for the nine month period ended 31 December 2010. As at 31 March 2009, 31 March 2010 and 31 December 2010, the total assets of the Group amounted to US\$7,200 million, US\$7,397 million and US\$10,637 million, respectively.

RECENT DEVELOPMENTS

On 5 January 2011, the Group successfully completed the strategic transaction to acquire approximately 53 per cent. equity interest in Airport City Development Co., Ltd (“ACL”). The completed and planned gross floor area of the ACL facilities is approximately 793,000 square metres, comprising approximately 280,000 square metres of completed properties and another 513,000 square metres of development pipeline at the Beijing airport.

Besides the ACL transaction, the Group acquired three additional land plots with an aggregate estimated value of US\$32.9 million and a total planned gross floor area of approximately 233,000 square metres during the period from 1 January 2011 to 31 March 2011. In addition, the Group has successfully won the public auction for another parcel of land in China with an estimated value of US\$4.6 million and a planned gross floor area of approximately 45,000 square metres. The land grant contract in relation to the land parcel is expected to be executed before 30 June 2011 with the land title certificates to be issued thereafter.

The Group’s Strengths

The Group is one of the largest providers of modern logistics facilities in Asia

The Group is one of the largest providers of modern logistics facilities in Asia and the leading modern logistics facility provider in Japan and China by floor area. The Issuer believes that having one of the largest networks of strategically located modern logistics facilities in Asia and a leading presence in Asia’s two largest economies offers the Group a number of strategic benefits:

- “Network effect”—the geographic reach of the Group’s network and the number, size, location and quality of its facilities allows customers to expand within its logistics parks as well as across the Group’s network locations as their businesses grow.
- Diversified earnings base—the scale of the Group’s network helps it to achieve revenue diversity, with over 340 established customers spread over eight end-user industry sectors, as well as geographic coverage within Japan and China.
- Economies of scale—being one of the largest providers of modern logistics facilities in Asia offers the Group cost efficiencies in terms of negotiating construction contracts and facility management contracts and optimising personnel resources and information systems.

Leadership in Asia’s two largest economies

Leadership in the well-established Japan logistics market

The logistics industry in Japan is well-established, and according to the Japan Institute of Logistics Systems had a market size of ¥46.0 trillion (U.S.\$515.0 billion) for the 12-month period ended 31 March 2008. The Group is the leading modern logistics facility provider by floor area in Japan. The well-established logistics market in Japan allows the Group to derive from its Japan portfolio (the “Japan Portfolio”) positive and stable cash flows and a recurrent source of capital for expansion. The Group’s modern logistics facilities in Japan have experienced consistently high occupancy rates, averaging approximately 99 per cent. since the Group’s inception in 2002.

At the same time, the Japan logistics market also presents an attractive opportunity for growth for the Group, driven by the following factors:

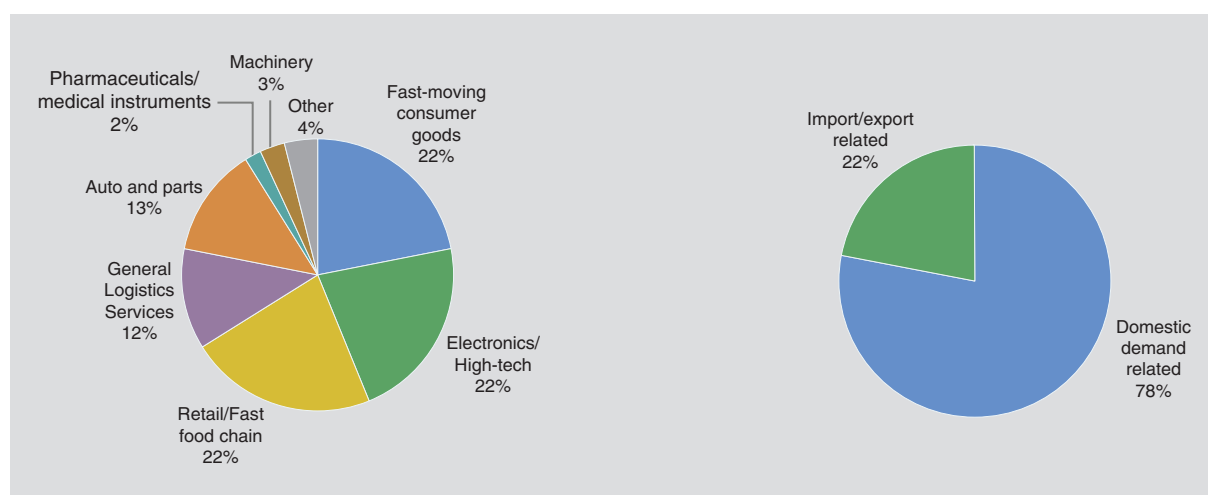
- **Scarcity of modern logistics facilities:** The majority of existing logistics facilities are small and old. By contrast, facilities of more than 10,000 square metres of GFA under 10 years of age account for less than 6.5 per cent. of current supply.

- **Continued growth in the 3PL market:** There has been a growing emphasis by corporates to focus on core operations and cost reductions, resulting in an overall 16.6 per cent. growth in the third party logistics (“3PL”) market from 2005 to 2009. Industries such as internet/mail order services which have grown strongly in recent years have further fuelled the demand for large, modern and efficient facilities.

Leadership in China—one of Asia’s fastest growing logistics markets

China offers an attractive market opportunity, driven by strong demand for and limited supply of modern logistics facilities:

- **Strong growth in GDP and disposable income translates into strong demand for logistics facilities:** With a large and rapidly growing middle-income population, China is becoming one of the world’s largest consumer markets. The China portfolio (the “China Portfolio”) is located in cities serving regions which account for more than half of China’s gross domestic product (“GDP”) and the Issuer expects that growth in China’s domestic consumption will translate into strong demand for the Group’s modern logistics facilities to support an increase in the volume of consumer goods that need to be transported and distributed in a cost and time-efficient manner. As of 31 December 2010, approximately 78 per cent. of the Group’s logistics facilities in China by leased area catered to domestic demand. Most of the end-industry sectors that the Group’s customers serve are closely related to domestic consumption.



Note: As at 31 December 2010

- **Limited supply of logistics facilities, in particular modern logistics facilities in China:** The Issuer believes that the current supply of logistics facilities in China is insufficient, in terms of both quantity and quality, to address the strong demand. The current supply of logistics facilities in terms of GFA per capita in the United States is approximately 14 times that of China. As of 30 June 2010, major modern logistics facility providers accounted for approximately one per cent. of the total supply of logistics facilities in China. The Issuer believes over 75 per cent. of existing logistics facilities in China are unable to serve current logistics requirements.

Strong balance sheet with defensive growth

The Group’s Japan Portfolio currently comprises completed and stabilised properties, which provides the Group with strong recurrent cashflows. The Japan Portfolio has recorded an occupancy rate of approximately 99 per cent. since the Group’s inception in 2002. As of 31 December 2010, the remaining WALE of the Group’s completed facilities in Japan was 6.2 years and rental contribution for the Group’s Japan Portfolio was 84.9 per cent. of total

revenue for the financial year ended 31 March 2010 and 82.2 per cent. of total revenue for the nine month period ended 31 December 2010. Rental contribution from the Group's China Portfolio has also become more significant, contributing 15.1 per cent. of total revenue for the financial year ended 31 March 2010 and 17.8 per cent. of total revenue for the nine month period ended 31 December 2010.

Meanwhile, the nature of the modern logistics facility business also allows the Group to achieve growth in a defensive manner.

Compared to commercial property segments, the inherent characteristics of the modern logistics facility sector, coupled with the Group's efficient development practices, result in shorter gestation and cash conversion cycles. In the Group's experience, the cost and time required to develop and stabilise a typical logistics facility is substantially less than the cost and time required to develop and stabilise typical retail and office properties. As such, the Group is able to realise its cash returns earlier compared to commercial property segments, and these recurring cash flows can be re-invested to accelerate growth in the business. This lowers the risk exposure of the Group's business to exogenous factors such as economic cycles. A shorter cash conversion cycle also provides the Group with the advantage of being able to be adequately funded and have the flexibility to adjust its operations according to demand conditions.

High quality and well diversified network

For the financial year ended 31 December 2010, the Group's top 10 customers in Japan contributed to approximately 60 per cent. of rental income, while the Group's top 10 customers in China contributed to approximately 30 per cent. of rental income. Of the Group's top ten customers in Japan or China, those which have a credit rating have been assigned investment grade credit ratings.

The Group's network is well diversified by tenant mix as well as by geographical presence.

The Group leases its facilities to a broad range of large and mid-sized, multi-national and domestic customers, including third-party logistics providers, retailers, manufacturers, importers/exporters and others. These customers serve end-users in a large variety of industries, including electronics, fast-moving consumer goods, retail/fast food chains, general logistics services, auto and parts, pharmaceuticals/medical instruments and machinery.

In terms of geographical presence, the Group's facilities in Japan are spread across seven cities in Japan. The Group has properties located across 19 cities nationwide in China, with completed facilities in 15 cities. The provinces of the cities in which the Group operates account for more than two-thirds of China's total GDP. Approximately 55 per cent. of the Group's properties in China (excluding land reserves) are located in the greater Shanghai region.

High quality properties with strong lease profile

The Group's modern logistics facilities are characterised by large floor plates, high ceilings, wide column spacing, spacious and modern loading docks as well as enhanced safety systems and other value-added features.

The Group has a strong lease expiry profile for its portfolio by revenue. Approximately 43 per cent. of the Group's leases expire in the financial year ending 31 March 2016 and later.

With respect to the Group's Japan Portfolio, the average lease ratios for completed and stabilised logistics properties for the financial years ended 31 March 2009 and 2010 and for

the nine-month period ended 31 December 2010 were 99.5 per cent., 98.6 per cent. and 98.6 per cent., respectively. Rental rates were stable throughout these periods, with the weighted average contracted rate ranging between JPY1,078 and JPY1,085 per square metre per day during this period. The WALE for such properties as at 31 December 2010 was 6.2 years.

With respect to the Group's China Portfolio, the average lease ratios for completed and stabilised logistics properties for the financial years ended 31 March 2009 and 2010 and for the nine-month period ended 31 December 2010 were 91.7 per cent., 82.9 per cent. and 92.2 per cent., respectively. Rental rates were stable throughout these periods, with the weighted average contracted rental rate including management fee ranging between RMB0.96 and RMB0.97 per square metre per day during this period. The WALE for such completed and stabilised logistics properties as at 31 December 2010 was 2.6 years.

Well-established brand and reputation

As a leading provider of modern logistics facilities in Japan and China, the Group has a strong reputation with logistics facilities customers in these markets which helps promote brand recognition. The Group's brand helps it attract both international and domestic customers. The extensive experience of the Issuer's management team and their in-depth understanding of the Group's customers allows the Group to also respond swiftly to customers' needs.

The Group sets itself high standards, both in terms of the quality of its logistics facilities as well as the service it provides to its customers. As a result, the Global Logistic Properties brand is associated with quality, responsiveness and excellence. This is reflected by the Group's high historical customer retention ratios, which, in turn, reflects customer demand for the facilities and services that the Group provides.

Well-established track record

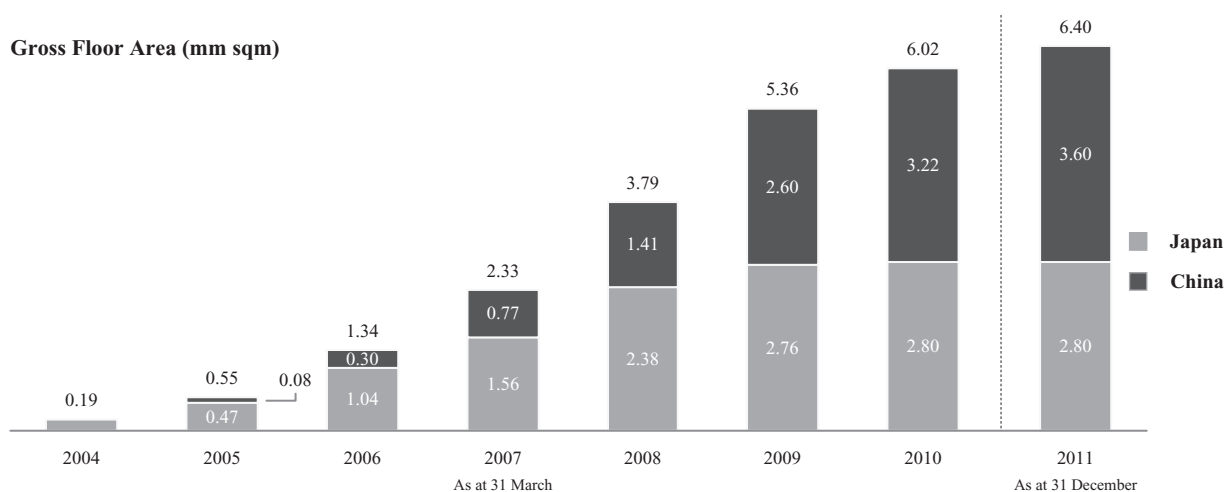
The Group has a well-established track record, a commitment to excellence and in-depth local market knowledge. The Group adopts a research driven, disciplined, institutionalised investment process for each development. The Issuer's investment committee evaluates projects according to a pre-agreed and consistent set of investment criteria. As part of the Group's master planned approach to development, the Group conducts extensive feasibility studies and fosters close working relationships with local governments to develop master plans for logistics parks in China.

The Group is closely involved in the project development process of each development to ensure adherence to development schedules and that facilities are built up in line with specifications. Post development, the Group provides ongoing asset and property management, customer services and maintenance checks.

During the financial years ended 31 March 2004 and 2005, the Group established its presence in Tokyo and Nagoya, set up its first China logistic park in Suzhou and entered the Shanghai and Guangzhou markets. By the end of the financial year ended 31 March 2008, the Group had established its network in six major markets in Japan (including Osaka, Sendai and Fukuoka) and 18 major logistics hubs in China, expanding its Chinese network by entering Beijing and Tianjin markets in northern China. In the financial years ended 31 March 2009, 2010 and 2011 the Group consistently maintained approximately 99 per cent. occupancy of its Japan Portfolio. By 31 December 2010 the Group had a presence in provinces accounting for more than two-thirds of China's total GDP and its portfolio of stabilised logistics properties in China had an average lease ratio of 92 per cent. The Group's completed portfolio has grown

from 0.19 million square metres and 6 properties at the end of the financial year ended 31 March 2004 to 6.40 million square metres and 308 properties at the end of the nine month period ended 31 December 2010.

Gross Floor Area (mm sqm)



NOTE: Indicates growth of the China Portfolio and the Japan Portfolio by aggregate GFA of completed properties as at each of the dates indicated.

The Issuer’s management team has been recognised and validated by independent third party agencies both in Asia as well as globally. The Issuer’s current management team was awarded the “Logistic/Industrial Project of the Year” and the “Industrial Development of the Year” awards in 2006 and 2007 respectively for Park Lingang at the Asia Pacific Real Estate Awards. In 2007, the Issuer’s China subsidiary, then led by the Issuer’s current management team, was recognised by the Euromoney’s Liquid Real Estate Awards as “Best Developer in China”. In 2008, the Issuer’s current management team led the winner of the Euromoney Real Estate Awards’ “Best Industrial/Warehouse Developer in Asia”. In 2009, the Group was recognised by Euromoney’s Real Estate Awards as “Best Industrial Developer in Asia” and “Best Industrial Developer in China”. The Group recently attained global recognition by Euromoney’s 2010 Real Estate Awards, receiving the “Best Industrial/Warehouse Developer” award in the global category, “Best Industrial/Warehouse Developer in Asia” in the regional category and “Best Developer in China” in the country category. The China Association of Warehouses and Storage recognised the Group as the top modern warehouse in China in 2010, and named 10 of the Group’s logistics parks in China “Five-Star Warehouse Properties” in 2009. The China Communication and Transport Association listed 10 of the Group’s logistics parks in the “Top 50 Logistics Parks in China” in 2009 (with Park Suzhou being ranked No.1 and Park Lingang being ranked No.8).

Strong corporate governance and experienced management team

The Issuer has high standards of corporate governance in place with a majority independent board and operates in accordance with global industry best practices. In addition to audit, nomination and compensation committees, the Issuer has an investment committee that evaluates projects according to a pre-agreed and consistent set of investment criteria.

The Issuer’s management team comprises industry specialists with public company experience and knowledge of global industry best practices:

- Jeffrey H. Schwartz, the Deputy Chairman of the Issuer’s Board, Chairman of the Executive Committee and Executive Director, joined ProLogis, a NYSE-listed Fortune 500 company, in 1994, and held various executive roles, rising to Chief Executive Officer in 2005 as well as Chairman of the Board in 2007. While at ProLogis, Mr. Schwartz spearheaded ProLogis’ entry into the European markets in 1997, and also established ProLogis’ Asia platform in 2002, initially in Japan and eventually progressing to China and Korea.

- Ming Z. Mei, the Chief Executive Officer and Executive Director of the Issuer, was formerly the Chief Executive Officer of ProLogis for China and Asian Emerging Markets. He opened ProLogis' first China office in 2003 and built up the Group's China operations to their current scale. Mr Mei has approximately 15 years of experience in real estate, land acquisition, construction and asset acquisitions.
- Masato Miki, President of the Group's Japan operations, was formerly President and Co-CEO of ProLogis Japan. Since joining ProLogis Japan in 2002, Mr Miki was instrumental in turning ProLogis Japan into a prominent player in the Japan logistics facility market. Mr Miki has over 23 years of experience in real estate development and financing.

All of the Issuer's senior management and substantially all of its professional staff were previously employed by ProLogis. Many of them also have significant international logistics and industrial property development and management experience.

STRATEGY

Strengthen the Group's market leadership position and capitalise on the significant market opportunities in Asia

The Group intends to continue to focus on its core markets of Japan and China. The Group's strategy in Asia is as follows:

- **Continue to build on the Group's "network effect"**. The Group has an extensive base of multi-national and domestic customers, many of whom are lessees in more than one of its logistics facilities. With a growing presence in 26 cities across Japan and China, the Group's customers can benefit from the Group's ability to offer them logistics solutions in multiple cities to which they plan to expand. This "network effect" allows the Group to expand together with its clients to achieve greater customer loyalty and higher occupancy rates for the Group's properties. The Issuer expects a significant part of this growth to be driven by the expansion of the Group's customer base as well as by demand for logistics space in China from its existing customers in Japan (China's largest trading partner in Asia), giving the Group a network advantage compared to other operators that lack its diverse and high-quality customer base.
- **Focus on stability, asset enhancements and selective acquisition and development opportunities in Japan**. The Group intends to continue to focus its activities in Japan on maintaining high lease ratios for its well-designed facilities and proactively managing debt to secure stable cash flows. Further, the Group intends to continue to focus its activities in Japan on capitalising on the insufficient supply of modern logistics facilities, the continued growth of the third party logistics provider industry, and the expansion of specific sectors such as internet and mail order services. When the Group deems the market conditions appropriate, it will consider developing new facilities in Japan in locations that the Issuer believes would enhance the Group's current network and complement its customers' business and expansion plans.
- **Further develop the Group's portfolio to leverage on the rapid growth in domestic consumption in China**. The Group intends to expand its business by developing new facilities in accordance with its research driven, disciplined investment process as well as its master planned approach to development. The Group plans to acquire additional land bank in strategic locations and cities, targeting logistics hubs in both developed and high growth areas in order to capture the growth in China's domestic consumption.

- **Regional growth.** Explore the possibility of accelerating the Group's growth elsewhere in Asia through selective developments and acquisitions in high growth markets, such as India and Vietnam, leveraging on its strong management expertise and diverse existing network of customer relationships.

Increase economies of scale

The Group intends to focus on increasing economies of scale and cost efficiency via the following key initiatives:

- continue to focus on the Group's master-planned approach to logistics parks in China, with larger-scale, multi-building parks to lower incremental costs of development and operation;
- streamline sales and marketing expenses by leveraging on the Group's large and growing base of customers in Japan and China and continue to promote cross-border marketing initiatives between the markets in which it operates;
- continue to increase the Group's negotiation leverage with respect to key supplier contracts;
- explore direct procurement of raw materials to minimise costs introduced by third-party intermediaries; and
- optimise centralised and headquarters expenses.

Strategically recycle capital to create and enhance shareholder value

The Group plans to strategically recycle capital to create and enhance shareholder value. In addition, the Group intends to utilise the strong recurring income streams from its completed facilities, particularly in Japan, to drive near-term expansion and growth in China. While Japan currently contributes the majority of the Group's revenue, the Issuer expects that China will, over time, become the Group's main revenue contributor.

The Group also intends to explore the possibility of establishing private development funds in Japan with third-party investors, capitalising on the Group's development capabilities to build its fee-based income. This will also provide an additional source of funds to spur the Group's growth.

In the medium to long term, subject to market conditions and at the appropriate time, the Group aims to establish listed investment vehicles through which it can selectively monetise part of its portfolio.

THE GROUP'S PORTFOLIO

All the properties that the Group develops are modern logistics facilities, characterised by large floor plates, high ceilings, wide column spacing, spacious and modern loading docks as well as enhanced safety systems and other value-added features. They are designed to allow flexibility to add multiple tenants or provide a platform for expansion of a single tenant, with energy-efficient technology and features to reduce its customers' costs. In China, most of the Group's logistics parks contain several facilities, while most of the Group's parks in Japan consist of a single facility. Most of the Group's logistics facilities in China and some of its logistics facilities in Japan are multi-tenanted facilities. The Group also provides a build-to-suit service that includes site selection, construction and management of dedicated facilities customised to a single customer's specifications. The Group oversees the construction and management of its facilities and hires sub-contractors for the various aspects of construction and management where appropriate.

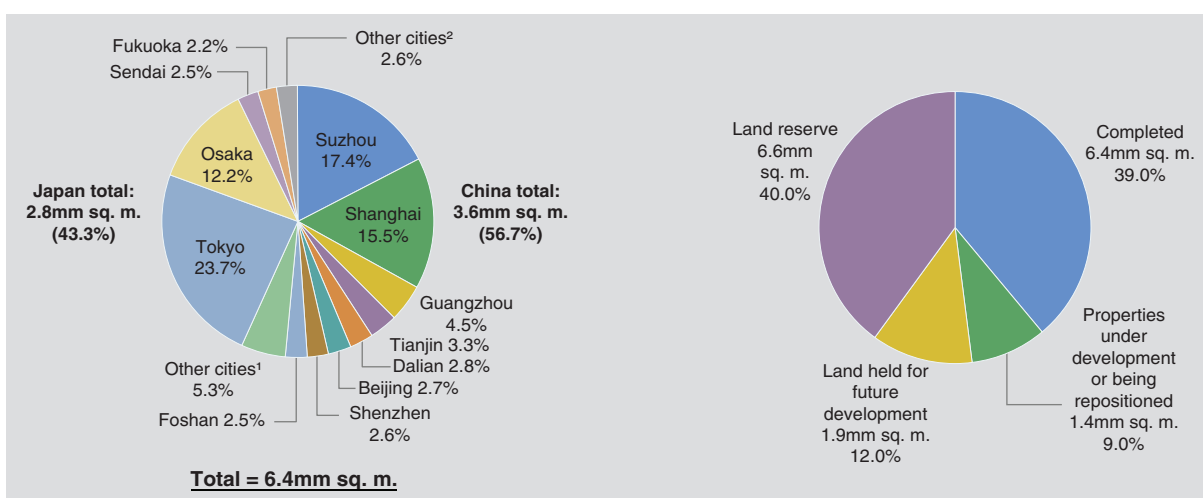
Portfolio Summary

As of 31 December 2010, the Group's portfolio consisted of the following:

- Japan: 69 completed logistics facilities across seven major cities with a GFA of approximately 2.8 million square metres.
- China: 239 completed logistics and light assembly facilities with a GFA of approximately 3.6 million square metres, 1.4 million square metres of GFA under development or being repositioned and over approximately 1.9 million square metre of GFA under land held for future development within 54 integrated parks (including 52 logistics parks and two light assembly facilities parks) across 19 major cities. In addition, the Group also has approximately 6.6 million square metres of GFA under land reserve.

Our operating portfolio by city (million sq. m.)

Our portfolio by status (million sq. m.)



Notes:

“Tokyo” includes cities located in Kanto region; “Osaka” includes cities located in Kansai region; “Sendai” includes cities located in Tohoku region; “Fukuoka” includes cities located in Kyushu region.

(1) Other cities include Qingdao, Nanjing, Wuxi, Chengdu, Chongqing, Hangzhou and Shenyang.

(2) Other cities include Nagoya, Hiroshima and Sapporo.

The following table summarises the Japan Portfolio and the China Portfolio (excluding land reserves) as of 31 December 2010:

Portfolio overview as of 31 December 2010

	Number of Properties	GFA (sq.m.)	Effective Interest GFA (sq.m.) ⁽¹⁾	Total Valuation (Local Currency Millions) ⁽²⁾	Total Valuation (US\$ Millions) ⁽³⁾	Effective Interest Valuation (US\$ Millions) ^{(1), (2)}	Proportion of Total GFA (%)
Japan							
Completed and Stabilised properties	69	2,796,918	2,796,918	515,900	6,326	6,326	28.9%
China							
Completed and Stabilised properties	229	3,326,120	2,464,353	11,440	1,730	1,323	34.3%
Completed and Pre-Stabilised properties	10	332,148	188,473	1,266	192	104	3.4%
Properties under development or pending repositioning ⁽⁴⁾	100	1,363,037	1,163,364	3,013	456	396	14.1%
Land held for future development ⁽⁵⁾	28	1,871,809	1,358,924	1,639	248	192	19.3%
China total ⁽⁶⁾	367	6,893,114	5,175,113	17,359	2,626	2,014	71.1%
Total	436	9,690,032	7,972,031		8,952	8,340	100.0%

Notes:

- (1) Effective Interest GFA: Adjusted for the Group's effective interest in non-wholly owned entities.
- (2) Total Valuation Local Currency Millions: As determined by internal valuation. For China, currency used is RMB and for Japan, currency used is ¥. For more information on the basis of the valuation, see "Valuations, Property Values and Gross Floor Area". In particular, the valuations of land reserve in the China Portfolio are indicative only. The Group does not treat a parcel of land in its land reserve as part of its assets as reflected in the Group's financial statements unless and until the relevant PRC subsidiary and/or a jointly-controlled entity acquires the relevant parcel.
- (3) Total Valuation US\$ Millions: For more information on the basis of the valuation, see "Valuations, Property Values and Gross Floor Area".
- (4) "Properties under development or pending repositioning" consists of five sub-categories of properties: (i) properties that the Group has commenced development, (ii) a logistics facility that is being converted from a bonded logistics facility to a non-bonded logistics facility, (iii) a logistics facility that is being converted from a non-bonded logistics facility to a bonded logistics facility, (iv) a light manufacturing facility comprising several buildings for which the Group is currently evaluating the feasibility of conversion of such buildings into a business park or research and development centre, and (v) a light industrial and logistics facility which will be upgraded into a standard logistics facility.
- (5) "Land held for future development" refers to land which the Group has signed the land grant contract and/or the Group has obtained the land certificate.
- (6) Excludes land reserves. "Land reserves" refer to parcels of land in respect of which the relevant PRC subsidiaries and/or their jointly-controlled entities have signed a master agreement, letter of intent or memorandum of understanding (as the case may be). The acquisition of the relevant parcels of land is subject to (i) a public bidding process, the signing of land grant agreements with the governmental authorities and obtaining of land and/or property title certificates, where the land is to be granted directly from the government authorities; or (ii) the signing of sale and purchase agreement and obtaining of land and/or property title certificates, where the vendor is not a governmental authority.

In addition to the properties and land held for future development described in the table above, the Group also has approximately 6.6 million square metres of GFA under land reserve as of 31 December 2010.

The Group's revenue by geographical segment of its operations for the years ended 31 March 2009 and 2010 and for the 9 months ended 31 December 2009 and 2010 are set out below:

	Year ended 31 March		9 months ended 31 December	
	2009 (US\$ million)	2010 (US\$ million)	2009 (US\$ million)	2010 (US\$ million)
Japan	44.47	346.17	262.91	287.26
China	6.81	61.80	44.22	62.17
Total	51.28	407.97	307.13	349.43

The Group has a strong lease expiry profile for its portfolio by revenue. 6.4 per cent. of the Group's leases expire in the financial year ending 31 March 2011, 19.8 per cent. expire in the financial year ending 31 March 2012, 10.8 per cent. expire in the financial year ending 31 March 2013, 7.6 per cent. expire in the financial year ending 31 March 2014, 12.3 per cent. expire in the financial year ending 31 March 2015 and the remaining 43 per cent. expire in the financial year ending 31 March 2016 and later.

The Japan Portfolio

The Japan Portfolio positions the Group well to maintain its leadership in a market that increasingly demands modern facilities built to satisfy customers' requirements, which the Issuer believes are currently still in short supply. While modern leased facilities with GFA of more than 10,000 square metres account for approximately 2 per cent. of all logistics facilities in Japan, the Japan Portfolio includes only one facility that has a GFA of less than 10,000 square metres. The end-users serviced by the Group's customers operate in well-diversified industries, and its network of facilities in Japan covers the greater metropolitan areas of all major Japanese cities, including the three major regions of Kanto (which includes Tokyo), Kansai (which includes Osaka) and Chubu (which includes Nagoya).

As of 31 December 2010, the remaining WALE of the Group's completed facilities in Japan was 6.2 years.

The Japan Portfolio has grown in terms of GFA by a compound annual growth rate ("CAGR") of 42.9 per cent. from financial year ended 31 March 2005 to financial year ended 31 March 2010, mainly due to the Group's customers' increasingly outsourcing their logistics requirements and their need for modern logistics facilities.

Most of the facilities in the Japan Portfolio offer at least some of the following features, which the Issuer believes helps to differentiate the Group's product offering and have allowed the Group to maintain its leading market position:

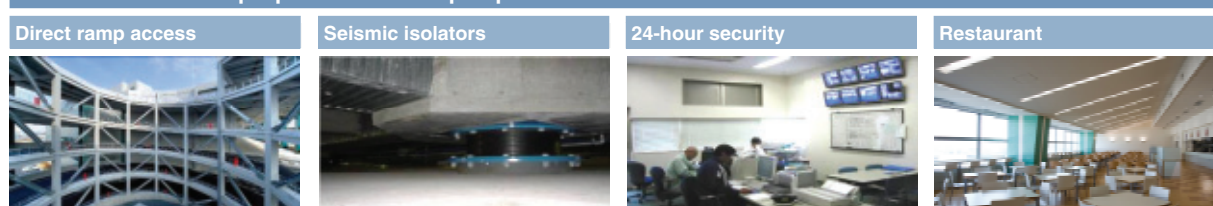
- multi-story facilities with convenient loading docks and double-spiral ramps, permitting direct truck access to each floor;
- large floor plates, wide column spacing and high ceilings ideal for customers looking for supply chain consolidation;
- environmentally friendly and energy-saving features such as large landscaping and use of energy-efficient materials; and
- additional features such as seismic isolators, 24-hour security/surveillance and on-site restaurants/cafeterias, which are increasingly valued by design- and safety-conscious customers.

The Group reviews its product designs frequently, and undertakes continuous improvements to improve efficiency for its customers.

Selected properties our team has developed in Japan



Selected features of properties in the Japan portfolio



The following table summarises certain operational statistics for the Group's completed and stabilised logistics properties in Japan as of or for the financial years ended 31 March 2009 and 2010 and the nine-month period ended 31 December 2010.

	As of or for the Year/Nine-month Period Ended		
	31 March		31 December
	2009	2010	2010
Operating Portfolio			
Total GFA (sq. m.)	2,755,915	2,796,918	2,796,918
Lease ratio ⁽¹⁾	99.1 %	98.6 %	98.6 %
Average Lease Ratio ⁽¹⁾	99.5 %	98.6 %	98.6 %
Weighted average lease terms (years):			
Original	10.3	10.3	10.2
Remaining	7.5	6.8	6.2
Weighted average contracted rental rate (Y/sq. m./month)	1,080	1,085	1,078

Note:

(1) Stabilised properties only.

The following table summarises the completed properties in the Japan Portfolio by city as of 31 December 2010.

	As of 31 December 2010				
	Number of Properties	GFA	Percentage	Shares of GFA	Lease Ratio
			of total Portfolio		
	(sq. m.)	(%)	(%)	(Millions of Yen)	
Japanese City⁽¹⁾					
Tokyo	32	1,532,349	54.8	324,300	97.4
Osaka	18	790,590	28.3	126,800	100.0
Sendai	7	162,913	5.8	20,680	100.0
Fukuoka	5	140,249	5.0	17,470	100.0
Nagoya	3	101,984	3.6	17,520	100.0
Hiroshima	3	52,798	1.9	7,530	99.2
Sapporo	1	16,034	0.6	1,600	100.0
Total Operating Portfolio	69	2,796,918	100.0	515,900	98.6

Notes:

- (1) "Tokyo" includes cities located in Kanto region; "Osaka" includes cities located in Kansai region; "Sendai" includes cities located in Tohoku region; "Fukuoka" includes cities located in Kyushu region; "Nagoya" includes cities located in Chubu region; "Hiroshima" includes cities located in Chugoku region; "Sapporo" includes cities located in Hokkaido region.
- (2) As determined by internal valuation. For more information on the basis of the valuation, see "Valuations, Property Values and Gross Floor Area".

The following table summarises the completed properties in Japan by GFA as of 31 December 2010.

As of 31 December 2010					
	Number of Properties	GFA	Percentage of Total Operating Portfolio	Property	Lease
				Valuation ⁽¹⁾	Ratio
		(sq. m.)	(%)	(Millions of Yen)	(%)
GFA					
≥ 100,000 sq. m.	6	748,943	26.8	144,090	98.6
≥ 50,000 sq. m. < 100,000 sq. m.	11	741,893	26.5	139,910	98.6
≥ 30,000 sq. m. < 50,000 sq. m.	17	654,482	23.4	125,000	97.5
≥ 10,000 sq. m. < 30,000 sq. m.	34	642,195	23.0	105,440	99.9
< 10,000 sq. m.	1	9,404	0.3	1,460	100.0
Total Operating Portfolio	69	2,796,918	100.0	515,900	98.6

Note:

(1) As determined by internal valuation. For more information on the basis of the valuation, see “Valuations, Property Values and Gross Floor Area”.

The following table summarises the Japan Portfolio of completed properties as of 31 December 2010 by building age.

As of 31 December 2010					
	Number of Properties	GFA	Percentage of Total Operating Portfolio	Property	Lease
				Valuation ⁽¹⁾	Ratio
		(sq. m.)	(%)	(Millions of Yen)	(%)
Building age					
< 5 years	21	1,146,334	41.0	211,980	99.9
≥5 < 10 years	14	721,835	25.8	146,940	99.3
≥10 < 20 years	10	319,250	11.4	44,960	97.1
≥20 < 30 years	17	463,753	16.6	91,520	95.9
≥30 years	7	145,746	5.2	20,300	100.0
Total Portfolio	69	2,796,918	100.0	515,700	98.7

Note:

(1) As determined by internal valuation. For more information on the basis of the valuation, see “Valuations, Property Values and Gross Floor Area”.

Title

The Group holds all 69 of its properties in Japan under freehold or trust beneficiary arrangements.

Leases

Leases for the properties in the Japan Portfolio typically run for a fixed term of five years for multi-tenant facilities and for 10 years or more for build-to-suit arrangements. The weighted average lease term of leases for the properties in the Japan Portfolio as of 31 December 2010 is 10.2 years, based on net leasable area. Approximately 3.8 per cent. of the leases have a term of up to three years, 4.0 per cent. have a term of three to five years and 27.4 per cent. a term of five to 10 years, while approximately 64.8 per cent. are 10 years or longer. Some of the Group’s leases contain provisions for rental adjustments every three years based on the corresponding change in the consumer price index. As of 31 December 2010, the remaining WALE of the properties in the Japan Portfolio was 6.2 years. All of the lease payments for the properties in the Japan Portfolio are denominated in Japanese Yen.

The China Portfolio

The China Portfolio was set up in 2003 and the Group has since built up a significant land bank of strategically located sites within key logistics hubs and near major seaports, airports,

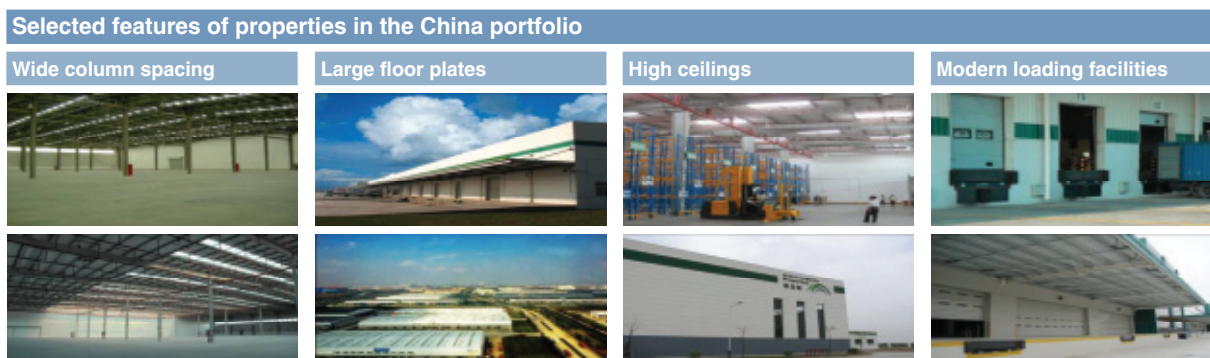
transportation hubs or industrial zones. The China Portfolio was initially focused on the first-tier cities of Shanghai, Beijing, Guangzhou and Shenzhen, as well as the industrial city of Suzhou, which represented the major hubs of economic activity in China. The Group has since gradually expanded into key gateway cities such as Qingdao, Tianjin, Hangzhou, Nanjing, Shenyang and Chengdu, where demand for modern logistics facilities is supported by rapid growth in local GDP and consumption. The Group's footprint in China currently encompasses logistics hubs that serve regions accounting for more than two-thirds of China's total GDP.

In China, the Group tries to acquire the best locations available to build logistics facilities. On occasion, it also purchases existing facilities, generally with a view towards refurbishing, expanding and modernising or replacing them, or forms joint ventures with local governments, economic zones or port authorities to secure rights to large, strategically located sites. At times, the Group has also acquired and leased out facilities without additional renovation.

All of the Group's modern logistics facilities in China are situated within 37 dedicated logistics parks, which it has developed and is currently managing, with generally three to five facilities per park. To build these parks, the Group works closely with the relevant local governments to zone the locations that it has selected for logistics use, purchase the land and construct its facilities to modern specifications. The Group's largest logistics park, which is in Suzhou, comprises 40 buildings, totalling more than 544,404 square metres. As of 31 December 2010, the WALE of the Group's completed and stabilised logistics properties in China was approximately 2.6 years.

At present, major modern logistics facility providers account for approximately 1 per cent. of the total supply of logistics facilities in China. Most of the Group's properties in China offer the following key features that the Issuer believes characterises modern logistics facilities:

- storage safety: Security and surveillance features, proper ventilation and basic fire-fighting features such as sprinkler systems;
- optimal space utilisation: Large floor plates, high ceilings and wide column spacing;
- high operating efficiency: Spacious loading and parking areas equipped with modern loading docks; and
- flexibility to provide customised features such as office space, air-conditioning and refrigeration/freezing.



The following table summarises key operational statistics for the Group's completed and stabilised logistics properties in China as of or for the financial years ended 31 March 2009 and 2010 and for the nine-month period ended 31 December 2010:

	As of or for the Year/Nine-month Period Ended		
	31 March		31 December
	2009	2010	2010
Completed and stabilised logistics properties			
Total GFA (sq. m.)	1,544,855	2,130,773	2,423,419
Lease ratio	86.2 %	86.4 %	91.7 %
Average lease ratio	91.7 %	82.9 %	92.2 %
Weighted average lease terms (years):			
Original	4.8	4.4	4.5
Remaining	3.1	2.8	2.6
Weighted average contracted rental rate including management fee (RMB/sq. m./ Day)			
	0.97	0.97	0.96

Other Properties

89 existing facilities in the China Portfolio are light assembly facilities. These facilities were purchased subject to existing leases, and the lessees continue to conduct their assembly activities in these facilities. These facilities contributed 671,123 square metres or 20 per cent. of GFA to the China Portfolio and US\$10.9 million or 14 per cent. to the Group's revenue in the financial year ended 31 March 2010. In addition, the Group also owns three container yards in China. These yards were purchased as empty lots, and it currently leases them as staging and storage areas for containers to individual corporate customers or to operators that specialise in container handling. In the near term, this usage allows the Group to generate revenue from the property with minimal capital and operating expenditure. In the longer term, the Group plans to shift the staging and storage activities to other sites and to re-develop the properties for logistics use.

Depending on the future margins that the Issuer expects the Group to realise under the leases for the assembly facilities or container yards and on the circumstances prevailing at the time, the Group may renew the current leases on these properties or refurbish the relevant facility or develop container yards for use as a logistics facility.

The following table summarises the completed and stabilised logistics and other properties in the China Portfolio by city as of 31 December 2010.

	As of 31 December 2010				
	Number of Properties	GFA	Property Valuation	Shares of GFA	Lease Ratio
		(sq. m.)	(Millions of RMB)	(%)	
Completed and stabilised portfolio					
Beijing	9	173,762	687	5.2	98.1
Shanghai	40	798,445	3,116	24.0	92.0
Guangzhou	14	292,698	998	8.8	89.8
Shenzhen	4	168,477	838	5.1	83.4
Suzhou	114	1,053,449	3,184	31.7	91.0
Tianjin	13	187,902	619	5.6	88.2
Dalian	8	178,529	577	5.4	69.2
Qingdao	3	34,114	153	1.0	100.0
Foshan	8	161,654	473	4.9	100.0
Nanjing	2	45,878	120	1.4	95.1
Wuxi	2	39,365	113	1.2	92.4
Chengdu	5	70,481	160	2.1	100.0
Shenyang	1	18,090	54	0.5	98.1
Chongqing	1	18,687	53	0.6	100.0
Hangzhou	5	84,589	295	2.5	95.6
Total	229	3,326,1200	11,440	100.0	90.9

The following table summarises the completed and pre-stabilised logistics and other properties in the China Portfolio by city as of 31 December 2010.

	As of 31 December 2010				
	Number of Properties	GFA	Property Valuation	Shares of GFA	Lease Ratio
		(sq.m.)	(Millions of RMB)	(%)	
Completed and pre-stabilised portfolio					
Shanghai	4	204,968	804	62.0	16.6
Hangzhou	1	14,365	32	4.0	70.5
Chengdu	1	15,650	32	5.0	68.2
Suzhou	2	72,526	322	22.0	28.2
Tianjin	2	24,639	76	7.0	0
Total	10	332,148	1,266	100.0	22.0

The following tables delineate the Group's properties under development or being repositioned, as of 31 December 2010.

Properties Under Development

Logistics Park Name	Property Name	City	Effective Interest (%)	Asset Type	GFA (sq.m.)	Actual/Estimated Start Date ⁽¹⁾	Estimated Completion Date ⁽¹⁾
GLP Park Songjiang	Songjiang B3	Shanghai	100%	Logistic Facility	25,738	Q3 2010	Q3 2011
GLP Park Songjiang	Songjiang B4	Shanghai	100%	Logistic Facility	24,902	Q3 2010	Q4 2011
GLP Park Hongqiao West	Hongqiao West						
West	B1-B4	Shanghai	100%	Logistic Facility	70,968	Q1 2011	Q1 2012
GLP Park Pudong Airport	Pudong Airport						
Airport	B1-B5	Shanghai	100%	Logistic Facility	83,400	Q3 2011	Q2 2012
GLP Park Suzhou	Suzhou C28	Suzhou	50%	Logistic Facility	12,729	Q1 2011	Q4 2011
GLP Park Suzhou	Suzhou						
	C29-C32	Suzhou	50%	Logistic Facility	47,195	Q2 2011	Q1 2012
GLP Park Suzhou	Suzhou						
	Samsung I2	Suzhou	50%	Logistic Facility	5,714	Q3 2011	Q1 2012
GLP Park Suzhou Industrial (Genway)	Genway API III	Suzhou	50%	Industrial	5,451	Q3 2011	Q2 2012
GLP Park Suzhou Industrial (Genway)	Genway						
	Gangtian 23-24	Suzhou	50%	Logistic Facility	30,240	Q3 2011	Q2 2012
GLP Park Suzhou Industrial (Genway)	Genway						
	Gangtian 25-26	Suzhou	50%	Logistic Facility	72,724	Q3 2011	Q1 2013
GLP Park Dianshanhu	Dianshanhu						
	A1-A3	Suzhou	100%	Logistic Facility	53,209	Q2 2011	Q1 2012
GLP Park Kunshan	Kunshan B1	Suzhou	90%	Logistic Facility	24,384	Q2 2011	Q2 2012
GLP Park Beilun	Beilun B1-B2	Ningbo	100%	Logistic Facility	32,641	Q3 2010	Q3 2011
GLP Park Beilun	Beilun B3-B4	Ningbo	100%	Logistic Facility	33,589	Q3 2011	Q3 2012
GLP Park Jiashan	Jiashan I	Jiaxing	100%	Logistic Facility	21,879	Q2 2011	Q2 2012
GLP Park Qingdao Airport	Qingdao Airport East	Qingdao	100%	Logistic Facility	22,366	Q1 2011	Q3 2011
East	B1 & B2						
GLP Park Daxing	Daxing A1-A2	Beijing	60%	Logistic Facility	30,133	Q2 2011	Q2 2012
GLP Park Daxing	Daxing B1-B3	Beijing	60%	Logistic Facility	65,150	Q2 2011	Q1 2012
GLP Park Beijing Airport	Beijing Airport						
Airport	B5-B6	Beijing	100%	Logistic Facility	29,277	Q3 2011	Q2 2012
GLP Park Xiqing	Xiqing A1-A2	Tianjin	100%	Logistic Facility	32,355	Q2 2011	Q2 2012
GLP Park TEDA	TEDA B9-B11	Tianjin	80%	Logistic Facility	26,748	Q3 2011	Q3 2012
GLP Park SEDA	SEDA B2-B3	Shenyang	60%	Logistic Facility	37,265	Q2 2011	Q3 2012
GLP Park Dalian Port	Dalian Port						
	W6	Dalian	60%	Logistic Facility	22,559	Q1 2011	Q3 2012
GLP Park Zengcheng (Xintang)	Zengcheng B1-B2	Guangzhou	100%	Logistic Facility	36,303	Q3 2010	Q3 2011
GLP Park Zengcheng (Xintang)	Zengcheng B3-B6	Guangzhou	100%	Logistic Facility	76,454	Q1 2011	Q4 2011
GLP Park Zhongshan	Zhongshan						
	A1-A2	Zhongshan	100%	Logistic Facility	22,570	Q3 2011	Q1 2012
GLP Park Chongqing	Chongqing II						
	B1-B6	Chongqing	100%	Logistic Facility	68,674	Q1 2011	Q4 2011
Total					1,014,617		

Properties Being Repositioned

<u>Logistics Park Name</u>	<u>Property Name</u>	<u>City</u>	<u>Effective Interest (%)</u>	<u>Asset Type</u>	<u>GFA (sqm)</u>	<u>Actual / Estimated Start Date</u>	<u>Estimated Completion Date</u>
GLP Park Jinqiao	Jinqiao E1-E9	Shanghai	100%	Industrial	154,912	Q4 2011: 20%; Q4 2012: 80%	Q1 2012: 20%; Q1 2013: 80%
GLP Park Laogang	Laogang E1-E9	Shanghai	100%	Logistic Facility	35,927	Q1 2012	Q3 2012
GLP Park Suzhou	Suzhou Bonded I	Suzhou	50%	Logistic Facility	85,632	Q2 2011	Q3 2012
GLP Park Qingdao Airport	Qingdao Airport West B5-B12	Qingdao	100%	Logistic Facility	71,949	Q2 2010	Q3 2012
West							
Total					<u>348,420</u>		

Notes:

(1) Fiscal quarters.

Title

Except as otherwise disclosed in “Risk Factors—Risks Relating to the Group’s Operations in China—The Group may not have obtained all the land use rights certificates and building ownership certificates for certain of its facilities, and one of its properties is subject to a land tender process” and “The PRC government may require the Group to forfeit its land use rights or penalise the Group if it were to fail to comply with the terms of land grant contracts”, the Group holds substantially all of its properties in China under long-term land use rights granted by the Chinese government that convey the right to derive profit from and dispose of the property and the land use rights.

Leases

Due to the growth that it anticipates in the Chinese logistics facilities market, the Group generally prefers leases with shorter terms in China than it would in other more developed markets. Leases typically have one- to 10-year terms, with a weighted average original term for all of its completed facilities of 4.6 years as at 31 December 2010. As at 31 December 2010, approximately 32.9 per cent. of the Group’s leases in China have a term of one to three years, approximately 25.9 per cent. have a term of three to five years and approximately 30.2 per cent. a term of five to 10 years and approximately 1.9 per cent. a term of more than 10 years, while approximately 9.1 per cent. are short-term (i.e., less than one year) or seasonal leases. Leases under build-to-suit arrangements generally have longer terms, and include a rental premium for the specific customisation requested by the customer. As of 31 December 2010, the remaining weighted average lease term of the Group’s properties in China was approximately 2.8 years. All of the lease payments for the properties in the China Portfolio are denominated in Renminbi.

CUSTOMERS

The Group leases its facilities to a broad range of large and mid-sized, multi-national and domestic customers who need logistics and distribution facilities, including third-party logistics providers, retailers, manufacturers, importers/exporters and others. These customers serve end-users in a large variety of industries, including electronics, fast-moving consumer goods, retail / fast food chains, general logistics services, auto and parts, pharmaceuticals / medical instruments and machinery. The Group seeks to be a partner and a “one-stop shop” for its customers, so that they will need only one point of contact to design and build a multi-

market distribution network throughout China or Japan. The Group generates most of its revenue from multi-national customers. However, the number of the Group's domestic customers in China has increased rapidly, as Chinese consumption has increased.

Japan

The Group's customers in Japan comprise primarily of large Japanese companies that operate across a wide variety of industries, as well as other multi-national companies. Approximately 74 per cent. (by leased area) of its customers in Japan are 3PLs, while another 12.0 per cent. are retailers and 10.0 per cent. are manufacturers. These customers serve end-users in a large variety of industries, including home electronics, internet and mail order, cosmetics, pharmaceuticals, toiletries and others.

The following table summarises key data for the Group's top 10 customers in Japan (ranked percentage of rental income in Japan for the financial year ended 31 March 2010), as at or for the financial years ended 31 March 2009 and 2010.

Name	Scope of Business	Industry	As of 31 December			
			2009		2010	
			Number of Leases	Percent of Total	Number of Leases	Percent of Total
Panasonic Logistics	International	3PL	16	17.4%	15	16.2%
Hitachi Transport System ⁽¹⁾	International	3PL	15	10.9%	12	10%
Nippon Express	International	3PL	10	8.2%	11	8.5%
Askul	International	Retailer	3	5.3%	3	5.2%
Yamato Logistics	International	3PL	5	3.2%	5	5.0%
Sanyo Electric Logistics	International	3PL	4	3.9%	4	3.8%
Shinkai Transport Systems	Domestic	3PL	5	3.6%	5	3.6%
Senko	International	3PL	3	3.2%	3	3.1%
Renown	Domestic	Manufacturer	1	2.8%	1	2.8%
Seiyu	Domestic	Retailer	1	2.5%	1	2.5%

Note:

(1) Includes affiliates

China

As of 31 December 2010, approximately 78.0 per cent. by leased area of the Group's logistics facilities in China catered to domestic demand, and the Issuer expects that domestic consumption will be the primary driver of growth for the Group's Chinese operations. In recent years the Group has focused increasingly on the domestic customer market (in particular domestic 3PLs) in order to track the growing domestic consumption market, which is, and the Issuer believes will continue to be, an increasing driver of economic growth in China. Approximately 47.0 per cent. (by leased area) of the Group's customers in China are 3PLs, while another 36.0 per cent. are manufacturers and 15.0 per cent. are retailers. These customers serve end-users in a large variety of industries, including electronics, fast-moving consumer goods, retail and autos and auto parts.

The following table summarises key data for the Group's top 10 customers in China (ranked by the percentage of rental income in China for the financial year ended 31 March 2010), as at or for the financial years ended 31 March 2009 and 2010.

Name	Scope of business	Industry	As of 31 December			
			2009		2010	
			Number of Leases	Percent of total	Number of Leases	Percent of total
Nice Talent	Domestic	3PL	6	6.1%	6	4.7%
Schenker	International	3PL	5	6.1%	6	3.2%
Yum!	International	F&B ⁽¹⁾	4	4.5%	7	3.2%
PGL	Domestic	3PL	5	4.8%	6	2.9%
Adidas	International	Manufacturer	2	4.2%	2	2.4%
Wal-Mart China	International	Retailer	1	3.2%	2	2.5%
Black & Decker	International	Manufacturer	3	1.1%	4	1.9%
Samsung	International	Manufacturer	7	2.6%	9	2.0%
Toll	International	3PL	2	2.5%	2	1.6%
DHL	International	3PL	3	2.1%	8	2.3%
GM	International	Manufacturer	-	-	1	3.5%
Amazon	International	Retailer	-	-	7	2.4%

(1) Food and beverage.

INSURANCE

The Issuer believes that the Group has insured its properties and facilities in accordance with industry practice in Japan and China, respectively. The Issuer believes that the Group's insurance coverage in Japan and China is commercially reasonable and appropriate for a logistics facility company operating in those markets. Notwithstanding the Group's insurance coverage, damage to its facilities, equipment, machinery or buildings could have a material adverse effect on the Group's financial condition and results of operations, to the extent that this disrupts the normal operation of its properties or its businesses. See "Risk Factors—The Group's insurance coverage does not include all potential losses".

Japan

The Group's insurance policies in Japan cover damage to facilities and business interruption caused by fire, windstorm, electrical breakdown, earthquake, public liability (including personal injury), corporate asset insurance and movables insurance. The Group also maintains other insurance policies for its employees in accordance with applicable laws and regulations, including life insurance, personal liability, health, accidental death and long-term disability. There are certain types of risks that are not covered by these insurance policies, including acts of war, environmental damage and breaches of environmental laws and regulations.

China

The Group's insurance policies in China cover loss of rental, fire, flood, malicious damage, other material damage to property and development sites, business interruption and public liability (including third parties' property damage and/or personal injury). The Group also maintains other insurance policies for its employees in accordance with applicable laws and regulations, including workmen's compensation and personal accident insurance, as well as group hospitalisation insurance. There are certain types of risks that are not covered by these insurance policies, including acts of war, environmental damage and breaches of environmental laws and regulations.

COMPETITION

While the Group is one of the largest providers of modern logistics facilities in each of Japan and China by floor area, it faces competition from other large domestic and, to a lesser extent, international owners and operators of other logistics facilities and, within any specific individual market, also from smaller, local players. The Group competes with other providers for locations and sites for future logistics facilities. In China, potential customers may also compare the Group's products, services and rents to those of large state-owned logistics facilities providers. While the Issuer believes that those providers generally do not provide modern facilities, potential customers may choose these providers over the Group on the basis of rent if they do not need the modern specifications offered by the Group's facilities.

The Issuer believes that, in choosing a provider of logistics facilities, the Group's customers focus primarily on the size of a provider's network and on the quality of the service provided. Lease rates are generally determined by the market. The Issuer believes that the size of the Group's network and the Group's focus on customer service and on assisting its customers in establishing and maintaining their logistics networks allows the Group to compete favourably with many of its competitors.

EMPLOYEES

The following tables summarise the number of the Group's employees by location and function as at 31 March 2009 and 2010 and 31 December 2010:

Employees by Geographical Location

	As of		
	31 March		31 December
	2009	2010	2010
Japan	2	46	50
China	269	266	283
Singapore/Other	2	3	4
Total	<u>273</u>	<u>315</u>	<u>337</u>

Employees by Function

	As of		
	31 March		31 December
	2009	2010	2010
Investment/Divestment	28	35	31
Project Development Management	65	65	68
Leasing/Marketing	47	56	60
Asset/Property Management	28	38	38.5
Finance/Accounting	56	63	69
General Management/Administration	50	59	70.5
Sub-Total	<u>273</u>	<u>315</u>	<u>337</u>

The Group does not employ a significant number of temporary employees.

None of the Group's employees in Japan or China is a member of a labour union. The Group has not experienced any strikes or disruptions to its operations due to labour disputes. The Issuer believes the Group's relationships with its employees are good.

LEGAL PROCEEDINGS

The Issuer is not and none of its subsidiaries or joint ventures is, a party to any litigation, arbitration or administrative proceedings that the Issuer believes would, individually or taken

as a whole, have a material adverse effect on the Group's business, financial condition or results of operations, and, in so far as the Issuer is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

The Group's operations are subject to regulatory requirements and potential liabilities arising under applicable environmental, health or safety-related laws and regulations in each of the countries in which it has operations.

The Issuer believes that the Group is in compliance in all material respects with applicable environmental regulations in Japan and China. To date, no material environmental, health or safety-related incident involving the Issuer or any of its subsidiaries has occurred. The Issuer is not aware of any material environmental, health or safety-related proceedings or investigations to which the Group might become a party. As the Group does not undertake construction work for its development projects and asset enhancement initiatives itself, the responsibility for ensuring the health or safety of workmen at the Group's development project or asset enhancement worksites generally rests with the contractors it appoints.

MARKETING ACTIVITIES

The Group engages in various marketing initiatives in order to attract new customers and expand its market recognition. In Japan, most of the Group's leasing contracts are procured by its in-house leasing team, which deals directly with customers and potential customers. In China, the Group is increasingly relying to a large extent on professional brokers to procure customers. In China, the Group also leverages its relationships with some of its leading customers by undertaking co-branded advertisement campaigns. Co-branded advertising allows the Group to capitalise on the positive experiences of its customers, utilising the numerous testimonials and feedback it has received for marketing purposes. The Group also engages in traditional "banner" advertising and publishes a periodic electronic newsletter targeted at existing and prospective customers and markets its facilities through the Group's website. The Group endeavours to increase its brand exposure through event-specific media coverage and media briefings, such as signing ceremonies related to the establishment of strategic relationships, and the sponsorship of events such as athletic tournaments for trade associations and other groups whose membership is comprised of our target customers. On occasion, the Group joins with brokers to organise "open house" events at some of its facilities, and the Group regularly attends large conventions and trade shows and conducts customer events, such as the seminar in Tokyo for Japanese customers seeking logistics facilities in China.

INFORMATION TECHNOLOGY

The Issuer leverages the latest information technology to support sustainable and efficient daily operations. Oracle JD Edwards EnterpriseOne has been adopted as the Issuer's core enterprise resource planning application to capture, in an integrated approach, business activities such as project cost management, real estate management, expense management and financial management. CRM on Demand is a top customer relationship management system the Group has adopted which helps the leasing team to manage their pre-lease activities and gain instant access to space availability. From a people resources perspective, the Issuer uses the Platinum HRM system which offers comprehensive human resource management functionality.

INTELLECTUAL PROPERTY

The Group has applied to register the trademarks "Global Logistic Properties" and its accompanying design ("GLP Trademark A") and the GLP logo ("GLP Trademark B") in

various jurisdictions including China, Japan, the European Union, Canada and the United States. The Group has also applied to register the trademark “GLP” and its accompanying design (“GLP Trademark C”) in Canada. The Group’s trademark portfolio includes pending applications as well as registrations.

In China, all applications have been allowed by the Chinese Trademark Office, excluding trademark applications for GLP Trademark A in Class 36, 37, 39, and 42, which are still under consideration by the Chinese Trademark Office. The trademark applications that have been allowed in China have matured to registration in 2011.

As part of the 2009 Acquisition, the Group acquired the “普洛斯” trademark from ProLogis (including 4 classes registered trademarks and an additional application in class 35 in China). The Group will proceed to register the “普洛斯” trademark pending the outcome of an appeal in respect of its additional application in class 35. For further information regarding the risks associated with the registration status of the Group’s intellectual property, see “Risk Factors—Risks Relating to the Group’s Operations in China—The Group may be unable to register certain of its trademarks in China”.

MANAGEMENT

Board of Directors

The Board of Directors of the Issuer is entrusted with the responsibility for the overall management and direction of the Issuer.

The Board of Directors of the Issuer comprises:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Ang Kong Hua	67	Chairman
Jeffrey H. Schwartz	51	Deputy Chairman
Ming Z. Mei	38	Chief Executive
Dr. Seek Ngee Huat	61	Director
Lim Swe Guan (<i>alternative director to Dr. Seek Ngee Huat</i>) ...	56	Director
Tham Kui Seng	53	Director
Wei Benhua	63	Director
Yoichiro Furuse	69	Director
Steven Lim Kok Hoong	63	Director
Dr. Dipak Jain	53	Director
Paul Cheng Ming Fun	74	Director

Ang Kong Hua

Ang Kong Hua is the Independent Chairman of the Issuer. Following stints at the Economic Development Board from 1966 to 1967 and DBS Bank from 1968 to 1974, Mr. Ang spent 28 years as CEO of NSL Ltd (formerly NatSteel Ltd). Mr. Ang retired as CEO from NSL Ltd in 2003. Mr. Ang currently serves as the Chairman of Sembcorp Industries Ltd, an industrial conglomerate listed on the SGX-ST. His other appointments include Executive Director of NSL Ltd, Director of GIC, Director of the GIC Special Investments Private Limited (“GIC SI”), Director of DBS Group Holdings Limited and Director of DBS Bank Ltd. Mr. Ang’s appointments in the past included directorship at CIMC Raffles Offshore (Singapore) Limited and kl Ventures Limited and vice-chairmanship at Neptune Orient Lines Ltd. Mr. Ang graduated from the University of Hull, UK, with a Bachelor of Science (Economics) Upper II Honours degree in 1966.

Jeffrey H. Schwartz

Jeffrey H. Schwartz is the Deputy Chairman of the Issuer’s Board, Chairman of the Executive Committee and Executive Director, and the co-founder of GLPH. Mr. Schwartz joined ProLogis, a NYSE-listed Fortune 500 company, in 1994, and held various executive roles, rising to Chief Executive Officer in 2005 as well as Chairman of the Board in 2007. While at ProLogis, Mr. Schwartz spearheaded ProLogis’ entry into the European markets in 1997, and also established ProLogis’ Asia platform in 2002, initially in Japan and eventually progressing to China and Korea. Mr. Schwartz has served on the advisory boards of the Guanghua School of Management, Peking University and Fundacao Dom Cabral, Brazil. He is a member of the Board of Trustees of Emory University and a Treasurer of the Real Estate Roundtable, a non-profit public policy organisation. Mr. Schwartz graduated from Harvard Business School in 1985 with a Master of Business Administration. Mr. Schwartz graduated from Emory University in 1981 with a Bachelor of Business Administration.

Ming Z. Mei

Ming Z. Mei is the Chief Executive Officer and Executive Director of the Issuer, and the co-founder of GLPH. He was formerly the Chief Executive Officer of ProLogis for China and Asian Emerging Markets. He opened ProLogis’ first China office in 2003 and built up the Group’s 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 graduated from J.L. 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 in 2002. He received his Bachelor of Science in Business from Indiana University School of Business in 1996.

Seek Ngee Huat

Dr. Seek Ngee Huat is a Non-Executive Director of the Issuer. He is President of GIC Real Estate, the real estate investment arm of GIC and also a member of the GIC Board of Directors and the GIC Group Executive Committee. Prior to joining GIC in 1996, Dr. Seek was a Partner with Jones Lang Wootton, based in Sydney. He is Chairman of the Institute of Real Estate Studies, National University of Singapore, his *alma mater*, and has served on the advisory boards of the Guanghua School of Management, Peking University and Fundacao Dom Cabral, Brazil, and the real estate programmes at Cambridge University and Harvard University. He was a Board Director of the Pension Real Estate Association, USA and the founding Chairman of the Property Council of Australia Property Index. Dr. Seek graduated with a Master of Science (Business Administration) from the University of British Columbia in 1975 and a PhD in Urban Research from the Australian National University in 1981.

Lim Swe Guan

Lim Swe Guan is an alternate director to Dr. Seek Ngee Huat. He is currently a Managing Director of GIC Real Estate. In that role he is Global Head of the Corporate Investments Group that invests in public REITs and property companies. 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 to the position of Senior Research Analyst. He was appointed Manager in October 1987 and Director in 1989. Prior to that, he worked as a property consultant with Knight Frank, Cheong Hock Chye & Bailieu from 1985 to 1986. He also sits on the boards of Land & Houses in Thailand, General Property Trust and Thakral Holdings Group in Australia and Sunway City Berhad in Malaysia. He is also a CFA charter holder. He graduated with a Bachelor of Science in Estate Management in 1979 from the University of Singapore and a Master of Business Administration from the Colgate Darden Graduate School of Business, The University of Virginia in 1985.

Tham Kui Seng

Tham Kui Seng is a Non-Executive Independent Director of the Issuer. Mr. Tham has held executive positions in various industries, including more than 10 years in real estate. His last executive position was as Chief Corporate Officer of CapitaLand Limited, overseeing the corporate services functions of the real estate group from 2002 to 2008. He also held the position of Chief Executive Officer of CapitaLand Residential Limited from 2000 to 2005. He is currently a director of Raffles Medical Group Ltd, The Straits Trading Company Limited, CapitaLand China Holdings Pte Ltd and SPI (Australia) Assets Pty Ltd. He is also a member of the Board of The Housing & Development Board (HDB) and Chairman of E M Services Private Limited, a subsidiary of HDB. Mr. Tham received his Bachelor of Arts in Natural Science—Engineering Science from the University of Oxford, United Kingdom in 1979.

Wei Benhua

Wei Benhua is a Non-Executive Independent Director of the Issuer. Mr. Wei has served as the Advisor to the Governor of the People's Bank of China ("PBOC") from 2008 to January 2010. He was the Deputy Administrator of the State Administration of Foreign Exchange ("SAFE") of the People's Republic of China from 2003 to 2008. Prior to joining SAFE, Mr. Wei served as Director-General of International Department in PBOC from 1996 to 1999. Mr. Wei was

also China's representative in various international organisations. From 1988 to 1991, he was an Alternate Executive Director representing China in the Asian Development Bank. From 1992 to 1995, he was an Alternate Executive Director representing China in the International Monetary Fund ("IMF") and from 1999 to 2003, he was an Executive Director representing China in the IMF. Mr. Wei received his Bachelor of Arts in English Language from the Inner Mongolia Normal University and his Master degree in International Finance from the Graduate School of the People's Bank of China.

Yoichiro Furuse

Yoichiro Furuse is a Non-Executive Independent Director of the Issuer. Mr. Furuse is currently the President of Evanston Corporation and a Senior Adviser of Permira Advisers K.K. From 2001 to 2005, he 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. His 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, 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.

Steven Lim Kok Hoong

Steven Lim Kok Hoong is a Non-Executive Independent Director of the Issuer. He has over 32 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. He started his career in 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 a non-executive director of Parkway Trust Management Limited. He is also a non-executive director of Genting Singapore PLC and Hoe Leong Corporation Ltd. Mr. Lim is a Member of the Institute of Certified Public Accountants of Singapore and the Institute of Chartered Accountants in Australia. He graduated with a Bachelor of Commerce Degree from the University of Western Australia in 1971.

Dipak Jain

Dr. Dipak Jain is a Non-Executive Independent Director of the Issuer. He is currently 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. From 2001 to 2009, Dr. Jain served as Dean of the Kellogg School of Management at Northwestern University. Prior to his appointment as Dean, he served as the Associate Dean of Academic Affairs for five years. 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. He taught at Gauhati University in India from 1980 to 1983. He also has a Master of Science in Management and Administrative Services and a PhD in management science at the University of Texas at Dallas in 1987.

Paul Cheng Ming Fun

Paul Cheng Ming Fun is a Non-Executive Independent Director of the Issuer. Mr. Cheng is currently the Deputy Chairman and independent non-executive director of Esprit Holdings

Ltd., as well as the independent non-executive director of Vietnam Infrastructure Ltd., Pacific Alliance China Land Limited and Pou Sheng International (Holdings) Limited. Mr. Cheng was the Chairman of The Link Management Ltd. from 2005 to 2007, Chairman of Inchcape Pacific Limited from 1992 to 1998 and its Executive Director from 1987 to 1992, as well as the Chairman of N.M. Rothschild & Sons (Hong Kong) Ltd from 1996 to 1998. Prior to this, he held various positions in Spencer Stuart & Associates (his last position was Managing Partner), Warner Lambert Co (his last position was Philippines Country Head and Asia Regional Director) and Richardson-Merrell, Inc. (formerly Vick Chemical Co.) (his last position in the company was Regional Manager). Mr. Cheng was a member of the Legislative Council of Hong Kong from 1988 to 1991 and from 1995 to 1997 and, was a member of the Preparatory Committee established by the Central Government of Beijing from 1994 to 1998 in relation to Hong Kong’s reversion to Chinese sovereignty. He also served as the Chairman of the American Chamber of Commerce in Hong Kong in 1987 and the Hong Kong General Chamber of Commerce from 1992 to 1994. He was also 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 University of Pennsylvania, United States in 1961.

Senior Management

Set out below are the current executive offices of the Issuer:

Name	Age	Position
Jeffrey H. Schwartz	51	Deputy Chairman and Chairman of the Executive Committee
Ming Z. Mei	38	Chief Executive Officer
Masato Miki	46	President of Japan
Fang Xie, Heather	46	Chief Financial Officer
Yoshiyuki Chosa	41	Managing Director of Japan
Kent Yang	42	Managing Director of China

Jeffrey H. Schwartz

Details for Jeffrey H. Schwartz are set out under “Management—Board of Directors”.

Ming Z. Mei

Details for Ming Z. Mei are set out under “Management—Board of Directors”.

Masato Miki

Masato Miki is the President of the Group’s Japan operations. Mr. Miki was formerly President and Co-CEO of ProLogis Japan. Mr. Miki joined ProLogis Japan in 2002 and grew ProLogis Japan to a prominent player in the Japan logistics space. Prior to joining ProLogis, Mr. Miki held several key positions within Mitsui Fudosan Co. Ltd from 1987 to 2002. In 1994, Mr. Miki relocated to New York to join Mitsui Fudosan America Inc. as treasurer and was responsible for corporate & property financing. In 2000, Mr. Miki returned to Tokyo to participate in the company’s J REIT project team and contributed to the public offering of the first J REIT in Japan, which was sponsored by Mitsui Fudosan Co. Ltd. Mr. Miki obtained his Master of Science in Real Estate Finance from New York University in 1999, and received his Bachelor of Arts in Political Science and Economics from Waseda University in 1987.

Fang Xie, Heather

Fang Xie, Heather is the Chief Financial Officer of the Group, and joined the Group from ProLogis pursuant to the 2009 Acquisition. Ms. Xie was Managing Director and Chief

Financial Officer of ProLogis China, where she was in charge of finance, treasury, tax, human resources and Information Technology of the China business. Ms. Xie was the Chief Financial Officer of Momentive Performance Materials Shanghai from 2007 to 2008, before which she spent over a decade from 1994 to 2006 in the General Electric group of companies, and held various positions with increasing responsibilities, including the Chief Financial Officer of General Electric Toshiba Silicones, the Treasurer and Controller of General Electric Infrastructure, Asia Pacific. Ms. Xie received her Bachelor and Master degrees from People's University of China and a Master degree of Arts from Cornell University in New York.

Yoshiyuki Chosa

Yoshiyuki Chosa is the Group's Managing Director of Japan. Mr. Chosa was formerly Vice President and subsequently Senior Vice President, Investment Management of ProLogis Japan, where he was responsible for the acquisition, development and investment business of the company in Japan. Mr. Chosa joined ProLogis Japan in March 2003 as Vice President to launch and expand 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., a group company of Mitsui Fudosan. In Mitsui Fudosan Co., Ltd, Mr. Chosa was involved in condominium and housing development projects as well as office leasing. In Mitsui Fudosan Investment Advisors, he was responsible for providing asset management services and real estate investment advisory services to overseas institutional investors. Mr. Chosa holds a Bachelor of Laws from Keio University in 1992.

Kent Yang

Kent Yang is the Group's Managing Director of China and is in charge of the company's business in China, including leasing properties, property management, and customer relations and services. Mr. Yang joined Shanghai Lingang GLP International Logistics Park Co. Ltd. in 2005 as a General Manager. Prior to that, Mr. Yang was the Managing Director of Wuxi Hua Yang Hi-Tech Venture Capital Inc. from 2002 to 2005 where he was responsible for the overall management of the company. Mr. Yang has over 17 years of experience in industrial real estate and construction. He received his Bachelor of Architecture from the University of Southern California in 1993 and a Master of Science in Real Estate Development from Columbia University in 1996.

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear, Clearstream, Luxembourg or the CMU (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but neither the Issuer, nor any Arranger or Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

The Clearing Systems

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by any Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system’s rules and procedures.

CMU

The CMU is a central depository service provided by the Central Moneymarkets Unit of the Hong Kong Monetary Authority (the “HKMA”) for the safe custody and electronic trading between the members of this service (“CMU Members”) of capital markets instruments (“CMU Instruments”) which are specified in the CMU Service Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all members of the Hong Kong Capital Markets Association and “authorised institutions” under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU is limited. In particular (and

unlike the European Clearing Systems), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Service Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Fiscal Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU.

Book-Entry Ownership

Bearer Notes

The Issuer has made applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuer may also apply to have Bearer Notes accepted for clearance through the CMU. In respect of Bearer Notes, a Temporary Bearer Global Note and/or a Permanent Bearer Global Note will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or a sub-custodian for the CMU. Transfers of interests in a Temporary Bearer Global Note or a Permanent Bearer Global Note will be made in accordance with the normal market debt securities operating procedures of the CMU, Euroclear and Clearstream, Luxembourg. Each Global Note will have an International Securities Identification Number (“ISIN”) and a Common Code or a CMU Instrument Number, as the case may be. Investors in Notes of such Series may hold their interests in a Global Note only through Euroclear, Clearstream, Luxembourg or the CMU, as the case may be.

Registered Notes

The Issuer has made applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of Registered Global Notes. The Issuer may also apply to have Registered Global Notes accepted for clearance through the CMU. Each Registered Global Note will have an ISIN and a Common Code or a CMU Instrument Number, as the case may be. Investors in Notes of such Series may hold their interests in a Registered Global Note only through Euroclear, Clearstream, Luxembourg or the CMU, as the case may be.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuer will update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

Singapore Taxation

The statements made herein regarding taxation are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by the Monetary Authority of Singapore (“MAS”) in force as of the date of this Offering Circular and are subject to any changes in such laws or administrative guidelines, or in the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statement made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive tax incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposition of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Issuer nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the “ITA”) the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is:
 - (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore), or
 - (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident

individuals) is 17 per cent. with effect from year of assessment 2010. The applicable rate for non-resident individuals is 20 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

Coupon Payment

Qualifying Debt Securities

As the Programme as a whole is arranged by J.P. Morgan (S.E.A.) Limited, Goldman Sachs (Singapore) Pte. and Citigroup Global Markets Singapore Pte. Ltd., each of which is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), any tranche of the Notes which are debt securities issued under the Programme during the period from the date of this Offering Circular to 31 December 2013 (“Relevant Notes”) would be “qualifying debt securities” for the purposes of the ITA, to which the following treatment shall apply:

- (a) subject to certain prescribed conditions having been fulfilled, including:
 - (i) the submission by the Issuer, or such other person as the Comptroller of Income Tax in Singapore (the “Comptroller”) may direct, of a return on debt securities in respect of the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require, to the Comptroller and the MAS, and
 - (ii) the inclusion by the Issuer in all offering documents relating to the Relevant Notes a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person’s operations through the Singapore permanent establishment,

interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “Qualifying Income”) from the Relevant Notes, derived by a holder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore or (ii) carries on any operation in Singapore through a permanent establishment in

Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from the operation in Singapore, are exempt from Singapore tax;

- (b) subject to certain conditions having been fulfilled (including the submission by the Issuer, or such other person as the Comptroller may direct, of a return on debt securities in respect of the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and the MAS), the Qualifying Income from the Relevant Notes derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent.; and
- (c) subject to:
 - (i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (ii) the Issuer or such other person as the Comptroller may direct, furnishing to the Comptroller and the MAS a return on debt securities in respect of the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require,

Qualifying Income derived from the Relevant Notes is not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (a) if during the primary launch of the Relevant Notes, such Relevant Notes are issued to fewer than four persons and 50 per cent. or more of the principal amount of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as “qualifying debt securities”; and
- (b) even though the Relevant Notes are “qualifying debt securities”, if, at any time during the tenure of such Relevant Notes, 50 per cent. or more of the principal amount of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, the Qualifying Income derived from such Relevant Notes by:
 - (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “related party”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Notwithstanding that the Issuer is permitted to make payments of the interest, discount income, prepayment fee, redemption premium and break cost in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any

person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

The terms “break cost”, “prepayment fee” and “redemption premium” are defined in the ITA as follows:

“break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

“prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the ITA.

The Qualifying Debt Securities Plus Scheme (the “QDS Plus Scheme”) has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain conditions having been fulfilled (including the submission by the issuer or such other person as the Comptroller may direct, of a return on debt securities in respect of the qualifying debt securities within such period as the Comptroller may specify and such other particulars in connection with the qualifying debt securities as the Comptroller may require, to the Comptroller and the MAS), income tax exemption is granted on interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2013;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if the Relevant Notes are “qualifying debt securities” which qualify under the QDS Plus Scheme, if, at any time during the tenure of such Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, interest, discount income, prepayment fee, redemption premium and break cost from such Relevant Notes derived by:

- (i) any related party of the Issuer; or
- (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be subject to tax in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore Financial Reporting Standard 39—Financial Instruments: Recognition and Measurement (“FRS 39”) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on “Adoption of FRS 39 Treatment for Singapore Income Tax Purposes”.

Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39—Financial Instruments: Recognition and Measurement” (the “FRS 39 Circular”). The ITA has since been amended to give legislative effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Hong Kong Taxation

The statements below regarding taxation are based on the law and practice of Hong Kong at the date of this Offering Circular and are subject to any subsequent changes in law or practice (which could be made on a retroactive basis). The following statements do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and may not apply equally to all persons. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the tax consequences of their ownership of the Notes.

Withholding Tax

No withholding tax is payable in respect of payments of principal or interest on the Notes or any gains arising on the sale of the Notes.

Profits Tax

Hong Kong profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong as it is currently applied, interest on the Notes may be subject to Hong Kong profits tax in the following circumstances:

- interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the

financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong;

- interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong; or
- interest on the Notes is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong.

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing on or after 22 June 1998, to a person other than a financial institution, on deposits (denominated in any currency) placed with an authorised institution in Hong Kong (within the meaning of Section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. The issue of the Notes should not constitute a deposit to which the above exemption will apply on the basis that the Issuer is not an authorised institution in Hong Kong. However, under current law and Inland Revenue Department practice, interest on such Notes generally would not be considered to arise in or be derived from Hong Kong¹ and therefore should not be subject to Hong Kong profits tax where derived by a person who is not a financial institution.

In addition, Hong Kong profits tax may be charged on profits arising on the sale, disposal or redemption of the Notes where such sale, disposal or redemption forms part of a trade, profession or business carried on in Hong Kong and is not capital in nature.

Stamp Duty

Stamp duty may be payable on the issue of the Notes if the Bearer Notes are issued in Hong Kong. Stamp duty should however not be payable provided that either:

- the Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstance in the currency of Hong Kong; or
- the Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable it is payable by the Issuer on issue of the Bearer Notes at a rate of 3 per cent. of the market value of the Notes.

No stamp duty will be payable on any subsequent transfer of the Bearer Notes.

No stamp duty should be payable on the issue of the Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty should however not be payable provided either:

- the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstance in the currency of Hong Kong; or
- the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable in respect of the transfer of the Registered Notes, it will be payable at the rate of 0.1 per cent. each by the seller and the purchaser by reference to the amount of the

¹ This assumes that the provision of credit is made outside of Hong Kong.

consideration or market value of the Registered Notes, whichever is the greater. If, in the case of either the sale or purchase of the Registered Notes, stamp duty is not paid, both the seller and the purchaser are liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

Estate Duty

Hong Kong estate duty has been abolished with respect to all deaths after 10 February 2006.

PRC Taxation

Holders of the Notes, which are not to be viewed as PRC tax resident individual or enterprise, will not be subject to withholding tax, income tax or any other taxes imposed by any governmental authority in the PRC in respect of the Notes or any repayment of principal and payment of interest made thereon.

EU Savings Directive

The EU has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons in another Member State, except that Austria and Luxembourg may instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise.

Investors should note that the European Commission has announced proposals to amend the Directive. If implemented, the proposed amendments would, *inter alia*, extend the scope of the Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

PRC CURRENCY CONTROLS AND EXCHANGE RATES

Remittance of Renminbi into and outside the PRC

The Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On 17 June 2010, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Programme of Renminbi Settlement of Cross-Border Trades (Yin Fa (2010) No. 186) (the "Circular"), pursuant to which (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover 20 provinces including Beijing, Shanghai, Tianjin, Chongqing, Guangdong, Jiangsu, Zhejiang, Liaoning, Shandong and Sichuan, and (iii) the restriction on designated offshore districts was lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle any current account items between them (except in the case of payments for exports of goods from the PRC, such Renminbi remittance may only be effected by approved pilot enterprises in 16 provinces within the designated pilot districts in the PRC). In particular, any foreign invested enterprises located in the designated pilot districts may remit all lawful dividends and distribution payments in Renminbi to its foreign investors outside the PRC.

As a new regulation, the Circular will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Circular and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

Generally there are no PRC rules that expressly permit the cross-border remittance of Renminbi for capital account payments. Instead, capital account items are generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) are generally required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or any other relevant PRC parties are also generally required to make capital account item payments including proceeds from liquidation, transfer of shares, reduction of capital and principal repayment under foreign debt to foreign investors in a foreign currency. That said, the relevant PRC authorities may approve a foreign entity to make a capital contribution or shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service

interest and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. The foreign invested enterprise may also be required to complete registration and verification process with the relevant PRC authorities before such RMB remittances.

On 25 February 2011, the Ministry of Commerce of PRC (the “MOC”) promulgated a Notice on Relevant Issues regarding the Administration on Foreign Investment (In Chinese: 关于外商投资管理有关问题的通知) (Shang Zi Han [2011] No. 72) (the “Notice”). According to this Notice, if any foreign investor applies to use Renminbi which it obtained from the cross-border trades or lawfully obtained outside the PRC for investing into the PRC (including setting up new foreign-invested enterprise, increasing the registered capital of the established foreign-invested enterprise set up by it, acquiring the PRC domestic enterprise or providing loan, etc.), the local commerce authority shall firstly report such application in writing to the Foreign Investment Department (in Chinese: 外资司) of the MOC. Only after the Foreign Investment Department of the MOC has granted a written consent to such report, the local commerce authority may continue to handle the subsequent procedures. The local commerce authority shall also expressly indicate the currency and the amount of the investment in its approval. There is no assurance that the written consent from the Foreign Investment Department of the MOC on a foreign investor to use Renminbi funds for its investment into China as mentioned above may be granted.

However, as there is currently still no specific regulation on the remittance of Renminbi for settlement of transactions categorised as capital account items issued by the State Administration of Foreign Exchange (the “SAFE”) or the People’s Bank of China (the “PBOC”), there is no assurance that the relevant local authorities will approve the remittance of Renminbi for settlement of transactions categorised as capital account items on a case by case basis or not and the approval of such remittances will continue to be granted or will not be revoked in the future. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

Exchange Rates

Since 1 January 1994, the PBOC has set and published daily a base exchange rate with reference primarily to the supply and demand of Renminbi against the U.S. dollar in the market during the prior day. On 21 July 2005, the PBOC announced a reform of its exchange rate system and revalued the Renminbi to CNY8.11 to U.S.\$1.00. Under the reform, the Renminbi is no longer effectively linked to the U.S. dollar but instead is allowed to fluctuate within a narrow and managed band against a basket of foreign currencies, according to market demand and supply conditions. The PBOC announces the Renminbi’s closing price each day, and that rate serves as the midpoint of the next day’s trading band. On 18 May 2007, the PBOC announced that, effective from 21 May 2007, it would widen the daily trading band of the Renminbi against the U.S. dollar from 0.3 per cent. to 0.5 per cent. As a result, the Renminbi is now permitted to rise or fall 0.5 per cent. each day from the midpoint set each morning. The PRC government may make further adjustments to the exchange rate system in the future.

The following table sets forth information concerning exchange rates between the RMB and the U.S. dollar for the periods indicated.

<u>Period</u>	<u>Exchanges Rate</u>			
	<u>Period End</u>	<u>Average⁽¹⁾</u>	<u>Low</u>	<u>High</u>
	(RMB per U.S.\$1.00)			
2002	8.2800	8.2772	8.2700	8.2800
2003	8.2767	8.2771	8.2765	8.2800
2004	8.2765	8.2768	8.2764	8.2774
2005	8.0702	8.1826	8.0702	8.2765
2006	7.8041	7.9579	7.8041	8.0702
2007	7.2946	7.5806	7.2946	7.8127
2008	6.8225	6.9193	6.7800	7.2946
2009	6.8259	6.8259	6.8176	6.8470
2010	6.6000	6.6796	6.6000	6.8330
2011				
January	6.6017	6.5964	6.5809	6.6364
February	6.5713	6.5761	6.5520	6.5965
March	6.5483	6.5645	6.5483	6.5743

Source: Federal Reserve Bank of New York

Note:

- (1) Annual averages are calculated from month-end rates. Monthly averages are calculated using the average of the daily rates during the relevant period.

SUBSCRIPTION AND SALE

Summary of Programme Agreement

Subject to the terms and on the conditions contained in the Programme Agreement (the "Programme Agreement") dated 25 April 2011 between the Issuer, the Arrangers and the Permanent Dealers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The Issuer will pay each Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions payable in respect of an issue of a Tranche of Notes on a syndicated basis will be stated in the relevant Subscription Agreement.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of Notes under the Programme. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act. Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment **within the United States** except in accordance with Rule 903 of Regulation S. Accordingly, neither it nor its affiliates or any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, in respect of Bearer Notes where TEFRA D is specified in the applicable Pricing Supplement:

- (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (the "D Rules"), each Dealer (i) has represented and agreed and each further Dealer will be required to represent and agree that it has not offered or sold, and that during the restricted period it will not offer or sell, Notes in bearer form to **a person who is within the United States or its possessions or to a United States person**, and (ii) has represented and agreed and each further Dealer will be required to represent and agree that it has not delivered and that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- (b) each Dealer has represented and agreed and each further Dealer will be required to represent and agree that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

- (c) if it is a United States person, each Dealer has represented and agreed and each further Dealer will be required to represent and agree that it is acquiring the Notes for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6);
- (d) with respect to each affiliate that acquires Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in paragraphs (a), (b) and (c) above on such affiliate's behalf or agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in paragraphs (a), (b) and (c); and
- (e) each Dealer has agreed and each further Dealer will be required to agree that it will obtain from any distributor (within the meaning of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D)(4)(ii)) that purchases any Notes from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of paragraphs (a), (b), (c) and (d) above insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the D Rules.

In respect of Bearer Notes where TEFRA C is specified in the applicable Pricing Supplement, such Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Bearer Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office or any agent in the United States in the offer or sale of such Bearer Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including the C Rules.

European Economic Area—Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a **qualified investor** as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons

(other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each Dealer represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) in relation to any Notes which **have a maturity of less than one year**, (i) it is a person whose **ordinary activities** involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Law No. 25 of 1948, as amended; the “FIEL”). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly offer or sell any Notes **in Japan** or to, or for the benefit of, **any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan)**, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, or regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

Each Dealer acknowledges that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the “Securities and Futures Act”). Accordingly, each Dealer represents and agrees, and each future Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to any persons in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor or to a relevant person defined under Section 275(2) of the Securities and Futures Act, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the Securities and Futures Act.

PRC

Each Dealer has represented and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Region or Taiwan), except as permitted by the securities laws of the People's Republic of China.

General

These selling restrictions may be modified by the agreement of the Issuer and the relevant Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will (to the best of its knowledge and belief) comply with all applicable laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular any other offering material or any Pricing Supplement, in all cases at its own expense, and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer and any other Dealer shall have any responsibility therefor.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer and set out in the applicable Pricing Supplement.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[Date]

Global Logistic Properties Limited, a limited liability company incorporated in Singapore

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
issued under the US\$2,000,000,000 Euro Medium Term Note Programme**

PART A CONTRACTUAL TERMS

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 25 April 2011 [and the Supplemental Offering Circular dated [●]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular [as so supplemented]. The Offering Circular [and the Supplemental Offering Circular] [is] [are] available for viewing at [website][and] during normal business hours at [address], and copies may be obtained from, the Issuer at its registered office.

[The following language applies if any tranche of the Notes is issued by Global Logistics Properties Limited and is intended to be “qualifying debt securities” (as defined in the Income Tax Act, Chapter 134 of Singapore):

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “ITA”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) contained in the Agency Agreement dated [original date] and set forth in the Offering Circular dated [original date] [and the Supplemental Offering Circular dated [●]]. This document contains the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular dated [●] 2011 [and the Supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] [and the Supplemental Offering Circular dated [original date]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circulars dated [●] 2011 and [previous date] [and the Supplemental Offering Circulars dated [●]]. Copies of such Offering Circulars [and the Supplemental Offering Circulars] are available for viewing [at [website] and during normal business hours at [address] and copies may be obtained free of charge at the registered office of the Issuer.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

- | | | |
|----|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Issuer: | [●] |
| 2 | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> |
| 3 | (i) Specified Currency or Currencies: | [●] |
| | (ii) Currency Fallback | [Applicable/Not Applicable] |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series: | [●] |
| | (ii) Tranche | [●] |
| 5 | (i) Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |
| | (ii) Net Proceeds: | [●] (Required only for listed issues) |
| 6 | (i) Specified Denominations: <i>(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)</i> | [●] |
| | | <i>(N.B. If an issue of Notes is to be (i) admitted to trading on a European Economic Area exchange; and/or (ii) offered to the public in the European Economic Area the minimum denomination of €100,000 is required.)</i> |
| | (ii) Calculation Amount <i>(Applicable to Notes in definitive Form.)</i> | <i>(If only one Specified Denomination, insert the Specified Denomination.</i>

<i>If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)</i> |
| 7 | (i) Issue Date: | [●] |
| | (ii) Interest Commencement Date: | [specify/Issue Date/Not Applicable] <i>(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)</i> |
| 8 | Maturity Date: | <i>[Fixed rate—specify date/Floating rate—Interest Payment Date falling in or nearest to [specify month]]¹</i> |
| 9 | Interest Basis: | [[●] per cent. Fixed Rate]
[[LIBOR/EURIBOR] +/- [●] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other] (further particulars specified below) |
| 10 | Redemption/Payment Basis: | [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other] |
| 11 | Change of Interest Basis or Redemption/Payment Basis: | [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis] |

¹ Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

12	Put/Call Options	[Change of Control Put] [Issuer Call] [(further particulars specified below)]
13	(a) Status of the Notes: (b) Date [Board] approval for issuance of Notes obtained:	Senior [●] <i>(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)</i>
14	Method of distribution:	[Syndicated/Non-syndicated]
Provisions Relating to Interest (if any) Payable		
15	Fixed Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Rate(s) of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear] <i>(If payable other than annually, consider amending Condition 5)</i>
	(ii) Interest Payment Date(s):	[●] in each year up to and including the Maturity Date/[specify other] <i>(NB: This will need to be amended in the case of long or short coupons)</i>
	(iii) Fixed Coupon Amount(s): <i>(Applicable to Notes in definitive form)</i>	[●] per Calculation Amount ²
	(iv) Broken Amount(s): <i>(Applicable to Notes in definitive form)</i>	[●] per Calculation Amount, payable on the Interest Payment Date falling on [●]
	(v) Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or specify other]
	(vi) Determination Date(s):	[●] in each year <i>[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration) (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))]</i>
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/Give details]
16	Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Specified Period(s)/Specified Interest Payment Dates:	[●]
	(ii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ <i>specify other</i>]
	(iii) Additional Business Centre(s):	[●]
	(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/specify other]
	(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[●]

² For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards.

(vi) Screen Rate Determination:		
	● Reference Rate:	[●] <i>(Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)</i>
	● Interest Determination Date(s):	[●] <i>(Second day in London on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) prior to the start of each Interest Period if LIBOR (other than Sterling or Euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or Euro LIBOR)</i>
	● Relevant Screen Page:	[●] <i>(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)</i>
(vii) ISDA Determination:		
	● Floating Rate Option:	[●]
	● Designated Maturity:	[●]
	● Reset Date:	[●]
	● ISDA Definitions	[2000/2006]
(viii) Margin(s):		[+/-] [●] per cent. per annum
(ix) Minimum Rate of Interest:		[●] per cent. per annum
(x) Maximum Rate of Interest:		[●] per cent. per annum
(xi) Day Count Fraction:		[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) [Other] <i>(See Condition 5 for alternatives)</i>
(xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:		[●]
17 Zero Coupon Note Provisions		[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Accrual Yield:	[●] per cent. per annum
	(ii) Reference Price:	[●]
	(iii) Any other formula/basis of determining amount payable:	[●]
	(iv) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 7(e)(iii) and 7(j) apply/specify other] <i>(Consider applicable day count fraction if not U.S. dollar denominated)</i>

18	Index Linked Interest Note Provisions	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p> <p>(i) Index/Formula: [give or annex details]</p> <p>(ii) Calculation Agent: [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]</p> <p>(iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [●]</p> <p>(iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [●] <i>[If appropriate, include a description of market disruption or settlement disruption events and adjustment provisions]</i></p> <p>(v) Specified Period(s)/Specified Interest Payment Dates: [●]</p> <p>(vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]</p> <p>(vii) Additional Business Centre(s): [●]</p> <p>(viii) Minimum Rate of Interest: [●] per cent. per annum</p> <p>(ix) Maximum Rate of Interest: [●] per cent. per annum</p> <p>(x) Day Count Fraction: [●]</p>
19	Dual Currency Interest Note Provisions	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p> <p>(i) Rate of Exchange/method of calculating Rate of Exchange: [give details]</p> <p>(ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [●]</p> <p>(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●] <i>[If appropriate, include a description of market disruption or settlement disruption events and adjustment provisions]</i></p> <p>(iv) Person at whose option Specified Currency(ies) is/are payable: [●]</p>

Provisions Relating to Redemption

20	Issuer Call:	<p>[Applicable/Not Applicable]</p> <p><i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i></p> <p>(i) Optional Redemption Date(s): [●]</p> <p>(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[●] per Calculation Amount/specify other/see Appendix]</p> <p>(iii) If redeemable in part:</p> <p style="padding-left: 20px;">(a) Minimum Redemption Amount: [●]</p> <p style="padding-left: 20px;">(b) Maximum Redemption Amount: [●]</p> <p>(iv) Notice period (if other than as set out in the Conditions): [●]</p>
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(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

- 21 Change of Control Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Notice period (if other than as set out in the Conditions): [●]
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
- 22 Final Redemption Amount: [[●] per Calculation Amount/specify other/see Appendix]
- 23 Early Redemption Amount payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): [[●] per Calculation Amount/specify other/see Appendix]

General Provisions Applicable to the Notes

- 24 Form of Notes:
- [Bearer Notes:
 [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]
 [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]
 [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]
 Registered Note ([●] nominal amount) registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a sub-custodian for the CMU]
- 25 Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which paragraphs 16(iii) and 18(vi) relate)
- 26 Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 27 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. NB: new forms of Global Notes may be required for Partly Paid issues.]
- 28 Details relating to Instalment Notes:
- (i) Instalment Amount(s): [Not Applicable/give details]
- (ii) Instalment Date(s): [Not Applicable/give details]

- 29 Redenomination applicable: Redenomination [not] applicable
(if Redenomination is applicable, specify the terms of Redenomination in an Annex to the Pricing Supplement)
- 30 Other final terms: [Not Applicable/give details]
(Consider including a term providing for tax certification if required to enable interest to be paid gross by issuer.)
- Distribution
- 31 (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/give names [and addresses and underwriting commitments]] (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (ii) Date of [Subscription] Agreement: [●]
- (iii) Stabilising Manager (if any): [Not Applicable/give name]
- 32 If non-syndicated, name of relevant Dealer: [●]
- 33 Total commission and concession: [●] per cent. of the Aggregate Notional Amount
- 34 U.S. Selling Restrictions: [Reg. S Category 1; TEFRA D/TEFRA C/TEFRA not applicable]
- 35 Additional selling restrictions: [Not Applicable/give details]

Purpose of Pricing Supplement

This Pricing Supplement comprise the final terms required for issue and admission to trading on the SGX-ST of the Notes described herein pursuant to the U.S.\$2,000,000,000 Euro Medium Term Note Programme of Global Logistic Properties Limited.

Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [Relevant third party information in relation to an index or its components has been extracted from [specify source].] The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By: _____
Duly authorised

PART B OTHER INFORMATION

- 1 **Listing and Admission to Trading** [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the SGX-ST with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes [to list on the official list and] to trade on the SGX-ST with effect from [●].] [Not Applicable.]
- 2 **Ratings**
Ratings: The Notes to be issued have been rated:
[S & P: [●]]
[Moody's: [●]]
[[Other]: [●]]
[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]
(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)
- 3 **Operational Information**
- (i) ISIN Code: [●]
- (ii) Common Code: [●]
- (iii) CUSIP: [●]
- (iv) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the CMU and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of additional Fiscal Agent(s) (if any): [●]

GENERAL INFORMATION

- (1) The establishment of the Programme and the issue of Notes thereunder have been duly authorised by a resolution of the Board of Directors of the Issuer dated 10 February 2011.
- (2) Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Group since 31 December 2010 and no material adverse change in the financial position or prospects of the Group since 31 December 2010.
- (3) The Issuer is not involved in any litigation, arbitration or administrative proceedings relating to claims which are material in the context of the issue of the Notes and, so far as it is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.
- (4) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- (5) Application has been made to the SGX-ST for permission to deal in and for quotation of any Notes which are agreed at the time of issue to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. The Notes will trade on the SGX-ST in a minimum board lot size of S\$200,000 or its equivalent in other currencies so long as any of the Notes remain listed on the SGX-ST. There can be no assurance that an application to the SGX-ST will be approved. So long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes. In addition, if any of the Global Notes is exchanged for definitive Notes, announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.
- (6) For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuer and the specified office of the Paying Agents:
 - (i) the Fiscal Agency Agreement;
 - (ii) the Programme Agreement;
 - (iii) the Deed of Covenant;
 - (iv) the Memorandum and Articles of Association of the Issuer;
 - (v) the audited combined financial statements of the Group in respect of the financial years ended 31 March 2008, 2009 and 2010;

- (vi) the unaudited interim consolidated financial statements of the Group for the nine-month periods ended 31 December 2009 and 2010; and
- (vii) a copy of this Offering Circular together with any supplement (including any Pricing Supplement save that a Pricing Supplement relating to an unlisted series of Notes will only be available for inspection by a holder of any such Notes and such holder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of Notes and identity) to this Offering Circular or further Offering Circular.

Copies of the documents referred to in sub-paragraphs (vi) to (vii) above will also be available free of charge during the hours referred to above from the specified office of the Paying Agents so long as any of the Notes is outstanding.

- (7) The appropriate Common Code and ISIN for each Tranche of Notes and Notes to be listed on the SGX-ST allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. The relevant Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.
- (8) KPMG LLP have reviewed the unaudited interim consolidated financial statements of the Group, without qualification, in accordance with Singapore Financial Reporting Standards for the nine-month periods ended 31 December 2009 and 2010.

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INDEPENDENT AUDITORS' REPORT ON THE COMBINED FINANCIAL STATEMENTS

The Board of Directors
Global Logistic Properties Limited
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Dear Sirs,

Letter from the Independent Auditors on the Combined Financial Statements

We have audited the accompanying combined financial statements of Global Logistic Properties Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the combined balance sheets of the Group as at 31 March 2008, 2009 and 2010, the combined income statements, combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years ended 31 March 2008, 2009 and 2010, and a summary of significant accounting policies and other explanatory notes, as set out on pages F-13 to F-53.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

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 whether the financial statements are free of 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 and fair presentation of the financial statements 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 combined financial statements of the Group are properly drawn up in accordance with International Financial Reporting Standards to present fairly, in all material aspects, the state of affairs of the Group as at 31 March 2008, 2009 and 2010 and the results, changes in equity and cash flows of the Group for the financial years ended 31 March 2008, 2009 and 2010.

This report has been prepared for inclusion in the Prospectus of the Company in connection with the initial public offering of the shares of the Company. No audited financial statements of the Company or its subsidiaries have been prepared for any period subsequent to 31 March 2010.

KPMG LLP

*Public Accountants and
Certified Public Accountants*
Singapore

Eng Chin Chin
Partner-in-charge

27 September 2010, except for Note 29 Subsequent events, as to which the date is
11 October 2010

**Global Logistic Properties Limited
and its subsidiaries**

Combined Financial Statements
For the years ended 31 March, 2008, 2009 and 2010

Combined Balance Sheets
As at 31 March 2008, 2009 and 2010

	Note	2008 US\$'000	2009 US\$'000	2010 US\$'000
Non-current assets				
Investment properties	4	-	6,374,448	6,528,973
Jointly-controlled entities	5	1,568,318	378,826	315,469
Deferred tax assets	6	-	10,948	20,232
Plant and equipment	7	-	104	75
Other non-current assets	8	-	16,478	17,351
		1,568,318	6,780,804	6,882,100
Current assets				
Trade and other receivables	9	77	107,337	103,227
Financial derivative assets	10	-	480	33
Cash and cash equivalents	11	-	311,397	412,021
		77	419,214	515,281
Total assets		1,568,395	7,200,018	7,397,381
Equity attributable to equity holder of the Company				
Share capital	12	*	*	*
Reserves	13	1,346,958	1,746,484	1,566,222
		1,346,958	1,746,484	1,566,222
Minority interests	14	-	745,952	776,197
Total equity		1,346,958	2,492,436	2,342,419
Non-current liabilities				
Loans and borrowings	15	-	2,667,069	2,664,831
Deferred tax liabilities	6	-	107,658	135,192
Other non-current liabilities	16	-	149,715	124,707
		-	2,924,442	2,924,730
Current liabilities				
Loans and borrowings	15	-	464,640	715,749
Trade and other payables	17	221,437	1,288,894	1,380,206
Financial derivative liabilities	10	-	28,280	32,729
Current tax payable		-	1,326	1,548
		221,437	1,783,140	2,130,232
Total liabilities		221,437	4,707,582	5,054,962
Total equity and liabilities		1,568,395	7,200,018	7,397,381

* Less than US\$1,000

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

Combined Income Statements
Years Ended 31 March 2008, 2009 and 2010

	Note	2008 US\$'000	2009 US\$'000	2010 US\$'000
Revenue	18	-	51,278	407,968
Management fees		-	(4,012)	(35,101)
Property-related expenses		-	(7,241)	(53,683)
Other expenses		(932)	(3,527)	(22,057)
		(932)	36,498	297,127
Share of results (net of income tax) of jointly-controlled entities		16,574	(280,280)	31,984
Profit/(Loss) from operating activities after share of results of jointly-controlled entities		15,642	(243,782)	329,111
Net finance costs	19	-	(9,633)	(60,468)
Non-operating (expenses)/income	20	(273)	290,207	(27,680)
Profit before changes in fair value of investment properties		15,369	36,792	240,963
Changes in fair value of investment properties		-	-	(369,006)
Profit/(Loss) before income tax	20	15,369	36,792	(128,043)
Income tax expense	21	(1,918)	(4,433)	(21,637)
Profit/(Loss) for the year		13,451	32,359	(149,680)
Profit/(Loss) attributable to:				
Equity holder of the Company		13,451	31,946	(176,685)
Minority interests		-	413	27,005
Profit/(Loss) for the year		13,451	32,359	(149,680)
Earnings/(Loss) per share (cents)				
- Basic and diluted	22	0.97	2.13	(10.13)

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

**Combined Statements of Comprehensive Income
Years Ended 31 March 2008, 2009 and 2010**

	2008	2009	2010
	US\$'000	US\$'000	US\$'000
Profit/(Loss) for the year	13,451	32,359	(149,680)
Other comprehensive income			
Foreign currency translation differences for foreign operations	120,901	(30,340)	100,633
Other comprehensive income for the year	120,901	(30,340)	100,633
Total comprehensive income for the year	134,352	2,019	(49,047)
Attributable to:			
Owners of the Company	134,352	40,898	(108,554)
Minority interests	-	(38,879)	59,507
Total comprehensive income for the year	134,352	2,019	(49,047)

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

**Combined Statements of Changes in Equity
Years Ended 31 March 2008, 2009 and 2010**

	Share capital US\$'000	Capital reserve US\$'000	Currency translation reserve US\$'000	Other reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Minority interests US\$'000	Total equity US\$'000
At 1 April 2007	*	268,897	100,591	-	584,251	953,739	-	953,739
Total comprehensive income for the year								
Profit for the year	-	-	-	-	13,451	13,451	-	13,451
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	-	120,901	-	-	120,901	-	120,901
Total comprehensive income for the year	-	-	120,901	-	13,451	134,352	-	134,352
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution	-	283,430	-	-	-	283,430	-	283,430
Tax-exempt dividend paid	-	-	-	-	(24,563)	(24,563)	-	(24,563)
At 31 March 2008	*	552,327	221,492	-	573,139	1,346,958	-	1,346,958

* Less than US\$1,000

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

	Share capital US\$'000	Capital reserve US\$'000	Currency translation reserve US\$'000	Other reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Minority interests US\$'000	Total equity US\$'000
At 1 April 2008	*	552,327	221,492	-	573,139	1,346,958	-	1,346,958
Total comprehensive income for the year								
Profit for the year	-	-	-	-	31,946	31,946	413	32,359
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	-	8,952	-	-	8,952	(39,292)	(30,340)
Total comprehensive income for the year	-	-	8,952	-	31,946	40,898	(38,879)	2,019
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution	-	209,311	-	-	-	209,311	-	209,311
Redemption of preference shares issued by subsidiaries	-	-	-	-	-	-	(10,169)	(10,169)
Acquisition of subsidiaries	-	(671,762)	(156,320)	1,040,102	(1,239)	210,781	803,819	1,014,600
Tax-exempt dividends paid	-	-	-	-	(61,464)	(61,464)	(8,819)	(70,283)
At 31 March 2009	*	89,876	74,124	1,040,102	542,382	1,746,484	745,952	2,492,436

* Less than US\$1,000

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

	Share capital US\$'000	Capital reserve US\$'000	Currency translation reserve US\$'000	Other reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Minority interests US\$'000	Total equity US\$'000
At 1 April 2009	*	89,876	74,124	1,040,102	542,382	1,746,484	745,952	2,492,436
Total comprehensive income for the year								
(Loss)/Profit for the year	-	-	-	-	(176,685)	(176,685)	27,005	(149,680)
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	-	68,131	-	-	68,131	32,502	100,633
Total comprehensive income for the year	-	-	68,131	-	(176,685)	(108,554)	59,507	(49,047)
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution	-	1,000	-	-	-	1,000	10,211	11,211
Redemption of preference shares issued by subsidiaries	-	-	-	-	-	-	(30,673)	(30,673)
Acquisition of subsidiaries	-	-	-	-	-	-	37,412	37,412
Acquisition of interest in subsidiaries from minority interests	-	(8,065)	-	-	-	(8,065)	(2,081)	(10,146)
Disposal of subsidiaries	-	-	-	-	-	-	(26,722)	(26,722)
Transfer to reserves	-	225	-	-	(225)	-	-	-
Tax-exempt dividends paid	-	-	-	-	(64,643)	(64,643)	(17,409)	(82,052)
At 31 March 2010	*	83,036	142,255	1,040,102	300,829	1,566,222	776,197	2,342,419

* Less than US\$1,000

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

Combined Statements of Cash Flows
Years Ended 31 March 2008, 2009 and 2010

	Note	2008 US\$'000	2009 US\$'000	2010 US\$'000
Cash flows from operating activities				
Profit/(Loss) before income tax		15,369	36,792	(128,043)
Adjustments for:				
Amortisation of transaction costs of bonds		-	1,285	4,892
Depreciation of plant and equipment		-	8	35
Loss on disposal/liquidation of subsidiaries and jointly-controlled entities		273	5,448	27,680
Negative goodwill on acquisition of subsidiaries		-	(295,676)	-
Loss on disposal of investment properties		-	21	-
Share of results of jointly-controlled entities		(16,574)	280,280	(31,984)
Changes in fair value of investment properties		-	-	369,006
Changes in fair value of financial derivatives		-	(49)	3,510
Impairment loss on trade and other receivables		-	-	124
Interest income		-	(186)	(1,560)
Interest expense		-	8,560	66,953
		(932)	36,483	310,613
Changes in working capital:				
Trade and other receivables		(77)	19,658	(3,304)
Trade and other payables		2	(5,408)	(44,685)
Cash (used in)/generated from operations		(1,007)	50,733	262,624
Income tax paid		(1,918)	(5,405)	(8,782)
Net cash (used in)/from operating activities		(2,925)	45,328	253,842
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	23	-	(917,018)	(65,720)
Acquisition of minority interests		-	-	(10,146)
Development expenditure on investment properties		-	(15,052)	(113,255)
Disposal of investment properties		-	3,388	9,860
Disposal of subsidiary, net of cash disposed of	23	-	-	12,250
Proceeds from disposal of jointly-controlled entities		5,367	-	-
Purchase of plant and equipment		-	-	(6)
Interest income received		-	186	1,560
Dividends received from jointly-controlled entities		37,162	33,648	6,305
Net cash from/(used in) investing activities		42,529	(894,848)	(159,152)

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

	Note	2008 US\$'000	2009 US\$'000	2010 US\$'000
Cash flows from financing activities				
Capital contribution from immediate holding company and related corporations		-	262,042	-
(Repayment of)/Proceeds from loans and advances from immediate holding company and related corporations		(39,604)	660,965	6,193
Proceeds from bank loans		-	334,771	160,498
Repayment of bank loans		-	(1,326)	(12,986)
Redemption of bonds		-	(147)	(42,622)
Redemption of preference shares		-	(10,169)	(30,673)
Deposits pledged		-	(7,250)	7,250
Interest paid		-	(8,590)	(67,121)
Dividends paid		-	(67,241)	(17,409)
Net cash (used in)/from financing activities		<u>(39,604)</u>	<u>1,163,055</u>	<u>3,130</u>
Net increase in cash and cash equivalents		-	313,535	97,820
Cash and cash equivalents at beginning of year		-	-	304,147
Effect of exchange rate changes on cash balances held in foreign currencies		-	(9,388)	10,054
Cash and cash equivalents at end of year	11	<u>-</u>	<u>304,147</u>	<u>412,021</u>

Significant Non-Cash Transactions

- 1) During the year ended 31 March 2010, the minority shareholder of a subsidiary made a capital contribution to the subsidiary through the assignment of land to be developed as an investment property to the subsidiary. The fair value of the land was assessed to be approximately US\$10,211,000 on the date of capital contribution.
- 2) During the years ended 31 March 2009 and 2010, each of the equity holders of a jointly-controlled entity, Global Logistic Properties Holdings Limited, contributed capital of US\$4,000,000 and US\$1,000,000 to the entity respectively.

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

Notes to the combined financial statements

These notes form an integral part of the combined financial statements.

1 Background and basis of preparation

(a) Introduction

These combined financial statements have been prepared for inclusion in the Prospectus of Global Logistic Properties Limited (the “Company”) in connection with the initial public offering of ordinary shares of the Company (the “Offering”).

(b) Domicile and activities

The Company is incorporated in the Republic of Singapore on 28 August 2007 and has its registered office at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623.

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

On 15 September 2010, the Company changed its name from Reco China Logistics Private Limited to Global Logistic Properties Pte. Ltd. On 17 September 2010, the Company converted into a public company limited by shares and changed its name to Global Logistic Properties Limited.

The immediate and ultimate holding company during the financial years 2008, 2009 and 2010 are Recosia China Private Limited (“Recosia China”) and Government of Singapore Investment Corporation (Realty) Private Limited (“GIC Realty”), respectively. Both entities are incorporated in the Republic of Singapore.

The combined financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in jointly-controlled entities.

2 Basis of preparation

(a) Transfer of entities under common control

On 27 September 2010, the Company entered into a master restructuring agreement, which include the acquisition of 100% interests in Japan Logistic Properties 1 Private Limited (“JLP 1”), Japan Logistic Properties 2 Pte. Ltd. (“JLP 2”) and Japan Logistic Properties 3 Pte. Ltd. (“JLP 3”) from Reco Platinum Pte Ltd (“Reco Platinum”), Reco Benefit Private Limited (“Reco Benefit”) and Reco Heir Private Limited (“Reco Heir”) respectively (the “Japan Reorganization”) and the 50% interests in Global Logistic Properties Holdings Limited (“GLPH”) from Reco Logistics Management Private Limited (“Reco Logistics”) (the “GLPH Reorganization”). The ultimate holding company of Reco Platinum, Reco Benefit, Reco Heir and Reco Logistics is GIC Realty.

The Japan Reorganization and the GLPH Reorganization are considered to be acquisitions of equity interests by entities under common control and therefore the entities acquired by the Group pursuant to these reorganisations have been accounted for in a manner similar to the pooling-of-interests method. Accordingly, the assets and liabilities of these entities have been included in the combined financial statements at their historical carrying amounts. Although the master restructuring agreement was entered into on 27 September 2010, the combined financial statements present the financial condition, results of operations and cash flows as if the reorganisations had occurred as of the beginning of the earliest period presented.

These combined financial statements of the Group for the relevant periods were audited by KPMG LLP Singapore, a firm of Certified Public Accountants registered with the Accounting and Corporate Regulatory Authority, in accordance with Singapore Standards on Auditing.

(b) Statement of compliance

The combined financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”).

(c) Basis of measurement

The combined 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.

(d) 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.

(e) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS 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 recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 4 – valuation of investment properties

Note 23 – valuation of assets and liabilities acquired in business combination

Note 25 – valuation of financial instruments

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group entities, except as explained in Note 3(e) below.

(a) Combination

The combined financial statements of the Group have been prepared on the basis that the acquisitions described in Note 2(a) had taken effect and been completed as of 1 April 2007, or the dates of incorporation/establishment of subsidiaries under common control, if later, but without taking into account the payments that are required to be made.

(i) *Subsidiaries*

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The Group has also established certain special purpose entities (“SPE”) for investment purposes. A SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group, and the SPE’s risks and rewards, the Group concludes that it controls the SPE.

The financial statements of subsidiaries are included in the combined 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.

For acquisition of interests in 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 recognised directly in equity.

For acquisition of subsidiaries accounted under the purchase method, the cost of acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Any excess or deficiency of the purchase consideration over the net fair value of the identifiable assets, liabilities and contingent liabilities is accounted as goodwill or negative goodwill. Goodwill is stated at cost less impairment losses and is tested annually for impairment. Negative goodwill is recognised in profit or loss in the period of acquisition.

(ii) *Jointly-controlled entities*

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Jointly-controlled entities are accounted using the equity method and are recognised initially at cost. The Group’s investments in jointly-controlled entities include goodwill identified on acquisition, net of any accumulated impairment losses. The combined financial statements include the Group’s share of the income, expenses and equity movements of jointly-controlled entities, 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. When the Group’s share of losses exceeds its interest in a jointly-controlled entity, the carrying amount of that interest, including any long-term investments, is reduced to nil, 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.

(iii) *Transactions eliminated on combination*

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the combined financial statements. Unrealized gains arising from transactions with jointly-controlled entities 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.

(b) Foreign currencies

(i) *Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group 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 the reporting date. 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.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of monetary items that in substance form part of the Group's net investment in a foreign operation (see below).

(ii) *Foreign operations*

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

Foreign currency differences are recognised in other comprehensive income. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss on disposal.

(iii) *Net investment in foreign operation*

Exchange differences arising from monetary items that form part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the foreign operation, as appropriate. Such exchange differences are reclassified to other comprehensive income in the combined financial statements. When the foreign operation is disposed of, the cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss arising from disposal.

(c) **Financial instruments**

(i) *Non-derivative financial instruments*

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

The Group derecognises 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 recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet 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 realise the asset and settle the liability simultaneously.

The Group has the following non-derivative 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 recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables, except prepayments.

Cash and cash equivalents comprise cash balances and bank deposits.

(ii) *Non-derivative financial liabilities*

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

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

Financial assets and liabilities are offset and the net amount presented in the balance sheet 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 realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities, loans and borrowings, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised 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 recognised as a deduction from equity, net of any tax effects.

(iv) *Derivative financial instruments, including hedge accounting*

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and therein are accounted as described below.

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 recognised 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 recognised in other comprehensive income and presented in hedging reserve in equity. The amount recognised in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the income statement as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the 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. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognised in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognised. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in profit or loss. In other cases, the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

(d) Plant and equipment

(i) *Recognition and measurement*

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the cost of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of plant and equipment. Purchase of software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as a separate item (major components) of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised net in profit or loss.

(ii) *Subsequent costs*

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) *Depreciation*

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less residual value. Depreciation on plant and equipment is recognised in profit or loss on a straight-line basis over the estimated useful lives (or lease term, if shorter) of each part of an item of plant and equipment. The estimated useful lives of furniture, fittings and equipment range from 2 to 10 years.

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

(e) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties comprise completed investment properties, investment properties under re-development, properties under development and land held for development.

Land held for development represents lease prepayments for acquiring rights to use land in the People's Republic of China ("PRC") with periods ranging from 40 to 50 years. Such rights granted with consideration are recognised initially at acquisition cost less accumulated amortisation of these rights over the lease period.

(i) *Completed investment properties and investment properties under re-development*

Completed investment properties and investment properties under re-development are measured at fair value with any changes therein recognised in profit or loss.

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

(ii) *Properties under development and land held for development*

Prior to 1 April 2009

Property that is being constructed or developed for future use as investment property is initially accounted for at cost, including capitalised land use rights less accumulated amortisation of these rights over the lease period. Upon completion of the construction, the property is remeasured to fair value with any change therein recognised in profit or loss.

On or after 1 April 2009

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

Change in accounting policy

The Group adopted the amendments made to IAS 40 *Investment Property*, effective for annual periods beginning on or after 1 January 2009, on 1 April 2009. Under this amendment, property that is being constructed or developed for future use as investment property meets the definition of an investment property. As the Group has adopted the fair value model to measure its investment properties, properties in the course of development and land held for development for future use as investment properties was accordingly stated at fair value with effect from 1 April 2009, with any change therein recognised in profit or loss.

(f) Intangible assets

(i) *Goodwill*

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of exchange.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of jointly-controlled entities is presented together with investments in jointly-controlled entities.

Goodwill is measured at cost less accumulated impairment losses, and tested for impairment. Negative goodwill is recognised immediately in profit or loss.

(ii) *Other intangible assets*

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

(iii) *Amortisation*

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

Amortisation is recognised 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

(g) **Impairment**

(i) *Financial assets (including receivables)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets 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.

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

In assessing collective impairment, the Group uses historical trends of the 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 less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised 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 recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(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 asset's recoverable amount is 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.

The recoverable amount of an asset or cash-generating unit 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 groups of assets (the "cash-generating unit, or CGU"). 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. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised 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 recognised 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 amortisation, if no impairment loss had been recognised.

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

(h) 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 recognised 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 recognised 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 recognised 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 balance sheet date.

(i) Provision

A provision is recognised 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 recognised as finance cost.

(j) Revenue recognition

Rental income

Rental income receivable under operating leases is recognised 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 recognised as an integral part of the total rental income to be received. Contingent rentals are recognised as income in the accounting period in which they are earned.

(k) Finance income and expenses

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

All borrowing cost are recognised in profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(l) Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised 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 recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. 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. 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 income 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 realised simultaneously.

A deferred tax asset is recognised 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 utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for events, other than the conversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, and for the effects of all dilutive potential ordinary shares.

(n) Segment reporting

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

(o) New accounting standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for the year ended 31 March 2010 have not been applied in preparing these financial statements. Management does not expect any of these to have a significant impact on the combined financial statements.

4 Investment properties

	2008 US\$'000	2009 US\$'000	2010 US\$'000
At 1 April	-	-	6,374,448
Additions	-	15,549	117,856
Disposals	-	(3,409)	(9,860)
Acquisition of subsidiaries	-	6,669,826	147,721
Borrowing cost capitalised	-	30	168
Development fees capitalised	-	1,001	5,609
Changes in fair value	-	-	(369,006)
Translation differences	-	(308,549)	262,037
At 31 March	-	6,374,448	6,528,973

Comprising:

Completed investment properties	-	5,932,767	6,187,031
Investment properties under re-development	-	12,312	33,191
Properties under development	-	195,182	79,834
Land held for development	-	234,187	228,917
	-	6,374,448	6,528,973

Properties under development and land held for development are stated at cost as at 31 March 2009 and at fair value as at 31 March 2010 (see Note 3(e)).

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 ten 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 totalling approximately US\$5,807,046,000 as at 31 March 2010 (2009: US\$5,531,563,000; 2008: US\$Nil) were mortgaged to banks and bondholders to secure credit facilities for the Group (Note 15). Interest capitalised as costs of investment properties amounted to approximately US\$168,000 during the 2010 financial year (2009: US\$30,000; 2008: US\$Nil).

In determining fair value, a combination of approaches were used, including the direct comparison, income capitalisation and discounted cash flow approach. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income capitalisation approach capitalizes an income stream into a present value using single-year capitalisation 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. 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 range of yields applied to the net annual rentals to determine the fair value of properties under the discounted cash flow approach is as follows:

	Valuation dates		
	2008	2009	2010
	%	%	%
PRC	-	7.00 - 7.50	6.50 - 7.50
Japan	-	4.08 - 8.98	5.11 - 9.46

The fair value of investment properties assessed by independent valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category as at 31 March 2010 were US\$6,528,973,000 (2009: US\$5,312,515,000; 2008: US\$Nil).

5 Jointly-controlled entities

	2008	2009	2010
	US\$'000	US\$'000	US\$'000
Interests in jointly-controlled entities	1,568,318	378,826	315,469

See Note 28 for details of significant jointly-controlled entities.

The following amounts represent the Group's proportionate share of results, assets and liabilities of the jointly-controlled entities:

	2008	2009	2010
	US\$'000	US\$'000	US\$'000
<u>Assets and liabilities</u>			
Non-current assets	4,095,255	644,037	449,393
Current assets	141,549	250,635	96,824
Total assets	4,236,804	894,672	546,217
Non-current liabilities	(1,794,735)	(266,268)	(131,143)
Current liabilities	(389,946)	(249,578)	(99,605)
Total liabilities	(2,184,681)	(515,846)	(230,748)
Minority interests	(483,805)	-	-
<u>Results</u>			
Revenue	165,178	242,455	76,261
Expenses	(148,604)	(522,735)	(44,277)
Profit/(loss) for the year	16,574	(280,280)	31,984
Capital commitments in relation to interests in jointly-controlled entities	-	7,165	7,165
Proportionate interest in jointly-controlled entities' commitments	-	115,020	153,993

6 Deferred tax

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

	At 1 April US\$'000	Acquisition of subsidiaries US\$'000	Exchange differences US\$'000	Recognised in profit or loss (Note 21) US\$'000	At 31 March US\$'000
2009					
Deferred tax assets					
Unutilised tax losses	-	5,388	-	576	5,964
Investment properties	-	4,564	(251)	-	4,313
Interest rate swaps	-	630	(32)	69	667
Others	-	1,392	(45)	(1,343)	4
	-	11,974	(328)	(698)	10,948
Deferred tax liabilities					
Investment properties	-	(110,949)	4,253	-	(106,696)
Others	-	-	-	(962)	(962)
	-	(110,949)	4,253	(962)	(107,658)
Total	-	(98,975)	3,925	(1,660)	(96,710)
2010					
Deferred tax assets					
Unutilised tax losses	5,964	-	-	1,164	7,128
Investment properties	4,313	-	232	6,934	11,479
Interest rate swaps	667	-	37	921	1,625
Others	4	-	-	(4)	-
	10,948	-	269	9,015	20,232
Deferred tax liabilities					
Investment properties	(106,696)	(2,275)	(3,598)	(21,864)	(134,433)
Others	(962)	-	(13)	216	(759)
	(107,658)	(2,275)	(3,611)	(21,648)	(135,192)
Total	(96,710)	(2,275)	(3,342)	(12,633)	(114,960)

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting are included in the balance sheet as follows:

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Deferred tax assets	-	10,948	20,232
Deferred tax liabilities	-	107,658	135,192

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

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Tax losses	-	48,128	68,460

Tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the subsidiaries operate. The unrecognised tax losses will expire within 1 to 5 years.

7 Plant and equipment

	Furniture, fittings and equipment US\$'000
<u>Cost</u>	
At 1 April 2007 and 31 March 2008	-
Acquisition of subsidiaries	195
At 31 March 2009	195
Additions	6
At 31 March 2010	201
<u>Accumulated depreciation</u>	
At 1 April 2007 and 31 March 2008	-
Depreciation charge for the year	8
Acquisition of subsidiaries	83
At 31 March 2009	91
Depreciation charge for the year	35
At 31 March 2010	126
<u>Carrying amount</u>	
At 1 April 2007 and 31 March 2008	-
At 31 March 2009	104
At 31 March 2010	75

8 Other non-current assets

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Trade receivables	-	13,551	12,894
Prepayments	-	1,212	1,586
Others	-	1,715	2,871
	-	16,478	17,351

Trade receivables comprise non-current rent receivables. Management has assessed that no allowance for impairment losses is required in respect of the Group's non-current rent receivables.

9 Trade and other receivables

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Trade receivables	-	4,043	9,657
Impairment losses	-	-	(117)
Net trade receivables	-	4,043	9,540
Amounts due from related corporations:			
- trade	-	-	673
- non-trade and interest-free	-	-	38
Amounts due from jointly-controlled entities (non-trade and interest-bearing)	-	13,088	-
Notes receivable from related corporations	-	30,615	30,615
Loans to minority interests	-	-	974
	-	43,703	32,300
Deposits	-	52,485	50,089
Other receivables	-	6,615	3,702
Impairment losses	-	(523)	(530)
	-	6,092	3,172
Prepayments	77	1,014	8,126
	77	107,337	103,227

The balances due from related corporations, jointly-controlled entities and minority interests are unsecured and repayable on demand.

Deposits include an amount of US\$47,577,000 (2009: US\$52,457,000; 2008: US\$Nil) in relation to the acquisition of new investments. Other receivables comprise principally interest receivables and other recoverables.

The effective interest rate of amounts due from jointly-controlled entities as at 31 March 2009 ranged from 4.54% to 7.47% per annum.

The effective interest rate of notes receivable from related corporations as at 31 March 2010 and 2009 are 1.23% and 1.50% respectively

The effective interest rate of the loans to minority interests as at 31 March 2010 is 4.0% per annum.

Impairment losses

The ageing of current loans and receivables at the reporting date is:

	Gross 2008 US\$'000	Impairment 2008 US\$'000	Gross 2009 US\$'000	Impairment 2009 US\$'000	Gross 2010 US\$'000	Impairment 2010 US\$'000
Not past due	-	-	103,995	-	91,584	-
Past due 1 – 30 days	-	-	1,273	-	2,074	-
Past due 31 – 90 days	-	-	959	-	1,255	-
More than 90 days	-	-	619	(523)	835	(647)
	-	-	106,846	(523)	95,748	(647)

The movement in the allowances for impairment in respect of trade and other receivables during the year was as follows:

	2008 US\$'000	2009 US\$'000	2010 US\$'000
At 1 April	-	-	523
Impairment loss recognised	-	-	124
Acquisition of subsidiaries	-	523	-
At 31 March	-	523	647

Based on historical default rates, the Group believes that, except for those recognised, no additional impairment loss is necessary in respect of trade and other receivables. These receivables relate to customers that have a good credit record with the Group.

10 Financial derivatives

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Financial derivative assets			
Interest rate swaps	-	480	33
Financial derivative liabilities			
Interest rate swaps	-	28,280	32,729

11 Cash and cash equivalents

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Fixed deposits with financial institutions	-	32,030	100,300
Cash at bank	-	279,367	311,721
Cash and cash equivalents	-	311,397	412,021
Deposits pledged	-	(7,250)	-
Cash and cash equivalents in the statements of cash flows	-	304,147	412,021

Deposits pledged represents bank balances of certain subsidiaries pledged as security to obtain credit facilities.

The effective interest rates relating to fixed deposits with financial institutions at the balance sheet date ranged from 0.04% – 0.66% (2009: 0.02% – 1.66%; 2008: Nil%) per annum. Interest rates repriced at intervals of one to twelve months.

12 Share capital

	2008 No. of shares '000	2009 No. of shares '000	2010 No. of shares '000
Fully paid ordinary shares, with no par value:			
At 1 April	*	*	*
Issue of shares	*	*	*
At 31 March	*	*	*

* Less than 1,000 shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

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 shareholder's value. The Group defines "capital" as including all components of equity plus loans from its immediate holding company and related corporations with no fixed terms of repayment.

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

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 for the years ended 31 March 2008, 2009 and 2010.

13 Reserves

	2008	2009	2010
	US\$'000	US\$'000	US\$'000
Capital reserve	552,327	89,876	83,036
Currency translation reserve	221,492	74,124	142,255
Other reserve	-	1,040,102	1,040,102
Retained earnings	573,139	542,382	300,829
	<u>1,346,958</u>	<u>1,746,484</u>	<u>1,566,222</u>

Capital reserve comprises mainly capital contributions from the immediate holding company and the Group's share of the statutory reserve of their 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 utilisation is subject to approval by the relevant PRC authorities.

Currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and jointly-controlled entities.

Other reserve comprises the share capital of entities under common control that were acquired as part of the Japan Reorganization and GLPH Reorganization.

14 Minority interests

	2008	2009	2010
	US\$'000	US\$'000	US\$'000
Preferred equity	-	657,597	697,856
Share of net assets of minority shareholders	-	88,355	78,341
	<u>-</u>	<u>745,952</u>	<u>776,197</u>

Preferred equity relates to the preference shares issued by certain subsidiaries of JLP 1, JLP 2 and JLP 3, net of transaction costs and cumulative dividends payable to holders of these preference shares.

The holders of the preference shares are entitled to a dividend that would be paid on a cumulative and non-participation basis at an amount ranging from 2.0% to 4.0% (2009:

2.0% to 3.5%; 2008: Nil%) per annum of the principal value of the preference shares. The preference shares are redeemable and dividends are payable only at the discretion of the subsidiaries. The preference shareholders' residual interest in the subsidiaries is limited to the principal amount of the preference shares.

Share of net assets of minority shareholders pertains to minority shareholders of the Group's subsidiaries in the PRC.

15 Loans and borrowings

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Non-current liabilities			
Secured bank loans	-	186,095	304,549
Secured bonds	-	2,330,542	2,172,728
Unsecured bank loans	-	150,432	187,554
	-	2,667,069	2,664,831
Current liabilities			
Secured bank loans	-	41,180	35,605
Secured bonds	-	246,394	532,448
Unsecured bank loans	-	177,066	147,696
	-	464,640	715,749

(a) Bank loans

The secured bank loans are secured by mortgages on the borrowing subsidiaries' investment properties with a carrying amount of US\$709,210,000 (2009: US\$367,021,000; 2008: US\$Nil) (Note 4).

The effective interest rates for bank borrowings (taking into account the effects of interest rate swaps) ranged from 0.68% to 5.95% (2009: 2.20% to 7.47%; 2008: Nil%) per annum.

Maturity of bank loans:

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Within 1 year	-	218,246	183,301
From 1 to 5 years	-	301,210	408,865
After 5 years	-	35,317	83,238
After 1 year	-	336,527	492,103
	-	554,773	675,404

Analysis of bank loans by geographic regions:

	2008 US\$'000	2009 US\$'000	2010 US\$'000
PRC	-	162,601	268,359
Japan	-	78,572	93,445
Singapore	-	313,600	313,600
	-	554,773	675,404

(b) Details of secured bonds

The bonds are issued by certain subsidiaries of JLP 1, JLP 2, and JLP 3 and are fully secured by investment properties with carrying amounts of US\$5,097,836,000 (2009: US\$5,164,362,000; 2008: US\$Nil) (Note 4) owned by these subsidiaries.

The effective interest rates for secured bonds (taking into account the effects of interest rate swaps) ranged from 1.04% to 2.67% (2009: 1.04% to 2.44%; 2008: Nil%) per annum.

Maturity of secured bonds:

	2008	2009	2010
	US\$'000	US\$'000	US\$'000
Within 1 year	-	246,394	532,448
Within 1 to 5 years	-	2,330,542	2,172,728
	-	<u>2,576,936</u>	<u>2,705,176</u>

16 Other non-current liabilities

	2008	2009	2010
	US\$'000	US\$'000	US\$'000
Security deposits received	-	103,175	113,004
Payable for acquisition of investment properties	-	46,540	11,703
	-	<u>149,715</u>	<u>124,707</u>

17 Trade and other payables

	2008	2009	2010
	US\$'000	US\$'000	US\$'000
Trade payables	-	101,872	70,589
Accruals	-	18,977	14,803
Advance rental received	-	29,173	32,058
Security deposits received	-	6,732	11,170
Amounts due to:			
- immediate holding company (non-trade)	-	590,605	599,004
- related corporations (trade)	-	-	5,889
- related corporations (non-trade)	221,435	531,139	563,425
Dividends payable	-	-	64,810
Other payables	2	10,396	18,458
	<u>221,437</u>	<u>1,288,894</u>	<u>1,380,206</u>

The amounts due to immediate holding company and related corporations are unsecured, interest-free and are repayable on demand.

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

18 Revenue

	2008	2009	2010
	US\$'000	US\$'000	US\$'000
Rental and related income	-	51,278	407,968

19 Net finance costs

	Note	2008 US\$'000	2009 US\$'000	2010 US\$'000
Interest income on:				
- Fixed deposits		-	186	509
- Minority interests		-	-	39
- Others		-	-	1,012
Interest income		-	186	1,560
Amortisation of transaction costs of bonds		-	(1,285)	(4,892)
Interest expenses on:				
- Bonds		-	(6,256)	(50,042)
- Bank loans		-	(2,334)	(16,550)
- Others		-	-	(529)
Total borrowing costs		-	(9,875)	(72,013)
Less: Borrowing costs capitalised in investment properties	4	-	30	168
Net borrowing costs		-	(9,845)	(71,845)
Foreign exchange (loss)/gain		-	(23)	13,327
Changes in fair value of financial derivatives		-	49	(3,510)
Net finance costs recognised in profit or loss		-	(9,633)	(60,468)

20 Profit/(Loss) before income tax

The following items have been included in arriving at profit/(loss) before income tax:

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Loss on liquidation/disposal of subsidiaries	-	(5,448)	(27,680)
Loss on disposal of jointly-controlled entities	(273)	-	-
Loss on disposal of investment properties	-	(21)	-
Negative goodwill on acquisition of subsidiaries	-	295,676	-
Non-operating (expense)/income	(273)	290,207	(27,680)
Staff costs	-	(117)	(768)
Contributions to defined contribution plans, included in staff costs	-	(21)	(141)
Depreciation of plant and equipment	-	(8)	(35)
Operating expenses arising from investment properties #	-	(11,370)	(80,415)
Impairment loss on trade and other receivables	-	-	(124)
Operating lease expense	-	(34)	(209)
Management fees:			
- Asset management	-	(3,877)	(24,547)
- Investment management	-	-	(9,137)
- Property management	-	(135)	(1,417)

#: include staff costs, asset management fees and property-related expenses

21 Income tax expense

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Current tax			
Current year	-	1,038	5,998
Withholding tax	1,918	1,735	3,006
	<u>1,918</u>	<u>2,773</u>	<u>9,004</u>
Deferred tax			
Origination and reversal of temporary differences	-	1,660	12,633
	<u>1,918</u>	<u>4,433</u>	<u>21,637</u>
Reconciliation of expected to actual income tax			
Profit/(Loss) before income tax	15,369	36,792	(128,043)
Less: Share of results of jointly-controlled entities	(16,574)	280,280	(31,984)
Profit/(Loss) before share of results of jointly-controlled entities and income tax	<u>(1,205)</u>	<u>317,072</u>	<u>(160,027)</u>
Income tax (benefit)/expense using Singapore tax rate of 17% in 2010 (2009: 17%; 2008: 18%)	(217)	53,902	(27,205)
Effect of tax rates in foreign jurisdictions	-	(3,127)	31,915
Net income not subject to tax [@]	-	(50,326)	(2,451)
Non-deductible expenses	217	1,061	11,579
Deferred tax assets not recognised	-	1,385	4,997
Recognition of previously unrecognised tax losses	-	(272)	(204)
Withholding tax on dividend income from foreign subsidiaries	1,918	1,735	3,006
Others	-	75	-
	<u>1,918</u>	<u>4,433</u>	<u>21,637</u>

[@] Includes tax effects of negative goodwill on acquisition of subsidiaries of US\$50,265,000 for year ended 31 March 2009

22 Earnings/(Loss) per share

The basic earnings/(loss) per share for the years ended 31 March 2008, 2009 and 2010 was based on the profit/(loss) attributable to ordinary shareholder of US\$13,451,000, US\$31,946,000 and US\$(176,685,000) respectively and a weighted average number of ordinary shares outstanding of 1,391,511,000, 1,499,852,000 and 1,743,357,000 respectively, calculated as follows:

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Profit/(Loss) attributable to ordinary shareholders	<u>13,451</u>	<u>31,946</u>	<u>(176,685)</u>

Weighted average number of shares

	Number of shares 2008 ('000)	Number of shares 2009 ('000)	Number of shares 2010 ('000)
Issued ordinary shares at 1 April	*	*	*
Sub-division of ordinary shares, via a share split	366,071	366,071	366,071
Issue of ordinary shares during the year	115,268	66,987	-
Issue of ordinary shares for the acquisition of entities under common control	910,172	1,066,794	1,377,286
Weighted average number of shares at 31 March	<u>1,391,511</u>	<u>1,499,852</u>	<u>1,743,357</u>

* Comprising 2 ordinary shares

For purposes of preparing the combined financial statements, the weighted average number of shares as at 31 March 2008, 2009 and 2010 includes the estimated shares issued to effect the acquisition of interests in common control entities pursuant to the Japan Reorganization and GLPH Reorganization, on the basis that the transfers had taken effect as of 1 April 2007, or the dates of incorporation/establishment of subsidiaries under common control, if later.

There were no potential dilutive ordinary shares in existence for the years ended 31 March 2008, 2009 and 2010.

23 Notes to the combined statements of cash flows

(a) Acquisition of subsidiaries

- (i) The list of subsidiaries acquired during the year ended 31 March 2009 is as follows:

Name of subsidiaries	Date acquired	Equity interest acquired %
Shinkiba Logistics SPC	February 2009	20 ¹
Urayasa Logistics SPC	February 2009	20 ¹
Shinsuna Logistics SPC	February 2009	20 ¹
Tatsumi Logistics SPC	February 2009	20 ¹
Narita Logistics SPC	February 2009	20 ¹
Tokyo Logistics SPC	February 2009	20 ¹
Urayasu Two Logistics SPC	February 2009	20 ¹
Tokai Logistics SPC	February 2009	20 ¹
Fukusaki Logistics SPC	February 2009	20 ¹
Narashino Logistics SPC	February 2009	20 ¹
Hachioji Logistics SPC	February 2009	20 ¹
Kazo Logistics SPC	February 2009	20 ¹
Funabashi Logistics SPC	February 2009	20 ¹
Osaka Logistics SPC	February 2009	20 ¹
Yokohama Logistics SPC	February 2009	20 ¹
Kasukabe Logistics SPC	February 2009	20 ¹
Amagasaki Logistic SPC	February 2009	20 ¹
Amagasaki Two Logistic SPC	February 2009	20 ¹
Cosmos SPC	February 2009	20 ¹
Atsugi SPC	February 2009	20 ¹
Fukaehama Logistic SPC	February 2009	20 ¹
Funabashi Two Logistic SPC	February 2009	20 ¹
Hayashima Two Logistic SPC	February 2009	20 ¹
Hirakata Logistic SPC	February 2009	20 ¹
Hirakata Two Logistic SPC	February 2009	20 ¹
Seishin Logistic SPC	February 2009	20 ¹
Koshigaya Two Logistic SPC	February 2009	20 ¹
Maishima One Logistic SPC	February 2009	20 ¹
Maishima Two Logistic SPC	February 2009	20 ¹
Narashino Two Logistic SPC	February 2009	20 ¹
Narita Two Logistic SPC	February 2009	20 ¹
Hayashima Logistic SPC	February 2009	20 ¹
Okegawa SPC	February 2009	20 ¹
Misato Logistic SPC	February 2009	20 ¹
Sakai Logistic SPC	February 2009	20 ¹
Sendai Logistic SPC	February 2009	20 ¹

Name of subsidiaries	Date acquired	Equity interest acquired %
Sugito Logistic SPC	February 2009	20 ¹
Tokyo Two Logistic SPC	February 2009	20 ¹
Tomiya Logistic SPC	February 2009	20 ¹
Tomisato Logistic SPC	February 2009	20 ¹
Urayasu Three Logistic SPC	February 2009	20 ¹
Sugito Two Logistic SPC	February 2009	20 ¹
Tosu One Logistic SPC	February 2009	20 ¹
Tsumori Logistic SPC	February 2009	20 ¹
Iwatsuki SPC	February 2009	20 ¹
Komaki Logistic SPC	February 2009	20 ¹
Koriyama One Logistic SPC	February 2009	20 ¹
Kiyama Logistic SPC	February 2009	20 ¹
Akishima Logistic SPC	February 2009	20 ¹
Yachiyo Logistic SPC	February 2009	20 ¹
Hakozaki Logistic SPC	February 2009	20 ¹
Tosu Five Logistic SPC	February 2009	20 ¹
Koshigaya Three Logistic SPC	February 2009	20 ¹
Azalea SPC	February 2009	20 ¹
CLH Limited	February 2009	33 ²
GLP Pujin Development Co., Ltd.	July 2008	67 ³
	February 2009	33 ²
Zhongbao Logistics Co., Ltd.	September 2008	67 ³
	February 2009	33 ²
Shanghai GLP Chapu Development Co., Ltd.	February 2009	100
GLP Puyun Warehousing Services Co., Ltd.	February 2009	100
GLP Guangzhou Bonded Development Co., Ltd.	February 2009	100
GLP Beijing Airport Logistics Development Co., Ltd.	February 2009	100
GLP Foshan Logistics Co., Ltd.	February 2009	100
GLP Hangzhou Logistics Development Co., Ltd.	February 2009	100
GLP Shanghai Jiading Development Co., Ltd.	February 2009	100
GLP Beijing Majuqiao Logistics Development Co., Ltd.	February 2009	100
GLP Songjiang Development Co., Ltd.	February 2009	100
Shanghai Minhang GLP Development Co., Ltd.	February 2009	100
GLP (Qingdao) Airport International Logistics Development Co., Ltd.	February 2009	100
GLP (Qingdao) Qianwan Harbor International Logistics Development Co., Ltd.	February 2009	100
GLP (Qingdao) JiaoNan International Logistics Development Co., Ltd.	February 2009	100
GLP Nanjing Jiangning Development Co., Ltd.	February 2009	100
GLP (Guangzhou) Baopu Development Co., Ltd.	February 2009	100
GLP Jiaxing Development Co., Ltd.	February 2009	100
GLP Chongqing Development Co., Ltd.	February 2009	100
GLP Wuxi Logistics Development Co., Ltd.	February 2009	100
GLP Fengmin Development Co., Ltd.	February 2009	100
GLP (Tianjin) Industry Development Co., Ltd.	February 2009	100
GLP Chenghua Development Co., Ltd.	February 2009	100
GLP Changsha Development Co., Ltd.	February 2009	100
GLP Fengjia Development Co., Ltd.	February 2009	100
GLP Fengsong Development Co., Ltd.	February 2009	100
Ningbo Gangrui Warehousing Co., Ltd.	February 2009	100
Ningbo Haichuang Logistics Co., Ltd.	February 2009	100

Name of subsidiaries	Date acquired	Equity interest acquired %
GLP Xujing Logistics Co., Ltd.	February 2009	100
Pushun Logistics Park Development Co., Ltd.	February 2009	100
Qingdao Shuangyi Logistics Co., Ltd.	February 2009	100
Tianjin Puqing Logistics Co., Ltd.	February 2009	100
GLP (Ningbo Beilun) Warehousing Co., Ltd.	February 2009	100
GLP Jiashan Pujia Logistics Co., Ltd.	February 2009	100
GLP Pumin Logistics Co., Ltd.	February 2009	100
GLP Taicang Logistics Co., Ltd.	February 2009	100
GLP Chengdu Hi-Tech Co., Ltd.	February 2009	100
GLP Pujiang Logistics Co., Ltd.	February 2009	100
Shanghai Puchuan Logistics Co., Ltd.	February 2009	100
GLP Wanqing Logistics Co., Ltd.	February 2009	100
Jiangsu Beisheng Technology Co., Ltd.	February 2009	100
GLP Luoxin Logistics Co., Ltd.	February 2009	100
Beijing Jingcai Warehousing Co., Ltd.	February 2009	100
GLP Laogang Development Co., Ltd.	February 2009	100
Kunshan GLP Dianshanhu Logistics Co., Ltd.	February 2009	100
GLP Puting Logistics Co., Ltd.	February 2009	100
GLP Kunshan Puqiao Logistics Co., Ltd	February 2009	100
GLP Wuxi Pushan Logistics Co., Ltd	February 2009	100
Tianjin Zhiji Development Co., Ltd	February 2009	100
Guangzhou Anhua Logistics Co., Ltd	February 2009	100
High-Tech Base (Shanghai) Machinery Co., Ltd.	February 2009	90
GLP Tianjin Development Co., Ltd.	February 2009	80
GLP (Wuhan) Dongxihu Logistics Park Development Co., Ltd	February 2009	70
Beijing City Power Warehousing Co., Ltd.	February 2009	70
Zhuhai GLP – Gree Logistics Development Co., Ltd.	February 2009	70
Dalian GLP – Jifa Development Co., Ltd.	February 2009	60
Shen Yang GLP Jifa Logistics Development Co., Ltd.	February 2009	60
SZITIC Shenzhen Commercial Property Co., Ltd.	February 2009	51

Note:

- 1 Following the acquisition of the remaining 20% equity interest in these jointly-controlled entities, the Group controls 100% equity interest in these entities.
- 2 Following the acquisition of the remaining 33% equity interest in these jointly-controlled entities, the Group controls 100% equity interest in these entities.
- 3 The Group held 67% joint interest in these entities and equity-accounted for its share of results in these entities until its subsequent acquisition of the remaining 33% interest in February 2009.

Effects of acquisitions

The cash flow and the net assets of subsidiaries acquired during the year ended 31 March 2009 are provided below:

	Recognised values on acquisition US\$'000
Plant and equipment	112
Investment properties	6,669,826
Jointly-controlled entities	377,580
Deferred tax assets	11,974
Trade and other receivables	114,443
Cash and cash equivalents	348,529
Trade and other payables	(608,044)
Loans and borrowings	(2,951,910)
Current tax payable	(3,798)
Deferred tax liabilities	(110,949)
Minority interests	(803,819)
Net assets acquired	3,043,944
Share of net assets of jointly-controlled entities prior to the acquisition of the remaining 20%/33% equity interests	(1,482,721)
Negative goodwill on acquisition of subsidiaries	(295,676)
Purchase consideration	1,265,547
Cash of subsidiaries acquired	(348,529)
Cash outflow on acquisition of subsidiaries	917,018

The total related acquisition costs for the above-mentioned subsidiaries amounted to US\$1,265,547,000. From the dates of acquisitions to 31 March 2009, the above-mentioned acquisitions contributed net profits (excluding negative goodwill on acquisition of subsidiaries) of US\$8,252,000 to the Group's results for the year, before accounting for financing costs attributable to the acquisitions. If the acquisitions have occurred on 1 April 2008, management estimates that consolidated revenue would have been US\$350,968,000 and consolidated loss for the year would have been US\$301,130,000.

- (ii) The list of subsidiaries acquired during the year ended 31 March 2010 is as follows:

Name of subsidiaries	Date acquired	Equity interest acquired %
Misato Two Pte Ltd	April 2009	100
Misato Two Logistics SPC	April 2009	100
GLP Guangzhou Warehousing Co., Ltd	April 2009	100

Effects of acquisitions

The cash flow and the net assets of subsidiaries acquired during the year ended 31 March 2010 are provided below:

	Recognised values on acquisition US\$'000
Investment properties	147,721
Trade and other receivables	4,115
Cash and cash equivalents	1,810
Trade and other payables	(3,862)
Loans and borrowings	(42,567)
Deferred tax liabilities	(2,275)
Minority interests	(37,412)
Net assets acquired	<u>67,530</u>
Purchase consideration	67,530
Cash of subsidiaries acquired	<u>(1,810)</u>
Cash outflow on acquisition of subsidiaries	<u><u>65,720</u></u>

The total related acquisition costs for the above-mentioned subsidiaries amounted to US\$67,530,000. From the dates of acquisitions to 31 March 2010, the above-mentioned acquisitions contributed net profit of US\$20,371,000 to the Group's results for the year, before accounting for financing costs attributable to the acquisitions. If the acquisitions have occurred on 1 April 2009, management estimates that consolidated revenue would have been US\$408,245,000 and consolidated loss for the year would have been US\$162,534,000.

(b) Disposal of subsidiary

- (i) Details of subsidiary disposed during the year ended 31 March 2010 are as follows:

Name of subsidiary	Date disposed	Equity interest disposed %
Shenzhen Yuanshengli Management Co., Ltd	August 2009	60

Effects of disposal

The cash flow and the net assets of the subsidiary disposed during the year ended 31 March 2010 are provided below:

	Recognised values on disposal US\$'000
Jointly-controlled entities	90,075
Trade and other receivables	13,100
Cash and cash equivalents	250
Trade and other payables	(718)
Loans and borrowings	(34,962)
Minority interests	(27,565)
Net assets disposed	<u>40,180</u>
Disposal consideration	12,500
Cash of subsidiaries disposed	<u>(250)</u>
Cash outflow on disposal of subsidiaries	<u><u>12,250</u></u>

From 1 March 2009 to date of disposal, the above subsidiary contributed net loss of US\$1,174,000 to the Group's results for the year. The subsidiary did not record any revenue during the period.

24 Operating segments

The Group has two reportable segments, representing its operations in Japan and China, which are managed separately due to the different geographical locations. The Group's Chief Operating Decision Maker reviews internal management reports on these segments on a quarterly basis, at a minimum, for strategic decisions making, performance assessment and resources allocation purposes.

Performance of each reportable segment is measured based on segment revenue and segment earnings before interest, income tax, and excluding changes in fair value of investment properties and net non-operating income/expenses relating to acquisition/liquidation/disposal of subsidiaries and jointly-controlled entities ("Adjusted EBIT"). Adjusted EBIT 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 logistic 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.

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

Information about reportable segments

Group	----- PRC -----			----- Japan -----			----- Others -----			----- Total -----		
	2008	2009	2010	2008	2009	2010	2008	2009	2010	2008	2009	2010
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<i>Revenue and expenses</i>												
External revenue	-	6,808	61,802	-	44,470	346,166	-	-	-	-	51,278	407,968
Adjusted EBIT	-	4,596	52,752	15,644	(249,242)	280,044	(2)	(416)	1,240	15,642	(245,062)	334,036
Net interest expense	-	(897)	(9,890)	-	(6,189)	(49,926)	-	(1,288)	(5,577)	-	(8,374)	(65,393)
Changes in fair value of investment properties	-	-	89,932	-	-	(458,938)	-	-	-	-	-	(369,006)
Net non-operating income/ (expenses) relating to acquisition/liquidation/disposal of subsidiaries and jointly-controlled entities	-	287,911	(27,680)	(273)	2,317	-	-	-	-	(273)	290,228	(27,680)
Profit/(Loss) before tax	-	291,610	105,114	15,371	(253,114)	(228,820)	(2)	(1,704)	(4,337)	15,369	36,792	(128,043)
Income tax expense	-	(711)	(33,315)	(1,918)	(3,722)	11,678	-	-	-	(1,918)	(4,433)	(21,637)
Profit/(Loss) after tax	-	290,899	71,799	13,453	(256,836)	(217,142)	(2)	(1,704)	(4,337)	13,451	32,359	(149,680)

Information about reportable segments

Group	PRC			Japan			Others			Total		
	2008 US\$'000	2009 US\$'000	2010 US\$'000	2008 US\$'000	2009 US\$'000	2010 US\$'000	2008 US\$'000	2009 US\$'000	2010 US\$'000	2008 US\$'000	2009 US\$'000	2010 US\$'000
<i>Assets and liabilities</i>												
Investment properties	-	1,061,933	1,269,533	-	5,312,515	5,259,440	-	-	-	-	6,374,448	6,528,973
Jointly-controlled entities	-	378,826	325,838	1,568,318	-	822	-	-	(11,191)	1,568,318	378,826	315,469
Other segment assets	-	227,229	222,201	77	219,515	330,738	-	-	-	77	446,744	552,939
Reportable segment assets	-	1,667,988	1,817,572	1,568,395	5,532,030	5,591,000	-	-	(11,191)	1,568,395	7,200,018	7,397,381
Loans and borrowings	-	(162,601)	(268,359)	-	(2,655,508)	(2,798,621)	-	(313,600)	(313,600)	-	(3,131,709)	(3,380,580)
Other segment liabilities	-	(186,265)	(171,287)	(221,435)	(797,962)	(903,614)	(2)	(591,646)	(599,481)	(221,437)	(1,575,873)	(1,674,382)
Reportable segment liabilities	-	(348,866)	(439,646)	(221,435)	(3,453,470)	(3,702,235)	(2)	(905,246)	(913,081)	(221,437)	(4,707,582)	(5,054,962)
<i>Other information</i>												
Depreciation and amortisation	-	(502)	(35)	-	(1,285)	(4,892)	-	-	-	-	(1,787)	(4,927)
Capital expenditure*	-	920,220	127,453	-	361,907	73,862	-	-	-	-	1,282,127	201,315

* Capital expenditure includes acquisition and development expenditure of investment properties, acquisition of plant and equipment and interests in subsidiaries and jointly controlled entities.

25 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.

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.

Credit risk

Credit risk is the risk of financial loss resulting from the failure of a customer or a 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 operates 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:

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Loans and receivables	-	119,874	107,995
Financial derivative assets	-	480	33
Cash and cash equivalents	-	311,397	412,021
	-	431,751	520,049

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

	2008 US\$'000	2009 US\$'000	2010 US\$'000
PRC	-	219,616	205,113
Japan	-	212,135	314,936
	-	431,751	520,049

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.

The Group's main sources of long-term funding have been capital contributions and loans and advances from the immediate holding company and related corporations and borrowings from financial institutions. The Group has in the past met its cash obligations requirements from such capital contributions, loans and advances and borrowings and also from cash flows generated from operating activities.

Following the completion of the reorganisations, certain loans and advances from the immediate holding company and related corporations would be converted into ordinary share capital, and consequently, the Group's borrowings would comprise mainly borrowings from financial institutions. Management believes that this will help to mitigate the Group's liquidity risk, improve its working capital and enhance the Group's ability to tap on additional borrowings from financial institutions to meet financing needs.

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

	Carrying amount US\$'000	Contractual cash flows US\$'000	-----Cash flows-----		
			Within 1 year US\$'000	Within 1 to 5 years US\$'000	After 5 years US\$'000
2008					
Non-derivative financial liabilities					
Trade and other payables	2	(2)	(2)	-	-
Amounts due to immediate holding company	221,435	(221,435)	(221,435)	-	-
	<u>221,437</u>	<u>(221,437)</u>	<u>(221,437)</u>	<u>-</u>	<u>-</u>
2009					
Non-derivative financial liabilities					
Bank loans	554,773	(599,003)	(242,352)	(318,182)	(38,469)
Secured bonds	2,576,936	(2,671,692)	(271,870)	(2,399,822)	-
Trade and other payables*	1,409,436	(1,409,436)	(1,259,721)	(81,152)	(68,563)
	<u>4,541,145</u>	<u>(4,680,131)</u>	<u>(1,773,943)</u>	<u>(2,799,156)</u>	<u>(107,032)</u>
Derivative financial assets/(liabilities)					
Interest rate swaps	28,280	(33,833)	(11,572)	(22,261)	-
	<u>4,569,425</u>	<u>(4,713,964)</u>	<u>(1,785,515)</u>	<u>(2,821,417)</u>	<u>(107,032)</u>

* Excludes advance rental received

	Carrying amount US\$'000	Contractual cash flows US\$'000	-----Cash flows-----		
			within 1 year US\$'000	within 1 to 5 years US\$'000	After 5 years US\$'000
2010					
Non-derivative financial liabilities					
Bank loans	675,404	(742,219)	(197,297)	(454,599)	(90,323)
Secured bonds	2,705,176	(2,770,657)	(562,064)	(2,208,593)	-
Trade and other payables*	1,472,855	(1,472,855)	(1,348,148)	(44,921)	(79,786)
	<u>4,853,435</u>	<u>(4,985,731)</u>	<u>(2,107,509)</u>	<u>(2,708,113)</u>	<u>(170,109)</u>
Derivative financial assets/(liabilities)					
Interest rate swaps	32,729	(35,941)	(15,080)	(20,861)	-
	<u>4,886,164</u>	<u>(5,021,672)</u>	<u>(2,122,589)</u>	<u>(2,728,974)</u>	<u>(170,109)</u>

* Excludes advance rental received

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, 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 in the PRC and Japan. Other than the respective functional currency of the Group's subsidiaries, the foreign currency when the Group has exposure to is the US Dollar.

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

The Group's exposures to foreign currency are as follows:

	United States Dollar US\$'000
2009	
Financial assets	
Cash and cash equivalents	<u>39,177</u>
Financial liabilities	
Trade and other payables	<u>(31,105)</u>
Net financial assets	<u>8,072</u>
	United States Dollar US\$'000
2010	
Financial assets	
Cash and cash equivalents	<u>42,813</u>
Financial liabilities	
Trade and other payables	<u>(261,313)</u>
Net financial liabilities	<u>(218,500)</u>

Sensitivity analysis

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

	2008	2009	2010
	US\$'000	US\$'000	US\$'000
US Dollar ⁽¹⁾	-	807	(21,850)

(1) as compared to functional currency of Renminbi and Japanese Yen

A 10% weakening of US Dollar against the above currencies 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 prudent 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 the reporting date, the interest rate profile of interest-bearing financial liabilities are as follows:

	Carrying amount US\$'000	Principal/ notional amount US\$'000
2009		
Fixed rate instruments		
Loans and borrowings	(36,681)	(37,003)
Variable rate instruments		
Loans and borrowings	(3,095,028)	(3,104,186)
Interest rate swaps (net)	(27,800)	2,627,985
	<u>(3,122,828)</u>	<u>(476,201)</u>
2010		
Fixed rate instruments		
Loans and borrowings	(53,560)	(53,939)
Variable rate instruments		
Loans and borrowings	(3,327,020)	(3,358,899)
Interest rate swaps (net)	(32,696)	2,776,941
	<u>(3,359,716)</u>	<u>(581,958)</u>

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.

	100 bp Increase US\$'000	100 bp Decrease US\$'000
2009		
Loans and borrowings	(31,042)	31,042
Interest rate swap (net)	26,280	(26,280)
Cash flow sensitivity (net)	<u>(4,762)</u>	<u>4,762</u>
2010		
Loans and borrowings	(33,589)	33,589
Interest rate swap (net)	27,769	(27,769)
Cash flow sensitivity (net)	<u>(5,820)</u>	<u>5,820</u>

Fair values

The carrying amounts of the Group financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 March 2010, 2009 and 2008 except as follows:

	Carrying amount 2008 US\$'000	Fair value 2008 US\$'000	Carrying amount 2009 US\$'000	Fair value 2009 US\$'000	Carrying amount 2010 US\$'000	Fair value 2010 US\$'000
Liabilities carried at amortised cost						
Loans and borrowings	-	-	3,131,709	3,141,188	3,380,580	3,412,838

The following methods and assumptions have been used to estimate the fair values of the Group's financial instruments:

Financial derivatives

The fair values of interest rate swaps are based on broker quotes.

Loans and borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine its fair values.

Interest rates used for determining the fair value

Interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread, and were as follows:

	2008 %	2009 %	2010 %
Loans and borrowings	-	1.04 – 7.47	0.68 – 5.95

Fair value hierarchy

The Group's derivative financial instruments (Note 10), which are carried at fair value, are classified in Level 2 of the fair value hierarchy. The different levels have been defined as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities
- *Level 2*: inputs other than quoted prices included within 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)

26 Commitments

The Group had the following commitments as at the balance sheet 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:

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Lease payments payable:			
- Within 1 year	-	120	151
- After 1 year but within 5 years	-	23	79
	-	143	230

(ii) Operating lease rental receivable

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

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Lease rentals receivable:			
- Within 1 year	-	365,670	406,404
- After 1 year but within 5 years	-	1,127,602	1,199,157
- After 5 years	-	983,680	1,040,839
	-	2,476,952	2,646,400

(b) **Other commitments**

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Commitments in relation to share capital of subsidiaries not yet due and not provided for	-	133,405	91,550
Commitments in relation to share capital of subsidiaries due but not provided for	-	46,576	71,851
Development expenditure contracted but not provided for	-	67,521	91,204

27 Significant related party transactions

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 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 significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the combined 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:

	2008 US\$'000	2009 US\$'000	2010 US\$'000
Jointly-controlled entities			
Asset management fees paid/payable	-	(563)	(19,768)
Investment management fees paid/payable	-	-	(3,954)
Property management fees paid/payable	-	(135)	(1,417)
Development fees paid/payable*	-	(1,001)	(5,609)
Associates of intermediate holding company			
Operating lease expenses paid/payable	-	1,391	3,145

* Capitalised in investment properties

28 Significant investments

The following are the Group's significant investments:

<u>Direct/ Indirect Jointly-controlled Entities/ Subsidiaries of the Group</u>	<u>Principal activities</u>	<u>Country of incorporation and place of business</u>	<u>Effective interest held by the Group</u>		
			2008 %	2009 %	2010 %
Japan Logistic Properties 1 Private Limited and its jointly-controlled entities/ subsidiaries:	Investment holding	Japan	80 ¹	100	100
Shinkiba Logistics SPC	Property investment	Japan	80 ¹	100	100
Urayasa Logistics SPC	Property investment	Japan	80 ¹	100	100
Shinsuna Logistics SPC	Property investment	Japan	80 ¹	100	100
Tatsumi Logistics SPC	Property investment	Japan	80 ¹	100	100
Narita Logistics SPC	Property investment	Japan	80 ¹	100	100
Tokyo Logistics SPC	Property investment	Japan	80 ¹	100	100
Urayasu Two Logistics SPC	Property investment	Japan	80 ¹	100	100
Tokai Logistics SPC	Property investment	Japan	80 ¹	100	100
Fukusaki Logistics SPC	Property investment	Japan	80 ¹	100	100
Narashino Logistics SPC	Property investment	Japan	80 ¹	100	100
Hachioji Logistics SPC	Property investment	Japan	80 ¹	100	100
Kazo Logistics SPC	Property investment	Japan	80 ¹	100	100

<u>Direct/ Indirect Jointly- controlled Entities/ Subsidiaries of the Group</u>	<u>Principal activities</u>	<u>Country of incorporation and place of business</u>	<u>Effective interest held by the Group</u>		
			<u>2008</u> %	<u>2009</u> %	<u>2010</u> %
Japan Logistic Properties 1 Private Limited (cont'd)					
Funabashi Logistics SPC	Property investment	Japan	80 ¹	100	100
Osaka Logistics SPC	Property investment	Japan	80 ¹	100	100
Yokohama Logistics SPC	Property investment	Japan	80 ¹	100	100
Kasukabe Logistics SPC	Property investment	Japan	80 ¹	100	100
GLP Urayasu Two YK	Property management	Japan	80 ¹	100	100
Japan Logistic Properties 2 Pte Ltd and its jointly-controlled entities/ subsidiaries:					
Amagasaki Logistic SPC	Property investment	Japan	80 ¹	100	100
Amagasaki Two Logistic SPC	Property investment	Japan	80 ¹	100	100
Sakai Logistic SPC	Property investment	Japan	80 ¹	100	100
Cosmos SPC	Property investment	Japan	80 ¹	100	100
Atsugi SPC	Property investment	Japan	80 ¹	100	100
Fukaehama Logistic SPC	Property investment	Japan	80 ¹	100	100
Funabashi Two Logistic SPC	Property investment	Japan	80 ¹	100	100
Hayashima Two Logistic SPC	Property investment	Japan	80 ¹	100	100
Hirakata Logistic SPC	Property investment	Japan	80 ¹	100	100
Hirakata Two Logistic SPC	Property investment	Japan	80 ¹	100	100
Seishin Logistic SPC	Property investment	Japan	80 ¹	100	100
Koshigaya Two Logistic SPC	Property investment	Japan	80 ¹	100	100
Maishima One Logistic SPC	Property investment	Japan	80 ¹	100	100
Maishima Two Logistic SPC	Property investment	Japan	80 ¹	100	100
Narashino Two Logistic SPC	Property investment	Japan	80 ¹	100	100
Narita Two Logistic SPC	Property investment	Japan	80 ¹	100	100
Hayashima Logistic SPC	Property investment	Japan	80 ¹	100	100
Okegawa Logistic SPC	Property investment	Japan	80 ¹	100	100
Misato Logistic SPC	Property investment	Japan	80 ¹	100	100
Sendai Logistic SPC	Property investment	Japan	80 ¹	100	100
Sugito Logistic SPC	Property investment	Japan	80 ¹	100	100
Tokyo Two Logistic SPC	Property investment	Japan	80 ¹	100	100
Tomiya Logistic SPC	Property investment	Japan	80 ¹	100	100
Tomisato Logistic SPC	Property investment	Japan	80 ¹	100	100
Urayasu Three Logistic SPC	Property investment	Japan	80 ¹	100	100
Sugito Two Logistic SPC	Property investment	Japan	80 ¹	100	100
Tosu One Logistic SPC	Property investment	Japan	80 ¹	100	100
Tsumori Logistic SPC	Property investment	Japan	80 ¹	100	100
Iwatsuki SPC	Property investment	Japan	80 ¹	100	100
Komaki Logistic SPC	Property investment	Japan	80 ¹	100	100
Koriyama One Logistic SPC	Property investment	Japan	80 ¹	100	100
Kiyama Logistic SPC	Property investment	Japan	80 ¹	100	100
Akishima Logistic SPC	Property investment	Japan	80 ¹	100	100
Yachiyo Logistic SPC	Property investment	Japan	80 ¹	100	100
Hakozaki Logistic SPC	Property investment	Japan	80 ¹	100	100
Tosu Five Logistic SPC	Property investment	Japan	80 ¹	100	100
Koshigaya Three Logistic SPC	Property investment	Japan	80 ¹	100	100
Misato Two Logistic SPC	Property investment	Japan	-	-	100
Japan Logistic Properties 3 Pte Ltd and its jointly-controlled entities/ subsidiaries:					
Azalea SPC	Property investment	Japan	80	100	100

<u>Direct/ Indirect Jointly-controlled Entities/ Subsidiaries of the Group</u>	<u>Principal activities</u>	<u>Country of incorporation and place of business</u>	<u>Effective interest held by the Group</u>		
			<u>2008</u> %	<u>2009</u> %	<u>2010</u> %
CLH Limited and its jointly-controlled entities/ subsidiaries:	Investment holding	Cayman Islands	67 ¹	100	100
GLP Pujin Development Co., Ltd	Property investment	PRC	-	100	100
Zhongbao Logistics Co., Ltd	Property investment	PRC	-	100	100
Shanghai GLP Chapu Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Puyun Warehousing Services Co., Ltd.	Property investment	PRC	-	100	100
GLP Guangzhou Bonded Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Beijing Airport Logistics Development Co., Ltd	Property investment	PRC	-	100	100
GLP Foshan Logistics Co., Ltd	Property investment	PRC	-	100	100
GLP Hangzhou Logistics Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Shanghai Jiading Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Beijing Majuqiao Logistics Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Songjiang Development Co., Ltd.	Property investment	PRC	-	100	100
Shanghai Minhang GLP Development Co., Ltd.	Property investment	PRC	-	100	100
GLP (Qingdao) Airport International Logistics Development Co., Ltd.	Property investment	PRC	-	100	100
GLP (Qingdao) Qianwan Harbor International Logistics Development Co., Ltd.	Property investment	PRC	-	100	100
GLP (Qingdao) JiaoNan International Logistics Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Nanjing Jiangning Development Co., Ltd.	Property investment	PRC	-	100	100
GLP (Guangzhou) Baopu Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Jiaxing Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Chongqing Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Wuxi Logistics Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Fengmin Development Co., Ltd.	Property investment	PRC	-	100	100
GLP (Tianjin) Industry Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Chenghua Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Changsha Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Fengjia Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Fengsong Development Co., Ltd.	Property investment	PRC	-	100	100
Ningbo Gangrui Warehousing Co., Ltd.	Property investment	PRC	-	100	100
Ningbo Haichuang Logistics Co., Ltd.	Property investment	PRC	-	100	100
GLP Xujing Logistics Co., Ltd.	Property investment	PRC	-	100	100
Pushun Logistics Park Development Co., Ltd.	Property investment	PRC	-	100	100
Qingdao Shuangyi Logistics Co., Ltd.	Property investment	PRC	-	100	100
Tianjin Puqing Logistics Co., Ltd.	Property investment	PRC	-	100	100
GLP (Ningbo Beilun) Warehousing Co., Ltd.	Property investment	PRC	-	100	100
GLP Jiashan Pujia Logistics Co., Ltd.	Property investment	PRC	-	100	100

<u>Direct/ Indirect Jointly-controlled Entities/ Subsidiaries of the Group</u>	<u>Principal activities</u>	<u>Country of incorporation and place of business</u>	<u>Effective interest held by the Group</u>		
			2008 %	2009 %	2010 %
CLH Limited (cont'd)					
GLP Pumin Logistics Co., Ltd.	Property investment	PRC	-	100	100
GLP Taicang Logistics Co., Ltd.	Property investment	PRC	-	100	100
GLP Chengdu Hi-Tech Co., Ltd.	Property investment	PRC	-	100	100
GLP Pujiang Logistics Co., Ltd.	Property investment	PRC	-	100	100
Shanghai Puchuan Logistics Co., Ltd.	Property investment	PRC	-	100	100
GLP Wanqing Logistics Co., Ltd.	Property investment	PRC	-	100	100
Jiangsu Beisheng Technology Co., Ltd.	Property investment	PRC	-	100	100
GLP Luoxin Logistics Co., Ltd.	Property investment	PRC	-	100	100
Beijing Jingcai Warehousing Co., Ltd.	Property investment	PRC	-	100	100
GLP Laogang Development Co., Ltd.	Property investment	PRC	-	100	100
GLP Guangzhou Warehousing Co., Ltd.	Property investment	PRC	-	-	100
Kunshan GLP Dianshanhu Logistics Co., Ltd.	Property investment	PRC	-	100	100
GLP Puting Logistics Co., Ltd.	Property investment	PRC	-	100	100
High-Tech Base (Shanghai) Machinery Co., Ltd.	Property investment	PRC	-	90	100
GLP Tianjin Development Co., Ltd.	Property investment	PRC	-	80	80
Beijing City Power Warehousing Co., Ltd.	Property investment	PRC	-	70	70
Zhuhai GLP – Gree Logistics Development Co., Ltd.	Property investment	PRC	-	70	70
Dalian GLP – Jifa Development Co., Ltd.	Property investment	PRC	-	60	60
Shen Yang GLP Jifa Logistics Development Co., Ltd.	Property investment	PRC	-	60	60
SZITIC Shenzhen Commercial Property Co., Ltd.	Property investment	PRC	-	51	51
GLP Kunshan Puqiao Logistics Co., Ltd	Property investment	PRC	-	100	100
Shenzhen Yuanshengli Management Co., Ltd	Investment holding	PRC	-	60	- ²
Guangzhou Anhua Logistics Co., Ltd	Property investment	PRC	-	100	- ³
GLP (Wuhan) Dongxihu Logistics Park Development Co., Ltd	Property investment	PRC	-	70	- ³
GLP Suzhou Development Co., Ltd.	Property investment	PRC	-	50 ⁴	50 ⁴
Shanghai Lingang GLP International Logistics Development Co., Ltd.	Property investment	PRC	-	50 ⁴	50 ⁴
Shenzhen GLP – Yantian Port Logistics Co., Ltd.	Property investment	PRC	-	50 ⁴	50 ⁴
Shanghai Lingang GLP Warehousing & Logistics Development Co., Ltd.	Property investment	PRC	-	50 ⁴	50 ⁴
Suzhou GLP Wangting Development Co., Ltd.	Property investment	PRC	-	50 ⁴	50 ⁴
Suzhou Industrial Park Genway Factory Building Industrial Development Co., Ltd	Property investment	PRC	-	50 ⁴	50 ⁴
Suzhou Industrial Park Sucai Property Co., Ltd	Property investment	PRC	-	50 ⁴	50 ⁴
Suzhou Industrial Park Genway Factory Property Management Co., Ltd	Property investment	PRC	-	50 ⁴	50 ⁴
Global Logistic Properties Holdings Limited and its subsidiaries:	Investment holding and property management	Cayman Islands	-	50 ⁴	50 ⁴
Global Logistic Properties Investment Management (China) Co., Ltd	Property management	PRC	-	50 ⁴	50 ⁴

<u>Direct/ Indirect Jointly- controlled Entities/ Subsidiaries of the Group</u>	<u>Principal activities</u>	<u>Country of incorporation and place of business</u>	<u>Effective interest held by the Group</u>		
			<u>2008</u> %	<u>2009</u> %	<u>2010</u> %
Global Logistic Properties Inc.	Property management	Japan	-	50 ⁴	50 ⁴
Global Logistic Properties Suzhou Share Service Co., Ltd.	Property management	PRC	-	50 ⁴	50 ⁴

Note:

- 1 Jointly-controlled entities of the Group, and thus, equity-accounted by the Group during the year ended 31 March 2008.
- 2 Disposed during the year ended 31 March 2010.
- 3 Liquidated during the year ended 31 March 2010.
- 4 Jointly-controlled entities of the Group, and thus, equity-accounted by the Group during the year ended March 2009 and 2010.

Certain of the above subsidiaries incorporated in Japan have issued preference shares to third parties with terms disclosed in Note 14.

29 Subsequent events

- (a) On 2 August 2010, the Group entered into a framework agreement with a third party to acquire a 53.1% equity interest in Airport City Development Co., Ltd. (“Target Company”) in a company that owns strategically located assets in a first-tier city in China, at a consideration to be determined by the net asset value of the Target Company, which is estimated to be approximately US\$335.0 million. 70% of the consideration would be satisfied by the issue of new shares and 30% of the consideration would be satisfied in cash. The consummation of the acquisition is subject to a number of conditions, including satisfactory due diligence of the target property and sellers, successful negotiation and entry into a sale and purchase agreement and successful consummation of the Offering and is not expected to have any financial effects on the Group for the years ended 31 March 2008, 2009 and 2010.

In addition, the Target Company is required to dispose of a certain subsidiary before closing of the transaction. As this assets will not form part of the sale and purchase, the Group is required to repay approximately US\$86.0 million, which represents the Group’s attribution portion of the sale proceeds to be derived from the disposal. This payment would be satisfied in cash.

- (b) On 27 August 2010, the Group’s external bank loans amounting to US\$313.6 million, were novated to a related corporation, with an accompanying increase in interest-free intercompany advances.
- (c) On 27 September 2010, as mentioned in Note 2, the Company entered into a master restructuring agreement pursuant to which,:
- i) each of the ordinary shares in the capital of the Company were sub-divided into 183,036,000 shares via a share split, and allotted to the immediate holding company;
 - ii) 1,377,286,000 new ordinary shares in the capital of the Company will be issued and allotted to the Company’s related corporations to effect the Japan Reorganization and the GLPH Reorganization; and
 - iii) 189,853,000 new ordinary shares in the capital of the Company will be issued and allotted, as purchase consideration to effect the GLPH Acquisition.

The Board of Directors
Global Logistic Properties Limited
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Dear Sirs

Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed financial information of Global Logistic Properties Limited (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the consolidated balance sheet of the Group as at 31 December 2010, the related income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the nine-month period ended 31 December 2010 and certain explanatory notes (the “Interim Financial Information”). Management is responsible for the preparation and presentation of this Interim Financial Information in accordance to Singapore Financial Reporting (“FRS”) 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

The comparatives for the nine months ended 31 December 2009 presented in the Interim Financial Information have not been audited nor reviewed.

Scope of review

We conducted our review in accordance with the Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with FRS 34 *Interim Financial Reporting*.

Restriction of use

Our report is provided on the basis that it is solely for the information of the directors and for the inclusion of our report in the Company’s announcement to its shareholders, to enable the directors of the Company to fulfil their responsibilities under the Singapore Exchange listing requirements. Our report should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purpose. We do not assume any responsibility or liability for losses occasioned to the directors, the Company or any other parties as a result of

the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

KPMG LLP

*Public Accountants and
Certified Public Accountants*
Singapore

14 February 2011

**Global Logistic Properties Limited
and its subsidiaries**

Unaudited Interim Consolidated Financial Statements
For the Nine-month periods ended
31 December 2010 and 2009

**Unaudited Interim Consolidated Balance Sheets
As at 31 December 2010 and 31 March 2010**

	Note	31 December 2010 US\$'000	31 March 2010 US\$'000
Non-current assets			
Investment properties	3	7,927,725	6,528,973
Jointly-controlled entities	4	362,819	315,469
Deferred tax assets		14,535	20,232
Plant and equipment		3,063	75
Intangible assets	5	416,353	-
Other investments	6	70,281	-
Other non-current assets		22,645	17,351
		<u>8,817,421</u>	<u>6,882,100</u>
Current assets			
Trade and other receivables	7	65,674	103,227
Financial derivative assets		-	33
Cash and cash equivalents		1,753,589	412,021
		<u>1,819,263</u>	<u>515,281</u>
Total assets		<u>10,636,684</u>	<u>7,397,381</u>
Equity attributable to Owners of the Company			
Share capital	8	5,792,427	*
Reserves	9	672,954	1,566,222
		<u>6,465,381</u>	<u>1,566,222</u>
Non-controlling interests	10	94,029	776,197
Total equity		<u>6,559,410</u>	<u>2,342,419</u>
Non-current liabilities			
Loans and borrowings	11	2,428,564	2,664,831
Deferred tax liabilities		204,593	135,192
Other non-current liabilities		148,352	124,707
		<u>2,781,509</u>	<u>2,924,730</u>
Current liabilities			
Loans and borrowings	11	1,049,727	715,749
Trade and other payables	12	213,303	1,380,206
Financial derivative liabilities		29,490	32,729
Current tax payable		3,245	1,548
		<u>1,295,765</u>	<u>2,130,232</u>
Total liabilities		<u>4,077,274</u>	<u>5,054,962</u>
Total equity and liabilities		<u>10,636,684</u>	<u>7,397,381</u>

* Less than US\$1,000

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

Unaudited Interim Consolidated Income Statements
Nine-month periods ended 31 December 2010 and 2009

	Note	Nine-month period ended 31 December 2010 US\$'000	Nine-month period ended 31 December 2009 US\$'000
Revenue		349,431	307,126
Other income		5,492	2,614
Management fees		(15,904)	(28,066)
Property-related expenses		(52,541)	(46,273)
Other expenses		(27,085)	(16,606)
		<hr/> 259,393	<hr/> 218,795
Share of results (net of income tax) of jointly-controlled entities		49,203	23,147
		<hr/>	<hr/>
Profit from operating activities after share of results of jointly-controlled entities		308,596	241,942
Net finance costs	13	(30,919)	(46,636)
Non-operating expense		-	(27,676)
		<hr/>	<hr/>
Profit before changes in fair value of investment properties		277,677	167,630
Changes in fair value of investment properties		465,240	(469,231)
Profit/(Loss) before income tax	14	742,917	(301,601)
Income tax (expense)/benefit		(69,288)	10,065
		<hr/>	<hr/>
Profit/(Loss) for the period		673,629	(291,536)
		<hr/> <hr/>	<hr/> <hr/>
Profit/(Loss) attributable to:			
Owners of the Company		656,826	(309,663)
Non-controlling interests		16,803	18,127
		<hr/>	<hr/>
Profit/(Loss) for the period		673,629	(291,536)
		<hr/> <hr/>	<hr/> <hr/>
Earnings/(Loss) per share (cents)			
- Basic and diluted	15	26.30	(17.76)
		<hr/> <hr/>	<hr/> <hr/>

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

Unaudited Interim Consolidated Statements of Comprehensive Income
Nine-month periods ended 31 December 2010 and 2009

	Nine-month period ended 31 December 2010 US\$'000	Nine-month period ended 31 December 2009 US\$'000
Profit/(Loss) for the period	673,629	(291,536)
Other comprehensive income		
Foreign currency translation differences for foreign operations	342,684	108,298
Net change in fair value of available-for-sale financial assets	1,163	-
Other comprehensive income for the period*	<u>343,847</u>	<u>108,298</u>
Total comprehensive income/(expense) for the period	<u>1,017,476</u>	<u>(183,238)</u>
Attributable to:		
Owners of the Company	906,130	(237,008)
Non-controlling interests	<u>111,346</u>	<u>53,770</u>
Total comprehensive income/(expense) for the period	<u>1,017,476</u>	<u>(183,238)</u>

* There are no income tax effects relating to components of other comprehensive income

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

Consolidated statements of changes in equity
Nine-month periods ended 31 December 2010 and 2009

	Share capital US\$'000	Capital reserve US\$'000	Currency translation reserve US\$'000	Other reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 April 2009	*	89,876	74,124	1,040,102	542,382	1,746,484	745,952	2,492,436
Total comprehensive income for the period								
(Loss)/Profit for the period	-	-	-	-	(309,663)	(309,663)	18,127	(291,536)
Other comprehensive income								
Foreign currency translation differences for foreign operations	-	-	72,655	-	-	72,655	35,643	108,298
Total comprehensive income for the period	-	-	72,655	-	(309,663)	(237,008)	53,770	(183,238)
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Capital contribution	-	1,000	-	-	-	1,000	-	1,000
Redemption of preference shares issued by subsidiaries	-	-	-	-	-	-	(23,471)	(23,471)
Acquisition of subsidiaries	-	-	-	-	-	-	37,412	37,412
Acquisition of interest in subsidiaries from non-controlling interests	-	(8,065)	-	-	-	(8,065)	(2,081)	(10,146)
Disposal of subsidiaries	-	-	-	-	-	-	(26,722)	(26,722)
Transfer to reserves	-	225	-	-	(225)	-	-	-
Tax-exempt dividends paid	-	-	-	-	-	-	(4,808)	(4,808)
At 31 December 2009	*	83,036	146,779	1,040,102	232,494	1,502,411	780,052	2,282,463

* Less than US\$1,000

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

Consolidated statements of changes in equity
Nine-month periods ended 31 December 2010 and 2009

	Share capital US\$'000	Capital reserve US\$'000	Fair value reserve US\$'000	Currency translation reserve US\$'000	Other reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
At 1 April 2010	*	83,036	-	142,255	1,040,102	300,829	1,566,222	776,197	2,342,419
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	656,826	656,826	16,803	673,629
Other comprehensive income									
Foreign currency translation differences for foreign operations	-	-	-	248,141	-	-	248,141	94,543	342,684
Net change in fair value of available-for-sale financial assets	-	-	1,163	-	-	-	1,163	-	1,163
Total other comprehensive income	-	-	1,163	248,141	-	656,826	249,304	94,543	343,847
Total comprehensive income for the period	-	-	1,163	248,141	-	656,826	906,130	111,346	1,017,476
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares	5,792,427	-	-	-	-	-	5,792,427	-	5,792,427
Capital contribution	-	-	-	-	-	-	-	3,818	3,818
Redemption of preferred shares issued by subsidiaries	-	-	-	-	-	(762)	(762)	(780,007)	(780,769)
Acquisition of subsidiaries under common control	-	-	-	-	(1,732,821)	-	(1,732,821)	-	(1,732,821)
Acquisition of subsidiaries	-	(5,000)	-	-	(7,059)	-	(12,059)	633	(11,426)
Transfer to reserves	-	205	-	-	-	(205)	-	-	-
Tax-exempt dividends paid	-	-	-	-	-	(53,756)	(53,756)	(17,958)	(71,714)
At 31 December 2010	5,792,427	78,241	1,163	390,396	(699,778)	902,932	6,465,381	94,029	6,559,410

* Less than US\$1,000

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

Unaudited Interim Consolidated Statements of Cash Flows
Nine-month periods ended 31 December 2010 and 2009

	Note	Nine-month period ended 31 December 2010 US\$'000	Nine-month period ended 31 December 2009 US\$'000
Cash flows from operating activities			
Profit/(Loss) before income tax		742,917	(301,601)
Adjustments for:			
Amortisation of transaction costs of bonds		4,361	3,388
Amortisation of intangible assets		707	-
Depreciation of plant and equipment		255	27
Loss on disposal of subsidiaries and jointly-controlled entities		-	27,676
Share of results of jointly-controlled entities		(49,203)	(23,147)
Changes in fair value of investment properties		(465,240)	469,231
Changes in fair value of financial derivatives		(7,204)	7,403
Impairment loss on loans and receivables		278	641
Interest income		(536)	(1,130)
Interest expense		55,645	50,328
		<hr/>	<hr/>
		281,980	232,816
Changes in working capital:			
Trade and other receivables		52,204	7,001
Trade and other payables		18,900	(57,202)
		<hr/>	<hr/>
Cash generated from operations		353,084	182,615
Income tax paid		(4,283)	(3,330)
		<hr/>	<hr/>
Net cash from operating activities		348,801	179,285
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	16	10,748	(65,720)
Acquisition of non-controlling interests		-	(10,146)
Development expenditure on investment properties		(136,611)	(113,665)
Disposal of investment properties		4,312	4,765
Disposal of subsidiaries, net of cash acquired		-	12,250
Purchase of plant and equipment		(401)	(5)
Acquisition of other investments		(69,118)	-
Interest income received		536	1,112
Dividends received from jointly-controlled entities		-	6,295
		<hr/>	<hr/>
Net cash used in investing activities		(190,534)	(165,114)

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

	Note	Nine-month period ended 31 December 2010 US\$'000	Nine-month period ended 31 December 2009 US\$'000
Cash flows from financing activities			
Proceeds from issue of shares		2,506,599	-
Capital contribution from non-controlling interests		3,818	-
(Repayment of)/Proceeds from loans and advances from immediate holding company		(428,386)	6,021
Proceeds from bank loans		252,177	156,210
Repayment of bank loans		(98,110)	(11,804)
Proceeds from issue of bonds		236,224	10,569
Redemption of bonds		(375,501)	(38,691)
Redemption of preferred shares issued by subsidiaries		(780,769)	(23,615)
Deposits pledged		-	7,250
Interest expense paid		(59,183)	(46,513)
Dividends paid		(123,557)	(4,808)
Net cash from financing activities		<u>1,133,312</u>	<u>54,619</u>
Net increase in cash and cash equivalents		1,291,579	68,790
Cash and cash equivalents at beginning of period		412,021	304,147
Effect of exchange rate changes on cash balances held in foreign currencies		49,989	20,084
Cash and cash equivalents at end of period		<u><u>1,753,589</u></u>	<u><u>393,021</u></u>

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

Notes to the unaudited interim consolidated financial statements

These notes form an integral part of the unaudited interim consolidated financial statements.

1 Summary of significant accounting policies

1.1 Corporation reorganisation

Transfer of entities under common control

On 27 September 2010, the Company entered into a master restructuring agreement, which include the acquisition of 100% interests in Japan Logistic Properties 1 Private Limited (“JLP 1”), Japan Logistic Properties 2 Pte. Ltd. (“JLP 2”) and Japan Logistic Properties 3 Pte. Ltd. (“JLP 3”) from Reco Platinum Pte Ltd (“Reco Platinum”), Reco Benefit Private Limited (“Reco Benefit”) and Reco Heir Private Limited (“Reco Heir”) respectively (the “Japan Reorganization”) and the 50% interests in Global Logistic Properties Holdings Limited (“GLPH”) from Reco Logistics Management Private Limited (“Reco Logistics”) (the “GLPH Reorganization”). The ultimate holding company of Reco Platinum, Reco Benefit, Reco Heir and Reco Logistics is GIC Realty.

The Japan Reorganization and the GLPH Reorganization are considered to be acquisitions of equity interests by entities under common control and therefore the entities acquired by the Group pursuant to these reorganisations have been accounted for in a manner similar to the pooling-of-interests method. Accordingly, the assets and liabilities of these entities have been included in the financial statements at their historical carrying amounts. Although the master restructuring agreement was entered into on 27 September 2010, the financial statements present the financial condition, results of operations and cash flows as if the reorganisations had occurred as of the beginning of the earliest period presented.

1.2 Basis of preparation

The unaudited interim consolidated financial statements of Global Logistic Properties Limited (the “Company”) and its subsidiaries (collectively, the “Group”) have been prepared on a condensed basis in accordance with the Singapore Financial Reporting Standards (“FRS”) 34 *Interim Financial Reporting*.

The unaudited interim consolidated financial statements, which do not include all of the information required for full annual financial statements, should be read in conjunction with the last issued financial statements of the Group as at and for the year ended 31 December 2010 and 2009, as set out on pages F-2 to F-53.

Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2010 and 2009.

Accounting for business combinations

From April 1, 2010, the Group has applied FRS 3 Business Combinations (2008) in accounting for business combinations. The change in accounting policy has been applied prospectively.

For acquisitions on or after April 1, 2010, the Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously-held equity interest in the acquiree) and the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests at fair value, or at their proportionate share of the recognised amount of the identifiable net assets of the acquiree, at the acquisition date.

Transaction costs, 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.

2 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

3 Investment properties

	31 December 2010 US\$'000	31 March 2010 US\$'000
At April 1	6,528,973	6,374,448
Additions	144,059	117,856
Disposals	(8,547)	(9,860)
Acquisition of subsidiaries	323	147,721
Borrowing cost capitalised	143	168
Development fees capitalised	8,637	5,609
Changes in fair value	(465,240)	(369,006)
Translation differences	788,897	262,037
	<u>7,927,725</u>	<u>6,528,973</u>
<i>Comprising:</i>		
Completed investment properties	7,372,482	6,187,031
Investment properties under re-development	121,389	33,191
Properties under development	247,218	79,834
Land held for development	186,636	228,917
	<u>7,927,725</u>	<u>6,528,973</u>

Investment properties are stated at fair value based on internal valuations or valuations performed by independent professional valuers. All of the properties were independently valued during the year. In determining fair value, a combination of approaches was used, including the direct comparison, income capitalisation and discounted cash flow approach. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The income capitalisation approach capitalizes an income stream into a present value using single-year capitalisation 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. 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.

Investment properties with carrying value totalling approximately US\$7,122,365,000 as at 31 December 2010 (31 March 2010: US\$5,807,046,000) were mortgaged to banks and bondholders to secure credit facilities for the Group (Note 11).

4 Jointly-controlled entities

	31 December 2010 US\$'000	31 March 2010 US\$'000
Interests in jointly-controlled entities	362,819	315,469
Capital commitments in relation to interests in jointly-controlled entities	7,165	7,165
Proportionate interest in jointly-controlled entities' commitments	3,720	153,993

See Note 18 for details of significant jointly-controlled entities.

5 Intangible assets

	31 December 2010 US\$'000	31 March 2010 US\$'000
Goodwill	369,560	-
Trademark	39,985	-
Non-competition	6,808	-
	416,353	-

6 Other investments

	31 December 2010 US\$'000	31 March 2010 US\$'000
Available-for-sale investments	70,281	-

7 Trade and other receivables

	31 December 2010 US\$'000	31 March 2010 US\$'000
Trade receivables	8,327	9,657
Impairment losses	(195)	(117)
Net trade receivables	8,132	9,540
Amounts due from related corporations:		
- trade	-	673
- non-trade (interest-free)	-	38
Loans to non-controlling interests	-	974
Amounts due from jointly-controlled entities		
- non-trade (interest-free)	2,175	-
Notes receivable from related corporations	-	30,615
	2,175	32,300
Deposits	27,190	50,089
Other receivables	4,750	3,702
Impairment losses	(83)	(530)
	4,667	3,172
Loans and receivables	42,164	95,101
Prepayments	23,510	8,126
	65,674	103,227

All non-trade balances are interest-free, unsecured and repayable on demand.

As at 31 December 2010, deposits include an amount of US\$27,050,000 (31 March 2010: US\$47,577,000) in relation to the acquisition of new investments. Other receivables comprise principally interest receivables and other recoverables.

The movement in the allowances for impairment in respect of trade and other receivables during the year was as follows:

	31 December 2010 US\$'000	31 March 2010 US\$'000
At beginning of period/year	647	523
Impairment loss recognised	278	124
Impairment loss utilised	(647)	-
At end of period/year	<u>278</u>	<u>647</u>

Based on historical default rates, the Group believes that, except for those recognised, no additional impairment loss is necessary in respect of trade and other receivables. These receivables relate to customers that have a good credit record with the Group.

8 Share capital

	31 December 2010 No. of shares '000	31 March 2010 No. of shares '000
Fully paid ordinary shares, with no par value:		
At 1 April	*	*
Sub-division of ordinary shares, via share split	366,071	-
Issue of ordinary shares during the period	4,140,619	-
At 31 December/31 March	<u>4,506,690</u>	<u>*</u>

* Less than 1,000 shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

9 Reserves

	31 December 2010 US\$'000	31 March 2010 US\$'000
Capital reserve	78,241	83,036
Fair value reserve	1,163	-
Currency translation reserve	390,396	142,255
Other reserve	(699,778)	1,040,102
Retained earnings	902,932	300,829
	<u>672,954</u>	<u>1,566,222</u>

Capital reserve comprises mainly capital contributions from the immediate holding company 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 utilisation is subject to approval by the relevant PRC authorities.

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and jointly-controlled entities.

Other reserve comprises the share capital of entities under common control that were acquired as part of the Japan Reorganization and GLPH Reorganization.

10 Non-controlling interests

	31 December 2010 US\$'000	31 March 2010 US\$'000
Preferred equity	-	697,856
Share of net assets of non-controlling shareholders	94,029	78,341
	<u>94,029</u>	<u>776,197</u>

Preferred equity relates to the preference shares issued by certain subsidiaries of JLP 1, JLP 2 and JLP 3, net of transaction costs and cumulative dividends payable to holders of these preference shares. On September 27, 2010, the Company entered into a master restructuring agreement to redeem the preferred equity and subscribe for new preferred equity in replacement, which was completed on October 14, 2010.

Share of net assets of non-controlling shareholders pertains to non-controlling shareholders of the Group's subsidiaries in the PRC.

11 Loans and borrowings

	31 December 2010 US\$'000	31 March 2010 US\$'000
Non-current liabilities		
Secured bank loans	400,915	304,549
Secured bonds	2,013,432	2,172,728
Unsecured bank loans	14,217	187,554
	<u>2,428,564</u>	<u>2,664,831</u>
Current liabilities		
Secured bank loans	128,876	35,605
Secured bonds	917,675	532,448
Unsecured bank loans	3,176	147,696
	<u>1,049,727</u>	<u>715,749</u>

(a) Bank loans

The secured bank loans are secured by mortgages on the borrowing subsidiaries' investment properties with a carrying amount of US\$1,262,185,000 (31 March 2010: US\$709,210,000) (Note 3).

The effective interest rates for bank borrowings (taking into account the effects of interest rate swaps) ranged from 1.10% to 6.14% (31 March 2010: 0.68% to 5.95%) per annum.

Maturity of bank loans:

	31 December 2010 US\$'000	31 March 2010 US\$'000
Within 1 year	132,052	183,301
From 1 to 5 years	301,484	408,865
After 5 years	113,648	83,238
	<hr/>	<hr/>
After 1 year	415,132	492,103
	<hr/>	<hr/>
	547,184	675,404

Analysis of bank loans by geographic regions:

	31 December 2010 US\$'000	31 March 2010 US\$'000
PRC	306,549	268,359
Japan	240,635	93,445
Singapore	-	313,600
	<hr/>	<hr/>
	547,184	675,404

(b) Details of secured bonds

The bonds are issued by certain subsidiaries in Japan and are fully secured by investment properties with carrying amounts of US\$5,860,180,000 (31 March 2010: US\$5,097,836,000) (Note 3) owned by these subsidiaries.

The effective interest rates for secured bonds (taking into account the effects of interest rate swaps) ranged from 1.02% to 2.67% (31 March 2010: 1.04% to 2.67%) per annum.

Maturity of secured bonds:

	31 December 2010 US\$'000	31 March 2010 US\$'000
Within 1 year	917,675	532,448
From 1 to 5 years	2,013,432	2,172,728
	<hr/>	<hr/>
	2,931,107	2,705,176

12 Trade and other payables

	31 December 2010 US\$'000	31 March 2010 US\$'000
Trade payables	83,525	70,589
Accruals	23,597	14,803
Advance rental received	36,517	32,058
Security deposits received	5,645	11,170
Amounts due to:		
- immediate holding company (non-trade)	-	599,004
- related corporations (trade)	-	5,889
- related corporations (non-trade)	-	563,425
- jointly-controlled entities (non-trade)	23,694	-
- non-controlling interests (trade)	676	-
- non-controlling interests (non-trade)	354	-
Dividends payable	13,811	64,810
Other payables	25,484	18,458
	<hr/>	<hr/>
	213,303	1,380,206

The non-trade amounts due to immediate holding company, related corporations and non-controlling interests are unsecured, interest-free and are repayable on demand. The amounts due to jointly-controlled entities are unsecured, interest-free and bear interest of 5.94% per annum.

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

13 Net finance costs

	Nine-month period ended 31 December 2010 US\$'000	Nine-month period ended 31 December 2009 US\$'000
Interest income on:		
- Fixed deposits	(381)	(339)
- Minority interests	(16)	(33)
- Others	(139)	(758)
Foreign exchange gain	(21,347)	(13,353)
Finance income	(21,883)	(14,483)
Amortisation of transaction costs of bonds	4,361	3,388
Interest expenses on:		
- Bonds	37,305	36,189
- Bank loans	16,393	13,852
- Loans from immediate holding company	1,601	-
- Other loans	489	453
Total borrowing costs	60,149	53,882
Less: Borrowing costs capitalised in investment properties	(143)	(166)
Net borrowing costs	60,006	53,716
Changes in fair value of financial derivatives	(7,204)	7,403
Net finance costs recognised in profit or loss	30,919	46,636

14 Profit/(Loss) before income tax

The following items have been included in arriving at profit/(loss) before income tax:

	Nine-month period ended 31 December 2010 US\$'000	Nine-month period ended 31 December 2009 US\$'000
Staff costs	(6,156)	(559)
Contributions to defined contribution plans, included in staff costs	(465)	(101)
Amortisation of intangible assets	(707)	-
Depreciation of plant and equipment	(255)	(27)
Loss on disposal of subsidiaries and jointly-controlled entities	-	(27,676)
Operating expenses arising from investment properties #	(74,533)	(74,898)
Impairment loss on trade and other receivables	(278)	(641)
Operating lease expense	(675)	(108)
Management fees:		
- Asset management	(11,916)	(24,538)
- Investment management	(2,879)	(2,502)
- Property management	(1,040)	(1,027)

#: include staff costs, asset and property management fees and property-related expenses

15 Earnings/(Loss) per share

The basic earnings/(loss) per share for the nine-month period ended 31 December 2010 and 2009 was based on the profit/(loss) attributable to ordinary shareholder of US\$656,826,000 and US\$(309,663,000) respectively and a weighted average number of ordinary shares outstanding of 1,743,357,000 and 2,496,993,000 respectively, calculated as follows:

	Nine-month period ended 31 December 2010 US\$'000	Nine-month period ended 31 December 2009 US\$'000
Profit/(Loss) attributable to ordinary Shareholders	656,826	(309,663)
Weighted average number of shares	Number of shares 31 December 2010 ('000)	Number of shares 31 December 2009 ('000)
Issued ordinary shares at April 1	*	*
Sub-division of ordinary shares, via share split	366,071	366,071
Issue of ordinary shares for the acquisition of entities under common control	2,130,922	1,377,286
Weighted average number of shares at 31 December	2,496,993	1,743,357

* *Comprising 2 ordinary shares*

The weighted average number of shares as at 31 December 2010 includes the actual shares issued to effect the acquisition of interests in common control entities pursuant to the Japan Reorganization and GLPH Reorganization.

The weighted average number of shares as at 31 December 2009 includes the estimated shares issued to effect the acquisition of interests in common control entities pursuant to the Japan Reorganization and GLPH Reorganization, on the basis that the transfers had taken effect as of the beginning of the earliest period presented.

There were no potential dilutive ordinary shares in existence for the periods ended 31 December 2010 and 2009.

16 Notes to the consolidated statements of cash flows

(a) Acquisition of subsidiaries

(i) The list of subsidiaries acquired during the period ended 31 December 2010 is as follows:

Name of subsidiaries	Date acquired	Equity interest acquired %
Vailog (Kunshan) Storage Co., Ltd.	April 2010	90
Shanghai Weiluo Storage Services Co., Ltd.	April 2010	90
Global Logistic Properties Holdings Limited	October 2010	100

Effects of acquisitions

The cash flow and the net assets of subsidiaries acquired during the period ended 31 December 2010 are provided below:

	Recognised values on acquisition US\$'000
Investment properties	323
Intangible assets	47,500
Deferred tax assets	1,316
Other assets	85,292
Plant and equipment	2,803
Trade and other receivables	18,106
Cash and cash equivalents	16,442
Trade and other payables	(38,097)
Current tax payable	(1,345)
Other non-current liabilities	(85,573)
Minority interests	(633)
Net assets acquired	46,134
Goodwill on acquisition of subsidiaries	369,560
Purchase consideration	(415,694)
Purchase consideration, satisfied in shares	(410,000)
Purchase consideration, satisfied in cash	(5,694)
Cash of subsidiaries acquired	16,442
Cash inflow on acquisition of subsidiaries	10,748

The total related acquisition costs for the above-mentioned subsidiaries amounted to US\$415,694,000. From the dates of acquisitions to 31 December 2010, the above-mentioned acquisitions contributed net gain of US\$1,601,000 to the Group's results for the nine-month period, before accounting for financing costs attributable to the acquisitions. If the acquisitions have occurred on April 1, 2010, management estimates that consolidated revenue would have been US\$350,989,000 and consolidated gain for the nine-month period would have been US\$676,624,000.

- (ii) The list of subsidiaries acquired during the period ended 31 December 2009 is as follows:

Name of subsidiaries	Date acquired	Equity interest acquired %
Misato Two Pte Ltd	April 2009	100
Misato Two Logistics SPC	April 2009	100
GLP Guangzhou Warehousing Co., Ltd	April 2009	100

Effects of acquisitions

The cash flow and the net assets of subsidiaries acquired during the period ended 31 December 2009 are provided below:

	Recognised values on acquisition US\$'000
Investment properties	147,721
Trade and other receivables	4,115
Cash and cash equivalents	1,810
Trade and other payables	(3,862)
Loans and borrowings	(42,567)
Deferred tax liabilities	(2,275)
Minority interests	(37,412)
Net assets acquired	<u>67,530</u>
Purchase consideration, satisfied in cash	(67,530)
Cash of subsidiaries acquired	<u>1,810</u>
Cash outflow on acquisition of subsidiaries	<u><u>(65,720)</u></u>

The total related acquisition costs for the above-mentioned subsidiaries amounted to US\$67,530,000. From the dates of acquisitions to 31 December 2009, the above-mentioned acquisitions contributed net profit of US\$14,965,000 to the Group's results for the period, before accounting for financing costs attributable to the acquisitions. If the acquisitions have occurred on April 1, 2009, management estimates that consolidated revenue would have been US\$307,403,000 and consolidated loss for the three-month period would have been US\$304,390,000.

17 Operating segments

The Group has two reportable segments, representing its operations in Japan and China, which are managed separately due to the different geographical locations. The Group's Chief Operating Decision Maker reviews internal management reports on these segments on a quarterly basis, at a minimum, for strategic decisions making, performance assessment and resources allocation purposes.

Performance of each reportable segment is measured based on segment revenue and segment earnings before interest and income tax, and excluding changes in fair value of investment properties of subsidiaries and share of changes in fair value of investment properties (net of income tax) held by jointly controlled entities ("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 logistic 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.

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

Information about reportable segments

	----- PRC -----		----- Japan -----		----- Others -----		----- Total -----	
	31 December 2010 US\$'000	31 December 2009 US\$'000	31 December 2010 US\$'000	31 December 2009 US\$'000	31 December 2010 US\$'000	31 December 2009 US\$'000	31 December 2010 US\$'000	31 December 2009 US\$'000
<i>Revenue and expenses</i>								
External revenue	62,165	44,217	287,266	262,909	-	-	349,431	307,126
Inter-segment revenue	7,616	-	3,792	-	2,090	-	13,498	-
EBIT excluding revaluation	40,784	(6,552)	261,398	209,429	(4,616)	480	297,566	203,357
Changes in fair value of investment properties	156,024	(939)	309,216	(468,292)	-	-	465,240	(469,231)
Share of changes in fair value of investment properties (net of income tax) held by jointly-controlled entities	35,221	13,471	-	-	-	-	35,221	13,471
EBIT	232,029	5,980	570,614	(258,863)	(4,616)	480	798,027	(252,403)
Net interest expense	(12,579)	(6,917)	(39,580)	(37,701)	(2,951)	(4,580)	(55,110)	(49,198)
Profit/(loss) before tax	219,450	(937)	531,034	(296,564)	(7,567)	(4,100)	742,917	(301,601)
Income tax expense	(46,595)	(7,283)	(22,693)	17,348	-	-	(69,288)	10,065
Profit/(loss) after tax	172,855	(8,220)	508,341	(279,216)	(7,567)	(4,100)	673,629	(291,536)

	----- PRC -----		----- Japan -----		----- Others -----		----- Total -----	
	31 December 2010 US\$'000	31 March 2010 US\$'000	31 December 2010 US\$'000	31 March 2010 US\$'000	31 December 2010 US\$'000	31 March 2010 US\$'000	31 December 2010 US\$'000	31 March 2010 US\$'000
<i>Other information</i>								
Depreciation and amortisation	(680)	(27)	(4,642)	(3,388)	-	-	(5,322)	(3,415)
Capital expenditure*	153,463	77,018	5,297	72,776	-	-	158,760	149,794
<i>Assets and liabilities</i>								
Investment properties	1,614,564	1,269,533	6,313,161	5,259,440	-	-	7,927,725	6,528,973
Jointly-controlled entities	362,819	325,838	-	822		(11,191)	362,819	315,469
Other segment assets	709,094	222,201	569,904	330,738	1,067,142	-	2,346,140	552,939
Reportable segment assets	2,686,477	1,817,572	6,883,065	5,591,000	1,067,142	(11,191)	10,636,684	7,397,381
Loans and borrowings	(306,549)	(268,359)	(3,171,742)	(2,798,621)	-	(313,600)	(3,478,291)	(3,380,580)
Other segment liabilities	(266,693)	(171,287)	(327,483)	(903,614)	(4,807)	(599,481)	(598,983)	(1,674,382)
Reportable segment liabilities	(573,242)	(439,646)	(3,499,225)	(3,702,235)	(4,807)	(913,081)	(4,077,274)	(5,054,962)

* Capital expenditure includes acquisition and development expenditure of investment properties, acquisition of plant and equipment and interests in subsidiaries and jointly controlled entities.

18 Significant investments

The following are the Group's significant investments:

<u>Direct/ Indirect Jointly- controlled Entities/ Subsidiaries of the Group</u>	<u>Principal activities</u>	<u>Country of incorporation and place of business</u>	<u>Effective interest held by the Group</u>	
			<u>31 December 2010 %</u>	<u>31 December 2009 %</u>
Japan Logistic Properties 1 Private Limited and its subsidiaries:	Investment holding	Japan	100	100
Shinkiba Logistics SPC	Property investment	Japan	100	100
Urayasa Logistics SPC	Property investment	Japan	100	100
Shinsuna Logistics SPC	Property investment	Japan	100	100
Tatsumi Logistics SPC	Property investment	Japan	100	100
Narita Logistics SPC	Property investment	Japan	100	100
Tokyo Logistics SPC	Property investment	Japan	100	100
Urayasu Two Logistics SPC	Property investment	Japan	100	100
Tokai Logistics SPC	Property investment	Japan	100	100
Fukusaki Logistics SPC	Property investment	Japan	100	100
Narashino Logistics SPC	Property investment	Japan	100	100
Hachioji Logistics SPC	Property investment	Japan	100	100
Kazo Logistics SPC	Property investment	Japan	100	100
Funabashi Logistics SPC	Property investment	Japan	100	100
Osaka Logistics SPC	Property investment	Japan	100	100
Yokohama Logistics SPC	Property investment	Japan	100	100
Kasukabe Logistics SPC	Property investment	Japan	100	100
GLP Urayasu Two YK	Property management	Japan	100	100
Japan Logistic Properties 2 Pte Ltd and its subsidiaries:	Investment holding	Japan	100	100
Amagasaki Logistic SPC	Property investment	Japan	100	100
Amagasaki Two Logistic SPC	Property investment	Japan	100	100
Sakai Logistic SPC	Property investment	Japan	100	100
Cosmos SPC	Property investment	Japan	100	100
Atsugi SPC	Property investment	Japan	100	100
Fukaehama Logistic SPC	Property investment	Japan	100	100
Funabashi Two Logistic SPC	Property investment	Japan	100	100
Hayashima Two Logistic SPC	Property investment	Japan	100	100
Hirakata Logistic SPC	Property investment	Japan	100	100
Hirakata Two Logistic SPC	Property investment	Japan	100	100
Seishin Logistic SPC	Property investment	Japan	100	100
Koshigaya Two Logistic SPC	Property investment	Japan	100	100
Maishima One Logistic SPC	Property investment	Japan	100	100
Maishima Two Logistic SPC	Property investment	Japan	100	100
Narashino Two Logistic SPC	Property investment	Japan	100	100
Narita Two Logistic SPC	Property investment	Japan	100	100
Hayashima Logistic SPC	Property investment	Japan	100	100
Okegawa Logistic SPC	Property investment	Japan	100	100
Misato Logistic SPC	Property investment	Japan	100	100
Sendai Logistic SPC	Property investment	Japan	100	100
Sugito Logistic SPC	Property investment	Japan	100	100
Tokyo Two Logistic SPC	Property investment	Japan	100	100
Tomiya Logistic SPC	Property investment	Japan	100	100
Tomisato Logistic SPC	Property investment	Japan	100	100
Urayasu Three Logistic SPC	Property investment	Japan	100	100
Sugito Two Logistic SPC	Property investment	Japan	100	100
Tosu One Logistic SPC	Property investment	Japan	100	100

Direct/ Indirect Jointly-controlled Entities/ Subsidiaries of the Group	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			31 December 2010 %	31 December 2009 %
Japan Logistic Properties 2 Pte Ltd (cont'd)				
Tsumori Logistic SPC	Property investment	Japan	100	100
Iwatsuki SPC	Property investment	Japan	100	100
Komaki Logistic SPC	Property investment	Japan	100	100
Koriyama One Logistic SPC	Property investment	Japan	100	100
Kiyama Logistic SPC	Property investment	Japan	100	100
Akishima Logistic SPC	Property investment	Japan	100	100
Yachiyo Logistic SPC	Property investment	Japan	100	100
Hakozaki Logistic SPC	Property investment	Japan	100	100
Tosu Five Logistic SPC	Property investment	Japan	100	100
Koshigaya Three Logistic SPC	Property investment	Japan	100	100
Misato Two Logistic SPC	Property investment	Japan	100	100
Japan Logistic Properties 3 Pte Ltd and its subsidiaries:				
Azalea SPC	Property investment	Japan	100	100
CLH Limited and its jointly-controlled entities/ subsidiaries:				
GLP Pujin Development Co., Ltd	Property investment	PRC	100	100
Zhongbao Logistics Co., Ltd	Property investment	PRC	100	100
Shanghai GLP Chapu Development Co., Ltd.	Property investment	PRC	100	100
GLP Puyun Warehousing Services Co., Ltd.	Property investment	PRC	100	100
GLP Guangzhou Bonded Development Co., Ltd.	Property investment	PRC	100	100
GLP Beijing Airport Logistics Development Co., Ltd	Property investment	PRC	100	100
GLP Foshan Logistics Co., Ltd	Property investment	PRC	100	100
GLP Hangzhou Logistics Development Co., Ltd.	Property investment	PRC	100	100
GLP Shanghai Jiading Development Co., Ltd.	Property investment	PRC	100	100
GLP Beijing Majuqiao Logistics Development Co., Ltd.	Property investment	PRC	100	100
GLP Songjiang Development Co., Ltd.	Property investment	PRC	100	100
Shanghai Minhang GLP Development Co., Ltd.	Property investment	PRC	100	100
GLP (Qingdao) Airport International Logistics Development Co., Ltd.	Property investment	PRC	100	100
GLP (Qingdao) Qianwan Harbor International Logistics Development Co., Ltd.	Property investment	PRC	100	100

Direct/ Indirect Jointly-controlled Entities/ Subsidiaries of the Group	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			31 December 2010 %	31 December 2009 %
CLH Limited (cont'd)				
GLP (Qingdao) JiaoNan International Logistics Development Co., Ltd.	Property investment	PRC	100	100
GLP Nanjing Jiangning Development Co., Ltd.	Property investment	PRC	100	100
GLP (Guangzhou) Baopu Development Co., Ltd.	Property investment	PRC	100	100
GLP Jiaxing Development Co., Ltd.	Property investment	PRC	100	100
GLP Chongqing Development Co., Ltd.	Property investment	PRC	100	100
GLP Wuxi Logistics Development Co., Ltd.	Property investment	PRC	100	100
GLP Fengmin Development Co., Ltd.	Property investment	PRC	100	100
GLP (Tianjin) Industry Development Co., Ltd.	Property investment	PRC	100	100
GLP Chenghua Development Co., Ltd.	Property investment	PRC	100	100
GLP Changsha Development Co., Ltd.	Property investment	PRC	100	100
GLP Fengjia Development Co., Ltd.	Property investment	PRC	100	100
GLP Fengsong Development Co., Ltd.	Property investment	PRC	100	100
Ningbo Gangrui Warehousing Co., Ltd.	Property investment	PRC	100	100
Ningbo Haichuang Logistics Co., Ltd.	Property investment	PRC	100	100
GLP Xujing Logistics Co., Ltd.	Property investment	PRC	100	100
Pushun Logistics Park Development Co., Ltd.	Property investment	PRC	100	100
Qingdao Shuangyi Logistics Co., Ltd.	Property investment	PRC	100	100
Tianjin Puqing Logistics Co., Ltd.	Property investment	PRC	100	100
GLP (Ningbo Beilun) Warehousing Co., Ltd.	Property investment	PRC	100	100
GLP Jiashan Pujia Logistics Co., Ltd.	Property investment	PRC	100	100
GLP Pumin Logistics Co., Ltd.	Property investment	PRC	100	100
GLP Taicang Logistics Co., Ltd.	Property investment	PRC	100	100
GLP Chengdu Hi-Tech Co., Ltd.	Property investment	PRC	100	100
GLP Pujiang Logistics Co., Ltd.	Property investment	PRC	100	100
Shanghai Puchuan Logistics Co., Ltd.	Property investment	PRC	100	100
GLP Wanqing Logistics Co., Ltd.	Property investment	PRC	100	100
Jiangsu Beisheng Technology Co., Ltd.	Property investment	PRC	100	100
GLP Luoxin Logistics Co., Ltd.	Property investment	PRC	100	100

<u>Direct/ Indirect Jointly- controlled Entities/ Subsidiaries of the Group</u>	<u>Principal activities</u>	<u>Country of incorporation and place of business</u>	<u>Effective interest held by the Group</u>	
			<u>31 December 2010 %</u>	<u>31 December 2009 %</u>
CLH Limited (cont'd)				
Beijing Jingcai Warehousing Co., Ltd.	Property investment	PRC	- ¹	100
GLP Laogang Development Co., Ltd.	Property investment	PRC	100	100
GLP Guangzhou Warehousing Co., Ltd.	Property investment	PRC	100	100
Kunshan GLP Dianshanhu Logistics Co., Ltd.	Property investment	PRC	100	100
GLP Zhongshan Logistic Facilities Co., Ltd.	Property investment	PRC	100 ⁵	-
GLP Kunshan Puxing Logistics Development Co., Ltd.	Property investment	PRC	100 ⁵	-
GLP Puting Logistics Co., Ltd.	Property investment	PRC	100	100
Shenyang Punan Warehousing Co., Ltd.	Property investment	PRC	100 ⁵	-
High-Tech Base (Shanghai) Machinery Co., Ltd.	Property investment	PRC	100	100
GLP Tianjin Development Co., Ltd.	Property investment	PRC	80	80
Beijing City Power Warehousing Co., Ltd.	Property investment	PRC	60 ⁴	70
Zhuhai GLP – Gree Logistics Development Co., Ltd.	Property investment	PRC	70	70
Dalian GLP – Jifa Development Co., Ltd.	Property investment	PRC	60	60
Shen Yang GLP Jifa Logistics Development Co., Ltd.	Property investment	PRC	60	60
SZITIC Shenzhen Commercial Property Co., Ltd.	Property investment	PRC	51	51
GLP Kunshan Puqiao Logistics Co., Ltd	Property investment	PRC	- ¹	100
Vailog (Kunshan) Storage Co., Ltd.	Property investment	PRC	90 ²	-
Shanghai Weiluo Storage Services Co., Ltd.	Property investment	PRC	90 ²	-
GLP Suzhou Development Co., Ltd.	Property investment	PRC	50 ³	50 ³
Shanghai Lingang GLP International Logistics Development Co., Ltd.	Property investment	PRC	50 ³	50 ³
Shanghai Lingang GLP Warehousing & Logistics Development Co., Ltd.	Property investment	PRC	50 ³	50 ³
Suzhou GLP Wangting Development Co., Ltd.	Property investment	PRC	50 ³	50 ³
Suzhou Industrial Park Genway Factory Building Industrial Development Co., Ltd	Property investment	PRC	50 ³	50 ³
Suzhou Industrial Park Sucai Property Co., Ltd	Property investment	PRC	50 ³	50 ³
Suzhou Industrial Park Genway Factory Property Management Co., Ltd	Property investment	PRC	50 ³	50 ³

Direct/ Indirect Jointly-controlled Entities/ Subsidiaries of the Group	Principal activities	Country of incorporation and place of business	Effective interest held by the Group	
			31 December 2010 %	31 December 2009 %
Global Logistic Properties Holdings Limited and its subsidiaries:	Investment holding and property management	Cayman Islands	100 ²	50 ³
Global Logistic Properties Investment Management (China) Co., Ltd	Property management	PRC	100 ²	50 ³
Global Logistic Properties Inc.	Property management	Japan	100 ²	50 ³
Global Logistic Properties Suzhou Share Service Co., Ltd.	Property management	PRC	100 ²	50 ³

Note:

- 1 Liquidated during the nine-month period ended 31 December 2010.
- 2 Acquired during the nine-month period ended 31 December 2010.
- 3 Jointly-controlled entities of the Group, and thus, equity-accounted by the Group during the nine-month periods ended 31 December 2010 or 2009.
- 4 Share holding percentage changed during the nine-month period ended 31 December 2010.
- 5 Incorporated during the nine-month period ended 31 December 2010.

19 Subsequent events

On 4 January 2011, the Group entered into a sale and purchase agreement (the “Agreement”) with Prosper Line Investments Limited, Great Ocean Overseas Holdings Limited and Mr Shum Tung (collectively, the “Vendors”) to acquire approximately 53% aggregate equity interest in Airport City Development Co., Ltd. (“ACL”) for a total consideration of approximately RMB2,483 million (equivalent to approximately US\$375 million) (the “Consideration”). The Consideration includes an amount of approximately RMB592 million (equivalent to approximately US\$89 million) which represents the proportionate share of the net proceeds received by ACL for disposal of one of its subsidiaries which is not engaged in the core business of the Group of provision of logistic services (the “Disposal”). The Disposal occurred prior to the completion of the Agreement and the parties agreed that this amount should be paid to the Vendors in cash at closing of the transaction.

The Consideration also includes a deferred consideration of approximately RMB488 million (equivalent to approximately US\$74 million) which primarily represents the proportionate share of the expected net sales proceeds in respect of certain properties for which ACL has committed to dispose to third parties upon closing of the transaction (the “Deferred Consideration”).

Arising from the above, the Consideration paid at closing of the transaction was RMB1,995 million (equivalent to approximately US\$301 million), comprising RMB1,403 million (equivalent to approximately US\$212 million), being the net value of the properties acquired by the Group and net proceeds from the Disposal of RMB492 million (equivalent to approximately US\$153 million); of which RMB982 million (equivalent to approximately US\$148 million) will be payable by the allotment and issuance of the Company’s new ordinary shares and RMB1,013 million (equivalent to approximately US\$153 million) will be payable in cash.

On 12 January 2011, 88,905,000 new ordinary shares was issued and allotted as consideration shares.

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